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2009

மனிதவள மேம்பாட்டு நிறுவனம்
கொழும்புப் பல்கலைக்கழகம், ஸ்ரீலங்கா
ஆண்டறிக்கை மற்றும் வருடாந்த கணக்குகள்

2009

INSTITITUE OF HUMAN RESOURCE ADVANCEMENT
UNIVERSITY OF COLOMBO, SRI LANKA
ANNUAL REPORT AND ANNUAL ACCOUNTS

2009

IHRA
UNIVERSITY OF COLOMBO

පටුන

பொருளடக்கம்

Contents

INSTITUTE OF HUMAN RESOURCE ADVANCEMENT (*IHRA-UOC*)

UNIVERSITY OF COLOMBO

ANNUAL REPORT (for 2009)

1. Introduction

Institute of Human Resource Advancement has established under the Ordinance No.11 of 1979 which was amended by Ordinance No. 01 of 2006. The institute of Human Resource Advancement (IHRA) is advancing according to the global and local developments through the "knowledge economy".

The main objective of educating the employed "work-groups" remains the same although the term "knowledge workers" was not used in the past when this Institute was established. However, present knowledge-worker category includes both the management categories as well as the traditional worker groups, and present objectives of the institute are applicable to advance any category of "knowledge workers" *ie.* Human Resource.

Universities and Institutes have a greater responsibility to guide the country in correct development path, and educate not only the undergraduates but also the work-groups (knowledge workers) of the country including the decision makers. Unless the current work-groups and decision makers are not updated with fast changing knowledge in the world, country will not be able to go forward as expected. The basic concept of IWE was, and presently that of IHRA is, to serve the country by educating "knowledge workers" while keeping the international University organizational standards.

2. Visions and Mission of the Institute

Vision

"The Institute of Human Resource Advancement (IHRA), having evolved from the Institute of Workers' Education (IWE) which was producing 'knowledge-workers', strives to be:

an institute of excellence totally committed to advance the human resource as mature, intelligent 'knowledge-users' equipped to face challenging global situations and fortify the human foundation of our national development"

Mission

Facilitate to obtain a comprehensive higher-level education through Total Quality Management process so that the capabilities of all "earn and learn" work-groups consisting employees, employers and entrepreneurs would be developed.

Further facilitate the advancement of their analytical and critical thinking capabilities, ethical standards, entrepreneurship skills, leadership qualities, and the understanding that their responsibilities and rights are interdependent.

Endeavour to produce knowledge-work groups as an advanced human resource entity set to make an effective contribution to the 'knowledge-economy' of the country.

3. Summary of developments and achievements by the institute in 2009

3.1 Value *addition to the working Human Resource of the country.*

Production of 143 BLE employed graduates, 19 employed DDAMS Diploma holders, around 3000 English Certificate holders and 266 Tamil Language Certificate holders.

3.2 Significant *increase in the demand for the BLE Degree program*

There were competition to enter to the Diploma and the degree year 1 program. For the academic year started at the end of September 2009, the total numbers of the student were 590

3.3 New C*onstructions at the IHRA*

Repairs and Improvements to Toilet, Guard Room and other Miscellaneous works
Renovation of the main Building
Rewiring and installation of light fitting, fans and plug point first floor and computer room
Rewiring and Installation of plug points for computers in Auditorium

3.4 Starting *the Tamil Language Teaching program Course No. 04 (Paying Course) in collaboration with the Official Languages Department.*

3.5 Starting *Diploma in International Business (DIB) No 02* in 2009 May. Twenty Nine (29) working students are following this one-year diploma course.

3.6 Conducting *a Postgraduate Diploma in Geo Informatics program by the institute.*

To enroll for 50 places of this Postgraduate Diploma in Geo Informatics, 150 candidates have applied. Course has started in March, 2009.

3.7 *Starting the second batch of a Postgraduate Diploma in Human Resource Advancement (PGDipHRA) program by the institute.*

To enroll for 75 places of this Postgraduate Diploma in Human Resource Advancement (PGDipHRA), 127 candidates have applied course was started on June, 2009.

4. Management

Management of the Institute is governed by the "Institute of Workers' Education Ordinance No. 11 of 1979" which was amended by "Ordinance No. 01 of 2006". The Institute of Human Resource Advancement is attached to the University of Colombo, and a full-time Director appointed by the Vice-Chancellor on the recommendation of the Academic Syndicate of the institute. Director is the Academic and Administrative Head while being the Accounting Officer of the Institute. The Academic Syndicate is the Academic Authority of the Institute, and it consists of eight members appointed by the University Grants commission in addition to other members appointed according to the Ordinance. The Institute has established Several Boards of Studies with the approval of the Syndicate, University and the Commission.

The institute is provided with a financial annual grant through the University Grants Commission, and the institute handles all the financial and administrative matters according to its Ordinance. According to the Ordinance, the Director is the Administrative and Financial Officer, and the all academic responsibilities remain with the Academic Syndicate of the IHRA, and Senate & Council of the University of Colombo. Corporate governance practices and corporate culture are gradually being introduced.

