

**MINUTES OF THE 74TH MEETING OF MAHAPOLA HIGHER EDUCATION
SCHOLARSHIP TRUST FUND**

DATE & TIME: 24TH JULY 2019 AT 2.30 P.M.

VENUE: MINISTRY OF CITY PLANNING, WATER SUPPLY
AND HIGHER EDUCATION, NO. 18 WARD PLACE,
COLOMBO 7

PRESENT:

1. HON. LUCKY JAYEWARDENA ACTING MINISTER OF CITY PLANNING, WATER SUPPLY AND HIGHER EDUCATION	FOUNDER TRUSTEE
2. MR. M.M.P.K. MAYADUNNE, SECRETARY, MINISTRY OF CITY PLANNING, WATER SUPPLY AND HIGHER EDUCATION	EX OFFICIO TRUSTEE
3. MR. M. NIHAL RANASINGHE, SECRETARY, MINISTRY OF EDUCATION	EX.OFFICIO TRUSTEE EX OFFICIO TRUSTEE
4. MR. S.V.D. KESARRALAL GUNASEKARA	APPOINTED TRUSTEE

EXCUSED

HIS LORDSHIP THE CHIEF JUSTICE HON. J. JAYASURIYA P.C.	EX.OFFICIO TRUSTEE
MR. S.T. KODIKARA, SECRETARY, MINISTRY OF DEVELOPMENT STRATEGIES & INTERNATIONAL TRADE	EX.OFFICIO TRUSTEE

BY INVITATION

- (i) Mr. D.A.W. Wanigasooriya, Additional Secretary/Chief Accountant- Presidential Secretariat (Observer)
- (ii) Mr. M.P. Bandara, Director MTF
- (iii) Mr. Madhava Jayawardhana, Private Secretary to the Hon. Minister
- (iv) Mr. Sanath Hewage, Coordinating Secretary of the Hon.Minister
- (v) Ms. R. Arulanandan, representing S S P Corporate Services (Private) Limited, Secretaries

PROCEEDINGS

The Board noted that Hon. H.N.J. Perera, Chief Justice wished to be excused.

Hon. Lucky Jayewardena, Acting Minister of City Planning, Water Supply and Higher Education was appointed as the Chairman pro tem. to preside over the meeting. The Chairman pro tem. welcomed the members to the meeting.

1.CONFIRMATION OF THE MINUTES OF THE 73RD MEETING HELD ON 2ND APRIL 2019

The Minutes of the 72nd Meeting of the Mahapola Higher Education Trust Fund held on 2nd April 2019 which had been circulated were approved by the Board and signed by Mr. S.V.D. Kesarralal Gunasekara, Appointed Trustee, as a correct record of the proceedings.

2.MATTERS ARISING FROM THE MINUTES

There were no matters arising from the Minutes of the previous meeting

3.BOARD PAPER NO.1

AMENDMENT TO THE MTF ACT NO.66 OF 1981

Mr. M.P. Bandara, Director tabled Board Paper No.1 in connection with the above.

The Board noted that His Lordship the Hon. Chief Justice has submitted a letter addressed to the Secretary to His Excellency the President with copies to all the trustees regarding the amendment of the MTF Act No. 06 of 1981 amending the Sec 3(2)(b)(i).

A copy of the letter addressed to the Secretary to His Excellency the President was tabled for the information of the Board.

Mr. M.M.P.K. Mayadunne, Secretary, Ministry of City Planning, Water Supply and Higher Education explained to the Board and the Chairman pro tem., that the Hon. Chief Justice was appointed as the Chairman of the Trust, as per the Act, in order to protect the interest of the Trust.

Mr. Kesarralal Gunasekara, Appointed Trustee at this stage stated that the former Chief Justice Sarath N. Silva who was the Chairman of the Trust previously, specified that he will not participate in any commercial decisions.

Accordingly the Board decided to write to the Hon. Chief Justice, setting out in detail the view of the Board of Trustees in connection with the above and that it is in order to protect the interest of the original Act of the Mahapola Higher Education Scholarship Trust Fund that the Board wishes him to continue as Chairman of the Board.

4. BOARD PAPER NO.2

SCHEME OF RECRUITMENT (SOR) OF MAHAPOLA HIGHER EDUCATION SCHOLARSHIP TRUST FUND

Mr. M.P. Bandara, Director tabled Board Paper No.2 in connection with the above.

