



UNIVERSITY OF KELANIYA, SRI LANKA

ANNUAL REPORT & ACCOUNTS

2012

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ANNUAL REPORT AND ACCOUNTS FOR YEAR 2012

01. Vision Statement

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

02. Mission Statement

The above vision is to be achieved through providing

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

03. Vice Chancellor's Review

a. Brief Introduction

The University of Kelaniya, Sri Lanka, has its origin in the historic Vidyalankara Pirivena, founded in 1875 as a centre of learning for Buddhist monks. It was one of the two great national centres of traditional higher learning, heralding the first phase of the national movement and national resurgence. With the establishment of modern Universities in Sri Lanka, the Vidyalankara Pirivena became the Vidyalankara University of Ceylon in 1959, later the Vidyalankara Campus of the University of Sri Lanka in 1972 and ultimately, the University of Kelaniya, Sri Lanka in 1978.

Today, the University of Kelaniya, Sri Lanka is one of the major national Universities in the country. It is located just outside the municipal limits of Colombo, in the ancient and historic city of Kelaniya, associated with the legends of King Kelanitissa and his daughter, ViharaMaha Devi. The campus is located on the Kandy Road, twelve kilometers from the capital city. It has six Faculties as listed below:

- Faculty of Commerce and Management Studies (Annex I)
- Faculty of Graduate Studies (Annex II)
- Faculty of Humanities (Annex III)
- Faculty of Medicine (Annex IV)
- Faculty of Science (Annex V)
- Faculty of Social Sciences (Annex VI)

The Faculty of Medicine is located at Ragama, in a land area of 35 acres while the other Faculties are located at Dalugama in a land area of 55 acres.

The main buildings at the Dalugama premises are the Student Centre (called the Gym by the students), Science Block, Humanities and Social Sciences Building Complex, Commerce and Management Studies Building Complex, Science Lecture Theatre Complex, Auditorium and ancillary building, the Convocation Hall, Aquaculture and Microbiology Buildings, ICT Centre, the Library, and the Administrative Block. The Convocation Hall (Sri Dharmaloka Hall) has a seating capacity of 1000, while the Science Faculty Auditorium seats 250. The Women's Hostel Complex and the Men's Hostel Complex are also located within the Dalugama campus. In addition to the main ICT Centre, each Faculty provides computer facilities to their students. There are several computer labs at departmental level too. Additionally, three language laboratories are located at the Faculty of Humanities. All departments of the Faculty of Science and Faculty of Commerce & Management Studies have several teaching and research laboratories, in addition to classroom facilities. The new wing of the Library and the Auditorium

of the Faculty of Commerce & Management Studies are the most recent additions to the Kelaniya campus.

At Ragama, the buildings include the Administration Block, Lecture Theatre and Laboratory Complex, Disabilities Studies Unit Building, Molecular Medicine Unit building, Pre-clinical Building Complex and an Auditorium with a seating capacity of around 200.

In terms of graduate studies, the total number of Postgraduate students enrolled during 2012 was 1014. The international recognition of the university was enhanced by the enrolment of 14 international students to the university, in 2012. There are 23,701 candidates registered for the external degrees, to date.

The General Convocations of the university were held in 08 sessions at the BMICH during the year 2012, where 3296 graduates were conferred degrees.

b. Achievements

The ranking of the University has improved dramatically in recent times. According to the Web metrics website, the University of Kelaniya was ranked at the 48th place among the South Asian Universities in the mid-year survey done in 2012, while it was ranked at the 98th place in 2011.

In terms of service to the community, the Faculty of Medicine set up a new out-patient facility for the Colombo North Liver Transplant Service in 2012. This service, which is a collaborative effort of staff in the Faculty of Medicine and the Ministry of Health, performed Sri Lanka's first ever live related donor liver transplant.

In 2012, the following building projects were completed to develop the infrastructure facilities of the University:

- A new library building
- A new building for the Faculty of Commerce & Management Studies

The University has been able to increase its infrastructure facilities in year 2012, while producing competent graduates to function in society. Key Performance Indicators of the University for 2012 are given in the adjacent Table.

Key Performance Indicators	Level of Performance as at 01.01.2011	Level of Performance as at 01.01.2013
Employability of graduates by date of graduation (no. of graduates who are employed /total no of graduates)** 100	69%	77%
% of graduates who have successfully completed the degree program within the specified period (no. of graduate who have successfully completed the degree program within the specified period /total number of students)**100	96%	86%
Completion rate of language courses by students (eg: Japanese, French, Hindi etc.) (no. of students who have completed other language courses/total no of students)**100	48%	53%
Number of PhD holders (academic staff)	153	161
Number of students per lecturer	17	18
Books	104	144
Research Papers	404	426
Abstracts and any other publications	540	593
Number of research grants secured by academic staff.	34	25
No of staff members who have been recognized for their research work	35	09
Number of Research conferences held	15	12
Number of projects completed for economic and social wellbeing	9	21
Number of differently-abled students enrolled in undergraduate programs	29	07
Number of programs conducted in collaboration with professional bodies, industry and general education sector	25	23
Percentage of laptops/personal computers of academic staff	59%	78%
No. of software/ journals available for each discipline <i>*Database Hinari with access to 8500 journals</i>	59	8541
Number of training programs/workshops organized by the University	33	14
Number of employees who underwent training / workshops / seminars in a year		
Academic	220	33
Non-academic		
Non academic staff –local No of employees who underwent training /workshops/seminars	58	110
No of health and safety programs conducted	25	10
Releasing results on due dates/university calendar date	82%	93%
No. of computers available for administrative work	143	191
% of infrastructure development projects completed on time	33%	52%
% of procurements completed on time	27%	61%
No. of students enrolled for postgraduate courses	1534	1065
Number of external/fee levying courses offered	61	44
No. of consultancy services, advisory services, and facilities provided to industry	46	46

Several academic staff members were rewarded for their excellent contribution to the university, as well as for winning national level and international level awards, at the 7th Vice Chancellor's Award Ceremony for 2012.

Long service awards were presented to the staff members who have rendered 35 years, 30 years and 25 years of continuous service to the university at the Vice Chancellor's Award Ceremony. Further, some non-academic staff members were also acknowledged for special service rendered by them to the University.

National and international awards won by the academic staff members of the university:

- Prof. Upul Ranjith Hewawitanagamage, Head, Department of Hindi, Faculty of Humanities, received an international award for invaluable contribution to the propagation and development of Hindi Language, Literature and Culture in the World at Johannesburg, South Africa.
- Prof: A. R. Wickramasinghe, Dept. of Public Health, Faculty of Medicine, received the CVCD Award of Excellence for the most outstanding Senior Researcher in the field of Health Science, including Medicine, Dental Science, Veterinary Science & other Allied Sciences.
- Dr. S. Rajindrajith, Dept. of Pediatrics, Faculty of Medicine, received the best poster award at the 6th European Pediatric Motility Meeting, and Best Tropical Pediatric Paper Award at the Annual Scientific Program of the College of Pediatrics.
- Dr. W. A. D. L. Amarasiri, Dept. of Physiology, Faculty of Medicine, was awarded the Prof. K N Senevirathne Memorial Research Award for 2012.

Several academic symposia which helped to enhance the research culture of the university were held in 2012. The Annual Research Symposium conducted by the Faculty of Graduate Studies was held in November, 2012. There were 184 paper presentations, reflecting the multi-disciplinary nature of research conducted by the University in 2012.

In terms of undergraduate activities, the Intra-university Best Speaker Contest, Career Fair, Stylish Marketer Fashion Show, and several workshops are some of the career-related programs conducted during this year. Students of every Faculty participated in national and international games and competitions held during the year, and won several national and international awards bringing prestige to the University.

Film and drama festivals, musical shows, art exhibitions, international cultural shows and the 63rd National Chinese Day celebrations are some of the cultural activities which took place during the year. These activities were organized both by the students and academic departments,

and helped to enhance social harmony within the university, while showcasing the talents of the students.

c. Future Plans

- Proposed six storied building complex for examinations and lecture halls. The approximate cost is estimated at Rs.450 million.
- Proposed five storied building complex for the Faculty of Humanities. Approximate cost estimated at Rs. 90 million.
- Proposed hostel complex for 100 males and 100 female students for the Faculty of Medicine. Approximate cost estimated at Rs. 170 million.
- Proposed five storied building complex for the Faculty of Social Sciences. Approximate cost estimated at Rs. 45 million.
- Proposed building complex for Faculty of Science. Approximate cost estimated at Rs. 345 million.
- Proposed building complex for Faculty of Social Sciences. Approximate cost estimated at Rs. 25 million.
- Proposed building complex for Faculty of Humanities. (Second stage of K20 building)Approximate cost estimated at Rs. 25 million.

Prof. SarathAmunugama
Vice Chancellor

04. Details of Resources & Students

Faculty	Course	Total Students		Total Academic Staff		Total non Academic Staff	
		2011	2012	2011	2012	2011	2012
Faculty of Commerce & Management Studies	Commerce Management	705 1299	462 976	82 -	93	22 -	23
Faculty of Graduate Studies	Ph.D. M.Phil. M.A M. Sc. M.S.Sc. M.B.A M.H.R.M	1406	1014	01	01	08	09
Faculty of Humanities	Bachelor of Arts Humanities	1914	867	92	99	37	36
Faculty of Medicine	MBBS BSc (SHS)	873 184	706 130	106	112	148	149
Faculty of Science	Physical Science Biological Science Mgt. & Information Technology Environmental Conservation & Mgt.	492 697 125 160	443 333 106 77	115	113	92	91
Faculty of Social Sciences	Social Science Peace & Conflict Resolution	1734 98	1633 67	103	107	34	36
Total		9687	5800	499	525	331	344

5. Details of Local Students (Internal)

Faculty	Course	Medium	Intake	Intake	1st Year Students		2nd Year Students		3rd Year Students		4th Year Students		5th year Students		No. of Graduates	
			2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Faculty of Commerce & Management Studies	Commerce Management	English	165	-	163	-	162	150	154	175	226	137	-	-	182	491
		English	335		332	-	345	323	317	341	305	312	-	-	299	
Faculty of Graduate Studies	Ph.D M.Phil. MA M.Sc MSSc	Sinhala/ English	13 62 424	03 11 1000	- - -	- - -	1089	1014								
Faculty of Social Sciences	Peace & Conflict Resolution Bachelor of Arts Social Sciences	Sinhala	35	-	35	-	33	35	31	32	-	-	-	-	876	823
		Sinhala					593	569	591	531	550	533	-	-		
Faculty of Humanities	Bachelor of Arts	Sinhala/ English	650		919		413	307	423	377	159	183				394
Faculty of Medicine	MBBS BSc (SHS)	English	160		172		174	171	178	180	178	187	171	168	169	317
		English	50		48		48	44	49	43	39	43	-	-	-	

Faculty	Course	Medium	Intake		1st Year Students		2nd Year Students		3rd Year Students		4th Year Students		5th year Students		No. of Graduates	
			2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Faculty of Science	Physical Science	English	245		219		224	198	224	212	30	33	-		420	398
	Biological Science	English	165		144		150	136	155	150	43	47	-			
	Mgt. & Information Technology	English	50		35		34	47	45	51	10	08	-			
	Environmental Conservation & Mgt.	English	50		49		52	32	43	34	16	11	-			
Total			2404	1014	2115	-	2229	1292	2210	2126	1556	1494	171	168	3035	3437

5.1 Details of Local Students (External Examination)

Faculty	Course	Medium	Intake 2011	Intake 2012	1st Year Students		2nd Year Students		3rd Year Students		4th Year Students		No. of Graduates	
					2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Humanities/ Social Sciences	BA	Sinhala English			26326 92	17239	- -	9528	- -	9023	- -		12 -	
Commerce &Mgt Studies	B.Com	Sinhala			12	34	34	05	39	02	121	01	88	
	Mgt.	English Sinhala			1 -	6338	2 -	562	- -	370	- -		- 139	
Science	B.Sc	Sinhala			-	90	-		-		-		5	
Medicine	BSc	English	37		38			35						
Total			37	-	26469	23713	36	10142	39	9395	121	01	244	

05.2 Hostel Facilities

Type	Location	Hostel Name	Capacity	For 2011/2012
Girls	Internal	Bandaranayake	348	526
Girls	Internal	E.W. Adikaram	136	183
Girls	Internal	EdiriweeraSarachchandra	108	141
Girls	Internal	GunapalaMallalasekara	136	154
Girls	Internal	HemachandraRai	200	216
Girls	Internal	Sangamitta	212	237
Girls	Internal	Medical students' women's hostel	359	286
Girls	Internal	Viharamahadevi	212	220
Girls	External	Soma-Guna-Mahal	222	288
Girls	External	Wewalduwa I & II	60	108
Total			2047	2359

Type	Location	Hostel Name	Capacity	For 2011/2012
Boys	Internal	YakkaduwePragngnaarama	458	220
Boys	Internal	CWW Kannangara	738	323
Boys	Internal	SeevaliMawatha Hostel	80	80
Boys	Internal	Medical students' men's hostel	290	134
Total			1377	757

Type	Location	Hostel Name	Capacity	For 2011/2012
Rev.	Internal	Sri Prangnasara	128	115
Total			128	115

5.3 Department of Physical Education

Sports Facilities	Indoor	03	1.	Student Centre Gymnasium
			2.	Gymnasium, Faculty of Medicine, Ragama
			3.	Strength Training Centre, Kelaniya
	Outdoor	08	1.	Main Grounds, Kelaniya
			2.	Ground No. 2, Kelaniya
			3.	Outdoor Basketball Court
			4.	Tennis Court
			5.	Outdoor Volleyball Court 1
			6.	Outdoor Volleyball Court 2 & Netball Court
			7.	Outdoor Basketball Court, Faculty of Medicine
			8.	Outdoor Netball & Volleyball Court, Fac of Med.

