

UNIVERSITY GRANTS COMMISSION

SRI LANKA

THIRTY FIFTH ANNUAL REPORT

2013

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UNIVERSITY GRANTS COMMISSION

Introduction

The University Grants Commission (UGC) which functions as the apex body of the state university system in Sri Lanka was established on 22nd December 1978 under the Universities Act No. 16 of 1978. The functions of the UGC are; planning and coordination of university education, allocation of funds to Higher Educational Institutions (HEIs), maintenance of academic standards, regulation of the administration of HEIs and regulation of admission of students to HEIs.

Vision of the UGC

Sri Lanka to be the knowledge hub in the region and a leader in higher education in Asia by 2020

Mission of the UGC

To guide, establish and develop through good governance and management a sustainable, widely acclaimed and accessible higher education system dedicated to quality teaching learning, high impact research, innovative enterprise, constructive community engagement, peace & harmony and strategic international cooperation in line with national development

Review of the Performance by the Chairperson

Universities Act No.16 of 1978 made provision for the establishment of a University Grants Commission (UGC) at the apex level for guidance and co-ordination of functions of the University System in Sri Lanka. UGC has the main responsibility for planning and coordination of university education, allocation of funds to Universities /Higher Educational Institutions (HEIs), maintenance of academic standards, regulation of the administration of HEIs, regulation of admission of students to HEIs and assist in progress and development of all institutions coming under its purview.

This Annual Report reviews the activities carried out by the UGC during the year 2013. Key highlights and achievements during the year 2013 encapsulates the areas of Admission of Students to Universities, Academic & Research Development, Student Affairs, Staff Development, Infrastructure Development, Information Technology (IT) Development, Quality Assurance, Financial Administration & Management, and Academic Cooperation & Research Collaboration with foreign universities.

Admission of Students to Universities / HEIs

Since the selection criteria was challenged by students in the Court of Law, admission of students who sat the G.C.E. (A/L) Examination under two syllabi, held in August 2011 was delayed until the end of the year 2012 and admission was taken place only in early 2013 in accordance with the directives given by the Supreme Court in the Fundamental Rights Case No 29/2012 & No 418/2012. In addition, selections for the university admission for the Academic Year 2012/2013 based on the results of GCE (A/L) Examination held in August 2012 too were carried out during 2013.

Thereby, the year 2013 was very significant with regard to university admission as the University Grants Commission had to select two batches of students for university admission based on the results of the G.C.E. (A/L) Examination held in August 2011 and the G.C.E. (A/L) Examination held in August 2012.

A total of 141,411 candidates were eligible to apply for university admission for the Academic Year 2011/2012 and 28,908 were offered admission to Higher Educational Institutions under normal & special provisions. In comparison to the previous academic year this is an increase of 6,892 students under normal & special provisions. Major increases were shown in the fields of vocational oriented courses such as Information Technology, Applied Sciences, and Management Studies.

A total of 144,816 candidates were eligible to apply for university admission for the Academic Year 2012/2013. Of them, 22,943 were offered admission to Higher Educational Institutions under normal provisions, based on the criteria adopted for that year. However, selection of students for admission under special provisions for the Academic Year 2012 / 2013 was not finalized as at end of the year 2013.

Academic & Research Development

During the period under review, 12 undergraduate degree programmes were introduced into the system compared to 01 programme introduced last year. One important step taken by the UGC in this regard is to introduce a model curriculum for special degree programme in Translation Studies in order to address the dearth of the qualified graduates in the field of

translation which will be started in three universities i.e University of Kelaniya, University of Jaffna and Sabaragamuwa University of Sri Lanka. Also 28 new postgraduate degree programmes were approved in order to enhance opportunities for higher/further education, by following a proper screening and revised mechanism for granting approval which would not take more than 3 months, compared to 6 programmes approved during the previous year.

A new Standing Committee on Technology Stream was established by the UGC in accordance with the provisions made in the Universities Act in order to advise the Commission with regard to Technological subjects for admission to Technological Science courses to be introduced in the university system. This was necessary to cater to the demand of prospective candidates who offer Technological Subjects at the G.C.E (A/L) Examination under the newly introduced Technology Subject stream by the Ministry of Education. It is proposed to admit first batch of students, a minimum number of 1,500 students in the technology stream to universities in 2016, based on 2015 G.C.E (A/L) Examination results.

As a part of commitment of the UGC to promote research culture in HEIs a new grant scheme jointly with the Ministry of Higher Education was initiated with a view to promoting innovative research relevant to regional and national development. While additional funds were allocated for this purpose to the tune of Rs. 53 Mn, a Research Advisory Committee too was established in the UGC in order to set benchmarks and maintain high standards in research. Initiatives were also taken to promote and facilitate academic cooperation and research collaboration with foreign universities. Several Memoranda of Understanding were signed with such foreign universities and research collaboration with Jain University, India under which several activities has already been commenced is noteworthy.

Several National/International Level Conferences were conducted by UGC on matters of national importance with the presence of His Excellency the President and other eminent scholars and personalities in various fields, during the year.

Some other workshops were arranged by Standing Committees of the UGC with the assistance of HETC project and other government and non-government organizations such as Association of Southeast Asian Institutions of Higher Learning, Petroleum Resource Development Secretariat and John Keels Company, Mike Flora (Pvt.) Ltd etc. with a view to identify policy issues, opportunities and institutional, technological, infrastructural constraints in those fields for development and to identify high priority research concerns such as chronic kidney disease, to develop synergistic partnerships between academia and relevant public and private sector institutions.

Student Affairs

With a view to urge students to cooperate and contribute towards making it possible for the state universities to play their mandatory role and contribute to preserve and sustain the core values and principles of the institution, a University Student Charter was issued by the Commission in 2013.

In June 2013, an all university Cultural Festival was organized by the University Grants Commission in collaboration with the Ministry of Higher Education and HETC Project under the project launched by UGC to facilitate harmony among students of all communities. Also, under this project an Advisory Committee and a Steering Committee on “University Harmony” too have been set up in the University Grants Commission with religious dignitaries and eminent personalities of the Civil Society as members of those Committees.

During the year under review, the Commission also decided that "Peace Studies" should be a compulsory course module in all degree programmes and Universities/HEIs have been informed accordingly to make suitable arrangements.

While total number of Mahapola recipients stood at 39,471, there were also 28,983 bursary recipients and 55 Endowed/Other Scholarship recipients during the year. As a percentage there is a 24% increase in the number of bursary holders compared to previous year while corresponding increase in the number of Mahapola recipients is only 19%.

Staff Development

In 2013, a total of 613 new cadre posts were approved by the Treasury, with which the total approved cadre of the University system increased to 21,656. Out of 613 new cadre posts approved, 218 posts were for academic cadres.

During the year under review, an extensive "Induction Training Program for Administrative & Financial Officers in university service" was commenced in May 2013, which is designed for all new recruits to the administrative and financial officer grades. It was conducted in 3 training sessions spread over 3 consecutive months (one week per month). Training manuals for the same were prepared by experts in the relevant fields.

Apart from that, all fifteen Staff Development Centres (SDCs) regularly conduct induction training programmes for Academic Staff and short term training programs, workshops, outbound training etc. for all categories of staff including Academic, Administrative, Financial, Executive, Technical, Non-Academic, Clerical, Minor categories.

In 2013, UGC allocated approximately Rs. 50 Mn and apportioned Rs.30 Mn for the SDCs, i.e. 2 Mn for each SDC in order to continue the activities/ programmes already initiated with first two rounds of funds and to design and initiate new staff development programmes.

Also, in keeping with the UGC policy, with a broad goal of attaining excellence in academic governance and delivery, financial assistance amounting to Rs 35 Mn was awarded under new Postgraduate Research Award Scheme for the purpose of reading for Master's and Doctoral degree programmes in Sri Lanka or any other country, enabling to undertake postgraduate research addressing regional needs and issues, thereby promoting regional development in line with the national policy. In addition, Rs. 8.8 Mn worth of grants were given to academics under local research grants scheme to obtain Postgraduate qualifications. Apart from that Rs. 6.8 Mn were granted by way of air passage for academic staff in Universities/HEIs to proceed abroad to obtain postgraduate qualifications.

Infrastructure Development

After various restrictions imposed by the Treasury, the universities and HEIs were able to receive only about Rs. 5,590 Mn by the end of the year compared to Rs. 5,504 Mn in 2012, which was mainly allocated for new construction & continuation projects, rehabilitation projects, acquisitions and infrastructure development projects including capacity building of students in 2013. During the year, the Commission approved 39 new construction projects, after careful scrutiny and evaluation. There were 26 projects physically commenced in 2013 and 48 construction projects in progress at different levels in the design and construction process within the university system amounting to Rs. 10,201.92 Mn, while 13 projects (par

with last year) which bear a total Estimated Cost of Rs. 1,551.5 Mn were completed and handed over to the university system.

In addition, Cabinet approval was granted for construction of 30 hostels amounting to Rs. 13,860 Mn in the university system under the Expeditious Project to Construct Hostels in 2013.

Information Technology (IT) Development

In the year 2013, Rs. 11.397 Mn (approx) in comparison to Rs. 50 Mn in the previous year was allocated for the improvement and strengthening of IT facilities in the university system.

Quality Assurance Accreditation

While a manual for Internal Quality Assurance was prepared with the view of strengthening Internal Quality Assurance activities in universities, 3 workshops were conducted under accreditation programme to initiate the accreditation process and the preparation of the accreditation manual to assist in accrediting all higher educational institutions (public & private) and programmes in the country.

QAA Council was able to obtain International Award for the "Web Based Monitoring and Evaluation System for External Quality Assessment" in the category of Innovations in Quality Assurance among a competition of 46 submissions and recognised as the 1st Accredited QA Agency at the Asia Pacific Quality Network (APQN) Annual Conference 2013 which was held in Taipei, Taiwan.

Financial Administration and Management

As estimated by the University Grants Commission a total of Rs. 36,107 Mn was requested for the year 2013 and the Treasury had initially approved Rs.26,841 Mn for both Recurrent and Capital expenditure.

During the year a supplementary allocation for recurrent & capital of Rs. 1,192 Mn & Rs. 1,159 Mn was approved respectively to finance the cost to be incurred due to additional intake. Compared to previous year, in 2013 allocation for both recurrent grant and capital grants has increased by 24% & 47% respectively. Capital grants have increased in higher percentage due to the infrastructure development requirement in the university system with the additional intake.

The Audit Committee of the UGC met on 4 occasions during 2013 and Audit Action & Monitoring Committee has examined the matters pertaining to 15 universities and 18 HEIs to assist in improving financial management through good governance and management practices introduced by the Treasury.

During the year under review, 14 Commission Circulars and 20 Establishment Circulars were issued as the supreme advisory and regulatory body of higher education, in order to ensure smooth functioning of the UGC and Higher Educational Institutions in the forthcoming years.

1. UGC MANAGEMENT

Chairman, Vice-Chairman and Members of the Commission are as follows;

Chairman

Prof S V D G Samaranayake (up to 31.01.2013)
BA (Peradeniya), MA (Peradeniya), Ph.D.(St Andrews – Scotland)
Senior Professor of Political Science, University of Peradeniya

Prof (Mrs) K Hirimburegama (from 01.02.2013)
BSc (Hons) - Colombo, M.Phil, PhD (Leuven)
Senior Professor of Plant Sciences, University of Colombo

Vice-Chairman

Prof Ranjith Senaratne
BSc, MPhil, PhD (Vienna), PhD h.c.(Durham)
Senior Professor of Crop Science, University of Ruhuna

Members

Prof H Abeygunawardena
BSc (Peradeniya), MSc & PhD (Illinois, USA)
Senior Professor in Farm Animal Production & Health, University of Peradeniya

Prof S Mohanadas
BSc (Hons) - Colombo, Ph.D. (Adelaide), F.I.Chem, C.Chem.
Retd.Vice-Chancellor, University of Jaffna

Prof Malkanthi Chandrasekera
BDS (Cey), PhD (Newcastle UK)
Senior Professor of Anatomy, University of Ruhuna

Mr Vijaya Malalasekara
MA (Cantab), Barrister at Law (Inner Temple) Attorney at Law

Prof Sampath Amaratunga
BA Economics (Special) (SJP), MA Economics (Colombo), MSc Economics of Rural Development (Saga), PhD (Kagoshima)
Professor in Business Economics, University of Sri Jayawardenepura

Representative of the Treasury

Mr P A Abeysekera SLAS-Class I, (up to 28.02.2013)
BA (Cey.) (Peradeniya), Certificate-Public Administration (SLIDA)
Dip. In Rural Development –NIRD (India)
Deputy Secretary to the Treasury

Ms Pushpa Wellappili (01.03.2013 to 04.05.2013)
B.Sc.(Hons), LLB, LLM
Deputy Secretary to the Treasury

Mr S R Attygalle (from 09.05.2013)
B.Sc.(Hons) -Colombo, M.Sc.Economics (University of Warwick Coventry) UK
Deputy Secretary to the Treasury

Secretary

Mr K G T L Nandasena
B.Com (Special) - Vidyodaya, MBA(SJP)

2. UNIVERSITY MANAGEMENT

2.1 University of Colombo

Chancellor
His Grace the Arch Bishop Most Rev. Oswald Gomis, Emeritus Archbishop

Vice-Chancellor
Prof Kshanika Hirimburegama (upto 31.01.2013)
Prof T R Ariyaratne (Acting) (01.02.2013 to 21.05.2013)
Dr W K Hirimburegama (from 22.05.2013)

Deputy Vice-Chancellor
Prof Premakumara De Silva (from 31.01.2013)

Registrar
Mr T L R Silva (Acting) (01.01.2013 to 31.01.2013)
Mr K A S Edward (from 01.02.2013)

2.2 University of Peradeniya

Chancellor
Prof P W Epasinghe

Vice-Chancellor
Prof A Senaratne

Deputy Vice-Chancellor
Prof H M S K Hennayake

Registrar
Dr M N Jayawardena

2.3 University of Kelaniya

Chancellor
The Most Ven. Welamitiyawe Dharmakirthi Sri Kusaladhamma Thero

Vice-Chancellor
Prof Sarath Amunugama

Registrar
Mr W M Karunaratne

2.4 University of Sri Jayewardenepura

Chancellor
Ven. Prof Bellanwila Wimalarathana Thero

Vice-Chancellor
Dr N L A Karunaratne

Registrar
Mr K G Britto

2.5 University of Moratuwa

Chancellor
Deshamanya Dr S Roland Silva (upto 07.04.2013)
Prof K K Y W Perera (from 08.04.2013)

Vice-Chancellor
Prof A K W Jayawardane

Deputy Vice-Chancellor
Prof R A Attalage

Registrar
Mr A L Joufer Sadique (01.01.2013 to 02.06.2013)
Mrs W L V Jayasena (Acting) (03.06.2013 to 31.12.2013)

2.6 University of Jaffna

Chancellor
Prof M Sivasuriya

Vice-Chancellor
Prof (Mrs) Vasanthy Arasaratnam

Registrar
Mr V Kandeepan

2.7 University of Ruhuna

Chancellor
Most Venerable Rajakeeya Panditha Pallaththara Sumanajothi Nayaka Thero

Vice-Chancellor
Prof A L S Mendis (upto 08.03.2013)
Prof Gamini Senanayake (from 09.03.2013)

Deputy Vice-Chancellor
Prof Gamini Senanayake (upto 08.03.2013)
Dr A M N Alagiyawanna (from 11.04.2013)

Registrar
Ms P S Kalugama

2.8 Open University of Sri Lanka

Chancellor
Mr Sam S Wijesinha

Vice-Chancellor
Dr Vijitha Nanayakkara

Deputy Vice-Chancellor
Dr J Liyanagama

Registrar
Ms W L Vindya Jayasena (upto 02.06.2013)
Mr A L Jaufer Sadique (Acting) (03.06.2013 to 31.12.2013)

2.9 Eastern University, Sri Lanka

Chancellor
Prof Yoga Rasanayagam

Vice-Chancellor
Dr K Kobindarajah

Registrar
Mr K Mahesan

2.10 South Eastern University of Sri Lanka

Chancellor
Prof Achi M Ishaq

Vice-Chancellor
Dr S M M Ismail

Registrar
Mr H A Saththar

2.11 Rajarata University of Sri Lanka

Chancellor
Prof A V Suraweera

Vice-Chancellor
Prof K H Ranjith Wijayawardane

Registrar
Mr A G Karunaratne

2.12 Sabaragamuwa University of Sri Lanka

Chancellor
Ven Prof Kamburugamuwe Vajira Thero

Vice-Chancellor
Prof M S Rupasinghe

Registrar
Mr M M Wimalasiri (upto 17.08.2013)
Mr T Vijeyakumar (Acting) (18.08.2013 to 31.10.2013)
Mr M M Wimalasiri (on contract) (01.11.2013 to 31.12.2013)

2.13 Wayamba University of Sri Lanka

Chancellor
Prof Lakshman Jayathilake (upto 23.01.2013)
Prof K T De Silva (from 08.04.2013)

Vice-Chancellor
Prof S J B A Jayasekera

Registrar
Mr E M G Ekanayake (01.01.2013 to 31.03.2013)
Mr G Piyaratne (01.04.2013 to 31.12.2013)

2.14 Uva-Wellassa University of Sri Lanka

Chancellor
Ven. Dr Aluthwewa Soratha Thero (upto 27.09.2013)
Ven. Bengamuwe Dammadinna Thero (from 09.10.2013)

Vice-Chancellor
Prof W P R P De Silva

Registrar
Ms Nilmini Diyabedanage

2.15 The University of the Visual and Performing Arts

Chancellor
Pandit Dr W D Amaradeva

Vice-Chancellor
Prof Jayasena Kottegoda

Registrar
Mr B M Dayawansa

3 INSTITUTES

3.1 Postgraduate Institute of Agriculture

Director
Prof Colin N Peiris

3.2 Postgraduate Institute of Pali & Buddhist Studies

Director
Prof Sumanapala Galmangoda (upto 14.10.2013)
Ven Prof Kotapitiye Rahula (from 15.10.2013)

3.3 Institute of Indigenous Medicine

Director
Mr Sunimal Senaratne (upto 09.08.2013)
Prof K K D S Ranaweera (Acting) (10.08.2013 to 14.10.2013)
Dr Ms M W S J Kumari (Acting) (from 15.10.2013)

3.4 Institute of Human Resource Advancement

Director
Dr Rohan P Perera

3.5 Postgraduate Institute of Medicine

Director
Prof Jayantha Jayawardena

3.6 Postgraduate Institute of Archaeology

Director
Prof Jagath Weerasinghe

3.7 Postgraduate Institute of Management

Director
Dr Uditha P Liyanage (upto 31.08.2013)
Prof K B M Fonseka (from 01.09.2013)

3.8 University of Colombo School of Computing

Director
Prof G N Wickramanayake

3.9 Gampaha Wickramarachchi Ayurveda Institute

Director
Prof (Mrs) J A Liyanage

3.10 Postgraduate Institute of Science

Director
Prof B S B Karunaratne (upto 24.03.2013)
Prof H M D N Priyantha (from 25.03.2013)

3.11 National Institute of Library and Information Sciences

Director
Mr M S U Amarasiri

3.12 Institute of Technology University of Moratuwa

Director
Dr T A G Gunasekera (upto 05.09.2013)
Mrs M M P D Samarasekara (from 06.09.2013)

3.13 Institute of Biochemistry, Molecular Biology & Biotechnology

Director
Prof (Ms) K H Tennakoon (Acting) (01.01.2013 to 31.03.2013)
Prof Rizvi Sheriff (Acting) (from 01.04.2013)

3.14 Swamy Vipulananda Institute of Aesthetic Studies

Director
Dr K Premakumar

3.15 Postgraduate Institute of English

Director
Dr (Mrs) H V M Ratwatte

3.16 National Centre for Advanced Studies in Humanities and Social Sciences

Director
Dr R M K Ratnayake (Acting)

3.17 University of Colombo, Institute for Agro-Technology and Rural Sciences

Director
Dr Nishantha Perera (Acting) (upto 19.05.2013)
Mr M P Piyathilake (from 20.05.2013)

4. ADMISSION OF STUDENTS TO UNIVERSITIES

Since the selection criterion was challenged by students in the Court of Law, admission of students who sat the G.C.E. (A/L) Examination under two syllabi, held in August 2011 was delayed until the end of the year 2012 and admission was taken place only in early 2013 in accordance with the directives given by the Supreme Court in the Fundamental Rights Case No 29/2012 & No 418/2012.

In addition, selections for the university admission for the Academic year 2012/2013 based on the results of G.C.E. (A/L) Examination held in August 2012 too were carried out during 2013.

Thereby, the year 2013 was very significant with regard to university admission as the University Grants Commission had to finalize selection of students and issue cut-off marks for each undergraduate degree programme for two academic years namely

2011/2012 based on the results of the G.C.E. (A/L) Examination held in August 2011 and 2012/2013 based on the results of the G.C.E. (A/L) Examination held in August 2012.

4.1 Admission of Students to Universities for the Academic Year 2011/2012 and 2012/2013

(1) Admission policy for the Academic Year 2011/2012 was as follows:

In terms of Para 1 of the order of the SC.FR. No 418/2012, selection of students for the Academic Year 2011/2012 was based on the fresh Z scores issued by the Commissioner General of Examinations on 06.09.2012 on the basis that students who sat for the old syllabus and the new syllabus are two distinct populations. All admissions including admissions under special categories for the Academic Year 2011/2012 to state universities were based on the ratio of the students to be selected as explained below;

(a) Maximum ratio (peak) of the students admitted to universities through their first attempt during the five year period from year 2006 to 2010 for each degree programme on an all island merit basis and district merit basis from each district was the ratio for the selection of students who sat for the G.C.E. (A/L) Examination held in year 2011 from new syllabus.

(b) The maximum (peak) ratio of the students admitted to universities through their second and third attempts during the five year period from year 2006 to 2010 for each degree programme on all island merit basis and district merit basis from each district was the ratio for the selection of students who sat for the G.C.E. (A/L) Examination held in year 2011 from old syllabus.

(2) Admission Policy for the Academic Year 2012/2013 was as follows;

(a) The University Grants Commission treated the candidates of new syllabus and old syllabus at the G.C.E. (A/L) Examination held in 2012 as two distinct populations for the purpose of university admission.

(b) Selection of students to universities was determined on the basis of rank order on average Z-Scores obtained by candidates of both syllabi at the G.C.E. (A/L) Examination held in 2012 released by the Commissioner General of Examinations, based on the composite average of students admitted to universities through their first and second attempts together and the third attempt separately during the five year period from year 2006 to 2010 for each degree programme on an all island merit basis and district merit basis from each district.

(3) In the case of courses of study in Arts subjects (where inter – district disparities in educational facilities are considered as relatively low), admission for both 2011/2012 & 2012/2013 Academic Years were determined on an all island merit basis i.e. in order of marks compiled for the country as a whole.

However, it was ensured that the total number admitted from any District was not less than that of the Academic Year 1993/94 or 2002/2003 whichever is greater.

(4) In the case of all other courses of study (i.e. other than Arts), up to 40% of the available places in each course of study was filled on an all island merit basis and the balance 60% on a district basis as indicated below;

(a) 55% of the available places in each course of study were allocated among the 25 administrative districts in proportion of the population of each district to the total population of the country.

(b) 5% of the available places in each course of study was allocated among the under-mentioned 16 educationally disadvantaged districts on the basis of the ratio of the district population to the total population of the 16 districts;

Nuwara Eliya	Batticaloa
Hambantota	Ampara
Jaffna	Puttalam
Kilinochchi	Anuradhapura
Mannar	Polonnaruwa
Mullaitivu	Badulla
Vavuniya	Monaragala
Trincomalee	Ratnapura

In admitting students to courses other than Arts too, it was ensured that the district quota allocated to any district was not below the district quota allocated for that district during the Academic Year 1993/94, or 2002/2003 whichever is greater.

Selections for university admission for the Academic Years 2011/2012 & 2012/2013 were done in keeping with the above policy.

(5) (a) A total of 141,411 candidates were eligible to apply for university admission for the Academic Year 2011/2012 and 28,908 were offered admission to Higher Educational Institutions under normal & special provisions during the year based on the criteria explained above. In comparison to the previous academic year this is an increase of 6,892 students under normal & special provisions. Major increases were shown in the fields of Vocational oriented courses such as Information Technology, Applied Sciences, and Management Studies.

(b) A total of 144,816 candidates were eligible to apply for university admission for the Academic Year 2012/2013 under new & old Syllabi. Of them, 22,943 were offered admission to Higher Educational Institutions under normal provisions, based on the criteria adopted for that year as stated above.

Breakdown of the total number of students, who were offered admission under normal provisions for the Academic Year 2011/2012 & 2012/2013 in comparison to previous years is as follows;

No	Course of Study	2012 / 2013			2011 / 2012			2010 / 2011 Number Selected	2009 / 2010 Number Selected
		New Syllabus	Old Syllabus	Number Selected	New Syllabus	Old Syllabus	Number Selected		
1	Medicine	945	262	1,207	470	845	1,315	1,147	1,147
2	Dental Science	60	31	91	44	71	115	77	77
3	Veterinary Science	74	35	109	55	91	146	102	100
4	Agriculture	396	129	525	187	450	637	678	701
5	Food Science & Nutrition	89	33	122	62	96	158	100	100
6	Biological Science	951	292	1,243	435	959	1,394	1,101	1,103
7	Applied Science (Biological)	147	40	187	88	140	228	176	212
8	Engineering	1,334	118	1,452	790	772	1,562	1,247	1,223
9	Engineering (EM)	46	26	72	39	45	84	50	49
10	Engineering (TM)	46	26	72	38	49	87	50	49
11	Quantity Surveying	87	26	113	63	84	147	100	98
12	Computer Science	227	33	260	133	184	317	237	263
13	Physical Science	1,543	244	1,787	780	1,174	1,954	1,650	1,715
14	Surveying Science	49	24	73	48	54	102	62	67
15	Applied Science (Physical)	320	61	381	157	269	426	320	344
16	Management Studies	3,331	161	3,492	2,713	1,287	4,000	3,287	3,270
17	Estate Management & Valuation	57	24	81	49	45	94	61	60
18	Commerce	489	43	532	378	281	659	468	472
19	Arts	3,972	364	4,336	3,491	2,454	5,945	3,806	3,802
20	Arts (SP)	131	15	146	93	80	173	150	146
21	Arts (SAB)	183	15	198	123	110	233	198	198
22	Management Studies (TV)	138	52	190	145	148	293	184	157
23	Architecture	42	12	54	46	46	92	54	55
24	Design (Architecture)	42	6	48	13	23	46	49	50
25	Law	328	33	361	319	126	445	348	346
26	Information Technology	148	53	201	64	137	201	149	98
27	Management & Information Technology	38	22	60	29	46	75	49	49
28	Public Management	70	25	95	67	51	118	75	75
29	Communication Studies	43	5	48	34	27	61	50	48
30	Town and Country planning	48	24	72	46	39	85	51	50
31	Peace & Conflict Resolution	30	3	33	25	16	41	34	36
32	Ayurvedic Medicine & Surgery	202	68	270	77	208	285	277	289

33	Unani Medicine & Surgery	49	24	73	27	38	65	54	55
34	Fashion Design & Product Development	32	6	38	25	19	44	39	39
35	Food Science & Technology	71	34	105	48	85	133	91	87
36	Siddha Medicine	58	14	72	34	46	80	71	70
37	Nursing	135	68	203	70	188	258	206	203
38	Information & Communication Technology	116	32	148	73	125	198	230	228
39	Agricultural Technology & Management	142	60	202	75	178	253	203	210
40	Health Promotion	38	27	65	30	49	79	51	49
41	Pharmacy	72	40	112	50	98	148	102	103
42	Medical Laboratory Sciences	63	44	107	44	98	142	100	99
43	Radiography	31	24	55	32	40	72	36	34
44	Physiotherapy	42	34	76	31	59	90	60	59
45	Environmental Conservation & Management	37	28	65	29	49	78	51	49
46	Facilities Management	47	22	69	42	42	84	51	49
47	Transport & Logistics Management	45	24	69	32	47	79	51	49
48	Molecular Biology & Biochemistry	49	29	78	40	53	93	60	59
49	Industrial Statistics & Mathematical Finance	77	24	101	37	54	91	60	58
50	Statistics & Operations Research	42	21	63	34	48	82	51	49
51	Computation & Management	47	25	72	46	37	83	51	50
52	Fisheries & Marine Sciences	43	25	68	35	58	93	60	61
53	Islamic Studies	194	4	198	123	50	173	150	98
54	Science & Technology	39	23	62	20	51	71	50	49
55	Computer Science & Technology	40	25	65	30	49	79	49	49
56	Entrepreneurship & Management Studies	49	17	66	24	48	72	51	49
57	Animal Science	35	25	60	10	49	59	50	49
58	Music	338	26	364	234	128	362	307	319
59	Dance	295	32	327	221	109	330	293	288
60	Art & Design	25	3	28	14	4	18	29	29
61	Drama & Theatre	74	12	86	60	46	106	68	70
62	Visual & Technological Arts	45	5	50	36	21	57	50	50
63	Export Agriculture	32	24	56	4	50	54	49	49
64	Tea Technology & Value Addition	33	23	56	6	40	46	50	49

65	Industrial Information Technology	47	16	63	18	44	62	51	49
66	Mineral Resources & Technology	33	20	53	13	39	52	50	49
67	Business Information Systems (Special)	46	24	70	45	36	81	51	50
68	Management & Information Technology (SEUSL)	84	27	111	71	56	127	81	81
69	Computing & Information Systems	57	21	78	7	42	49	80	80
70	Physical Education	41	16	57	7	11	18	35	37
71	Sports Science & Management	63	20	83	34	38	72	35	37
72	Speech & Hearing Sciences	38	31	69	38	48	86	51	49
73	Arabic Language	145	3	148	93	12	105	100	75
74	Visual Arts *(formerly, Art & Sculpture)*	86	12	98	55	39	94	67	58
75	Animal Sciences & Fisheries	37	29	66	29	49	78	51	49
76	Food Production & Technology Management	45	29	74	36	56	92	60	59
77	Aquatic Resources Technology	30	26	56	2	50	52	50	49
78	Palm & Latex Technology and Value Addition	31	22	53	10	28	38	49	49
79	Hospitality, Tourism and Events Management	46	11	57	22	44	66	50	49
80	Information Technology & Management	88	27	115	36	43	79	51	34
81	Tourism and Hospitality Management *(New for 2010/2011)*	90	31	121	56	64	120	101	N/A
82	Agricultural Resource Management & Technology (*formerly, Agriculture, RUH)*	111	41	152	54	125	179	N/A	N/A
83	Agric Business Management *(New for 2011/2012)*	39	25	64	29	44	73	N/A	N/A
84	Green Technology*(New for 2011/2012)*	40	25	65	29	45	74	N/A	N/A

85	Information Systems (*formerly, Information & Communication Technology, UCSC)*	60	18	78	45	68	113	N/A	N/A
86	Landscape Architecture *(New for 2011/2012*)	34	8	42	24	30	54	N/A	N/A
	Total Number selected for the academic year	19,332	3,611	**22,943**	13,470	13,474	**26,944**	**20,274**	**20,111**

4.2 New Courses of study

During the Academic Year 2011/2012 three new courses of study, namely: **Agric Business Management and Green Technology (**at University of Ruhuna) and **Landscape Architecture** (at University of Moratuwa**)** were added to the list of courses of study available in the university system.

