ANNUAL REPORT

&

ACCOUNTS OF THE

PGIS

2011

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1. Vision Statement

To be an internationally renowned centre of excellence in Asia for postgraduate education and research in Science

2. Mission Statement

To contribute to the development of a knowledge – based society with social sensitivity, ethical rectitude and economic prosperity through postgraduate level education and research in science and dissemination of knowledge in an intellectually stimulating, efficiently managed and harmonious academic environment

3. Director's Review

a. Introduction

The Postgraduate Institute of Science (PGIS) is a National Institute attached to the University of Peradeniya, Sri Lanka. The PGIS was established in 1996 by an ordinance from the Ministry of Higher Education in order to promote science education and research & development (R&D) in scientific disciplines in Sri Lanka. The principal objective of the Postgraduate Institute of Science is to promote and provide postgraduate instruction, training and research in various scientific specialities, enhancing the graduate academic experience.

The PGIS conducts M.Sc. M.Phil. and Ph.D. degree programmes as well as postgraduate diploma and certificate courses while conducting in-service training programmes, short courses, workshops, etc. These programmes of the PGIS are conducted through 10 Boards of Study in close collaboration with the Faculty of Science, University of Peradeniya. The members of the teaching panels are drawn from eight faculties of the University of Peradeniya, as well as from other universities and institutes. The Institute also offers consultancy services to local industry and public/private sector institutions. Sandwich and collaborative research programmes have also been launched with international institutions in USA, UK, France, Sweden, Japan, Italy, Thailand, South Korea and other countries.

b. Achievements

Fifteen M.Sc. programmes with a total of 396 students and two PG Diploma programmes with a total of 36 were commenced during the 2011. In addition, 45 new M. Phil students were enrolled during the year. Four Ph.D students, 09 M.Phil students, 103 M.Sc. students and 47 Postgraduate Diploma students were graduated in 2011. Ms. K G N P Piyasena (Prof. H R W Dharmaratne), Mr. D A S Siriwardhana (Dr. R Samarasekara, Prof. V Karunaratne and Dr. O V D S J Weerasena), W L D R A Kumaratilake (Dr. S W Navaratne and Prof. P G R Dharmaratne), Mr. R H S S Fernando (Prof. I A U N Gunatilleke, Dr. C N B Bambaradeniya and Prof. K B Ranawana), were awarded Ph.D degrees through the Boards of studies in Chemical Science, Earth Sciences and Plant Sciences respectively. The names of the supervisor/s are given in brackets. Ms.H M P S Kumari (Dr. S B P Athauda and Prof. P A J Perera), Ms.D M Nanayakkara (Prof. R P V J Rajapakse, Prof. S A M Kularathne and Dr. G A Dasch), Ms.W A I

T Fernando (Prof. R P V J Rajapakse and Prof. H R W Dharmaratne), Mr. A M K S P Adhikari (Dr. M Y Udugala-Ganehenege), Ms. P Hettiatachchi (Dr. H M T G A Pitawala and Mr. J T S Motha), Ms. R M K G S P B Koswatte (Dr. A A J K Gunathilake and Prof. Dileeka Dias), Ms. C M C P Chandrasekara (Dr. H M S P Madawala Weerasinghe, Prof. C V S Gunatilleke, Prof. I A U N Gunatilleke and Prof. G Seneviratne), Mr. H A S Weerasinghe (Dr. M C M Iqbal, Dr. G W A R Fernando and Dr. H M S P Madawala Weerasinghe), Ms. K Tillekaratne (Prof. J P Edirisinghe, Prof. C V S Gunetilleke and Dr. W A I P Karunaratne) were awarded M.Phil degrees through the Boards of studies in Biochemistry & Molecular Biology, Chemical Science, Earth Sciences, Plant Sciences and Zoological Sciences respectively. The names of the supervisor/s are given in brackets.

A large number of foreign scientists visited the PGIS during 2011 and delivered lectures and served as resource persons in conferences, symposiums, training programmes, workshops and short courses. Among them were: Richard Navarro, Fulbright Scholar & Professor, College of Education and Integrative Studies, California State Polytechnic University, Pomona, USA, Mr. Eric Glover, French Scientific Journalist working for Le Courrier International, Dr. Kevin Hyde, Mushroom Research Center, Chiang Mai, Thailand,Dr. Tatsujiro Suzuki**,** Vice Chairman**,** Atomic Energy Commission**,** Japan, Prof. Ernst van Groningen ,Director, IPPS, Sweden, Prof. Leonard Hasselgren, Former Director, IPPS, Sweden, Prof. B V R Chowdari, National University, Singapore, Prof. Steen Skaarup, Netherlands, Prof. Tomonori Kawakami, Chairman, Department of Environmental Engineering, Toyama Prefectural University, Japan, Mr. Luca Pini, Metrohm Autolab, Netherlands. Following foreign officials visited to participate in a SAARK training programme conducted by the PGIS: Mr. Abdul Qadeer Qaneet, Member - Afghan National Disaster Management Authority, Afghanistan, Mr. Sayed Sarwoddin Saifi, Construction Engineer, Afghan National Disaster Management Authority, Afghanistan, Mr. Shukrullah, Member - Afghan National Disaster Management Authority, Afghanistan, Mr. Kinzang Norbu, Executive Secretary, Bhutan, Mr. Indra Prasad Phuyel, Engineer, Urban Road construction, Bhutan,. Mr. Tek Nath Kararia, Head, Disaster Management Section, Bhutan, Dr. R K Dwivedi, India. Sh. J. S. Saharia, Addl. Chief Secretary, Mumbai, India, Mr. Vikas Lakhani, Gujarat. Sh. S.C. Mohanty, Director, Disaster Management Unit, Mumbai, Mr. Syed Sibt-e-Abbas Zaidi, Director - National Disaster Management Authority, Pakistan, Mr. Ahmad

Raza Sarwar, Director, National Disaster Management Authority, Pakistan. Dr. O.P. Mishra, Director/Officer-In-Charge & Head, SAARC Disaster Management Centre, New Delhi Mr. Mriganka Ghatak Coordinator, SAARC Disaster Management Centre, New Delhi Dr. Lal Samarakoon, Director – GIS Application Centre, AIT, Bangkok, Thailand.

A total of 28 activities of national importance (workshops, short courses, conferences, Symposiums etc.,) successfully conducted during 2011. From these activities 1182 participants with different backgrounds were benefited. Out of these activities, 19 were Short Courses, 4 were workshops, 2 were training programmes, 2 were symposiums and 1 international conference.

Revaluation of assets and maintaining of a proper fixed asset register is a long felt need of the PGIS. Necessary steps were taken to revalue the assets through the government Valuation Department and a user friendly computer package was purchased to maintain a fixed asset register. This would ensure automation and immediate response to requests for statutory processes, such as checking inventory, location of the items, depreciated value of items, etc.

c. Failure and Justification

A low graduation rate due to weak students, obtaining leave when necessary from their respective workplaces, and long delayed administrative procedures/bottlenecks are the problems that delay in completing the research project/thesis in particular at the writing stage. Several remedial measures have been taken to improve the quality of the project report/thesis and to complete them in time. As a result, we managed to clear most of the cases up to the 2006 batch. Similar efforts were implemented to educate M.Phil and Ph.D. students through the Young Researchers Forum (YRF) of the PGIS. Consequently 4 Ph.D. students, 09 M.Phil students and 103 M.Sc. students were graduated at the last convocation. Non-availability of funding for major research equipment and for research grants are the main obstacles in strengthening postgraduate research. This is further amplified by the non-access to science journals on line.

d. Future Plans

A proposal was prepared and submitted jointly with the Faculty of Science for Higher Education for Twenty First Century (HETC) Grant QIG Window 3 (Postgraduate Research). Under this grant Rs 30 M will be awarded and 9 Ph.D students can be trained under following research projects.

1. Development of dye-sensitized solar cells for solar energy conversion

2. Assessing geo-thermal energy development potential in thermal spring areas of Sri Lanka

3. Development of nanoclay-polymer materials as low-cost oxygen reduction electrodes for fuel cell applications

4. Development of modified photochromic compounds with improved properties for use in molecular electronics.

5. Assessment of antimicrobial agents in plant-mineral formulations

6. Improving the bioavailability of natural bioactive components for drug and cosmetic based applications

7. Assessment of environmental impacts of the Mahaweli Diversion Scheme in selected downstream locations

8. Role of small mammals as reservoir hosts of rickettsioses and leptospirosis in Sri Lanka

In keeping with the vision and mission of the PGIS, activities have been planned for the next few years **(Details are given in the Corporate Plan and the Master Plan).** This includes equipping laboratories with major research equipment, construction of a hostel, a library, purchasing of a bus for field excursions and improving infrastructure facilities for disabled students. Already relevant documents were submitted to the Treasury to obtain necessary approval to purchase a Bus with 30 seating capacity utilizing the savings of the PGIS.

