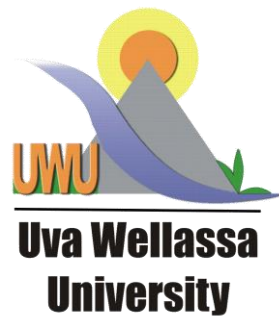


Vision

To be the center of excellence for value addition to the national resource base.

Mission

To produce well-rounded, employable, technocratic and entrepreneurial graduates equipped with knowledge, skills, values and attitudes to make outstanding contributions to the national development whilst excelling in teaching, learning and research with a strong emphasis on value addition to the national resources



Uva Wellassa University

VICE CHANCELLOR'S MESSAGE



The Uva Wellassa University (UWU) was established in June 2005 with a Vision to be the Centre of Excellence for Value Addition to the National Resource Base of Sri Lanka

All academic programmes of the UWU are aimed at producing well-rounded and employable graduates, with the attitudes, skills and knowledge necessary to make an outstanding contribution for the sustainable development of the country. As an entrepreneurial university, we would like to see our graduates as job providers rather than job seekers.

We consider ourselves, the Students and staff as the UWU Family. Respect & Tolerance, Goal Orientation, Equal Opportunity, Discipline and Entrepreneurship are the core values of our family.

During the short period of our existence, we have proved that the UWU graduates are of exceptional quality, and the high employability rates of UWU graduates is a clear evidence for It.

The UWU will become the Center of Excellence for Value Addition respected by all, and will continue to produce graduates, not only endearing for employers, but also who themselves will become the employers!

Dr. Jayantha Lal Rathnasekera

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Infrastructure Development

1st International Research Symposium (IRSUWU) 2017



7th General Convocation of UWU



The President's Award for Scientific Publications

The Vice Chancellor's Award for Most Outstanding Young Researcher



Postgraduate Opportunities at Chungnam National University (CNU), South Korea



Delegation from University of Malaya, Malaysia





Nirudakayata Diya Podak 2017



ANS Blood Drive 2017



ANS Trophy 2017 - Football Tournament



Inter-University Football Championship 2017

1. Vice Chancellor's Review

1.1. Brief Introduction

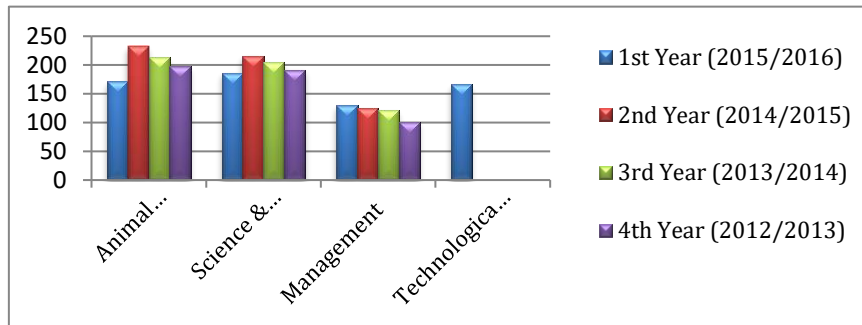
The Uva Wellassa University (UWU) was established as the 14th National University of Sri Lanka, on June 1, 2005 with the aim of bridging the incompatibility gap between the employment criteria and the graduate output. The UWU was designed as an entrepreneurial university to produce graduates capable of using scientific, technological and entrepreneurial knowledge to contribute to the development of the country.

The UWU is located on a magnificent mountainous site in Badulla with spectacular panoramic view and spreads across 64 acres of land. The UWU has four faculties and offers 13 undergraduate degree programmes catering to the local and global needs.

Faculty	Degree Programmes
Animal Science & Export Agriculture	Bachelor of Animal Science Bachelor of Science in Export Agriculture Bachelor of Science in Tea Technology & Value Addition Bachelor of Science in Aquatic Resources Technology Bachelor of Science in Palm & Latex Technology and Value Addition
Science & Technology	Bachelor of Technology in Science & Technology Bachelor of Science in Computer Science & Technology Bachelor of Industrial Information Technology Bachelor of Science in Mineral Resources & Technology
Management	Bachelor of Business Management in Entrepreneurship & Management Bachelor of Business Management in Hospitality, Tourism and Events Management
Faculty	Degree Programmes
Technological Studies	Bachelor of Engineering Technology Bachelor of Biosystems Technology

1.1.1. Details of Student Population

The undergraduate student population of UWU is 2252.



Details of Undergraduate Student

The past eight batches of graduates were readily absorbed to the employment slots of the country. Thus, the UWU is assuring a promising future to its graduates with higher employability rate.

Title of the Degree Programme	Year							
	2010	2011	2012	2013	2014	2015	2016	2017
Animal Science	28	29	36	50	35	42	31	62
Export Agriculture	27	32	38	37	31	43	34	44
Tea Technology & Value Addition	-	-	40	42	37	43	19	39
Aquatic Resources Technology	-	-	-	47	39	39	26	44
Palm & Latex Technology and Value Addition	-	-	-	39	38	44	17	33
Science & Technology	32	38	38	35	41	35	51	52
Computer Science & Technology	31	36	43	39	40	42	68	50
Industrial Information Technology	-	-	41	40	43	40	31	52
Mineral Resources & Technology	-	-	49	36	34	31	39	45
Business Management in Entrepreneurship & Management	30	38	52	47	47	49	44	54
Business Management in Hospitality, Tourism and Events Management	-	-	-	32	51	42	50	48
Total	148	173	337	444	436	450	410	523

Graduates Output (2010 -2017)

1.1.2. Overview of Academic and Non-Academic Staff

Since the establishment of the UWU, three Chancellors and four Vice Chancellors have been appointed by the President of the Democratic Socialist Republic of Sri Lanka. The UWU has a total permanent staff of 289 spread across academic, administrative and service divisions.

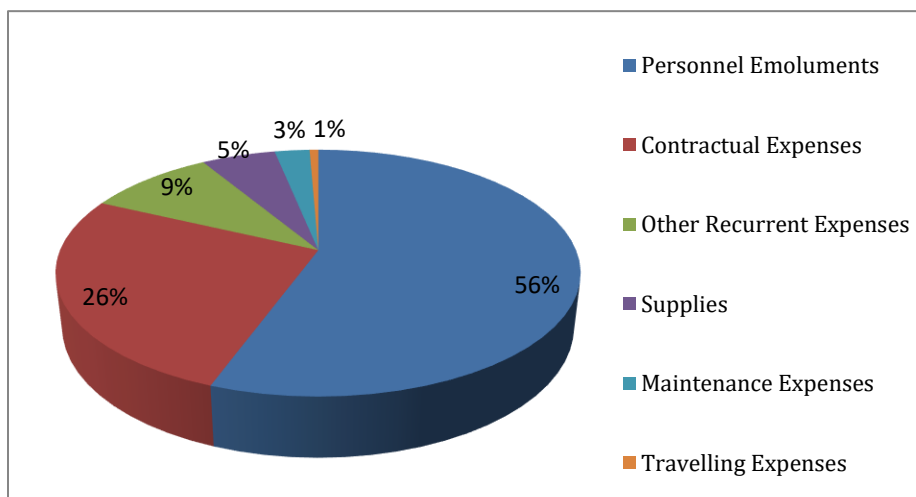
Most of the academic and non-academic staff vacancies have been filled, and a request was made to the Treasury for next year man power requirements. In the

year 2017, five new academic appointments have been made to the Faculty of Animal Science & Export Agriculture, twelve academic appointments to the Faculty of Science & Technology and two academic appointments to the Faculty of Technological Studies. Further, eight new appointments have been made to the Administrative Staff and one to the Library Staff.

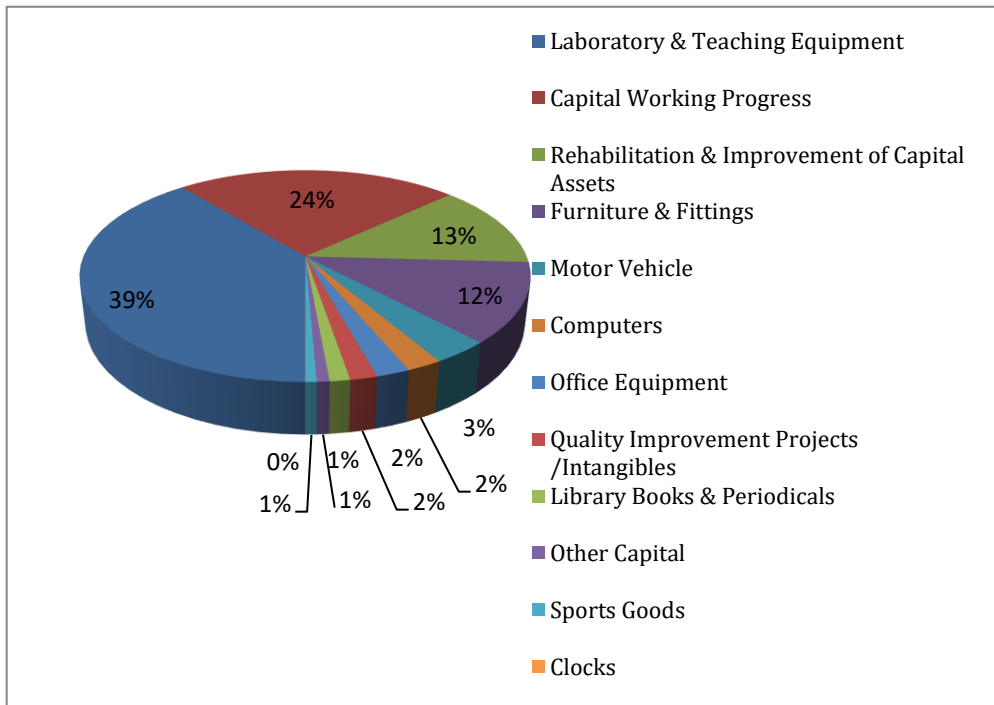
The financial progress of recurrent and capital expenditure incurred during year 2017 is indicated below. Accordingly, out of recurrent expenditure, 56% of total expenditure was made to meet personal emolumnets and the balance was incurred to meet the other expenses.

Out of capital expenditure, 39% was incurred to meet laboratory & teaching equipments and the balance was expended to meet other capital expenses.

Category		Year					
		2012	2013	2014	2015	2016	2017
Academic Staff	Professors	-	-	-	-	02	06
	Senior Lecturers	10	13	21	38	45	51
	Lecturer/ Lecturer (Pro.)	75	78	66	63	69	78
Administrative Staff		15	13	16	16	16	21
Library Staff		03	03	03	03	03	03
Non Academic Staff		04	04	04	40	73	130



Details of Recurrent Expenditure



Details of Capital Expenditure

1.2. Achievements

1.2.1. Infrastructure Development

The contract for an amount of Rs. 316 million, for construction of a four-storied building for the Faculty of Technological Studies, was awarded on May 26, 2017, and the foundation stone was laid on July 22, 2017. This four-storied faculty building will house four fully fledged laboratories, modern lecture halls, a seminar room and many other facilities. It is expected that the construction of the building will be completed by the year 2020.

Further, a project proposal has been forwarded to the UGC on July 7, 2017, to obtain approval from Cabinet of Ministers for the Balance Work under the project – Establishment of UWU – Phase II. The proposal included six sub-projects, viz. Development of the Main Entrance (Rs. 36 million), Library Building (Rs. 476 million), Student Welfare Centre (Rs. 108 million), Auditorium (Rs. 345 million),

Staff Learning Unit (R. 185 million) and Alternative Water Supply System (Rs. 53 million).

1.2.2. Academic and Research Achievements

1.2.2.1. 1st International Research Symposium (IRSUWU) 2017

The 1st International Research Symposium of the Uva Wellassa University (IRSUWU) was successfully held during January 19-20, 2017, under the theme of “Global Trends towards Technopreneurial Development”. With the presence of the Chief Guest, Prof. Buddhi Marambe from University of Peradeniya and the Keynote Speakers, namely Prof. Kirsten Benkendorff from Australia, Prof. Cheng Li from China and Prof. Cheorun Jo from South Korea, the IRSUWU 2017 made a remarkable milestone in the history of the UWU. The IRSUWU 2017 comprised of 17 sub-themes and 11 tracks, where over 300 abstracts were presented. This event provided a platform for scientists, industry personnel and international delegates to unite and present their scientific innovations and global trends in array of fields.

1.2.2.2. 7th General Convocation of UWU

The 7th General Convocation of UWU was held at BMICH, Colombo, on of August 6, 2017. 411 Bachelor’s Degrees were conferred by the Chancellor of UWU Thripitakacharya Dharma Keerthi Sri Sumangala Rathanapala Dhammarakkhitha, Most Venerable, Bengamuwe Sri Dhammadinna Nayake Thero.

1.2.2.3. The President’s Award for Scientific Publications

Prof. Dinesh Jayasena, Head/Department of Animal Science, Dr. Saman Herath, Senior Lecturer/Department of Export Agriculture and Dr. Pamoda Rathnaweera, Senior Lecturer/Department of Science & Technology have received the President’s Award for Scientific Publications for the year 2015. The award ceremony was held on November 6, 2017, at Taj Samudra Hotel, Colombo.

1.2.2.4. The Vice Chancellor's Award for Most Outstanding Young Researcher

Prof. Dinesh Jayasena was awarded the Vice Chancellor's Award for Most Outstanding Young Researcher 2015 at the IRSUWU 2017 held during January 19-20, 2017. The UWU Research Award for Highest Citations in 2015 was also awarded to Prof. Jayasena at the IRSUWU 2017.

1.2.2.5. Best Paper Award at International Science Congress, Bangkok, Thailand

Mr. A.N.R. Weerawansa, Lecturer (Prob.)/Department of Export Agriculture was awarded the Session Best Paper in the International Science Congress held at Asian Institute of Technology (AIT), Bangkok, Thailand during October 2-6, 2017.

1.2.3. Students' Achievements

1.2.3.1. Best Conference Paper at IIUPST 2017

Ms. Kirushanthi Thangavel, M.Phil. Student of the Faculty of Science & Technology was awarded with the Best Conference Paper in the oral presentation category at the technical session of 3rd Biennial International Symposium on Polymer Science & Technology organized by Department of Chemistry, University of Sri Jayewardenepura held during July 13-15, 2017.

1.2.3.2. National Best Quality ICT Awards 2017

The project "Namunu Translator", off-line instant English-Sinhala word translator developed by the students of the Department of Computer Science & Technology was awarded a merit under the category of "Tertiary Student Project Technology" at National Best Quality ICT Awards Night held at Hotel Taj Samudra, Colombo on October 6, 2017. This event was organized by Sri Lankan section of the BCS the Chartered Institute for IT.

1.2.3.3. Biswamil 2017 – International Cultural Extravaganza

“Biswamil 2017”, the International Cultural Festival organized by O.P. Jindhal Global University, Sonipat, Delhi, India was held during October 6-8, 2017, where three students and Mr. Jagath Kulathilaka/Student Counsellor have participated. The event comprised of competitions to showcase the potentials of undergraduates in wide range; general knowledge, singing, drama, speech, mono act along with the euphonic DJ eves.

1.2.3.4. Information Security Quiz 2017

Students of Department of Computer Science & Technology have participated in the Information Security Quiz 2017 organized by Sri Lanka CERT|CC on August 18, 2017 at BMICH, Colombo. The team “Cyber Trans” achieved the 5th place by exhibiting their performances.

1.2.3.5. Code Combat – IFS 20th Anniversary Hackathon

The team “TransCoders”, the students of the Department of Computer Science & Technology was able to emerge as 2nd runners up at the “CODE KOMBAT- IFS 20th Anniversary Hackathon” demonstrating their outstanding performance. The event was organized under the theme, “Virtual Robotics Running on the Famous Robocode Programming Game Platform” by IFS R&D International (Pvt) Ltd., and held on October 28, 2017 at The Stables – Park Street Mews, Colombo.

1.2.4. International Collaborations

1.2.4.1. Postgraduate Opportunities at Chungnam National University (CNU), South Korea

A special session was organized to familiarize the academic staff members of the UWU on the postgraduate and postdoctoral opportunities available at Chungnam National University (CNU), South Korea, on January 18, 2017. Prof. Jun Heon Lee, the Vice President, International Affairs, CNU made a presentation on this topic.

More than 40 academic staff members of UWU had the opportunity of getting awareness of future possibilities in applying for higher studies in CNU.

1.2.4.2. Delegation from University of Malaya, Malaysia

Prof. Abdul Kariem bin Mohammed Arof, Head of the Center for Ionics, University of Malaya, Malaysia visited UWU in March, 2017. During his visit, the possibilities of developing research collaborations in the field of Ionic Physics, initiating student and staff exchange programmes and joint research grant programmes between UWU and the University of Malaya, Malaysia, were discussed.

1.2.4.3. Dissemination of Knowledge, Tokyo Institute of Technology

Three research students from Tokyo Institute of Technology of Japan, namely Mr. Tomoki Furuhashi, Mr. Naoki and Ms. Kiyoko, visited UWU and had two-hours of presentation on their innovation of low cost, no electricity automated toilet washlet. Students from Faculty of Management and Faculty of Science and Technology attended the session.

1.2.5. Center for Open and Distance Learning (CODL)

1.2.5.1. External Degree Programmes

- The UWU Senate has recommended the proposal for the new external degree programme on Bachelor of Information Technology (External), and it is under review by the external experts.
- The UWU Senate and the Council have recommended the proposal for the new external degree programme on Bachelor of Business Management General (External), and the UGC approval is awaited.

1.2.5.2. Certificate Level Programmes

The following certificate programmes were conducted in 2017.

- Bio System Technology and Agriculture for school teachers
- Teaching Science for 6-11 Grades for school teachers

- English for School Leavers (5th Batch – No. of Participants: 75 and 6th Batch – No. of Participants: 99)
- History for School Teachers (4th Batch – No of Participants: 50)
- Web Design– 2017 (2nd Batch – No of Participants: 61)
- Java Application Development (2nd Batch – No of Participants: 63)

1.2.5.3. Other Programmes

A training programme on Geographic Information and Map Data Use was conducted by the IUCN, Sri Lanka Country Office during December 4-6, 2017.

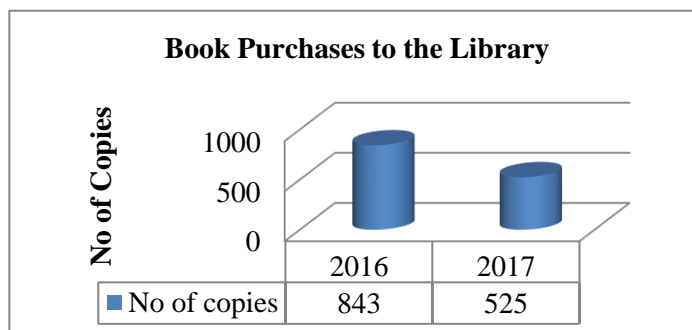
1.2.6. Library

The present library collection encompasses over 20,000 printed and non-printed materials, covering a vast area of subject disciplines such as Computer Science, Philosophy, Economics, Business Studies, Management, Finance, Tourism, Physics, Chemistry, Mathematical Science, Engineering, Technology, Agriculture, Animal Sciences, Aquaculture, Fisheries etc. The UWU library uses Dewey Decimal classification system to classify books, and provides services through reference section, lending section and e-resource service division. The UWU library intends to initiate the Library Database Management System (KOHA Open Source System).

Mrs. Asoka Siriwardena, the Librarian of the Rajarata University of Sri Lanka has joined (on Sabbatical Leave) the UWU library as Consultant to the UWU library on August 1, 2017.

Ms. K.M.R.K. Kulatunga obtained her Doctor of Philosophy in Library and Information Science degree offered by University of Delhi, India.

1.2.6.1. Book Purchases to the Library during 2017



1.2.6.2. Library Usage in the Year of 2017

Month	Lending Section		Permanent Reference Section Usage	E- Document Delivery Service Usage	Reading Section Usage	Total Usage
	Student Usage	Staff Usage				
January	480	114	1324	57	1119	3131
February	1066	39	2111	657	1240	4829
March	658	63	487	540	1154	2588
April	424	33	139	335	1999	2841
May	319	81	245	276	3350	4269
June	223	66	94	681	2746	3815
July	379	73	248	125	940	1772
August	982	77	334	218	2341	3963
September	781	49	209	103	2225	3371
October	503	69	157	133	2429	3293
November	543	90	272	283	3071	4282
December	288	98	218	114	3375	4097

1.2.7. Traditional and Cultural Events

To ensure the co-existence among diverse cultures, traditions, religions and festivities, a series of events were conducted during the year 2017.

1.2.7.1. Wellassa Kona Mangalyaya

In line with the Sinhala-Tamil New Year celebrations, “Wellasse Kona Mangalyaya” was successfully held on April 22, 2017 in the university premises. This event was organized by the students to promote multi-cultural values and ethnic harmony within the university community.

1.2.7.2. Aluth Aurudu Uthsawaya

The Welfare Society of UWU organized the New Year Festival, including many traditional games, such as “Aliyata Asa Thebiima”, “Kanna Muttiya Bindiima”, “Kotta Pora”, “Kamba Adheema” etc.

1.2.7.3. Namunukula Wesak Sanda

The annual Wesak Programme of UWU, “Namunukula Wesak Sanda” was conducted during the month of May, and the students have organized a series of events.

1.2.7.4. Malaithendral

This event was organized to improve the artistic and cultural values of the students in the university while providing a platform to showcase the talents upholding ethnic harmony. The event held on September 17, 2017 at Simon Peiris Memorial Conference Hall, Badulla, and was furnished with traditional, cultural performances and publication of the book, “Malaithendral” and launching of the song, “Malaithendral”.

1.2.7.5. Galena

This event was held in the university premises on April 27, 2017 with the prime objective of providing students with practical exposure on Catering Banquet Management and Events Management. The theme of Galena 2017 was “Hellenic Heaven – Dine above the Clouds” which focused on offering a unique culinary experience of Greek culture to the guests. This event was organized by the students of Hospitality Tourism & Events Management Degree programme providing an unforgettable experience to staff and students of UWU.

