PGIE
POST GRADUATE INSTITUTE OF ENGLISH

POSTGRADUATE INSTITUTE OF ENGLISH

THE OPEN UNIVERSITY OF SRI LANKA

ANNUAL REPORT AND ACCOUNTS

2010

POSTGRADUATE INSTITUTE OF ENGLISH

ANNUAL REPORT & ACCOUNTS

2010

CONTENTS

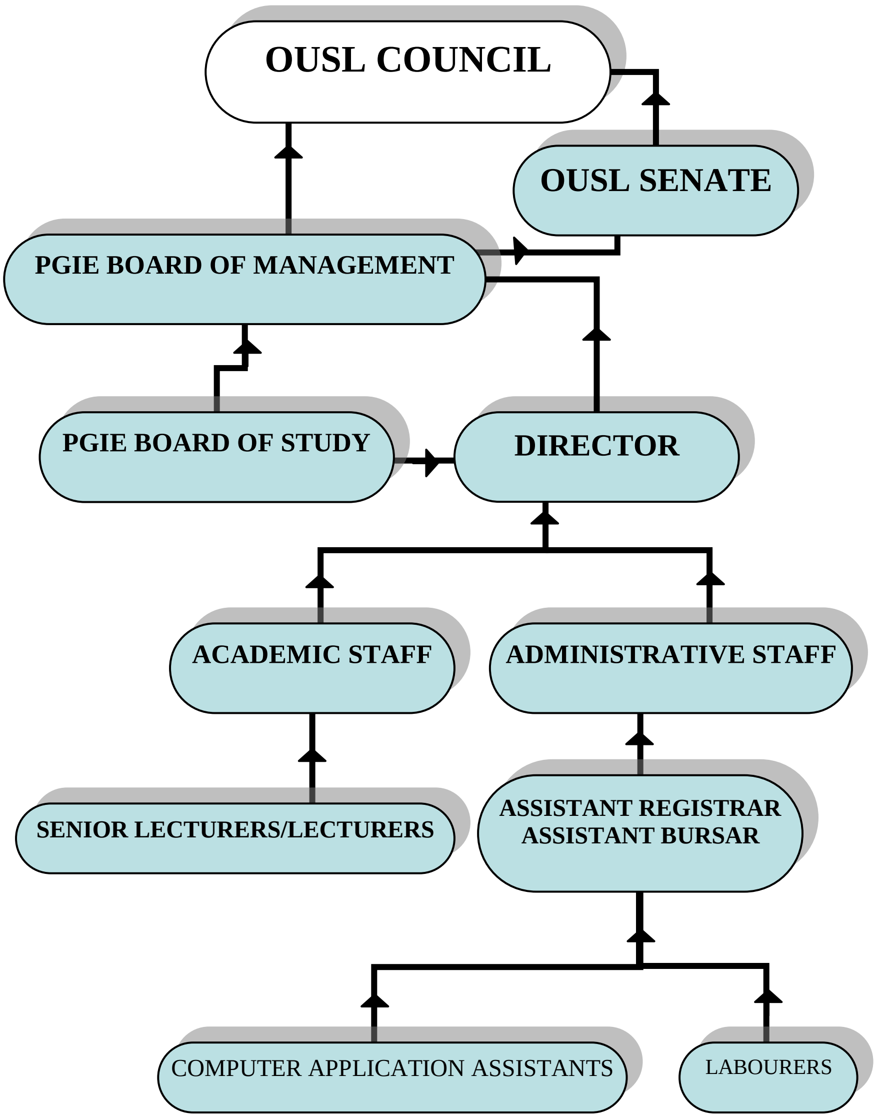
1. Vision

To be a leader, renowned for academic excellence and research in English Language Teaching and English Education, enhancing professional and pedagogical skills across the country to meet changing needs.

2. Mission

To provide opportunities for and support excellence in English Language Teaching and English Education at postgraduate level through scholarship and research; through influencing the development and implementation of national policy in English Language Teaching and English Education, and by providing new direction to English studies at national level.

3. Brief Profile of the Directors and Senior Management



2010 marked the first year since inception that the Postgraduate Institute of English (PGIE) had all the cadre positions of administrative and non-academic staff in place. In terms of academic staff however the institute was not able to recruit anyone. Hence academic work was confined to conduct of the MA in TESL.

(a) (i) Members of the PGIE Board of Management

	Name	Designation
1	Prof. C. Fonseka	Chair, Standing Committee on English
2	Prof. R. Raheem	Acting Director, PGIE
3	Dr. J. Manatunga	Head/ELTC, University of Moratuwa
4	Prof. M. Perera	Director/SDC, University of Colombo (up to 28/02/2010)
5	Prof. G.D. Lekamage	Representative OUSL Senate
6	Prof. S. Walter Perera	Professor in English, Dept. of English, University of Peradeniya
7	Prof. Neluka Silva	Head/Dept. of English, University of Colombo
8	Dr. D. Mendis	Senior Lecturer in English University of Colombo
9	Dr.(Mrs.) S.Ramesh Mr.S.Sunthareswaran	Head/Dept. of Linguistics and English University of Jaffna Head/ Dept. of English, University of Jaffna (from 02/07/2010)
10	Ms. B.K.P. Abeysooriya Dr. K. Warnapala Ms. Dinali Devendra	Head/Dept. of Language Studies, OUSL (up to 31/06/2010) Acting Head/Legal Studies (from 01/07/2010 to 30/09/2010) Head/Dept. of Language Studies, OUSL (from 01/10/2010)
11	Ms. Malini Peiris Dr. S.J. Nawaratne	Secretary, Ministry of Higher Education Secretary, Ministry of Higher Education (from 01/08/2010)
12	Mr. A. Ranaweera	Representative of OUSL Council
	Name	**Designation**

13	Mr. C. de Silva	Senior Lecturer/Dept. of Statistics and Computer Science, University of Kelaniya
14	Mr. S. Atugoda	Director/Dept. of English, NIE
15	Ms. L.K. Cumaranathunge	Representative of the BOS for TESL
16	Ms. Dilini Walisundara	Head/Dept. of English, University of Sri Jayawardenepura (from 12/01/2010)
17	Mrs H.M.N.S. Gunawardene	Director General, Dept. of Legal Affairs [Representative of the Treasury (with effect from 02/07/2010)]

(ii) Members of the PGIE Board of Study for Teaching English as a Second Language

	Name	Designation
1	Prof. R. Raheem	Chair, Acting Director/PGIE
2	Prof. S. Fernando Ms V. Medewattegedera	Dept. of English, University of Colombo (upto 14/02/2010) Senior Lecturer, Dept. of Language Studies, OUSL
3	Prof. M. Gunasekera	Professor of English, University of Kelaniya
4	Dr. H. Ratwatte	Senior Lecturer in English, OUSL
5	Dr. W.M. Seneviratne	Librarian, OUSL
6	Dr.(Ms.) Dushyanthi Mendis Dr. (Ms) R. De Silva	Dept. of English, University of Colombo (upto 14/02/2010) Senior Lecturer, Dept. of Language Studies, OUSL
7	Ms. L. Cumaranathunge	Visiting Academic, PGIE
8	Ms. P. Nagasundaram	Visiting Academic, PGIE
9	Ms I. N. J. Bogamuwa	Students’ Representative
10	Ms. S. R. Ilangakoon	Students’ Representative

4. Director's Review:

(a) Brief introduction

The Postgraduate Institute of English (PGIE) was established in 2006 at the Open University of Sri Lanka to serve as a national centre for teacher education and training in English Language Teaching (ELT). Ever since it was established, the development of the PGIE has been severely hampered by a lack of staff and space. In addition, the non-availability of post-graduate education in ELT for more than ten years also impacted on student performance at the PGIE. In 2009, the PGIE had no academic staff and even the post of Director was handled on an acting basis. 2010 marked the first year since inception that the PGIE had at least some space and its full complement of administrative staff and non-academic staff. Progress was also seen in student performance.