4.3 Admission under Special Provisions

In addition to the number of students selected under normal provisions stated above, students were selected under the following mentioned categories, in terms of special provisions, as done in the previous years. Breakdown of the total number of students, who were offered admission under special provisions for the Academic Year 2011/2012 relating to each category, is given below. *However, number of students, who were offered admission under special provisions for the Academic Year 2012 / 2013 was not finalized as at end of the year 2013.*

(a) Students who have excelled in fields other than studies at national/ international level

0.5% of the places or one place whichever was higher in respect of all courses of study other than the courses offered by the University of Visual & Performing Arts were allocated under this provision.

In the case of the University of the Visual and Performing Arts up to 4% of the places from the proposed intake in each course of study had been reserved for admission of students under this category. Selections were done by a Selection Committee appointed by the UGC on a marking scheme approved by the UGC. The following numbers were thus selected for the Academic Year 2011/2012 in comparison to previous years:

Course of Study	2011/2012			2010/2011 Number Selected	2009/2010 Number Selected
	Old Syllabus	New Syllabus	Number Selected		
1. Medicine	03	03	06	06	06
2. Dental Science	01	01	02	01	01
3. Veterinary Science	01	-	01	01	01
4. Agriculture	02	01	03	03	04
5. Food Science and Nutrition	-	-	-	01	01
6. Biological Science	04	02	06	05	05
7. Applied Sciences (Biological Sc.)	-	-	-	01	01
8 . Engineering	03	05	08	06	06
9. Engineering (EM)	01	01	02	01	01
8. Engineering (TM)	01	-	01	01	01
10. Quantity Surveying	01	01	02	01	01
11. Computer Science	01	01	02	01	01
12. Physical Science	03	04	07	08	09
13. Surveying Science	-	-	-	01	01
14. Applied Sciences (Physical Science)	01	01	02	02	02
15. Management Studies	02	11	13	17	17
16. Estate Management & Valuation	01	01	02	01	01
17. Commerce	01	01	02	02	02
18. Arts	13	18	31	19	18
19. Arts (SP)	-	02	02	02	02
20. Arts (SAB)	01	02	03	02	02
21. Management (TV)	01	01	02	02	02
22. Architecture	-	-	-	-	01
23. Law	02	01	03	02	02
24. Information Technology	-	01	01	01	01
25. Mgt & Information Technology	01	-	01	01	01
26. Public Management (Special)	-	01	01	01	01
27. Communication Studies	-	01	01	01	01
28. Town & Country Planning	01	01	02	01	01
29. Peace & Conflict Resolution	-	-	-	01	01
30. Ayurvedic Medicine & Surgery	-	-	-	-	01
31. Unani Medicine & Surgery	-	-	-	-	01
32. Fashion Design & Product Development	-	-	-	01	
33. Food Science & Technology	01	-	01	01	01
34. Siddha Medicine	01	-	01	-	01
35. Nursing	01	-	01	-	
36. Information & Communication Technology	-	-	-	01	01
37. Agricultural and Technology & Mgt	-	-	-	01	01

38. Dance	-	01	01		-
39. Dance (UVPA)	03	05	08	07	-
40. Music (UVPA)	02	05	07	06	-
41. Drama & Theatre (UVPA)	-	01	01	01	-
42. Health Promotion	01	-	01	-	-
43. Pharmacy	01	-	01	01	01
44. Medical Laboratory Sciences	01	01	02	-	01
45. Physiotherapy	01	-	01	-	01
46. Environmental Conservation & Mgt	01	01	02	01	01
47. Facilities Management	-	01	01	01	01
48. Transport & Logistics Management	01	01	02	01	01
49. Molecular Biology & Biochemistry	01	01	02	01	01
50. Industrial Statistics & Mathematical Finance	01	-	01	01	01
51. Statistic and Operation Research	-	-	-	01	01
52. Computation & Management	-	01	01	01	01
53. Fisheries & Marine Science	-	01	01	-	01
54. Islamic Studies	-	-	-	-	01
55. Science & Technology	-	-	-	01	01
56. Computer Science & Technology	-	-	-	-	01
57. Entrepreneurship & Management Studies	-	-	-	01	01
58. Animal Science	-	-	-	01	-
59. Dance (UJA)	-	-	-	-	01
60. Dance (UVPA)	-	-	-	-	07
61. Music (UVPA)	-	-	-	-	06
62. Drama & Theatre (SVIAS)	01	01	02	01	01
63. Export Agriculture	-	-	-	01	01
64. Tea Technology & value Addition	-	-	-	01	01
65. Industrial Information Technology	-	-	-	01	01
66. Mineral Resources & Technology	-	-	-	01	01
67. Business Information Systems (Sp)	-	-	-	01	01
68. Management & Information Technology (SEUSL)	-	01	01	01	01
69. Computing & Information Systems	-	-	-	01	01
70. Physical Education	-	-	-	01	01
71. Sports Science & Management	-	-	-	01	01
72. Speech & Hearing Sciences	01	01	02	01	01
73. Visual Arts *(formerly, Art & Sculpture)* (UVPA)	-	-	-	-	02

74. Animal Science & Fisheries	-	01	01	01	-
75. Food Production & Technology Mgt	-	-	-	01	-
76. Hospitality, Tourism and Events Mgt	-	-	-	01	01
77. Information Technology & Mgt	01	-	01	01	01
78. Tourism & Hospitality Mgt *(New for 2010/2011)*	-	01	01	01	N/A
79. Agricultural Resource Mgt & Technology (*formerly, Agriculture, RUH)*	01	01	02	N/A	N/A
80. Agric Business Mgt *(New for 2011/2012)*	01	01	02	N/A	N/A
81. Green Technology *(New for 2011/2012)*	01	-	01	N/A	N/A
82. Information Systems (*formerly, Information & Communication Technology, UCSC)*	01	-	01	N/A	N/A
Total Number Selected for the academic year	69	87	**156**	**138**	**144**

(b) Admission of students with foreign qualifications to universities in Sri Lanka

In terms of existing rules and regulations, provisions had been made to admit up to 0.5% of the total number of places available in each course of study to students with foreign qualifications subject to the conditions stipulated in the Admissions Handbook for candidates with foreign qualifications, during the year under review for admission to universities. Accordingly, candidates with impressive results at foreign examinations held outside Sri Lanka, deemed equivalent to G.C.E (A/L) Examination of Sri Lanka were considered under this category and thus the following numbers were selected;

Course of Study	**Number Selected 2011/2012**	**Number Selected 2010/2011**	**Number Selected 2009/2010**
1.Medicine	06	06	07
2.Dental Science	01	-	01
3.Veterinary Science	01	-	-
4.Engineering	04	01	02
5.Physical Science	02	-	-
6.Management Studies	-	-	01
7.Computer Science	-	01	-
8.Biological Science	-	01	-
Total	**14**	**09**	**11**

In addition, from 2011, up to 4.5% of the places **over and above the proposed intake** in each course of study were allocated to foreign students and Sri Lankan students who have obtained qualifications abroad, **on fee levying basis.** Numbers of students selected are as follows;

Course of Study	Number Selected 2011/2012	Number Selected 2010/2011
Medicine	36	12
Dental Surgery	03	4
Engineering	02	-
Total	**41**	**16**

(c) Enlisted personnel of the Defense Services

0.5% of the places or one place whichever was higher in respect of courses of study in Medicine, Dental Surgery and Engineering were allocated for the personnel enlisted in Armed Forces, Police Service and the Special Task Force serving in operational areas under this provision. Number of students admitted under this category for the year under review was as follows;

Course of Study	2011/2012			Number Selected 2010/2011	Number Selected 2009/2010
	Old syllabus	New syllabus	Number Selected		
Medicine	02	06	08	06	06
Dental Science	01	-	01	01	01
Engineering	04	04	08	06	06
Total	**07**	**10**	**17**	**13**	**13**

(d) Admission under additional intake for special subjects

With a view to encouraging the study of the following subjects, the UGC made special provisions to admit a total number of 1563 students for the Academic Year 2011/2012;

Arabic
Archaeology
Buddhism
Buddhist Civilization
Business Statistics
Chinese
Christianity
Christian Civilization
Comparative Religion
German
Western Classical Culture
Hindi
Hinduism
History
Home Economics
Hindu Civilization
Islam
Islamic Civilization

Dance	Japanese
Economics	Linguistics
Geography	Literacy Criticism
Education & Child cares	Pali
English	Russian
Fine Arts (Arts)	Sanskrit
French	Music
Fine Arts (Music, Dance & Art)	Philosophy
Tamil	Political Science
Sociology	Sinhala
	Visual Arts

(e) Admission of Blind & Differently abled students

The Commission had also made provisions for admission of students under the following categories for the Academic Year 2011/2012;

Course of Study	2011/2012			Number Selected 2010/2011	Number Selected 2009/2010
	Old Syllabus	New Syllabus	Number Selected		
Blind Students	06	17	23	20	10
Differently abled students	22	32	54	44	52
Total	**28**	**49**	**77**	**64**	**62**

(f) Teachers who have passed the GAQ (External) Examination with a pass in English as a subject or G.S.Q (External) Examination in or after 2007

A total of **15** students were selected under this category to follow a Bachelor of Arts (B.A) Degree with English as a subject for the Academic Year 2011/2012.

Number Selected 2011/2012	Number Selected 2010/2011	Number Selected 2009/2010
15	**22**	**12**

4.4 Appeals Relating to University Admissions

Each year the UGC appoints a Committee to consider appeals and investigate into complaints received regarding university admission. Accordingly, Prof. Kshanika Hirimburegama (Chairperson/UGC), Prof. Ranjith Senaratne (Vice-Chairman/UGC), Prof. S. Mohanadas (Member/UGC), Prof. Malkanthi Chandrasekara (Member/UGC), Prof. Sarath Amunugama (Vice Chancellor/ University of Kelaniya) and Dr. Priyantha Premakumara (Additional Secretary/Academic Affairs & University Admissions) were appointed as members of the Committee. A total of 2478 appeals were received to the

Committee. Out of them 900 applicants requested that their courses of study be changed to another course of study for which the requirements for admission have been fulfilled. Accordingly, the Committee recommended 341 students to allow the change of course of study and 155 other appeals taking into consideration the circumstances under which appeals were made.

4.5 Public Awareness Programmes on University Admission

In compliance with the objectives and activities indicated in the UGC Corporate Plan, several awareness programmes on university admission were conducted regionally during the year under review. The intension of conducting these workshops was to make, the G.C.E. (A/L) teachers, prospective students and other interested parties, aware of university opportunities and procedures for admission.

These workshops were held in leading schools in the administrative districts of Colombo, Gampaha, and Kalutara etc., throughout the year. Also public awareness programmes on the latest developments in university education were conducted via print media.

The following statistical tables relating to admissions are given as appendices to this report;

1. District and course-wise classification of admission for the academic year 2011/2012. **(*Annex I*)**

2. University admission for the Academic Year 2011/2012 under normal and special intake. **(*Annex II*)**

5. ACADEMIC DEVELOPMENT AND MAINTENANCE OF ACADEMIC STANDARDS

5.1 Standing Committees

Standing Committees have been established by the UGC in accordance with the provisions made under Section 4(2) of the Universities Act No. 16 of 1978 as amended. The responsibility of each Standing Committee is to report and make recommendations to the UGC on matters pertaining to higher education in respective areas. Accordingly, sixteen (16) Standing Committees and one (1) other Committee were functioning in the University Grants Commission for various disciplines during the year 2013. Number of meetings held under each Standing Committee is given below;

	Name of the Standing Committee	Number of meetings held in 2013	Number of meetings held in 2012
1.	Agriculture, Veterinary Medicine & Animal Sciences	04	05
2.	Libraries and Information Sciences	04	04
3.	Teaching of English	06	06
4.	Career Guidance and Student Welfare in Universities	09	06
5.	Sciences	06	06
6.	Postgraduate Studies and Research	05	04
7.	Humanities, Social Sciences & Education	05	02
8.	Management Studies	06	06
9.	Engineering and Architecture	05	06
10.	Medical & Dental Sciences	06	05
11.	Computing (Earlier referred as Information Technology Development)	07	06
12.	Quality Assurance & Accreditation	04	05
13.	Indigenous Medicine	06	06
14.	External Degrees	03	02
15.	Technology Stream ***(A Standing Committee recognized in 2013)***	04	N/A
16.	Staff Development in Universities	02	03

Other Committees

Committee to study Applications for Recognition of Qualifications / Degree Awarding Institutions	02	04

5.2 Commencement of Undergraduate Degree Programmes

The Commission having considered the proposals made by various Faculties / Universities approved the following 12 undergraduate degree programmes during the period under review;

1. Bachelor of Science in Sports Science and Management, Faculty of Applied Science, University of Sri Jayewardenepura

2. Bachelor of Science in Aquatic Resources and Technology, Uva Wellassa University of Sri Lanka, Badulla

3. Bachelor of Science in Palm and Latex Technology, Uva Wellassa University of Sri Lanka

4. Bachelor of Agro Technology, University of Colombo Institute of Agro Technology and Rural Sciences (UCIARS) in Hambantota

5. Bachelor of Science in Management and Information Technology, South Eastern University of Sri Lanka

6. Bachelor of Industrial Information Technology, Uva Wellassa University.

7. Bachelor of Science (Special) Degree in Chemistry, Faculty of Applied Sciences, South Eastern University of Sri Lanka

8. Bachelor of Science (Special) Degree in Applied Biology, Faculty of Applied Sciences, South Eastern University of Sri Lanka

9. Bachelor in Computing and Information Systems, Faculty of Applied Sciences, Sabaragamuwa University of Sri Lanka

10. Bachelor of Arts (Translation Studies): University of Jaffna

11. Special Degree Programme in Mathematics with Statistics, Wayamba University of Sri Lanka

12. Bachelor of Arts (Special) in Translation in three universities namely; University of Kelaniya, University of Jaffna and Sabaragamuwa University of Sri Lanka

5.3 Postgraduate Degree Programs

UGC following a proper screening and review mechanism in approving Postgraduate Programmes has approved the following 28 postgraduate programmes during the year 2013 compared to 6 postgraduate degree programmes introduced in the previous year.

1. Postgraduate Diploma in Anatomy, Post Graduate Institute of Medicine (PGIM), University of Colombo

2. Postgraduate Diploma in Medical Physiology, Post Graduate Institute of Medicine

3. Postgraduate Diploma in Occupational Safety and Health Management, University of Moratuwa

4. Postgraduate Diploma and Master in Mass Media Studies, Sri Pali Campus, University of Colombo

5. Master of Arts in Sociology, Faculty of Humanities & Social Sciences, University of Ruhuna

6. Master of Science in Parasitology & Entomology, Faculty of Medicine, University of Colombo

7. Master of Fine Arts, Faculty of Humanities, University of Kelaniya

8. Master of Science, Postgraduate Diploma in Multimedia Technologies, Faculty of Information Technology, University of Moratuwa

9. Master of Science, Postgraduate Diploma in Sustainable Process Development, Faculty of Engineering, University of Moratuwa

10. Master of Arts (Visual Arts), Faculty of Visual Arts, University of the Visual & Performing Arts

11. Master of Science in Agricultural Economics & Development, Faculty of Agriculture, University of Ruhuna

12. Master of Science in Human Nutrition, Postgraduate Institute of Medicine (PGIM)

13. Postgraduate Diploma in Marketing, Faculty of Commerce & Management, University of Kelaniya

14. Postgraduate Diploma in Environmental Biotechnology, Faculty of Agriculture and Plantation, Wayamba University of Sri Lanka.

15. Postgraduate Diploma in Tamil, Master of Arts in Tamil and Master of Philosophy in Tamil, South Eastern University of Sri Lanka, Oluvil

16. Postgraduate Diploma in Kayachikitsa, Gampaha Wickramarachchi Ayurveda Institute

17. Postgraduate Diploma in Panchakarma: Gampaha Wickramarachchi Ayurveda Institute

18. Master of Science in Kayachikitsa: Gampaha Wickramarachchi Ayurveda Institute

19. Master of Science in Panchakarma: Gampaha Wickramarachchi Ayurveda Institute

20. Postgraduate Diploma in Entrepreneurship and New Venture Creation (PgDip in Entrepreneurship): Sabaragamuwa University of Sri Lanka

21. Master of Business Administration (MBA): Eastern University, Sri Lanka

22. Postgraduate Certificate in Medical Education (PgCME), Postgraduate Institute of Medicine, University of Colombo

23. Master of Arts in Buddhist Studies: University of Colombo

24. Master of Education Degree Program: Eastern University ,Sri Lanka

25. Masters in Environmental Sciences [Msc(Env Sc)]: Eastern University, Sri Lanka

26. Postgraduate Diploma in Buddhist Studies, University of Colombo

27. Postgraduate Diploma in Management (PGDM) leading to the Degree in Master of Business Administration (MBA), University of Jaffna

28. Postgraduate Diploma in Teaching Literature in a Second Language Context and Master of Arts in Teaching Literature in a Second Language Context PGIE, Open University of Sri Lanka.

5.4 Strengthening of External Degree Programmes in Universities

University Grants Commission has regularized the External Degree Programmes and Extension Courses with the intention of improving the quality of the respective degree programmes and extension courses. Accordingly a Handbook on External Degree and Extension Courses including Qualification Framework, Quality Assurance and Codes of Practices for such courses offered by Universities and HEIs was issued to all universities and they will be under close scrutiny of the UGC for a period of five years during which period all universities shall transform the existing External Examination Units into full-fledged 'Open and Distance Learning Units' as prescribed by the UGC.

Financial assistance to improve the governance and management, quality and relevance, enhance learning resource and learner support services and promote collaboration with state and non-state training institutions is provided by the HETC Project of the World Bank.

Following 10 External Degree Programs and 3 external courses were approved during 2012/2013;

1. Bachelor of Business Administration in Agribusiness Management (General, External), Sabaragamuwa University of Sri Lanka

2. Bachelor of Business Administration (BBA) (General, External), Rajarata University of Sri Lanka

3. Bachelor of Arts (External), University of Ruhuna

4. Bachelor of Humanities and Social Sciences (Three – year) External Degree University of Sri Jayewardenepura

5. Bachelor of Commerce (General) External Degree Programme: University of Sri Jayawardenepura

6. B.Sc. Business Administration (General) External Degree Programme University of Sri Jayewardenepura

7. B.Sc. Management (Public) General (External) Degree Programme, University of Sri Jayewardenepura

8. Bachelor of Arts in English (General) External Degree (Three – Year) Programme University of Sri Jayewardenepura

9. Bachelor of Social Sciences (Three – Year) External Degree in Environmental and Development Studies: University of Sri Jayewardenepura

10. Bachelor of Business Administration (BBA) (General, External): Rajarata University of Sri Lanka

11. Higher Diploma in Corporative Business Management
    - Certificate in English
    - Certificate in IT

    Sabaragamuwa University of Sri Lanka

Handbook on Undergraduate Degree Programme in Science

A Handbook was prepared on Undergraduate Degree Programmes in Sciences as a guide to develop degree programmes in the universities with the initiative of the Standing Committee on Sciences of the UGC.

5.5 New Departments Established

During the period under consideration, five (5) new Departments of study were approved by the Commission having identified the dire need of establishing such Departments in order to fulfill the National interests, with the view of expanding academic activities in the respective areas of study. New Departments approved are as follows:

- University of Jaffna
  Department of Commerce, Faculty of Management Studies and Commerce

- Rajarata University of Sri Lanka
  Department of Animal and Food Sciences, Faculty of Agriculture

- University of Sri Jayawardenepura
  Department of Allied Health Sciences

- University of Kelaniya
  Department of Sports Science & Physical Education

- Eastern University, Sri Lanka.
  Department of Hindu Civilization

5.6 Introduction of Technological Subjects

Ministry of Education together with the National Institute of Education (NIE) introduced a Technological Subject Stream in 2013 for the G.C.E. (A/L) Examination to be held in 2015. The UGC accordingly approved the technological subjects for admission to Technological Science Courses to be introduced and would provide infrastructure facilities and make other necessary arrangements to Establish Departments of Technology in relevant Faculties. It is proposed to admit first batch of students, a minimum number of 1,500 students in the technology stream to universities in 2016.

5.7 Inter-university Harmony Project

To facilitate harmony among students of all communities, a project was launched by the UGC. Under this, several sub projects were identified and carried out;

- An All university Cultural Festival was organized by the University Grants Commission in collaboration with the Ministry of Higher Education and HETC Project, as a part of the project. The festival was held at Rajarata University of Sri Lanka on 20th June 2013 with a view to strengthen ethnic harmony and social cohesion among university students as well as to enhance positive relationship between the village and the University. The participation at the programme was around 400 personnel including villagers from the surrounding areas.

- The Commission has decided that "Peace Studies" should be a compulsory course module in all degree programmes and Universities/HEIs have been informed accordingly to make suitable arrangements.

- A policy decision has been taken to establish "Harmony Clubs" in all Universities/HEIs in order to strengthen the Sri Lankan spirit and contribute to the nation's stability.

- An Advisory Committee and a Steering Committee have been set up in the University Grants Commission with religious dignitaries and eminent personalities of the Civil Society as members of those Committees.

5.8 Review of Non-State Degree Awarding Institutes

Section 25A of the Universities Act No. 16 of 1978 provides the Minister to recognize any Institution as a Degree Awarding Institute for the purpose of developing higher education.

Following two institutions were recommended by the UGC to Hon. Minister of Higher Education to grant degree awarding status after conducting institutional reviews and programme reviews pertaining to each degree programme during the year 2013 to award the degrees and postgraduate diplomas listed under them;

1. National School of Business Management Limited (NSBM) with effect from 05.03.2013:

   Bachelor of Science in Business Mgt (Human Resource Mgt) (Special)
   Bachelor of Science in Business Mgt (Logistics Mgt) (Special)
   Bachelor of Science in Business Mgt (Industrial Mgt) (Special)
   Bachelor of Science in Business Mgt (Project Mgt) (Special)
   Bachelor of Science in Business Mgt Information Systems (Special)
   Postgraduate Diploma in Business Mgt
   Postgraduate Diploma in Human Resource Mgt
   Postgraduate Diploma in Industrial Mgt
   Postgraduate Diploma in Project Mgt
   Postgraduate Diploma in Computer Networks
   Postgraduate Diploma in Software Engineering

2. Colombo International Nautical and Engineering College (CINEC) with effect from 09.07.2013

   Bachelor of Science (Hons) Maritime Science
   Bachelor of Science (Hons) Marine Engineering
   Bachelor of Science (Hons) Logistics & Transportations

5.9 Developments in Libraries and Information Sciences

a) A proposal on "Competency Building and Capacity Enhancement" of staff in Library and Information Sciences was approved by the Commission in order to propose a futuristic strategy to build up competencies and to develop the skills of professionals, para - professionals and other categories of the staff in university libraries of the country. The objective was to provide dynamic and vibrant library service to the academic community.

b) IT Governance and Management policy was issued on 29th of January 2013 to develop a conducive computer assisted environment for the activities of Higher Educational Institutions. The main objective of this policy was to ensure that resources and data are used for appropriate purposes of the mandate of the institution and they are used in compliance with the institution policies.

c) **Establishment of a digital library for the HEIs**

As the academics in the HEIs account for more than 60% of the Research and Development personnel in the country, it is of prime importance to ensure that the requisite journals are available in the university libraries. However, the escalating prices of Journals, devaluation of SLR and competing considerations for funding, i.e. infrastructure development needs, do not permit continued subscription to the requisite journals by the individual universities.

The Standing Committee on Library and Information Sciences (SCOLIS), UGC comprising the academic and other librarians discussed the serious consequences of the discontinuation of scholarly journals on the research output (both quality and quantity) and its implications on the academic standards and relative ranking of Sri Lankan universities.

Currently a total sum of around Rs. 90 Mn is spent by the universities annually to subscribe to about 675 printed journals. However they cannot be shared across universities. In the circumstances, the SCOLIS initiated discussions with a view to establishing a consortium of the university libraries to provide inter-university access to e-resources in a cost effective manner and to provide several other user-oriented services such as training and document delivery. The primary objectives of these initiatives are;

- To provide access to thousands of journals bundled in the database in a cost effective manner.
- To provide a single entry point to databases/ e-journals for all universities with their diverse research and academic interest
- To secure better terms of agreement for use, archival access and preservation of subscribed electronic resources
- To reduce problems associated with printed material such as wear and tear, physical space provision, shelving, binding and cumbersome payment schemes and loss-in-mail issues etc.

The establishment of the said consortium will lay the foundation for internationalizing the Sri Lankan universities and raising their world ranking through enhanced academic stature and research output. That will also help attract foreign students and staff to Sri Lankan universities.