1.2.7.6. Aurora 2017

This Annual Food Festival event created the opportunity to all members of the university community to gather under a same hut and taste variety of delicious food prepared by the students of UWU with the purpose of raising funds to assist a rural school located in Uva province.

1.2.7.7. Nidra 2017 - Musical Night

With the core intention of pleasing wearisome minds, “Nidra 2017” organized by the Art Society of UWU held on September 15, 2017 in the university premises. This evening was a real feast for staff and students of the UWU.

1.2.7.8. Warsha 2017

Moistening scorched minds for a while, “Warsha 2017” was fruitfully staged on November 15, 2017 at the Public Library Auditorium, Badulla. This programme was organized with the purpose of appreciating the literary aspects of songs. Commentary of Prof. Aththanayaka M. Herath and the Lyricist Mr. Sudath Gamini Bandara combined with the musical talents of the undergraduates of UWU made this a fascinating evening.

1.2.7.9. Bhawa Sankalana

“Bhawa Sankalana 2017”, was held in the university premises on November 22, 2017. It was a colourful night with dramatic performances and dances of both UWU students and students of university of Visual and Performing Arts.

1.2.7.10. Glamouro 2017

“Glamouro” is a glittering event which takes place annually as the upshot of the course, Communication Skills to unveil communication competencies of the first year students while improving their personalities, self-confidence and presentation skills. “Glamouro 2017” grand finale was held on November 20, 2017 under the theme “Milano Centrale”. The staff and the students of UWU participated in this event.

1.2.8. Community Outreach Programmes

1.2.8.1. Nirudakayata Diya Podak 2017

With the aim of leading the society towards Green Concept and introducing healthy environmental, social, cultural, health and educational aspects, “Nirudhakayata Diya Podak 2017” was organized by the undergraduates of UWU. This community service was extended on August 26, 2017 in Badulla, Passara, Katharagama, Dunhinda, and Ella regions. A cleaning programme and a public awareness campaign were also conducted on this day.

1.2.8.2. Donation of a Computer Laboratory

The Department of Computer Science & Technology donated a computer laboratory to Alpitiya Nawodya Maha Vidyalaya, Dambagalla on March 6, 2017.

This donation was made as one of the events organized to mark the 10th anniversary celebration of the UWU. The Departments' Alumni and staff members along with some other donors contributed to this work.

1.2.8.3. Vidu Nimsara 2017

“Vidu Nimsara 2017” is an educational seminar programme organized by the students of Science & Technology degree programme, for GCE O/L students of the schools in Badulla area. With the participation of more than 600 school students, this event was productively held in November 2017 in the university premises.

1.2.8.4. ANS Blood Drive 2017

The third year undergraduates of the Animal Science degree programme have organized the annual blood donation Programme, “ANS Blood Drive 2017” on October 19, 2017 in the premises of UWU.

1.2.8.5. Workshop on Chemistry for Ordinary Level Science Students

A two-day workshop on Chemistry for Ordinary Level students of under-privileged schools in Badulla district was conducted at the main Chemistry Laboratory during July 19-20, 2017. 57 students and three teachers from Gawela Vidyalaya and Aththalagedara Thakshila Maha Vidyalaya participated in the workshop. The activity was organized by the Senior Lecturer, Dr. Thusitha Etampawala with the help of other staff members.

1.2.8.6. Saarkshara 2017

The Animal Science Society organized “Saarkshara 2017” as one of the community development activities for the 3rd consecutive year on November 21, 2017 at Malangamuwa Vidyadeepa Primary School in Badulla. The main objective of the “Saarkshara 2017” was to support a needy school and its students while supplying materials for their education and motivating them to study well.

1.2.8.7. Soba Ru 2017

“Soba Ru 2017” was organized by the 1st year students of Hospitality, Tourism & Events Management Degree programme to make the school students aware on the

“Leadership for Environment Conservation and Sustainable Tourism” followed by a visit to Bogoda Bridge on November 20, 2017.

1.2.9. Sports Activities

1.2.9.1. ANS Trophy 2017 - Football Tournament

For the 10th consecutive year, the students of Animal Science Degree programme have organized the ANS Trophy – Football Tournament, which took place on August 10, 2017 at the university playground. With the participation of academic staff, non academic staff, graduates and undergraduates of UWU, this event was held adding joy to the young hearts.

1.2.9.2. ENM Trophy 2017- Cricket Tournament

The Annual Cricket Tournament, “ENM Trophy” organized by the undergraduates of Entrepreneurship & Management degree programme was held during September 9-10, 2017 at the university playground.

1.2.9.3. Inter-University Football Championship 2017

The UWU hosted the Inter University Football Championship during September 22-24, 2017. Undergraduates representing 13 national universities have participated in the tournament. The University of Jaffna won the championship while the University of Peradeniya became the 1st runners up and the University of Moratuwa became the 2nd runners up.

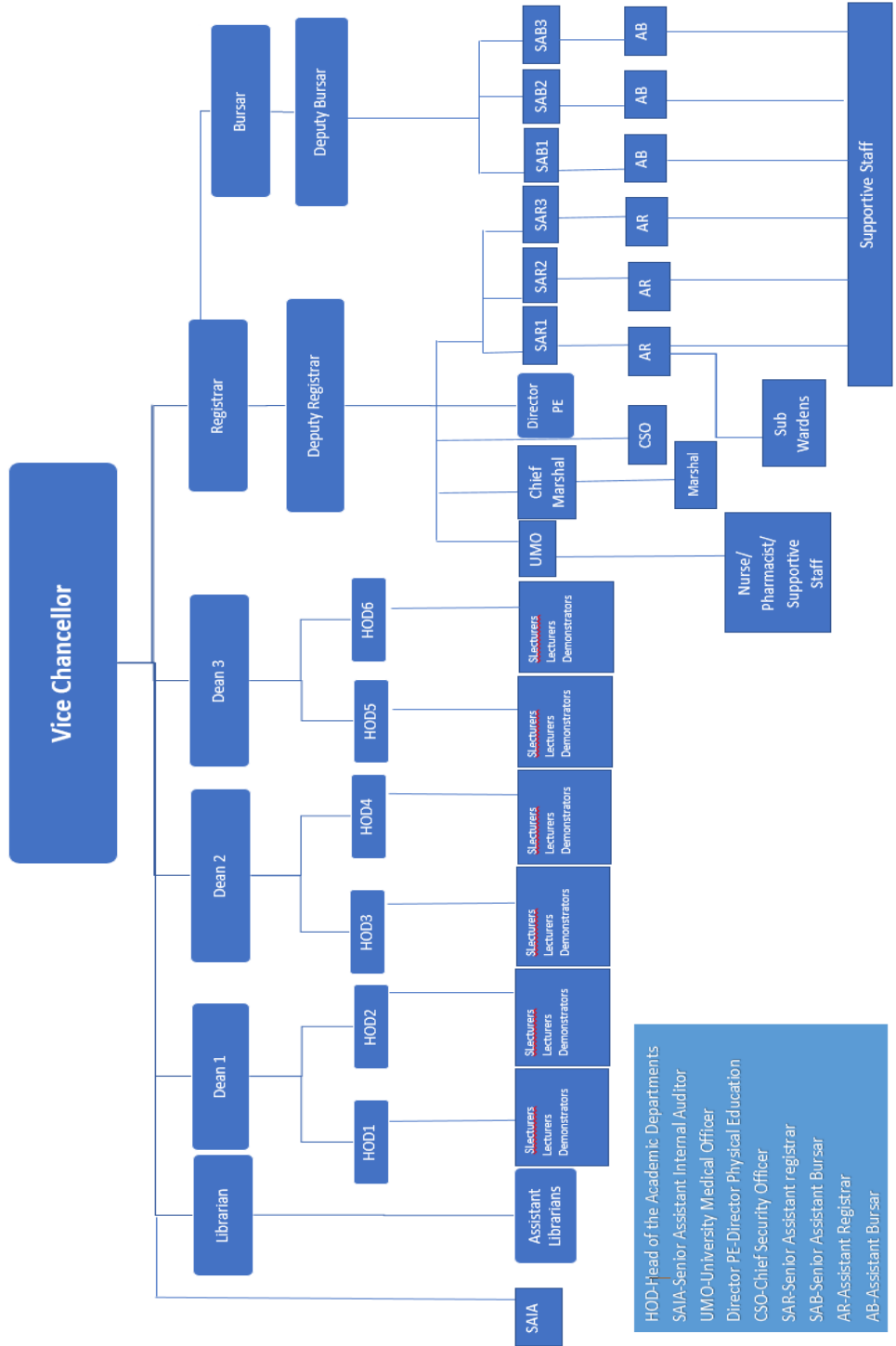
1.3. Future Plans

- Setting up of the UWU is a major boost to the government’s effort to promote demand driven education focused towards building capacity for national development. The UWU recognizes its role as a strategic partner in Uva Province, and therefore aspires to contribute to the region’s economic growth, social development and environmental sustainability.
- The multi-disciplinary nature of existing degree programmes will be retained and further enhanced. The UWU expects to accredit its degree

programmes with national and international professional institutes. In addition, the UWU will broaden the scope of higher education by introducing new multi-disciplinary courses and degree programmes.

- Recruiting and retaining highly qualified workforce with the capacity to achieve the University's mission will be a priority.
- Making the UWU one of the most sought after Sri Lankan University by foreign students for science, technology, agriculture and management higher education is one of the ambitions.
- The UWU intends to sign MOUs with foreign research institutes for research collaborations and to organize research dissemination activities.
- The UWU will be engaged in its continuous efforts to create excellent infrastructure facilities for teaching, learning and research.
- It is expected to establish Agriculture & Animal Husbandry Farms and a well-equipped Sports Complex.
- The UWU intends to establish a proper Mentoring and Counselling Unit and to establish for the University.
- The UWU aims at providing accommodation for all the students, by developing new hostel complex(s) in collaboration with the UGC and the Ministry of Higher Education.
- The UWU intends to facilitate the service providers to initiate outlets, such as, mini-coop, bookshop, bank branch, supermarket, laundry, communication center, post office, saloon etc.
- The UWU will install and commission a web-based Management Information System (MIS) with embedded University Resource Planning (URP) facility.
- At present, the acquisition process is underway for 25 acres of land from Balangoda Plantation PLC. Further, a proposal has been submitted to the Ministry of Higher Education for acquisition of additional 12 acres of land from Balangoda Plantation PLC for the expansion of the university.

02. Organizational Structure



3. Council & Senate

3.1. The Council

The Council of the university, constituted in terms of Section 44 of the Universities Act No. 16 of 1978 as amended by Section 24 of the Universities (Amendment) Act No. 07 of 1985, consisted of the following members during the year 2017.

Vice Chancellor	Dr.G. Chandrasena (Up to January 23, 2017)
	Dr. J.L. Ratnasekera (From February 01, 2017)
Deans of the Faculties	
Animal Science & Export Agriculture	Prof. S.C. Jayamanne (Up to October 31, 2017)
	Prof. S.C. Jayamanne (From November 01, 2017)
Science & Technology	Prof. E.P.S.K. Ediriweera (Up to May 29, 2017) Acting Dean
	Prof. E.P.S.K. Ediriweera (From May 30, 2017)
Management	Dr.P.I.N. Fernando (Up to June 30, 2017)
	Dr.P.I.N. Fernando (From July 01, 2017 to August 31, 2017) Acting Dean
	Mr. G.H. Abeyweera (From September 1, 2017)
Technological Studies	Prof. K.B. Wijesekara (From May 15, 2017 to November 26, 2017) Acting Dean
	Prof. K.B. Wijesekara (From November 27,2017)
The following members were appointed by the Senate to represent the Council	
Mr. G.H. Abeyweera (Up to August 31, 2017)	
Prof. K.B. Wijesekara (Up to May 14, 2017)	
Prof. D.K.D.D. Jayasena (From June 23, 2017)	
Dr. H.M.J.C. Pitawala (From December 22, 2017)	
The following members were appointed by the UGC	
Mr. T. Nandasena	
Dr. A. Gunawardena	
Dr. W. Abeykoon (Up to January 5, 2017)	
Mr. Heminda Dayawansa	
Mr. Nimal Abeysiri	
Ms. T.D.A. Jayanthi Senanayake (Up to March 24, 2017)	
Mr. R.M.G.K. Bandara Rathnayake (Up to January 18, 2017)	
Mr. Ariyaratne Hewage (From July 25, 2017)	
Registrar-Secretary of Council	Mr. A.G. Karunaratne (Up to November 14, 2017)
	Mr. M.F. Hibathul Careem (From November 15, 2017)

3.2. The Senate

The Senate, constituted in terms of section 46 of the Universities Act. No. 16 of 1978 as amended by the Act. No. 7 of 1985 consisted of the following members during the year 2017.

Vice Chancellor (Chairman)	Dr.G. Chandrasena (Up to January 23, 2017)
	Dr. J.L. Ratnasekera (From February 01, 2017)
Deans of the Faculties	
Animal Science & Export Agriculture	Prof. S.C. Jayamanne (Up to October 31, 2017)
	Prof. S.C. Jayamanne (From November 01, 2017)
Science & Technology	Prof. E.P.S.K. Ediriweera (Up to May 29, 2017) Acting Dean
	Prof. E.P.S.K. Ediriweera (From May 30, 2017)
Management	Dr.P.I.N. Fernando (Up to June 30, 2017)
	Dr.P.I.N. Fernando (From July 01, 2017 to August 31, 2017) Acting Dean
	Mr. G.H. Abeyweera (From September 1, 2017)
Technological Studies	Prof. K.B. Wijesekara (From May 15, 2017 to November 26, 2017) Acting Dean
	Prof. K.B. Wijesekara (From November 27,2017)
Heads of the Departments	
Department of Animal Science	Prof. D.K.D.D. Jayasena (Up to December 31, 2017)
Department of Export Agriculture	Dr. P.E. Kaliyadasa
Department of Science & Technology	Prof. K.B. Wijesekara (Up to May 14, 2017)
	Dr. H.M.J.C. Pitawala (From May 15, 2017)
Department of Computer Science & Technology	Dr. E.P.S.K. Ediriweera (From May 16,2017 to May 29, 2017)
	Dr.M.M.S.N.Premathilake (From May 30, 2017)
Department of Management Sciences	Mr. G.H. Abeyweera (Up to August 31, 2017)
	Dr. J.P.R.C. Ranasinghe (From September 1,2017)
Department of Public Administration	Dr. P.H.T. Kumara
Department of Biosystems Technology	Prof. K.B.Wijesekara (From May 16, 2017 to November 26,2017)
	Dr. K.G.C. Senarathna (From November 27,2017)
Department of Engineering Technology	Mr.U.M.N. Jayawickrema (from October 01,2017 to December 31,2017) Acting Head
Faculty Representatives	
Faculty of Animal Science & Export Agriculture	Dr. E.D.N.S. Abeyrathne
	Prof. H.M.S.K. Herath
Faculty of Science & Technology	Dr. N.P. Premachandra
	Dr. K.W.S.N. Kumari
Faculty of Management	Dr. K.M.M.C.B. Kulathunga (Up to August 31,2017)
	Dr. J. Sutha (From February 1, 2017)
Librarians	Ms. K.M.R.K. Kulathunga (Up to February 28, 2017)
	Mrs. A.S. Siriwardana (From August 01,2017)
Registrar (Secretary)	Mr. A.G. Karunarathne (Up to November 14, 2017)
	Mr. M.F. Hibathul Careem (From November 15, 2017)
Assistant Librarian	Mr. T. Pratheepan (From March 01,2017 to July 31,2017)

04. Students & Human Resources

Faculty	Course of Study	Total Students	Total Academic Staff	Total Non-Academic Staff
Animal Science & Export Agriculture	Animal Science	182	79	30
	Export Agriculture	183		
	Tea Technology & Value Addition	137		
	Aquatic Resources Technology	172		
	Palm & Latex Technology and Value Addition	139		
Science & Technology	Science & Technology	177	66	20
	Computer Science & Technology	212		
	Industrial Information Technology	227		
	Mineral Resources & Technology	181		
Management	Entrepreneurship & Management	241	32	4
	Hospitality, Tourism and Events Management	235		
Technological Studies	Engineering Technology	81	15	6
	Biosystems Technology	85		
Total		2252	192	60

4.1 Enrolment of Students (as at 31.12.2017)

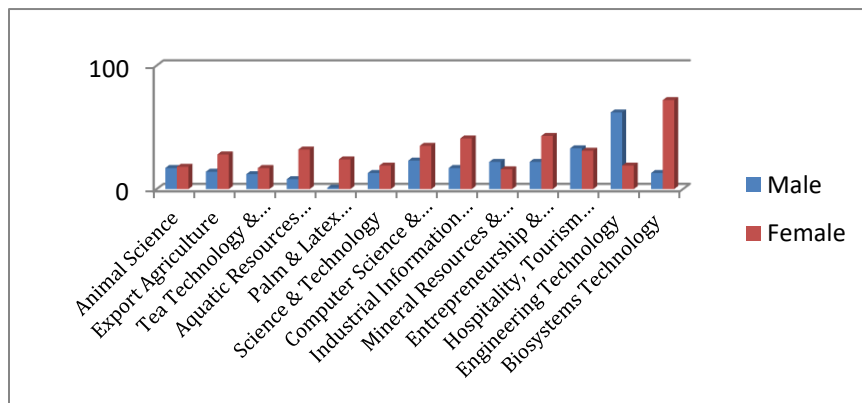
Uva Wellassa University increased the proposed number of intake in 2017. Accordingly UWU enroles 60 students for each degree programme, offered under the Faculty of Animal Science & Export Agriculture and the Faculty of Science & Technology and 65 students for the Faculty of Management. They were selected based on the performance at the G.C.E (A/L) Examination and the Aptitude Test conducted by Uva Wellassa University.

Faculty	Course of Study	Medium	1 st Year (2015/2016)	2 nd Year (2014/2015)	3 rd Year (2013/2014)	4 th Year (2012/2013)
Animal Science & Export Agriculture	Animal Science	English	35	52	48	47
	Export Agriculture		42	53	49	39
	Tea Technology & Value Addition		29	36	36	36
	Aquatic Resources Technology		40	52	38	42
	Palm & Latex Technology and Value Addition		25	39	42	33
Science & Technology	Science & Technology		32	53	42	50
	Computer Science & Technology		58	55	50	49
	Industrial Information Technology		58	60	60	49
	Mineral Resources & Technology		38	48	52	43
Management	Entrepreneurship & Management		65	63	60	53
	Hospitality, Tourism, and Events Management	64	62	61	48	
Technological Studies	Engineering Technology	81	--	--	--	
	Biosystems Technology	85	--	--	--	
Total			652	573	538	489

4.2 New Entrants to Undergraduate Degree Programmes - Local Students

Faculty	Course of Study	Year of Intake	Agreed Intake	Actual No. Registered
Animal Science & Export Agriculture	Animal Science (ANS)	2015 /16	60	35
	Export Agriculture (EAG)		60	42
	Tea Technology & Value Addition (TEA)		60	29
	Aquatic Resources Technology (AQT)		60	40
	Palm & Latex Technology and Value Addition (PLT)		60	25
Science & Technology	Science & Technology (SCT)		60	32
	Computer Science & Technology (CST)		60	58
	Industrial Information Technology (IIT)		60	58
	Mineral Resources & Technology (MRT)		60	38
Management	Entrepreneurship & Management (ENM)		65	65
	Hospitality, Tourism and Events Management (HTE)	65	64	
Technological Studies	Engineering Technology (BETA)	86	81	
	Biosystems Technology (BBST)	86	85	
Total			842	652

Gender Distribution of the New Intake – 2017 (2015/2016 Batch)



4.3 Graduate Output – 2017

Title of the Degree Programme	Year – 2017 (2012/13 Batch)		
	Male	Female	Total
Animal Science	24	38	62
Export Agriculture	18	26	44
Tea Technology & Value Addition	21	18	39
Aquatic Resources Technology	10	34	44
Palm & Latex Technology and Value Addition	12	21	33
Science & Technology	25	27	52
Computer Science & Technology	29	21	50
Industrial Information Technology	26	26	52
Mineral Resources & Technology	20	25	45
Entrepreneurship & Management	19	35	54
Hospitality, Tourism and Events Management	27	21	48
Total	231	292	523

4.4 Hostels

4.4.1 University Owned Hostel

Name	Location	Capacity			Fee per Student per Year (Rs.)
		Male	Female	Total	
Coral Beauty	University Premises	140	-	224	5000.00
Silver Tips		84	-		
Blue Sapphire		-	140	280	
Cattleya		-	140		

