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The Gazette of the Democratic Socialist Republic of Sri Lanka

EXTRAORDINARY

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PART I : SECTION (I) — GENERAL

Government Notifications

L.D.B 21/1978(xi).

THE UNIVERSITIES ACT, No. 16 OF 1978

ORDINANCE made by the University Grants Commission under section 91 read with section 18 of the Universities Act, No.16 of 1978.

Secretary,
University Grants Commission.

11th March 2015.

Ordinance

1. This Ordinance may be cited as the Universities Provident Fund Ordinance No. 1 of 2015 and shall come into force on 11th March 2015.

2. The provisions of this Ordinance shall apply to the regulation, administration and management of the Universities Provident Fund (hereinafter referred to as the “Fund”) established under section 90 of the Act.

PART I

MEMBERSHIP OF THE FUND

3. (1) The provisions of this Ordinance shall apply to the members of the staff of the Commission or of any Higher Educational Institution, who has become or will become contributors to the Fund, by virtue of the provisions of section 92 of the Act.

(2) Every contributor to the Fund shall make contributions to the Fund in the manner and at the amount provided for in section 92(1) of the Act and the Commission or the Higher Educational Institution in which such member is employed shall make the contributions to the Fund at the amount provided therein.



(3) The contribution of any contributor for each month shall be deducted from the salary of such contributor by the Commission or the Higher Educational Institution in which such contributor is employed and be remitted to the separate account of such contributor in the Fund at the end of each financial year.

PART II

ADMINISTRATION OF THE FUND

4. (1) The Secretary of the Commission (hereinafter referred to as the “Secretary”) shall be in charge of the regulation, administration and management of the Fund.

(2) The Secretary may either generally or specially authorize any officer of the Commission to exercise, perform and discharge any power, duty or function of the Secretary under this Ordinance and such officer shall exercise, perform and discharge any such power, duty or function subject to the direction and control of the Secretary.

5. The Secretary—

- (a) shall receive all sums paid under the Act as contributions and the income from investments of moneys of the Fund and credit such sums and income to the Fund;
- (b) shall be the custodian of the money of the Fund ;
- (c) shall make payments to the persons who are entitled under the Act or under this Ordinance, subject to the provisions of section 94 of the Act;
- (d) may invest the moneys of the Fund as are not immediately required, in such securities as the relevant Investment Committee considers fit;
- (e) shall maintain the general account of the Fund and separate accounts for each contributor, in terms of section 92(2) of the Act.
- (f) shall cause the books of accounts of the Fund to be balanced at the end of each financial year;
- (g) shall cause to be prepared in respect of each financial year a Statement of Financial Position, Statement of Financial Performance and Cash Flow Statement.

6. (1) There shall be two Investments Committees of the Fund, namely :-

- (a) the Major Investment Committee to deal with the investments determined by the Commission as major investments; and
- (b) the Minor Investment Committee to deal with the investments determined by the Commission as minor investments.

(2) The Major Investment Committee shall consist of the following members -

- (a) the Chairman of the Commission ;
- (b) the Secretary ;
- (c) the Head of the Finance Division of the Commission ; and
- (d) a representative from the Senior Management Committee appointed by the Chairman of the Commission.

(3) The Minor Investment Committee shall consist of the following members -

- (a) the Chairman of the Commission ;
- (b) the Secretary ; and
- (c) the Head of the Finance Division of the Commission

7. The financial limits of the major investments and minor investments shall be determined by the Commission, from time to time, based on the investment policy of the Fund formulated subject to relevant rules, regulations and circulars issued by the Treasury.

8. The Members of the Investment Committees shall be paid such allowance for attending any meeting of the Committees, as may be determined by the Commission. The sum of moneys paid as allowances and other expenditures of the Investment Committees shall be paid out of the moneys of the Fund.

9. (1) The Investment Committees shall meet on a regular basis to evaluate the investment proposals and make suitable investment decisions or suitable investments in accordance with the investment policy of the Fund.

(2) The decisions taken by the Major Investment Committee shall be reported to the Supervisory Board in every six months.