(b) Achievements:

2010 marked the first year since inception that the Postgraduate Institute of English (PGIE) had all the cadre positions of administrative and non-academic staff in place.

In May 2010, the MA programme was advertised. The response was good as 93 applications (of 100 available) were sold out. Performance at the Entry Test however was as unsatisfactory as in former years. Only 32 students qualified to enter the MA. 23 new students were registered for the MA and 28 Students were re-registered.

During the year, 8 students who had commenced research work in 2009 continued with work on their dissertations. At the end of the year 4 more students had completed all courses and had begun work on the research component.

With the entry of new students for the MA programme, revenue prospects for the institute improved.

(c) Failure & Justification:

In 2010, due to a lack of academic staff, the PGIE was not able to establish any new programmes of study. As in 2009, the position of academic staff was bleak - there were no Senior Lecturers or Lecturer. As a result, the PGIE decided to continue work only with the MA programme as set out in the PGIE Corporate Plan.

During the year, the PGIE awaited UGC approval to commence the Postgraduate Diploma in TESL. The proposal had been approved by the OUSL Senate in 2009 and forwarded to the UGC. However, in November 2010, the PGIE was informed that approval for this programme had been granted.

(d) Future Plan

1) Commencement of the PG Dip in TESL
2) Recruitment of Academic staff
3) Establishment of the Board of Study for Teaching English Literature

(e) Details of Resources & Students:

Institute	Course	Total Students	Total Academic Staff	Total non Academic Staff
Postgraduate Institute of English (PGIE)	Master of Arts in Teaching English as a Second Language (MA in TESL)	51	01 (Director)	05
Total	**01**	**51**	**01**	**05**

(f) Details of Local Students:

Institute	Course	Medium	Intake 2010	1st Year Students	2nd Year Students	No. Graduated
PGIE	MA in TESL	English	23	17	11	-
Total			**23**	**17**	**11**	**-**

(g) Details of Academic Staff:

Institute	Sub ject	Medium	Senior Prof	Profe ssor	Senior Lecturer	Lectu rer	Asst. Lecturer	Instruct ors
PGIE		English	01 (Director)	-	-	-	-	-
Total			**01**	**-**	**-**	**-**	**-**	**-**

(h) Details of Non-Academic Staff:

Institute	Most Senior	Senior Staff	Junior Staff	Minor Employees
PGIE		02	02	01
Total		**02**	**02**	**01**

(i) Details of Research, Innovation and Publications:

Subject	Published	Commercialized	Presented
a. No. of Research			
b. No. of Innovations			
c. No. of Journals			
d. No. of Books	01*		
e. No. of Articles			
f. Other			
Total			

* "*From Experiment to Excellence*: *A History of the Open University of Sri Lanka*" (with U. Vidanapathirana)

(j) Details of Programme, Seminars & Workshops:

Subject	Attended	Completed	Presented
a. No. of Postgraduate Degree Programme	02		
b. No. of Postgraduate Diploma Programme			
c. No. of Degree Programme			
d. No. of Diploma Programme			
e. No. of Certificate Programme			
f. Other			
Total			

(k) Any Other Details/Performance Relevant to this Report:

A new online course was established for ELM2601- Dissertation.
ELM2106 was also provided as an online course as students found it useful to have online support as a number of them were stationed in universities or schools at a considerable distance from the PGIE in Nawala.

5. Director's Report

Academic Progress

In 2010, as noted above, due to a lack of staff, the PGIE was not able to establish any new programmes of study. As in 2009, the position of academic staff was bleak- there were no Senior Lecturers or Lecturer. As a result, the PGIE decided to continue work only with the MA programme as set out in the PGIE Corporate Plan.
In May 2010, the MA programme was advertised. The response was good as 93 applications (of 100 available) were sold out. Performance at the Entry Test however was as unsatisfactory as in former years. Only 32 students qualified to enter the MA. 23 new students were registered for the MA and 28 Students were re-registered.

During the year, 8 students who had commenced research work in 2009 continued with work on their dissertations. At the end of the year 4 more students had completed all courses and had begun work on the research component.

During the year, the PGIE was still awaiting UGC approval to commence the Postgraduate Diploma in TESL. The proposal had been approved by the OUSL Senate in 2009 and forwarded to the UGC but the required approval had still not been received.

With the entry of new students for the MA programme, revenue prospects for the institute improved.

Student Performance – 2009/2010

Table 1 – Student Performance at Final Evaluation 2009/2010

	LSP 2301	**LSP 2202**	**LSP 2203**	**LSP 2204**	**LSP 2101**	**LSP 2102**	**LSP 2104**	**LSP 2106**	**LSP 2107**
Total Sat	14	07	01	03	04	05	01	12	09
Pass	09	04	01	03	04	05	01	12	08
Fail	05 (35.7%)	03 (42.8%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	0 (0%)	01 (11%)

Research

The PGIE's commitment to research continued through 2010. The annual PGIE Research Forum however was not held in 2010 but postponed to early 2011 due to lack of academic support to assist the students.

New Programmes and Courses

A new online course was established for ELP 2601- Dissertation.
ELP 2106 was also provided as an online course as students found it useful to have online support as a number of them were stationed in universities or schools at considerable distance from the PGIE in Nawala.

Staff

Prof. R. Raheem, Professor of English at the Open University functioned as Acting Director till 09th May, 2010 and was appointed as Director of the PGIE and she took up the post with effect from 01st July, 2010.

Ms. B.K.P. Abeysooriya, Head Language Studies, Open University of Sri Lanka was appointed as Acting Director from 10th May 2010 to 30th June 2010.

Dr H Rambukwella was nominated to the post of Senior Lecturer and the PGIE is awaiting approval of his appointment by the University Grants Commission.

Learner Support

The OUSL Library continued to provide valuable support for the MA in TESL and is the repository for PGIE academic resources. The Librarian of the OUSL functions as a member of the Board of Study for TESL.

Activities of Members of Staff

Professor R Raheem, Acting Director

Member, Executive Committee, AsiaTEFL Organization, Seoul, South Korea.
Chair, Mithuruwela-the Cancer Support Network, Colombo.
Examiner, Dept of English, University of Colombo.
Visiting Academic and Examiner, Department of Language Studies, OUSL.

Collaboration and partnerships

The institute provided support for programmes for academic and administrative staff in collaboration with the Staff Development Centre of the Open University.

Academic staff of the Department of Language Studies and of the OUSL continue to readily assist the PGIE in all aspects of its work.