4.4.2 University Rented Hostels

4.4.2 University Rented Hostels					
Location	Rental Cost per Year	No. Occupied as at 31 st December 2017			Fee per Student per Year (Rs.)
		Male	Female	Total	
Mr. A.M.S. Atthanayake, No: 4 A, Water tank Road, Hindagoda, Badulla	660,000.00				
Mr. E.M.H. Lakmal, No: 2/79, Rambukpotha, Badulla	288,000.00				
Mr. M. Wijerathne, No: 14/25, Hanwella, Badulla	444,000.00				
Mr. B.S. Rodrigo, No: 14/24, Hanwella, Badulla	222,000.00				
Mr. Y.M. Lalith Kumarasiri, No:05, Kajuwatte, Rambukpotha, Badulla	336,000.00				
Ms. M.A. Anulawathi, No:36/16, Jinanadagama Road, Hindagoda, Badulla	264,000.00				
Mr. D.B. Thennakoon, No:15A, Water tank Road, Badulla	259,344.00				
Mrs. D. Thennakoon, No: 29B, Hanwella Road, Badulla	277,200.00				
Dr. W.A.S.A. Wickramaracchi, No: 37/a/1, Uyanwatta, Hanwella Road, Badulla	420,000.00				
Mr. G.D. Premarathne, No:21/9, Water tank Road, Hindagoda, Badulla	300,000.00				
Ms. G.S. Mallikarachchi, No: 70, Badulusirigama, Badulla	360,000.00				
Mr. R.W.M. Shalaka Ranga, No: 01/34, Passara Road, 2 nd Mile Post, Badulla	300,000.00				
Mr. A.H. Rahula De Silva, No: 62/1, Badulusirigama, Badulla	396,000.00				
Mr. Sanath Gamage, No: 03, Springvelly Road, Badulla	420,000.00				
Mr. S.P. Siriwardena, No: 05, "Leelasiri", 2 nd Mile Post, Passara Road, Badulla	24,000.00	175	269	444	3500.00
Lanka Jathika Sarwodaya, Shramadana Movement (Inc), No: 47, Springvelly Road, Badulla	1266,840.00				
Mr. D.M.S. Bandara, Succeed TV International, Sampath Sewana Walawwatta, Rambukpotha	1,344,000.00				
Mr. T.G. Karunarathna, No:06 C/13, Water tank Road, Hindagoda, Badulla	456,000.00				
Mr. R.M. Jayasundara Banda, No 69, Springvelly Road, Badulla	336,000.00				
Mr. M.T. Mudalihewa, No 127, 2 nd Mile Post, Passara road Badulla	384,000.00				
Ms. Mihiri Menaka, No 61, 2 nd Mile post, Passara Road Badulla	792,000.00				
Ms. W.H.D.V.T. Madurangi, No 73, Badulusirigama, Badulla	780,000.00				
Uva Education Cooperation Society, No.31, Martin Silva Mw, Badulla	582,000.00				
Ms. T.K.M. Chandrawathi, No.B, 80, Badulupitiya, Badulla	108,000.00				
Ms. Dammika Kumari Gunasekara, No 332, Srimath Kudarathwaththa Mawatha, Kandy	900,000.00				
Mr. P.C. Somathilaka, No 79/3, Madawaththa Rambukpotha, Badulla	45,000.00				
Mr. I.M. Kamaldeen, No-09, Lower Street, Badulla ★	35,000.00				

* Rented out from December, 2017

4.5 Scholarship

4.5.1 Mahapola & Bursaries - 2017

Faculty	Year of Intake	Year of Study	No. of Receptients	
			Mahapola	Bursary
Animal Science & Export Agriculture	2015/2016	1 st Year	8	73
	2014/2015	2 nd Year	38	85
	2013/2014	3 rd Year	25	77
	2012/2013	4 th Year	54	35
Science & Technology	2015/2016	1 st Year	64	26
	2014/2015	2 nd Year	61	38
	2013/2014	3 rd Year	52	40
	2012/2013	4 th Year	83	14
Management	2015/2016	1 st Year	47	11
	2014/2015	2 nd Year	52	20
	2013/2014	3 rd Year	17	61
	2012/2013	4 th Year	50	13
Technological Studies	2015/2016	1 st Year	93	8
Total			644	501

4.5.2 Other Scholarships - 2017

Name of the Scholarship	Faculty	No. of Receptients
Chancellor's Scholarship	Animal Science & Export Agriculture	2
	Science & Technology	2
	Management	2
Chinese Ambassador's Scholarships - 2017 (one-time payment)	Animal Science & Export Agriculture	2
German Scholarship	Animal Science Export Agriculture	2
Sri Lankan Graduates Society (SLGS) University of Melbourne, Scholarship	Management	2
Presidential Scholarships for Foreign Students	Science & Technology	2

05. Human Resources

5.1 Academic Staff

The number of academic staff members served in each category for the year 2017 is as follows:

Faculty	Medium	Senior Professors	Professors	Senior Lecturers	Lecturers	Lecturers (Prob.)	Tem. Lecturers/ Demonstrators
Animal Science & Export Agriculture	English	--	4	22	5	28	20
Science & Technology		--	1	14	2	27	22
Management		--	--	13	3	7	9
Technological Studies	English/Sinhala/Tamil	--	1	2	--	6	6
Total		--	6	51	10	68	57

5.2 Administrative Staff

The number of administrative staff members served in each category for the year 2017 is as follows:

Category	Approved Cadre	Actual Cadre	Remarks
Registrar	1	1	--
Bursar	1	1	--
Deputy Registrar	1	--	--
Senior Assistant Registrar / Deputy Registrar	5	4	--
Senior Assistant Bursar / Deputy Bursar	4	2	--
Senior Assistant Internal Auditor	1	1	On contact basis
Assistant Registrar	6	4	--

Category	Approved Cadre	Actual Cadre	Remarks
Assistant Registrar (Library Service)	1	1	--
Assistant Registrar (Legal & Documentation)	1	-	--
Assistant Bursar	2	1	--
Works Engineer	1	1	--
Statistical Officer	1	--	--
Project Manager	1	1	On Assignment basis
Chief Security Officer	1	1	--
Chief Marshal	1	--	--
Director Physical Education	1	1	--
Curator (Landscape)	1	1	On Assignment basis
University Medical Officer	2	1	--
Total	32	21	--

5.3 Academic Support Staff

The number of academic support staff members of each category is given below.

Category	Approved Cadre	Actual Cadre
Programmer Cum System Analyst	2	1
Instructor (Physical Education)	2	2
Instructor (Computer Technology)	4	0
Assistant Network Manager	1	0
Career Guidance Counselor	1	0
Total	10	3

5.4 Non-Academic Staff

The number of non-academic and staff members of each category is given below.

Category		Approved Cadre	Actual Cadre
Sub Warden (Full Time)		4	4
Marshal		1	0
Supervisor (Civil)		1	1
Audit Assistant		3	1
Book Keeper		3	0
Pharmacist		1	1
Nursing Officer/Nurse		2	1
Technical Officer		32	20
Computer Application Assistant (CAA)	Management Assistant	55	27
Stenographer (English)			4
Clerk			6
Telephone Operator Cum Receptionist		2	2
Library Information Assistant		7	3
Shroff		3	3
Store Keeper		2	1
Security Inspector		1	0
Farm Supervisor		1	0
Guest House Keeper		3	2
Labourer/Works Aide		25	25
Electrician		2	2
Plumber		1	1
Carpenter		1	0
Fitter		1	0
Attendant (Health Services)		1	0
Laboratory Attendants		25	23
Total		177	127

5.5 Distribution of Non-Academic Staff

Faculty / Branch	Most Senior	Senior Staff	Minor Employees
Vice Chancellor's Office	--	2	1
Registrar's Office	--	1	1
Bursar's Office	--	--	1
Faculty of Animal Science & Export Agriculture	1	13	17
Faculty of Science & Technology	1	8	9
Faculty of Management	--	3	1
Faculty of Technological Studies	--	3	3
Student Affairs Division	1	6	1
Human Resources Division	--	3	2
General Administration Division	--	4	3
Examination Division	--	4	2
Senior Assistant Internal Auditor	--	2	1
Capital Works Division	--	1	1
Procurement Division	2	3	1
Payment Division	--	2	1
Physical Education Unit	--	3	1
CODL	--	--	1
Salary Division	--	3	--
Reporting Division	--	1	--
Maintenance Division	--	2	3
Library	1	3	--
Medical Centre	--	2	--
SDC	--	--	1
Total	6	69	51

5.6 Library Staff

Category	Approved Cadre	Actual Cadre	Remarks
Librarian	1	1	On Sabbatical Placement
Senior Assistant Librarian/ Assistant Librarian	3	3	One on Contract Basis
Total	4	4	-

06. Research & Development

6.1 Research, Innovations & Publications

Subject	Published	Commercialized	Presented
No. of Research Studies	141	--	43
No. of Innovations/ Product Developments	11	--	01
No. of Journal Articles	51	--	08
No. of Books/ Book Chapters	11	--	--
No. of Abstracts	217	--	46
Posters	12	01	07
Total	443	01	105

6.2 Programmes, Seminars & Workshops

Subject	Attended/ Offered	Completed	Presented
No. of Degree Programmes	16	10	--
No. of Certificate Programmes	14	06	--
No. of Community Service Delivery Programmes	64	08	06
Staff Development Seminars & Workshops	61	06	04
Total	155	30	10

6.3 Details of Awards Received

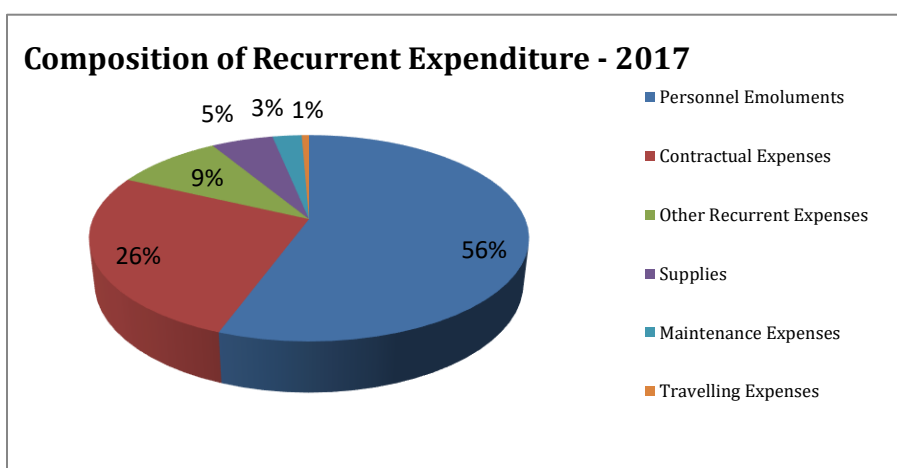
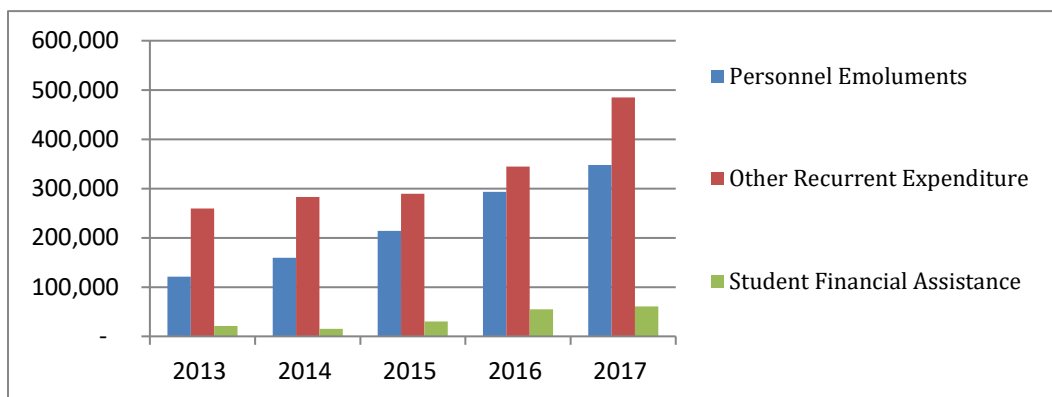
Subject	No. of Awards	No. of Academics	No. of Students
Local Awards	10	05	13
International Awards	03	02	--
Total	13	07	13

07. Financial Statements

7.1 Summary of Financial Results

for the year ended 31.12.2017

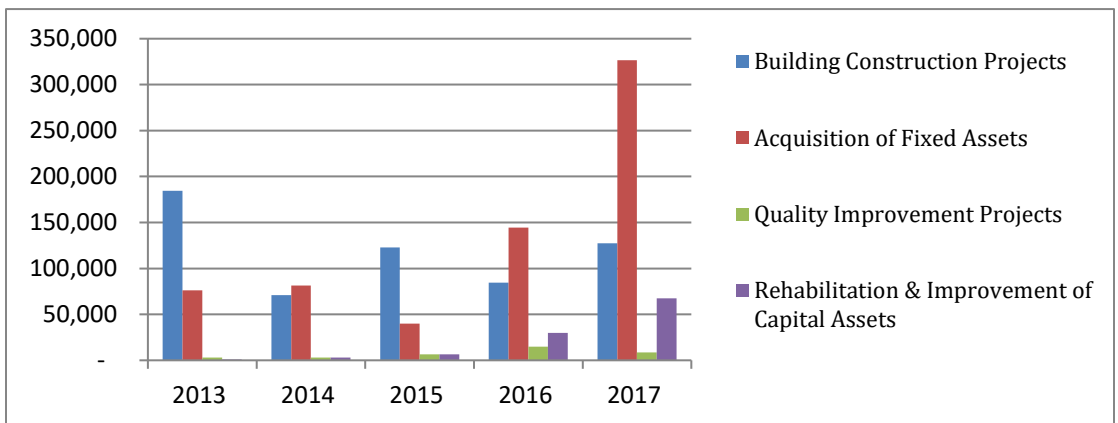
7.1.1. Recurrent Expenditure - 2017					Rs. '000
	2013	2014	2015	2016	2017
Personnel Emoluments	121,219	159,510	213,723	293,375	347,634
Other Recurrent Expenditure	259,727	282,924	289,516	344,586	485,092
Student Financial Assistance	21,108	15,369	30,257	55,058	60,606
Total	402,054	457,803	533,496	693,019	893,332



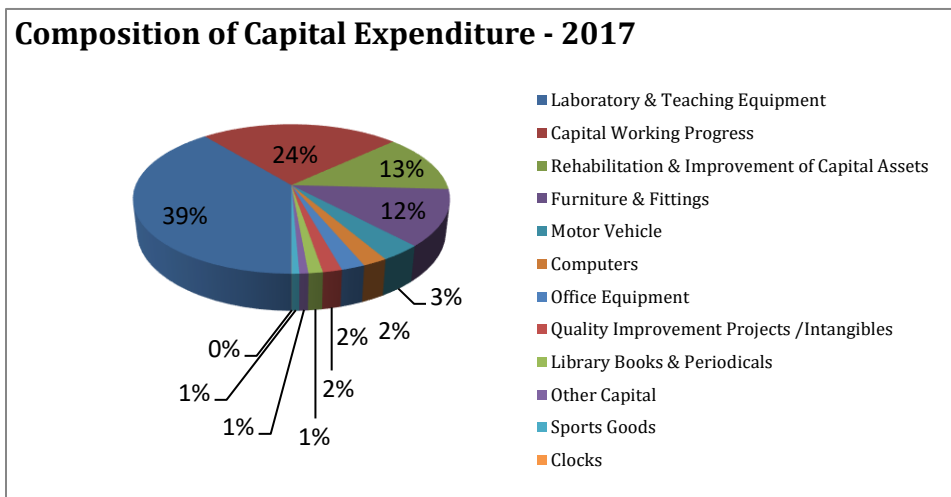
7.1.2. Capital Expenditure - 2017

Rs. '000

	2013	2014	2015	2016	2017
Building Construction Projects	184,604	70,802	122,870	84,356	127,300
Acquisition of Fixed Assets	76,254	81,405	39,950	144,506	326,717
Quality Improvement Projects	2,978	3,063	6,507	14,783	8,728
Rehabilitation & Improvement of Capital Assets	919	2,968	6,342	29,721	67,399
Total	264,755	158,238	175,669	273,367	530,145

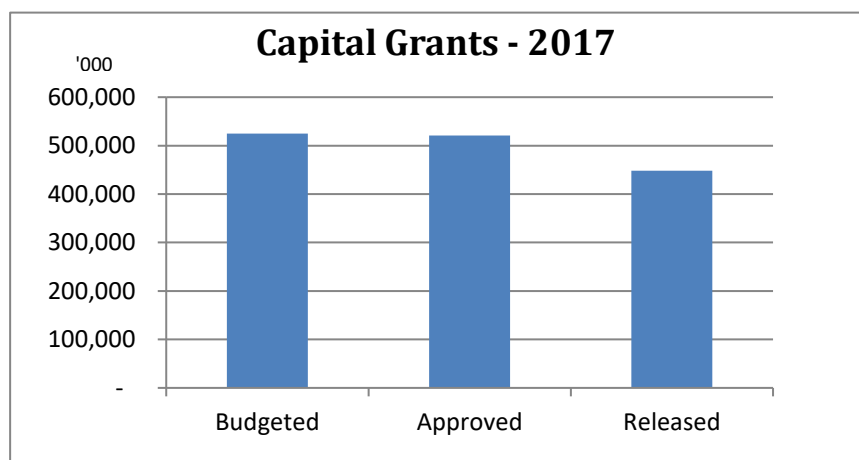
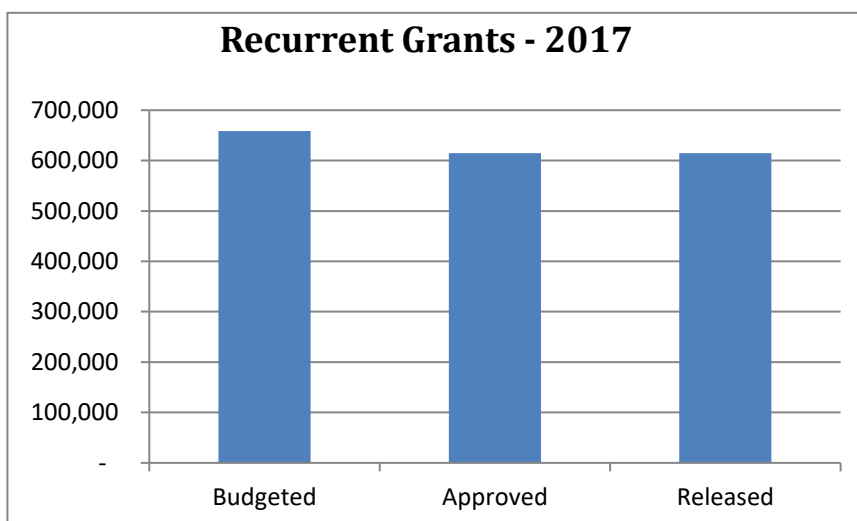


Composition of Capital Expenditure - 2017



SUMMARY OF FINANCIAL RESULTS
for the year ended 31.12.2017

	Recurrent		Capital	
	Amount (Rs. '000)	%	Amount (Rs. '000)	%
2016				
Budgeted	638,000	100	600,000	100
Approved	485,500	76	320,700	53
Released	477,500	75	262,700	44
2017				
Budgeted	658,352	100	525,000	100
Approved	614,950	93	521,071	99
Released	614,950	93	447,914	85



7.2. Projects (Local / Foreign Funded)

Name & Details	Loan / Grant	Funding Agency #	TCE (Rs. Mn)	RFA (Rs.)	DF (Rs.)
Establishment of Uva Wellassa University Project Phase I and II	-	-	3,420.00	-	√
Infrastructure Developments for Technology Stream Degree Programme 2016 (Construction of four Storied Building)	-	-	316.20	-	√
Total			3,736.20		

7.3. Project Expenditure (Local/ Foreign Funded)

Name	TCE	Expenditure - 2017 (Rs.Mn)	Expenditure - 2016 (Rs. Mn)	Cumulative expenditure as at 31.12.2017 (Rs.Mn)	% of Physical Progress
Establishment Uva Wellassa University Project, Phase I & II	3,420.00	25.30	84.36	2,138.89	70%
Infrastructure Developments for Technology Stream Degree Programme 2016 (Construction of four Storied Building)	253.20	84.00	-	84.00	15%
Total	3,673.20	109.30	84.36	2,222.89	85%

7.4. Financial Performance - 2017

Subject	Formula	Expenditure per Student (Rs.)						
		2017	2016	2015	2014	2013	2012	2011
a. Recurrent Expenditure per student (RE) (Note 01)	RE / No of Student Strength	397,037	338,719	272,748	240,948	139,942	125,392	103,410
b. Capital Expenditure Per Student (CE)	CE / No of Student Strength	235,620	130,420	89,810	83,282	42,341	101,258	120,696

Note 01 - From the year 2016, in calculation of Recurrent Expenditure per Student, the depreciation of capital assets and Mahapola\Bursaries were also considered while they had not been considered prior years.

