Gampaha Wickramarachchi Ayurveda Institute

University of Kelaniya

Yakkala

Annual Report – 2010

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The Gampaha Wickramarachchi Ayurveda Institute ordinance No. 01 of 1995 had been published under section 24 (a) (2) and 24 (b) of the Universities Act No. 16 of 1978, by an extra ordinary gazette notification No. 862/8 of the Sri Lanka Democratic Socialist Republic, dated 13.03.1995. Gampaha Wickramarachchi Ayurveda Institute had been established as a Higher Education Institute affiliated to the Kelaniya University.

The main objective of the aforesaid ordinance was to conduct a five Academic Year "Ayurveda Medicine and Surgery" degree course.

Accordingly, the Institute which is being continued as a Higher Educational Institute, presents the Annual Report of the Institute for the year 2010 which includes the establishment work and the development work, Final Accounts report and the report of the Auditor General, relevant to the Institute for the year 2010.

Professor Janitha A. Liyanage
Director

Gampaha Wickramarachchi Ayurveda Institute
Director's Report

The corporate Plan 2010 to 2015, prepared to achieve to vision and the mission of the institute was approved by 174^{th} meeting of the Board of Management held on 28.06.2010.

Accordingly, with great pleasure, it is noted that the Institute had been able to achieve an appreciable level in the work performance to undergraduate students and staff.

However it also should be noted that certain targets could not be achieve due to unavoidable circumstances and unexpected set backs in achieve the expected objectives of the Corporate Plan.

Hence the Corporate Plan had been amended to include the infrastructure facilities development and I believe that the targets mentioned in the Corporate Plan could be achieve to some extent through such amendments identified in the Corporate Plan.

Prof. Janitha A. Liyanage.
Director.

CONTENT

ANNUAL REPORT - 2010

1. VISION STATEMENT

VISION

To become
a centre of excellence in
Education,
Research
and
Outreach
In
Ayurvedic Medicine
and
Allied Sciences

2. MISSION STATEMENT

MISSION

To produce young men and women who possess knowledge and skills in Ayurvedic Medicine and Allied Sciences and with enthusiasm, initiative, and wisdom to engage in health care provision to the society nationally and globally and to engage in basic and applied research and dissemination of research information with dual objectives of advancing core knowledge in Ayurvedic Medical Sciences and serving research and development needs of the society.

3. DIRECTOR'S REVEIW

a. Brief Introduction

The Corporate Plan 2010-2014 was prepared to achieve the Vision and Mission of the Institute and it was approved by the Board of Management of the Gampaha Wickramarachchi Ayurveda Institute held on 28.06.2010 at its 174^{th} meeting.

b. Achievements

The Institute had been able to achieve an appreciable level in the work performance of undergraduate students and the Academic Staff.

c. Failure & Justification

Certain targets of the Corporate plan were unable to reach due to unavoidable circumstance an unexpected set backs.

d. Future Plans

I believe that the targets mentioned in the Corporate Plan will be achieved to some extent with the amendments identified to the activities.

Curriculum revision activities were carried out through out the year and all necessary steps are taken to complete these activities within the 1^{st} quarter of next year.

Reference to infrastructure development, two buildings are under the construction.

Some of the minor staff vacancies were filled by new appointments thus most of maintenance activities will be accelerated and done without out-sourcing.

Institutional Review was carried out in December 2010.

4. DETAILS OF RESOURCES AND STUDENTS:

Institute	Course	Total Students	Total Academic Staff	Total Non Academic Staff
Gampaha Wickramarachchi Ayurveda Institute (GWAI)	Bachelor of Ayurveda Medicine and Surgery (Kelaniya) B.A.M.S.	330 (Including Final Year Students)	30	102
Total		**330**	**30**	**102**

5. DETAILS OF LOCAL STUDENTS:

Institute	Course	Medium	Intake 2010	1st Year Students	2nd Year Students	3rd Year Students	4th Year Students	No. of Graduated
GWAI (From 2010 English Medium)	B.A.M.S.	English	120	99	87	51	38	54
		Sinhala						
Total				**99**	**87**	**51**	**38**	**54**

Annual student intake has been increased up to 120 students from 2009/2010 Academic Year and medium of teaching has changed to English.

