

N. B. :- Part I:III and III of the Gazette No. 1703 of 21.04.2011 were not Published.

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The Gazette of the Democratic Socialist Republic of Sri Lanka

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(Published by Authority)

PART I : SECTION (I) – GENERAL

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IMPORTANT NOTICE REGARDING ACCEPTANCE OF NOTICES FOR PUBLICATION IN THE WEEKLY “GAZETTE”

ATTENTION is drawn to the Notification appearing in the 1st week of every month, regarding the latest dates and times of acceptance of Notices for publication in the weekly *Gazettes*, at the end of every weekly *Gazette* of Democratic Socialist Republic of Sri Lanka.

All notices to be published in the weekly *Gazettes* shall close at 12.00 noon of each Friday, two weeks before the date of publication. All Government Departments, corporations, Boards, etc. are hereby advised that Notifications fixing closing dates and times of applications in respect of Post-Vacancies, Examinations, Tender Notices and dates and times of Auction Sales, etc. should be prepared by giving adequate time both from the date of despatch of notices to Govt. Press and from the date of publication, thereby enabling those interested in the contents of such notices to actively and positively participate please note that inquiries and complaints made in respect of corrections pertaining to notification will not be entertained after **three months** from the date of publication.

All notices to be published in the weekly *Gazettes* should reach Government Press two weeks before the date of publication *i.e.* notices for publication in the weekly *Gazette* of 06th May, 2011 should reach Government Press on or before 12.00 noon on 21st April, 2011.

LAKSHMAN GOONEWARDENA,
Government Printer.

Department of Govt. Printing,
Colombo 08,
January 01, 2011.

Revenue and Expenditure Returns

MINISTRY OF CO-OPERATIVE AND INTERNAL TRADE, THE INSTITUTE OF CHARTERED ACCOUNTANTS OF SRI LANKA-FINANCIAL STATEMENTS FOR THE YEAR ENDED 31.12.2010.

Income Statement

<i>For the Year Ended 31st December</i>	<i>Notes</i>	<i>2010 Rs. 000</i>	<i>2009 Rs. 000</i>
Revenue from students and members activities	2	383,424	341,891
Direct expenditure on students and members activities	2	(175,925)	(155,633)
Contribution before employee costs and overheads	2	207,499	186,258
Other income			
Other operating income	3	2,769	4,324
Operating income		210,268	190,582
Overhead expenses			
Employee costs	4	(104,659)	(92,852)
Communication expenses		(9,849)	(8,727)
Maintenance of premises	5	(19,560)	(18,287)
Audit fees		(123)	(92)
Depreciation on property, plant & equipment	7.2	(7,721)	(4,211)
Financial assistance to students		(2,757)	(5,831)
Other expenses	6	(5,480)	(26,932)
		(150,149)	(156,932)
Net operating income		60,119	33,650
Government grant		350	300
Interest income		32,111	43,732
Surplus transferred to accumulated fund		92,580	77,682

Colombo 7,
30th March, 2011.

Balance Sheet

	<i>Notes</i>	<i>2010 Rs. 000</i>	<i>2009 Rs. 000</i>
Assets			
Non-Current Assets			
Property, plant & equipment	7	53,316	61,661
Educational material - IRQUE project	8	6,391	9,315
Intangible Assets	9	8,512	
Capital work in progress - Buildings	10	20,053	–
Work in progress - Software development	11	1,134	–
		89,406	70,976
Current Assets			
Inventories	12	20,200	8,615
Receivables	13	27,888	23,149
Deposits, prepayments & advances		3,841	7,675
Short term investments	14	460,475	344,058

		2010 Rs. 000	2009 Rs. 000
Cash in hand		88	60
Balances at banks		5,398	36,477
		517,890	420,034
Total Assets		607,296	491,010
Funds & Liabilities			
Accumulated Fund & Reserves			
Accumulated fund		361,131	268,551
Capital reserve		24,000	24,000
		385,131	292,551
Specific Internal Funds			
Faculty of Taxation fund	15	374	344
Faculty of Auditing fund	16	360	333
Needy student's scholarship fund	17	7,946	7,057
Merit scholarship funds	18	6,467	7,305
Prize funds	19	1,336	1,336
Income balances - scholarships and prize funds	20	5,170	6,306
Publications fund	21	234	216
Best Annual Report Competition fund	22	878	828
Urgent issues Task Force fund	23	242	159
		23,007	23,884
Grants			
World Bank grant - IRQUE project	24	29,047	35,198
Other grants	25	15	918
		29,062	36,116
Non-Current Liabilities			
Provision for retiring gratuity	26	17,210	19,455
Current Liabilities			
Accounts payable	27	36,397	34,669
Receipts in advance	28	99,267	73,017
Bank overdraft		17,222	11,318
		152,886	119,004
Total Funds & Liabilities		607,296	491,010

K. C. DINUSHINI,
Financial Accountant.

ARUNA ALWIS,
Secretary/Chief Executive Officer

For and on behalf of the Council

SUJEEWA MUDALIGE,
President.

SUJEEWA RAJAPAKSE,
Vice-President

Colombo 7,
30th March, 2011.

statement of changes in funds and reserves

	<i>Accumulated fund</i>	<i>Capital reserve</i>	<i>Specific internal funds</i>	<i>Total</i>
	<i>Rs'000</i>	<i>Rs'000</i>	<i>Rs'000</i>	<i>Rs'000</i>
Balance as at 01st January, 2009	190,869	24,000	21,411	236,280
Increase in specific internal funds	-	-	2,473	2,473
Surplus of income over expenditure for the year	77,682	-	-	77,682
Balance as at 31st December, 2009	268,551	24,000	23,884	316,435
(Decrease) in specific internal funds			(877)	(877)
Surplus of income over expenditure for the year	92,580	-		92,580
Balance as at 31st December, 2010	361,131	24,000	23,007	408,138

Capital reserve represents funds reserved for upgrading of buildings.

cash flow statement

	<i>Notes</i>	<i>2010 Rs'000</i>	<i>2009 Rs'000</i>
Cash flows from operating activities			
Excess of income over expenditure		92,580	77,682
Adjustment for :			
Depreciation on property plant & equipment including amortisation of intangible assets	7.2	12,679	8,517
Amortisation of grant for computers & other equipment	7.2	(4,958)	(4,306)
Amortisation of educational materials	8	5,248	4,603
Government grant		(350)	(300)
Provision for retiring gratuity	26	801	2,915
Other provisions		-	5,667
Transfers from other grants received	24, 25	(6,010)	(5,077)
Interest income		(32,111)	(43,732)
(Profit)/loss on disposal of property plant & equipment	3	(24)	(1,314)
Assets written off	6	717	-
Operating surplus before working capital changes		68,572	44,655
(Increase)/ decrease in inventories	12	(11,585)	140
(Increase)/ decrease in receivables	13	(4,739)	(1,533)
(Increase)/ decrease in deposits & prepayments		3,834	(2,525)
Increase / (decrease) in accounts payable	27	1,728	10,498
Increase / (decrease) in receipts in advance	28	26,250	7,746
		84,060	58,981
Retiring gratuity paid	26	(3,046)	(2,539)
Net cash inflow from operating activities		81,014	56,442
Cash flows from investing activities			
Acquisition of property, plant & equipment	7,8	(5,512)	(21,865)
Acquisition of intangible assets	9	(10,381)	-
(Increase) / decrease in capital working progress	10	(20,053)	-
(Increase) / decrease in working progress - software development	11	(1,134)	-
Proceeds on disposal of property, plant & equipment		30	1,618
Interest received		32,111	43,732
Net cash inflow from / (used in) investing activities		(4,939)	23,485

	2010	2009
<i>Notes</i>	<i>Rs'000</i>	<i>Rs'000</i>
Cash flows from financing activities		
Government & other grants received	4,264	18,736
Net receipts / (payments) of specific internal funds	(877)	(2,027)
Net cash inflow from financing activities	3,387	16,709
Net increase in cash and cash equivalents	79,462	96,636
Cash & cash equivalents at 01st January, (Note A)	369,277	272,641
Cash and cash equivalents at 31st December	448,739	369,277
Note A - Cash and cash equivalents at 31st December		
Short term investments	460,475	344,058
Balances at bank and cash in hand	5,486	36,537
Bank overdraft	(17,222)	(11,318)
	448,739	369,277

NOTES TO THE FINANCIAL STATEMENTS

1. Significant Accounting Policies

1.1 General Policies

1.1.1 Reporting entity

The Institute of Chartered Accountants of Sri Lanka (hereinafter referred to as the "Institute") was incorporated by Act of Parliament No. 23 of 1959, and is situated at 30A, Malalasekera Mawatha, Colombo 7.

1.1.2 Principal activities and nature of operations

The Institute is the sole authority for promulgating accounting and auditing standards in Sri Lanka. The principal activities of the Institute are ;

- Promulgating accounting & auditing standards
- Technical interpretation of Sri Lanka Accounting Standards *via* Urgent Issues Task Force (UITF)
- Adoption and implementation of code of ethics and best practise
- Conduct of technical awareness campaigns in the form of seminars, workshops and evernts to ensure continous professional education of Institute members.
- Enrolment of students and conducting of examinations
- Regulation and supervision of student education and training
- Making representations to government and other relevant authorities on matters of public interest relating to business community.

1.1.3 Basis of preparation

(a) Statement of compliance

The financial statements comprise the balance sheet, income statement, statements of changes in funds & reserves, cashflow statement and notes to the financial statements. These statements have been prepared in accordance with the Sri Lanka Accounting Standards (SLAS) issued by the Institute of Chartered Accountants of Sri Lanka. The accounting policies adopted are consistent with those used in the previous financial year.

The financial statements were authorised for issued by the Council on 30th March, 2011.

(b) Basis of measurement

Financial statements have been prepared on historical costs basis and do not take into account changes in money values, except where it is stated. Cost is based on the fair value of the consideration given in exchange for assets.

(c) Functional and presentation currency

The financial statements are presented in Sri Lankan Rupees, which is the Institutes functional and presentation currency.

Figures and phrases relating to the previous year have been restated where necessary, to conform to the current year's presentation.

(d) Use of estimates and judgements

The preparation and presentation of financial statements in conformity with SLASs required management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses, Actual results may differ from these estimates and judgemental decisions.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

1.2 Assets and bases of their valuation

1.2.1 Property, plant and equipment

(a) Recognition and measurement

Items of property, plant and equipment are stated at cost less accumulated depreciation or impairment losses.

(b) Cost

The cost of property, plant and equipment comprises its purchase price and any directly attributable cost of bringing the asset to working condition for its intended use.

Subsequent expenditure incurred for the purpose of acquiring, extending or improving assets of a permanent nature in order to carry on or increase the earning capacity of the Institute has been treated as capital expenditure

(c) Depreciation

Depreciation is charged to the income statement on the written down values at the following rates per annum in order to write off the cost of such assets over their estimated useful lives, except in the case of buildings on leasehold land and computer software.

Generator	20%
Furniture and Equipment	10%
Air-Conditioning Equipment	20%
Audio Visual Equipment	10%
Motor Vehicles	20%
Computers	20%
Canteen Equipment	10%

Buildings on leasehold land have been depreciated over the shorter of the lease term and their estimated useful lives.

Depreciation of an asset begins when it is available for use and ceases at the earlier of the date that the asset is classified as held for sale and the date that the asset is de-recognised.

The residual values of the assets are re-assessed annually.