Throughout 2010 assistance for the PGIE was also provided by many at OUSL including the Vice Chancellor, members of the OUSL Council, the Registrar, the Bursar, the Librarian, Dr Gayathri Jayatilleke and Ms Geetha Kulasekera of the Educational Technology Division and the staff of the Vice-Chancellor's office.

Support for individual courses in the MA programme was provided by Ms P Abeysooriya of the Dept of Language Studies/OUSL, Ms L Cumaranatunge, former Director/Higher Institute of English Education, National Institute of Education, Ms. D. Fernando, Ms. K. Perera, ELTU/University of Kelaniya and Mr. L.D.I. Wijetunge/Dept. of Social Studies, OUSL.

Comment: The PGIE acknowledges with gratitude the support provided to the institute by academic and other staff from the OUSL and other national universities. The institute would not have been able to function if not for this assistance.

6. Financial Statements (According to the new format)

(a) Details of Recurrent Expenditure

Subject	2009 Rs	2010 Rs
a. Personal emoluments	1,624,601.85	2,603,399.41
b. Traveling	17,372.00	35,600.00
c. Supplies	236,389.12	160,186.37
d. Maintenance	-	67,952.00
e. Contractual Services	220,495.38	337,752.72
f. Other	344,862.60	322,779.98
Total	2,443,720.95	3,527,670.48

(b) Details of Capital Expenditure

Subject	2009 Rs	2010 Rs.
a. Acquisition of Furniture & Office Equipment	824,626.20	30,374.40
b. Acquisition of Machineries	684,050.00	-
c. Acquisition of Building & Structures	-	-
d. Other		118,897.12
Total	1,508,676.20	149,271.52

(c)Details of Financial Progress (Expenditure):

Subject	Provision in 2010 Rs.	Exp in 2010 Rs.	Savings/Excess Rs.
a. Recurrent except Project	4,823,000.00	3,527,670.48	1,295,329.52
b. Capital except Project	1,000,000.00	149,271.52	850,728.48
c. Project – Local funded	-	-	-
d. Project – Foreign funded	-	-	-
Total	5,823,000.00	3,676,942.00	2,148,058.00

(d) Details of Financial Progress (Generated Income):

Source of Revenue	Provision in 2010 Rs.	Collection in 2010	Deficit/ Surplus Rs.
a. Undergraduate studies	-	-	-
b. Postgraduate Studies	550,000.00	1,349,470.00	799,470.00
c. Consultancies			
d. Other	200,000.00	307,755.50	107,755.50
Total	750,000.00	1,657,225.50	907,225.50

(e) Financial Performance Analysis – 2010:

Subject	**Formula**	**Exp. Per Student Rs.**
8a. Recurrent Expenditure per Student (RE)	RE/ No of Student strength	69,170.01
b. Capital Expenditure per Student (CE)	CE/ No of Student strength	2,926.89
Total		72,096.90

7. Audit Committee Report

Internal Audit Report

The Internal Audit Division carried out its auditing functions in purposeful areas of the OUSL and PGIE during the year under review, covering a significant area of engagement as follows.

1. **Pre- Audits**

   - Releasing of UPF
   - Payment of Gratuity } OUSL
   - Final payments on Contracts and release of retention.

2. **Verifications**

   - Annual stock verification at main stores as at 31.12.2010.

3. **Audit Queries issued on findings**

   - Fuel consumption
   - Petty cash control
   - Staff loans and Advances
   - Fixed Assets register
   - Dispatch Unit
   - Annual verification Fixed Assets.
   - Annual Audit – PGIE

   } OUSL

4. **Reports sent to UGC.**

   - Project on NSF Funds - OUSL

5. **The Audit Committee**

   The Audit Committee of OUSL meets regularly to review the activities of OUSL and PGIE. The Committee considers the Audit Reports and Queries sent by the Auditor General and Internal Audit and the responses of OUSL and PGIE to those queries. The Committee makes recommendations and directives for corrective actions. Follow–up on corrective action is also monitored.
   The Audit Committee met on seven occasions during the year under review.

6. **The Staff**

   The Internal Audit Division comprises the following staff.

   - An Assistant Internal Auditor
   - An Audit Assistant
   - A Senior Staff Assistant
   - A Computer Application Assistant
   - A Labourer

NOTE: RE AUDITED FINANCIAL STATEMENT

The Ministry of Higher Education letter HE/PL/140 dated 10th June, 2011 requested that Accounts be presented according to a given format in the Annual Report. The accounts presented on pages 13-14 (Section 6 of this report) have been prepared accordingly.

However, the Auditor General's observations were made on accounts presented in the earlier format as specified by the Sri Lanka accounting standards. The accounts is presented to the Auditor General are attached to the Auditor General's report as Section 8.

8. Audited Financial Statement

THE POSTGRADUATE INSTITUTE OF ENGLISH

THE OPEN UNIVERSITY OF SRI LANKA

FINANCIAL STATEMENTS

2010

POSTGRADUATE INSTITUTE OF ENGLISH
BALANCE SHEET AS AT 31.12.2010

31.12.2009 (Rs.)		Note No		31.12.2010 (Rs.)
	Assets			
	NON CURRENT ASSETS			
2,555,822.67	Property, Plant & Equipments	14		2,073,892.71
	Current Assets			
4,752,109.00	Short Term Investments	15	4,496,832.82	
	Inventories		140,634.42	
9,646.00	Loans & Advances to Staff	16	232,084.00	
-	Advances for Suppliers & Services		118,897.12	
-	Miscellaneous Advances		-	
28,104.27	Sundry Debtors		37,842.81	
582,236.04	Cash at Bank	17	1,162,556.78	
				6,188,847.95
7,927,917.98				**8,262,740.66**
	Equity & Liabilities			
	Capital & Reserves			
	Capital			
2,514,503.67	Capital Grant Spent		2,192,789.83	
(2,063.58)	Capital Grant Unspent	18	100,707.90	
-	IT Grant		-	
	Reserves			
(447,689.23)	PGIE Fund		571,142.00	
2,064,750.86				2,864,639.73
	Non Current Liabilities			
	Specific Funds			
108,788.00	PGIE Development Fund		4,007,085.60	
702,903.00	Provision for Gratuity		754,003.00	
4,566,672.60	IRQUE Project	19	-	
				4,761,088.60
	Current Liabilities			
291,218.38	Accrued Expenditure	20	375,202.66	
71,685.14	Payable to OUSL		261,809.67	
121,900.00	Sundry creditors		-	
				637,012.33
7,927,917.98				**8,262,740.66**

- Prepared by Actg. Assistant Bursar : 19/05/2011

For and on behalf of the Board of Management

Actg. Director 19/5/2011

Actg. Assistant Registrar 19/05/2011

DIRECTOR
POST GRADUATE INSTITUTE OF ENGLISH

ASSISTANT REGISTRAR
POST GRADUATE INSTITUTE OF ENGLISH
OPEN UNIVERSITY OF SRI LANKA

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POSTGRADUATE INSTITUTE OF ENGLISH
INCOME & EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31.12.2010