4.1 Academic Syndicate and Boards of Study

4.1.1 Academic Syndicate (up to 2009 Dec)

Ten (10) monthly meetings were conducted during the year under review. The members of the Academic Syndicate were as follows

Chairman - Director/ IHRA- Dr W K Hirimburegama (From Dec 2005)

Ex-officio members

Dean – Faculty of Arts- Prof Amal Jayawardena

Dean – Faculty of Education- Prof Prof S Sandarasegaram

Dean – Faculty of Science- Prof TR Ariyaratne

Appointed by the University Grants Commission

Prof. AHM Hussain	Former University Academic
Prof Lakshman Dissanayake	Dean – Faculty of Graduate Studies
Mr A P Gunaratne	Former Principle – Ananda College, Colombo
Mr HMN Warakaulle	Former Registrar – Univ of Colombo
Mr MGG Hemakumara	Senior Lecturer - Institute of Human Resource Advancement
Mr Palitha Fernando	Additional Solicitor General, Ministry of Justice
Mr Mahinda Madihahewa	Secretary to the Ministry of Labour
Mr K Gamage	Executive Director, National Dangerous Drugs Control Board

Members representing Boards of Study

Dr KPSC Jayaratne	– Board of Study on Human Resource Education
Mr RMRB Rajapaksha	– Board of Study on Human Resource Education
Dr BM Kiribanda	– Board of Study on Languages Teaching Program
Ms BKP Abeysooriya	– Board of Study on Languages Teaching Program
Mr WN Wilson	– Board of Study on Extension Program
Dr WMK Wijetunga	– Board of Study on Extension Program

4.1.2 Boards of Study

The three Boards of Study held meetings during the year under review as follows (Generally every month).

a) Board of Study on Human Resource Education -- 12 meetings

b) Board of Study on Languages Teaching Program -- 10 meetings

c) Board of Study on Extension Program -- 10 meetings

	Post	Members	Nature of Post
01	Director	1	Academic & Administration
02	Senior Lecturers	1	Academic
03	Probationary Lecturers	2	Academic
04	Academic Coordinator	1	Academic
05	Course Coordinator	4	Academic
06	Instructor (Computer Technology)	1	Temporary
07	Deputy Bursar	1	Administration
08	Senior Ast Registrar	1	Administration
09	Ast. Registrar/ Exam	1	Administration
10	Senior Staff Asst (Clerical)	3	Support
11	Senior Staff Asst (Steno)	3	Support
12	Staff Assistant	2	Support
13	Clerk (Gr. I)	1	Support
14	Clerk (Gr. II)	2	Support
15	Com. App. Assistant	3	Support
16	Book Keeper	1	Support
17	Driver	2	Support
18	Office Machine Operator	1	Support
19	Cycle orderly	1	Support
20	Laborer	5	Support
Library Service			
22	Sen. Ast. Librarian	1	Academic & Administration
23	Library Assistant	1	Support
24	Library attendant	1	Support
25	Labourer	1	Support

4.2 Academic staff, Administrative and Non Administrative Staff

All the employees of the institute were issued with Personal Identity Cards with their photograph. This is essential for better management practices of modern organizations. Upgrading the institutional human resource is very important for the improvement of the services of the institute.

4.2.2 Summary of the human resource advancement of the institute

	Date/Month	Seminar/Workshop/Training Program	Name of the Participant	Amount paid	Provider
01	27th & 28th Jan. 2009	International Research Symposium – UK	Ms KP Mathotaarachchi	Rs. 202,031/-	Salford University, United Kingdom
02	18.02.2009	Seminar on Good Governance	Dr WK Hirimburegama Ms MGP Menike	Rs.3360/-	Ministry of Vocational & Technical Training
03	During the year 2009	Advanced English – Dept of English	Ms AS Jayaratne	Rs. 12,100/-	Dept. of English University of Colombo
04	25.06.2009	National Conference on Library & Information Science	Ms RMSN Ratnayake	Rs. 1,500/-	Sri Lanka Library Association
05	August	Training Program for Library Attendants – NILIS	Mr MDMU Samarasekera	Rs. 5,000/-	NILLIS – University of Colombo
06	September	Training Program on Govt. Procurement Procedure	Mr DMSNK Bandara	Rs. 5,000/-	Institute of Govt. Accounts & Finance
07	October	Diploma in Library & Information Science – Level III	Ms PYI Rajapakse	Rs. 12,000/-	Sri Lanka Library Association

5. Study Programs and Student numbers

IHRA conducts academic programs of the University of Colombo in 4 main areas for working students to advance them as "Knowledge Workers".
These different areas are:

a) Degree Program (BLE Degree)
b) Pre-degree Diploma programs (BLE Diploma program and one year Diplomas by generated funds)
c) Postgraduate program/s (Generated funds)
d) Certificate Courses and Short-term Workshops and other Programs (Generated funds)

5.1 Basic Degree Course – Bachelor of Labor Education (BLE) Degree

This program has two components and this is an internal undergraduate study program. This Bachelor of Labor Education (BLE) Degree is a 3-year degree offered by the University of Colombo. Those who are not qualified to enter to the Degree year 1, have to complete Diploma year course and relevant examinations. One Hundred and Forty three (143) working grandaunts were conferred the BLE Degree by the as they completed final examinations in 2009 and their convocation will be held in 2010.

There were a total number of 590 registered students in the year 2009 in different levels of this academic program, and details are given below.

