



# **INSTITUTE OF TECHNOLOGY UNIVERSITY OF MORATUWA, SRI LANKA**



## **ANNUAL REPORT & ANNUAL ACCOUNTS**

**2016**

*This annual report was approved by the Board of Management of Institute at its 194<sup>th</sup> meeting held on 23.03.2017*

# Director's Review

## **a. Brief Introduction**

Institute of Technology, University of Moratuwa is a premier higher educational institute primarily responsible for conducting the nationally and internationally well recognized National Diploma in Technology (NDT) study programme.

2016 is the 16<sup>th</sup> year of existence of the Institute. Although the Institute continued to face numerous difficulties in conducting its activities, stemming from the fact that the Institute do not possess its own physical facilities and is forced to depend on the sharing of the facilities of the University of Moratuwa, it diligently continued to perform its expected national service in the year under review.

## **b. Achievements**

351 students were admitted to the Institute in January 2016 to nine disciplines, namely, Chemical, Textile, Polymer, Civil, Electrical, Electronics, Marine, Mechanical, and Nautical. Orientation programme and the intensive English Classes were successfully conducted for the new students. Academic activities of the Institute were conducted according to academic schedules. Award Ceremony was held on schedule to award the Diplomas for successful students. The industrial training programme for all the third year students were conducted as planned, with the collaboration of the National Apprentice and Industrial Training Authority.

A notable achievement of the year under review is the continuation of the project for Relocation & Development of ITUM at Diyagama, Homagama after signing the contract between the Ministry of Higher Education & International Construction Consortium (Pvt)Ltd the Developer. By the end of year 2016 more than 90% of structural construction work was completed which included the main academic building and accommodation for both students & Staff.

The work related to the curriculum development of the NDT programme also continued under the staff training component of the project during year 2016.

## **c. Failure & Justification**

The ITUM, since its establishment in 2000, have faced many constraints which prevented its development both quantitatively as well as qualitatively. The student intake which was 350 students per year for few decades remains same even in the year 2016, due to the limitations imposed in sharing facilities with the main university. For the very same reason it was found difficult, by both staff and students alike, to do the full implementation of the academic upgrading identified with the revision of syllabus. Relocation and Development of the Institute as envisaged is the most desirable and implementable solution for this long standing handicap.

**d. Future Plan**

The future plans of the institute are generally tagged to the proposed major development project of “Relocation and Development of the ITUM”. Under this project the total student intake to the NDT Programme is planned to be increased from 350 to 1000. The NDT curriculum will be updated & upgraded to suit the future demands of the Industry. New disciplines like IT, QS, Mechatronics & Aeronautical Eng. Tech. etc. is planned to be included in the NDT programme. It is also planned to commence post Diploma programmes for students who have successfully completed the NDT programme.

While all the stake holders of this major activity are being mobilized to achieve the goal, ITUM will continue to carry out its national duty of conducting the NDT program with the current number of students, but with enhanced quality, utilizing whatever the opportunities available under the existing set up.

**e. ITUM Relocation Project**

The project for Relocation and Development of ITUM at Diyagama, Homagama commenced forwards the end of year 2014 after signing the contract between the then Ministry of Higher Education and International Construction Consortium (Pvt) Ltd the Developer.

During the year under consideration the Project activities continued successfully within its scope as listed below.

- To provide infrastructure for a new building complex for ITUM at Diyagama, Homagama, Sri Lanka
- To supply and install all equipment and furniture for the lecture theaters and the administrative complexes, the required laboratory equipment, machinery and equipment for workshops, IT equipment, vehicles etc.
- Staff training and Curriculum development.

## Contents

	<b>Page No.</b>
1. <i>Vision</i>	1
2. <i>Mission</i>	1
3. <i>Goals of ITUM</i>	2
4. <i>Brief History of National Diploma in Technology Course and the Establishment of ITUM</i>	3
5. <i>Relocation and Development of the project of ITUM</i>	
5.1 <i>Progress (in general) of the project –up to end 2016</i>	6
5.2 <i>Notable achievements of the year under review related to the project</i>	7
6. <i>Members of the Board of Management</i>	8
7. <i>Officers of the Institute</i>	9
7.1 <i>Organization Chart - 2016</i>	10
8. <i>Details of Staff and Students</i>	11
8.1 <i>Details of Local Students</i>	12
8.2 <i>Details of Academic and Non-Academic Staff</i>	13
9. <i>Details of Research, Innovation and Publications</i>	14
10. <i>Details of Programmes, Seminars &amp; Workshops</i>	18
11. <i>Details of Awards Received</i>	21
12. <i>Details of Recurrent Expenditure</i>	22
13. <i>Details of Capital Expenditure</i>	22
14. <i>Details of Project Expenditure (Local/Foreign Funded)</i>	22
15. <i>Details of Financial Progress (Expenditure)</i>	23
16. <i>Details of Financial Progress (Generated Income)</i>	23
17. <i>Financial Performance Analysis – 2016</i>	23
18. <i>Details of Infrastructure Facilities Received in 2016</i>	24
19. <i>Any other Details</i>	24
20. <i>Audited Financial Statements - 2016</i>	25
21. <i>Audit Committee Report</i>	29
22. <i>Auditor General's Report</i>	30
23. <i>Reply to the Auditor General's Report</i>	39

# **1. Vision**

*To be a center of excellence in Technological Education.*

# **2. Mission**

*Be a dynamic technological institute in the region and actively contribute to the educational, economic, and social advancement of Sri Lankan community by:*

- *Providing accessible, flexible, and efficient technological education and skills training to meet the needs of the society and industry.*
- *Providing an environment for innovation and creativity.*
- *Formulation an active collaboration with industry, business and the community for career opportunities.*
- *Enhancing social and economic pathways and opportunities for young people.*

### 3. Goals of ITUM

- Goal 1:** Establish a physical environment compatible with a modern post- secondary Technological Institute.
- Goal 2:** Create a teaching and skills training system that is flexible and accessible to a larger student population in order to cater to the needs of the society and industry.
- Goal 3:** Establish an environment that promotes research of practical relevance and encourage innovation and creativity.
- Goal 4:** Establish a strong and a mutually beneficial partnership and involvement with industry.
- Goal 5:** Develop a team of qualified and motivated staff.
- Goal 6:** Create an environment that promotes the total development of students.
- Goal 7:** Develop a management system that ensures quality and efficiency at all levels of the institution.

#### **4. Brief History of National Diploma in Technology Course and the Establishment of Institute of Technology, University of Moratuwa.**

The roots of the National Diploma in Technology (NDT) Course date back to 1940s to the Ceylon Technical College, Maradana, where a two year Junior Technical Officer' (JTO) Course was conducted in addition to the four year Diploma in Technology, preparing the students for the B.Sc. Engineering degree of the University of London. JTO was a well-recognized middle level technical course and those who completed the course immensely contributed to the development of the engineering sector of the country.

With the establishment of the Institute of Practical Technology (IPT) at Katubedda, Moratuwa, in 1960, the JTO course was transferred from Maradana to Moratuwa. The IPT was established with aid from the Government of Canada to develop and implement a practically oriented middle level engineering technology courses.

The IPT was elevated to Ceylon College to Technology (CCT) in 1966 and a rapid development took place with course diversification. The CCT commenced a five years Diploma in technology course and the JTO course was also revised introducing one year in-plant training to the course and making it a three year course leading to the National Diploma in Technology (NDT). Later, CCT was elevated to a Campus of the single University of Sri Lanka in 1972 and subsequently, it has grown to be the University of Moratuwa. The NDT course was then conducted by the university on behalf of the Ministry of Higher Education.

In 1987, the NDT course became an internal course of the University of Moratuwa under Section 29(e) of the University Act No. 16 of 1978 and the educational qualification to gain entry to the course became GCE Advanced Level. The Institute of Technology, University of Moratuwa (ITUM), an institute under the University of Moratuwa primarily for the conduct of National Diploma in Technology and similar level courses was established in 2000, under Ordinance No. 3 of 2000. The ITUM functions under a Board of Management and is expected to physically establish the Institute separately for the independent development of the courses.

## Brief Introduction to the NDT Programme.

The primary aim of the course is to produce engineering diplomates required by the industry of our country in various disciplines. The institute conducts the NDT programme in nine disciplines with a total intake of 350. The breakdown is as follows:

Chemical Engineering Technology	-	25
Civil Engineering Technology	-	80
Electrical Engineering Technology	-	40
Electronic and Telecommunication Engineering Technology	-	40
Marine Engineering Technology	-	15
Mechanical Engineering Technology	-	60
Nautical Studies	-	15
Polymer Technology	-	25
Textile and Clothing Technology	-	50

In addition, up to a maximum of five student enrolments are allocated to armed forces and University Non Academic Staff.

The admission to the NDT programme is done through a unique process. Applications are invited by a public advertisement in the government gazette, selected newspapers and the website. The students from three past consecutive G.C.E Advanced levels are eligible to apply. Students are selected on the basis of Z-Scores, district / merit quota (as in the case of university admission), and their preference to different disciplines.