5.10 Workshops / National Conferences Conducted

- **Workshop on "Competency Building and Capacity Enhancement in the Emerging Oil and Gas Industry in Sri Lanka" on 7-8 January, at the Jetwing's Blue, Negombo under the distinguished patronage of Hon S.B. Dissanayake, Minister of Higher Education.**



Prof. Stuart Burley, Head of Geosciences, Cairn India Limited, India, delivering the keynote address on "Petroleum Industry: Global Perspectives and National Prospects"





Standing Committee on Engineering & Architecture of the UGC jointly with the Petroleum Resources Development Secretariat (PRDS) organized the above workshop with a view to achieving the following key objectives:

- To identify manpower needs (short, medium and long term) at vocational, technical, managerial, and scientific level in the upstream, midstream and downstream segments of the E & P of gas and oil.
- To identify and design relevant undergraduate and postgraduate courses as per requirements in (i) above.
- To identify capacity building needs (short, medium and long term) by way of both human and physical resources as per (i) and (ii) above, and to assess financial requirements to meet such needs.
- To identify strategic partnerships to reinforce the initiatives related to capacity building for the development and delivery of relevant vocational and academic programmes, and off-shore exploration and production of gas and oil
- To formulate recommendations on the "Management of Petroleum Resources in Sri Lanka for Optimal Economic Benefit" including Competency Building and Capacity Enhancement Plan.

A follow-up meeting on capacity building in Petroleum Science and Technology in Universities on the above workshop was held on 22 October 2013 at Petroleum Resources Development Secretariat (PRDS), Colombo and at this workshop, valuable high-end computers and software packages related to simulation studies was donated by Cairn India Limited, India to University of Moratuwa.



Mr. Michael Quinn, Cairn India donating valuable high-end computers and software packages to University of Moratuwa

- **National Conference on the "Role of Higher Education in Reconciliation" on 13-14, June, 2013 at Green Grass Hotel, Jaffna to facilitate and promote a culture of Peace Building and Reconciliation in the Higher Education sector**



Judge C.G. Weeramantry delivering the opening address: "Universal Need for Peace Education"



Dr. Rohan Gunaratne delivering the keynote speech: "Post-conflict Stratergy: Promoting Moderation, Tolerance and coexistance", this was a joint speech with Prof S Rajaratnam (School of International Studies, Singapore)





University Grants Commission hosted a National Conference on the "Role of Higher Education in Reconciliation" jointly with the University of Jaffna with the following objectives in view:

- Creating among the staff and students awareness and enlightenment regarding the role and responsibility of Universities in reconciliation
- Internalizing and institutionalizing reconciliation in the universities through novel and innovative academic, research, sports, cultural and out-reach programmes

- Developing a new generation of teachers and students to promote reconciliation and social harmony
- Development of a Reconciliation Action Plan for implementation by the universities
- Making universities a driving force and strategic partner in reconciliation and social cohesion

The conference was attended by eminent scholars in the field of Social Harmony and Reconciliation representing major ethnic and religious communities in the country. A cross section of the staff as well as students in universities also attended the conference.

- **Two – day Workshop on Training Career Guidance Counselors/Academic Career Guidance Advisers**

In order to Strengthen and streamline the Training component of the Career Guidance units, Standing Committee of Career Guidance of the UGC initiated a Two – day Workshop on Training Career Guidance Counselors / Academic Career Guidance Advisers on 25th, 26th September 2013 at Hotel Janaki, Colombo.

It was conducted in collaboration with Higher Education for 21st Century Project (HETC) and EDEX career Services. The workshop was successfully concluded with full participation.

- **Three Day Workshop on Development of Soft Skills for Students**

The Career Guidance Standing Committee identified the need of improving soft skills among students and with the collaboration of John Keels Social Responsibility Project; a three day workshop on "Development of Soft skills" was conducted at South Eastern University of Sri Lanka and Eastern University, Sri Lanka. It was attended by eminent resource persons and approximately five hundred students from all Faculties. It is expected to conduct the same in other universities as well with the intention of facilitating student welfare activities conducted by Career Guidance Units in universities.

- **Floriculture Clinic, Exhibition & Workshop**

A Floriculture Clinic, Exhibition & Workshop was held on 25th October 2013 at Sri Lanka Foundation Institute, Colombo 07 under the distinguished patronage of the First Lady, Madam Shiranthi Wickremasinghe Rajapaksa.

It was organized by the Standing Committee on Agriculture, Veterinary Medicine and Animal Science (AVMAS) of the University Grants Commission jointly with Mike Flora (Pvt.) Ltd. The objectives of the above workshop were;

- To identify policy issues and institutional, technological and infrastructural constraints relating to the strengthening and

expansion of the floriculture industry to meet domestic and export market needs

- To identify high priority research concerns in floriculture as an export industry
- To develop synergistic partnerships between academia and relevant public and private sector institutions at home and abroad to develop a robust and competitive floriculture industry.
- To provide a platform for the growers, traders, entrepreneurs and the like to showcase their novel and innovative varieties, products and services.
- To formulate strategies and pragmatic recommendations to overcome the issues and constraints referred to above for submission to relevant ministries and institutions for implementation.



Chairperson, UGC welcoming the Chief Guest, Madam Shiranthi Wickramasinghe Rajapakse



Workshop in progress





Opening of the mini-exhibition

- **Conference on " The Commonwealth of Future: A Visionary and Bold Leadership from Sri Lanka "**

The UGC jointly with the Ministry of Higher Education organized a Conference on 26th November 2013 at Taj Samudra Hotel with a view to drawing up recommendations for consideration by His Excellency the President, Mahinda Rajapaksa, the Chairperson-in-Office of the Commonwealth of Nations in formulating its agenda and action plan for the next two years. The Conference was attended by over 250 participants including the Chancellors, Vice-Chancellors and a galaxy of high profile dons.

The Conference comprised plenary and brainstorming sessions; it culminated in interim recommendations which were submitted to His Excellency the President by Prof. Kshanika Hirimburegama, Chairperson of the UGC. Hon. S.B. Dissanayake felicitated His Excellency the President by presenting a memento.



- **ASAIHL 2013 International Conference**

International Conference under the theme of "Education for All: Prospects and Challenges" organized by the Association of Southeast Asian Institutions of Higher Learning (ASAIHL) and the UGC in collaboration with the University of Kelaniya and the University of Colombo was held in Colombo on 5th and 6th December, 2013 at BMICH. The Conference was attended by over 150 including researchers and high profile dons from overseas.

The Conference was graced by the Hon. S.B. Dissnayake, Minister of Higher Education and the Hon. Prof. G.L. Peiris, Minister of External Affairs who was also a keynote speaker.

In addition to the other keynote speech made by Prof. D. Wijesekara, presentation of selected papers and invited speeches by learned personalities were made.









- **Workshop on Modernizing the Curriculum on Allied Health Categories**

  A workshop was held on "Modernizing Curriculum on Allied Health Category" to review the curriculum and to identify a core curriculum in order to have a common MCQ paper at the Final Examination that is to be conducted for each discipline of the Allied Health Sciences. This is to facilitate students to make a positive contribution to enhance the health of communities. The first workshop was held successfully on 10th June 2013 for the discipline of Nursing.

5.11 Standardization of Medical Education at the Eastern University, Sri Lanka

Review of the Faculty of Healthcare Sciences at the Eastern University, Sri Lanka was held on 15thMay 2013 in order to examine the present status with the objective of Standardization of Medical Education. Review was carried out by Prof. Malkanthi Chandrasekera - Chairperson / Standing Committee on Medical & Dental Sciences/UGC, Prof. Mohan De Silva - Dean/Faculty of Medical Sciences/University of of Sri Jayewardenepura and Mrs. Janadari Wijesinghe - Senior Assistant Secretary/Academic Affairs, UGC

After the review, recovery actions have been taken to expedite the matters pertaining to Faculty of Healthcare Sciences at the Eastern University, Sri Lanka as per the recommendations made in the review report.

5.12 Introduction of a Common MCQ Paper for the Students of Indigenous Medicine

Workshops were held on 23rd April and 27th June 2013 to introduce a "Common MCQ" paper for students who follow Indigenous Medicine courses, with a view to streamline the discipline of Indigenous Medicine and to educate all senior academics of all Institutes of Indigenous Medicine on preparation of Common MCQ.

5.13 Industrial Tour for Students of Faculty of Management Studies and Commerce (3rd year) University of Jaffna -17th to 22nd June 2013

John Keels Foundation on the request of the University of Jaffna arranged an Industrial Tour for its 3rd year students of the Faculty of Management Studies.

5.14 South Asian University

UGC has played a facilitating role in conducting the Admission test on 24th March -2013 for its 4th Academic Session commenced on July 2013 pertaining to **South Asian University/India.**

Apart from that, as a member of the Governing Board of the South Asian University, Chairperson of UGC participated at the Board Meeting held in New Delhi, India in 2013.

5.15 Introducing MIS Cells in the University System

In order to enhance the capacity and efficiency of Management Information in UGC and universities, it was decided to strengthen the MIS Division at UGC & develop a network connecting all universities while establishing MIS units in universities. The Commission also decided to set up a Standing Committee on MIS.

5.16 Education Leadership Award from 4th Asia's Best Business School Award

Professor Kshanika Hirimburegama, Chairperson of the UGC was awarded "Education Leadership Award" from the 4th Asia's Best Business-School Awards 2013 held on 31st July at Pan Pacific, Singapore. This prestigious award was presented by the CMO Asia & CMO Council in recognition of Professor Hirimburegama's vision to make a difference to the education sector.

5.17 Committee of Heads of University Grants Commission/ Equivalent Bodies of Member States in the SAARC Region

Eighth Meeting of the Committee of Heads of University Grants Commission/ Equivalent Bodies was held on 17 & 18 April 2013 at Kathmandu, Nepal. The Vice Chairman, on behalf of the Chair of the UGC and the Vice Chancellor, Open University represented Sri Lanka at this event.



As a follow-up action of the meeting of SAARC Heads of University Grants Commission, a workshop on **"MOODLE to transfer web based study materials"** was held on 25-27 August 2013 at the Staff Development Centre, Open University of Sri Lanka with the participation of 20 delegates from member countries of the SAARC.





5.18 Promoting and Facilitating Academic Cooperation and Research Collaboration with Foreign Universities

The International Cooperation Division of the UGC was restructured to encompass both Research & International Cooperation thus: The Division of Research & International Cooperation. The Division would create a vibrant research culture in HEIs and promote international cooperation and collaboration with foreign universities.

- **Tripartite Collaboration through Video Conference between University Grants Commission (UGC), Jain University (JU), India and Georgia State University (GSU), USA Held on 23rd July 2013**

  With a view to developing tripartite academic cooperation and research collaboration among Sri Lankan Universities, Jain University, and Georgia State University, a video conference between University Grants Commission (UGC) Jain University (JU), India and Georgia State University (GSU), USA was held on 23rd July 2013.





As a follow-up to the above, a delegation from JU visited Sri Lanka from 7th -9th August 2013. The delegation comprised academics and administrative officers of the JU and Jain Group of Institutions. **A Memorandum of Understanding (MoU) was signed between the UGC and the Jain University as a result of this visit.**









A Sri Lankan delegation visited JU on 16 -18 September 2013. Sri Lankan delegation was composed of Administrative staff of the UGC headed by Prof. Ranjith Senaratne, Vice Chairman, Vice Chancellors and senior academic staff members. They visited some universities and institutes which are under the Jain Group of Institutes and held discussion with academic and administrative staff members of the JU in promoting research collaboration, academic and student exchange, joint research activities, joint research publications, etc.






5.19 International Visitors to UGC Secretariat

High profile delegations from several countries such as China, Russia, USA, Australia, New Zealand, Germany, Thailand etc. visited the UGC to explore the possibilities of establishing partnerships with Sri Lankan universities in areas of mutual interest, details of which are given below:

- On 1st August 2013, Dr. Ge Liu of Tianjin Chengjian University, Mr. Zhang Qi of Tianjin Maritime College, Ms. Julie Sun of Nankai University and Mr Lu Xiaodong of Tianjin Polytechnic University - **China**

- On 9th September 2013, Prof. Dr. Matthias Hühn, Adjunct Professor of Management & Association universities Dean of Programmes of Kühne Logistics University **- Germany**

- On 24th September 2013, Prof. John Rosenberg, Senior Deputy Vice-Chancellor & Vice President, Prof. Leigh Drake, Executive Dean & Professor of Financial Economics, Prof. Paul Mather, Professor & Head of the La Trobe Business School, Mr. Amit Malhotra, Manager,

South Asia and Mr. David Samuel, Business Development Manager of La Trobe University, Australia and International Operations, Australian Trade Commission **- Australia**

- On 1st October 2013, Prof. Unil Perera, Regents' Professor of Physics, of Georgia State University -**Atlanta**
- On 11th November 2013, Professor Robert D Anderson, Deputy Vice Chancellor and Mr. Michael O'Shaughnessy Director of International Relations, Massey University -**New Zealand**
- On 9th December 2013, Dr E I Rumyantseva, of NP Pushchino's Biotechnological Cluster - **Russia**
- On 17th December 2013, Dr. Krasae Chanawongse, Director of Asian Disaster Preparedness Centre (ADPC) - **Thailand**

6. FINANCIAL ADMINISTRATION

University Grants Commission strives to uplift the university system by improving infrastructure facilities, strengthening research capabilities and increasing quality of the Higher Education in Sri Lanka. Accordingly eight development priorities had been proposed to finance by the 2013 budget and submitted to the National Budget Department for their approval. As approved by the Parliament of Sri Lanka on 09th December 2012, National Budget Department released university-wise expenditure ceilings for 2013 as follows;

Summary of the Estimated Budget and Approved Budget 2013 (Rs. Mn)

Category / Object Title	Budget Estimates 2013	Approved Budget 2013	Approved Budget as a % of Budget Estimates
Recurrent Grants	20,540	17,125	83%
Capital/Development Grants	15,567	7,365	47%
Total	**36,107**	**24,490**	**68%**
Supplementary Allocation for Recurrent on Additional Intake	-	1,192	-
Supplementary Allocation for Capital on Additional Intake	-	1,159	-
Total Grants	**36,107**	**26,841**	**-**
Internal Income	1,800	2,500	N/A

6.1 Allocation of Recurrent and Capital Grants

Recurrent and Capital grants approved by the Treasury as above were allocated among universities / HEIs as Recurrent Block Grant (RBG) and Capital Block Grant (CBG) based on the funding policy approved by the UGC, as follows;

a) Rehabilitation and Improvement of Fixed Assets

UGC considered that preventive maintenance of existing infrastructure facilities is as important as construction of new infrastructure facilities. Therefore 11.56 % of the total capital budget was allocated to finance rehabilitation and improvement of fixed assets;

b) Acquisition of Fixed Assets

As per the request made by the universities, 11.41% of the total capital budget was allocated to finance the acquisition of fixed assets of universities.

c) Development of Infrastructure Facilities

In addition to 113 ongoing construction projects, it was proposed to finance 41 new construction projects approved under Medium Term Program 2011/2020 for the development of infrastructure facilities under the Capital / Development Budget 2013.

d) Knowledge Enhancement and Institutional Development program (KEID)

It was proposed to enhance the soft skills and talents of the university community and improve institutional capacity in order to achieve overall objective of the Higher Education. Accordingly following projects were approved to implement under the *Knowledge Enhancement and Institutional Development (KEID)* for 2013.

Project -1 Transforming existing degree programs to produce more employable graduates.

Objective of this project is to improve the employability of Arts graduates produced by universities. Accordingly it was proposed to;

a) Replace approximately 2000 conventional places (General Degree) by specialized places (Special Degrees)

b) Provide on the job training in an IT related environment and give them an opportunity to improve their skills

c) Enter into collaboration agreements with other universities and institutes providing IT degrees.

Funds for this project were directly allocated to the Universities.

Project -2 Trilingual skills development of undergraduates

The objective of this project is to encourage the acquisition of trilingual skills and competencies by all sections of the country as a major step towards national integration and harmony. Accordingly it was proposed to;

a) Include Tamil, Sinhala and English to the university curriculum and assign credits

b) Establish a Language Development Centre within the university

Funds for this project were directly allocated to the Universities.

Project – 3 Development of sports skills

Development of sports skills project is coordinated by the Ministry of Higher Education with the assistance of universities/HEIs in order to identify, improve and develop sports skills of undergraduate students.

During the year 2013, Rs 21.4Mn has been disbursed under this project and out of that, Rs 18.0Mn (approx.) has been for the 27th World University Games which was held in Russia.

Project -4 Postgraduate / Doctoral Projects

Objective of this project is to provide financial assistance to obtain Postgraduate and PhD. qualifications for academic and administrative staff of the university system.

Funds for this project were allocated to the University Grants Commission / Universities and National Centre for Advanced Studies in Humanities & Social Sciences (NCAS). During the year 2013 Rs 57.3Mn has been disbursed under this project.

Project -5 Competency Building and Capacity Enhancement

Objective of this project which is financed by UGC is to produce skilled teachers, visionary leaders, skilled and committed technical and support staff since all stakeholders are the key element in designing and delivering a quality higher education.

During the year 2013, Rs.79.6Mn has been disbursed under this project and out of that, Rs 33.0Mn (approx.) has been for the Leadership & Pre Orientation Programme by MOHE, Rs. 17.9 Mn for surgical equipment for Department of Surgery of University of Colombo, Rs. 2.6 Mn for all university cultural festival, Rs. 2.5 Mn for National Conference on Role of Higher Education in Reconciliation and Rs. 5.0 Mn for rehabilitating for Colombo regional Centre of OUSL.

Project – 6 Information Technology Developments

Information Technology Development project was financed by the UGC by Rs. 11.3 Mn disbursed in 2013 and coordinated by the Information Technology Development committee (ITDC) of the UGC in order to promote effective communication system throughout the university system and to foster and support excellence, innovation, best practices and value for money in the use of IT in administration, teaching and research across the university system.

e) Development of Student Skills – (Career Guidance and Student Welfare)

This project is coordinated by the UGC with assistance of universities in order to identify, improve or develop entrepreneurship skills of undergraduate students.

As recommended by the Standing Committee on Career Guidance and Student Welfare of the UGC, additional funds of Rs. 1.67 Mn were disbursed to universities/HEIs by the UGC.

f) Strengthening Research

Project -1: International Symposium, Research & Publication

The objective of this project is to encourage academic and administrative staff of universities to produce publications and organize international symposia to achieve international standards.

Project 2: Research for national development & resolving the burning social issues

In order to address the existing socio–economic problems recognized, universities are encouraged to prepare project proposals on research projects which could address such national issues and submit to the UGC for necessary approval.

The research projects less than Rs. 5 Mn are considered to be financed by the UGC subject to the availability of funds and during the year 2013, Rs. 2 Mn were disbursed under this project for almost 7 International Level Conference under the disciplines of Management & Finance, Humanities & Social Sciences, Agricultural Sciences, Business Information, Unani, Siddha & Traditional Medicine and Pharmaceutical Sciences & Chemical Technology.

g) Advancement of Six Universities to the International Level

The project was introduced by H.E President as the Hon. Minister of Finance and Planning as a budget proposal in 2011. It was an encouragement for the universities to uplift their academic and administrative activities by enhancing the quality and equity.

University of Peradeniya, University of Colombo, University of Sri Jayewardenepura, University of Kelaniya, University of Moratuwa and University of Ruhuna were requested to continue their activities during the year as approved in 2011. Funds for this project were allocated with annual expenditure ceilings for the year 2013.

University	Country Ranking		World Ranking	
	2012 July	2013 July	2012 July	2013 July
University of Colombo	1	2	1682	2255
University of Moratuwa	2	1	2011	2150
University of Peradeniya	3	4	2467	2973
University of Ruhuna	6	3	3294	2353
University of Sri Jayewardenepura	4	6	2759	5969
University of Kelaniya	5	5	3048	4508

Source: www.webometrics.info/en

h) University Township Project (UTP)

The Government has initiated the novel concept of University Township Development to promote innovation and research in universities. The objective of the township project is to expand the infrastructure facilities of the universities and integrate the town community and the university.

Implementation of the University Township Project was coordinated by the Ministry of Higher Education (MOHE) /UGC. In Phase I of university township project, the University of Sri Jayewardenepura, University of Ruhuna, University of Moratuwa and the University of Jaffna have been identified and in the process of obtaining cabinet approval.

6.2 Funding Policy

(1) Allocation of Recurrent Grants (RG)

Allocations of recurrent grants for the Universities and Undergraduate HEIs have been based on following funding formula;

RECURRENT GRANTS = Modified Cost per Student (MCPS) X Student Enrolment (SE)

(A) Modified Cost per Student (MCPS) was computed considering following policy factors;

- Annual salary increments for the employees per student
- 10% inflation on other recurrent cost
- 10% Capacity expansion on other recurrent cost
- Increase of CPS (Cost Per Student)

(B) Recurrent Grants for the Postgraduate Institutes and Open University of Sri Lanka (OUSL) were allocated based on following funding policy;

- OUSL - 2/3 of the total Recurrent Grant has been financed by the UGC
- Postgraduate Institutes (PGIs) - Postgraduate Institutes are encouraged to generate funds internally to finance their annual budget. Therefore government grants are only to bridge the shortfalls.

(2) Allocation of Capital Grants (CG)

(a) Priority-based Funding

As recommended by the Project Monitoring and Evaluation Committee (PEMC), following five criteria were considered for allocation of capital grants according to the priority based funding policy;

i. Ongoing Construction Projects

ii. Projects approved under the Ten Year Medium Term Program

iii. Faculty Load/Faculty Weight – Universities have been weighted based on the relative cost factor of a subject discipline in order to compute Rehabilitation and Acquisition of Fixed Asset grants proposed to be allocated to each university

Proposed Relative Cost Factors – Medicine – 5, Science – 2, Management- 1 , Law – 1, Art-1, Education – 1, Engineering – 3, Veterinary Science – 4, Agriculture – 3, Paramedical – 2

iv. Maximum and Minimum capital grant ceilings were introduced under three tiers as given in Table below;

SEUSL was not considered for funding under the North- East Tier since it is financed by the special Kuwait Grant.

Table - Minimum and Maximum Capital Grant (CG) Ceiling

Tier		Name of the Universities	Maximum Ceiling -*CG Per Student*	Minimum Ceiling – Total *CG per University*
T-1	Established Universities	PDN,COL,SJP, KLN, MRT, RUH	Rs.45,000/-to Rs.60,000/-	Rs.225,000/- per University to ensure minimum allocation of Rs.225,000/- for small Universities
T-2	North and East Universities	JAFN,EUSL	Rs.125,000/- to 200,000/-	
T-3	New Universities	RUSL,WUSL, SUSL,EUSL, UVPA, UWU	Rs.120,000/- to Rs.175,000/-	

v. Postgraduate Institutes and all other HEIs were funded based on needs and priority factors of the HEIs as approved by the PEMC

(b) Performance - Based Funding

One progress review meeting was held on 11th July 2013 and in the 4th quarter of 2013 progress reports were obtained from HEIs to evaluate the performance of utilization of capital grants. Accordingly additional funds were relocated / allocated among the Universities/HEIs based on their performance.

6.3 Allocation / Utilization of Funds in the University System

Breakdown of total grant (with the additional allocation) and the amounts released / utilized during the year is given below compared to previous year.

Grant	Year 2012				Year 2013		
	Total Fund allocation Rs. Mn	Total Fund Released Rs. Mn	Release /Utilization ratio as a % of total allocation		Total Fund allocation Rs. Mn	Total Fund Released Rs. Mn	Release /Utilization ratio as a % of total allocation
Recurrent Grants	14,719.0	14,611.0	99%		18,316.5	16,932.4	92%
Capital Grants	5,778.5	4,340.8	75%		8,524.2	5,820.1	68%
Total	**20,497.5**	**18,951.8**	**92%**		**26,840.7**	**22,752.5**	**85%**

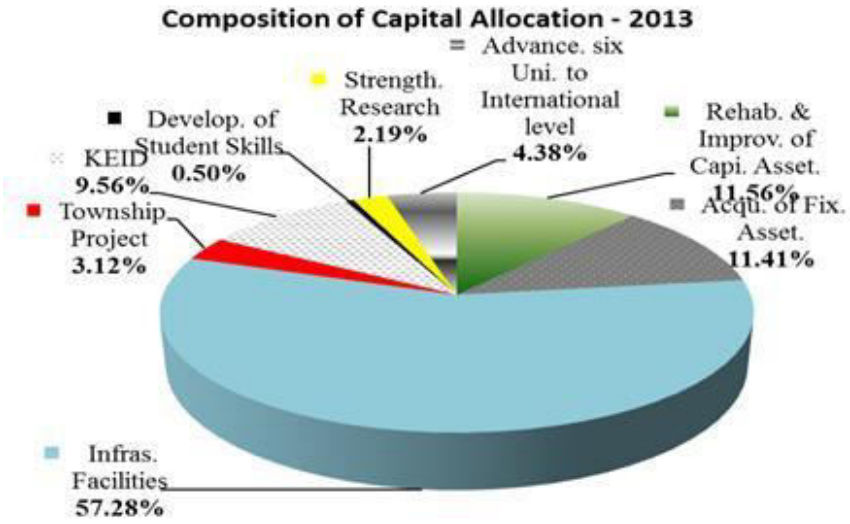
Compared to previous year, in 2013 allocation for recurrent grant and capital grant has increased by 24% and 48% respectively.

As shown in the above table, utilization / release of capital grants in 2013 is only 68% of the capital allocation of Rs. 5,820.1 Mn, which is a 7% decrease compared to 2012. However, in terms of expenditure it is 34% increase from the previous year (2012 – Rs. 4,340.8 Mn, 2013 – Rs. 5,820.1 Mn).

The reason for lower rate of capital grant utilization for year 2013 is mainly due to non-release of requested funds by the General Treasury during 3rd and 4th quarters of the year.

Financial Performance from 2009 to 2013
University Grants Commission, Universities & Higher Educational Institutions

	2009	2010	2011	2012	2013
1. Government Allocation					
Recurrent	11,107	11,415	13,161	14,719	18,317
Capital	4,520	3,500	7,100	5,779	8,524
2. Expenditure					
Recurrent	10,227	10,962	12,961	14,591	16,932
Capital	2,726	2,832	4,279	4,361	5,820
3. Student Financial Assistance					
Mahapola	92	93	127	101	94
Bursary	297	328	357	283	386
Tsunami & Endowed Scholarships	1	2	1	1	0.04



Financial Administration - Head 214
University Grants Commission, Universities & Higher Educational Institutions
Allocation of Recurrent/Capital Grants - Year 2011 to 2013 (Rs Mn)

Universities/ Institutes	Capital Grants			Recurrent Grants		
	2011	2012	2013	2011	2012	2013
PDN	464	393	742	2,235	2,267	2,627
CMB	400	357	664	1,243	1,270	1,586
SJP	383	354	729	1,126	1,302	1,691
KLN	386	350	427	1,100	1,256	1,614
MRT	375	289	546	882	942	1,165
RUH	455	337	568	1,153	1,223	1,475
UJA	545	543	794	786	869	959
OUSL	70	67	73	635	663	861
EUSL	230	422	588	372	427	514
RUSL	1,033	575	512	503	624	820
SUSL	387	321	435	431	531	624
SEUSL	181	244	308	318	338	460
WUSL	312	292	556	379	431	622
UVPA	342	194	262	328	379	469
UWU	287	207	300	180	234	319
PGIA	2	5	9	23	15	19
PGIM	1	8	28	80	64	55
PGIAR	22	5	9	43	45	49
PIM	15	-	-	-	-	-
PGIS	6	5	9	19	11	10
PGIPBS	1	4	3	11	10	11
PGIE	1	1	4	4	7	10
IIM	25	36	74	137	157	195
IHRA	4	7	11	22	25	33
UCSC	38	25	27	85	93	90
GWAI	149	91	146	111	128	144
ITUM	5	5	10	77	74	115
NILIS	2	2	4	8	9	12
IBMBB	31	29	18	35	35	48
SVIAS	18	18	58	42	58	72
NCAS	82	68	90	10	11	14
Trinco	129	73	203	69	89	132
Vavuniya	-	-	-	-	-	133
IATRS	21	24	17	7	8	11
UGC	701	427	300	153	151	1,292
South Asian Universities	-	-	-	-	-	-
Total	**7,100**	**5,779**	**8,524**	**12,610**	**13,744**	**18,248**
Performance Grants	-	-	-	551	975	68
Grand Total	**7,100**	**5,779**	**8,524**	**13,161**	**14,719**	**18,317**

7 CADRE OF THE UGC SECRETARIAT

The cadre of the UGC Secretariat for the year 2013 provided for a staff of **293** consisting of **63** Executive Grades, **177** Clerical and Allied Grades and **53** other Subordinate Grades. Only **40** of the first category, **119** of the second category and **47** of the third category were in service as at 31st December 2013.

