ANNUAL REPORT & ACCOUNTS
2011

RAJARATA UNIVERSITY OF SRI LANKA
MIHINTALE

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VISION

"To be a centre of excellence in higher education, research and dissemination of knowledge"

MISSION

"To produce high quality, innovative intellectuals with creativity and discipline, develop competencies and dedication of staff create a conducive environment for teaching, learning, research and dissemination of knowledge and to promote co-existence with mutual respect and ethical behavior"

3. Vice Chancellor's Message

It gives me great pleasure to present a report of our esteemed organization for the year 2011. The Rajarata University of Sri Lanka was established on 7^{th} November 1995 in terms of section 21 of the Universities Act No. 16 of 1978.

The year 2011 has been successful in different perspectives and academic activities have been remarkably progressed. Construction work as well as purchase of equipment for Professorial Unit, Faculty of Medicine & Allied Sciences have been almost completed. Due to delay of contractor it was not able to commence the academic activities before the end of year 2011, but I am happy to say clinical training of the final students of the Faculty of Medicine and Allied Sciences will commence during the 1^{st} quarter of the year 2012.

In addition to the Clinical Building projects, vast improvement of infrastructure has been achieved. Rs.300million worth of development projects under "Dayata Kirula" program is a remarkable achievement of the University. This grant was provided by the Government to develop mainly infrastructure as well as other services relating to the students basic facilities. The Sport Complex, New Auditorium for Faculty of Agriculture, Student Cafeteria for Faculty of Management Studies are major components among others in "Dayata Kirula" projects.

The present student population is around 4500 and average intake for 05 faculties was increased by approximately 10%. The project Higher Education for Twentieth Century aims at to developing sports, IT skills, language skills, improvement of leadership and soft skills of the students which are major components of the project. The proposal writing has been almost completed.

Special attention has been paid to monitor the progress of Corporate Plan prepared for 2011-2015 together with the action plan. Action has been taken to have Cooperate Plan Reviewing/Monitoring Committee once in 03 months. The Corporate Plan has identified following key areas to be developed to achieve the University key objectives.

- ✓ Provide quality undergraduate study programmes in diverse fields with National and Global Relevance
- ✓ Enhance English and IT skills of the undergraduates
- ✓ Improve employability prospects of graduates
- ✓ Improve soft skills of the undergraduates
- ✓ Promote and support sports and physical education activities
- ✓ Introduce quality postgraduate study programmes
- ✓ Develop competencies and dedication of staff

The Faculties themselves have taken various measures to implement the activities specified in the action plan. Accordingly, revision of syllaby of the existing programme and also introducing new curriculars have already been introduced to improve the quality of the degree programme.

Special attention has been paid to enhance IT skills, Language skills, Soft skills of under graduates to create employable graduates which is the dare need of the globalized environment. Further, action has been taken to establish few departments to expand, existing academic programme. The Director of Physical Education Division has taken various measures to develop the sport activities of the students by participating in various events within the University and among University as well as.

Further, I would like to state that the Staff Development Centre and Career Guidance Unit have shown remarkable progress during this period. The Staff Development Centre was able to conduct various training programs, workshops etc., for the enhancement of knowledge, skills and attitudes of the staff. Career Guidance Unit had launched various activities for the development of career paths of the under graduates of the University.

Financial Performance for the Year

Annual allocation for the year was Rs.1346.402 million which is a 47% increase of the previous year. The recurrent grant was Rs.534,478 million and it is 38% above the previous year. Capital grants as well as equipment grant showed a considerable increase compared to the previous year and that reflects

the improvement of the infrastructure facilities of the University.

(PROFESSOR K.A. NANDASENA)
Vice Chancellor
Rajarata University of Sri Lanka

4. Details of Resources & Students:

Faculty	Course	Total Students	Total Academic Staff	Total non Academic Staff
Faculty of Agriculture	B.Sc in Agriculture (special) degree	415	28	44
Faculty of Applied Sciences	B.Sc (General) 3 years degree in Applied Sciences	479	30	27
	Health Promotion	123		
	Information & Communication Technology	248		
Faculty of Social Sciences & Humanities	B.A. (General) Degree	961	33	13
	B.A. (Special) Degree	107		
Faculty of Mgt. Studies	Common Programm	344	31	12
	B.Sc. (Business Management) Special Degree	310		
	B.Sc. (Accountancy & Finance) Special Degree	309		
	B.Sc. (Tourism & Hospitality Mgt.) Special Degree	122		
	B.Sc. (Business Information Technology) Special Degree	59		
Faculty of Medicine & Allied Sciences	MBBS Degree	1070	43	76

5. Details of Local Students:

Faculty	Course	Medium	Intake 2011	1st Year Students	2nd Year Students	3rd Year Students	4th Year Students	5th Year	6th Year	No of Graduated
Faculty of Agriculture	B.Sc Agriculture – Special Degree	English	70	88	87	88	82			55
Faculty of Applied Sciences	Applied Sciences	English	115	108	141	85	29			59
	Health Promotion		29	28	28	33	5			20
	ICT		63	58	55	63	9			35
Faculty of Medicine & Allied Sciences	MBBS	English	180	180	182	184	182	178	164	-
Faculty of Management Studies	Common Program	English		79						
		Sinhala		276						
	B.Sc (Business Mgt.) Special Degree	English			137	118	26			
		Sinhala					29			
	B.Sc (Accountancy & Finance) Special Degree	English			123	101	26			
		Sinhala					59			
	B.Sc. (Tourism & Hospitality Mgt.) Special Degree	English			44	18	11			
	B.Sc (Business Information Technology)	English			17	26	16			

Faculty of Social Sciences & Humanities	BA (General)	Sinhala	2010/2011	304						
			2009/2010		325					
			2008/2009			332				
	BA (Special)									
	Economics	English	2007/2008				20			
	Environment						18			
	Sinhala	Sinhala					36			
	History						33			
Total										

6. Details of Foreign Students:

Faculty	Course	Medium	Intake 2011	1st Year Students	2nd Year Students	3rd Year Students	4th Year Students	No of Graduated
Faculty of Applied Sciences	B.Sc. Degree in Health Promotion	English		1	0	1	0	0
Faculty of Agriculture				0	0	0	0	0
Medicine & Allied Sciences				0	0	0	0	0
Faculty of Social Sciences & Humanities				0	0	0	0	0
Management Studies				0	0	0	0	0
Total				**1**	**0**	**1**	**0**	**0**

7. Details of Academic Staff:

Faculty	Professor	Senior Lecturer	Lecturer	Assistant Lecturer	Instructors
FOA	**-**	**3**	**25**	**-**	**2**
FOAS	**1**	**15**	**12**	**-**	**1**
FSSH	**1**	**7**	**19**	**-**	**-**
FMGT	**-**	**15**	**16**	**-**	**1**
FMAS	**1**	**6**	**36**	**-**	**1**
Physical Education Dept.	**-**	**-**	**-**	**-**	**3**
Total	**3**	**46**	**114**	**0**	**8**

8. Details of Non- Academic Staff:

Faculty/Branch	Most Senior	Senior Staff	Junior Staff	Minor Employees
Faculty of Agriculture	-	1	18	18
Faculty of Applied Sciences	-	-	16	12
Faculty of Social Sciences & Humanities	-	1	8	5
Faculty of Management Studies	-	1	10	5
Faculty of Medicine & Allied Sciences	-	2	48	32
General Administration	1	3	17	8
Internal Audit	-	1	2	1
Career Guidance Unit	-	-	1	-
Staff Development Centre	-	-	1	-
Financial Administration	1	2	8	2
Stores and Supplies Service	-	-	5	2
Security Services	-	-	3	1
Transport Services	-	-	1	8
Library Services	-	1	10	14
Health Services	-	-	4	2
Physical Education	-	1	1	3
Student and Staff Welfare	-	1	3	1
Examination	-	1	4	2
Maintenance of Land, Building & Facilities	-	2	11	23
Hostel	-	-	4	12
Total	**2**	**17**	**175**	**151**