Thus the course consists of a two- year academic study period and one year industrial training. The first year subjects are designed mainly to equalize, consolidate and improve the student's knowledge in basic sciences and to introduce the specialized discipline of study to which he/she has been selected. It will also give exposure to some basic skills required in engineering practice (e.g. Work shop Technology Engineering Drawing). Each discipline offers one or more field subject/s of the student's chosen field of study. (e.g.) Civil Engineering division offers Building Construction for the Civil Engineering stream)

English Language is a compulsory subject in the first year due to the following reasons:

- i. Communication plays an important role in a diplomate's career. Therefore students are required to develop their skills in comprehension, speech and report- writing.
- ii. The NDT course is conducted entirely in the English medium. Since most of the students have done their studies in Sinhala or Tamil medium up to the GCE (A/L), their levels of proficiency in the English language vary widely and there is always room for improvement.

The second year subjects mainly include the application of various engineering phenomena in the selected field of study.



The third year is allocated for obtaining the required hands-on experience in the industry. Training at the accepted industrial establishments is organized and monitored by the National Apprenticeship and Industrial Training Authority (NAITA) and the Lecturer in charge of Industrial Training at the ITUM.

At the end of the three years of education and training, the successful students are awarded the National Diploma in Technology with an **Ordinary, Credit or Distinction** pass, as per the performance criteria approved by the University.

The tracer studies have revealed that the employability of passing out NDT diplomats is 100% within one year after passing out.

The new academic curriculum now in operation at the ITUM was introduced in the year 2005 for the first year students and in 2006 for the second year students. The purpose was to broaden the knowledge of students in their selected fields of study, while keeping abreast of current technological advances in the industrial world.

## 5. Relocation and Development project of ITUM

### 5.1 Progress (in general) of the Project - up to end 2016.

- I. Activities carried out by the originally identified contractor CATIC was terminated on 31.07.2014. Alternative arrangement for financing and carrying out the project through funding from local banks and a new contractor (local), International Construction Consortium (Pvt) Ltd (ICC) was approved by the Cabinet of Ministers on 18.09.2014 (Cabinet Memo. No. 14/1148/521/032 dated 14.08.2014).
- II. The Letter of Award was issued to the contractor (ICC) on 09.10.14.
- III. CATIC (original contractor) handed over all their documents (hard copies as well as some soft copies) related to the project which includes conceptual drawings, some detail drawings, engineering reports, preliminary work on laboratory equipment etc. to the Ministry of Higher Education on 15.10.2014 and those were in turn handed over to the new contractor ICC.
- IV. ICC moved on to the site on an auspicious time on 16.10.2014 and laid a concrete foundation of a building proper, as a token commencement of construction work proper, at an auspicious time on 31.10.2014. Project Kickoff meeting was held on 23.10.2013.
- V. Construction activities of the all the infra-structure which includes Main Building Complex (comprising of all the Academic and Administrative areas), Student Hostels, Multi-functional Hall, Staff quarters, Guest house, Shopping Complex and Internal Road Network is almost completed.
- VI. Work related to other major activity of the project, i.e. Procurement and Installation of machinery, equipment, furniture etc. are nearing completion.
- VII. Work related to the Staff Training activity of the project is completed.
- VIII. Elaborate Weekly Project Progress Review/ Decision making Meetings were regularly conducted between the Client's project staff and Developer's staff, until the arrangement was disturbed due to delays in official continuation of the key project staff.



## 5.2 The notable achievements of the year under review related to the project are;

1. Conducting a comprehensive staff training programme for the Administrative & Non-academic staff of the Institute.

This programme concluded with two study visits to Sabaragamuwa University & Uva- Wellassa University.

2. Decision to convert the NDT curriculum to the semester system from the annual system as a result of the academic staff training programmes.  
Curriculum for the First and Second semesters have been developed and accepted by the academic

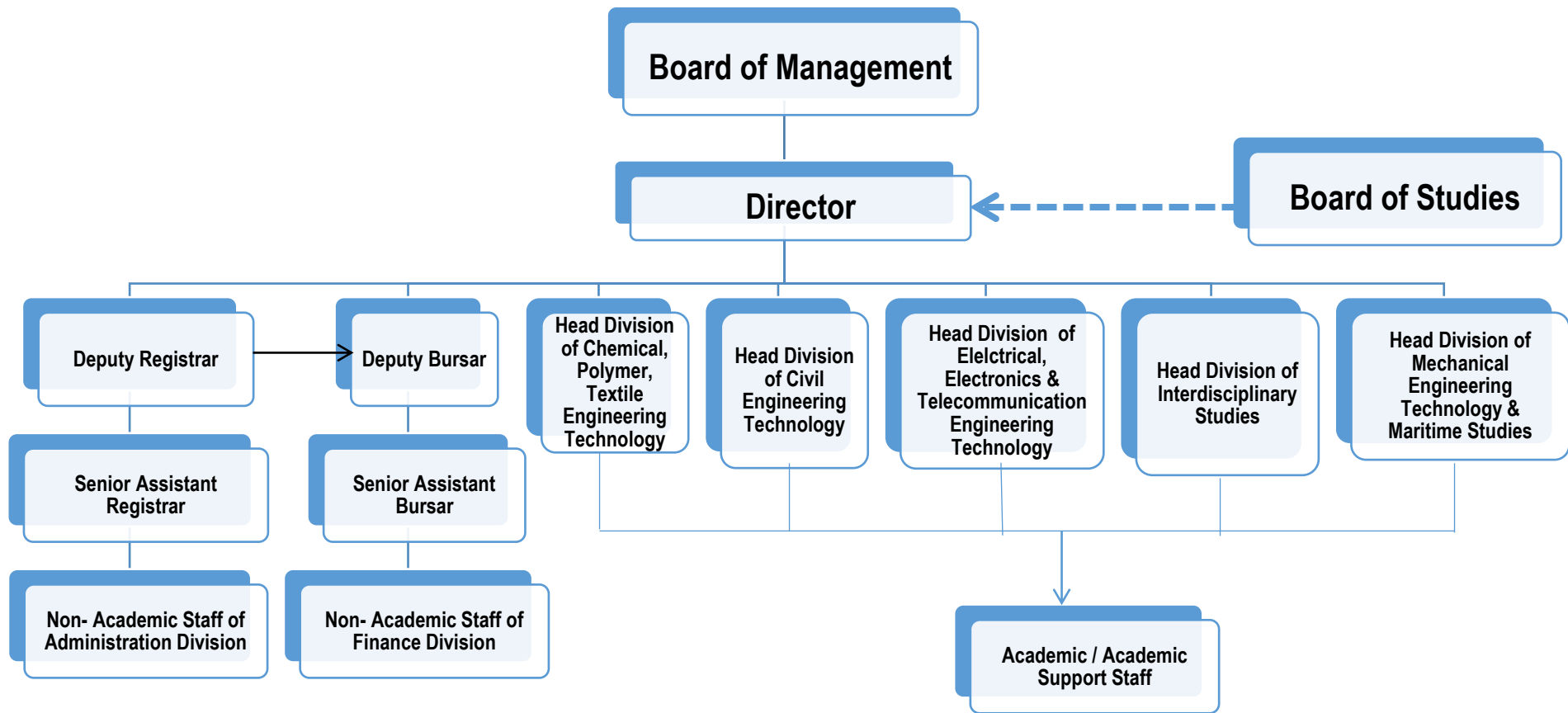
## 6. Members of the Board of Management

1.	Mrs.	M.M.P.D.	Samarasekara	Director/ITUM
2.	Mr.	Madawa	Dewasurendra	Nominee of the Secretary to the Ministry of the Minister in-charge of the subject of Higher Education.
3.	Mr.	A.W.	Seneviratne	Nominee of the Secretary to the Ministry of the Minister in-charge of the subject of Shipping
4.	Mrs.	R.M.A.P.	Samaradiwakara	Nominee of the Chairperson of the National Apprentice and Industrial Training Authority (NAITA)
5.	Prof.	K.K.C.K	Perera	Dean of the Faculty of Engineering of the University
6.	Prof.	M.L.	De Silva	Dean of the Faculty of Architecture of the University
7.	Archd.	Ashley	De Vos	Council Nominee
8.	Prof.	S.M.A.	Nanayakkara	Senate Nominee
9.	Dr.	T.A.G.	Gunasekara	} Nominees of BOS/ITUM
10.	Ms.	S.L	Jayasuriya	
11.	Dr.	A.M.N.	Alagiyawanna	} UGC Nominees
12.	Mr.	J.K.	Lankathilake	
13.	Prof.	J.R	Lucas	

## 7. Officers of the Institute

<b>Director</b>	Mrs. M.M.P.D Samarasekara <i>B.Sc. (Eng.) (Moratuwa), M. Eng. (Moratuwa), MPhil (Moratuwa)</i>
<b>Deputy Registrar</b>	Mrs. K.C Sanjeevani Perera <i>BSc. (Hons)(Sri J' pura), PGDBM (Colombo) MBS (Merit)(Colombo)</i>
<b>Deputy Bursar</b>	Vacant
<b>Senior Assistant Registrar</b>	Mrs. S.R.S. Udeshi <i>BSc. (Agri.) (Ruhuna) Mphil (Agri.) (Peradeniya)</i>
<b>Senior Assistant Bursar</b>	Mrs. S. P. D. Peiris <i>B.Com (Sp)-KLN, PGDIP (Pub. Mgt.)-SLIDA, CBA</i>
<b>Postal Address</b>	Institute of Technology University of Moratuwa Katubedda, Moratuwa, Sri Lanka.
<b>Telephone Numbers:</b>	<b>General</b> : 011 2650301/340 /441/534/671 <b>Fax</b> : 011 2650565 <b>Director</b> : 011 2650064 <b>Deputy Registrar</b> : 011 2650427 <b>Senior Assistant Bursar</b> : 011 2650565

