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2010

மனிதவள மேம்பாட்டு நிறுவனம்
கொழும்புப் பல்கலைக்கழகம், ஸ்ரீலங்கா
ஆண்டறிக்கை மற்றும் வருடாந்த கணக்குகள்

2010

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

2010

IHRA
UNIVERSITY OF COLOMBO

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பொருளடக்கம்

Contents

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

ANNUAL REPORT - 2010

01. 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.

02. Vision Statement

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"

03. Mission Statement

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.

04. Director's Review

It is my great pleasure to present the Annual Report for the year 2010. As a higher educational institution located in the heart of the City of Colombo, the administrative and business capital of the country, the Institute of Human Resource Advancement, University of Colombo, Sri Lanka, Presently (in 2010), approximately 591 undergraduates have registered for the 3 year Bachelor of Labour Education Degree Program and the Diploma in Labour Education Program at the institute.

IHRA, in the year 2010 enrolled 41 students for the Postgraduate Diploma in Geoinformatics course in order to enhance the professional Knowledge-Workers of the country. In addition to that, there were nearly 7000 students have been registered for the Other Postgraduate, Diploma and Certificate Programs at the IHRA. The Institute earned around Rs 41 million from fee levying courses in addition to the government grant.

Presently, land availability is not sufficient to expand the existing facilities to cater the ongoing demand for the courses offered by IHRA. Much needed a new building for increase spaces for the Institute.

Dr. WK Hirimburegama
Director

05. Summary of developments and achievements by the institute in 2010

5.1 Value addition to the working Human Resource of the country.

Production of 198 BLE employed graduates, 45 employed Human Resource Advancement Postgraduate Diploma (PGDHRA) Holders, 22 employed Drug Abuse Management Studies Diploma (DDAMS) holders, 13 employed International Business Diploma (DIB) holders, 57 Health Promotion Diploma holders, Production of 20 Driving & Road Safety Instructor Certificate holders, 50 Certificate Course in Computer Applications in Business Certificate Holders, around 3000 English Certificate holders and 816 Tamil Language Certificate holders.

5.2 BLE Degree program

Competition to enter to the Diploma and the BLE degree program was increased. The Selection Test of the above program was held on 10th September 2010, the total number of registered students were 254.

5.3 Starting the second batch of Postgraduate Diploma in GeoInformatics program by the institute.

41 candidates were selected to the Program and course has started in August, 2010.

5.4 Starting Diploma in Health Promotion (DHP) No 03.

Thirty Five (35) working students were selected for this one-year diploma and course has started in November 2010.

5.5 Starting Diploma in International Business (DIB) No 03 in May 2010.

Twenty Eight (28) working students were registered for this one-year diploma course.

5.6 Starting the Certificate Course in English Language Program No. 30

3865 students were registered to the Program and course has started in March, 2010

5.7 Starting the Certificate Course in Tamil Language program No 05

1134 students were registered to the Program and course has started in February, 2010

5.8 Starting the Tamil Language Workshops for the officers of the Excise Department.

5.9 New Constructions at the IHRA

Renovation of the main Building, Painting Asbestos roof at Main Building of IHRA, Improvement to Computer Laboratory, Expansion to Office Area in ground floor, Floor tiling and colour washing in IHRA building, Colour washing of boundary wall of IHRA premises, Removing existing asbestos roof and casting of concrete flat roof on first floor.

06. 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.

6.1 Academic Syndicate and Boards of Study

6.1.1 Academic Syndicate (from February 2010)

Eleven (11) 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 Indralal De Silva
	Faculty of Education	Prof S Sandarasegaram
	Faculty of Science	Prof TR Ariyaratne
Appointed by the University Grants Commission		
Mr AP Gunaratne		Former Principle – Ananda College, Colombo 10
Mr S Vidanapathirana		Senior Assistant Secretary/ Min. of Higher Education
Mr Premachandra Epa		Legal Officer
Mr R Masakorala		Secretary General/ Asian Shipper's Council
Mr RAU Ranaweera		Accountant/ UGC
Mr KR Uduwawela		Dy. Director/ Department of National Budget, General Treasury
Mr K Gamage		Executive Director, National Dangerous Drugs Control Board
Mr Mahinda Madihahewa		Secretary/ Ministry of Labour and Foreign Affairs
Members representing Boards of Study		
Mr MGG Hemakumara		Board of Study on Human Resource Education
Mr RMRB Rajapaksha		
Mr WN Wilson		Board of Study on Extension Program
Dr WMK Wijetunga		
Dr BM Kiribanda		Board of Study on Languages Teaching Program
Ms BKP Abeysooriya		

