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ஆண்டறிக்கை- 2013

ஊவா வெல்லஸப் பல்கலைக்கழகம்

Annual Report - 2013

Uva Wellassa University



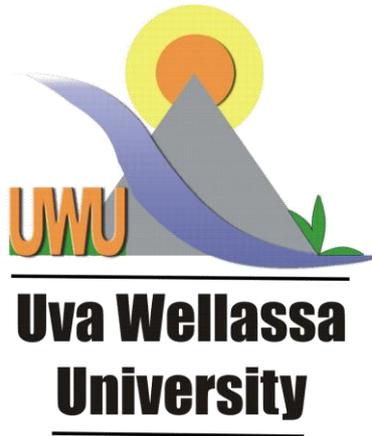
**Uva Wellassa  
University**



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ஊவா வெல்லஸப் பல்கலைக்கழகம்  
பசறை வீதி  
பதுளை

**Uva Wellassa University  
Passara Road  
Badulla**



# Annual Report - 2013

## Uva Wellassa University

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## **1. Our Vision**

**Be the center of excellence for value addition to the national resources through creation and dissemination of knowledge in the areas of emerging technologies, sustainable production practices and processes in agriculture and industry, entrepreneurship, sustainable management practices and processes, and medical sciences to achieve prosperity and well being**

## **2. Our Mission**

**To produce well-rounded and fully employable technocratic and entrepreneurial graduates who are equipped with relevant knowledge, essential skills, entrepreneurial abilities, values, and attitudes to make outstanding contributions to national development by adding value to economic activity**

### 3. Vice Chancellor's Message

Uva Wellassa University was established on June 01, 2005 as the 14<sup>th</sup> national university of Sri Lanka. It is considered as experimentation to build up a university co-related to meet the demand of the economic development of the country. Thus it differentiated from traditional university system with modern educational concepts: aiming of producing of graduates with entrepreneurial skills and competence.

We equip our young entrepreneurs with best possible tools to become experts when they face the society which demands effective actions towards national development. They are the fruits of this concept and successful end product of the experimentation of Sri Lankan higher education system. It is now after several years of establishment we can truly evaluate the outcome of that experimentation.

Uva Wellassa University focus on research and learning with strong emphasis on value addition to the national resources to produce well-rounded leaders capable of using scientific, technological and entrepreneurial for economic development within undergraduate, graduate, postgraduate, corporate as well as continuing education markets.

Special attention has been paid to monitor the progress of Corporate Plan prepaid for 2013 - 2018 together with the action plan. Action has been taken to Corporate Plan Reviewing/Monitoring through out the year. The Corporate Plan has identified following key areas to be developed to achieve the University key objectives.

- Provide quality undergraduate study programmes in diverse fields with National and Global Relevance
- Provide entrepreneurial skills for undergraduates
- Enhance English and IT skills of the undergraduates
- Improve employability prospects of graduates
- Improve soft skills of the undergraduates
- Promote and support Sports and Physical education activities
- Introduce quality postgraduate study programmes
- Develop competencies and dedication of staff

The Faculties themselves have taken various measures to implement the activities specified in the action plan. Accordingly, revisions of syllaby of the existing programme and also introducing new circulars have already been introduced to improve the quality of the degree programme.

The Uva Wellassa University is spread across 59 acres land located in Badulla on mountainous site with spectacular panoramic view.

Uva Wellassa University has three faculties which offer multidisciplinary degree programs catering to local and global needs.

1. Faculty of Animal Science and Export Agriculture

- i. Animal Science
  - ii. Export Agriculture
  - iii. Tea Technology & Value Addition
  - iv. Aquatic Resources and Technology
  - v. Palm & Latex Technology and Value Addition
2. Faculty of Science and Technology
  - i. Science & Technology
  - ii. Computer Science & Technology
  - iii. Industrial Information Technology
  - iv. Mineral Resources & Technology
3. Faculty of Management
  - i. Entrepreneurship & Management Studies
  - ii. Hospitality, Tourism and Events Management

Compulsory programs are available to develop communication skills of the students. The degree programs are not confined to subjects/course modules offered by individual Departments.

Significant number of students benefited from the hostel facilities which are well managed and a good environment exists for their studies. The university attempts to develop an environment conducive to inculcate cultural and ethical values in students by providing all the required facilities of a residential university. All academics have to fulfil three piles of services; academic activities research and corporate social responsibilities.

Staff development centre in the university is committed to trained young academics join the university. Research funds were provided to academic staff in spite of budgetary constraints. For young researchers to start their career by presenting their findings to the research community Research Sessions are conducted within a very short period of time to present research findings. University research directly contributes to the national resources development and social welfare.

The vision and mission of the UWU are clear and known by all stakeholders. All the responsibilities for different activities are clearly identified in the Corporate Plan. The financial resources are effectively utilized by the university.

Dr. G. Chandrasena  
Vice Chancellor  
Uva Wellassa University

## 4. Human Resources & Students

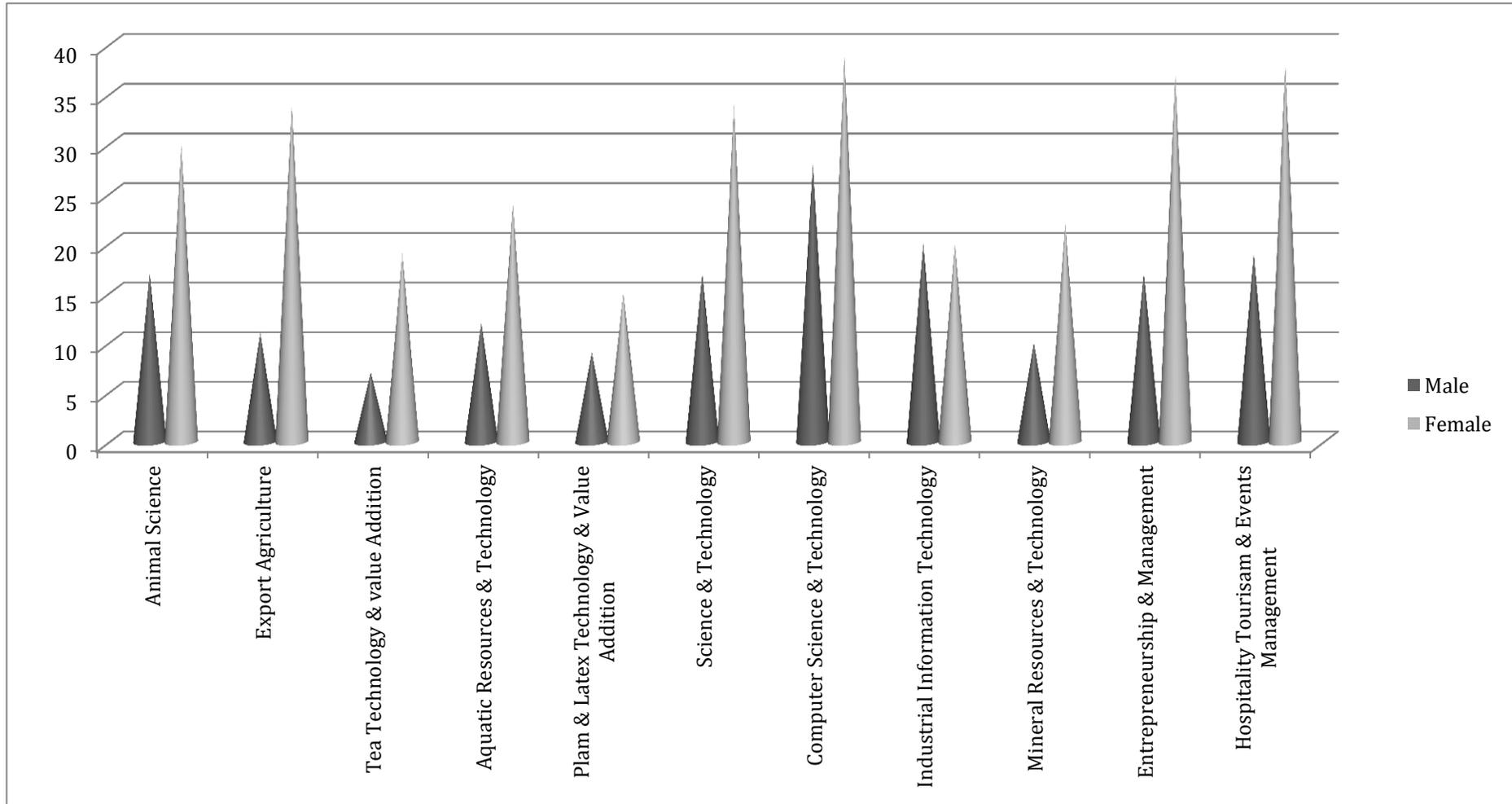
Faculty	Course of Study	Total Students	Total Academic Staff	Total Non-Academic Staff
Animal Science & Export Agriculture	Animal Science	169	58	There were 71 non academic and 13 Administrative staff members who were shared by all three faculties and the General Administration
	Export Agriculture	159		
	Tea Technology & Value Addition	149		
	Aquatic Resources Technology	166		
	Palm & Latex Technology & Value Addition	152		
Science & Technology	Science & Technology	175	55	
	Computer Science & Technology	201		
	Industrial Information Technology	169		
	Mineral Resources & Technology	151		
Management	Entrepreneurship & Management Studies	202	29	
	Hospitality, Tourism and Events Management	200		
<b>Total</b>		<b>1893</b>	<b>142</b>	