Levels of Academic Program	Total Number of Students - 2007		New registrations for - 2008		New registrations for - 2009	
Diploma Level	184	184	96	96	59	59
Bachelor of Labor Education Part I (Sinhala Medium)	268	268	177	177	189	189
Bachelor of Labor Education Part I (English Medium)	0		0		0	
Bachelor of Labor Education Part II (Sinhala Medium)	210	230	217	217	146	146
Bachelor of Labor Education Part II (English Medium)	20		0		0	
Bachelor of Labor Education Part III (Sinhala Medium)	136	154	190	208	196	196
Bachelor of Labor Education Part III (English Medium)	18		18		0	
Total	836		698		590	

Interviews for the selection of new students from those who have performed well in a selection test, for the academic year 2009 for the Diploma level and the Bachelor of Labor Education Part I, were held on 17th May, 2009. Accordingly, 59 students and 111 students have been selected for the Diploma level directly and Degree Program Part I respectively. In addition 78 students were selected for the BLE Part I from the Diploma level. Total number of applicants for both levels was 189.

Annual Examinations of the Diploma Level, the Bachelor of Labor Education Part I, II and III levels were held as scheduled in 2008 and the results were released.

Diploma results was: 2nd Semester

Pass 69 (direct)
Referred 28 (direct)

Part I results was: (1st Semester) BLE Part I (Repeat – Old Syllabus)

	(1st Semester)	BLE Part I (Repeat – Old Syllabus)
Pass	132 (direct)	22 (repeat)
Referred	33 (direct)	08 (repeat)

Part II results was: (1st Semester) BLE Part II (2nd Semester)

Pass	166 (direct)	155 (direct)
Referred	25 (direct)	39 (direct)

BLE Part II (Repeat – Old Syllabus)

Pass	26 (repeat)
Referred	29 (repeat)

These undergraduates of the University of Colombo attached to the IHRA are a specific group of working students. They are supported by state funds for their professional advancement while they work and contribute the knowledge obtained from the university directly at their work. They use the university facilities only for 2.5 hours per day after 17.00 H in the evening, and there is a severe limitation for access to these lecture halls with the current situation at the University of Colombo.

Currently, only 3 permanent lecturers of the institute are involved, and the entire BLE program is conducted with external lecturers and above 2 academics. An academic coordinator on contract to the institute coordinates all the relevant activities of the degree program.

The salient feature of the BLE Degree program is the undergraduates are already employed mainly in the public sector, while they use the knowledge obtained from the course directly in their work places during a 3-year period.

5.2 Postgraduate Diploma Course

The institute started a Postgraduate program in Geographical Information Systems (GIS) was commenced on March, 2009. 150 students applied and 102 students were sat for the selection test for weekend program. Accordingly 50 have been selected for Weekends program.

The Institute started Postgraduate Diploma in Human Resource Advancement (PGDipHRA) was commenced on June, 2009. 127 students applied and 103 students were selected and 75 students were registered for weekend program. The lectures for the 01st semester were completed in December, 2009.

5.3 Diploma Courses

Currently Institute conducts following Internal Diploma Courses for the need of the country, and students pay the course fee.

One year Diplomas:

a) Diploma in Drug Abuse Management Studies (DDAMS)
b) Driving & Road Safety Instructor Training Program (DRSIT)
c) Diploma in Rural Development Studies (DRDS)
d) Certificate Course in Computer Applications (CCCA)
e) Diploma in International Business (DIB)

	DDAMS	DRSIT	CCCA	DIB
Year	2009	2009	2009	2009
Number registered	56	30	47	29
Number of Diploma recipients	-	-	-	-

The second course on Diploma in International Business (DIB) conducted in English medium, as it is the international communication medium. In 2006, action was initiated to develop same by-laws to all the one-year Diploma courses conducted by the IHRA for having uniformity and same standards.

5.4 Certificate Courses

5.4.1) English language programs

Course No 28 was completed in 2009. Final Examination was held on 26th April, 02nd May & 03rd May, 2009 for Higher, Preliminary and Intermediate Levels respectively. Students were graded in to three levels according to their competency in English of the Placement Test of the Certificate Course in English Language – No. 29 held on 29-03-2009. Following Tables show the relevant information of this course.

Total number of student involvement in all the English courses from 2005

Year	2005	2006	2007	2008	2009
Number registered —-- Students' courses + Teachers courses	3716	4486	2679	6230	3439
Number of Certificate recipients	2298	3550	2511	2493	1961

Information of the English program relevant to 2009
English course No was completed in 2009 for students, and details are given below.

	Higher Level	Intermediate Level	Preliminary Level
Registered	664	1196	619
Distinction Passes	57	50	14
Merit Passes	204	328	130
Ordinary Passes	268	548	313
Passed (Total)	529	926	457

	Higher Level	Intermediate Level	Preliminary Level
Registered	922	1068	1260

Two English courses were completed in 2009 for teachers, and details are given below

	Part III	Part II	Part I
Registered	88	39	-
Distinction Passes	13	-	
Merit Passes	21	09	
Ordinary Passes	25	19	
Passed	59	28	

	Part III	Part II	Part I
Registered	72	85	32

English classes are conducted at the Arts Faculty premises while making a reasonable payment to classrooms and hall attendants. All the teachers have been appointed as visiting lecturers and Dr BM Kiribanda is the Coordinator of the IHRA.

5.4.2) Tamil language programs

A new program was started in 2007 in collaboration with the Official languages Department to cater government officers and young school leavers. This was designed to prepare students for the national examinations to be held by the official languages department according to a common syllabus for Sinhala speaking students. The basic level is for spoken component and this will be the Level 3 in the National examination. Lower course fee and maintaining highest standards are important in the national service. Students of the rural areas have the access for the courses.

Basic Course in Tamil Language No 02 was completed in 2009. Final Examination was held on 01st February, 2009. Following Tables show the relevant information of this course.

