



ශ්‍රී ලංකා නැගෙනහිර විශ්ව විද්‍යාලය
கிழக்குப் பல்கலைக் கழகம், இலங்கை
EASTERN UNIVERSITY, SRI LANKA



වාර්ෂික වාර්තාව
வருடாந்த அறிக்கை - 2014
ANNUAL REPORT



EASTERN UNIVERSITY, SRI LANKA

ANNUAL REPORT - 2014

CONTENTS

	Page
1. Vision Statement	- 01
2. Mission Statement	- 01
3. Vice Chancellor's Review	- 01
4. Details of Resources & Students	- 07
5. Details of Local Students	- 08
6. Details of Foreign Students	- 09
7. Details of Academic Staff	- 09
8. Details of Non-Academic Staff	- 10
9. Details of Research, Innovation and Publications	- 11
10. Details of Programme, Seminars & Workshops	- 13
11. Details of Awards Received	- 14
12. Details of New Courses Started	- 15
13. Details of Recurrent Expenditure	- 16
14. Details of Capital Expenditure	- 16
15. Details of Projects (Local/Foreign Funded)	- 17
16. Details of Project Expenditure (Local/ Foreign Funded)	- 19
17. Details of Financial Progress (Expenditure)	- 20
18. Details of Financial Progress (Generated Income)	- 21
19. Financial Performance Analysis - 2014	- 21
20. Details of Infrastructure Facilities Received in 2014	- 22
21. Any other details/Performance relevant to this Report	- 23
22. Report of the Auditor General on the Financial Statements for the Year 2014	- 24
23. Management Response to the Auditor General's Report 2014	- 37

1. Vision Statement

Eastern University, Sri Lanka aims to be a national centre of excellence for higher learning and research with a competitive advantage, responsive to the dynamics of the regional and global condition.

2. Mission Statement

The purposes of the Eastern University, Sri Lanka are to pursue excellence in teaching, research and scholarship, to offer through its internal and external faculties, campuses and other facilities, an unsurpassed range of opportunities for education and training to all those who will be able to benefit, to enhance public welfare, prosperity and culture by encouraging applications of learning and research; and to secure and administer resources to achieve these aims effectively.

3. Vice-Chancellor's Review

A. Brief Introduction about the University

The Eastern University, Sri Lanka, was started as the Batticaloa University College on the 1st of August 1981 with two faculties of Science and Agriculture, affiliated to the University of Peradeniya. It was then upgraded as a fully-fledged university in October 1986 with two additional faculties, Faculty of Commerce and Management and the Faculty of Arts and Culture. Faculty of Health-Care Sciences was established in 2006 with six departments, namely the Departments of Human Biology, Supplementary Health Sciences, Pathophysiology, Medical Education and Research, Clinical Science and Primary Health-Care.

Trincomalee Campus of the Eastern University was established on the 15th June 2001 with two Faculties, Faculty of Communication & Business Studies and Applied Science and now it also has a unit of Siddha Medicine.

Swamy Vipulananda Institute of Aesthetic Studies (SVIAS) was affiliated to Eastern University from the 1st of March 2005. Before its affiliation to the Eastern University, it was called Swamy Vipulananda College of Music and Dance and was under the Ministry of Regional Affairs and Hindu Culture and then under the Ministry of Cultural Affairs from its establishment in 1981

Faculties and Programs:

- ***Faculty of Science*** having five departments and offering B.Sc. in Biological Science, B.Sc. in Physical Science, M. Sc. in Science Education, and M. Phil. and Ph.D. Research degrees.
- ***Faculty of Agriculture*** having six departments and offering B.Sc. in Agriculture and M. Sc. in Agriculture.
- ***Faculty of Arts & Culture*** having nine departments and offering B.A, B.Ed., M.A, M.Ed., M.Phil, and Ph.D. degrees in various disciplines.
- ***Faculty of Commerce & Management*** having three departments and offering B.Com., BBA, Postgraduate Diploma in Management (PGDM), Master of Business Administration (MBA) and Master of Development Economics (MDE).
- ***Faculty of Health-Care Sciences*** having six departments and offering MBBS and B.Sc. in Nursing.
- ***Trincomalee Campus*** having two faculties namely Faculty of **Communication & Business Studies** and **Faculty of Applied Science** and a **Siddha Medicine Unit** and offering B.Sc. in Accountancy & Financial Management, B.A in Languages & Communication Studies, Bachelor of Computer Science, Bachelor of Information Technology, Bachelor of Siddha Medicine & Surgery.
- ***CEDEC:*** The faculties also offer External Degree Programmes to provide opportunity for more students to get university education. These programmes are managed by the Centre for External Degrees and Extension Courses (CEDEC).