2009 (Rs.)		Note No.		2010 (Rs.)
	INCOME			
2,018,500.00	Government Grant for Recurrent Expenditure			2,748,000.00
142,705.47	Government Grant for Rehabilitation Recurrent			6,638.00
9,920.00	Registration Fees			40,100.00
141,660.00	Tuition Fees			963,980.00
31,500.00	Examination Fees			73,500.00
326,762.96	Interest Income			304,705.50
-	Sale of Application			93,000.00
3,240.00	Miscellaneous Receipt			3,050.00
7,740.00	Supplementary Fee			15,420.00
8,500.00	Dissertation Fee			163,470.00
225,508.64	Amortization of Capital Grant			512,304.36
2,916,037.07	**Total Income**			**4,924,167.86**
	EXPENDITURE			
2,443,720.95	General Administration & Academic Services	21	3,527,670.48	
142,705.47	Expenditure - Rehabilitation Recurrent		6,638.00	
225,508.64	Provision for Depreciation		512,304.36	
282,563.00	Provision for Gratuity		51,100.00	
3,094,498.06	**Total expenditure**			**4,097,712.84**
(178,460.99)	**Excess of Income over Expenditure**			**826,455.02**
(330,932.72)	**Balance B/F**			**(447,689.23)**
61,704.48	**Adjustments in respect of previous Yea**			192,376.21
(447,689.23)	Balance C/F			**571,142.00**

Notes to accounts

1. **Reporting Entity**
The Postgraduate Institute of English has been incorporated under the Postgraduate Institute of English Ordinance No 04 of 2005. It launched its operations on 1st October 2006.

2. **Statement of Compliance**
The Financial statements of the PGIE have been prepared in conformity with generally accepted accounting principles and the Sri Lanka Accounting Standards, the requirements of the Universities Act No 16 of 1978 and the PF/PE 21 Public Finance Circular of 2002.

3. **Basis of Measurement**
The financial statements have been prepared on the historical cost basis.

4. **Government Grant**
The total government grant received for the year was Rs. 3,048,000.00. The recurrent grant of Rs. 2,748,000.00 has been recognized as revenue in the income statement. Capital Grant received has been accounted under Capital Grant unspent and amounts spent were transferred to Capital account.
The details are as follows.

	Amount Received in 2010 Rs.	Amount Unspent Rs.
Recurrent Grant	2,748,000.00	
Capital Grant		
Rehabilitation Building & Structures	0.00	0.00
Furniture and Office Equipment	200,000.00	825.60
Books and Periodicals	100,000.00	31,102.88
Total	3,048,000.00	31,928.48

5. **Amortization of Capital grant**
The capital grant received was capitalized and amortized as revenue over the useful life time of the related assets. The policy of amortization is not to amortize in the year of purchase whilst full year's amount is amortized in the last year.

6. **Recognition of Income**
The Government Grant, Grants from U.G.C are recognized in the period in which they are received. Student Fees and other earnings are recognized as revenue only on the receipts.

7. **Expenditure Recognition**
The expenditure has been analyzed and classified according to the different expenditure headings based on the guidelines setout by the University Grants Commission.

8. **Taxation**
The profits and income other than the profits and income from dividends or interest of The Postgraduate Institute of English are exempt from Income tax under the Inland Revenue Act.

9. **Retirement Benefits to Employees.**
Provision has been made for retiring gratuity payable to employees who have completed five years of continuous service from the initial year of service for all employees.

10. **Liabilities**
All known liabilities have been accounted for in preparing the financial statements.
The costs of common facilities received from the Open University of Sri Lanka have not been accounted as dues to OUSL.

11. The Books and periodicals purchased for the PGIE have been handed over to OUSL Main Library for the use of PGIE students.

12. Three computers and three uninterrupted power supply units were handed over to OUSL Main Library for the use of PGIE corner maintained by the Library.

13. **Cash Flow Statement**
Cash Flow Statement has been prepared using the "Indirect Method"

14. **Property Plant and Equipment**

(a) Property plants and equipment have to be depreciated on straight line basis as per UGC circular No 649 of 05.10.1995. The policy of depreciation is that depreciation is not charged in the year of purchase whilst a full year's depreciation is charged in the year of disposal.

(b) The accepted annual rates of depreciation are as follows.

• Furniture and Fittings	10%
• Office Equipment	20%
• Computers and accessories	20%
• Library Books	20%

(c) Furniture and office equipment were reclassified as furniture and fittings and office equipment since the depreciation rates are different.

(d) Fixed assets are shown at cost less accumulated depreciation.

(e) Depreciation is recognized in the Income Statement on a straight-line basis over the estimated useful lifetime of fixed assets.

(f) Details of Non Current Assets

	Furniture & Fittings	Office Equipment	Library Books & Periodicals	Computers & Accessories	Total
Cost					
Balance as at 01/01/2010	447,883.61	1,144,657.00	479,508.78	1,093,627.72	3,165,677.11
Add : Purchases during the year	30,374.40	-	-	-	30,374.40
Balance as at 31/12/2010	478,258.01	1,144,657.00	479,508.78	1,093,627.72	3,196,051.51
Depreciation					
Balance as at 01/01/2010	29848.84	94,980.40	403,109.66	81915.54	609,854.44
Add : Depreciation for the year	44,788.36	228,931.40	19,859.06	218,725.54	512,304.36
Balance as at 31/12/2010	74,637.20	323,911.80	422,968.72	300,641.08	1,122,158.80
Net book value as at 01/01/2010	418,034.77	1,049,676.60	76,399.12	1,011,712.18	2,555,822.67
Net book value as at 31/12/2010	403,620.41	820,745.20	56,540.06	792,986.64	2,073,892.71

(g) Disclosure of the breakdown of the PGIE Fund (General Reserve) of the institute is not necessary as the cumulative depreciation is equal to amortization of government grant (Vide UGC circular No 649 of 05.10.1995)

15. Short Term investments

The Money not required for immediate expenses were invested in short term fixed deposits in Peoples Bank. The carrying values of the investments were calculated including the accrued interest.

A/C No	Date	Amount as at 01/01/2010	Accrued Interest 2010	Balance as at 31/12/2010
174-60-01-00005984-5	7/21/2008	621,106.67	36,485.06	657,591.73
174-60-01-00007239-4	8/17/2009	310,170.65	20,450.53	330,621.18
174-60-01-00007243-8	8/17/2009	1,042,402.04	65,632.23	1,108,034.27
174-60-01-00007242-9	8/17/2009	1,042,402.04	65,632.23	1,108,034.27
174-60-01-00007506-0	10/28/2009	203,179.35	12,245.88	215,425.23
174-60-01-00007507-9	10/28/2009	507,948.37	30,614.70	538,563.07
174-60-01-00007505-1	10/28/2009	507,948.37	30,614.70	538,563.07
Total				4,496,832.82

16. Loan and Advances to Staff

Staff Loan	4,760.00
Distress Loan	198,324.00
Vehicle Loan	24,000.00
Festival Advance	5,000.00
	232,084.00

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17. **Cash at Bank**

Peoples Bank Current A/c No. 174100246838310	Rs. 489,731.19
Peoples Bank Current A/c No. 174100156838310	Rs. 562,057.37
Peoples Bank Current A/c No. 174100336838310	Rs. 110,768.22
	Rs.1,162,556.78

18. **Capital Grant Unspent**

Rehabilitation Building & Structures	60,656.53
Rehabilitation Machinery & Equipment	35,000.00
Furniture & Office Equipment	3,457.27
Books & Periodicals	1,594.10
Total	**100,707.90**

19. **IRQUE Project**

PGIE entered into a contract with the IRQUE Project of the Ministry of Higher Education to conduct a test of English proficiency for students in National Universities and private sector intuitions. An amount of Rs. 6,623,925.00 was received for this project.