	2013		2012		2011	
	Cadre	**In Service as at 31.12.2013**	**Cadre**	**In Service as at 31.12.2012**	**Cadre**	**In Service as at 31.12.2011**
Executive Grades	63	40	60	41	52	38
Clerical & Allied Grades	177	119	179	120	159	118
Subordinate Grades	53	47	53	47	57	46
Total	**293**	**206**	**292**	**208**	**268**	**202**

7.1 Appointments, Promotions, Confirmations, Transfers, Retirement and Resignation of UGC Employees

During the year under review, there have been 27 permanent and 9 contract / assignment basis/ daily paid appointments to the UGC Secretariat. Out of the permanent appointments 12 are of Executive Grade category.

UGC has granted 9 promotions and 14 confirmations to employees of the Secretariat which consists of Executive Grades as well as Clerical & Allied grades during the year.

12 employees who were employed at UGC Secretariat were transferred to Higher Educational Institutions in 2013 and 3 employees were transferred to UGC Secretariat from Higher Educational Institutions.

During 2013, 4 employees have retired from service while 5 employees have resigned from their respective posts.

7.2 Long Service Awards

There were 3 employees of the Secretariat staff who became eligible to receive long service awards under the provisions of Commission Circular Nos. 678, 696 and 893. They were granted cash awards for the long and meritorious service rendered by them to the university system.

Out of 3 members, 1 employee has completed 30 years of service and the rest have completed 25 years of service.

7.3 Training and Development of Staff

Every year the UGC provides an opportunity to members of the staff of the secretariat to enhance their skills and working knowledge by participating in workshops/training programmes which are relevant to their respective duties. These workshops/training programmes were conducted by recognized institutes such as IPFDA, ICTAD, IMAC, ICASL, NIBM, HETC, NCAS, SDFL, SLF, British Council etc.

In addition provisions were also made to grant financial assistance to members of the staff who wish to follow courses of study, which are conducted by the Higher Educational Institutions in the university system that would attribute to their career development.

(1) During the year under review **16** members of the executive staff and **20** members of the non-executive staff who were nominated by the UGC, participated in training and development programmes directly relevant to their working areas.

(2) In order to improve the Tamil knowledge of the UGC staff, a Tamil Language Course was commenced at the UGC Secretariat with the assistance of the National Institute of Language Education and Training for 45 employees.

(3) Three groups of employees categories under Clerical and Allied grades and Minor grades were given one day training on Career Personality Development, Skills Development of Minor employees and/or Personal Grooming

(4) Duty leave was granted for 6 executive officers to participate at short term overseas training programmes.

7.4 Special Contribution at All Island Sports Festival Organized by Sri Lankan Government Service Sports Society

Employees of the University Grants Commission Secretariat participated at the above All Island Sports Festival 2012/2013 for the first time and were successful to bring victory to UGC in most of the participated sport events.

7.5 Health Insurance Scheme

The existing Health Insurance Scheme with the Sri Lanka Insurance Corporation was extended with a view to providing more beneficial Health Insurance Scheme for all permanent employees of the University Grants Commission during the year.

7.6 Appreciation & Welcome

The Commission wishes to place on record its appreciation of the services rendered by those who have ceased to be its employees during the period under review and welcome those who joined the service during the period under review.

8. PROGRESS OF HUMAN RESOURCES

8.1 Review of Cadre

The Department of Management Services having considered the recommendations made by the UGC approved 613 new cadre posts for Higher Educational Institutions for the year 2013. The break-down of University cadre has been increased over the last 4 to 5 years as follows;

	2009	*2010*	*2011*	*2012*	*2013*
Academic Staff	7,533	7,551	8,021	8,290	8,510
Academic Support Staff	880	882	882	906	939
Administrative and Allied Staff *	877	879	898	1,023	1,075
Non Academic, Non-Administrative Staff	10,463	10,471	10,491	10,824	11,132
	19,753	19,783	20,292	21,043	21,656

* Including Medical Officers

8.2 Appointments / Promotions to Administrative Grades

In terms of paragraph (ii) and (iii) of Section 71(2) and Section 8(1) of the Universities Act. No.16 of 1978 , appointments / promotions to Administrative Grades should be made by the University Grants Commission. The following appointments and promotions were made during the year 2013 accordingly**;**

Appointments

Post of Senior Assistant Secretary/ Senior Assistant Registrar	- 12
Post of Senior Assistant Accountant / Senior Assistant Bursar / Senior Assistant Internal Auditor	- 14
Post of Assistant Secretary / Registrar (Legal & Documentation)	- 03
Post of Assistant Registrar (Library Services)	- 06

Promotions

(a) Placement of Senior Assistant Registrars/Senior Assistant Bursars on the Salary Scale of U-EX 2(1)

Senior Assistant Registrars	- 05
Senior Assistant Bursars	- 01

(b) Promotion to the Post of Senior Assistant Registrar /Senior Assistant Bursar on the basis of Annual Performance Evaluation Report (APER) Scheme (Based on Com. Cir. No.668)

Senior Assistant Registrars	- 01
Senior Assistant Bursars	- 06

(c) Post of Deputy Secretary/Deputy Registrar - 13

(d) Post of Deputy Accountant/Deputy Bursar/Deputy Internal Auditor- 06

(e) Post of Senior Assistant Registrar (Library Services) - 04

8.3 According to section 71 (02) (iii) of the Universities Act No. 16 of 1978, the following Appointments and Promotions of the Staff of **Non Administrative Non Academic Grades** were made during the year 2013.

(1) Appointments

Post	No. of Appointments
Works Engineer (Civil) Grade III	03
Electronic Engineer Grade III	01
Information Systems Manager	01
Chief Medical Officer	02
Dental Surgeon	01
Curator (Landscape) Grade III	01
Assistant Director Regional Educational Services	18
Director Accommodation	01
Medical Officer	07
Work Shop Engineer Grade III	01
Chief Security Officer	02
Farm Manager	01

(2) Promotions

Post	No. of Appointments
Chief Security Officer – Grade I	03
Chief Technical Officer	02
Audio Visual Technical Officer (Higher Grade)	01
Senior Personal Secretary	01
Senior Staff Technical Officer	06
Works Engineer Grade II	01

(3) 11 employees of U-EX 2(III) salary scale were placed over the Efficiency Bar Salary Scale of U-EX 2(II)

8.4 Inter University Transfers - 2013

In terms of Section 78 of the Universities Act, following transfers were implemented by UGC in 2013.

Administrative Grades	- 26
Non Academic, Non Administrative Staff	- 143

8.5 Providing Practical Training

Approval was granted for 643 practical trainees at Higher Educational Institutions/ Institutes, in terms of Public Administration Circular No. 12/2000 of 19/07/2000 adopted by Establishments Circular Letter No. 10/2002 as amended by Establishments Circular Letter No. 03/2007 of 29/03/2007.

	2013	2012
No. of Trainees	643	930

8.6 Staff Development Activities

- An extensive "Induction Training Program for Administrative & Financial Officers in university service" was commenced in May 2013, which is designed for all new recruits to the administrative and financial officer grades. It was conducted in 3 training sessions spread over 3 consecutive months (one week per month). Training manuals for the same were prepared by experts in the relevant fields.

- Training programs on "Essential Soft Skills for Non-Academic Staff" were conducted in the University of Jaffna, South Eastern University of Sri Lanka & Eastern University, Sri Lanka for all non-academic staff categories including administrative grades by Staff Development Centers (SDCs) jointly with HETC and HRDU.

- In July 2013 "Curriculum Development Workshop for Management Faculties" was held for the Academic Staff nominated by the Deans of Management Faculties of the Universities of Sri Jayewardenepura, Kelaniya, Colombo and Ruhuna.

- Unless the university staff of the Sri Lankan universities is equipped with lifelong learning skills and competencies, attempts to provide these skills to undergraduates will not be completely successful as the teachers themselves may not have received these skills. This matter was taken up by the Standing Committee on Libraries and Information Sciences (SCOLIS) and the Commission approved to incorporate a module on Information Literacy to the ongoing staff development program on the recommendation of the Standing Committee.

- All fifteen Staff Development Centers (SDCs) regularly conduct induction training programmes for Academic Staff and other short term training programs, workshops, outbound training etc. for all categories of staff including Academic, Administrative, Financial, Executive, Technical, Non-Academic, Clerical, Minor categories.

- SDCs had effectively utilized the funds granted by the UGC in the year 2011 and 2012 to strengthen staff development activities by improving infrastructure facilities, purchasing equipment and office appliances and conducting staff development programmes for all categories of staff in universities/HEIs. Thus, UGC allocated approximately Rs.50 Mn for the staff development activities in the year 2013 too and apportioned Rs. 30 Mn for the SDCs, i.e. 2 Mn for each SDC in order to continue the activities/ programmes already initiated with first two rounds of funds and to design and initiate new staff development programmes.

8.7 Award of Scholarships, Fellowships, Research Grants and Other Financial Assistance to University Academics

In keeping with the UGC policy to facilitate and encourage the academic staff specially the young academics to pursue their higher studies locally and abroad and also to foster and strengthen the research culture in the university system, the UGC made concerted effort during the last few years to allocate more funds. In order to achieve the said objective, following grants were made available during the year under review too;

a) Local Research Grants for Ph.D. Research Degrees

The University Grants Commission approved grants amounting to Rs. 8,803,427.05 for 34 academic staff members of the Higher Educational Institutions/Institutes to enhance opportunities to obtain Postgraduate Qualifications during the year 2013 under Local Research Grants.

	Total No. of Grantees **2013**	2008	2009	2010	2011	2012	2013
		Amount Rs.	Amount Rs.	Amount Rs.	Amount Rs.	Amount Rs.	Amount Rs.
Group 2008	03	5,950,000	1,075,000	500,000	2,750,182	550,000.00	592,347.00
Group 2009	08	-	5,350,125	7,273,900	1,381,700	2,540,187.05	2,212,825.05
Group 2011	18	-	-	-	2,530,000	2,530,819.00	4,138,255.00
Group 2012	05	-	-	-	-	-	1,860,000.00
Total	**34**	5,950,000	6,425,125	7,773,900	6,661,882	5,621,006.05	8,803,427.05

b) Introducing Innovative Research Grants Scheme related to regional/national development

The UGC is committed to promoting a vibrant research culture in HEIs in Sri Lanka. To this end, among other things, it administers a new grant scheme jointly with the Ministry of Higher Education, which is aimed at promoting high impact innovative research relevant to regional/national development. In order to set bench marks and maintain high standards in research, the UGC has established a Research Advisory Committee (RAC) comprising 08 members. The Committee represents the major streams in the higher education sector. The first meeting of the Committee was held on 06th August 2013.

Twelve research proposals were evaluated under this grants scheme for the year 2013 and four proposals worth Rs. 53.0 Mn (approx.) has been awarded as follows (However, only first installment was disbursed in 2013):

Discipline	**No. Awarded**	**Value (Rs)**
Medicine	2	39,771,588.50
Science	2	13,140,000.00
Total	**4**	**52,911,588.50**

c) Postgraduate Research Award Scheme

In 2013, UGC has launched a new scheme to provide financial assistance to permanent teachers of the university system coming under its purview for the purpose of reading for Master's and Doctoral degree programmes extending the benefits of the existing project. Probationary Lecturers and Senior Lecturers of any discipline in any HEI are eligible to receive financial assistance under the scheme to undertake higher studies in Sri Lanka or in the SAARC/ASEAN region which was subsequently extended to other countries.

This grant scheme assists the academic staff of the HEIs to undertake postgraduate research addressing regional needs and issues, thereby promoting regional development in line with the national policy. It also offers partial support for candidates who have already registered for a postgraduate degree programme at home or abroad, but face difficulties in completing the programme for want of adequate funds.

The total value of the grant varies with discipline, nature of study, the degree read for, and the country in which it is conducted. However, it will not exceed Rs. 2,500,000/- for MPhil (or Master's) degree and Rs. 3,500,000/- for a Doctoral Degree. Grants are awarded on a competitive basis, based on the quality of the proposal, the scientific merit of the study proposed and its relevance. 58 proposals with a total budget of Rs. 65 Mn received under this scheme and 42 proposals were approved by the Commission for which Rs. 35 Mn was disbursed in 2013.

d) Award of Commonwealth Scholarships and Fellowships

The University Grants Commission nominated 16 academics for the Commonwealth Academic Staff Fellowship from Sri Lankan Universities and 12 candidates were selected by Commonwealth Association. University wise breakdown of recipients during the last 2 years is given below;

University	2012	2013
CMB	3	3
PDN	4	-
KLN	-	1
SJP	1	2
MRT	-	-
UJA	1	-
RUH	2	3
OUSL	1	-
SUSL	2	-
WUSL	-	2
RUSL	-	1
Total	**14**	**12**
Commonwealth Split Site	**01**	**01**

In 2013, The University Grants Commission nominated 20 academics for the Commonwealth Academic scholarships and Fellowship for the year 2014/2015.

e) Financial Assistance for Air Passage for Academic Staff in Universities

Financial assistance by way of air passage was given to academic staff in Universities by the UGC to proceed abroad to obtain postgraduate qualifications in the recent years as follows;

		2010	2011	2012	2013
No of requests approved / granted by UGC	Inward	30	22	33	34
	Outward	62	77	65	55
Amount in Rs.		4,804,417.28	8,248,180.38	**7**,046,661.32	6,754,729.63

During the year under review, the financial assistance by way of air passage was given to academic staff in Universities as follows:

University	Number of requests approved by UGC in 2013		Actual Amount reimbursed to Universities by UGC in 2013 (Rs)
	Inward	Outward	
University of Colombo	3	3	451,085.25
University of Peradeniya	5	9	1,079,749.38
University of Jaffna	1	5	317,584.00
University of Sri Jayawardenepura	5	5	673,910.00
University of Ruhuna	4	4	-
University of Moratuwa	2	8	1,307,351.00
Sabaragamuwa University of Sri Lanka	4	8	494,550.00
University of Kelaniya	7	3	811,410.00
South Eastern University of Sri Lanka	1	2	75,450.00
The University of the Visual & Performing Arts	2	2	177,520.00
Rajarata University of Sri Lanka	-	5	1,226,020.00
Wayamba University of Sri Lanka	-	1	**-**
Open University of Sri Lanka	**-**	-	140,100.00
Total	**34**	**55**	**6,754,729.63**

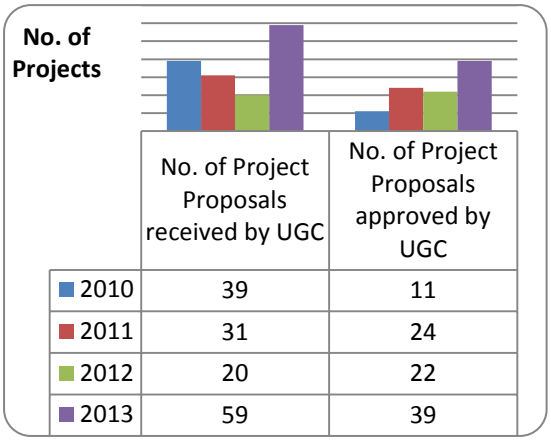
9. INFRASTRUCTURE DEVELOPMENT

A total sum of Rs. 8,459 Mn was allocated for the new construction & continuation projects, rehabilitation projects, acquisitions, infrastructure projects in newly established universities and capacity building for students in 2013. Treasury had recommended only Rs.7,292 Mn However, due to various restrictions imposed by the Treasury in releasing funds during the year, the universities and HEIs were able to receive only about Rs. 5,590 Mn by the end of the year 2013.

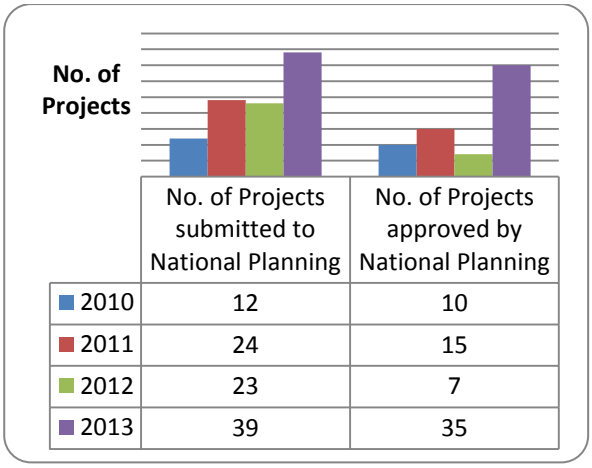
During the year, 59 new project proposals were received by the Commission from Universities and HEIs and after careful scrutiny and evaluation only 39* were approved by the Commission as at end of the year. National Planning Department granted approval for 35* out of the new projects in 2013 and altogether 49* projects including the project proposals received in the previous years had been approved by the Cabinet of Ministers during the year. Total Estimated Cost of these 49 projects amounted to Rs. 10,885.66 Mn There were 26*# projects physically commenced in 2013 & 48*# construction projects in progress at different levels in the design and construction process within the university system as at the end of the year of which total cost estimate was Rs. 10,201.92 Mn 13*# projects bearing a total Estimated Cost of Rs. 1,551.50 Mn were completed and handed over to the university system during the period under review. Details are given below;

	2010		2011		2012		Up to December 31, 2013	
	No. of Projects	Total Value (Rs. Millions)	No. of Projects	Total Value (Rs. Millions)	No. of Projects	Total Value (Rs. Millions)	No. of Projects	Total Value (Rs. Millions)
No. of Project Proposals received by UGC	**39**	**12,671.06**	**31**	**5,535.40**	**20**	**3,755.83**	**59**	**12,466.54**
No. of Project Proposals approved by UGC	***11**	**3,744.61**	***24**	**8,069.00**	***22**	**2,512.35**	***39**	**8,577.34**
No. of Projects submitted to National Planning	***12**	**5,913.36**	***24**	**7,762.02**	***23**	**3,306.93**	***39**	**8,577.34**
No. of Projects approved by National Planning	***10**	**1,499.64**	***15**	**4,351.8**	***07**	**3259.13**	***35**	**6,361.21**
No. of Projects approved by Cabinet of Ministers	***12**	**1,583.8**	***12**	**1,317.47**	***11**	**4,854.87**	***49**	**10,885.66**
No. of Projects commenced during the year	***14**	**2,799.4**	**#*17**	**2,496.9**	**#*11**	**1,514.70**	**#*26**	**3,546.22**
No. of Projects in Progress (Continuation)	***60**	**13,637.95**	**#*41**	**14,662.55**	**#*44**	**13,672.40**	**#*48**	**10,201.92**
No. of Projects Completed	***22**	**2,780.6**	**#*12**	**2,223.45**	**#*13**	**2,778.30**	**#*13**	**1,551.5**

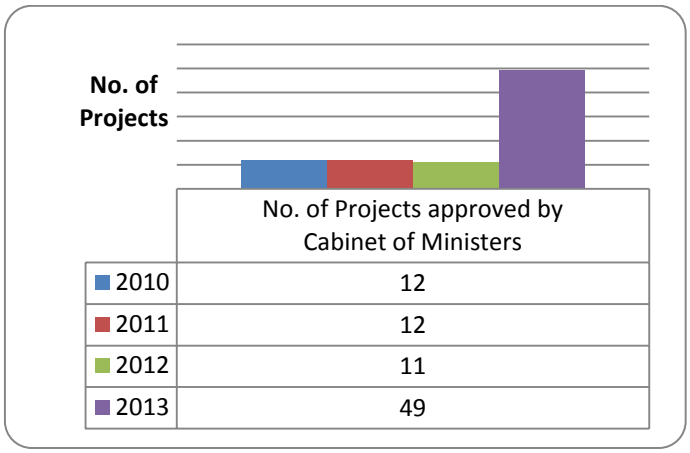
* Including project proposals submitted in the previous years.
# considered only the physical condition of the project



	No. of Project Proposals received by UGC	No. of Project Proposals approved by UGC
2010	39	11
2011	31	24
2012	20	22
2013	59	39



	No. of Projects submitted to National Planning	No. of Projects approved by National Planning
2010	12	10
2011	24	15
2012	23	7
2013	39	35



	No. of Projects approved by Cabinet of Ministers
2010	12
2011	12
2012	11
2013	49

9.1 Cabinet Approval was Granted for Construction of 30 Hostels in the University System under the above Project in 2013; (Expeditious Project to Construct Hostels)

	No. of Projects	No. of Projects Awarded in 2013	Total Value (Rs. Millions)
Hostel -Phase I	**30**	**30**	**13,860.00**
Hostel -Phase II	**26**	**-**	

9.2 Projects below Rs. 20 Mn for Additional Student Intake 2011/2012 & 2012/2013

60 projects to the tune of Rs. 670.5 Mn were approved by the Department of National Planning during the year under special projects below Rs. 20 Mn in order to provide facilities for the additional intake of student to universities.

10. DEVELOPMENT OF INFORMATION TECHNOLOGY

Implementation Processes on IT Governance in Universities

IT governance is a part of the corporate governance and emerged as a concept to ensure that the organization's information technology is supporting the organization's strategies and objectives. A survey was conducted to study the status of IT governance in Universities. A series of presentations/discussions were also held with the senior officials in universities with the objectives of creating awareness on ITG and to explore possibilities of introducing an ITG framework for all universities.

IT Funds Utilization in the Year 2012/2013

For Improvement of IT infrastructure and technical capacity in the following HEIs, a sum of Rs. 11.397 Mn was disbursed in the year 2013.

HEI	Project	Amount Disbursed in 2013 (Rs.)
IARS	Development of ICT based infrastructure facilities	5,500,000/-
GWAI	Development of existing network facilities	4,000,000/-
Trincomalee Campus	Computer facilities upgrading	1,897,000/-
	Total	**11,397,000/-**

11. QUALITY ASSURANCE IN HIGHER EDUCATION

Since 2005, 318 subject / programme reviews had been carried out by the Quality Assurance Council with the assistance of 40 subject committees and 43 subject benchmark statements have been established. 4 benchmarks statements were in progress by the end of 2013. Curriculum revisions to revise academic programmes for demand driven areas were carried out by the universities in keeping with national and international benchmarks. 13 Codes of Practices have been produced. Second review cycle for institutional reviews which started in 2013 has identified 4 Universities to conduct the institutional review. During this period, 29 Workshops were also conducted at national and university/faculty level to improve the quality of Higher Educational Institutions.

Workshops held from January 2013

Programme	National	International	University/Faculty / Depts./Institute
1. Internal Quality Assurance in Universities	-	-	07
2. Subject Review Process in Universities	-	-	02
3. Student Feedback and Peer Observation	-	01	-
4. New Developments of QA in Universities	-	-	11
5. Other QA related Workshops	02	01	05
TOTAL	02	02	25
	29		

Status of Programme Accreditation Process in Universities

Discipline	Preparation of Accreditation Manual
1. Agriculture related	Completed
2. Arts related	In Progress
3. Management	Checklist to be Finalized
4. Science and Fisheries	Checklist to be Finalized
5. Engineering, Architecture, Geomatics and IT	Checklist to be Finalized
6. Medicine, Dental and Allied Health	Checklist to be Finalized

- QAA Council was able to obtain International Award for the "Web Based Monitoring and Evaluation System for External Quality Assessment" in the category of Innovations in Quality Assurance among a competition of 46 submissions and recognised as the 1st Accredited QA Agency at the Asia Pacific Quality Network (APQN) Annual Conference 2013 which was held in Taipei, Taiwan.

12 STUDENT RELATED MATTERS

University Student Charter

The University Grants Commission issued the "University Student Charter" in February 2013, in order to serve as a guide for students enrolled in state universities as well as a document that states the conditions of the contract that exist between the university and its students. It also serves as a guide to the academic, administrative and support staff and the public, as it emphasizes the commitment expected from all stakeholders for the smooth functioning of state universities. Further the University Student Charter earnestly urges students to cooperate and contribute towards making it possible for the state universities to play their mandatory role and contribute to preserve and sustain the core values and principles of the institution.

13. FINANCIAL ASSISTANCE TO UNIVERSITY STUDENTS

13.1 Introduction

There are 03 main schemes under which university students are assisted financially. They are;

Mahapola Scholarship Scheme
University Bursary Scheme
Scholarship Scheme with donor endowments

Of these three schemes, students for Mahapola Scholarships and Scholarships with donor endowments are selected by the UGC annually while the selections for Bursaries are handled by the respective Universities/ HEIs.

(1) Mahapola Scholarships

Under the Mahapola Scholarship Scheme, the Mahapola Higher Education Scholarship Trust Fund awards two categories of scholarships i.e. Mahapola Higher Education Merit Scholarships and Mahapola Higher Education Ordinary Scholarships in collaboration with the University Grants Commission.

(2) Payment of Bursaries, Mahapola Scholarships

Funds for the payment of Mahapola-Treasury contribution and Bursary have been allocated to the UGC on the basis of estimated Mahapola/Bursary recipients plus value of the existing scholarship installment.

Type of Financial Assistance to Students	Mahapola Scholarships			Bursaries			Endowment scholarships / Other Financial Assistance		
	2011	2012	2013	2011	2012	2013	2011	2012	2013
No of Students	32,272	33,089	39,471	17,996	23,446	28,983	66	69	55
Total Paid Rs. (Mn)	126.8	101.46	94.95	357.1	283.4	385.9	0.96	2.5	2.5

(3) Scholarships with Donor Endowments

In addition to the Scholarships mentioned above following scholarship schemes too were in operation during the year under consideration.

(a) Mitsubishi Corporation International Scholarships

A Memorandum of Understanding was signed between the UGC and Mitsubishi Corporation for the scholarship scheme funded by Mitsubishi Corporation.

Under this scholarship scheme thirty (30) scholarships were awarded to students who have been selected to follow courses of study in Management at the Faculty of Management and Finance, University of Colombo and Faculty of Management Studies and Commerce, University of Sri Jayewardenepura. The annual value of the scholarship is Rs.48,000/- (12 Monthly installments of Rs.4,000/-). The scholarship is for one year duration with possible extension for another year.

(b) Police C.W.C. Benefits Scheme

Under the Scholarships funded by Police C.W.C. Benefits Scheme three (03) scholarships were awarded for the Academic

year 2011/2012 to students in Engineering, Medicine and Agriculture fields who gained admission to University of Moratuwa, University of Peradeniya and Wayamba University of Sri Lanka.

The annual value of the scholarship is Rs. 20,000/= which will be paid in ten (10) monthly installments of Rs. 2,000/= covering the whole duration of the course of study.

(4) Scholarship Scheme for University Students Affected by the Tsunami

Rs. 305,846.89 was paid to undergraduate students during the year 2013 under the Tsunami Scholarship Scheme established by the UGC in 2005 utilizing the donations received from local and foreign well-wishers, for university students affected by the Tsunami.

13.2 Coordination of Award of Scholarships

- **Commercial Bank Scholarship Scheme for University Entrants**

Commercial Bank Scholarship Scheme is designed for university entrants who are studying in the Faculties of Medicine and Management covering all the universities in Sri Lanka. Value of the scholarship is Rs. 25,000/- per year which is paid in 10 installments.

Accordingly, 25 students from the Academic Year 2010/2011 based on the results of 2010 GCE A/L Examination, were selected for those Scholarships during the year concerned.

University of Colombo	- 2
University of Sri Jayawardenepura	- 7
University of Peradeniya	- 4
University of Kelaniya	- 9
Rajarata University of Sri Lanka	- 3

14. VISIT OF HIS EXCELLENCY THE PRESIDENT TO MINISTRY OF HIGHER EDUCATION AND UNIVERSITY GRANTS COMMISSION

On 1st March 2013, His Excellency the President visited Ministry of Higher Education and University Grants Commission for the progress review meeting of Medium Term Investment Plan of Higher Education which was held in the UGC Auditorium with the participation of top management of institutions as well as all Vice Chancellors, Directors and Rectors of the university system.



15. PROGRESS MEETINGS WITH THE HON. MINISTER OF HIGHER EDUCATION

The Hon Minister of Higher Education had several meetings with the University Community including academics, administrators and others in order to streamline the University Education System and to monitor the progress of activities, during the year as follows;

Meetings were held;

1. to review the progress of the Strategic Planning and Implementation, with relevant officials within the purview of the MOHE by the Strategic Plan Review Workshop which held on 18.01.2013 & 19.01.2013 at Hotel Janaki.