The Board was informed that MTF has prepared the SOR and submitted same for the approval of the Board of Trustees at its 73rd Meeting held on 2nd April 2019. The Hon. Minister at that meeting requested the Board to allow him time to study the SOR and submit observations. The Board noted that since MTF is not subjected to any Ministry supervision and it is an independent fund, it is not necessary to get the approval from the Department of Management Services for MTF's SOR or Cadre.

The Board noted that according to the provisions of the MTF Act No.66 of 1981, the Board of Trustees has the sole power and authority to recruit and remunerate the employees of MTF.

The Board having noted the above approved the draft Scheme of Recruitment for the positions indicated in the Organization Structure of MTF which was prepared by MTF following the Department of Management Services and Public Administration Circular Guidelines.

5. BOARD PAPER NO. 3
APPOINTMENT OF ASSISTANT DIRECTOR FINANCE AND ASSISTANT DIRECTOR (IT & PROJECTS) FOR MTF

Mr M.P. Bandara, Director, tabled Board Paper No.3 in connection with the above.

The Board having noted the contents of the Board Paper and that there are vacancies in the cadre approved

- i. The recruitment of 02 Assistant Directors for the post of Finance, IT and Projects for the staff of MTF.
- ii. The publishing of the advertisement for the above two Assistant Directors vacancies in the Daily Newspaper and weekend newspapers calling for applications for the posts.

6. BOARD PAPER NO.4
RECRUITMENT OF 05 MANAGEMENT ASSISTANTS FOR MAHAPOLA

Mr. M.P. Bandara, Director, MTF tabled Board Paper No.4 in connection with the above.

The Board having noted the contents of the Board Paper approved

- i. The list of applicants selected by the Interview Board for the post of Management Assistant Grade III for filling of vacancies in MTF and their appointment with effect from 10th August 2019.
- ii. The marks in respect of the structured interview for the selection of applicants for the post of Management Assistant of MTF.

The Board was informed that the basic salary on commencement of employment will be Rs. 31,000/- per month.

7 BOARD PAPER NO.5
LAND FOR ESTABLISHMENT OF MAHAPOLA HEAD OFFICE

Mr M.P. Bandara, Director, MTF tabled Board Paper No.5 in connection with the above.

The Board having noted the contents of the Board Paper

- i. Ratified the request submitted to the Ministry of Mega polis and Western Province Development for a suitable land, by the Secretary, Ministry of City Planning, Water Supply and Higher Education, for the establishment of the Mahapola Head Office

- ii. Approved the publishing of a newspaper advertisement in the daily and weekend newspaper for well-wishers who are willing to donate a land for the establishment of MTF Head Office.
- iii. Directed the Director, MTF to check on the possibility of obtaining the land situated at Padanam Mawatha, Colombo 7
- iv. To write to the Public Trustee and check on the possibility of obtaining Mr. J.R. Jayawardene's former residence for the establishment of the MTF head office.
- v. To check on the possibility of obtaining the land situated at Baudhaloka Mawatha which is coming under the purview of the University of Kelaniya.

Mr. S.V.D. Kesarralal Gunasekara, Appointed Trustee informed the Board that a land in extent of 60-70 Perches would be sufficient to establish an Office for MTF.

Mr. Nihal Ranasinghe, Secretary, Ministry of Education requested for a copy of the letter sent to the UDA with regard to the above, in order to pursue the matter with Mr. Chandana of the UDA.

8. BOARD PAPER NO.6

CURRENT POSITION OF NWSL ON SUSPENSION OF THE PRIMARY DEALER LICENSE BY CBSL

Mr. M.P. Bandara, Director tabled Board Paper No.6 in connection with the above.

The Board was informed that due to some regulatory issues, core capital requirement and outstanding tax liability with the litigation against NWSL, CBSL issued a show cause letter on 25th January, 2019 and NWSL submitted their explanation on 14th February 2019 considering the continuous failure to comply with the directives applicable to primary dealer, CBSL has decided to suspend NWSL from carrying on business and activities of primary dealer for a period of six months with effect from 4.30 p.m. on 31st March 2019.

The Board was informed that the Secretary, Ministry of City Planning, Water Supply and Higher Education sent a letter addressed to the Governor CBSL requesting a fully report on the suspension of Primary Dealer License. The Director MTF has also requested from NWSL to submit a detailed report in this regard.