An item of property, plant and equipment is de-recognised upon disposal or when no future economic benefits are expected from its use. Any gain or loss on de-recognition of the assets is included in the income statement in the year the asset is de-recognised.

1.2.2 Educational material - IRQUE project

Assets acquired under this project are depreciated on the following basis:

- (a) Cost of library books are written off on straight line method over a period of 3 years.
- (b) Cost of work based learning program software is written off on straight line method over a period of 4 years.
- (c) Cost of Multimedia English Learning Center (MELC) software is written off on straight line method over a period of 4 years.
- (d) Syllabus development cost is written off on straight line method over a period of 3 years.

1.2.3 Intangible assets

An intangible asset is recognised if it is probable that future economic benefits that are attributable to the asset will flow to the entity and the cost of the assets can be measured reliably in accordance with the Sri Lanka Accounting Standard 37 - Intangible Assets. Accordingly, these assets are stated in the balance sheet at cost less accumulated amortisation and accumulated impairment losses.

Computer software is amortised over a period of 5 years on straight-line method.

1.2.4 Inventories

Inventories are stated at the lower of cost and net realisable value. Net realisable value is the estimated selling price in the ordinary course of business less the estimated cost of completion and selling expenses. The cost of inventories is based on weighted average cost. The cost includes expenditure incurred in acquiring the inventories and bringing to their existing location and condition.

Other inventory items are stated at the lower of cost and net replacement cost.

1.2.5 Receivables

Receivables are recognised and carried at original invoice amount less any allowance for any uncollectible amounts. An estimate for doubtful debts is made when collection of the full amount is no longer probable.

1.2.6 Short term investments

- (a) Investments in government securities

Investments in treasury bills, treasury bonds and repurchase agreements are stated at cost plus accrued interest up to the year end.

- (b) Investments in fixed deposits

Investments in fixed deposits are stated at cost plus accrued interest up to the year end.

1.2.7 Cash and cash equivalents

Cash and cash equivalents comprise cash in hand and deposits at Bank.

Bank overdraft is included as a component of cash and cash equivalents for the purpose of the Statement of cash flows, which has been prepared using the 'indirect method'.

1.3 Liabilities and provisions

All known liabilities as at the balance sheet date are included in the financial statements and adequate provisions are made for liabilities which are known to exist but the amount of which cannot be determined accurately.

Obligations payable on demand or within one year of the balance sheet date are treated as current liabilities in the balance sheet. Liabilities payable after one year from the balance sheet date are treated as non-current liabilities in the balance sheet.

1.3.1 Accounting for grants

Grants that compensate the Institute for expenses incurred are recognised as revenue in the income statement in the same period in which the expenses are recognised. Grants that compensate the Institute for the cost of an asset are recognised in the income statement on a systematic basis over the useful life of the related asset.

1.3.2 Employee benefits

(a) Provision for retiring gratuity

The Institute has adopted the benefit plan as required under the Payment of Gratuity Act, No.12 of 1983 for all eligible employees. The benefit plan is unfunded. Provision for gratuity is made by the Institute taking account of the recommendation of an independent qualified actuaries firm, Messrs Actuarial & Management Consultants (Private) Limited. The actuarial valuation was done for the first time in 2010.

Defined benefit plans defined an amount of benefit that an employee will receive on retirement, useually dependent on one or more factors such as age, years of service and compensation.

The liability recognised in the balance sheet in respect of defined benefit plans is the present value of the defined benefit obligation at the balance sheet date together with adjustments for unrecognised past service cost. The defined benefit obligation is calculated annually by the Institute using the project unit credit method prescribed in Sri Lanka Accounting Standard 16; Employee Benefits. The present value of the defined benefit obligation is determined by discounting the estimated future cash flows using the interest rates of high quality corporate bonds or government bonds that are denominated in the currency in which the benefits will be paid, and that have terms to maturity approximating to the terms of the related pension liability. In the absense of such high quality long term corporate bonds or government bonds, the long term discount rate is determined by examining the market rate of interest on short term corporate bonds and the anticipated long term rate inflation.

Gains and losses arising from experience adjustments and changes in actuarial assumptions are charged or credited to income statement in the period in which they arise. Past service costs are recognised immediately in income statement, unless the changes to the plan are conditional on the employees remaining in service for a specific period of time (the vesting period). In this case, the past service costs are amortised on a straight-line basis over the vesting period.

The key assumptions used by Messrs Actuarial & Management Consultants (Private) Limited include the following:

- . Rate of interest 10% per annum
- . Rate of salary increase 5% - 10%
- . Retirement age 55 years
- . The Institute will continue as a going concern

(b) Defined contribution plans

Obligations for contributions to a defined contribution plans are recognised as an expense in the income statement as incurred.

The Institute contributes a sum not less than 15% and 3% of the gross emoluments of employees to Employees' Provident Fund (EPF) and to the Employees' Trust Fund (ETF) respectively.

1.3.3 Taxation

The Institute is exempt from income Tax under Section 7 (b) (ii) of the Inland Revenue Act, No. 10 of 2006.

1.3.4 Deferred Taxation

Provision has not been made for deferred tax, as the Institute is exempt from Income Tax under Section 7 (b) (ii) of the Inland Revenue Act, No. 10 of 2006.

1.3.5 Capital cMmitments and Contingent liabilities

All material capital commitments and contingent liabilities are considered and necessary adjustments or disclosures are made in the financial statements.

1.4 Income statement

1.4.1 Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to Institute and that it can be reliably measured.

- (a) Enrolment fees from members and students are recognised as revenue on receipt. The subscription year runs 01st January to 31st December. Only those membership fees and subscription payments that are attributable to the current financial year are recognised as revenue. Fees and subscription payments that relate to future periods are shown in the balance sheet as subscriptions and fees received in advance under current liabilities.
- (b) Fees on examinations, seminars, courses, and other educational and members' activities are recognised as revenue on completion of such activity.
- (c) Interest income is recognised on accrual basis.
- (d) Revenue from grants is recognised when control of the contribution or right to receive the contribution is confirmed.
- (e) Sponsorship of member related activities is recognised on receipt.
- (f) Other income is recognised on accrual basis.

1.4.2 Expenditure

- (a) Expenses are recognised in the income statement on the basis of direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the Institute and in maintaining the capital assets in a state of efficiency has been charged to revenue in arriving at the surplus for the year.
- (b) Expenditure on examinations, seminars, courses, and other educational and members' activities is recognised in the income statement on completion of such activity.

1.5 Comparative information

Where necessary, comparative figures have been re-arranged to conform with the current year's presentation.

1.6 Events after the balance sheet date

The materiality of events occurring after the balance sheet date has been considered and appropriate adjustments, wherever necessary, have been made in the accounts.

2. Revenue from and expenditure on students' and members' activities

	2010			2009		
	Direct Income Rs '000	(Direct Contribution expenses) Rs '000	Rs '000	Direct Income Rs '000	(Direct Contribution expenses) Rs '000	Rs '000
Examinations	127,521	(45,942)	81,579	138,612	(43,073)	95,539
Registration, education, training, library and marketing	124,152	(62,108)	62,044	99,001	(56,172)	42,829
IT training & language centre	20,797	(5,685)	15,112	17,380	(5,357)	12,023
Members' activities	62,275	(37,482)	24,793	54,540	(32,141)	22,399
Business school	28,117	(11,645)	16,472	17,819	(8,922)	8,897
Taxation faculty	6,137	(2,679)	3,458	3,248	(1,535)	1,713
CPD secretariat	9,645	(6,501)	3,144	4,736	(3,532)	1,204
Technical reserch	4,780	(3,883)	897	6,555	(4,901)	1,654
	383,424	(175,925)	207,499	341,891	(155,633)	186,258

	2010 Rs '000	2009 Rs '000
3. Other operating income		
Profit / (loss) on sale of diaries	179	(200)
Profit / (loss) on sale of publications	604	(175)
Hire of auditorium & lecture halls	337	273
Profit / (loss) on disposal of property, plant & equipment	24	1,314
Miscellaneous income	1,625	3,112
	2,769	4,324
	2010 Rs '000	2009 Rs '000
4. Employee costs		
Defined contribution plan costs	10,904	9,826
Defined benefit plan costs	801	2,915
Salaries and wages	89,793	77,221
Staff development and welfare	3,161	2,890
	104,659	92,852
No. of employees as at year end	122	123
	2010 Rs '000	2009 Rs '000
5. Maintenance of premises		
Utility payments	8,447	8,470
Building maintenance cost	7,096	6,006
Equipment maintenance cost	3,674	3,527
Others	343	284
	19,560	18,287
	2010 Rs '000	2009 Rs '000
6. Other expenses		
Motor vehicle running expenses	420	546
Bank charges and debit tax	1,105	866
Professional fees	1,137	691
Legal expenses	391	1,043
General expenses	1,383	3,488
Subscription to Employers Federation of Ceylon	189	254
Contribution for “Api Wenuwen Api Fund”	-	1,000
Fixed asset written off	717	-
50th anniversary expenses	138	19,044
	5,480	26,932

7. Property, plant and equipment

Description	Cost			Accumulated Depreciation				Carrying Amount	
	Balance	Additions	(Disposals)	Balance	Balance	Charge	Dep. on	Balance	
	as at 01.01.2010			as at 31.12.2010	as at 01.01.2010	for the year	Disposal)	as at 31.12.2010	as at 31.12.2010
	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000	Rs. '000
Buildings on leasehold land	14,744	-	-	14,744	14,744	-	-	14,744	-
Generator	5,928	-	-	5,928	3,019	582	-	3,601	2,327
Furniture	25,425	1,591	(1,027)	25,989	10,680	1,519	(304)	11,895	14,094
Air conditioners	7,411	-	-	7,411	4,582	244	-	4,826	2,585
Audio equipment	3,410	65	-	3,475	1,137	230	-	1,367	2,108
Motor vehicles	12,121	-	-	12,121	955	2,341	-	3,296	8,825
Computers	43,759	1,532	-	45,291	19,770	4,913	-	24,683	20,608
Canteen equipment	1,250	-	-	1,250	98	115	-	213	1,037
Branch capital expenses	4,330	-	-	4,330	1,732	866	-	2,598	1,732
	118,378	3,188	(1,027)	120,539	56,717	10,810	(304)	67,223	53,316

7.1 Leashold land

Buildings are situated on 2 blocks of land obtained on lease from the Government of Sri Lanka on a 99 year lease ending on 31st December, 2060 and the 30 year lease ending on 23rd February, 2037.

2010
Rs '000

2009
Rs '000

7.2 Depreciation

Total depreciation - PPE (Note 7)	10,810	8,517
Amortisation - Intangible assets (Note 9)	1,869	-
	12,679	8,517
Amortisation of capital grant (Note 24)	(4,958)	(4,306)
Depreciation	7,721	4,211

7.3 Branch capital expenditure

This represents the expenses incurred to upgrade Kandy, Kurunagala and Matara branches. These expenses are written off over the lease period of the buildings (5 years).

Balance as at
01.01.2010
Rs. '000

Additions
Rs. '000

(Amortisation)
Rs. '000

Balance as at
31.12.2010
Rs. '000

8. Educational material - IRQUE project

Library books	6,374	1,124	(3,778)	3,720
Syllabus development cost	342	-	(171)	171
Library-software	300	1,200	-	1,500
Multimedia English Learning Centre-software	2,299	-	(1,299)	1,000
	9,315	2,324	(5,248)	6,391

Amortisation of educational material amounting to Rs. 1,738,626 (Rs. 5,248,148 - Rs. 3,509,522) is charged to direct expenditure on student activities.