2. to discuss about the Telecommunication Project with Sri Lanka Broadcasting Corporation (Kothmale Communal Radio) and University of Kelaniya with the participation of relevant officials held on 30.01.2013 at the Ministry of Higher Education.

3. to discuss 2012 progress and 2013 action plan of the Higher Education sector with the participation of University Grants Commission and Press & Media held on 31.01.2013 at Green Garden Hotel, Kirulapona.

4. to discuss the preparation of the Strategic Plan of UGC aligning with the strategic Plan of MOHE with the relevant officials of UGC and MOHE on 02.04.2013.

5. to discuss the logistics and other issues with regard to admission of students to universities from the newly introduced Technology Stream at G.C.E Advanced Level with the participation of Hon. Minister of Education and relevant officials of the university system and two Ministries on 18.05.2013 at Heritance Ahungalle.

6. to review the progress of the Strategic Planning and Implementation, with relevant officials within the purview of the MOHE by the Strategic Plan Review Workshop which held on 18.05.2013 & 19.05.2013 at Heritance Ahungalle.

7. to discuss the progress of development of a school near by each University, which was discussed at the meeting with His Excellency the President on 11.06.2013.

8. to discuss the Examination for Registration to Practice Medicine (ERPM), with the relevant officials of the Sri Lanka Medical Council, University of Colombo, University of Sri Jayawardenepura, Postgraduate Institute of Medicine and University Grants Commission held on 11.06.2013 & 2.07.2013 at the Ministry of Higher Education.

9. to discuss Quality Assurance and Accreditation on 03.07.2013, with the relevant members of the Quality Assurance and Accreditation Council .

10. to discuss about the advancement of Management Education in the country held on 25.07.2013, at the Cinnamon Grand Hotel, Colombo with relevant officials of the National Advisory Council.

11. to discuss on preparation of annual budget 2014 with Hon. Minister of HE, Secretary to Treasury, Secretary/ Ministry of Higher Education, Chairperson of UGC, Vice Chancellors and other relevant officers on 03.09.2013 at Board Room of UGC.

12. to discuss the "Leadership Training Programme – Academic Year 2012/2013" with relevant officials held on 14.10.2013 at the Ministry of Higher Education.

13. to discuss Student Centered Teaching Learning Process with Foreign Consultants and officials of UGC held on 25.10.2013 at Hotel Renuka.

14. to discuss allocation of Estimated Grants according to the Budget 2014 with relevant officials of UGC held on 04.11.2013 at the Ministry of Higher Education.

15. to discuss Medium Term Budget Framework & Budget Support for Performance Based Budget and Implementation & Reform towards Strengthening the Project management in Line Ministries held on 05.11.2013 at the Grand Monarch Hotel, Thalawathugoda.

16. to discuss about the Postgraduate Institutes of University of Kelaniya was held on 06.11.2013 at the Ministry of Higher Education.

16 ASSISTANCE PROVIDED TO NATIONAL ORGANIZATIONS

- A provisional merit order list excluding Rajarata University of Sri Lanka based on final MBBS (Repeat) Examination for 2005/06 intake was compiled and submitted to the Ministry of Health for the purpose of internship placements in March.

- Final merit order list of MBBS graduates for internship appointments based on final MBBS (Repeat) Examination for 2005/06 intake was compiled incorporating Rajarata University of Sri Lanka and submitted to the Ministry of Health for the purpose of internship placements in June.

- Final merit order list of MBBS graduates for internship appointments based on final MBBS (Main) Examination for 2006/07 Intake was compiled and submitted to the Ministry of Health for the purpose of internship placements in October.

- 2002/2003 Main and Repeat Ayurveda Merit Order Lists were prepared and submitted to the Department of Ayurveda in October for the purpose of their appointments.

- MIS Division assisted the Ministry of Higher Education, Central Bank, the Dept. of Census & Statistics, Department of Labour and other public institutions in compilation of data relevant to Higher Education sections in their publications.

- MIS Division assisted the UNESCO Institute of Statistics in compilation of the statistics relevant to higher education of the country covering other state & private sector institutions also.

17 LEGAL AFFAIRS

17.1 New Legislation

During the year under review the Legal Division of the Commission had taken action to publish 2 Orders and 1 Ordinance.

(1) Orders made during the year

- Order made under Section 27(1) of the Universities Act No. 16 of 1978 establishing a new Department of Commerce at the Faculty of Management Studies and Commerce in the University of Jaffna which was published in the Government Gazette Extraordinary No. 1819/27 of 18th July, 2013.

- Order made under Section 27(1) of the Universities Act No. 16 of 1978 establishing a new Department of Integrated Design at the Faculty of Architecture in the University of Moratuwa

which was published in the Government Gazette Extraordinary No. 1819/46 of 19th July, 2013.

Since the Secretary, Ministry of Higher Education has been appointed as Specified Authority by Government Gazette Extraordinary No. 1746/11 of 22nd February, 2012, another 4 Orders for granting Degree Awarding Status have been published by the Ministry of Higher Education, under Section 25A of the Universities Act No. 16 of 1978.

- Order made under Section 25A of the Universities Act No. 16 of 1978 granting the Degree Awarding Status to the Sri Lanka International Buddhist Academy (SIBA) by recognizing Bachelor of Arts Special Degree in Buddhist Leadership Degree awarded by the Institute which was published in Government Gazette Extraordinary No. 1798/62 of 22nd February, 2013.

- Order made under Section 25A of the Universities Act No. 16 of 1978 extending the Degree Awarding Status already granted to the National School of Business Management (NSBM) which is owned by the National Institute of Business Management (NIBM) by recognizing five Degrees and six Postgraduate Diplomas awarded by the Institute which was published in Government Gazette Extraordinary No. 1800/6 of 05th March, 2013. The Order which was published in the Government Gazette Extraordinary No.1624/11 of 20th October, 2009 is rescinded by this Order.

- Order made under Section 25A of the Universities Act No. 16 of 1978 granting the Degree Awarding Status to the Institute of Chartered Accountants of Sri Lanka (ICASL) by recognizing two Degrees awarded by the Institute which was published in Government Gazette Extraordinary No. 1801/5 of 12th March, 2013.

- Order made under Section 25A of the Universities Act No. 16 of 1978 granting the Degree Awarding Status to the Institute of Colombo International Nautical and Engineering College (Pvt.) Ltd. (CINEC) by recognizing 3 Degrees awarded by the Institute which was published in Government Gazette Extraordinary No. 1818/7 of 09th July, 2013.

(2) Following Ordinance was made during the year

The Open University of Sri Lanka (Amendment) Ordinance No. 01 of 2013 made under Sub Section (2) of Section 23 read with Section 18 of the Universities Act, No. 16 of 1978 published in the Government Gazette Extraordinary No.1839/41 of 05th December, 2013.

17.2 Court Cases

A total of 20 cases, which had been filed in Courts of Law and Tribunals against the UGC were handled by the Legal Division of the Commission during the year. They are as follows;

Supreme Court	–	08 cases
Court of Appeal	–	04 cases
Labour Tribunal	–	01 case
University Services Appeals Board	–	07 cases

18. UNIVERSITY SERVICES APPEALS BOARD (USAB)

The USAB had 48 sittings during the year under review. Twelve (12) Appeals were registered at the USAB in 2013. Orders were delivered in respect of fourteen (14) appeals of which seven (07) were dismissed and seven (07) were allowed. Only one (01) appeal was settled. No Preliminary Orders were issued. Only one case was laid by. Twenty seven (27) appeals were pending at the end of the year 2013 accordingly.

There were three cases filed before the Court of Appeal and one case before the Supreme Court against the USAB.

19. IMPROVING FINANCIAL MANAGEMENT AND CENTRAL INTERNAL AUDIT

The Central Internal Audit Division which is entrusted with the task of internal audit assignments & investigations of the University Grants Commission (UGC) and Higher Educational Institutions has been continuing its program of work as in the previous years, reviewing the adequacy of internal control systems and procedures ensuring adherence to circular instructions, the Universities Act and other relevant rules and regulations and identifying risks involved in day to day operational activities.

The Central Internal Audit Division of the University Grants Commission co-ordinates with internal audit divisions of Universities to maintain good governance among the system. The monitoring process and proposing any new or change of policies were done through the Audit Committee of the University Grants Commission. All lapses, weaknesses and shortcomings were brought to the notice of the relevant authorities with suggestions for improvements.

(1) Considering the observations made by the Auditor General and the Committee on Public Enterprises [COPE] of Parliament, an Audit Action & Monitoring Committee has been set up by the UGC to regularly review the management of funds by the HEIs. This Committee meets on a regular basis with the Secretary to the line Ministry in Chair and it has helped the Universities and HEIs to identify the lapses, weaknesses and shortcomings of internal control

systems and procedures ensuring adherence to Good Governance and Management practices introduced by the Treasury in keeping with financial regulations.

During the year under review, the Committee examined the matters pertaining to all 15 universities and 18 HEIs;

(2) During the year under review the Audit Committee met on four occasion's viz. 20.03.2013, 28.06.2013, 27.09.2013 and 10.12.2013.

(3) In addition four meetings were held with high ranking officials from General Treasury, Auditor General's Dept, Ministry of Higher Education and officials from Higher Educational Institutions to find solutions for burning issues that have arisen due to non-existence of systematic and logical approach.

20. SURVEYS, PUBLICATIONS AND RESEARCH STUDIES

1. The publication of "Sri Lanka University Statistics 2012" which is the eleventh volume of its series was published in July 2013.

2. The publication of proceedings of the workshop on "Competency Building and Capacity Enhancement in the Emerging Oil and Gas Industry in Sri Lanka" was published in December 2013.

3. An Indicator sheet covering key indicators in higher education for the year 2012 has been developed and published for internal use of the UGC.

4. The survey on progress of action taken to recover the amounts due from the staff with regard to breach of bond agreements in university system (as at 31st December 2012) was submitted to the Commission.

5. The survey on accommodation facilities available for undergraduates in Higher Educational Institutions in 2012 was submitted to the Commission.

21. UNIVERSITIES PENSION FUND

The Universities Pension Fund was established with effect from 1st September 1999 in terms of the Commission Circular No. 747 of 10th June 1999 issued by the UGC, as approved by the Cabinet of Ministers.

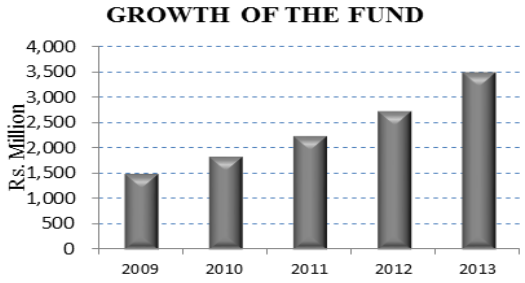
Governance and Management

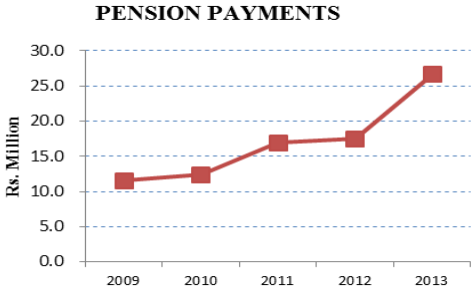
It was proposed to enhance and strengthen the Governance and Management of the Universities Pension Fund in 2013. Accordingly the Commission decided to appoint a Committee to draft an Ordinance for regulation, administration and management of the Universities Pension Scheme (UPS) and to appoint an Advisory/ Monitoring

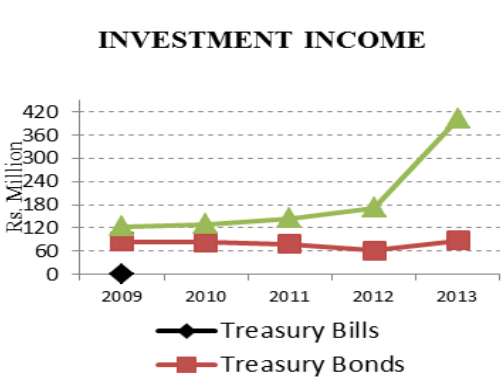
Board to review the activities of the UPS periodically. Annual Accounts of the Fund are prepared and submitted to Auditor General for auditing. Investments are made in accordance with Government rules and regulations.

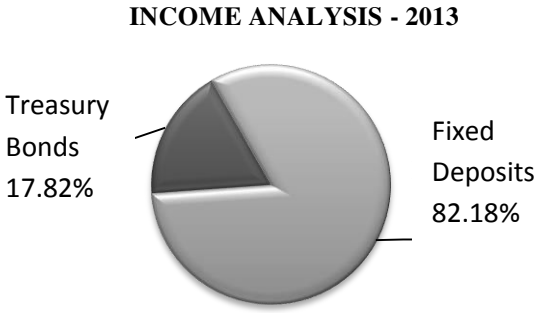
Financial Highlights of the Pension Fund are given below;

		2009	2010	2011	2012	2013
1	Membership					
	Active Members	6,883	7,282	7,588	8,167	9,124
	Other Inactive Members	1,080	1,363	1,503	1,778	2,003
	No. of Members	7,963	8,645	9,091	9,945	11,127
2	No. of Pension Receiving Members	82	89	113	121	149
3	Fund Balance (Rs. Mn)					
	Contributors Fund	1330	1633	1958	2,432	3,079
	Pensioner's Fund & Reserve	164	201	278	299	403
	Growth of the Fund	1,494	1,833	2,236	2,731	3,482
4	Total Investment (Rs. Mn)	1,392	1,679	2,000	2,454	2,937
5	Total Investment Income (Rs. Mn)	208	213	224	236	491
6	Income Tax (Rs. Mn)	21	21	22	20	41
7	Return on Investment (%)	15%	13%	11%	10%	17%
8	Declared Interest to Members	13%	11.5%	8%	9%	13.50%
9	Pension Payments (Rs. Mn)	12	12	17	17	27







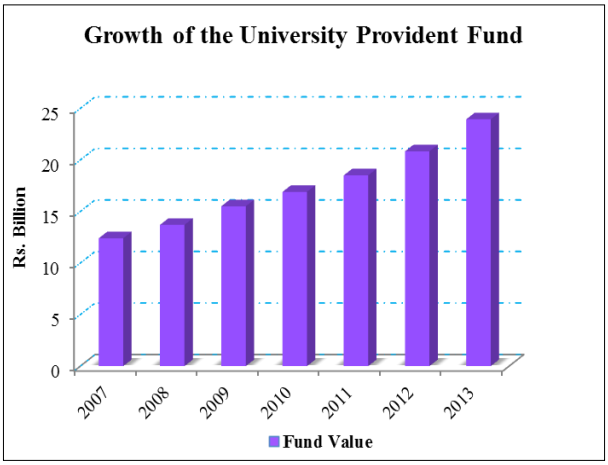


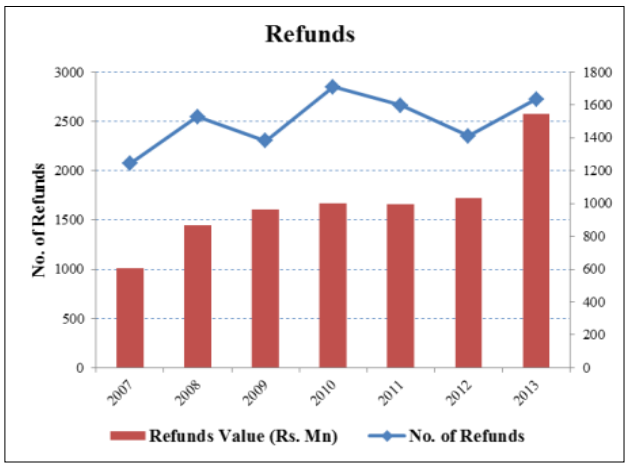
22. UNIVERSITIES PROVIDENT FUND

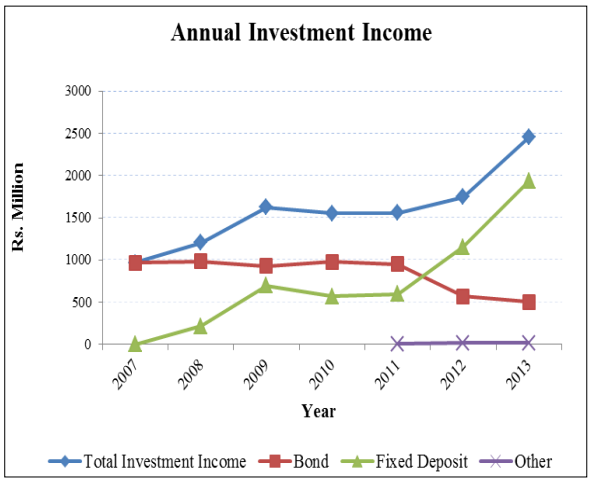
The Universities Provident Fund has been established in terms of provision in Sections 89 - 96 of the Universities Act No. 16 of 1978 as a retirement assurance plan for employees in the university system. The aim of the Universities Provident Fund is to manage the fund prudently to ensure a better return to members at retirement or termination of their services.

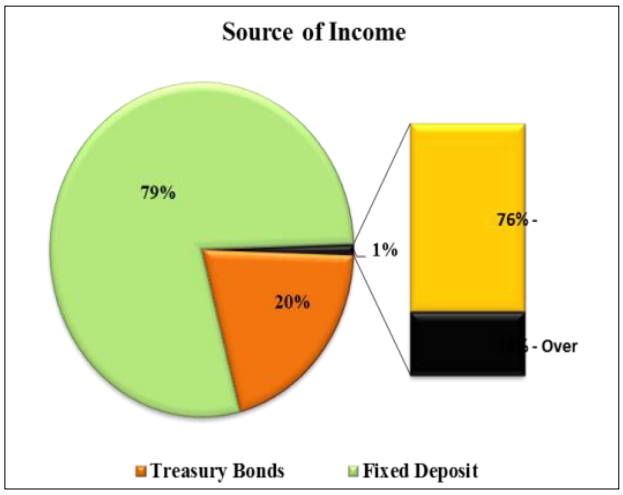
Financial Highlights of the Pension Fund are given below;

		2008	2009	2010	2011	2012	2013
1.	Membership						
	Active Members	**26,143**	27,450	**27,368**	27,892	**28,291**	**30,103**
	Inactive Members	**5,385**	5,348	**5,321**	5,288	**5,272**	**5,251**
2.	Refunds						
	No. of Refunds	**2,544**	2,302	**2,847**	2,663	**2,349**	**2,722**
	Refunds Value (Rs. Mn)	**866.9**	961.3	**1,002.0**	997.3	**1,031.0**	**1,543.0**
3.	Fund Balance (Rs. Mn)	**13,761.3**	15,515.1	**16,906.6**	18,502.0	**20,832.0**	**23,397.0**
4.	General Reserve (Rs. Mn)	**162.5**	49.4	**74.8**	123.7	**391.0**	**469.0**
5.	Interest Rate Equalization Reserve (IRER) (Rs. Mn)	**-**	-	**136.9**	281.6	**-**	-
6.	Loan Granted during the year (Rs. Mn)	**695.1**	640.1	**708.8**	858.8	**784.0**	**1,243.0**
7.	Total Investments (Rs. Mn)	**9,955.6**	11,350.5	**12,547.0**	13,582.0	**15,682.0**	**16,607.0**
8.	Investment Income (Rs. Mn)	**1,189.0**	1,627.4	**1,553.8**	1,560.6	**1,762.0**	**2,455.0**
9.	Tax Paid (Rs. Mn)	**120.7**	162.7	**155.3**	124.8	**141.0**	**193.0**
10.	Return to Investments	**12.12%**	14.34%	**12.38%**	11.50%	**11.3%**	**14.78%**
11.	Declared Interest - On Opening Balance	**12%**	15.5%	**10.5%**	9.5%	**11.0%**	**13.50%**









23 COMMISSION CIRCULARS AND ESTABLISHMENT CIRCULAR LETTERS ISSUED DURING 2013

The UGC within the powers, duties and functions vested by the Universities Act No. 16 of 1978 and also the directives made by the respective government bodies with regard to the matters pertaining to salaries, schemes of recruitment & cadres, and other administrative matters etc, following Commission Circulars and Establishment Circular Letters were issued during the year under review for smooth functioning of the UGC and the Higher Educational Institutions.

It is noteworthy to record that during the year under review, the UGC initiated revising the Establishments Code of the UGC and universities which was published in 1984, which is is nearing completion. Given the magnitude and complexity of the task, guidance and assistance have been obtained from retired eminent personnel from university system and some existing senior administrators from the UGC & universities.

a) Commission Circulars

Circular No	Subject	Date
998	Payment of Special Advance to university employees -2013	03.01.2013
999	Revision of Allowances of Government Corporations, Statutory Boards and Project Staff as per the Budget Proposals -2013	04.01.2013
1000	Payments of Academic and Research Allowance in terms of Budget Proposals -2013	08.01.2013
01/2013	Amendments to the Schemes of Recruitment for the Posts of Lecturer (Prob), Senior Lecturer Gr II and I -(Medical/Dental) and Non-(Medical/Dental)	28.01.2013
02/2013	IT Governance and Management (IT Policy)	29.01.2013
03/2013	Rectification of Salary Anomalies of the University Staff based on the Management Services Circular No.30(1) on Budget Proposals – 2012	07.03.2013
04/2013	Leave entitlement of Full Time Sub-Wardens in the University System	19.03.2013
05/2013	Sri Lanka Qualifications Framework (SLQF)	22.04.2013
06/2013	Registration in terms of Factories Ordinance No. 45 of 1942	22.04.2013
07/2013	Fees and Travelling of Visiting Staff	24.04.2013
08/2013	Sabbatical Leave to Teachers & Officers	14.05.2013
09/2013	Granting opportunity to holders of the post of Security Guard (Lower Grade) to apply for the post of Security Guard (Higher Grade) on Promotion	31.05.2013
03/2013(i)	Rectification of Salary Anomalies of the University Staff based on the Management Services Circular No.30(1) on Budget Proposals – 2012	12.06.2013
03/2013(ii)	Rectification of Salary Anomalies of the University Staff based on the Management Services Circular No.30(1) on Budget Proposals – 2012	27.06.2013
10/2013	Maternity Leave and Nursing Intervals for Female Employees of the University System	02.09.2013
11/2013	Study Leave for obtaining Postgraduate Degree/Professional Qualification to Executive Staff /Academic Support Staff/ Medical Officers & Dental Surgeons	10.10.2013

b) Establishment Circular Letters

Circular No	Subject	Date
01/2013	Assignment of Vehicles for the post of Registrar of Universities	11.01.2013
02/2013	Number Code of Commission Circulars	24.01.2013
03/2013	Recruitments to Non-Academic Non-Administrative Posts in the University System – Under Internal Category	15.03.2013
04/2013	Common Guidelines to be followed by Universities and Higher Educational Institutes with regard to Annual Verification of Assets	10.04.2013
05/2013	Adoption of Public Administration Circulars	15.05.2013
06/2013	Providing Protective Shoes to employees of Non-Academic Non-Administrative grades	16.05.2013
07/2013	Fees and Travelling of Visiting Staff	17.05.2013
08/2013	Payment of Language Proficiency Allowance	23.05.2013
09/2013	Utilization of Income derived from Violation of Agreements and Bonds entered into with Universities by Teachers who had gone on Study Leave	05.06.2013
10/2013	Obtaining approval for appointment of Trainees	17.06.2013
11/2013	Granting of Special leave during the Ramalan (Ramazan) season -2013	08.07.2013
12/2013	Providing Accommodation facilities for Officers	29.08.2013
13/2013	Compensation for University Employees who suffer injury whilst on Duty	13.09.2013
14/2013	Tailoring Fees for Official Uniforms	01.10.2013
15/2013	Scheme of Recruitment for the posts of Library Assistant Grade III, II, I and Staff Assistant/ Library Services & Senior Staff Assistant /Library Services	05.12.2013
16/2013	Flying the National Flag at half-mast upon the Demise of Nelson Mandel, the former President of South Africa	09.12.2013
17/2013	Scheme of Recruitment for the post of Computer Applications Assistant Grade II	20.12.2013
18/2013	Payment of Special Advance to University Employees – 2014	30.12.2013
19/2013	Adoption of Public Administration Circular No. 35/2013	31.12.2013
20/2013	Granting of Salary Increments on Stagnation at the maximum step of the salary scale	31.12.2013

University Grants Commission **Annex 1**

Statement of Financial Position

As at 31st December 2013

	Note	Page	2013 Rs	2012 Rs
ASSETS				
Non-Current Assets				
Property,Plant and Equipments	1	9	529,142,307	545,594,270
Investments	2	10	30,489,952	34,876,395
			559,632,259	**580,470,665**
Current Assets				
Inventories	3	10	2,079,049	3,668,369
Trade and Other Receivables	4	10	115,583,692	63,796,997
Prepayments & Deposits	5	11	5,683,657	3,383,369
Cash and Cash Equivalents	6	11	63,462,411	6,104,707
			186,808,809	76,953,441
TOTAL ASSETS			**746,441,068**	**657,424,106**
EQUITY AND LIABILITIES				
Consolidated Fund				
Deferred Capital Grants	7	12	14,098,904	27,441,758
Capital Grants -Unspent	8	12	2,091,164	4,066,949
Deferred Rehab & Imp.of Fixed Assets	9	12	2,097,125	1,126,076
Revaluation Surplus			509,313,767	509,313,767
Retained Surplus/(Deficit)			(19,764,544)	(22,137,450)
Other Reserve Staff Development			17,000,000	
			524,836,416	**519,811,100**
Non-Current Liabilities				
Research Fund	10	12	12,150,870	18,987,239
Specific Fund	11	12	10,278,787	9,881,435
University Scholarships Fund	12	13	19,230,185	18,258,844
Retirement Benefits Obligation	13	14	36,798,930	35,696,924
			78,458,772	**82,824,442**
Current Liabilities				
Payable to Universities And HEI'S	14	19	125,046,784	42,136,386
Trade and other payables	15	19	17,776,713	7,892,499
Lease Creditor-Merchant Bank of Ceylon Ltd	16	19	-	4,386,659
Deposits	17	19	322,383	373,018
			143,145,880	54,788,563
TOTAL EQUITY AND LIABILITIES			**746,441,068**	**657,424,106**

(Prof. (Mrs) S.S.M.K.K. Hirimburegama)
Chairperson

(R.A.U. Ranaweera)
Accountant

University Grants Commission
Statements of Income & Expenditure
For the year ended 31st December 2013

	Note	Page	2013 Rs	2012 Rs
INCOME				
Government Grants				
Recurrent Grants	**18**	*20*	807,826,734	1,085,874,583
Rehab: And Imp: of F/A	**19**	*20*	19,528,951	9,490,059
Capital Grants Amortized	**20**	*20*	17,418,640	22,991,495
Contribution for South Asian University			111,221,124	70,359,281
Capital Grants on KEID			173,653,707	398,514,723
Property Loan			17,105,414	
Total Government Grants			**1,146,754,571**	**1,587,230,141**
Other Income	**21**	*20*	41,572,325	19,739,390
			1,188,326,896	**1,606,969,531**
LESS: Expenses				
Personal Emoluments	**22**	*21*	115,982,137	112,104,960
Travelling Expenses	**23**	*21*	3,283,340	1,419,918
Supplies	**24**	*21*	12,069,233	10,896,944
Maintenance	**25**	*21*	6,667,438	7,383,341
Cotractual Expenditure	**26**	*21*	31,925,647	22,421,462
Other Recurrent	**27**	*22*	62,016,907	36,269,554
Rehabilitation Expenditure	**28**	*22*	19,528,951	9,490,059
Depreciation of Fixed Assets	**29**	*22*	21,295,633	22,991,495
Student Financial Assistance	**30**	*22*	480,847,100	384,860,380
Financial Assistant to Uni /HEIs	**31**	*22*	416,874,831	993,956,286
			1,170,491,218	**1,601,794,400**
Surplus/(Deficit) for the year 2013			17,835,677	5,175,131

University Grants Commission
Cash Flow Statement
For the year ended 31st December 2013

		2013 Rs	2012 Rs
Cash flows from operating activities			
Operating Surplus/(Deficit)		17,835,677	5,175,131
Adjustments for			
Prioryear Adjustment for Pre-Payment		260,000	
Depreciation		21,295,633	22,991,495
Provision for Gratuity		4,639,084	3,610,826
Profit/Loss on sale of Fixed Assets		(579,943)	1,442,719
Interest Expenses		912,786	912,773
Amotisation of Capital Grants		(17,418,640)	(22,991,495)
Amotisation of Rehabilitation Grants		(19,528,951)	(9,490,059)
Operating Surplus/(Deficit)		**7,415,646**	**1,651,390**
Changes in Working Capital			
Increase in Inventories		1,589,319	541,266
Increase in Receivables		(51,786,694)	(26,455,124)
Increase in Prepayments		(2,300,288)	(1,143,956)
Increase in Payables to HEI's		82,910,398	19,969,963
Decrease in Trade Creditors		9,884,214	(792,066)
Decrease in Deposits		(50,635)	(123,627)
Cash Generated from operating Activities		47,661,958	(6,352,154)
Gratuity Payments		(3,537,078)	(3,785,625)
Interest Payments		(912,786)	(912,773)
Net cash from operating activities		**43,212,094**	**(11,050,553)**
Cash flows from investing activities			
Acquisition of Property Plant & Equipments		-	(8,626,436)
Disposal of Fixed Assets		1,089,290	
Investment in Fixed Deposits		4,386,442	163,418
Net cash used in investing activities		**5,475,732**	**(8,463,018)**
Cash flows from financing activities			
Capital Grants Received		2,100,000	8,000,000
Rehabilitation Grants		20,500,000	7,000,000
Increase in Research Fund		(6,836,369)	1,010,832
Payment of Finance Lease on Vehicles		(4,386,738)	(4,386,668)
Reciepts/Payments from Foreign Funded Projects			(2,344,720)
Fund Received for Specific Activities		397,352	1,658,654
Receipts/(Payments) From Scholarship Fund		971,341	(75,628)
Net cash used in financing activities		**12,745,586**	**10,862,469**
Net Cash Flow		**61,433,413**	**(8,651,103)**
Cash & Cash Equivalents as at 01.01.2013		6,104,707	14,755,811
Cash & Cash Equivalents as at 31-12-2013	**Note 1**	**67,538,120**	**6,104,707**

Note 1

Bank of Ceylon-2323284	33,710,651	(89,970,566)
Bank of Ceylon -Foreign Projects	277,940	277,940
Bank of Ceylon-University Scholarship Fund	4,473,822	5,797,333
Short Term Investment on BOC A/C No. 2323284	25,000,000	90,000,000
	63,462,413	**6,104,707**

University Grants Commission
Statement of Changes in Equity
For the year ended 31st December 2013

	Deferred Grants	Retained Surplus/(Deficit)	Revaluation Surplus	Staff Developemnt Fund	Total
Balance As at 31/12/2011	50,116,339	(29,455,544)	509,313,767	-	519,811,100
Provision for Gratuity on Left Employees	-	2,142,963	-	-	2,142,963
Incresed Capital Grants	5,509,939	-	-	-	5,509,939
Amotisation of Grants for Depreciation of Assets	(22,991,495)	-	-	-	(22,991,495)
Surplus/(Deficit) for the Year	-	5,175,131	-	-	5,175,131
Balance As at 31/12/2012	**32,634,783**	**(22,137,450)**	**509,313,767**	**-**	**519,811,100**
Changes in Equity 2013					
Adjustment for Pre-payment	-	260,000	-	-	260,000
Disposal of Fixed Assets	-	1,277,229	-	-	1,277,229
Increased in Capial Grants	3,071,050	-			3,071,050
Amotisation of Grants for Depreciation of Assets	(17,418,640)	-	-	-	(17,418,640)
Surplus/(Deficit) for the Year	-	17,835,677	-		17,835,677
Transferred to Staff Development Fund	-	(17,000,000)		17,000,000	-
Balance As at 31/12/2013	**18,287,193**	**(19,764,544)**	**509,313,767**	**17,000,000**	**524,836,416**

විගණකාධිපති දෙපාර්තමේන්තුව
கணக்காய்வாளர் தலைமை அதிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT

මගේ අංකය / எனது இல. / My No. } ඒඝි/බි/යුජිඝි/1/13/11 | ඔබේ අංකය / உமது இல. / Your No. } | දිනය / திகதி / Date } 2015 මාර්තු 25 දින

සභාපති,

විශ්වවිද්‍යාල ප්‍රතිපාදන කොමිෂන් සභාව.