## 7.1 Organization Chart -2016



## 8. Details of Staff and Students

Divisions	Course	Total Student	Total Academic Staff	Total Non Academic Staff
Civil Engineering Technology	NDT	245	<u>Lecturers</u> P –06 V- 02 C- 01 <u>Instructors</u> T – 03 V - 10	P- 01
Mechanical Engineering Technology and Maritime Studies	NDT	248	<u>Lecturers</u> P – 07 C- 01 V- 06  APO - 02 IMarEST L – 06  <u>Temporary Instructors</u> T – 04 <u>Visiting Lecturer</u> VL - 06 <u>Visiting Instructor</u> V – 22	P- 01
Polymer, Textile & Chemical Engineering Technology.	NDT	283	<u>Lecturers</u> P – 09 V- 11 <u>Instructors</u> T – 04 V – 07	T-01
Electrical, Electronics & Telecommunication Engineering Technology.	NDT	242	<u>Lecturers</u> P – 09 V – 03 <u>Instructors</u> T – 08 V – 06	T- 02
Interdisciplinary Studies.	NDT	350	<u>Lecturers</u> P –08 C- 01 T- 01 V- 02 <u>Instructors</u> T – 03 V - 01	T- 02

P – Permanent  
C- Contract  
T- Temporary

APO – Assistant Project Officers  
ImarEST L - ImarEST Lecturer  
V- Visiting

## 8.1 Details of Local Students

350 local students were admitted to the Institute to nine disciplines, namely, Chemical, Textile, Polymer, Civil, Electrical, Electronics, Marine, Mechanical, and Nautical.

Division	Course	Medium	Intake 2016	1 <sup>st</sup> Year Students	2 <sup>nd</sup> Year Students	3 <sup>rd</sup> Year Students	No. of Diplomates
Civil Eng. Tech.	NDT	English	81	81	83	81	82
Mechanical Eng. Tech. & Maritime Studies	NDT	English	90	87	77	84	79
Polymer, Textile & Chemical Eng. Tech.	NDT	English	100	100	97	97	80
Electrical, Electronics, & Telecommunication Eng. Tech.	NDT	English	80	81	77	84	76
Interdisciplinary Studies	NDT	English					
<b>Total</b>			351	349	334	346	317



## 8.2 Details of Academic and Non-Academic Staff

Staff Category	Salary Scale	Approved Cadre	Existing Cadre	Vacant Cadre
Academic Staff	U-AC 3 to U-AC 5	45	37	08
	U-AC 1 to U-AC 2	20	20	-
Executive Staff	U-EX 1 to U-EX 3 (Administrative & Financial Staff)	04	03	01
	U-EX 1 to U-EX 3 (Other Executive Staff)	01	-	01
Academic Support Staff	U-AS 1	02		02
	U-AS 2	13	01	12
Technical Staff	U- MT 1	05		05
Clerical & Allied	U-MN 1	15	12	03
	U-MN 4	01	01	-
Primary Staff	U-PL 1 to U-PL 3	07	04	03

## 9. Details of Research, Innovation and Publications

Findings of research carried out by ITUM staff have been presented and/or published locally and internationally.

Authors	Title of Paper	Conference
Ariyaratne A.A.T.K, Somaratne M.C.W, Walpalage S, Liyanage N.M.V.K, Karunanayake L	Reinforcement of Natural Rubber Latex Film Using Silica Filler Modified with a Commercially Available Co-polymer Solution	IESL Annual session 2016.
Abeykoon K.M.W. , Punchihewa H.K.G. , Nanayakkara L.D.J.F. and. Munidasa J. D	<u>Categorization of Capabilities and Limitations of People with Physical Disabilities to Perform Work-Activities</u>	1st World Disability & Rehabilitation Conference – 2016, Colombo, Sri Lanka
Abeykoon K.M.W, Punchihewa H.K.G. ,. Nanayakkara L.D.J.F and Munidasa J. D.	Categorization of people with physical disabilities (PPDs) to perform manual work-activities	ITUM Annual Research Symposium 2016.
Amarasekera A.H.L.K and Abeykoon K.M.W	Printing of polyester / viscose fabric using reactive and disperse dyes	ITUM Annual Research Symposium 2016.
Dissanayake G.K. Perera W.P.S.K Wanniarachchi T.	Sustainable and ethical manufacturing: a case study from handloom industry	Textiles and Clothing Sustainability Journal - SpringerOpen
Sureka S. H. U. Perera W.P.S.K	An Investigation on Awareness of Smart Textile in Sri Lankan Apparel Industry	17th International Postgraduate Research Conference- 2016, Faculty of Graduate Studies University of Kelaniya
Jayatunga G.K. Martino S.M.N.D and Amarasinghe B.M.W. P.K.	Thin Layer Drying Models for Drying of Black Pepper in Spouted Bed Dryer with Internal Devices	IESL Annual session 2016
Weerakoon A.D	Journey towards the Enhancement of Student Centered Teaching in ITUM: Introduction of a Poster exhibition as a formative Assessment.	ITUM Annual Research Symposium 2016.

## Details of Research, Innovation and Publications (Contd.)

Authors	Title of Paper	Type	Conference /publisher
BhadranieThoradeniya, Uthpala Pinto, BasantMaheshwari and N T S Wijesekara	Improving Livelihood vis-a-vis water quality: A baseline study from dry zone in Sri Lanka	Conference paper	8 <sup>th</sup> International perspective on Water Resources and the Environment (IPWE 2016), January 4-6, Colombo, Sri Lanka
BhadranieThoradeniya and Malik Ranasinghe	Community stakeholder viewpoints on issues of urbanization along the river Ma Oya, Sri Lanka	Book chapter	Chapter 9, Balanced Urban Development: Options and Strategies for Livable cities; Springer, Water Science and Technology Library
BasantMaheshwari, Vijay P. Singh, BhadranieThoradeniya,	Balanced urban development: is it a myth or a reality?	Book chapter	Chapter 1, Balanced Urban Development: Options and Strategies for Livable cities; Springer, Water Science and Technology Library
BasantMaheshwari, Vijay P. Singh, BhadranieThoradeniya,	Options and Strategies for balanced development for livable cities: An epilogue	Book chapter	Chapter 35, Balanced Urban Development: Options and Strategies for Livable cities; Springer, Water Science and Technology Library
BhadranieThoradeniya and W M Y N SarasiKumari	De-silting of minor Irrigation reservoirs: A study on major stakeholder opinions	Conference paper	Annual sessions of the Institution of Engineers, Sri Lanka
Kandamby GWTC	Development of work norms for cement stabilized rammed earth walls.		Annual sessions, Institution of Engineers Sri Lanka October 2016.

## Details of Research, Innovation and Publications (Contd.)

Authors	Title of Paper	Conference
Mr. KM Ranasiri	<ol style="list-style-type: none"> <li>1. Designing of Lid making machine</li> <li>2. The increasing of casting yield for grey casting iron</li> </ol>	Annual Research Symposium – 2016 Institute of Technology University of Moratuwa
Mr. MIRT Fernando	To identify the Nature of the existing relationship between the land surveying knowledge in Lawyers and the successfulness of court commissions issued in land cases	Annual Research Symposium – 2016  Institute of Technology University of Moratuwa
Mr. GG Jayarathne	Early detection of machinery vibration	Annual Research Symposium – 2016  Institute of Technology University of Moratuwa
Mr. JMP Gunasekara	6-REXOS: Upper Limb Exoskeleton Robot with Improved pHRI	Annual Research Symposium – 2016  Institute of Technology University of Moratuwa
Mrs. NV Kularathne	Computer based method to detect defects of Rotor mechanisms	Annual Research Symposium – 2016  Institute of Technology University of Moratuwa
Mr. PDC Kumara	P. D. C. Kumara, S. K. K. Suraweera, H. H. E. Jayaweera, A. M. Muzathik and T. R. Ariyaratne, “Efficient type of steam condenser for water desalination of solar thermal energy in remote arid areas and islands,”	International Journal of Energy Engineering, 2016/03, vol. 6, Iss. 1, PP. 13-18.
Mr. PDC Kumara	P. D. C. Kumara, M. P. S. Viraj, H. H. E. Jayaweera, A. M. Muzathik & T. R. Ariyaratne, “Experimental investigation of temperature dependency of thermal conductivity of glass wool used in a steam generator”	Annual Research Symposium - University of Colombo, 2016/10.
Mr. PDC Kumara	M. P. S. Viraj, P. D. C. Kumara, H. H. E. Jayaweera & T. R. Ariyaratne, “Feasibility study on constructing a heat battery for parabolic trough solar thermal energy plant”	Annual Research Symposium - University of Colombo, 2016/10.
Mrs. JB Samarasinghe	Adapting Clean Development Mechanism for Renewable Energy based Projects in Sri Lanka	Annual Research Symposium – 2016 Institute of Technology University of Moratuwa

## Details of Research, Innovation and Publications (Contd.)

Authors	Title of Paper	Conference
S.M.Kannangara, N.W.N.Dayananda, Sumudu Kumarage, Eranga Fernando	Evaluating Effects of Haptic feedback in virtual Reality Simulators for Laparoscopic Skill Development.	6 <sup>th</sup> IEEE RAS/ EMBS International Conference on Biomedical Robotics and Bio mechatronics. June 26-29, 2016 Singapore. (BioRob 2016),
Manjula Wickramathilaka (ITUM), Nuwan Tharanga & Chatura Udayanga (EPC Consultancy Ltd.)	“A General Feasibility Study on applicability of Sea wave power generation in Sri Lanka.”	16 <sup>th</sup> Conference of Science Council of Asia (SCA – 16) 30 <sup>th</sup> May to 1 <sup>st</sup> June 2016, Hotel Galadari, Colombo.
T.Bambaravanage, S.Kumarawadu, A.S.Rodrigo	“Comparison of three Under-Frequency Load Shedding Schemes referring to the Power System of Sri Lanka.”	ENGINEER Journal, Institute of Engineers, Sri Lanka. XLIX (01), PP 4-25, 2016.