Balance B/F as at 01/01/2010		**4,566,672.60**
Less Expenses made in 2010		
Production of Test	5,000.00	
Conduct of Test	98,250.00	
Marking of Script	126,525.00	
Coordination of Project	179,000.00	
Interim Report	40,000.00	
Coordination of Test	81,000.00	
Statistical Analysis & Report	45,000.00	
Final Report	93,600.00	
		(668,375.00)
Balance C/F		**3,898,297.60**

20. **Accrued Expenses**

Audit fee for the year 2007 (including 15% VAT)	59,512.50
Audit fee for the year 2009 (including 15% VAT)	82,812.00
Audit fee for the year 2010 (including 15% VAT)	107,900.00
Examination and day school expenses 2009	550.00
Telecommunication expenses	5,532.61
Cost of Facilities payable to OUSL	45,000.00
Examination payment for entry Test	10,195.00
Overtime	3,729.28
Visiting Lecture payment	31,000.00
Examination payment	5,400.00
Tax payable to Inland Revenue	23,571.27
Total	**375,202.66**

21. Recurrent Expenditure

	Personal Emoluments - Academic		
06-07-1.1.1	Salaries and Wages	366,630.00	
06-07-1.2.1	Universities Provident Fund	68,743.14	
06-07-1.4.1	Employees Trust Fund 3%	13,748.63	
06-07-1.5	Acting Pay	50,905.00	
06-07-1.6	Academic Allowance	91,657.50	
06-07-1.8.1	Cost of Living Allowance Academic	31,500.00	
06-07-1.11	Visiting Lecturer Fees	52,000.00	
			675,184.27
	Personal Emoluments - Non Academic		
06-07-1.1.2	Salaries and Wages	1,329,874.50	
06-07-1.2.2	Universities Provident Fund	139,456.81	
06-07-1.3.2	University Pension	60,024.36	
06-07-1.4.2	Employees Trust Fund 3%	39,896.24	
06-07-1.8.2	Cost of Living Allowance Non Academic	315,000.00	
06-07-1.10	Language Proficiency Allowance	17,640.00	
06-07-1.12	Over Time	20,972.23	
06-07-1.13	Holiday Payments	5,351.00	
			1,928,215.14
06-07-2.1	Traveling Domestic		35,600.00
06-07-3.1	Stationery & Office Requisites		155,173.48
06-07-3.3	Uniforms		3,802.89
06-07-3.7	Other Supplies		1,210.00
06-07-4.2	Maintenance - Plant, Machinery & Equipment		56,352.00
06-07-4.4	Maintenance - Furniture		11,600.00
06-07-5.2	Telecommunication		57,191.45
06-07-5.3	Postal Charges		30,808.00
06-07-5.9	Rates & Taxes to Local Authorities		24,146.27
06-07-5.10	Printing Advertising etc.,		225,607.00
06-07-6.2	Special Services-Council & Committees		74,000.00
06-07-6.3	Special Services-Professional & Other Fees		107,900.00
06-07-6.6	Staff Development (Training for Teachers, Administrators & other employees)		3,000.00
06-07-6.15	Holiday Warrants Season Tickets		5,040.00
06-07-6.16	Entertainment Expenses		22,616.50
06-07-6.17	Bank Charges		11,425.48
06-07-6.19	Contributions & Membership Fees		4,600.00
06-07-6.21	Examination Fees		27,805.00
06-07-6.22	Other Recurrent Expenses		66,393.00
	Total Expenses		**3,527,670.48**

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POSTGRADUATE INSTITUTE OF ENGLISH
CASH FLOW STATEMENT FOR THE YEAR ENDED 31.12/2010

2009 (Rs.)		2010 (Rs.)
	CASH FLOWS FROM OPERATING ACTIVITIES	
(178,460.99)	Surplus / (Deficit) from ordinary activities	826,455.02
	Non Cash Movements	
225,508.64	Depreciation	512,304.36
282,563.00	Provision for Gratuity	51,100.00
(61,704.48)	Prior year Adjustments	192,376.21
225,508.64	Amortization of Capital grant	512,304.36
165,806.49	**Operating Profit before working capital changes**	**1,069,931.23**
-	(Increase) / Decrease in Inventories	(140,634)
(23,744.27)	(Increase)/Decrease in trade & other receivables	(351,073.66)
(298,772.13)	Increase/(Decrease) in payables	152,208.81
(156,709.91)	**Net Cash Flows from operating Activities**	**730,431.96**
	CASH FLOW FROM INVESTING ACTIVITIES	
(1,508,676.20)	Purchase of Property, Plant & equipments	(30,374.40)
4,566,672.60	Funds received for Specific Purposes	(668,375.00)
-	Donations Received	-
(2,794,543.39)	Increase in Investments	255,276.18
-	Payment of Gratuity	-
(142,705.47)	Expenditure Rehabilitation Recurrent	(6,638.00)
120,747.54	**Net Cash Flows from Investing Activities**	**(450,111.22)**
	CASH FLOWS FROM FINANCING ACTIVITIES	
200,000.00	Capital Grants	300,000.00
-	It Grant	-
-	Donations	-
200,000.00	**Net Cash Flows from Financing Activities**	**300,000.00**
164,037.63	**Net Increase / (Decrease) in Cash & Cash Equivalents**	**580,320.74**
418,198.41	**Cash & Cash Equivalents at the beginning of the period**	**582,236.04**
582,236.04	**Cash & Cash Equivalents at the end of the period**	**1,162,556.78**
-		-
		-

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POSTGRADUATE INSTITUTE OF ENGLISH
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31.12.2010

(Rs.)

	PGIE Fund (General Reserve)	Other Funds	Capital Grant Spent	Capital Grant Unspent	Total
Balance as at 31st December 2008	**(330,933)**	**108,788**	**1,272,655**	**1,407,999**	**2,458,509**
Adjustment in respect of previous year	61,704	-		-	61,704
Capital Grant Spent during the year	142,705		1,467,357	(1,610,063)	-
Funds Received/(spend) During the year		4,566,673		200,000	4,766,673
					-
Donations Received During the Year					-
Amortization of Capital grant			(225,509)		(225,509)
Rehablilitation recurrent expenditure	(142,705)				(142,705)
Surplus / (deficit) for the period	(178,461)			-	(178,461)
Balance as at 31st December 2009	**(447,689)**	**4,675,461**	**2,514,504**	**(2,064)**	**6,740,211**
Adjustment in respect of previous year	192,376		41,319	(41,319)	192,376
Capital Grant Spent during the year	6,638		149,272	(155,910)	-
Funds Received/(spend) During the year		(668,375)		300,000	(368,375)
					-
Donations Received During the Year					-
Amortization of Capital grant			(512,304)		(512,304)
Rehablilitation recurrent expenditure	(6,638)				(6,638)
Surplus / (deficit) for the period	826,455				826,455
Balance as at 31st December 2010	**571,142**	**4,007,086**	**2,192,790**	**100,708**	**6,871,725**

