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ஆண்டறிக்கை 2015

ம்காமதைத்துவ பட்டப்பின்பபிப்பு நிறுவகம்  
ஸ்ரீ ஜயவர்தனபுர பல்கலைக்கழகம்

Annual Report 2015

POSTGRADUATE INSTITUTE OF MANAGEMENT  
University of Sri Jayewardenepura

# Annual Report 2015



POSTGRADUATE INSTITUTE OF MANAGEMENT  
*University of Sri Jayewardenepura*

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## **PIM VISION, MISSION AND VALUES**

### **VISION**

To become a center for management excellence in South Asia

### **MISSION**

We ignite human imagination by developing leaders having global presence with local pulse. In doing so, we pursue innovative teaching, cutting-edge research, enriching partnerships, greener infrastructure and good governance.

### **VALUES**

**Passion:** Enthusiasm and eagerness towards results in showing professionalism in actions.

Key Behavioural Indications (KBIs)

- 1) Is clear about the tasks associated with the job
- 2) Is enthusiastic in handling tasks
- 3) Thinks innovatively in finding new solutions
- 4) Is conscious about one's contribution to the institutional success
- 5) Willing to put extra effort to achieve objectives

**Integrity:** Acting in an ethical manner with the best interest of the institution in mind

Key Behavioural Indications (KBIs)

- 1) Is honest in conducting oneself
- 2) Can be trusted in handling confidential matters
- 3) Conducts oneself fully within the rules and regulations of the institution
- 4) Cannot be manipulated for unethical actions
- 5) Keeps the institution's needs ahead of one's interest

**Mindfulness:** Paying attention to purpose and actions in doing things with self-awareness

Key Behavioural Indications (KBIs)

- 1) Pays attention to details
- 2) Is aware of the needed actions in any given moment
- 3) Looks at situations unbiased with an open mind
- 4) Has complete focus on tasks at hand
- 5) Is efficient in utilizing time

## Overall Approach

### *Our Edifice of Excellence*



We use our Quality Management System (QMS) as a tracking mechanism of our progress

## GOALS

**PIM's five goals for the next five years are as follows:**

- Goal One:** To enhance the scope of PIM academic programmes;
- Goal Two:** To enhance the scope of PIM excellence in research and publications;
- Goal Three:** To foster partnerships with industry, universities and professional associations;
- Goal Four:** To develop ICT and ensure green infrastructure facilities to offer a conducive learning environment, and
- Goal Five:** Ensure revenue growth inclusive of foreign income with financial and administration compliance.

Accordingly, 20 Strategic Objectives have been formulated.

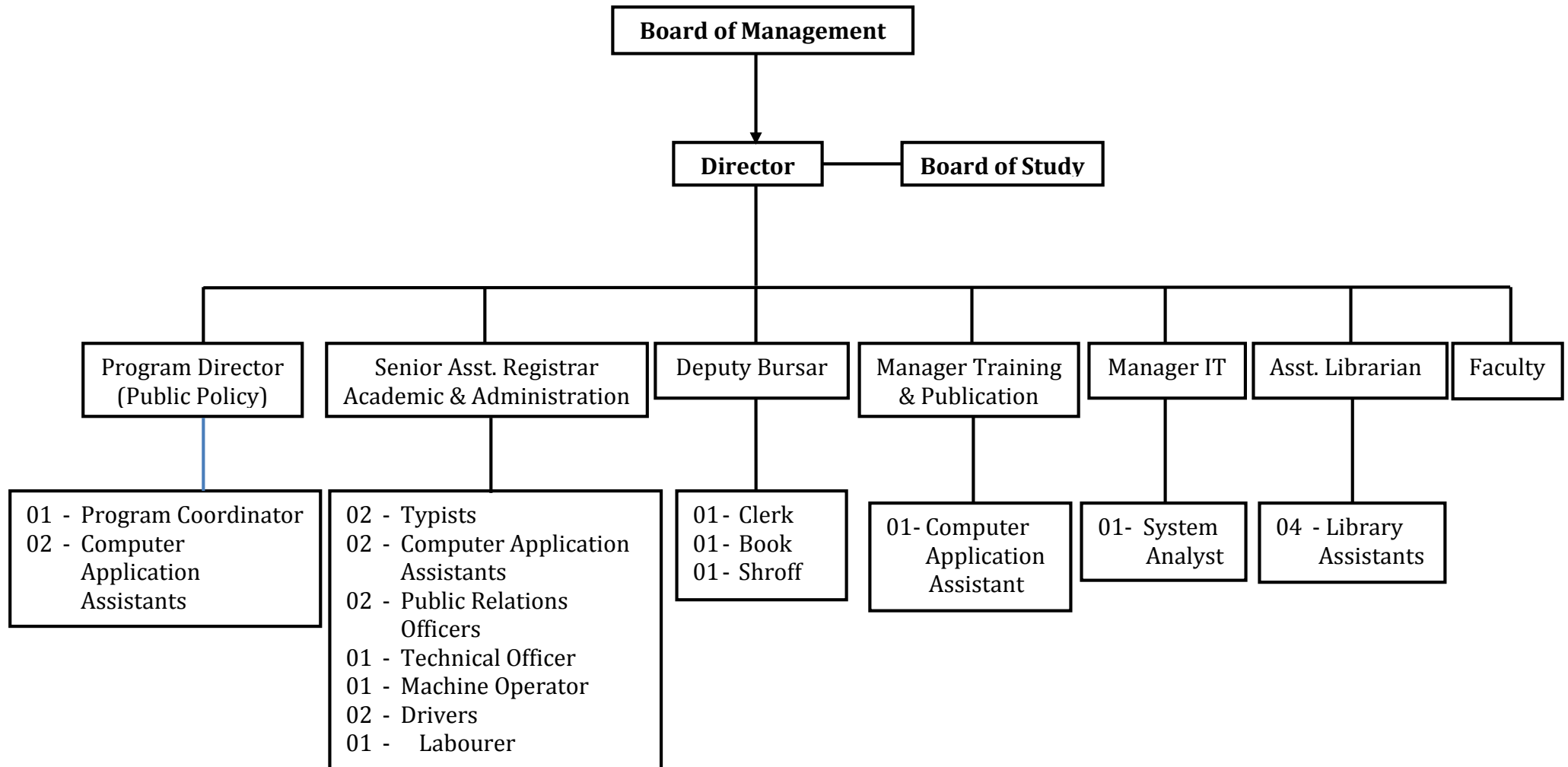
## **PIM Quality Policy**

As a pre-eminent postgraduate institutions in Sri Lanka, driven by the pursuit of knowledge and innovation, with a unique institutional culture based upon the values the institutions espouses, the Postgraduate Institute of Management (PIM) is committed to pursue global standards excellence in all its endeavours, namely, teaching, research, consultancy and continuing education, and to remain accountable in all its core and support functions, through a process of research, review, evaluation and continuous improvement at all times.

The PIM is committed to:

- enhance quality and scope of our academic programmes,
- enhance strategic international relationships through its research and development, and excel in research and publications,
- foster partnerships with industry, universities and professional associations,
- developed a skilled and customer-focused staff and faculty by providing training, and other support facilities,
- enhance efficiency and effectiveness of the Institute's administrative and financial processes, and
- promote corporate social responsibility as an integral component of linking its activities with the society.

## ORGANIZATIONAL STRUCTURE



## **INTRODUCTION**

The Postgraduate Institute of Management (PIM) is a semi-autonomous body affiliated to the University of Sri Jayewardenepura. Its objectives are to promote advanced education and professionalism in management in Sri Lanka through the provision of postgraduate instruction, training, research, and development in the various branches of management and administrative studies. Today, it serves the national interests of professional management education and training, providing challenging opportunities for learning and skills development to thousands of senior-level managers and administrators. Being the pioneer of advanced management education in Sri Lanka, PIM provides leadership to those in the business of innovating and disseminating management know-how as well as to those who are in search of higher learning alternatives.

PIM, established in 1986 by Ordinance under the Universities Act 16 of 1978, is one of the seven postgraduate institutes in the university system of Sri Lanka. Though it is relatively young, it has the largest student population among postgraduate institutes, and it is the only self-financing higher learning institution in the university system of the country.

The history of the Institute goes back to 1981 when a Division of Postgraduate Studies was set up at the Faculty of Management Studies of the University of Sri Jayewardenepura. The Division started postgraduate studies in management with collaboration under CIDA with two Canadian Universities, viz., Ottawa University and Carleton University. In 1986, the Division was upgraded to a separate institute under the University of Sri Jayewardenepura. In 1995 the Postgraduate Institute of Management was moved to the new building constructed at Lesley Ranagala Mawatha, Colombo 8.