6.1.2 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 -- 06 meetings

6.2 Academic staff, Administrative and Non Administrative Staff

By 2010, there were thirty six (36) members on the permanent academic and non academic staff comprising four (04) academic staff members and thirty one (31) non academic staff members. In addition to that, there were one (01) academic coordinator, one (01) Instructor in Computer Technology and four (04) course coordinators who appointed as on temporary basis.

6.2.1 Academic Staff

Name	Subject	Medium	Doctorate	Senior Lecturer	Prob. Lecturer	Instructors	Academic Coordinator
Dr. WK Hirimburegama	Research Methodology	Sinhala, English	✓				
Mr. MGG HemaKumara	Management			✓			
Ms KP Mathotaarachchi	Economics				✓		
Mr. KDN Hewage	Statistics & Mathematics (On Leave)				✓		
Mr. WS Chandrasekara	-						✓*
Mr. PBPD De Silva	Computer Technology					✓*	
Total			01	01	02	01	01

* Temporary Basis

6.2.2 Administrative & Non Academic Staff

Branch	Most Senior	Senior Staff	Junior Staff	Minor Employees	Total
Administration	01	02	06	06	15
Finance	01	03	02	01	07
Examination	01	01	02	01	05
Library	01	-	01	02	04
Total	**04**	**06**	**12**	**10**	**31**

07. 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)

7.1 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 as they completed final examinations in 2009 and their convocation was held in 2010 May.

There were 591 registered students in the year 2010 in different levels of this academic program, and details are given below.

Program	Course	Medium	Intake 2010	Intake 2010 1st Year students	2nd Year students	3rd Year students	Total
Degree Program	Diploma in Labor Education	Sinhala	54	54	-	-	591
	Bachelor of Labor Education	Sinhala	201	254	153	130	

Interviews for the selection of new students from those who have performed well in a selection test, for the academic year 2010 for the Diploma level and the Bachelor of Labor Education Part I, were held on 13th & 14th November, 2010. Accordingly, 54 students and 201 students have been selected for the Diploma level directly and Degree Program Part I respectively. In addition 53 students were selected for the BLE Part I from the Diploma level. Total number of students for BLE Part I is 254.

Annual Examinations of the Diploma Level, the Bachelor of Labor Education Part I, II and III levels were held as scheduled in 2010 and the results were released.

Number of Students who pass from the Final Examination of the BLE Degree Program - 2010

Program Name	1st Semester		2nd Semester		Old Syllabus
	1st Sitting	Referred	1st Sitting	Referred	
Diploma in Labor Education	37	2	34	1	4
Bachelor of Labor Education Part I	144	17	117	40	14
Bachelor of Labor Education Part II	91	5	88	15	30
Bachelor of Labor Education Part III	128	-	128	-	70

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. 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.

7.2 Postgraduate Diploma Course

Second batch of the Postgraduate Diploma in Geographical Information Systems (GIS) was commenced on August, 2010. 41 students have been selected for this program.

7.3 Diploma Courses

By the year 2010, Institute has been conducted following Diploma Courses for the need of the country, and students pay the course fee.

Number of registered students of the Diploma Courses - 2010

Course	Number of registered
Diploma in Drug Abuse Management Studies (DDAMS)	55
Diploma in Health Promotion (DHP)	35
Diploma in International Business (DIB)	28

7.4 Certificate Courses

7.4.1 English language programs

Final Examinations of Certificate Course in English Language No 30 was held on 03rd, 10th & 17th October 2010 for Higher, Preliminary and Intermediate Levels respectively. Final Examinations of Certificate Course in English for Teachers was held on 30th December 2010 for Part I, Part II and Part III respectively. Certificate Course in English Language – No. 30 and Certificate Course in English for Teachers – No. 08 was completed in 2010, and details are given below.

