Gampaha Wickramarachchi Ayurveda Institute

University of Kelaniya

Yakkala

Annual Report – 2011

ANNUAL REPORT - 2011

GAMPAHA WICKRAMARACHCHI AYURVEDA INSTITUTE
UNIVERSITY OF KELANIYA

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 2011 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 2011.

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 174th 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 - 2011

1. VISION STATEMENT

VISION

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

2. MISSION SATEMENT

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 2011-2015, was prepared to achieve the Vision and Mission statements of the Institute. It was approved by the Board of Management at its 185th meeting held on 22.07.2011.

b. Achievements

The Institute was 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

The current Corporate Plan was amended and I believe that the targets included in this Plan can be achieved to a considerable extent during the New Year.

Curriculum revision activities were carried out during the 1st and 2nd quarters. New syllabus could be introduced to students who were in 1st year in 2010/2011 academic year.

Initial steps were taken to purchase of a new generator, which was a major requirement of the Institute. Installation of the generator is supposed to be done in year 2012.

The available extent of land for the Institute is insufficient and acquisition of adjoining barren land was requested from relevant authorities and all necessary actions will be further carried out in this regard.

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.	371	30	104
Total		**371**	**30**	**104**

5. DETAILS OF LOCAL STUDENTS:

Institute	Course	Medium	Intake 2011	1st Year Students	2nd Year Students	3rd Year Students	4th Year Students	5th Year Students	No. of Graduated
Gampaha Wickrama-rachchi Ayurveda Institute	B.A.M.S.	English		96	99	-	-		59
		Sinhala		-	-	87	51	38	-
Total				**96**	**99**	**87**	**51**	**38**	**59**

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	*Çalyatantra*	Sinhala English	-	-	01	-	-	-
	Çäläkyatatntra	Sinhala	-	-	01	-	-	-
Kaumarabruthya & Stree Roga	*Stréroga*	Sinhala	-	-	02	-	01	02
	Kaumärabåtya	Sinhala						
	Prasütitantra	Sinhala						
Dravyaguna Vignana	*Dravyaguëavijïän*	Sinhala English	-	01	04	-	-	Demonstrator03
	Rasaçästra	Sinhala English	-	-	02	-	-	
	Bhaiñajyakalpanä	Sinhala English	-	-	02	-	-	
Basic Principles	*Hindi* *English* *Sanskrta*	English Sinhala	- - -	- - -	- - 01	-	Visiting 01 Visiting 02 Probationary 01	
	Padärthavijïäna	English Sinhala	-	-	-	02		
	History of Ayurveda	English Sinhala				01		
	Våddhatraya	English Sinhala				02		
	Physiology	English Sinhala					Probationary 01	Demonstrator 04
	Anatomy	English Sinhala					Visiting 01 Probationary 01	
	Çaréraracanä Ayurveda	English Sinhala	-			01		
	Çarérakriyä Ayurveda					01		
	Doñadätumalavijïäna					02		
	Jyotiñyamüladharma						Probationary 01	
	Bhütavidyä						Probationary 01	

Department	Subject	Medium	Senior Professor	Professor	Senior Lecturer	Lecturer	Associate Lecturer	Instructors
Chikitsa	*Rogavijïäna*							
	Käyacikitsä							
	Deçéyacikitsä							
	Agadatantra							
	Svastavåtta							
	Pathology							
	Forensic Medicine & Texicelogy							
	Ayurveda Research							
Total				**01**	**13**	**09**	**10**	**09**

8. DETAILS OF NON ACADEMIC STAFF :

Department	Executive Staff	Senior Staff Assistant	Staff Assistant	Junior Staff	Minor Employees
Chikitsa	-	02	02	-	02
Shalya Shalakya	-	01	01	-	01
Kaumarabruthya & Stree Roga	-	-	02	-	01
Dravyaguna Vignana	-	-	03	01	02
Basic Principles + Science and Technology Division	*01	01	03	03	01
Administration	02	02	11	07	03
Maintenance	-	01	01	04	07
Examinations	01	04	04	01	01
Finance	02	03	08	-	02
Library	-	-	03	03	01
Computer Centre	-	02	01	-	01
Total	**06**	**16**	**39**	**18**	**23**