## 5. Details of Enrolment of Students

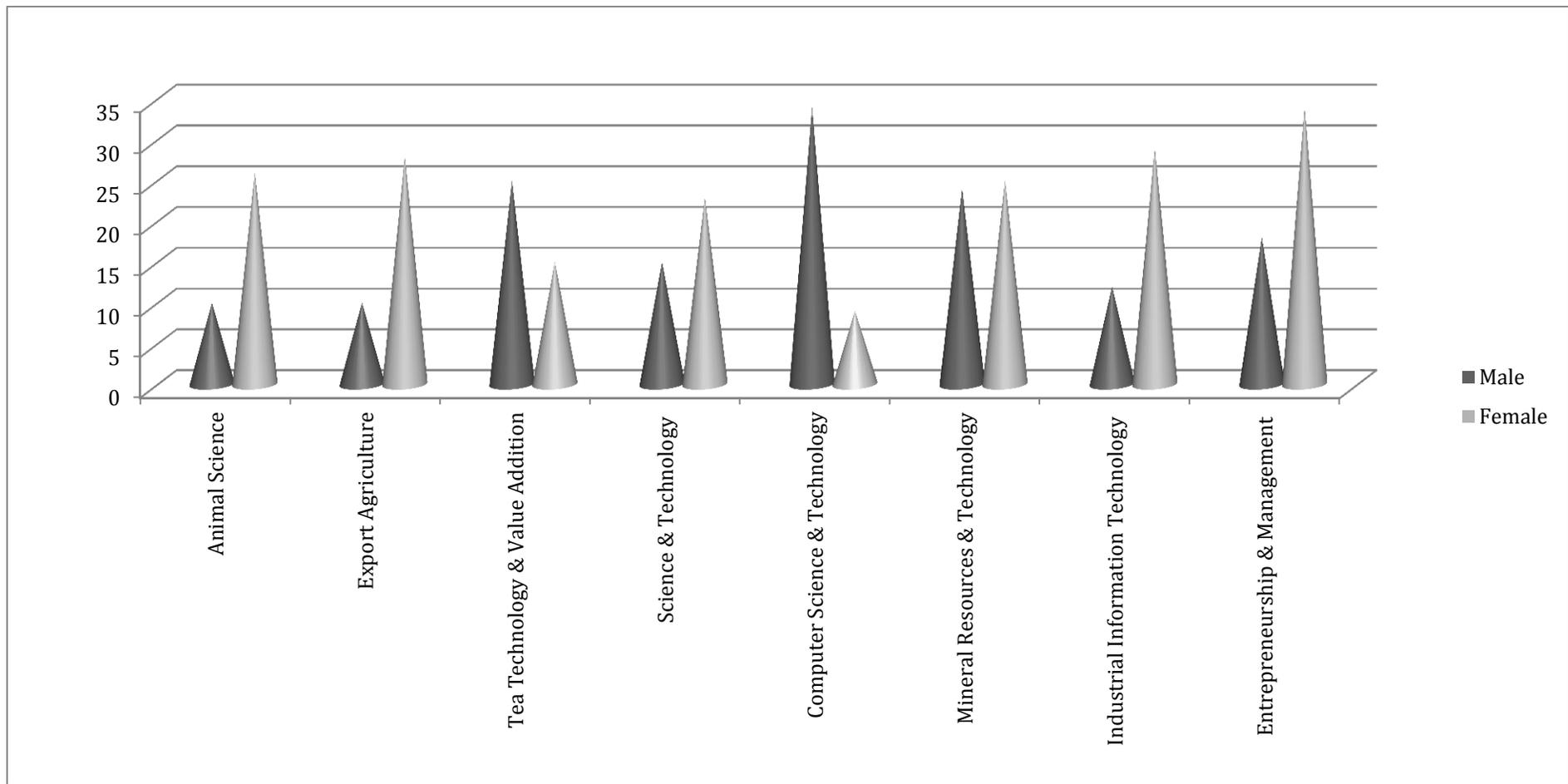
Uva Wellassa University enrolls only 55 students for each degree programme every year. They were selected based on the performance in the G.C.E (A/L) Examination and on the performance of an Aptitude Test conducted by the Uva Wellassa University.

Faculty	Course of Study	Medium	1 <sup>st</sup> Year Students (2011/2012 Batch)	2 <sup>nd</sup> Year Students (2010/2011 Batch)	3 <sup>rd</sup> Year Students (2009/2010 Batch)	4 <sup>th</sup> Year Students (2008/2009 Batch)	Number of Graduates (2007/2008 Batch)
Animal Science & Export Agriculture	Animal Science	English	47	44	37	41	36
	Export Agriculture		45	38	37	39	38
	Tea Technology & Value Addition		26	41	41	41	40
	Aquatic Resources Technology		36	40	42	48	-
	Palm & Latex Technology & Value Addition		24	46	36	46	-
Science & Technology	Science & Technology		51	43	46	35	38
	Computer Science & Technology		67	48	44	42	43
	Industrial Information Technology		40	45	45	39	41
	Mineral Resources & Technology		32	43	38	38	49
Management	Entrepreneurship & Management Studies		54	49	46	53	52
	Hospitality, Tourism, and Events Management	57	47	48	48	-	
<b>Total</b>			<b>479</b>	<b>484</b>	<b>460</b>	<b>470</b>	<b>337</b>

## Gender Distribution of the New Intake - 2013 (2011/2012 Batch)



## Gender Distribution of the Students Graduated in the Year 2013 (2007/2008 Batch)



## 6. Academic Staff

### 6.1. Details of Academic Staff in 2013

Faculty	Area of Subject	Medium	Senior Professors	Professors	Senior Lecturers	Lecturers	Lecturers (Prob.)	Tem. Lecturers/ Demonstrators
Animal Science & Export Agriculture	Animal Science	English	-	-	02 (01)	04	26	25
	Aquatic Resources Technology							
	Tea Technology & Value Addition							
	Palm & Latex Technology & Value Addition Export Agriculture							
Science & Technology	Science & Technology	English	-	-	08	01	28	18
	Computer Science & Technology							
	Industrial Information Technology							
Management	Mineral Resources & Technology	English/ Sinhala/ Tamil	-	-	03	03	16	07
	Entrepreneurship & Management Studies Hospitality, Tourism, and Events Management							
<b>Total</b>			-	-	<b>13 (01)</b>	<b>08</b>	<b>70</b>	<b>50</b>

Temporary Senior Lecturers are indicated in brackets ()

## 6.2. Library Staff

**Ms. K.M.R.K. Kulathunga**, BA (Peradeniya), PG Dip. in Distance Education (India), MLISc (Delhi). Assistant Librarian (On study leave w.e.f. 25.07.2013)

**Ms. D.P.C. Vithana**, BSc (Sri Jay.) Assistant Librarian

**Mr. T. Pratheepan**, BEcon (Eastern), MSc LI (India), PG Dip. in HRM (India). Assistant Librarian (On study leave w.e.f. 01.12.2013)

## 7. Administrative & Non Academic Staff

### 7.1. Administrative Staff

The number of Administrative Staff members served in each category for the year 2013 is as follows:

Category	No. of Staff
Registrar	01
Senior Assistant Registrar	03
Senior Assistant Bursar	03
Senior Assistant Internal Auditor	01
Assistant Registrar	02
Assistant Bursar	01
University Medical Officer	01
Project Manager (Contract Basis)	01

Positions of Bursar, Chief Security Officer and Director of Physical Education were vacant.

## 7.2. Support Staff

All services of Clerical and Allied Grades other than the services of Technical Officers were obtained through the Trainees who were later appointed on assignment basis as Operations Assistants. The Operations Assistants fulfil a multitude of functions including computer related work, clerical work, operational work and secretarial work. Uva Wellassa University administration was driven by aiming operational success and the Operations Assistants have demonstrated their skills and proved the success of Uva Wellassa University strategy.