විශ්වවිද්‍යාල ප්‍රතිපාදන කොමිෂන් සභාවේ 2013 දෙසැම්බර් 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන පිළිබඳව 1978 අංක 16 දරන විශ්වවිද්‍යාල පනතේ 12 (5) වගන්තිය ප්‍රකාර විගණකාධිපති වාර්තාව

මාගේ සමාංක හා 2014 නොවැම්බර් 27 දිනැති ලිපියට යොමුවේ.

02. ඉහත සඳහන් ලිපිය සමඟ එවන ලද මාගේ වාර්තාවේ ඉංග්‍රීසි අනුවාදය මේ සමඟ එවා ඇත.

ඩබ්ලිව්.පී.සී.වික්‍රමරත්න
විගණකාධිපති (වැඩබලන)

පිටපත් :- 1. ලේකම් - මහාමාර්ග, උසස් අධ්‍යාපන හා ආයෝජන ප්‍රවර්ධන අමාත්‍යාංශය
2. ලේකම් - මුදල් අමාත්‍යාංශය

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව, . - இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை, இலங்கை. - No. 306/72, Polduwa Road, Battaramulla, Sri Lanka
+94-11-2887028-34 +94-11-2887223 oaggov@sltnet.lk www.auditorgeneral.gov.lk

විගණකාධිපති දෙපාර්තමේන්තුව
கணக்காய்வாளர் தலைமை அதிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT

මගේ අංකය / எனது இல. / My No. EC/B/UGC/1/13/11 ඔබේ අංකය / உமது இல. / Your No. දිනය / திகதி / Date 27 November 2014

The Chairman
University Grants Commission

Report of the Auditor General on the Financial Statements of the University Grants Commission for the year ended 31 December 2013 in terms of Section 12 (5) of the Universities Act No. 16 of 1978.

The audit of financial statements of the University Grants Commission for the year ended 31 December 2013 comprising the statement of financial position as at 31 December 2013 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Sub-sections 12(1), (4) and (7) of the Universities Act, No. 16 of 1978. My comments and observations which I consider should be published with the Annual Report of the Commission appear in this report. A detailed Report in terms of Section 108 (2) of the Universities Act was furnished to the Chairman of the Commission on 31 July 2014.

1:2 **Management's Responsibility for the Financial Statements**

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

1:3 **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Standards of Supreme Audit Institutions (ISSAI 1000- 1810). 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.

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව, . - இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை, இலங்கை. - No. 306/72, Polduwa Road, Battaramulla, Sri Lanka
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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Commission'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 Commission's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Sub-sections (3) and (4) of Section 13 of the Finance Act, No.38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the audit.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

2. Financial statements

2:1 Opinion

In my opinion, the financial statements give a true and fair view of the financial position of the University Grants Commission as at 31 December 2013 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

2.2 Accounts Receivable and Payable

The following observations are made.

(a) Advances amounting to Rs.26,401,600 granted for the payment of bursaries during the years 2012 and 2013 had not been settled even by 30 June 2014.

(b) Action had not been taken for the settlement of expenditure totaling Rs.893,271 incurred in the year 2011 on behalf of the line Ministry.

(c) The Scholarship funds amounting to Rs.64,600 existing from the year 2011 without being paid to students' remained in the Scholarship Funds Payable Account even by the end of the year under review.

3. Financial Review

3.1 Financial Results

According to the financial statement presented, the operations of the Commission for the year ended 31 December 2013 had resulted in a surplus of Rs.17,835,677 as compared with the corresponding surplus of Rs.5,175,131 for the preceding year, thus indicating an increase of Rs.12,660,546 in the financial result for the year under review. The increase of rehabilitation and improvement grants by Rs.10,038,892, the increase of contribution grants for the South Asia Universities by a sum of Rs.40,861,843, receipt of grants for property loan amounting to Rs.17,105,414 and the decrease of expenditure on Universities and Institution of Higher Education by a sum of Rs.577,081,455 had been the main reasons for the improvement.

3.2 Legal Proceedings instituted against the Commission

Eighty six legal cases had been pending against the University Grants Commission in the Courts and other institutions as at end of the year under review.

4. Operational Review

4.1 Performance

The following observations are made.

(a) A summary of the number of students enrolled to the Universities and recurrent expenditure incurred during the last 3 years is given below.

	2010/2011	2011/2012	2012/2013
Number of Students qualified for University entrance	142,516	141,411	144,816
Number of Students selected for the University enrolments	22,016	28,937	22,943
Selected Students for Universities, out of the qualified Students as a percentage	15	20	16

	2011	2012	2013
Recurrent Expenditure incurred (Rs.'000)	14,972,000	17,587,000	21,655,000
Total Number of Students	77,657	73,295	80,380
Average Recurrent Expenditure per Student (Rs.)	192,796	239,948	269,407

Even though the number of Students qualified for University admission in the year under review as compared with the preceding year had increased by 2 per cent, the number admitted had decreased by 21 per cent and the average recurrent expenditure per Student amounted to Rs.269,407.

(b) **Uplifting of six National Universities to World Rank Universities**

Even though a sum of Rs.285 million had been allocated to six universities for the above purpose, according to the International Financial Positioning Index, conducted in July 2013, only the University of Ruhuna was in a high rank in the International Positioning Index and Colombo, Moratuwa, Sri Jayawardanapura, Kelaniya and Peradeniya Universities were in lower positions of that index.

4.2 Management Inefficiencies

The following observations are made.

(a) According to the investigation carried out relating to 4 Universities, it was observed that the bound value receivable from the officers who breached the agreements amounted to Rs.273,491,143. Even though the courses of action to be taken for the recovery of this money are given in Section 7.6, 7.7 and 7.8 of Chapter v of the Establishments code of the Universities, the Commissions had not implemented a methodology to direct the Universities for that purpose and for follow up action.

(b) An aggregate amount of Rs.16,612,390 related to 4 Special Fund balances, under the purview of the Commission, remained idle without being utilized for the achievement of the objectives of the Funds.

4.3 Transactions in Contentions Nature

The following observations are made.

(a) According to the University Grants Commission circulars, money recovered for the breach of agreements should be credited to the Universities Fund. But, each University had been maintaining a Fund of the Lecturers who breached the Agreements even without Treasury approval and utilized the income received from such Funds for sundry expenses of the Universities. The total of such Funds of 13 Universities and the University Grants Commission totaled Rs.593,760,767.

(b) The Commission had obtained Internet facilities from a private company without entering into an agreement and a sum of Rs.1,985,324 had been spent in that connection during the year ender review.

(c) The University Grants Commission had issued Circulars No.06/2014 of 26 March 2014 and No. 05/2011 on the settlement of entertainment expenses and telephone expenses without the concurrence of the Treasury.

4.4 Staff Management

The approved and actual cadre of the Commission as at 31 December 2013 had been 293 and 206 respectively. Thus indicate a shortage of 87 members of the cadre was observed.

5. Accountability and Good Governance

5.1 Budgetary Control

A budget for the year under review had not been prepared in accordance with Section 5.2.1 of the circular No. PED/12 of 02 June 2003. Variances ranging from 21 percent to 228 percent existed between the budgeted expenditure and the actual expenditure, thus indicating that the budget had not been made use of as an effective instrument of management control.

5.2 Tabaling of Annual Reports

According to Section 16 of the Universities Act No. 16 of 1978, Annual Reports should be tabled in the Parliament before lapse of 6 months after closing of the financial year. However, the Annual Report of the University Grants Commission for the year 2012 had not been tabled in Parliament.

6. Systems and Controls

Deficiencies in systems and controls observed during the cause of audit were brought to the notice of the chairperson of the Commission from time to time. Special attention is needed in respect of following area of control.

(a) Accounting
(b) Utilization of Capital Provisions
(c) personal Management
(d) Stock Control

W.P.C. Wickramaratne
Auditor General (Acting)

Auditor General's Report on Financial Statement for the year ended 31 December 2013 of the in term of the Section 108(2) of the University Act, No. 16 of 1978 and the action taken/ proposed to be taken by the University Grant Commission

<table>
<tr><th>Reference</th><th>Issues made by the Auditor General</th><th>Observations and replies referred to the Auditor General</th><th>Action taken and present Position</th></tr>
<tr>
<td>2. Financial Statements
2.1 Analytical Review
2.1.1. Financial Position</td>
<td>A summary of the financial position of the Commission for the year 2012 and 2013 and the variation in percentages is given below.
<table>
<tr><th>Item</th><th>2013</th><th>2012</th><th>Variation</th></tr>
<tr><td></td><td>Rs</td><td>Rs</td><td>%</td></tr>
<tr><td>Income</td><td>1,188,326,896</td><td>1,606,969,531</td><td>26</td></tr>
<tr><td>Expenses</td><td>1,170,491,218</td><td>1,601,794,400</td><td>27</td></tr>
<tr><td>Income over expenses</td><td>17,835,677</td><td>5,175,131</td><td>245</td></tr>
</table>
</td>
<td>The following major reasons had influenced for these variations.
Income
<table>
<tr><th>Item</th><th>Variation %</th><th>Reason</th></tr>
<tr><td>Recurrent</td><td>(25)</td><td>The reasons for this variation was the reduction of provisions by 73% received to meet the arrears on EPF contribution on Cost of Living Allowance.</td></tr>
<tr><td>Capital Provision for KEID Grant</td><td>(56)</td><td>Eventhough allocation for this grant has been made to the Universities through the UGC in 2012 , it was directly made to the Universities in 2013. Less provision had been received to the UGC .</td></tr>
<tr><td>Contribution for the Universities in South Asian Region</td><td>58</td><td>The contribution of the Government of Sri Lanka was USD 0.527 million for 2012 and it was increased up to USD 0.874 in 2013 . Thus, more provisions had been made.</td></tr>
</table>
</td>
<td>The income had been reduced in 2013 due to following reasons.
(i) Less provisions had been made in 2013 for the payment of arrears of Cost of Living Allowance as such payments made in 2012.
(ii) Provisions for Knowledge upgrading and Institutional Development purposes had been approved under individual universities and implemented in 2013. Thus the reduction of the provisions in the UGC was shown.
(iii) The contribution of the Government of Sri Lanka for the Universities in South Asian Region was USD 0.527 million for 2012 and it was increased up to USD 0.874 in 2013 . Thus, more provisions had been made</td>
</tr>
</table>

2.1.1 Financial Position		Item	Variation %	Reason
		Financial Support for Universities and Higher Educational Institutions	(58)	As this provisions had been directly made to the Universities in 2013 and cost incurred for Knowledge upgrading and I had been reduced by 56%. Further, the payments on arrears of Cost of Living Allowances had been reduced by 73%. Thus resulted for the reduction of the variation.
		Student Financial Supports	25	Requests made by the Universities to reimburse financial aids for the students by 36 % compared with the previous year and as a result, this had been increased.
		Other Recurrent Expenditure	71	The reasons for this variation were the cost of Rs 17 million incurred in 2013 for the payment of interest on loans granted for the employees of the University system and contribution amounting to Rs 6.6 million of the Government of Sri Lanka for the Commonwealth Scholarship Fund
				The reasons for the variation in 2013 (i) Allocation for the knowledge upgrading and institutional Development had been made directly to the universities in 2013 and finalization of payment of arrears on cost of living allowances in 2012 was the reasons for the reduction of expenses in 2013. (ii) Increases of requests from the universities for the reimbursement of financial aids for the students. (iii) A sum of Rs 17 million made available in 2013 for the payment of interest on loans granted for the employees of the University system and contribution amounting to Rs 6.6 million of the Government of Sri Lanka for the Commonwealth Scholarship Fund

<table>
<tr>
<td>2.1.2 Statement of Financial Position</td>
<td>Financial position of the Commission in 2012 and 2013 and the percentages of variations thereon are given below.
<table>
<tr><th>Item</th><th>2012
Rs</th><th>2013
Rs</th><th>Percentage of Variation</th></tr>
<tr><td>Fixed Assets</td><td>559,632,259</td><td>580,470,665</td><td>4</td></tr>
<tr><td>Current Assets</td><td>186,808,809</td><td>76,953,441</td><td>143</td></tr>
<tr><td>Current liabilities</td><td>143,145,880</td><td>54,788,563</td><td>161</td></tr>
<tr><td>Non-Current Liabilities</td><td>78,458,772</td><td>82,824,442</td><td>5</td></tr>
<tr><td>Grants and Funds</td><td>524,836,416</td><td>519,811,100</td><td>1</td></tr>
</table></td>
<td><table>
<tr><th>Item</th><th>Variation %</th><th>Reasons</th></tr>
<tr><td>Current Assets</td><td>143</td><td>This reflects the amount to be received from Universities , Institutes of Higher Education and the General Treasury</td></tr>
<tr><td>Current Liabilities</td><td>161</td><td>This reflects the amounts payable to the universities for the Mahapola Scholarships and property loans</td></tr>
</table></td>
<td>At present 90% of receivables from Universities and, Institutes of Higher Education and 100% receivable from General Treasury had been received.

At present, payments to be made on Mahapola, Scholarships and Property loans to the universities had been completed.</td>
</tr>
<tr>
<td>2.1.3 Cash Flow Statement</td>
<td>A summary of the cash flow statement of the Commission for the year 2012 and 2013 and the variation in percentages is given below
<table>
<tr><th>Item</th><th>2012</th><th>2013</th><th>Percentage of variation %</th></tr>
<tr><td>Operating Activities</td><td>43,212,094</td><td>(11,050,553)</td><td>491</td></tr>
<tr><td>Investing Activities</td><td>1,400,025</td><td>(8,463,018)</td><td>117</td></tr>
<tr><td>Financial Activities</td><td>12,745,586</td><td>10,862,469</td><td>17</td></tr>
<tr><td>Opening Cash Balance</td><td>6,104,707</td><td>14,755,811</td><td>59</td></tr>
<tr><td>Closing Cash Balance</td><td>63,462,413</td><td>6,104,707</td><td>940</td></tr>
</table></td>
<td>Operating Activities: Increase of the operating surplus upto Rs 17,835,677 from Rs 5,175,131 since 2012 by 245% and increases of the payable from Rs 19,969,963 to 82,910,398 by 315 % were the maon reasons for these variations.

Investing Activities: The cost of acquis ion of fixed assets had been increased in 2013 to Rs .8,626,436 from Rs 4,075,707 and decrease of income on fixed deposits up to Rs 4,3486,442 in 2013 had influenced for this variation.

Closing Cash Balance: The balance remained in the 2323284 Account as at 31 December in 2012 was Rs. .(89,970,566) and as at 31 December in 2013 was Rs 33,710,651 and it was an improvement of 137% Further the short term investment of Rs 90,000 000 in 2012 had been decreased up to Rs 25,000,000 by 72 %</td>
<td>The amounts to be released to the universities and higher educational institutes had been released at present.</td>
</tr>
</table>

2.2 Comments on financial statements 2.2.1 Accounting Deficiencies	The following observations are made. (i) The capital grants amounting to Rs 3,500,000, Rs.8,000,000 and Rs.21,626,076 had been received in 2011,2012 and 2013 respective for the purpose of restoration and improvement of capital assets . Out of that, the expenses amounting to Rs .11,317,941, Rs.9,490,059 and Rs 19,528,951 spent had been accounted in the Income and Expenditure Statement as recurrent expenses and the balances unspent had been shown as the differed revenue expenses under the liabilities of the respective years.	Not agreed. The unspent balances at the year end had been shown in the financial statements as the unspent capital grants, correctly	The unspent balances at the year end had been shown in the financial statements as the unspent capital grants, correctly
	(ii) The provision for retirement gratuity as at 31 December 2013 amounting to Rs 36,798,930 had not been invested.	Arrangement had been made to invest these balances at present.	The provision for retirement gratuity amounting to Rs 36,700,0000 had been invested in the Treasury Bonds.
2.2.2.Unreconciled Control Accounts	The following observations are made. (a) According to the Ledger Account, the balance of Rs 1,131,297 shown in the Vehicle Loan Account was not agreed with the balance amounting to Rs 1, 112,964 in the corresponding schedules and the difference of Rs 18, 333 had been observed. (b) According to the Ledger Account, the balance of Rs 183,900 shown in the Festival Advance Account was not agreed with the balance amounting to Rs 136,000 in the corresponding schedules and the difference of Rs 47,900 had been observed. (c) According to the Ledger Account the balance of Rs 1,565,500 shown Computer Loan Account was not agreed with the balance amounting to Rs 1,458,500 in the corresponding schedules and the difference of Rs 107, 000 had been observed	According to the audit observations shown under (a),(b) and (c), the balances of Vehicle Loan Account , Festival Advance Account and Computer Loan Account was not agrees with the records extracted from the computer system for staff salaries due to following reasons. (i) At the time of transferring out of the employees to the universities/ other higher Educational Institutions the balances shown in the Loan Register are not deleted even up to transferring of loan balance whitest such balances are removed from the computer system for staff salaries .Further, at the time of transferring of employees to the UGC , details are entered into the computer system whilest such details are not recoded in the Loan Register even up the transferring of the respective information . (ii) The festival Advances are required to be granted 14 days before the respective festival. At the tome of granting festival advances the details are ended in to the Loan Register, however it is fed to the computer system in the next month at the time of commencement of recovery.	The differences made due the accounting adjustments between the computer system and the Loan Registers at the time of transferring of employees between UGC and Unversities and higher educational institutes are reconciled monthly and explained in the Reconciliation Statement of Loan Balance

2.2.3 Accounts Receivable and Payable	The following observations are made. (a) Accounts **Receivables** The following observations are made. (i) Action had not been taken even at the end of the year under review to reimburse a sum of Rs 893,271 spent in 2011 for the Ministry and shown as receivables . This matter was pointed out in the audit report for the previous year. (ii) Out of the advances made to meet financial aids to the student, a sum of Rs 41,951,200 had not been settled as at 31 December 2013 and advances amounting to Rs 1,000,000 made to the Trincomalee Campus of the Eastern University had also included therein. Action had not been taken to settle the balances.	**Accounts Receivable** (i) An office of the UGC had been held at the Ministry premises and the equipment of that office were temporally used by the Ministry. It was informed to hand over such equipment to the UGC. (ii) Funds for granting financial aids to the university students are managed through Treasury grants received for other purposes. The Treasury Grants had been received during the year under review with delays and required to be released fund for the financial aids accordingly. The UGC take every attempts to provide financial aids to the university students on time. Our of the balance of the advances receivable as at 31 December 2013, 98% of such advances had been granted in 2013 and 55% of them were granted within last 03 months of the year The advances had been settled as at 30 June 2014 as follows	It was informed that such equipment will be handed over to the UGC. The advances had been settled as at 31 October 2013 as follows.

Date	University	Value of the Advance as at **31/12/2013**	Amount Settled Rs	Date of Settlement
11.03.09	**Trincomalee Campus**	1,000,000	-	-
13.07.04	**Sripali campus**	709,800	709,800	14.01.31
13.07.31	University of Kelaniya	5,000,000	5,000,000	14.02.13
	University of Sri	12,017,400		-

Date	University	Value of the Advance as at **31/12/2013**	Amount Settled Rs	Date of Settlement
11.03.09	**Trincomalee Campus**	1,000,000	-	-
13.07.04	**Sripali campus**	709,800	709,800	14.01.31
13.07.31	University of Kelaniya	5,000,000	5,000,000	14.02.13
13.08.08	University of Sri Jayawardhanapura	12,017,400	**12,017,400**	**14.10.29**
13.10.25	Sripali Campus	484,800	484,800	14.03.19
13.10.25	University of Jaffan	9,355,000	9,355,000	-
13.11.0				-
13.12.03	University ofMoratwa	3,636,0		-

13.08.08	Jayawardhanapura	484,800	-	14.01.13		University of Sri Jayawardhnapura	9,747,600	-	14.10.29
13.10.25	Sripali Campus	9,355,000	484,800	14.03.19					
13.10.25	University of Jaffan		9,355,000						
13.11.06	University of Moratuwa	3,636,600		-					
13.12.03	University of Sri Jayawardhnapura	9,747,600	-	-					
Total		**41,951,200**	**15,549,600**			Total	**41,951,200**	**37,314,600**	

The advances are settled by the Universities according the receipt of funds from the General Treasury.

The advances are settled by the Universities according the receipt of funds from the General Treasury.

(b) Accounts Payable

The scholarship grants amounting to Rs 64,600 had remained in the Scholarship Funds payable Account since 2011 in the without taking action to pay respective scholarship holders

(a) Accounts Payable

As the requests the scholarship payments from the Universities had not been received, the balance of Rs 64,600 payable was remained in the accounts . Action will be taken to adjust the balances in future.

As the requests the scholarship payments from the Universities had not been received, the balance of Rs 64,600 payable was remained in the accounts . Action will be taken to adjust the balances in future

2.2.4 Non-compliance with Laws, Rules and Regulations	The following observations are made. (i) According to the provision made in the Public Administration Circular No 40/90 of 10 October 1990, the fuel consumption of vehicles is required to be tested once in a 06 month. However, such test had not been done in respect of vehicles owned to the Commission.	(i) Action had been taken to test the fuel consumption of the vehicles of the Commission once in 6 months	(i) Action had been taken to test the fuel consumption of the vehicles of the Commission once in 6 months
	(ii) Incidents of losses incurred on accidents had not been informed to the auditor General as required Financial Regulation No 104	(ii) The losses incurred on vehicle accidents occurred in 2013 had been informed to the Auditor General by the Letter No UGC/T/1/1 dated 30 June 2014	(ii) Action had been taken to inform the accidents to the Auditor General on time.
	(iii) The original of the monthly summary of the journeys along with the daily running charts required to be submitted by 15 day of next month, as per Financial Regulation No 1645 had not been presented for audit. Further, the vehicle Log Books had not been maintained properly.	(iv) Action had been taken to submit the daily running charts to the Auditor General by 15 day of the next month and to maintain the Vehicle Log Books properly	(iv) Action had been taken to submit the daily running charts to the Auditor General by 15 day of the next month and to maintain the Vehicle Log Books properly
	(v) According to the Financial Regulation 1645(e) and Schedule No iv of Chapter II of the Financial Regulation , a Vehicle Register should be maintained by every institution	(vi) At present, action had been initiated to maintain a Vehicle Register.	(vii) Action had been initiated to maintain a Vehicle Register
	(vi) The provision made in the Public Administration Circular No. 22/09 of 08 October 1990had been applied to the Commission through Internal Circular No 07/ 2000 of 25 March 2000. However the approval to be required for the officers who entitled to obtain vehicle facilities as per paragraph 1.2 of said circular had not been rendered for audit. Further instances of use of vehicles over 40 km limit stipulated in the said paragraph also observed in audit.	(vi) Said document had been rendered for audit .Further according to the nature of the official visits the vehicles are needed to be run over 40 km.	(vi) According to the nature of the official visits the vehicles are needed to be run over 40

	(vii) According to the Circular No 804 of 03 July 2003 of the Commission, the application should be called openly for the recruitments for Data Entry Operators suitable candidates should be selected through appetite tests and interviews. However, contrary to the above provision, action had been taken continuously to recruited Assistant Data Entry Operators (Grade 111) for the Commission as well as for the universities under the provisions made in the Circular No.836 of 06 June 2006 without calling applications openly It was observed that a sum of Rs 577,475 had been paid by the Commission to 02 Assistant Data Entry Operators recruited in 2013.	According to the paragraph No.15(xi) read with Section 137 0f the University Act, No.16 of 1978, the Commission is empowered to issue circular instructions related to the university field. These recruitments had been made in compliance with the provisions made in the Circular No. 836. The reply for this Audit Query had been referred to the Auditor General through the letter dated 16 June 2014.	These recruitments had been made in compliance with the provisions made in the Circular No. 836.