* Senior Staff Technical Officer

9. DETAILS OF RESEARCH, INNOVATION AND PUBLICATION:

Subject	Published	Commercialized	Presented
a. Number of Researches	Shalya Shalakya 04	-	01
	Dravyaguna Vignana	01	02
b. Innovations	-	-	-
c. Number of Magazines	-	-	-
d. Number of Books	-	-	-
e. Number of Articles	Dravyaguna Vignana Stree Roga 05	-	02
f. Other	-	-	-
Total		**01**	**05**

10. DETAILS OF PROGRAMME, SEMINARS & WORKSHOP:

Subject	Attended	Completed	Presented
a. No of Postgraduate Degree Programme Shalya Shalakya	-	04	
b. No of Postgraduate Diploma Programme			
c. No of Degree Programme			
d. No of Diploma Programme			
e. No of Certificate Programme Dravyaguna Vignana	03		
f. Other Kaumarabruthya & Stree Roga Dravyaguna	01 01		
Total	**05**	**04**	

11. DETAILS OF AWARDS RECEIVED:

	Subject	No of Awards	No of Academics	No of Students
a. Local Awards	Shalya Shalakya Dravyaguna Vignana	01 03	✓ ✓	
b. National Awards	Kaumarabruthya & Stree Roga	01	✓	
c. International Awards	Shalya Shalakya	01		
d. Other				
Total		**06**	**03**	**-**

12. DETAILS OF NEW COURSES STARTED:

Department	Course	Medium	Certificate	Diploma	Postgraduate	Master	M.Phil	PhD
Shalya Shalakya	Kshara Sutra *	Sinhala	✓	-	-	-	-	-
Stree Roga and Kaumarabrutya	Ayurvedic Beauty Culture	Sinhala	✓	-	-	-	-	-
Dravyaguna Vignana	Ayurveda Pharmacy *	Sinhala	-	✓ (2nd Stage Industrial Training Programme)	-	-	-	-
Graduate Studies Division	Yoga & Relaxation Techniques *	Sinhala	✓	-	-	-	-	-
	Management & Administration of Ayurveda Institutions *	English	-	-	✓	-	-	-
	Management & Administration of Ayurveda Institutions	English	-	-	-	✓	-	-
Total			**03**	**01**	**01**	**01**	**-**	**-**

(* On going Courses)

13. DETAILS OF RECURRENT EXPENDITURE:

Subject	2010 (Rs.)	2011 (Rs.)
a. Personal emoluments	69,320,645	95,133,199
b. Traveling	214,634	189,848
c. Supplies	4,242,138	5,527,468
d. Maintenance	3,961,463	2,957,349
e. Contractual Services	12,438,411	16,590,316
f. Other	3,930,162	4,928,760
Total	**94,107,453**	**125,326,940**

14. DETAILS OF CAPITAL EXPENDITURE:

Subject	2010 (Rs.)	2011 (Rs.)
a. Development of Capital Assets	1,976,020	2,670,505
b. Acquisition of assets	2,553,656	7,379,375
c. Constructions	32,742,461	92,979,920
Total	**37,272,137**	**103,029,800**