Number of students registered - 278

Number of teachers involved - 08

Information on the Basic Course in Tamil – No 02

	Intermediate Level	Basic Level
Registered(for exam)	37	193
Distinction Passes	16	77
Merit Passes	09	61
Ordinary Passes	06	28
Passed	32	166

Certificate Course in Tamil Language No. 04 course was commenced on 07th March, 2009.

Number of students registered

Basic Level	257
Intermediate Level	101
Higher Level	17
Number of teachers involved	10

6 Library

IHRA Library has a collection of about 21,970 books with 4 staff located in a temporary building of the Education Faculty from 2002. This valuable resource with rare collection relevant to labour education needs urgent reorganization for maximum utilization by the University community.

7 Financial Activities

The total Government grant for the year 2009 was around Rs 16.8 million, and the generated income by the institute was Rs 39.4 million.

Main items of the final accounts for 2009

Income x Rs 1000			Expenditure x Rs 1000		
01	Govt grant -recurrent	16,806	01	Emoluments- Academic	4,209
02	Govt grant - capital	1,500	02	Emoluments- Non-Academic	11,539
03	Govt IT grant	-	03	Visiting lecturers	346
04	Extension courses - income	34,886	04	Contractual services	1,993
05	Other earnings (for recurrent exp)	4,606	05	Maintenance expenses	856
06	Other earnings (for capital exp)	-	06	Purchases - capital	1,772
			07	Expenses on Extension courses	29,826
			08	Other expenses – convocations etc	1,248
					Other
01	*Total net value of capital items*	*55,243*	*01*	*Equity and Liabilities*	66,951
	Current assets	*11,708*			
	Total	66,951		Total	66,951

* Human Resource of the Institute and the Product is not given a monitory value.

8. Comments

Presently (in 2009), approximately 590 undergraduates in 04 batches have registered for the Degree Program at the institute and this 03 year Degree program is funded by the government.

IHRA, in the year 2009 also introduced the Postgraduate Diploma in Geoinformatics course in order to enhance the professional Knowledge-Workers of the country. The Institute earned around Rs 38 million from fee levying courses in addition to government grants.

Dr WK Hirimburegama
Director

INSTITUTE OF HUMAN RESOURCE ADVANCEMENT
UNIVERSITY OF COLOMBO

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2009

	NOTE	2009	2009	2008	2008
ASSETS					
Non-current Assets					
Property, Plant and Equipments	1	24,108,486.95		14,437,205.94	
Investments	2	31,134,255.32		22,073,761.12	
			55,242,742.27		36,510,967.06
Current Assets	4				
Inventories/Stocks	4A	831,279.01		500,095.83	
Trade and other receivables	4B	4,615,281.15		4,776,578.43	
Prepayments	4C	17,043.98		17,943.75	
Cash and Cash equivalents	4D	6,244,682.80		10,871,402.91	
			11,708,286.94		16,166,020.92
Total Assets			66,951,029.21		52,676,987.98
LIABILITIES					
Current Liabilities	5				
Payables	5A	5,811,068.12		4,019,103.00	
Accrued Expenses	5B	332,181.69		405,763.47	
			6,143,249.81		4,424,866.47
Non-current Liabilities	6				
Payable	6A	29,952,904.64		26,144,985.90	
Differed Income	6B	19,164,429.60		14,691,812.80	
Provision for Gratuity	6C	5,923,905.00		5,911,487.51	
			55,041,239.24		46,748,286.21
Total Liabilities			61,184,489.05		51,173,152.68
Total Net Assets			5,766,540.16		1,503,835.30
NET ASSETS / EQUITY	7				
Capital Grant Unspent	7A	269,273.56		448,290.63	
Accumulated Fund	7B	5,488,562.81		1,043,724.27	
Reserves - Donations	7C	8,703.80		11,820.40	
Total Net Assets / Equity			5,766,540.17		1,503,835.30

D.M.S.N.K Bandara
(Senior Assistant Bursar)

Dr.W.K.Hirimburegama
(Director)

INSTITUTE OF HUMAN RESOURCE ADVANCEMENT

UNIVERSITY OF COLOMBO

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2009

	NOTE	2009	2008
			Rs.
Operating Revenue			
Recurrent Grant		16,806,000.00	16,380,000.00
Amortization of Government Grants - Depriciation	6B+7B	4,093,672.56	2,460,078.93
Income -Other Income	8A	39,492,011.86	27,026,731.61
		60,391,684.42	**45,866,810.54**
Operating Expenses			
Personnel Emoluments	9A	15,604,513.75	15,051,375.45
Travelling	9B	24,491.00	5,453.00
Supplies and Consumable	9C	1,771,873.91	1,353,191.68
Maintenance	9D	855,850.84	403,841.48
Contractual Services	9E	1,993,038.84	1,848,675.61
Other Operating Expenses	9F	1,223,902.97	1,245,649.19
Grativity	9G	490,022.50	
Depreciation	9H	4,093,672.56	2,460,078.93
Expenditure on Extention Programme	9I	29,825,882.84	19,628,572.59
Disposal & Wirte Offs			9,055.55
Total Operating Expenses		**55,883,249.21**	**42,005,893.48**
Net Surplus / (deficit) for the period		**4,508,435.21**	**3,860,917.06**

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கணக்காய்வாளர் தலைமை அதிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT

මගේ අංකය / எனதுஇல / MyNo: CE/C/IHRA/09/F/A

ඔබේ අංකය / உமது இல / Your No.:

දිනය / திகதி / Date: 08 June 2010

The Director,

Institute of Human Resources Advancement Affiliated to the University of Colombo.