Details of the students of the English Languages Programs - 2010

Program	Medium	Intake 2010	Preliminary		Intermediate		Higher		Total Number of Passed
			Registered	Passed	Registered	Passed	Registered	Passed	
Certificate Course in English Language – No. 30	English	3865	1398	1051	1685	1212	782	534	2797
Certificate Course in English for Teachers – No. 08	English	264	58	37	118	83	88	60	180

Details of staff members of the English Languages Programs - 2010

Unit	Course	Total Students	Total Academic Staff	Total Non - Academic Staff
English Unit	Certificate Course in English Language – No. 30	3865	78*	03
	Certificate Course in English for Teachers – No. 08	264	05*	03

* Visiting Instructors

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. 31 held on 19-09-2010.

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.

7.4.2 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. 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 05 main course was completed in 2010. Final Examination was held in November 2010. Following Tables show the relevant information of those courses which were commenced in 2010.

Tamil Course No. 05 and Workshop no. 05_01 were completed in 2010 for students, and details are given below.

Details of students of the Tamil Languages Programs - 2010

Program	Medium	Intake 2010	Basic	Intermediate	Higher	Total Number of Passed
Certificate Course in Tamil – No. 05	Tamil	1100	956	109	35	786
Tamil Language Workshop – No. 05_01	Tamil	30	30	-	-	29

Details of staff members of the Tamil Languages Programs - 2010

Unit	Course	Total Students	Total Academic Staff	Total Non Academic Staff
Tamil Unit	Certificate Course in Tamil – No. 05	1100	20*	01
	Certificate Course in Tamil – No. 05_A	34	01*	01
	Tamil Language Workshop – No. 05_01	30	04*	01

* Visiting Instructors

7.4.3 Certificate Course in Computer Application in Business (CCCAB)

The third batch of Certificate Course in Computer Application in Business (CCCAB) course was completed by 2 groups in July and October 2010. CCCAB Course No. 03 was completed in 2010 for students, and details are given below.

Certificate Course in Computer Application in Business course - 2010

Program	Medium	Intake 2010	Total Number of Passed
Certificate Course CCCAB – No. 03	English	83	50

Fourth batch of the Certificate Course in Computer Applications (CCCA) was commenced on 05th September, 2010. 46 students were registered for the course.

08. Details of Research, Innovation and Publications

Mr. MGG Hemakumara	The effectiveness of Television Advertising in Rural Markets in Sri Lanka (Paper presented at the International Conference as Mahathma Gandhi University, India on 29th November, 2010.)

09. Library

The IHRA started providing library services in 1975. IHRA Library has a collection of about 23, 000 books with 7 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.

In 2010, there were 04 members on the permanent staff, comprising one academic staff member, one junior staff member and two minor employees. In addition to that, there were 03 members on the assignment basis which comprising two project assistants and one trainee computer application assistant.

Branch	Most Senior	Senior Staff	Junior Staff	Minor Employees	Total
Library	01	-	04*	02	04

* With temporary staff

There were total number of 654 members in the library in 2010. Its consists of 593 students and 61 academic and non- academic staff members. In the year 2010 there were 16904 lending books and 5400 reference books. Also it has purchased 317 new books by spending Rs. 171, 435.95 to the library. In 2010, number of 20 books received to the library as a donation. Institute has spent amount of Rs. 66, 705/- for purchasing periodicals during the year 2010.

Total number of Issues – 2010

Circulation of books	Student	Staff	Total
Returned	2463	457	2920
Issued	2150	398	2548

Income of the Library – 2010

Revenue	Rupees (Rs.)
Photocopy Service	Rs. 19783.50
Library fines	Rs. 10159.00
Lost books recoveries	Rs. 2121.87
Lost tickets	Rs. 350.00
Total	Rs. 32414.37

10. Financial Activities

The total Government grant for the year 2010 was around Rs 23 million, and the generated income by the institute was Rs 41 million.

Main items of the final accounts for 2010

Income x Rs 1000			Expenditure x Rs 1000		
01	Govt grant -recurrent	19,000	01	Emoluments- Academic	4,541
02	Govt grant - capital	3,950	02	Emoluments- Non-Academic	11,489
03	Govt IT grant	-	03	Visiting lecturers	427
04	Extension courses - income	40,951	04	Contractual services	2,331
05	Other earnings (for recurrent exp)	-	05	Maintenance expenses	584
06	Other earnings (for capital exp)	-	06	Purchases - capital	5,506
			07	Expenses on Extension courses	35,776
			08	Other expenses – convocations etc	3,246
					Other
01	*Total net value of capital items*	*24,876*	*01*	*Equity and Liabilities*	91,566
	Current assets	*66,689*			
	Total	155,466		Total	155,466