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

Name & Details		Loan/ Grant	Funding Agency #	Total Cost	Funds Received	Difference
Dr. W.M.B. Weerasooriya	2006 2008 2009	753,000.00 753,000.00 700,000.00	National Centre for Advanced Studies	753,000.00 753,000.00 699,992.24	753,000.00 753,000.00 700,000.00	- - 7.76
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	687,150.00 687,150.00 687,150.00	- - 158,798.72
Dr. S.M.S. Samarakoon	2009 2010	287,470.79	NCAS	219,747.79	275,000.00 12,470.79	55,252.21 12,470.79
Mr. K.M. Chandimal	2010 2011	750,000.00	U.G.C. Research Fund	250,000.00 1,794.05	250,000.00 250,000.00	248,205.95
Dr. Tissa Hewavithana	2008 2010 2011	250,000.00 250,000.00 124,800.00	U.G.C. Research Fund	250,000.00 194,655.00	250,000.00 250,000.00 124,800.00	194,655.00
Dr. H.S. Sakunthala	2009	250,000.00	U.G.C. Research Fund	225,295.04	250,000.00	24,704.96
Dr. Rupa Madanayake	2009	250,000.00	U.G.C. Research Fund	221,918.91	250,000.00	28,081.09
Dr. A.A.J. Pushpakumara	2010	500,000.00	U.G.C. Research Fund	268,392.62	250,000.00	(18,392.62)
Dr. J.M.P.R.K. Jayasinghe	2010	500,000.00	U.G.C. Research Fund	139,577.58	250,000.00	110,422.42
Dr. J.A.D.P.P. Jayakody	2010	500,000.00	U.G.C. Research Fund	310,157.14	250,000.00	(60,157.14)
Dr. H.P. Wakkumbura	2010	500,000.00	U.G.C. Research Fund	250,193.15	250,000.00	(193.15)
Mr. S.A.R.R.P. Dissanayake	2010	55,000.00	U.G.C. Research Fund	12,000.00	55,000.00	43,000.00

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

Name	TEC Rs	Exp in 2010 Rs	Exp in 2011 Rs	Cumulative Exp as at 31.12.2011	% of Physical Progress
Dr. W.M.B. Weerasooriya	1,830,054.74	331,037.50	44,900.00	2,205,992.24	100
Dr. W.A.L. Chandrasiri	1,738,951.28	163,700.00	-	1,902,651.28	92
Dr. S.M.S. Samarakoon	103,348.84	116,398.95	-	219,747.79	76
Mr. K.M. Chandimal	-	66,116.85	185,677.20	251,794.05	100
Dr. Tissa Hewavithana	77,246.00	146,345.00	158,549.00	382,140.00	100
Dr. H.S. Sakunthala	105,759.00	108,090.90	11,445.14	225,295.04	90
Dr. Rupa Madanayake	122,352.00	77,904.00	21,662.91	221,918.91	89
Dr. A.A.J. Pushpakumara	-	42,117.27	226,275.35	268,392.62	100
Dr. J.M.P.R.K. Jayasinghe	-	44,055.38	95,522.20	139,577.58	56
Dr. J.A.D.P.P. Jayakody	-	14,500.00	295,657.14	310,157.14	124
Dr. H.P. Wakkumbura	-	41,868.25	208,324.90	250,193.15	100
Mr. S.A.R.R.P. Dissanayake	-	12,000.00	-	12,000.00	22

17. DETAILS OF FINANCIAL PROGRESS (EXPENDITURE):

Subject	Provision in 2011 Rs	Exp in 2011 Rs	Savings/ Excess Rs
a. Non - Recurrent Project	111,099,198	130,182,576	
b. Non - Capital Project	137,300,000	103,029,171	
c. Local funded Projects			
d. Foreign Funded Projects			
Total	**248,399,198**	**233,211,747**	

18. DETAILS OF FINANCIAL PROGRESS (GENERATED INCOME):

Source of Revenue	Provision in 2010 Rs.	Collection in 2011 Rs.	Deficit / Surplus Rs.
a. Undergraduates	2,600,000	4,692,934	
b. Postgraduate			
c. Counselor			
d. Other	4,800,000	4,855,636	
Total	**7,400,000**	**9,548,570**	

19. FINANCIAL PERFORMANCE ANALYSIS - 2011:

Subject	Formula	Exp. Per Student Rs.
a. Recurrent expenditure per student (RE)		337,808
b. Capital expenditure per student (CE)		277,706
Total		**615,514**

20. DETAILS OF INFRASTRUCTURE FACILITIES RECEIVED IN 2011:

Infrastructure Details	Expenditure Rs.	Physical Progress
Improvement of capital assets	2,670,505.82	55%
Constructions	92,979290.32	79%

21. OTHER DETAILS:

21.1 LIBRARY

Details	Purchase	Donates	Total
Books	367	08	**375**
Publications	07	-	**07**
Newspapers	15	-	**15**

21.2 COMPUTER UNIT

- ✓ Activities of the Computer Unit have been progress satisfactory. Sufficient service has been provided to Staff and Students in this year.