Report of the Auditor General on the Financial Statements of the Institute of Human Resources Advancement Affiliated to the University of Colombo for the year ended 31 December 2009 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 Institute of Human Resources Advancement Affiliated to the University of Colombo for the year ended 31 December 2009 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 23 of the Institute of Human Resources Advancement Ordinance No.11 of 1979 enacted in terms of Section 18 of the Universities Act, No.16 of 1978, Sections 108(1) and 111 of the Universities Act and Sub-sections (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 the Section 13(7)(a) of the Finance Act, No. 38 of 1971. My comments and observations appear in this report.

1:2 Responsibility of the Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. 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
දුරකථනය / தொலைபேசி / Telephone 2691151
ෆැක්ස් අංකය / பக்ஸ் இல / Fax No. 2697451
ඉලෙක්ට්‍රොනික් තැපැල් / ஈ- மெயில் / E-mail. oaggov@sltnet.lk

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 principles 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 the 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 Institute of Human Resources Advancement Affiliated to the University of Colombo had maintained proper accounting records for the year ended 31 December 2009 and except for the effect s 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 Sri Lanka Accounting Standards, give a true and fair view of the state of affairs of the Institute of Human Resources Advancement Affiliated to the University of Colombo as at 31 December 2009 and the financial results of its operation and cash flows for the year then ended.

2:2 Comments on Financial Statements

An audit query incorporating the accounting errors appeared in the financial statements presented for audit on 02 March 2010, was forwarded to the Director on 24 March 2010. Accordingly, the amended financial statements had been presented to audit on 27 April 2010.

2:2:1 Transaction of Contentious Nature

A sum of Rs.78,841 had been paid to 23 officers in the year 2009 as salaries and incentive allowances for proficiency in the second and third languages in accordance with a Circular issued by the University Grant Commission contrary to the Department of Public Enterprises Circular No.95 of 14 June 1994.

2:2:2 Unidentified Balances

Balances amounting to Rs.197,829 in the Miscellaneous Advances Account, Rs.1,450 in the Festival Advance Account and Rs.1,288 in the Special Advances Account had not been identified as at 31 December 2009.

2:2:3 Allocation for Expenditure

Even though the balances of 20 expenditure items aggregating Rs.1,691,855 shown under the allocation for payments had existed for more than one year, action had not been taken to identify and to make adjustments.

2:2:4 Non-compliances with Laws, Rules, Regulations and Management Decisions

Instances of non compliance with laws, rules, regulations etc. are given below.

	Reference to Laws, Rules, Regulations etc.	Non-compliance
(a)	Public Finance Circular No.PF/PE 14, dated 28 February 2001 Paragraph VII	A workshop on the degree courses in labour education conducted by the Institute during the year 2009 by the provision of the General Treasury, was held at a tourist hotel by spending Rs.170,290. Even though it was stated that 25 lecturers and officers had participated in the above workshop on 9th and 10th August, it was observed at the examination of files that 49 elders and small children had participated in that workshop.
(b)	Public Enterprises Circular No.PED/12, dated 02 June 2003. Paragraph 6.5.1	A copy of the draught annual report along with the financial statements had not been submitted to the Auditor General.
(c)	National Budget Circular No.128 dated 24 March 2006	The Procurement Plan for the year 2009 presented on 15 October 2009 had not been prepared in accordance with the circular instructions. Copies of the Procurement Plan for the year

2009 had not been forwarded to the Treasury and the Secretary of the Ministry of Higher Education before the specified date.

(d)	Financial Regulations of the Democratic Socialist Republic of Sri Lanka (F.R)	
	F.R 756	The Board of Survey had not been conducted for the year under review even up to 25 March 2010.

3. Financial and Operating Review

3:1 Financial Results

According to the financial statements presented, the working of the Institute for the year ended 31 December 2009 had resulted in a deficit of Rs.12,297,565 before taking into account the Government Grant for recurrent expenditure as compared with the corresponding deficit of Rs.12,519,083 for the preceding year. Accordingly, the deficit for the year under review had decreased by Rs.221,518. The deficit for the year under review had been converted to a surplus of Rs.4,508,435 due to the Government Grant of Rs.16,806,000 received for recurrent expenditure. The deficit for the preceding year had converted into a surplus of Rs.3,860,917 due to the Government Grant of Rs.16,380,000 received for the recurrent expenditure of that year. The surplus had increased by Rs.647,518 due to the government grant.

3:2 Performance

The following observations are made.

(a) (i) The number of students registered in the year 2009 for the Degree Course in Labour Eduction which is the major Degree Course conducted by the Institute had been 590 and indicated a decrease of 108 students over that of the preceding year.

(ii) The results of the examination for year I second semester of the Degree under the new syllabus conducted in the year 2009 had not been released even after the elapse of 07 months.

(b) 14 courses charging fees had been conducted during the year 2009 and 6,678 students had participated in them. Students who had not sat for the examinations amounted to 499 and it represented 7 per cent of the total number of students. Number of failures was 300 and it represented 4 per cent of the total number of students. The results of 03 examinations had not been released even after the elapse of 04 to 11 months.

(c) A sum of Rs.63,458,657 had been collected during the year 2009 as fees charging course fees indicating an increase of 28 per cent as compared with the preceding year.