<table>
<tr>
<td>2.2.5 Matters in Contentious Nature</td>
<td>The following observations are made.
(a) The Circular No. 805 had been issued by the Commission without the approval of the General and money collected from persons who violated the provisions of the Agreements. Such funds had been utilized to meet the financial needs of the universities. Such practice has been continuously adopted since 2002 to 2013.</td>
<td>(a) Not Agreed. Clear instructions had been issued in the Circular Nos 737 and 805 related to violation of agreements , activities of the Fund and expenses to be made thereon.</td>
<td>Use of fund is done according to the circular instructions issued by the Circular No 737 and 805 and approval of the General Treasury had also been received.</td>
</tr>
<tr>
<td></td>
<td>(b) Public Finance Circular No 446 of 01 September 2010 of the Ministry of Finance and Planning related to the subject of settling telephone bills of the public sector had been revised by the Commission to suit to the administration system of the university sector and adopted through the Circular No 5/2011 of 24 May 2011. However the approval of the General Treasury had not been obtained thereon.</td>
<td>Finance Circular Letter No. 5/2011
The instruction issued by the Public Finance Circular No 446 of 01 September 2012 of the Ministry of Finance and Planning on provision of communication facilities for the state institutions and public servants and settling telephone bills had been revised by the Commission to suit to the administration structure of the university system and adopted through the Circular No 5/2011 of 24 May 2011. An explanation in this regard had been referred to the Deputy Auditor General on 05 June 2014</td>
<td>The Public Finance Circular No 446 of 01 September 2012 of the Ministry of Finance and Planning on provision of communication facilities for the state institutions and public servants and settling telephone bills had been revised by the Commission to suit to the administration structure of the university system and adopted through the Circular No 5/2011 of 24 May 2011. The telephone bills are settled accordingly.</td>
</tr>
<tr>
<td>2.2.6 Contingent Liabilities</td>
<td>The legal cases filed against the Commission were 86 and details are as follows
<table>
<tr><th>Court/ Institute</th><th>No. of cases</th></tr>
<tr><td>Supreme Court</td><td>26</td></tr>
<tr><td>Appeal Court</td><td>29</td></tr>
<tr><td>University Appeal Board</td><td>15</td></tr>
<tr><td>Human Right Commission</td><td>4</td></tr>
<tr><td>Labour Tribunal</td><td>6</td></tr>
<tr><td>High Court</td><td>2</td></tr>
<tr><td>District Court</td><td>3</td></tr>
<tr><td>Arbitration Board</td><td>1</td></tr>
<tr><td>Total</td><td>86</td></tr>
</table></td>
<td>Agreed</td>
<td>At present, 45 legal cases were finalized.</td>
</tr>
</table>

<table>
<tr>
<td>3. Financial Review
3.1 Financial Result</td>
<td>According to the financial statements presented, the financial result of the operations of the Commission for the year under review had resulted a surplus of Rs 17,835,677 and as compared with the corresponding result of Rs 5,175,131 in the previous year it was observed an increase of Rs 12,660,546 of the financial result of the year under review.</td>
<td>Agreed</td>
<td>Agreed</td>
</tr>
<tr>
<td>4 Operating Review
4.1 Performance</td>
<td>The following observations are made.
(a) The summary of the students admitted to the universities and recurrent costs incurred by the Commission during the previoues 03 years are given below.
<table>
<tr><th></th><th>2010/2011</th><th>2011/2012</th><th>2012/2013</th></tr>
<tr><td>Qualified students for entrance</td><td>142,516</td><td>141,411</td><td>144,816</td></tr>
<tr><td>Students selected</td><td>22,016</td><td>28,937</td><td>22,943</td></tr>
<tr><td>Percentage of selection</td><td>15%</td><td>20%</td><td>15.8%</td></tr>
<tr><td></td><td>2011</td><td>2012</td><td>2013</td></tr>
<tr><td>Recurrent cost incurred (Rs '000)</td><td>12,961,095</td><td>14,611,003</td><td>16,932,456</td></tr>
<tr><td>Student Population</td><td>77,657</td><td>73,295</td><td>80,324</td></tr>
<tr><td>Average recurrent cost per student (Rs)</td><td>166,902</td><td>199,345</td><td>210,802</td></tr>
</table>
</td>
<td>Agreed.</td>
<td>Agreed.</td>
</tr>
</table>

Out of the student qualified for the academic year of 2012/2013 to enter the university only 16 % had been admitted and average recurrent cost per student was Rs 210,802. Further, only 42% of the students applied for the university entrance had been admitted during the year under review.

(b) <u>Upgrading of 06 universities up to standard of Globally Recognized Universities</u>

Eventhough the allocation aggregating Rs 285 million had been made to upgrade 06 universities namely Peradeniya, Moratuwa,Colombo , Kelaniya, Sri Jayawardhanapura and Ruhuna , details of the utilization of such allocation had not been made available for audit . Further, the status of the Index of such universities had been declined, details are given below.

	University	International Quality Index		
		2012	2013	
		July	January	July
1	Colombo	1682	1883	2150
2	Moratuwa	2011	1970	2255
3	Fine Arts	17566	16640	16799
4	Uva- Wellassa	12566	15357	14944
5	Jaffana	5664	5976	8509
6	Wayamba	12355	11322	11258
7	Sri Jayawardhanapura	2759	3198	4508
8	Sabaragamuwa	9868	9637	8708
9	Rajarata	6228	13494	13541
10	Ruhuna	3294	2618	2353
11	Kelaniya	3048	3430	5969
12	Peradeniya	2467	2711	2973
13	Eastern	12322	11670	12124
14	South Eastern	16005	14638	14219

(c.) The progress report of the Upgrading of 06 universities up to standard of Globally Recognized Universities had been submitted to the audit and resubmitted herewith.

University/Institute	Allocation for 2013 Rs	Cost	Progress	
			Financial	physical
Peradeniya	75	64.85	92%	95%
Colombo	10	9.85	96%	97%
Sri Jayawardhanapura	40	20.89	52%	90%
Kelaniya	75	20.36	35%	95%
Moratuwa	50	41.68	82%	100%
Ruhuna	35	30.00	95%	100%
	285	**187.63**		

Progress submitted for audit

<table>
<tr>
<td></td>
<td>(c) The following observations are made on the grants amounting to Rs 33,440,150 made to 06 university lectures to read for post graduate degrees in 2005 and 2006 by the National Centre for Higher Studies in Humanities and Social Sciences
(i) Eventhogh the period of study was remained between 3 to 5 years the post graduate studies were not completed even as at 31 December 2013
(ii) The above lectures who did not completed the studies had obtained grants for other courses from other Projects
(iii) Said lecturer had obtained no pay/with pay leaves for higher studies
(iii) A female lecture who had obtained grants amounting to Rs 3,465,789 with study leaves from 11 February 2007 to 28 February 2011. However she had broken the agreement and did not reported for work. Action had not been taken thereon.</td>
<td>The National Centre for Higher Studies in Humanities and Social Sciences had been established as a separate entity under the Authority No. 1415/07 under the Section 24 of the University Act No 16 of 1978.
The allocation of funds for the Centre is provided by the General Treasury and released funds according to the requirement of the Centre.
Therefore, the (Accounting Officer) along with Governing Board is responsible for the performance of the Centre and the matters pointed out by you will be forwarded to the Director.</td>
<td>The Comments of the Director of the National Centre for Higher Studies in Humanities and Social Sciences is attached herewith.</td>
</tr>
<tr>
<td></td>
<td>(c) The students admitted by the Commission for the Academic Year in 2012/2013 was declined when compared with 2011/2012.

<table>
<tr><th>Study Course</th><th>No. students selected
2009/ 2010</th><th>2012/2013</th><th>Difference</th></tr>
<tr><td>Agriculture</td><td>701</td><td>525</td><td>176</td></tr>
<tr><td>Computer Science</td><td>263</td><td>260</td><td>3</td></tr>
<tr><td>Design(Architecture)</td><td>50</td><td>48</td><td>2</td></tr>
<tr><td>Pace &Conflict Resolution</td><td>36</td><td>33</td><td>3</td></tr>
</table>
</td>
<td>The comments in this regard is shown in Annex -02</td>
<td></td>
</tr>
</table>

	Information &Communication Technology	228	148	80		
	Agriculture Technology &Management	210	202	8		
	Computer Science &Technology	49	40	9		
	Animal Science	49	35	14		
	Visual &Technological Arts	50	45	5		
	Export Agriculture	49	32	17		
	Tea Technology &Value Addition	49	33	16		
	Mineral Resources &Technology	49	33	16		
	Business Information Systems (Special)	50	46	4		
	Computing &Information Systems	80	57	23		
	Speech &Hearing Science	49	38	11		
	Animal Science &Fisheries	49	37	12		

	Food Production &Technology Management	59	45	14		
	Aquatic Resources Technology	49	30	19		
	Palm &Latex Technology and Value Addition	49	31	18		
	Information Technology &Management	207	115	92		

4.2 Management Inefficiencies	The following observations are made. (a) A Proper mechanism had not been established by the Commission to direct the universities to take action in terms of paragraps 7.6,7.7.and 7.8 of the Section V of the Establishment Code to recover a sum of Rs 69,771,034 as at 31 December 2013 from the officers who visited abroad for higher studies under scholarship programs and violated the agreements	(a) And (b) Not agreed. Necessary action had been taken by the Commission Circular No 920 issued on 05 February 2010. In addition special committee had been appointed for this purpose at the meeting of the Commission held in July 2014 with 07 members. Action will be taken according to the recommendation made by the Committee	(a) And (b) Action will be taken according to the recommendation made by the Committee appointed in July 2014
	(b) Information requested on list of officers of the UGC and university teacher who made requests to visit abroad for higher studies during the last five years ,lit of officers who did not return to the island and retune of bonds, recovering of balances from EPF etc and action thereon had not been received for audit.		
	(c) It was mentioned that the Engineering Faculty of Jaffna University had been officially opened on 30 November 2012. However, the Ministers of Cabinet had granted the approval by the Cabinet paper No අමප/14/0153/521/007 of 21 February 2014 for tender for construction of Engineering Faculty . further the allocation amounting to Rs 130,000,000 made for this Project in 2013 had not been utilizes entairly.	Not agreed. The provision for the establishment of Engineering Faculty of Jaffna University had not been made in 2013 by the UGC/ Ministry of Higher Education.	The provision for the establishment of Engineering Faculty of Jaffna University had not been made in 2013 by the UGC/ Ministry of Higher Education

4.3 Matters in Contentious Nature	The following observations are made. (a) A Bond Violation/ Breach Funds had been established by individual universities under the provisions made in the Circular No 737 of the University Grant Commission of 18 August 1998 without proper approvals of the General Treasury and collected the defaulting charges on violation of Bonds/ Agreements to the Fund. The revenue generated by the Fund had been utilized for various activities. According to the test checks carried out in 13 universities, the balance aggregating Rs. 592,890,340 remained in such Funds as at 31 December 2013whilest the balance remained in the Fund maintained by the Commission was Rs 10,278,787. Details are given below.	Not agreed. Clear instructions had been issued in the Circular No 737 related to violation of agreements , activities of the Fund and expenses to be made thereon. Therefore , it is responsibility of the Governing Board to collection of revenue and incurring costs. The balance remained in the Fund maintained by the Commission amounting to Rs 10,278,787 should be corrected as Rs. **870,427**	These Funds are used in accordance with instructions issued by the Circulars No. 737 and 805 by the Commission under the approval of the General Treasury.

	University	Bond violation / Breach Fund Rs
2	Moratuwa	86,559,003
3	Fine Arts	1,494,871
4	Uva- Wellassa	5,007,007
5	Jaffana	170,799,973
6	Wayamba	19,623,171
7	Sri Jayawardhanapura	2,435,760
8	Sabaragamuwa	14,906,132
9	Rajarata	5,014,429
10	Ruhuna	33,780,845
11	Kelaniya	45,994,263
12	Peradeniya	202,093,247
13	Eastern	123,356
14	South Eastern	5,058,283
		592,890,340

	(b) Internet facilities had been obtained by the Commission from a Private firm called Lanka Internet and Research Network without entering into an agreement. A sum of Rs 1,985,324 had been paid from January to December 2013 thereon.	Not agreed. Lanka Internet and Research Network (LERN) is not a private firm. This is a limited liability (Guarantee) company which was incorporated with the contribution of all universities to obtain assistance for networking facilities university system. All the universities and higher educational institutes are members of this company and managed by a governing board selected by them. Therefore it is not necessary to enter into an agreement separately by the Commission to obtain internet facilities.	It is not necessary to enter into an agreement separately by the Commission to obtain internet facilities as Lanka Internet and Research Networkis not a private company.
	(c) According to the paragraph 50 of the University Act (Amended) No.07 of 1985, the provision made in the Employees Trust Fund Act, No. 46of 1980 is not applied for the Commission higher educational institute. However, the Commission had remitted a sum of 2,282,072 in 2013 to the Employees Trust Fund.	The section 97A of the University Act had been removed by the Section 2 of the Employees Trust Fund(Special Provision) Act No 19 of 1993. Therefore, there was no error in making contribution to the Employee Trust Fund by the Commission.	The payments for the Employees Trust Fund is made by the Commission in terms of Employees Trust Fund Act(Special Provision) No 19 of 1993

<table>
<tr>
<td>4.4
Underutilization of Funds</td>
<td>The following observations are made
(a) The balance of unspent Fixed Assets Capital Grant at the end of 2013 amounted to Rs 2, 091,164 Details are given below.

<table><tr><th>Description</th><th>Value (Rs)</th></tr><tr><td>Unspent Building Grant</td><td>506,297</td></tr><tr><td>Unspent Furniture Grant</td><td>971,405</td></tr><tr><td>Unspent books and periodical Grant</td><td>422,363</td></tr><tr><td>Unspent Information Technology Grant</td><td>191,099</td></tr><tr><td></td><td>2,091,164</td></tr></table></td>
<td>Agreed. These funds are reserved for contractual services and already utilized.</td>
<td>These amounts are already utilized.</td>
</tr>
<tr>
<td></td>
<td>(b) An aggregated sum of Rs 16,612,390 had remained in 06 special Funds operated under the Commission which was not functioning. Details are given below.

<table><tr><th>Fund</th><th>Value (Rs)</th></tr><tr><td>Central Research Fund</td><td>10,271,234</td></tr><tr><td>Srimathi Indrani Commemoration Fund</td><td>367,450</td></tr><tr><td>Staff Development Fund</td><td>5,867,304</td></tr><tr><td>National Science Foundation</td><td>106,402</td></tr><tr><td></td><td>16,612,390</td></tr></table></td>
<td>Agreed.

<table><tr><th>Fund</th><th>Present Position</th></tr><tr><td>Central Research Fund</td><td rowspan="2">Action are being taken to bring such balances under a new Fund to suit with present polices and use</td></tr><tr><td>Srimathi Indrani Commemoration Fund</td></tr><tr><td>Staff Development Fund</td><td>Eventhough several activities had been carried out for staff development purposes those had not shown under the Fund. Action will be taken to show such activities separately.</td></tr><tr><td>National Science Foundation</td><td>This Fund is functioning now.</td></tr></table></td>
<td>Action are being taken to bring such balances under a new Fund to suit with present polices and use

Eventhough several activities had been carried out for staff development purposes those had not shown under the Fund. Action will be taken to show such activities separately.

This Fund is functioning now.</td>
</tr>
</table>

<table>
<tr>
<td>4.5 Staff Administration</td>
<td>The approved cadre of the Commission comprised with 293 persons and actual cadre as at 31 December 2013 was 206 persons. Thus indicated that 87post were remained vacant. Details are given below.
<table>
<tr><th>Type of cadre</th><th>Approved cadre</th><th>Actual cadre</th><th>Vacant cadre</th></tr>
<tr><td>Senior</td><td>63</td><td>40</td><td>23</td></tr>
<tr><td>Middle</td><td>177</td><td>119</td><td>58</td></tr>
<tr><td>Territory</td><td>53</td><td>47</td><td>06</td></tr>
<tr><td>Total</td><td>293</td><td>206</td><td>87</td></tr>
</table>
</td>
<td>Agreed</td>
<td>At present vacancies in 14 post were filled.</td>
</tr>
<tr>
<td>4.6 Procurement plan</td>
<td>Eventhough the Commission had procured fixed assets at a cost of Rs4,075,787 in 2013 a procurement plan for the year under review had not been prepared.</td>
<td>Not agreed. The procurement plan for the value of Rs 6 million had been prepared and submitted to the CEO on 05 February 2013</td>
<td>The procurement plan of the Commission for 2013 had been prepared and submitted to the CEO on 05 February 2013</td>
</tr>
</table>

4.7 Budgetary Control

A Budget had been prepared in accordance with paragraph 5.2.1 of Circular No.PED 12 of 02 July 2003 and indicated that the budget had not been used as an effective tool of control due to the following variations

	Financial Records Rs	Actual Costs Rs	Variations Rs	% of variation
Staff Remuneration	115,982,137	147,482,000	31,499,863	21
Travelling	3,283,340	1,000,000	2,283,340	228
Other Recurrent Costs	62,016,907	1,352,245,000	1,290,228,093	95
Capital assets Rehabilitation and Reconstruction	19,528,951	45,000,000	25,471,049	57
Knowledge Improvement and Institutional Development	173,653,707	140,000,000	33,653,707	24

Explanation s of the Commission

The variation between the budgets figures and actuals are described below.

Staff Remuneration	Rs million
Budget	147.4
Actual	115.9
Variance	31.4

Reason: The vacancies of the Commission was not filled as a result Rs 33 Mn was not utilized

Travelling	Rs million
Budget	1.00
Actual	3.2
Variance	2.2

Reason:Variance if local Travel was Rs 0.9million. This was happened due to increase of the rate up to Rs 25 by Rs 13 per Km and travelling expenses of the members of the Commission had been increased by Rs .840,072. Futher, cost on domestic air fare for the participation of training workshops had been was Rs 205,500.

Other Recurrent Expenses	Rs million
Budget	1352,.2
Actual	62.0
Variance	1292.2

Reason: Eventhough a sum of Rs 285.4 million had been allocated only a sum of Rs 17 million had been requested from the universities for reimbursement . Further, a sum of Rs 501 million had been allocated for financial aids for the students for 2013 only a sum of Rs 386.3 million had been requested for reimbursements. a sum of Rs 300 million had been allocated for the payments of arrears on cost of living allowance on EPF and ETF only a sum of Rs 125 million had been requested. Further, the contribution for the South Asia Universities Fund amounting to Rs 111.2 million and payments of arrears on cost of living allowance on EPF and ETF amounting to Rs 125 million had been classified under " Financial Assistance for Universities and Higher Educational Institutions" and Scholarships and Mahapola allowance amounting to Rs 480.8 million had been clarified under "Financial Assistance for Students" and as a result, the variance of other recurrent expenses had been increased.

Capital Assets- Rehabilitation and Improvements

It was planned to construct a new building for the Commission under Capital Assets Rehabilitation and Improvements. However it was not implemented in 2013 and the allocation made was remained unspent.(Rs 25 million)

Knowledge Improvement and Institutional Development

Additional estimates made for the capital assets had been utilized for the need of supplementary financial need of Rs 33 million. Therefore, as a overall picture the budgetary variance was marginal and it was used as an effective management control.

<table>
<tr>
<td>4.8 Tabling of Annual Performance Report</td>
<td>The Annual reports of the Commission is required to be tabled in the Parliament within 06 months at the end of the financial year in terms of the paragraph 16 of the University Act, No. 16 of 1978. However the Annual Report of the Commission for the year 2012 had not been tabled in the Parliament</td>
<td>Agreed</td>
<td>Annual Report was submitted to the Ministry of Higher Education on 07 August 2014</td>
</tr>
<tr>
<td>5 Systems and Controls</td>
<td>The deficiencies observed during the course of audit had been drawn to the attention of the Chairman time to time. Special attention is needed for the following area of control.
<table>
<tr><td>Utilization of capital allocation</td><td>Utilization of capital allocation to meet recurred expenses</td></tr>
<tr><td>Recruitments</td><td>Recruitments of employees contrary to the Circular instruction</td></tr>
<tr><td>Issue of Circular Instructions</td><td>Issuing of circular instruction without the approval of General Treasury</td></tr>
<tr><td>Maintenance of Fund</td><td>Underutilization of Funds</td></tr>
</table>
</td>
<td>Agreed to pay attention on the fields highlighted.</td>
<td>Agreed to pay attention on the fields highlighted</td>
</tr>
</table>

Statement of Financial Position as at December 31, 2013

	Note	2013 Rs.	2012 Rs.
ASSETS			
None Current Assets			
Treasury Bonds	1	517,474,522	550,129,273
Fixed Deposits	2	2,390,828,833	1,898,828,833
		2,908,303,355	2,448,958,106
Current Assets			
Contributions Receivable	3	24,685,454	54,476,918
Investment Income Receivable	4	579,724,206	242,618,707
Cash and Cash Equivalents	5	36,144,828	6,298,524
		640,554,488	303,394,149
Less: Current Liabilities			
Income Tax Payable		56,909,584	24,374,301
Payments Due to Members	6	4,297,319	4,395,380
Payments Due to Uni. & HEIs	7	5,586,731	64,270
Sundry Creditors	8	181,175	138,000
		66,974,809	28,971,951
Net Current Assets		573,579,679	274,422,198
Total Net Assets		**3,481,883,034**	**2,723,380,304**
Members' Fund & Reserves			
Contributors' Fund		3,078,551,984	2,432,210,621
Pensioners' Fund		103,928,247	78,674,647
Retained Earnings		299,402,803	212,495,036
Net worth of the Fund		**3,481,883,034**	**2,723,380,304**

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Tissa Nandasena
Secretary

.....

Ubayakula Ranaweera
Accountant



Statement of Financial Performance
for the Year Ended December 31, 2013

	Note	2013 Rs.	2012 Rs.
Income			
Investment Income	9	490,871,379	227,837,778
Less: Income Tax		41,174,151	20,113,517
Net Income after Tax		449,697,228	207,724,261
Less: **Expenditure**			
Pensioner's Fund Adjustments	10	2,895,828	1,755,904
Operating Expenses	11	394,398	110,950
		3,290,226	1,866,854
Net Income after Expenditure		**446,407,001**	**205,857,407**
Add: Retained Profit Brought Forward		212,495,036	201,906,600
Net Income available for Distribution		**658,902,037**	**407,764,007**
Less: Member Interest			
Contributor's Fund		349,500,444	189,115,287
Pensioner's Fund		9,998,790	6,153,684
		359,499,234	195,268,971
Retained Profit Carried Forward		**299,402,803**	**212,495,036**

Cash Flow Statement for the Year ended 31st December, 2013

	2013 (Rs)	2012 (Rs)
Cashflows From Operating Activities		
Net Income After Taxes and Expenses	446,407,001	205,857,407
Add/ (Less) : Discount/ Premium on Treasury Bonds	(20,061,870)	(9,930,494)
Profit/ Loss on Sale of Treasury Bonds	(21,772,398)	-
Pensioner's Fund Adjustment	2,895,828	1,755,905
Income Tax	41,174,151	20,113,517
	448,642,712	217,796,335
Changes in Working Capital		
(Increase)/Decrease in Investment Income Receivable	(337,105,499)	(7,776,395)
Increase/(Decrease) in Sundry Creditors	43,175	33,000
Cash Generated from operations	111,580,388	210,052,940
Less: Income Tax Paid	(8,638,868)	(15,791,126)
Net Cashflows From Operating Activities	**102,941,520**	**194,261,814**
Cashflows From Investing Activities		
Uplifment of Fixed Deposits	466,000,000	1,540,000,000
Investment in Fixed Deposits	(958,000,000)	(2,039,828,833)
Sale/ maturity of Treasury Bonds	692,376,702	382,371,951
Purchase of Treasury Bonds	(617,887,684)	(321,093,216)
Net Cashflows From Investing Activities	**(417,510,982)**	**(438,550,098)**
Cashflows From Financing Activities		
Contributions Received	390,017,519	276,834,536
Refunds	(18,912,289)	(15,682,163)
Pension Paid	(26,689,465)	(17,495,086)
Net Cashflows From Financing Actvities	**344,415,765**	**243,657,287**
Net Increase in Cash & Cash Equivalents	29,846,304	(630,997)
Cash & Cash Equivalents at the Beginning of the Period	6,298,524	6,929,521
Cash & Cash Equivalents at the End of the Period	**36,144,828**	**6,298,524**

Statement of Changes in Equity for the Year Ended December 31, 2013

	Contributors Fund	Pensioners Fund	Retained Profit	Total
	(Rs.)	(Rs.)	(Rs.)	(Rs.)
Balance as at 31st December 2011	1,957,687,424	76,114,210	201,906,600	2,235,708,234
Surplus for the Year 2012	-	-	10,588,436	10,588,436
Transfer from Current Year Income	-	1,755,904	-	1,755,904
Correction of Errouneous Contribution	(1,136)	-	-	(1,136)
Current Year Contribution	317,109,810	-	-	317,109,810
Lumpsum Refunds	(17,744,027)	-	-	(17,744,027)
Transferred to Contributors Fund/Pensioners Fund	(12,145,935)	12,145,935	-	-
Transfer to UPF Account	(1,810,802)	-	-	(1,810,802)
Pension Payments During the Year 2012	-	(17,495,086)	-	(17,495,086)
Pensioners Fund /Contributors Fund Interest	189,115,287	6,153,684	-	195,268,971
Balance as at 31st December 2012	2,432,210,621	78,674,647	212,495,036	2,723,380,304
Surplus for the Year 2013	-	-	446,407,001	446,407,001
Transfer from Current Year Income	-	2,895,828	-	2,895,828
Contribution Received on A/C of Pensioners	-	926,143	-	926,143
Correction of Erroneous Contribution	(895)	-	-	(895)
Current Year Contribution	361,043,993	-	-	361,043,993
Lumpsum Refunds	(24,336,689)	-	-	(24,336,689)
Transferred to Contributors Fund/Pensioners Fund	(38,122,303)	38,122,303	-	-
Transfer to UPF Account	(1,743,186)	-	-	(1,743,186)
Pension Payment During the Year	-	(26,689,465)	-	(26,689,465)
Pensioners Fund /Contributors Fund Interest	349,500,444	9,998,790	(359,499,234)	-
Balance as at 31st December 2013	**3,078,551,984**	**103,928,247**	**299,402,803**	**3,481,883,034**

විගණකාධිපති දෙපාර්තමේන්තුව
கணக்காய்வாளர் தலைமை அதிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT

මගේ අංකය / எனது இல. / My No. } ඊසී/බී/පීඑන්එෆ්/1/13/05

ඔබේ අංකය / உமது இல. / Your No. }

දිනය / திகதி / Date } 2015 අප්‍රේල් 29 දින

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විශ්වවිද්‍යාල ප්‍රතිපාදන කොමිෂන් සභාව

විශ්වවිද්‍යාල විශ්‍රාම වැටුප් අරමුදලේ 2013 දෙසැම්බර් 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන පිළිබඳව විගණකාධිපති වාර්තාව

මාගේ සමාංක හා 2014 ඔක්තෝබර් 16 දිනැති ලිපියට යොමුවේ.

02. ඉහත සඳහන් ලිපිය සමඟ එවන ලද මාගේ වාර්තාවේ ඉංග්‍රීසි අනුවාදය මේ සමඟ එවා ඇත.

ඩබ්ලිව්.පී.සී. වික්‍රමරත්න
වැඩබලන විගණකාධිපති

පිටපත්:
1. ලේකම්, උසස් අධ්‍යාපන අමාත්‍යාංශය
2. ලේකම්, මුදල් හා ක්‍රමසම්පාදන අමාත්‍යාංශය

අංක 306/72, පොල්දුව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව, .- இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை, இலங்கை.- No. 306/72, Polduwa Road, Battaramulla, Sri Lanka
+94-11-2887028-34 +94-11-2887223 oaggov@sltnet.lk www.auditorgeneral.gov.lk

විගණකාධිපති දෙපාර්තමේන්තුව
கணக்காய்வாளர் தலைமை அதிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT

මගේ අංකය எனது இல. My No. EC/B/PNF/1/13/05

ඔබේ අංකය உமது இல. Your No.

දිනය திகதி Date 16 October 2014

The Chairman,

University Grants Commission

Report of the Auditor General on the Financial Statements of the Universities Pension Fund for the year ended 31 December 2013

The audit of financial statements of the Universities Pension Fund for the year ended 31 December 2013 comprising the statement of financial position as at 31 December 2013 and the statement of financial performance and the statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory Information was carried out under my direction in pursuance of provisions in Article 154(3) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 12 of the Universities Act, No. 16 of 1978. My comments and observations which I consider should be published with the Annual Report of the Universities Pension Fund in terms of Sub-section 12(5) of the Universities Act appear in this report.