21.3 DEVELOPMENT OF INFRASTRUCTURE FACILITIES

- ✓ A new vehicle was purchased.
- ✓ The Construction of Student Centre Building and the Library Building was completed in November 2011. Initiate actions was taken to set up Library in this New Building. The Student Centre Building commenced its operations.
- ✓ The old canteen was re-established in the New Student Centre Building.

Report of the Director

This is the report on the financial affairs of the Gampaha Wickramarachchi Ayurveda Institute for the year 2011 in terms of the University Act No 16 of 1978.

The Government Grant released by the General Treasury to the Institute for 2011 is as fallows.

Recurrent Grant

Aid under government estimate	=	111.09
Income from other Recurrent sources	=	9.54
Total Recurrent	=	120.63
Add		
Amortization of Capital	=	15.14
Grant	=	135.78

Capital Grant

Expenditure 101 - Rehabilitation and Maintenance	=	4.90
102 - Acquisition of Goods / Equipment/ Library Books & Periodicals etc.	=	14.70
103 – Construction of Buildings	=	117.70
Total (Capital)		137.30

Income

The Government Grant for Recurrent Expenditure for the year 2011 was Rs. One Hundred and Eleven Million Ninety Nine Thousand One Hundred and eight only (111,099,108).

Expenditure

The Total Recurrent Expenditure for the year 2011 was Rs. (145,315,475) One hundred Forty Five Million Three Hundred and Fifteen Thousand Four Hundred and Seventy Five. The excess of income over expenditure was Rs. (9,534,898) Nine million Five Hundred and Thirty Four Thousand Eight Hundred and Ninety Eight Only.

Depreciation of the Fixed Assets

The amount allocated for the year 2011 for Depreciation of Fixed Assets was Rs. Fifteen Million One Hundred and Thirty Two Thousand Eight Hundred and Ninety Nine only (15,132,899).

Out Put of the Capital Services

Expenditure Vote 101 – Rehabilitation and Maintenance

The Government Grant for expenditure vote 101 for the year 2011 was Rs. Four Million Nine Hundred Thousand (4,900,000) The Total expenditure for the year 2011 was Rs. Two Million Six Hundred and Seventy Thousand Five Hundred and Five only (2,670,505).

Expenditure Vote No. 102

The Government Grant for expenditure Vote 102 for the year 2011 was Rs. Fourteen Million seven hundred thousand (14,700,000) The Total expenditure for the year 2011 was Rs. Seven Million Three Hundred and Seventy Nine Thousand Three Hundred and Seventy Five only (7,379,375/-).

Expenditure Vote 103 – Construction

The Government Grant for expenditure vote 103 for the year 2011 was Rs. One Hundred Seventeen Million Seven Hundred Thousand only (117,700,000). The Total expenditure for the year 2011 was Rs. Ninety Two Million Nine Hundred Seventy Nine Thousand Two Hundred and Ninety only (92,979,290/-).