(d) The number of hours allocated during the year 2009 for the Degree Course on Labour Education had been 690 hours and it had been determined in accordance with the Semester System. Accordingly, the number of hours allocated had decreased 630 lecture hours over that of the preceding year. Further, the total number of lecture hours conducted in the year 2009 had been 449 and indicated a decrease of 766.5 hours as compared with the previous year. Out of the lecture hours conducted, 169 lecture hours had been conducted by the two internal lecturers of the Institute while 280 hours had been conducted by 13 visiting lecturers. Thus as compared with the preceding year, the number of lecture hours conducted by the internal lecturers had been decreased by 101 and the number of lecture hours conducted by the visiting lecturers had been decreased by 665.5. Out of the total number of lecture hours, the lecture hours conducted by the internal lecturers represented 38 per cent.

(e) The second semester of the Diploma Course of the Degree Course on Labour Education, year I- second semester of the Degree on Labour Education and year II - second semester of the Degree on Labour Education conducted for the academic year 2007/2008 had been completed after the delay of more than 02 months, 05 months and 03 months respectively over the dates specified for completion.

3:3 Information on Cadre

The approved cadre of the Institute as at end of the year under review stood at 35 and the actual cadre stood at 50. Three posts of Coordinators and 12 posts of Project Assistants were in addition to the approved cadre. Further, the above officers had been recruited on assignment basis / on contract basis for the posts of Coordinator which were not in the approved cadre and the period of their service and the allowances had been increased continuously on the approval of the Academic Committee.

3:4 Corporate Plan and the Action Plan

The Corporate Plan had not been prepared in accordance with the paragraph 5.1 of the Public Enterprises Circular No. PED/D12 of 02 June 2003.

Action plan for the year 2009 had also not been prepared by the Institute. As a result, the objectives and targets expected to be achieved / accomplished during the year 2009 and the financial and physical progress thereon could not be evaluated in audit.

3:5 Budgetary Control

Significant variances between the estimated income and expenditure and the actual income and expenditure relating to certain items included in the budget for the year 2009 were observed. Thus it was observed that the budget had not been made use of as an effective instrument of management control.

4. Systems and Controls

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

(a) Recruitment

(b) Budgetary Control

(c) Conducting Seminars and Workshops

(d) Payment of Allowances.

S. Swarnajothi

Auditor General.

Report of the Auditor General on the Financial Statements of the Institute of Human Resources Advancement Affiliated to the University of Colombo for the year ended 31 December 2009 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.

Effects on the Financial Statements	**Observations of the Auditor General**	**Opinions already presented to the Auditor General**	**Steps taken by year 2012 present status and development**
2 Financial Statements. 2.2 Comments on Financial Statements	An Audit Query incorporating the accounting errors appeared in the financial statements presented for audit on 02 March, 2010 was forwarded to the Director on 24th March 2010. Accordingly, the amended financial statements had been presented to audit on 27 April, 2010.		Had been rectified.
2.2.1 Transactions of Contentious Nature	A sum of Rs. 78,841 had been paid to 23 officers in the year 2009 as salaries and incentive allowance for proficiency in the second and third languages in accordance with a Circular issued by the University Grant Commission contrary to the Department of Public Enterprises Circular No. 95 of 14 June, 1994.	Agreed The language proficiency allowance was paid as per the Circular issued by the UGC.	It is being done according to the Circular issued by the University Grant Commission.
2.2.2 Unidentified Balances	Balances amounting to Rs. 197,829 in the Miscellaneous Advances account, Rs. 1,450 in the Festival Advance Account and Rs. 1,288 in Special Advance Account had not been identified as at 31 December, 2009.	Agreed These balances have been carried forward in accounts even prior to year 2009 since these are not information with regard to these balances. These are being stated as unidentified for some years in Audit Reports as well. This fact was discussed at Audit Committees of the Institute and was recommended to decide to take necessary action to seek approval to write off from accounts. As such, approval was obtained from the Academic Board to seek recommendations from the UGC, the Ministry of Higher Education and the General Treasury.	It has been sent to the General Treasury for approval to write off these balances. (Annex 01)

Effects on the Financial Statements	Observations of the Auditor General	Opinions already presented to the Auditor General	Steps taken by year 2012 present status and development
2.2.3 Allocation for Expenditure	Even though the balance of 20 expenditure items aggregating Rs. 1,691,855 shown under the allocation for payments had existed for more than one year, action had not been taken to identify and to make adjustments.	Agreed Steps have been taken to do all necessary reconciliations.	This had been rectified on 21/7/2010. VN 32-1443 (Annex 02)
2.2.4 Non-compliance with Laws, Rules, Regulations and Management Decisions. Reference to Laws, Rules, Regulations <u>(a)</u> <u>Public Finance Circular No. PF/Pe 14, dated 28 February, 2001 Paragraph VII</u>	Instances of non-compliance with laws, rules, regulations etc. are given below. <u>Non Compliance</u> A workshop on the degree course in labour education conducted by the Institute during the year 2009 by the provision of the General Treasury, was held at a tourist hotel by spending Rs. 170, 290. Even though it was stated that 25 lecturers and officers had participated in the above workshop on 9th and 10th August, it was observed at the examination of files, that 49 elders and small children had participated in that workshop.	Not agreed. It is time that the Bachelor of Labour Education Degree is being conducted with the funds of General Treasury. But, as stated in the Audit Report the workshop that was conducted was not the inaugural workshop and General Treasury provisions had not been used for same. The workshop concerned was held for the Visiting lecturers who are essential to conduct this study programme. And for this some money left from fees levied for certain external applicants who had not got their studentship yet had been used. The approval of the Academic Committee was duly obtained to conduct the Workshop, and for the Budget Report on it. It was mandatory for some officers relevant to subjects internal lecturers pertaining to the courses and certain members of Academic Boards to take part in this Workshop other than 90% of visiting lecturers of the BLE Degree programme and officers. As it was the weekend, some internal lecturers whose participation was very essential, had to be given permission to refrain from attending the same due to the reason that they could not leave their children back. These types of workshops are essential for the development of the institute and the courses. To conduct the relevant workshop for 90% of visiting lecturers, the Institute does not have a suitable venue in its possession.	Treasury funds were not spent for this and generated funds were utilized. This was a step taken to motivate visiting lecturers to release results on time and they have been motivated by this.