The Board was also informed that as per the approval of the Cabinet, the Procurement Process commenced and the Standard Cabinet appointed Technical Evaluation Committee (SCATEC) had two meetings and the draft EOI (bidding document) is being prepared on the sale of shares of NWSL to a new investor.

The Board was informed that this matter was taken up at the previous meeting of the Board of Trustees. The Board was informed that the Hon. Minister's concern was to re-activate the business of NWSL with the sound management as primary dealer NWSL is having the potential to earn profit and is also fully owned entity of MTF.

The Board having noted the contents of the above Paper approved the proposal to submit a fresh cabinet paper to reactivate the business under the MTF ownership,

9. BOARD PAPER NO.7
MINUTES OF THE 1ST MEETING OF THE INVESTMENT COMMITTEE OF MTF

Mr. M.P. Bandara, Director, MTF tabled Board Paper No.7 in connection with the above.

Mr. M.M.P.K. Mayadunne, the Secretary, Ministry of City Planning, Water Supply and Higher Education, Chairman of the Investment Committee explained the functions of the Investment Committee to the Chairman pro tem.

It was suggested to summarize the investments of the Company for the information of the Board in future.

Mr. M.P. Bandara, Director summarizing informed the Board that a sum of Rs.10 Bn is invested with Bank of Ceylon in various securities and the Company obtains an income of approximately Rs.900 Mn per year. In addition the Company has received Dividends of approximately Rs.140 Mn during the last 15 years. The Company has paid tax of approximately Rs.700 Mn and a sum of Rs.150,000/- is payable as Legal Fees.

The Board having noted the Minutes of the Investment Committee held on 29th May 2019 (which was approved by the Chairman of the Investment Committee i.e. Secretary, Ministry of City Planning, Water Supply and Higher Education) approved the said Minutes.

10. BOARD PAPER NO.8
APPOINTMENT OF INTERNAL AUDITORS FOR MAHAPOLA HIGHER EDUCATION
SCHOLARSHIP TRUST FUND

Mr. M.P. Bandara, Director, tabled Board Paper No.8 in connection with the above.

The Board was informed that as per the National Audit Bill No.19 of 2018, it is required to appoint an Internal Auditor for each government organization.

The Board was informed that as informed by the Secretary Ministry of City Planning, Water Supply and Higher Education, it was proposed to outsource the Internal Audit function and accordingly quotations were called from Auditors registered with the Institute of Chartered Accountants of Sri Lanka and having a practicing certificate. The Board noted that the lowest quotation was received from M/s B.R. De Silva & Co., Chartered Accountants.

Mr. M.M.P.K. Mayadunne, Secretary, Ministry of City Planning, Water Supply and Higher Education informed the Board that he has written to the Auditor General in this connection and is awaiting his response.

Mr. N. Ranasinghe, Secretary, Ministry of Education explaining stated that an Internal Auditor should be an individual. He stated that an individual will look at something before taking action, whereas an independent person will give a view after taking action.

Accordingly the Board decided to take a decision on the above matter at the next Meeting.

11. BOARD PAPER NO.9

APPROVAL FOR THE INVESTMENT MADE ON EXCESSIVE FUND OF MTF FROM 1/1/2019 TO 30/40/2019

Mr. M.P. Bandara, Director, MTF tabled Board Paper No.9 in connection with the above.

The Board having noted the investments of excessive funds made by the Company during the period 1st January 2019 to 30th April 2019 i.e. prior to the establishment of the investment committee granted covering approval therefor.

Mr. M.M.P.K. Mayadunne, Secretary, Ministry of City Planning, Water Supply and Higher Education referring to the interest rates stated that normally in the beginning of the year interest rates offered are low while at the end of the year interest rates are generally high because the Government takes more loan towards the end of the year.

Hon. Lucky Jayewardena, Chairman pro tem. stressed that the Company should earn the maximum interest rate.

12. BOARD PAPER NO.10

RE-STRUCTURING OF THE MONTHLY SCHOLARSHIP PAYMENT SYSTEM – SMS SERVICES

Mr. M.P. Bandara, Director, MTF tabled Board Paper No.10 in connection with the above.

Mr. M.P. Bandara informed the Board that as approved by the Board of Trustees the monthly scholarship system has been re-structured in order to pay the scholarship installment on a specific date of the month for all the students directly by crediting to their Bank Accounts by MTF.

The Board was informed that when the new system operates, students will be notified with regard to their installment payment via SMS immediately after crediting their Bank Account.