B. Achievements

- **International Conference:** 3rd International Conference was held on 4th December 2014 under the chairmanship of the Vice Chancellor, Eastern University, Sri Lanka. The Theme of the conference was “**Sustainable Development through Innovations**”. This event was Co-Chaired by Mr. M. Ravi and Dr T. Bhavan, Mr R. Thivyatharsan, Mr R. Kiruparajah were served as secretaries.

The key note speech “Sustainable Development through Innovative Career Development in a Knowledge Based Economy” was delivered by Vidya Jyothi, Emeritus Professor Dayantha S. Wijeyesekera and Prof I. Muthiah from Madurai Kamaraj University graced the occasion as guest of honour.

Research papers were invited from the researchers on the following tracks;

- Agriculture, Food and Nutrition
- Applied Sciences and Technology
- Business and Entrepreneurship
- Climate Change and Environment

- Health Care Sciences
- Humanities and Social Sciences

61 research papers were presented at the conference and the constructive discussions, experiences and challenges in research also shared among the participants.

- Four senior academics from the Faculty of Science and one senior academic from Faculty of Agriculture, received President's Award for Scientific Publications in International Scientific Journals cited in the Science Citation Index (SCI). The awards were given for publications in the years 2007, 2008 and 2009 with a Sri Lankan address against at least one author as given in SCI. The Award Ceremony was organized by National Research Council (NRC) and held on 17th January 2014 at the Grand Ballroom, Waters Edge, Battaramulla.
- There have been seven research article publications in reputed international journals cited in Science Citation Index by academics of EUSL in the year 2014.
- Former President His Excellency Mahinda Rajapaksa declare opened the newly constructed buildings for the Faculty of Arts & Culture, Faculty of Commerce & Management, Library, and the New Gateway on 19th April 2014.
- The 18th General Convocation was held on 05th April 2014 and 767 Graduands confirmed their degrees.
- Webometric Ranking of the Eastern University was increased by 970 (in July 2013 the ranking 12,124 and in July 2014 the ranking 11,154).
- Signing of Memorandum of Understanding Education on 17th January 2014 between Eastern University, Sri Lanka and Sri Lanka Navy (SLN) for the mutual benefit in Higher at the Eastern University, Sri Lanka.
- Signing of Memorandum of Understanding (MoU) for mutual benefits in Higher Education and research was signed between Eastern University, Sri Lanka and University of Ruhuna, Sri Lanka on 4th October, 2014 at the Eastern University, Sri Lanka.
- **ICT Developments**
 - i. Established Wi-Fi LAN for the entire university (Main Campus)
 - ii. Designed and maintained website for International Conference-2014 (ICE-2014)
 - iii. Internet bandwidth has been increased from 5Mbps to 36 Mbps
 - iv. Conducted workshop for Students to prepare for the UCTIT Examination with the support of HETC
 - v. Conducted UCTIT online examination for Students
 - vi. Learning Management System (LMS) was introduced to improve the academic activities in the university and several workshops have been conducted for academic staff to train them on LMS
 - vii. Functional time of the Internet Server has been extended to 24 hours.
- Approval for the Master of Education was obtained in 17.07.2014.
- 85% of the lecture halls were equipped with Multimedia Projectors.
- Video conferencing facilities for teaching and learning.