9. Details of Research, Innovation and Publications:

Subject	Published	Commercialized	Presented
Faculty of Applied Sciences			
a. No of Researches	47		35
b. No of Innovations	1		
c. No of Journals	-		
d. No of Books	5		
e. No of Articles	2		6
f. Other	1		
Faculty of Agriculture			
a. No of Researches	79	-	21
b. No of Innovations	1	-	-
c. No of Journals	-	-	-
d. No of Books	-	-	-
e. No of Articles	8	-	-
f. Other	-	-	06
Booklet Chapters	-	-	-
Abstracts	-	-	-

Faculty of Social Sciences			
a. No of Researches	-	-	-
b. No of Innovations	-	-	-
c. No of Journals	2	-	-
d. No of Books	-	-	-
e. No of Articles	-	--	-
f. Other	-	-	-
Faculty of Management Studies			
a. No of Researches	24	-	25
b. No of Innovations	1	-	1
c. No of Journals	7	-	7
d. No of Books	3	-	
e. No of Articles	30	-	24
f. Other	4	-	9
Faculty of Medicine & Allied Sciences			
a. No of Researches	-	-	-
b. No of Innovations	-	-	-
c. No of Journals	-	-	-
d. No of Books	-	-	-
e. No of Articles	2	-	-
f. Other	-	-	-

10. Details of Programme, Seminars & Workshops:

Subject	Attended	Completed	Presented
Faculty of Applied Sciences			
a. No of Postgraduate Degree Programme	03	-	-
b. No of Postgraduate Diploma Programme	-	-	-
c. No of Degree Prgoramme	13	09	-
d. No of Diploma Programme	02	-	
e. No of Certificate programme	01	01	
f. Other			
Faculty of Agriculture			
a. No of Postgraduate Degree Programme	4	-	-
b. No of Postgraduate Diploma Programme	-	-	-
c. No of Degree Prgoramme	1	-	-
d. No of Diploma Programme		-	-
e. No of Certificate programme		-	-
f. Other (Seminars, Workshops & Symposium)	23	07	08
Faculty of Social Sciences & Humanities			
a. No of Postgraduate Degree	-	-	-

Programme			
b. No of Postgraduate Diploma Programme	-	-	-
c. No of Degree Prgoramme	-	-	-
d. No of Diploma Programme	22	-	-
e. No of Certificate programme	-	-	-
f. Other (Seminars, Workshops & Symposium)	-	-	-
Faculty of Medicine & Allied Sciences			
a. No of Postgraduate Degree Programme	-	-	-
b. No of Postgraduate Diploma Programme	-	-	-
c. No of Degree Prgoramme	-	-	-
d. No of Diploma Programme	-	-	-
e. No of Certificate programme	9	-	-
f. Other (Seminars, Workshops & Symposium)	-	-	-
g. No of Postgraduate Degree Programme	-	-	-
h. No of Postgraduate Diploma Programme	-	-	-
Faculty of Management Studies			
a. No of Postgraduate Degree Programme	-	-	1
b. No of Postgraduate Diploma Programme	-	-	1
c. No of Degree Prgoramme	-	-	4
d. No of Diploma Programme	-	-	1
e. No of Certificate programme	-	-	3
f. Other	-	-	-

11. Details of Awards Received

Subject	No of Awards	No of Academics	No of Students
Faculty of Applied Sciences			
a. Local Awards	2	1	2
b. National Awards	2	2	-
c. International Awards	-	-	-
d. Other	-	-	-
Faculty of Agriculture	-	-	-
No awards received in 2011			
Faculty of Social Sciences & Humanities			
No awards received in 2011			
Faculty of Medicine & Allied Sciences			
a. Local awards	1	2	-

b. National Awards	2	2	-
c. International Awards	-	-	-
d. Other	-	-	-
Faculty of Management Studies			
a. Local awards	1	-	-
b. National Awards	-	-	-
c. International Awards	-	-	-
d. Other	-	-	-

12. Details of New Courses Started:

Faculty	Course	Medium	Certificate	Diploma	Postgraduate Diploma	Master	M Phil	PhD
Faculty of Social Sciences & Humanities	Business Economics	-	-	Diploma	-	-	-	-

13. Details of Recurrent Expenditure:

Subject	2010 Rs	2011 Rs
a. Personal Emoluments	278,037,873.00	345,123,913.70
b. Travelling	1,725,951.00	3,648,081.95
c. Supplies	26,581,161.00	23,729,019.71
d. Maintenance	8,521,814.00	9,780,517.22
e. Contractual Services	133,503,771.00	154,383,852.15
f. Other	183,078,384.00	215,838,719.41
Total	**631,448,954.00**	**752,504,101.14**

14. Details of Capital Expenditure

Subject	2010 Rs	2011 Rs
a. Acquisition of furniture & office equipments	69,938,983.00	127,940,668.00
b. Acquisition of Machineries	-	
c. Acquisition of Building & structures	535,069,246.00	648,899,523.00
d. Other	24,316,240.00	20,799,398.00
Total	**629,324,469.00**	**797,639,589**

15. Details of Projects (Local/Foreign Funded):

Name & Detail	Loan/Grant	Funding Agency #	TEC Rs.	RFA Rs.	RFA Rs.
1. HETC	Grant	WB	4,456,785.00	2,528,666.00	
2. DEMP – Applied Science	Grant	ADB	4,000,800.00	1,008,786.00	2,991,214.00
Mgt. Studies	Grant	ADB	2,000,000.00	1,211,314.00	788,686.00
3. NCAS Mphil / Phd	Grant	GOSL	2,000,000.00	488,987.00	1,511,013.00
4. Academic Research	Grant	COSL	4,000,000.00	10,546,177.00	14,546,177.00
Total			**16,457,585.00**	**15,783,930.00**	**19,837,090**

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

Name	TCE Rs.	Exp in 2010 Rs	Exp in 2011 Rs	Cumulative Exp as at 31.12.2010	% of Physical Progress
1. HETC			2,528,666.00	2,528,666.00	
2. DEMP Applied Sciences	4,000,000.00	500,000.00	508,781.00	1,008,781.00	
Management	2,000,000.00	400,000.00	2,000,000.00	2,400,000.00	
3. NCAS	2,000,000.00	1,100,000.00	2,000,000.00	3,100,000.00	
4. Academic Research	4,000,000.00	2,000.000.00	2,000,000.00	4,000,000.00	
Total	**12,000,000.00**	**4,000,000.00**	**6,508,781.00**	**10,508,781.00**	

17. Details of Financial Progress (Expenditure):

Subject	Provision in 2011 Rs	Exp in 2011 Rs	Savings /Excess Rs
a. Recurrent Expenditure Project	549,478,000	559,900,427	(10,422,427)
b. Capital Expenditure Project	963,000,000	797,639,589	165,360,411
c. Project – Local funded			
d. Project – Foreign funded			
Total	**1,512,478,000**	**1,357,540,016**	**154,937,984**

**Excluding Provision for Depreciation

18. Details of Financial Progress (Generated Income):

Source of Revenue	Provision in 2010 Rs.	Collection in 2010 Rs	Deficit/Surplus Rs.
a. Undergraduate Studies	15,000,000.00	11,421,365.00	3,578,635.00
b. Postgraduate studies	15,000,000.00	12,726,400.00	2,273,600.00
c. Consultancies			
d. Other			
Total	**30,000,000**	**24,147,765**	**5,852,235**

19. Financial Performance Analysis – 2010:

Subject	Formula	Exp. Per Student Rs
a. Recurrent Expenditure per Student (Rs.)	RE/No. of Students Strength	125,905.00
b. Capital Expenditure per Student (CE)	CE/No. of Students Strength	179,366.00
Total		**305,271.00**