## 10. Details of Programme, Seminars & Workshops

Programms / Seminars/ Workshops	Date/s conducted	Participants	Remarks
Curriculum Development for ITUM academic programs	8 <sup>th</sup> & 9 <sup>th</sup> January 2016	Academics Staff	Resource Person: Dr. TAG Gunasekara DR. (Mrs.) Guna Hewa Mr. SN Niles
Presentation on 3 key element to analyze the job to improve the course.	28 <sup>th</sup> January 2016	Academic Staff	Resource Person:  Mr. Ranasiri
Role of Academic Support Staff & MIS	12 <sup>th</sup> & 13 <sup>th</sup> February 2016	Administrative Support Staff	Resource Person:  Mr. Somasiri de Silva  Mr. Mahinda Perera  Mr. Prasad Perera  Mr. Samudaya Nanayakkara
Minitab 17	25 <sup>th</sup> February 2016	Academic Staff	Resource Person:  Mrs. P.S Yatapana
Mind the gap	01 <sup>st</sup> March 2016	NDT 2 <sup>nd</sup> year students	Resource Person:  Mr. Dilshan Mohamed
Student Development	04 <sup>th</sup> April 2016	NDT 1 <sup>st</sup> year students	Resource Person:  Prof. Kusuma Karunarathna  Mr. Aravinda Vithana
Planning & Implementation Evaluation	29 <sup>th</sup> April 2016	Academic Staff	Resource Person:  Mrs. Dilrukshi Perera
Curriculum Development for ITUM academic programs	7 <sup>th</sup> May 2016	Academics Staff	Resource Person:  DR. TAG Gunasekara Mrs. Priyangani Samarasekara

## Details of Programme, Seminars & Workshops (Contd.)

Programms / Seminars/ Workshops	Date/s conducted	Participants	Remarks
On curriculum Development	26 <sup>th</sup> May 2016	Academic Staff	Resource Person: Mrs. B.A.S Priyanka Mrs. S.M Kannangara
Semester Systems	2 <sup>nd</sup> June 2016	Academics Staff	Prof. Suki Ekaratne Dr. (Mrs.) Srinika Weerasinghe
University Legislation Universities Act No. 16 of 1978, Ordinances, By laws, Rules and Regulations	18 <sup>th</sup> June 2016	Administrative Support Staff	Mr. Somasiri de Silva Former Registrar, UOM & OUSL
Office Management System (2 days)	29 <sup>th</sup> June & 8 <sup>th</sup> July 2016	Administrative Support Staff	Mr. A.H. Gamage
On an extension for SPT-6 facilitated by Prof. Suki	30 <sup>th</sup> June 2016	Academic Staff	Mrs. W.P.S.K Perera
Development of ITUM at its new location in Diyagama	25 <sup>th</sup> August 2016	Academic Staff	Dr. T.A.G Gunasekara
Workshop on Personality Development for ITUM students	August 25	NDT 2 <sup>nd</sup> year students.	Resource Person: Mr. Vikash Pillai
Certificate of Teaching in Higher Education - CTHE	21 <sup>st</sup> March 2016 to 22 <sup>nd</sup> November 2016	Mr. D.N Gunasekera	
Survey Camp	December 2016	NDT Second Year Civil Engineering Students.	Annual Event
Financial Management	31 <sup>st</sup> August 2016	Academic Support Staff	Resource Person: Mr. KAD.PushpaKeerthi-Bursar, UOM & Mr. Sujeewa Rodrigo, SAB-UOM
Outbound training	16 <sup>th</sup> , 17 <sup>th</sup> , 18 <sup>th</sup> September 2016	Academic Support Staff	Wild drift 361 <sup>o</sup>
Curriculum Development for ITUM academic programs	7 <sup>th</sup> October 2016	Academic Staff	Dr. TAG Gunasekara Mrs. Priyangani Samarasekara
Introduction to Human Resource Management	14 <sup>th</sup> October 2016	Academic Support Staff	Mr. Samantha Rathnayake Mgt. Consultant - PIM

## Details of Programme, Seminars & Workshops (Contd.)

Programms / Seminars/ Workshops	Date/s conducted	Participants	Remarks
Outbound Training	28 <sup>th</sup> , 29 <sup>th</sup> , 30 <sup>th</sup> October 2016	Academic Staff	Wild drift 361 <sup>0</sup>
Disciplinary Procedure & Labour Laws Disciplinary Authority Reporting of offences- chap XXII- Section 3- page 408 Conducting preliminary investigation. Conducting formal investigation Warnings/ punishments	5 <sup>th</sup> November 2016	Administrative Support Staff	Resource Person: Mrs. Lalani Rajapaksha, SAR (Legal & Documentation) OUSL
Financial Procedure  Fixed Assets, Inventory, Procumbent (Foreign Indent & Local Board of Survey, Stores verification, Stores procedure.	26 <sup>th</sup> November 2016	Administrative Support Staff	Resource Person: Mr. KAD PushpaKeerthi – Bursar, UOM & Mrs. S. Waduge – SAB - UOM
Skill Development  Office ethics, Conflict Resolution, Stress Management & effective communication	21 <sup>st</sup> December 2016	Administrative Support Staff	Resource Person: Mr. Samantha Rathnayake Mgt. Consultant - PIM



## 11. Details of Awards Received

**Distinction certificates were received by 32 Students at the Awards Ceremony.**

Chemical Engineering Technology	02
Civil Engineering Technology	03
Electrical Engineering Technology	06
Electronic Engineering Technology	05
Marine Engineering Technology	03
Mechanical Engineering Technology	01
Nautical Studies	03
Polymer Technology	05
Textile Engineering Technology	04

## 12. Details of Recurrent Expenditure:

Subject	2015 Rs	2016 Rs
a. Personal emoluments	112,840,723	126,750,510
b. Travelling	469,675	198,550
c. Supplies	3,906,074	3,418,066
d. Maintenance	1,518,939	1,471,539
e. Contractual Service	1,719,164	2,494,033
f. Other	11,054,729	8,666,826
<b>Total</b>	<b>131,509,304</b>	<b>142,999,524</b>

## 13. Details of Capital Expenditure:

Subject	2015 Rs	2016 Rs
a. Acquisition of furniture, Lab and Office Equipment	6,071,461	2,495,336
b. Acquisition of Plant and Machineries	189,033	
c. Acquisition of Building & Structures	47,525	
d. Other	711,530	1,012,466
<b>Total</b>	<b>7,019,549</b>	<b>3,507,802</b>

## 14. Details of Project Expenditure (Local/Foreign Funded)

Name	TCE Rs.	Expenditure in 2015 Rs	Expenditure in 2016 Rs.	Cumulative Expenditure as at 31.12.2016	% of Physical Progress
Re-location and Development ITUM project at Diyagama		8,341,737	10,297,372		
<b>Total</b>		<b>8,341,737</b>	<b>10,297,372</b>		

### 15. Details of Financial Progress (Expenditure):

	Provision in 2016 Rs	Expenditure in 2016 Rs	Savings/Excess Rs
a. Recurrent except Project	153,600,000	142,999,524	10,600,476
b. Capital except Project	8,000,000	3,507,802	4,492,198
<b>Total</b>	<b>161,600,000</b>	<b>146,507,326</b>	<b>15,092,674</b>

### 16. Details of Financial Progress (Generated Income):

Source of Revenue	Provision in 2016 Rs.	Collection in 2016 Rs.	Deficit/ Surplus Rs.
a. Internal Revenue	5,000,000	2,191,264	2,808,736
<b>Total</b>	<b>5,000,000</b>	<b>2,191,264</b>	<b>2,808,736</b>

### 17. Financial Performance Analysis – 2016:

Subject	Formula	Exp. Per Student Rs.
a. Recurrent Expenditure per Student (RE)	RE/No of Student Strength	140,471.05
b. Capital Expenditure per Student (CE)	CE/No of Student Strength	3,445.78
<b>Total</b>		<b>143,916.82</b>

## **18. Details of Infrastructure Facilities Received in 2016:**

ITUM is sharing infrastructure facilities of University of Moratuwa from year 2000.

## **19. Any Other Details:**

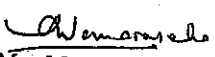
During the year 2016, the institute managed to conduct its academic programmes in all 09 disciplines as per the time schedule.


The institute also successfully conducted its annual research symposium in 15.06.2016, for the 4<sup>th</sup> consecutive year.