- Establishment of e-learning resources.
- Prepared By-Laws for all degree programs almost in completion.
- On time submission of final Accounts.
- There were no External Audit Queries received during the year under review.
- **Sports Activities:**
 - a. Participated in the National University Invitation Tournament - 2014, organized by University of Moratuwa and won the following:

Event	Place
Basketball (Women)	Champion
Basketball (Men)	1 st Runner up
Football	1 st Runner up

- b. Participated in the National University Invitation Tournament - 2014, organized by University of Sir John Kotelawala Defense University and won the following:

Event	Place
Basketball (Women)	Champion
Basketball (Men)	2 nd Runner up
Football	3 rd Runner up

- c. Participated in the Inter University Championship - 2014 and won the following:

Event	Place
Basketball (Men)	1 st Runner up
Wrestling	1 st Runner up
Football	2 nd Runner up
Basketball (Women)	3 rd Runner up

- **Infrastructure Development:**

i. Construction of Permanent Buildings

S.No.	Name of the Project	Total Cost (Rs. in Mn.)	Present status
1.	Construction of Building Complex for the Faculty of Arts & Culture	121	Declare opened By HE the President on 19.04.2014 and the building is in use.
2.	Construction of Building Complex for the Library	171	Declare opened By HE the President on 19.04.2014 and the building is in use.
3.	Construction of Building Complex for the Faculty of Commerce & Management	230	Declare opened By HE the President on 19.04.2014 and the building is in use.

4.	Construction of Building Complex for Professorial Unit of the Faculty of Health Care Sciences at the Teaching Hospital, Batticaloa	299	33% completed
5.	Building Complex for the Faculty of Health - Care Sciences at Pilliyarady Batticaloa	360	24% completed
6.	Construction of Auditorium cum Lecture Hall of the Faculty of Arts & Culture	44.6	82% completed

ii. Hostel Projects (Permanent)

S.No.	Name of the Project	Total Cost (Rs. in Mn.)	Present status
1.	Hostel for 200 Boys at Vantharumoolai premises under the Tsunami Rehabilitation Project under the Ministry of Higher Education	182.0	Completed and occupied by students
2.	Hostel for 200 Boys at Vantharumoolai premises under the Ministry of Higher Education	220.0	Completed and occupied by students
3.	Hostel for 200 Girls for the Faculty of Health Care Sciences at Pillaiyaradi, Batticaloa under the Ministry of Higher Education	220.0	Completed and awaiting for the opening

iii. Under additional intake following Semi Permanent Hostel Buildings had been completed

S.No.	Name of the Project	Total Cost (Rs. in Mn.)	Present status
1.	Hostel for the FHCS for 80 female students	19.5	Under occupation
2.	Hostel for EUSL main Center 100 male students	19.5	Under occupation
3.	Hostel for EUSL main Center 100 female students	19.5	Under occupation
4.	ICC HOSTEL Stage - 11	-	-

iv. Building Complex for Sports:

A Gymnasium building for the cost of 19.5 million had been completed and handed over to the Department of Physical Education.

v. Rehabilitation of building and infrastructure facilities:

The following major improvement works have been made in 2014.

S.No.	Name of the Project	TEC (Mn.) (In.VAT)	Present Status
1.	Completion of Partly Completed Building (Stage II) for the FHCS, EUSL	36.96	99% completed
2.	Improvement of Entrance Gateway with Internal Road Network at the New Premises, EUSL	29.60	60% completed
3.	Extension of Anatomy Laboratory for the Faculty of Health Care Sciences, EUSL, Batticaloa	5.32	100% completed
4.	Extension of Canteen at Faculty of Health Care Science, EUSL, Batticaloa	3.20	85% completed
5.	Extension and Renovation of Existing Main Canteen at EUSL, Batticaloa	11.76	40% completed
6.	Renovation of Girl's Hostel – New wing, EUSL, Vantharumoolai	15.35	99% completed
7.	Renovation of Toilets at Main Campus at Vantharumoolai and FHCS, Batticaloa	4.08	10% completed

vi. New Construction Project proposals:

- Building complex for the Faculty of Agriculture at the cost of Rs. 303 million had been approved.
- Building complex for the English Language Teaching Unit at the cost of Rs. 275 million had been approved.

C. Future Plan

- Establishment of new Faculties
 - a. Faculty of Engineering
 - b. Faculty of Travel, Tourism and Hospitality
 - c. Faculty of Dairy Science & Technology
 - d. Faculty of Hindu Civilization
 - e. Faculty of Marine Engineering Technology (at Trinco Campus)
- Upgrading existing unit of Siddha Medicine as a Department.
- Bifurcation of Faculty of Communication & Business Studies at Trinco Campus.
- Stating special degree in each courses including the Islamic and Arabic Studies.