Prof. B S B Karunaratne

Director / Postgraduate Institute of Science

University of Peradeniya

4. Details of Resources and Students:

Institute	Course (Coursework)	Intake in 2011	Previous Year intake	Total Academic Staff	Total Non Academic staff
PGIS	M.Sc. in Clinical Biochemistry	-	-	19	03
	M.Sc. in Experimental Biotechnology	26		37	03
	M.Sc. in Analytical Chemistry	34	23	18	03
	M.Sc. in Industrial Chemistry	11	11	27	03
	M.Sc. in Nanoscience & Nanotechnology	38	33	33	03
	M.Sc. in Disaster Management	18	38	40	03
	M.Sc. in GIS & Remote Sensing	48		30	05
	M.Sc. in Environmental Science	30	23	39	03
	M.Sc. in Biodiversity, Ecotourism & Environment Management	13	13	20	03
	M.Sc. in Industrial Mathematics	08		09	03
	M.Sc. in Physics of Materials	11	08	19	03
	M.Sc. in Medical Physics	-	14	24	03
	M.Sc. in Medical Microbiology	-	21	30	03
	M.Sc. in Science Education	14	30	70	04
	PG Diploma in Science Education	26		08	04
	M.Sc. in Applied Statistics	36	38	13	04
	M.Sc. in Computer Science	69	62	16	05
	PG Diploma in Information Technology	10		12	03

5 . Details of Local Students (Medium of instruction is English):

Board of Study	Course Name	Intake 2011 Ph.D.	Intake 2011 M.Phil.	Intake 2011 M.Sc.	No. of Graduated M.Sc/M.Phil./Ph.D. Pl see the foot note*	No. of Diploma Completed
Biochemistry & Molecular Biology	M.Sc. in Clinical Biochemistry	-	06	-	07	01
	M.Sc. in Experimental Biotechnology			26		00
Chemical Sciences	M.Sc. in Analytical Chemistry	01	12	34	16	02
	M.Sc. in Industrial Chemistry			11		
	M.Sc. in Nanoscience & Nanotechnology			38		
Environmental Science	M.Sc. in Biodiversity, Ecotourism and Environmental Management	-	-	13	17	-
	M.Sc. in Environmental Sciences			30		07
Earth Scienc	M.Sc in Engineering Geology, & Hydrology	01	05	29	14	05
	M.Sc. in Disaster Management			18		
	M.Sc in GIS & Remote sensing			48		
	M.Sc in Water Resources Management			11		
Plant Sciences	M.Sc. in Medical Microbiology	01	08	-	09	01
	M.Sc in Plant Sciences			-		02
	M.Sc in Post-harvest Technology of Fruits and Vegetables			-		02
Physics	M.Sc. in Physics of Materials	01	06	-	06	02
	M.Sc in Medical Physics			11		02
	M.Sc. in Science Education			14		

Science Education		-	-		20	09
	PG Diploma in Science Education			26		
Statistics & Computer Science	M.Sc. in Applied Statistics	-	05	36	20	12
	M.Sc. in Computer Science			69		
	PG Diploma in IT			10		
Mathematics	Industrial Mathematics	-	04	08	02	02
	Total	**04**	**46**	**432**	**111**	**47**

*** Note: Students graduated are from the previous batches**

6. Details of Foreign Students:

Institute	Course	Medium	Intake 2011	1st Year students	2nd year students	3rd year students	4th year students	No of graduated
	M.Sc. in Medical Physics	English						one

7. Details of Academic Staff (Visiting):

Institute	Subject	Medium	Senior Professor/Professor/Assoc. Professor	Senior Lecturer/ Lecturer	Instructor
PGIS	Clinical Biochemistry	English	08	10	02
	Experimental Biotechnology	English	03	09	09
	Analytical Chemistry	English	13	12	02
	Industrial Chemistry	English	10	13	04
	Nanoscience & Nanotechnology	English	11	09	06
	Disaster Management	English	09	27	05
	GIS & Remote Sensing	English	03	22	08
	Engineering Geology and Hydrogeology	English	08	18	-
	Gemology and Industrial Minerals	English	11	15	-
	Water Resources Management	English	07	10	-
	Environmental Science	English	09	15	08
	Biodiversity, Ecotourism & Environment Management	English	05	10	07
	Industrial Mathematics	English	03	10	-
	Physics of Materials	English	03	07	03
	Medical Physics	English	03	07	03
	Medical Microbiology	English	08	20	07
	Plant Sciences	English	05	13	06
	Postharvest Technology of Fruits and Vegetables	English	01	11	-
	Science Education	English	11	31	08
	PG Diploma in Science Education	English	02	13	-
	Applied Statistics	English	05	08	-
	Computer Science	English	02	12	07
	PG Diploma in Information Technology	English	01	07	04

8. Details of Academic/Non-Academic Staff:

Institute	Most Senior	Senior Staff	Junior Staff	Minor Staff
PGIS	01	04	13	04

9. Details of Research, Innovation and Publications:

Subject	Published	Commercialized	Presented
a. No. of Researches	42	-	85
b. No. of Innovations	-	-	-
c. No. of Journals	-	-	-
d. No. of Books	-	-	-
e. No. of Articles	-	-	-
f. Others (News Letter)	01	-	-

10 (a) . Ph.D , M.Phil and M.Sc DEGREES AWARDED & TITLES OF THESES

Awardees ***Titles of the Theses***

Ph.D. – Chemical Sciences

1. K G N P Piyasena — Allelopathic activity studies of Sri Lankan flora and chemical investigation of endophytic fungi and terrestrial *Streptomyces* species

   Place of Research Work : Institute of Fundamental Studies, Kandy
   Supervisor : Prof. H R W Dharmaratne

2. D A S Siriwardhana — Microbial insecticides from *Bacillus thuringiensis* and fungal metabolites from *Hirsutella thompsonii*

   Place of Research Work : Postgraduate Institute of Science, University of Peradeniya
   Supervisors : Dr. R Samarasekara, Prof. V Karunaratne and Dr. O V D S J Weerasena

Ph.D. – Earth Sciences

1.	W L D R A Kumaratilake	A classification method for optical phenomena of cat's-eyes and stars in minerals
	Place of Research Work :	Postgraduate institute of Science, University of Peradeniya
	Supervisors :	Dr. S W Navaratne and Prof. P G R Dharmaratne

Ph.D. – Plant Sciences

1.	R H S S Fernando	Biodiversity of ecological communities and the biogeography of their species in three isolated hills in Sri Lanka
	Place of Research Work :	Department of Botany, University of Peradeniya
	Supervisors :	Prof. I A U N Gunatilleke, Dr. C N B Bambaradeniya and Prof. K B Ranawana

M.Phil. – Biochemistry & Molecular Biology

1.	H M P S Kumari	Isolation, partial purification and characterization of inhibitors for aspartic proteinases from *Spondias pinnata*
	Place of Research Work :	Department of Biochemistry, University of Peradeniya
	Supervisors :	Dr. S B P Athauda and Prof. P A J Perera
2.	D M Nanayakkara	Serological detection and identification of rickettsial species infecting humans
	Place of Research Work :	Postgraduate Institute of Science, University of Peradeniya
	Supervisors :	Prof. R P V J Rajapakse, Prof. S A M Kularathne and Dr. G A Dasch
3.	W A I T Fernando	Studies on anthelmintic efficacy of medicinal plants against gastrointestinal nematodes of goats
	Place of Research Work :	Institute of Fundamental Studies, Kandy
	Supervisors :	Prof. R P V J Rajapakse and Prof. H R W Dharmaratne

M.Phil. – Chemical Sciences

1.	A M K S P Adhikari	Synthesis of N,N'-ethylenebis(acetylacetoneiminato) and dithiooxamido transition metal complexes and investigation of their potential for binding anion, cation and small molecules
	Place of Research Work :	Department of Chemistry, University of Peradeniya
	Supervisor :	Dr. M Y Udugala-Ganehenege

M.Phil. – Earth Sciences

1.	P Hettiatachchi	Applications of red clays of Sri Lanka for high quality ceramic products
	Place of Research Work :	Postgraduate Institute of Science, University of Peradeniya
	Supervisors :	Dr. H M T G A Pitawala and Mr. J T S Motha
2.	R M K G S P B Koswatte	Application of Spatial Data Infrastructure Technology and Mobile GIS for disaster management in Sri Lanka

Place of Research Work :	Postgraduate Institute of Science, University of Peradeniya
Supervisors :	Dr. A A J K Gunathilake and Prof. Dileeka Dias

M.Phil. – Plant Sciences

1. C M C P Chandrasekara — Effect of soil-related factors on habitat specialization in the 25 ha forest dynamics plot at Sinharaja rain forest, Sri Lanka

   Place of Research Work : Department of Botany, University of Peradeniya
   Supervisors : Dr. H M S P Madawala Weerasinghe, Prof. C V S Gunatilleke, Prof. I A U N Gunatilleke and Prof. G Seneviratne

2. H A S Weerasinghe — Edaphic Characteristics at the Ussangoda Serpentinite Deposit

   Place of Research Work : Institute of Fundamental Studies, Kandy
   Supervisors : Dr. M C M Iqbal, Dr. G W A R Fernando and Dr. H M S P Madawala Weerasinghe

M.Phil. – Zoology

1. K Tillekaratne — Taxonomy, distribution and host plant relationships of thrips in selected sites in Sri Lanka

   Place of Research Work : Department of Zoology, University of Peradeniya
   Supervisors : Prof. J P Edirisinghe, Prof. C V S Gunetilleke and Dr. W A I P Karunaratne

M.Sc .Degree Awarded

	Awardees	*Titles of Project Reports*

M.Sc. – Analytical Chemistry

1.	A J M A K A Jayasekara	Investigation of sorption of Methylene Blue (MB) dye on thermally treated brick clay particles
2.	K N B B M A T Niriella	Interaction of phosphates with brick clay particles for water and wastewater treatment
3.	P D T Rodrigo	Investigation on the natural water coagulant, *Strychnos potatorum* (“Ingini”) seed powder for drinking water treatment
4.	S T Gonapinuwala	An evaluation of the presence of some selected metals in commercial bottled drinking water in Sri Lanka
5.	V V Uduwage	Preliminary study on the decay of the inner surface of concrete in alum treated water storage tanks
6.	U G C R Wimalasena	Pesticide residue analysis in Sri Lankan made tea