## **DIRECTOR'S REVIEW**

Thirty-five years ago, when PIM headed by its founder Director embarked on the national task of developing managers for Sri Lanka through the special management programme introduced at the Division of Postgraduate Studies, there was little concern in the country, both in the private and public sectors, about advanced management education. In this context, the founder Director negotiated with the Canadian International Development Agency (CIDA) to obtain assistance to set up an MBA degree programme in Sri Lanka. Though in the early 1980's a monopolistic market existed in the country, now, more than 35 years later, the market for MBAs has become very competitive.

Eight universities in the country offer MBA programmes while over a dozen private, off-shore MBA programmes too compete with PIM. These latter programmes are advertised extensively using foreign funds and charge fees in excess of double that of PIM for their MBA programmes. Competition comes from lowering entry qualifications and the use of the faculty of the local universities as resource persons with their 'prestigious' name tags. These are the key challenges to PIM, the institution that has taken the bold initiative to operate on self-generated funds. The competitor private educational institutions are not hampered by the restrictions that PIM faces. Owing to its self-imposed initiative to be self-sufficient, PIM has to earn funds to pay for salaries, utilities, supplies, transport needs, capital expenditure, taxes and maintenance, security and audit fees. This is indeed a unique situation where a public sector organization in Sri Lanka has dared to earn its upkeep covering all its expenses, both recurrent and capital, and manage the institution with a surplus.

During the year, PIM was ably guided and directed by its Board of Management and the Boards of Study on the basis of the Corporate Plan for 2015-2019. I am pleased to state that overall performance in the PIM's five goals of (i) to enhance the scope of PIM academic programmes, (ii) to enhance the scope of PIM excellence in research and publications (iii) to foster partnership with industry, universities, and professional associations (iv) to develop ICT and ensure infrastructure facilities to offer a conducive learning environment (v) Ensure revenue growth inclusive of foreign income with financial and administration compliance. The next few pages are devoted to provide the

PIM's achievements during the year. This will be followed by sections on human resources development and administrative and financial efficiency.

Arguably the future of the public enterprises in Sri Lanka lies in maintaining a proper balance between autonomy and control. The country needs, on the one hand, to establish a self-funding, self-managed and self-regulating tradition in public enterprise undertakings, and on the other hand, ensure that the various enterprises meet some minimum standards – such as efficiency, accountability, and excellent service.

The autonomy of the Postgraduate Institute of Management (PIM) is enshrined in the enabling legislation which provides for administrative, financial and operational freedom. Moreover, the PIM does not rely on any budgetary allocations from the General Treasury, not even for its capital expenditure which includes the construction of new buildings.

In recent years, there has been a proliferation of institutes of higher learning in Sri Lanka. However, a distinction has to be made between institutes that are self-financing and institutes such as- the state universities which depend on considerable Treasury grants on an on-going basis. PIM is structurally differentiated from the vast array of such organizations in the quality of its courses, in the non-traditional modes of course delivery, group and interactive learning sessions, presence of learning facilitators in addition to formal lecturers and programmes designed on the basis of a needs analysis of clients. PIM's central intent is to transform public and private sector practitioners into professionals.

For private enterprises, profitability provides the key indicator of efficiency. For state-owned enterprises, profitability may not be a sufficient indicator, given that many such enterprises are not created to maximize profits as they perform non-profit making functions. However, where a state-owned enterprise functions without being a burden on the Treasury, in our view, such activities must be promoted. Only a performance-based auditing will motivate PIM to improve its operational performance and delivery of services.

In seeking to maintain flexibility, we need a criterion for creating, managing, supervising and holding to account different types of enterprise. As a result, a wide variety of enterprises should exist, each with its own funding, reporting, personnel and governance arrangements.

The lack of financial independence and control of human resources will severely inhibit and constrain PIM's long-term development, market orientation and performance improvement. For PIM to achieve its full potential, it is very important that PIM Board of Management must possess a financial independence to a certain extent.

## **BOARD OF MANAGEMENT**

The following formed the Board of Management which is the academic and executive body of the Institute

### **Ex-officio Members:**

Prof. Ajantha Dharmasiri, Director and Chairman of the Board  
Secretary, Ministry of Higher Education (Rep. Mr Piyasena Ranepura)  
Secretary, Ministry of Public Administration (Rep. Ms. B P P S Abeygunawaratne)  
Secretary, Ministry of Finance (Rep. K D N R Asoka)  
Director General, National Institute of Business Management (Dr. E. A. Weerasinghe)  
President, Institute of Chartered Accountants, Sri Lanka (Mr. Arjuna Herath)  
President, Institution of Engineers, Sri Lanka (Dr. S B Wijekoon)  
Chairman, Ceylon Chamber of Commerce (Mr. Suresh Shah)  
Dean, Faculty of Management Studies and Commerce, USJ (Dr. U Anura Kumara)  
Director, Sri Lanka Institute of Development Administration (Prof. M, Thilakasiri)

### **Members appointed by the University Council:**

Prof. D B P H Dissabandara, Department of Finance, University of Sri Jayewardenepura  
Senior Prof. K D Gunawardana, Department of Accounting, University of Sri Jayewardenepura  
Senior Prof H. H. D. N. P. Opatha, Department of HRM, University of Sri Jayewardenepura  
Prof. B N F Warnakulasuriya, Dept. of Marketing Management, University of Sri Jayewardenepura

### **Members Appointed by the University Grants Commission:**

Mr. Ravi Edirisinghe, Vice President, Freight Link International  
Mr. Harsha Fernando, Consultant, Asian Development Bank  
Dr Saman Kelegama, Director, Institute of Policy Studies  
Dr. Travis Perera, Consultant, PIM  
Dr Wickrema Weerasooria, Insurance Ombudsmen of Sri Lanka

## **BOARD OF STUDY**

The Board of Study of the Institute regulated the matters connected with teaching, examinations and research during the year and it was represented by the following members.

### **Board of Study in Business Administration**

Prof. Ajantha Dharmasiri, Director, PIM (Chairman)

Prof. Sampath Amaratunga, Dean, Faculty of Management Studies and Commerce, University of Sri Jayewardenepura

Prof. Uditha Liyanage, Professor in Management, Postgraduate Institute of Management

Mr. Eardly Perera, Company Director/Consultant

Dr. Travis Perera, Senior Consultant, Postgraduate Institute of Management

Mr. M. R. Prelis, Chairman, Capital Trust Securities (Pvt) Ltd.

Dr. Arul Sivagananathan, Managing Director, Hayleys Business Solutions (Pvt) Ltd

### **Board of Study in Public Administration**

Prof. Ajantha Dharmasiri, Director, PIM (Chairman)

Dr. Lloyd Fernando, Program Director (Public Policy), PIM

Prof. A. K. W. Jayawardena, Vice Chancellor, University of Moratuwa

Dr. Indrajit Coomaraswamy, Former Director, Economic Affairs, Commonwealth Secretariat

Dr. Wickrema Weerasooria, Insurance Ombudsman in Sri Lanka

Dr. Jayampathy Wickremaratne, President's Counsel

Mr. W A Wijewardena, Former Deputy Governor, Central Bank

## **ACHIEVEMENTS: POSTGRADUATE EDUCATION**

### **Postgraduate output during the year**

The educational programmes were conducted successfully and on schedule. The number of postgraduate students who completed the Master's degree and Postgraduate Diploma requirements during the year is given in Table 1.

**Table 1: Postgraduate Output during 2015**

<b>Programme</b>	<b>No.</b>
Ph. D. in Business Administration	02
Master of Business Administration	399
Master of Public Administration	40
Postgraduate Diploma in Public Administration	01
Postgraduate Diploma in Management	06
Postgraduate Diploma in Human Resource Mgt.	01
Master of Customs Administration	01
Master of Business Adm. In Int. Trade and Logistics	02
<b>Total Number of Graduates</b>	<b>452</b>

*Source:* PIM data base

### **Student Enrolment during the year**

The student enrolment for the Master's degree programmes during the year 2015 is given in Table 2.