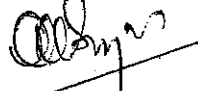
**INSTITUTE OF TECHNOLOGY-UNIVERSITY OF MORATUWA**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31<sup>st</sup> DECEMBER 2016**


	Notes	2016 Rs.	2016 Rs.	2015 Rs.	2015 Rs.
<b>ASSETS</b>					
<b>Current Assets</b>					
Cash at Bank	1	24,998,899		7,207,105	
Receivables	2	11,121,286		10,680,294	
Stock		863,553		838,504	
Prepayments	3	169,264		262,647	
Investments (Short-Term)		<u>0</u>	<u>37,153,002</u>	<u>0</u>	<u>18,988,550</u>
<b>Non -Current Assets</b>					
Investments(Long-Term)	4	14,433,695		14,335,190	
Property, Plant and Equipment	5	53,167,577		58,196,123	
Work in Progress	5a	44,249,619		33,952,247	
Other assets	6	<u>1,564,353</u>		<u>1,525,986</u>	
			<u>113,415,244</u>		<u>108,009,546</u>
<b>Total Assets</b>			<u>150,568,246</u>		<u>126,998,096</u>
<b>LIABILITIES</b>					
<b>Current Liabilities</b>					
Payables	7	6,069,336		1,756,122	
Deferred Income	8	82,560		59,966	
Accrued expenses	9	<u>3,828,470</u>	<u>9,980,366</u>	<u>2,798,293</u>	<u>4,614,381</u>
<b>Non-Current Liabilities</b>					
Provision for Gratuity			<u>21,558,879</u>		<u>17,016,878</u>
<b>Total Liabilities</b>			<u>(31,539,245)</u>		<u>(21,631,259)</u>
<b>Total Net Assets</b>			<u>119,029,001</u>		<u>105,366,837</u>
<b>NET ASSETS / EQUITY</b>					
Capital Grant - Spent	10	21,689,481		26,677,109	
Capital Account Work In Progress	10a	71,640,819		61,343,447	
Capital Grant - Unspent	11	7,024,280		2,544,582	
General Reserve	12	(13,533,842)		(16,355,724)	
Donations	13	4,093,286		4,093,286	
Non Monetary Government Grant	14	7,250,000		7,250,000	
Accumulated Fund	15	<u>20,864,977</u>		<u>19,814,137</u>	
			<u>119,029,001</u>		<u>105,366,837</u>
<b>Total Net Assets / Equity</b>			<u>119,029,001</u>		<u>105,366,837</u>

The Notes appearing on pages 33 to 37 an integral part of the Financial Statements  
The Board of Management is responsible for the preparation and presentation of these Financial Statements  
Approved and signed for and on behalf of the Board of Management of the Institute by

  
Mrs. M.M.P.D. Samarasekara  
Director

  
Mr. J.K. Lankathilaka  
Member - BoM

  
Mrs. K.C.S. Perera  
Deputy Registrar

  
Mrs. S.P.D. Peiris  
Senior Asst. Bursar

Mrs. M.M.P.D. Samarasekara  
Director  
Institute of Technology  
University of Moratuwa  
Sri Lanka

Mrs. K.C.Sanjeevani Perera  
Deputy Registrar  
Institute of Technology  
University of Moratuwa  
Sri Lanka

S. P. D. Peiris  
Senior Assistant Bursar  
Institute of Technology  
University of Moratuwa.

**INSTITUTE OF TECHNOLOGY-UNIVERSITY OF MORATUWA**  
**STATEMENT OF FINANCIAL PERFORMANCE FOR THE**  
**YEAR ENDED 31<sup>st</sup> DECEMBER 2016**

<b><u>Operating Revenue</u></b>	<b>Note</b>	<b>2016</b>	<b>2015</b>
		<b>Rs.</b>	<b>Rs.</b>
Recurrent Grant		153,600,000	124,700,000
Govt: Grant - Mahapola		4,949,900	5,896,400
Govt: Grant - Bursary		17,272,300	14,354,100
Other income	<b>16</b>	2,482,397	3,850,092
Amortization		8,034,439	7,500,730
Grant for Strengthening Research			135,754
Grant for Leadership Development			50,000
Grant for Student Centered Learning			88,000
Grant for Competancy Building		478,215	0
		<b>186,817,251</b>	<b>156,575,076</b>
<b><u>Operating Expenses</u></b>			
Personal Emoluments	<b>17</b>	126,750,510	112,840,723
Traveling	<b>18</b>	198,550	469,675
Supplies and consumable used	<b>19</b>	3,418,066	3,906,074
Maintenance	<b>20</b>	1,471,539	1,518,939
Contractual services	<b>21</b>	2,494,033	1,719,164
Research and Development	<b>22</b>	369,348	634,189
Depreciation and amortizations expenses		8,034,439	8,295,730
Other operating expenses	<b>23</b>	8,588,611	10,420,540
Mahapola		4,949,900	5,896,400
Bursary		17,272,300	14,354,100
Expenses on Strengthening Research			135,754
Expenses on Leadership Development			50,000
Expenses on Student Centered Learning			88,000
Expenses on Competancy Building		478,215	
Expenses for Relocation & Development Project		10,297,372	
<b>Total operating expenses</b>		<b>184,322,883</b>	<b>160,329,288</b>
<b>Surplus / (Deficit) from operating activities</b>		<b>2,494,368</b>	<b>(3,754,212)</b>
<b>Gain on Disposal of Assets</b>		<b>203,900</b>	<b>0</b>
		<b>2,698,268</b>	<b>(3,754,212)</b>

*S.P.D.*

S.P.D. Peiris  
Senior Assistant Bursar

**INSTITUTE OF TECHNOLOGY-UNIVERSITY OF MORATUWA**  
**STATEMENT OF CHANGES IN NET ASSETS FOR THE**  
**YEAR ENDED 31<sup>st</sup> DECEMBER 2016**


Notes	10	10a	11	12	13	14	15	
	Capital Grant Spent Rs.	Payment For Land Rs.	Capital Grant Unspent Rs.	General Reserve Rs.	Donations Rs.	Non-Monetary Govt. Grant Rs.	Accumulated Fund Rs.	Total Rs.
Balance at 31 <sup>st</sup> December 2014	27,104,514	51,829,240	5,905,870	(12,850,304)	4,093,286	7,250,000	19,568,806	102,901,412
Net gains and losses not recognized in the statement of financial performance								0
Transfers/Net Movements	7,073,325	9,514,207	(3,361,288)	248,792			245,331	248,792
Surplus / Deficit for the period				(3,754,212)				13,471,575
Amortization	(7,500,730)							(3,754,212)
Balance as at 31 <sup>st</sup> December 2015	26,677,109	61,343,447	2,544,582	(16,355,724)	4,093,286	7,250,000	19,814,137	105,366,837
Surplus/Deficit on revaluation of properties								0
Transfers/Net Movements	3,046,813	10,297,372	4,479,698				1,050,840	18,874,723
Net gains and losses not recognized in the statement of financial performance								123,614
Amortization	0	0		123,614				0
Surplus / (deficit) for the period	(8,034,441)			2,698,268				(8,034,441)
Balance at 31 <sup>st</sup> December 2016	21,689,481	71,640,819	7,024,280	(13,533,842)	4,093,286	7,250,000	20,864,977	119,029,001

*S.P.D.*

S.P.D. Peiris  
Senior Assistant Bursar

**INSTITUTE OF TECHNOLOGY-UNIVERSITY OF MORATUWA**  
**CASH FLOW STATEMENT FOR YEAR ENDED**  
**31<sup>st</sup> DECEMBER 2016**

	Notes	2016		2015	
		Rs.	Rs.	Rs.	Rs.
<b><u>Cash Flow from Operating Activities</u></b>					
Surplus <del>/(deficit)</del> from ordinary activities		2,698,268		(3,754,212)	
<b><u>Non-cash movements</u></b>					
Depreciation		8,034,439		8,295,730	
Amortization		(8,034,439)		(7,500,730)	
Increase/(Decrease) Provision for Gratuity		4,542,001		846,088	
Other Adjustments	25	123,614		247,875	
Gain on Disposal of Assets		(203,900)			
<b><u>Increase/Decrease in Working Capital</u></b>					
(Decrease)/Increase in receivables	26	(372,658)		2,148,216	
Increase/(Decrease) in Deferred Income		22,594		(14,341)	
Increase/(Decrease) in payables	27	4,313,215		(1,587,970)	
(Decrease)/Increase in Accrued Expences		1,030,177		443,295	
Net cash flow from operating activities			12,153,311		(876,049)
<b><u>Cash flow from Investing Activities</u></b>					
Purchase of plant and equipment (Schedule D & E)		(3,042,087)		(6,745,795)	
Payment for Land (Capital)				(9,841,737)	
Payment for other projects		(478,215)		(273,754)	
Sales of Assets		206,450			
Increase in Investments					
<b><u>Net cash flow from investing activities</u></b>			(3,313,852)		(16,861,286)
<b><u>Cash flow from financing activities</u></b>					
Capital Grant	11	8,000,000		13,500,000	
Increase/Decrease in Restricted funds		1,050,840		245,331	
Increase/(Decrease) in Donations		0		0	
Net cash flows from financing activities			9,050,840		13,745,331
Net increase / (decrease) in cash and cash equivalent			17,890,299		(3,992,004)
Cash and cash equivalent at the beginning of period			21,542,295		25,534,299
Cash and cash equivalent at the end of period	28		<u>39,432,594</u>		<u>21,542,295</u>

  
 S.P.D. Peiris  
 Senior Assistant Bursar



## **21. Audit Committee Report**

### **Internal Audit Report**

The Internal Audit Division carried out its auditing functions of the Institute of Technology, University of Moratuwa according to the Internal Audit Programme 2016 as recommended and approved by the Audit Committee and the Board of Management with concurrence of the Auditor General covering a significant area of engagement as follows.