M.Sc. – Applied Statistics

1.	M P Wickramasinghe	Statistical analysis of total solar radiation in Colombo, Sri Lanka
2.	N Viknesh	Forecasting Sri Lankan black tea prices
3.	T Balachandran	Analysis of prevalance of dengue fever in Vavuniya MOH division
4.	H G K Dineshanrathna	Improving the production efficiency in Hirdaramani (Industries) Limited at Kahathuduwa using statistical process control
5.	M M J D Maheepala	Forecasting currency in circulation in Sri Lanka
6.	H A N S Hewavitharana	A non-linear model for stream-flow prediction in the *Kalu* river upper catchment in Sri Lanka
7.	C Paranirupanathan	A study of inflation in Sri Lanka using new Colombo consumer's price index compared to the old Colombo consumer's price index
8.	A M E K Abeyakoon	Comparison between conventional clustering methods using *Abelmoschus esculentus (L.) Moench (Okra)*
9.	R P Senadeera	Modeling and forecasting of wind direction and wind speed in selected weather stations

M.Sc. – Biodiversity Ecotourism and Environment Management

1.	W G N B P Dayananda	Situation analysis and development strategies for elephant orphanage at Pinnawala
2.	W M S R Wijesundara	Water distribution systems and diarrheal disease transmission: A case study in Kegalle district
3.	M U I Wijethunga	A comparative study on avifauna associated with two selected seasonal reservoirs at Kurunegala district

M.Sc. – Clinical Biochemistry

1.	H H Peiris	Assessment of the effects of selected pre-analytical and analytical factors on the optimal immunohistochemical staining for ER and Her-2 in breast cancer

M.Sc. – Computer Science

1.	R M T G J Bandara	Design and implementation of a web-based Humanitarian Aid Coordinating System
2.	J P N S T Jayaweera	Design and development of an endemic fresh water fish identifying system
3.	S J Withanarachchi	Web based evaluation system for Department of Technical Education and Training
4.	P R R W M I K Abhayasinghe	Regulatory framework for Near Field Communication (NFC) based mobile payments in Sri Lanka
5.	S Sureshkumar	Semi-automatic online examination system with SMS notification for essay and structured type questions
6.	S M S Piyarathna	Fingerprint matching based crime detection system
7.	H D A W Halkewidana	Online orientation system for the Open University of Sri Lanka
8.	S L Gunasena	Neural network based reverse engineering approach to recognize printed Sinhala

		scripts
9.	P C Abeysiriwardana	Ontology based information extraction for Disease Intelligence

M.Sc. – Disaster Management

1.	H F C P Fonseka	An assessment of disaster and emergency preparedness level in the primary health care centers in IDP villages, Menik Farm, Vavunia district, Sri Lanka
2.	P P Jayalath	Evaluating the impact of capture and translocation of trouble making Toque monkey (*Macaca sinica*) troops in Mahakanda village, as a tool of mitigating the human-macaque conflict
3.	R R M Hasitha	Study of temporal and spatial variability of dry spells in dry zone in Sri Lanka
4.	P P B P Perera	Social and psychological effects impacted upon the widows of military (army) personnel who died in active duty in the ethnic crisis of Sri Lanka
5.	A M R Bandara	Distribution of stray dogs and their antirabies vaccination status in Hanthana residence area in Kandy

M.Sc. – Engineering Geology and Hydrogeology

1.	T M Kumara	Enhance the mechanical strength of bricks and construction materials

M.Sc. – Environmental Science

1.	P M D Jayaneththi	Survey on the disposal of healthcare waste in the Colombo district and a proposal for improving the disposal mechanism
2.	S M S Samarakoon	Development of a water quality index to monitor stream water quality: Case study of the Mahaoya basin, Sri Lanka
3.	M P M Irzadh	Estimating fluoride exposure in rural communities in Sri Lanka - A case study from Irakamam village in Ampara district
4.	K S Somapala	Provenance and distribution of silica sand deposit at the Sri Lanka Air Force premises, Ekala, Sri Lanka
5.	H A N D Piyatunga	Chemical characterization of road dust in greater Colombo area
6.	E M D S Senavirathne	Methodology to remove colour from textile waste water effluent
7.	P Dewasurendra	Bird diversity in Kumana marsh in the Kumana National Park, Sri Lanka
8.	S Ethayakanthan	Performance evaluation of clay-polyethylene-clay composite biofilm liner for landfill in the dry zone of Sri Lanka
9.	T Shripathy	Evaluation of mass and energy balances of Landfill Bioreactor “Test Cell” at Peradeniya
10.	K H D M Karunarathna	Crop damages by Asian elephants in Ekgaloya and Dewalahinda areas in Ampara district, Eastern Province, Sri Lanka
11.	P V J Fernando	Application of floating wetlands for water quality improvement
12.	R S A K Bandara	The performance of sub surface vertical and horizontal flow constructed wetlands with special reference to Sri Lanka
13.	B P A Jayawardana	Removal of high concentrations of iron in water by electrocoagulation and

		filtering system: a new technique for domestic uses
14.	C A Jayasinghe	Evaluating the success of translocating problem creating elephants to mitigate human-elephant conflict in north-western wildlife region in Sri Lanka

M.Sc. – Experimental Biotechnology

1.	P U Abeywickrama	Callus induction, plant regeneration and *Agrobacterium*-mediated transformation of rice variety Bg-250
2.	I M W Gunasekara	Molecular characterization of human cytomegalovirus (HCMV) in some HCMV infected renal transplant patients in Sri Lanka
3.	A S Manamperi	Screening, isolation and purification of potential antiparasitic compounds from medicinal plants

M.Sc. – Gemmology and Industrial Minerals

1.	B G R W Gamlath	Exploring conversion of perthite to moonstone by heat treatment

M.Sc. – GIS & RS

1.	K N I Kavirathna	GIS based model for potential locations of mini hydropower projects
2.	A S Premasundara	Assessing spatial and social vulnerability for natural and other hazards in the Ampara district of Sri Lanka
3.	E D Sooriyawansa	Flood risk and vulnerability assessment along Kelani river in Biyagama
4.	R P S Ranaweera	GIS for land use zoning in urban development plans case study: Hambanthota municipal council area
5.	P S Jayaweera	Risk analysis and inundation mapping along Nilwala river basin

M.Sc. – Industrial Chemistry

1.	H A J R Hetti Arachchi	Improving the quality of cement manufacturing process by using statistical techniques
2.	P M G M Gnanarathna	Feasibility study of bio-diesel production from locally available non-edible oils

M.Sc. – Industrial Mathematics

1.	S Mayuiran	Optimizing the inventory cost of carbon dust
2.	T Ealasukanthan	Approximate first integrals of perturbed ordinary differential equations

M.Sc. – Medical Microbiology

1.	P W G J Rathnakumari	Application of PCR to early detection of dengue fever in clinically suspected patients
2.	V Thanaraj	Anti-candidal activity of some plants in the eastern region of Sri Lanka

M.Sc. – Medical Physics

1.	Shilpa Singh	Construction of some quality control test tools to evaluate medical diagnostic X-ray machines
2.	D Rajaratnam	Dosimetric and clinical characteristics of Multi-Leaf Collimator in Radiation Therapy
3.	S N C W M P S K Hulugalle	Characteristics of clinical electron beams in Radiation Therapy

M.Sc. – Nanoscience & Nanotechnology

1.	A M A Zajid	Self-cleaning cellulose fabric with TiO_2 nano particles
2.	W M K T Wijeratne	Thermal degradation behavior of clay polymer nanocomposites
3.	L S Hewawarawita	Preparation, characterization and *in-vitro* release study of ascorbic acid-encapsulated liquid crystal liposomes
4.	H M U G A Bandara	Fabrication of dye-sensitized solid-state solar cells: use of triethylamine hydrothiocyanate as crystal growth inhibitor

M.Sc. – Physics of Materials

1.	K B K Sanjeewa	Effect of gypsum on the compressive strength of cement
2.	A R M P S Rathnayake	Mechanical properties of Mullite/Zirconia composite with ferric oxide and yttrium oxide additives
3.	F A E Nugera	Effect of alumina filler on spherulite growth and on ionic conductivity of $PEO_9(LiClO_4)$ and Al_2O_3 composite polymer electrolyte

M.Sc. – Plant Sciences

1.	M I M Fahumy	Effect of bee honey treatment on controlling the lipid level of hyperlipidaemia patients
2.	P K B Lakmali	Growth and persistence of biofilmed biofertilizers in liquid media as influenced by pH
3.	R M G K Rathnayake	Some factors affecting the postharvest longevity of blue water lily (*Nymphaea* sp.) flowers
4.	A Manoraj	Antimicrobial activity of Triphala - a traditional medicine formulation