7.5. Acquired infrastructure Facilities- 2017

No.	Infrastructure Details	Expenditure
1	<u>Designing & Build of Senate Chamber</u>	15,096,247.75
2	<u>Rehabilitation / Improvements of Infrastructure</u>	
	✦ Partitioning & Other Improvements to Block F	3,863,832.49
	✦ Rehabilitation of SDC Unit, Dairy Lab, In-Vitro Propagation Lab & GIS Lab	2,943,979.01
	✦ Painting Works - Corel Beauty & Silver Tips Hostel, Shed for Agriculture Plants & Equipment	9,235,186.64
	✦ Improvements to Alternative Access Road (From Senate Building Up to G Block)	11,573,985.79
	✦ Partitioning & Improvement works in Administration Building Stage II	15,336,611.59
	✦ Rehabilitation of Road Network	2,421,366.45
	✦ Improvements to Laboratories (Civil Works)	4,111,639.36
	✦ Wiring & Networking of Computer Laboratory in Block E	3,405,622.94
	✦ Other Rehabilitation Improvements	9,185,605.95
		62,077,830.22
3	<u>Acquisition of Motor Vehicles</u>	
	✦ Bus (32 seater A/C) for Students Development Activities	7,850,000.00
	✦ Bus (60 seater Non A/C) Students Development Activities	10,800,000.00
		18,650,000.00
4	<u>Acquisition of Laboratory Equipment</u>	
	✦ Lab Equipment for Technology Stream	19,165,793.58
	✦ Other Lab Equipment for Student Practicals	187,817,018.96
		206,982,812.54
5	<u>Acquisition of Furniture</u>	

	✘ Furniture for Staff Accommodation	2,531,600.00
	✘ Furniture for Students Hostels	1,457,826.25
	✘ Furniture for Laboratories	4,872,159.70
	✘ Furniture for Admin, Academic & Non Academic Staff	21,564,293.29
	✘ Furniture for Lecture Halls	2,147,625.00
	✘ Furniture for Technology Stream	25,088,104.01
		57,661,608.25
6	<u>Acquisition of Computers & Office Equipment</u>	
	✘ Office Equipment for Technology Stream	3,569,577.30
	✘ Office Equipment for Admin, Academic & Non Academic Staff Offices	16,062,255.32
	✘ Musical Instruments for development of student Aesthetic Skills	542,500.00
		20,174,332.62
	<u>Acquisition of Sport Goods</u>	
7	✘ Commercial GYM for Students & Staff Health Development	890,000.00
	✘ Treadmil Machine for Students & Staff Health Development	450,000.00
	✘ Other Sport Goods for Improving Student Sport Activities	2,089,500.00
		3,429,500.00
8	<u>Acquisition of Library Books & Periodicals</u>	
	✘ Books & Periodicals for Improving Knowledge of Students & Staff Members	6,488,968.63

7.6. Statement of Financial Position (As at 31.12.2017)

STATEMENT OF FINANCIAL POSITION

As at 31.12.2017

	Note	2017 Rs.	2016 Rs.
ASSETS			
<u>Current Assets</u>			
Cash and Cash Equivalents	01	21,322,757	41,230,251
Investments	02	23,501,018	21,223,591
Receivables	03	24,701,209	23,107,408
Inventories	04	31,990,125	35,908,679
Advances	05	160,305	406,974
		101,675,413	121,876,903
<u>Non Current Assets</u>			
Receivables	06	9,023,315	5,700,838
Property, Plant and Equipment	07	1,964,777,795	1,767,403,374
Capital Work In Progress	08	127,300,391	-
Land and Land Improvements	09	111,853,382	111,395,952
Quality Improvement Projects	10	4,267,043	9,161,877
		2,217,221,925	1,893,662,042
Total Assets		2,318,897,338	2,015,538,945
LIABILITIES			
<u>Current Liabilities</u>			
Accrued Expenses	11	22,676,504	34,895,227
Sundry Creditors and Others	12	117,895,861	76,744,952
Unspent Grant - Capital		1,642,414	22,548,650
		142,214,779	134,188,829
<u>Non Current Liabilities</u>			
Deferred Income	13	640,059,881	288,919,570
Provisions for Gratuity	14	22,019,360	15,183,378
		662,079,241	304,102,949
Total Liabilities		804,294,021	438,291,777
NET ASSETS		1,514,603,318	1,577,247,167
EQUITY AND RESERVES			
Accumulated Fund	15	2,161,109,100	2,147,937,123
General Reserve	16	(690,261,424)	(610,077,413)
Special Reserve	17	9,180,730	7,399,112
Other Funds	18	34,574,912	31,988,345
Total Net Assets/Equity		1,514,603,318	1,577,247,167

Dr. J. L. Ratnasekera
Vice Chancellor

M.F. Hibathul Careem
Registrar

A. P. U. K. Abeysooriya
Bursar

M.F. HIBATHUL CAREEM
REGISTRAR
UVA WELASSA UNIVERSITY
BADULLA

A.P.U.K. Abeysooriya
Bursar
Uva Wellassa University
Passara Road
Badulla
Sri Lanka

7.7. Statement of Financial Performance

For the year ended 31.12.2017

	Note	2017 Rs.	2016 Rs.
Revenue			
Recurrent Grants	19	614,950,000	477,500,000
Bursary and Mahapola Grants	20	60,605,950	55,058,350
Income of Self Financed Programmes	21	4,865,762	4,405,747
Other Income	22	24,254,066	14,202,090
Capital Grants Amortized	23	105,702,321	64,370,645
Total Revenue		810,378,099	615,536,831
Expenses			
Personnel Emoluments	24	347,634,110	293,374,721
Travelling and Subsistence	25	4,006,517	4,107,564
Supplies	26	34,021,213	17,813,031
Maintenance	27	16,065,401	7,548,370
Contractual Expenditure	28	164,997,699	114,571,747
Other Recurrent Expenses	29	58,510,947	40,469,426
Expenses of Self Financed Programmes	30	2,633,643	3,451,957
Bursary and Mahapola Payments	31	60,605,950	55,058,350
Depreciation	32	207,490,523	160,075,552
Total Expenses		895,966,004	696,470,717
Surplus / (Deficit) for the Year		(85,587,906)	(80,933,886)

7.8. Statement of Cash Flow

For the Year Ended 31.12.2017

	Note	2017 Rs.	2016 Rs.
<u>CASH FLOWS FROM OPERATING ACTIVITIES</u>			
Deficit / Surplus from ordinary activities		(85,587,906)	(80,933,886)
<u>Adjustments</u>			
Receipts/ (Payments) related to previous years		(87,100)	745,392
<u>Non - Cash Movements</u>			
Capital Grants Amortized		(105,702,321)	(64,370,645)
Depreciation		207,490,523	160,075,552
Provisions and Others		6,835,981	6,088,013
Operating Profit before Changes in W/C *		22,949,178	21,604,425
<u>Changes in working Capital</u>			
(Increase)/Decrease in Receivables (CA) *		(1,593,801)	(8,441,533)
(Increase)/Decrease in Receivables (NCA) *		(3,294,054)	171,544
(Increase)/Decrease in Inventories		4,235,027	(14,534,348)
(Increase)/Decrease in Advance		246,670	(138,843)
Increase/(Decrease) in Accrued Expenses		(8,283,333)	12,650,704
Increase/(Decrease) in Sundry Creditors		41,150,910	(6,844,710)
Net cash flows from operating activities		55,410,597	4,467,238
<u>CASH FLOWS FROM INVESTING ACTIVITIES</u>			
Acquisition of Fixed Assets		(525,073,087)	(261,590,592)
Investments		(2,277,427)	(3,071,116)
Net cash flows from investing activities		(527,350,514)	(264,661,707)
<u>CASH FLOWS FROM FINANCING ACTIVITIES</u>			
Accumulated Fund		13,171,976	84,356,154
Deferred Income		455,648,259	186,490,653
Unspent Grant - Capital		(20,906,236)	(8,146,807)
Other Funds		4,118,424	2,466,588
Net cash flows from financing activities		452,032,423	265,166,588
Net Increase/(Decrease) in Cash and Cash Equivalents		(19,907,494)	4,972,119
Cash and Cash Equivalents at beginning of period		41,230,251	36,258,132
Cash and Cash Equivalents at end of period		21,322,757	41,230,251

* W/C : Working Capital * CA : Current Assets
*NCA : Non-Current Assets

Note - Bank Balances as at 31/12/2017

Bank	Account No	
BOC	- 3114828	1,642,414
BOC	- 3114820	7,770,475
BOC	- 78166821	2,302,435
BOC	- 78057047	4,517,684
BOC	- 81216727	623,105
People's Bank	- 10100168384805	<u>4,466,644</u>
Total		<u>21,322,757</u>

7.9. Statement of Changes in Equity

For the year ended 31.12.2017

	Accumulated Fund	General Reserve	Special Reserve	Special Funds					Total	Rs.
				UKK Fund	VC Fund	Development Funds	Bond Violation Fund	Chancellor's Scholarship Fund		
Balance as at 01.01. 2016	2,063,580,969	(548,520,929)	1,990,995	3,117,476	376,120	177,364	22,886,945	1,069,322	1,544,678,262	
Prior year adjustments										
Over provision of Depreciations for Buildings		3,492,586							3,492,586	
Legal Expenses transferred to Land		539,200							539,200	
Opening laboratory Stock		14,005,931							14,005,931	
Others		1,339,685							1,339,685	
Transactions - 2016										
Capital Contribution or Addition for the year	84356153.9			228,262	17,745		2,524,469	77,397	87,204,028	
Surplus /(Deficit) for the period		(80,933,886)							(80,933,886)	
Payments during the year							(327,286)	(54,000)	(381,286)	
Donations / Grants received			6,602,489						6,602,489	
Amortization of the Grant			(1,194,372)						(1,194,372)	
Balance as at 31.12.2016	2,147,937,123	(610,077,413)	7,399,112	3,345,738	393,865	177,364	25,084,128	1,092,719	1,575,352,637	
Balance as at 01.01. 2017	2,147,937,123	(610,077,413)	7,399,112	3,345,738	393,865	177,364	25,084,128	1,092,719	1,575,352,637	
Prior year adjustments										
Adjustments related to Consumable Stock		316,473							316,473	
Transfer of Funds for Special Events		1,894,530							1,894,530	
Accrued Expenses related Adjustments		3,935,390							3,935,390	
Others		(742,499)							(742,499)	
Transactions - 2017										
Capital Contribution or Addition for the year	13,171,976			323,809	73,303	466,131	3,583,684	100,170	17,719,073	
Surplus /(Deficit) for the period		(85,587,906)							(85,587,906)	
Payments during the year							-	(66,000)	(66,000)	
Donations / Grants received			2,975,990						2,975,990	
Amortization of the Grant			(1,194,372)						(1,194,372)	
Balance as at 31.12.2017	2,161,109,100	(690,261,424)	9,180,730	3,669,547	467,168	643,495	28,667,813	1,126,889	1,514,603,318	

7.10. Accounting Policies

For the year ended 31.12.2017

1. GENERAL

1.1 Basis of Accounting

The presentation format of the Financial Statements is in compliance with UGC Finance Circular letter No. 03/2011. Financial Statements are prepared in conformity with Public Sector Accounting Standards laid down by the Institute of Chartered Accountants of Sri Lanka and in keeping with the historical cost convention where appropriate accounting policies are disclosed in succeeding notes.

1.2 Comparative figures

Comparative figures have been adjusted to confirm the changes in presentation in the current financial year.

2. PROPERTY, PLANT AND EQUIPMENT

Property, Plant and Equipment are stated at cost or valuation less accumulated depreciation. Fixed assets received as grants, were accounted for at cost and depreciation thereof is charged against the respective reserve account. The depreciation is provided on the straight-line basis from the month of acquisition and up to the month of disposal under following rates:

Buildings	5%
Furniture & Fittings	10%
Office Equipment	20%
Laboratory & Teaching Equipment	20%
Library Books	20%
Cloaks	20%
Virus Guards	33 1/3%
Intangibles Assets	20%
Motor Vehicles	20%

Quality Improvement Projects are amortized based on their useful lifetime.

2.1 Inventories

Consumables are indicated in the inventories and valued at the lower of cost and net realizable value. The cost of inventories is valued on first-in, first out (FIFO) basis.

2.2 Receivables

Receivables are stated at the estimated realizable value.

3. ACCUMULATED FUND

The amount granted by the Government of Sri Lanka as an initial capital for the establishment of Uva Wellassa University was transferred from Capital Grant Account to the Accumulated Fund Account.

4. ACCOUNTING FOR GRANT

4.1. Government Grants

Grants related to acquisition of capital assets are treated as differed income which is then credited to income and expenditure account and loss over the related assets useful life. Capital grants that relate to establishment of the University are credited to the accumulated fund. Recurrent grants are credited to the income and expenditure account as recurrent income.

Prevailing balance of Capital Grants in form of Unspent as at year end has been disclosed as "Unspent Grant – Capital".

4.2. Other Grants

Other Grants represent all the grants received during the period from sources other than Government.

Amortization of such grants in accounts is made by treating an amount equal to the depreciation of such assets as an income of the period concern.

5. LIABILITIES & PROVISIONS

5.1 Retirement Benefits

In terms of Gratuity Act No. 12 of 1983 the liability to an employee arises only upon completion of 5 years of continued service. To meet the liability, a provision is made, equivalent to half of a month salary based on the last month of the financial year for all employees who have completed five years of service. Gratuity provisions of transferred employees were adjusted in the year under review.

6. INCOME AND EXPENDITURE

6.1 Revenue Recognition

Treasury grants are recognized on cash basis and other revenue is recognized on accrual basis.

6.2 Expenditure Recognition

All expenditure incurred in maintaining the University has been recognized on accrual basis and charged to revenue in ascertaining the income over expenditure.

6.3 Cash Flow Statement

The Cash Flow Statement has been prepared using the indirect method. For the purpose of the Cash Flow Statement, Cash and Cash Equivalents consist of current accounts balances held at banks.

7. FOREIGN CURRENCY TRANSACTIONS

Foreign currency transactions are converted to Sri Lankan Rupees at the exchange rate prevailing at the time of occurring the transaction.

7.11. Notes to the Financial Statements for the Year Ended 31.12.2017

01	Cash and Cash Equivalents		
	Bank balances		
		2017	2016
		Rs.	Rs.
	<u>Bank of Ceylon - Badulla</u>		
	A\C No. 3114820	7,770,475	2,741,541
	A\C No 3114828	1,642,414	22,548,650
	A\C No 78166821	2,302,435	7,003,851
	A\C No 78057047	4,517,684	5,729,960
	A\C No 81216727	623,105	-
	<u>Peoples Bank - Badulla</u>		
	A\C No.010100168384805	4,466,644	3,206,250
		21,322,757	41,230,251
02	Investments		
		2017	2016
		Rs.	Rs.
	Fixed Deposits		
	UKK Fund - People's Bank	3,319,361.64	3,017,601
	VC Fund - BOC	248,696.18	248,389
	Security Deposits (Shroff and Store Keeper)-BOC	75,000.00	75,000
	Bond Violation Fund	17,138,018.88	15,382,601
	Chancellor's Scholarship Fund	1,069,941.10	1,000,000
	Short Course Fund	1,500,000.00	1,500,000
	Fund for Awards	150,000.00	-
		23,501,017.80	21,223,591
03	Receivables		
		2017	2016
		Rs.	Rs.
	Security Deposits	200,000	150,000
	Receivables -Recurrent	20,117,319	20,063,117
	Receivables -Self Financed Programmes	1,054,977	89,600
	Vehicle Loans	209,665	237,669
	Staff Loans	5,100	4,420
	Special Advances	-	4,000
	Festival Advances	173,250	85,750
	Computer Loans	46,000	55,500
	Distress Loans	2,894,898	2,417,352
		24,701,209	23,107,408
04	Inventories		
		2017	2016
		Rs.	Rs.
	Stationary	6,161,546	9,558,694
	Building & Structures Maintenance	1,041,037	189,023
	Mechanical & Electrical Goods	914,139	296,430
	Medical Supplies 4.1	311,274	247,329
	Chemical & Glassware 4.1	23,562,128	25,617,203
		31,990,125	35,908,679
4.1	Medical Supplies and Chemical & Glassware		
		<u>Medical Stock</u>	<u>Chemical & Glassware</u>
	Value of Opening Stock	247,329	25,617,203
	Purchases	981,882	22,892,956

	Value of Closing Stock		(311,274)	(23,562,128)
	Consumption for the year 2017		917,936	24,948,032
05	Advances			
	Sundry Advances - Recurrent	5.1	15,001	94,201
	Sundry Advances - Capital	5.1	145,304	312,773
	Sundry Advances - Self Financed Programmes	5.1	-	-
			160,305	406,974
06	Receivables - NCA			
			2017	2016
			Rs.	Rs.
	Vehicle Loans		369,821	319,324
	Staff Loans		9,690	6,120
	Computer Loans		133,500	110,000
	Distress Loans		8,510,303	5,265,394
			9,023,315	5,700,838
11	Accrued Expenses			
			2017	2016
			Rs.	Rs.
	Recurrent Payments		21,036,336	33,039,603
	Self-Financed Programmes		1,640,169	1,855,625
			22,676,504	34,895,227
12	Sundry Creditors and Others			
			2017	2016
			Rs.	Rs.
	Retentions	12.1	53,515,250	49,839,978
	Sundry Creditors - Recurrent	12.2	5,191,030	4,629,368
	Sundry Creditors - Capital	12.3	56,380,820	18,466,393
	Interest Payable on Security Deposits		6,713	4,423
	Refundable Deposits		1,020,817	1,766,454
	Security Deposits - Recurrent		800,000	457,443
	Deposit and payable - Recurrent		261,147	36,129
	Deposit and payable - Capital	12.4	49,190	735,071
	Deposit and payable - Self Financed Programme		617,119	782,044
	PAYE Tax Payable		16,950	-
	Stamp Duty Payable		36,825	27,650
			117,895,861	76,744,952
12.1	Retentions			
			2017	2016
			Rs.	Rs.
	Supplier/ Item		<u>Balance as at 01.01.2017</u>	<u>Balance as at 31.12.2017</u>
			<u>Additions / Adjustments</u>	<u>Released</u>
	Construction		16,479,852	17,436,179
	Furniture		2,113,640	3,940,842
	Computer		1,377,454	1,840,510
	Office Equipment		181,311	279,051
	Lab Equipment		6,677,999	22,893,970
	Technology Stream Building & Structures - Rehabilitation		620,126	4,603,268
			168,757	2,521,430

	27,619,140	29,677,644	3,781,532	53,515,250
12.2 Sundry Creditors - Recurrent			2017	2016
			Rs.	Rs.
Sundry Creditors - Recurrent			1,100	1,100
10th Anniversary Collection			(79,215)	(81,015)
German Scholarships			-	125,055
Australian Scholarship			-	20,000
Presidential Scholarship			260,250	-
Funds from MOHE (Ref 12.2.1.)			1,266,445	-
Research Grants			3,742,449	4,912,086
			5,191,029.91	4,629,367.63
12.2.1	This represents the unspent balance of the amount received from the Ministry of Higher Education and Highways for development of Sports and Esthetic Skills of students.			
12.3 Sundry Creditors - Capital				
	Less than 1 year	More than 1 year	Total	
Acquisition of Fixed Assets	42,209,234	924,835	43,134,069	
Research Grant	2,133,037	-	2,133,037	
Rehabilitation & Improvement Works	5,667,135	-	5,667,135	
Books and Periodicals	1,084,572	-	1,084,572	
Construction Projects	4,362,007	-	4,362,007	
Total	55,455,985	924,835	56,380,820	
12.4 Deposit and Payable - Capital	The University had received Rs. 3,323,020/- from District Secretariat Office, Badulla, to establish a Tissue Culture Unit at University Premises, aiming at to give benefits for the flower planters in Badulla District and for the benefit of the University. Out of the above amount, Rs. 3,273,830/- is spent for capital and recurrent items required for the establishment of the Unit and the above balance represents the amount which is not utilized yet.			
13 Deferred Income			2017	2016
			Rs.	Rs.
Adjusted Balance as at 01/01/2017			288,919,570	165,605,191
Capital Contribution for the year			455,648,259	186,490,653
Capital Grants Amortized Adjustments			(104,507,949)	(63,176,273)
			640,059,881	288,919,570
14 Provision for Gratuity			2017	2016
			Rs.	Rs.
Balance as at 01.01.2017			15,183,378	9,396,706
Adjustments			(386,585)	(301,340)
Adjusted balance			14,796,793	9,095,366
Provision for year 2017			7,222,566	6,083,013
Balance as at 31.12.2017			22,019,360	15,183,378

15	Accumulated Fund		
		2017	2016
		Rs.	Rs.
	Balance as at 01.01.2017	2,147,937,123	2,063,580,969
	Capital Contribution for the year	13,171,976	84,356,154
	Balance as at 31.12.2017	2,161,109,100	2,147,937,123
16	General Reserves		
		2017	2016
		Rs.	Rs.
	Balance as at 01.01.2017	(610,077,413)	(548,520,929)
	<u>Adjustments relevant to prior periods</u>	-	-
	Over provision of Depreciations for Buildings	-	3,492,586
	Legal Expenses transferred to Land	-	539,200
	Opening laboratory Stock	-	14,005,931
	Others	-	1,339,685
	Adjustments related to Consumable Stock	316,473	-
	Transfer of Funds for Special Events	1,894,530	-
	Accrued Expenses related Adjustments	3,935,390	-
	Others	(742,499)	-
	Adjusted Balance	(604,673,519)	(529,143,527)
	Surplus/(Deficit) Transferred	(85,587,906)	(80,933,886)
	Balance as at 31.12.2017	(690,261,424)	(610,077,413)
17	Special Reserve		
		2017	2016
		Rs.	Rs.
	Balance as at 01/01/2017	7,399,112	1,990,995
	Donation of Library Books	-	40,079
	Assets received from HETC Project	2,975,990	6,562,410
	Amortization of Grant	(1,194,372)	(1,194,372)
		9,180,730	7,399,112
18	Special Funds		
		2017	2016
		Rs.	Rs.
	UKK Fund	3,669,547	3,345,738
	VC Fund	467,168	393,865
	Welfare Fund	177,364	177,364
	Bond Violation Fund	28,667,813	25,084,128
	Chancellor's Scholarship Fund	1,126,889	1,092,719
	Fund for Special Events	-	1,894,530
	University Development Fund	18.1	202,165
	ANS & EAG Faculty Development Fund	18.1	6,392
	SCT Faculty Development Fund	18.1	92,911
	MGT Faculty Development Fund	18.1	6,884
	CODL Development Fund	18.1	5,000
	Fund for Awards	18.2	152,779
		34,574,912	31,988,345
18.1	Development Funds		
	The University Development Fund and Faculty Development Funds were established during the year by transferring a percentage of income of the Self Financing Activities conducted by each Faculty.		

18.2 Fund for Awards

Certain members of the Council contributed for this fund aiming at to appreciate the best performing students at the Convocation. The interest received by investing the fund will be used for this purpose.