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

INSTITUTE OF HUMAN RESOURCE ADVANCEMENT
UNIVERSITY OF COLOMBO
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER, 2010 (REVISED)

	NOTE	2010	2010	2009	2009
ASSETS					
Non-current Assets					
Property, Plant and Equipments	1	25,693,707.91		24,108,486.95	
Investments	2	51,130,552.18		31,134,255.32	
			76,824,260.09		55,242,742.27
Current Assets	4				
Inventories/Stocks	4A	629,775.04		831,279.01	
Trade and other receivables	4B	5,741,891.77		4,615,281.15	
Prepayments	4C	-		17,043.98	
Cash and Cash equivalents	4D	9,187,068.77		6,244,682.80	
			15,558,735.58		11,708,286.94
Total Assets			92,382,995.67		66,951,029.21
LIABILITIES					
Current Liabilities	5				
Payables	5A	8,025,612.61		5,811,068.12	
Accrued Expenses	5B	324,933.30		332,181.69	
			8,350,545.91		6,143,249.81
Non-Current Liabilities	6				
Payable	6A	48,481,489.43		29,952,904.64	
Differed Income	6B	20,745,442.15		19,164,429.60	
Provision for Gratuity	6C	6,730,825.00		5,923,905.00	
			75,957,756.58		55,041,239.24
Total Liabilities			84,308,302.49		61,184,489.05
Total Net Assets			8,074,693.18		5,766,540.16
NET ASSETS / EQUITY	7				
Capital Grant Unspent	7A	1,705,837.65		269,273.56	
Accumulated Fund	7B	6,355,993.33		5,488,562.81	
Reserves - Donations	7C	12,862.20		8,703.80	
Total Net Assets / Equity			8,074,693.18		5,766,540.17

N. Perera

JVNT Soysa
(Senior Assistant Bursar)

Dr.W.K.Hirimburegama
(Director)

2011.05.05

INSTITUTE OF HUMAN RESOURCE ADVANCEMENT

UNIVERSITY OF COLOMBO

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER, 2010

	NOTE	2010	2009
Operating Revenue			
Recurrent Grant		19,000,000.00	16,806,000.00
Amortization of Government Grants - Depriciation	6B+7B	4,923,110.96	4,093,672.56
Income -Other Income	8A	40,951,198.29	39,492,011.86
		64,874,309.25	60,391,684.42
Operating Expenses			
Personnel Emoluments	9A	16,456,882.47	15,604,513.75
Travelling	9B	24,595.00	24,491.00
Supplies and Consumable	9C	1,860,364.80	1,771,873.91
Maintenance	9D	584,105.94	855,850.84
Contractual Services	9E	2,331,375.30	1,993,038.84
Other Operating Expenses	9F	1,209,096.88	1,223,902.97
Gratuity	9G	806,920.00	490,022.50
Depreciation	9H	4,923,110.96	4,093,672.56
Expenditure on Extention Programme	9I	35,775,983.84	29,825,882.84
Disposal & Wirte Offs			
Total Operating Expenses		63,972,435.19	55,883,249.21
Net Surplus / (deficit) for the period		901,874.06	4,508,435.21

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CHECKED / RESTORED

Signature

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2011 09-27

H.S.B.S.W.L.

2011.09.27

CE/C/IHRA/10/F/A 08 August 2011

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 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 Institute of Human Resources Advancement Affiliated to the University of Colombo 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 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. Section 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 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 frauds or errors, selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstance.

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 a 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 assessments 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 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 2010 and

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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 and 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 2010 and the financial results of its operations and cash flows for the year then ended.

2.2 Comments on Financial Statements

2.2.1 Presentation of Financial Statements

An audit query incorporating the accounting errors appeared in the financial statements presented for audit on 01 March 2011 was forwarded to the Director on 19 April 2011. Accordingly, the amended financial statements had been presented to audit on 05 May 2011.

2.2.2 Accounting Deficiencies

2.2.3 Unidentified Balances

Action had not been taken to identify the balances of 3 advance accounts amounting to Rs.200,166 remained continuously up to 31 December 2010.

2.2.4 Balances Remained Recoverable

The balances of 3 accounts amounting to Rs.257,853 as at 31 December 2010 had remained without recovering for period from 02 years to 04 years.