***No. of Students Strengths**

Faculty of Medicine	908
Faculty of Management Studies	1106
Faculty of Social Sciences	1068
Faculty of Applied Sciences	950
Faculty of Agriculture	415
Total	**4447**

20. Details of infrastructure Facilities received in 2011

Infrastructure Details	Expenditure Rs	Physical Progress
Rehabilitation & Renovation of Capital Assets	20,799,425.00	100%
Building Constructions Projects		
Hostel Complex – 800 Students	38,080,000.00	100%
Applied Sciences – stage II	10,316,928.00	100%
Para –clinical Building	326,423.00	100%
Clinical Building	398,622,997.00	100%
Student cetre & Canteen – Agriculture	4,357,975.00	100%
Social science & Humanity Building	30,185,890.00	100%
Clinical Building specialized works	96,293,048.00	80%
Clinical Building fixing hospital equipment	63,083,998.00	50%
Acquisition of land & building – Agri	7,200,130.00	15%
Hostel Building – Agriculture	179,290.00	2%
Hostel Building – Medical Faculty (Sarvodaya)	253,896.00	2%
Total	669,700,000.00	

ANNUAL STATEMENT OF ACCOUNTS FOR THE YEAR 2011

THE STATUTORY REPORT ON THE ANNUAL STATEMENT OF ACCOUNTS OF THE RAJARATA UNIVERSITY OF SRI LANKA FOR THE YEAR 2011.

These accounting statements have been prepared in terms of Section 106 (1), (2) and 107 (b) of the Universities Act No. 16 of 1978 as amended by the subsequent legislation including Universities (Amendment) Act No. 7 of 1985 and the Finance Act No. 38 of 1971.

The Presentation and the interpretation of accounts have been done by maintaining Accounting concepts, Consistency, going Concern, accrual basis and materiality and aggregation concepts and following the generally accepted accounting assumptions, principles, standards and practices which are usually adhered to in presenting Accounts of Universities.

Following are the salient features that have to be highlighted in the Statement of Accounts for the Year 2011.

I. As shown below, the total Government grant for the recurrent expenditure, Bursaries, Mahapola and Buildings, Equipment, Rehabilitation of Capital Assets, for the Year 2011 was Rs. 1,346.402 million.

Government Grant for Recurrent Expenditure	Rs.	534.478	million
Government Grant for Mahapola Scholarships	Rs.	28.845	million
Government Grant for Bursary Payments	Rs.	22.079	million
Capital 101 Rehabilitation of Capital Assets	Rs.	50.000	million
Capital 103 Purchase of Lands & Buildings	Rs.	633.000	million
Capital 102 Teaching and Lab Equipments, Office Furniture and Equipments, Books and Periodicals	Rs.	73.000	million
Capital 102 IT Development	Rs.	5.000	million
Total	**Rs.**	**1,346.402**	**Million**

II. Excess of Expenditure over Income in 2011 was Rs.150.924 million for the University including provision for depreciation and Gratuity.

III. Amount of Loans and advances paid to employees of University and others as at the date of the Financial Position was Rs. 23.494 million, exclusive of loans from Provident Fund. These loans were granted to employees on sureties (PF). The loans granted from the Provident Fund were taken off from the Books of Accounts as per the Instruction of the UGC.

IV. Total value of investments of the Rajarata University, Mihintale, as at the date of the Financial Position sheet was Rs. 60.638 million.

V. Income from other sources of Rajarata University, Mihintale as for the year ended of the Financial Performance was Rs. 11.421 million.

VI. The value of the Fixed Assets at net value as shown in the Financial Position of the Rajarata University, Mihintale was Rs 1.677 million.

VII. The stock value shown in the Financial Position amounting to Rs 26.142 million was arrived at, after a physical verification of stores to establish the ownership, existence and the value of the items including the manner in which the Accounting records are maintained for stock items.

VIII. Cash Book balance of the University, as at 31st December 2011 was Rs. 41.612 million. However, the University still had the liabilities and accrued expenses at the particular date and the same had been settled subsequently due to the grant been received just after the closing of accounts.

IX. Closing balances of the Bank Accounts maintained by the University in the Financial Position have been reconciled with the relevant cash books and the respective Banks were requested to send in their confirmations direct to the Auditors.

Prof. K. A. Nandasena **Vice Chancellor**	**Mr. A. G. Karunarathna** **Registrar**	**Mr. R. M. Dassanayaka** **Bursar**
f. K.A. Nandasena Vice Chancellor ata University of Sri Lanka Mihintale.	REGISTRAR Rajarata University of Sri Lanka Mihintale	BURSAR RAJARATA UNIVERSITY OF SRI LANKA MIHINTALE

NOTES ON THE STATEMENT OF ACCOUNTS OF THE RAJARATA UNIVERSITY OF SRI LANKA FOR THE YEAR 2011

Notes in General

(a) Government Grant received for the year, Revenue generated through internal sources and expenditure incurred are recorded on accrual basis.

(b) Material stocks are physically verified and valued on 'first in first out' (FIFO) basis to ascertain the current value, existence and the ownership and were done as at the Financial Position date, in the manner where the accounting records are maintained for stocks items.

(c) The expenditure has been analyzed on Programme, Project and Department basis and object code wise and is shown in the statement of Accounts accordingly.

(d) The Rajarata University has spent a sum of Rs. 20.799 million, under the Programme of Rehabilitation, utilizing the Treasury Grants.

(e) The accounting of Rehabilitation Project was carried on the basis of the principles and techniques adopted by the UGC and the Treasury depending on the nature of projects.

NOTES TO THE STATEMENT OF FINANCIAL POSITION – RAJARATA UNIVERSITY.

(a) The total Capital Grants for Buildings, Equipments and Rehabilitation of capital assets to the University for the year ware Rs. 756.000 Millions. However we could not get release full allocation due to Treasury restrictions.

(b) Detailed schedules for the Statement of Financial Position have been prepared separately in respect of individual accounts.

(c) Fixed assets have been depreciated at cost at the following rates.

Buildings	5%
Furniture and Fittings	10%
Office Equipments	20%
Library Books and Periodicals	20%
Motor Vehicles	20%
Laboratory and Teaching Equipments	20%
Livestock	20%

A sum of Rs. 138.095 millions has been provided for depreciation for the year 2011, Accumulated Depreciation as at 31 December 2011 was Rs. 695.510 millions.

In according to the UGC Circular No. 649 Assets are depreciated on purchase & disposal monthly basis.

(d) In accordance with the SLAS 16, a sum of Rs. 4.184 millions has been provided for gratuity payments for the year 2011. The accumulated provision for the gratuity as at 31.12.2011 is Rs. 39.591 millions.

(e) University has purchased a cost of Rs. 14.40 millions, vehicles on Financial Leasing basis on the approval of Government Treasury in 2010. A sum of Rs. 15.628 millions remained in the accounts as leasing creditors the part of interest has been shown in the account as Intangible Assets.

(f) The value of Chemicals at end of the year in the Faculty of Medicine, Applied Sciences & Agriculture has been taken to accounts as Instruction given by the Auditor General in his previous reports.

(g) The value of Livestock in the Faculty of Agriculture has been depreciated at the rate of 20% annually.

(i) Excess of Expenditure over income in 2011 was Rs. 150.924 million for the University including provision for depreciations. Gratuity Payments, Expenses creditors and committed liabilities. The summary of the excess of Expenditure over income (deficit) is shown as follows,

Excess of Expenditure over Income		**Rs. 150.923 Mn.**
Less Provision for –		
Fixed Assets Depreciation	Rs. 138.094 Mn.	
Research and Development	Rs. 4.924 Mn.	
Staff Gratuity Payments	Rs. 4.184 Mn.	
Total Provision		**Rs. 147.202 Mn.**
Annual Deficit		**Rs. 3.721 Mn.**

(j) A sum of Rs. 797.640 million has been spent for construction of building at the end of financial year 2011. A sum of Rs. 212.000 million. Value of bills could not settled due to the restrictions of withdrawal of funs at Treasury Operations. However we have requested to kept the unsettle amount in the deposit account to withdraw beginning of the year 2012,which have not been confirmed by Treasury Operations. Hence, University had to remove the amounts as debtors.