**Table 2: Student enrolments during 2015**

<b>Course</b>	<b>Nos.</b>
Master of Business Administration	275
Master of Public Administration	71
Master of Business Adm. in Taxation	60
<b>Total</b>	<b>406</b>

*Source:* PIM data base

## Course Planning and delivery

- a) Fresh attempts were made to improve the quality and relevance of the MBA programme as well as Postgraduate Diploma programmes conducted during the year. In order to stay ahead of competition, while delivering value to the student, programme curricula were improved in keeping with emerging trends and new areas of knowledge. Further, the following changes were introduced and popularized.  
*Redesigning course outlines:* Courses were redesigned to sharpen focus and direction. A comprehensive and clearly thought-out course structure, along with a listing of mandatory readings have helped the lecturer in terms of course preparation and delivery and the postgraduate students who are now able to prepare in advance for a particular session.
- b) *Delivery mode:* Two specific changes were made. First, only a third of a three-hour session is typically devoted to the *straight lecture component*, i.e., *to tell*. The remainder of the session is devoted to *show* (e.g. showing a video), *to ask* (e.g. engage students in discussion/debate), and *to do* (e.g. do an exercise or case study). The Faculty is aware of the need to use all four modes of delivery for making a high impact on the student-managers and for achieving the desired learning outcomes.
- c) *Guest lectures:* There is great need to involve key people from industry to deliver guest lectures on selected topics. These sessions are pre-planned and integrated into the course structures. These guest lectures have been useful and they in fact mark a vital point of departure between the MBA programme at PIM and that of competitors.
- d) *Release of marks:* The Faculty has been set a target for the timely release of marks - six weeks from the date of the final exam. This is closely followed up, and constitutes a KPI for the faculty.
- e) *Student evaluation:* This is an important assessment of the student's perception of a course. The semester-end evaluation by students is summarized and the respective faculty members are informed of their performance as perceived by student-managers. An overall evaluation of 4 on a scale of 1-5 is expected from each faculty member.
- f) *Residential Workshops:* An important feature of programme delivery is residential workshops. They are usually held in locations away from Colombo. Two such

workshops for the benefit of MBA & MPA students were held during the year. They helped students and faculty to deliberate on selected issues in an environment of calm that promotes creativity and camaraderie among students.



## **RESEARCH AND PUBLICATIONS**

Research in management in Sri Lanka is still in its infancy. We have yet to develop a research tradition in the discipline. The challenge is to formulate the paradigm in which our research efforts should be directed. As we perceive it, the principal objective of research is to go in search of an indigenous core for the enrichment of management as a profession. Towards this end, we seek methods and logical approaches to research through which the quality of research outputs can be elevated to acceptable levels.

During the year 2015, over 200 student research projects were completed which are available in hard-bound form in the PIM library.

### **PIM - UNSW Partnership**

Under the PIM - University of New South Wales (UNSW) partnership agreement, the UNSW assistance received during the year is noteworthy.

- a) Development of academic and research skills of the PIM Faculty and Doctoral students through joint research project, faculty exchange and workshops conducted by UNSW faculty at the PIM.
- b) Award of Ph. D scholarships to MBA graduates of PIM who perform exceptionally well in research.

### **Publications**

Satisfactory progress was shown in the area of publications during the period under review.

- i) *PIM Presentation guidelines*: An up-dated edition of handbook titled *PIM Presentation Guidelines* designed to promote uniformity in the writing and presentation of material by PIM staff and students was published. The book lays down the standard set of rules and guidelines for compliance and is largely based on the guidelines set out in the Manual of the American Psychological Association. The Faculty has also contributed to the compilation of the publication.

- ii) *Sri Lankan Journal of Management (SLJM)*: The quarterly Journal of the Institute, started in 1996, continues to provide a forum for publication and discussion. Two bumper issues of SLJM were published during the year 2015. The principal objective of SLJM is to provide a medium for addressing issues of relevance in management and for disseminating results of excellent research projects of the Faculty and of students. Those from industry are also invited to send in their contributions for publication.
- iii) *The Professional Manager*: This bi-annual magazine was launched, in addition to the SLJM, to cater to the emerging needs of the modern manager. It disseminates cutting edge management knowledge in a style that is easy to comprehend without a particular functional bias. Issues that are topical and significant for today's managers operating in a complex and turbulent environment are given emphasis in *The Professional Manager*. Two issues of the publication were printed during 2015.
- iv) During the year under review 48 articles authored by faculty and students were published in the local press.

**Table 3: Research, Innovation and Publications**

<b>Subject</b>	<b>Published</b>	<b>Commercialized</b>	<b>Presented</b>
a. No. of Research of MBA students	--	--	206
b. No. of Journals	02	02	
c. No. of Magazines	02	02	
d. No. of Books	02	02	
e. No. of Articles (in the press)	32	(appeared in the daily press)	
<b>Total</b>	<b>38</b>	<b>06</b>	<b>206</b>

Source: PIM data base

## **PIM Research Day**

First PIM Annual Research Day was held on November 20, 2015 at the Institute. Dr. Saman Kelegama, Executive Director, Institute of Policy Studies participated as the chief guest.

PIM initiated this concept of showcasing our research to benefit a larger audience including students, academics, researchers and PR actioners and policy makers. In line with the strategic direction of PIM, management research plays a pivotal role. In fact, it is one key pillar in our edifice of excellence which will make us a center of management excellence in South Asia. With the commencement of the research partnership between PIM and the University of New South Wales (UNSW), Australia, we look forward to be more vibrant in our research endeavours.

## **TRAINING AND CONSULTANCY**

PIM takes pride in conducting client-focused training for employees of organizations in its efforts to be a working partner of the business community. The clients include both public and private sector institutions engaged in manufacturing and services such as banking, finance and insurance. During the year eight such short- to medium-term training programmes were conducted for eight organizations as illustrated in Table 4.

**Table 4: Management Development Programmes conducted in 2015**

<b>Organization</b>	<b>Programme</b>
1 Ministry of Health	Enhancement of Managerial Skills of Medical Administrators (2 consecutive programmes)
2 Cargills (Ceylon) PLC	Executive Development Programme for Senior Management of the Cargills (Ceylon) PLC
3 Sri Lanka Telecom PLC	Executive Development Programme for Sri Lanka Telecom PLC on Key Performance Indicators
4 Central Finance PLC	Executive Development Programme for Branch Managers of Central Finance PLC
5 Citizen Development Business Finance PLC	Executive Development Programme for Senior Management of Citizen Development Business Finance PLC (2 consecutive programmes)
6 Aitken Spence Company	Executive Development Programme for Senior Management of Aitken Spence Group
7 Holcim, Keells, Union Assurance and SAGT	Joint Executive Development Programme for Senior Management of Holcim, Keells, Union Assurance and SAGT PLCs
8 Holcim PLC	Business Simulation Programme for Senior Management of Holcim PLC

*Source:* PIM data base

## **ACADEMIC AND PHYSICAL ENVIRONMENTAL ENHANCEMENT**

PIM is fully aware of the need to pay considerable attention to academic and environmental enhancement, which it has continued to do during the year as shown below:

### **Annual Faculty Retreat**

The annual Faculty Retreat of the Institute was held at the Jetwing Blue Hotel, Negombo. Its main objective was to deliberate on the *status quo* of the Institute in respect of all its major functions and operations with a view to effecting improvements and repositioning itself to meet current and future demands and achieve greater success for the Institute. In fact, a worthwhile Faculty Retreat can breathe new life into the academic community, and the content of a well-organized retreat can contribute to the development of the Institute's identity and can inspire a shared sense of reflection and forward movement. These objectives were attained to a large extent at this year's Annual Faculty Retreat.

### **The 5 M framework for development**

In order to take PIM forward in the years ahead, the five dimensional programme which had already been adopted was continued with even greater vigour. It involved constant involvement in the 5 M, viz., Market, Members (faculty and staff), Mentors (faculty assigned to provide individual help and guidance and feedback), Monitors (appointing class representatives for each batch) and MBA's (work with Alumni of PIM). Emphasis was given to working with these stakeholders through the deliberations at Faculty meetings and meetings organized with the participation of other stakeholders.

### **ISO 9001-2008 status for PIM**

Obtaining the ISO 9001-2008 certification was one of the greatest achievements in our history. PIM is the only higher educational Institution in the University system in Sri Lanka which has obtained this certification to-date. The process leading to the certification was most rewarding as it resulted in effecting improvements in the academic arena comprising teaching, learning and evaluation as well as academic, administrative and financial administration.

## **Expansion of library**

Expansion of the Library (including the video library) continued in year 2015. A sum of Rs.2.5 million was set aside for the purpose. The library was further upgraded to accommodate more users, and the facilities, viz., research collection and information assistance, inter-library loans, subject bibliographies and displays, internet connectivity and videos. The automated catalogue system was further up-graded to provide better service to students. By end of the year 2015, over 35,000 books on management and related areas, and over 30 journals and periodicals had been made available for the readership. In order to ensure an efficient service, the bar coded circulation system was further upgraded as part of library modernization.