M.Sc. – Science Education

1.	W I G Ratnayake	A study on relevance of G.C.E. (Ordinary Level) mathematics examination paper for the Sri Lankan educational needs
2.	S S J M Iqbal	A critical analysis on ancient numerals
3.	M D A Gunasekara	The influence of language factor on student performance on solving word problems

		among bilingual learners in junior secondary level
4.	N Sivanesharajah	Self-study guide for enhancing performance of straightline motion and force among weaker students in grade 10 physics
5.	S Kandeepan	Learning difficulties of G.C.E. (A/L) combined mathematics students in Newton's laws of motion
6.	S N K K Tennakoon	An analysis of misconceptions in electricity among G.C.E.(A/L) students
7.	D J G S Dissanayaka	Revision of G.C.E.(A/L) electronic curriculum to suit the requirement of modern industry
8.	M M Muzammil	Suggestions for overcoming the learning difficulties of grade ten students in the chemistry unit one
9.	A R Ariyasinghe	Development of demonstration experiment and computer based test to teach rotational and circular motion
10.	A M S W Abeysinghe	A study to investigate the reasons for low interest in the area of probability and statistics in GCE (A/L) combined mathematics students in Kurunegala district
11.	T Ramesh	Preparation of a supplementary guide for the beginners of advanced level chemistry (Unit 1.3 and 1.4 – old syllabus)
12.	A V C Salgadoe	Differential effects achieved genderwise in teaching chemistry using macroscopic method
13.	A S V Polgampola	Bilingual education in Sri Lanka: Perspectives of stakeholders with special reference to prospective teaching in science education
14.	R A N P Rupasinghe	An investigation on the quality of mathematics textbooks
15.	K K V S Kankanamge	The impact of teacher qualities on mathematics performance of junior secondary level students
16.	H Vageesan	Assessing GCE (A/L) biology students' understanding of environmental issues using a two-tier diagnostic test
17.	M M Sakalasuriya	Preparation of an activity book using Active Learning Method (ALM) to teach basic principles of ecology
18.	S K M A Khan	Assessment of a modified approach to teach the unit of the GCE (O/L) syllabus on 'Prevention of diseases associated with the human body'
19	Y Ketheeswaran	Students' learning ability of calculus in the GCE (Advanced Level) Combined Mathematics syllabus
20	P Thangarajah	Improve the learning skills of students on "Water Quality" in GCE (A/L) Chemistry syllabus

M.Sc. – Water Resource Management

1.	K K Sugathadasa	Impact of wetland filling in urban areas on flood detention capacity; case study from Muthurajawela marsh
2.	I G C I Kularathne	Groundwater condition in Monaragala district

10 (b)Details of Programme, Seminars & Workshops

Title	***Speaker and Affiliation***	***Date***
Globalization of Higher Education and the implications for Smaller and Emerging Economies	*Dr. Richard Navarro* *Fulbright Scholar* *Professor, College of Education and Integrative Studies* *California State Polytechnic University, Pomona, USA*	*January14*
Industrial risks in the light of the Japanese Nuclear Disaster	*Mr. Eric Glover* *French Scientific Journalist working for "Le Courrier International"*	*June 23*
	Organized in collaboration with the Alliance Francaise Foundation, Sri Lanka	
How molecular sequence data have changed understanding of fungal pathogens?	*Dr. Kevin Hyde* *Mushroom Research Center* *Chiang Mai, Thailand*	*August 1*
Events at Fukushima Nuclear Plant: Implications	*Dr. Tatsujiro Suzuki* *Vice Chairman, Atomic Energy Commission, Japan*	*September 6*
	Organized in collaboration with the Sri Lanka Pugwash Group	
Quality: To be on the Top .. or at the Tap?	*Mrs. Sakunthala Durairatnam* *Managing Director, Quality Solutions (Pvt.) Ltd., Sri Lanka*	*December 16*
	Organized in collaboration with the Applied Sciences Society (APPS)	

Event	***Coordinator(s) (Board of Study)***	***Date(s)***	***No. of Participants***
Symposium to Felicitate the International Programmes in the Physical Sciences (IPPS), Uppsala University, Sweden	Prof. M A K L Dissanayake Prof. M A Careem (Physics & PGIS)	10 - 11 Jan	41
30th Short Course on GIS & Applications	Dr. Jagath Gunatilaka (Earth Sciences)	7 - 12 Feb	28
7th Advanced Short Course on GIS & Applications	Dr. Jagath Gunatilaka (Earth Sciences)	28 - 5 March	23
International Conference in Applied Epidemiology	Dr. Samath Dharmaratne Dr. Ranjan Wijesinghe	3 March	94

	(Zoological Sciences)		
International Symposium on 'Sustainable use of Water: Challenges ahead'	Dr. S K Yatigammana Dr. S K Weragoda (Zoological Sciences)	11 March	67
31st Short Course on GIS & Applications	Dr. Jagath Gunatilaka (Earth Sciences)	21 - 26 March	44
32nd Short Course on GIS & Applications	Dr. Jagath Gunatilaka (Earth Sciences)	28 - 2 April	38
33rd Short Course on GIS & Applications	Dr. Jagath Gunatilaka (Earth Sciences)	18 - 23 April	23
1st Short Course on Analysis of Experimental Data	Prof. Pushpa Wijekoon (Statistics & Computer Science)	25 - 27 April	31
34th Short Course on GIS & Applications	Dr. Jagath Gunatilaka (Earth Sciences)	25 - 30 April	25
Training Programme on Dairy Management for Gamaneguma Officers	Dr. Ashoka Dangolla (Zoological Sciences)	10 - 13 May	15/7
8th Advanced Short Course on GIS & Applications	Dr. Jagath Gunatilaka (Earth Sciences)	23 -28 May	28
Workshop on Scientific Writing	Dr. N C Bandara (PGIS)	27 May	94
35th Short Course on GIS & Applications	Dr. Jagath Gunatilaka (Earth Sciences)	30 - 4 June	37
36th Short Course on GIS & Applications	Dr. Jagath Gunatilaka (Earth Sciences)	1 - 6 June	40
37h Short Course on GIS & Applications	Dr. Jagath Gunatilaka (Earth Sciences)	13 -18 June	30
2nd Short Course on Analysis of Experimental Data	Prof. Pushpa Wijekoon (Statistics & Computer Science)	1 - 3 Aug	37
6th Short Course on Health and Anesthesia in Captive Elephants	Dr. Ashoka Dangolla (Zoological Sciences)	6 Aug	15
3rd Short Course on Analysis of Experimental Data	Prof. Pushpa Wijekoon (Statistics & Computer Science)	15 - 17 Aug	42
38th Short Course on GIS & Applications	Dr. Jagath Gunatilaka (Earth Sciences)	22 - 27 Aug	47
9th Advanced Short Course on GIS &	Dr. Jagath Gunatilaka	29 Aug - 3 Sep	38

Applications	(Earth Sciences)		
Workshop on Human Growth and Maturation - Clinical Applications	Prof. J G S Ranasinghe & Dr. Rasnayake M Mudiyanse (Biochemistry & Molecular Biology)	2 Sep	56
Workshop on Scientific Writing	Dr. N C Bandara (PGIS)	23 Sep	149
SAARC Training Programme on Urban Risk Management	Dr. Jagath Gunatilaka (Earth Sciences)	30 Oct. - 3 Nov	18
Workshop on Electrochemistry	Prof. A N Navaratne Dr. V A Seneviratne (Chemical Sciences & Physics)	3 Nov	54
39th Short Course on GIS & Applications	Dr. Jagath Gunatilaka (Earth Sciences)	7 - 12 Nov	33
40th Short Course on GIS & Applications	Dr. Jagath Gunatilaka (Earth Sciences)	21 - 26 Nov	22
41st Short Course on GIS & Applications	Dr. Jagath Gunatilaka (Earth Sciences)	21 - 26 Nov	25
Peradeniya University Research Sessions (PURSE) - 2011		24 Nov	22 (PGIS students)

11. Details of Awards Received

Subject	No. of Awards	No. of Academics*	No. of Students
a. Local Awards (PGIS Scholarships)	04	-	04
b. National Awards	-	-	-
c. International Awards	-	-	-
d. Others	-	-	-

* PGIS has only Visiting Academics

12. Details of New Courses Started

Institute	Course	Medium	Certificate	Diploma	PG Diploma	Masters	M.Phil	Ph.D.
PGIS	NO							

13. Details of Recurrent Expenditure:

Subject	2010 Rs	2011 Rs
a. Personal Emoluments	**18,905,498**	**18,892,848**
b. Traveling	**733,653**	**984,840**
c. Supplies	**2 440 640**	**2,137,152**
d. Maintenance	**1 102 308**	**1,709,442**
e. Contractual Services	**3 186 738**	**3,435,371**
f. Others	**4 297 232**	**3,042,083**

14 .Details of Capital Expenditure:

Subject	2010 Rs	2011 Rs
a. Acquisition of Furniture & Office Equipment	**12566358**	**6,546,032**
b. Acquisition of Machineries	-	-
c. Acquisition of Building & Structures	-	3,169,215
d. Others	-	-

15.Details of Projects (Local/Foreign Funded)

Name and Details	Loan/Grant	Funding Agency*	TCE Rs	RFA Rs	DF Rs
Pro.J P Edirisinghe	Grant	NSF	1,900,000		
Dr V A Senavirathne	Grant	NSF	1,860,000		
Prof A D L C Perera	Grant	NSF	1,563,141		
Prof R Chandrajith	Grant	IUCN/MFF/05	481,976		
Prof K B Ranawana	Grant	IUCN/MFF/06	422,400		

*(GOSL/ADB/IDA/WB/…)

16.Details of Project Expenditure (Local/Foreign Funded):

Name	TCE Rs	Exp. In 2010 Rs	Exp. In 2011 Rs	Cumulative Exp. As at 31.12.2011	% of Physical Progress
Not received					

17. Details of Financial Progress (Expenditure)

Subject	Provision in 2011 Rs	Exp. In 2011 Rs	Savings / Excess Rs
a. Recurrent except Projects	**56 563 000**	**30,201,736**	**26,361,264**
b. Capital except Projects	**7 000 000**	**9,715,248**	**2,715,248**
c. Project – Local funded	-	-	-
d. Project – Foreign funded	-	-	-