6. DETAILS OF FORIEGN STUDENTS:

Institute	Course	Medium	Intake 2010	1st Year Students	2nd Year Students	3rd Year Students	4th Year Students	No. of Graduated
Total								

7. DETAILS OF ACADEMIC STAFF:

Department	Subject	Medium	Senior Professor	Professor	Senior Lecturer	Lecturer	Associate Lecturer	Instructors
Shalya Shalakya	Shalya	Sinhala English	-	-	01	-	-	-
	Shalakya	Sinhala	-	-	01	-	-	-
Kaumarabruthya & Stree Roga	Stree Roga	Sinhala	-	-	02	-	01	02
	Kaumarabruthya	Sinhala						
	Prasutha Tantra	Sinhala						
Dravyaguna Vignana	Dravyaguna Vignana	Sinhala	-	01	04	-	-	-
	Rasa Sastra	Sinhala	-	-	02	-	-	03 Demonstrator
	Bhaisajya Kalpana	Sinhala	-	-	02	-	-	-
Basic Principles	English Hindi Sanskrit	English Sinhala	-	-	01 -	01	01 Probationary	01 Visiting
	History of Ayurveda		-					
	Padarthavijnana							
	Shariraraachana Ayurveda				02			
	Sharirakriya Ayurveda							
	Doshadatumala vijnana						01 Probationary	
	Vruddhatraya		-					
	Anatomy **					-	01	01 Visiting
	Physiology **							
Chikitsa	Roga Vignana	-	-	-	08	02	-	-
	Kaya Chikitsa							
	Desheeya Chikitsa							
	Agada Tantra							
	Svastavrutta							
	Pathology							
	Foransic Medicine & Texicelogy							
	Ayurveda Research							
Total				**01**	**23**	**03**	**04**	**07**

** Subjects related to Physiology / Anatomy has been separated from this department for the propose of establishing new department in the future.

8. DETAILS OF NON ACADEMIC STAFF :

Department	Executive Staff	Senior Staff Assistant	Staff Assistant	Junior Staff	Minor Employees
Chikitsa	-	01	03	-	02
Shalya Shalakya	-	-	02	-	01
Kaumarabruthya & Stree Roga	-	-	02	-	01
Dravyaguna Vignana	-	-	03	01	01
Basic Principles + Science and Technology Division	*01	01	04	03	02
Administration	02	02	10	06	04
Maintenance	-	01	01	04	07
Examinations	01	04	04	01	01
Finance	02	03	08	-	02
Library	02	-	03	03	01
Computer Centre		02	01	-	01
Total	**08**	**14**	**41**	**18**	**23**

In 2010 eleven new non academic appointments were done.

* Senior Staff Technical Officer

9. DETAILS OF RESEARCH, INNOVATION AND PUBLICATION:

Subject	Published	Commercialized	Presented
a. Number of Researches	Basic Principles	-	03
	Shalya Shalakya 04	-	01
	Stree Roga 08	-	-
	Chikithsa 15		10
b. Innovations	-	-	-
c. Number of Magazines	-	-	-
d. Number of Books	-	-	-
e. Number of Articles	Stree Roga 06 Chikithsa 07	-	-
f. Other	Stree Roga 06	-	-
Total	**46**		**14**

10. DETAILS OF PROGRAMME, SEMINARS & WORKSHOP:

Subject	Attended	Completed	Presented
a. No of Postgraduate Degree Programme			
Basic Principles	05		
Shalya		04	
Chikithsa	03	02	
b. No of Postgraduate Diploma Programme			
Chikithsa	02	02	
c. No of Degree Programme			
d. No of Diploma Programme			
e. No of Certificate Programme			
Stree Roga	26	26	
Chikithsa		03	03
f. Other			
Dravyaguna	41		
Chikithsa	28		
Total	**105**	**37**	**03**