## **Enhanced facilities for staff and students**

In order to provide better facilities for students the following enhanced facilities were introduced during the year:

- *Physical Training Centre:* Many postgraduate students who follow the MBA programs of the Institute are unable to strike the vital *work-life-learn* balance. PIM students ought to appreciate the need to manage the four facets of life, namely, physical, mental, social, and spiritual. The Physical Training Centre, which helps achieve this objective, was upgraded with new equipment.
- *Web-based student progress reporting system:* The system was developed for MBA/MPA students to find out their up-to-date individual academic performance during the programme, marks gained in each course, course averages, and their standing *vis a vis* other in the batch. The system was further upgraded during the year.
- *Expansion of the car park:* The car park was further expanded to accommodate more vehicles for the benefit of postgraduate students following evening lectures after office.
- *Maintenance and refurbishing work:* The PIM building was colour washed and maintenance work in all areas continued. Lecture rooms and lecturers' cubicles wherever necessary, were refurbished. New chairs and tables were provided both in the students' study areas and lecture rooms. Further, old sound systems in some of the lecture rooms were replaced with new ones.

- *Introduction of an automated bar code system for recording attendance:* This removed the need for a manual register of student attendance. This was further upgraded to enable the students to view their attendance rate daily *via* the student learning portal.
- *Introduction of on-line services:* On-line uploading of course material, on-line student evaluation of faculty members, and on-line updating of students' course marks continued during the year. The bulk SMS system introduced to communicate with students on urgent matters became more popular during the year,

### **PIM Building Project Stage II**

A project proposal for the construction of Stage II of the PIM building complex was approved by the Cabinet of Ministers in June 2012. The total project cost is estimated at Rs. 171 million. The Institute intends to commence the project in the near future and the funds generated by the Institute will be utilized to complete a substantial part of the building. On completion of the building the Institute will be in a position to provide extended and expanded services to the students as well as to the corporate community.

### **Publicity and Image**

A conscious effort was made to publicize all PIM activities/events carried out in 2015 with press and TV coverage, thus increasing the visibility of PIM. The PIM website which is regularly upgraded also covers the special events conducted by the Institute.

### **Expansion of m-Learning Facility**

PIM signed an MOU with Mobitel Pvt Ltd to facilitate MPA students and MBA student in UAE to follow the program on-line using the live lecture software. This live lecture feature enables the lecturers to deliver lectures on line using the live lecture software. The live lecture feature enables delivering lectures simultaneous through multimedia modes such as video, power point presentations and voice.

**Foreign Students**

Under the Sri Lankan Government Scholarships for foreign students and Sri Lankan Commonwealth Scholarship programmes, 03 foreign students completed the MBA programme at the Institute.

**Partnership with Foreign Universities**

A Memorandum of Understanding (MOU) was signed with the Kasetsart University, and the Asian Institute of Technology, Thailand for the purpose of providing training in international management for selected groups of public sector officials in the country. A total number of 80 officials in 2 batches were trained under this programme during the year.



## HUMAN RESOURCES DEVELOPMENT AND CARDRE

During the year both faculty as well as non-academic staff rendered yeomen service to the achievement of institutional goals.

### Faculty resources

Over a period of three decades, the Institute has accumulated a wealth of experience in adult learning, research and consultancy. Most of the teachers of the Institute today have been at the task for many years, and hence they form a core team of academics who set standards, integrate locally-found knowledge regularly into the curricula, and coordinate with other faculty members with speed and efficiency. The teaching faculty was engaged in the conduct of course work and the supervision of research papers and skills projects of Master's and Doctoral level students. The faculty team comprised permanent teachers, teachers on contract and visiting academics and professionals:

**Table 5: Academic Staff:**

	Senior Professor	Professor	Senior Lecturer	Consultants	Visiting Consultants
	-	01	-	10	30
Total	-	01	-	10	30

Source: PIM data base

### Non-academic Staff

The Institute was staffed by 26 full-time employees during the year. Janitorial services, cleaning, security and cafeteria facilities were outsourced.

Details of non-academic staff appear in Table 6.

**Table 6: Details of Non- Academic Staff**

Faculty/Branch	Most Senior	Senior Staff	Junior Staff	Minor Employees
Administration & Academic Affairs		01	05	03
IT Centre		01		01
Library		01	04	
Director's Office	01		01	
Training & Publications	01		01	
Public Policy Division	01	01	02	
Finance	01		03	
Total			28	

Source: PIM data base

## Approved Cadre 2015

9/10	11	12	13		Designation			Salary Code
					<b>GENERAL ADMINISTRATION</b>			
1	1	1	1		Director	-	1	U-AC 5(II)
			1	*	Senior Assistant Registrar	-	1	U-EX 2(II)
1	1	1	0	*	Assistant Registrar	-	0	U-EX 1(II)
2	2	2	2		Public Relations Officer	-	2	U-EX 1(II)
3	3	3	3		Technical Officer			
					Grade II 'Seg B'	-	3	U-MT 1(III B)
					Grade II 'Seg B' (Civil & Elect.)	-	0	U-MT 1(III B)
3	3	3	3		Computer Application Assistant			
					Grade III	-	3	U-MN 1(III B)
2	2	2	2		Typist			
					Grade II	-	2	U-MN 1(II)
2	2	2	2		Driver			
					Grade I	-	2	U-PL 3(II)
3	3	3	3		Office Machine Operator			
					Grade I	-	1	U-PL 1(II)
					Grade II	-	2	U-PL 1(III)
1	1	1	1		Gardner			
					Grade II	-	1	U-PL 1(III)
18	18	18	18					
				*	Assistant Registrar promoted to Senior Assistant Registrar under APER Scheme			
					<b>FINANCE</b>			
1	1	1	1		Deputy Bursar	-	1	U-EX 2(a)
1	1	1	1		Book Keeper			
					Grade I	-	1	U-MN 1(I)
1	1	1	1		Store Keeper			
					Grade II	-	1	U-MN 1(III A)
1	1	1	1		Shroff			
					Grade III	-	1	U-MN 1(III A)
4	4	4	4					
					<b>ACADEMIC GENERAL</b>			
3	3	3	3		Professor	-	3	U-AC 5(II)
5	5	5	5		Lecturer			
					Senior Lecturer Gr. I	-	5	U-AC 3(I)
8	8	8	8		Full-time Consultant	-	8	U-AC 3(I)
16	16	16	16					
					<b>LIBRARY</b>			
1	1	1	1		Senior Assistant Librarian			
					Grade II	-	1	U-AC 3(II)
1	1	1	1		Assistant Librarian	-	1	U-AC 3(IV)
4	4	4	4		Library Assistant			
					Grade III	-	4	U-MN 1(III A)
6	6	6	6					
					<b>IT CENTRE</b>			
1	1	1	1		IT Manager	-	1	U-EX 2(III)
2	2	2	2		Instructor (Computer Technology)			
					Gr. II	-	2	U-AS 2(II)
1	1	1	1		Programme cum Systems Analyst			
					Gr. II	-	1	U-AS 2(II)
4	4	4	4					

## **ADMINISTRATIVE AND FINANCIAL EFFICIENCY**

This has been a satisfactory year for the Institute in administrative and financial efficiency spheres as is reflected in the following statements:

Comparative Recurrent expenditure figures appear in Table 7.

**Table 7: Recurrent Expenditure: 2013 (Rs.) 2014 (Rs.) 2015 (Rs.)**

<b>Subject</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>
a. Personal emoluments	37,743,448	37,450,350	52,032,035
b. Travelling	2,367,507	1,263,175	3,075,082
c. Supplies	8,863,732	11,812,206	8,597,401
d. Maintenance	4,032,681	4,864,374	7,218,452
e. Contractual Services	18,952,907	25,263,530	23,091,955
f. Other	40,261,864	23,947,168	52,691,284
g. Project Nature Expenditure	20,775,283	33,689,780	18,543,423
<b>Total Expenditure</b>	<b>129,727,425</b>	<b>138,290,583</b>	<b>165,249,632</b>

*Source:* PIM data base

Comparative capital expenditure figures appear in Table 8.

**Table 8: Capital Expenditure**

<b>Subject</b>	<b>2013 (Rs)</b>	<b>2014 (Rs)</b>	<b>2015 (Rs)</b>
a. Acquisition of furniture & office equipment	4,885,334	6,147,596	6,707,790
b. Acquisition of machinery	5,676,652	-	-
c. Acquisition of buildings and structures	-	-	-
d. Other (Library books, Motor vehicle, Cloaks)	1,193,395	2,117,571	7,032,868
e. Rehabilitation & Renovation of Land & Building	393,400	2,660,542	-
<b>Total</b>	<b>6,472,129</b>	<b>6,472,129</b>	<b>13,740,658</b>

*Source:* PIM data base

Comparative financial progress figures of expenditure appear in Table 9.

**Table 9: Financial Progress (Expenditure)**

<b>Subject</b>	<b>Provision in 2015 Rs.</b>	<b>Expenditure in 2015 Rs.</b>	<b>Savings/Excess Rs.</b>
a. Recurrent except Project	141,989,000	119,312,407	22,646,593
b. Capital except Project	18,000,000	13,740,658	4,259,342
c. Project – Local funded	-	-	-
d. Project – Foreign funded	-	-	-
<b>Total</b>	<b>159,989,000</b>	<b>133,053,065</b>	<b>26,905,935</b>

Note: above (b) is excluding construction project provision of Rs. 130,000,000/-

Source: PIM data base

Comparative financial progress figures of generated income appear in Table 10.