- Establishment of
 - a. Agro Technology Training Center
 - b. Center for Material Science and Nanotechnology
 - c. 3D Printing Laboratory with the help of Ryerson University in Canada
- Building Complex for the English Language Teaching Unit.
- Multiple story building recreational facilities for students and staff.
- Staff Residential Facilities.

4. Details of Resources & Students:

Faculty	Course	Total Students	Total Academic Staff	Total Non-Academic Staff
EUSL				
Arts & Culture	Bachelor of Arts & Culture	1489	54	21
Agriculture	Bachelor Science in Agriculture	299	28	34
Commerce & Management	Bachelor of Business Administration	466	21	14
	Bachelor of Commerce	447		
Health-Care Sciences	Bachelor of Medicine	299	25	29
	Bachelor of Nursing	87		
Science	Bachelor of Science (Bio)	367	29	29
	Bachelor of Science (Physical)	356		
Total		3810	157	127
Trincomalee Campus				
Communication & Business Studies	B.Sc. (Accountancy & Financial Management)	335	16	02
	B.A. (Languages & Communication Studies)	204	08	02
Applied Sciences	B.Sc. in Computer Science	10	06	03
Unit of Siddha Medicine	B.Siddha Medicine & Surgery	108	06	01
Total		657	31	07

5. Details of Local Students:

Faculty	Course	Medium	Intake 2014	1 st Year Students	2 nd Year Students	3 rd Year Students	4 th Year Students	5 th Year Students	No of Graduates
EUSL									
Arts & Culture	Bachelor of Arts & Culture	Tamil	450	276	543	261	253	-	311
Agriculture	Bachelor Science in Agriculture	English	120	83	65	73	42	-	22
Commerce & Management	Bachelor of Business Administration	English	100	104	105	105	88	-	42
	Bachelor of Commerce	English	100	97	75	94	75	-	39
Health-Care Sciences	Bachelor of Medicine	English	60	58	75	50	51	32	37
	Bachelor of Nursing	English	30	22	26	26	9	04	5
Science	Bachelor of Science (Bio-Science)	English	150	118	83	114	38	-	13
	Bachelor of Science (Physical Science)	English	150	96	68	133	49	-	21
Total			1160	854	1040	856	605	36	490
Trincomalee Campus									
Communication & Business Studies	B.Sc. in Accountancy & Financial Management	English	85	66	113	66	37	-	53
	B.A. in Language & Communication Studies	English	66	38	60	49	08	-	49
Applied Sciences	B.Sc. in Computer Science	English	08	-	-	-	-	-	10
	B.Sc. in Physical Science	English	24	-	-	-	-	-	-
Unit of Siddha Medicine	B.Siddha Medicine & Surgery	English	51	22	25	15	13	16	17
Total			234	126	198	130	58	16	129

6. Details of Foreign Students: No foreign Students were admitted during the year.

7. Details of Academic Staff:

a. EUSL

Faculties	Subjects	Medium	Senior Professor	Professor/ Associate Prof.	Senior Lecturer /Lecturer (Prob.)	Instructors/ Visiting Staff/ Temp. Tutor/Tutor
Arts & Culture	Arabic Comparative Religion & Social Harmony Education & Childcare Fine Arts and Drama & Theater Arts Geography History Languages Islamic Studies Social Sciences Christianity Economics Hindu Civilization	Tamil/ English	Nil	Nil	SL - 28 L - 26	35
Agriculture	Agric. Biology, Agric. Chemistry, Agric.Economics, Agric. Engineering, Animal Science, Crop Science	English	Nil	Nil	SL - 23 L - 05	0
Commerce & Management	Commerce, Management, Economics, Human Resource Management, Marketing, Enterprise Development, Accountancy & Finance, Business Economics, Development Economics	English	Nil	Nil	SL - 20 L - 01	07
Science	Botany Zoology Physics Chemistry Mathematics	English	Nil	Nil	SL - 18 L - 11	20
Health Care Sciences	Dept. of Human Biology Clinical Sciences Medical Education & Research Pathophysiology Supplementary Health Sciences Primary Health Care	English	Nil	Nil	SL - 05 L - 20	76
TOTAL			Nil	Nil	157	138

SL – Senior lecturer L-Lecturer

b. Trincomalee Campus

Faculties	Department/Unit	Medium	Senior Lecturer /Lecturer (Prob.)	Instructors/ Visiting Staff
Communication & Business Studies	Management	English	SL-06, L-06	04
	Communication	English	SL-01, L-03	-
	Languages	English	SL-02, L-02	-
Applied Sciences	Computer Science	English	L-05	01
	Physical Science	English		
Unit of Siddha Medicine	-	English	SL-02, L-04	-
Total			31	05

SL – Senior Lecturer, L- Lecturer (Prob.)