11. DETAILS OF AWARDS RECEIVED:

Subject	No of Awards	No of Academics	No of Students
a. Local Awards			
Chikithsa	01		
b. National Awards			
c. International Awards			
d. Other			
Total	**01**	**-**	**-**

12. DETAILS OF NEW COURSES STARTED:

Department	Course	Medium	Certificate	Diploma	Postgraduate	Master	M.Phil	PhD
Dravyaguna Vignana	Ayurveda Pharmacy	-	-	✓	-	-	-	-
Shalya Shalakya	Kshara Sutra	Sinhala	✓	-	-	-	-	-
Stree Roga and Kaumarabrutya	Ayurvedic Beauty Culture	Sinhala	✓	-				
	Ultra Sound Scanning	Sinhala	✓	-	-	-	-	-
Postgraduate Division	Management of Ayurveda Hospitals	Sinhala/ English	-	-	✓	-	-	-
	Yoga and Relaxation Techniques	Sinhala	✓	-	-	-	-	-
Total			**04**	**01**	**01**	**-**	**-**	**-**

By the objective of expanding the knowledge of the Ayurveda Field, New Diploma and Certificate courses were introduced.

13. DETAILS OF RECURRENT EXPENDITURE:

Subject	2009 (Rs.)	2010 (Rs.)
a. Personal emoluments	62,790,391.00	69,320,645.00
b. Traveling	227,967.00	214,634.00
c. supplies	4,127,666.00	4,242,138.00
d. Maintenance	2,956,176.00	3,961,463.00
e. Contractual Services	11,403,413.00	12,757,081.00
f. Other	3,365,933.00	7,300,373.00
Total	**84,871,546.00**	**97,796,334.00**

14. DETAILS OF CAPITAL EXPENDITURE:

Subject	2009 (Rs.)	2010 (Rs.)
a. Acquisition of furniture & Office Equipments	4,823,972.00	2,553,657.00
b. Acquisition of Machineries	1,134,000.00	-
c. Acquisition of Building & Structures	9,416,210.00	1,976,020.00
d. Other	-	32,742,461.00
Total	**15,374,182.00**	**37,272,138.00**

Capital expenditure has been increased due to the payment of bills on construction of buildings.

15. DETAILS OF PROJECTS (LOCAL / FOREIGN FUNDED):

Name & Details	Loan/ Grant	Funding Agency #	Total Cost	Difference
Dr. W.M.B. Weerasooriya 2006 2008 2009	753,000.00 753,000.00 700,000.00	National Centre for Advanced Studies	753,000.00 753,000.00 655,092.24	- - 44,907.76
Dr. W.A.L. Chandrasiri 2006 2008 2009	687,150.00 687,150.00 687,150.00	National Centre for Advanced Studies	687,150.00 687,150.00 528,351.28	- - 158,798.72
Dr. S.M.S. Samarakoon	287,470.79	NCAS	219,747.79	67,723.00
Mr. K.M. Chandimal	250,000.00	U.G.C. Research Fund	66,116.85	183,883.15
Dr. Tissa Hewavithana	250,000.00	U.G.C. Research Fund	21,596.00	228,404.00
Dr. H.S. Sakunthala	250,000.00	U.G.C. Research Fund	213,849.90	36,150.10
Dr. Rupa Madanayake	250,000.00	U.G.C. Research Fund	200,256.00	49,744.00
Dr. A.A.J. Pushpakumara	250,000.00	U.G.C. Research Fund	42,117.27	207,882.73
Dr. J.M.P.R.K. Jayasinghe	250,000.00	U.G.C. Research Fund	44,055.38	205,944.62
Dr. J.A.D.P.P. Jayakody	250,000.00	U.G.C. Research Fund	14,500.00	235,500.00
Dr. H.P. Wakkumbura	250,000.00	U.G.C. Research Fund	41,868.25	208,131.75
Mr. S.A.R.R.P. Dissanayake	55,000.00	U.G.C. Research Fund	12,000.00	43,000.00