Effects on the Financial Statements	Observations of the Auditor General	Opinions already presented to the Auditor General	Steps taken by year 2012 present status and development
(b) Public Enterprises Circular No. PED/12 of 02 June 2003. Paragraph 6.5.1	A copy of the Draft Annual Report along with the financial statements had not been presented to the Auditor General.	Agreed. At the end of the year 2009, the Institute did not have a permanent Registrar for administrative matters, and hense the preparation of the Annual Report got delayed. By now, the Annual Report of year 2009 is being prepared.	Draft had been prepared and was sent for translation.
(c) **National Budget Circular No. 128 dated 24 March 2006**	The Procurement Plan for the year 2009 presented on 15 October 2009 had not been prepared in accordance with the Circular instructions. Copy of the Procurement Plan for the year 2009 had not been forwarded to the Treasury and the Secretary of the Ministry of Higher Education before the specified date.	Agreed. The administrative officers who handle this task are new officers who had been appointed to fill the vacancies which had been vacant for a long time, since they have a lot of duties to deal with, this duty was delayed. However, the Procurement Plan for year 2010 is duly prepared and forwarded to the relevant sections.	2010 Procurement Plan (Annex 03)
(d) Financial Regulations of the Democratic Socialist Republic of Sri Lanka (F.R) F.R. 756	The Board of Survey had not been conducted for the year under review even up to 25 March, 2010.	(d) Not agreed. Boards of Survey had been duly completed and a copy of the Report was presented.	Had been done.
3. Financial and Operatign Review **3.1 Financial Results**	According to the financial statements presented, the working of the institute for the year ended 31 December, 2009 had resulted in a deficit of Rs. 12,297,565 before taking into account the Government Grant for recurrent expenditure as compared with the corresponding deficit of Rs. 12,519,083 for the preceding year. Accordingly, the deficit for the year under review had been decreased by Rs. 221,518. The deficit for the year under review had been converted to a surplus of Rs. 4,508,435 due to the Government Grant of Rs. 16,806,000 received for recurrent expenditure. The deficit for the preceding year had converted into a surplus of Rs. 3,860,917 due to the Government Grant of Rs. 16,380,000 received for the recurrent expenditure of that year. The surplus had increased by Rs. 647,518 due to the Government Grant.	Agreed	The surplus is the funds approved by the budget to be paid for the courses in next year. Money is spent for courses according to Budget Reports.

Effects on the Financial Statements	Observations of the Auditor General	Opinions already presented to the Auditor General	Steps taken by year 2012 present status and development
3.2 Performance (a) i	The following observations are made The number of students registered in the year 2009 for the Degree course in Labour Education which is the major degree course conducted by the institute had been 519 and indicated a decrease of 108 students over that of the preceding year.	Agreed The halls in which lectures were held came under the High Security Zone and due to this, the said premises could not be obtained to conduct lectures from year 2009. Therefore, due to the inability to obtain halls with a capacity as was in the previously used halls, a lesser number of students had to be enrolled in year 2009. The services of visiting lecturers had to be obtained to assess the examination papers of the examinations held and by now, action had been taken to release all the examination results.	Results were released and the Convocation was also held.
Performance (a) ii	The results of the examination for year I second semester of the Degree under the new syllabus conducted in the year 2009 had not been released even after the elapse of 07 months.	Not agreed. As the iiird year lectures were done according to the old syllabus which was relevant for that academic year, teh exams were completed in year 2008. Therefore, there were no exams to be held in year 2009.	Had been released.
Performance (b)	14 courses charging fees had been conducted during the year 2009 and 6,678 students had participated in them. Students who had not sat for the examination amounted to 499 and it represented 7 per cent of the total number of students. Number of failures was 300 and it represented 4 per cent of the total number of students. The results of 03 examinations had not been released even after the elapse 04 to 11 months.	Agreed. Visiting lecturing staff is doing the examination related work in the fees charging courses conducted by the Institute. In this, the marks are not recieved on time and due to this, out of 14 courses held, the results of only 3 courses could not be released on time. However, steps are being taken to release the said results as early as possible.	Results had been released.