The Board having noted that ICTA is not in a position to provide the SMS service due to an internal matter decided to cancel the agreement signed with ICTA for providing of SMS Gateway facility for MTF.

Mr. M.M.P.K. Mayadunne, Secretary, Ministry of City Planning, Water Supply and Higher Education explaining stated that students will need a sum of at least Rs.12,000/- minimum for a month and therefore MTF should try and save and increase the Mahapola allowance for the students.

The Board having noted the above decided to speak to the Bank and get the Bank to forward an SMS to the recipients no sooner their installment payment has been made instead of signing an agreement with Dialog Axia PLC for providing of SMS gateway facility which will cost approximately Rs.70,000/-.

13. BOARD PAPER NO.11**APPROVAL FOR OBTAINING ONLINE INTERNET BANKING FACILITY (FOR OBTAINING BANK STATEMENT AND TRANSACTION VIEW ONLY)**

Mr. M.P. Bandara, Director, MTF tabled Board Paper No.11 in connection with the above, the contents of which were noted.

APPROVAL FOR OBTAINING ONLINE INTERNET BANKING FACILITY (FOR OBTAINING BANK STATEMENT AND TRANSACTION VIEW ONLY).

It was resolved:

1. To request the Bank of Ceylon to permit the Mahapola Higher Education Scholarship Trust Fund (MTF) the use of the Bank of Ceylon Internet Banking Facility (getting bank statement and transaction view only)
2. To enter into an agreement with the Bank of Ceylon governing the use of BOC Internet Banking Facility. The said Agreement to be executed on behalf of the Mahapola Higher Education Scholarship Trust Fund under the hands of Mr. M. M. P. K. Mayadunne and Mr. M. P. Bandara, the Chief Financial Officer (Secretary, Ministry of City Planning, Water Supply & Higher Education) and Director of the Mahapola Higher Education Scholarship Trust Fund.
3. The following persons be and are hereby appointed as the Delegates of the Mahapola Higher Education Scholarship Trust Fund for the purpose of the said Online Banking Facility (transaction view only) and that each such person be granted a user ID and a separate password which shall be duly acknowledged under their signatures.

The linked accounts relating to each such Delegate are given below.

Full Name	NIC No,	Authority Level	Account Numbers to be linked
Mayadunne Mudiyanseelage Priyantha Kumara Mayadunne	633361185 V	Level 1	1. BOC – Corporate Br. Current. A/C No. 1791 2. BOC – Corporate Br. Custodian A/C 83867162 3. BOC – Independence Square Br. Current. A/c 83302834

Full Name	NIC No,	Authority Level	Account Numbers to be linked
Senerath Vidanalage Don Kesarralal Gunasekera	553100763 V	Level 1	1. BOC – Corporate Br. Current. A/C No. 1791 2. BOC – Corporate Br. Custodian A/C 83867162 3. BOC – Independence Square Br. Current. A/c 83302834
Mohottalage Parakrama Bandara	642861700 V	Level 1	1. BOC – Corporate Br. Current. A/C No. 1791 2. BOC – Corporate Br. Custodian A/C 83867162 3. BOC – Independence Square Br. Current. A/c 83302834
Samanthika Malmali Rajapaksha	697901930 V	Level 2	1. BOC – Corporate Br. Current. A/C No. 1791 2. BOC – Corporate Br. Custodian A/C 83867162 3. BOC – Independence Square Br. Current. A/c 83302834

14. BOARD PAPER NO.12

FEASIBILITY STUDY ON THE RE-COMMENCEMENT OF ONLINE LOTTERY FOR MAHAPOLA

Mr. M.P. Bandara, Director tabled Board Paper No.12 in connection with the above.

On the recommendation of Mr. N. Ranasinghe, Secretary, Ministry of Education and Mr. S.V.D. Kesarralal Gunasekara the Board decided not to go ahead with the above Feasibility Study.

15. BOARD PAPER NO.13

BUDGET ALLOWANCE OF Rs.2,500.00 APPROVED BY THE 2019 – BUDGET FOR GOVERNMENT SERVANTS

Mr. M.P. Bandara, Director tabled Board Paper No.13 in connection with the above.

The Board requested Mr. M.P. Bandara to take up the above item at the next meeting.

16. BOARD PAPER NO.14

APPOINTMENT OF THE MEMBERS FOR THE AUDIT AND MANAGEMENT COMMITTEE OF MTF

Mr. M.P. Bandara, Director tabled Board Paper No.14 in connection with the above.