No. of Sports - 23

1. Badminton (Men & Women)
2. Baseball (Men)
3. Basketball (Men & Women)
4. Carom (Men & Women)
5. Chess (Men & Women)
6. Cricket (Men & Women)
7. Elle (Men & Women)
8. Football (Men)
9. Hockey (Men & Women)
10. Judo (Men & Women)

11.	Karate	(Men & Women)
12.	Netball	(Women)
13.	Rugby	(Men)
14.	Scrabble	(Men & Women)
15.	Swimming	(Men & Women)
16.	Table Tennis	(Men & Women)
17.	Taekwondo	(Men & Women)
18.	Tennis	(Men & Women)
19.	Track & Field	(Men & Women)
20.	Volleyball	(Men & Women)
21.	Weightlifting	(Men)
22.	Wrestling	(Men)
23.	Yoga	(Men & Women)

Total no. of teams (Men & Women)	-	38
Total no. of pool members	-	550
No. of students involved in competitive sports	-	1100
Total no. of students involved in recreational level sports	-	1750

Sports Training Programs & Events

Sports Specific Training for 23 sports disciplines for Men & Women (38 Teams) 76 training sessions per week

Total number of training sessions conducted	-	2280
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(Dec.2011 – April 2012 & May 2012 – up to October 2012)

Events	No. of Students who Participated
Fresher's Sports Program	1180
Orientation Program for Medical Students	220
Workshop for Team Captains & Vice Captains	70
Inter-Faculty Championships	2100
Coaching Camps (17)	620
Sports Education Segment	464
Physical Fitness Test	811
No. of Friendly & Dual Matches	70
Annual Road Race (Men & Women)	946

Inter-University Championships 2012

Places won by University of Kelaniya

Sport Discipline	Place
Elle (Women)	Champions
Badminton (Women)	Champions
Basketball (Men)	Champions or 1 st Runner-up (Pending Result)
Elle (Men)	1 st Runner-up
Volleyball (Women)	1 st Runner-up
Karate (Men)	1 st Runner-up
Table Tennis (Women)	2 nd Runner-up
Karate (Women)	2 nd Runner-up
Cricket	2 nd Runner-up
Taekwondo (Women)	2 nd Runner-up
Basketball (Women)	2 nd Runner-up
Volleyball (Men)	2 nd Runner-up

Karate (Women)	2 nd Runner-up
Carom (Men)	2 nd Runner-up
Carom (Women)	2 nd Runner-up
Badminton (Men)	4 th Place
Netball	4 th Place
Table Tennis (Men)	4 th Place

Overall Performance of University of Kelaniya at the Inter-University Championships-2012

Women Championship - 2nd place

Men Championship - 4th place

Overall Championship - 3rd place

Other Special Events Conducted by Department of Phy. Education in 2012

1. **FASTER 2012** (Open & Invitational University Badminton Championships)

From 23rd-28th of June held at St. Thomas' College Gymnasium.

No. of Competitors - 1100 (Men & Women)

2. **SEIG 2012** (Invitational University Table Tennis Championships)

On 31st March, 2012, held at Gymnasium, University of Kelaniya.

No. of Competitors - 100 (Men & Women)

National Competitions

1. National Sports Festival, Taekwondo 2012

Held from 30th June to 01st of July 2012

Ms. GASG Godamune (SS/2008/508) - Won First place in 67-73 Kg (Women)

2. National Sports Festival, Judo 2012

Held from 20th July to 22nd of July 2012

Ms. HMKT Karunarathne(SS/2009/223) - Won Third place in 52 Kg (Women) event
- Won Second place in Open (Women)

Affiliations with Sports Controlling Bodies in 2012

The University of Kelaniya became affiliated with the following national and provincial level sports controlling bodies of Sri Lanka (with executive voting power) in the year 2012:

National Associations

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

Provincial and District Associations

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

Other Associations

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

Sports related positions held by staff members during the year 2012

Mr. GGU Saman Kumara National Representative of International Association of Track & Field Statisticians
Honey. Recorder of Athletic Association of Sri Lanka
Executive committee member of Athletic Association of Sri Lanka

Mr. WG Nihal Kumara Treasurer of Sri Lanka Weightlifting Federation
Chairman of Track & Field & Hockey Sub committees of Sri Lanka Universities' Sports Association

Mr. HDSP Wijegunaratne Chairman of the Table Tennis and Member of Badminton Sub committees of Sri Lanka Universities' Sports Association
Committee member of the Western Province Rugby Football Union

Other Activities Held at University of Kelaniya Sports Premises

National Sports Festival, Weightlifting, conducted by Department of Sports Development
(21st& 22nd July, 2012)

Defense Service Weightlifting Championship 2012, conducted by Sri Lanka Navy
(03rd August, 2012)

Inter-University Weightlifting Championships, conducted by University of Kelaniya
(18th August, 2012)

All Island Schools' Weightlifting Championships, conducted by Ministry of Education
(08th to 10th September, 2012)

Novices' Weightlifting Championships, conducted by Sri Lanka Weightlifting Federation
(06th October, 2012)

6. Details of Foreign Students (Internal)

Faculty	Course	Medium	Intake		1 st Year Students		2 nd Year Students		3 rd Year Students		4 th Year Students		5 th Year Students		No. of Graduates	
			2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Faculty of Commerce & Management Studies	-	-	-		-		-		-		-		-		-	
Faculty of Graduate Studies	Ph D	English		08							-		-		-	
Faculty of Humanities	Bachelor of Arts	English	-		-		10				-		-		-	14
Faculty of Medicine	<i>MBBS</i> <i>B.Sc (SHS)</i>	English	12		12		16	13	15	18	08	20	04	04	02	05
Faculty of Science	-	-	-		-		-		-		-		-		-	
Faculty of Social Sciences	-	-								09					-	
Total	-	-	12	08	12	-	26	13	24	27	08	20	04	04	02	09

06.1 Details of Foreign Students (External Examination)

Faculty	Course	Medium	Intake		1st Year Students		2nd Year Students		3rd Year Students		4th Year Students		5th Year Students		No of Graduates	
			2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Humanities & Social Sciences	B.A (General)	English		12		12	17		15	13						01
Total			-	12	-	12	17	-	15	13	-	--	-	-	-	01

07. Details of Academic Staff

Faculty	Medium	Senior Prof./L		Professor/As. Prof./ DL		Senior Lecturer /SAL		Lecturer		Lecturer Probationary/AL	
		2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Faculty of Commerce & Management Studies	S/E	-	-	02	02	36	53	21	17	23	21
Faculty of Humanities		02	02	36	36	30	31	07	10	18	21
Faculty of Medicine	E	02	02	19	22	54	55	10	11	21	22
Faculty of Science	S/E	06	06	22	21	55	58	04	05	28	23
Faculty of Social Sciences	S/E	03	04	27	27	36	38	10	10	27	28
Library		-	-	02	02	03	03	-	-	07	07
Total	-	14	14	107	108	214	240	52	53	124	122
Grand Total	-	-		-		-		-		511	537

07.1 Highest Qualifications of Academic Staff

Qualifications	Commerce & Mgt.		Humanities		Medicine		Science		Social Sciences		Library		Total	
	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Ph.D	06	13	37	36	11	13	75	75	30	30	01	01	160	168
M.Phil	03	03	21	22	08	08	06	05	11	11	-	-	49	49
M.Sc	15	16	01	01	02	02	13	13	07	06	02	02	40	40
M.S.Sc	-	-	-	-	-	-	-	-	09	12	-	-	09	12
M.A	02	03	19	21	-	-	-	-	27	27	04	04	52	55
M.Com	13	11	-	-	-	-	-	-	-	-	-	-	13	11
M.B.A	21	19	-	-	-	-	01	01	-	-	-	-	22	20
M.D.	-	-	-	-	50	48	-	-	-	-	-	-	50	48
M.S.	-	-	-	-	08	08	-	-	-	-	-	-	08	08
B.A.	01	01	13	17	-	-	-	-	17	16	03	03	34	37
B.Sc	02	02	-	-	07	09	20	20	-	-	02	02	31	33
B.Com	03	07	-	-	-	-	-	-	-	-	-	-	03	07
B.B. Mgt.	16	19	-	-	-	-	-	-	-	-	-	-	16	19
M.B.B.S.	-	-	-	-	16	18	-	-	-	-	-	-	16	18
D.Phil	-	-	-	-	02	02	-	-	-	-	-	-	02	02
Post. Gr. Dip	-	-	-	-	-	-	-	-	02	02	-	-	02	02
B.Th	-	-	02	-	-	-	-	-	-	-	-	-	02	-
D.M.	-	-	-	-	02	02	-	-	-	-	-	-	02	02
Total	82	94	93	97	106	110	115	114	103	104	12	12	511	531

08.Details of Administrative Officers

	Approved		Filled		Vacancies	
	2011	2012	2011	2012	2011	2012
Senior Management	02	02	02	02	-	-
Middle Management	14	14	12	13	02	01
Junior Management	30	33	21	25	09	08
Total	46	49	35	40	11	09

08.1 Highest Qualifications of Administrative Staff

Designation	No. of Officers		Qualifications									
	2011	2012	Post Graduate Degree		Post Graduate Diploma		Degree		Professional Qualification		Diploma	
			2011	2012	2011	2012	2011	2012	2011	2012	2011	2012
Registrar	01	01	01	01	01	01	01	01	01	02	-	-
Bursar	01	01	-	-	-	-	01	01	01	01	-	-
Deputy Registrar	01	01	01	01	01	01	01	01	01	01	-	-
Deputy Bursar	03	03	-	-	01	01	03	03	03	08	-	-
Senior Assistant Registrar	08	08	01	02	05	05	07	07	02	01	01	01
Senior Assistant Bursar			01	01	-	-	01	01	01	02	-	-
Senior Assistant Internal Auditor	01	01	-	-	01	01	01	01	01	04	-	-
Assistant Registrar	03	07	02	03	-	-	03	06	01	02	01	01
Assistant Bursar	03	03	-	-	-	-	02	02	-	04	-	01
Assistant Internal Auditor	01	01	-	-	-	-	01	01	-	01	-	-
Project Manager	01	01	-	-	-	-	01	01	01	03	-	-
Works Engineer	01	01	-	-	-	-	01	01	01	02	-	-
Curator	01	01	-	-	-	-	-	-	-	-	01	01
Medical Officer					-	-	02	02	02	02		
Dental Surgeon					-	-	01	01	01	01		

08.2 Details of Non-Academic Staff

Faculty/Branch	Most Senior		Senior Staff		Junior Staff		Minor Employees	
	2011	2012	2011	2012	2011	2012	2011	2012
Faculty of Commerce & Management Studies	01	-	-	-	15	17	06	06
Faculty of Graduate Studies	01	01	-	01	05	05	02	02
Faculty of Humanities	01	02	04	03	15	16	14	15
Faculty of Medicine	02	02	18	22	54	50	70	75
Faculty of Science	01	01	15	16	24	27	49	47
Faculty of Social Sciences	04	03	02	03	17	19	11	11
Academic Branch	02	02	01	01	04	05	02	02
Academic Establishment	01	01	02	02	07	08	05	05

Faculty/Branch	Faculty/Branch		Senior Staff		Junior Staff		Minor Employees	
	2011	2012	2011	2012	2011	2012	2011	2012
Accounts Branch	03	01	03	03	04	04	02	01
Bursar's Office	-	01	-	-	-	02	-	01
Carrier Guidance Unit	-	-	-	-	01	01	01	01
Examination Branch	03	03	-	-	06	05	03	03
External Examination Branch	02	02	-	-	09	09	02	03
General Administration Division	-	-	01	01	08	10	05	05
Government Audit Branch	-	-	-	-	-	-	01	01
Internal Audit Branch	01	01	-	-	02	04	01	01
Landscape Division	-	-	-	-	02	02	09	11
Legal Office	-	-	-	-	01	01	01	-
Main Library	11	11	03	03	13	14	20	22
Medical Centre	01	02	-	-	09	08	07	10
Non Academic Establishment	03	04	02	02	05	05	01	02
Payment Branch	01	01	01	01	05	04	02	02
Physical Education	-	-	-	-	01	01	07	07
Project Manager Office	01	01	-	-	-	-	-	-
Registrar's Office	-	-	-	-	01	01	02	02
Research & Publication Division	01	01	01	01	01	01	01	01
Salaries & Loans Division	01	02	-	02	05	04	01	01
Security Services	-	-	-	-	03	03	16	29
Student Welfare	02	02	-	01	10	10	05	05
Supplies Division	04	03	01	01	07	08	03	03
Transport Services	-	-	-	-	-	-	18	17
VC's Office	-	-	-	-	01	02	02	02
Workers Department	01	-	-	01	07	07	37	44
Vacancies	-	-	-	-	55	64	82	67
Total	48	47	54	63	242	253	306	337
Grand Total							649	701

09. Details of Research, Innovation and Publications

Subject	Published		Commercialized		Presented	
	2011	2012	2011	2012	2011	2012
a. No of Research Projects	148	212	09	04	193	253
b. No of Innovations	-	02	-	-	-	-
c. No of Journals	49	50	03	-	02	05
d. No of Books	102	65	-	06	05	07
e. No of Articles	345	277	06	01	15	78
f. Other	79	31	-	02	-	09
Total	723	637	18	13	215	352

10. Details of Programs, Seminars & Workshops

Subject	Attended		Completed		Presented	
	2011	2012	2011	2012	2011	2012
a. No of Postgraduate Degree Programs	170	121	52	10	11	27
b. No of Postgraduate Diploma Programs	44	25	10	01	7	07
c. No of Degree Programs	255	58	75	04	13	13
d. No of Diploma Programs	123	26	23	01	04	08
e. No of Certificate Programs	09	106	05	80	09	79
f. Other	39	207	02	60	17	113
Total	640	543	167	156	61	247

11. Details of Awards Received

Subject	No of Award		No of Academics		No of Students	
	2011	2012	2011	2012	2011	2012
a. Local Awards	16	28	13	09	03	12
b. National Awards	13	64	05	15	03	28
c. International Awards	08	12	04	05	02	03
d. Other	22	07	08	05	08	-
Total	59	111	30	34	16	43