19 Recurrent Grants

	2017 Rs.	2016 Rs.
Recurrent Grants received from Treasury	614,950,000	477,500,000
	614,950,000	477,500,000

20 Bursary & Mahapola Grants

	2017 Rs.	2016 Rs.
Bursary	21,501,900	22,217,400
Mahapola - Trust Fund	20,028,250	16,749,350
Mahapola - UGC Contribution	19,075,800	16,091,600
	60,605,950	55,058,350

21 Self Financed Programme Income

	2017 Rs.	2016 Rs.
Course Fees - Certificate Courses	2,510,989	3,668,500
Consultancy fees	2,354,773	737,247
	4,865,762	4,405,747

22 Other Income

	2017 Rs.	2016 Rs.
Registration Fees - Undergraduates	759,850	649,700
Examination Fees - Undergraduates	818,182	573,385
Interest from Loans & Advances	375,292	349,782
Interest from Investments	347,021	59,116
Sale of Discarded Items	36,564	31,487
Sale of Produce	-	1,530
Rent Income	742,476	53,000
Hostel Fees	4,143,151	3,872,988
Medical Fees	153,500	132,177
Library Fines	34,620	71,061
Ancillary Activities	489,700	524,923
Miscellaneous Receipts - Recurrent	2,693,613	2,269,444
Miscellaneous Receipts - Capital	3,294,699	1,329,347
Interest Income - Self Financed Programmes	193,321	-
Aptitude Test (Expenditure - Ref. Note 29)	3,565,900	4,284,150
Symposium Income (Expenditure - Ref. Note 29)	6,606,178	-
	24,254,066	14,202,090

23 Capital Grants Amortization for the year

	2017 Rs.	2016 Rs.
Amortization of Government Capital Grant	104,507,949	63,176,273
Amortization of HETC Grant	1,188,360	1,188,360
Amortization of Donations (Library Books)	6,012	6,012
	105,702,321	64,370,645

24 Personnel Emoluments

2017 Rs.	2016 Rs.
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	Personnel Emoluments - Academic	267,383,227	231,489,195
	Personnel Emoluments - Non Academic	80,250,883	61,885,525
	Total	347,634,110	293,374,721
25	Travelling and Subsistence	2017	2016
		Rs.	Rs.
	Domestic	552,658	838,289
	Foreign	3,453,860	3,269,275
		4,006,517	4,107,564
26	Supplies	2017	2016
		Rs.	Rs.
	Stationary and Office requisites	4,406,441	4,380,885
	Fuel and Lubricant - Transport	1,067,291	612,714
	Uniform and Tailoring charges	20,700	-
	Mechanical and Electrical goods	2,443,444	911,208
	Chemicals & Glassware	24,948,032	10,363,432
	Medical Supplies	917,936	716,875
	Other Supplies	217,370	827,918
		34,021,213	17,813,031
27	Maintenance	2017	2016
		Rs.	Rs.
	Vehicles	333,728	-
	Plant, Machinery and Equipment	1,045,346	1,414,613
	Building & Structures	14,349,916	5,658,380
	Furniture	144,250	95,259
	Other maintenance	192,160	380,118
		16,065,401	7,548,370
28	Contractual Services	2017	2016
		Rs.	Rs.
	Transport	20,144,227	16,694,670
	Telecommunication	11,747,664	10,714,085
	Postal Charges	687,665	793,142
	Electricity	14,646,957	12,919,292
	Water	5,647,927	4,192,849
	Security Service	40,922,296	28,290,700
	Cleaning Service	35,325,754	21,072,676
	Rent & Hire Charges	25,488,115	10,557,411
	Printing & Advertising etc.	7,398,378	6,662,827
	Other Contractual Services	2,988,717	2,674,095
		164,997,699	114,571,747
29	Other Recurrent Expenses	2017	2016
		Rs.	Rs.
	Travel Grand to University Teachers	510,170	359,755
	Special Services - Council & Committees	1,085,305	732,477
	Special Services - Professional & Others	3,690,262	789,956
	Workshops , Seminars, etc.	952,848	760,872
	Academic Research	556,946	815,306
	Staff Development	2,049,963	1,764,155

	Postgraduate Research and Scholarships	3,564,746	2,250,218
	Course Materials for Students & Quality Improvement	447,674	20,075
	Industry internships, Practical and Career Guidance	1,774,231	885,329
	Student Development and Initiative Programmes	9,249,944	6,731,524
	University Sport Activities	8,718,689	8,351,163
	Students & Employee Welfare	318,850	1,559,899
	Corporate Plan & Growth Outlook	-	7,145
	Holiday warrants season tickets	139,297	12,500
	Entertainment Expenses	472,347	355,454
	Bank Charges	5,542	-
	Award & Indemnities	-	4,140
	Contribution & Membership Fees	776,289	195,750
	Convocation Expenses	2,976,584	2,035,922
	Examination Expenses	12,039,567	8,794,166
	Others	531,319	294,767
	Aptitude Test Expenses (Income - Ref. Note 22)	3,064,226	3,748,851
	Employee Welfare & Medical	153,163	-
	Symposium Expenses (Income - Ref. Note 22)	5,432,986	-
		58,510,947	40,469,426
30	Self-Financed Programme Expenses		
		2017	2016
		Rs.	Rs.
	Resources Personnel fees	189,000	602,100
	Stationary & Consumable	455,904	271,900
	Visiting Lecture Fees	906,625	921,596
	Coordination Fees	328,266	504,752
	Advertising	47,127	174,998
	Contractual Services	459,099	918,475
	Other Expenses	90,173	58,136
	University Overhead	43,300	-
	Examination Expenses	114,150	-
		2,633,643	3,451,957
31	Bursary and Mahapola Payments		
		2017	2016
		Rs.	Rs.
	Bursary Scholarships Payments	21,501,900	22,217,400
	Mahapola Scholarships Payments	39,104,050	32,840,950
		60,605,950	55,058,350
32	Depreciation -1		
		2017	2016
		Rs.	Rs.
	Buildings	101,410,747	85,427,768
	Buildings - Rehabilitation	9,455,103	6,369,693
	Furniture & Fittings	18,504,771	16,146,862
	Office Equipment	3,561,679	2,798,762
	Computers	8,767,532	4,588,640
	Laboratory & Teaching Equipment	45,914,799	28,100,477
	Books & Periodicals	3,211,919	2,808,116
	Sports Goods	1,590,387	849,429
	Other Capital Assets	3,313,658	2,539,151
	Clocks	128,188	214,596
	Motor Vehicle	441,667	-
		196,300,451	149,843,493

Depreciation -2		2017	2016
		Rs.	Rs.
	Postgraduate/Doctoral Projects	1,452,872	2,257,491
	Initiation of BSc Degree in Technology	350,321	
	Students Centered Learning	448,492	448,492
	Strengthening Research	8,360,092	7,122,500
	Software	578,295	403,577
		11,190,072	10,232,060
	Total	207,490,523	160,075,552
33	Recurrent Expenditure Programme based	2017	2016
		Rs.	Rs.
	General Administration	183,064,189	139,661,609
	Academic Services	349,517,867	287,551,137
	Teaching Resources	10,543,754	7,429,002
	Maintenance	10,958,051	11,762,905
	Welfare Services	23,130,552	1,584,185
	Ancillary Activities	48,021,477	29,896,019
		625,235,890	477,884,857
34.	There are three pending Court Cases filed (Writ Applications) by industrialist against the Ministry of Higher Education. Uva Wellassa University is one of the co-respondents and there is no estimated loss or gain up to now.		
35.	A contingent liability of Rs.25Mn, a minimum commitment has occurred, in form of a penalty of interest due to a delay in settlement of the sale proceeds of the acquisition of a 'Garment Factory'. The liability is towards the Divisional Secretary, Badulla.		

7.11 Reports of the Auditor General



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தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



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எனது இல. }
My No. }

UVP/BD/D/UWU/1/2017/06

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உமது இல. }
Your No. }

දිනය
திகதி } 11 September 2018
Date }

Vice Chancellor

Uva Wellassa University of Sri Lanka

Report of the Auditor General on the Financial Statements of the Uva Wellassa University of Sri Lanka for the year ended 31 December 2017 in terms of Sub-section 108(1) of the Universities Act, No. 16 of 1978

The audit of financial statements of the Uva Wellassa University of Sri Lanka for the year ended 31 December 2017 comprising the statement of financial position as at 31 December 2017 and the statement of financial performance, statement of changes in equity and cash flow statement and a summary of significant accounting policies and other explanatory information was carried out under my direction in pursuance of Provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Sub-section 107(5) of the Universities Act, No. 16 of 1978. My comments and observations which I consider should be published with the Annual Report of the University in terms of Sub-section 108(1) of the Universities Act appear in this report. A detailed report in terms of Sub-section 108(2) of the Universities Act was issued to the Vice Chancellor of the University on 12 June 2018.

1.2 Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Public Sector Accounting Standards and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.



1.3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Auditing Standards of Supreme Audit Institutions (ISSAI 1000-1810). Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the University's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of financial statements. Section 111 of the Universities Act, No.16 of 1978 gives discretionary powers to the Auditor General to determine the scope and extent of the audit.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

1.4 Basis for Qualified Opinion

My opinion is qualified based on the matters described in paragraph 2.2 of this report.



2. Financial Statements

2.1 Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 2.2 of this report, the financial statements give a true and fair view of the financial position of the Uva Wellassa University of Sri Lanka as at 31 December 2017 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

2.2 Comments on Financial Statements

2.2.1 Sri Lanka Public Sector Accounting Standards

The following observations are made.

(a) Sri Lanka Public Sector Accounting Standard 07

- (i) The useful life of non-current assets had not been reviewed annually in terms of paragraph 65 of the Standard. Even though fixed assets costing Rs.227,574,903 had been fully depreciated, they had still been in use. As such, action had not been taken to revise the estimated error in terms of Sri Lanka Public Sector Accounting Standard 03.
- (ii) In terms of paragraph 87 (c) of the Standard, the contracted value relating to Work-in-Progress amounting to Rs.127,300,391 indicated in the financial statements as at the end of the year under review, had not been disclosed in the financial statements.

2.2.2 Accounting Deficiencies

The following observations are made.

- (a) Even though it had been identified under Accounting Policies that all capital assets purchased under Government grants are accounted as a deferred income during their useful life, a sum of Rs.101,410,747 had been brought to account as

depreciation in the year under review for buildings constructed under capital grants. Nevertheless, it had not been brought to account as deferred income.

- (b) Provisions had not been made for audit fees payable for the preceding year and the year under review.
- (c) Even though the amortization totalling Rs.1,412,625 received as donation of equipment and library books under the Project on Higher Education for the Twenty First Century Project relating to the year under review comprised of Rs.1,404,609 and Rs.8,016 respectively, that value had been shown as Rs.1,194,372 and as such, amortization had been understated by Rs.218,253 in accounts.
- (d) A sum of Rs.8,483,168 recoverable as at the end of the year under review from three lecturers who had breached agreements, had been shown in the financial statements as balances receivable and credited to the Fund for Breach of Agreements instead of disclosing through notes on accounts.
- (e) Even though the increase in the balance receivable shown under non-current assets in the year under review had been Rs.3,322,477, it had been shown as Rs.3,294,054 in the cash flow statement under changes in the working capital, thus observing a difference of Rs.28,423.
- (f) Fuel allowances of Rs.122,790 paid in the year under review for the ensuing year had been brought to account as an expenditure of the year under review.
- (g) A sum of Rs.1,801,476 paid in the year under review for Project on Development of Alternative Roads for University Access – Phase II had been written off as expenditure instead of showing under Work-in-Progress in the financial statements.
- (h) The value of animals amounting to Rs.221,889 on the farm maintained under the Faculty of Zoology and Export Agriculture as at the end of the year under review, had not been included in the financial statements.



2.2.3 Unexplained Differences

The following observations are made.

- (a) Even though the value of the stock of stationery according to the financial statements as at the end of the year under review amounted to Rs.6,161,546, its value amounted to Rs.6,025,451 according to the Report on Boards of Survey, thus observing a difference of Rs.136,095.
- (b) According to the financial statements, the balance of the Vice Chancellor’s Fund and the Breach of Agreement Fund shown under Fixed Deposit Investments as at the end of the year under review amounted to Rs.17,386,715, whereas according to confirmation of bank balances, the said value amounted to Rs.17,532,859, thus observing an unexplained difference of Rs.146,144.
- (c) Even though the cost of fixed assets acquired and received by the University amounted to Rs.1,235,640,886 according to the financial statements of each year from the year 2006 to the year under review, that balance amounted to Rs.2,126,052,816 according to Registers of Fixed Assets, thus observing a difference of Rs.890,411,930.

2.2.4 Lack of Evidence for Audit

Evidence shown against the following Items of Accounts was not made available to Audit.

Item of Account	Value	Evidence not made available
	Rs.	
(a) Medical Supplies	311,274	} Stock Verification Reports
(b) Chemicals and Glassware	23,562,128	
	23,873,402	



2.3 Non-compliances with Laws, Rules, Regulations and Management Decisions

Non-compliances with the following Laws, Rules and Regulations were observed.

Reference to Laws, Rules and Regulations	Non-compliances
(a) Universities Act, No.16 of 1978	
Section 99	All monies belonging to the Higher Educational Institution from whatsoever source derived, shall be credited to the University Fund. However, contrary to that, interest income from investments amounting to Rs.1,853,970 received in the year under review from investing receipts under miscellaneous funds had been credited to those respective Funds and a sum of Rs.1,558,095 received from a lecturer who breached agreements, had been credited to the Breach of Agreement Fund.
(b) Financial Regulations of the Democratic Socialist Republic of Sri Lanka	
(i) Financial Regulations 570 and 571	Action had not been taken in terms of Financial Regulations relating to deposits amounting to Rs.13,346,065 lapsed for over a period of 02 years retained in obtaining miscellaneous constructions, supplies and services.



(ii) Financial Regulation 757 (2)

The Report on Boards of Survey for the year under review had not been presented to the Auditor General even by 30 June 2018.

(c) Public Enterprises Circulars

Public Enterprises Circular
No. PED/12 of 02 June 2003

- Section 6.5.1

A copy of the draft Annual Report for the year under review had not been presented to the Auditor General.

- Section 7.2

Even though operating manuals should be available with all public enterprises so as to cover the main operation areas, the University had not prepared an operating manual even by 30 June 2018.

(d) Circular No.2004/lib./01 dated 26 January 2004 of the National Library and Documentation Services Board

According to financial statements, Reports of Survey on library books and periodicals amounting to Rs.64,220,660 had not been presented to Audit even by 30 June 2018.

(e) Management Services Circular No.02/2014 of 11 February 2014

Even though research allowances of Rs.62,496,364 had been paid from the year 2014 up to the year under review for 456 persons of the academic and non-academic staff of the University, 122 officers had not submitted reports to the Committee of Inspection.



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(f) Section 1.6.1 of Chapter X and Section 3(1) of Chapter XX of the Establishment Code of the University Grants Commission and the Higher Educational Institutions

A sum of Rs.267,383,227 had been paid relating to the year under review as salaries and allowances without confirming the arrival and leave of the academic staff.

(g) Circulars of the University Grants Commission

(i) The Establishments Circular No.12/2013 of 29 August 2013 of the Chairman of the University Grants Commission

Housing rent recoverable from officers occupying houses from the year 2014, entitled to senior officers in terms of provisions of Circulars, had not been recovered even by the end of the year under review.

(ii) Incorporated Circular No.15/2015 of 07 November 2015 of the University Grants Commission

Even though internal examination results of the University should be released within 03 months of holding the examination, in the release of results of 6 examinations and 12 examinations held in the preceding year and the year under review respectively, delays from 01 to 05 months had occurred.

(h) Letter Nos. CSA/2/3/4 and CSA/1/1/16 of 26 February 2006 and 11 June 2012 respectively of the Secretary to the President

The officers who proceed abroad on duty should submit a report within 2 weeks of returning to the island, including the benefits received to the Government of Sri Lanka from the relevant tour abroad. However, 14 lecturers and one officer who had been abroad by spending a sum of Rs.3,905,523 from the University Fund



and 07 lecturers who proceeded abroad on duty leave had not submitted the relevant reports.

2.4 Transactions not supported by Adequate Authority

In terms of Employees' Provident Fund Act, No.15 of 1958 and Letter No. ප්‍ර/ආයතන/11 of 24 August 2001 of the Commissioner of Labour, the academic allowance is not defined as a Cost of Living allowance. As such, this allowance should not be applied to the Employees' Provident Fund and the contribution to the Employees' Trust Fund. However, contrary to that provision, contributions of Rs.11,625,307 had been overpaid to the above mentioned Fund in the year under review for the academic staff of 04 Faculties of the University.

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the financial result of the University for the year ended 31 December 2017, had been a deficit of Rs.85,587,906 as compared with the corresponding deficit of Rs.80,933,886 for the preceding year, thus indicating a deterioration of Rs.4,654,020 in the financial result of the year under review as compared with the preceding year. Even though the income of the year under review had increased by Rs.194,841,268 as compared with the preceding year, there had been a deterioration due to the increase in the total expenditure by Rs.199,495,287.

An analysis of the financial results of the year under review and 04 preceding years revealed that the deficit which was Rs.88,412,661 in the year 2013 had fluctuated annually and there had been a deficit of Rs.85,587,906 in the year 2017. However, after readjusting employees' remuneration and depreciation for non-current assets to the financial result, the contribution of the University in the year 2013 was Rs.107,634,789 and it had continuously improved up to Rs.363,834,406 in the year under review.



3.2 Legal Action instituted against/by the University

A case had been filed against the University on 02 July 2014 by 08 Trainees who served for a long period and relevant disclosures thereon had not been made in the financial statements.

4. Operating Review

4.1 Performance

4.1.1 Function and Review

The following observations are made.

(a) Six objectives and targets intended to be achieved had been indicated according to the Corporate Plan prepared by the University for the period from the year 2016 to the year 2020 and the following observations are made in this connection.

(i) Even though 1,490 students should be enrolled for 13 Degree Courses in the years 2016 and 2017, only 1,249 students had been enrolled. Accordingly, the University had failed to utilize the full capacity through less enrolment of students by 241, out of the number of students expected to be enrolled.

(ii) The number of students enrolled by the University for the academic years 2010/2011 and 2011/2012 stood at 998 and the number of students passed out with the Degree stood at 860. Accordingly, the number of students who had not completed the Degree represented 14 per cent of the total registered number of students.

(iii) Even though increasing the number of foreign students enrolled through introducing courses of international level with high quality at minimum cost had been one of the objectives, only one foreign student had been enrolled each in the preceding year and in the year under review.

(iv) Even though the objective of the University was improving the employment which was 77 per cent in the year 2014 to 100 per cent in the year 2017, at the



census carried out by the University on the employment of Graduates who passed out with the Degree in the year under review, the employment ranged between 62 per cent and 74 per cent relating to the academic year 2011/2012.

- (b) The University Research Committee had approved 33 Research Projects from the year 2013 to the year 2016 and provisions amounting to Rs.37,520,707 had been allocated therefor. However, only 21 Projects had been commenced and out of them, 20 projects had been completed. Moreover, 56 per cent representing Rs.21,027,409 out of the entire provisions had remained underutilized even by the end of the year under review. However, no necessary arrangement had been made for creating new products and services based on 20 reports of projects completed and for obtaining the Patent therefor.

4.2 Management Activities

The following observations are made.

- (a) Seventeen stock items valued at Rs.593,799 purchased during the period from the year 2010 to the year 2017 had expired and action had not been taken even by 30 June 2018, the date of audit to dispose of those stocks.
- (b) According to the decision taken as per the Cabinet Paper No.05/0183/035/001 dated 10 February 2008 relating to the vesting of the land owned by the Ministry of Industry, in the Ministry of Education for the establishment of the University, the ownership of lands of 30.9667 hectares in extent allocated to the University, had not been legally vested in the University even by the date of this report.
- (c) Foreign travel expenses amounting to Rs.3,247,475 had been incurred in the year under review without the approval of the Finance Committee of the University.



4.3 Operating Activities

The following observations are made.

- (a) Out of 1,849 students who had been provided with hostel facilities by the University during the year under review, 841 students representing 46 per cent had used hostels obtained on rental basis. However, only 04 hostels with accommodation for 506 students, had been established by the end of the year under review. Moreover, a sum of Rs.21,638,235 had been spent during the period from the year 2015 to the year under review for obtaining houses on rental basis for providing hostel facilities. It was observed that even though about 12 years had elapsed after the inception of the University, attention had not been paid by the University on the construction of permanent hostels.
- (b) Fourteen motor vehicles had been used on hire basis in the year under review for transport activities of the University and a sum of Rs.16,601,629 had been spent therefor. Moreover, a sum of Rs.65,055,751 had been paid as the hire for a period of 04 preceding years and despite elapse of over a period of 12 years after establishment of the University, action had not been taken to purchase motor vehicles on cash or lease basis by making provisions through the annual Budget.

4.4 Underutilization of Funds

The following observations are made.

- (a) A balance totalling Rs.4,314,079 had remained in the Funds such as Uva Industrial Central Fund, Vice Chancellor's Fund and Welfare Fund as at 31 December 2017 and those Funds had not been utilized for any purpose during the year.



- (b) Out of the sum of Rs.1,308,853 received in the year under review for various programmes in 02 Faculties of the University from two Government institutions and from a project, 20 per cent had been saved without being utilized.

4.5 Idle and Underutilized Assets

The following observations are made.

- (a) It was observed in audit that the two wheel tractor, four wheel tractor and plough and accessories purchased in the year 2016 by spending Rs.2,043,499 by the University with the objective of using for students learning activities and learning and office equipment purchased in the year under review by spending Rs.6,270,760 had not been utilized for the achievement of the aforesaid objective even up to 30 June 2018, the date of audit.
- (b) The Project of Partition and other Improvements to Block F of the University had been awarded to the Central Engineering Consultancy Bureau for a contract value of Rs.16,952,719 on 23 September 2017 and a sum of Rs.15,619,407 had been paid to the Bureau for work done as at 06 March 2018, the date of audit. However, it was observed at the field inspection carried out on 06 March 2018 that 34 lamp points had been fixed on the ceiling in a manner to unable to use them. As such, it was observed at the audit test check that a sum of Rs.187,000 spent therefor had become fruitless.
- (c) In the purchase of Goods, attention had not been paid on the requirement of them and quantity of stocks remained in stores. As such, 710 packets of photocopy papers valued at Rs.653,193 out of the A3 type of photo copy papers purchased on 21 May and 11 September 2015, had remained in the stores even by 31 May 2018, the date of audit without being utilized.
- (d) The computer software purchased on 24 November 2016 by spending Rs.165,000 for stock control activities, had not been utilized for stock controls even by 31 December 2017.



4.6 Uneconomic Transactions

According to the agreement entered into with the suppliers of the hired motor vehicles, the University had not agreed to provide accommodation facilities to the Drivers of the hired motor vehicles. However, a house obtained on rental basis had been provided to those Drivers as accommodation facilities and a sum of Rs.240,000 had been paid from the University Fund during the year under review.

4.7 Staff Administration

The following observations are made.

(a) Academic Staff

- (i) Ten approved posts of Professor of the University in the year 2006 had been reduced up to 05 in the year 2017 and action had not been taken even in the year under review to fill those vacancies existed since the year 2015.
- (ii) A large number of posts out of the approved posts of the Lecturer of the Uva Wellassa University had been vacant since the inception of the University and 83 out of 275 approved posts had been vacant as at the end of the year under review.