**Table 10: Financial Progress (Generated Income)**

<b>Source of Revenue</b>	<b>Provision in 2015 Rs.</b>	<b>Collection in 2015 Rs.</b>	<b>Deficit/Surplus Rs.</b>
Undergraduate Studies	-	-	-
Postgraduate Studies	126,413,000	147,022,890	20,609,890
Consultancies	15,000,000	9,110,980	(5,889,020)
Other	48,535,000	49,170,648	(635,648)
<b>Total</b>	<b>189,948,000</b>	<b>205,304,518</b>	<b>15,356,518</b>

Source: PIM data base

### **Financial Performance Analysis, 2015:**

During the year, the Institute did not receive any funds from government sources, in keeping with the policy of self-financing of the Institute, which started in 1997. Since that year, PIM has not received any funds from the University Grants Commission or Treasury for recurrent expenditure.

Financial performance analysis figures of 2015 appear in Table 11.

**Table 11: Financial Performance Analysis, 2015**

<b>Subject</b>	<b>Formula</b>	<b>Exp. Per Student Rs.</b>
Recurrent Expenditure (RE) per Student	RE / No. of Student Strength	231,118
Capital Expenditure (CE) per Student (CE)	CE / No. of Student Strength	19,218
<b>Total</b>		

Source: PIM data base

## **FUTURE PLANS**

PIM should pay a greater attention to improve the quality of research reports of the students. In addition to the content of reports presentation aspects need improvement. Students should also be exposed to larger doses of qualitative and mixed research methods. A concerted effort should also be made to get the Sri Lankan Journal of Management attain ranked status for which enhancement of quality of research outputs of staff seems important. Thus, the need to set up a Research Centre within the institute looms large.

In addition, attempts must be made to enhance the MPA programme conducted by the Institute both in terms of contents as well as method of delivery. Use of blended learning methods using information technology could be useful as it will ensure participation of students from distant parts of the country.

PIM and its core programme, the MBA, have over the years been competitive amidst growing competition. Relevance and quality were the two key success factors. It is the institute's endeavor to continue to excel in its chosen areas of activity, the MBA, MPA & Ph. D, core programmes, and research while paying greater attention to Executive Development Programmes (EDP) which are tailor-made to meet the specific training and development needs of clients, especially from the private sector. Infra-structure development, with expansion of the Faculty and their continuous development will enable the above mentioned programmes of study research, and training to be delivered as planned.

Prof. Ajantha Dharmasiri  
Director

August 01, 2017

## FINANCIAL STATEMENT

### POSTGRADUATE INSTITUTE OF MANAGEMENT/UNIVERSITY OF SRI JAYWARDENEPURA STATEMENT OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED DECEMBER 31, 2015

	31 Dec 2015	31 Dec 2014
<b>REVENUE</b>		
Registration Fees (Postgraduate)	3,060,721.00	850,793.00
Tuition Fees (Postgraduate)	147,022,890.00	118,993,100.00
Examination Fees (Postgraduate)	469,000.00	540,200.00
Management Development Programmes	9,110,980.00	15,257,175.00
Application Fees	614,000.00	801,900.00
Convocation Fees	63,000.00	4,198,000.00
	<b>160,340,591.00</b>	<b>140,641,168.00</b>
<b>OTHER INCOME</b>		
Interest on Investments	13,620,829.32	17,361,723.50
Interest on Loans & Advances	91,364.70	94,461.81
Rent from Property	16,391,125.00	14,843,405.00
Profit/ (Loss) on Sale of Old Store Items	(133,495.00)	(561,445.00)
Foreign Exchange Gains	29,358.48	(3,428.94)
Sale of Van	1,100,500.00	-
Sale of Publications	343,300.00	557,410.00
Library Fines & Fees	92,000.00	175,965.00
Extension Course on Public Policy For Business Leaders	-	935,000.00
Research Workshop	277,500.00	30,000.00
International Training Programmes	10,191,000.00	-
Miscellaneous Receipts	2,960,445.39	2,389,233.09
<b>Total Income</b>	<b>44,963,927.89</b>	<b>35,822,324.46</b>
<b>EXPENSES</b>		
General Administration & Staff Services	60,888,454.39	54,446,264.85
Academic Services	56,298,032.52	48,170,988.55
Teaching Resources	4,459,672.81	3,061,395.30
Ancillary Activities	4,777,583.41	3,594,424.77
Management Development Programmes	8,838,831.00	9,502,373.00
Expenditure for PIM Publications	581,519.00	914,737.92
Extension Course on Public Policy For Business Leaders	-	401,276.40
International Training Programmes	9,704,591.71	-
Bad Debts	-	1,882,500.00
Depreciation	18,847,634.99	16,316,622.65
Miscellaneous	853,312.50	-
<b>Total Expenses</b>	<b>165,249,632.33</b>	<b>138,290,583.44</b>
<b>Surplus for the Year before Revaluation Gains</b>	<b>40,054,886.56</b>	<b>38,172,909.02</b>
Gains on Revaluation of PPE	-	10,661,270.38
<b>Surplus for the Year after Revaluation Gains on PPE</b>	<b>40,054,886.56</b>	<b>48,834,179.40</b>

POSTGRADUATE INSTITUTE OF MANAGEMENT/UNIVERSITY OF SRI JAYAWARDENEPURA STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31, 2015

	Note	31 Dec 2015	31 Dec 2014
<b>ASSETS</b>			
<b>Non-current Assets</b>			
Property, Plant & Equipment	2.1	66,179,742.33	70,239,907.38
<b>Current Assets</b>			
Inventory	2.2	2,851,651.09	4,407,486.21
Debtors		1,641,000.00	1,641,000.00
Loans and Advances to Staff	2.3	2,875,278.31	2,665,453.05
Advances		2,813,510.00	3,870,000.00
Prepayments		258,028.40	143,010.40
Deposits	2.4	14,717,142.37	6,274,525.31
Fixed Deposits	2.5	272,847,368.34	246,290,062.60
Cash & Cash Equivalents	2.6	48,157,712.29	13,941,116.66
<b>Total Assets</b>		<b>412,341,433.13</b>	<b>349,472,561.61</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Capital Grant		166,986,089.57	166,986,089.57
Revaluation Reserve		10,661,270.38	10,661,270.38
General Reserve		105,510,220.23	63,569,358.60
Donation Reserve	2.7	-	2,036,493.97
Endowment Fund	2.8	398,306.54	378,655.94
<b>Total Equity</b>		<b>283,555,886.72</b>	<b>243,631,868.46</b>
<b>Liabilities</b>			
<b>Non-current Liabilities</b>			
Provision for Gratuity		8,290,762.81	8,542,648.94
<b>Current Liabilities</b>			
Income Received in Advance	2.9	96,820,843.81	70,398,955.00
Deposits Received	2.10	1,149,260.51	1,099,260.51
Trade & Other Payables	2.11	22,524,679.28	25,799,828.56
<b>Total Current Liabilities</b>		<b>120,494,783.60</b>	<b>97,298,044.07</b>
<b>Total Equity and Liabilities</b>		<b>412,341,433.13</b>	<b>349,472,561.47</b>

I certify the above Financial Statements of the Institute comply with the requirements of the relevant sections of the Universities Act No. 16 of 1978, and ordinance No. 03 of 1985 made by the University Grant Commission.