12. Details of New Courses Started in 2012

Faculty	Course	Medium	Certificate	Diploma	Postgraduate Diploma	Master's	M Phil	PhD	General Degree
Faculty of Commerce & Management Studies	Postgraduate Diploma in Marketing	English		✓				-	
Faculty of Humanities	Diploma in English for International Students	English		✓					
	Master of Fine Arts	Sinhala				✓			
	Astrology	Sinhala		✓					
Faculty of Science	Botany	English						✓	
	Chemistry	English					✓	✓	
	Industrial Management	English					✓		
Faculty of Social Sciences	Geography	English	✓						
	Development	English	✓						

13. Details of Recurrent Expenditure

Subject	2011Rs	2012Rs.
a. Personal Emoluments	948,795,537.00	1,120,208,141.00
b. Travelling	2,615,030.00	4,528,992.00
c. Supplies	69,954,649.00	65,664,236.00
d. Maintenance	10,332,566.00	9,748,666.00
e. Contractual Services	174,103,223.00	175,099,842.00
f. Other	53,271,906.00	70,856,381.00
Total	1,259,072,911.00	1,446,106,258.00

13.1 Details of Recurrent Expenditure (External Examinations)

Subject	2011Rs	2012Rs.
a. Personal Emoluments	13,018,433.00	12,978,588.00
b. Travelling	14,005.00	11,851.00
c. Supplies	12,805,445.00	4,665,954.00
d. Maintenance	804,602.00	931,693.00
e. Contractual Services	9,194,016.00	11,625,937.00
f. Other	26,489,187.00	31,039,050.00
Total	62,325,688.00	61,253,073.00

14. Details of Capital Expenditure

Subject	2011Rs	2012Rs.
a. Acquisition of Furniture & Office Equipment	68,282,111.00	85,692,002.00
b. Acquisition of Machinery	7,681,176.00	4,651,065.00
c. Acquisition of Building & Structures	126,864,075.00	207,577,294.00
d. Other	38,312,493.00	54,887,736.00
Total	241,139,855.00	352,808,097.00

14.1 Details of Capital Expenditure (External Examinations)

Subject	2011Rs	2012Rs.
a. Acquisition of Furniture, Teaching Equipment & Office Equipment	4,339,495.00	1,780,600.00
Acquisition of Machinery	-	-
c. Acquisition of Building & Structures	17,629,188.00	38,089,562.00
d. Other - (Cloaks)	1,031,380.00	-
Total	23,000,063.00	39,870,162.00

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

Name	TEC Rs.	Exp in 2011 Rs.	Cumulative Exp as at 31.12.2011	% of Physical Progress 2011	Exp in 2012 Rs.	Cumulative Exp as at 31.12.2012	% of Physical Progress
							2012
Cancer Registry	140,000.00	10,000.00	128,300.00	91.64	-	128,300.00	91.64%
Chikungunya Australia	318,705.46	82,308.78	278,484.03	87.38	844.90	361,637.71	64.78%
Chikungunya Singapore	1,091,954.30	353,527.58	1,077,012.89	98.63	7,700.00	1,084,712.89	99.34%
Diabetics Self Management	2,790,934.44	507,715.00	1,499,407.80	53.72	26,167.25	1,590,241.65	63.76%
Fonterra I	2,273,880.20	408,218.62	1,592,745.92	70.05	-	1,592,745.95	70.05%
Fonterra II	2,334,150.00	1,021,117.50	1,478,153.38	63.33	380,664.00	1,813,717.38	77.70%
ICGEB	5,390,506.91	1,026,199.90	4,163,929.97	77.25	1,260,550.60	5,286,973.57	98.08%
Influenza Research (DrHarsha)	1,378,210.34	469,948.87	723,368.28	52.49	1,737,516.99	2,243,465.86	42.95%
NPP JAICA Project	14,494,430.78	679,136.00	14,494,430.78	100.00	-	14,440,691.78	100.00%
Ragama Health Study II	3,211,860.90	555,439.38	3,211,860.90	100.00	595,114.54	16,701,547.18	97.88%
WHO TDR Dengue II	9,144,909.96	1,708,498.08	9,144,909.96	100.00	-	9,144,909.96	100.00%
Bally III Validation	442,443.51	-	384,868.25	86.99	-	-	-
Coronary Syndrome	1,409,340.75	533,558.00	1,410,922.00	100.11	9,454.05	1,420,376.05	100.00%
ITREOH WS	5,709,806.65	517,134.00	3,865,609.31	67.70	2,132,190.40	5,997,799.71	78.11%
CUPID Project	469,166.00	201,150.00	469,166.00	100.00	-	-	-
SPMC Project	375,975.00	274,515.45	274,515.45	73.01	-	274,515.45	73.01%
Dengue Saliva Collection	215,067.06	100,000.00	100,000.00	46.50	42,422.45	142,422.45	66.22%
Cochain WS	544,886.92	35,076.00	35,076.00	6.44	93,180.00	128,379.90	12.08%
Solid Fuel Study	1,239,390.60	1,204,390.60	1,239,390.60	100.00	3,183,981.00	4,328,371.60	115.75%
RG/2009/BT/01	618,000.00	285,661.29	285,661.29	46.22	303,500.00	589,161.29	95.33%
Coconut Research	-	-	-	-	38,209.00	38,209.00	100.00%
Total	53,593,619.78	9,973,595.05	45,857,812.81	-	7,715,313.84	65,659,311.61	-

16. Details of Financial Progress (Expenditure)

Subject	Provision in 2011Rs.	Exp in 2011 Rs.	Savings/ Excuses in 2011Rs.	Provision in 2012Rs.	Exp in 2012 Rs.	Savings/Excuses in 2012Rs.
a. Recurrent Except Project	1,150,121,000.00	1,508,543,458.00	(358,422,458.00)	1,255,880,000.00	1,446,106,258.00	(190,226,258.00)
b. Capital Except Project	386,000,000.00	224,004,086.00	161,995,914.00	220,125,000.00	259,478,165.00	(39,353,165.00)
c. Project - Local Funded	-	-	-	92,800,000.00	101,675,973.00	(8,875,973.00)
d. Project - Foreign Funded	-	-	-	-	-	-
Total	1,536,121,000.00	1,732,547,544.00	(196,426,544.00)	1,568,805,000.00	1,801,260,396.00	(238,455,396.00)

17. Details of Financial Progress (Generated Income)

Courses of Revenue	Provision in 2011Rs.	Collection in 2011 Rs.	Deficit/Surplus in 2011 Rs.	Provision in 2012Rs.	Collection in 2012 Rs.	Deficit/Surplus in 2012Rs.
a. Undergraduate Studies	3,650,000.00	8,385,711.00	4,735,711.00	10,000,000.00	6,923,488.00	3,076,512.00
b. Postgraduate Studies	2,250,000.00	1,499,598.00	(750,402.00)	111,300,000.00	98,090,089.00	13,209,911.00
c. Consultancies	-	-	-	-	-	-
d. Other	128,791,000.00	268,860,544.00	140,069,544.00	123,960,000.00	280,033,251.00	(156,073,251.00)
Total	134,691,000.00	278,745,853.00	144,054,853.00	245,260,000.00	385,046,828.00	(139,786,828.00)

17.1 Details of Financial Progress (Generated Income) External Examinations

Courses of Revenue	Provision in 2011Rs.	Collection in 2011 Rs.	Deficit/Surplus in 2011Rs.	Provision in 2012Rs.	Collection in 2012 Rs.	Deficit/Surplus in 2012Rs.
e. Undergraduate Studies	80,000,000.00	189,593,848.00	109,593,848.00	75,000,000.00	135,053,807.00	60,053,807.00
Total	80,000,000.00	189,593,848.00	109,593,848.00	75,000,000.00	135,053,807.00	60,053,807.00

18. Financial Performance Analysis

Subject	2011		2012	
	Formula	Exp. per Student	Formula	Exp. per Student
a. Recurrent Expenditure per Students (RE)	RE/ No of Student strength	182,588.00	-	185,541.00
b. Capital Expenditure per Student (CE)	CE/No of Student strength	27,112.00	-	45,267.00
Total		209,700.00	-	230,808.00

19. Details of Infrastructure Facilities Received

Infrastructure Details	in 2011		in 2012	
	Expenditure Rs.	Physical Progress	Expenditure Rs.	Physical Progress
<u>Capital Construction Properties</u>				
Building for the Commerce & Management Studies Fac.	170,200,000.00	93%	42,020,000.00	100%
New Library Building	70,800,000.00	43%	15,840,000.00	100%
Six storied Building Complex for Examination Halls and Lecture Halls	-	-	17,100,000.00	5%
Five storied Building Complex for the Humanities	-	-	20,220,000.00	Awarding stage

20. Financial Statements

University of Kelaniya

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER

		2012	2011
<u>INCOME</u>	<u>Note</u>	<u>Rs.</u>	<u>Rs.</u>
Government Grants			
Government Grants for Recurrent Expenditure	2	1,255,880,000	1,150,121,000
Government Grants for Rehabilitation & Improvement of Assets		12,479,325	17,030,527
Mahapola Grants (Trust Fund)		56,754,503	59,298,950
Mahapola Grants (UGC)		11,203,700	20,433,700
Bursary Grants		39,066,450	46,996,200
Capital Grants Amortized		255,116,138	125,393,756
		1,630,500,116	1,419,274,133
Other Income			
Registration Fees (Undergraduate - Local)		1,540,600	2,816,251
Registration Fees (Undergraduate - Foreign)		4,418,548	7,736,614
Registration Fees (Post graduate)		607,200	684,069
Tuition Fees (Undergraduate)		175,870	307,175
Tuition Fees (Post graduate)		3,381,487	614,754
Examination Fees (Undergraduate)		789,070	587,335
Examination Fees (Post graduate)		274,025	200,775
Interest from Investments		97,150,499	35,295,603
Interest from Loans		1,582,948	1,656,301
Sale of Publications		76,740	128,755
Rent from Properties		854,878	492,027
Library Fines		277,768	413,556
Medical fees		32,350	7,460
Ancillary Activities - Hostels		343,151	2,279,485
Sale of Old Stores		101,380	145,270
Miscellaneous Income	3	44,574,053	29,837,128
Income from External Examination	4	135,053,807	189,593,848
Income form Fee - levying Course/Special service		128,924,916	121,464,708
University Contribution Seminar fees		19,698,387	997,148
Total Income		2,070,357,792	1,814,532,394
EXPENSES			
Personal Emoluments	5	1,097,957,442	923,500,317
Travelling Expenses	6	4,528,992	2,615,030
Supplies	7	65,664,237	69,954,649
Maintenance Expenses	8	9,748,666	10,332,566
Contractual Services	9	180,001,905	174,103,223
Other Recurrent	10	70,856,381	53,271,906
Depreciation		287,584,434	261,661,121
Provision for Gratuity		22,250,699	25,295,220
Expenditure on Fee - levying Courses/Special services		63,635,712	76,802,246
Rehabilitation & Improvement Expenses		12,479,325	17,030,527
Mahapola Grants (Trust Fund)		56,603,700	59,298,950
Mahapola Grants (UGC)		11,203,700	20,433,700
Bursary Grants		39,066,450	46,996,200
Total Expenses		1,921,581,642	1,741,295,655
Surplus /(Deficit) for the period		148,776,150	73,236,740

University of Kelaniya

STATEMENT OF FINANCIAL POSITION

ASSETS	Note	AS AT 31.12.2012	AS AT 31.12.2011
		Rs.	Rs.
Non - Current Assets			
Property Plant & Equipments	11	3,182,699,586	3,117,494,942
Work in Progress	12	434,505,629	437,069,274
Investments	13	987,578,278	767,247,815
Current Assets			
Inventories	14	33,698,794	28,149,620
Sundry Debtors	15	991,672	100,000
Deposits & Advances	16	106,825,222	50,281,864
Prepayments	17	1,416,925	1,127,031
Receivables	18	11,617,558	23,960,416
Cash & Cash Equivalents	19	148,782,451	174,412,997
		<u>303,332,621</u>	<u>278,031,928</u>
TOTAL ASSETS		<u>4,908,116,113</u>	<u>4,599,843,959</u>
EQUITY AND LIABILITIES			
Capital			
Deferred Capital Grants	20	2,574,731,374	2,531,594,632
Capital Grants Unspent	21	40,634,534	19,722,469
		<u>2,615,365,909</u>	<u>2,551,317,101</u>
Accumulated Fund			
Cabinet Approved Building Project Fund		62,165,273	62,165,273
Asset Revaluation Reserve		2,502,292,782	2,502,382,782
General Reserve		(1,288,959,135)	(1,388,348,421)
		<u>1,275,498,920</u>	<u>1,176,199,634</u>
Reserves & Restricted Funds			
Special Grants	22	161,424,123	136,140,964
Research Grants	23	94,198,839	87,485,966
Gifts & Donations	24	9,081,940	8,683,798
Other Reserves	25	36,360,803	34,476,643
Income Received in Advance	26	294,905,543	190,674,625
		<u>595,971,249</u>	<u>457,461,996</u>
Non Current Liabilities			
Provision for Retiring Gratuity	27	312,514,830	302,474,226
Provision for Contingent Liabilities	28	455,580	455,580
		<u>312,970,410</u>	<u>302,929,806</u>

Current Liabilities

Accounts Payable	29	14,594,786	20,464,041
Accrued Expenses	30	51,606,192	57,166,920
Refundable Deposits	31	42,108,646	34,304,461
		<u>108,309,624</u>	<u>111,935,421</u>
		<u>4,908,116,113</u>	<u>4,599,843,959</u>

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

U T M I D Tennakoon
Bursar

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

Prof. Sarath Amunugama
Vice-chancellor

W.M.Karunaratne
Registrar

The Accounting Policies and Notes on Pages 06 through 21 form an integral part of these Financial statements