Prof. K. A. Nandasena **Vice Chancellor**	**Mr. A. G. Karunarathna** **Registrar**	**Mr. R. M. Dassanayaka** **Bursar**

Prof. K.A. Nandasena
Vice Chancellor
Rajarata University of Sri Lanka
Mihintale.

REGISTRAR
Rajarata University of Sri Lanka
Mihintale

BURSAR
RAJARATA UNIVERSITY OF SRI LANKA
MIHINTALE

RAJARATA UNIVERSITY OF SRI LANKA, MIHINTALE

STATEMENT OF FINANCIAL POSITION AS AT 31 ST DECEMBER 2011

Description	Shd. Page No.	Current Year as at 31.12.2011 Rs.		Current Year as at 31.12.2010 Rs.	
Assets					
Non Current Assets					
Fixed Assets (WDV)	15-19	1,676,867,120.49		952,845,213.14	
Work in Progress	14	786,593,575.27		949,496,662.54	
Restricted Fund Investment	22F	60,637,824.50		39,969,797.60	
Other Investment	22G	76,598.65	2,524,175,118.91	73,375.49	1,942,385,048.77
Intangible Assets	23J	4,064,087.77	4,064,087.77	6,570,990.77	6,570,990.77
Current Assets					
Stocks	23H	26,142,177.99		21,216,983.44	
Sundry Debtors - Miscellaneous	23I	839,891.90		629,162.25	
- Violation of Bonds & Agreements	23I	4,853,987.51		2,438,922.90	
Loans & Advances to Staff	24K	23,493,520.84		21,142,979.53	
Loans & Advances to Students					
Miscellaneous Advances	24L	2,830,677.10		2,825,033.73	
Supplies & Services Advances	25M	3,175,007.83		3,147,095.48	
Monies due from other Universities & Institutions	25N	1,224,900.00		1,766,039.20	
Pre - Payments	25O	5,782,497.11		2,942,457.22	
Mobilization Advance	14	110,724,859.47		74,252,819.93	
Treasury Deposit					
Cash Balances at Bank	26P	41,612,297.59	220,679,817.34	20,702,659.86	151,064,153.54
Total Assets			2,748,919,024.02		2,100,020,193.08
Current Liabilities					
Sundry Creditors	27Q	(39,889,137.99)		(60,091,426.79)	
Deposits	27R	(65,613,499.24)		(79,612,724.61)	
Expense Creditors	27S	(24,603,614.92)		(20,434,583.70)	
Leasing Creditors	27Q	(8,137,723.58)		(9,149,058.00)	
Others	28T	(144,020.00)	(138,387,995.73)	(7,621,554.02)	(176,909,347.12)
Non Current Liabilities					
1. (a). Endowment Fund	20C	(864,745.00)		(801,277.40)	
(b). Student Bursaries Fund					
2. Special Grants					
3. Research Grants	21D	(16,713,106.99)		(12,362,076.19)	
4. Cash Donations					
5. Other Funds	21E	(79,685,117.46)		(55,440,213.13)	
6. Leasing Creditors	27Q	(7,490,361.42)	(104,753,330.87)	(15,628,085.00)	(84,231,651.72)
Total Liabilities			(243,141,326.60)		(261,140,998.84)
Total Net Assets			2,505,777,697.42		1,838,879,194.24

Description	Shd. Page No.	Current Year as at 31.12.2011 Rs.		Current Year as at 31.12.2010 Rs.	
NET ASSETS /EQUITY					
1. Capital - Spent Capital Grants		2,252,925,838.11		1,323,346,726.51	
2. Capital - Spent Grants/ Work in Progress	14	897,318,434.76		1,023,749,482.47	
4. Unspent Capital Grant - Purchase of Land and Buildings	13	(27,221,831.32)	**3,123,022,441.55**	(36,522,308.38)	**2,310,573,900.60**
4a. Specific Reserves					
Unspent Capital Grant Equipment Furniture, Library Books & Vehicle Special Grant Assets	12	(7,953,444.53)	**(7,953,444.53)**	(312,776.82)	**(312,776.82)**
4b. Rehabilitation					
1. Rehabilitation - Spent Grant					
2. Rehabilitation - Unspent Grant	12	(911,595.53)		387,802.84	
3. Donation (Assets)	18A	10,921,839.98		10,921,839.98	
4. Foreign Aids		153,320,332.94	**163,330,577.39**	153,320,332.94	**164,629,975.76**
7. Reserves					
1. Special Reserves	18B	53,974,937.29		39,415,075.71	
2. General Reserve of the Institution	10	(826,596,814.28)	**(772,621,876.99)**	(675,426,981.01)	**(636,011,905.30)**
TOTAL NET ASSETS/EQUITY			**2,505,777,697.42**		**1,838,879,194.24**

Certified Correct

Prof. K.A. Nandasena
Vice Chancellor

Mr. A.G. Karunarathna
Registrar

Mr. R.M. Dassanayake
Bursar

Prof. K.A. Nandasena
Vice Chancellor
Rajarata University of Sri Lanka
Mihintale.

REGISTRAR
Rajarata University of Sri Lanka
Mihintale

BURSAR
RAJARATA UNIVERSITY OF SRI LANKA
MIHINTALE

RAJARATA UNIVERSITY OF SRI LANKA - MIHINTALE

STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31ST DECEMBER 2011

Description	Current Year 2011 Rs.	Previos Year 2010 Rs.
Operative Revenue		
01. (a).Government Grant for Recurrent - Expendi	534,477,988.00	386,250,000.00
(b) - do - Student Bursaries	22,079,400.00	18,861,400.00
(c) - do - Grant for Mahapola	4,324,149.20	3,954,811.60
(d) - do - Rehabilitation Recurrent Nature	1,172,742.63	1,705,221.23
(e) Mahapola Trust Fund	24,521,015.60	27,332,100.00
(f) QEF Grant	-	10,071,498.09
(g) Students Scholarship Fund	3,583,495.04	—
02. Interest from Investment	562,191.03	459,775.37
03. Interest from Loans	851,538.33	727,664.22
04. Rent from Properties	636,671.58	562,920.50
05. Sale of old Stocks	541,094.10	81,949.00
06. Sales of old Vehical	2,011,240.00	-
07. Miscellaneous Receipts	2,811,805.90	4,138,254.55
08. Registration Fees (Undergraduate)	1,038,959.50	586,588.50
09. Tuition Fees (Undergraduate)		-
10. Examination Fees(Undergraduate)	201,003.88	76,544.00
11. 1. Examination Fees (Postgraduate)		
2. Examination Fees (External Examination)		
12. Library Fines	721,671.50	212,927.22
13. Services rendered to outsiders/ Hire of Plant & Equipment	372,093.51	1,631,970.05
14. Proceeds from Ancillary Activities	1,520,845.51	1,512,285.44
15.Medical Fees	152,250.00	182,550.00
Total Income	**601,580,155.31**	**458,348,459.77**