All appointees were from Uva Province and reside in close proximity to the university. The category and number of all non-academic and support staff members were given below.

<b>Category</b>	<b>Number of Staff</b>
Technical Officer	02
Computer Applications Assistant (CAA) (Casual)	04
Operations Assistants (OA) (Assignment Basis)	20
Trainees	43
Store Keeper	01
Shroff	01

Further, the services of two Sub Wardens and a Sports Officer were outsourced from outside Service Providers.

### 7.3. Distribution of Support Staff

Faculty / Branch	Most Senior	Senior Staff (OA)	Junior Staff (Trainee)	Minor Employees
Vice Chancellor's Office	-	1	01	None *
Registrar's Office	-	1	01	
Faculty of Animal Science & Export Agriculture	-	04 (01**)	01	
Faculty of Science & Technology	-	03 (01**)	06	
Faculty of Management	-	-	02	
Student Affairs Division	-	03	03	
Human Resource Division	-	01	02	
General Administration Division	-	03	01	
Examination Division	-	03	05	
Procurement Division	-	01	02	
Senior Assistant Internal Auditor	-	02		
Financial Division	-	(02***)	07	
Library	-	01	10	
Medical Centre	-	01	-	
Projects	-	-	02	
<b>Total</b>	-	<b>28</b>	<b>43</b>	

\* The University did not appoint any minor employees. The services of minor employees were obtained from service providers.

\*\* Technical Officers (2)

\*\*\* Shroff and Store Keeper (2)

## 8. Research, Innovations & Publications

University's Research, Innovations & Publications during the year 2013.

Subject	Published	Commercialized	Presented
No. of Research Studies	-	-	23
No. of Innovations/ Product Development	-	-	-
No. of Journal Articles	17	-	-
No. of Books/ Book Chapters	10	-	-
No. of Abstracts	254	-	-
Posters	14	-	-
<b>Total</b>	<b>295</b>	<b>-</b>	<b>23</b>

## 9. Programmes, Seminars & Workshops

Subject	Attende/ Offered	Completed	Presented
No. of Degree Programmes	11	11	-
No. of Certificate Programmes	02	02	-
No. of Community Service Delivery Programmes	23	23	-
Staff Development Seminars & Workshops	73	73	-
<b>Total</b>	<b>109</b>	<b>109</b>	<b>-</b>

## 10. Details of Awards Received

Subject	No. of Awards	No. of Academics	No. of Students
Local awards	-	-	-
International Awards	04	04	-
<b>Total</b>	<b>04</b>	<b>04</b>	<b>-</b>

## 11. Details of Recurrent Expenditure

Subject	Rs.	
	2013	2012
a. Personal Emoluments	121,219,347	103,926,933
b. Travelling	1,957,928	306,598
c. Supplies	9,467,163	12,658,833
d. Maintenance	1,817,403	1,922,439
e. Contractual Services	112,870,761	92,899,422
f. Other	17,578,202	12,487,045
<b>Total</b>	<b>264,910,804</b>	<b>224,201,270</b>

## 12. Details of Capital Expenditure

Subject	Rs.	
	2013	2012
a. Acquisition of Furniture and other equipment	73,806,688	10,528,406
b. Acquisition of Machineries	2,447,744	55,781,073
c. Acquisition of Buildings & Structures	184,604,627	112,810,708
d. Other	2,978,366	1,930,696
<b>Total</b>	<b>263,837,425</b>	<b>181,050,883</b>

## 13. Details of Project (Local / Foreign Funded)

Name & Details	Rs.Mn.				
	Loan / Grant	Funding Agency #	TCE	RFA	DF
Establishment of Uva Wellassa University Project Phase 1 and 2	-	-	3,420.00	-	✓
Rehabilitation of Garment Factory Building	-	-	53.96	-	✓
<b>Total</b>	-	-	<b>3,473.96</b>	-	-

#### 14. Details of Project Expenditure (Local/ Foreign Funded)

Rs. Mn

Name	TCE	Exp. in 2012	Exp. in 2013	Cumulative expenditure as at 31.13.2013	% of Physical Progress
Establishment Uva Wellassa University Project, Phase 1 & 2	3,420.00	110.81	184.60	1,836.28	60%
Rehabilitation of Garment Factory Building	53.96	0.87	-	41.24	95%
<b>Total</b>	<b>3,473.96</b>	<b>111.68</b>	<b>184.60</b>	<b>1,877.52</b>	<b>-</b>

#### 15. Details of Financial Progress (Expenditure)

Rs.

Subject	Provision in 2013	Exp. in 2013	Savings/(Excess )
a. Recurrent except project	335,749,000	264,910,805	70,838,195
b. Capital except project	170,790,000	80,151,920	90,638,080
c. Project – Local funded	220,000,000	184,604,627	35,395,373
d. Project – Foreign funded	-	-	-
<b>Total</b>	<b>726,539,000</b>	<b>529,667,352</b>	<b>196,871,648</b>

#### 16. Details of Financial Progress (Generated Income)

Rs.

Source of Revenue	Provisions in 2013	Collection in 2013	Deficit/Surplus
a. Undergraduate Studies (Hostel & registration fees, ect.)	6,330,000	13,191,742	6,861,742
b. Postgraduate Studies	-	-	-
c. Consultancy (Training, Examination & others)	3,315,000	553,000	(2,762,000)
d. Other	-	-	-
<b>Total</b>	<b>9,645,000</b>	<b>13,744,742</b>	<b>4,099,742</b>

## 17. Financial Performance Analysis 2013

Rs.

Subject	Formula	Exp. per Student
a. Recurrent Expenditure per student (RE)	RE / No of Student	139,942.32
b. Capital Expenditure Per Student (CE)	CE / No of Student	42,341.22
<b>Total</b>		<b>182,283.53</b>

\*(Including depreciation and financial assistance to students)

## 18. Details of Infrastructure Facilities Received in 2013

Infrastructure Details	Expenditure (Rs.)	Physical Progress
Fiber Network for Block DEF	1,266,259.16	80%
Network Block E	19,279,637.95	90%
Network Block F	1,043,424.88	90%
Network Block D	3,994,488.90	90%
Maintenance Building	37,278.00	10%
Senior Staff Quarters	26,412,699.50	80%
Staff Quarters (Studio Apartment)	38,064,917.35	80%
Roads and Landscaping	16,573,803.63	60%
Cafeteria and Toilets	11,932,152.68	90%
Senate Building	60,957,125.25	40%
University Guest House	1,458,838.92	90%

**19. Statement of Financial Position as at December 2013**

	2013 Rs.	2012 Rs.
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	1,335,207	9,429,410
Receivables	14,534,698	19,245,531
Inventories	5,431,453	2,858,782
Advances	198,262	96,000
	<b>21,499,621</b>	<b>31,629,723</b>
<b>Non Current Assets</b>		
Receivables	5,602,480	4,682,456
Property, Plant and Equipment	1,290,305,122	1,326,976,268
Work in Progress	365,641,418	181,036,791
Land Acquisition	53,016,399	53,016,399
Quality Improvement Projects	1,206,090	-
	<b>1,715,771,509</b>	<b>1,565,711,914</b>
<b>Total Assets</b>	<b>1,737,271,130</b>	<b>1,597,341,638</b>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accrued Expenses	39,129,463	7,839,588
Sundry Creditors and Other	111,221,850	99,909,803
	<b>150,351,313</b>	<b>107,749,391</b>
<b>Non-Current Liabilities</b>		
Deferred Income	133,457,306	107,596,853
Provisions for Gratuity	6,813,256	5,824,388
	<b>140,270,561</b>	<b>113,421,241</b>
<b>Total Liabilities</b>	<b>290,621,875</b>	<b>221,170,632</b>
<b>Net Assets</b>	<b>1,446,649,255</b>	<b>1,376,171,005</b>
<b>NET ASSETS/EQUITY</b>		
Accumulated Fund	1,831,042,417	1,666,874,277
General Reserve	(394,580,896)	(297,801,450)
Special Reserve	1,830,484	3,976,032
Special Funds	8,357,250	3,122,145
<b>Total Net Assets/Equity</b>	<b>1,446,649,255</b>	<b>1,376,171,005</b>