Professor Janitha A. Liyanage
Director

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2011

	2011		2010	
	Rs.	Rs.	Rs.	Rs.
ASSETS				
Non-Current Assets (Note- A)				
(a) Lands	72,076,250		4,277,790	
(b) Buildings	94,597,077		52,176,891	
(c) Office Equipment	17,480,430		8,890,518	
(d) Lab & Teaching Equipment	18,479,240		2,328,077	
(e) Furniture & Fittings	11,889,987		2,882,946	
(f) Library Biooks & Periodicals	8,173,590		2,167,215	
(g) Motor Vehicles	9,254,799		1,630,547	
(h) Plant & Machinery	1,495,026	233,446,399	1,089	74,355,073
(i) Others		1,614,356		1,866,855
(j) Work in Progress		102,426,246		9,446,956
(k) Capital Advance		8,994,661		24,537,845
Investments				
Fixed Deposits		21,929,511		9,721,231
		368,411,173		**119,927,960**
Current Assets				
(a) Stores Advance Account - (Sch. - C)	1,765,401		2,333,509	
(b) Sundry Debtors - (Sch. - D)	1,497,840		1,139,840	
(c) Loans & Advance - (Sch - E)	19,715,790		19,091,896	
(d) Miscellaneous Advance - (Sch - F)	173,529		-	
(e) Research Advance (F)	41,500		53,500	
(f) Prepayments - (Sch - G)	164,560		37,063	
(g) Cash & Cash equivalents	73,197,699		29,277,564	
Cash & Cash equivalents (Course)	275,770			
(h) Petty Cash Imprest	180		180	
(i) Other Assets (Sch - H)	1,637,710	98,469,979	750,597	52,684,149
Total Assets		**466,881,152**		**172,612,109**
Liabilities				
(a) Current Liabilities (Sch - I)	282,750		441,450	
(b) Payables (Sch - J,K,L)	17,114,279		6,538,398	
(c) Accrued Expenses	2,548,782	**19,945,811**	2,944,616	**9,924,464**
Non Current Liabilities				
(a) Provision for Gratuity (M)		33,751,935		25,778,315
Total Liabilities		53,697,746		35,702,779
Total Net Assets		413,183,406		136,909,330
Net Assets/Equity				
(a) Capital (spent)	215,099,344		127,203,071	
(b) Capital (unspent)	42,898,001		8,627,173	
(c) Reserves	(14,356,181)		(4,330,026)	
(d) Restricted Fund (Sch - B)	169,542,242		5,409,112	
Total Net Assets/Equity		413,183,406		136,909,331

Certified as Correct

Prof. Janitha A. Liyanage
Director

Mrs.W.A.P.S. Molagoda
Deputy Bursar

STATEMENT OF FINANCIAL PERFORMANCE FOR 31ST DECEMBER 2011

	2011 Rs.	Rs.	2010 Rs.	Rs.
Operating Revenue				
Recurrent Grant		111,099,108		89,525,000
Amotization of Capital Grant		15,132,899		9,583,323
Other income				
(1) Interest from Loans & Advance	759,447		809,686	
(2) Miscellaneous Receipts	2,530,119		1,454,157	
(3) Interest Income from Investments	880,624		268,265	
(4) Registration Fees	111,875		147,060	
(5) Exam Fees	4,050		5,400	
(6) Library Fine	69,904		42,890	
(7) Medical Fees	18,060		18,530	
(8) Rent from Properties	318,855		190,965	
(9) Sale of Publication	-		-	
(10) Sale of all Stores (Vehicle)	-		-	
(11) Ancillary Activities	-		-	
(12) Course Income	4,855,636		3,688,881	
		9,548,570		6,625,834
		135,780,577		**105,734,157**
Operating Expenses				
Personal Emoluments	95,133,199		69,320,645	
Travelling	189,848		214,634	
Supplies and Consumable Used	5,527,468		4,242,138	
Maintenance	2,957,349		3,961,463	
Contractual Services	16,590,316		12,438,411	
Research and Development	263,132		318,670	
Depreciation	15,132,899		9,583,323	
Other Operating Expenses	4,665,628		3,611,492	
Courses Expenses	4,855,636		3,688,881	
Total Operating Expenses		**145,315,475**		**107,379,657**
surplus/(Deficit) From operating activities		**(9,534,898)**		**(1,645,500)**

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கணக்காய்வாளர் தலைமை அதிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT

මගේ අංකය / எனது இல. / My No: CE/F/WAI/2011/FA   ඔබේ අංකය / உமது இல. / Your No.   දිනය / திகதி / Date: 23 August 2012

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 2011 in terms of Section 108 of the Universities Act, No. 16 of 1978.