* Rs. 12.7 Million from PGIS earnings
** Rs. 19.1 Million from PGIS Government Grants

18.Details of Financial Progress (Generated Income)

Subject	Provision in 2011 Rs	Collection in 2011 Rs.	Deficit / Surplus Rs
a. Undergraduate Students			
b. Postgraduate Students	**42,063,000**	**33,363,469**	**8,699,531**
c. Consultancies	807,400	807,400	
d. Others			

19.Financial Performance Analysis – 2011:

Subject	Formula	Exp. Per student Rs
a. Recurrent Expenditure per Student (RE)	Total recurrent exp./No. of Students	19611
b. Capital Expenditure per Student (CE)	Total capital expenditure/No. of students	6308

20.Details of Infrastructure Facilities Received in 2011:

Subject	Expenditure Rs	Physical Progress
Indicated under 14 (a)	6,546,032	Satisfactory

21. Students' Statistics (2005 – 2011)

Year	Yearly Admissions/Enrolments Diploma/M.Sc./ M.Phil./Ph.D.	N0. awarded Diploma/M.Sc./ M.Phil./Ph.D.	Dropped out/Fail Diploma/M.Sc./ M.Phil./Ph.D.
2005	179	113	38
2006	418	166	24
2007	378	171	14
2008	348	140	22
2009	273	182	-
2010	325	275	-
2011	481	163	01
Total	**2402**	**1210**	**99**

Postgraduate Diplomas were offered for those who have not reached the required GPA (above 3.00) / unable to complete the research project for the M.Sc. degree.

M.Sc. Minimum 18 months duration
M.Phil. Minimum 2 years duration
Ph.D. Minimum 3 years duration

CL/KD/J
PG/S/2012/13

August, 2012

Director,
Post Eradiate Institute of Science,

Report of the Auditor General in terms of 14(2)(C) of Finance Act No. 38 of 1971 regarding financial statements for the year ending on 31st December. 2011 of the Postgraduate Institute of Science.

Financial Statements of the Post Graduate Institute of Science for the year ending on 31st December, 2011 together with the balance sheet as at 31st December,2011 and revenue statement for the year ending on that date, statement of change of ownership, cash flow statement and important accounting policies and a summary of clarifying information, and/the audit was conducted under my direction in terms of the provisions included in Article 154(1) of the Constitution of the Democratic Socialize Republic of Sri Lanka read together with section 13(1) of the Finance Act No.38 of 1971 and sections 108(1) and (3) of Universities Act No. 16 of 1978. This report includes my expressions of opinions and observations which, I feel, should be expressed along with the Annual Report of the institute in terms of 14(2)(C) of the Finance Act. A detailed report in terms of 13(7)(a) of the Finance Act was issued to the Director of the Institute on 17th July, 2012.

1.2. Responsibility of the Management regarding Financial Statements.

Preparation of these financial statements in accordance with Sri Lanka Accounting standards and their reasonable submission and internal Control necessary to prepare these financial statements without giving reasonable wrong statements due to frauds or mistakes is the responsibility of the management.

1.3. Responsibility of the auditor.

It is my responsibility to express an opinion on these financial statements based on my auditing. My auditing was done in accordance with the Sri Lanka Auditing Standards. In order to ensure that I act according to the requirements of ethics and that financial statements are reasonably accurate bereft of wrong statements, the above standards expect the auditing to be planned and implemented.
The auditing includes the implementation of procedures in order to get the necessary audit evidence which are helpful for the values given in financial statements and disclosures. Risky assessment of reasonably wrong statements which could occur due to selected procedures, frauds or mistakes depends on the auditors judgment, In the assessment of such risks, although the Auditor takes into consideration the internal control which relates to the planning of suitable auditing procedures to suit the occasion,

he does not intend to express an opinion regarding the success of the internal control of the institute. The audit includes the evaluation of suitability of the accounting policies followed by the management and justification of the accounting estimates used and the evaluation of overall submission of financial statements. In determining the scope and extent of the audit, the Auditor General is entrusted with discretionary powers by sub sections (3) and (4) of section 13 of the Finance Act No. 38 of 1971.
I trust that the audit evidence obtained by me is sufficient to supply a base for my adverse audit opinions.

1.4. Basis for the Adverse Audit Opinion.

If the adjustments of the matters referred to at 2.2 of this report had been made most of the primary matters included in the consecutive financial statements could have been adequately dealt with.

2. Financial Statements.

2.1. Adverse Audit Opinion.

Due to the importance of the matters referred to in para 2.2. of this report, my opinion is that financial position of the Post Graduate Institute of Science as at 31st December, 2011 and its financial operation during the year ending on that date and financial flows have not been prepared truly and reasonably in accordance with Sri Lanka Accounting Standards.

2.2. Expressing Opinion Regarding Financial Statements.

2.2.1 Sri Lanka Accounting Standards.

The following facts were observed.

(a) In preparing the cash flow statement in terms of Sri Lanka Accounting Standards No. 09, although only the cash transactions should be included, a sum of Rs. 2,382,362 payable for the new building had been indicated under investment activities.

(b) In preparing the cash flow according to Sri Lanka Accounting Standards No. 09, nett difference of the Residential Foreign Cash Account amounting to Rs. 6,705, 415 and those equivalent to cash have been indicated under the increase of other current assets.

2.2.2. Accounting Policies

Although the impact of changes in accounting estimates should be adjusted in terms of Sri Lanka Accounting Standards No.10 furniture and fittings, property etc, have been shown under property, plants and equipment even up to the year 2010 and as a result of showing the value of furniture fittings amounting to Rs. 12,075,000 under office equipment, the annual rate of depreciation has changed from 10% to 20% resulting in the change of the effective life span of furniture and fittings from 10 years to 05 years.

2.2.3. Accounting Shortcomings.

The following have been observed.

(a) Due to accounting expenses of the previous years as those of the year as those of the year under review, on 15 occasions, the surplus has been less by Rs. 3,435,105.

(b) During the year under review a microwave oven has been purchased at a cost of Rs. 17,500, and it has been accounted as a recurrent expenditure. As a result, surplus of the year and fixed assets have been shown minus the said amount.

(c) During the year under review, a holiday pay amounting to Rs.117,189 paid on 11 occasions to the non-academic staff had been accounted by debiting to over time (84208) Vote. As a result, holiday pay had been accounted minus the above amount and non-academic overtime plus the above amount.

(d) During the year under review, although the security service expenses paid to a private security service amounted to Rs. 505, 923 due to not accounting on accrued basis and accounting it only as Rs.235, 255 in the financial performance report the security service expenditure has been indicated minus Rs. 270,668. Similarly, the accrued expenditure at the end of the accounting year in relation to it was Rs. 127, 612 and in the account, it has been indicated as Rs. 143,056 less.

(e) During the year under review, although a sum of Rs. 26,000 has been paid from the officer Development vote as registration fees to the Academy of Financial Studies in respect of Senior Registrar, Audio Visual Technical Officer and Computer Service Assistant, even though it has been cancelled later , the relevant adjustments have not been effected.

(f) A payment of Rs. 10,400 has been made to a University employee for doing maintenance work in the electrical system and the generator of the Post Graduate Institute of Science for the period 30th April, 2010 to 2nd June, 2011. but the relevant expenditure of Rs. 4000 without debiting to the repairs and modernization vote had been paid under the vote for newspapers and periodicals. Further, an expenditure of Rs.6, 400 relevant to the last year has been accounted as an expenditure for the year has been indicated as excess by that amount.

(g) A total expenditure of Rs. 209, 718 which should have been accounted under 05 votes, had been accounted under 03 other votes.

(h) An amount of Rs. 13,762,309 paid as students course fees for the year 2012 had been accounted as a revenue of the year while there was no provision in accounts for students course fees for the year under review.

(i) Servicing charges of the electrical generator for the last half year of 2010 amounting to Rs. 3920 had been accounted as an expenditure of the year.

(j) By the journal No. 3411, a sum of Rs. 953,290 has been allocated as non academic pension gratuity while a sum of Rs. 297,550 allocated as pension gratuity of the Academic Section, had been debited to non-academic gratuity account (84214) instead of debiting to academic gratuity account.

(k) A sum of Rs. 59, 363 paid as Security Service fee for the months of November and December, 2010 had been debited to security service amount. As a remedial measure, a sum of Rs. 96, 647 has been debited to reservation fund and credited to Security Service expenditure had been indicated as Rs. 37,284 less.

(l) Provisions has not been made in accounts for a sum of Rs. 136, 350 as miscellaneous revenue which was due for the year under review.

(m) In terms of Sri Lanka Accounting Standards 24, although provision for the assets purchased from state donations on behalf of the assets valued at Rs. 3,112,788, depreciation adjustments had not been made for a sum of Rs. 153,296.

(n) According to Sri Lanka Accounting Standard No.03, items which should be settled within 12 months from the date of the balance sheet should have been shown under current liabilities but 5% of the income from short term workshops and courses pertaining to 10 study boards, fees amounting to Rs. 2,045,600 had been shown under, current liabilities without accounting as an income of the institute.

(o) An amount of Rs. 915,000 from short term courses which should have been received during the last year but received during the year under review had been taken to accounts as income for the year under review had been taken to accounts as income for the year under review. As a result, surplus for the year had been shown as excess for the year.

(p) Although 10% of the short term course income should have been recovered as administration charges, a sum of Rs. 197,712 for the year under review had not been recovered and neither had it been accounted as due income.