The Board having noted the contents of the Board Paper

- i. Approved the setting up of the Audit and Management Committee of MTF
- ii. Approved the appointment of the following members to the Audit and Management Committee as proposed by the Directors:
 - Mr.M.M.P.K. Mayadunne, Secretary, Ministry of City Planning, Water Supply & Higher Education and Ex-officio Trustees of MTF, Chief Accounting Officer (CAO) – Chairman of the Audit and Management Committee
 - Mr. M.N. Ranasinghe – Secretary, Ministry of Education
Ex-officio Trustees of MTF – Member of the Audit and Management Committee
 - Mr. S.V.D. Kesarralal Gunasekara – Appointed Trustee MTF – Member of the Audit and Management Committee
 - Mr. M.P. Bandara – Director, MTF – Member of the Audit and Management Committee
- iii. Approved a sitting allowance of Rs.7,500/- per sitting per member of the Audit and Management Committee
- iii. Approved the schedule of meetings as approved by the Director MTF. It was noted that the Audit and Management Committee meetings will be held once in two months (i.e. six meetings annually).

17. OTHER BUSINESS

17.1 Extension of the service of Book Keeper on Contract Basis (Daily Pay Basis)

Mr. M.P. Bandara, Director tabled Supplementary Board Paper 01 in connection with the above.

The Board having noted the contents of the Supplementary Paper

- i. Granted an extension of service to Ms. K.L. Kusumawathie, Book Keeper for one year from 1st July 2019 to 30th June 2020, on contract basis on the same terms and conditions provided in the contract.
- ii. Granted covering approval in respect of two extensions granted by the Director MTF to Ms. K.L. Kusumawathie, Book Keeper on service requirement from 1st July 2018 to 30th June 2019.

17.2 Payments of professional/legal fees for Arbitration MTF vs Oceanic Games Ltd.

Mr. M.P. Bandara, Director tabled Supplementary Board Paper No.02 in connection with the above.

The Board having noted the contents of the Supplementary Board Paper approved the payment of Rs.904,350/- to Dr. Harsha Cabral P.C. being payment of professional fees to Dr. Harsha Cabral, P.C. and instructing attorney Mr. M.J.S. Fonseka for appearing in the Colombo High Court in Case No. HC(Civil) 362/2018/ARB.

17.3 Industrial Training Programme for the University Students

Mr. M.P. Bandara, Director tabled Supplementary Board Paper No.03 in connection with the above.

The Board having noted the contents of the Supplementary Board Paper approved the appointment of Ms. D.M.D.M. Perera, Reg. No.2015/5/15227 student of the University of Colombo, Department of Mathematics as a trainee at the Mahapola Trust Fund for a period of 6 months on a monthly allowance of Rs.500/- during the training period.

17.4 Mahapola Higher Education Trust Fund and SLIIT

Mr. M.M.P.K. Mayadunne, Secretary, Ministry of City Planning, Water Supply and Higher Education summarized for the information of Hon. Lucky Jayewardena, Chairman pro tem the current situation with regard to MTF and SLIIT.

The Board was informed that the MTF was summoned before the COPE and requested to submit a Report with the approval of the Board of MTF, The report submitted by the Secretary, Ministry of City Planning Water Supply and Higher Education as approved by the MTF.

17.5 Mr. M.P. Bandara, Director – Extension of Service

Mr. M.P. Bandara, tabled letter dated 24/07/2019 requesting an extension of service and requested the Board to write to his former employer seeking an extension for the period for 01 year from 4th September 2019.

17.6 Draft Financial Statements for the financial year ended 31/12/2018

Mr. M.P. Bandara, Director tabled the Draft Financial Statements for the financial year ended 31 December 2018 to be submitted to the Auditor General's Department.

Mr. M.P. Bandara, Director informed the Board that the Company's annual contribution to 60,000 Mahapola recipients is Rs.1.6 bn and the monthly allowance is Rs.2,500/-).

The members of the Board requested Mr. M.P. Bandara to submit for the information of the Board at the next Board Meeting the total number of students benefitting from Mahapola and the total contribution made by the Company annually.

Hon. Lucky Jayewardena, Acting Minister of City Planning, Water Supply and Higher Education at this stage stated that there should be a message to the new Mahapola recipients by way of a leaflet about the history and the benefits of the Mahapola Trust Fund and a copy of the Act should be made available to them for their information at a reasonable cost.

CONFIRMED TRUE RECORD

CHAIRMAN