1.2 Management's Responsibility for Financial Statements

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

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව, . - இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை, இலங்கை. - No. 306/72, Polduwa Road, Battaramulla, Sri Lanka
+94-11-2887028-34 +94-11-2887223 oaggov@sltnet.lk www.auditorgeneral.gov.lk

1:3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Standards of Supreme Audit Institutions (ISSAI 1000-1810). 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 judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risks assessments, the auditor considers internal control relevant to the Fund'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 Fund'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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

2. Financial Statements

2.1 Opinion

In my opinion, the financial statements give a true and fair view of the financial position of the Universities Pension Fund as at 31 December 2013 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

2.2 Comments on Financial Statements

2.2.1 Accounts Payable

A sum of Rs.5,586,731 received from the Treasury in the year 2012 for the settlement of the amount that should be credited to the pensions fund after the decision taken by the Cabinet of Ministers to compute the pensions including the cost of living had been recorded as cost of living allowances payable to the Higher Educational Institutes without crediting the respective pensions accounts .

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

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Non-compliances with laws, rules and regulations are given below.

	Reference to Laws, Rules, Regulations etc.	**Non-compliance**
(a)	Section 97 of the University Act No.16 of 1978	Ordinances had not been prepared by the Commission for regulation, administration and the management of the Pensions Fund .
(b)	Cabinet Decision No. අමප/99/0438/11/033 dated 09 April 1999	According to the decision of the Cabinet of Ministers , 10 per cent should have been credited to the Pension Fund out of 25 per cent of contribution credited to the Universities Provident Fund on behalf of the officers. Contrary to that , action had been taken to credit 8/15 out of the 15 per cent contribution to the Pension Fund made by the employer to the Provident Fund according to the Circular No. 747 of the University Grants Commission. Even though directives were given at the meeting of the Committee on Public Enterprises relating to the report of the Auditor General for the year 2012 to take action to settle this problem, action had not been taken accordingly.

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the operations of the Fund for the year ended 31 December 2013 had resulted in a surplus of Rs. 446,407,001 as compared with the corresponding surplus of Rs. 205,857,407 for the preceding year and as such an increase of Rs.240,549,594 was observed in the financial result for the year under review as compared with the preceding year. The increase of income on investment by Rs.241,972,967 had mainly attributed for that increase of the financial result.

4. Operating Review

4.1 Performance

The following observations are made.

(a) According to the test checks , 07 instances of delayed payments ranging from that 01 to 05 years were observed in the payment of credit balance available in the Pension Accounts of the employees who were resigned from the service without completing the service of 20 years .

(b) It was observed that there was an interest which deprived to the contributor due to a time delay between the date of last computation of the interest and the date of payment of the such amount and interest in re -payment of the contribution available in the pensions accounts of the employees who did not complete the service of 20 years.

5. Systems and Control

Deficiencies in systems and controls observed during the course of audit were brought to the notice of the Chairman from time to time. Special attention is needed in respect of the Pensions Ordinance.

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H.A.S. Samaraweera

Auditor General

UNIVERSITIES COMMISSION
08 OCT 2015
SECRETARY

REPORT OF THE AUDITOR GENERAL ON THE ACCOUNTS OF THE UNIVERSITIES PENSION FUND FOR THE YEAR ENDED 31ST DECEMBER 2013

Subject	Matters pointed out by the Auditor General	Comments and Observations	Present position and Current Developments
2.2 Comments on Financial Statements			
2.2.1 Accounts Payable	A sum of Rs. 5,586,731 received from the Treasury in the year 2012 for the settlement of the amount that should be credited to the pensions fund after the decision taken by the Cabinet of Ministers to compute the pensions including the cost of living had been recorded as cost of living allowances payable to the Higher Education Institutes without crediting the respective pensions accounts.	Not Agreed. The UGC has decided to calculate the Pension contribution on cost of living allowance from year 2006, based on the court decision. Accordingly, Universities should pay the arrears pension contribution on cost of living allowances to the members who retired/ resigned/ terminate, without having the monthly pension payment. Therefore, Rs. 5,586,731 had been paid to the Universities by the voucher No. 45 on 20/03/2014.	Rs. 5,586,731 had been paid to the Universities by the voucher No. 45 on 20/03/2014.
2.2.2 **Non Compliances with Laws, Rules Regulation and Management Decision.**			
(a) Section 97 of the University Act. No.16 of 1978	Ordinances had not been prepared by the Commission for regulation, administration and the management of the Pension Fund.	Agreed Draft ordinance has been submitted to the department of legal draftment on 04/09/2014.	Draft Ordinance has been submitted to the Department of legal draftment on 04/09/2014 and it's under the observations of the department of Legal Draftment.
(b) Cabinet decision No. අමප/99/0438/111033 of 09 April 1999	According to the decision of Cabinet of Ministers, 10 per cent should have been credited to the Universities Provident Fund on behalf of the officers. Contrary to that, action had been taken to credit 8/15 of the 15 per cent contribution to the Pension Fund made by the employer to the Provident Fund according to the Circular No. 747 of	Several discussion has been conducted in regards to the revision of percentage of pension fund contribution with the Ministry of Higher Education and Treasury Representatives. Accordingly, Cabinet Memorandum has been prepared and submitted to the Ministry of Higher Education on 12/05/2014.	The cabinet memorandum has been submitted to the Ministry of Higher Education on 02/05/2014.

Subject	Matters pointed out by the Auditor General	Comments and observations	Present position and current developments
	the University Grants Commission. Even though directives were given at the meeting of the committee on Public Enterprises relating to the report of the Auditor General for the year 2012 to take action to settle this problem, action had not been taken accordingly.		
3. Financial Review 3.1 Financial Results	According to the financial statements presented, the operations of the Fund surplus of the Fund for the year ended 31 December 2013 had resulted in a surplus of Rs. 205,857,407 for the preceding year and as such an increase of Rs. 240,549,594 was observed in the financial result for the year under review as compared with the preceding year. The increase of income on investment by Rs. 241,972,967 had mainly attributed for that increase of the financial result.	Agreed. The main purpose of the Pension Fund is providing higher benefits to the pensioners. Therefore, higher interest is provided to pensioners & contributors using the interest income received by investing contributions.	UGC agreed with the comments made on financial results by the Auditor General.
4. Operating Review 4.1 Performance	The following observations are made. (a) According to the checks, 07 instances of delayed payments ranging from that 01 to 05 year were observed in the payment of credit balance available in the Pension Accounts of the employees who were resigned from the service without completing the service of 20 years. (b) It was observed that there was an interest which deprived to the contributor due to a time	Not Agreed. It is incorrect to calculate period of delay by taking the date of resignation/ termination of a member & the date of payment. It should be calculated by taking the date of completed application submitted to the pension unit and the date of signing the receipt by the member. Agreed. Payment had been made without deprive the interest to the contributor from 2014.	Refunds will be released without a delay. Action has been taken to make payment without deprive the interest to the contributor.

Subject	Matters pointed out by the Auditor General	Comments and observations	Present position and current developments
	delay between the date of last computation of the interest and the date of payment of the such amount and interest in re-payment of the contribution available in the pensions accounts of the employees who did not complete the service of 20 years.		
5. System and Controls	Deficiencies in systems and controls observed during the course of audit were brought to the notice of the Chairman from time to time. Special attention is needed in respect of the Pension Ordinance.	Draft Ordinance had been submitted to the department of legal draftment on 04/09/2014.	Draft ordinance has been submitted to the department of Legal Draftment on 04/09/2014 and it's under the observation of Legal Draftment.

Universities Provident Fund
Statement of Financial Position
As at 31st December 2013

	Note	Year 2013 SLR	Year 2012 SLR
Non Current Assests			
Long Term Investments	01	16,607,011,906	15,612,171,387
Loans	02	4,652,632,394	4,174,979,575
		21,259,644,300	19,787,150,962
Current Assests			
Inventory		115,978	137,247
Interest Receivable	03	2,859,352,445	1,692,094,329
Contributions Receivable	04	130,020,121	133,563,334
Loan Installments Receivable	05	27,755,563	28,831,961
Other Advance		1,000	1,000
Cash & Cash equivalents	06	54,459,514	5,107,417
		3,071,704,621	1,859,735,288
Less.- Current Liabilities			
Tax		253,651,637	123,550,316
Refunds Payable	07	25,864,332	20,732,015
COLA Payable		153,337,883	270,399,312
Sundry Creditors	08	391,189	466,506
		433,245,041	415,148,149
Net Current Assests		2,638,459,580	1,444,587,139
Total Net Assests		23,898,103,881	21,231,738,101
Member balances	09	23,457,619,698	20,832,082,627
Provision for inactive members A/C		3,000,000	3,000,000
Unclaimed Benefits Reserve	10	6,903,570	0
Retained Profit carried forward		430,580,613	396,655,475
Net worth of the Fund		23,898,103,881	21,231,738,102

Tissa Nandasena
Secretary

Ubayakula Ranaweera
Accountant

Universities Provident Fund

Income Statement

For the year ended 31st December 2013

	Note	Year 2013 SLR	Year 2012 SLR
INCOME			
Investment Income	11	2,454,618,499	1,751,025,815
Other Income	12	41,601	0
Total Income		2,454,660,100	1,751,025,815
Less:- Income Tax		(193,471,607)	(140,091,507)
Income after Tax		2,261,188,493	1,610,934,308
Less :- Operating Expenditure	13	(184,321)	(123,770)
Net Income after Expenses		**2,261,004,172**	**1,610,810,538**
Add- Reserves			
Interest rate Equalization Reserve		0	281,650,220
Provision for inactive Members		0	5,000,000
Adjustments to Income		20,536,806	9,030,091
Retained profit of the previous year		396,655,475	115,683,608
Net Income available for Distribution		**2,678,196,453**	**2,022,174,457**
Interest on member balances		(2,243,823,280)	(1,623,471,262)
Interest for inactive A/Cs		(3,792,561)	(2,047,720)
Retained Profit carried forward		430,580,613	396,655,475

Universities Provident Fund
Cashflow Statement
For the year ended 31st December 2013

	2013	2012
Cashflows From Operating Activities		
Net Income After Taxes and Expenses	2,261,004,172	1,610,810,538
Add/(Less): Discount/Premium on Treasury Bonds	(22,723,257)	-
Write-back of Sundry Creditors	(41,601)	-
Profit/Loss on Sale of Treasury Bonds	28,459,430	-
Income Tax	193,471,607	140,091,507
	2,460,170,351	1,750,902,045
Changes In WIC		
(Increase)/ Decrease in Inventory	21,269	(43,820)
(Increase)/ Decrease in Investment Income Receivable	(1,167,258,116)	(422,854,453)
(Increase)/ Decrease in Other Investments	-	-
(Increase)/ Decrease in Loans	(476,576,421)	(149,255,085)
Increase/ (Decrease) in COLA Payables	(117,061,429)	270,399,312
Increase/ (Decrease) in Sundry Creditors	(75,317)	41,545
Cash Generated From Operations	699,220,337	1,449,189,544
Less: Income Tax Paid	(63,370,286)	(119,650,840)
Net Cashflows From Operating Activities	**635,850,051**	**1,329,538,704**
Cashflows From Investing Activities		
Uplifment of Fixed Deposits	5,666,200,000	5,050,000,000
Investment in Fixed Deposits	(7,600,000,000)	(9,971,700,000)
Maturity of Premium Bonds	-	4,999,384
Closure of Savings Deposit Account	(93,920)	-
Sale/maturity of Treasury Bonds	5,420,831,836	3,280,821,087
Purchase of Treasury Bonds	(4,487,473,004)	(394,571,571)
Net Cashflows From Investing Activities	**(1,000,535,088)**	**(2,030,451,100)**
Cashflows From Financing Activities		
Contributions Received	1,948,028,708	1,728,199,770
Refunds	(1,533,991,573)	(1,035,615,478)
Net Cashflows From Financing Activities	**414,037,135**	**692,584,292**
Net Increase in Cash & Cash Equivalents	**49,352,097**	**(8,328,104)**
Cash & Cash Equivalents at the Beginning of the Period	5,107,417	13,435,521
Cash & Cash Equivalents at the End of the Period	**54,459,514**	**5,107,417**

Universities Provident Fund

Statement of Changes in Equity for the Year Ended December 31st, 2013

	Member Balances	Provision for inactive accounts	Unclaimed Benefit Reserve	Interest rates equalisation Reserve	Retained profit	Total
Balance as at 31.12.2011	18,501,983,566	8,000,000	-	281,650,220	115,683,608	18,907,317,394
Reversal of Provisions	-	(5,000,000)	-	(281,650,220)	286,650,220	-
Interest for Members	1,623,471,262	-	-	-	(1,623,471,262)	-
Surplus for the year 2012	-	-	-	-	1,610,810,538	1,610,810,538
Contributions during the year	1,749,849,911	-	-	-	-	1,749,849,911
Refunds during the year	(1,031,244,558)	-	-	-	-	(1,031,244,558)
Adjustments during the year	(7,698,223)	-	-	-	9,030,091	1,331,868
Recoveries for sabbatical leave	(4,279,330)	-	-	-	-	(4,279,330)
Interest for Inactive accounts	-	-	-	-	(2,047,720)	(2,047,720)
Balance as at 31st December 2012	20,832,082,628	3,000,000	-	-	396,655,475	21,231,738,103
Contributions During the year	1,944,485,495	-	-	-	-	1,944,485,495
Current year Members Interest	2,243,823,280	-	-	-	(2,243,823,280)	-
Refunds During the year	(1,542,881,312)	-	-	-	-	(1,542,881,312)
Recoveries for sabbatical leave	(6,416,726)	-	-	-	-	(6,416,726)
Adjustments	(6,622,361)	-	-	-	20,536,807	13,914,446
Provisions	(6,851,306)	-	6,851,306	-	-	-
Adjustments	-	-	52,264	-	-	52,264
Interest for inactive A/cs	-	-	-	-	(3,792,561)	(3,792,561)
Surplus for the year	-	-	-	-	2,261,004,172	2,261,004,172
Balance as at 31 Dcember 2013	23,457,619,698	3,000,000	6,903,570		430,580,613	23,898,103,881

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கணக்காய்வாளர் தலைமை அதிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT

මගේ අංකය / எனது இல. / My No } ඊසී/බී/යූපීඑෆ්/1/13/06

ඔබේ අංකය / உமது இல. / Your No. }

දිනය / திகதி / Date } 2015 ජුනි 19 දින

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විශ්වවිද්‍යාල ප්‍රතිපාදන කොමිෂන් සභාව

විශ්වවිද්‍යාල අර්ථසාධක අරමුදලේ 2013 දෙසැම්බර් 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන පිළිබඳව විගණකාධිපති වාර්තාව

මාගේ සමාංක හා 2014 දෙසැම්බර් 08 දිනැති ලිපියට යොමුවේ.

02. ඉහත සඳහන් ලිපිය සමඟ එවන ලද මාගේ වාර්තාවේ ඉංග්‍රීසි අනුවාදය මේ සමඟ එවා ඇත.

ඩබ්ලිව්.පී.සී. වික්‍රමරත්න
විගණකාධිපති (වැඩබලන)

පිටපත්:
1. ලේකම් - උසස් අධ්‍යාපන හා පර්යේෂණ අමාත්‍යාංශය
2. ලේකම් - මුදල් අමාත්‍යාංශය

අංක 306/72, පොල්දුව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව, .- இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை, இலங்கை.- No. 306/72, Polduwa Road, Battaramulla, Sri Lanka
+94-11-2887028-34 +94-11-2887223 oaggov@sltnet.lk www.auditorgeneral.gov.lk

විගණකාධිපති දෙපාර්තමේන්තුව
கணக்காய்வாளர் தலைமை அதிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT

මගේ අංකය
எனது இல.
My No. EC/B/UPF/1/13/06

ඔබේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date 8 December 2014

The Chairman,

University Grants Commission

Report of the Auditor General on the Financial Statements of the Universities Provident Fund for the year ended 31 December 2013

The audit of financial statements of the Universities Provident Fund for the year ended 31 December 2013 comprising the statement of income as at 31 December 2013 and the statement of financial performance and the statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information was carried out under my direction in pursuance of provisions in Article 154(3) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 12 of the Universities Act, No. 16 of 1978. My comments and observations which I consider should be published with the Annual Report of the Universities Provident Fund in terms of Sub-section 12(5) of the Universities Act appear in this report.

1.2 Management's Responsibility for the Financial Statements

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

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව, . - இல. 306/72, பொல்தூவ வீதி, பத்தரமுல்லை, இலங்கை. - No. 306/72, Polduwa Road, Battaramulla, Sri Lanka
+94-11-2887028-34 +94-11-2887223 oaggov@sltnet.lk www.auditorgeneral.gov.lk

1:3 **Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Standards of Supreme Audit Institutions (ISSAI 1000-1810). 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 judgements, 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 Fund'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 Fund'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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

1.4 Basis for Qualified Opinion

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

2 Financial Statements

2.1 Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 2:2 of this report, the financial statements give a true and fair view of the financial position of the Universities Provident Fund as at 31 December 2013 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

2.2 Comments on Financial Statements.

2.2.1 Accounting Deficiencies

Out of the Rs.500 million received from the General Treasury in the year 2012 to credit the Provident Fund Contribution outstanding in relation to the cost of living allowance to the beneficiaries , a sum of Rs.153.3 million had been computed as cost of living allowance outstanding and shown as current liabilities in the statement of financial position without crediting the Members Accounts of the Universities Provident Fund.

2.2.2 Accounts Payable

The following observations are made.

(a) There were specifically unidentified balances in transferring the Contributions of the Provident Fund to the Provident Fund operated by the University . The value of the balances unidentified even as at the end of the year under review amounted to Rs.6,903,570. Unclaimed benefits had been transferred to the Reserve Account without taking action to identify those balances.

(b) Even though periods range from 2 years to 12 years had elapsed officer cancelling cheques valued at Rs.19,400,886 issued to the members whose services had been terminated necessary action had not been taken.

2.3 Non-compliance with Laws, Rules, Regulations and Management Decisions.

The following non - compliances were observed during the audit.

Reference to Laws, Rules etc.	Non-compliance
(a) Section 91 of the Universities Act, No.16 of 1978	Ordinances had not been formulated by the Commission for the regulation, administration and management of the Employee Provident Fund amounting to Rs.23,457,619,698 at the end of the year under review.
(b) Financial Regulations 264 of the Democratic Socialist Republic of Sri Lanka	Even though every payment should be confirmed by a receipt obtained from the payee that the amount in the payment voucher has received according to a test check, payments totaling Rs.69,796,055 made on 16 vouchers had not been supported by such receipts .

3. Financial Review

3.1 Financial Results

According to the financial statement presented, the net income of the Fund from the year ended 31 December 2013 amounted to Rs.2,261,004,172 as compared with the net income for the preceding year amounting to Rs.1,610,810,538. The increase of the financial result for the year under review as compared with the preceding year by a sum of Rs.650,193,634 had been mainly due to increase of income from investments by a sum of Rs.703,592,684

4. Accountability and Good Governance

4.1 Action Plan

The planned activities relating to the Universities Provident Fund had been shown in the Action Plan of the University Grants Commission. Even though it had been planned to establish and implement a Medical Insurance Scheme in the Action Plan for the years of 2011/2012, such activity had not been implemented up to the end of the year under review.

5. Systems and controls

The deficiencies in system and controls observed during the course of audit were brought to the notice of the Chairman of the Fund from time to time. Special attention is needed in respect of the following areas of control.

(a) Formulation of Ordinances.

(b) Collection of Contributions and Calculation of Interests

(c) Recovery of the Money Receivable to the Fund.

(d) Release of the Membership Funds

W.P.C Wickramaratne,

Acting Auditor General

REPORT OF THE AUDITOR GENERAL ON THE ACCOUNTS OF THE UNIVERSITIES PROVIDENT FUND FOR THE YEAR ENDED 31ST DECEMBER 2013

Reference	Matters pointed out by the Auditor General	Replies and Comments referred to the Auditor General	Present position and Actions taken as at 31st December 2013
2.2 **Comments on Financial Statement**			
2.2.1 **Accounting Deficiencies**	Out of the Rs. 500 million received from the General Treasury in the year 2012 to credit the Provident Fund Contribution outstanding in relation to the cost of living allowance to the beneficiaries, a sum of Rs. 153.3 million had been computed as cost of living allowance outstanding and shown as current liabilities in the statement of financial position without crediting the Members Accounts of the Universities Provident Fund.	A balance of Rs.153.3 million has been remained from the provisions received to pay cost of living outstanding and measures have been taken to complete the payment of contributions after obtaining relevant calculations from universities.	We are receiving documents by now to make relevant payments. We have further informed universities and higher education institutes to forward relevant documents in order to make payments.
2.2.2 **Accounts Payable**	(a) There were specifically unidentified balances in transferring the Contributions of the Provident Fund to the Provident Fund operated by the University. The value of the balances unidentified even as at the end of the year under review amounted to Rs. 6,903,570. Unclaimed benefits had been transferred to the Reserve Account without taking action to identify those balances.	A committee was appointed to investigate on the unidentified balances of Provident Fund and the unidentified balance was transferred to "unclaimed benefits reserve account" on the following grounds. *This balance consists of a collection of balances unidentified at the combination of separate balances in 1974 at the establishment of University Provident Fund. *Had to make further amendments for the unidentified balance at the payment of particular	On the recommendations of the committee appointed to investigate this balance, has been transferred to "unclaimed benefits reserve account".

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		balances to the members of Provident Fund. *Unable to credit it to the revenue since the provisions of Prescription Ordinance cannot be applied to Provident Fund (in terms of the section 17.3 of Provident Fund no 15 of 1958).	
	(b) Even though periods range from 2 years to 12 years had elapsed officer cancelling cheques valued at Rs. 19,400,886 issued to the members whose services had been terminated necessary action had not been taken.	Measures are taken to pay provident fund to the members whose services had been terminated in terms of section 93 of Universities Act. Cheques were cancelled after sending 3 reminders with regard to Rs.20 million stated in this audit query and accounted as payables. Since provisions of the Prescription Ordinance do not influence the release of provident funds and should be paid when requested in terms of Section 17.3 of Provident Fund No. 15 of 1981, this amount could not be considered as revenue.	Measures are taken to pay provident fund to for the members whose services had been terminated in terms of section 93 of Universities Act. Cheques were cancelled after sending 3 reminders with regard to Rs.20 million stated in this audit query and accounted as payables. Since provisions of the Prescription Ordinance do not influence at the release of provident funds and should be paid when requested in terms of Section 17.3 of Provident Fund No. 15 of 1981, this amount could not be considered as revenue.
2.3 **Non-compliance with Laws, Rules, Regulations and Management Decisions**	(a) Section 91 of the Universities Act, No. 16 of 1978 Ordinances had not been formulated by the Commission for the regulation, administration and management of the Employee Provident Fund amounting to Rs. 23,457,619,698 at the end of the year under	The following measures have been taken to formulate draft ordinance. 17.05.2012 Draft ordinance has been referred to the Department of Legal Draftsman October 2012	Ordinance has been prepared.

	review.	Number of discussions was held between Labour Department and UGC on the request of the Department of Legal Draftsman. 15.08.2013 Submission of amendment draft ordinance to the Department of Legal Draftsmen with the opinions of Labour Department. 11.02.2014 Further inquired opinions from UGC with regard to new amendments included by the Department of Legal Draftsmen. 28.03.2014 After inquiring views from the officers concerned of UGC, relevant comments were referred to the Department of Legal Draftsmen. Several telephone calls were made in this regard and the officers of the Department of Legal Draftsmen informed that the final draft would be sent after discussing with Legal Draftsman.	
	(b) Financial Regulations 264 of the Democratic Socialist Republic of Sri Lanka Even though every payment should be confirmed by a receipt obtained from the payee that the amount in the payment voucher has received according to a test check, payments totaling Rs. 69,796,055 made on 16 vouchers had not been supported by such receipts.	The payments stated in the relevant audit queries are vouchers of Provident funds. Although universities were informed to acknowledge every payment through a receipt, at some instances they do not follow it. Reminders have been sent to Universities in this regard and arrangements are made to obtain receipts. Further, cheques are issued on a letter sent by university and the letter is attached to the voucher until receiving the receipt.	Arrangements have been made to obtain relevant receipts from universities.

3. **Financial Review** 3.1 **Financial Results**	According to the financial statement presented, the net income of the Fund from the year ended 31 December 2013 amounted to Rs. 2,261,004,172 as compared with the net income for the preceding year amounting to Rs. 1,610,810,538. The increase of the financial result for the year under review as compared with the preceding year by a sum of Rs. 650,192,634 had been mainly due to increase of income from investments by a sum of Rs. 703,592,684.	Agree	Agree
4. **Accountability and Good Governance** 4.1 **Action Plan**	The planned activities relating to the Universities Provident Fund had been shown in the Action Plan of the University Grants Commission. Even though it had been planned to establish and implement a Medical Insurance Scheme in the Action Plan for the years of 2011/2012, such activity had not been implemented up to the end of the year under review.	Arrangements will be made to establish Medical Insurance scheme having discussed with all the trade unions as per the report of the committee appointed related to medical insurance.	A circular has been issued to universities in order to get the consent of the members of Provident Fund towards Medical Insurance Scheme.
5. **Systems and controls**	The deficiencies in system and controls observed during the course of audit were brought to the notice of the Chairman of the Fund from time to time. Special attention is needed in respect of the following areas of control.		

	(a) Formulation of Ordinances.	Formulation of the ordinance is at the final stage at the Department of Legal Draftsman.	An ordinance has been formulated.
	(b) Collection of Contributions and Calculation of Interests.	99.6% of member's contribution is collected on time and interests are calculated accurately.	Contributions are collected regularly. Interests are calculated accurately.
	(c) Recovery of the Money Receivable to the Fund.	All the money receivable to the fund is recovered regularly on time.	Arrangements have been made to recover receivable money regularly on time
	(d) Release of the Membership Funds.	Members' funds are released in terms of section 93 of universities act.	Members' funds are released in terms of section 93 of universities act.

Abbreviations

University Grants Commission	-	UGC
University of Colombo	-	CMB
University of Peradeniya	-	PDN
University of Kelaniya	-	KLN
University of Sri Jayewardenepura	-	SJP
University of Moratuwa	-	MRT
University of Jaffna	-	UJA
University of Ruhuna	-	RUH
Open University of Sri Lanka	-	OUSL
Eastern University, Sri Lanka	-	EUSL
South Eastern University of Sri Lanka	-	SEUSL
Rajarata University of Sri Lanka	-	RUSL
Sabaragamuwa University of Sri Lanka	-	SUSL
Wayamba University of Sri Lanka	-	WUSL
Uva Wellassa University of Sri Lanka	-	UWU
The University of the Visual & Performing Arts	-	UVPA
Postgraduate Institute of Agriculture	-	PGIA
Postgraduate Institute of Pali & Buddhist Studies	-	PGIPBS
Institute of Indigenous Medicine	-	IIM
Institute of Human Resource Advancement	-	IHRA
Postgraduate Institute of Medicine	-	PGIM
Postgraduate Institute of Archaeology	-	PGIAR
Postgraduate Institute of Management	-	PIM
University of Colombo School of Computing	-	UCSC
Gampaha Wickramaarachchi Ayurveda Institute	-	GWAI
Postgraduate Institute of Science	-	PGIS
National Institute of Library & Information Sciences	-	NILIS
Institute of Technology, University of Moratuwa	-	ITUM
Institute of Biochemistry, Molecular Biology & Biotechnology	-	IBMBB
Swamy Vipulananda Institute of Aesthetic Studies	-	SVIAS
Postgraduate Institute of English	-	PGIE
The National Centre for Advanced Studies in Humanities and Social Sciences	-	NCAS
University of Colombo, Institute for Agro-Technology and Rural Sciences	-	IATRS
Institute of Public Finance & Development Accountancy	-	IPFDA
Institute for Construction Training and Development	-	ICTAD
Institute of Management Accounts	-	IMAC
The Institute of Chartered Accountants of Sri Lanka	-	ICASL
National Institute of Business Management	-	NIBM
Higher Education for Twenty First Century Project	-	HETC
Skills Development Fund Limited	-	SDFL
Sri Lanka Foundation	-	SLF