**20. Statement of Financial Performance for the year ended  
December 31, 2013**

	2013 Rs.	2012 Rs.
<b>Revenue</b>		
Recurrent Grant	203,000,000	233,700,000
Bursary and Mahapola Grants	21,108,150	22,292,150
Self-Finance Programme Income	553,000	1,791,277
Other Income	13,191,742	8,593,589
Capital Grants Amortized	40,788,873	34,719,487
<b>Total Revenue</b>	<b>278,641,766</b>	<b>301,096,502</b>
<b>Expenses</b>		
Personnel emoluments	121,219,347	103,926,933
Travelling Expenses	1,957,928	306,598
Supplies	9,467,163	12,658,833
Maintenance	1,817,403	1,922,439
Contractual Expenditure	112,870,761	92,899,422
Other Recurrent Expenses	17,578,202	12,487,045
Self Finance Programme Expenses	418,496	1,546,238
Bursary and Mahapola Payments	21,108,150	22,292,150
Depreciation	115,616,976	108,628,465
<b>Total Expenses</b>	<b>402,054,427</b>	<b>356,668,123</b>
<b>Surplus / (Deficit) for the period</b>	<b>(123,412,661)</b>	<b>(55,571,620)</b>

**21. Cash Flow Statement for the year ended December 31, 2013**

	2013 Rs.	2012 Rs.
<b>Cash flows from operating activities</b>		
Deficit / Surplus from ordinary activities	(123,412,661)	(55,571,620)
<b>Non - Cash Movements</b>		
Capital Grants Amortized	(40,788,873)	(34,719,487)
Depreciation	115,616,976	108,628,465
Provisions and Other	2,294,002	2,205,825
<b>Operating Profit Before Changes in W/C</b>	<b>(46,290,557)</b>	<b>20,543,183</b>
(Increase)/Decrease in Receivables(CA)	4,710,833	(3,851,417)
(Increase)/Decrease in Receivables(NCA)	(920,023)	(4,682,456)
(Increase)/Decrease in Inventories	(2,572,671)	1,985,325
(Increase)/Decrease in Advance	(102,263)	1,509,352
Increase/(Decrease) in Accrued expenses	31,289,875	(1,456,013)
Increase/(Decrease) in Sundry creditors	11,312,047	38,391,343
<b>Net cash flows from operating activities</b>	<b>(2,572,758)</b>	<b>52,439,317</b>
<b>Cash flows from investing activities</b>		
Acquisition of Fixed Assets	(264,756,547)	(181,050,883)
<b>Net cash flows from investing activities</b>	<b>(264,756,547)</b>	<b>(181,050,883)</b>
<b>Cash flows from financing activities</b>		
Accumulated Fund	187,350,674	95,758,603
Differed Income	66,649,326	40,241,396
Other Funds	5,235,103	369,666
General Reserve	-	(4,875)
<b>Net cash flow from financing activities</b>	<b>259,235,103</b>	<b>136,364,790</b>
Net increase/(decrease) in cash and cash equivalents	(8,094,203)	7,753,224
Cash and cash equivalents at beginning of period	9,429,410	1,676,186
<b>Cash and cash equivalents at end of period</b>	<b>1,335,207</b>	<b>9,429,410</b>

Note - Bank Balances as at 31/12/2013

Bank	Account No.	Amount(Rs.)
BOC	3114820	55,152
BOC	3114828	51,746
People's Bank	10100168384805	1,228,310
<b>Total</b>		<b>1,335,207</b>

## 22. Report of the Auditor General



### විගණකාධිපති දෙපාර්තමේන්තුව கணக்காய்வாளர் தலைமை அலுவலகம் AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය  
எனது இல.  
My No.

UV/BD/D/UWU/  
1/13/78

ඔබේ අංකය  
உமது இல.  
Your No.

}

දිනය  
திகதி  
Date

}

30 January 2015

Vice Chancellor,  
Sri Lanka Uva Wellassa University

Report of the Auditor General on the Financial Statements of the Sri Lanka Uva Wellassa University for the year ended 31 December 2013 in terms of Section 108(1) of the Universities Act, No. 16 of 1978

The audit of financial statements of the Sri Lanka Uva Wellassa University for the year ended 31 December 2013 comprising the statement financial position as at 31 December 2013 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended, 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 Uva Wellassa University in terms of 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 23 July 2014.

#### 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

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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 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 risks 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 management, as well as evaluating the overall presentation of financial statements. Sub-sections (3) and (4) of Section 13 of the Finance Act, No. 38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the audit.

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

## 2. Financial statements

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### 2:1 Opinion

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In my opinion, the financial statements give a true and fair view of the financial position of the Sri Lanka Uva Wellassa University as at 31 December 2013 and the 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

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### 2.2.1 Unreconciled Control Accounts

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Bursaries and Advances Receivable Account for the year 2013 amounted to Rs 3,611,200 and it was shown as Rs.3,781,521 in the Schedule furnished along with the financial statements. Thus a difference of Rs.170,321 was observed.

## 2.3 Accounts Receivable and Payable

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The following observations are made.

- (i) Action had not been taken even by 26 May 2014 to recover hostel fees of Rs.59,870 and surcharge of Rs.365,677 receivable from 98 students who resided in hostels in the academic years 2007/2008 and 2008/2009 and left the University after sitting the final year examination.
- (ii) Research allowance of Rs.93,546 paid for the period from January to July 2011 on reimbursable basis to a Professor who was transferred to this University from University of Peradeniya had not been recovered from University of Peradeniya.
- (iii) Distress loan balance totalling Rs 238,275 given to three officers in the years 2007,2008 and 2010 included in the total distress loan balance of Rs.6,753,253 as at 31 December 2013 had not been recovered even by 31 December 2013.
- (iv) It was observed that according to the financial statements, a festival advance balance of Rs.11,000 given in April of the years 2010, 2011 and 2012 included in the total festival advance balance of Rs.108,000 as at 31 December 2013, remained without being recovered.

## 2.4 Lack of Evidence for Audit

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The following evidence indicated against each item were not made available for audit.

Item	Value	Evidence not made available
	Rs	
Security Deposits Receivable	3,325,000	Security Bonds
Employees Security	50,000	Register of Employees Security/ Detailed Schedules.

## 2.5 Non - compliance with Laws, Rules, Regulations and Management Decisions

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The following non – compliances were observed in audit.

Reference to Laws, Rules and Regulations etc.	Description
(a) Finance Act. No.38 of 1971 Section 14(1)	A copy of the Draft Annual Report of the year under review had not been furnished to the Auditor General
(b) Financial Regulations of Democratic Socialist Republic of Sri Lanka.	
(i) Financial Regulation 71	Employees had been recruited from the year 2006 to 2013 on assignment basis for the post of "Operating Assistant" which was not included in the approved cadre of the University and a sum of Rs.26,111,450 had been paid as fees for such employees for the above period.
(ii) Financial Regulation 135(1)	Responsibilities had not been assigned among several officers in a manner to delegate the functions of the preparation of salaries for maintaining effective internal control, while the preparation of salaries and payments had been done by the Shroff himself.

- |       |  |   |
|-------|--|---|
| (iii) | Financial Regulation 320   | The keys of the four fire resistant safes valued at Rs.258,048 purchased on 30 June 2010 had misplaced and action thereon had not been taken in terms of the Financial Regulations. |
| (c)   | Treasury Circular No.IAI/2002/02 of 28 November 2002.  | The Computers and accessories valued at Rs.1,577,800 purchased during the year under review had not been included in the Register of Computers and Accessories.                     |
| (d)   | Circular No.DMA/2009(2) of Department of Management Audit dated 01 September 2009  | A Register of Fixed Assets had not been maintained.   |
| (e)   | Paragraphs 7.1 and 7.2 of Chapter 7 of the Public Enterprises Circular on Good Governance Guidelines No. PED/12 of 03 June 2003. | Operating Manuals had not been prepared so as to cover the main operating areas of the University.  |

### 3. Financial Review

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#### 3.1 Financial Results

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According to the financial statements presented the operations of the University for the year ended 31 December 2013, had resulted in a deficit of Re.123,412,661 as compared with the corresponding deficit of Rs.55,571,620 for the preceding year, thus indicating a deterioration of Rs.67,841,041 in the financial results as compared with the preceding year. Non – receiving income from Self- Finance Programmes, increase in personal emoluments, travelling, contractual services expenditure and depreciation of fixed assets had mainly attributed for this deterioration.

#### 4. Operating Review

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##### 4.1 Performance

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The following observations are made.