The audit of financial statements of the Gampaha Wickramarachchi Ayurveda Institute affiliated to the University of Kelaniya for the year ended 31 December 2011 comprising the balance sheet as at 31 December 2011 and the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Sub-section 107(5) of the Universities Act and Section 19 of Gampaha Wickramarachchi Ayurveda Institute Ordinance No. 1 of 1995 imposed in terms of Section 18 of the Universities Act No. 16 of 1978. My comments and observations which I consider should be published with the Annual Report of the Institute in terms of Section 108(1)of the Universities Act appear in this report. A detailed Report in terms of Section 108(2) was furnished to the Vice Chancellor of the University on 15 June 2012.

1.2 Management's Responsibility for Financial Statements

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

1.3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards. 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.

අංක306/72 පොල්දූව පාර, බත්තරමුල්ල , ශ්‍රී ලංකාව
இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை இலங்கை
No.306/72, Polduwa Road, Battaramulla , Sri Lanka

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ෆැක්ස් අංකය / பக்ஸ் இல / Fax No.: 2887223
ඉලෙක්ට්‍රොනික් තැපැල් / ஈ- மெயில் / E-mail.: oaggov@sltnet.lk

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the institute'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 institute'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 the extent of the audit.

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

1.4 Basis for Qualified Opinion

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

2. Financial Statements

2.1 Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 2.2 of this report, the financial statements give a true and fair view of the financial position of the Gampaha Wickramarachchi Ayurveda Institute affiliated to the University of Kelaniya as at 31 December 2011 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

2.2 Comments on Financial Statements

2.2.1 Sri Lanka Accounting Standards

The following matters were observed.

(a) In terms of Sri Lanka Accounting Standard No.16, provision for employees' gratuity should be made in respect of the staff that completed a period of service of one year. Nevertheless, provision for employees' gratuity had not been made in respect of the staff that completed a period of service of 1 - 4 years.

(b) In terms of Sri Lanka Accounting Standard No.29, the income for the relevant year of accounts should be properly identified as possible and brought to account. Nevertheless, a sum of Rs.4,855,636 had been spent for external courses during the year under review and that Rs.4,855,636 had been brought to account as the income from external courses .

2.2.2 Accounting Deficiencies

The following matters were observed.

(a) In allocating the total expenditure incurred on the conduct of courses during the year under review among such courses, a sum of Rs.274,200 relating to the Hospital Management Course had not been adjusted in the accounts.

(b) A sum of Rs.269,523 received from external institutions for researches had been granted to three lecturers and it had been shown under the specific funds in the Balance Sheet without being settled the expenses despite a lapse of two years since the completion of researches.

(c) Ayurveda Teaching Hospital had been vested to the Department of Ayurveda in the year 2008 while the sum of Rs.1,989,577 paid in respect of that hospital by the Institute had not been reimbursed even as at the end of the year under review. Further, such amount had not been included in the final accounts of the year under review.

(d) Classification of Fixed Assets and Provision for Depreciation

(i). Furniture and fittings and machinery purchased at a cost of Rs 2,723,549 and Rs. 2,184,592 respectively during the year under review had been debited to the Office Equipment Account instead of being debited to the relevant assets accounts. Further, those assets had been depreciated at a rate of 20 per cent whereas it should be 10 per cent if the assets were correctly classified. As a result, an overprovision of Rs.490, 814 for depreciation had been made.

(ii) Various fixed assets valued at Rs.15,496,590 which were received as donations had been brought to account as office equipment without being classified.

(iii) Depreciation rates relating to the laboratory and teaching equipment and machinery had not been disclosed in the Note to Account on the depreciation of fixed assets.

2.3 Unexplained Differences

According to the schedule on purchases of office equipment presented to the audit, the value of office equipment purchased during the year under review amounted to Rs.6, 651,345 while it was shown as Rs.6,628,764 in the schedule on fixed assets presented with the financial statements. Thus, a difference of Rs.22, 581 was observed.