#### **1. Pre-Audits**

- Releasing of University Provident Fund (UPF)
- Payment of Gratuity
- Releasing of Pension Fund
- Calculation of Bonds

#### **2. Audit Queries issued on findings**

- Sample Verification of Payment Vouchers

#### **3. Other Audit Checks carried out**

- Checked sample of purchase order
- Checked Bank Reconciliations
- Checked miscellaneous advances.

#### **4. The Audit Committee**

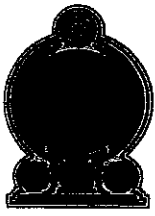
The Audit Committee of the ITUM meets regularly at least once in three months to review activities of the ITUM. The Committee considers the Audit reports and Queries sent by the Auditor General and the Internal Audit and the responses of the ITUM to those Queries. The Committee makes recommendations. And directives for corrective actions are also monitored.

The Audit Committee met on four occasions during the year under review.

#### **5. The Staff**

The Internal Audit Activities of the ITUM are carried out by a Clerk assigned by ITUM at the Internal Audit Division of University of Moratuwa under the supervision of the Senior Assistant Internal Auditor of the University of Moratuwa.

The Internal Audit Staff of University of Moratuwa are also provided their support in carrying out the audit activities of ITUM.



විගණකාධිපති දෙපාර්තමේන්තුව  
கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்  
**AUDITOR GENERAL'S DEPARTMENT**



මගේ අංකය  
எனது இல.  
My No.

HED/C/ITUM/6/16/24

ඔබේ අංකය  
உமது இல.  
Your No.

දිනය  
திகதி  
Date

27 July 2017

The Director,

Institute of Technology - University of Moratuwa

**Report of the Auditor General on the Financial Statements of the Institute of Technology - University of Moratuwa for the year ended 31 December 2016 in terms of Section 20 of the Institute of Technology - University of Moratuwa Ordinance No.03 of 2000 and Sub-section 108(1) of the Universities Act, No.16 of 1978**

The audit of financial statements of the Institute of Technology - University of Moratuwa for the year ended 31 December 2016 comprising the statement of financial position as at 31 December 2016 and the statement of financial performance, statement of changes in net assets 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 20 of the Institute of Technology - University of Moratuwa Ordinance No.03 of 2000 enacted in terms of Section 18 of the Universities Act, No. 16 of 1978. My comments and observations which I consider should be published with the Annual Report of the Institute of Technology 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) of the Universities Act was issued to the Director of the Institute on 31 May 2017.

**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 the Sri Lanka Public Sector Accounting Standards 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.

### **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 consistent with International Auditing Standards of Supreme Audit Institutions (ISSAI 1000-1810). 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 judgement, including the assessment of the risks of material misstatement 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. Section 111 of the Universities Act, No. 16 of 1978 gives 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 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 Institute of Technology - University of Moratuwa as at 31 December 2016 and its



financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

## **2.2 Comments on Financial Statements**

### **2.2.1 Sri Lanka Public Sector Accounting Standards**

In terms of Sri Lanka Public Sector Accounting Standard 07, the useful life of non-current assets had not been annually reviewed and as such, property, plant and equipment costing Rs.41,497,929 had been fully depreciated. Nevertheless, they were still in use. Action had not been taken to revise the error occurred in estimating the depreciation rates in terms of Sri Lanka Public Sector Accounting Standard 03.

### **2.2.2 Unexplained Differences**

The following observations are made.

- (a) According to the financial statements, the value of long term investments amounted to Rs.14,433,695. However, according to the schedule presented to Audit, that value amounted to Rs.14,628,056 thus observing a difference of Rs.194,361.
  
- (b) Even though the income in the year under review from application fees for the National Diploma in Technology (NDT) amounted to Rs.884,456, according to the schedule, it amounted to Rs.907,050 thus observing a difference of Rs.22,594.

## **2.3 Accounts Receivable and Payable**

A sum of Rs.1,572,914 was recoverable from a lecturer who was on academic leave abroad due to breach of bond and she had agreed on 26 January 2016 for that sum to be recovered from the University Provident Fund. Accordingly, the Institute had informed the University Grants Commission on 26 August 2016 to take action to recover this amount from the University Provident Fund. However, that amount had not been recovered even by 31 December 2016.



**2.4 Non-compliances with Laws, Rules, Regulations and Management Decisions**

The following non compliances were observed.

**Reference to Laws, Rules and Regulations**

**Non-compliances**

(a) Section No.45(2) (I) (xv) of the Universities Act, No.16 of 1978

Even though it is mentioned that investing any moneys belonging to the University in any security in which, it is lawful to invest moneys with the approval of the Commission, or to place on fixed deposit, in any bank approved by the Commission is a function of the Council, a period of over 10 years had lapsed even by 20 March 2017 after the establishment of 04 funds totalling Rs.1,494,483. Nevertheless, those funds had been retained in the current account of the Institute of Technology without investing in any activity whatsoever.

(b) Inland Revenue Tax Circular 07 of Pay As You Earn Tax

Pay As You Earn Tax of 16 per cent had not been recovered on salaries totalling Rs.553,216 paid for 08 months at the rate of Rs.69,152 per month for the period from 31 December 2015 to 31 July 2016 to the officer who had served as Senior Assistant Bursar in the Institute of Technology, taking sabbatical leave after serving previously as the Senior Assistant Bursar of the University of Moratuwa.

(c) Matter No. II of Finance Circular Letter No. 2/2015 of the University Grants Commission

Even though the Mahapola Scholarship amounts unpaid in a certain month should be returned to the Mahapola Trust Fund on or before the 20<sup>th</sup> of the following month, a balance amounting to Rs.384,600 brought forward from the year 2015 had remained unsettled up to 31 December 2016.

### **3. Financial Review**

---

#### **3.1 Financial Results**

---

According to the financial statements presented, the financial result of the Institute for the year ended 31 December 2016 had been a surplus of Rs.2,698,268 as against the deficit of Rs.3,754,212 for the preceding year, thus indicating an improvement of Rs.6,452,480 in the financial result of the year under review as compared with the preceding year. The increase in Government grants by Rs.28,900,000 or 23 per cent received for recurrent expenditure in the year under review as compared with the preceding year, had resulted in the above improvement.

In the analysis of financial results for the year under review and 04 preceding years, the deficit of Rs.3,510,686 in the year 2012 had converted into a surplus of Rs.2,698,268 by the year 2016 and a considerable variance was observed in the financial result during this period. However, after making adjustments for employees' remunerations in the financial result, the contribution of the Institute amounting to Rs.59,256,335 in the year 2012 had increased continuously and it had been Rs.129,448,778 in the year under review.

#### **3.2 Legal Action initiated by the Institute**

---

A case had been filed by the Institute in the District Court of Moratuwa against an external institution claiming compensation of Rs.05 million and the defending party of that case had appealed to the High Court in respect of that case. It had not been revealed in the accounts in this connection.

#### 4. Operating Review

---

##### 4.1 Performance

---

This Institute has been established as an institution affiliated to the University of Moratuwa, with the objectives of establishing a physical environment compatible with a modern post-secondary Technological Institute, creating a teaching and skills training system that is flexible and accessible to a larger student population in order to cater to the needs of the society and industry, establishing an environment that promotes research, of practical relevance and encourage innovation and creativity, developing a team of qualified and motivated staff, creating an environment that promotes the total development of students and developing a management system that ensures quality and efficiency at all levels of the Institution.

The following observations are made.

- (a) According to the Action Plan, it had been planned to spend a sum of Rs.100,000 for the purchase of sports goods in the years 2015 and 2016. However, no amount whatsoever had been spent therefor during those years.
- (b) Nine departments of the Institute had been in operation and in comparison of the number of students that should be enrolled in 03 departments with the number of students enrolled in the academic years of 2013/2014 and 2014/2015, 11 student vacancies ranging from 6 per cent to 47 per cent, 09 student vacancies ranging from 5 per cent to 40 per cent existed respectively and 06 student vacancies ranging from 33 per cent to 40 per cent existed in 02 departments in the academic year of 2015/2016.
- (c) (i) Out of 504 students who sat for the first year examination in the year 2016, only 334 students had passed the examination and 34 per cent of the students had failed the examination. In the examination carried out relating to those students failed, 36 per cent of the students who sat for the examination in the Mechanical Engineering Division and 39 per cent of the students who sat for the examination in the Textile and Clothing Technology Division had failed.

- (ii) Out of 484 students who sat for the second year examination in the year 2016, only 357 students had passed the examination and 27 per cent of the students had failed the examination. In the examination carried out relating to those students failed in the second examination, 41 per cent of the students who sat for the examination in the Mechanical Engineering Division and 35 per cent of the students who sat for the examination in the Textile and Clothing Technology Division had failed.
- (d) Even though 03 co-curricular programmes each and 03 extracurricular programmes each had been planned to be implemented by the 09 departments for the improvement of the competitiveness of students, only one exhibition and one sports programme had been implemented by the combination of departments.
- (e) Even though 02 courses of Information Technology (IT) and Quantity Surveying (QS) had been proposed to be newly introduced to students in the year 2016, those courses had not been commenced in the year 2016.
- (f) Even though provisions of Rs.1,000,000 had been allocated in the year 2016 for research purposes of improving innovation and creativity, 39 researches had been carried out by spending only a sum of Rs.478,215 representing 48 per cent of the provisions.