PART III

SUPERVISORY BOARD

10. (1) There shall be a Supervisory Board of the Fund (hereinafter referred to as the “Board”) appointed by the Commission to review the activities of the Fund periodically and to advise the Commission on policy matters of the Fund.

(2) The Board shall consist of -

(a) the following three *ex-officio* members, namely -

- (i) the Chairman of the Commission who shall be the Chairman of the Board;
- (ii) The Secretary ;
- (iii) the Head of the Finance Division of the Commission who shall be the Secretary of the Board; and

(b) the following four nominated members appointed by the Commission -

- (i) a Vice-Chancellor of a University nominated by the Commission ;
- (ii) a contributor to the Fund who has a good exposure in anyone of the fields of economic, management or financial administration, selected by the Commission out of three persons nominated by the Secretary in consultation with the Vice-Chancellors of the Universities;
- (iii) a representative from the Department of Labour nominated by the Commissioner of Labour;
- (iv) a representative from the Ministry of Finance nominated by the Secretary to the Treasury.

(3) The quorum for any meeting of the Board shall be five members inclusive of the Chairman, an *ex-officio* member of the Board and three nominated members of the Board.

(4) All questions for decision at any meeting of the Board shall be decided by the vote of the majority of members, and in case of an equality of votes on any matter to be decided at a meeting of the Board, the Chairman shall in addition to his votes have a casting vote.

(5) Any nominated member shall, unless he vacates office earlier, hold office for a period of five years, from the date of his appointment and shall unless removed from office earlier, be eligible for re-nomination.

(6) Any nominated member shall vacate office by resignation therefrom by a letter addressed to the authority nominated him or by the removal there from by the Authority nominated him.

(7) In the event of the death, disability or vacation of office of a nominated member, another person shall be appointed in the place of such member having regard to the provisions of paragraph (2) (b).

(8) The Board shall meet at least once in every three months ;

(9) The Commission may make rules to regulate the conduct of business at any meeting of the Board.

(10) The Members of the Commission shall whenever it deems necessary may convene a special meeting of the Board by giving one week notice to the members of the Board.

(11) The Members of the Board shall be paid such allowance for attending any meeting of the Board as may be determined by the Commission. The cost of such allowance and other recurrent expenditure of the Board shall be borne by the Fund.

(12) The functions of the Board shall be -

- (a) to review the activities of the Fund periodically ;
- (b) to advise on the policy matters relating to the Fund in order to obtain high returns from investments while maintaining required capital reservation;
- (c) to comply with the directions issued by the Commission from time to time ;
- (d) to advise the Commission on the rate of interest to be paid on the money lying to the credit of the separate accounts of the contributors subject to other relevant written laws;
- (e) to review the investment portfolio of the Fund and advice the Investment Committees on investment policy in order to ensure maximum benefits to the contributors;
- (f) to propose other benefits it may deem necessary to be granted to the contributors of the Fund;
- (g) to review the annual financial statement of the Fund for each year and issue an advisory report thereon within the first three months of the succeeding financial year.

PART IV

BENEFITS OF THE FUND

11. (1) Contributors may be offered benefits from the Fund in addition to the payments made out of the fund as referred to in section 93 of the Act.

(2) The Board shall determine such benefits from time to time, in consultation with the Commission.

(3) Any sum of money paid to a contributor out of the Fund as a benefit of the Fund, which is in default shall be recovered in the manner determined by the Board, subject to the provisions of the Act and any other written law.

PART V

NOMINATIONS

12. A nomination made by a contributor, in terms of section 93(2A) of the Act, for the payment of the moneys lying to the credit of such contributor's separate account in the Fund shall be substantially in the form specified in the Schedule hereto.

13. A contributor who wish to make a nomination shall -

- (a) if he is a married person, nominate jointly or severally his spouse and children;
- (b) if he is a bachelor, nominate any person.

14. A contributor who does not wish to make any nomination shall declare his intention by specifying in the list of nominees that he has no nominations.

15. A nomination shall not be valid or have any effect in Law unless the same has been made and handed over to the Secretary of the Commission or to the Head of the relevant Higher Educational Institution, as the case may be, before the death of the contributor making the nomination.