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

The following non- compliances were observed.

Reference to Laws, Rules and Regulations	Non-compliance
(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka	
(i) F.R.104(2)	Even though losses should be reported to the Auditor General, damages amounting to Rs.157,215 caused to three vehicles during the year under review had not been reported to the Auditor General.
(ii) F.R. 165	Six Money Orders valued at Rs.15,612 which were older than six years had remained unrealized even as at the end of the year under review while action had not been taken to recover the money.
(iii) F.R.371	Advances should be settled immediately after the completion of the purpose for which it is granted. Nevertheless, sundry advances amounting to Rs.711,463 obtained in 33 instances during the year under review had been settled after a delay of period ranging from 15 to 113 days.

(b) Circular No.PAYE/Tax/01/2011 dated 18 April 2011 of the Department of Inland Revenue	Even though PAYE tax should be deducted and remitted to the Department of Inland Revenue before the 15th of the following month, it had been remitted to the Commissioner General of Inland Revenue after a delay of 1-9 months during the year under review.

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the operations of the Institute for the year ended 31 December 2011 had resulted in a deficit of Rs. 120,634,006 before taking into account the Government grant for recurrent expenditure as compared with the corresponding deficit of Rs. 91,170,500 for the preceding year. After taking into account the Government grant of Rs. 111,099,108 for recurrent expenditure received for the year under review, the deficit had been reduced to Rs. 9,534,898 whilst after taking into account the Government grant of Rs. 89,525,000 for recurrent expenditure for the preceding year, the deficit for that year had been reduced to Rs. 1,645,500. Increase of the expenditure for personal emoluments and contractual services and the increase of provision for depreciation on fixed assets had mainly affected to the increase of deficit of the Institute by Rs.7,889,398 in the year under review as compared with the preceding year.

4. Operating Review

4.1 Academic Performance

According to the following schedule on the registration of students and the passing of final examination during five academic years, it was observed that all the students enrolled were not being sat for the final examination. Further, a percentage ranging from 6.5 to 23.1 per cent of the students enrolled during the above academic years had not sat for the final examination.

Academic Year of Registration	Number of Students Enrolled	Number of Students sat for the Final Examination	Number of Students Passed the Examination
2005/2006	53	47	46
2004/2005	26	22	22
2003/2004	78	60	60
2002/2003	46	43	43
2001/2002	61	56	56

4.2 Management Inefficiencies

The following matters were observed.

(a) Even though four plots of land about 1996 perches in extent are being used for the daily activities of the Institute for a long time, action had not been taken to obtain Title Deeds in favour of the Institute.

(b) Necessary action had not been taken even as at 30 April 2012 in respect of the unusable stocks valued at Rs.48,667 as at 31 December 2011 according to the Boards of Survey of the year under review.

4.3 Operating Inefficiencies

The Register of Fixed Assets relating to the computer system installed by an external party at a cost of Rs.824,000 in the year 2010 had not been updated by including the purchases and disposals since 31 December 2009.

4.4 Delay in the Implementation of Projects

A sum of Rs.3 million had been granted by the University Grants Commission on 01 October 2010 for the development of Undergraduate Programmes. Nevertheless, the project activities had not been commenced even as at the end of the year under review.

4.5 Uneconomic Transactions

Even though a sum of Rs.277,140 had been paid by the Institute on 28 September 2010 for the purchase of a Wireless Direct and Intercom Telephone System, it could not be supported for a better communication. Further, payments totaling Rs.225,000 per year were being made for 50 intercom telephones of this system at Rs.375 each per month.

4.6 Underutilization of Funds

A minimum balance of Rs.18,600,000 had been remained in the current account as at the end of each month of the year under review after the payments were made, while no action had been taken to earn an income by utilizing the money in excess as a short term investment.

5. Accountability and Good Governance

5.1 Budgetary Control

Significant variances were observed between the budgeted and actual income and expenditure of the year under review ranging from 44 to 72 per cent, thus indicating that the budget had not been made use of as an effective instrument of management control.