(b) Administration and Non-academic Staff

- (i) In terms of Circular No.876 of 06 June 2006 of the University Grants Commission, officers had not been recruited for 77 posts in the Administration and Non-academic Staff of the University.
- (ii) The post of Librarian of the University had been vacant since the inception of the University and the Librarian of the Rajarata University who was on sabbatical leave on the approval of the 123rd Meeting of the Board of Control held on 21 July 2017, had been appointed as the Librarian on an allowance amounting to Rs.150,000 from 01 August 2017 to 31 July 2018. Subsequently, that Officer had been appointed to a post of Library Instructor which was not



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included in the approved cadre, on an allowance amounting to Rs.225,000 from 01 January 2018, on the decision of the 128th Meeting of the Board of Control held on 22 December 2017. Accordingly, despite the vacancy in the post of Librarian, recruitments had been made for a post of Library Instructor which is not included in the approved cadre.

- (iii) The post of Engineer of the University had been vacant from the inception of the University up to 30 June 2018, the date of audit and the Chief Engineer of the Department of Buildings – Uva Provincial Council had been appointed on part time basis on an monthly allowance of Rs.50,000 from 02 December 2015.
- (iv) The University had purchased 02 Tractors prior to the year 2017 and 03 Buses during the year 2017. However, four persons had been recruited as Drivers on a daily paid basis under the Programme of Labour Supply of the University instead of recruiting permanent Drivers by including them in the approved cadre.

5. Sustainable Development

5.1 Achievement of Sustainable Development Goals

In terms of the Letter No.NP/SP/SDG/17 of 14 August 2017 on sustainable development issued by the Secretary to the Ministry of National Policies and Economic Affairs and the “2030 Agenda” for Sustainable Development of the United Nations, the University had been aware of the manner in implementing the functions that come under its scope. However, action had not been taken to identify the sustainable development goals, targets relating to those functions and focal points to reach those targets and indices for measuring the achievement of targets.



6. Accountability and Good Governance

6.1 Procurement and Contract Process

6.1.1 Procurements

The following observations are made on the Procurement Plan prepared for the year under review.

- (a) According to the Procurement Progress Report, 72 procurement activities to the estimated value of Rs.114,811,098 commenced and implemented in the year under review and prior to that, had not been included in the Procurement Plan of the year under review or in the revised Procurement Plan. Out of them, 46 procurement activities valued at Rs.87,184,465 had not been completed even by the end of the year under review.
- (b) Out of 134 procurements valued at Rs.505,000,000 planned to be completed during the year under review, 39 procurements valued at Rs.163,506,415 had not been completed.

6.1.2 Deficiencies in Contract Administration

The following observations are made.

- (a) In terms of Condition 2.6 of the Procurement Notice published on 12 September 2016 for obtaining 75 houses on rental basis for hostels and the staff, the rent payable should be decided by considering the Government assessed value and the rental presented. However, a sum of Rs.112,100 had been over paid per month relating to 13 houses obtained on rental basis than the Government assessed value. Further, the monthly rent amounting to Rs.775,070 had been paid relating to 12 houses without obtaining the Government assessed value.
- (b) Fifteen houses to the monthly rental of Rs.681,282 had been obtained as hostels in several instances of the year 2017 and two houses to the monthly rentals of Rs.47,000 and Rs.27,500 each had been obtained as circuit bungalows for a period of one year without being adopted provisions of the Government Procurement Guidelines -2006.



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NATIONAL AUDIT OFFICE

- (c) In selecting houses for hostels and official quarters, attention had not been paid on certificates of conformity relating to those houses and evidence that a field inspection had been carried out for houses used for evaluation by the Evaluation Committee, had not been made available to Audit.
- (d) Two buses had been purchased on 07 December 2017 by spending Rs.10,800,000 at a rate of Rs.5,400,000 from a private company in the year under review on behalf of the University. The following observations are made in that connection.
- (i) In terms of specifications prepared for the procurement, buses manufactured in the year 2017 should be purchased. However, two buses manufactured in the year 2016 had been purchased.
- (ii) According to the recommendation of the examiner of motor vehicles, attention had been paid only on buses with chassis made of fiber, instead of paying attention on buses with 06 gears, chassis and deck made of aluminum and with 58 seating capacity, which are appropriate for hilly roads.
- (e) Even though the procurement process for the purchase of furniture for official quarters of the staff had been commenced and quotations, called for on 14 October 2016, an additional cost amounting to Rs.589,500 had to be incurred for the purchase of furniture in the year under review due to failure in implementing the Technical Evaluation Committee during the due period.
- (f) The University Grants Commission had selected the Central Engineering Consultancy Bureau deviating from the procurement process to carry out the contract of constructing buildings valued at Rs.350 million under the first Phase of the establishment of the University in the year 2006 according to the Design – Build Method in terms of the Cabinet Paper No.05/0536/035 and the Cabinet Decision dated 21 April 2005.



The following matters are observed in this connection.

- (i) A sum of Rs.138,217,390 had been paid by the University Grants Commission to the contractor in 05 instances from 09 June to 31 December 2005 for carrying out constructions according to the Design – Build Method without entering into an agreement with the Central Engineering Consultancy Bureau.
- (ii) The University had entered into an agreement with the Central Engineering Consultancy Bureau on 21 August 2006 to the total work value of Rs.284,273,405 for carrying out constructions according to the Design – Build Method. However, before entering into the said agreement, a sum of Rs.84,890,797 had been paid by the University to the Central Engineering Consultancy Bureau in 05 instances from 06 February to 31 May 2006. However, the reasons for assigning administrative activities of the said contract by the University Grants Commission to the University had not been made available to the Audit.
- (iii) According to the Cabinet Decision No.05/0536/035 of 21 April 2005, agreements had been entered into with the contractor to carry out this construction according to the Design-Build Method. Moreover, in terms of Section 14.1 (b) of CIDA/SDB/04 issued by the Constructions Industry Development Authority, payments should not be made for price adjustments. However, contrary to that, a sum of Rs.28,427,341 had been paid to the contractor as variations of prices.
- (iv) Even though a sum of Rs.2,250,000 had been recovered as liquidated damages from the contractor, details of computations had not been made available to Audit.
- (v) According to the agreement entered into with the Central Engineering Consultancy Bureau by the University on 21 August 2006, it had been agreed for Rs.284,273,405 for 05 works. Nevertheless, 06 works had been



included in the final report on payments on 16 November 2015 and a sum of Rs.44,123,115 had been paid to the contractor for unagreed works.

6.3 Budgetary Control

Variations ranging from 15 per cent to 151 per cent were observed between the estimated and the actual income in 04 items of income, whilst variations ranging from 20 per cent to 119 per cent were observed between the estimated and actual expenditure in 13 items of expenditure. Moreover, the expenditure incurred for acquisition of lands under capital expenditure had not been identified in the preparation of the budget estimate, thus indicating that the budget had not been made use of as an effective instrument of management control.

6.4 Performance of Environmental and Social Responsibilities

The following observations are made.

- (a) In terms of Part I of the Gazette Extraordinary No.1534/18 of 01 February 2008, Environmental Protection License should be obtained for emission or disposal of waste. However, instead of obtaining such a license for disposal of chemicals used in laboratories of the University, they were mixed with water and disposed of to a pit prepared on the land of the University.
- (b) An expenditure of Rs.13,537,151 had been incurred for water consumption of the University during 03 preceding years. Even though the waste water disposed of by various Divisions of the University had been purified by the wastewater treatment system and disposed of, this water had been made use of to wash motor vehicles and for other maintenance activities. However, attention of the Management had not been paid on the decrease of the cost incurred for water.



7. Systems and Controls

Deficiencies in systems and controls observed during the course of audit were brought to the notice of the Vice Chancellor of the University from time to time. Special attention is needed in respect of the following areas of control.

Areas of Systems and Controls	Observations
(a) Accounting	Existence of accounting deficiencies and unreconciled accounts.
(b) Assets Management	Failure in revaluation of fixed assets and improper maintenance of Registers of Fixed Assets.
(c) Stores Control	Weak management of stocks.
(d) Staff Administration	Existence of vacancies in posts and excess employees.

H.M. Gamini Wijesinghe
 Auditor General

7.12 Answers to the Report of the Auditor General

Report of the Auditor General on the Financial Statements of the Uva Wellassa University of Sri Lanka for the Year Ended 31 December 2017 in Terms of Section 108(1) of the Universities Act No. 16 of 1978

02. Financial Statements

2.1 Qualified Opinion

The opinion I hold is that the Financial Statements of the Uva Wellassa University of Sri Lanka reflect a true and fair depiction regarding its financial position as at 31 December 2017, the financial operation and its financial operation and cash flows for the year then ending in accordance with the Sri Lanka Public Sector Accounting Standards.

2.2 Comments on Financial Statements

2.2.1. Sri Lanka Public Sector Accounting Standards

	Audit Observation Stated in the Final Report Auditor General	Comments by the University
(a)	Sri Lanka Public Sector Accounting Standard No. 07	

(i)	<p>Because of non-review of effective life of non-current assets annually as per paragraph 65 of the Standard Fixed assets amounting to Rs. 227,574,903 have been totally depreciated although the assets concerned were still being used. Action had not been taken to rectify this estimated error in terms of Sri Lanka Public Sector Accounting Standard No. 03.</p>	<p>Re-assessment of fully depreciated fixed assets had not been conducted thus far and plans have been made to re-value all the assets concerned within this year.</p>
(ii)	<p>The contracted value pertaining to the work in progress amounting to Rs. 127,300,391 stated in the Financial Statements as at the end of the year under review had not been revealed as per paragraph 87 (c) of the standard.</p>	<p>The details of the projects to the value of Rs. 127,300,391 which is the value of the (capital) work in progress as at the end of the year under review have been shown as follows:-</p> <ul style="list-style-type: none"> I) Establishment of the Uva Wellassa University, II) Construction of the Faculty of Technology, III) Rehabilitation and improvement projects. <p>All the work in progress during the year 2016 were capitalized, which fact has been shown under Note No. 35.</p>

2.2.2 Accounting Deficiencies

	Audit Observation Stated in the Final Report of the Auditor General	Comments by the University
(a)	Although it had been identified under the Accounting Policies that all the capital assets purchased under government grants would be accounted as a deferred income during their useful life, the depreciation amounting to Rs. 101,410,747 for buildings constructed under capital grants had not been accounted as deferred income despite it being accounted as depreciation during the year under review.	<p>At discussion held at the Head Office of the Auditor General's Department with the members of the Government Audit Division in the year 2013, it was decided that not the whole of the value of the buildings constructed under the Uwa Wellassa University Establishment Project should be written off under amortization and the accounting policies have been set accordingly. Accordingly it has been stated that capital grants pertaining to the Establishment of the University are credited to the Accumulated Fund under Accounting Policy 4.1.</p> <p>Under the policy concerned, the capital grants pertaining to the expenses of Establishment of the University in the year 2017 were credited to the Accumulated Fund</p>
(b)	Provisions had not been made for the audit fees payable for the previous year and the year under review.	<p>I agree with this observation.</p> <p>I will work to make provisions for the payable audit fees in future under the Accounts Payable.</p>

<p>(c)</p>	<p>Although the total of the amortization of Rs. 1,404,609 and Rs. 8,016 respectively for equipment and library books received as donations under the Higher Education for the 21st Century Project pertaining to the year under review should have been Rs. 1,412,625, the amortization has been understated by Rs. 218,253 in Financial Statements because of the depiction of its value as Rs. 1,194,372.</p>	<p>I agree with this observation.</p> <p>I admit that the amortization value of the equipment and library books received under the HETC Project for the year 2017 should be Rs. 1,412,625 and wish to inform that action will be taken to rectify it in due course.</p>
<p>(d)</p>	<p>Instead of revealing through Notes to accounts a sum of Rs. 8,483,168 receivable from three University Teachers who breached contracts during the year under review, it had been credited to the Breach of Contract Account by depicting them in Financial Statements as Receivable Balances.</p>	<p><u>E.K.N.D.Fdo - Rs. 6,765,222.99</u></p> <p>A sum of Rs. 215,951.50 had been paid within February 2018 and action is being taken to recover the remaining instalments.</p> <p><u>M.A.R.N. Perera – Rs. 895,503.79</u></p> <p>The balance that should be recovered from the University Provident Fund of this Teacher is represented by this. The application for the recovery of this amount has been sent to the University Grants Commission and action necessary to transfer this balance is being taken.</p> <p><u>G.M.A.U.K. Gannoruwa – Rs. 822,441.67</u></p> <p>The balance that should be recovered from the University</p>

		Provident Fund of this Teacher is represented by this and the action necessary to recover this balance is being taken.
(e)	A deviation of Rs. 28,423 was observed because increase in the Receivable Balance shown under non-current assets for the year under review had been depicted as Rs. 3,294,054 under Changes in Working Capital in the Cash Flow Statement although the increase had been Rs. 3,322,477.	A non-cash adjustment carried out in the Receivable Balance (Current) Account in the year 2017 was corrected in preparing the Cash Flow Statement. However, this adjustment, which should have been done to the Receivable Balance (Current) Account, had been adjusted to the Long term Receivables Account by mistake.
(f)	A fuel expenditure allowance of Rs. 122,790 paid in the year under review for the ensuing year brought forward had been accounted as an expenditure of the year under review.	I will take action to rectify this.
(g)	A sum of Rs. 1,801,476 paid during the year under review for the Alternative University Access Roads Development Project – Phase II had been written off as expenses instead of stating it under the work in progress in the Financial Statements.	I agree with this observation. The of Rs. 1,801,476 spent for the Alternative University Access Roads Development Project – Phase II was identified in the Financial Statements for the year 2017 as a project completed under the Alternative University Access Roads Development Project – Phase I. I will take action to classify this expenditure under the correct project in future.

(h)	The value of animals in the Farm maintained under the Animal Science and Export Agriculture amounting to Rs. 221,889 as at the end of the year under review had not been included in the Financial Statements.	I agree with this observation. I will take action to reveal the value of the animals living by the end of the year as a Note in Financial Statements in future.
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2.2.3 Unexplained Differences

	Audit Observation Stated in the Final Report of the Auditor General	Comments by the University
(a)	Although the value of the stationery stock was Rs. 6,161,546 as at the end of the year under review according to Financial Statements, a difference of Rs. 136,095 was observed as that value amounted to Rs. 6,025,451 according to the report of the inventory survey.	I agree with this observation. The difference existing between the Statement of Financial Position and the Report of the Inventory Survey pertaining to the stationery stocks has already been identified and I will take action to make the relevant adjustments in due course.
(b)	Although the balance of the Vice Chancellor's Fund and the Breach of Contract Fund shown under the Fixed Deposit Investments as at the end of the year under review was Rs. 17,386,715 according to the Financial Statements, an unexplained difference of	I agree with this observation. Vice Chancellor's Fund I will take action to present accurately the balance of the Vice Chancellor's Fund shown under Note No. 02 to the Financial Statements.

	<p>Rs. 146,144 was observed as that value was Rs. 17,532,859 according to the bank balance confirmations.</p>	<p>Breach of Contract Fund I will take action to present accurately the balance of the Breach of Contract Fund shown under Note No. 02 to the Financial Statements. The sum of Rs. 146,144 referred to in the above observation does not cause any financial effect as it has been included in the interest receivable under current receivable balances in the Financial Statements. This is an error that occurred in revealing information and I will take action to rectify it in due course.</p>
<p>(c)</p>	<p>A difference of Rs. 890,411,930 was observed in the fixed assets thus far acquired and those received by the University as the balance according to the Fixed Assets Register was Rs. 2,126,052,816 although the cost of such assets was Rs. 1,235,640,886 according to the Financial Statements in each of the years from 2005 to the year under review.</p>	<p>The Fixed Assets Register submitted for the audit had been updated only up to August 2017. The Audit Division was also informed of this fact. Nevertheless, the Fixed Assets Register has been updated to December 2017 by now. I wish to inform that there is no difference between the value included in the Financial Statements Report and the value stated in the Fixed Assets Register.</p>

2.2.4 Lack of Evidence for Audit

	Subject	Amount Rs.	Evidence not Furnished	Comments by the University
(a)	Medical Supplies	311,274	• Reports of Inventory Surveys	The inventory survey has been completed and I will take action to present it for audit.
(b)	Chemical and Glassware	23,562,128	• Reports of Inventory Surveys	
	Total	23,873,402		

2.3 Non-Compliance with Laws, Rules, Regulations and Management Decisions

	Reference to Laws, Rules, Regulations Etc	Noncompliance	Comments by the University
(a)	Universities Act No. 16 of 1978 Section 99	Although all monies belonging to the University as a higher education institute and acquired from whatever source must be credited to the University Fund, an interest income of Rs. 1,853,970 earned during the year	This interest income is not one earned through ordinary affairs of the University and it has been credited every year to respective Funds in order to achieve the objectives for which the Funds have

		<p>under review through investing monies received under various Funds contrary to this practice had been credited to the respective Funds and a sum of Rs. 1,558,095 received from a Teacher in breach of contract had been credited to the Breach of Contract Fund.</p>	<p>been established. As such, the objective of crediting to each Fund the interest income received for the respective deposit is shown below:-</p> <p><u>Uva Industrial Centre Fund - Interest of Rs. 323,809 for the Year 2017</u></p> <p>This deposit has been maintained by allotting part of the income earned from the Uva Industrial Centre Fund and the income from this investment is expected to be used for welfare activities of the University.</p> <p><u>Vice Chancellor's Fund - Interest Income of Rs. 23,981 for the year 2017</u></p> <p>This deposit has been maintained by allotting part of the income earned from self-financing project from the inception of the University and the income from this investment is</p>
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			<p>expected to be used for welfare activities of the staff of the University.</p> <p><u>Breach of Contract Fund - Interest Income of Rs. 1,406,011 for the year 2017</u></p> <p>This Fund has grown through deposit of monies produced due to breach of contract by University Teachers. The monies from this Fund are invested in income-earning assets as per University Grants Commission Circular 737 and interest income received is used for the following purposes:-</p> <ul style="list-style-type: none"> I. Securing funds for sending University staff to short-term training courses (Maximum Rs. 100,000) II. Providing financial assistance to
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			<p>participate in overseas conferences (Maximum Rs. 40,000)</p> <p>III. Providing financial assistance to publish research papers (Maximum Rs. 50,000)</p> <p>IV. Providing financial assistance to organize local conferences, lectures, workshops etc (Maximum Rs. 50,000)</p> <p>According to the specifications laid down in University Grants Commission Circulars No. 407 and 737 and the approval (83/16) of the Council, monies received from University Teachers for breach of contract during the year 2017 were credited to the Breach of Contract Fund.</p> <p><u>Vice Chancellor's Scholarships Fund - Interest Income of Rs.</u></p>
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			<p><u>100,169 for the year 2017</u></p> <p>This Fund was established with financial contribution of Rs. 1,000,000 from the Venerable Vice Chancellor. There the interest income generated from it is used for granting scholarships to University students.</p> <p>As such, each year eight 2nd -Year students (two from each faculty) are selected basing on approved criteria and awarded scholarships.</p> <p>Further, according to the specifications laid down in University Grants Commission Circulars No. 407 and 737 and the approval (83/16) of the Council, monies received from University Teachers for breach of contract</p>
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			during the year 2017 were credited to the Breach of Contract Fund.
(b)	Financial Regulations of the Democratic Socialist Republic of Sri Lanka		
	(i) Financial Regulation 570 and 571	Action had not been taken in accordance with Financial Regulations concerning deposits which had been retained in obtaining various construction supplies and services amounting to Rs. 13,346,065 which had exceeded 02 years.	<p>The deposits kept as retention fees are released on written request by the respective suppliers / contractors and action is taken to reduce the amounts pertaining to defect in constructions/ goods supplied if any and to release deposits.</p> <p>As such, I will take action to release the deposits which have exceeded their term back to depositer</p>
	(ii) Financial Regulation 757 (2)	The report of the inventory survey for the year under review had not been submitted for audit even as at 30 June 2018.	The inventory survey for the year under review was commenced on 20 December 2017. However, it was not possible to complete and submit the Report of the Inventory survey due to the research symposium of the

			University, end-of-term examination and strike action by the non academic staff. The survey activities have been completed by now and the Report of the Inventory Survey has been submitted to the Auditor General's Department.
(c)	Public Enterprise Circular		
	Public Enterprise Circular No. PED/12 dated 02 June 2003		
	<ul style="list-style-type: none"> Paragraph 6:5:1 	A draft copy of the Annual Report for the year under review had not been presented to the Auditor General.	Action will be taken to submit a draft copy of the Annual Report for the year under review to the Auditor General expeditiously.