POSTGRADUATE INSTITUTE OF MANAGEMENT/UNIVERSITY OF SRI JAYEWARDENEPURA STATEMENT OF CHANGES IN NET ASSETS FOR THE YEAR ENDED DECEMBER 31, 2015

(EXPRESSED IN SRI LANKAN RUPEES)

	Capital Grant	Revaluation Reserve	General Reserve	Donation Reserve	Total
<b>Balance as at 01 January 2014</b>	<b>166,986,089.57</b>		<b>25,342,621.58</b>	<b>2,036,493.97</b>	194,365,205.12
Surplus for the year	-	-	38,172,909.02	-	38,172,909.02
Adjustments			53,828.00		53,828.00
Gain arising on Revaluation of PPE		10,661,270.38			10,661,270.38
<b>Balance as at 31 December 2014</b>	<b>166,986,089.57</b>	<b>10,661,270.38</b>	<b>63,569,358.60</b>	<b>2,036,493.97</b>	<b>243,253,212.52</b>
Endowment Fund			2,036,493.97	2,036,493.97)	
Surplus for the year			40,054,886.56		<b>40,054,886.56</b>
Adjustments			(150,518.90)		<b>(150,518.90)</b>
<b>Balance as at 31 December 2015</b>	<b>166,986,089.57</b>	<b>10,661,270.38</b>	<b>105,510,220.23</b>	<b>-</b>	<b>283,157,580.18</b>

POSTGRADUATE INSTITUTE OF MANAGEMENT/UNIVERSITY OF SRI JAYEWARDENEPURA NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2015

	<i>(EXPRESSED IN SRI LANKAN RUPEES)</i>	
	31 Dec 2015	31 Dec 2014
<b>2.3 Loans and Advances to Staff</b>		
Distress Loan	2,529,059.79	2,164,558.77
Staff Loan	20,499.82	25,499.91
Computer Loan	71,513.27	89,928.74
Vehicle Loan	252,155.43	378,465.63
Special Advance	800.00	-
Festival Advance	1,250.00	7,000.00
	<u>2,875,278.31</u>	<u>2,665,453.05</u>
<b>2.4 Deposits</b>		
Deposits (International Centre)	438,000.00	438,000.00
Receivables-Hall Charges	4,631,200.00	
MBA-2013 Receivable	137,700.00	413,100.00
MPA - Receivables 2012/2013	110,000.00	222,000.00
Interest Receivable	4,003,991.53	5,051,425.31
Violations of Bond	133,747.84	-
PhD Receivable 2014/2017	897,003.00	-
MPA - Receivables 2013/2015	1,524,200.00	-
MBA Receivables 2014/2015	475,500.00	-
MBA Receivables 2015/2016	1,990,800.00	-
PhD Receivable 2012/2015	375,000.00	150,000.00
	<u>14,717,142.37</u>	<u>6,274,525.31</u>
<b>2.5 Fixed Deposits</b>		
F/D No 220141 ( BOC )	35,000.00	35,000.00
F/D No 220209 (BOC)	50,000.00	50,000.00
F/D No 220018 (BOC)	43,690.00	43,690.00
F/D No 220267 (BOC)	40,000.00	40,000.00
F/D No 9543899 (BOC)	3,584,606.31	3,353,233.22
F/D No 9680349 (BOC)	2,000,000.00	2,000,000.00
F/D No 9680373 (BOC)	2,000,000.00	2,000,000.00
F/D No 9680289 (BOC)	2,000,000.00	2,000,000.00
F/D No 9680400 (BOC)	2,000,000.00	2,000,000.00
F/D No 9680415 (BOC)	2,000,000.00	2,000,000.00
F/D No 9717250 (BOC)	2,000,000.00	2,000,000.00
F/D No 9735361 (BOC)	2,000,000.00	2,000,000.00
F/D No 9735355 (BOC)	2,000,000.00	2,000,000.00
F/D No 9798584 (BOC)	2,000,000.00	2,000,000.00
F/D No 9798615 (BOC)	2,000,000.00	2,000,000.00
F/D No 9798638 (BOC)	2,000,000.00	2,000,000.00
F/D No 9802042 (BOC)	2,000,000.00	2,000,000.00
F/D No 9802088 (BOC)	2,000,000.00	2,000,000.00
F/D No 70393465 (BOC)	3,173,996.64	2,969,126.89
F/D No 70393475 (BOC)	3,173,996.64	2,969,126.89
F/D No 70393484 (BOC)	3,173,996.64	2,969,126.89
F/D No 70393496 (BOC)	3,173,996.64	2,969,126.89
F/D No 70393501 (BOC)	3,173,996.64	2,969,126.89
F/D No 70431658 (BOC)	-	2,000,000.00
F/D No 70431699 (BOC)	2,000,000.00	2,000,000.00
F/D No 70431966 (BOC)	2,000,000.00	2,000,000.00
F/D No 70486798 (BOC)	-	2,942,266.01
F/D No 70486804 (BOC)	-	2,942,266.01
F/D No 70505660 (BOC)	3,141,369.24	2,942,734.65
F/D No 70505677 (BOC)	3,141,369.24	2,942,734.65
F/D No 73188118 (BOC)	20,276,988.07	19,287,784.62
F/D No 74147601 (BOC)	31,707,563.74	30,136,141.14
F/D No 74811175 (BOC)	20,000,000.00	20,000,000.00
F/D No.75405922 (BOC)	20,000,000.00	20,000,000.00
F/D No.76263451 (BOC)	7,500,000.00	7,500,000.00
F/D No.76869279 (BOC)	15,596,389.76	15,000,000.00
F/D No.76869279 (BOC)	10,381,758.50	10,000,000.00
F/D No.78439704 (BOC)	25,000,000.00	-
F/D No 376062 ( NSB )	15,420,396.66	14,568,159.35
F/D No 424736 ( NSB )	29,003,880.99	26,487,562.50
F/D No 413214 (Peoples Bank)	22,054,372.63	20,809,938.32
	<u>272,847,368.34</u>	<u>246,290,062.60</u>

POSTGRADUATE INSTITUTE OF MANAGEMENT UNIVERSITY OF SRI JAYWARDENEPURA NOTES TO THE FINANCIAL STATEMENTS - YEAR ENDED DECEMBER 31, 2015

	<i>(EXPRESSED IN SRI LANKAN RUPEES)</i>	
	31 Dec 2015	31 Dec 2014
<b>2.6 Cash &amp; Cash Equivalents</b>		
Bank (BOC -Borella) C/A 192596	46,513,509.90	13,600,447.07
Bank A/C (International Centre) 021580683001	87,461.00	87,461.00
Bank A/C - RFC (International Centre) 9719360	284,490.00	253,208.59
Sampath Bank	1,272,251.39	-
	<b>48,157,712.29</b>	<b>13,941,116.66</b>
<b>2.7 During the year the Donation Reserve was transferred the General Reserve.</b>		
<b>2.8 Endowment Fund</b>		
D.S Jayasundara Gold Medal Fund	251,222.80	231,572.20
Mr./Mrs. Kamalgoda Gold Medal Fund	28,567.74	28,567.74
Endowment Fund	118,516.00	118,516.00
	<b>398,306.54</b>	<b>378,655.94</b>
<b>2.9 Income Received in Advance</b>		
MPA	-	1,658,585.00
PHD	-	3,500,000.00
MBA	-	65,240,370.00
PhD 2014/2017	1,750,003.00	-
PhD 2016/2019	5,250,000.00	-
MPA 2015/2017	2,396,362.00	-
MBA 2015/2016	36,647,650.00	-
MBA 2016/2017	34,616,000.00	-
MBA-Taxation	9,642,858.00	-
MBA (UAE)	6,517,970.81	-
	<b>96,820,843.81</b>	<b>70,398,955.00</b>
<b>2.10 Deposits Received</b>		
Tender Deposit	75,000.00	45,000.00
Security Deposits	35,000.00	35,000.00
Miscellaneous Deposit (PIMA)	55,000.00	55,000.00
Miscellaneous Deposit	984,260.51	964,260.51
	<b>1,149,260.51</b>	<b>1,099,260.51</b>
<b>2.11 Trade &amp; Other Payables</b>		
International Centre	7,860,000.00	7,860,000.00
Accrued Expenses	10,597,008.58	13,428,477.84
Subscriptions Received in Advance	1,621,808.45	1,621,808.45
Student Scholarship Account( Foreign - City Bank)	1,405,809.00	-
Student Scholarship (Foreign) Account	(71,000.01)	228,999.99
Wiscom Builders	126,908.00	2,524,569.08
Provisions for NBT	984,145.26	-
Consultancy fee	-	135,973.20
	<b>22,524,679.28</b>	<b>25,799,828.56</b>

POSTGRADUATE INSTITUTE OF MANAGEMENT /UNIVERSITY OF SRI JAYEWARDENEPURA CASH FLOW STATEMENT FOR THE YEAR ENDED DECEMBER 31, 2015