6. Systems and Controls

Deficiencies in systems and controls observed during the course of 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. Accounting
b. Sundry Advances
c. Financial Control
d. Contract Administration

H.A.S.Samaraweera

Auditor General

02nd October 2012

Mr.H.A.S.Samaraweera,

Auditor General,

Auditor General's Department,

No.306/72, Polduwa Road,

Battaramulla.

Sir,

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 2011, in terms of section 108(2) of the Universities' Act No. 16 of 1978.

Comments regarding actions taken by the Institute, as at date, with regard to the above report, are shown.

Below:

1.2 <u>Responsibility of the Management for the Financial Statements</u>

1.3 <u>Responsibility of the Auditor</u>

1.4 <u>Financial Statements</u>

2. <u>Financial Statements</u>

2.1 <u>Quality Based Openion</u>

2.2 <u>Comments on Financial Statements</u>

2.2.1 <u>Sri Lanka Accounting Standards</u>

(a) Employees gratuity payments have been computed in respect of staff members who have completed one year's permanent service and in accordance with such computation adjustments will be made when preparing accounts for the year 2012.

(b) All revenue received form external courses will be accounted for in accordance with Sri Lanka Accounting Standards.

2.2.2 Accounting Deficiencies

(a) This has been corrected by journal entry no 110 of 2012.

(b) Of the monies received from research work of three lecturers,

Two have already been settled. The balance research work is still being continued.

(c) This has been corrected by Journal Entry No.111 of 2012. With regard to monies receivable a reminder has been sent to the relevant departments.

(d) Classification of fixed assets and provision for Depreciation.

(i) This has been corrected by journal entry No 112 of 2012.

(ii) This has been corrected by journal entry No 113 of 2012.

(iii) This has been corrected.

2.3 Undisclosed Difference's

After identifying the difference of Rs. 22,581/- shown in the schedules, with regard to the Purchase of equipment, such difference has been corrected.

2.4 Non- Compliance with laws, Rules, Regulations and Management Decisions.

(a) Financial regulations of the democratic socialist republic of Sri Lanka.

(i) Financial Regulations 104 (2)
Noted to submit reports regarding losses and damages.

(ii) Financial Regulations 165

Necessary Steps have been taken regarding the balance amount of money unrealized.

(iii) Financial Regulations 371

In all possible instances, action will be taken to recover the advances within the stipulated period of time. However for reasons beyond our control, there are instances of delays in settling advances.

(b) Inland Revenue Department Circular no PAYE/TAX01/2011 Dated 18 April 2011.

1. Action is taken to forward cheques on the due dates

3. Financial Review

3.1 Financial Results

4. Operational Review

4.1 Academic Performance

(a) With the introduction of the course unit system, it is expected that this situation will be minimized.

4.2 Management in efficiencies

(a) Action will be taken to correct the error occurred, when preparing the fixed assets register.

(b) According to the board of survey conducted for the year under review, action had been taken to remove the condemned items which are unusable.

4.3 Operating inefficiencies

The fixed assets register had been updated by including the procurements made after 31 December 2009.

4.4 Delayed Projects

Financial grants received were spent for developing the undergraduate programmes.

4.5 Uneconomical Transactions

The Telecom Institute had been informed about the faulty status of the internal telephone system and to avoid the loss incurred by the Ayurveda Institute, the telecom institute had agreed to provide a PABX system free of charge. Future action is being taken accordingly.

telecom institute had agreed to provide a PABX system free of charge. Future action is being taken accordingly.

4.6 Underutilization of Funds

The cash balances in the current account are ingested on a short term basis until the relevant payments are made.

5. Basis of Accounts and Good Governance

5.1 Budgetary control

It is informed that action is taken to ensure that the budget will be used as a management control tool.

6. Systems and controls

Agreed to take action, to minimize the deficiencies, paying special attention to those shown under the respective areas indicated.

Director

Professor Janitha A. Liyanage

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