2.2.5 Non-compliance 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 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.
(b) Circular No. PED 25 dated 29 July 2004	Although approval of the General Treasury should be obtained by the Institute for the investment of its funds, the approval had not been obtained for a sum of Rs.6,000,000 invested in the year 2009 and for the fixed deposits amounting to Rs.9,200,000 invested in the year 2010.

2.2.6 Transactions not Supported by Adequate Authority

A sum of Rs.413,000 had been received from 826 applicants at the rate of Rs.500 per applicant as application fees of the Course of Bachelor of Labour Education in the academic year 2010. Out of that amount, expenditure such as supervision of examination, marking of answer scripts, holiday pay and overtime allowances etc had been incurred contrary to the Public Enterprises Circular No. 95 dated 14 June 1994. A sum of Rs.167,000 had been paid as allowances to an officer worked in the Project for the Welfare of the Students from the income of the

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course in labour education in the year 2010 contrary to the Public Enterprises Circular No, 95 dated 14 June 1994. Necessity of the above officer to the course in labour education had not ben confirmed in audit.

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 2010 had resulted in a deficit of Rs.18,098,126 before taking into account the Government Grant for recurrent expenditure as compared with the corresponding deficit of Rs.12,297,565 for the preceding year. Accordingly, the deficit for the year under review had increased by Rs.5,800,561. The deficit for the year under review had been converted to a surplus of Rs.901,874 due to the Government Grant of Rs.19,000,000 received for recurrent expenditure. The deficit for the preceding year had been converted into a surplus of Rs.4,508,435 due to the Government Grant of Rs.16,806,000 received for the recurrent expenditure of that year.

Increase of expenditure by Rs.8,089,186 as compared with the increase of revenue by Rs.4,482,625 had mainly affected for the decrease of surplus for the year under review by Rs.3,606,561 as compared with the preceding year.

3.1.1 Transaction of Contentious Nature

A sum of Rs.78,450 had been paid in the year 2010 as salaries and incentive allowances for proficiency in the second and third languages in accordance with the Circular issued by the University Grants Commission contrary to the Public Enterprises Circular No. 95 of 14 June 1994. Even though the Director General of Public Enterprises and the Director General of the National Budget had reported to the University Grants Commission that the payment of this allowance was contrary to the rules and regulations of the Government, this payment is being continuously made.

3.2 Operating Review

3.2.1 Performance

The following observations are made.

(a) The number of students registered in the year 2010 for the Degree Course in Labour Education which is the major Degree Course conducted by the Institute had been 126 and indicate a decrease of 44 students over that of the preceding year.

(b) Eighteen courses charging fees had been conducted during the year 2010 and 9319 students had participated in them. Students who had not sat for the examinations was 576 and it represented 6 per cent of the total number of students. Number of failures was 576 and it represented 6 per cent of the total number of students. The results of 06 examinations had not been released even after the elapse of 04 to 10 months.

(c) A sum of Rs.54,497,829 had been collected during the year 2010 as fees charging course fees indicating an increase of 14 per cent as compared with the preceding year.

(d) The number of hours allocated during the year 2010 for the Degree Course in Labour Education had been 1107.5 hours and it had been determined in accordance with the Semester System. Accordingly, the number of hours allocated had increased by 417.5 lecture hours over that of the preceding year. Similarly, the total number of lecture hours conducted in the year 2010 had been 1107.5 and indicated an increase of 658.5 hours as compared with the previous year. Out of the lecture hours conducted, 423 lecture hours had been conducted by five internal lectures of the Institute while 724.5 hours had been conducted by 24 visiting lectures. Accordingly, the number of lecture hours conducted by the internal lectures had been increased by 254 hours and the number of lecture hours conducted by the visiting lectures had also been increased by 444.5 hours as compared with the preceding year. Out of the total number of lecture hours, the lecture hours conducted by the internal lectures represented by 37 per cent.

3.2.2 Underutilised Assets

Out of three finger printing machines purchased by Rs. 330,155 in the month of September 2007 and February 2008, two machines had remained in a not repairable condition. As such, those machines had not been used since the year 2008.

3.2.3 Corporate Plan and Action Plan

Although the Corporate Plan should be prepared annually in terms of Paragraph 5.1.3 of Chapter 5 of the Public Enterprises Circular No. PED 12 of 02 June 2003, a Corporate Plan or an Action Plan for that year had not been prepared since the year 2009. As a result, the objectives and targets anticipated to be achieved by the Institute for every year and the financial and physical progress thereon could not be examined.