Description	Current Year 2011 Rs.	Previos Year 2010 Rs.
Operating Expenses		
Personal Emoluments	(345,123,913.70)	(278,037,872.88)
Travelling	(3,648,081.95)	(1,725,950.84)
Supplies and Consumable Used	(23,729,019.71)	(26,581,161.25)
Maintenance	(9,780,517.22)	(8,521,814.03)
Contractual Services	(154,383,852.15)	(133,503,771.09)
Research and Development	(4,924,000.00)	(4,000,000.00)
Depreciation and Amotitation Expenses	(138,095,617.38)	(99,084,694.34)
Other Operating Expenses - Other Recurrent	(18,311,042.19)	(19,773,880.11)
- Financial Assistant to Students	(50,924,564.80)	(50,148,311.60)
- QEF Recurrent Expenditure	-	(10,071,498.09)
- Students Scholarship Fund	(3,583,495.04)	
Total Operating Expenses	**(752,504,104.14)**	**(631,448,954.23)**
Finance Cost		
Gain on sales peoperty Plant and Equipment		
Total non Operating Revenue		
Net Serplus before extra ordinary Items	(150,923,948.83)	(173,100,494.46)
Extra Ordinary Items		
Net Surplus/Defisit for the period	**(150,923,948.83)**	**(173,100,494.46)**

RAJARATA UNIVERSITY OF SRI LANKA
STATEMENTS OF CHANGES IN NET ASSETS FOR THE YEAR ENDED 31ST DECEMBER 2011

Description	Acumulated Fund 2011 Rs.	Translation Reserve	Total 2011 Rs.	Total 2010 Rs.
Balance as at 31st December 2010	(675,426,981.01)	0.00	(675,426,981.01)	(500,939,945.89)
Changes is Accounting policy				
Restated balance	(675,426,981.01)	0.00	(675,426,981.01)	(500,939,945.89)
Surplus on Revaluation of properties				
Deficit on reveluation of investment				
Currency translation Deferenses				
Net gains and losses not recognice in the stetements of financial performance				
Serplus/ deficit for the period	(245,884.44)		(245,884.44)	(1,386,540.66)
Balance as 31st December 2011	**(675,672,865.45)**	**0.00**	**(675,672,865.45)**	**(502,326,486.55)**
Deficit on revaluation of properties				
Surplus on revaluation of investments				
Currency tranlation deferenses				
Net gains and losses not recogniced in the Statements of the financial performance				
Surplus/deficit for the period	(150,923,948.83)		(150,923,948.83)	(173,100,494.46)
Balanceas at 31st December 2011	**(826,596,814.28)**	0.00	**(826,596,814.28)**	**(675,426,981.01)**

Certified Correct

Prof. K.A. Nandasena
Vice Chancellor

Mr. A.G. Karunarathna
Registrar

Mr. R. M. Dassanayake
Bursar

Prof. K.A. Nandasena
Vice Chancellor
Rajarata University of Sri Lanka
Mihintale.

REGISTRAR
Rajarata University of Sri Lanka
Mihintale

BURSAR
RAJARATA UNIVERSITY OF SRI LANKA
MIHINTALE

REPORT OF THE AUDITOR GENERAL ON THE FINAL STATEDMENTS OF ACCOUNTS 2011

AUDITOR GENERAL'S DEPARTMENT

Vice Chancellor,

Rajarata University of Sri Lanka,

Mihintale.

Report of the Auditor General on the Accounts of the Rajarata University of Sri Lanka for the ended 31st December 2011 in terms of Section 108 (2) of the Universities Act No. 16 of 1978

Above report has been sent herewith

H.A.S.Samaraweera,

Auditor general.

Copies :-

1. Secretary to the Ministry of Finance and policy implementation
2. Secretary to the Ministry of Higher Education
3. Chairman to the University Grant commission

විගණකාධිපති දෙපාර්තමේන්තුව
கணக்காய்வாளர் தலைமை அதிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT

මගේ අංකය / துலைவா / My No : එන්සී/ඒජී/ර/2012/33

ඔබේ අංකය / உமது இல / Your No : 05 APR 2013 17

දිනය / திகதி / Date : 2013 මාර්තු 31 දින

05 APR 2013

උපකුලපති,
ශ්‍රී ලංකා රජරට විශ්වවිද්‍යාලය,
මිහින්තලේ.

ශ්‍රී ලංකා රජරට විශ්වවිද්‍යාලයේ 2011 දෙසැම්බර් 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන පිළිබඳව 1978 අංක 16 දරන විශ්වවිද්‍යාල පනතේ 108 වගන්තිය ප්‍රකාර විගණකාධිපති වාර්තාව

සමාංක හා 2012 දෙසැම්බර් 11 දින දරන මාගේ ලිපියට යොමු වේ.

02. ඉහත සඳහන් ලිපිය සමඟ එවන ලද වාර්තාවේ ඉංග්‍රීසි අනුවාදය මේ සමඟ එවා ඇත.

Regstr
Copy to (1) Bursar
(2) Int. Audit
5/4/13

එච්.ඒ.එස්.සමරවීර
විගණකාධිපති.

පිටපත්:-
1. ලේකම් - උසස් අධ්‍යාපන අමාත්‍යාංශය.
2. ලේකම් - මුදල් හා ක්‍රම සම්පාදන අමාත්‍යාංශය.
3. සභාපති - විශ්වවිද්‍යාල ප්‍රතිපාදන කොමිෂන් සභාව.

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

දුරකථනය / தொலைபேசி / Telephone : 2887028 -34
ෆැක්ස් අංකය / பக்ஸ் இல / Fax No. : 2887223
ඉලෙක්ට්‍රොනික් තැපැල් / ஈ- மெயில் / E-mail. : oaggov@sltnet.lk

විගණකාධිපති දෙපාර්තමේන්තුව
கணக்காய்வாளர் தலைமை அதிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT

මගේ අංකය / எனது இல / My No: NC/AP/E/2012/33

ඔබේ අංකය / உமது இல / Your No.

දිනය / திகதி / Date: 11 December 2012

Vice Chancellor.
Rajarata University of Sri Lanka
Mihintale.

Report of the Auditor General on the Financial Statements of the Rajarata University of Sri Lanka 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 Rajarata University of Sri Lanka for the year ended 31 December 2011 comprising the balance sheet as at 31 December 2011 and the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes 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 the Sub 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 (I) of the Universities Act appear in this report. A detailed report in terms of Sub Section 108(2) and Section 111 of the Universities Act was furnished to the Vice Chancellor of the Rajarata University of Sri Lanka on 7 December 2012.

1.2 Management's Responsibility for the Financial Statements

The 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.

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

දුරකථනය / தொலைபேசி / Telephone: 2887028 -34
ෆැක්ස් අංකය / பக்ஸ் இல / Fax No.: 2887223
ඉලෙක්ට්‍රොනික් තැපැල් / ஈ- மெயில் / E-mail.: oaggov@sltnet.lk

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 requirement 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 judgments including the assessment of the risks of material misstatements of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the University'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 University's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management as well as evaluating the overall presentation of financial statements. Sub sections (3) and (4) of Section 13 of the Finance Act. No 38 of 1971 give discretionary power to the Auditor General to determine the scope and the extent of the audit.

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

1.4 Basis for Qualified Opinion

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

2 Financial Statements

2.1 Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 2.2 of this report, the financial statements give a true and fair view of the financial position of the Rajarata University of Sri Lanka as at 31 December 2011 and its financial performance and its 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

Sixteen items of fixed assets costing Rs.180,906,831 which had been fully depreciated and continued to be used in the year under review had not been revalued and brought to accounts.

2.2.2 Accounting Deficiencies

The following observations are made.

(a) The main administrative building, building of the maintenance division, 33 official quarters and its land given for maintaining the University 12 years ago had not been acquired and included their values in the financial statements even during the year under review.

(b) A retained house rent of Rs.34,000 payable to a house owner shown in the schedule of house rent of the previous year, had not been shown in the financial statements of the year under review.

(c) The House Rent Account, Sundry Income Account and the Income Account of the year under review had been overstated by Rs.14,000, Rs.12,000 and Rs.48,000 respectively. As a result, the expenditure and the income had been overstated in the financial results by Rs.14,000 and Rs.60,000 respectively.

(d) The vehicle insurance charges and service agreement charges of Rs.1,218,339 incurred on behalf of the ensuing years had been shown as expenditure of the year under review in the financial statements.