Kelaniya.
December 20, 2013

University of Kelaniya

STATEMENT OF CHANGES IN FUNDS

For the Year ended 31st December 2012

	Deferred Capital Rs.	Unspent Capital Rs.	Building Project Rs.	Revaluation Reserve Rs.	General Reserve Rs.	Reserves & Restricted Funds Rs.	Total Rs.
Balance as at 1st January 2010	2,196,036,468	(13,398,542)		782,607,567	(817,732,204)	391,236,805	2,538,750,094
Surplus / (Deficit) for the Year							
Transfers / Net movements	166,897,990	(1,820,901)	80,909,035	1,719,775,215	(354,289,616)	62,375,724	1,673,847,447
Balance as at 1st January 2011	2,362,934,458	(15,219,443)	80,909,035	2,502,382,782	(1,172,021,820)	453,612,529	4,212,597,541
Surplus / (Deficit) for the Year							
Transfers / Net movements	168,660,174	34,941,912	(18,743,762)		72,936,741	(58,469,221)	199,325,844
Transfers from Fee Levying Courses					(107,809,728)	107,809,728	-
Gratuity Provision					(235,516,228)		(235,516,228)
Surplus from Fee Levying Courses					45,591,040	(45,591,040)	
Rehabilitation Deposit Adjustment					8,471,574		8,471,574
Balance as at 1st January 2012	2,531,594,632	19,722,469	62,165,273	2,502,382,782	(1,388,348,421)	457,361,996	4,184,878,731
Surplus / (Deficit) for the Year							
Transfers / Net movements	43,136,742	31,162,216		(90,000)	148,776,150	72,032,154	295,017,262
Previous years expenses of faculty of Medicine					(646,707)		(646,707)
Sale of Assets		(491,000)			491,000		
Writeoff the over provision of Outstanding expenses 2012					16,058,046		16,058,046
Surplus/Deficite form Fee Levying Course					(65,289,204)	65,289,204	
Balance as at 31 December 2012	2,574,731,374	50,393,685	62,165,273	2,502,292,782	(1,288,959,135)	594,683,354	4,495,307,333

University of Kelaniya

CASH FLOW STATEMENT

For the Year ended 31st December

	2012	2011
	<u>Rs.</u>	<u>Rs.</u>
Cash Flow From / (Used in) Operating Activities		
Surpluses for the year	148,776,150	72,936,741
Adjustments for		
Amortization of Government Grants	(255,116,138)	(125,393,756)
Depreciation	287,584,434	261,661,121
Profit on Disposal of Property and Equipment	(421,981)	-
Provision for Gratuity	22,250,699	25,295,220
Interest Income	(86,748,588)	(35,295,603)
Other Adjustment	(11,859,316)	(34,685,052)
	<hr/>	<hr/>
Operating Surplus before changes in working Capital	104,465,260	164,518,671
Increase / (Decrease) in working capital		
Inventories	(5,549,175)	(6,683,623)
Debtors	(891,672)	934,259
Deposits & Advances	(56,392,537)	3,246,691
Prepayments & Deposits	(289,894)	(514,348)
Accounts Receivable	12,342,859	20,361,070
Accounts Payable	(5,070,993)	2,207,993
Accrued Expenses	(5,560,728)	(2,017,854)
Refundable Deposits	7,729,185	(3,735,334)
	<hr/>	<hr/>
Cash Generated from Operations	50,782,306	178,317,525
Gratuity Paid	(12,210,094)	(26,340,888)
	<hr/>	<hr/>
Net Cash Flow from Operating Activities	38,572,212	151,976,637
Cash Flow From / (Used In) Investing Activities		
Acquisition of Property Plant & Equipment	(352,190,857)	(241,139,855)
Investments	(220,330,465)	(138,398,193)
Work in Progress	(146,646,616)	(75,891,617)
Proceeds from Disposal of Property Plant & Equipment	441,000	-
Interest Received	86,748,588	35,295,603
Restricted Funds and Grants	221,445,660	-
	<hr/>	<hr/>
Net Cash used in investing Activities	(410,532,691)	(420,134,062)
Cash Flow From / (Used In) Financing Activities		
Government grant for Capital Expenditure	253,000,000	239,500,000
Cash flows from external sources	93,329,932	55,439,488
	<hr/>	<hr/>
Net Cash Flow From / (Used In) Financing Activities	346,329,932	294,939,488
Net Increase / (Decrease) in cash & cash equivalents	(25,630,547)	26,782,064
Cash & Cash equivalents at the beginning of the year	174,412,997	147,630,934
	<hr/>	<hr/>
Cash & Cash equivalents at the end of the year	148,782,450	174,412,997

1 Significant Accounting Policies

1.1 General Policies

1.1.1 Reporting Entity

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

1.1.2 Principal activities and nature of operations

This is a national university mainly operates on government funds.

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

The university is promoting higher studies and research.

1.1.3 Basis of preparation

(a) Statement of compliance

The financial statements comprise the Statement of Financial Position, Statement of Financial Performance, Statements of changes in Net Assets / Equity, Cash Flow Statement and Notes to the Financial Statements. These statements have been prepared in accordance with the Sri Lanka Public Sector Accounting Standards (SLPSAS) issued by the Institute of Chartered Accountants of Sri Lanka and adopted by the University Grants Commission by its Financial Circular Letter No. 3/2011. The accounting policies adopted are consistent with those used in the previous financial year

(b) Basis of measurement

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

(c) Functional and presentation currency

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

(d) Use of estimates and judgments

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

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if

the revision affects on that period or in the period of the revision and future periods if the revision affects both current and future periods.

1.2 Assets and the bases of their valuation

1.2.1 Property, Plant & Equipment

(a) Recognition and Measurement

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

(b) Cost

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

(c) Depreciation

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

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

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

(d) Revaluation of the Property, Plant & Equipments

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

1.2.2 Inventories

Inventories are valued at cost based on FIFO basis.

1.2.3 Receivables

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

1.2.4 Short term investments

(a) Investment in government securities

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

(b) Investment in fixed deposits

Investments in fixed deposits are stated at cost.

1.2.5 Cash & Cash Equivalents

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

1.3 Liabilities & Provisions

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

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

1.3.1 Accounting for grants

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

1.3.2 Employee Benefit

(a) Provision for retiring gratuity

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

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

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

(b) Defined contribution plan

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

1.3.3 Taxation

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

1.3.4 Deferred Taxation

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

1.3.5 Capital commitments and contingent liabilities

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

1.4 Income Statement

1.4.1 Revenue recognition

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

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

1.4.2 Expenditure

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

1.5 Comparative Information

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

1.6 Events after the balance sheet date

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

Notes to the Financial Statements

FOR THE YEAR ENDED 31 ST DECEMBER

		2012	2011
	Note	Rs.	Rs.
<u>Government Grants for Recurrent Expenditure</u>			
	2		
Personal Emoluments		1,071,500,000	965,121,000
Other Recurrent		184,380,000	185,000,000
		1,255,880,000	1,150,121,000
<u>Miscellaneous Income</u>			
	3		
Certificate Fee		1,430,292	1,246,145
Fines for Cloaks		9,950	
Photo Copying Charges		45,111	29,042
Cloaks Hiring		870,750	672,000
Hire of Vehicles		69,147	207,993
Registration Fee Suppliers		201,400	292,800
Convocation Fee		5,527,670	10,453,500
Postgraduate Library Income		246,214	339,500
Application & Other Fee		2,196,018	2,317,507
Provident Fund Charges		2,364,476	3,659,306
Fine from Contractors		7,722,749	1,839,640
Library cards & Identity Cards		30,300	27,625
Dental Clinic Charges		28,970	31,550
Other miscellaneous Income		23,831,006	8,720,520
		44,574,053	29,837,128
<u>Income from External Examinations</u>			
	4		
Registration fees		73,845,911	16,770,544
Examination fees		30,146,428	102,041,107
Registration Application fees			33,926,470
Syllabus fees		7,160	3,795
Past papers fees		617,665	395,180
Certificate fees		601,120	312,825
Postage fees		155,620	62,685
Convercation income		8,545,803	5,868,000
Seminar income		10,117,635	28,452,135
BA Degree (Overseas)Singapore		417,629	1,743,773
Certificate Confirmation fees		3,615,760	
ID Charges		4,847,280	3,200
Sundry income		2,135,797	14,134
		135,053,807	189,593,848
<u>Personal Emoluments</u>			
	5		
(a) Academic			
Salaries & Wages		367,636,866	299,363,060
Provident Fund		49,895,577	45,972,883
Pension		14,249,544	13,006,717
E.T.F.		12,931,742	11,795,925
Acting Pay			165,465
Academic Allowance		138,027,191	110,515,289
Other Allowances		94,273,539	73,097,056
Visiting Lecturers Fees		17,546,122	10,389,055
Cost of Living Allowance		48,103,434	47,092,645
		742,664,016	611,398,095

(b) Non-Academic

Salaries & Wages		194,491,440	179,153,143
Provident Fund		32,346,018	27,366,748
Pension		13,539,260	10,558,494
E.T.F.		9,177,057	7,581,831
Acting Pay		415,171	593,706
Over Time		23,971,928	26,917,922
Holiday Payments		866,539	551,914
Other Allowances		28,742,610	9,125,751
Language Proficiency Allowance		974,929	911,640
Cost of Living Allowance		50,768,476	49,341,074
		355,293,426	312,102,223
		1,097,957,442	923,500,317
<u>Travelling Expenses</u>	6		
Domestic		794,034	818,679
Foreign		3,734,959	1,796,351
		4,528,992	2,615,030
<u>Supplies</u>	7		
Stationery & Office Requisites		28,681,486	36,721,169
Fuel & Lubricants		13,163,328	10,787,037
Uniform & Tailoring Charges		1,627,927	1,542,103
Mechanical & Electrical Goods		704,305	974,508
Other Supplies		21,487,191	19,929,832
		65,664,237	69,954,649
<u>Maintenance Expenses</u>	8		
Vehicles		2,208,549	3,052,008
Plant ,Machinery & Office Equipments		7,351,840	7,174,064
Building & Structures		13,915	5,967
Furniture		50,990	45,730
Other		123,372	54,797
		9,748,666	10,332,566
<u>Contractual Services</u>	9		
Transport		57,625	77,474
Telecommunication		16,992,627	18,759,938
Postal Charges		3,769,785	4,149,635
Electricity		71,846,207	70,847,262
Security Services		24,776,096	23,240,967
Water		23,556,350	24,985,590
Cleaning Services		12,197,242	13,153,781
Rent & Hire Charges		4,168,491	3,082,549
Rates and taxes to local authorities		7,305,575	1,209,583
Printing, Advertising etc.		8,531,351	6,227,536
Others		6,800,556	8,368,908
		180,001,905	174,103,223

Other recurrent

10

Travel Grants to University Teachers	-	234,782
Special Services - Council & Committees	1,005,622	1,544,223
Special Services - Professional & Other Fee	40,301	-
Workshops, Seminars	3,899,776	5,074,291
Academic Research	2,982,180	1,928,670
Staff Development	3,045,677	2,471,649
Grants to other organization	2,684	411,161
Holiday Warrants Season Tickets	2,289,620	1,637,199
Entertainment Expenses	1,617,826	1,359,352
Bank Charges	1,281	3,266
Awards & Indemnities	409,150	277,500
Contribution & Membership Fee	599,150	1,256,679
Convocation	9,640,258	5,347,290
Examination	42,134,073	25,310,582
Other - Newspapers, Magazines Etc	3,188,783	6,415,262
	70,856,381	53,271,906

Property Plant & Equipment

Cost	Balance As at 01/01/12 Rs.	Additions Rs.	Disposals Rs.	Balance As at 31/12/12 Rs.
Lands, Buildings & Improvements	3,319,827,149	207,577,294	-	3,527,404,443
Furniture & Equipments	613,838,910	85,692,002	-	699,530,912
Lab & Teaching Equipments	205,930,168	25,108,474	-	231,038,642
Motor Vehicles	74,828,508	7,728,570	390,000	82,167,078
Water & Electricity Supply Scheme	41,483,948	1,834,745	-	43,318,693
Library Books & Periodicals	224,798,413	10,912,739	-	235,711,152
Cloaks	6,114,306	-	-	6,114,306
Machinery	24,690,367	4,651,065	101,000	29,240,432
Others	84,113,898	9,303,208	-	93,417,106
	4,595,625,667	352,808,097	491,000	4,947,942,764

Depreciation	Balance As at 01/01/11 Rs.	Charge for the Year Rs.	Disposals Rs.	Balance As at 31/12/12 Rs.
Lands, Buildings & Improvements	536,840,798	154,522,839	-	691,363,637
Furniture & Equipments	413,010,694	53,554,626	-	466,565,320
Lab & Teaching Equipments	189,298,308	9,444,109	-	198,742,417
Motor Vehicles	46,437,053	9,318,542	370,981	55,384,614
Water & Electricity Supply Scheme	36,333,611	1,697,815	-	38,031,426
Library Books & Periodicals	169,835,231	45,659,789	-	215,495,020
Cloaks	2,856,241	700,161	-	3,556,402
Machinery	19,743,181	6,388,277	101,000	26,030,458
Others	63,775,608	6,298,277	-	70,073,885
	1,478,130,725	287,584,434	471,981	1,765,243,178
Written Down Value	3,117,494,942			3,182,699,586