	<i>Balance as at 01.01.2010 Rs. '000</i>	<i>Additions Rs. '000</i>	<i>(Amortisation) Rs. '000</i>	<i>Balance as at 31.12.2010 Rs. '000</i>
9. Intangible assets				
ERP system	-	8,226	(1,645)	6,581
ERP disaster recovery system	-	1,118	(224)	894
Software licenses	-	1,037	-	1,037
	-	10,381	(1,869)	8,512
		<i>2010 Rs '000</i>	<i>2009 Rs '000</i>	
10. Capital work in Progress				
Multi-storied building		4,570	-	
Head office refurbishment		15,483	-	
		20,053	-	
11. Work in progress - Software development				
Software development		1,134	-	
		1,134	-	
12. Inventories				
Study packs		10,137	3,526	
Study materials		1,609	1,632	
Publications		2,694	1,242	
History book		2,913	-	
Stationery		1,870	1,480	
Consumables and others		977	735	
		20,200	8,615	
13. Receivables				
Loans and advances to staff		22,405	19,721	
Others		5,483	3,428	
		27,888	23,149	
14. Short-term investments				
Fixed deposits		261,750	2,750	
Treasury bills		198,725	308,808	
Call deposits		-	32,500	
		460,475	344,058	
15. Faculty of Taxation fund				
Balance as at 01st January		344	316	
Interest for the year		30	28	
Balance as at 31st December		374	344	
16. Faculty of Auditing fund				
Balance as at 01st January		333	305	
Interest for the year		27	28	
Balance as at 31st December		360	333	

	<i>Balance as at 01.01.2010 Rs. '000</i>	<i>Receipts Rs. '000</i>	<i>(Transfers) Rs. '000</i>	<i>Balance as at 31.12.2010 Rs. '000</i>
17. Needy students' scholarship fund				
L. A Weerasingha memorial scholarship	6,265	918	-	7,183
ICASL UK Members scholarship	330	-	-	330
Dalton Wijeratne memorial scholarship	63	-	(57)	6
Prof. YADS Samaratunga memorial fund	100	-	-	100
Prof. Kodagoda memorial prize fund	205	-	(3)	202
Members' scholarship fund	94	170	(139)	125
	7,057	1,088	(199)	7,946

Interest received and awards made under this scheme have been accounted under income balances-scholarships and prize funds (Note 20).

	<i>Balance as at 01.01.2010 Rs. '000</i>	<i>Receipts Rs. '000</i>	<i>(Transfers) Rs. '000</i>	<i>Balance as at 31.12.2010 Rs. '000</i>
18. Merit scholarship funds				
General fund	6,043	-	-	6,043
Specific				
- Pelawatta Sugar Industries Ltd.Fund	80	-	-	80
- Benevolent Society Scholarship Fund	-	53	-	53
- Emst and Young Scholarship Fund	1,127	382	(1,273)	236
- Miss Inoka Gunaratne memorial fund	55	-	-	55
	7,305	435	(1,273)	6,467

Interest received and awards made under this fund have been accounted under Income balances-scholarship and prize funds (Note 20). The direct cost of Rs. 43,949 for administering the Merit Scholarship Scheme was charged under financial assistance to students.

	<i>Balance as at 01.01.2010 Rs. '000</i>	<i>Donations received during the year Rs. '000</i>	<i>(Payments) made during the year Rs. '000</i>	<i>Balance as at 31.12.2010 Rs. '000</i>
19. Prize funds				
ICASL President's fund	(1992) 25	-	-	25
B. R. De Silva memorial fund	(1992) 25	-	-	25
Satchithananda memorial fund	(1993) 16	-	-	16
Kreston MNS fund	(1993) 29	-	-	29
Nivard Cabraal fund	(1994) 25	-	-	25
Reyaz Mihular fund	(1996) 25	-	-	25
D. R. Settinayake memorial fund	(1999) 58	-	-	58
ADE de S Wijeratne memorial fund	(1999) 43	-	-	43
Mohan Abeynaike fund	(1999) 25	-	-	25
KPMG Ford Rhodes Thornton & Co. fund	(1999) 113	-	-	113
Ernst & Young fund	(1999) 225	-	-	225
SJMS Associates fund	(1999) 41	-	-	41
Sunil Piyawardena & Co., fund	(1999) 55	-	-	55
Jayasinghe & Co. fund	(2000) 30	-	-	30
Lal Nanayakkara & Co. fund	(2000) 75	-	-	75
G. C. B. Wijeyesinghe fund	(2000) 50	-	-	50

		<i>Balance as at 01.01.2010</i>	<i>Donations received during the year</i>	<i>(Payments) made during the year</i>	<i>Balance as at 31.12.2010</i>
		<i>Rs. '000</i>	<i>Rs. '000</i>	<i>Rs. '000</i>	<i>Rs. '000</i>
Nihal Hettiarachchi fund	(2000)	51	-	-	51
Jayaweera & Co. fund	(2000)	25	-	-	25
Brito Mutunayagam memorial fund	(2003)	129	-	-	129
Pricewaterhouse Coopers fund	(2006)	150	-	-	150
K. G. H. De Silva prize fund	(2006)	121	-	-	121
		1,336	-	-	1,336

Interest received and prizes awarded on behalf of these funds have been shown under income balances-scholarship and prize funds (Note 20).

		<i>Balance as at 01.01.2010</i>	<i>Interest/ Income transfers for the year</i>	<i>(Awards during the year)</i>	<i>Balance as at 31.12.2010</i>
		<i>Rs. '000</i>	<i>Rs. '000</i>	<i>Rs. '000</i>	<i>Rs. '000</i>
20. Income balances-scholarships and prize funds					
Needy scholarship funds					
- L. A. Weerasingha memorial scholarship		3,577	2,386	(3,183)	2,780
- Prof. Y. A. D. S. Samarasingha Mem. fund		227	27	(11)	243
Merit scholarship funds					
- Merit scholarship - general fund		1,820	620	(873)	1,567
- Pelwatta Sugar Industries Ltd. fund		232	25	-	257
- Ernst & Young Scholarship fund		-	1,273	(1,273)	-
- Miss. Inoka Gunaratne Memorial fund		148	17	-	165
Prize funds		302	141	(285)	158
		6,306	4,489	(5,625)	5,170

	<i>2010 Rs '000</i>	<i>2009 Rs '000</i>
21. Publications fund		
Balance as at 01st January	216	198
Interest for the year	18	18
Balance as at 31st December	234	216

	<i>Balance as at 01.01.2010</i>	<i>Contribution/ Interest income 2010</i>	<i>(Transfers) 2010</i>	<i>Balance as at 31.12.2010</i>
	<i>Rs. '000</i>	<i>Rs. '000</i>	<i>Rs. '000</i>	<i>Rs. '000</i>
22. Best annual report competition fund				
Deshabandu Albert Page (1992)	95	441	(4)	532
Late Mr. Cyril Gardiner (1993)	538	(389)	(10)	139
Hayleys Ltd. (1994)	195	16	(4)	207
	828	68	(18)	878

	2010 Rs '000	2009 Rs '000
23. Urgent issues task force fund		
Balance as at 01st January	159	-
Add : Income received during the year	83	183
Expenses incurred during the year	-	(24)
Balance as at 31st December	242	159

	Balance as at 01.01.2010 Rs. '000	Received during the year Rs. '000	(Amortisation during the year) Rs. '000	Balance as at 31.12.2010 Rs. '000
24. World Bank grant-IRQUE project				
Library books	4,511	1,117	(2,211)	3,417
Computers	12,414	-	(2,521)	9,893
Multimedia English Learning Centre-software	2,810	-	(1,299)	1,511
Other equipment	3,828	-	(169)	3,659
Motor coach	11,335	-	(2,268)	9,067
Library software	300	1,200	-	1,500
	35,198	2,317	(8,468)	29,047

Amortisation expense consist of amortisation of property, plant and equipment related grant amounting to Rs. 4,957,086 (Note 7) and amortisation of grant relating to library books and software amounting to Rs. 3,509,522. (Note 8).

	2010 Rs '000	2009 Rs '000
25. Other grants		
ICTA RAP grant	15	-
Tsunami victims relief grant	-	918
	15	918

25.1 A grant of Rs. 2,500,000 was received from the Treasury (through the Sri Lanka Accounting and Auditing Standards Monitoring Board-SLAASMB) for the development of accounting and auditing standards. This was utilised in full for the said purpose.

	2010 Rs '000	2009 Rs '000
26. Provision for retiring gratuity		
Present value of the unfunded obligation	17,210	19,455
	17,210	19,455
Balance as at 01st January	19,455	19,079
Provision for the year	801	2,915
	20,256	21,994
Payments made during the year	(3,046)	(2,539)
Balance as at 31st December	17,210	19,455

26.1 The provision for retiring gratuity has been provided on half month basis up to 31st December, 2009.

M/S Actuarial and Management Consultants (Pvt) Limited, Actuaries carried out an actuarial valuation of the defined benefit plan-gratuity on 31st December, 2010. The assumptions used in determining the cost of retirement benefit are given under notes to the financial statements (1.3.2).

Had the Institute continued the half month basis to provide for the retiring gratuity in 2010, the provision for the year should have been Rs. 2,715Mn. and surplus for the financial year ended 31st December, 2010 would have been reduced by Rs. 1,914Mn.

	2010 Rs '000	2009 Rs '000
27. Accounts payable		
Accrued charges	19,056	16,985
Staff payable	14,543	11,679
Payable on self-study courses & stationery	111	3,850
University of Southern Queensland	538	538
Miscellaneous payable	2,149	1,617
	36,397	34,669
	2010 Rs '000	2009 Rs '000
28. Receipts in advance		
Members' fees	4,663	3,229
Subscriptions for renewals, IT course & exams fees	94,604	69,788
	99,267	73,017
29. Capital commitments		
Capital expenditure approved by the Council for which provision has not been made in the accounts amounts to approximately Rs. 353.5 Million and details are given below:		
<i>As at 31st December</i>	2010 Rs '000	2009 Rs '000
Commitment under IRQUE project	-	21,100
Refurbishment of head office building	3,500	-
Construction of multi-storeyed building	350,000	-
Balance as at 31st December	353,500	21,100

There are no capital expenditure commitments other than those disclosed above.

30. Contingent liabilities

The Divisional Secretariat, Thimbirigasyaya has revised the rates on the land and claimed Rs. 7.3 million as over due rent for the head office premises for the period from 2007 to 2010. The Institute has appealed on this assessment directly to the Divisional Secretariat and also through the line Ministry in consultation with the Hon. Minister. The Institute is confident that a reduction in the rates would be possible and hence a provision of only Rs. 500,000 has been made in this regard.

31. Related party disclosures

Payments are made in the ordinary course of business for any member of the institute for certain specified activities. During the year the following members of the Council have been involved in such activities at the request of Council on behalf of the institute and the payments made are as follows:-

	2010 Rs '000	2009 Rs '000
Mr. Nishan Fernando		
Technical activities	3	9
Educational activities	337	378
Lecture fees	106	-
Mr. Sujeewa Mudalige		
Technical activities	8	16
Educational activities	135	50

	2010 Rs '000	2009 Rs '000
Mr. Sujeewa Rajapakse		
Technical activities	-	12
Mr. T. Dharmarajah		
Educational activities	240	1,229
Student registration activities	30	50
Mr. Ganaka Amarasinghe		
Educational activities	26	149
Professor M. W. Wickremaratchi		
Educational activities	-	30
Mr. Lasantha Wickremasinghe		
Technical activities	-	3
Mr. V. Kanakasabapathy		
Lecture fees	70	-
Mr. Channa Gunasekara		
Educational activities	55	-

There are no receivables from or payables to related parties as of the balance sheet date.