- (a) The cost incurred for academic activities of 1,423 students during the year under review amounted to Rs.401,635,931 and cost per student amounted to Rs.282,246 and as compared with the preceding year the academic cost for 1,787 students amounted to Rs.355,121,855 for that year and cost per student amounted to Rs.198,725. As such the cost per student had increased by Rs.83,521 or 42 per cent as compared with the preceding year .
- (b) Out of 538 students enrolled in the University for the year under review 59 students had abandoned the courses.
- (c) The lecturer, student ratio of the Sri Lanka Uva Wellassa University as at 31 December 2013 had been 1:14 as compared with the lecturer student ratio of 1 : 18 of the other Universities of the Island in the year 2013.

##### 4.2 Management Inefficiencies

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The following observations are made.

- (a) A sum of Rs.1 million out of the income earned from external courses in every month from June 2013 to December 2013 had remained idle in a Bank Current Account without earning interest.
- (b) Even though 14 Lecturers and 87 Junior Lecturers were in the service of the University in the year 2013 only 15 Lecturers had conducted researches using provisions made for Research Aid. As such it was observed that adequate action had not been taken by the Research Committee to encourage the conduct of researches which is the main objective of the University.



#### 4.3 Utilization of Funds

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The following observations are made.

- (a) Fifty per cent, 80 per cent and 54 per cent had not been utilized out of the recurrent provisions made in the Annual Budget for internal researches in the year 2011, 2012 and 2013 respectively.
- (b) A sum of Rs.362,170 only had been utilized out of the budgeted capital provisions of Rs.1,790,000 made for encouraging researches. Accordingly provisions of Rs.1,427,830 had been saved and it was 80 per cent of the provisions.

#### 4.4 Idle and Underutilized Assets

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The following observations are made.

- (a) Five fire resistant safes valued at Rs.322,560 purchased on 30 June 2010 had been idle without being utilized even by 31 December 2013.
- (b) 3 – Axis CNC machine valued at Rs.14,060,480 purchased in the year 2012 for the use of the Engineering Workshop had remained idle without being utilized.
- (c) The building constructed for Sculpture Development Laboratory had been utilized for indoor stadium since 02 years.

#### 4.5 Identified Losses

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The following observations are made.

- (a) Surcharges amounting to Rs.1,765,472 had been paid due to failure in making payment in contributions on the due dates for the period from 2006 to 2011 in terms of the provisions in the Employees' Provident Fund Act No.15 of 1958 and a sum of Rs.1,439,044 had been paid to the Employees Provident Fund as the contribution of 8 per cent which should be recovered from employees by the University.

- (b) Surcharges amounting to Rs.193,816 had been paid to the Employees' Trust Fund due to non – submission of half yearly returns on the due dates from the year 2006 to January 2012 and non – payment of contributions on the due dates.

#### 4.6 Non – execution of Projects.

The following projects to be commenced in 2010 and to be completed in 2011 had not been commenced even by 31 December 2013.

Construction Works	Due Date of Commencement	Due Date of Completion	Value
			Rs.
Sewerage System	16 August 2010	15 August 2011	17,800,000
Storm Water Drainage System	02 August 2010	28 January 2011	23,190,000

#### 4.7 Human Resources Management

The following observations are made.

- (a) Recruitment had not been made for 07 posts of Professors and 48 posts of Senior Lecturers of the approved cadre of the University as at 31 December 2013.
- (b) The approved cadre for the posts of Probationary Lecturers of the University as at 31 December 2013 stood at 69 while actual cadre stood at 87 and as such 18 posts had been in excess.
- (c) The posts for Librarian and Bursar of the University in terms of the Section 33 of Part vi of the Universities Act.No.16 of 1978 had remained vacant since the year 2006.
- (d) Eighty nine posts out of 211 posts in academic staff and 83 out of 126 posts in non – academic staff approved as at 31 December 2013 had not been filled.

- (e) Instead of recruiting officers for 27 vacancies of Computer Application Assistants connected to the Combined Clerical Service, employees had been recruited from time to time on assignment basis since the year 2005 to the post of Operating Assistant not included in the approved cadre of the University. Operating Assistants so deployed in the service as at 31 December 2013 had been 21.

## 5. Accountability and Good Governance

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### 5.1 Presentation of Financial Statements

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Even though the financial statements for the year ended 31 December 2013 should have been presented to the Auditor General within 60 days after the close of the financial year in terms of Public Finance Circular No.PF/PE. 21 of 24 May 2002, the financial statements for the year under review had been presented to audit only on 07 May 2014. After the audit observations made, the amended financial statements had been presented to audit on 11 July 2014 and 21 November 2014.

### 5.2 Corporate Plan

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The following observations are made.

- (a) Material deviations were shown in 12 projects included in Corporate Plan for the period from 2013 to 2017 and Action Plan for the year 2013 of the University approved by the decisions of the Board of Control Nos.79/25 and 79/24 dated 01 February 2013.
- (b) A review of operating results for preceding 03 years had not been included in the Corporate Plan prepared for the period from the year 2013 to 2017 in terms of the Section 5.1.2 of the Public Enterprises Circular No. PED/12 of 02 June 2013. Further, the financial values of the targets to be achieved had not been indicated and as such the Corporate Plan had not been prepared in a manner to enable the evaluation of the annual progress.

### 5.3 Action Plan

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Performance Reports had not been prepared from the second quarter in order to measure the physical progress of the Action Plan for the year 2013.

### 5.4 Internal Audit

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Internal audit functions for the year 2013 had been carried out by two Operating Assistants recruited on contract basis while no permanent and experienced staff had been deployed.

### 5.5 Procurement Plan

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The Master Procurement Plan had not been updated and a Procurement Time Schedule had not been prepared in terms of the Sections 4.2.1 (e) 4.2.2 of the Procurement Guidelines 2006.

### 5.6 Budgetary Control

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The following observations are made.

- (a) A sum of Rs.126,033.453 had been saved out of the provisions of Rs.390,790,000 made for capital expenditure of the Budget Estimates for the year 2013 and that represented 32 per cent of the overall capital provisions.
- (b) Variances ranging from 23 per cent to 81 per cent of the provisions made for 05 recurrent expenditure items and significant variances ranging from 23 per cent to 96 per cent of the provisions made for 05 capital expenditure items were observed in the comparison of the estimated expenditure with the actual expenditure, thus indicating that the budget had not been made use of as an effective instrument of management control.

## 5.8 Observations on Unresolved Audit Paragraphs

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The University had failed to rehabilitate the Waste Water Recycling Project up to the date in accordance with the instructions given by the Committee on Public Enterprises at the meeting held on 21 September 2012.

## 5.9 Fulfilment of Environmental and Social Responsibilities

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### Waste Water Recycling Project

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The contract for construction of Waste Water Recycling Project had been awarded for a sum of Rs.23,190,000 to Central Engineering Consultancy Bureau on 05 October 2010. As the project completed and handed over to the University on 03 January 2011 had been unsuccessful the Central Engineering Consultancy Bureau had re - commenced the rehabilitation works in June 2013, but the works had been stopped halfway. Thus it was observed that the untreated water had been released to the environment at present.

## 6. Systems and Controls

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Weaknesses in the 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.

- (a) Accounting
- (b) Assets Management
- (c) Stores Control
- (d) Financial Management and Control of Expenditure
- (e) Human Resources Management