<u>Work in Progress</u>			
Hettiyawaththa Hostel		-	149,210,261
Faculty of Commerce & Management Building		215,269,750	188,270,387
Modern Cafeteria Building		19,090,087	16,769,924
New Library Building		128,255,167	78,992,491
Humanities - Building		20,237,040	
Six Stories Exam Building		31,161,040	3,826,211
Open Air Theater-Ground no.02		10,495,043	
New Building for the Works Division		6,588,728	
Water Sump (M/F)		3,408,774	
		434,505,629	437,069,274
<u>Investments</u>		13	
Staff Security Deposits		56,768	54,467
Bonds & Agreement Violations		38,702,792	37,151,412
Scholarship Fund		9,469,149	9,231,547
External Examination		643,673,523	479,796,534
Retentions Fund		289,349,043	236,993,273
Special Grants		6,327,004	4,020,582
		987,578,278	767,247,815
<u>Inventories</u>		14	
Stationary		26,506,528	19,724,096
Maintenance		6,355,790	5,816,263
Others		836,476	2,609,261
		33,698,794	28,149,620
<u>Sundry Debtors</u>		15	
BMICH Security Deposit		100,000	100,000
Debtors External Exam division		726,672	
Debtors Medical Faculty		165,000	
		991,672	100,000
<u>Deposits & Advances</u>		16	
(a) Staff Loans & Advances			
Distress Loans		65,200,631	42,490,936
Staff Loans		683,209	749,509
Transport Loans		654,869	1,048,547
Computer Loans		926,600	891,600
Special Distress Loans		212,728	214,402
Festival Advances		1,067,875	1,097,935
Salary Advances		400,131	
Special Advances		38,989	42,389
Vice chancellor's fund Loan		537,769	1,838,469
		69,722,801	48,373,787

(b) Loans & Advances to Students

Mahapola& Bursary Scholarship Advances	21,522,500	(1,350,164)
	21,522,500	(1,350,164)

(c) Advances for Supplies & Services

Research Advance	2,283,151	1,925,572
International Conference Advance	204,178	46,178
Miscellaneous Advance	2,699,853	116,313
Statutory Boards & Local Authorities	205,639	205,639
Capital Advance	5,599,504	
	10,992,324	2,293,702

(d) Other Advances & Deposits

Fuel Deposit	10,000	10,000
Advance for Stamps	7,370	7,370
External Research Advance	103,112	73,111
Disability Project Advance	363,782	363,782
MSc Fisheries Advance	41,327	41,327
Generated Fund Advance	205,508	279,402
Confucius Institute Advance	3,318,999	79,547
Career Fair Advance	250,000	110,000
Advance for Research Centre-Social Sciences	287,500	
	4,587,597	964,539
	106,825,222	50,281,864

Prepayments

17

Service Agreements	616,499	453,977
Vehicles License & Insurance	761,836	670,554
Others	38,590	2,500
	1,416,925	1,127,031

Receivables

18

Interest	10,517,321	3,711,622
Reimbursements	735,050	602,480
Paper Corporation		29,860
Industrial Development Board		24,467
M.B.B.S. Grant	0	14,584,900
Others	365,187	5,007,088
	11,617,558	23,960,416

Cash & Cash Equivalents

19

(a) Petty Cash Imprest

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

(b) Treasury Funds

P/B Kelaniya (1515) - 055-1-001-1-0667549	12,918,654	52,860,318
P/B Kelaniya (2721) - 055-1-001-8-0667616	4,851,608	5,497,334
P/B IntDivi (150333) - 004-1-001-3-0210871	6,032,048	1,182,048
P/B Ragama (308) - 316-1-001-2-4564262	7,664	510,153
	23,809,975	60,049,853

(c) Non Treasury Funds

P/B Kelaniya (4844) - 055-1-001-8-0668084	27,099,337	5,879,518
P/B Kelaniya (1517) - 055-1-001-5-0667552	334,315	4,765,204
P/B Kelaniya (3300) - 055-1-001-6-0667716	8,287,948	24,594,078
P/B Kelaniya (7782) - 055-1-001-8-0669229	22,444,535	38,340,788
P/B Ragama (309) DSU Project - 316-1-001-0-4564263	1,599,994	2,457,919
P/B.Ragama (2735) - 316-1-001-9-4564819	24,139,620	26,304,360
P/B NRFC	4,622,205	4,053,828
P/B.Kelaniya- Confucius 055-1-002-2-0015067	118,187	7,733,988
P/B Kelaniya (1519) - 055-1-001-3-0667553	13,734,529	
Student Society Bank A/C	642	642
PB KELANIYA 055100180017238	272,619	
Collection Account (II)	10,000	
Cash in Transits	22,155,984	225,000
PB KELANIYA 055 011420009867 Mahapola	150,803	
	124,970,719	114,355,325
	148,782,451	174,412,997

Deferred Capital Grants

20

Capital Grant Account	2,175,552,624	2,177,727,627
Capital Contribution from Other Sources	370,148,204	325,453,698
Non Monetary Donations	29,030,547	28,413,307

2,574,731,374 **2,531,594,632**

Capital Grants Unspent

21

Acquisition of Fixed Assets	12,912,280	(21,341,481)
Rehabilitation & Improvements		
Building Grant	3,557,373	3,894,272
MBBS Unspent Grant	24,151,374	29,546,890
Others (Equipments, Vehicleect..)		893,184
Construction Projects	13,507	6,729,604
	40,634,534	19,722,469

MBBS Unspent Grant

22(a)

Balance as at 1st January	29,546,890	19,863,403
Receipts during the year		
Add		
Foreign Students	29,456,985	51,577,429
Other income	335,409	620,647
Total income	29,792,394	52,198,077
	59,339,284	72,061,480
Less		
Payments during the Year		
Transferred to the University Income (15%)	30,549,135	17,891,233
Adjustments	4,418,548	7,736,614
	220,228	16,886,742
	35,187,910	42,514,590
Balance as at 31st December	24,151,374	29,546,890

Special Grants

22

Vice Chancellor's Fund	2,077,556	820,913
(#)Bond & Agreements Violation Fund	41,717,589	37,065,670
University Devt Fund	3,315,729	12,505,340
Faculty of Commerce &Mgt Devt Fund	2,822,749	596,939
Faculty of Humanities Devt Fund	5,383,751	5,106,131
Science Faculty Development Fund	2,020,063	1,343,949
Faculty of Social Science Devt Fund	1,697,865	289,962
Faculty of Graduate Studies Devt Fund	1,686,277	581,873
Medical Faculty Devt Fund	3,229,221	3,486,269
Gift Fund (Botany)	5,000	5,000
Sports Development Fund	25,001	25,001
Dept of Industrial Mgt Scholarship Fund	108,347	259,646
Society of Botany Scholarship Fund	60,000	60,000
Medha Sri Ariyavansa Fund	2,500	2,500
P.P. Jayawardena Scholarship Fund	29,327	27,352
Peter Silva Memorial Scholarship Fund	5,000	5,000
P.A.P.A.Chandrasekara Scholarship Fund	2,833,944	2,925,011
Prof.F.R.Jayasooriya Memorial Fund	91,960	87,252
M.A.P.Mamthirratne Scholarship Fund	32,451	30,041
P.D.Kannangara Memorial Fund	33,580	31,941
Chithra Fernando Scholarship Fund	931,867	912,087
Prof.D.J.Wijeratne Foundation Fund	499,303	495,536
Hawanpola Sri Rathanasara Scholarship Fund	203,772	193,826
Liens Silva Scholarship Fund	10,000	10,000
Agnes Peduru Scholarship Fund	132,063	132,063
Rev.PandithMudukatuwe Sri Ganarama Fund	50,000	50,000
Rev.Dr.K. Anurudda Fund	50,000	50,000
Mary's Friend Foundation	100,000	100,000
Prof. Derik De Souza Scholarship Fund	36,000	36,000
Rev.K.Wangeesa Scholarship Fund	10,000	10,000
Rathnakara Scholarship Fund	100,000	100,000
B.Galappaththi Scholarship Fund	10,000	10,000
Rev Sik Wing Sung Scholarship Fund	100,000	100,000
Prof .H.H.Costha Memorial Fund	200,000	200,000
S.Jayawardena Scholarship Fund	200,000	200,000
Liens Silva/AgnusPeduru	47,639	41,308
Prof A S. Dissanayake Prize Fund	462,199	437,854
Prof Carlo Fonseka Prize Fund	143,410	139,541
Prof. SBP Wickramasooriya Memorial Fund	75,000	75,000
Prof. Shelton Gunaratne Memorial Fund	1,153,589	1,130,970
Rajamanthree Scholarship Fund	150,000	150,000
Family Medicine Prize Fund	200,000	230,500
Prof.J.K.P.AriyathneSchol Fund	100,000	100,000
Students Relief Fund	1,015,917	943,516
United Field Security Fund	78,185	76,012
Job Fair Fund	54,950	54,950
ETSMEN KODAK Scholarship Fund	50,000	50,000
Science Faculty Exhibition Fund 2004	37,087	37,087
Research Centre Development - Commerce	622,545	41,543
Research Centre Development - Humanities	189,185	-
Research Centre Development - Science	84,020	-
Research Centre Development - Social Sciences	80,003	-
Department Development Fund	87,069,479	64,777,384
	161,424,123	136,140,964

(#)A sum of Rs. 37,523,406.00 has been due from Bond Violators as at 31.12.2012

Research Grants

23

I.T.Project 2007	1,039,917	39,917
Community Interaction Cells	2,913,013	2,428,403
Disability Project (Grant)	811,419	1,489,450
Research Fund W.H.O.Medicine	4,433,712	3,752,026
Prof. Wicramasinghe (MF) HQ/04/893126	-	413,272
N.S.F.Grant (Medical Faculty)	907,357	1,378,134
Tropical Medicine (PROJ) Grant	101,500	118,839
Clinical Trial Unit (CTU) Grant	3,798,503	3,805,139
Other Research (2735) Grant	12,966,629	9,826,440
Generated Fund - Faculty of Medicine	2,076,597	2,076,597
Ragama Health Studies Grant	370,883	(182,343)
Other Research Fund- Faculty of Medicine	3,034,559	2,716,498
Gastroenterology Fund (M/F)	403,504	491,269
Reproductive Research Fund	8,674,547	7,719,080
Matale Des..Reg.of Archeological Monument	-	19,199
Research for Social Sciences (RCSS)	6,768,240	6,575,410
RG/2010/AG/3 Grant (DR.DMM De Silva)	119,401	330,867
Calgary Link Programme	-	2,906
Other External Research Fund	99,776	99,776
Grant - H.S.R.Pro.DR.Wijewardena	(9,182)	(9,182)
Medical Faculty External Research Fund	(536,644)	(536,644)
SRL - 809-G12M Grant	-	189,360
ACIR Project	158,450	158,450
UNESCO. (DR.B.D.Nandadeva)	(36,910)	(36,910)
RG/07/HS/14.(Dr.DL. Amarasinghe)	311,021	311,021
UGC.Grant Prof. N.De Silva (M/F)	(81,479)	(81,479)
UGC.GrantProf.H.IThabbrow (M/F)	17,082	(20,143)
NACA Grant -Prof.F.U.S.Amarasinghe	959,292	1,224,429
RG/2011/EQ/02 Fund (Prof.L.N.K. De Silva)		144,655
RG/2011/SPR/01 Fund		532,500
RG/07/EB/03-Dr.S.Dias	37,242	37,242
RG/2011/AG/03 Fund (Prof.N.Deshapriya)	1,053,706	985,000
RG/2011/NRB/06(Dr.S.P.Senanayake)Grant	438,067	-
NARP/12/UK/SC/01(Dr.U.P.K.Epa)	331,900	-
"UNIDO" Fund (DR.DPW.Jayawardena)	52,210	52,210
Regional Workshop-(Dr.P.Paranagama)Grant	866,004	833,000
RG/2004/BM/2 Dr.BTSDPKnnangara	592,973	592,973
DR ParanagamaI.F.S.Grant	69,425	112,286
International Conference - Faculty of Social	(285,211)	(285,211)
RG/2006/AG/03 Dr. BimaliJayawardena	103,723	103,723
RG/2005/DMM/07 Dr. MD Amarasinghe	168,945	168,945
IFS/E/3652-1 Dr. K.Senevirathne Grant	397,140	397,140
DR.JanithaLiyanae RG/06/DMM/02 Grant	8,500	
Dr.U P K Epa	108,860	108,860
RG/2006/EB/07 Prof. A Pathir	.	40,410
RG/2006/AG/09 DR.Bimal Jay	150,077	150,077
RG/2007/FR/04 - DR.J.Liyanae	262,353	262,353
RG/2008/BS/02 - P.A.Parangama Grant	317,522	505,986
RG/2008/BT/01 - Dr. A A L Rathnatilake Grant	464,030	279,184
RG/2010/BT/03 - Dr. A A L Rathnatilake Grant	368,174	652,577
RG/2011/EQ/16 Grant	7,579,467	
Research Fund - Humanities	4,485,160	4,485,160
Research Fund - Medicine	2,613,157	2,174,825
Research Fund - Science	2,457,634	2,432,634
Research Fund - Social Science	3,324,442	3,324,441
Research Fund - Commerce &Mgt	4,807,860	4,807,860
Research Fund - Graduate Studies	395,358	287,358
UGC Special Allocation(QIG)Grant	13,728,938	20,000,000
	94,198,839	87,485,966