16. Every nomination form shall be signed by the contributor in the presence of the Head of the Department or of the Branch of the Commission or Higher Educational Institution in which the contributor is employed and in the presence of another contributor who shall witness the signature of such contributor.

17. Where a person is unable to sign, he shall in lieu of his signature, place his left thumb impression in the presence of the~ Head of the Department or of the Branch of the Commission or Higher Educational Institution in which the contributor is employed and another contributor who shall certify the nomination form to the effect that such thumb impression is the thumb impression of the person who made such nomination.

18. A nominee of any contributor shall not be eligible to witness or certify the signature or the thumb impression of a contributor.

19. Where more than one person is nominated, the contributor making the nomination may specify in the nomination form the proportions in which, the benefits payable under this Ordinance, shall be shared by the respective nominees.

20. Where more than one person is nominated and no direction in regard to the shares payable to the nominees has been given by the contributor in any nomination made by him, the benefits payable under this Ordinance shall be paid to the persons so nominated in equal shares.

21. (1) A nomination shall be deemed to be revoked-

- (a) upon the death of the nominee ;
- (b) where there is more than one nominee in the event of the death of anyone of those nominees during the life time of the contributor who made such nomination; or
- (c) in the case of any nomination made by a contributor prior to his marriage, upon the marriage of such contributor.

(2) Where any nomination made by a contributor is deemed to be revoked such contributor may make a fresh nomination.

22. (1) A nominee of a contributor to the Fund shall be entitled to receive payments from the Fund, only -

- (a) if he has been nominated by the contributor within the period of contribution of such contributor to the Fund; and
- (b) upon the death of the contributor.

(2) In the event of a nominee being a minor, at the time of the death of a contributor, the payments due from the Fund to such nominee shall-

- (a) where there is no testamentary case relating to the estate of the deceased contributor, be deposited in a government approved bank, to the credit of such nominee subject to the provisions of the Act; or
- (b) where there is a testamentary case pending in respect of the estate of the deceased contributor be disposed in the manner ordered by the Court.

23. If there is no valid nomination in force or if the nominee or nominees, as the case may be, are dead at the time of the death of the contributor, payment shall be made to the legal heirs of the deceased contributor.

PART VI

AUDIT AND ACCOUNTS

24. (1) The financial year of the Fund shall be the same as the financial year of the Government.

(2) The accounts of the Fund in respect of each financial year shall be audited by the Auditor-General and the cost of the audit shall be paid to him out of the Fund. All payments made to him under this paragraph shall be credited to the Consolidated Fund.

(3) The Auditor-General or any officer of his department authorized by him to audit the accounts of the Fund shall have access to all such books and documents as the Auditor-General or such officer may consider necessary for the purposes of the audit of such accounts, and shall be furnished by the Board and the Secretary, along with such information within their knowledge or ascertainable by them as may be required for such purposes.

(4) The Auditor-General shall examine the accounts of the Fund and submit to the Commission an annual report -

- (a) stating whether he has or has not obtained all the information required by him;
- (b) stating whether the accounts referred to in the report are properly drawn up so as to exhibit a true and fair view of the affairs of the Fund; and
- (c) drawing attention to any item in such accounts, which in his opinion, may be of interest to Parliament in any examination of such accounts.

PART VII

APPEALS

25. Any contributor who is aggrieved by -

(a) a decision made by the Secretary ; or

(b) an act or omission, of a Head of a Higher Educational Institution or of the Commission,

under this Ordinance may appeal to the Commissioner of Labour

PART VIII

INTERPRETATION

26. In this Ordinance -

“Act” means the Universities Act, No. 16 of 1978 ;

“Commission” means the University Grants Commission established by section 2 of the Universities Act, No. 16 of 1978 ;

“Higher Educational Institution” means an University, a Campus, the Open University, an University College and includes an Institute or a Centre for Higher Learning established or deemed to be established under the Act ;

“Minister” means the minister to whom the subject of Higher Education has been assigned ;

“Senior Management Committee” means Senior Management Committee of the University Grants Commission which was established in terms of Public Enterprises Guidelines for Good Governance issued in June, 2003 by the Department of Public Enterprises of the Ministry of Finance.

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