#### 4.2 Staff Administration

---

The following observations are made.

- (a) The academic and non-academic staff of the Institute comprised 28 and 11 vacancies respectively and they stood at 48 per cent and 20 per cent respectively.
- (b) In terms of Section 18.1 (1) of Chapter III of the Universities Establishment Code, immediately after becoming aware that a vacancy exists in the staff of a higher education institution, the relevant Appointing Authority should take steps to fill that vacancy. However, steps had not been taken even by 31 December 2016 to





fill the vacancy of the post of Deputy Bursar of the Institute that existed since 15 January 2015.

(c) Even though a sum of Rs.15,000,000 had been allocated to recruit 50 visiting lecturers in the year under review, with a view to establishing a qualified staff, 21 visiting lecturers and 35 instructors in addition had been recruited by spending a sum of Rs.14,957,457.

**5. Accountability and Good Governance**

**5.1 Presentation of Financial Statements**

In terms of Section 6.5.1 of Public Enterprises Circular No. PED/12 of 02 June 2003, the financial statements and Draft Annual Reports should be presented to the Auditor General within 60 days after the closure of the year of accounts. Nevertheless, the financial statements of the year 2016 had been presented on 28 April 2017.

**5.2 Internal Audit**

In terms of paragraph 3 of the D.M.A/2009(1) Guidelines in respect of internal audit, a separate internal audit unit had not been established.

**6. Systems and Controls**

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

**Areas of Systems and Controls**

**Observations**

(a) Staff Administration	Failure in taking action to fill vacant posts.
(b) Budgetary Control	Preparation of the Budget without a definite forecast.



- (c) Funds Management Failure in taking action to achieve the objectives of the funds established.
- (d) Control of Operations Failure in taking proper steps on breach of agreements and bonds.

**Sgd./ H.M. GAMINI WIJESINGHE**  
**Auditor General**

H.M. Gamini Wijesinghe

Auditor General

Reply to the Auditor General's Report on the financial statements of the Institute of Technology University of Moratuwa for the year ended 31<sup>st</sup> December 2016 and its activities in terms of section 20 of ordinance no.03 of 2000 of the Institute of Technology University of Moratuwa and section 108(1) of the universities act no. 16 of 1978.

<b>Audit Opinion</b>	<b>Description / Action taken</b>
<b>2. Financial Statements</b>	<b>2. Financial Statements</b>
<b>2.2 Comments on Financial Statements</b>	<b>2.2 Comments on Financial Statements</b>
<b>2.2.1 Sri Lanka Public Sector Accounting Standards</b>	<b>2.2.1 Sri Lanka Public Sector Accounting Standards</b>
In terms of Sri Lanka Public Sector Accounting Standard 07, the useful life of non – current assets had not been annually reviewed and as such, property, plant and equipment costing Rs.41,497,929 had been fully depreciated .Nevertheless, they were still in use. Action had not been taken to revise the error occurred in estimating the depreciation rates in terms of Sri Lanka Public Sector Accounting Standard 03.	Property and equipment fully depreciated by 31 <sup>st</sup> December 2016 are to be re-valued and the revaluation committee is working on it at the moment.
<b>2.2.2 Unexplained Differences</b>	<b>2.2.2 Unexplained Differences</b>
The following observations are made. (a) According to the financial statements, the value of long term investments amounted to Rs.14,433,695. However, according to the schedule presented to Audit, that value amounted to Rs.14,628,056 thus observing a difference of Rs.194,361. (b) Even though the income in the year under review from application fees for the National Diploma in Technology (NDT) amounted to Rs.884,456 according to the schedule, it amounted to Rs.907,050 thus observing a difference of Rs.22,594.	(a) Steps have been taken to ascertain the differences from the statements and schedules and to make necessary adjustments.  (b) Steps have been taken to correct this difference.
<b>2.3 Accounts Receivable and Payable</b>	<b>2.3 Accounts Receivable and Payable</b>
A sum of Rs.1,572,914 was recoverable from a lecturer who was on academic leave abroad due to breach of bond and she had agreed on 26 January 2016 for that sum to be recovered from the University Provident Fund. Accordingly, the Institute had informed the University Grant Commission on 26 August 2016 to take action to recover this amount from the University Provident Fund. However, that amount had not been recovered even by 31 December 2016.	This amount of Rs.1,572,914.00 has been received from the University Grant Commission by cheque no 647674 on 11.08.2017.

Audit Opinion		Description / Action taken						
<p><b>2.4 Non – compliances with laws, Rules, Regulations and Management Decisions</b></p> <p>The following non compliances were observed.</p> <table border="1"> <thead> <tr> <th>Reference to Laws, Rules and Regulations</th> <th>Non – compliances</th> </tr> </thead> <tbody> <tr> <td>(a) Section No.45(2) (l) (XV) of the Universities Act, No.16 of 1978</td> <td>Even though it is mentioned that investing any moneys belonging to the University in any security in which, it is lawful to invest moneys with the approval of the Commission, or to place on fixed deposit, in any bank approved by the Commission is a function of the Council, a period of over 10 years had lapsed even by 20 March 2017 after the establishment of 04 fund totaling Rs.1,494,483. Nevertheless, those funds had been retained in the current account of the Institute of Technology without investing in any activity whatsoever.</td> </tr> <tr> <td>(b) Inland Revenue Tax Circular 07 of Pay As You Earn Tax</td> <td>Pay As You Earn Tax of 16 per cent had not been recovered on salaries totaling Rs.553,216 paid for 08 months at the rate of Rs.69,152 per month for the period from 31 December 2015 to 31 July 2016 to the officer who had served as Senior Assistant Bursar in the Institute of Technology, taking sabbatical leave after serving previously as the Senior Assistant Bursar of the University of Moratuwa</td> </tr> </tbody> </table>		Reference to Laws, Rules and Regulations	Non – compliances	(a) Section No.45(2) (l) (XV) of the Universities Act, No.16 of 1978	Even though it is mentioned that investing any moneys belonging to the University in any security in which, it is lawful to invest moneys with the approval of the Commission, or to place on fixed deposit, in any bank approved by the Commission is a function of the Council, a period of over 10 years had lapsed even by 20 March 2017 after the establishment of 04 fund totaling Rs.1,494,483. Nevertheless, those funds had been retained in the current account of the Institute of Technology without investing in any activity whatsoever.	(b) Inland Revenue Tax Circular 07 of Pay As You Earn Tax	Pay As You Earn Tax of 16 per cent had not been recovered on salaries totaling Rs.553,216 paid for 08 months at the rate of Rs.69,152 per month for the period from 31 December 2015 to 31 July 2016 to the officer who had served as Senior Assistant Bursar in the Institute of Technology, taking sabbatical leave after serving previously as the Senior Assistant Bursar of the University of Moratuwa	<p>(a) The Board of Management at its 198<sup>th</sup> meeting has approved investing these funds in short term deposits and steps have been taken accordingly.</p> <p>(b) Relevant parties have been informed to deduct tax from pay as you earn (PAYE)</p>
Reference to Laws, Rules and Regulations	Non – compliances							
(a) Section No.45(2) (l) (XV) of the Universities Act, No.16 of 1978	Even though it is mentioned that investing any moneys belonging to the University in any security in which, it is lawful to invest moneys with the approval of the Commission, or to place on fixed deposit, in any bank approved by the Commission is a function of the Council, a period of over 10 years had lapsed even by 20 March 2017 after the establishment of 04 fund totaling Rs.1,494,483. Nevertheless, those funds had been retained in the current account of the Institute of Technology without investing in any activity whatsoever.							
(b) Inland Revenue Tax Circular 07 of Pay As You Earn Tax	Pay As You Earn Tax of 16 per cent had not been recovered on salaries totaling Rs.553,216 paid for 08 months at the rate of Rs.69,152 per month for the period from 31 December 2015 to 31 July 2016 to the officer who had served as Senior Assistant Bursar in the Institute of Technology, taking sabbatical leave after serving previously as the Senior Assistant Bursar of the University of Moratuwa							

Audit Opinion		Description / Action taken
<b>Reference to Laws, Rules and Regulations</b>	<b>Non – compliances</b>	
(c) Matter No.II of Finance Circular Letter No.2/2015 of the University Grants Commission	Even though the Mahapola Scholarship amounts unpaid in a certain month should be returned to the Mahapola Trust Fund on or before the 20 <sup>th</sup> of the following month, a balance amounting to Rs.384,600 brought forward from the year 2015 had remained unsettled up to 31 December 2016.	c) Action has been taken to pay the Mahapola and Bursary balances as shown by you within the first half of the impending year.
<b>3. Financial Review</b>		<b>3. Financial Review</b>
<b>3.1 Financial Results</b>		<b>3.1 Financial Results</b>
<p>According to the financial statements presented, the financial result of the Institute for the year ended 31 December 2016 had been a surplus of Rs.2,698,268 as against the deficit of Rs.3,754,212 for the preceding year, thus indicating an improvement of Rs.6,452,480 in the financial result of the year under review as compared with the preceding year. The increase in Government grants by Rs.28,900,000 or 23 per cent received for recurrent expenditure in the year under review as compared with the preceding year, had resulted in the above improvement.</p> <p>In the analysis of financial results for the year under review and 04 preceding years, the deficit of Rs.3,510,686 in the year 2012 had converted into a surplus of Rs.2,698,268 by the year 2016 and a considerable variance was observed in the financial result during this period. However, after making adjustments for employees' remunerations in the financial result, the contribution of the Institute amounting to Rs.59,256,335 in the year 2012 had increased continuously and it had been Rs.129,448,778 in the year under review.</p>		