	<ul style="list-style-type: none"> Paragraph 7:2 	<p>Although all Public Enterprises should have operation manuals covering all areas of their main operations, the University had not prepared an operation manual even as at 30 June 2018.</p>	<p>The Operation Manual for Procurement has been prepared as per the recommendation given by the Committee on Public Enterprises at its meeting held on 29 November 2017 and the Operation Manual covering all operational areas of the University is being prepared at present.</p>
(d)	<p>The Library and Documentation Services Board Circular No. 2004/Lib/01 dated 26 January 2004.</p>	<p>The survey reports on Library books and periodicals amounting to Rs. 64,220,660 as per the Financial Statements had not been submitted for audit even by 30 January 2018.</p>	<p>The survey reports concerned are scheduled to be submitted to the Finance Committee on recommendation 130 by the Council of the University and I will take action to submit it for audit subsequently.</p>
(e)	<p>Management Service Circular No. 02/2014 dated 11 February 2014.</p>	<p>Although research grants amounting to Rs. 62,496,364 had been paid to 456 members of the academic and non academic staffs of the University from 2014 to the year under review, 454</p>	<p>Some of members of the academic and non academic staffs obtain their research grants after launching their research report and publishing it in a suitable and relevant research</p>

		<p>officers had not submitted reports to the Research Committee.</p>	<p>journal while some others submit their research proposals to the Research Committee and on the recommendation of such Committee obtain their research grant.</p> <p>However, all officers and teachers who submitted research proposals have been informed that from 2018 onwards, an interim research report (Biannual Report) should be submitted within 6 months in respect of all projects for which recommendation of the Research Committee is obtained by submitting research proposal and the final report should be submitted in completion of the research.</p>
(f)	Establishment Code for University Grants Commission and Higher Educational Institutes		
	<ul style="list-style-type: none"> Section 1.6.1 of Chapter X and section 3 (1) of Chapter 	<p>A sum of Rs. 267,383,227 had been paid as salaries and allowances without</p>	<p>An attendance register or fingerprint attendance recording machine is not</p>

	XX	<p>verifying attendance and leave of the Academic Staff for the year under review.</p>	<p>used in respect of the officers of the Academic Staff within the University system while the academic staff are provided with a timetable for lectures at the beginning of the Academic Year, according to which those officers conduct their lectures. The records on those lectures are maintained at the Academic Divisions. In addition, the Salary Division obtains a monthly salary summary before payment of salary at the end of each month through respective Heads of Departments to confirm that the officers of the Academic Staff are in the employ of the University. Salaries and emoluments are paid to members of the Academic Staff basing on this monthly salary summary.</p>
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(g)	University Grants Commission Circulars		
	University Grants Commission Chairman's Establishment Circular No. 12/2013 dated 29 August 2013	The rents of quarters had not been recovered from officers resident since 2014 in houses assigned to senior officers even as at the end of the year under review.	During the initial period house rents were not recovered as per the Circular in order to attract and retain staffs for running the University. However, action is being taken to recover rents for those houses on the recommendation of the House Committee and approval of the Council in 2017 after completing the requirements in the houses.
	(i) University Grants Commission Incorporated Circular No. 15/2015 dated 07 November 2015	Although results of internal exams should be released within 03 months from the conclusion of an examination, delays of 01 to 05 months had occurred in releasing results of 12 exams in the year under review and 06 exams in the preceding year.	Such delays occur for following reasons: <ul style="list-style-type: none"> • It takes about 1 ½ months as the University implements a single timetable for all Faculties for an examination. • Owing to the interrelationships between certain subject units,

			<p>courses of study and even Faculties, some of the Teachers have to evaluate answerscripts of students belonging to all Faculties and courses.</p> <ul style="list-style-type: none">• Answerscripts are sent to other Universities and institutions by courier for secondary evaluation due to dearth of senior level Teachers as a newly-established University, which takes a considerable length of time.• The Examination Division is not centralized yet and the process from printing of question papers to release of results is conducted in a manual system.• The Examination Division does not possess adequate human resources. <p>However, the Examination Division</p>
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			always makes efforts to prevent such inordinate delays in future.
(h)	Letter No. CSA/2/3/4 dated 26 February 2006 and Letter No. CAS/1/1/16 dated 11 June 2012 by the Secretary to the President	Although officers who make official overseas visits are required to produce a report on the benefits accrued to the Government of Sri Lanka by their visit within two weeks from the return to the island after ending the visit, 14 Teachers and 01 officer who made foreign visits spending Rs. 3,905,523 from the University Fund and 07 Teachers who went abroad on duty leave during the year under review had not submitted their respective reports.	Production of a post-visit report on the knowledge and experience acquired from the foreign visit had not occurred and the policy of the University had been to submit a prior report on the attitudes, knowledge and skills expected to be acquired through the respective visit and obtain approval for it. However, after identifying these shortcomings, a specimen of the report that should be submitted after every foreign visit from the year 2018 has been approved at the meeting of the Vice Chancellor's Advisory Committee held on 26 April 2018 and officers concerned have been enlightened on it. I will take action to summon the

			reports after informing the Teachers who have not submitted report as required in writing.
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2.4 Transactions Not Supported by Adequate Authority

	Audit Observation Stated in the Final Report of the Auditor General	Comments by the University
	<p>As the Academic Allowance is not defined as a cost of living allowance as per the Employees' Provident Fund Act No. 15 of 1958 and the Labour Commissioner's letter No. ප්/ආයනන/11 dated 24 August 2001, this allowance should not be applied for the Employees' Provident Fund and Employees' Trust Fund contributions. However, contrary to that direction, an extra sum of Rs. 11,625,307 had been paid as contributions to the above funds for the Academic Staff in 04 Faculties of the University during the year under review.</p>	<p>It is according to the directions given by University Grants Commission Circular dated 08 January 2013 that the Academic Allowance paid to the members of 04 Faculties of the Uva Wellassa University was made applicable for contributions to the Employees' Provident Fund and Employees' Trust Fund.</p> <p>The Treasury has given approval to consider the Academic Allowance to calculate Employees' Provident Fund and Employees' Trust Fund contributions as per paragraph 04 of the Circular concerned, which has been issued pertaining to the payment of Academic Allowances according to Budget Proposals 2013. Preparation of salaries is done accordingly.</p>

3 Financial Review

3.1 Financial Outcomes

According to the Financial Statements presented, the financial outcome of the Uva Wellassa University for the year ended 31 December 2017 showed a deficit of Rs. 85,587,906 as against the previous year's deficit of Rs. 80,933,886. Compared to the previous year's outcome, the financial outcome of the year under review has shown a decline of Rs. 4,654,020. The decline has been caused because of the increase of total expenditure by Rs. 199,495,287 despite the increase in income in the year under review compared to the previous year by Rs. 194,841,268.

In analyzing the financial outcome during the year under review and the 4 years preceding, the 2013 figure of Rs. 88,412,661 had fluctuated yearly and a deficit of Rs. 85,587,906 had occurred in 2017. However, after re-adjusting employee gratuities and depreciation of non-current assets to the financial outcome, the University's contribution in 2013 had been Rs. 107,634,799 and it had grown continuously up to Rs. 363,834,406 in the year under review.

3.2 Lawsuits Initiated against or by the University

	Audit Observation Stated in the Final Report of the Auditor General	Comments by the University
	Eight long-serving Trainees had filed a case on 2 July 2014 against the University and necessary revelations had not been made in this regard in the Financial Statements.	I agree with this observation. I will take action to reveal the details of the case filed by trainees who served in the University through a Note to the Financial Statements in due course.

4. Operational Review

4.1 Performance

4.1.1 Operation and Review

	Audit Observation Stated in the Final Report of the Auditor General	Comments by the University
(a)	Six Aims and Objectives expected to be achieved had been laid down in the Combined Plan formulated for the period 2016-2020 by the University and the following observations are made in this regard:	
(i)	Although 1,490 students should have been enrolled for 13 Degree Courses in the years 2016 and 2017, only 1,249 students had been enrolled. As such, the University had failed to utilize the full capacity through enrolling 241 less out of the number of students expected for enrollment.	The University Grants Commission has sent lists of students to the University for registering students on several occasions for the Academic Years concerned and action had been taken to enroll them according to those lists. However, some of the students did not appear for registration. Even some of the registered students had gone on transfer upon instructions of the University Grants Commission while a few had got their registration cancelled. Such reasons have led to the drop from the expected number of students.

		<p>The Registrar of our University even sent a letter dated 2 February 2017 to the Secretary to the University Grants Commission requesting that additional students be placed to our University because of the decrease from the expected number of students. The required number of students were not completed even after workin to enroll students from the list sent subsequently by the University Grants Commission to the University.</p>
(ii)	<p>The number of students enrolled by the University for the two Academic Years 2010/2011 and 2011/2012 was 998 and the number of students who graduated out of them was 860. As such, the number of students who had not completed the Degree represented 14 % of the total number of registered students.</p>	<p>998 students registered themselves for the Academic Years 2010/2011 and 2011/2012, out of whom 860 graduated. The number of those who graduated is lower than the number registered for reasons such as abandoning courses, non-appearance at exams as well as failing exams.</p>

(iii)	<p>Although increasing the number of foreign students enrolled through introduction of international level course of highest quality at low cost had been an objective, it was only one foreign student each that had been enrolled during the year under review and in the year before it.</p>	<p>The Ministry of Education and Higher Education had sent foreign students to the University for courses of study and action was taken to enroll students so sent.</p>														
(iv)	<p>Although the objective of the institution was to increase the employment rate of graduates to 100% in 2017, which had existed at 77% in the year 2014, the employment rate had remained within range from 62% to 74% according to a census Carried out by Universities on the employment of graduates who were awarded Degrees in the year under review pertaining to the Academic Year 2011/2012.</p>	<p>The Carreer Guidance Unit of the Uwa Wellassa University has taken the following measures to enhance the knowledge on career, professionalism and entrepreneurship of our students:</p> <ul style="list-style-type: none"> • Introduction of Career Guidance course units <p>The Career Guidance Unit has introduced three Career Development Course Units (of 3-Credits weight) for the First, Second and Third Year ENM and HTE students, out of which Module 1 and Module 3 have been conducted during this Semester.</p> <table border="1" data-bbox="967 926 1717 1049"> <thead> <tr> <th>Module No.</th> <th>Course Code</th> <th>Course Title</th> <th>year</th> <th>semester</th> </tr> </thead> <tbody> <tr> <td>Module</td> <td>BGE</td> <td>Career</td> <td>1st</td> <td>1st</td> </tr> </tbody> </table>					Module No.	Course Code	Course Title	year	semester	Module	BGE	Career	1 st	1 st
Module No.	Course Code	Course Title	year	semester												
Module	BGE	Career	1 st	1 st												

		1	198-1	Development I	year	semester
		Module 2	BGE 298-1	Career Development II	2 nd year	2 nd semester
		Module 3	BGE 398-1	Career Development III	3 rd year	1 st semester
		<p>In addition, a workshop has been conducted in this regard in June 2018.</p> <ul style="list-style-type: none"> <p><u>Graduate Entrepreneurship Awakening</u> The Career Guidance Unit and the National Entrepreneurship Development Authority (NEDA) have jointly conducted a Graduate Entrepreneurship Awakening programme and its objectives are to produce a successful graduate entrepreneur, create necessary employment opportunities and directing students to the business sector.</p> <p><u>Professional Job Market and Exhibition</u> The Career Guidance Unit has planned to conduct a</p> 				

		<p>Professional Job Market and Exhibition and its objectives are the facilitating exchange of ideas and information between students and employers and enlightening students and people of the Uva Province on new trends in the global job market.</p>
(a)	<p>Although the Research Committee of the University had approved 33 research projects and allocated grants amounting to Rs. 37,520,707 from 2013 to 2016, only 21 projects were commenced and 20 of them have been completed. However, 56% of the total allocation, i.e. Rs. 21,027,409, had remained under-utilized even as at the end of the year under review. Nevertheless, no course of action had been formulated invent new products or services based on the 20 project reports that have been completed and to obtain patents.</p>	<p>Although 32 research proposals had been approved during the year 2015, the incurring of expenditure mainly occurred in the year 2016. As a result, the total expenditure borne for research in 2016 was Rs. 7,162,475, which has exceeded even the principal budgetary provision for that year.</p> <p>The amount allocated for the year 2017 was 7.5 million rupees. However, by the end of the year, 8.3 million rupees had been borne as research expenditure. This is 110% of the allocated for the year. Further, all the research projects commenced in the years 2014, 2015 and 2016 have been completed within the year 2017.</p> <p>The utilization of provisions allocated for research has occurred at a reduced scale for reasons such as delay in the procurement process, unexpectedly longer time needed</p>

		<p>for the completion of projects, and withdrawal of some of the projects due to various practical problems.</p> <p>It is not realistic to expect new products and services from the findings of research projects. Nevertheless, the Research Committee had informed research grant recipients to work to obtain patents as appropriate upon the findings of the research projects and publish the findings in an appropriate and relevant research journal.</p>
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4.2 Management Activities

	Audit Observation Stated in the Final Report of the Auditor General	Comments by the University
(a)	Out of the stocks purchased during the 201-2017 period, stocks of 17 items worth Rs. 593,799 had passed the expiry dates. The stocks concerned had not been disposed even as at the date of the audit 30 June 2018.	These goods are expired ones and their disposal was delayed due to the strike by the Non-Academic Staff. Therefore, I will take steps to remove those goods according to the report of the inventory survey.
(b)	Legal acquisition had not been carried out even as at the date of this report in respect of the the 30.9667-	Action had been taken in this regard since 2006. Action is being taken to transfer the said land to the University with

	<p>hectare land that has been allotted to the Uva Wellassa University according to the decision to transfer to the Ministry of Education the said land owned by the Ministry of Industry, which was made by the Cabinet of Ministers pertaining to the Cabinet Paper No. 05/0183/035/001 dated 10 February 2008 for the purpose of establishing the Uva Wellassa University.</p>	<p>recommendations by the Ministry of Higher Education and the Ministry of Lands and Parliamentary Reforms. At the same time, the University has appointed an experienced retired officer on assignment basis for this purpose.</p> <p>As mentioned in the letter dated 23 January 2018 sent by the Ministry of Lands and Land Development, the Ministry of Lands and Parliamentary Reforms has taken action to transfer this land to the University.</p>
(c)	<p>Foreign travel expenses amounting to Rs. 3,247,475 had been borne during the year under review without approval from the Financial Committee of the University.</p>	<p>Travel Grants for Post-Graduate Degrees: As there are Circular provisions available for this purpose, obtaining of the approval of the Financial Committee is not an essential factor.</p> <p>Overseas Visits, Workshops, Symposia and Staff Conferences: These spendings have been made on the approval of the head of the Financial Committee and the Vice Chancellor, who is the head of the institution, due to paucity of time to obtain approval of the Financial Committee for this purpose.</p>

4.3 Operational Activities

	Audit Observation Stated in the Final Report of the Auditor General	Comments by the University
(a)	<p>During the year under review, hostels obtained on rent basis had been used for 841 students, i.e. 46%, out of a total of 1,849 students for whom hostel facilities had been provided by the University. Only 04 hostels which could provide facilities for 506 students had been established by the end of the year under review and Rs. 21,638,235 had been spent from the year 2015 to the year under review for obtaining rented houses to provide hostel facilities. Accordingly it was observed that University had not focused on construction of permanent hostels although 12 years has elapsed since the commencement of the University.</p>	<p>One of the things that led to the establishment of the Uva Wellassa University within the Badulla District under the Uva Wellassa Development Programme was the need for uplifting the economic status of the District as well as the Province. Under this 04 hostels were constructed under the Uva Wellassa University Construction Project. It has made available lodging facilities for 500 students of the University. Similarly, the use of houses in the vicinity as hostels instead of constructing hostels was used as a boon to uplift the economic condition of the houseowners until 2014 according to the state policies prevailing at that time.</p> <p>However, the Ministry of Education and Higher Education implemented a hostel project during the 2014-2017 period for which a flat land was needed. As a flat site is not available within the land belonging to the University, the officials representing the Ministry of Education and Higher</p>

		<p>Education who inspected the land belonging to the University informed that the land is not suitable. At the same time, the officers serving at that time made a tremendous effort to find suitable lands for this purpose from Badulla area. In addition, they tried to find lands by publishing advertisements in newspapers. As for the lands that they did find in this way, the Valuation Department informed that tall building cannot be constructed on them.</p> <p>Nevertheless, action is being taken to obtain the 12-acre land belonging to the Wevassa Estate located in front of the Badulla Pradeshiya Sabha building for hostels.</p>
(b)	<p>During the year under review 14 vehicles had been obtained on rent basis for transport purposes of the University, for which Rs. 16,601,629 had been spent. At the same time, Rs. 65,055,751 had been paid as rent for the last 04 years. Although 12 years has passed from the establishment of the University, action had not been taken to purchase vehicles on outright leasing method by securing provisions from Annual Budgets.</p>	<p>The Uva Wellassa University rents vehicles including all expenses for fuel, driver, driver's salary, insurance, monthly services and maintenance and other maintenance activities. (Here, the University fuels up the vehicles allotted to officers.) Accordingly, the amounts stated in the audit query include rent paid for the vehicles as well as other expenses referred to above.</p>

4.4 Under-Utilization of Funds

	Audit Observation Stated in the Final Report of the Auditor General	Comments by the University
(a)	Uva Industrial Centre Fund, Vice Chancellor's Fund and the Welfare Fund had a total balance of Rs. 4,314,079 as at 31 December 2016 and the money in these Funds had not been utilized for any purpose during the year under review.	The Audit and Management Committee has recommended the appointment of a Committee to operate these Funds and update the activities pertaining to its receipts and disbursements. I wish to inform that action will be taken to utilize those funds after obtaining the report from such Committee.
(b)	Out of the Rs. 1,308,853 received for various programmes of 02 Faculties of the University from 2 government institutions and 1 project during the year under review, 20% had remained unutilized.	As various programmes conducted by the Faculty of Management and the Faculty of Animal Science and Export Agriculture have not ended so far, I will take action to clear the money concerned as soon as they are over.

4.5 Idling or Under-Utilized Assets

	Audit Observation Stated in the Final Report of the Auditor General	Comments by the University
(a)	It was observed during the audit that the two-wheel tractor and the four-wheeler tractor, plough and	Two-wheel tractor and the four-wheeler tractor, plough and accessories purchased spending Rs.

<p>accessories that had been purchased in the year 2016 with the aim of using for students' learning activities spending Rs. 2,043,499 as well as the learning and office equipment purchased during the year under review spending Rs. 6,270,760 by the Uva Wellassa University had not been used for their intended purposes until 30 June 2018.</p>	<p>2,043,499.00</p> <p>I wish to inform that action will be taken to use the machinery and equipment concerned for the practical learning activities of the two batches that have been enrolled to the Faculty of Technology while the four-wheel tractor will be used for activities of the General Administration and Maintenance Division.</p> <p>Learning and Office Equipment Worth Rs. 6,270,760</p> <ul style="list-style-type: none"> • Computer Tables and Chairs being Stored within the Computer Laboratory of the Department of Agriculture <p>Dr. R.A.P.I. Dharmadasa is in charge of the subject. As separate laboratory facilities are not available to store the ordered goods concerned, they have been stored temporarily in the Laboratory mentioned above. It has been informed that once proper laboratory facilities are received, the goods concerned will be sent to the relevant place.</p> <ul style="list-style-type: none"> • Extractor 15 bar suitable for 4 ceramic palters – Ground Water Laboratory
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		<p>Prof. H.M.S.K. Herath functions in charge of this Laboratory. It has been difficult to use the piece of equipment referred to above within the Laboratory as it is not possible to provide safety necessary for its users within that cramped space. Steps have already been taken to obtain space sufficient to use it with safety.</p> <ul style="list-style-type: none"> • Staff Development Centre - LCD Projector Screen <p>This piece of equipment was purchased in December 2017 but it was not possible to fix it at that time as a rigid wall necessary for fixing it was not available in the lecture hall. Thereafter the lecture hall and other parts of the Centre (including walls) were repaired and the construction work went on till April 2018. Meanwhile the Director of the Staff Development Centre had made requests for the procurement activities necessary for installing the LCD projector screen and arrangements are being made for it at present. I would like to inform that it will be possible to use it in a few months.</p>
(b)	<p>The Block F Partitioning and Improvement Project had been assigned to the Central Engineering Consultancy Bureau on 23 September 2018 for a</p>	<p>Action has been taken to recover Rs. 187,000 pertaining to this from the retention fee of the contract concerned as the contractor had not rectified the defect concerned during</p>

	contracted sum of Rs. 16,952,719 and as at the audited date, which was 06 March 2018, Rs. 15,619,407 had been paid to the Bureau for the work done till then. However, during the field visit conducted on 06 March 2018, it was observed that the ceilings had been fixed so that 34 lamp points could not be used. As such, the Rs. 187,000 spends for it was seen at the audit as a useless payment.	defect liability period.
(c)	Owing to non attention to the requirement and stocks available in the stores in purchasing goods, 710 packets of A3-size sheets of photocopy paper worth Rs. 653,193 out of those purchased on 21 st May and 11 th September of 2015 remained at the Stores without being put to use as at the audited date, which is 31 May 2018.	Although there were 785 packets of A3-size sheets of photocopy paper purchase for the use by the Examination Division as at the date of audit, the balance as at 15 May 2018 was 710 packets. I wish to inform that 75 such packets have been put to use during the intervening period and this photocopy paper can be used for the purposes of the Examination Division.
(d)	The computer software purchased on 24 November 2016 spending Rs. 165,000 for stock control activities had not been used for stock control activities even as at 31 December 2017.	Although it was not possible to operate it due to a technical problem which occurred in entering the order form software programme despite computerization of all data in the year 2017, at present this programme has been put in operation. Data pertaining to stock balances at the beginning of the year 2018 have been computerized and

		the work on entering data pertaining to goods receipt and issued forms is underway.
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4.6 Uneconomic Transactions

	Audit Observation Stated in the Final Report of the Auditor General	Comments by the University
	Drivers of rented vehicles were provided with accommodation in a house obtained on rent basis and a sum of Rs. 240,000 had been spent for this purpose from the University Fund during the year under review although according to the agreement reached with suppliers who provide vehicles on rent basis, there was no obligation to supply accommodation for drivers of rented vehicles.	Vehicles were obtained on rent basis in establishing the Uva Wellassa University in Badulla District and for its needs. Since 2006 up to now, the absence of a drivers' hostel for drivers deployed for the University or a place for drivers to stay or rest had made it difficult to get vehicles for students' purposes and other exigencies at night. Therefore, a house located about 35 metres from the main entrance to the University was identified and obtained on rent basis. It was also used as accommodation for the Plumber and the Electrician. This measure was taken so that their service could be obtained quickly and at any time around the clock whenever the need arises. Neither the agreement nor the conditions of the tender for obtaining vehicles on rent basis states about the University being required to provide accommodation and on the

		other hand, those documents do not state that the vehicle owners should provide it either. However, action has been taken to charge every driver a sum of Rs. 2,000 every month since 2018 and the term has been entered into the tender paper as well.
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4.7 Staff Administration

	Audit Observation Stated in the Final Report of the Auditor General	Comments by the University
(a)	Academic Staff	
(i)	The number of approved posts of Professors of the University, which stood at 10 in 2006, had been reduced to 05 Professors in 2017 and even during the year under review, action had not been taken to fill the positions which remained vacant since 2015.	Advertisements were placed in newspapers for filling Professor vacancies that had existed since the inception of the University and during the revision of specified positions of the staff in 2017, the number of posts were reduced to 05. Again a newspaper advertisement was published on 18 June 2017 to fill the vacant positions concerned but no recruitment was made due to absence of applications from qualified persons among the applications received. According to the recruitment plan for the year 2018, action will be taken to publish yet another advertisement in the final quarter of 2018.