<u>Gifts & Donations</u>	24		
Prizes Awarding Scholarship Funds		76,287	71,287
Donations for Scholarships		3,578,185	3,185,043
Special Donations		5,423,868	5,423,868
Other Funds		3,600	3,600
		<u>9,081,940</u>	<u>8,683,798</u>
<u>Other Reserves</u>	25		
Art Association		7,430	7,430
Accounting professional sec(APS)		213,789	239,789
Golden Jubilee - 2009		1,563,413	1,563,413
Staff development fund - UGC		4,192,756	5,000,000
Chemistry Conference - 2006		73,000	73,000
IRQUE project deposit		144,681	144,681
"Dharmaloka" hall deposit		1,500	1,500
Presidency Exhibition fund		44,299	44,299
IRQUE workshop-faculty of Science		3,750	3,750
Exchange prog.withuni.of Beijing		240,000	240,000
Carrere Guidance Unit deposit		70,330	168,330
GIS workshop (Geography)		336,272	336,272
9th University Games Deposit			2,367,635
Glass blowing unit deposit		333,718	333,718
ASAIHL Conference A/C		38,072	236,842
ICT centre deposit A/C		240,738	284,500
National teachers training programme.		118,890	118,890
South Asian archaeology conference		283,146	283,146
International Conference Business & Information		862,791	475,318
Practical training Botany Department.		6,000	6,000
Interest of Bonds & Agreement Violations		14,892,785	11,350,425
Library deposite for Main Library		6,097,322	4,518,390
Library deposite for Faculty Libraries		4,493,762	5,485,447
Department Requ. Fund- Microbiology		763,194	763,194
Department Requ. Fund- Botany		53,549	53,549
Department Requ. Fund - Mathematics		91,865	91,865
Department Requ. Fund- Chemistry		53,859	53,859
Furniture & Equipment Deposit		147,987	147,987
Geography deposite		31,743	31,743
Furniture & Equipment deposite		21,673	21,673
Deposite for supplying Equipments		30,000	30,000
Centre for Gender Studies Deposit		908,493	
		<u>36,360,803</u>	<u>34,476,643</u>
<u>Income Received in Advance</u>	26		
Fee - Levying Courses - Diploma		19,196,995	20,621,067
Fee - Levying Courses - Postgraduate		74,982,799	97,900,253
Fee - Levying Courses - Medicine		5,957,552	4,994,154
Fee - Levying Courses -Others		3,282,239	1,104,746
Other Internal Programmes		9,258,772	10,641,799
External Examination - Examination Fee		56,452,941	21,539,000
External Examination - Seminar Fee		125,774,245	33,873,605
		<u>294,905,543</u>	<u>190,674,625</u>
<u>Provision for Retiring Gratuity</u>	27		
Balance as at 1st January		302,474,226	68,003,666
Charge for the year		22,250,699	260,811,448
		<u>324,724,925</u>	<u>328,815,114</u>
Payments made during the Year		12,210,094	26,340,888
Balance as at 31st December		<u>312,514,830</u>	<u>302,474,226</u>

Provision for Contingent Liabilities

28

President of Labor Tribunal	455,580	455,580
	<u>455,580</u>	<u>455,580</u>

Contingent Liabilities

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

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

- I. There is one appeal pending in the Supreme Court, filed by a party who claim to be an employee of the University, against an order of the High Court given in favor of the University in respect of an application to the Labor Tribunal made by the said party.
- II. Case No. C.A. (Writ) 623/09 is filed by an employee of the University in order to have the decision made by the University to interdict him invalidated and for other reliefs and the said case is pending in the Court of Appeal. this case is withdraws.
- III. An application for writs filed by Inter University Sub Wardens Union and several others against the University Grants Commission and several others where the University is also made a party; Case No. C.A. (Writ) 422/2010, is pending in the Court of Appeal.
- IV. Action was filed in the District Court by the University in Case No. DMR-00572-08 to recover a sum of Rs. 900,377.69, being the value of the bond executed in favor of the University by a former teacher, who had violated the terms of the agreement entered into by her with the University and other money due from to the University. The action is still pending.
- V. Action was filed in the District Court by the University in Case No. DMR-05959-09 to recover a sum of Rs. 1, 113, 600.00, being the value of the bond executed in favor of the University by a former teacher, who had violated the terms of the agreement entered into by him with the University.
- VI. A party has filed action in the District Court seeking a declaration that he is the owner of a property belonging to the University situated in Dummaladeniya in the District of Chilaw and the said action is pending.
- VII. Legal proceedings initiated by several parties against the University claiming ownership to state land given on long-terms lease to the University, where the Faculty of Medicine is situated, is also pending.
- VIII. There is an appeal pending before the University Service Appeals Board filed by on ex - employee against non extension of the service.
- IX. A Legal proceeding (F/R) 717/2013 initiated by a candidate for a post of Senior Lecturer in the Department of Sociology is also pending. The liability if any for the university can not be decided reliably

Accounts Payable

29

TharunaArunaprogramme	-	2,651,024
GELT Programme	-	2,434,233
Staff development programme	557,305	590,208
Sundry Deposits	10,065,950	11,068,192
Stamp Deposits	64,200	64,200
Tax Payable	2,072,128	2,117,402
Cancel cheques	631,859	1,018,865
Staff security deposits	61,532	58,806
Other payable	1,041,811	456,255
Others	100,000	4,855
	<u>14,594,786</u>	<u>20,464,041</u>

Accrued Expenses

30

Audit Fee	1,000,080	1,564,298
Personal Emoluments	15,750,441	9,559,433
Travelling Expenses	76,681	76,077
Supplies Expenses	4,570,309	6,050,443
Stores Supplies	2,100,488	3,438,945
Maintenance Expenses	496,880	2,671,437
Contractual Services	16,552,866	20,952,328
Other Recurrent Expenses	10,174,573	12,681,096
Research Payments		2,968
Mega Heaters PVT Ltd.		39,200
Library Books & Periodicals		128,395
Registration Fee		2,300
Others	883,874	
	51,606,192	57,166,920

Refundable Deposits

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Tender Deposits	777,766	1,012,596
Security Deposits	38,858,380	33,014,365
Library Deposits	2,472,500	277,500
	42,108,646	34,304,461

21. Report of the Auditor General

Report of the Auditor General on the Financial Statements of the University of Kelaniya for the year ended 31 December 2012 in terms of Sub-section 108(1) of the Universities Act, No. 16 of 1978.

The audit of financial statements of the University of Kelaniya for the year ended 31 December 2012 comprising the statement of financial position as at 31 December 2012 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 (01) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Sub-section 107(05) of the Universities Act, No. 16 of 1978. My comments and observations which I consider should be published with the Annual Report of the University in terms of Sub-section 108(01) of the Universities Act appear in this report. A detailed report in terms of Sub-section 108(2) of the Universities Act was furnished to the Vice Chancellor of the University on 12 November 2013.

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 based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgments, including the assessment of the risk of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the University's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements. Sub – sections (3) and (4) of Section 13 of the Finance Act, No. 38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the audit.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified 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 effects of the matters described in paragraph 2.2 of this report, the financial statements give a true and fair view of the financial position of the University of Kelaniya as at 31 December 2012 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 Sri Lanka Public Sector Accounting Standards

The following observations are made.

- (a) The courses income and expenditure had not been brought to account under the accrual basis in terms of Sri Lanka Public Sector Accounting Standard No. 1 and as such the course income of Rs.36, 951,146 relating to the preceding years not brought to account in the respective years on 12 courses conducted over several years and completed in the year under review had been adjusted to the income for the year under review.

- (b) In terms of Section 45 of the Sri Lanka Public Sector Accounting Standard No.1 every material class of similar items should be presented separately. But instead of separately identifying and accounting for the total sum of Rs.62,399,000 representing the value of lands and building purchased for the External Examinations Division for the year 2011, the entire amount had been included in the Buildings Account. Accordingly depreciation provision at 05 percent on the entire value amounting to Rs. 3,119,950 had been made.

2.2.2 Accounting Deficiencies

The following observations are made.

- (a). The unpaid money out of the money received prior to the year 2012 for the payment of Mahapola Scholarships and Bursaries to the students amounting to Rs. 3,243,847 and Rs. 20,185,367 respectively had been credited to the income of the University instead of taking action for settlement appropriately.
- (b). The non- refundable library deposits amounting to Rs.10,562,984 had been credited to the Funds of the Faculty Offices and the Main Library without Treasury approval instead of being credited to the University Fund.

2.2.3 Un reconciled Control Accounts

The following differences were observed between the balances appearing in the schedule furnished with the Financial Statements for the year ended 31 December 2012 and the balance of the Register of Loans.

Category of Loan	Balance according to the Register of Loans			Balance according to Schedules of Financial Statements	Difference
	Rs.	Rs.	Rs.		
Distress Loans	64,989,641			65,200,631	210,990
Staff Loans	649,740			683,209	33,469
Motor Vehicle Loans	594,446			654,869	60,423
Computer Loans	7,000			926,600	(20,400)
Special Distress Loans	199,826			212,728	12,902

2.2.4 Lack of Evidence for Audit

According to the Bank particulars furnish to audit the receipts and payments of Mahapola Scholarship grants amounted to Rs.71,832,352 and Rs.72,162,856 whereas according to the Financial Statement, those amounted to Rs.67,958,203 and Rs.67,807,400 respectively. Even though the receipts and payments had been recorded in an advance account, it was not possible to establish in audit the accuracy of the balances shown in the Financial Statements.

2.2.5 Non – compliance with Laws, Rules, Regulations and Management Decisions

The following non – compliances were observed.

Reference to Laws, Rules and Regulations etc.

Non - compliances

(a) Section 99(1) of the Universities Act, No. 16 of 1978.

Contrary to the provisions in this section, a sum of Rs.111,262,388 earned by the University as at 31 December 2012 had been credited to different funds created in the Faculties of the University while a sum of Rs. 41,717,589 recovered from the parties who had breached the agreements had been credited to a Fund called Breach of Bonds and Agreement Fund and the interest income amounting to Rs.14,892,785 had been credited to the Interest Fund without Treasury approval.

- (c) Establishments Code for the University Grants Commission and Institutes of Higher Education : Section 3(1) of Chapter xx and Section 1.6.1 of the Chapter x
- The relevant books and registers had not been maintained for the confirmation of the arrival and departure and the leave of the Academic Staff. As such it was not possible to establish the accuracy of the Salaries and Allowances amounting to Rs.620,146,097 paid to the Academic Staff during the year under review.
- (c) Nation Building Tax Act, No. 9 of 2009 and the Economic Service Charge Act, No. 13 of 2006
- It was observed in the audit that sundry income and course income had been omitted in the computation of the Nation Building Tax and the Economics Services Charge. According to a test – check carried out, Nation Building tax amounting to Rs.241,765 and Economics Service Charge amounting to Rs.30,221 had not been paid.
- (d) Public Finance Circular No.438 of 13 November 2010 and the University Grants Commission Circular No. 01/2010 of 24 February 2010
- Action had not been taken even up to 27 February 2013 for the disposal of 52 outdated items valued at Rs.319,268 observed at the Board of Survey of the Ragama Medical Faculty for the year 2012
- (e) Public Enterprises Circular No. PED/12 of 02 June 2003 Section 7.4.5
- A Board of Survey of the library books had not been conducted over a period of 09 years since 31 December 2002. Even though a Board of Survey of the library books had been conducted in the year 2012 the final report thereon had not been furnished even by 27 January 2014

- | | |
|--|---|
| (f) Public Enterprises Circular No.95 of 14 June 1994. | A sum of Rs.31,999,039 had been paid as various allowances and fees for the services rendered for fee levying courses during normal duty hours as well as in the weekends on the criteria approved by the Board of Governors of the University without the approval of the Secretary to the Treasury and the University Grant Commission. |
| (g) Treasury Circular No. 842 of 19 December 1978 | The Register of Fixed Assets maintained, had not been updated. |

3. Financial Review

3.1 Financial Results

According to the Financial Statements presented, the operations of the University for the year ended 31 December 2012, had resulted in a deficit of Rs.1,107,103,850 before taking into account the Government grant for recurrent expenditure as compared with the corresponding deficit of Rs.1,077,184,260 for the preceding year. Due to the Government contribution of Rs.1,255,880,000 received for the recurrent expenditure of the year under review, the surplus for the year under review amounted to Rs.148,776,150. Due to the Government Grant of Rs.1, 150,121,000 received for the recurrent expenditure of the preceding year, the deficit for that year had been converted to a surplus of Rs.72, 936,740. The improvement of the financial results for the year under review as compared with the preceding year by a sum of Rs.75,839,410 had been due specially to the increase of the Government Grants and the income from interest on investment by Rs.105,759,000 and Rs.61,854,896 respectively.

4. Operating Review

4.1 Performance

The following observations are made.

- (a) The academic performance of the University could not be examined in audit as the accurate data relating to the number of students registered for each academic year, the number of students who sat the examination and the number of students who had passed the final examination had not been furnished to audit.
- (b) Delays between 1 ½ months to 2 ½ months were observed in the release of the result of the examinations of the Faculty of Commerce and Management and the Faculty of Humanities. Even though 19 October 2012 had been decided as the date for the release of the results of the first semester examination of the Faculty of Commerce and Management Studies, it was observed that the second list of marks for 17 subjects of that Faculty had been delivered after that date.
- (c) The number of the students registered in the Faculty of Medicine and the number of the students who had passed the examinations are given in the following table.

Academic year	Number of the Students Admitted	Number of Students who abandoned course	Number of Students at present	Number of Students who passed the Examination	Pass Percentage
2005/2006	198	-	-	134(2011)	68
2006/2007	165	-	-	118(2012)	72
2007/2008	184	9	175		
2008/2009	187	9	178		
2009/2010	174	7	167		
2010/2011	171	-	171		

(d) Utilization of Research Grants

The following observations are made.

- (i). Research grants amounting to Rs.6 million at the rate Rs.1 million per Faculty had been provided by the Treasury for the year 2012 and the Research Committee had approved 10 research projects costing Rs.2,641,975 for the year 2012. The expenditure incurred on the researches up to 16 September 2013 amounted to Rs.850,069 and represented only 32 per cent of the value of the projects.
- (ii) No expenditure had been incurred up to 16 September 2013 in connection with 05 research proposals amounting to Rs.1, 141,975 approved for the Academic Staff for the year 2012.
- (iii). Even though provision for research at the rate of Rs.1 million had been made per Faculty for the year 2012, provision amounting to Rs.3,000,000 or 100 per cent had been saved as the Faculty of Humanities, Faculty of Science and the Faculty of Postgraduate Studies had not submitted research proposals as well as the non- receipt of provision.
- (iv). The progress reports of researches in respect of the 10 projects approved for the year 2012 had been presented only by 02 Lecturers.
- (v). Payment of Research Allowances.
Provision amounting to Rs.55 million had been made for the year 2012 for the payment of research allowance at 25 per cent of the salary in terms of the Management Services Circular No.45 of 07 April 2011 and a sum of Rs.53, 418,537 had been paid to 472 Lecturers in the year 2012. An examination of the files revealed that a proper evaluation of the progress of the researches as at 31 December 2012 had not been carried out.
- (vi). Conduct of Research Discourses
Thirteen research discourses had been conducted in the year under review and the number of researches relating to the preceding years submitted had been 165. The corresponding number of discourses held in the preceding year had been 12, for while 185 research projects had been submitted.