(e) Although the payments had been made in the year 2012 for assets purchased for Rs.26,773,292 during the year under review, the said amount had not been shown under creditors in the financial statement of the year under review.

(f) A sum of Rs.18 million had been provided by the Treasury for acquisition of Police Quarters. Even though the interest amount of Rs.8,423,653 had not been deposited in a fixed deposit, the said amount had been shown as fixed deposits in the financial statements.

(g) The mobilization advance of Rs.377,165 given for the Construction Project for disposal of Waste Water and Rain Water at the Dutugemunu Students' Hostel had been capitalized and the balance advances as at 31 December was Rs.205,546.

(h) The value of work completed during the year in the Vihara Maha Devi Students' Hostel Construction Project amounting to Rs.655,585 had not been capitalized. As a result, the Work in progress account had been overstated and the Buildings Account had been understated by similar amounts. Meanwhile, the depreciation on buildings for the year had been understated by Rs.8,195.

2.2.3 Accounts Receivable :

Loan balances of Rs.660,535 recoverable from 25 retired, vacated and employees who had been transferred to other stations remained unrecovered for a period ranging from 1 to 4 years.

2.2.4 Lack of Evidence for Audit

Fixed assets valued at Rs.1,676,867,120 could not be satisfactorily vouched in audit due to non-rendition of evidence such as register of fixed assets, detailed schedules etc.

2.2.5 Non – compliance with Laws, Rules, Regulations and Management Decisions

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The following non – compliances were observed.

Reference to Laws, Rules, Regulations, etc.	Non – compliance
(a). Universities Act No. 16 of 1978	
(i).Section 29 (f)	Employees of Universities cannot obtain allowances for conducting ordinary activities of Universities such as conducting external courses. However, a sum of Rs.540,025 had been paid to 20 employees of the University from November 2010 to November 2011 for administrative activities of 02 external courses.
(ii). Section 99(i)(d)	All money collected from whatever source relevant to the University should be credited to the Universities Fund. However, the income of Rs.19,036,680 received during the year under review from courses conducted by the University had been credited to other funds.

28

(b).	Sub Section 28.6 of Section 28.5.1 of Chapter XIV of the Establishments Code of the Democratic Socialist Republic of Sri Lanka	It was revealed at test checks that the sum of Rs.34,594 to be deducted from 42 travelling claims not submitted on the due dates had not been deducted.
(c).	Financial Regulations 570 and 571 of the Financial Regulations of the Democratic Socialist Republic of Sri Lanka.	Action had not been taken to settle 57 lapsed deposits amounting to Rs.262,312 by inquiring from the institutions or persons.
(d)	Procurement Procedure Guideline 2006 of the Democratic Socialist Republic of Sri Lanka.	

	(i). Guideline 3.6.1	One hundred and seventy five lecture hall chairs had been purchased for Rs.498,750 by exceeding the limits specified in the Procurement Guideline.
	(ii). Guideline 8.7.1 (b)	On awarding a bid, a letter of acceptance should be sent to the bidder by the entity. However, letter of acceptance had not been sent with regard to 03 purchases for supplying rubber mixed coir mattresses, ordinary teak chairs and steel racks at Rs.1,895,040

(iii) Guideline 8.9.3 — Proper contract agreements had not been entered into with regard to 02 contracts exceeding Rs.500,000 with an aggregated value of Rs.1,518,720 for the purchase of rubber mixed coir mattresses and ordinary teak chairs

2.2.6 Transaction not supported by Adequate Authority

The following observations are made

(a). Academic allowance and monthly Compensatory allowance should not be considered in the computation of contributions to Universities Provident Fund and Employees' Trust Fund as per letter of the Director General of Budget No.BD/INS/DLUS-A/078 dated 18 July 2003. However, a sum of Rs.12,652,144 paid on Academic allowance and monthly Compensatory allowance of Rs.70,289,679 paid for the period 1998 to 2010 and a sum of Rs.4,837,291 paid on academic allowances of Rs.25,873,837 for the year under review had been considered for computation of E.P.F. and E.T.F without proper authority.

(b). The Director General of Public Enterprises had informed the Universities Grant Commission by the letter No.PE/01/174/11 (b) dated 6 March 1998 that the allowances payable for language proficiency for government officers had not been extended to State Corporations and Statutory Boards. But, a total sum of Rs.3,819,268 had been paid from 1999 to 31 December 2010 and a sum of Rs.298,447 had been paid during the year under review as language proficiency allowance.

(c). The Treasury had granted Rs.18 million in 2006 to acquire the Police Quarters at the Mihintale University premises for the hostels. But, it had not been acquired even by 31 December 2011. The money granted for the said purpose and the interest earned on investments from the year 2007 amounting to Rs.9,243,577 had been utilized for other objectives without the approval of the Treasury, after the balance sheet date.

2.2.7 Irregular Transactions

The following matters were observed.

(a). According to the Public Financial Circular No.PF/FS/A Vehi/2011 dated 6 May 2011, it has been notified that the amount derived from sale of vehicles should be credited to the Consolidated Fund. However, the sum of Rs.2,011,240 derived from sale of vehicles of the Rajarata University had not been credited to the Consolidated Fund. The profit derived from disposal of vehicles to be shown in the Income and Expenditure Account under Extra-Ordinary Item had been shown as Operating Income in the financial statements.

(b). The value of security bond amounting to Rs.1,631,991 of an Apprentice Lecturer of the Applied Science Faculty who had breached agreement had not been shown in the financial statements of the year under review. Action had not been taken even during the year under review to recover the value of the said security bond which had lapsed in 2009.

(c). Rent of quarters had not been recovered from an officer who was in occupation of a house obtained on lease at an annual rent of Rs.240,000 during the year under review in terms of Section 5 of Chapter XIX of the Establishments Code. Meanwhile, economic rent had been recovered from 55 quarters belonging to the University at the rate of Rs.45 to Rs.577 during the year under review without obtaining a report from the

Government Valuer as per Paragraph 1 of the State Accounts Circular No.147/2002 dated 16 April 2002. The water charges paid by the University for these 55 quarters amounted to Rs.973,293. Of this, 8% amounting to Rs.76,680 only had been recovered from the occupants.

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the operating activities of the University during the year ended 31 December 2011 had resulted in a deficit of Rs.150,923,949 as compared with the previous year's deficit of Rs.173,100,494 showing an improvement of Rs.22,176,545 in financial results.

3.2 Analytical Financial Review.

The deficit after incurring expenditure from the amount obtained from Universities Grant Commission for recurrent expenditure for the year under review amounted to Rs.21,401,476 as compared with the previous year's deficit of Rs.80,503,790. This position had not been depicted in the financial statements. The provision for depreciation of fixed assets amounting to Rs.138,095,617 and the provision for payment of gratuity amounting to Rs.2,848,222 written off against the income of the year under review had attributed to the increase in deficit of Rs.150,923,948 shown in the financial statements of the year under review as compared with the provision for depreciation of fixed assets amounting to Rs.99,084,694 and provision for payment of gratuity amounting to Rs.3,685,440 aggregating Rs.102,770,134 written off during the previous year which had attributed to the previous year's deficit.

4. Operating Review

4.1 Performance

The academic performance of the University during the year under review is as follows.

(a) Results of Examinations

(i). Details of final examinations held in 2011 and the success of graduates are shown below.

Details	Faculty of Agriculture	Faculty of Management	Faculty of Applied Science	Faculty of Social Science and humanities
No. of students sat for final examinations during the year under review	58	173	179	215
No. of students passed the examinations	46	109	115	187
No. of students failed the examinations	12	64	23 41*	28
Percentage of students failed degree examinations, as a percentage of students who sat for the examinations	21%	37%	13%	13%

* The Applied Science Faculty had selected 41 persons for a Special degree course.