(ii)		<p>With the approval received for new positions on the staff for the year 2017, the number of positions vacant stands at 83 as at 31 December 2017. Out of these vacancies, 31 are vacancies for posts of Temporary Demonstrator / Temporary Lecturer. Filling of these vacancies is done only on the requests from the Deans of the Faculties as temporary positions are filled according to the periodic need of the respective Faculties.</p> <p>Newspaper adverts were published in October 2017 for filling 52 permanent Lecturer positions that remained vacant as at 31 December 2017. The interviews were delayed due to the local authority elections and the strike action by the Non-Academic Staff. However, the conducting of interviews has been commenced in March 2018 and is underway at present</p>
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(b)	Administrative and Non-Academic Staff	
(i)	Officers had not been recruited for 77 positions in Administrative and Non-Academic Staff of the University as per University Grants Commission Circular No. 876 dated 06 June 2006.	<p>With the new positions created by the approved cadre revision of 2017, the number of vacancies stood at 77 as at 31 December 2017. Out of this, the filling of vacancies of positions in the Administrative Staff is done by the University Grants Commission and accordingly, work is being carried out already for this purpose. As 35 of the oncoming vacancies in the Non-Academic Staff are those for which recruitment should be done according to University Grants Commission Circular 876, the Ministry of Education and Higher Education has been informed of the number of vacancies and asked to provide the lists of names by the University Grants Commission.</p> <p>Newspaper advertisements were published in October 2017 for recruiting externally for the 12 oncoming posts and the recruitment activities are being carried out.</p>
(ii)	The post of Librarian of the University had remained vacant since its inception and the Librarian of the Rajarata University of Sri Lanka who is on Sabbatical Leave has been appointed on an allowance of Rs.	Mrs. A.S. Siriwardana who serves as the Librarian of the Rajarata University was appointed as Librarian of the Uva Wellassa University on Sabbatical Leave basis for a period of one year with effect from 01 August 2017. Approval of

<p>150,000 from 01 August 2017 to 31 July 2018 on the approval of the Council given at its 123rd meeting held on 21 July 2017. Subsequently this officer had been appointed to a post of Library Instructor, which is not a post included in the approved cadre, on an allowance of Rs. 255,000 with effect from 01 January 2018 upon the approval given by the Council at its 128th meeting held on 22 December 2017. Accordingly, recruitment had been done to a post of Library Instructor which is non-existent in the approved cadre while the post of Librarian had been still vacant.</p>	<p>the Council was received for this appointment at the 123rd meeting of the Council held on 21 July 2017 and it was also decided there to pay her a monthly allowance of Rs. 150,000.</p> <p>What the Council based on in determining that ratio of payment was the monthly allowance paid to the two Professors who had been serving at the University on Sabbatical Leave basis at that time.</p> <p>According to a decision made at the 128th meeting of the Council held on 22 December 2017 it was decided to alter the designations of all the officers who are serving at the University on Sabbatical Leave as follows and to pay them a common monthly allowance for the respective posts:</p> <ul style="list-style-type: none"> • Senior Instructor • Instructor • Junior Instructor - I • Junior Instructor - II <p>At that 128th meeting of the Council itself it was decided to change the designation of Mrs. A.S. Siriwardana, who had been serving on Sabbatical Leave basis by that time, as</p>
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		<p>Instructor (Library Services). (Vide Council Minutes No. 128.03.06) After the change of designation, the new letter of appointment dated 23 April 2018 was issued for the remainder of the period of contract, i.e. from 01 January 2018 to 31 July 2018.</p> <p>It has been difficult to fill the post of Librarian as well because adequately qualified persons do not apply when filling the post of Librarian, as in the case of filling other vacancies of the University. In such circumstances, in 2017 it has become possible to appoint a Librarian with experience in the Universities system, though on Sabbatical Leave basis. I wish to inform that it is only the change of her designation that has occurred according to the new decision by the Council.</p>
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(iii)	<p>The post of Engineer of the University remained vacant from the establishment of the University up until the date of audit, which was 30 June 2018, and the Chief Engineer of the Department of Buildings of the Uva Province had been appointed on part-time basis on a monthly allowance of Rs. 50,000 with effect from 02 December 2015.</p>	<p>With the aim of obtaining the assistance of an engineering officer due to inability to appoint a qualified officer to the permanent post, Mr. M.J.T. Gangananda was appointed part-time for a monthly allowance of Rs. 50,000 with effect from 02 December 2015 with approval from the Council at its 107th meeting (and the consent from the Governor of the Uva Province).</p> <p>As the new post of Project Engineer was approved in the year 2017, applications were called for the new post in October 2017 but no qualified applications were received. Therefore, the Council has decided to obtain the service of Mr. A.M.J.T. Gangananda further on the basis of paying from the savings of salaries in the approved post until the vacancy is filled.</p>
(iv)	<p>Although the University had purchased 02 tractors before the year 2017 and 03 buses within the year 2017, the University had not recruited permanent drivers, entering them into the approved cadre, but instead recruited 04 persons as drivers on daily allowances under the labour supply programme of the University.</p>	<p>The post of Driver had not existed among those permanent posts of the staff approved since 2017 and approval has been sought for 05 Drivers in the letter addressed and sent to the Secretary to the University Grants Commission in August 2017 for obtaining the approval for the new posts on the staff.</p>

5. Sustainable Development

5.1	Achievement of Sustainable Development Goals and Targets	
	Audit Observation Stated in the Final Report of the Auditor General	Comments by the University
	<p>Although the University had been aware as to how to function in respect of the tasks that fall under the University's purview during the year under review in terms of the United Nations' 2030 Agenda on Sustainable Development and in accordance with the letter No. NP/SP/SDG/17 dated 14 August 2017 released by the Secretary to the Ministry of National Policies and Economic Affairs on sustainable development, the University had not done the identification of indicators for identifying and measuring the Sustainable Development Goals and Targets.</p>	<p>The University is currently engaged in identifying the Sustainable Development Goals and Targets while carrying out initial studies in formulating the policies that are consonant with them.</p> <p>In addition, although the University has not specified Sustainable Development Goals and Targets, the University implements successfully Goals so that they are covered by targets 04, 05, 06 and 09 in the Combined Plan and the Action Plan of the University.</p>

6. Accountability and Good Governance

6.1 Procurement and Contract Process

6.1.1 Procurements

The following observations are made with regard to the Procurement Plan prepared for the year under review:

	Audit Observation Stated in the Final Report of the Auditor General	Comments by the University
(a)	72 procurement activities with an estimated value of Rs. 114,811,098 which had been commenced during or before the year under review according to the Procurement Progress Report had been included in the Procurement Plan or the Revised Procurement Plan of the year under review, out of which 46 procurement Activities totalling Rs. 87,184,465 had not been completed even by the end of the year under review.	Procurement Plans have been prepared and presented to the Council in respect of the acquisition of capital goods, carrying out constructions and obtaining services according to the provisions allocated by the Treasury for the year 2017 and the Plan has been amended twice due to priority tasks which arise as the affairs of the University are conducted and due to receipt of additional allocations. As such, approval has been granted for the amended Procurement Plan under Council Meeting No. 124.12.24 held on 25 August 2017. Similarly, the amended Procurement Plan for goods were recommended under No. 51.24 of the 51 st Finance Committee held on 22 December 2017 was recommended for approval, and the recommendation

		<p>was granted approval under No. C/130/07/01 of the 130th Council.</p> <p>I wish to inform that following Procurement activities, which were mentioned in your audit query as those conducted outside the Procurement Plan, have been included in the amended Procurement Plan.</p> <p>Similarly, goods purchased and constructions carried out under the additional provisions provided for the technology stream given under Budget Proposals in addition to Treasury allocations mentioned above have not been included in the main Procurement Plan and all those purchases and constructions have been carried out after obtaining relevant approval, having been incorporated in the Action Plan applicable to the implementation of Budget Proposals.</p>
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(b)	Out of 134 procurements worth Rs. 505,000,000 planned to be completed during the year under review, 39 worth Rs. 163,506,415 had not been completed.	I wish to inform that although not all the procurement activities planned can be completed as planned due to shifts in priorities, 87% of the money estimated and allocated for the purchase of fixed assets, recurrent estimate and the estimate for improvements for the year 2017 have been utilized. (Vide page No. 50 of the Annual Accounting Report 2017.)
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6.1.2 Lapses in Contract Administration

	Audit Observation Stated in the Final Report of the Auditor General	Comments by the University
(a)	Although the rent payable should be determined by considering the government estimated valuation rent and the offered rent as per Condition No. 2.6 of the Procurement Notice published on 12 September 2016 for obtaining 75 houses on rent for hostels and staff quarters, Rs. 112,100 per month had been additionally paid over and above the government valuation rent for 13 houses obtained on rent. Further, Rs. 775,070 had been paid as monthly rent for 12 houses without	After the house applications were obtained, the monthly rent has been determined upon the final agreement after the Evaluation Committee has discussed based on the approval of the Chairman of the Procurement Committee to the agreed rent of the house considering the government assessed house rent. The houses were obtained and the recommendation of the Evaluation Committee and the approval of the Procurement Committee taking into consideration

	<p>obtaining it for government's estimated valuation rent.</p>	<p>factors such as the above-mentioned assessed value, difference in house rent, number of students accommodated, distance to the main road, transport facilities available etc and also the the convenience of the University and students.</p>
<p>(b)</p>	<p>Without following the provisions of the Government Procurement Guidelines 2016, on several occasions in the year 2017 15 houses had been obtained for hostels with a monthly rent value of Rs. 681,282 and 02 houses as circuit bungalows had been obtained at monthly rents of Rs. 47,000 and Rs. 27,500 for a period of one year.</p>	<p>Applications were called again for obtaining houses as those secured on rents through the tender notice were not sufficient. Applications had to be obtained in this manner as a quick step to find student hostels as recouring to tender procedure by publishing a newspaper advertisement again would have taken a long time. The required number of houses were obtained from among the application so obtained after obtaining the recommendation of the Technical Evaluation Committee and approval of the Procurement Committee. (The recommendations of the Technical Evaluation Committee is found on pages 58 and 59 in File No. UWU/GA/05/H/2017 and the approval of the Procurement Committee will be available on page 60 of reference 992/2017.)</p>

		A house had been obtained from Colombo area observing the tender procedure for use as an office for coordination with Colombo for the requirements of the University and also for accommodation of students since the year 2007. However, I admit that no newspaper advertisement was published for the circuit bungalows I wish to inform that action will be taken to call quotations including same.
(c)	Attention had not been paid regarding the conformity certificates of houses in selecting houses for hostels and official quarters and no evidence was submitted for the audit to the effect that a field inspection was conducted in the houses used for evaluation by the Technical Evaluation Committee.	The Technical Evaluation Committee appointed for selecting hostels comprised the Works Engineer, the Hostel Warden, the University Physician and the head of the Welfare Division. Hostels were selected upon their confirmation.
(d)	On 07 December 2017, two buses had been purchased at Rs. 5,400,000 each from a private company paying Rs. 10,800,000 during the year under review. The following observations are made in this regard: (i) Although buses manufactured in 2017 should have been purchased according to the specifications prepared for the procurement, 2	The Commissioner of Motor Traffic has clearly stated that the year of manufacture of the bus bearing Registration No. UP/ND - 1584 purchased by the University is 2017 according to subsection 19 of the registration certificate bearing No. LOT F10 985375 dated 30 November 2017. Similarly, the Commissioner of Motor Traffic has stated that the year of manufacture

	<p>buses manufactured in 2016 had been purchased.</p> <p>Attention had been paid only to buses with fibre-mixed body instead of focusing, as per the recommendation of the Examiner of Motor Vehicle, on buses with aluminium body having an aluminium deck which are more suitable for the hilly roads network.</p>	<p>of the bus bearing Registration No. UP/ND - 1582 is 2017 according to subsection 19 of the registration certificate bearing No. LOTF10985377 dated 30 November 2017. Therefore, I wish to inform that I do not agree with your observation that buses manufactured in the year 2016 have been purchased. However, as the mismatch between the year of manufacture stated in vehicle registration certificate and the year of manufacture according to the Chassis Number, as has been referred by the audit query, is problematic action has been taken to get a written confirmation from the Commissioner of Motor Traffic in this regard.</p> <p>I wish to inform that attention was not confined to the fibre-mixed bodie in purchasing buses and the following points were also focused:</p> <ol style="list-style-type: none"> 1. Compliance with specifications 2. Engine capacity 3. Number of seats 4. Seating arrangement 5. Fuel consumption
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		<p>6. Suitability for hilly roads.</p> <p>I inform that the University has carried out the purchasing of buses to bring most benefit taking into consideration the above-mentioned points as well.</p>
(e)	<p>An additional expenditure of Rs. 589,500 had to be borne in purchasing purchasing furniture for staff quarters during the year under review as the Technical Evaluation Committee had not functioned during the relevant period although the procurement process for purchasing had been commenced on 14 October 2016 and quotations had been called.</p>	<p>I wish to inform that the following reasons caused the inability to complete the procurement process pertaining to the purchase concerned within the specified period:</p> <p>Prof. Sisira Ediriweera had been appointed on 23 January 2017 as the Chairman of the Technical Evaluation Committee for the tender for purchasing the furniture referred to above and subsequently it was proposed to appoint another Chairman as a result of Prof Ediriweera being engaged in a few other official duties. Accordingly, Dr. N.G. Premachandra of the Faculty of Science and Technology was appointed as the Chairman of the said Technical Evaluation Committee on 14 March 2017.</p> <p>During the period concerned, a higher number of purchase files including that for the purchasing</p>

		<p>associated with the commencement of the Technology stream had been underway while there were a limited number of experienced members available for Technical Evaluation Committee in the University and the delays have occurred in obtaining their service due to their engaging in various tasks. This tender was launched for the purchase of wooden furniture necessary for the Senior Officer Quarters and Bachelors' Quarters and subsequently only furniture necessary for Bachelors' Quarters were purchased under the tender due to change in the scope of furniture necessary for the Senior Officer Quarters. I inform that even in implementing the decision concerned, some delays have occurred.</p>
<p>(f)</p>	<p>The University Grants Commission had selected the Central Engineering Consultancy Bureau deviating from the procurement process to perform the contract for construction of buildings worth 350 million rupees under Phase I of the Establishment of the University in 2006 on design and build method in terms of the Cabinet Paper No. 05/0536/035 and the Cabinet</p>	<p>The University Grants Commission issued the announcement of awarding the construction to the Central Engineering Consultancy Bureau in April 2005 on the approval of the Cabinet of Ministers. The construction work was administered and payments made in terms of the Cabinet Decision and the recommendations and instructions of the Standing</p>

<p>Decision dated 21 April 2005.</p> <p>The following observations are made in this regard:</p> <p>(i) The University Grants Commission had paid the contractor advances amounting to Rs. 138,217,390 in 05 tranches between 09 June 2005 and 31 December 2005 for conducting construction according to the desing-and-build method without entering into an agreement with the Central Engineering Consultancy Bureau.</p>	<p>Technical Evaluation Committee (STEC) of the Ministry of Housing and Construction.</p>
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	<p>(ii) The University had entered into an agreement with the Central Engineering Consultancy Bureau for a total work value of Rs. 284,273,405 for carrying out construction in design-and-build method on 21 August 2006 and the University had paid the Central Engineering Consultancy Bureau Rs. 84,890,797 on 05 occasions between 06 February 2006 and 31 May 2006 before signing the agreement. However, the reasons for the University Grants Commission to assign the contract administration of the above-mentioned contract to the University had not been submitted to the audit.</p>	<p>The then government had decided to complete the planning of construction work within 02 months and initial construction work within 08 months and complete according to the Cabinet Paper for the construction work of the Uva Wellassa University for the purpose of enrolling students within the year 2006 itself. The University Grants Commission released Rs. 84,490,793 in tranches to the Central Engineering Consultancy Bureau, who is the contractor, for meeting those targets. The construction work of the Uva Wellassa University was carried out by a Committee empowered with oversight. Subsequently, all the construction was oversaw by the staff after they were appointed</p>
	<p>(iii) Although, when the University had entered into agreement with the contractor on design-and-build method as per the Cabinet Decision No. 05/0536/035 dated 21 April 2005 for this construction, no payments should have been made for price adjustments as per section 14.1 (b) of CIDA/SBD/04 issued by the Construction</p>	<p>The payments for fluctuations had been made as per serial number 13.07 of the contract conditions of the agreement for phase I constructions. The total payment for variation was presented as 33.4 million rupees. As the maximum limit of payment for fluctuations was 10% of the contract amount, Rs. 28,427,341 was paid according to the price variations taking that limit into</p>

	Industry Development Authority, Rs. 28,427,341 had been paid contrary to it to the contractor for price variation.	consideration.
	(iv) Although Rs. 2,250,000 had been charged from the contractor as late fees, detail of calculation had not been presented to the audit.	According to serial No. 8.7 of the contract conditions of the agreement for the construction work of Phase I of the Uva Wellassa University, Rs. 150,000 per day should be charged as late fines for each construction. A sum Rs. 2,250,000 had been calculated and charged for 150 days.
	(v) Although according to the agreement University had entered into with the Central Engineering Consultancy Bureau contract amount is Rs. 284,273,405 for 05 components of work, 06 components were included in the final payment report and Rs. 44,123,115 had been paid to the contractor for components which had not been contracted.	These work components are those which have been approved after considering the remainder from the principal agreement and contingency expenses in the agreement. All payments have been made according to the contracted amount.

6.3 Budgetary Control

	Audit Observation Stated in the Final Report of the Auditor General	Comments by the University
	<p>Deviations of 15% to 151% were observed when comparing the estimated incomes with actual revenues of 4 objects while considerable variations between 20% and 119% were observed in the comparison between estimated expenditure and the actual expenditure in 13 objects. The expenditure paid for acquisition of lands under Capital Expenditure had not been recognized when preparing the Budget Estimates. Accordingly, it was noticed that the Budget had not been used as an effective management control.</p>	<p>During the year under review, the percentage of amounts received had deviated from the Recurrent Expenditure allocated from the Revised Budget by percentages ranging from 15% to 151%. I wish to inform that this deviation has occurred because of exceeding other expected revenue targets and that it is a healthy variation.</p> <p>Although Rs. 400,000,000 was requested from the Treasury as the approved Capital Grant, only Rs. 322,914,000 was released by the Treasury. I inform that all the Capital Allocations have been spent for the approved purposes. This amounts to 81% of the total estimated Capital Allocation.</p> <p>The expenditure of Rs. 457,430 paid for the acquisition of lands under Capital Expenditure had not been identified in preparing Budget Estimates for Capital Expenditure and I will take action to rectify it.</p> <p>According to the revised Budgetary Provisions, Rs. 658,352,000 had been estimated for Recurrent Expenditure and the actual expenditure</p>

	<p>ended up at Rs. 627,869,532 resulting in a balance of Rs. 30,482,468, which was 5% of the overall Recurrent Provision. The expenditure in 02 objectives had exceeded the provision allocated. The reason for this was the increase in maintenance expenditure including for purchase of CFL electric lamps as action was taken to reduce expenses on electricity by fixing CFL bulbs in hostels.</p> <p>This difference has been caused by the exceeding of expenses pertaining to the provision of consultative services because of the surpassing of consultative service targets planned in providing consultative services.</p> <p>Although not all the Capital Expenditure could be utilized, 93% of the total Capital Estimate has been spent.</p> <p>The actual expenditure of the year 2017 has increased because Projects commenced in the year 2016 according to the Budget Proposals pertaining to the Technology stream were completed in the year 2016.</p> <p>I wish to inform that the above-mentioned Project was implemented according to the approved Action Plan prepared in respect of the Technology stream and the University Grants Commission has released the funds concerned on expenditure reimbursement basis.</p>
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6.4 Delivery of Environmental and Social Responsibilities

	Audit Observation Stated in the Final Report of the Auditor General	Comments by the University
(a)	<p>The chemicals discharged from the laboratories had been mixed with water and disposed to a pit made within the University premises instead of obtaining an environment protection licence and acting according to the conditions of such licence although such a licence should be obtained for the emission or disposal of waste in terms of the first part of Gazette Extraordinary No. 1534/18 dated 01 February 2008</p>	<p>Waste disposed from the laboratories at the Uva Wellassa University is not disposed to the environment. The chemicals and other substances harmful to the environment are collected into containers. As such, their emission to the environment does not happen.</p> <p>Further, unspecified chemicals are channeled to a container that is covered totally with cement.</p>

<p>(b)</p>	<p>An expenditure of Rs. 13,537,151 had been borne for the consumption of water for the last 03 years by the University. Although arrangements have been made to dispose the waste water from various sections of the University after purifying through the wastewater refining system, the attention of the management has not been caught to lower the cost incurred for water by using this water to wash vehicles and for other maintenance activities.</p>	<p>The wastewater disposed from various activities (except of laboratories) of the University and released by the refinery has been released to the environment so far since 2006. Approval and funding necessary for the implementation of the additional water supply project to enable the reuse water from all sources, viz water released from the refinery, spring water from the ground and rainwater in the year 2017 have been obtained. At present it remains at supervisory level and due to be completed within the first quarter of the next year.</p>
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07 Systems and Controls

The shortcomings prevalent in systems and controls observed during the audit were brought to the attention of the Vice Chancellor. Special attention should be focused on the following areas in systems and controls.

	System and Control Area	Observations
(a)	Accounting	Prevalence of accounting deficiencies and unreconciled accounts

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| (b) Asset Management | Failing to conduct revaluation of fixed assets and proper maintenance of Fixed Assets Register |
| (c) Stores Control | Poor stock management |
| (d) Staff administration | Prevalence of vacant positions and presence of excess employees |

Dr. J.L. Rathnasekara
Vice Chancellor