(q) According to the schedule of Pay As You Earn tax the amount of tax earned during the year 2011 had been Rs.582,184 and the amount paid to the Commissioner of Inland Revenue was Rs. 420, 327. Hence, the amount still due was Rs.161, 856 and the amount to be paid had been accounted as Rs.147,288 and accordingly the amount to be paid as taxes had been given as Rs. 14569 less.

2.2.4. Receivable and payable accounts.

Although the coordination allowance meant for short term courses amounted to 10% of the earned income, provision had not been made in accounts for the expenditure of 154,818 which was not spent as coordination allowance for short term courses which were not held during the year under review and provision had not been made in accounts for 5% or Rs. 28,361 payable according to the ledger from the income earned during the year to the relevant boards of studies for short term courses.

2.2.5 Non-compliance with the rules, regulations and management decisions.

The following instances of non-compliance with rules, regulations etc. were observed in the audit.

Reference to the rules, regulations etc.	Non-compliance
(a) Finance Act No. 38 of 1971 Sub section 13(2)	Auditing charges for 09 years from 2001 to 2009 was Rs967, 284 but provision has been made in accounts only for a sum of Rs. 376, 944 and accordingly the shortfall is Rs. 590,340. Only a sum of Rs. 184,369 had been paid for the said period but action had not been taken to pay the balance of Rs. 782,915 even by the last date of the year under review.
(b) Financial Regulations of the Democratic Socialist Republic of Sri Lanka i. 371 (2) para	i. Although ad hoc interim imprests could be given only to staff-grade officers, interim imprests amounting to Rs.173,550 had been given on 14 occasions to non-staff grade officers. ii. A total of ad-hoc interim imprests amounting to Rs. 491,000 had been settled with a delay of 07 days to 09 months in 12 times.
ii. Para 371(4)	Ad hoc interim imprests amounting to Rs.607, 000 have been obtained 10 times in excess of the requirements and as a result there was a balance of Rs. 238,906 which amounted to 39% of the advance obtained.
(c) Circular (i) Public Administration Circular No. 41/90 of 10th October, 1990	As a result of not conducting a proper inquiry, the vehicle No. 58-3872 had done only 6.0 to 10.8 kms per litre while the vehicle No.301-6318 kms. per litre
(ii) Circular no.95 (2) dated 14th June, 1994 of Dept. of Public Enterprises and Circular No. PE/174/1/ 2003 dated 29th January, 2003	Without obtaining the approval of the Cabinet of Ministers or Ministry of Public Administration or the Treasury there had been 19 instances of making payments for coordination work relating to short-term courses to the University Staff

	during the year under review of which the total amount was Rs.923,850
(d)University Establishments Code. Para 8 of Chapter IX of the University Establishments code	Although the over-time payments should not exceed 35% of the monthly salary, two employees had been paid Rs. 136, 852 in excess of the above limit.
(e) Management Internal Orders. Para 13.7 of the list of orders of Post Graduate Institute Of Science	Although meetings of the Board of Studies should be held 06 times per year, during the year under review at the rate of 3-5 and 1-4 meetings have been held.

2.2.6 Transactions not confirmed by adequate power of authority.

The following matters were observed.

(a) According to Administration Circular No. 6/2010 of 7th June, 2010, a sum of Rs.12/= could be paid per kilometer for using a private petrol motor vehicle, but contrary to this, by the Management Decision No. 74, approval had been given to pay Rs.25/= per kilometer to external lecturers. Due to this, during the year under review, total of Rs. 147, 318 had been paid in excess.

(b) According to the circular No. 422 dated 6th February, 1990 of the University Grants Commission, no allowance could be paid to the staff of the University for working in the institute. Contrary to the circular, an allowance of Rs. 57,900 had been paid to the Librarian of the Science Faculty for working in the library of the institute.

(c) In terms of Chapter IX of the University Establishments Code, approval of the Chief Executive Officer of the Institute should be obtained to employ an employee of an institute of higher education on a holiday but a holiday pay amounting to Rs. 125, 083 had been paid to the Electrical Engineer of the Institute without formal approval for performing his normal duties during weekends.

(d) Contrary to the Circular No. PE/1/174/11 (b) dated 10th March, 1978 of the Director General of Public Enterprises; a sum of Rs, 233, 470 had been paid as allowances to 04 officers who were not entitled to, without a formal approval as second and third language proficiency allowance.

(e) Contrary to the Circular No. BD/INS/ CLUS/C78 dated 18th July,2003 of the Director General of Budgets, in the calculation of the contribution of the institute for the Employees Provident Fund and Employees Trust Fund, the study allowance too has been added to it and as a result, from 1998 to 2011, a sum of Rs. 440,842 and 88,168 respectively had been overpaid.

(f) According to the Circular No. UGC/HR/2/3/37 of the Acting Vice Chairman of the University Grants Commission, a retired employee of the institute had been recruited on representative basis and an allowance of Rs. 83, 610 had been paid.

(g) For colour washing the institute, a sum of Rs.865,606 had been spent without estimates or provision.

2.2.7. Disputable Transactions.

The following matters were observed.

(a) Contrary to the Section 02 of chapter III of the University Establishments Code, a senior lecturer of the institute had been paid a salary of Rs.4,913,086 for functioning in the post of short-term course co-coordinator without a formal appointment.

(b) During the year under review, a sum of Rs.1,218,748 had been paid as allowances to lecturers and laboratory employees of Peradeniya University for working in the Post Graduate Institute during their duty hours.

(c) In accordance with the Public Administration Circular No. 6/2010 dated 7th June, 2010, although a sum of Rs. 12/= could be paid per kilometer without a formal basis, lecturers who participated in short-term courses had been paid extra transport allowances to the tune of Rs.106,500 on II occasions.

(d) A sum of Rs. 75000/= is charged from each student for research work on account of courses and a saving of Rs. 2,290,125 during the period 2000 to 2011 had been indicated under deposits.

3. Financial Review

3.1. Financial Results.

According to the financial statements submitted, out of the work of the institute during the year ending on 31st December, 2011 there was a surplus of Rs. 5,159, 531 for recurrent expenditure before the donation of the government was taken into account. When the donation of the government amounting to Rs. 19, 184, 072 was added the above surplus had increased to Rs. 24,143, 603. Counter to this, before the government donation was taken into account, there was a shortfall of Rs. 9341,518 in last year’s recurrent expenditure. When the donation of the government amounting to Rs. 14, 000, 000 for recurrent expenditure was taken into account this deficiency had become a surplus of Rs. 13,065,481.

4.Review of Operations.

4.1 Management Inefficiencies

The following were observed.

(a) Although activities of 19 projects relating to fixed assets amounting to Rs. 4309, 387 purchased for research projects had come to an end, action had not been taken to acquire these assets to the institute.

(b) Contrary to the decided activities given in para17(2) of the specifications of the Post Graduate Institute of Science and without a Board of control decision a payment of Rs. 50,000 has been made as a special contribution to the PURSE Research session of Peradeniya University under the Study Research Vote.

4.2 Under Utilization of Funds.

A total of Rs. 4, 246, 057 received under 33 Research Awards had not been utilized during the period of 2004 to 2011.

4.3. Dormant Under Utilized Assets.

Motor cycle No. CPTH 7657 valued at Rs. 50, 000 had been used during the year using only 5 liters of fuel which shows that it had not been adequately used during the year.

4.4. Staff Management

The following were observed .

(a) According to the Circular No.VOC/HR/2/3/37 dated 28th September, 2006 of the Acting Chairman of University Grants Commission, although salaries should not be paid to casual employees using University allocations, 16 employees had been recruited on training and representative basis and for the year 2011, a sum of Rs, 514, 454 had been paid as casual pay.

(b) According to sections 1,2 and 4 of Chapter III of the University Establishments Code, although approval of the Board of Management should be obtained for appointments, contrary to this provision and without such an approval, lady officers who had retired from the university service had been recruited for a period of 3 months on representative basis in term of a decision dated 22nd January, 2011 of the Board of Management by its decision No. 91.05 and she had been paid Rs. 66,000 at the rate of Rs. 22,000 per month.

(c) According to sections, 2 and 4 of chapter III of the University Establishments Code, without the approval of the Board of Management, and contrary to para 9.10 of the circular No. PED/12 dated 02nd June, 2003, of the Director General of

Public Enterprises, a retired employee had been given a service extension for 6 months from 27th February 2011 and paid a salary of Rs. 118, 830.

(d) As indicated in para 9.2 of circular No. PED/12 dated 2nd June, 2003, of Director General of Public Enterprises, no human resource planning had been done for the year.

(e) In terms of Public Enterprises Circular No.PED/19 dated 19th Dec, 2003, a statement of employee reporting had not been prepared.

4.5. Building of funds for providing for employee gratuities.
Employee Gratuity Fund amounting to Rs.2,812,975 had been credited to the common fund of the institution without using it for any effective.

5. Accountability and good government.

5.1. Composite Plan

In terms of para 5.1.3 of Circular No. PED/12 dated 2nd June 2003 of the Director General of Public Enterprises, the composite Plan should be updated every year and at least 15 days prior to the Commencement of each year, it should be sent to the Auditor General, Treasury, Line Ministry and the Department of Public Enterprises but from 2010 to 2012, the plans have not been updated as required.

5.2. Procurement Plan.

During the year under review, although fixed assets to the value of Rs. 9,375,784 have been purchased, a main Procurement Plan had not been prepared in terms of section 4.2 of the Manual of government guidelines.

5.3. Budgetary Control.

The following were observed.