	(EXPRESSED IN SRI LANKAN RUPEES)	
	December 31, 2015	December 31, 2014
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Surplus of the Year	40,054,886.56	38,172,909.02
Prior Year Adjustment	(199,589.06)	
<b>Adjustments for:</b>		
Depreciation	18,847,634.99	16,316,622.65
Provision for Gratuity	492,091.37	404,543.91
Loss on Sale of Old Store Items	133,495.00	561,445.00
Interest on Loans & Advances	91,364.70	(94,461.81)
Interest on Investments	(13,620,829.32)	(17,361,723.50)
Sale of vehicle	(1,100,500.00)	
<b>Operating Profit Before Working Capital Changes</b>	<b>44,698,554.24</b>	<b>37,999,335.27</b>
<b>Change in Working Capital</b>		
(Increase)/Decrease in Stocks	1,383,930.12	672,304.47
(Increase)/Decrease in Miscellaneous Advance	1,056,490.00	(3,863,200.00)
(Increase)/Decrease in Pre-payments	(115,018.00)	32,844.96
(Increase)/Decrease in Sundry Debtors	(8,442,617.06)	5,078,441.35
Increase/(Decrease) in Deposits Received	50,000.00	(820,000.00)
Increase/(Decrease) in Accrued Expenses	(2,911,708.26)	4,013,357.31
Increase/(Decrease) in Income Received in Advance	26,421,888.81	(21,613,265.00)
Increase/(Decrease) in Other Liabilities	(1,427,825.28)	2,389,542.27
Gratuity Paid	(743,977.50)	
<b>Net Cash Generated from Operating Activities</b>	<b>59,969,717.07</b>	<b>23,889,360.63</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>		
Purchase of Lab and Teaching Equipment	(504,332.20)	(1,390,071.08)
Purchase of Library Books and Periodicals	(366,225.98)	(727,499.95)
Purchase of Office Furniture and Equipment	(6,203,457.48)	(8,635,533.74)
Purchase of Vehicles	(6,600,000.00)	-
Sales Proceed of Sale of Old Store Items	38,410.00	66,805.00
Sale of vehicle	1,100,500.00	
Decrease in Loan & Advances	(209,825.26)	(266,358.66)
Investments	(26,557,305.74)	(44,301,225.81)
Interest on Loan & Advances	(91,364.70)	94,461.81
Interest on Investments	13,620,829.32	17,361,723.50
<b>Net Cash Flows From/(Used) Investing Activities</b>	<b>(25,772,772.04)</b>	<b>(37,797,698.93)</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>		
Endowment Fund	19,650.60	13,100.40
<b>Net Cash Flows From Financing Activities</b>	<b>19,650.60</b>	<b>13,100.40</b>
<b>Net Change in Cash and Cash Equivalents During the Year</b>	<b>34,216,595.63</b>	<b>(13,895,237.90)</b>
Cash and Cash Equivalents at Beginning of the Year	13,941,116.66	27,836,354.56
<b>Cash and Cash Equivalents at the end of the Year</b>	<b>48,157,712.29</b>	<b>13,941,116.66</b>
<b>Cash and Cash Equivalents at the End of the Year Represents By;</b>	December 31, 2015	December 31, 2014
Cash at Bank	48,157,712.29	13,941,116.66
	<b>48,157,712.29</b>	<b>13,941,116.66</b>

## PIM REPLY TO AUDIT OBSERVATIONS

Audit Observation	Replies to the Report of the Auditor General
<p>2.2.1 (a) <u>Sri Lanka Public Sector Accounting Standard 01</u></p> <p>In the classification of expenditure, the expenditure had been classified according to the activity instead of recognizing the expenditure according to its nature. Nevertheless, the additional information on the nature of the expenditure had not been disclosed.</p>	<p>As it is possible to obtain the schedules indicating the nature of expenditure incurred easily from the computer programmes, the schedules under reference have not been annexed to the financial statements. However, paying attention to the audit requirements these schedules have already been annexed to the financial statements for the year 2016.</p>
<p>2.2.1 (b) <u>Sri Lanka Public Sector Accounting Standard 02</u></p> <p>The computation of the change in the working capital in the cash flow statement had not been done according to the data of the financial statements. As such the decrease in the stock had been understated by a sum of Rs.171,905, the decrease in the accrued expenditure had been overstated by a sum of Rs.80,239 and the decrease of other liabilities had been overstated by a sum of Rs.984,145 in the cash flow statement.</p>	<p>The stocks shown as having a value of Rs.171,905/- were sold during the year, and the amount realized, i.e., Rs. 38,410/- has been shown in the cash flow statement under investing activities. The loss of Rs. 133,495/- have been shown under operating activities. The accrued expenditure of Rs. 80,239/- has been shown as comprising of Rs. 66,642/-, the amount that had to be paid for library books purchased on credit, and Rs. 13, 597/-, a provision made for capital expenditure. As there is no cash movement it has not been included in the cash flow statement. However, it has been indicated in the statement of financial position. Rs. 984,145/- shown under other liabilities is provision for tax. Here too there has been no cash movement.</p>
<p>2.2.1 (c) <u>Sri Lanka Public Sector Accounting Standard 03</u></p> <p>The adjustment of Rs.1,441,955 made in the year under review for the rectification of the errors in the computation of depreciation in the preceding years had not been restated with retrospective effect in order to enable the users of the accounts to understand the material impact caused therefrom to the comparative figures.</p>	<p>When such corrections are made in the future, the impact would be restated with retrospective effect in the comparative figures.</p>

<p>2.2.1 (d) <u>Sri Lanka Public Sector Accounting Standard 07</u></p> <p>Even though adequate disclosure should be made when fixed assets are stated at the revaluation amount, such adequate disclosure had not been made in the Notes to the Accounts for the year under review in connection with the property, plant and equipment, furniture, office equipment and the laboratory and teaching equipment revalued on 01 April 2014.</p>	<p>Information regarding the revaluation has been shown in the revised financial statements by way of notes.</p>
<p>Even though the buildings costing Rs.60,610,211 acquired in the year 1995 should have been fully depreciated in accordance with the depreciation policy of the Institute, a further net balance of Rs.3,327,695 had been shown due to the errors in the computation of depreciation. Nevertheless, attention had not been paid for the revision of the rate of depreciation as the asset remained in the unable condition.</p>	<p>As accounts have been maintained basing on the principle that depreciation would not take place in the year of purchase, there was a depreciation balance of Rs.3,327,695 at the end of 2015. This depreciation value was accounted for in the year 2016.</p>
<p>In view of the failure to review the useful life of non-current assets annually, buildings and motor vehicles costing Rs.66,258,768, though fully depreciated, remained in further use. As such, the error made in the estimation of the rates of depreciation, has not been revised in terms of the Sri Lanka Public Sector Accounting Standard 03.</p>	<p>Action will be taken in the future to re-value the non-current assets that have been completely depreciated, and to enter the re-valued amounts in the accounts.</p>
<p>2.2.2. <u>Accounting Deficiencies</u></p> <p>The value of library books and periodicals received by Institute as aid had not been brought to account whilst the value of the library books and periodicals removed from use had not been adjusted.</p>	<p>Action will be taken in the future to conduct a survey on the library books and periodicals, and thereafter to make necessary adjustments.</p>
<p>The depreciation on motor vehicles for the year under review had been understated by a sum of Rs.313,742 due to the errors in computation.</p>	<p>According to para: 69 of the Sri Lanka Public Sector Accounting Standard No. 07, depreciation should commence from the time the asset is available for use. The vehicle under reference was purchased in 2015, at Rs. 6,600,000, and it was used from the beginning of September, 2015. Accordingly, for the period from October to December, 2015, depreciation was made at 20% on cost. The depreciation value for that period is Rs.330,000.</p>

<p>The interest income receivable for two fixed deposits as at 31 December of the year under review had been understated by a sum of Rs.168,031.</p>	<p>According to the determinations made by the Institute, there hasn't been a shortfall in the interest on fixed deposits.</p>
<p><u>2.2.3. Lack of Evidence for Audit</u> According to the Register of Assets prepared by the Institute, a motor vehicle costing Rs. 2,600,000/- had been shown as physically available. But the physical availability of such motor vehicles was not confirmed in Audit.</p>	<p>There is no vehicle in the Institute costing Rs. 2,600,000/-. All the vehicles owned by the Institute have been included in the financial statements.</p>
<p><u>2.2.4. Accounts Receivables and Payables</u> Even though the Institution had established an International Branch in Dubai in the year 2007, that Branch had been closed down in September 2009 due to a fraud. The balances receivable from and payable by that Branch amounting to Rs.1,641,000 and Rs.7,860,000 respectively remained over a long period. In this connection, the Director of the Institute informed the Audit that the Criminal Investigation Department was conducting an investigation in this connection.</p>	<p>Due to the unsatisfactory situation that had prevailed in the Middle East region it was not possible to get the required number of students to proceed with the programme under reference. Hence, the activities of the International Branch had to be postponed. It is difficult to obtain the relevant information to sufficiently establish the receipts and payments regarding the International Branch. An investigation is being conducted by the Criminal Investigations Department regarding the transactions of the International Branch.</p>
<p>Action had not been taken even up to the end of the year under review for the recovery of the money relating to a cheque for Rs.52,500 received in October 2014 from a State Bank for a Management Course but not realized.</p>	<p>This cheque issued by the National Savings Bank(NSB) has been dishonoured, and the NSB has been informed accordingly.</p>
<p><u>2.4. Non-compliance with Laws, Rules, Regulations and Management Decisions</u> Non-compliance with the following laws, rules, regulations and Management decisions were observed.</p>	
<p><u>Reference to Laws, Rules and Regulations and Management Decisions</u></p>	<p><u>Non-compliance</u></p>
<p>(a) Establishments Code for the University Grants Commission and Institutes of Higher Education.</p>	<p>As the educational activities of the Institute are conducted on weekdays from 5.00pm to 9.00pm and on weekends and public holidays, a fixed payment has been made to obtain the services of the officers. These payments cannot be considered as overtime payments. The University Grants Commission has empowered the Board of Management by</p>