16. DETAILS OF PROJECT EXPENDITURE (LOCAL / FOREIGN FUNDED):

Name	TEC Rs	Exp in 2009 Rs	Exp in 2010 Rs	Cumulative Exp as at 31.12.2010	% of Physical Progress
Dr. W.M.B. Weerasooriya	2,206,000.00	640,842.00	331,037.50	2,161,092.24	98
Dr. W.A.L. Chandrasiri	2,061,450.00	599,671.00	163,700.00	1,902,651.28	92
Dr. S.M.S. Samarakoon	287,470.79	103,348.84	116,398.95	219,747.79	76
Mr. K.M. Chandimal	250,000.00	161,627.05	73,219.80	234,846.85	94
Dr. Tissa Hewavithana	250,000.00	77,246.50	146,345.00	223,591.50	89
Dr. H.S. Sakunthala	250,000.00	105,759.00	108,090.90	213,849.90	86
Dr. Rupa Madanayake	250,000.00	122,352.00	77,904.00	200,256.00	80
Dr. A.A.J. Pushpakumara	250,000.00	-	42,117.27	42,117.27	17
Dr. J.M.P.R.K. Jayasinghe	250,000.00	-	44,055.38	44,055.38	18
Dr. J.A.D.P.P. Jayakody	250,000.00	-	14,500.00	14,500.00	6
Dr. H.P. Wakkumbura	250,000.00	-	41,868.25	41,868.25	17
Mr. S.A.R.R.P. Dissanayake	55,000.00	-	12,000.00	12,000.00	22

17. DETAILS OF FINANCIAL PROGRESS (EXPENDITURE):

Subject	Provision in 2010 Rs	Exp in 2010 Rs	Savings/ Excess Rs
a. Non - Recurrent Project	89,525,000.00	97,796,334.00	
b. Non - Capital Project	45,875,000.00	37,272,138.00	
c. Local funded ProjectS			
d. Foreign Funded Projects			
Total	**1,35,400,000.00**	**1,35,068,472.00**	

18. DETAILS OF FINANCIAL PROGRESS (GENERATED INCOME):

Source of Revenue	Provision in 2010 Rs.	Collection in 2010 Rs.	Deficit / Surplus Rs.
a. Undergraduates	1,682,000.00	2,936,953.00	
b. Postgraduate			
c. Counselor			
d. Other			
Total	**1,682,000.00**	**2,936,953.00**	

19. FINANCIAL PERFORMANCE ANALYSIS - 2010:

Subject	Formula	Exp. Per Student Rs.
a. Recurrent expenditure per student (RE)	RE / No. of students strength	289,561.00
b. Capital expenditure per student (CE)	CE / No. of students strength	114,683.00
Total		**404,244.00**

20. DETAILS OF INFRASTRUCTURE FACILITIES RECEIVED IN 2010:

Infrastructure Details	Income Rs.	Expenditure Rs.	Physical Progress
Improvement of capital assets	4,900,000.00	2,670,505.82	
Constructions	117,700,000.00	92,979,290.32	Completed

21. OTHER DETAILS:

- Medical clinics related to Stree Roga and Kaumarabruthya are conducted daily to increase practical knowledge of students.

- Undergraduate students are trained for special clinical methods for the commonly prevalent problems such as *sub fertility, Uterine Pathology, Uterine prolaps, poly cystic ovarian diseases* and to make aware the public.

- Undergraduate students are trained to cure special pediatric illnesses and mental retardness due to congenital disorders by practicing *Pancha Karma Chikithsa, Ayurveda Drugs and Nila Chikithsa*.

- Activities related to institutional review were completed in December 2010.

- Construction of the Student Centre and Library Building was commenced.

- B.A.M.S. Curriculum revision activities were progressively carried forward.

- Establishment of three new developments in addition to the existing two departments.

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கணக்காய்வாளர் தலைமை அதிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT

මගේ අංකය / எனது இல / My No. CE/F/WAI/2010/FA
ඔබේ අංකය / உமது இல / Your No.
දිනය / திகதி / Date 13 May 2011

Director,
Gampaha Wickramarachchi Ayurveda Institute.