(a) According to para 5.2. of the Circular No. PED/12 dated 2nd June, 2003 of the Director General of Public Enterprises, the annual budget should be used as a tool to accomplish long term objectives in accordance with the composite plan and to achieve objectives at the beginning of the year. But there were under allocations of Rs. 2,116,184 relating to 07 expenditure items and over allocations of Rs. 19,899,247 relating to 16 expenditure items. A total expenditure of Rs. 649,404 had been incurred on 06 expenditure items which were not included in the budget while a total of Rs. 1,331,000 relating to 03 expenditure items were left as savings indicating that the budget had not been used as an effective tool of controlling finance.

(b) Estimates have not been prepared in respect of a total of Rs. 4,572,717 relating to 06 revenue items as under allocations and a collected total of Rs. 1,525,526 relating to 02 revenue items while a total of Rs. 1,533,000 relating to 02 revenue items had failed to generate the anticipated revenue and as such, it was observed that budget had not been used as an effective tool of financial control.

6. Systems and Controls.

System and control weaknesses observed in the auditing have been pointed out to the Director from time to time by my reports. Special attention should be drawn to the following fields of control.

(a) Accounting.
(b) Control of fixed assets.
(c) Conducting workshops and short-term courses.
(d) Payments of advances.
(e) Maintenance of registers.
(f) Internal Control.
(g) Budget Control.

A.U.Dassanayake.
Asst. Auditor General,
For Auditor General.

I do hereby certify that the foregoing is a true English translation of the Report of the Auditor General for the year ending on 31st Dec. 2011 of the Post Graduate Institute of Science.

Audit Answer

2.2.1 a) This has been corrected and an amended account set has been prepared.
b) This was corrected and shown in the amended account set.

2.2.2 There is no impact on cumulative depreciation as furniture fittings were older than 10 years. But, relevant difference is unveiled in account policies.

2.2.3 a) It has been corrected as mentioned in the audit report.
b) It has been corrected as mentioned in the audit report.
c) It has been corrected as mentioned in the audit report.
d) It has been corrected as mentioned in the audit report.
e) Steps have been taken to correct.
f) It has been corrected as mentioned in the audit report.
g) It has been corrected as mentioned in the audit report.
h) It has been corrected as mentioned in the audit report.
i) As the figures are very small, they were not compared with the previous year.
j) It has been corrected as mentioned in the audit report.
k) It has been corrected as mentioned in the audit report.
l) These are relevant with the short term courses and as the short term courses have been accounted on financial basis, no comparison is required. Nevertheless, steps had been taken to unveil on financial statements that these courses are accounted on financial basis.
m) Steps have been taken to account depreciation.
n) This money is not an income of our institute and belongs to the academic boards. As well, they have been denoted under current responsibilities as they are required to be furnished whenever requested.
o) These are relevant with the short term courses and as the short term courses have been accounted on financial basis, no comparison is required.
p) These are relevant with the short term courses and as the short term courses have been accounted on financial basis, no comparison is required.
q) We have paid taxes faultlessly and please pay your kind attention to the attachment herewith. (Attachment 01)

2.2.4 These are relevant with the short term courses and as the short term courses have been accounted on financial basis, no comparison is required.

2.2.5 a) We have accumulated audit charges and steps will be taken to clear balances immediately. (Attachment 02)
b) Steps will be taken to correct this in future.
i)
ii) iii) Our strong attention will be paid in future regarding this.
c) i) Actions have been planned until now, to hold a formal investigation regarding fuel combustion of denoted vehicles.

Relevant running report for the reviewed year for vehicle 58-3872 is attached herewith and the times with minimum fuel combustion are shown with star mark. There, at the times of taking students who came for short term courses to the Ihala Hanthana hostel; as the vehicle was driven on mountainous areas, fuel combustion was excessive.
301- 6318 As shown in the table regarding this, the term mark with single star mark which shows taking more than 05 hours to come from Colombo due to traffic block; the fuel combustion had been increased accordingly. And in the term marked with double stars, it had been shown a very high fuel efficiency when taking less than 03 hours to travel from Colombo when there is no traffic jam. (Attachment 04)
ii) Actions will be taken to obtain approval in this regard.

d) A special permission will be obtained as this is unavoidable due to existing needs for duty.
e) This situation was formed due to academic staff strikes existed more than 4 months in relevant year. But, maximum effort will be taken to prevent such a situation.

2.2.6 a) Actions will be taken to obtain a special permission in this regard.
b) The librarian of science faculty is not a servant of our institute and payments are made for the services she provides.
c) Approval of the head of institute had been obtained to be employed as this. (Attachment 05)
d) We have been acted according to circulars issued to us by the University Grants Commission.
e) We have been acted according to circulars issued to us by the University Grants Commission.
f) There are 3 labor posts relevant to our institute and 2 servants were employed under that. Although actions had been made to recruit a year before one of the employees to be retired, nobody passed interviews held for this post for 03 times. Therefore, until the vacancy is filled and the recruited person is trained the retired servant was employed for 06 months on assignment- basis under the approval of management board. But, for now actions are taken as shown by the audit.
g) Provisions have been made through 2011 budget. (Attachment 06)

2.2.7 a) Dr. (Mrs.) N.C. Bandara has been serving in Post Graduate Institute of Science since 17th of July 1998. She was employed as a Grade II senior lecturer on contract basis for first two years of the employment until 17th of June 1999. She was recruited under, mentioned post of senior lecturer on relevant list of employees for Post Graduate Institute. There is no short term course coordinator position for Post Graduate Institute's relevant officer group. Therefore, no salary payment was made for such a post. The payment for the period of years 2005 to 2011 is the salary for the senior lecturer but, no other extra expenditure.
b) The service of lecturers and laboratory workers of University of Peradeniya are obtained as this unless, the institute could not be functioned. Discussions were made with the president of the University Grants Commission and written request will be presented to obtain approval.
c) Actions will be taken to obtain a special permission for this.
d) Denoted information is correct.

3.1 The result under this should be changed according to financial results of new account set which has been prepared by us.

4.1 a) Actions have been undertaken regarding this.
b) Relevant payments are made due to research results of the institute are presented through this session.

4.2 Steps are being taken to furnish these finances back to relevant institutes.

4.3 This motor bicycle is a gift received to us and no one else in the institute is capable to use it. Also, it needs a special experience to ride as it is a field bicycle.

4.4 a) The number of students shown under this should be corrected as 13. Mr. Karunadasa and Mrs. Alahakoon are recruited on assignment basis and the name of Mr. Karunadasa has been mentioned in two places. The rest of 13 students are sent from Youth Services Institute for 06 months training and for them, allowance were paid according to the circulars issued to us by the University Grants Commission. (University Grants Commission circular 08/2012 and 23/04/2012)

b) This is an appointment made over the approval of the management board for a short term of 03 months for the vacancy of an officer who is on no pay- maternity leave. Nevertheless, actions are taken accordingly as shown by the audit.

c) There are 3 labor posts relevant to our institute and 2 servants were employed under that. Although, actions had been made to recruit a year before one of the employees to be retired, nobody passed interviews held for this post for 03 times. Therefore, until the vacancy is filled and the recruited person is trained, the retired servant was employed for 06 months on assignment- basis under the approval of management board. But, for now actions are taken as shown by the audit.

d) Our attention will be paid to this in future.

e) Our attention will be paid to this in future.

4.5 All additional finances have been invested.

5.1 Actions are taken to do this within this year.

5.2 A provision plan has been prepared by us. (Attachment 08)

5.3 a) Our strong attention will be paid regarding this in future.
b) Our strong attention will be paid regarding this in future.

6. Our strong attention will be paid regarding this.

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கணக்காய்வாளர் தலைமை அதிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT

මගේ අංකය / எனது இல / My No. CL/KD/J/PGIS/2012/13

ඔබේ අංකය / உமது இல / Your No.

දිනය / திகதி / Date 28 January 2013

The Director,

Post Graduate Institute of Science

Report of the Auditor General on the Financial Statements of the Post Graduate Institute of Science for the year ended 31 December 2011 in terms of Section 108 of the Universities Act No. 16 of 1978.

The audit of financial statements of the Post Graduate Institute of Science comprising the balance sheet as at 31 December 2011 and the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 21 of the Ordinance published in the Gazette Extra Ordinary No. 909/13 dated 09 February 1996 and Section 107(5) of the Universities Act No. 16 of 1978. My comments and observations which I consider should be published with the Annual Report of the University in terms of sub Section 108(1) of the Universities Act appear in this report. A detailed report in terms of sub Section 108(2) and Section III of the Universities Act was issued to the Director of the Institute on 17 July 2012.

1.2 Management's Responsibility for the Financial Statements

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

306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව
இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை இலங்கை
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1.3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the Institute's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. Sub-sections (3) and (4) of Section 13 of the Finance Act No 38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the Audit.

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

1.4 Basis for Qualified Opinion

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

2. Financial Statements

2.1 Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 2.2 of this report, the financial statements give a true and fair view of the financial position of the Post Graduate Institute of Science as at 31 December 2011 and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

2.2 Comments on Financial Statements

2.2.1 Best Accounting Practices

The following matters were observed.

(a) Items which should be settled within 12 months from the date of balance sheet should be shown as current liabilities. Nevertheless the academic Board fees of Rs.2,045,600 representing 05 percent of the income on short term workshops and courses relating to 10 academic Boards had been shown under current liabilities instead of accounting as revenue of the Institute.

(b) As fixed assets had not been properly classified, the value of furniture and fittings amounting to Rs. 12,075,000 had been shown under office equipment as at 31 December 2011 and as such the annual rate of depreciation thereof had been changed from 10 percent to 20 percent Accordingly, the lifetime of furniture and fittings had also been changed from 10 to 05 years.