W.P.C.Wickramaratne  
Acting Auditor General

## 23. Answers to the Report of the Auditor General

Audit Observation	Comment										
<b>2.2 Comments on the Financial Statements</b> -----											
<b>2.2.1 Unreconciled Control Accounts</b> ----- The balance in the Advances and Bursaries Account receivable for the year 2013 was Rs. 3,611,200/-. A difference of Rs. 170,321/- had been observed because of stating it as Rs. 3,781,521/- in the Schedule submitted with the Financial Statements.	The details of the bursaries receivable for the year 2013 are given below. <table style="margin-left: auto; margin-right: auto; border-collapse: collapse;"> <thead> <tr> <th colspan="2" style="text-align: right; padding: 5px;"><b><u>Bursaries</u></b></th> </tr> </thead> <tbody> <tr> <td style="padding: 5px;">Date of receipt 08.01.2014 (Period of payment Sep-Nov 2013)</td> <td style="text-align: right; padding: 5px;">1,314,300.00</td> </tr> <tr> <td style="padding: 5px;">19.05.2014 (Period of payment Dec 2013)</td> <td style="text-align: right; padding: 5px;">931,100.00</td> </tr> <tr> <td style="padding: 5px;">Advances paid to first year students</td> <td style="text-align: right; padding: 5px;">1,536,121.00</td> </tr> <tr> <td style="padding: 5px;"><b>Total</b></td> <td style="text-align: right; padding: 5px;"><b><u>3,781,521.00</u></b></td> </tr> </tbody> </table>	<b><u>Bursaries</u></b>		Date of receipt 08.01.2014 (Period of payment Sep-Nov 2013)	1,314,300.00	19.05.2014 (Period of payment Dec 2013)	931,100.00	Advances paid to first year students	1,536,121.00	<b>Total</b>	<b><u>3,781,521.00</u></b>
<b><u>Bursaries</u></b>											
Date of receipt 08.01.2014 (Period of payment Sep-Nov 2013)	1,314,300.00										
19.05.2014 (Period of payment Dec 2013)	931,100.00										
Advances paid to first year students	1,536,121.00										
<b>Total</b>	<b><u>3,781,521.00</u></b>										
<b>2.3 Accounts Receivable and Payable</b> ----- The following observations are made: <ol style="list-style-type: none"> <li>i. Action had not been taken even by 26 May 2014 to recover a sum of Rs. 59,870/- receivable as hostel fees and Rs. 365,677/- as surcharge from 98 students who left the University after sitting the Final Year Examination, having been staying in hostels in the academic years 2007/2008 and 2008/2009.</li> </ol>	The 13 students from the year 2007/2008 had not qualified for the Convocation 2012 and 08 have qualified for the Convocation of 2013. Steps will be taken recover dues from them before attending the Convocation. Action will be taken to inform the other students by letter to pay the hostel fees and the relevant fines and to recover those dues.										
<ol style="list-style-type: none"> <li>ii. The research allowances amounting to Rs. 93,546/- paid on reimbursement basis for the period from January to July 2011 to a Professor who had been transferred from the University of Peradeniya had not been recovered from the University of Peradeniya.</li> <li>iii. A total of Rs. 238,275/- out of the loans given to three officers in the years 2007, 2008 and 2010 included in the distress loan balance of Rs. 6,753,253/- as at 31 December 2013 had not been recovered even as at 31 December 2013.</li> </ol>	Reminders have been sent asking the University of Peradeniya to pay the amount concerned.  Mrs. A.C. Weerasuriya, who had obtained the distress loan, has passed away and the University has made arrangements to settle her loan out of the employee funds. Relevant documents have been sent in this regard to the University Grants Commission. The University has made arrangements to terminate the service of Lecturer Mr. K.A.G.C. Kahandawa, who had gone										

		abroad for postgraduate studies, as he has not reported back for duty. He has been informed in writing to settle the distress loan he had obtained.												
iv. It has been observed according to the Financial Statements that within the festival advance loan balance of Rs. 108,000/- as at 31 December 2013, there are festival advance loan balances amounting to Rs. 11,000/- that remain unrecovered out of those granted in the months of April in each of the years 2010, 2011 and 2013.		The festival advances obtained by D.D.T. Madhushani, R.D.M.P. Palliyage and D.M.R.K. Dissanayake, whose services had been terminated for various reasons, have not been settled. They have been informed in writing to settle the amounts due from them.												
<p><b>2.4 Lack of Evidence for Audit</b> -----</p> <p>The evidence stated against the account balances were not submitted to the audit.</p> <table border="1"> <thead> <tr> <th><u>Account Subject</u></th> <th><u>Value</u></th> <th><u>Evidence Submitted</u></th> <th><u>not</u></th> </tr> </thead> <tbody> <tr> <td>Security deposits receivable</td> <td>3,325,000</td> <td>Security bonds</td> <td></td> </tr> <tr> <td>Employee securities</td> <td>50,000</td> <td>Employee Register/ Schedules</td> <td>Security Detailed</td> </tr> </tbody> </table>	<u>Account Subject</u>	<u>Value</u>	<u>Evidence Submitted</u>	<u>not</u>	Security deposits receivable	3,325,000	Security bonds		Employee securities	50,000	Employee Register/ Schedules	Security Detailed		<p>I will take action to submit the security deposits.</p> <p>S. Sivapalan (Cashier) Rs. 25,000/- P. Attanayake (Storekeeper) Rs. 25,000/-</p>
<u>Account Subject</u>	<u>Value</u>	<u>Evidence Submitted</u>	<u>not</u>											
Security deposits receivable	3,325,000	Security bonds												
Employee securities	50,000	Employee Register/ Schedules	Security Detailed											
<p><b>2.5 Non-Compliance with Laws, Rules, Regulations and Management Decisions</b> -----</p> <p>The following non-compliances were observed during the audit.</p>														
(a) Section 14 (1) of the Finance Act No. 38 of 1971	A copy of the draft Annual Report for the year under review had not been submitted to the Auditor General.	Draft Annual Reports have been prepared and I will take steps to submit it to the Auditor General.												
(b) The Financial Regulations of the Democratic Socialist Republic of Sri Lanka														

<p><b>(c) (i)</b> Finance Regulation 71</p>	<p>Employees had been recruited on assignment basis for the post of “Operations Assistant”, which were not available in the approved number of employees of the University, from 2006 to 2013 and a sum of Rs. 26,111,450/- had been paid as their fees.</p>	<p>Requests had been made to create a post styled “Operations Assistant” for this University since 2006 and with the concurrence of the Council, requests had been made continuously to grant this post. The reason for such request is the need to run this University as a service institution without overtime pay, week-end pay and trade union and other activities which may cause unrest and the need to operate a University with a new outlook, which has been a need of those who are associated with this University.</p> <p>For this same reason, action had been taken to recruit the non-academic staff on temporary and trainee basis with the concurrence of the Council, which was quite fruitful. We would like to observe that this tactic will enable the functioning of the University more successfully and effectively. A number of employees less than the number of Computer Application Assistant and Clerk positions put together have been recruited as Operations Assistants on temporary basis. I inform that action has been taken to reduce the expenditure to the government by carrying out the support activities (general administration, examinations, human resources, procurement, finance, auditing, library, faculty assistant services, medical centre etc) of the University with a much smaller staff through Operations Assistants.</p>
<p><b>(ii)</b> Financial Regulation 135 (1)</p>	<p>Preparation of the salaries and payment activities had been carried out by the Shroff himself instead of distributing salary preparation work among several officers, in order to maintain an effective internal control.</p>	<p>Salary preparation activities have been carried out as follows:</p> <ol style="list-style-type: none"> <li>1. Preparing salaries - Operations Assistant</li> <li>2. Checking - Senior Assistant Bursar (Salaries)</li> <li>3. Recommending - Registrar</li> <li>4. Approving - Vice Chancellor</li> <li>5. Certifying - Bursar</li> </ol>

<p><b>(iii) Finance Regulation 320</b></p>	<p>Keys of 04 fire protection safes worth Rs. 258,048/- purchased on 30 June 2010 had been misplaced but it had not been dealt with according to the Financial Regulations.</p>	<p>Five fire protection safes were purchased on 30 June 2010 on the need of the University, which were received by the Stores. However, these had not been placed at the relevant Divisions. Since the safes were excessively heavy, the supplier firm demanded approximately Rs. 400/- per foot for elevating them while moving them. Therefore the Bursar advised that the safes be placed on the Ground Floor of the Administration Block (where the old Library had been located). As such, the five safes were brought to the old library building using the workers supplied by the cleaning service without any cost. However, four safes have not been put to use as their keys had not been handed over to the relevant Departments. The previous Auditing Committee had decided that the four safes be returned to the supplier firm and steel cabinets obtained in lieu of them if they cannot be used at the relevant locations.</p>
<p>(c) Treasury Circular No. IAI/2002/02 of 28 November 2002</p>	<p>The computers and accessories worth Rs. 1,577,800/- purchased in the year under review had not been included in the Computer Assets Register.</p>	<p>I will act to correct the Assets Register containing computers and accessories.</p>
<p>(d) Circular No. DMA/2009 (2) dated 01 September 2009 of the Management Auditing Department</p>	<p>A Fixed Assets Register had not been maintained.</p>	<p>The Fixed Assets Register has been submitted to audit and I will take steps to correct its shortcomings as pointed out.</p>
<p>(e) Sections 7.1 and 7.2 of Chapter 7 on Guidelines on Good Governance in Public Enterprises Circular No. PED/12 dated 03 June 2013</p>	<p>The operation manual had not been prepared to cover the main fields of operation of the University.</p>	<p>Operational guidelines have been prepared for several fields while activities pertaining to the preparation of operation manuals for other fields are being carried out.</p>
<p><b>04. Operational Review</b> -----</p> <p><b>4.1 Performance</b> -----</p> <p>The following observations are made:</p> <p>(a) The cost borne for the academic activities of 1423 students was Rs. 401,344,436/- and the cost per student was Rs. 282,041/- during the year under review. Compared to it, in the previous year, the cost of academic activities of 1787 students was Rs. 355,121,855/- while the per capita cost was Rs. 198,725/-. As such, the per capita student cost of the year under review showed an increase of Rs. 83,316, or of 42% as against the previous year.</p>		<p>The overall number of registered students has gone down compared to the previous year due to the delay in enrolling the 2011/2012 Batch. At the same time, the unit student cost has increased above that of the previous year due to increase of expenditure in staff salaries, security services and other recurrent expenditures compared to the previous year.</p>