Report of the Auditor General on the Financial Statements of the Gampaha Wickramarachchi Ayurveda Institute, affiliated to the University of Kelaniya for the year ended 31 December 2010 in terms of Section 108(2) of the Universities Act, No.16 of 1978 and Section 13(7)(a) of the Finance Act, No. 38 of 1971.

The audit of financial statements of the Gampaha Wickramarachchi Ayurveda Institute, affiliated to the University of Kelaniya for the year ended 31 December 2010 was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 19 of the Gampaha Wickramarachchi Ayurveda Institute Ordinance No.1 of 1995 enacted in terms of Section 18 of the Universities Act, No.16 of 1978, Sections 108(1) and 111 of the Universities Act, and Subsections (3), (4) and (7) of Section 13 of the Finance Act, No.38 of 1971. This report is issued in terms of Section 108(2) of the Universities Act and Section 13(7)(a) of the Finance Act. My comments and observations appear in this report.

1.2 Responsibility of the Management for the Financial Statements

Management is responsible for the preparation of and fair presentation of these financial statements in accordance with Generally Accepted Accounting Principles. This responsibility includes, designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies, and making accounting estimates that are reasonable in the circumstances.

නිදහස් චතුරශ්‍රය, කොළඹ 07, ශ්‍රී ලංකාව
சுதந்திர சதுக்கம், கொழும்பு 07, இலங்கை
INDEPENDENCE SQUARE, COLOMBO 07, SRI LANKA

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1.3 Scope of Audit and Basis of Opinion

My responsibility is to express an opinion on these financial statements based on my audit. Audit opinion, comments and findings in this report are based on review of the financial statements presented to audit and substantive tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me. The audit was carried out in accordance with Sri Lanka Auditing Standards to obtain reasonable assurance as to whether the financial statements are free from material misstatements. The audit includes the examination on a test basis of evidence supporting the amounts and disclosures in financial statements and assessment of accounting policies used and significant estimates made by the management in the preparation of financial statements as well as evaluating their overall presentation. I have obtained sufficient information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit. I therefore believe that my audit provides a reasonable basis for my opinion. 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.

2. Financial Statements

2.1 Opinion

So far as appears from my examination and to the best of information and according to the explanations given to me, I am of opinion that the Gampaha Wickramarachchi Ayurveda Institute, had maintained proper accounting records for the year ended 31 December 2010 and except for the effects on the financial statements of the matters referred to in paragraph 2.2 of this report, the financial statements have been prepared in accordance with Generally Accepted Accounting Principles, give a true and fair view of the state of affairs of the Gampaha Wickramarachchi Ayurveda Institute, as at 31 December 2010 and the financial results of its operation and cash flows for the year then ended.

2.2 Comments on Financial Statements

2.2.1 Sri Lanka Accounting Standards

Although the assets fully depreciated, but continued to be used should be revalued and taken into accounts in terms of Sri Lanka Accounting Standard No. 18, 07 vehicles use as such had not been revalued and brought to account.

2.2.2. Accounting Deficiencies

The following accounting deficiencies were observed.

(a) Accounting deficiencies aggregating Rs. 148,199,683 revealed at sample audit examinations were referred to the Director of the Institute by the draft report dated 30 March 2011. Of this, accounting deficiencies to the value of Rs. 6,379,688 had been rectified and the revised financial statements have been presented to audit on 31 March 2011.Accounting deficiencies to the value of Rs. 141,819,995 had not been rectified and the possibility of existence of further such deficiencies cannot be ruled out in audit.

(b) Jayasekara Scholarship fund and the interest thereon aggregating Rs. 268,250 had been shown in the final accounts as a balance payable instead of being accounted under funds.

(c) The sum of Rs. 126,000 paid to the consultants for the preparation of 22 tender documents in respect of the contract for construction of the students centre had been debited to the sundry income account.

(d) The value of timber sawn from the trees in the premises of the Institute had not been assessed and brought to account.

(e) Fixed assets of the Ayurveda Hospital which had been acquired by the Department of Ayurveda of the Central Government had continued to be shown as fixed assets of the Institute.