(ii) The number of students enrolled for each faculty commenced by the University and the number of students who left after obtaining degrees during the past 05 years are shown below.

Faculty	Number of Students Enrolled						Number of students who left after obtaining degrees					
	2006	2007	2008	2009	2010	2011	2006	2007	2008	2009	2010	2011
Faculty of Medicine	171	180	181	184	180	180	--	--	--	--	--	-
Faculty of Agriculture	74	113	107	108	95	70	12	28	54	91	55	46
Faculty of Applied Science	95	160	216	173	196	207	40	91	89	92	69	115
Faculty of Social Science and humanities	156	225	275	337	330	304	119	192	154	114	181	187
Faculty of Management	220	211	279	307	276	355	88	21	162	201	163	109
Total	716	889	1058	1109	1077	1116	259	332	459	498	468	457

Convocation of students enrolled in the academic year 2005/2006 relating to the Faculty of medicine which commenced in 2006 should have occurred in 2010. However, necessary facilities had not been afforded to them so as to obtain their degrees even by August 2012.The examination and the academic division had not collected information in order to obtain clear data pertaining to the results of examinations of each faculty and the number of students who had obtained ordinary and special degrees among those enrolled during each year.

(b) Cost per Student.

The total cost of each faculty of the Rajarata University and the cost per student for the year under review are shown below.

	Faculty of Agriculture	Faculty of Applied Science	Faculty of Social Science and Humanities	Faculty of Management	Faculty of Medical and Allied Science	Total
Total Cost (Rs.'000)	82,855	117,860	106,171	108,974	144,040	559,90
Total Number of Students	415	950	1068	1106	908	444
Cost per Student(Rs.'000)	200	124	99	98	158	12

(c) The number of lecture hours planned by University for 2011 was 37636. But the number of lecture hours conducted was 35145. As such, 95% of the planned lecture hours had been conducted and the number of lecture hours not conducted at the Faculty of Management Studies was 1959 and it was 20% of the lecture hours planned.

4.2 Management Inefficiencies

The expenditure on the purchase of goods valued at Rs.1,256,755 had been incurred from the funds of the University as the Improvement Relevant and Quality of Undergraduate Education Project had rejected the payments due to non implementation of proper procurement procedure which otherwise could have been obtained from the above Project.

4.3 Uneconomic Transactions

The University had delayed payments of water bills and electricity bills. As a result, a sum of Rs.6,226 had been paid as demurrages on 13 instances on 11 vouchers and a sum of Rs.46,786 had been paid as demurrage on 07 vouchers.

4.4 Deficiencies in Contract Administration

The following observations are made

(a) It was revealed at test checks that there were 04 instances where demurrage charges amounting to Rs.132,263 had not been recovered as per provisions appearing in the register calling for bids although, the suppliers had long delayed to supply of goods, exceeding the agreed period.

(b) An agreement had been entered into, with the supplier for the supply of 56 steel cabinets. Later, the supplier had rejected to supply the University's order at the agreed price. As a result, the related goods had been obtained from another supplier. In this connection, the additional cost incurred by the University was Rs.78,994. Action had not been taken to recover the loss from the first supplier by taking legal action and to blacklist the first supplier.

(c) During the year under review, 02 suppliers had furnished quotations for the purchase of 06 Instrument Cabinet- Stainless Steel worth of Rs.534,778.Both had not furnished the details of their past performances. Yet, the lowest quotation of a supplier had been rejected stating that he had not furnished his past performance. As a result of purchasing from the supplier who had quoted more, a loss of Rs.55,372 had occurred.

4.5 Human Resources Management

During the year under review, there were 81 vacant posts in the Academic staff and 42 vacancies in the Non Academic staff. In addition to the 81 vacancies in the Academic staff, 23 lecturers had left the University by obtaining local and foreign scholarships on study leave, during the year under review. Accordingly, during the year under review 104 members of the academic staff could not be made use of, for academic activities, which represents 42% of the approved cadre.

5. Accountability and Good Governance

5.1 Procurement Plan

A procurement plan had not been prepared for the year under review and the previous year.

5.2 Budgetary Control

According to the budget for the year under review, an expenditure exceeding the provision by Rs.26,994,262 had been incurred relating to the provision of Rs.33,870,000 made for 10 objects and it was 80% exceeding the total provision allocated for those 10 objects. Meanwhile, out of the provision of Rs.10,856,000 made for 05 objects, a sum of Rs.5,892,960 had been saved and it was 54% of the provision allocated for those 05 objects. It was thus observed that the budget had not been made use of as an efficient instrument of management control.

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6. Systems and Controls

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

(a) Control over Fixed Assets

(b) Control over Contracts

(c) Human Resources Management

(d) Budgetary Control

(e) Maintenance of Registers.

Sgd/H.A.S.Samaraweera

Auditor General

Mano/

CLARIFICATION AND RECTIFICATION OF MEASURES INTEND TO BE TAKEN BY THE UNIVERSITY REGARDING THE REPORT OF THE AUDITOR GENERAL ON THE ACCOUNTS OF THE RUSL FOR THE YEAR ENDED 31ST DECEMBER 2011 IN TERMS OF SECTION 108 (2) OF THE UNIVERSITY ACT NO 16 OF 1978

Auditor General

Auditor General's Department

No.306/72, Polduwa para

Baththaramulla.

<u>Clarification and rectification of measures intend to be taken by the Unversity regarding the report of the Auditor general on the accounts of the Rajarata University Of Sri Lanka for the year ended 31st December 2011 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>

This has reference to your letter No NC/AP/E/2012/33 and dated 11th December 2012 of the Auditor General Report. Accordingly It is front herewith Clarification and which have taken by the university in the numerical order of the audit report .

Ranjith Wijewardhana,

Vice Chancellor.

Copies :-

1. Secretary to the Ministry of Finance and policy implementation
2. Secretary to the Ministry of Higher Education
3. Chairman to the University Grant commission

<u>Clarification and rectification of measures intend to be taken by the Unversity regarding the report of the Auditor general on the accounts of the Rajarata University Of Sri Lanka for the year ended 31st December 2011 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>

Annual account report of Rajarata University of Sri Lanka for the year ended 31st of December 2011 on terms of section 107 (13) 7 (A) of the Finance Act No 16 of 1978 has submitted to Auditor General on 28th February 2012, Report of the Auditor General for such annual account report has been received on 11th December 2012 and views clarification and measures of the university are forwarded here with in the numerical order of the audit report.

2.2 Comments on Financial Statements

2.2.1 Higher Accounting Procedure.

Computerization of fixed assets ledger of the university of Rajarata has already been initiated. Department of valuation has assessed the fixed assets as at 31.12.2010, According to Sri Lanka Accounting standard No 16, Value of assessed in the fixed assets will be submitted with the account report as at 31.12.2012 Accordingly, the issues shown in the report of Auditor General would be avoided.

2.2.2 Accounting Deficiencies

(a) Action is being taken to acquire the and buildings belongs to university. Title certificates for several lands and building have already been received to the university and action will be taken to sent the certificates concerned, to the dependent of valuation fro the purpose of assessing values. It is expended to such valuation activities in the future years. However, Action has been taken to note in the account report.

(b) Action has been taken to correct by the Journal notes J/E324 / 31.12.2012 in the account report of 2012.

(c) Action has been taken to correct in the account report of 2012 by journal notes J/E 324 / 31.12.2012

(d) The amount of Rs. 300,173.04 spent for the year 2012, has been corrected under Journal J/E 187 / 24.10.2012 . The amount indicated in the Auditor General's report, should be corrected.