32. Events after the balance sheet date

There are no material events occurring after the balance sheet date that require adjustment or disclosure in the financial statements.

CYRIL E BEGBIE MEMORIAL PRIZE FUND

Balance Sheet
As at 31st December

	2010 Rs.	2009 Rs.
Assets		
Balance at National Savings Bank	169,311	161,854
	169,311	161,854
Liabilities		
Capital	10,000	10,000
Income Account		
Balance as at 01st January	86,854	99,753
Interest for the year	7,457	7,101
Less : Prize paid	(15,000)	(20,000)
Creditors - ICASL	80,000	86,854
	169,311	161,854

F. B. Lander Prize Fund

Balance Sheet
As at 31st December

	2010 Rs.	2009 Rs.
Assets		
50 Shares - Hill School Co. Ltd.	500	500
Balance at National Savings Bank	533,870	510,358
	534,370	510,858

	2010		2009	
	Rs.	Rs.	Rs.	Rs.
Liabilities				
Capital		13,333		13,333
Income Account				
Balance as at 01st January	497,525		475,127	
Interest for the year	23,512	521,037	22,398	497,525
		534,370		510,858

THE REPORT OF THE AUDITOR

Ms. Y. Shirani de Silva

C/o. Kreston MNS & Co.

Chartered Accountants,

50/2, Sir James Peiris Mawatha,

Colombo 2.

REPORT OF THE AUDITOR TO THE COUNCIL OF THE INSTITUTE OF CHARTERED ACCOUNTANTS OF SRI LANKA

Report on the Financial Statements

I have audited the accompanying Financial Statements of the Institute of Chartered Accountants of Sri Lanka, which comprise the Balance Sheet as at 31st December, 2010 of the Institute of Chartered Accountants of Sri Lanka and the Balance Sheets of F. B. Lander Prize Fund and Cyril E. Begbie Memorial Prize Fund, and the related income Statements and Statement of Changes in Funds and Cash Flow Statement, of the Institute for the year then ended, and a Summary of Significant Accounting Policies and other explanatory Notes, as exhibited on pages 48 to 58.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Financial Statements that are free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

Scope of Audit and Basis of Opinion

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 plan and perform the audit to obtain reasonable assurance whether the Financial Statements are free from material misstatement.

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the Financial Statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall Financial Statement presentation.

I have obtained all the information and explanations which to the best of my knowledge and belief were necessary for the purposes of my audit. I therefore believe that my audit provides a reasonable basis for my opinion.

Opinion

In my opinion, so far as appears from my examination, the Institute maintained proper accounting records for the year ended 31st December, 2010 for its activities, F. B. Lander Prize Fund and Cyril E. Begbie Memorial Prize Fund and the financial statements give a true and fair view of the state of affairs of the Institute, F. B. Lander Prize Fund and Cyril E. Begbie Memorial Prize Fund as at 31st December, 2010 and the results of their operations and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

Ms. Y. Shirani de Silva,

Chartered Accountant,

Colombo.

30th March, 2011.

**NATIONAL INSTITUTE OF LIBRARY AND INFORMATION SCIENCES (NILIS)
UNIVERSITY OF COLOMBO
ANNUAL REPORT - 2009**

1. Introduction

National Institute of Library and Information Sciences (NILIS) was established by order dated 21st October, 1998 made by the Minister under section 24A of the Universities Act, No. 16 of 1978 and affiliated to the University of Colombo in terms of National Institute of Library and Information Sciences Ordinance, No. 01 of 1999 which came into operation on 20th April, 1999. NILIS was established with aid from the World Bank. NILIS is a partly self financed Institute as the other affiliated Institutes of the University.

2. Vision and Mission Statements

Our Vision

Provision of high quality educational programmes in Library and information Science (LIS) field to produce high quality LIS professionals and paraprofessionals for the Library and Information field in Sri Lanka. Through the provision of world class, quality human resources NILIS will assist Sri Lanka in its pursue of knowledge management/Access to Knowledge endeavour which is an essential part of the country's development strategies.

Our Mission

Definitive mission of NILIS is to improve the fields of Teacher Librarianship and Information Management and to strengthen the link between the formal education and continuing education or continuing professional development for librarians and paraprofessionals.

3. Authorities of NILIS

The authorities of NILIS are:

The Board of Management
The Academic Committee

The Board of Management

Board of Management is constituted in terms of Section 9 of the National Institute of Library and Information Sciences Ordinance, No. 1 of 1999. The Board of Management is the Academic and Executive body of this Institute which consisted the following members during the year under review.

Ex-Officio

Chairman : Prof. Rohan Rajapakse

Mr. Upali Amarasiri
Mr. S. Vithanapathirana
Mr. N. A. Athukorala
Prof. S. Sandarasegaram
Mr. W. K. M. M. K. Weerasinghe
Prof. P. Ranasinghe
Mr. P. B. Gallaba

The Chairman of the Standing Committee on Library and Information Sciences/UGC
Director/NILIS
Senior Assistant Secretary/Ministry of Higher Education
Assistant Secretary/Ministry of Science and Technology
Dean/Faculty of Education, University of Colombo
Director/Sri Lanka National Library Services Board
President/ Sri Lanka Library Association upto 30th June 2009
President/Sri Lanka Library Association from July 2009

Others

Dr. Wathmanel Seneviratne
Mr. P. Vithanapathirana
Ms. Ruwani Kodikara
Prof. Jayadeva Uyangoda
Prof. Russell Bowden
Mr. Douglas Ranasinghe

SCOLIS nominee upto 30th June 2009
SCOLIS nominee upto 30th June 2009
UGC nominee
UGC nominee
UGC nominee
On invitation

Academic Committee

The Academic Committee is constituted under Section 12 of the National Institute of Library and Information Sciences Ordinance, No. 1 of 1999. The following officers continued to serve as the members of this committee during the year under review.

Mr. Upali Amarasiri	Director/NILIS (from February 2008)
Mr. R. P. P. Ranaweera	Senior Lecturer/NILIS
Mr. P. G. Pemadasa	Senior Lecturer/NILIS
Dr. M. Vithanapathirana	Senior Lecturer/Faculty of Education
Dr. Pradeepa Wijetunge	Actg. Librarian/University of Colombo
Mr. U. P. Alahakoon	Assistant Librarian
Ms. Varuni Gangabadaarachchi	Representative of NLDSEB
Dr. W. A. Weerasooriya	Representative of SLLA
Mr. L. A. Jayatissa	SCOLIS nominee
Mrs. Ruwani Kodikara	SCOLIS nominee
Prof. Russell Bowden	BOM nominee
Prof. P. Ranasinghe	BOM nominee
Mr. Gihan Seneviratne	BOM nominee
Mr. N. Nandasiri	On invitation

Higher Degrees Committee

Mr. Upali Amarasiri	Director/NILIS
Prof. Russell Bowden	BOM nominee
Prof. J. Uyangoda	BOM nominee
Prof. P. Ranasinghe	Professor/Dept. of LIS, University of Kelaniya)
Dr. Pradeepa Wijetunge	Actg. Librarian, University of Colombo)
Dr. Wathmanel Seneviratne	Librarian/Open University)
Mrs. Ruwani Kodikara	Librarian, University of Moratuwa)
Dr. R. H. I. S. S. Ranasinghe	Senior Asst. Librarian/University of Kelaniya
Mr. Gihan Seneviratne	Senior Lecturer/UCSC
Prof. Marie Perera	Senior Lecturer/Faculty of Education
Prof. M. Vithanapathirana	Senior Lecturer/Faculty of Education
Mr. R. P. P. Ranaweera	Sr. Lecturer/NILIS

Syllabus Review Committee

Mr. Upali Amarasiri	Director/NILIS
Prof. P. Ranasinghe	Head/Dept. of LIS, University of Kelaniya
Prof. Russell Bowden	BOM nominee
Dr. (Mrs.) W. Seneviratne	Librarian/Open University
Dr. Manjula Vithanapathirana	Senior Lecturer, Faculty of Education, University of Colombo
Dr. Ruwan Gamage	Senior Assistant Librarian, University of Moratuwa
Mrs. P. Wijetunge	Actg. Librarian, University of Colombo
Mr. Gihan Seneviratne	Senior Lecturer/UCSC
Dr. W. A. Weerasuriya	Sr. Lecturer, University of Kelaniya
Director/SLDU	Ministry of Education for MTL and PGTL courses
Mr. R. P. P. Ranaweera	Senior Lecturer, NILIS (Convener)
Mr. P. G. Pemadasa	Senior Lecturer, NILIS

4. Staff Information

Mr. Upali Amarasiri, continued to functioned the Director of the NILIS during the year. Ms. Asoka Abeyratne and Mr G. H. Gamini continued as the Assistant Registrar and Senior Assistant Bursar of the Institute respectively. Mr. R. P. P. Ranaweera and Mr. P. G. Pemadasa continued serve as Senior Lectures. Mr. U. P. Alahakoon continued to function as the Assistant Librarian. Ms. Jeevika Jayamini continued as the Computer Application Assistant.

5. Education Programmes

In the year 2009, the Institute continued to offer twelve programmes of study leading to certificate, Diploma, postgraduate Diploma and masters degrees including MPhil/PhD. The table below depicts the new student registration details during the Academic year 2009/2010.

<i>Programmes of Study</i>	<i>Student Number</i>
1. MPhil/Ph. D programme	07
2. Master in Library and Information Science (MLS)	05
3. Masters in Teacher Librarianship	-
4. Postgraduate Diploma in Teacher Librarianship	43
5. Postgraduate Diploma in Library and Information Science (Part time)	06
6. Diploma in Teacher Librarianship (DTL)	07
7. Diploma in Library and Information Management (DLIM) Contd. 2008	22
8. Preliminary Certificate in Library and Information Management (PLIM)	20
9. Intermediate Certificate in Library and Information Management (ILIM)	10
10. Certificate in Public Librarianship (CPL)	25
11. Certificate in School Librarianship (CSL)	124
12. Certificate in Library and Information Science (CLIS) Uva Province	44
Total	280

6. Workshops/Training programme conducted during the year 2009

In 2009, the Institute conducted various workshops/training programmes. The details of workshops/training programmes are given below.

<i>No.</i>	<i>Name of the Programme</i>	<i>Duration</i>	<i>No. of Participants</i>
01.	Training programme on Information and Office Skills for Computer Application Assistants	25.11.2008 to 30.01.2009	43
02.	Training programme on Information and Office Skills for Management Assistants and clerical allied grades	03.12.2008 to 25.02.2009	22
03.	Advanced Training Programme for Librarian Assistants/ Information Assistants/Documentation Assistants	19.08.2009 to 01.10.2009	18
04.	Training Programme for Library Attendance and Other Library support staff	21.08.2009 to 25.09.2009	27
05.	Training Programme on Information and Office Skills for Management Assistants and Officers of the Clerical Grade	16.10.2009 to 20.11.2009	34
06.	Training Programme on Information and Office Skills for Computer Application Assistants	15.10.2009 to 19.11.2009	25
07.	Workshop on Training the Trainers in Information Literacy	10.12.2009 to 11.12.2009	21
	Total		190

7. NILIS Research Symposium

The NILIS conducted two day Research Symposium on 20th and 21st March, 2009 at the Auditorium of the Faculty of Education, University of Colombo. The theme of the symposium was 'Information: The Resource to be Harnessed'. 35 Professional research papers in the field of Library and Information Science (LIS) were presented and 132 were participated.