(vii).According to the criteria for world grading, the research criteria are an important factor. Even though the University of Kelaniya occupied 3048 position in the year 2012 that had deteriorated to position 3430 in the year 2013.

4.2 Management Inefficiencies

The following observations are made.

- (a) On requests made by the parties concerned, the settlement of the sum of Rs.22,295,186 recoverable from 04 Lecturers as at 31 December 2012 for the breach of agreement and bonds in installment had been approved. But action had not been taken to obtain written statements that connection.

- (b) An incentive allowance approved by the Board of Governors had been paid for the completion of the examination of the answer scripts of the examination of the Faculty of Commerce and Management between 02 to 03 months According to a test check a Lecturer had obtained an overpayment of Rs.99,470 by the preparation of the vouchers by altering the dates of takeover and handover of answer scripts.

4.3 Operating Inefficiencies

The following observations are made.

- (a) Bid and Security Deposits Payable

The officers responsible had not taken action even up to 31 December 2013 for the settlement of refundable bid and security deposits amounting to Rs.24,839,277 existing over periods ranging from 01 year to 06 years. The age analysis is given billow.

<u>Particulars</u>	<u>1 year to 2 years</u>	<u>2 to 3 years</u>	<u>3 to 4 years</u>	<u>over 4 years</u>	<u>Total</u>
	Rs	Rs	Rs	Rs	Rs
Bid Deposits	87,423	5,730	66,214	75,300	234,667
Security Deposits	5,563,237	3,455,854	7,168,564	8,416,955	24,604,610

- (b). A test check revealed that loan balances amounting to Rs. 204,631 recoverable due to breach of agreements and bonds existed.

4.4 Idle and Underutilized Assets

The following observations are made.

- (a). It was observed that research funds received from external institutions up to 31 December 2012 amounting to Rs.3,584,044 remained idle and without being utilized over a period of 04 years from the year 2009.
- (b). The Chinese Buddhist Association had granted a sum of U.S.\$ 50,000 or Rs.5,423,868 on 06 September 2011 for the construction of a hostel for the foreign students of the Pali and Buddhist Studies Division. Only the preliminary plans had been prepared from that date up to the date of audit, that is, 18 July 2013. Even though the University spends Rs. 3,380,615 annually as the lease rent on the hostels for external students, construction of the hostel had been delayed due to the inadequacy of the funds received.

4.5 Deficiencies in Contract Administration

The work on the construction of the modern restaurant building at a contract value of Rs.17, 022,604 had been started on 10 August 2009. The building has been used after the completion of construction of 19 August 2010. Even though sum of Rs.16,769,923 had been paid to the contractor and as he had not submitted the corrected final bill, the expenditure had not been capitalized and shown in the Financial Statements as work – in – progress despite the elapse of 03 years. Even the fixed assets valued at Rs.2, 320,162

purchased in the year 2012 had been added to that expenditure and shown as work-in-progress amounting to Rs.19, 090,086 in the Financial Statements.

4.6 Staff Administration

The particulars of the staff and vacancies as at 31 December 2012 of the University given below.

<u>Category of employees</u>	<u>Approved</u>	<u>Actual</u>	<u>Numbers of Vacancies</u>
<u>Academic Division</u>			
Professor	120	107	13
Senior Lecturer	239	235	04
Probationary Lecturer	237	168	69
Library Staff	<u>13</u>	<u>12</u>	<u>01</u>
	<u>609</u>	<u>522</u>	<u>87</u>
<u>Non – Academic Division</u>			
Administrative, Executive and other	17	07	10
Academic Support Staff	37	12	25
Clerical and Allied Grades	<u>758</u>	<u>631</u>	<u>127</u>
	<u>812</u>	<u>650</u>	<u>162</u>

Effective action had not been taken to fill 87 and 162 vacancies in the academic and no- academic staff respectively.

4.7 Buildup of a Fund for Employees' Gratuity

Even though provision amounting to Rs.312, 514,830 had been made for employees' gratuity up to 31 December 2012, action had not been taken to build up of a fund and invest the money.

5 Accountability and Good Governance

5.1 Action Plan

Progress reports had not been prepared by evaluating the progress of the achievements of the targets in this Action Plan. A formal methodology in this connection had not been introduced.

5.2 Procurement Plan

A Procurement Plan of the year 2012 had not been prepared by the University.

5.3 Budgetary Control

A reconciliation of the estimated expenditure and the actual expenditure for the year under review revealed material variances ranging from 10 per cent to 1288 per cent, thus indicating that the budget had not been made use of as an instrument of financial management control.

5.4 Unsettled Audit Paragraphs

Course income amount to Rs.82, 580,947 received in the year 2009, 2010 and 2011 from the foreign Medical Students had not been brought to account as income for the respective years. Out of the course income received in the year 2012 Rs.25,038,437 or 85 percent had been credited to the Unspent Grants Account without been brought to account as income.

6. Systems and Controls.

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

- (a) Fixed Assets Control
- (b) Income of Fee Levying Courses
- (c) Motor Vehicles Control
- (d) Hostels Control
- (e) Library Control
- (f) Advances Control
- (g) Research Agreements
- (h) Stores Control

22. AUDIT COMMITTEE REPORT - 2012

COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee of the University is formally constituted as a sub-committee of the Council, to which it is accountable and it is wholly consisted of three Non-Executive Council members. The following Council members functioned in the Audit Committee during 2012.

Member	Attendance at meetings in 2012 (Attended/Eligible to attend)
1. Mr. Harischandra Wasalathanthri (Chairman)	4/4
2. Dr. R.B. Ekanayake	4/4
3. Mr. L.J. Patrick Alexis Silva	4/4

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

MEETINGS

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

MAIN RESPONSIBILITIES

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

The main responsibilities include –

- (i) Reviewing and monitoring the integrity of the financial statements, financial reporting and audit process.
- (ii) Examining any matter relating to financial and other connected affairs of the university.
- (iii) Monitor internal audit plan & programmes.
- (iv) Review and take action on internal and external audit reports and follow-up on the recommendations.
- (v) Review and monitor the effective operation of internal control systems.
- (vi) Approving the annual internal audit plans and programmes.

ACTIVITIES DURING THE YEAR

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

1) Approving & Monitoring Internal Audit Plan And Programme.

The committee approved the Internal Audit Plan and the Internal Audit Programme for the year 2012 and monitored its status throughout the year. The committee reviewed and monitored the effectiveness of the Internal Audit and inspection functions and the performance of the Internal Audit Division.

2) Compliance with Laws and Regulations

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

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

3) Continuous Review and Monitoring of Bond Violated cases

The Committee continuously reviewed and monitored the status of the recovering process from the Bond Violated Staff members. As a result, the university was able to recover nearly Rs 34 million from 26 Bond violators from 2006 to 2012. There were 15 Bond violators at the beginning of the year 2012. Five of them settled their total dues during the year while another four started paying the dues in installments. Legal action had already

been initiated against 03 and action has been taken to initiate legal proceedings against 03 violators.

a. Review and strengthening internal control systems

The committee reviewed the effectiveness of the University's internal controls on financial reporting as vehicle administration, contract administration, purchasing of capital goods, lending of library books, conducting annual stores verification/ Inventory verification, recovery of unsettled advances and made necessary recommendations to strengthen the internal control system by which remarkable progress has been achieved in these areas. The committee reviewed the Income & Expenditure received from the medical exhibition held at the Faculty of medicine and instructed to maintain the proper accounting records and procedures. Further committee continuously reviewed the action taken to correct the weaknesses pointed out by the Auditor General's Reports and the Audit Queries issued during the year 2012.

4) Meetings of Audit Committee

Four Audit Committee meetings were held during the year ended 31st December 2012. A representative of the Auditor General's Department was also present at all audit committee meetings as an observer on invitation. The other staff members of the university were invited to attend the meetings when the committee requires their presence. Senior Assistant Internal Auditor functions as the secretary to the committee in fulfilling its role.

CONCLUSION

The Audit Committee satisfied with the follow up action taken and the progress achieved regarding the recommendations given by the committee.

Chairman
Audit Committee
University of Kelaniya

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

Report of the Auditor General on the Financial Statements of the University of Kelaniya for the year ending 31st December 2012 in terms of the section 108 (1) of the University Act No 16 of 1978.

It was decided to forward you the following observations as considered by the 415th Council of 10.06.2014 in terms of section 108 (1) of the University Act regarding the report in terms of the Section 108 (2) on accounts pertaining to the year ending 31st December 2012 which was forwarded with the even numbered letter of 11th April 2014.

1.3 Responsibility of the Audit

2. Financial Statements

2.1 Revalued Opinion

Agreed.

2.2 Comments on financial statements

2.2.1 Sri Lanka Accounting Standards

(a) The excess income on the 12 batches of the concluding course in the year under review was entered to the Income Account and adjustments were made to the General Reserve and the excess amount was transferred from the General Reserve to the Study Development Fund.

(b) Estimated values of building and lands have been referred for separate reporting and steps will be taken to enter them in accounts once the said figures are received.

2.2.2 Accounting Deficiencies

(a) Not agreed. As at 31.12.2012 a balance of Rs. 4,645,250/- was identified as receivables from the Mahapola Scholarship Fund, the UGC and the bank. The unidentified balance of Rs.3,842,197.62 existed prior to 2012 was credited to the university income as the receivables should be correctly accounted.

(b) Not agreed. 50% of the non-refundable library deposit was credited to the main library and the balance 50 % was credited to the relevant faculty library as per criteria approved by the Governing Council of the university. However, all the recognized income are credited to the income accounts and have been corrected in the revised accounts.

2.2.3. Unbalanced Control Accounts

(a) The errors recognized from the Debts Accounts have been corrected and presented in the revised Accounts.

Loan Type	Loan Balance as per the registry	As per the accounts schedule	The difference	New change
Distress	64,867,948.73	65,200,631.00	121,692.00	210,990.27
Employees	641,070.00	683,209.00	8,670.00	33,469.00
Vehicles	588,446.00	654,869.59	6,000.00	60,423.00
Computers	947,000.00	926,600.00	-	(20,400.00)
Soecial distress	165,104.00	212,727.98	34,722.00	12,901.98

The revised schedule with the corrections after the debt balances existed for years was scrutinized was presented for audit and the remaining balances are further scrutinized for corrections. The difference found out from the Special Distress Loan Account has been corrected in the R-110 journal.

2.2.4. Absence of Evidence for Audit

(a) The Financial accounts only contain receipts and payments relevant to the account year.

The information on such payments has been recognized in the year 2013 and steps have been taken to maintain schedules for them.

2.2.5. Non compliance to Rules, Regulations and Management Decisions

(a) Section 99(1) of the University Act, No. 16 of 1978

Steps have been taken in this manner as it is mentioned in the criteria of the fee living courses approved by the University Council that a part of the course fee is allocated to the development activities of the university and the faculty. Thrus this money is separately maintained for the convenience of accounts, information on all those accounts is revealed

in the final accounts of the university. Required provisions for the development of the university are derived from this.

Actions have been taken according to the Circular No. 737 issued by the UGC on 15.08.1998 to all the universities on the money incurred for breach of contract.

- (b) According to the procedures adopted by other universities at present, attendance registry signed by lecturers and that contains student participation that proves the time periods of lectures and practical conducted by the university academic staff is maintained by each faculty of the university. The attendance of the academic staff can be ascertained in that manner. Father salary and allowances are provided based on the confirmation made by Department Heads according to the pay abstracts provided by each and every Department Head before salary is given. However, it is possible to follow any common policy if such policy is issued by the UGC in this regard.
- (c) After it was identified by the audit section, taxation on sundry income is regularly conducted.
- (d) Action to remove stock items has been commenced.
- (e) A library book survey has been conducted in September 2012 and its final report has been presented by now.
- (f) According to the Circular instructions issued for the preparation of the annual budget estimates, it is encouraged to commence self-funded courses and maintain such activities. Accordingly the university, after considering the requirements, has commenced and maintains income generated courses. Further, the funds received from the Government are limited and the income received from these courses is utilized for the continuation of university activities and future developments. Therefore steps were taken to continue the courses and bear the costs for the academic and non-academic staff based on the approval of the Council.
- (g) Updating has been completed.

3. Financial Review

3.1 Financial Outcome

4. Operational Review

4.1 Performance

- (a) Not agreed. There was an uncertainty regarding the statically information presented in the draft report as per the study year.

- (b) The second examination invigilators of some subjects are external lecturers and sometimes exam papers are sent abroad for correction. These activities take some time and there are some difficulties to issue results on the due date.
- (c) 160 students are annually enrolled to the Medical faculty. And Bhutani students are also recruited to the faculty. It was observed that Bhutani students do not complete the courses as expected. Though a limited number of local students also do not complete the courses in the proper level, they complete the course in the following years and leave the faculty. However, it is informed that, under no circumstances, no graduate who does not complete the academic requirements of the medical degree is unable to obtain the said degree.

(d) Utilization of Research Aids

- I. The Research Committee has approved Rs. 2,641,975.00 for 10 research projects for the year 2012 and Rs. 1,074, 769.36 has been spent at present. Two lecturers have already completed their research projects.
- II. All the lecturers who have received research aids except one lecturer have commenced their projects. The said lecturer has gone abroad for his doctorate. (Details in this regard are included under IV)
- III. The money allocated for research projects in the Faculty of Post Graduate Studies is utilized for research symposium. The 2012 symposium has been conducted accordingly. The Faculty of Humanities has not applied for research grants for the year 2012. One research project from the Faculty of Sciences has been approved for the year 2012 and the Professor who worked as the co-researcher of the said research project had requested to act as the main researcher of the project as the main researcher of the project has resigned from the service of the university due to personal grounds and the approval for the said request has been granted in the year 2013.
- IV. Two of the approved research projects approved for the Faculty of Medicine for the year 2012 have been completed by now and reminders have been sent to the

researchers who have not submitted progress reports for the remaining research projects. Researchers from other faculties have submitted the due progress reports as required. One research project for the year 2012 from the Faculty of Commerce and Management has been approved and no funds for the said projects has been utilized yet as the study leave for 3 years with effect from 13.02.2012 to 12.02.2015 has been approved for the said researcher. This was reported to the Research and Publications Committee No. 05/2014 conducted on 13.05.2014 and it was recommended to submit this research project to seek approval for its cancellation.