2.2.3. Unreconciled Differences

A difference of Rs. 141,425,745 was observed between eight categories of fixed assets aggregating Rs. 220,795,990 as at 31 December 2009 shown in the Register of Fixed Assets and the schedule of Fixed Assets attached to the financial statements for the year under review.

2.2.4. Lack of Evidence for Audit

An advance of Rs. 30,000 had been paid on voucher No. 1692 dated 28 December 2010 for accommodation and dinner for the members of the Review Committee of the Institute. Although this advance had been settled on 30 December 2010, the receipts regarding the expenditure had not been made available.

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

The following non- compliances with laws, rules, regulations were observed.

Reference to Laws, Rules, Regulations and Management Decisions	Non-compliance
(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka	
F.R. 165	Money orders amounting to Rs. 78,555 which were old more than 5 years had remained unrealized even as at the end of the year under review and necessary action had not been taken to recover the money.
(b) Public Enterprises Circular No. PED/12 dated 02 June 2003	Although the budget should be prepared 3 months prior to the beginning of the financial year, the budget for the year under review had been prepared after a lapse of 10 months of the financial year. Thus the Institute had deviated from the budgetary control.

3. Financial and Operating Review

3.1 Financial Review

3.1.1 Financial Results

According to the financial statements presented, the operations of the Institute for the year ended 31 December 2010 had resulted in a deficit of Rs. 100,753,823 before taking into account the Government grant as compared with the corresponding deficit of Rs. 93,077,141 for the preceding year. After taking into account the Government grant of Rs. 89,525,000 for recurrent expenditure received for the year under review, this deficit had been reduced to Rs. 11,228,823 whilst after taking into account the Government grant of Rs. 86,000,000 for recurrent expenditure for the preceding year, the deficit for that year had been reduced to Rs. 7,077,141.

3.2 Operating Review

3.2.1 Performance

The following observations are made.

(a) Academic Performance

The total number of students registered in the Institute during the year 2009/2010 under review was 151 and of this, 08 students had been transferred to other Universities and 25 students had left the course. Accordingly, 118 students were being studied in the Institute as at the end of the year and it represents 78% of the students registered for the year. Therefore it was observed that the resources of the Institute had remained underutilized.

(b) Examination Results

It was observed that out of the 170 students sat for the examinations held during the year under review, 107 students had succeeded and it represents 63 % 56 students representing 33 % had referred.

(c) Revision of syllabus

A committee had been appointed in the year 2005 to revise the syllabus and examination criterion of the of Bachelor of Ayurvedic Medicine and Surgery course which is conducted since the year 2001 towards an qualitative and structural improvement. However, this had not been completed even as at 30 March 2011.

3.2.2. Operating Inefficiencies

An internet connection with a capacity of 128 kbps is being used by incurring a monthly cost of Rs. 31,000. But, it was observed that the students have to face difficulties by waiting for a longtime in logging on to the internet as the capacity is inadequate for the Institute.

3.2.3. Management Inefficiencies

The following observations are made.

(a) A Register of Fixed assets prepared and computerized by an external party at a cost Rs. 824,000 had been handed over to the Institute during the year under review. Nevertheless, the register had not been updated by including the capital assets acquired during the year, after receiving the register. Both reading data in the register and inputting data to the register can be done by one confidential pass word and as such, internal control over the safety and the correctness of the data in this register is poor. It is unable to access to the assets account through code numbers and the change of location of the assets are not entered and therefore, the new location of assets cannot be identified. As such, the internal control over the assets had become weak.

Library books had not been physically verified in the preparation of the Register of Fixed Assets and the books had been included in the Register of Fixed Assets as appear in the Accession Register. A sample check in respect of inclusion of library books in the register of Fixed Assets revealed differences ranging from Rs. 3,460 to Rs. 43,000 between the prices shown in the Accession Register and the prices shown in the Register of Fixed Assets.

(b) Two labour post required for handlings and preservations of death bodies to assemble the discarded body parts and activities in the Anatomy Section had been vacant for over 02 years.