	TRIAL BALANCE AS AT 31st December 2010		
		Debit	Credit
06-07-1.1.1	Salaries and Wages Academic	366,630.00	
06-07-1.1.2	Salaries and Wages Non Academic	1,329,874.50	
06-07-1.10	Language Proficiency Allowance	17,640.00	
06-07-1.11	Visiting Lecturer Fees	52,000.00	
06-07-1.12	Over Time	20,972.23	
06-07-1.13	Holiday Payments	5,351.00	
06-07-1.2.1	Universities Provident Fund Academic	68,743.14	
06-07-1.2.2	Universities Provident Fund Non Academic	139,456.81	
06-07-1.3.2	University Pension Non Academic	60,024.36	
06-07-1.4.1	Employees Trust Fund 3% Academic	13,748.63	
06-07-1.4.2	Employees Trust Fund 3% Non Academic	39,896.24	
06-07-1.5	Acting Pay	50,905.00	
06-07-1.6	Academic Allowance	91,657.50	
06-07-1.8.1	Cost of Living Allowance Academic	31,500.00	
06-07-1.8.2	Cost of Living Allowance Non Academic	315,000.00	
06-07-2.1	Traveling Domestic	35,600.00	
06-07-3.1	Stationery & Office Requisites	155,173.48	
06-07-3.3	Uniforms	3,802.89	
06-07-3.7	Other Supplies	1,210.00	
06-07-4.2	Maintenance - Plant, Machinery & Equipment	56,352.00	
06-07-4.4	Maintenance - Furniture	11,600.00	
06-07-5.10	Printing Advertising etc.,	225,607.00	
06-07-5.2	Telecommunication	57,191.45	
06-07-5.3	Postal Charges	30,808.00	
06-07-5.9	Rates & Taxes to Local Authorities	24,146.27	
06-07-6.15	Holiday Warrants Season Tickets	5,040.00	
06-07-6.16	Entertainment Expenses	22,616.50	
06-07-6.17	Bank Charges	11,425.48	
06-07-6.19	Contributions & Membership Fees	4,600.00	
06-07-6.2	Special Services-Council & Committees	74,000.00	
06-07-6.21	Examination Fees	27,805.00	
06-07-6.22	Other Recurrent Expenses	66,393.00	
06-07-6.3	Special Services-Professional & Other Fees	107,900.00	
06-07-6.6	Staff Development (Training for Teachers,		
	Administrators & other Employees)	3,000.00	
38-02	Depreciation A/C	512,304.36	
38-1	Gratuity	51,100.00	
40-D	Govt. Grant Rehabilitation Recurrent		6,638.00
40-E	101-2601-Buildng (Recurrent)	6,638.00	
302	Registration Fees (Post Graduate)		40,100.00
304	Tuition Fees (Post Graduate)		963,980.00
305	Examination Fees (Post Graduate)		73,500.00
308	Interest from Loans & Advances		462.84
309	Interest Income		304,242.66
312	Sale of Application		93,000.00
318	Miscellaneous Receipts		3,050.00
319	Supplementary Fee		15,420.00
320	Dissertation Fee		163,470.00
321	Amortization of Capital Grant		512,304.36

1101	Government Grant For Recurrent Expenses		2,748,000.00
11-C	Furniture And Fittings	478,258.01	
11-D	Library Books & Periodicals	479,508.78	
11-E	Office Equipment	1,144,657.00	
11-N	Computers and Accessories	1,093,627.72	
12-C	Provision for Depreciation - Furniture & Fittings		74,637.20
12-D	Provision for Depreciation - Library Books		422,968.72
12-E	Provision for Depreciation - Office Equipment		323,911.80
12-N	Provision for Depreciation - Computer & Accessories		300,641.08
13-A	Short term Investments	4,496,832.82	
14-C	Sundry Debtors		50.00
15	Festival Advance	5,000.00	
15-009	Staff Loan	4,760.00	
15-012	Distress Loan	198,324.00	
15-015	Vehicle Loan	24,000.00	
0	Closing Cash Book Balance	1,162,556.78	
28-C	Open University of Sri Lanka		261,809.67
06-A	PGIE Fund (General Reserve)	255,313.02	
17-C	Advance payment for Library Books	118,897.12	
29	Accrued Expenditure		375,202.66
08-01	Provision for Gratuity		754,003.00
14-N	Interest Receivable A/C	37,892.81	
35	Stores Advance	140,634.42	
01-A	Capital Account		2,192,789.83
01-B1	Unspent Capital Grant - Rehabilitation Building & Structures		60,656.53
01-B2	Unspent Capital Grant - Rehabilitation Machinery & Equipment		35,000.00
01-C1	Unspent Capital Grant - Furniture & Office Equipment		3,457.27
01-C2	Unspent Capital Grant - Books & Periodicals		1,594.10
05-0001	PGIE Development Fund		4,007,085.60
	Grand Total (31/12/2010) :	**13,737,975.32**	**13,737,975.32**
			-

9. Report of the Auditor General

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கணக்காய்வாளர் தலைமை அதிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT

මගේ අංකය / எனது இல / My No } CE/H/PGIE/FA/10

ඔබේ අංකය / உமது இல / Your No. }

දිනය / திகதி / Dat e } 31 May 2011

Director,
Postgraduate Institute of English

<u>Report of the Auditor General on the Financial statements of the Postgraduate Institute of English 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.</u>

The audit of financial statements of the Postgraduate Institute of English 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 Ordinance No. 04 of 2005 of the Postgraduate Institute of English and Sections 108(1) and 111 of the Universities Act No. 16 of 1978 and Sub-sections (3),(4) and (7) of Section 13 of the Finance Act No. 38 of 1971. This report is furnished in terms of Section 108(2) of the Universities Act and Section 13(7)(a) of the Finance Act No. 38 of 1971.

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

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
දුරකථනය / தொலைபேசி / Telephone. } 2691151

சுதந்திர சதுக்கம், கொழும்பு 07, இலங்கை
ෆැක්ස් අංකය / பக்ஸ் இல / Fax No. } 2697451

INDEPENDENCE SQUARE, COLOMBO 07, SRI LANKA
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 the extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me. The audit was carried out in accordance with Sri Lanka Auditing Standards to obtain reasonable assurance as to whether the financial statements are free from material misstatements. The audit includes the examination on a test basis of evidence supporting the amounts and disclosures in financial statements and assessment of accounting policies used and significant estimates made by the management in the preparation of financial statements as well as evaluating their overall presentation. I have obtained sufficient information and explanations which to the best of my knowledge and belief were necessary for the purpose of my audit. I therefore believe that my audit provide a reasonable basis for my opinion. Sub-sections (3) and (4) of Section 13 of the Finance Act, No 38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the audit.

2. Financial Statements

2.1 Opinion

So far as appears from my examination and to the best of information and according to the explanations given to me, I am of opinion that the Postgraduate Institute of English had maintained proper accounting records for the year ended 31 December 2010 and except for the effects on the financial statements of the matters referred to in paragraph 2:2 of this report, the financial statements have been prepared in accordance with Sri Lanka Accounting Standards, give a true and fair view of the state of affairs of the Postgraduate Institute of English as at 31 December 2010 and the financial results of its operations and the cash flows for the year then ended.