Audit Opinion	Description / Action taken
<b>3.2 Legal Action initiated by the Institute</b>	<b>3.2 Legal Action initiated by the Institute</b>
A case had been filed by the Institute in the District Court of Moratuwa against an external institution claiming compensation of Rs.05 million and the defending party of that case had appealed to the High Court in respect of that case. It had not been revealed in the accounts in this connection.	It is noted to provide information in this regard from the ensuing year.
<b>4. Operating Review</b>	<b>4. Operating Review</b>
<b>4.1 Performance</b>	<b>4.1 Performance</b>
<p>This Institute has been established as an institution affiliated to the University of Moratuwa, with the objectives of establishing a physical environment compatible with a modern post-secondary Technology Institute, creating teaching and skills training system that is flexible and accessible to a larger student population in order to cater to the needs of the society and industry, establishing an environment that promotes research of practicals relevance and encourage innovation and creativity, developing a team of qualified and motivated staff, creating an environment that promotes the total development of students and developing a management system that ensures quality and efficiency at all levels of the Institution.</p> <p>The following observations are made.</p> <p>(a) According to the Action Plan, it had been planned to spend a sum of Rs.100,000 for the purchase of sports goods in the years 2015 and 2016. However, no amount whatsoever had been spent therefor during those years.</p> <p>(b) Nine departments of the Institute had been in operation and in comparison of the number of students that should be enrolled in 03 departments with the number of students enrolled in the academic years of 2013/2014 and 2014/2015, 11 student vacancies ranging from 6 per cent to 47 per cent, 09 student vacancies ranging from 5 per cent to 40 per cent existed respectively and 06 student vacancies ranging from 33 per cent to 40 per cent existed in 02 departments in the academic year of 2015/2016.</p> <p>(c) (i) Out of 504 students who sat for the first year examination in the year 2016, only 334 students had passed the examination and 34 per cent of the students had failed the examination. In the examination carried out relating to those students failed, 36 per cent of the students who sat for the examination in the Mechanical Engineering Division and 39 per cent of the students who sat for the examination in the Textile and Clothing Technology Division had failed.</p>	<p>(a) Regarding the sports activities of the students they use the University Sports Complex and sports equipment, Although it was planed to purchase additional sports equipment no purchasing was done as there were no requests.</p> <p>(b) Most of the vacancies were in nautical section but students were not registered for lack of shipping facilities and some students who got registered for other courses cancelled their registration,</p>

Audit Opinion	Description / Action taken
<p>(c) (ii) Out of 484 students who sat for the second year examination in the year 2016, only 357 students had passed the examination and 27 per cent of the students had failed the examination. In the examination carried out relating to those students failed in the second examination, 41 per cent of the students who sat for the examination in the Mechanical Engineering Division and 35 per cent of the students who sat for the examination in the Textile and Clothing Technology Division had failed.</p> <p>(d) Even though 03 co-curricular programmes each and 03 extracurricular programmes each had been planned to be implemented by the 09 departments for the improvement of the competitiveness of students, only one exhibition and one sports programme had been implemented by the combination of departments.</p> <p>(e) Even though 02 courses of Information technology (IT) and Quantity Surveying (QS) had been proposed to be newly introduced to students in the year 2016, those courses had not been commenced in the year 2016.</p> <p>(f) Even though provisions of Rs.1,000,000 had been allocated in the year 2016 for research purposes of improving innovation and creativity, 39 researches had been carried out by spending only a sum of Rs.478,215 representing 48 per cent of the provisions.</p>	<p>(d) Details regarding the work done on subject matters and external programmes during the year 2016, are annexed.</p> <p>(e) As the infrastructure facilities necessary for the proposed study programmes have been received through the re-location and development of the Institute of Technology, steps will be taken to commence such study programmes.</p> <p>(f) Only two officers requested for financial grants to conduct research work during 2016.</p>
<p><b>4.2 Staff Administration</b></p>	<p><b>4.2 Staff Administration</b></p>
<p>The following observations are made.</p> <p>(a) The academic and non-academic staff of the Institute comprised 28 and 11 vacancies respectively and they stood at 48 per cent and 20 per cent respectively.</p> <p>(b) In terms of Section 18.1 (1) of Chapter III of the University Establishment Code, immediately after becoming aware that a vacancy exists in the staff of a higher education institution, the relevant Appointing Authority should take steps to fill that vacancy. However, steps had not been taken even by 31 December 2016 to fill the vacancy of the post of Deputy Bursar of the Institute that existed since 15 January 2015</p>	<p>(a) It was not possible to fill the vacancies to the lack of facilities available to the Institute. But for Technical officer of the Institute, Lab Assistant, Library Staff the Assistance of the Moratuwa University staff was obtained. Necessary action will be taken to fill the vacancies after re-location and development of the Institute at Diyagama premises.</p> <p>(b) According to the cadre approved by the Management Services Department in the year 2017 the posts of Deputy Bursar and Senior Assistant Bursar were amalgamated and as date there is no vacancy for a post of Deputy Bursar.</p>

Audit Opinion	Description / Action taken										
(c) Even though a sum of Rs.15,000,000 had been allocated to recruit 50 visiting lecturers in the year under review, with a view to establishing a qualified staff, 21 visiting lecturers and 35 instructors in addition had been recruited by spending a sum of Rs. 14,975,457.	(c) During the year 2016, 56 Visiting Lecturers and External Consultants were employed and the amount allocated was Rs.15 million and this amount was for Visiting Lecturers and Consultants.										
<b>5. Accountability and Good Governance</b>	<b>5. Accountability and Good Governance</b>										
<b>5.1 Presentation of Financial Statements</b>	<b>5.1 Presentation of Financial Statements</b>										
In terms of Section 6.5.1 of Public Enterprises Circular No. PED /12 of 02 June 2013, the financial statements and Draft Annual Reports should be presented to the Auditor General within 60 days after the closure of the year of accounts. Nevertheless, the financial statements of the year 2016 had been presented on 28 April 2017.	With the approval of the Board of Management at its 193 <sup>rd</sup> meeting held on 16.02.2017 financial statements of the year 2016 were presented for the first time to the Auditor General on 27.02.2017 subsequently with the permission of the Auditor General amended financial statements were submitted on 25.04.2017.										
<b>5.2 Internal Audit</b>	<b>5.2 Internal Audit</b>										
In terms of paragraph 3 of the D.M.A/2009 (1) Guidelines in respect of internal audit, a separate internal audit, a separate internal audit unit had not been established.	When approving staff for the Institute a Post of Audit Assistant was allowed for the year 2017 and considering the need of the Institute a Post of Internal Audit Assistant was approved. In future this staff will do the Internal Auditing work of the Institute of technology.										
<b>6. System and Control</b>	<b>6. System and Controls</b>										
<p>The deficiencies in systems and controls observed during the course of audit were brought to the notice of the Director of the Institute from time to time. Special attention is needed in respect of the following areas.</p> <table border="1" data-bbox="191 1268 805 1797"> <thead> <tr> <th data-bbox="191 1268 500 1367">Areas of Systems and Controls</th> <th data-bbox="500 1268 805 1367">Observations</th> </tr> </thead> <tbody> <tr> <td data-bbox="191 1367 500 1465">(a) Staff Administration</td> <td data-bbox="500 1367 805 1465">Failure in taking action to fill vacant post.</td> </tr> <tr> <td data-bbox="191 1465 500 1564">(b) Budgetary Control</td> <td data-bbox="500 1465 805 1564">Preparation of the Budget without a definite forecast.</td> </tr> <tr> <td data-bbox="191 1564 500 1696">(c) Funds Managements</td> <td data-bbox="500 1564 805 1696">Failure in taking action to achieve the objectives of the funds established.</td> </tr> <tr> <td data-bbox="191 1696 500 1797">(d) Control of Operations</td> <td data-bbox="500 1696 805 1797">Failure in taking proper steps on breach of agreements and bonds.</td> </tr> </tbody> </table>	Areas of Systems and Controls	Observations	(a) Staff Administration	Failure in taking action to fill vacant post.	(b) Budgetary Control	Preparation of the Budget without a definite forecast.	(c) Funds Managements	Failure in taking action to achieve the objectives of the funds established.	(d) Control of Operations	Failure in taking proper steps on breach of agreements and bonds.	<p>(a) After Relocating ITUM at Diyagama filing of vacancies is being continued.</p> <p>(b) Considering the changes during the year forecast of income and expenditure tend to change.</p> <p>(c) After Relocating the ITUM these funds will be used properly to implement project goals.</p> <p>(d) Although appropriate actions have been taken with regard to bonds and agreements, as the lectures have gone abroad recovery is delayed due to communication problems.</p>
Areas of Systems and Controls	Observations										
(a) Staff Administration	Failure in taking action to fill vacant post.										
(b) Budgetary Control	Preparation of the Budget without a definite forecast.										
(c) Funds Managements	Failure in taking action to achieve the objectives of the funds established.										
(d) Control of Operations	Failure in taking proper steps on breach of agreements and bonds.										

Sgd. Mrs. MMPD Samarasekara  
Director / ITUM