3.2.4. Contract Administration

The following observations are made.

(a) The approval of the works Engineer and the Board of Management had not been obtained for the total cost estimate amounting to Rs. 1,986,650 prepared for the construction of a wire fence around the Herbal Garden at Wathupitiwala. The material required for this had been purchased by calling for quotations several times and the recommendation of the Procurement Committee and the Technical Evaluation Committee had not been obtained for these purchases. The approval of the Finance Committee had also not been obtained for the amount of Rs. 1,129,491 spent for this purpose.

(b) Materials costing Rs. 223,608 had been purchased for the renovation of employees quarters at Pahala Weediyawatta. These materials had been purchased on (shopping) market prices and the materials purchased included concrete products valued at Rs. 158,118 and these products had been purchased from another institution without being purchased from the relevant manufacturer institution.

(c) Quotations had been called for, fixing racks to the drugs store of the Rasa Bhaishajja Unit two years after making the requisition and the prices offered had not been referred to the Technical Evaluation Committee for obtaining its recommendations. The supplier selected on the recommendation of the Works Superintendent based on the lowest prices was not a timber saw miller or a timber seller and the timber supplied were not up to the specifications as he was unable to obtain license for transporting Jack timber. No alternative action had been taken to get the work done even up to date.

3.2.5 Cost per Student

The total expenditure incurred for academic, administrative and financial activities during the year under review was Rs. 107,379,657 and the total number of students carried out studies during the year under review was 334. Accordingly, the average cost per student for the year was Rs. 321,496.

3.2.6 Underutilized Assets

The lowest balance prevailed in the Bank current account during the year under review was Rs. 18,082,243 and therefore, it was observed that surplus money had been retained in the current account without being invested.

3.2.7 Library Administration

The following observations are made.

(a) The last verification of library books of the Institute had been carried out only in the year 1993 and as 17 years been lapsed as at the end of the year under review, the accuracy of the library books shown in the Accession Register had not been ensured.

(b) Out of the books lend to the students and staff, 229 books valued at Rs. 123,674 and 35 books valued at Rs. 20,915 respectively had not been returned for over a long period.

4. Systems and Control

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

(a) Contract Administration
(b) Control over vehicles
(c) Control over stores
(d) Library administration
(e) Fixed assets

H.A.S.Samaraweera
Acting Auditor General

Mr. H.A.S. Samaraweera
Acting Auditor General
Auditor General's Department
Torrington Square
COLOMBO 07.

07th July 2011

Dear Sir,

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE GAMPAHA WICKRAMARACHCHI AYURVEDA INSTITUTE, AFFLIATED TO THE UNIVERSITY OF KELANIYA, FOR THE YEAR ENDED 31ST DECMBER 2010 IN TERMS OF SECTION 108(2) OF THE UNIVERSITIES ACT, NO 16 OF 1978 AND SECTION 13(7) (a) OF THE FINANCE ACT, NO 38 OF 1971

Views expressed with regard to actions taken by the Institute, to date, in respect of the above mentioned report.

1.3 Scope of Audit and Basis of Opinion
2 Financial Statements
2.1 Opinion
2.2 Comments on Financial Statements
2.2.1 Sri Lanka Accounting Standards

Although assets were fully depreciated in terms of accounting standards No 18, action will be taken to revalue the vehicles and bring them into account, as they are continued to be used by the Institute.

2.2.2 Accounting Deficiencies

(a) Accounting deficiencies shown in the report would be given due consideration and corrected, when preparing accounts in future.

(b) Noted to be corrected.

(c) Agreed. Action will be taken in future and avoid such deficiencies.

(d) The expenditure incurred in obtaining sawn timber from tree in the premises of the Institute, had been accounted for as expenditure of the year and the timber had been used for the maintenance work of the Institute. Nevertheless, it is agreed to correct deficiencies in respect of the value of stocks of timber, unaccounted for as shown by audit.

(e) In this regard action is being taken to discuss the matter with the Department of Ayurveda. The value assessment of assets is now being done and after such assessment of values of assets, action will be taken to correct the value of relevant assets.