2.2 Comments on Financial Statements

2.2.1 Accounting Deficiencies

The following observations are made.

(a) According to the financial statements presented, the balance payable to the Open University amounted to Rs.261,810. Meanwhile, the amount receivable from the Institute to the University amounted to Rs.335,526 as per accounts of the University. The difference of Rs.73,716 had not been reconciled and adjusted in the accounts.

(b) The unspent provision for rehabilitation of machinery and equipment amounting to Rs.35,000 existing from 2008 had been shown in the financial statements of the year under review as well without making suitable adjustments in the accounts.

2.2.2 Non-Compliance with Laws, Rules, Regulations and Management Decisions

Instances of non-compliance observed in audit are given below.

Reference to Laws, Rules, Regulations and Management Decisions	Non-compliance
(a) Postgraduate Institute of English Ordinance No.04 of 2005	
Paragraph 12 (3)	Three meetings of the Board of Studies had been held in 2010 without quorum.
Paragraph 12 (4)	Even though the Board of Studies should meet not less than 06 times in a year, the Board had met only thrice during the year under review.
(b) Financial Regulations	
(i) 371(2)	Out of the sub-imprest totalling Rs.80,500 given in 07 instances, a sum of Rs. 50,280 had only been expended for the intended purposes. It was observed that the sub-imprests had been granted without ascertaining the actual requirement of funds for the intended jobs.

2.2.3 Transactions not Supported by Adequate Authority

Overpayment of contribution to the Employees' Provident Fund and Employees' Trust Fund totalling Rs 16,488 had been made due to the inclusion of academic allowance for the computation of contributions for the year 2010.

3. Financial and Operating Review

3.1 Financial Review

3.1.1 Financial Results

According to the financial statements presented, the working of the Institute for the year under review had resulted in a deficit of Rs.1,928,183 before taking into account the Government Grant as compared with the corresponding deficit of Rs.2,339,666 for the preceding year. The deficit for the year under review had reduced and showed a surplus of Rs.826,455 after taking into account the Government Grant of Rs. 2,748,000 received for recurrent expenditure and Rs.6,638 received for rehabilitation while the deficit for the preceding year had reduced to Rs.178,461 after taking into account the Government Grant of Rs.2,018,500 received for recurrent expenditure and Rs.142,705 received for rehabilitation of that year.

3.1.2 Analytical Financial Review

A sum of Rs. 2,754,638 had been received as Government recurrent grant and Government rehabilitation recurrent grant and the total expenditure amounting to Rs. 4,097,713 had been incurred by the Institute during the year under review.

3.2 Operating Review

3.2.1 Budgetary Control

(a) The budgeted internal income of the Institute for the year under review was Rs.750,000 and the actual internal income was Rs.1,657,225. The comparison between the budgeted and the actual revealed that the internal income received had exceeded the budgeted income by 121 per cent.

(b) The budgeted recurrent expenditure of the Institute for the under review was Rs.4,823,000 and the actual recurrent expenditure was Rs.3,527,670. Hence, 73 % of the total estimated recurrent expenditure only had been spent. The savings relating to 5 expenditure heads had been 100 per cent and the savings relating to 09 expenditure heads had been over 50 per cent.

(c) The provision made by the Government for Capital Expenditure amounted to Rs.1,000,000. Of this, only a sum of Rs.300,000 had been obtained and out of that a sum of Rs.149,271 had been expended by the Institute. Even though a sum of Rs.200,000 had been allocated for Buildings and Structures, no expenditure had been incurred thereon during the year under review.

(d) Due to the variances existing between the budget and the actuals, it was observed that the budget had not been made use of as an effective instrument of management control by the Institute.

3.2.2 Human Resource Management

Vacancies in 02 posts of Senior Lecturers and the post of Probationary Lecturer in the Academic Staff of the Institute had not been filled during the year under review.

3.2.3 Corporate Plan

(a) The Corporate Plan for the period 2009 – 2012 had not been updated annually.

(b) The Institute did not have adequate accommodation to maintain its office and presently it is housed in a building of the Open University. The need for the procurement of office accommodation had not been included in the Corporate Plan.

(c) According to the Corporate Plan, the Examination for the enrollment of students for the Postgraduate Diploma Course in English Language Teaching, should have been planned in 2009 and students should have been enrolled in the year 2010. Nevertheless it had not been implemented during the year under review.

3:2:4 Action Plan

The Action Plan also had not been updated in accordance with the needs. According to the Action Plan for the year 2010, 09 activities should have been implemented. But, those had not been implemented during the year under review.

3.2.5 Performance

(a) Even though a period exceeding 05 years had elapsed since the establishment of the Institute, the total number of students registered so far stood at 100 and only one student had gained the postgraduate qualification in English Language Teaching and English Education. Such performance is inadequate when compared to the expenditure incurred by the Government for a period exceeding 05 years.

(b) Even though 77 students had been registered during the years 2006-2009, the number of students remaining at the Institute by end of the year under review had been 28 only. Thus the number of students abandoning academic activities had been at a high level of 48. The per centage of that was 62 per cent.

4. Systems and Controls

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

(a) Advances

(b) Recruitment of staff

H.A.S.Samaraweera

Acting Auditor General

9. Reply to the Report of the Auditor General

PGIE
POST GRADUATE INSTITUTE OF ENGLISH

Postgraduate Institute of English
The Open University of Sri Lanka
P.O. Box 21
Nawala
Nugegoda

Telephone: 2825805, 2825806, 2881027, 2881032, 2853777
Director: Ext:. 528 Assistant Registrar: Ext 527

01st July, 2011

Auditor General,
Auditor General's Department,
Independence Square,
Colombo 07.

Dear Sir.

Report of the Auditor General on the Financial Statements of the Postgraduate Institute of English for the year ended 31st 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.

This refers to your letter dated 31st May, 2011 on the above subject.

I give below the actions taken by us for the above as follows.

2.2 Comments on Financial Statements

2.2.1 Accounting Deficiencies

(a) The accounts were reconciled and the identified differences were reported to Bursar, OUSL on 10/02/2011 for appropriate action.

(b) At a meeting held with the Director General of National Budget (Dept of National Budget) the PGIE was told that, in order for the PGIE to be able to deposit the money (Rs. 35,000.00) received for Rehabilitation Machine & Equipment in to the Deposit Account of the Treasury, we should receive instructions in writing.

In order to receive instructions in writing, the PGIE was directed to write to the Director General National Budget through Chairman UGC. Accordingly, a letter was sent to the UGC on 13/06/2011.

2.2.2 Non-Compliance with Laws, Rules, Regulations and Management Decisions

Reference to Laws, Rules, Regulations and Management Decisions

Postgraduate Institute of English
Ordinance No. 04 of 2005

(i) Paragraph 12 (3)

According to the para no. 12 (8) of the PGIE Ordinance No. 04 of 2005, 'the quorum for a meeting of the Board or Boards of Studies shall be one third its total membership'.

Therefore, the quorum for our BOS meeting is four (= 10/3). Hence, the BOS meetings held on the dates as indicated in your query had the necessary quorum.