(c) Although depreciation should be provided in respect of fixed assets purchased from government grants, depreciation of Rs. 153,296 on such fixed assets valued at Rs.3,112,788 purchased during the year under review had not been adjusted.

2.2.2 Accounting Deficiencies

The deficiencies included in the draft audit report issued on 20 August 2012 on the financial statements presented on 28 February 2012 relating to the year under review had been rectified and the revised accounts had been presented to audit on 28 August 2012. Further, accounting deficiencies observed in those accounts are given below.

(a) As the expenditure of Rs. 1,230,121 relating to the previous year incurred during the year under review in 06 instances had been brought to accounts as expenditure of the year under review, the surplus of the year under review had been understated by that amount. A sum of Rs. 27,106 paid relating to the ensuing year in 03 instances had been debited to the adjustment account instead of debiting it to the pre-paid account.

(b) Although the fixed assets valued at Rs. 321,964 purchased during the year under review had been correctly accounted, that value had again been debited to the relevant asset account and credited to the creditors account by journal entries and as such the assets value and the creditors value had been overstated.

(c) The provisions in respect of sundry income amounting to Rs. 136,350 receivable for the year under review had not been made in the accounts.

(d) Income of Rs. 915,000 receivable in respect of the previous year on short term courses had been taken into accounts as income of the year under review and 10 percent of administrative charges amounting to Rs. 197,712 receivable for the year under review had not been brought to accounts.

(e) Out of the income earned on short term courses, 10 percent should be brought to accounts as co-ordinating fees and provision of Rs. 154,818 for coordinating fees payable in respect of short term courses carried out in the year under review had not been made in the accounts. Similarly, a provision of 5 percent amounting to Rs.28,361 payable to the relevant academic Board on the income received during the year under review for short term courses had not been made.

2.2.3 Non-compliance with Laws Rules, Regulations and Management decisions

The following non-compliances were observed in audit.

Reference to Laws, Rules and Regulations etc.	Non-compliance
(a) Finance Act No. 38 of 1971 Sub - section 13(2)	Although the audit fees payable for 09 years from 2001 to 2009 amounted to Rs. 967,284, the provision made in the accounts was only Rs.376,944 and as such the under provision was Rs. 590,340. The Audit fees paid relating to that period was only Rs. 184,369. Action had not been taken to settle the outstanding audit fees of Rs. 782,915 even by the end of the year under review.
(b) Financial Regulations of the Democratic Socialist Republic of Sri Lanka F.R. 371(2)	i. Although ad-hoc sub imprests can be given only to staff grade officers, sub imprests of Rs. 173,550 had been given to non staff officers in 14 instances.
	ii. Sub imprests totaling Rs. 491,000 had been settled with a delay of 07 days to 09 months after completing of the purpose in 12 instances.

(c) **Circulars**

	i. Public Administration Circular No. 41/90 of 10 October 1990	As the fuel consumption had not been properly tested, the distance travelled per litre of fuel in the year 2011 by two vehicles bearing numbers 58-3872 and 301-6318 had ranged from 6.0 to 10.8 Km and 7.25 to 12.9 Km respectively during the year under review.
	ii. Circular No. 95(2) dated 14 June 1994 of the Department of Public Enterprises and Circular No. PE/174/1-2003 dated 29 January 2003 of the Ministry of Finance	Although the approval of the Cabinet of Ministers or the Department of Public Administration or the Treasury should be obtained for the payment of allowances to short term course coordinating activities, without such approval allowances totaling Rs.923,850 had been paid in the year under review, in 19 instances.
(d)	Universities Establishments Code Paragraph 08 of Chapter IX	The overtime allowances should not exceed 35 percent of the monthly consolidated salary but overtime allowances of Rs. 136,852 had been paid to 02 employees in excess of that limit.

3. Financial Review

3.1 Financial Results

According to the Financial Statements presented, the operation of the Institute for the year ended 31 December 2011 had resulted in a deficit of Rs. 6,950,122 before taking in to account the government grant for recurrent expenditure. After taking into account the government grant of Rs. 19,184,072, the deficit had become a surplus of Rs. 12,233,950. Before taking into account the government grant for recurrent expenditure in the preceding year the deficit was Rs. 934,518 and after taking into account the government grant of Rs. 14,000,000, that deficit had become a surplus of Rs.13,065,482. Decrease in students course fees as compared with that of the preceding year had been the special reason for the deterioration of Rs. 831,532 in the year under review.

3.2 Transactions not Supported by Adequate Authority

The following matters were observed.

(a) According to the Public Administration Circular No. 9/2010 dated 07 June 2010, mileage fees can be paid for the use of private motor vehicles at Rs. 12 per Km for the petrol vehicle, contrary to that, payment had been made to the visiting lecturers at Rs.25 per Km, by the management decision No. 74 and as such, an overpayment of Rs. 147,318 had been made during the year under review. Contrary to the above circular, transport allowances of Rs. 106,500 had been overpaid to the lecturers in 11 instances, who participated in the short term courses without proper basis.

(b) According to the Circular No. 422 of the University Grants Commission dated 06 February 1990, allowances should not be paid to the staff of the University in respect of working in the Institute, contrary to that, an allowance of Rs. 57,900 had been paid to the Librarian of the Faculty of Science for working in the Library of the Institute.

(c) According to the Chapter IX of the Universities Establishments Code, the approval of the Chief Executive Officer of the Institute should be obtained for working in a public holiday by an officer of a higher education institution. However, holiday pay amounting to Rs. 125,083 had been paid to the Electronic Engineer of the Institute in respect of performing his normal duties every weekend without any formal approval.

(d) Contrary to the Circular Letter No. PE/1/174/11 (b) dated 10 March 1978 of the Director General of Public Enterprises, the second and the third language proficiency allowances amounting to Rs. 233,470 had been paid to the 04 officers from 1997 to 2011 who were not entitled for such allowances.

(e) In computing the Institute's contribution to the Employees Provident Fund and the Employees Trust Fund, the academic allowance had also been included contrary to the Circular No. BD/INS/CLUS/078 dated 18 July 2003, of the Director General of Budget, and as such, over payments of Rs. 440,842 and Rs. 88,168 respectively had been made from 1998 to 2011.

3.3 Transactions of Contentious Nature

The following matters were observed.

(a) Contrary to the Section 02 of Chapter III of the Universities Establishments Code, a Senior Lecturer in the Institute had engaged in duties of the post of Short Term Course Coordinator from 2005 to 2011 without a formal appointment.

(b) Allowances of Rs. 1,218,748 had been paid to the 97 lecturers and laboratory employees working in the University of Peradeniya in the year under review for working in the Post Graduate Institute of Science during their duty hours.

(c) A sum of Rs. 7,500 is charged from each student is respect of research work relating to the courses of the Institute and a sum of Rs. 2,290,125 saved relating to the period from 2000 to 2011 had been shown under deposits.

4. Operating Review

4.1 Management Inefficiencies

The following matters were observed.

(a) Although the relevant project activities had been completed, action had not been taken to acquire the fixed assets valued at Rs. 4,309,387 purchased to 19 research projects.

(b) Contrary to the objectives stated in paragraph 17(2) of the Post Graduate Institute of Science Ordinance and without the decision of the Board of Control, a sum of Rs.50,000 had been paid as a special contribution under Academic Research Expenditure Head for the research session of the University of Peradeniya.

4.2 Under - utilization of Funds

Grants totaling Rs. 4,246,057 received under 33 Research Grants had not been utilized during the period from 2004 to 2011.

4.3 Idle / Underutilized Assets

A Motor Cycle valued at Rs. 50,000 had been utilized for running only by using 05 litre of fuel during the year under review and as such it was not adequately utilized during the year under review.

4.4 Personnel Administration

According to the Circular No. UGC/HR/2/3/37 dated 28 September 2006, of the Acting Chairman of the University Grants Commission, salaries should not be paid to casual employees by utilizing the provision of the university. However, 16 employees had been recruited being trained and assignment basis and paid a sum of Rs. 514,454 as casual salaries. Allowances of Rs. 83,610 had been paid to a retired employee recruited on assignment basis.

4.5 Building up Funds for Employees Gratuity Provision

Without making a fruitful investment of the balance of Rs. 2,812,975 in the employees gratuity fund, it had been credited to the general fund of the Institute.

5. Accountability and Good Governance

5.1 Corporate Plan

According to Paragraph 5.1.3 of the Circular No. PED/12 dated 02 June 2003 of the Director General of Public Enterprises, the Corporate Plan should be updated and submitted to the Auditor General, Treasury, Line Ministry and the Department of Public Enterprises at least 15 days before the commencement of every year. However, Corporate Plans from 2010 to 2012 had not been so updated.

5.2 Procurement Plan

Although fixed assets valued at Rs. 9,375,784 had been purchased during the year under review, a Procurement Plan had not been prepared in terms of Section 4.2 of the Government Procurement Guidelines.

5.3 Budgetary Control

The following matters were observed.

(a) Under provision of Rs. 4,572,717 relating to 06 revenue items had been made and estimates relating to 02 revenue items amounting to Rs. 1,525,526 had not been prepared. The expected income of Rs. 1,533,000 had not been received relating to 02 revenue items.

(b) Although there were no provisions in the annual estimates for the painting of the institute, an expenditure of Rs. 865,606 had been incurred thereon.

6. Systems and Controls

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

(a) Accounting
(b) Control over Fixed Assets
(c) Conducting Workshops and Short Term Courses
(d) Payment of Advances
(e) Maintenance of Registers
(f) Internal Control
(g) Budgetary Control

H.A.S. Samaraweera

Auditor General