2.2.3 Un - reconciled Differences

Action will be taken to correct the difference between the present balance in the financial statements of the year under review and the fixed assets register.

2.2.4. Lack of evidence in Audit

The advance referred to, had been settled by Journal Entry No 2010/266. In this connection instructions were issued to submit bills for expenses incurred with clear information, as pointed out in Audit.

2.2.5 Non – Compliance with laws, rules, regulations and management decisions

(a) Financial regulations of the Democratic Socialist Republic of Sri Lanka.

Financial Regulations 165

As per the letter dated 23rd June 2011, forwarded by the Manager, Peoples Bank, Yakkala , in this regard, he had informed that the monies will be paid, very soon, to the Institute.

(b) Public Enterprises Circular No PED/12 Dated 02nd June 2003.

The approval of the Board of Management had been obtained for the Budget prior to the commencement of the Financial Year under review. The final Budget prepared, as per the Grants approved for the relevant year also was approved by the Board of Management. The delay in obtaining approval for the budget for the year 2010 was due to the receipt of grants relevant to the year in 03 installments.

3. Financial and Operating Review

3.1 Financial Review

3.1.1 Financial Results

3.2 Operating Review

3.2.1 Performance

(a) Academic Performance

Although the number of students to be registered for the academic year 2009/2010, as per the lists sent from time to time by the University Grants Commission is 151 , some students had gone to other Universities due to upgrading of courses and transfers. However, since the approved number of students for the year 2010 was 120 and of this number 118 are pursuing studies, there is no underutilization.

(b) Examination Results

According to the existing examination criteria, the success or the failure of students depend on the skills of the students who appear for such examination.

(c) Revision of Syllabus

Work is being done at present, with regard to the revision of syllabus.

3.2.2 Operating Inefficiencies

Since the Finance Committee approval was obtained to increase the capacity of the Internet connection up to 256 kbps, work in this regard is being done accordingly.

3.2.3 Management Inefficiencies

(a) Action is being taken to include and update the capital assets acquired by the Institute, in the computerized assets register.

The safety of the register is assured, as the confidential key is being used only by the Assistant Bursar in charge of the Supplies Section and the relevant subject clerk. Action will be taken to identify the existing deficiencies and to correct them.

(b) Necessary action had been taken to recruit a Laboratory Assistant to work in the Anatomy Section.

3.2.4 Contract Administration

(a) The estimate obtained from the Works Engineer for the construction of a boundary wall around the herbal garden was too excessive and as the institute was unable to commit such expenditure action was taken to construct a wire fence and for this work, approval of the Supplies Committee and the Finance Committee had been obtained.

(b) With regard to the supply of materials required to effect the urgent repairs to the Staff Quarters purchase of material was made with the approval of the Procurement Committee.

(c) Although the purchase order had been given with the approval of the Procurement Committee, the timber supplied was not up to specifications and was rejected. The timber was removed by the relevant supplier.

3.2.5 Cost Per Student

It has been possible to maintain the cost per student for the year under review, at a low level than the previous year.

3.2.6. Underutilized Assets

The balance as at 31.12.2010 was in respect of Buildings under constructions and other miscellaneous payments.

3.2.7 Library Administration

(a) Action had been taken to conduct a proper board of survey of borrowed books and according to Survey indications, the accuracy of the number of books will be ensured.

(b) Rs. 15,343 had already been deducted from the salaries of employees of the Institute, who had not returned the borrowed books of the 229 books identified as those to be obtained from students, only 179 books are to be returned as at date. Accordingly, action is being continued to obtain the balance number of books.

4. **Systems and Controls**

Agreed to take action in respect of the matters indicated under systems and controls, after paying special attention to such matters.

Sgd: Prof. Janitha A. Liyanage
DIRECTOR

Copies	1.	Vice Chancellor,	-	University of Kelaniya
	2.	Chairman	-	University Grants Commission
	3.	Secretary	-	Ministry of Higher Education
	4.	Secretary	-	Ministry of Finance & Planning