8. Significant Professional Contribution in 2009

1. In 2009 the Director of the Institute, Mr. Upali Amarasiri, served as a member in the following Committees

Special Committee on Science and Technology Information - National Science Foundation.

Sri Lanka Disaster Management Committee-Library and Archival Services of the National and Library Documentation Services Board.

President of the Sri Lanka Library Association

09. Resources

<i>Source</i>	<i>Capital (in Rs. Millions)</i>	<i>Recurrent (in Rs. Millions)</i>
Treasury	0.2	5.5
Total	1.1	11.4

Director/NILIS

NATIONAL INSTITUTE OF LIBRARY AND INFORMATION SCIENCE BALANCE SHEET AS AT 31ST DECEMBER, 2009

	<i>Note</i>	<i>2009 Rs.</i>	<i>2009 Rs.</i>	<i>2008 Rs.</i>	<i>2008 Rs.</i>
Assets					
Fixed Assets	03		6,127,026		7,375,077
Current Assets					
a) Stocks in Hand		47,107		58,251	
b) Loans and Advances to staff	05	1,393,864		1,404,256	
c) Bank Guarantee	0	0		30,000	
d) Miscellaneous Advances		(2,215)		(1,852)	
e) Debtors		0		224,500	
f) Imprest Account		6		5,723	
g) Interest Receivable		80,347		100,879	
h) Pre-payments	06	90,554		79,550	
i) Fixed Deposit		2,700,000		2,700,000	
j) Cash Book Balance	07	1,508,938	5,818,601	428,551	5,029,858
Total Assets			11,945,627		12,404,935
Liabilities					
Current Liabilities					
a) Sundry Creditors		25,000		25,000	
b) Accrued Expenses	08	256,767		154,588	
c) Monies due to Other Institution		450		1,950	
d) Salaries Payable		360		360	
e) Academic Programme Income	09	3,694,801		2,265,689	
f) Refundable Library Deposit		220,000	4,197,378	155,000	2,602,587
Non Current Liabilities					
Provision for Gratuities			1,273,013		1,120,255
Total Liabilities			5,470,391		3,722,841
Total Net Assets			6,475,236		8,682,094

	Note	2009 Rs.	2009 Rs.	2008 Rs.	2008 Rs.
University Fund					
Capital					
a) Capital Grant Spent		3,647,801		2,508,090	
b) Capital Grant Unspent		0		8,275	
c) Contribution to capital Expenses by Ministry of Education -GEP II		23,132,739	26,780,540	23,132,739	25,649,104
Reserves					
Specific Reserve					
General Reserve		(18,638,856)		(15,882,862)	
Income and Expenditure A/C		(2,406,858)	(21,045,714)	(2,755,994)	(18,638,856)
Restricted Fund					
a) Development Fund		740,410	740,410	1,671,846	1,671,846
Capital Receipts					
Revaluation Reserve Account					
Total Net Assets			6,475,236		8,682,094

NATIONAL INSTITUTE OF LIBRARY AND INFORMATION SCIENCES INCOME AND EXPENDITURE ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER, 2009

	2009 Rs.	2008 Rs.
Operating Revenue	Rs.	Rs.
01. (a)Govt. Grant for Recurrent Expenditure	5,497,000	5,160,000
(b) Govt. Grant for Rehabilitation and Maintenance of Capital Assets		600,000
02. Interest from Investments	414,843	458,568
03. Interest from Loans	56,383	50,633
04. Rent from Properties	20,100	
05. Miscellaneous Receipts		3,720
06. Registration Fees (Certificate Courses)	15,000	79,750
07. Registration Fees (Postgraduate)	16,000	
08. Tuition Fees (Certificate Courses)	1,271,613	1,164,690
09. Tuition Fees (Postgraduate)	493,373	985,770
10. Examination Fees (Certificate Courses)	44,100	36,930
11. Examination Fees (Postgraduate)	41,400	18,500
12. Sale of Publications		100
13. Services Rendered to outsiders	16,250	44,500
14. Workshop & Seminars	1,364,823	1,260,700
	9,250,883	9,863,861
Deduct - Operating Expenses	Note	
1. Personal Emolument	1	6,396,024
2. Travelling Expenses	1	9,164
3. Supplies	1	384,002
4. Maintenance Expenses	1	255,312
5. Contractual Services	1	903,582
6. Other Recurrent Expense	1	1,155,017
7. Externals Examinations		1,374,186

8. Ancilliary Activities			
9. Gratuities	2	152,758	0
10. Provision for Depreciation	3	2,168,136	3,494,650
Total Operating Expenses		11,423,996	13,455,975
Deficit from Operating Activities		(2,173,113)	(3,592,114)
Finance Cost		0	0
Gain on Sales of Properties		0	0
Total non Operating Revenue		0	0
Net Surplus before Extra Ordinary Items		(2,173,113)	(3,592,114)
Extra Ordinary Items		0	0
Net Surplus for the Period		(2,173,113)	(3,592,114)
Income and Expenditure Appropriation A/C			
Balance B/F from Income and Expenditure A/C		(2,755,994)	(3,455,114)
Income And Expenditure Account B/F Balance		(2,173,113)	(3,592,114)
Transfers to General Reserve		2,755,994	3,727,906
Adjustments in respect of past years	4	(233,745)	836,120
Balance C/F to Balance Sheet		(2,406,858)	(2,755,994)

NATIONAL INSTITUTE OF LIBRARY AND INFORMATION SCIENCES
CONSOLIDATED CASH FLOW STATEMENT FOR YEAR ENDED 31ST DECEMBER 2009

	2009 Rs.	2008 Rs.
Cash Flows from Operating Activities	(2,406,858)	(3,592,114)
Surplus from ordinary activities		
Non-cash movements		
Depreciation	2,168,136	3,494,650
Increase in provisions relating to employee costs	152,758	71,038
Prior Year Adjustment	219,625	836,120
Increase in payables	1,594,791	478,919
Increase in other current assets	291,644	(829,020)
Increase in receivables		
Extraordinary Items		
Net cash flow from operating activities	2,020,096	459,594
Cash flow from investing activities		
Purchase of Plant and Equipment	(1,139,711)	(409,006)
Proceeds from Sales of Plan and Equipment		
Proceeds from Sales of Investments		(932,093)
Net cash flow from investing activities	880,385	(1,341,099)
Cash flow from financing activities		
Capital Grants	200,000	250,000
Increase in Internal Funds	-	(701,598)
Proceed from Browning		
Net cash flow from financing activities	200,000	(451,598)

Net increase in cash and cash equivalents		1,080,385	(1,333,103)
Cash and cash equivalents at the beginning of period	Rs. 428,551		
Cash and cash equivalents at the end of period	Rs. 1,508,937	1,080,386	1,333,103

NOTES TO THE ACCOUNTS

1. General Accounting Policies

The financial statement of the Institute have been prepared on historical basis in accordance with generally accepted accounting principles applied on a consistent basis and in conformity with Sri Lanka Accounting Standards.

Provisions have been made for all liabilities

Income and expenditure with regard to academic programs have been accounted on cash basis. Equivalent amount of income to the expenses of the programmes during the financial period have been transferred to Income and Expenditure Account. Balance Income of the programs has been recognized under current liabilities.

Income of academic programmes will be recognized at the end of the budgeted period.

2. Assets and the Basis of valuation

Depreciation has not been provided on for the year of purchase of all assets, while full year depreciation is provided in the year of disposal.

Fixed Assets shown at cost less accumulated depreciation. Depreciation has been charged on cost of the assets at the following rates per annum in order to write off such assets over their estimated useful economic lives.

Building and Structures	5%
Furniture and Equipment	10%
Motor Vehicles	10%
Computers	20%
Library Books and Periodicals	20%
Other Assets	10%

Vehicle is registered under the Register of the University of Colombo and value of the vehicle has been recorded in the account

The building is used by the Faculty of Education and the National Institute of Library and Information Sciences. Value of the building Rs. 47,532,868.44 is not taken into accounts.

Closing stock of consumable stock has been valued at cost.

3. Liabilities and Provisions

Full Provision is made in the accounts for retiring gratuity payable to all employees of the Institute. The provision is not representing equivalent amount of fund and payments are made out of Treasury grant.

Note No.: - 01
Payment Schedule

Academic Programme																
		Treasury Funds		Administrative Exp. A/C	CPL 2009- CPL 2008			1	2008	DTL 2007	ILIM 2007	PLIM 2007	DLIM 2007	PLIM 2008	PGLIS- 2005	PGLIS- 2007
Code	Description															
Personal Emoluments																
04101	Salaries & Wages	1,343,720														
04102	U. P. F.	117,759														
04103	Pension	134,581														
04104	E. T. F.	50,468														
04105	Acting Pay															
04108	Academic Allowance	334,464														
04113	Cost of Allowance	166,500														
04201	Salaries & Wages	2,671,867														
04202	U. P. F.	381,442														
04203	Pension	18,726														
04204	E. T. F.	80,034														
04205	Acting Pay															
04208	Overtime	204,066														
04209	Holiday Payments	12,719														
04211	Language Proficiency Allowance	21,660														
04213	Cost of Allowance	277,500														
	Visiting Lecture Fees (Including Travelling & Subsistence)	580,520														
		23,400														
		22,350														
		3,250														
		58,800														
		11,500														
		15,450														
		10,650														
		41,470														
		33,000														
		-														
		8,500														
Travelling Expenses																
0501	Domestic	9,164														
0502	Foreign	2,300														
		4,366														
Supplies																
0601	Stationery & Office Equipment	179,771														
0602	Fuel & Lubricants	96,882														
0603	Uniforms/Tailoring Charges	46,482														
0604	Mechanical & Electrical Goods	3,745														
0605	Chemicals & Glassware	900														
0606	Medical Supplies															
0607	Other supplies	77,788														
		96,181														
		-														
		2,600														
Maintenance Expenses																
0701	Vehicles	87,959														
0702	Plant, Machinery & Equipment	122,265														
		8,206														
		65,855														

Academic Programme

Code	Treasury Funds	Administratral CPL 2009- CPL 1	ve Exp. A/C	CPL- 2008	CSL 2008	DTL 2007	ILIM 2007	PLIM 2007	DLIM 2007	PLIM 2008	PGLIS- 2005	PGLIS- 2007
0703 Buildings & Structures	43,167		25,650									
0704 Furniture												
0705 Others	1,921		1,921									
Contractual Expenses												
0801 Transport	-											
0802 Telecommunication	143,046		49,385									
0803 Postal Charges	36,625		6,385									
0804 Electricity												
0805 Security Services												
0806 Water												
0807 Cleaning Services	308,848		103,927									
0808 Rents and Hire Charges												
0809 Rates and Taxes to Local Authorities												
0810 Printing Advertising etc.	415,063	19,026	147,912	25,670	- 10,886							
0811 Other Contractual Services	-											
Other Recurrent Expenses												
0901 Travel Grants for postgr. Studies (reimbursed by U. G. C.)												
0902 Special Services - Council Committees	45,550		27,550									
0903 Special Services - Council Other Fees	118,000											
0904 Workshops, Seminars												
0905 Academic Research												
0906 Staff Development	90,500		90,500									
0907 Grants to Other Organizations												
0908 Holiday Warrants and Season Tickets	37,510		7,440									
0909 Entertainment Expenses	324,192		44,051									
0910 Bank Charges	17,584		784									
0911 Award & Indemnities												
0913 Convocations												
0914 Examination Expenses	97,770		540									
0915 Other Recurrent Expenses	423,911	5,000	12,220	6,000	7,000	12,000	6,000	9,300	7,000	2,440	1,400	4,770
	9,103,102	1,757,529	47,426	54,020	7,616 80,758	27,750 27,490	19,950	58,070	35,440	1,400	1,400	19,270