<p>(i) Section 5.1(a) of Chapter IX and Sections 21.1 and 21.3 of Chapter VII</p>	<p>Even though it is stated that the officers of the Administrative Grades and the Grades similar to that are not entitled to receive overtime and that in the computation of allowance for working on holidays, the consolidated salary for one day should be considered only increase of working for more than 7 hours per day. Contrary to that the Senior Assistant Registrar and the Systems Analyst Officer Grade I had been paid holiday pay and overtime amounting to Rs.1,252,800 during the year under review.</p>	<p>letter dated September 04, 2015, to take decisions on this payment.</p> <p>The authority to decide on the payment of salaries and other payments to staff of universities has been vested in the University Grants Commission, as per the section 8(3) (6) of the Universities Act No. 16 of 1978. The Establishment Code for the University Grants Commission and the Higher Educational Institutions has also been prepared by the University Grants Commission as per the provisions made available in the Universities Act.</p>
<p>(ii) Section 2.1 of Chapter XXVI</p>	<p>A survey of the Library Books for the year under review had not been conducted.</p>	<p>Action will be taken to conduct a board of survey and do relevant adjustments in accounting records regarding library books and periodicals.</p>
<p>(iii) Sections 4 and 5 of Chapter II and Financial Regulations 770 and 772</p>	<p>Office Equipment valued at Rs.728,250 had been sold to the employees for Rs30,625 without following the recommendations of the Board of Survey and without following the other courses of action relating to the transparency of the transaction.</p>	<p>The items under reference that could not be made use of were disposed following the procedure spelt out in section 4.10 of the circular letter No. 04/2013 issued by the University Grants Commission.</p>



(b) Treasury Circular No IAI/2002/02 of 28 November 2002	A Register of Fixed Assets for Computers and Computer Accessories had not been maintained.	Action will be taken to maintain a fixed assets register for computers and computer Accessories as per the relevant circular.
<p>2.5 <u>Transactions not supported by Adequate Authority</u></p> <p>Ten Management Development Courses had been conducted in the year 2015 by using the physical and human resources of the Institute and awarding the certificates with the official seal of the Institute. The net surplus of 7 Programmes completed during the year under review amounting to Rs.5,873,341 had been considered as for the supply of consultancy services in terms of the Public Finance Circular No.380 of 19 January 2000 and distribute among the staff.</p>		<p>Public Finance Circular No. 380 is applied for Executive Development Programmes conducted by the Postgraduate Institute of Management. These programmes are conducted on the request of different organizations to plan and conduct training and development programmes for their staff. The main objective of these programmes is to apply the specialist knowledge possessed by the Postgraduate Institute of Management for specific training and development needs of the staff of the Corporate Sector. These programmes that are of a consultancy nature do not belong to the categories of postgraduate course, diplomas and certificate courses. This circular accepted by the University Grants Commission is applied for spending of income earned through conducting of training, research and consultancy services by universities, and development and research centres. The executive development programmes conducted by the Postgraduate Institute of Management come under training as well as consultancy services mentioned in this circular. According to guideline No. 1.2.1 of the Consultancy Services Manual issued by the National Procurement Agency consultancy services include capacity building of staff, training and knowledge transfer.</p> <p>The General Treasury has also been apprised of this payment.</p> <p>There is ambiguity in the term 'net surplus' mentioned in the audit observations.</p>
3.2 <u>Legal Action Instituted Against or by the</u>		

<p><u>Institute</u></p> <p>(a) The Instituted had been named as an intermediary respondent in connection with the Case No. LT/01/05/2012 filed in the Labour Tribunal by the former Deputy Bursar of the Postgraduate Institute of Management against the University Grants Commission and the University of Sri Jayewardenepura.</p> <p>(b) Even though the fraud of Rs.58.2 million of the Dubai Branch of the Postgraduate Institute of Management had been assigned to the Criminal Investigation Department for investigation on 29 March 2011 based on the recommendation of Report of the Committee on Public Enterprises made in the year 2009, the investigation had not been finalized even by the end of the year under review.</p>	<p>The case that is being heard at the Labour Tribunal has reached the last stage.</p> <p>The Criminal Investigations Department has been reminded of the investigation under reference.</p>
<p><u>4.2 Management Activities</u></p> <p>(a) According to the Decision No. 241.4 dated 31 August 2015 of the Board of Directors permitted obtaining fuel allowances only for the days on which work had been done for more than 08 hours. It was observed that fuel allowance amounting to Rs.251,100 had been overpaid during the year due to inclusion of days with less than 08 hours per day for the computation of the fuel allowance.</p>	<p>As per the decision taken on the Board Paper No. 209.09 at the Board of Management Meeting of November 02, 2010, the fuel allowance is paid on the basis of the number of days arrived at by dividing the total number of hours worked during a month by 8. Subject to the proviso that the actual number of days worked is taken as the basis of payment, if the result obtained by dividing the total number of hours, gives a higher figure. Accordingly, payment of the fuel allowance has been determined correctly.</p>
<p>(b) According to the service agreement entered into between the Postgraduate Institute of Management and a Guest Lecturer, the payment for the service rendered by the Lecturer had been Rs.2,500 per hour. Nevertheless, an overpayment of Rs.71,000 had been made for 35½ hours from July to December 2015 at the rate of Rs.4,500 per hour.</p>	<p>In the service agreement entered into with the lecturer under reference external lectures delivered for the PhD degree programme has not been included. Payment has been made on the basis of Rs. 4,500/- per hour for the lectures she has done for the PhD degree programme.</p>
<p>(c) Despite the availability of a permanent Lecturer drawing a monthly salary of Rs.88,000 for the Information Management subject of Master of Business Administration Degree Course of the Postgraduate Institute of Management, a sum of</p>	<p>As it was necessary to recruit lecturers who were competent in certain specific aspects of the subject of Information Technology visiting lecturers had been recruited in addition to the permanent lecturer.</p>

<p>Rs.364,500 had been paid for five Visiting Lecturers from October to December of the year under review. The Permanent Lecturer had delivered 09 lecture hours only during that period whilst in Visiting Lecturers had delivered 81 lecture hours.</p>	<p>In addition to the conduct of lectures the permanent lecturer is also attending to the other indispensable needs of the Information Technology Centre.</p>
<p><b>4.3 <u>Staff Administration</u></b></p> <p>(a) According to the approved Human Resources Plan of the Institute, the approved staff should comprise 48. Nevertheless, there were vacancies in 09 posts in the Academic Staff and 12 posts in the Non-academic staff as at the date of audit. Instead of filling the vacant posts, 9 officers had been deployed on contract basis for the approved staff.</p>	<p>Although applications were invited on several occasions through newspaper advertisements to fill vacancies in the academic staff cadre it was not possible to fill them due to the non-availability of suitable applicants. The cadre provisions approved in 2013 has a considerable number of positions that are not currently needed. Hence, a new cadre proposal has been prepared and forwarded to the University Grants Commission. Action will be taken to fill the vacancies once the new cadre is approved.</p>
<p>(b) In addition to the approved staff in the Human Resources Plan, two persons had been recruited to the post of Computer Input Assistant and the post of Driver whilst 12 persons had been recruited for 5 posts not included in the approved Plan without formal approval.</p>	<p>Basing on the financial allocations of the vacant positions recruitments have been effected on a contract basis according to the needs of the Institution.</p>
<p><b>4.4 <u>Procurement Process</u></b></p> <p>(a) Even though a sum of Rs.130 million had been included in the Procurement Plan for the year under review as the anticipated expenditure on the construction of a building for the Institute, the Procurement Process had not been commenced even by the end of the year under review.</p>	<p>Action is being taken to obtain the approval of the Colombo Municipal Council for the building plan, and once this approval is obtained action would be taken to initiate the procurement process for the selection of a contractor.</p>
<p>(b) Even though 3 questions should be invited in terms of Guideline 3.4 of the Procurement Guidelines for the selection of a supplier for landscaping, the contract had been awarded for Rs.432,000 to the same supplier who was supplying that service from the year 2011 and in the evaluation of the quotations, the photocopies of the other two quotations had been submitted to the Technical Evaluation Committee.</p>	<p>Following the Procurement Guidelines properly, bids were invited for the year 2015. As per the decision taken at the Procurement Committee meeting on July 22, 2015, the bidder who had quoted the lowest had been awarded the contract.</p>