<p>(b) Out of the 538 students admitted to the University in the year under review, 59 students, i.e. 11%, had abandoned courses.</p>	<p>I wish to inform that students have abandoned courses for personal reasons.</p>
<p>(c) The Lecturer to student ratio of the Uwa Wellassa University was 1:14 as at 31 December 2013 as against the average ratio of 1:18 at the Universities in the island in the year 2013.</p>	<p>The Academic Staff has been recruited according to the approved number of students. Nevertheless, the total number of registered students in the University has decreased due to no-registration for various reasons and being selected for courses at other Universities. However, this situation will be rectified in due course.</p>
<p><b>4.2 Management Inefficiencies</b> ----- The following observations are made:</p> <p>(a) One million rupees out of the income generated from external courses from June 2013 to April 2014 was lying idle in a bank account without an interest.</p>	<p>I will take steps to hold a deposit sufficient to pay for external courses and invest the remainder in short-term investments.</p>
<p>(b) Although 14 Lecturers and 87 apprentice Lecturers were in service in the year 2013, only 15 teachers had acted to conduct research using the allocated research assistance. As such, it is observed that Research Committees have not worked towards encouraging research, which is one of the major goals of the University.</p>	<p>The details for the research reports and publications published by Lecturers have been included in the Annual Report for 2013. I wish to state that although there is a drop in the number of researches carried out using the University's funds, a considerable number of researches have been carried out using Lecturers' own funds as well as in collaboration of with other institutions.</p>
<p><b>4.3 Utilization of Funds</b> ----- The following observations are made:</p> <p>(a) Out of the funds allocated for internal research in the years 2011, 2012 and 2013, respectively 50%, 80% and 54% have not been utilized.</p>	<p>Compared to the year 2012, researches show an escalation in the year 2013. It has not been possible to utilize the allocations fully due to the inadequacy of laboratory facilities available.</p>
<p>(b) It was only Rs. 362,170/- that had been utilized out of the capital allocation of Rs. 1,790,000/- budgeted for encouraging research in the year 2013. As such, a balance of Rs. 1,427,830/- remained, which amounted to 80% of the allocation.</p>	<p>The answer in 4.3 is applicable.</p>

<p><b>4.4 Non-Performing and Under-Utilized Assets</b> -----</p> <p>The following observations are made:</p> <p>(a) Five fire protection safes worth Rs. 322,560/- that had been purchased on 30 June 2010 had been lying idle without being put to use even as at 31 December 2013.</p>	<p>I accept this observation and I will take the necessary action to exchange them for steel cupboard as stated in the reply to 2.5 (c) III above.</p>
<p>(b) The 3-Axis CNC machine worth Rs. 14,060,480/- purchased for the Engineering Workshop in the year 2012 had been lying idle without being put to use even as at 31 December 2013.</p>	<p>I submit as Annex 01 the answer given by the Lecturer working in charge of the Engineering Workshop.</p>
<p>(c) The building that had been constructed for the prototypes development laboratory had been used as a gymnasium.</p>	<p>Adequate allocations were not received to acquire laboratory equipment necessary for the laboratory concerned. Until equipment is purchased, the laboratory space will be used as a gymnasium.</p>
<p><b>4.5 Identified Losses</b> -----</p> <p>The following observations are made:</p> <p>(a) The University had paid the Employees' Provident Fund a sum of Rs. 1,765,477/- as a surcharge due to non-payment of contributions payable in terms of the Employees' Provident Fund Act No. 15 of 1958 in due time for the period from 2006 to 2012 and a sum of Rs. 1,439,044/- as the 8% contribution deductible from the salaries of employees.</p>	<p>The University acquired the services of these Operations Assistants on assignment basis and a need to pay contributions to the Employees' Provident Fund or the Employees' Trust Fund had not surfaced. The delays have been caused in making the payments upon the decision made by the University Grants Commission, Attorney General's Department and the University Council after the matter had been raised by audit sections. Accordingly, contributions have been paid to the Employees' Provident Fund and the Employees' Trust Fund as due. I also wish to inform that the Council has been informed of surcharge being paid.</p>
<p>A surcharge of Rs. 193,816/- had been paid to the Employees' Trust Fund for failure to submit half-yearly reports for the period from 2006 to 2012 to the Employees' Trust Fund and non-payment of contributions to the Fund in time.</p>	

<p><b>4.6 Projects not Implemented</b> -----</p> <p>The following observations are made:</p> <p>(a) The work of following Projects, which should have been commenced in 2010 and completed in 2011, had not been commenced even by 30 May 2014.</p> <table border="1" data-bbox="151 537 821 817"> <thead> <tr> <th>Construction work</th> <th>Date to commence work</th> <th>Date to complete work</th> <th>Value Rs.</th> </tr> </thead> <tbody> <tr> <td>Sewerage system</td> <td>2010.08.16</td> <td>2011.08.15</td> <td>17,800/=</td> </tr> <tr> <td>Rain water disposal system</td> <td>2010.08.02</td> <td>2011.01.28</td> <td>23,190/=</td> </tr> </tbody> </table>	Construction work	Date to commence work	Date to complete work	Value Rs.	Sewerage system	2010.08.16	2011.08.15	17,800/=	Rain water disposal system	2010.08.02	2011.01.28	23,190/=	<p>It was not possible to commence all the constructions mentioned herein from the Combined Plan due to non-receipt of allocations requested.</p>
Construction work	Date to commence work	Date to complete work	Value Rs.										
Sewerage system	2010.08.16	2011.08.15	17,800/=										
Rain water disposal system	2010.08.02	2011.01.28	23,190/=										
<p><b>4.7 Human Resources Management</b> -----</p> <p>The following observations are made:</p> <p>(a) Recruitment to 07 Professor positions and 48 Senior Lecturer positions in the approved staff of the University had not been done as at 31 December 2013.</p>	<p>Although action was taken to make recruitments when advertisements were published on newspapers for the posts of Professor and Senior Lecturer (Grades I and II), qualified persons were not available. Action was taken to recruit whenever qualified persons were available. When Senior Lecturers are not available, action is taken to promote to the post of Senior Lecturer. At present about 30 persons have obtained study leave for their postgraduate studies and once they return after completing their Postgraduate Degrees, steps will be taken to promote them to the post of Senior Lecturers on their request.</p>												
<p>(b) There were 18 excess Probationary Lecturers in the Academic Staff of the University as at 31 December 2013 as the approved number of posts of Probationary Lecturer was 69 and yet the actual number was 87.</p>	<p>When it is not possible to recruit Senior Lecturers despite publishing newspaper advertisements for this purpose, the University recruits persons to the post of Lecturer (Probationary). When they complete the necessary qualifications, action is taken to promote them to the post of Senior Lecturer.</p>												
<p>(c) The posts of Librarian and Bursar, provided for in Section 33 of the Universities Act No. 16 of 1978, have remained vacant since 2006.</p>	<p>Although applications were called for the post of Librarian with 27 December 2013 as the closing date, no candidates possessing the necessary qualifications came forth. Advertisements were placed in newspapers on several occasions for the post of Bursar but no qualified candidates had applied. Arrangements are being made to publish advertisements again.</p>												

<p>(d) As at 31 December 2013, 89 out of the 211 approved positions in the Academic Staff and 83 out of the 126 approved positions in the Non-Academic Staff had not been filled.</p>	<p>The reply to query No. 2.2.6 (d) – (i) above is applicable to this query.</p>		
<p>(e) Instead of recruiting for the 27 vacancies for Computer Applications Assistants associated with the Clerical Combined Service, employees had been recruited from time to time since 2005 to posts of Operations Assistants, which is non-existent in the approved cadre of the University. The number of such Operations Assistants engaged in employment was 21 as at 31 December 2013.</p>	<p>The reply to query No. 2.2.6 (d) – (i) above is applicable to this query.</p>		
<p><b>05. Accountability and Good Governance</b> -----</p> <p><b>5.1 Presentation of Financial Statements</b> -----</p> <p>Although Financial Statements for the year ended on 31 December 2013 should have been submitted to the Auditor General within 60 days from the end of the financial year according to the Public Finance Circular No. PF/PE dated 24 May 2002, the Financial Statements for the year under review had only been submitted for audit on 07 May 2014. Following the audit observation, the revised Financial Statements had been submitted for audit on 11<sup>th</sup> July and 21<sup>st</sup> November, 2014.</p>			
<p><b>5.2 Combined Plan</b> -----</p> <p>The following observations are made:</p> <p>(a) Quantitative deviations could be seen in 12 projects contained in the Combined Plan for the period from 2013 to 2017 of the University, which had been approved according to the Council Decisions 79/25 and 79/24 dated 01 February 2013 and in the Action Plan of 2013.</p>			
<p>Code in Combined Plan -----</p>	<p>Description -----</p>	<p>Period scheduled for implementation -----</p>	<p>Present Status -----</p>