Academic Programme

[illegible]

Academic Programme

Administratl PGTL 2007L

Code	PGTL Part - T 2009	PGTL. 2006	PGTL Full - T 2009	MTL 2006	MLS 2009	MLS 2007	MTL 2008	Mphill Iph D-07	Workshop & Sem Ex.	Treasury Funds Exp.	Sub total	Total
Maintenance Expenses												
0701 Vehicles						79,753					87,959	
0702 Plant, Machinery & Equipment						56,410					122,265	
0703 Buildings & Structures						17,517					43,167	
0704 Furniture												
0705 Others										-	1,921	255,312
Contractual Expenses												
0801 Transport												
0802 Telecommunication						93,660					143,046	
0803 Postal Charges						30,240					36,625	
0804 Electricity												
0805 Security Services												
0806 Water												
0807 Cleaning Services						204,922					308,848	
0808 Rents and Hire charges	-	-										
0809 Rates & Taxes to Local Authorities	-	-										
0810 Printing Advertising etc.	29,353		31,452						129,617	21,146	415,063	903,582
0811 Other Contractual Services												
Other Recurrent Expenses												
0901 Travel Grants for postgr. Studies (reimbursed by U. G. C.)												
0902 Special Services - Council & Committees												
0903 Special Services - Professional & Other Fees												
0904 Workshops, Seminars	-	-										
0905 Academic Research	-	-										
0906 Staff Development												
0907 Grants to Other Organizations	-	-										
0908 Holiday Warrants and Season tickets												
0909 Entertainment Expenses												
0910 Bank Charges												
0911 Award & Indemnities	-	-										
0913 Convocations	-	-										
0914 Examination Expenses	5,255	6,340	21,165	10,800	4,065	2,100	4,885			7,420	97,770	
0915 Other Recurrent Expenses	41,608	3,000	9,000	3,000	6,000		12,000	30,000	68,305	231,386	423,911	1,155,017
		26,840	47,663	10,420	151,465	3,600	45,385	30,000	459,568	6,077,581	9,103,102	9,103,102

Note 3

Provision for Depreciation

	Type of Assets	Depreciation for the year					Closing Balance Rs.
		Opening Balance Rs.	Purchase Rs.	Donation Rs.	Disposals Rs.		
1.	Lands and Building	721,568	0	0	0		721,568
2.	Furniture and Office Equipment	9,061,147	132,000	0	0		9,193,147
3.	Computers and Printers	5,463,609	958,938	0	0		6,422,547
4.	Fixture and Fittings	0	0	0	0		0
5.	Library Books and Periodicals	6,757,721	48,773	0	0		6,806,494
6.	Motor Vehicles	3,603,493	0	0	0		3,603,493
7.	Others	33,290	0	0	0		33,290
Total		25,640,828	1,139,711	0	0		26,780,539
Less :- Depreciation							
		Depreciation for the year			Rate of Depreciation		Disposals Rs.
1.	Lands and Buildings	246,837	36,078	5	0		282,915
2.	Furniture and Office Equipment	5,774,016	906,115	10	0		6,680,131
3.	Computers and Printers	5,016,385	182,267	20	0		5,243,652
4.	Fixture and Fittings	0	0	0	0		0
5.	Library Books and Periodicals	5,355,135	899,624	20	0		6,254,759
6.	Motor Vehicles	1,801,746	360,349	10	0		2,162,096
7.	Others	26,632	3,329	10	0		29,961
Total		18,265,751	2,387,762		0		20,653,514
Net Value							
		Depreciation for the year			Purchases Rs.		
1.	Lands and Buildings	474,731	36,078	0	0		438,653
2.	Furniture and Office Equipment	3,287,131	906,115	132,000	0		2,513,017
3.	Computers and Printers	402,224	182,267	958,938	0		1,178,895
4.	Fixture and Fittings	0	0	0	0		0
5.	Library Books and Periodicals	1,402,586	899,624	48,773	0		551,735
6.	Motor Vehicles	1,801,746	360,349	0	0		1,441,397
7.	Others	6,658	3,329	0	0		3,329
Total		7,375,077	2,387,762	1,139,711	0		6,127,025

Note 05

Loans and Advances to the Staff

<i>Type of Loan</i>	<i>Balance Rs.</i>
1. Computer Loan	19,330
2. Vehicle Loan	214,515
3. Distress Loans	1,149,469
4. Festival Advances	8,000
5. Staff Loan	2,550
	<u>1,393,864</u>

Note: 06

Pre-payments

1. Service Agreement for 2010	51,253
2. Insurance Payment of Vehicle for 2009	34,082
3. Subscription for News Papers	5,220
	<u>90,555</u>

Note: 07

Cash Book Balance as at 31.12.09

1. People's Bank Thimbirigasyaya Current A/C 165-005922-3	117,230
165-006296-1	<u>1,391,708</u>
	<u>1,508,938</u>

Note: 08

Accrued Expenses

1. Telecommunication Exp. - Dec. 2009	10,417
2. Special Services - Audit Fee 2008-2009	220,000
3. Other Recurrent Expenses	14,350
4. Salary - CL	12,000
	<u>256,767</u>

Note : 09

Academic Programmes

1. Tsunami Program	533,750
2. Workshop Income 2008	77,625
3. Symposium - 2009	3,500
4. Lib Assistant Tra. Programme - 2009	20,000
5. Trainers Information lite - 2009	83,993
6. Computer Application Assistant Training Programme - 2009	42,500
7. Management Training Program -09	10,000
8. Certificate in Public Librarianship 09-1	200,000
9. Certificate in Public Librarianship 09-11	84,250
10. Certificate Course in School Librarianship - 09	365,500
11. Certificate Course in School Librarianship - 08	300,000
12. Diploma in Teacher Librarianship 07	14,070
13. Preliminary Certificate in Library and Information Management 08	198,860
14. Diploma in Library and Information Management 08	15,000
15. Intermediate Certificate in Library and Information Management 07	4,350

<i>Type of Loan</i>	<i>Balance Rs.</i>
16. Intermediate Certificate in Library and Information Management 09	38,000
17. Diploma in Library and Information Management 08	1,500
18. Diploma in English -2006	940
19. Diploma in English -2007	8,450
20. Post-Graduate Diploma in Library and Information Science 07	92,740
21. Post-Graduate Diploma in Teacher Librarianship 09 - Part Time	129,392
22. Post-Graduate Diploma in Teacher Librarianship 07	331,453
23. Post-Graduate Diploma in Teacher Librarianship 09 - Full Time	277,500
24. Post-Graduate Diploma in Teacher Librarianship 10	7,000
25. Masters in Teacher Librarianship 06	61,933
26. Masters in Teacher Librarianship 08	117,715
27. Masters in Teacher Librarianship 10	8,250
28. Masters in Library Science 09	331,535
29. Masters in Library Science 08	4,000
30. Phill/PhD- 07	330,995
	<u>3,694,801</u>

Note: 02**Calculation of Gratuity Provision**

<i>Name of the employee</i>	<i>Date of join to the service</i>	<i>No.of Completed years</i>	<i>Basic Salary Rs.</i>	<i>Provision Required Rs.</i>
1. Mr. G. H. Gamini	1- Jun -91	18	38,600	347,400
2. Mrs. A. Abeyrathna	19- Jun -82	28	28,655	401,170
3. Mr. A. A. J. Abysinghe	16-Jul-76	33	21,995	362,918
4. Mrs. M. L. J. Jayamini	21-Nov-00	9	19,650	88,425
5. Mr. U. P. Alahkoon	1-Nov-04	5	29,240	73,100
Total				1,273,013
Less: Opening Balance as at 1-1-2009	1			1,120,255
Provision for 2009				<u>152,758</u>

Note: 04**Prior Year Adjustments**

1. Under Provision for Maintenance of Building	20,692
2. Under Provision for Depreciation on Library Books	219,626
3. Over provision for Accrued Expenses	(6,573)
	<u>233,745</u>

Director,
National Institute of Library and Information Sciences
University of Colombo

**Report of the Auditor General on the Financial Statements of the National Institute of Library and Information Sciences
Affiliated to the University of Colombo 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**

The Audit of financial statements of the National Institute of Library and Information Sciences affiliated to the University of Colombo 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 108(1) and III of the Universities Act No. 16 of 1978 and Sub-sections (3), (4) and (7) of section 13 of the Finance Act, No. 38 of 1971. This report was issued in terms of Section 108(2) of the Universities Act and Section 13(7)(a) of the Finance Act. My comments and observations appear in this report.

1:2 Responsibility of the Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

1:3 Scope of Audit and Basis of Opinion

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

2. Financial Statements

2:1 Opinion

So far as appears from my examination and to the best of information and according to the explanations given to me. I am of opinion that the National Institute of Library and Information sciences Affiliated to the University of Colombo had maintained proper accounting records for the year ended 31 December 2009 and except for the effects on the financial statements of the matters referred to in paragraph 2:2 of this report the financial statements have been prepared in accordance with Sri Lanka Accounting Standards give a true and fair view of the state of affairs of the National Institute of Library and Information Sciences Affiliated to the University of Colombo as at 31 December 2009 and the financial results of its operations and cash flows for the year then ended.

2:2 Comments on Financial Statements

2:2:1 Accounts Payable

Action had not been taken up to 31 December, 2009 to settle the loan balance payable amounting to Rs. 25,000 being brought forward since 2008.

2:2:2 Lack of Evidence for Audit

The following items shown in the financial statements could not be satisfactorily vouched in audit due to non availability of evidence indicated against each item.

<i>Item</i>	<i>Value Rs.</i>	<i>Evidence not Furnished</i>
(a) Stocks in Hand	47,107	Detailed Schedule
(b) Interest Receivable	80,347	do.
(c) Miscellaneous Creditors	25,000	do.