(e) Value amounting to Rs: 26773292.00 in respect of assets procured for the university and medical instruments had to be installed for the clinical building of Medical Faculty has been adjusted under journal No: J/E 194 / 31.12.201 in the accounts of 2012

(f) A sum of Rs: 8423653/= given by the bank as interest in respect of the cash received from general treasury for taking over police quarters and deposited in a fixed deposit as at 31.12.2012 and noted on accounts as well. However the university had to utilize such provisions temporally to settle the bills of building projects that were almost completed, as it was difficult to get funds released from general treasury in first two months of year 2012. Then after getting such funds from general treasury it was deposited in Bank of Ceylon under fixed deposit certificate No: 73238754

(g) A sum of Rs: 377.165/= paid in respect of constructing waste water and rain water dispose system in Dutugemunu hostel has been removed from assets account and transferred in to advance account through journal No: J/E 326 / 31.12.201 and it has been rectified accordingly.

(h) Credited to the in progress work account through journal No: J/E 326 / 31.12.201 and debited to the student hostel account.

2.2.3. Receivable Accounts

(a) These amounts represent the amounts to be recovered as staff loan balances from the officers that are transferred out and quitted from university service and released the provident funds. In terms of the agreement entered in by the officers concerned at the time of obtaining loan , these amounts could be recovered at the time of releasing provident fund. Amounts had to be recovered from transferred out officers had totally recovered in year 2011.

2.2.4 Non availability of evidence for auditing.

Necessary actions are being taken to computerize preparation of fixed assets register. Presently a software package has been obtained and at the same time evaluation reports are also being taken after making required adjustments in the fixed assets. Such information also being computerized at the moment, the process concerned will be completed by May 2013 and fixed assets register will be forwarded for auditing.

2.2.5 Non compliance with lows, rules Regulations and Management Decisions

(a) **(I) and (II)**

University Grant Commission has already drafted law as rules and regulations regarding funds of external courses implemented within the University system. The funds concerned will be controlled on the concurrence of the council of the university until such lows and regulations are approved.

(b) A portion of delayed charges recoverable in the Reimbursement of travelling expenses of PGDM courses has already been recovered and the balance will be charged from the payment in due.

(c) Action has been taken to omit expired deposit balance from the account report and adjust by the journal notes No J/E 196
25.10.2012

(d)

(I) 175 conference chairs have to be purchased for the purpose of new students enrolling on the approval of tender board as the procurement procedure. Action has been taken to avoid such

(II) According to the procurement procedure, It is necessary to acknowledge supplies prior to issue a purchasing order. The supplier has been called over the telephone on the necessity of service and goods have supplied to the university at the requirement. Such payments have been made and action has been taken to avoid such situation.

(III) According to the procurement guideline, pay order over Rs. 500.000 should be entered in to agreement. Although it has not been entered in to such agreement it could be confirmed by the Invoice. Accordingly, supplier has supplied the goods and payment has been settled . Action has been taken to avoid this situation.

2.2.6. Transactions that have not confirmed with adequate authoritative power.

(a) Circulars in respect of paying salaries and allowances to university are issued by University Grant Commission. Accordingly payment of monthly lieu payments and recoveries of UPF and ETF contributions are also decided by the same. During the period pointed out by the audit report overall university system had adhered to the said process and this university has also acted as the same.

(b) Payment for the language proficiencies are made in this university in terms of the circulars of University Grant Commission as implemented in the overall university system.

(c) Approval of the cabinet of ministers and required funds from general treasury had received to take over the police quarters situated at the Rajarata University premises Mihinthale. However due to the delay of Department of Police, the process concerned is still to be completed. Funds received for the purpose has been deposited in a fixed deposit account in Bank of Ceylon and the interest for the same is also retained in the account it self to utilize for the explained purpose. Any way, due to the difficulties of getting funds released from general treasury to make the payments in respect of other construction of the university in year 2011. Interest earned in the said fixed deposit account has temporally utilized for the payments of construction projects. However after receiving the relevant funds from general treasury, the account concerned has been settled and it will be utilized in taking over the police quarters as scheduled.

2.2.7. Informal Transactions

(a) University has auctioned the old vehicles with the approval of General Treasury. Earnings of the auction had employed as down payments for procuring new vehicles subject to the approval of the Treasury. Action has been taken to write off the vehicles that are sold. Profit has shown as an operational income in the books.

(b) Necessary action has been taken to correct the account entries through J/E 192 31.12.201
The amount concerned is being deducted from the respective lecturer.

(c) Housing facility will be provided for vice character of the university as the precedence implemented in the University system. Such houses are maintain by the university and house rent will be charged from vice cha called Houses situated in the ancient Gam Uda Premise in Mihinthale have been leased on concessionary basic for staff of the university of Rajarata. The council has decided the rent for such houses in consider the retain of staff water charges also will be recovered on concessionary basic from such quarters.

03. Financial Review

3.1. Financial result

3.2. Analytical financial review

According to Sri Lanka Accounting Standard No 16 and Circular No 649 of University Grant Commission. Deficiency of the year has affected due to creation allocation for depreciation of gravidity and fixed assets.

04. Operation Review

4.1 Performance

(a)

(b) will be accepted

(c)

4.2 Management Inefficiencies

Amount of over 200,000.00 has been received under IRQUE project and the such fund has been most utilized by the university. However, Goods relevant for two order of payments have provided to university end of the agreed period under this project in the year 2010, and payments for the goods concerned were not made under the IRQUE project. Such goods have provided for the requirement of Faculties and payments has been made by the fund of allocation of faculties.

4.3. Uneconomic Transactions

Certain departments of Rajarata University have located away from the main premises at Mihinthale. Further, houses rented out for students hostels are also located away from the Mihinthale premises. Accordingly, payment of water and electricity bills of such departments and hostels have delayed and subsequently late charges had to be paid. To avoid such incidents payment system has decentralized.

4.4. Discrepancies in contract administration

(a) Part of the late charges pointed out in audit report being recovered and accordingly a sum of Rs: 14,885/= been recovered from Shihena Saw mills and a sum of Rs: 3778/= has been recovered from Arunasiri Furniture (Pvt) Ltd.

Provision of items by Olak steel furniture was delayed due to discrepancies in the specifications that should be provided by the university. Further as the T.S.P. civil construction is located in a distance area like Batticaloa and supplies have delayed due to unfriendly climate prevailed during the period concerned. Considering the situation it was decided to exempt them from imposing late charges.

(b) Additional cost was occurred as pointed out in the audit report, because specifications were changed and it was informed to the lowest bidder and he did not agreed to the same and consequently order had to be awarded to the second bidder. Necessary action will be taken to avoid such incidents in future.

(c) According to the personnel experiences of the members of the Technical Evaluation Committee, it was decided that items supplied by P&T Trading are found to be low in quality and high quality durable items are required for the practical activities of the students of professor section. Therefore high quality items were purchased from Delmage Medicals at a high cost.

4.5 Human Resources Management

Action has been taken in numerous occasions to fill the vacancies in academic staff; however it was unable to fill the vacancies concerned due to the difficulties in recruiting qualified persons for the academic staff. Vacancies have filled in non academic staff and action has been taken to formalize the Human Resources Management.

05. Accounting activities and good govern

5.1. Procurement plan

An annual procurement plan has not been prepared for the year 2011 and 2012 and the annual procurement plan has been prepared for the year 2013

5.2. Budgetary Control

Budgetary estimate of the University is prepared on the basis of the limit of funds granted by the General Treasury. Provisions for the vacancies in the approved cadre has been estimated in compliance with existing salary scale. However, Government increases the salary and allowance from time to time after the budget estimate was prepared and such expense will have to be born by available provision and as a result, there of budget provision will be exceeded. Additional Provision for the purpose in the last month of the year will be made available after adjustment being made to remaining in the entire University system.

6. System and Control

Financial committee, procurement committee, Auditing committee, progress review committee for construction, consulting committee for Vice Chancellor are maintained to avoid deficiencies in system and control of the university. Action will be taken to avoid deficiencies of system and control through the committee concerned.

Professor Ranjith Wijewardhana,

Vice Chancellor.