V. Granting research allowances

The above research grant has been awarded as per Section 03 (iii) of the Ministry of Higher Education Circular No. 1/2011 dated 20.04.2011. According to this Section, the above allowance is entitled after a research proposal is submitted to the research committee.

- VI. It is not compulsory to submit Research Abstracts for research symposiums organized by the Faculty of Post Graduate Studies and research abstracts can be submitted for any research seminar at local or foreign level. Accordingly considering the research projects submitted by lecturers for such research seminars, it is higher than this number.
- VII. A Research Council has been established with the participation of a senior professor and a programme to internationally publish research information after they are collected has been initiated by now. It is expected to increase the world-wide grading of the university by this means in future.

4.2 Management Inefficiencies

(a) Not agreed. The requests of the lecturers who had breached contracts and bonds have been considered and they have been informed of the manner in which they should make the payments. Accordingly they make the payments at once or in installments.

(b) (ii) Calculating the incentives

This matter was considered at the audit Committee held on 05.06.2014 and it was recommended to take steps after discussions with the respective parties.

4.3 Operational Inefficiencies

(a) Tenders Payable and Security Deposits

The amount accrued to the income has been calculated and accounted into income by the journal 408 and steps will be taken to enter the remaining tender security deposits into the income. Security bonds have been retained as it is required.

(b) Not agreed. As litigation against two persons (Dr. D. P. W. Jayawardena and D. M. G. Dasanayake) have been initiated to recover loan balances which were delayed to be recovered due to breach of contract and bonds, the payments are to be received in future. The loan balance of the others (Mr. A. T. Jayawardena) has been deducted from the Provident Funds on 30.10.2012.

4.4 Under-utilized Assets

(a) Not agreed. An amount of Rs. 2,076,597/- out of the specified value is not a balance related to the external research fund but a balance related to the Medical Faculty Development Fund and steps have been taken to enter the same under the correct classification. Remaining one research fund (RG/06/AG/11) has been incurred by now. And the other researches are being implemented by now.

(b) A proposal was made to build a four-story hostel with the aid of USD 50,000 from the Chinese Buddhist Society for the foreign students in the Department of Pali and

Buddhist of the Faculty of Humanities and the Council has approved the said project on 13.09.2011.

Accordingly, the State Engineering Corporations has prepared the preliminary estimates and planning of this project. However, funds to continue this project have not been received as yet and therefore the project has been temporarily suspended until the relevant funds are received.

4.5 Contract Administration Deficiencies

The contractor has not submitted the final bill as yet. Though the consultant company has informed the contractor no reply has not yet received. However steps will be taken to account the value of the building by considering the value of the completed work.

4.6 Staff Administration

Majority of the vacancies existed as at 31.12.2012 have been filled as at 30.04.2014. However, occurrence of vacancies is unavoidable due to annual retirements, resignations and vacation of posts.

As at 30.04.2014

	Approved Cadre	Actual Cadre	Vacancies
Academic Staff	632	556	76
Administrative, Executive and other grades	41	29	12
Academic Assistants	49	38	11
Clerical and parallel grades	836	745	91
Medical officers staff	04	04	-

However, recruitments are continuously been made to fill vacancies in relevant posts.

4.7 Raising a Fund for Employee Gratuity

It is noted down to make allocations for these purposes after funds are acquired from the treasury.

5. Accounts Procedure and Good Governance

5.1 Action Plan

An Action Plan has been prepared to include a timeline and financing for the performance of activities for the year 2012. A progress report for the first biannual of 2012 has been prepared and the activities which could not be fulfilled within the year 2012 have been incorporated into the 2013 Action Plan after review.

5.2 The procumbent plan has been prepared.

5.3 Budgetary Control

Variations between the budgetary amount and the actual expenditure could not be avoided as the allocated amounts are not completely issued by the Treasury though budget documents are prepared.

5.4 Observations on the unsettled audit paragraphs

Until 2009 deposits have been made in a separate deposit account. When preparing the final accounts for the year 2010 the account process implemented as then were altered and 15% of the amount was maintained under registered fees and 85% was maintained in an account which was not spent for the faculty development activities. The Council approval has been obtained to spend this 85%. However, steps will be taken to correct this in the year 2013.

6. Systems and Control

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

Prof. Sunanda MaddumaBandara

Vice Chancellor

Faculty of Commerce and Management Studies

Mission of the Faculty

The mission of the Faculty of Commerce & Management Studies of the University of Kelaniya is to produce academically and professionally competent personnel to take up managerial position in organizations, create an entrepreneurial culture, and broaden the horizon of knowledge pertaining to the discipline of Commerce & Management.

Introduction to the Faculty

The Faculty of Commerce & Management Studies (FCMS) is the youngest Faculty of the University of Kelaniya and is one of the finest and fast growing Faculties in the country, in terms of quality of graduate output, qualified Faculty, and diversified undergraduate and postgraduate programs. Its genesis goes back to 1976, with the establishment of the Department of Commerce under the Faculty of Social Sciences. With the commitment and efforts of academic staff, students and other stakeholders, we were able to achieve Faculty status in 1995. The Faculty is committed to achieving excellence by providing learners with opportunities to develop knowledge, skills, attitudes to serve the nation with respect to dignity of life. In keeping with this policy, the medium of instruction of the Faculty has always been English, the global language of the century.

In line with this mission, the Faculty has been rendering its unstinting service to prepare scholars and professionals with capacity, and skills and attitude that drive economy, support civil society, lead government and make important decisions which affect the whole society. Accordingly, FCMS has so far produced more than 8000 graduates and most of them are in the forefront of managerial ranks in public and private sector organizations, both locally and internationally. Furthermore, some of our graduates are prominent entrepreneurs of the country.

Faculty of Graduate Studies

Vision

The vision of the Faculty of Graduate Studies (FGS) is based on the purpose of education from ancient times: *NatthivijjaaSama.mpa~n~naa* (Pali), or *ipsascientiapotestasest* [Latin] ‘knowledge itself is power.’

In keeping with this motto, FGS envisages that its graduates will have the knowledge to wield power in different spheres, and make the world a better place, through their dedication to research, openness to new ideas, and mastery of analytical skills.

Mission

The mission of the Faculty of Graduate Studies is to encourage research and dissemination of knowledge at postgraduate level.

FGS works with academic staff, students and administrative staff in all the Faculties of the University of Kelaniya to promote excellence in postgraduate education. Postgraduate education at the University of Kelaniya is a shared experience. FGS works together with academic departments across the University to provide graduate programs at Master’s, MPhil, and PhD levels to create a dynamic intellectual climate for its students.

Activities

In addition to being the apex body for postgraduate research at the University, the Annual Research Symposium is conducted by FGS. In 2012, the Keynote Speaker was Prof. Malik Peries FRS, who traced his success in the research world to the pioneering work done in Sri Lankan universities. The *Journal of the Faculty of Graduate Studies*, University of Kelaniya, a refereed, peer-reviewed journal was launched at the Annual Research Symposium, 2012. FGS plans to streamline and re-structure the MPhil and PhD programs to include required courses on research methodology, scientific writing, ethical considerations, presentations skills etc.

Faculty of Humanities

Vision

The vision of the Faculty of Humanities of the University of Kelaniya is to nurture the motherland by producing independent scholars involved in teaching and learning activities with commitment, creativity and wisdom.

Mission

The mission of the Faculty is to develop as a unique centre for education and research by enhancing resources and providing facilities to pursue research in the Humanities and cultures of Sri Lanka. The Faculty represents the diversity and multilingualism of the many cultures of Sri Lanka, and provides courses in the heritage of Sri Lanka as in Pali, Sanskrit, Sinhala, Tamil, Linguistics, and Buddhist Philosophy studies, while maintaining a contemporary presence through courses in Chinese, Korean, Japanese, Hindi, English, French and German studies.

Activities

Reinforced with its vision, the Faculty of Humanities is an outstanding hub of academic excellence, and performs a leading role among the Sri Lankan universities and cultural institutions. The Faculty offers two main degree programs namely Bachelor of Arts (General) Degree and Bachelor of Arts (Special) Degree which can be achieved through several disciplines conducted by eight departments and three units. The entire range of subjects is a fine blend of languages - Sinhala, Tamil, English, Pali, Sanskrit, Hindi, Japanese, Chinese, Russian, Korean, French and German, cultural disciplines Buddhist Culture, Christian Culture, analytical disciplines – Linguistics, Translation Methods, Buddhist Philosophy, Literary Criticism and practical disciplines such as Photography, Cinema, Video and Television, Drama and Theater and Image Arts, Music, Dancing, Painting and Graphics, Visual Arts and Performing Arts. In addition, the Faculty of Humanities includes the English Language Teaching Unit which enhances the English knowledge of the students of the entire university. It also offers a degree in Teaching English as a Second Language. The Faculty also maintains cultural centers affiliated to the Ministry of Cultural Affairs, the Confucius Institute, and several embassies.

In 2012, the Faculty was awarded a research grant by the World Bank, under the auspices of the HETC Window 3 project to “Document Evidence of the Discourse Communities of Sri Lanka.” This project is multidisciplinary and inter-Faculty, in that the Faculty of Medicine is collaborating through the Department of Disabilities Studies, the Library is providing guidance on building an archive, and the Faculty of Graduate Studies is involved in conducting workshops on research methodology. This project symbolizes the multi-faceted role of the Faculty of Humanities as the custodian of the cultures and languages of Sri Lanka.

Faculty of Medicine

Vision

The Faculty aspires to be an internationally recognized institution of higher education in a culture of excellence and integrity helping to generate and impart knowledge in the medical sciences.

Mission

The Faculty of Medicine educates medical students, postgraduate doctors, allied health care professionals and the public; provides patient-oriented medical care to prevent, diagnose and treat human illness; and conducts basic, applied and clinical research, in an environment of high quality education that nurtures a spirit of inquiry, initiative, equality, and social responsibility

Graduates of the Faculty will have the knowledge, the skills and attitudes to be successful in providing services to the community, country, and beyond, as individuals and opinion leaders in a globalised health care environment

At the Faculty of Medicine, knowledge is advanced by an academic community with a passion for teaching, student training, and scientific enquiry. By providing an excellent environment for learning and research, we encourage scholarship at the highest level.

Overview

The Faculty of Medicine is situated in a spacious, 35 acre campus at Ragama. It commenced classes with the admission of 120 medical students in September 1991. Eighteen batches of medical students have since graduated from the Faculty, and the next intake will be the 24th batch. The Faculty introduced a four-year BSc in Speech & Hearing Sciences in 2008, and the first intake of these students graduated in 2012.

Today, the Faculty has nearly 1000 students on roll: approximately 800 medical students and 200 BSc (SHS) students. The medical students include 50 from overseas, mainly from other South Asian countries who have been admitted on a fee levying basis. There is a permanent academic staff of approximately 110 and, in addition, there are over 40 temporary academic staff and over 60 visiting staff that include consultants who are based in the affiliated teaching hospitals. The Faculty prides itself on its research output, which is perhaps the highest among the medical institutions in Sri Lanka, as in the successful liver transplant operations of 2012.

Faculty of Science

Mission

The mission of the Faculty of Science of the University of Kelaniya is to produce highly motivated graduates and postgraduates capable of making a significant contribution towards national development, and the wellbeing of mankind, to conduct research and provide advice and consultancy services in various scientific disciplines to foster a better understanding of the environment for sustainable use and conservation of natural resources.

Overview

The Faculty of Science of the University of Kelaniya consists of eight academic departments, namely, the Departments of Botany, Chemistry, Industrial Management, Mathematics, Microbiology, Physics, Statistics & Computer Science and Zoology. The Faculty of Science now offers six B.Sc. Degree Programs viz, three General Degree Programs of 3 year duration and three Special Degree Programs of 4 year duration. The General Degree Programs are B.Sc. (General) Degree, B.Sc. (General) Degree in Environmental Conservation and Management (ENCM) and B.Sc. (General) Degree in Management and Information Technology (MIT). The Special Degree Programs are B.Sc. (Special) Degree, B.Sc. (Special) Degree in ENCM and B.Sc. (Special) Degree in MIT.

In 2012, the Faculty of Science was awarded a grant from the World Bank HETC Window 3 project to enhance the quality of its MPhil and PhD candidates. The Faculty also spearheads the EDCON project, which links the University with industry through consultancies with client organizations.

Faculty of Social Sciences

Overview

Faculty of Social Sciences consists of eight departments. In addition, a degree program in Sports and Recreation Management is conducted by the Faculty. The Faculty offers 15 subjects for the Bachelor's degree. Students are able to follow Bachelor of Arts (General) and Bachelor of Arts (Special) degrees in these subjects. Lectures, seminars, and workshops are held with the participation of specialists in various fields for the improvement of knowledge of the students, in addition to lectures and other tutorial classes relevant to degree courses by various departments of the Faculty.

Also, degree certificates and diploma courses, postgraduate diploma courses, M.A. (one year) and M.S.Sc (two year) courses from selected subject streams in the Faculty of Social Sciences are conducted. Facilities to follow M. Phil and Ph.Ddegrees based on research are available: research laboratory, information technology facilities and other resources of the Faculty.

In 2012, the Ola Leaf Manuscript Library was opened at the Faculty premises, heralding a new era blending the old and the new in research methodology and archiving.