2:2:4 Non-compliance with Laws, Rules, Regulations and management Decisions

The following instances of Noncompliance were observed:-

<i>Reference to Laws, Rules, Regulations and Management Decisions</i>	<i>Non-compliance</i>
(a) Universities Act, No. 16 of 1978 (i) Section 99 and the letter No. UGC/FA/GA/2002 dated 13th January, 2003 of the Chairman of the University Grant Commission	Although all the funds received by the higher educational institutions should be credited to the funds of the Institution a Development fund had been established by utilizing part of the revenue on the approval of the 26th Board of Control held on 02 June 2003 without being done so. Out of the above Fund, a sum of Rs. 887,750 had been spent

Reference to Laws Rules

*Non-compliance
Regulations and Management
Decisions*

- during the year under review for purchase of computers and the balance thereof as at the end of the year under review amounted to Rs. 740,410.
- (ii) Section 109 Although the audited financial statements should be published in the *Gazette* of the Republic of Sri Lanka the financial statements for the year 2008 had not been published in the *Gazette* up to 31st December, 2009
- (iii) Section 110 Annual Reports of the Institute of Sciences for the year 2008 had not been tabled in Parliament up to 31 December 2009.
- (b) Paragraphs 4.2.6, 5.1.2, 5.1.3 and 5.2 of the Public Enterprises Circular No. PED 12th dated 02nd June, 2003. Due to not forwarding the Quarterly Performance Reports not showing the important matters to be included in the corporate Plan not furnishing the copy of the updated Corporate Plan to the Auditor General not properly preparing the Annual Action Plan and the Budget etc. they had not been utilised as instruments of the control
- (c) Public Enterprises Circular No. PED25(1) dated 10 August, 2004 The surplus funds should be invested with the consent of the relevant Minister and the Minister of Finance. However a sum of Rs. 2,700,000 had been invested in the fixed deposits during the year under review without taking action accordingly.
- (d) Financial Regulations of the Democratic Socialist Republic of Sri Lanka (FR)
- (i) FR 371(2)(b) Although sub-imprest should not be obtained exceeding Rs. 20,000 in each case sums Rs. 70,000 and Rs. 25,000 had been obtained in two instances.
- (ii) FR 396(d) 09 cheques valued at Rs. 4,960 not presented for more than 06 months of validity period had been shown continuously in the Bank Reconciliation Statements.

3. Financial and Operating Review

3:1 Financial Results

According to the financial statements presented the working of the Institute for the year ended 31 December 2009 had resulted in a deficit of Rs. 7,670,113 before taking into account the Government Grant for recurrent expenditure as compared with the corresponding deficit of Rs. 9,352,114 for the preceding year. The deficit for the year under review had been reduced to Rs. 2,173,113 due to the Government Grant of Rs. 5,497,000 received for the recurrent expenditure for the year under review while the deficit for the preceding year had been reduced to Rs. 3,592,114 due to the Government Grant of Rs. 5,760,000 received for the recurrent expenditure of that year.

3:2 Performance

Matters revealed in respect of achievement of objectives by the Institute of Sciences for the year ended 31st December, 2009 are given below:-

3:2:1 Development of Infrastructure Facilities:

Although it was planned to carryout the following activities during the year under review it was unable to accomplish those activities:-

- (a) Commencement of new Website for the Institute of Science;
- (b) Instalation of an electrical escalator to the three storied building;
- (c) Purchase of a generator.

3:2:2 Academic Activities

Conducting Courses

The following observations are made:-

- (a) Delays in completion of 04 courses had ranged from 02 months to 01 year, 04 months by 10 February, 2010 without completing within the specified period.
- (b) Actual revenue from 09 courses had been over received by Rs. 1,659,389 than the estimated revenue of Rs. 3,448,473 due to preparation of unrealistic revenue estimates. The above variance among each courses had been between 20 percent and 119 percent.
- (c) A sum of Rs. 1,768,973 or 54 percent had been over spent for 09 courses than the estimated expenditure of Rs. 3,268,135 due to not incurring course expenditure effectively and economically.

3:2:3 According to the letter dated 05 October 2007 of the Chairman of the Canadian Library Association addressed to the Chairman of the National Library and Documentation Services Board out of the assistance received for carrying out improvements to the libraries affected by the Tsunami disaster a sum of Rs. 533,750 had been provided to the National Institute of Library and Information Sciences in order to utilize for the development, activities of the field of library. However, the above money had been retained idle in the Bank Current Accounts without completing the relevant activities.

3:3 Transactions not Supported by Adequate Authority

The following observations are made:-

- (a) An overpayment of Rs. 60,203 had been made as contributions for the University Provident Fund, the Pensions and Employees Trust Fund in respect of payment made to the “academic allowance” which was not included in the “Earnings” according to Section 89 of the Universities Act, No. 16 of 1978. Section 47 of the Employees Provident Fund Act, No. 15 of 1959 and Section 16(2) of the Employees Trust Fund Act, No. 47 of 1988. Although the Director General of the National Budget had instructed by his letter No. BD/INS/CLUS-A/078 dated 18 July 2003 that such irregular payments were erroneous and that the payments already made should be recovered, the above contribution had been paid every year without taking action accordingly.
- (b) Even though the Director General of Public Enterprises had by his Circular No. BD/PF/I/174/1 of 25 October, 2002, instructed that the allowance for proficiency in the second and third languages should not be made applicable to the Public Corporations and Boards and also pointed out by the audit report for the previous year in respect of this erroneous payments, a sum of Rs. 21,660 had been paid during the year under review without considering this.
- (c) Instead of paying travelling expenses and combined allowances in terms of Paragraph 4 of Chapter XIV of the Establishments Code in respect of completion ceremony of the courses conducted in the Uva Province a sum of Rs. 4,366 had been paid to two officers as settlement of bills for food and lodging.

3:4 Budgetary Control

Significant variances were observed between the budgeted and actual income and expenditure, thus indicating that the budget had not been made use of as an effective instrument of management control.

3:5 Management Inefficiencies

Action had not been taken to register the Toyota Van costing Rs. 3,603,493 in the name of the Institute which was obtained 6 years ago through the Ministry of Education.

04. *Systems and Controls*

Deficiencies in systems and controls observed in 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 of controls:-

- (a) Control of Funds,
- (b) Accounting,
- (c) Bank Reconciliations,
- (d) Investment Income,
- (e) Budgetary Control.

S. SWARNAJOTHI,
Auditor General.

17th June, 2010
Auditor General,
Auditor General's Department,
Independence Square,
Colombo 07.

Report of the Auditor General on the Accounts of the National Institute of Library and Information Sciences affiliated to the University of Colombo for the Year ended 31st December, 2009 in Terms of Section 108 (2) of the Universities Act, No. 16 of 1978 and Section 13 (7) (a) of the Finance Act, No. 38 of 1971

This has reference to your report No. CE/G/NILIS/FA/09 dated 23rd April, 2010 on the accounts of this institute.

Following are our replies on the audit observations made by the Auditor General's Department on the final accounts of year 2009.

2. Comments on Accounts

2.2:1 *Accounts Payable*

Action will be taken to settle Rs. 25,000 due for the technical advices provided by the University of Moratuwa.

2.2:2 *Lack of Evidence for Audit*

- (a) Report on Consumable Stocks of Rs. 47,107 has been submitted with Annual Verification Report.
- (b) Fixed Deposit Certificates and Renewal Letters for the Fixed Deposit of Rs. 2,700,000 and Rs. 80,347 interest receivable have been submitted to the Audit for verification.

2.2.3 *Non-compliance with Laws, Rules, Regulations and Management Decisions*

- (a) (i) This fund was established with the approval of the 26th Board of Management meeting held on 02nd June, 2003. Expenditure of Rs. 887,750 has been made according to the objectives of the Fund.
- (ii) Action will be taken to publish the Final Accounts of the year 2008 in the *Gazette*.
- (iii) Action will be taken to table the Final Accounts of the year 2008 in Parliament.
- (b) Quarterly reports prepared under PED 19 have been issued and copies of them have also submitted to the Audit. Action will be taken to update the Corporate Plan and prepare it accordance with the instruction issued.
- (c) Approval of the Finance Minister will be obtained for the investment of excess fund.
- (d) (i) The Treasury has not issued an imprest under F. R. 365 and no sub-imprest has been obtained. Under the approval of the Board of Management an imprest of Rs. 20,000 has been obtained.
- (ii) Action will be taken to issue cheques for validity expired cheques under Financial Regulation.

3.2 Performance

3.2.1 Development of Infrastructure Facilities

- (a) New website of the Institute has been developed by the students of University of Colombo School of Computing. Now it is under test run.
- (b) Initiatives have been taken to install a Lift to the building.
- (c) A generator has not been purchased as there was no power cut and no adequate provision for the machine.

3.2.2 Academic Activities

Conducting Courses

- (a) Though the period of academic program is one year, additional time period is required to conduct examinations, examine answer scripts and dissertations. Further, majority of the lecturers are on visiting external staff and delays in marking dissertations and answer scripts are unavoidable. However, action will be taken to minimize delays.
- (b) Estimated incomes on academic programmes have been made correctly and there may be variation of income due to absence of students to the programme.
- (c) Actual expenditure on academic programmes has not been exceeded the estimated expenditure.

3.2.3 Approval of the tsunami operational committee has to be obtained for the new activities designed out of the funds provided. But the National Library & Documentation Services Board was not able to call the committee. The Committee has informed that the libraries have received enough books and there is no need for new books for them. Action will be taken to use the fund for other purposes.

3.3 Transactions not supported by Adequate Authority

- (a) Payment of Academic allowance has been made in accordance with the circular instruction issued by the University Grants Commission.
- (b) Payment of Language Proficiency Allowance has been made in accordance with the circular instruction issued by the University Grants Commission.
- (c) Two officers representing the Institute participated at the closing ceremony of the Certificate in Library and Information Programme and thereby an expense of Rs. 4,366 had been incurred for the expenses of food and lodging. As the subsistence payments were not enough to meet the expenses of the journey, expenses has been made out of the relevant programme.

3.4 Budgetary Controls

Action will be taken to use the budget as a useful management tool of the Institute in the future.

3.5 Management Inefficiencies

Action will be taken to transfer the ownership of the vehicle from University of Colombo to National Institute of Library and Information Sciences.

4. Systems and controls

Action will be taken to strengthen the Internal Controlling Systems of the Institute.

Mr. U. AMARASIRI,
Director.

- C.C.:-
1. Secretary, Ministry of Education
 2. Chairman, University Grants Commission
 3. O/C

Miscellaneous Departmental Notices

PV 63157.

PV 73527.

COMPANIES ACT, No. 07 OF 2007

Notice under Section 394 (3) to strike off the Name of Terra Designs (Private) Limited

WHEREAS there is reasonable cause to believe that “Terra Designs (Private) Limited” a Company incorporated on 25.02.2008 under the provisions of the Companies Act, No. 17 of 1982 is not carrying on business or in operation.

Now know you that I, Dias Karunaratne Hettiarachchi, Registrar General of Companies, acting under Section 394 (3) of the Companies Act, No. 07 of 2007, do hereby give notice that at the expiration of three months from this date the name of “Terra Designs (Private) Limited”, will unless cause is shown to the contrary, be struck off the Register of Companies kept in this office and the Company will be dissolved.

D. K. HETTIARACHCHI,
Registrar General of Companies.

Department of Registrar of Companies,
No. 400, D. R. Wijewardena Mawatha,
Colombo 10,
24th March, 2011.

04-702

PV 62496.

COMPANIES ACT, No. 07 OF 2007

Notice under Section 394 (3) to strike off the Name of Lanka Xclusive (Private) Limited

WHEREAS there is reasonable cause to believe that “Lanka Xclusive (Private) Limited” a Company incorporated on 26.12.2007 under the provisions of the Companies Act, No. 17 of 2007 is not carrying on business or in operation.

Now know you that I, Dias Karunaratne Hettiarachchi, Registrar General of Companies, acting under Section 394 (3) of the Companies Act, No. 07 of 2007, do hereby give notice that at the expiration of three months from this date the name of “Lanka Xclusive (Private) Limited”, will unless cause is shown to the contrary, be struck off the Register of Companies kept in this office and the Company will be dissolved.