But according to the para no. 12 (3), of the PGIE Ordinance, the quorum for a meeting of the Board or Boards of Studies shall be the least number not less than two thirds of its total membership, excluding co-opted members if any.

Since, the para numbers 12 (3) and 12 (8) stipulate the quorum in two different ways, action has been taken by the Board of Management of the PGIE to make the necessary amendments to the Ordinance to ensure consistency.

(ii) Paragraph 12 (4)

Since the PGIE has limited resources, if there were no matters to be discussed, Board of Study meetings were not held. As such, only three meetings were held in 2010. (The BOS has 10 members and each member is paid Rs. 500/- for attending a meeting)

(a) Financial regulations 371(2)	Advances are granted based on the estimated expenditure. The advances referred to were taken for expenses related to meetings of the PGIE. There are 16 members of the Board and each member has to be paid an allowance of Rs. 1,000.00 for attending a meeting. In addition, refreshments also had to be provided. Hence estimates were made for allowances and refreshments on the basis that all members who had not sent excuses would attend the meeting. In cases where members did not inform the PGIE actual expenditure for meetings was less than the estimated. It needs to be noted that after each meeting, the balance was refunded without delay. Advances are taken in good faith, on the assumption that all members will be present. As a responsible Institution the PGIE cannot assume that members will be absent.

2.2.3 Transactions not Supported by the Adequate Authority

The academic allowance was calculated for Prof. R. Raheem, Director / PGIE since the original date of appointment of her substantive post was before 01/07/2005. Hence, a payment of Rs. 16,488.00 was made on behalf of Prof. R.Raheem to the UPF,ETF and payment of gratuity.

3. Financial and Operating Review

3.1 Financial Review

3.1.1 Financial Results

3.1.2 Analytical Financial Review

The income generated by the PGIE in the reported year increased as a result of

a) a new batch of students being enrolled for the year 2010/2011 and an increase in the fees charged from the students per credit (from Rs. 18,370/- per credit to Rs. 30,000/-)

b) interest earned from short term deposits

3.2 Operating Review

3.2.1 Budgetary Control

(a) The budget was prepared at the beginning of the year based on Rs. 18,370.00 per credit. But during the year students course fees were increased from Rs. 18,370.00 to Rs. 30,000.00 per credit. Therefore the actual internal income exceeded the expected income.

(b) The budget was prepared at the beginning of the year on the assumption that the institution would to recruit academic and non academic staff during the year. But due to unavoidable circumstances beyond the control of PGIE the appointments could not be made within the year. (See para 1 of 3.2.2 of this document).

(c) This money was not utilized since the PGIE was prevented by external circumstances from recruiting academic staff and it was not in a position to use the allocated Capital expenditure for equipment and infrastructure development. Rs. 200,000.00 is not sufficient to construct a building. The PGIE has submitted a proposal to the UGC to construct a building for the PGIE. We are awaiting approval for this.

(d) The PGIE currently shares space with the SDC of OUSL and therefore is faced with problems such as the lack of space, lack of physical resources and staff. Due to this, budgetary and other internal control systems could not be implemented satisfactorily.

3.2.2 Human Resource Management

The PGIE received an application from only one qualified candidate for the post of Senior Lecturer in English in response to the press advertisement it published in April 2009. Approval to appoint the selected candidate was granted by the UGC in November 2010. The selected candidate, who is at present overseas, has informed us that that he would be able to assume duties at PGIE only in September 2011 since he has commitments to complete. The Board of Management, taking into consideration the delays in appointing him, granted the request.

Applications were called to fill the vacant posts of Senior Lecturer in English in February 2011 and the processing of applications are under way. PGIE is due to conduct interviews shortly.

UGC informed the PGIE in September 2010 that the post of Lecturer (Probationary) in the cadre of the PGIE will be converted to Senior Lecturer when the new cadre for 2010 is prepared. (This has not been sent to the PGIE by the UGC as yet)

3.2.3 Corporate Plan

(a) Due to lack of academic staff, the PGIE could not update the Corporate Plan.

(b) The PGIE is affiliated to the Open University of Sri Lanka and functions with the assistance of OUSL staff as such it was not feasible to be away from the OUSL. A proposal for a new building will be included in the next Corporate Plan.

(c) The PGIE got the approval from the UGC to commence a PG Diploma in Teaching English as a Second Language (TESL) at the PGIE only in November 2010 and steps are currently been taken to commence the programme , the entrance examination was held in June 2010.

3.2.4 Action Plan

Action plan could not be implemented due to delays by the UGC.

(d) (i) **1 Senior Lecturer Appointed**

Approval to appoint the candidate selected in April 2009 was granted by the UGC also in November 2010. The selected candidate will be able to assume duties at PGIE only in September 2011 since he has commitments to complete.

(ii) Advertise to fill 1 Senior Lecturer Vacancies

Applications were called for the vacant posts of Senior lecturer in English in Feb. 2011 and the processing of applications are under way.

(iii) Conversion of Lecturer (Probationary) to Senior Lecture Grade approved

UGC informed the PGIE in September 2010 that the post of Lecturer (Probationary) in the cadre of the PGIE will be converted to Senior Lecturer when the new cadre for 2010 is prepared. (This has not been sent to the PGIE by the UGC as yet)

(iv) & (v) Awaiting UGC Approval

(vi) Revise Course content – MA in TESL

Course materials for MA in TESL were revised.

(vii) Conduct Research Forum

Research Forum was conducted at PGIE on 25th February 2011.

3.2.3 Performance

(a) & (b) The MA in TESL at the PGIE is a Distance Education (DE) programme. In Distance Education institutions throughout the world, completion rates are small as compared to conventional universities. Since the MA is a DE programme, students have the freedom to complete the course at their own time.

It has to be noted that the MA is designed for senior teachers of English and all PGIE students are working students holding positions of responsibility (as Head of ELTU or as senior teachers) in their own institutions. Since the DE system permits flexibility with regard to time of completion, these students have opted to take time over their MA so that their own students (in the university system or in the schools) would not suffer.

It must be noted that of the original intake 5 students had completed the required nine courses within the first two years and had commenced work on their dissertations. In the DE system this rate is a good rate of success.

Unfortunately due to the ethnic conflict and tension, two students left the country.

Currently 8 other students have commenced work on their dissertations and are due to complete this year (2011). 8 student have submitted their dissertation as at June 2011.

Further more, it should be pointed that at a full-time, prestigious national University, only 10 students had completed the MA in English and ELT over a period of c. 15 years. While the PGIE, in contrast, has managed to produce 10 dissertation students within 4 years even with no permanent staff.

In order to increase student numbers, the PGIE requested permission from the UGC to commence a Postgraduate Diploma in Teaching English as a Second Language (TESL) in November 2009. This request was approved by the UGC only on 17th October 2010. While the PG Diploma would provide a ladder to students who wish to follow the programme leading to the Master programme it would also address the problem of the dropout rate.

Expenditure on the PGIE is modest. Total expenditure of the PGIE for the period 2006 – 2010 is c. Rs. 10.7 million. Average expenditure per year is c. Rs. 2.1 million.

4. Systems and Control

(a) Please refer the answer given in para 2.2.3 (b) above.

(b) Please refer the answer given in para 3.2.2 above.

Yours sincerely,

Dr. H. Ratwatte
Acting Director/PGIE