3.2.4 Budgetary Control

Although a Corporate Plan and an Action Plan should be prepared and an annual budget also should be prepared based on them in terms of Circular No. PED 12, the Institute had prepared a budget without considering the above plans.

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4. Systems and Controls

Special attention is needed in respect of the following areas of control.

(a) Activities of Examinations

(b) Recording the Fixed Assets in the Registers

H.A.S.Samaraweera

Acting Auditor General

SC/LA

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 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.

Effects on the Financial Statements	Observations of the Auditor General	Opinions already presented to the Auditor General	Steps taken by year 2013 present status and development
2. Comments on Financial Statements 2.2 Comments on Financial Statements 2.2.1 Presentation of Financial Statements	An audit query incorporating the accounting errors appeared in the financial statements presented for audit on 01 March 2011 was forwarded to the Director on 19 April 2011. Accordingly, the amended financial statements had been presented to audit on 05 May 2011.		
2.2.2 Accounting Deficiencies 2.2.3 Unidentified Balances	Action had not been taken to identify the balances of 3 advance accounts amounting to Rs. 200,166 remained continuously up to 31 December 2010.	The General Treasury has been informed of the recommendation of the Board of Management and the Academic Syndicate to write off the balances (Annexure 01)	This is a miscellaneous account balance existing for about 11 years. This has been submitted to the University Grants Commission to forward same to Ministry of Higher Education for the purpose of writing off of these balance as it is impossible to trace down connected papers presently.
2.2.4 Balances Remained Recoverable	The balances of 3 accounts amounting to Rs.257, 853 as at 31 December 2010 had remained without recovering for period from 02 year to 04 years.	1.Mr M S C Perera He has gone abroad after obtaining approved no-pay leave. Once he returns and reassumes duties, action will be taken to deduct this loan from his salary. 2. Mrs M P G D Menike This loan has been taken over by the relevant University receipt No. 100198 3. Mr V I D J Perera There is a Case filed in Courts regarding him and action to recover the loan will be taken when the Provident Fund is released.	Out of the Balances unrecovered, loan of Mr MSC Perera and Mrs MPGD Menike have been recovered as per receipt No 100324 ad 100198. Out of the Balance loan unrecovered, a distress loan in a sum of Rs. 191,000/- has to recovered from Mr VIDJ Perera. A case is pending in Courts in regard to him and arrangements have been made to recover this loan from his Provident Fund.

Effects on the Financial Statements	Observations of the Auditor General	Opinions already presented to the Auditor General	Steps taken by year 2013 present status and development
2.2.5 Non-compliance with Laws, Rules, Regulations and Management Decisions. Reference to Laws, Rules, Regulations etc.,	Instances of non-compliance with laws, rules, regulations etc are given below. Non -compliance		
(a) Public Enterprises Circular No. PED /12 dated 02 June 2003 Paragraph 6.5.1	A copy of the draft annual report along with the financial statements had not been submitted to the Auditor General.	The Annual Report has been completed and the draft has been submitted for translation.	The Annual Report of 2008 has been submitted to the Ministry of Higher Education. Action has been taken to submit Annual Reports of 2009 and 2010 as early as possible.
(b) Circular No. PED 25 dated 29 July 2004	Although approval of the General Treasury should be obtained by the Institute for the investment of its funds, the approval had not been obtained for a sum of Rs.6,000,000 invested in the year 2009 and for the fixed deposits amounting to Rs.9,200,000 invested in the year 2010.	A letter has been submitted to obtain approval	Out of the total amount of revenue received for short term courses, expenditure to be incurred has been retained whilst money sufficient for future expenditure is deposited in short term Bank deposits. By the time the relevant Courses are over, money in these deposits would have been utilized to settle connected relevant expenditure. As Government financial provision received by the Institution is not adequate, expenditure for maintenance and expenses for Degree Courses are obtained from the interest earned out of deposits. As such it would not be possible to conduct the activities of the Institution without these deposits. The General Treasury has been informed of the recommendation of the University Grants Commission and the Secretary of Ministry of Higher Education by letter dated 06th August, 2012 to obtain approval to conduct activities of the Institution efficiently without being a burden to the Government. (Annexure 02)