D. K. HETTIARACHCHI,
Registrar General of Companies.

Department of Registrar of Companies,
No. 400, D. R. Wijewardena Mawatha,
Colombo 10,
24th March, 2011.

04-703

COMPANIES ACT, No. 07 OF 2007

Notice under Section 394 (3) to strike off the Name of Seema Agency Lanka (Private) Limited

WHEREAS there is reasonable cause to believe that “Seema Agency Lanka (Private) Limited” a Company incorporated on 02.08.2010 under the provisions of the Companies Act, No. 17 of 2007 is not carrying on business or in operation.

Now know you that I, Dias Karunaratne Hettiarachchi, Registrar General of Companies, acting under Section 394 (3) of the Companies Act, No. 07 of 2007, do hereby give notice that at the expiration of three months from this date the name of “Seema Agency Lanka (Private) Limited”, will unless cause is shown to the contrary, be struck off the Register of Companies kept in this office and the Company will be dissolved.

D. K. HETTIARACHCHI,
Registrar General of Companies.

Department of Registrar of Companies,
No. 400, D. R. Wijewardena Mawatha,
Colombo 10,
24th March, 2011.

04-704

GA 2047.

COMPANIES ACT, No. 07 OF 2007

Notice under Section 394 (3) to strike off the Name of Chinese Welfare Association

WHEREAS there is reasonable cause to believe that “Chinese Welfare Association” a Company incorporated on 23.11.2007 under the provisions of the Companies Act, No. 17 of 2007 is not carrying on business or in operation.

Now know you that I, Dias Karunaratne Hettiarachchi, Registrar General of Companies, acting under Section 394 (3) of the Companies Act, No. 07 of 2007, do hereby give notice that at the expiration of three months from this date the name of “Chinese Welfare Association”, will unless cause is shown to the contrary, be struck off the Register of Companies kept in this office and the Company will be dissolved.

D. K. HETTIARACHCHI,
Registrar General of Companies.

Department of Registrar of Companies,
No. 400, D. R. Wijewardena Mawatha,
Colombo 10,
25th March, 2011.

04-705

Pv 9824.

GA 331.

COMPANIES ACT, No.07 OF 2007

**Notice under Section 394 (3) to strike off the Name of
Armour Group (Private) Limited**

WHEREAS there is reasonable cause to believe that “Armour Group (Private) Limited” a Company incorporated on 07.04.2006 under the provisions of the Companies Act, No. 17 of 1982 is not carrying on business or in operation.

Now know you that I, Dias Karunaratne Hettiarachchi, Registrar General of Companies, acting under Section 394 (3) of the Companies Act, No. 07 of 2007, do hereby give notice that at the expiration of three months from this date the name of “Armour Group (Private) Limited”, will unless cause is shown to the contrary, be struck off the Register of Companies kept in this office and the Company will be dissolved.

D. K. HETTIARACHCHI,
Registrar General of Companies.

Department of Registrar of Companies,
No. 400, D. R. Wijewardena Mawatha,
Colombo 10,
25th March, 2011.

04-706

COMPANIES ACT, No.07 OF 2007

**Notice under Section 394 (3) to strike off the Name of
Clarence Edirisinghe Educational Trust**

WHEREAS there is reasonable cause to believe that “Clarence Edirisinghe Educational Trust” a Company incorporated on 12.03.1999 under the provisions of the Companies Act, No. 17 of 1982 is not carrying on business or in operation.

Now know you that I, Dias Karunaratne Hettiarachchi, Registrar General of Companies, acting under Section 394 (3) of the Companies Act, No. 07 of 2007, do hereby give notice that at the expiration of three months from this date the name of “Clarence Edirisinghe Educational Trust”, will unless cause is shown to the contrary, be struck off the Register of Companies kept in this office and the Company will be dissolved.

D. K. HETTIARACHCHI,
Registrar General of Companies.

Department of Registrar of Companies,
No. 400, D. R. Wijewardena Mawatha,
Colombo 10,
24th March, 2011.

04-718

GA 212.

Pv 64785.

COMPANIES ACT, No.07 OF 2007

**Notice under Section 394 (3) to strike off the Name of
Joyce and Clarence Educational Trust**

WHEREAS there is reasonable cause to believe that “Joyce And Clarence Educational Trust” a Company incorporated on 12.03.1999 under the provisions of the Companies Act, No. 17 of 1982 is not carrying on business or in operation.

Now know you that I, Dias Karunaratne Hettiarachchi, Registrar General of Companies, acting under Section 394 (3) of the Companies Act, No. 07 of 2007, do hereby give notice that at the expiration of three months from this date the name of “Joyce And Clarence Educational Trust”, will unless cause is shown to the contrary, be struck off the Register of Companies kept in this office and the Company will be dissolved.

D. K. HETTIARACHCHI,
Registrar General of Companies.

Department of Registrar of Companies,
No. 400, D. R. Wijewardena Mawatha,
Colombo 10,
25th March, 2011.

04-708

COMPANIES ACT, No.07 OF 2007

**Notice under Section 394 (3) to strike off the Name of
Miwsic Universal (Private) Limited**

WHEREAS there is reasonable cause to believe that “Miwsic Universal (Private) Limited” a Company incorporated on 10.07.2008 under the provisions of the Companies Act, No. 17 of 2007 is not carrying on business or in operation.

Now know you that I, Dias Karunaratne Hettiarachchi, Registrar General of Companies, acting under Section 394 (3) of the Companies Act, No. 07 of 2007, do hereby give notice that at the expiration of three months from this date the name of “Miwsic Universal (Private) Limited”, will unless cause is shown to the contrary, be struck off the Register of Companies kept in this office and the Company will be dissolved.

D. K. HETTIARACHCHI,
Registrar General of Companies.

Department of Registrar of Companies,
No. 400, D. R. Wijewardena Mawatha,
Colombo 10,
25th March, 2011.

04-717

N(Pvs) 19958.

PV 65627.

COMPANIES ACT, No. 07 OF 2007**Notice under Section 394 (3) to strike off the Name of
Dushantha International (Private) Limited**

WHEREAS there is reasonable cause to believe that “Dushantha International (Private) Limited” a Company incorporated on 21.10.1997 under the provisions of the Companies Act, No. 17 of 1982 is not carrying on business or in operation.

Now know you that I, Dias Karunaratne Hettiarachchi, Registrar General of Companies, acting under Section 394 (3) of the Companies Act, No. 07 of 2007, do hereby give notice that at the expiration of three months from this date the name of “Dushantha International (Private) Limited”, will unless cause is shown to the contrary, be struck off the Register of Companies kept in this office and the Company will be dissolved.

D. K. HETTIARACHCHI,
Registrar General of Companies.

Department of Registrar of Companies,
No. 400, D. R. Wijewardena Mawatha,
Colombo 10,
25th March, 2011.

04-716

COMPANIES ACT, No. 07 OF 2007**Notice under Section 394 (3) to strike off the Name of Visa
Wings (Private) Limited**

WHEREAS there is reasonable cause to believe that “Visa Wings (Private) Limited” a Company incorporated on 22.09.2008 under the provisions of the Companies Act, No. 17 of 1982 is not carrying on business or in operation.

Now know you that I, Dias Karunaratne Hettiarachchi, Registrar General of Companies, acting under Section 394 (3) of the Companies Act, No. 07 of 2007, do hereby give notice that at the expiration of three months from this date the name of “Visa Wings (Private) Limited”, will unless cause is shown to the contrary, be struck off the Register of Companies kept in this office and the Company will be dissolved.

D. K. HETTIARACHCHI,
Registrar General of Companies.

Department of Registrar of Companies,
No. 400, D. R. Wijewardena Mawatha,
Colombo 10,
24th March, 2011.

04-714

PV 67091.

PV 64896.

COMPANIES ACT, No. 07 OF 2007**Notice under Section 394 (3) to strike off the Name of
Samson Ruhuna Engineers (Private) Limited**

WHEREAS there is reasonable cause to believe that “Samson Ruhuna Engineers (Private) Limited” a Company incorporated on 20.02.2009 under the provisions of the Companies Act, No. 17 of 1982 is not carrying on business or in operation.

Now know you that I, Dias Karunaratne Hettiarachchi, Registrar General of Companies, acting under Section 394 (3) of the Companies Act, No. 07 of 2007, do hereby give notice that at the expiration of three months from this date the name of “Samson Ruhuna Engineers (Private) Limited”, will unless cause is shown to the contrary, be struck off the Register of Companies kept in this office and the Company will be dissolved.

D. K. HETTIARACHCHI,
Registrar General of Companies.

Department of Registrar of Companies,
No. 400, D. R. Wijewardena Mawatha,
Colombo 10,
24th March, 2011.

04-715

COMPANIES ACT, No. 07 OF 2007**Notice under Section 394 (3) to strike off the Name of
Viweka Distributors (Private) Limited**

WHEREAS there is reasonable cause to believe that “Viweka Distributors (Private) Limited” a Company incorporated on 22.07.2008 under the provisions of the Companies Act, No. 17 of 1982 is not carrying on business or in operation.

Now know you that I, Dias Karunaratne Hettiarachchi, Registrar General of Companies, acting under Section 394 (3) of the Companies Act, No. 07 of 2007, do hereby give notice that at the expiration of three months from this date the name of “Viweka Distributors (Private) Limited”, will unless cause is shown to the contrary, be struck off the Register of Companies kept in this office and the Company will be dissolved.

D. K. HETTIARACHCHI,
Registrar General of Companies.

Department of Registrar of Companies,
No. 400, D. R. Wijewardena Mawatha,
Colombo 10,
24th March, 2011.

04-713

Pv 60398.

Pv 11720.

COMPANIES ACT, No.07 OF 2007

**Notice under Section 394 (3) to strike off the Name of
Accura-Tech International (Private) Limited**

WHEREAS there is reasonable cause to believe that “Accura-Tech International (Private) Limited” a Company incorporated on 26.06.2007 under the provisions of the Companies Act, No. 07 of 2007 is not carrying on business or in operation.

Now know you that I, Dias Karunaratne Hettiarachchi, Registrar General of Companies, acting under Section 394 (3) of the Companies Act, No. 07 of 2007, do hereby give notice that at the expiration of three months from this date the name of “Accura-Tech International (Private) Limited”, will unless cause is shown to the contrary, be struck off the Register of Companies kept in this office and the Company will be dissolved.

D. K. HETTIARACHCHI,
Registrar General of Companies.

Department of Registrar of Companies,
No. 400, D. R. Wijewardena Mawatha,
Colombo 10,
25th March, 2011.

04-712

COMPANIES ACT, No.07 OF 2007

**Notice under Section 394 (3) to strike off the Name of
Yoshitani Rubber Company (Private) Limited**

WHEREAS there is reasonable cause to believe that “Yoshitani Rubber Company (Private) Limited” a Company incorporated on 05.09.2003 under the provisions of the Companies Act, No. 17 of 1982 is not carrying on business or in operation.

Now know you that I, Dias Karunaratne Hettiarachchi, Registrar General of Companies, acting under Section 394 (3) of the Companies Act, No. 07 of 2007, do hereby give notice that at the expiration of three months from this date the name of “Yoshitani Rubber Company (Private) Limited”, will unless cause is shown to the contrary, be struck off the Register of Companies kept in this office and the Company will be dissolved.

D. K. HETTIARACHCHI,
Registrar General of Companies.

Department of Registrar of Companies,
No. 400, D. R. Wijewardena Mawatha,
Colombo 10,
06th April, 2011.

04-722