Effects on the Financial Statements	Observations of the Auditor General	Opinions already presented to the Auditor General	Steps taken by year 2012 present status and development
Performance (c)	A sum of Rs. 63,458,657 had been collected during the year 2009 as fees charging course fees indicating an increase of 28 per cent as compared with the preceding year.	Agreed.	As per the Budget, the course fees collected in the coming year was also due to be spent and at present, the Budget is being re-imbursed.
Performance (d)	The number of hours allocated during the year 2009 for the degree course on labour education had been 690 hours and it had been determined in accordance with the semester system. Accordingly, the number of hours allocated had decreased 630 lecture hours over that of the preceding year. Further, the total number of lecture hours conducted in the 2009 had been 449 and indicated a decrease of 766.5 hours as compared with the previous year. Out of the lecture hours conducted, 169 lecture hours had been conducted by the two internal lecturers of the institute while 280 hours had been conducted by 13 visiting lecturers. Thus as compared with the preceding year, the number of lecture hours conducted by the internal lecturers had been decreased by 101 and the number of lecture hours conducted by the visiting lecturers had been decreased by 665.5. Out of the total number of lecture hours, the lecture hours conducted by the internal lecturers represented 38 per cent.	Agreed During the years prior to year 2009, English medium courses were also held. As there were no English medium courses in year 2009, and also as the 3rd year lectures of the Degree programme commenced at the end of September, 2009; the number of lecture hours decreased.	Lectures are being held as usual.

Effects on the Financial Statements	Observations of the Auditor General	Opinions already presented to the Auditor General	Steps taken by year 2012 present status and development
Performance (e)	The second semester of the diploma course of the Degree Course Labour Education, year I-Second semester of the Degree on Labour Education and Year II- Second semester of the Degree on Labour Education conducted for the academic year 2007 /2008 had been completed after the delay of more than 02 months, 05 months and 03 months respectively over the dates specified for completion.	Agreed During the years prior to year 2009, English medium courses were also held. As there were no English medium courses in year 2009, and also as the 3rd year lectures of the Degree programme commenced at the end of September, 2009; the number of lecture hours decreased. Other than the two internal lecturers, all the other lecturers were visiting staff. This situation arose as some of them could to come to deliver lectures on stipulated dates due to some urgent matters. By this time, steps had been taken to avoid this situation.	Visiting lecturers are daily reminded through sms's. All the students who come for lectures from their offices are also reminded through sms's about any change in lectures.
3.3 Information on Cadre	The approved cadre of the Institute as at end of the year under review stood at 35 and the actual cadre stood at 50. Three posts of Coordinators and 12 posts of Project Assistants were in addition to the approved cadre. Further, the above officers had been recruited on assignment basis/on contract basis for the posts of Coordinator which were not in the approved cadre and the period of their service and the allowances had been increased continuously on the approval of the Academic Committee.	Not agreed. There is no extra staff in the Institute. Other than the 35 approved cadre, who are available is not an extra staff but 15 personnel who come under projects. The other available personnel are the 3 coordinators and 12 project assistants who deal with work pertaining to short courses which come under additional projects conducted by the Institute which are run on assignment basis and they are not extra staff of the Institute. Treasury Funds are not received to pay these Project Assignees and this is done from expenditure votes with Academic Board approval which are generated from relevant courses. In recruiting these assignees, the basic allowances are being increased with the approval of the Academic Board and with the recommendation of the relevant course committees, taking into consideration the developments of the course, increase in student numbers, increase in work load and duties, and increase in cost of living.	A generation of jobs via earned funds.

Effects on the Financial Statements	Observations of the Auditor General	Opinions already presented to the Auditor General	Steps taken by year 2012 present status and development
3.4 Corporate Plan and the Action Plan	The Corporate Plan had not been prepared in accordance with the paragraph 5.1 of the Public Enterprises Circular No. PED/D12 of 02 June, 2003. Action Plan for the year 2009 had also not been prepared by the Institute. As a result, the objectives and targets expected to be achieved/ accomplished during the year 2009 and financial and physical progress thereon could not be evaluated in audit.	Agreed. As there were no Senior Assistant Registrar and a Deputy Bursar during a period of nine months of year 2008, the preparation of the Corporate Plan and the Activity Plan got delayed. After the arrival of new officers, this work was resumed but again as the two officers had left the Institute, this work got stagnated. Again for the two positions concerned, two officers have arrived, and they are in the process of preparing the relevant plans as early as possible.	The relevant officers were recruited. And plans have been prepared.
3.5 Budgetary Control	Significant variances between the estimated income and expenditure and the actual income and expenditure relating to certain items included in the budget for the year 2009 were observed. Thus it was observed that the budget had not been made use of as an effective instrument of management control.	Not agreed. Some external reasons as follows contributed to the variances found between the estimated expenditure and actual expenditure. (i) There was a delay in appointing administrative and financial officers in the year 2009, and therefore, the plans could not be prepared as expected. (ii) As there were limitations (Treasury) in recruiting clerical staff and staff for the allied services, the expected recruitments could not be done. (iii) Due to unexpected rises in prices, it was difficult to make certain expenses within the budgetary limits. Eg. Ink and stationery for Printing Machines	The relevant officers had been advised to work in correct order in year 2011.

Effects on the Financial Statements	Observations of the Auditor General	Opinions already presented to the Auditor General	Steps taken by year 2012 present status and development
4. 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) Recruitment	Recruitment activities have been done in correct order.	Will be done in correct order in future.
	(b) Budgetary Control		Stated above.
	(c) Conducting seminars and workshops	All the workshops and seminars conducted by the institute had been conducted with proper approval. No inaugural workshop of any study programme was done at a private hotel, using General Treasury funds.	Being conducted utilizing earned funds according to the approved budget.
	(d) Payment of Allowances	All the payments of allowances and payments are done according to approval obtained in proper order.	Being conducted utilizing earned funds according to the approved budget.