Effects on the Financial Statements	Observations of the Auditor General	Opinions already presented to the Auditor General	Steps taken by year 2013 present status and development
2.2.6 Transactions not supported by Adequate Authority	A sum of Rs 413,000 had been received from 826 applicants at the rate of Rs 500 per applicant as application fees of the course of Bachelor of Labour Education in the academic year 2010.Out of that amount, expenditure such as supervision of examination, marking of answer scripts ,holiday pay and overtime allowances etc had been incurred contrary to the public Enterprises Circular No 95 dated 14 June 1994.Similarly a sum of Rs167,800 had been paid as allowances to an officer worked in the project for the welfare of the students from the income of the course. Necessity of the above officer to the course in Labour Education had not been I in audit.	In the year 2010 too, the same procedure was followed as in the previous years in the selection of employed applicants for Courses in the Institution. As all applicants for the Course were employed persons it was not correct to hold either tests or interviews during week days. As such either tests or interviews should either be held on Public holidays or in weekends. Funds not have been allocated through financial provision in Government Recurrent Expenditure for the purpose of selecting suitable persons for the Course. This is not a project using Government funds as in previous years and not a burden to the Government. All payments are made on an approved budget by the Finance Committee of the Institution in the same manner as in other projects. Payments are to relevant tutors officers and other employees made according to budget 306 dated 2011.11.03 approved by the Academic Syndicate as recommended by the Finance Committee.	The procedure that was adopted in previous years when selections were made from employed applicants to the Institution, was followed in the same manner in the year 2010. As all candidates are employed persons it is not proper to hold either tests or interviews on weekdays as such Public Holidays and weekends were selected to hold tests and interviews. Funds have been allocated in government Recurrent provision for the selecting suitable persons for this Course. This is a project conducted with generated funds and a project conducted without causing a burden to the Government. Payments have been made according to the budget recommended by Finance Committee as have been done in other projects. Payments have been made to the lectures, officers and other employees for duties in the special project according to recommendation of the Finance Committee in approved budget 306 dated 03/11/2010 by the Academic Syndicate. (Annexure 03)

Effects on the Financial Statements	Observations of the Auditor General	Opinions already presented to the Auditor General	Steps taken by year 2013 present status and development
3. Financial and Operating Review 3.1 Financial Results	According to the financial statements presented, the working of the Institute for the year ending 31 December 2010 had resulted in a deficit of Rs 18,098,126 before taking into account the Government Grant for recurrent expenditure as compared with the corresponding deficit of Rs 12,297,565 for the preceding year. Accordingly the deficit for the year under review had increased by Rs5,800,561.The deficit for the year under review had been converted to a surplus of Rs 901,874 due to the Government Grant of Rs 19,000,000 received for recurrent expenditure. The deficit for the preceding year had been converted into a surplus of Rs 4,508,435 due to the Government Grant of Rs 16,806,000 received for the recurrent expenditure of that year. Increase of expenditure by Rs 8,089,186 as compared with the increase of revenue by Rs 4,482,625 had mainly affected for the decrease of surplus for the year under review by Rs 3,606,561 as compared with the preceding year.	Agreed.	Agreed.
3.1.1 Transaction of Contentious Nature	A sum of Rs 78,450 had been paid in the year 2010 as salaries and incentive allowances for proficiency in the second and third languages in accordance with the Circular No 95 of 14 June 1994.Even though the Director General of public Enterprises and the Director General of the National Budget had reported to the university Grants Commission that the payment of this allowance was contrary to the rules and regulations of the Government, this payment is being continuously made.	Action has been taken with regard to this as per Circular instructions of the University Grants Commission.	Action has been taken according to Circular instructions of the University Grants Commission.
3.2 Operating Review 3.2.1 Performance (a)	The following observations are made. The number of students registered in the year 2010 for the degree course in Labour Education which is the major Degree course conducted by the Institute had been 126 and indicate a decrease of 44 students over that of the preceding year.	Agreed There is a reduction as compared to the previous year in the number of students registered for the degree examination after passing the Diploma examination.	A number of students has been increased effective from this year. 220 students have been enrolled by 2012. This is a 74% increase as compared with year 2010.