1.1.1.1	Evicting the industrialists from the premises and relocating them	Quarter 1 of 2013	Adequate measures had not been taken	The legal action for the eviction of industrialists who are in the University premises is processed under Case No. 642/09 at the Court of Appeal. The case was last called on 03.06.2013 and the injunction has been extended up to 26.03.2014. Written requests have been made to the Attorney General that expeditious measures be taken to evict these industrialists. I submit herewith a copy of the relevant letter.
1.1.2.2	Constructing an art gallery for hospitality, tourism and event management	From 1 <sup>st</sup> to 3 <sup>rd</sup> quarter of 2013	This had not been commenced	A laboratory and a kitchen have been established in Block E for Hospitality, Tourism and Event Management Students. All the furniture and equipment necessary for the laboratory have been supplied. Practical work of students will be done at that laboratory.
1.1.1.3	Rehabilitation of the roof of Block G	1 <sup>st</sup> quarter of 2013	- do -	The quickly needed repairs were carried out by the CECB and since the allocations were not adequate to repair the whole roof, I will take action to have the whole roof reconstructed after obtaining additional allocations.
5.2.2.1	Appointing a Physical Training Officer and a support staff	1 <sup>st</sup> quarter of 2013	A support staff had not been appointed	service of a physical training officer has been obtained from a service provider and facilities have been made available to perform the sports activities of students properly.
8.1.1.1	Introducing degree courses in keeping with the international demand	1 <sup>st</sup> quarter of 2013	Adequate measures had not been taken	The updating of curricula of currently offered degree programmes is in progress. At the same time, work on developing infrastructure in keeping with the international demand is also being carried out.
1.1.1.5	Commencing the Sports complex and the Gymnasium	3 <sup>rd</sup> quarter of 2013	Had not been commenced	Revised quotations have been obtained after reviewing the lapses in the plan and the quotations presented by the contractor and after correcting its shortcomings, I will take action to commence the construction work soon.

1.2.1.4	Introducing a management information system for activities of the Library	2 <sup>nd</sup> quarter of 2013	Adequate measures had not been taken.	The Ministry of Higher Education has commenced the work to establish a new management information system styled Cloud Base Management Information System (CBMIS). Its work has been assigned to an Indian company named Advant Techservice private Limited. The initial work was commenced on 04 June 2014 and the work pertaining to the development of the information system is being carried out. Activities pertaining to the establishment of nine modules under the information system is in progress.
1.2.2.2	Introducing an online web-based information system for resource planning of the University.	1 <sup>st</sup> quarter of 2013	Adequate measures had not been taken.	The reply to query No. 1.2.1.4 is applicable to this query.
2.1.3.1	Introducing new degree courses	2 <sup>nd</sup> quarter of 2013	Adequate measures had not been taken.	Preliminary work is being carried out to establish a Faculty of Medicine and introduce new Degree programmes. The proposal pertaining to the commencement of new Degree programmes has been prepared and referred to a Committee of academics. A subcommittee has been appointed to take action in this regard. It is taking the necessary action.
2.1.3.2	Introducing Certificate Courses	1 <sup>st</sup> quarter of 2013	Adequate measures had not been taken.	Two certificate courses are conducted for English Language at present and arrangements have been made to commence two courses for Information Technology. Arrangements have been made to conduct several workshops for the business community of the Uva Province.
5.1.3.2	Implementing a Medical Assistance and Insurance Scheme for the University Staff	01-2013 quarter	Adequate measures had not been taken.	The necessary action is being taken to establish a medical assistance and insurance scheme.
8.1.1	Formulating a Programme to Attract Foreign Students	1 <sup>st</sup> quarter of 2013	Adequate measures had not been taken.	The reply to query No. 1.2.1.4 above is applicable to this query.

<p>(b) The Combined Plan prepared for the 2013-2017 period did not contain a review on the operational outcomes of the previous three years as per Section 5.1.2 of Public Enterprise Circular No. PED/12 dated 02 June 2013. At the same time, the Combined Plan had not been prepared so that the annual progress could be evaluated, as the financial values of the targets had not been indicated.</p>	<p>I will act to update the Combined Plan with relevant amendments. Targets to be achieved have been given as KPI's in the Combined Plan. The activities given in the Combined Plan have been incorporated in the Annual Plan of Action and financial values have been indicated for tasks for which it is possible to give such figures.</p>
<p><b>5.3 Action Plan</b> ----- Performance Reports, which enable the assessment of physical progress of the Plan of Action for the year 2013, had not been prepared since the 2<sup>nd</sup> quarter.</p>	<p>I will take action to prepare the Performance Reports for evaluating the physical progress.</p>
<p><b>5.4 Internal Audit</b> ----- The internal auditing activities for the year 2013 had been carried out by two Operations Assistants recruited on contract basis and not by engaging a permanent and experienced staff.</p>	<p>Employees have been deployed to the Internal Audit Division in accordance with the procedure for the recruitment of employees to the University.</p>
<p><b>5.5 Procurement Plan</b> ----- The Procurement Plan had not been updated as per Sections 4.2.1 (e) and 4.2.2 of the Procurement Guidelines 2006 and also, a procurement plan had not been prepared.</p>	<p>I will take action to update the procurement plan.</p>
<p><b>5.6 Budgetary Control</b> ----- The following observations are made:  (a) Out of the allocation of Rs. 303,790,000/- provided for capital expenditure from the Budget Estimate for 2013, a sum of Rs. 126,033,453/- had been saved. It amounts to 32% of the overall capital allocation.</p>	<p>This saving has been resulted in by non-release of allocations from September to December 2013.</p>
<p>(b) It was observed that Budget had not been used as an effective management control tool in view that considerable variations, i.e. 23% to 81% in 05 recurrent votes and 23% to 96% in 05 capital votes were observed when estimated expenditures were compared against the actual expenditures.</p>	<p>The non-release of recurrent and capital provisions from September to December 2013 has resulted in these variations.</p>

<p><b>5.8 Observation on Unresolved Audit Paragraphs</b></p> <p>-----</p> <p>The University had failed thus far to rehabilitate the waste-water recycling project as per the instructions given by the Committee on Public Enterprises at its meeting held on 21 September 2012.</p>	<p>The contractor has been informed to rectify the lapses pointed out in the project. It has been decided not to make the payments for construction work until the Standards are properly met.</p>
<p><b>5.9 Fulfilment of Environmental and Social Responsibility</b></p> <p>-----</p> <p><b>Waste Water Recycling Project</b></p> <p>-----</p> <p>The contract for the Waste Water Recycling Project had been awarded to the CECB for Rs. 23,190,000/- on 05 October 2010. Although the Central Engineering Consultancy Bureau had commenced rehabilitation work due to lack of success of this Project, which had been handed over to the University on 03 January 2011 on its completion, the rehabilitation work had stopped part-way. Therefore, water had been released to the environment without purification at present.</p>	<p>A consultancy report was obtained from Dr. G.B.B. Herath and Dr. C.S. Kalpage of the University of Peradeniya in this regard due to non-functioning of the sewerage system and submitted to us and we checked the report and informed the CECB on 17 May 2013 to implement the relevant projects according to the contents of that report. It was unveiled that a huge expenditure has to be borne for maintenance work while the CECB was carrying out the work. Therefore, CECB has been informed to revise the relevant proposal so that the monthly electricity costs are minimized and then to submit it again.</p>
<p><b>06. Systems and Controls</b></p> <p>-----</p> <p>The deficiencies in systems and controls noticed during the audit were brought to the attention of the Vice Chancellor from time to time. Special focus should be given to the following aspects of controls:</p> <ul style="list-style-type: none"> <li>(a) Accounting</li> <li>(b) Asset management</li> <li>(c) Stores administration</li> <li>(d) Financial management and expenses control</li> <li>(e) Human resources management</li> </ul>	<p>I will focus on these aspects and act giving special attention to prevent such weaknesses in Systems and Controls in future.</p>