Effects on the Financial Statements	Observations of the Auditor General	Opinions already presented to the Auditor General	Steps taken by year 2013 present status and development
(b)	Eighteen courses charging fees had been conducted during the year 2010 and 9319 students had been registered for them. Students who had not sat for the examinations was 576 and it represented 6 per cent of the registered students. Number of failures was 576 and it represented 6.6 per cent of the students sat for the Examination. The results of 06 Examinations had not been released even after the elapse of 04 to 10 months.	Agreed. Results of two examinations out of six have been released. Action has been taken to release results of the balance four examinations as early as possible. Most of the lecturers are external and in view of what is paid to them strict action cannot be taken.	Results of all examinations of the Institution have been released.
(C)	A sum of Rs.54,497,829 has been collected during the year 2010 as fees charging course fees indicating an increase of 14 per cent as compared with the preceding year	Agreed.	Agreed. As a Government financial provision is inadequate, generation of funds have been increased by short term Courses. It is necessary to conduct activities of the Institution efficiently without being a burden on the Government. It is therefore necessary to increase its revenue in this manner.
(d)	The number of hours allocated during the year 2010 for the Degree Course in Labour Education had been 1107.5 hours and it had been determined in accordance with the Semester System. Accordingly, the number of hours allocated had increased by 41705 lecture hours over that of the preceding year. Similarly, the total number of lecture hours conducted in the year 2010 had been 1107.5 and indicated an increase of 658.5 hours as compared with the previous year. Out of the lecture hours conducted, 423 lecture hours had been conducted by five internal lectures of the Institute while 724.5 hours had been conducted by 24 visiting lectures. Accordingly, the number of lecture hours conducted by the internal lectures had been increased by 254 hours and the number of lecture hours conducted by the visiting lectures had also been increased by 444.5 hours as compared with the preceding year. Out of the total number of lecture hours, the lecture hours conducted by the internal lectures represented by 37 per cent.	Agreed. Examinations are held in terms of the semester system according to recommendations of the new syllabus in Academic Year 2006/7. But due to the fact that this area has been declared to be within the high security zone duration of the lecture hours which is 2 ½, has been reduced to one hour. Therefore the duration of the Course year in which lectures had to be completed was extended. Therefore the number of calculated hours during the calendar year could either be more or less. The time allocated for each subject is 10 hours. The lecturers have accordingly conducted the lectures.	All lecturers cover the number of hours as required, in view of the present peaceful atmosphere of the country. Further, action has been taken to recruit a probationary lecturer to the Institution in order to efficiently conduct courses.

Effects on the Financial Statements	Observations of the Auditor General	Opinions already presented to the Auditor General	Steps taken by year 2013 present status and development
3.2.2 Underutilised Assets	Out of three finger printing machines purchased by Rs.330,155 in the month of September 2007 and February 2008, two machines had remained in a not repairable condition. As such, those machines had not used since the year 2008.	These two machines have been damaged by use and they have been removed as they are beyond repair. Approval of the Academic Syndicate has been obtained as per item 295 to dispose these at a public auction of condemned items and action is now been taken to remove this from the books of accounts of 2011. (Annexure 04, 05, 06 and 07)	These items have been removed from the accounts of the year 2012 according to approval 296 of the Academic Syndicate (Journal No 11055,11056, 11057)
3.2.3 Corporate plan and Action plan	Although the Corporate plan should be prepared annually in terms of paragraph 5.1.3 of chapter 5 of the public Enterprises Circular No. PED 12 of 02 June 2003, a Corporate plan or an Action plan for that year had not been prepared since the year 2009. As a result, the objectives and targets anticipated to be achieved by the Institute for every year and the financial and physical progress thereon could not be examined.	Has already been prepared.	Prepared already
3.2.4 Budgetary Control	Although a corporate plan and an Action plan should be prepared and an annual budget also should be prepared based on them in terms of public Enterprises Circular No. PED 12 dated 02 June 2003, the Institute had Prepared a budget without considering the above plans.	Corporate Plan and the Activity Plan of the Institution have already been completed.	Corporate Plan and the Activity Plan have been prepared already.
4. Systems and Controls	Special attention is needed in respect of the following areas of control. a) Activities of Examination	Necessary action has been taken to duly hold the examinations and to release results in time.	Necessary action has already been taken to hold examination and release result according to Time tables.
	b. Recording the Fixed Assets in the Registers	The Register of Fixed Assets has been updated now and it is expected to use computer software in the future years for this purpose	Fixed Assets Register has already been updated