8. Details of Non-Academic Staff:

a. EUSL

Faculties/Departments/Sections/ Branches/ Units	Most Senior ¹	Senior Staff ²	Junior Staff ³	Minor Employees ⁴
Office of the Vice Chancellor, VC Lodge	-	1	1	1
Office of the Registrar	-	-	3	1
Senate House	-	1	1	1
Administration Branch	2	-	19	1
Internal Audit Unit	1	1	2	1
Career Guidance Unit	-	-	-	-
Non Academic/ Establishments Branch	1	-	3	1
Academic/ Establishments Branch	1	-	5	1
Supplies Branch	1	-	7	2
Office of the Bursar	2	2	0	2
Faculty of Agriculture	1	3	16	14
Faculty of Commerce & Management	1	-	7	6
Faculty of Science	1	9	10	9
Faculty of Health Care Sciences	1	1	20	7
Faculty of Arts & Culture	1	4	10	6
Centre for Information & Communication Technology	-	-	2	1
English Language Teaching Unit	-	-	1	1
Examination Branch	1	2	9	2
Centre for External Degrees & Extension Courses	-	-	3	1
Library	1	-	9	1
Health Centre	1	-	7	-

Physical Education	-	-	-	2
Welfare Branch	1	-	2	1
Department of Maintenance	1	-	8	16
Hostels	-	-	9	1
Office of the Security	1	1	28	-
TOTAL	19	25	182	79

1 - Administrative level & Executive Level

2 - Senior Staff Grade

3 - Clerical & Allied Grade

4 - Below the above Grade

b. Trincomalee Campus

Faculties/Departments/Sections/ Branches/ Units	Most Senior¹	Senior Staff²	Junior Staff³	Minor Employees⁴
Rector's Office	-	-	01	-
Faculty of Communication & Business Studies	-	02	04	-
Faculty of Applied Sciences	-	-	01	01
Unit of Siddha Medicine	-	-	-	01
Finance Branch	02	02	02	01
Examination Branch	-	01	01	01
Capital Works	-	-	02	-
Establishments Branch	-	01	-	-
Administration Branch	-	05	03	01
Library	-	03	-	02
Welfare Branch	-	-	01	-
Total	02	14	15	07

9. Details of Research, Innovation and Publications:

a. EUSL

1. Faculty Agriculture			
Subject	Published	Commercialized	Presented
a. No of Researches	34	-	28
b. No of Innovations	-	-	-
c. No of Journals	12	-	-
d. No of Books	03	-	-
e. No of Articles	12	-	28
f. Other	-	-	-
Total	61	-	56

2. Faculty Arts & Culture			
Subject	Published	Commercialized	Presented
a. No of Researches	43	-	40
b. No of Innovations	04	-	04
c. No of Journals	02	-	02
d. No of Books	02	01	-
e. No of Articles	54	-	06
f. Other	18	-	26
Total	123	01	78
3. Faculty of Commerce & Management			
Subject	Published	Commercialized	Presented
a.No of Researches	13	-	10
b.No of Innovations	-	-	-
c.No of Journals	03	-	01
d.No of Books	-	-	-
e.No of Articles	02	-	02
f. Other	-	-	-
Total	18	-	13
4. Faculty Health-Care Sciences			
Subject	Published	Commercialized	Presented
a. No of Researches	04	-	09
b. No of Innovations	-	-	-
c. No of Journals	01	-	-
d. No of Books	01	-	-
e. No of Articles	-	-	-
f. Other	-	-	-
Total	06	-	09
5. Faculty Science			
Subject	Published	Commercialized	Presented
a. No of Researches	15	-	02
b. No of Innovations	-	-	-
c. No of Journals	20	-	01
d. No of Books	01	-	-
e. No of Articles	09	-	02
f. Other	-	-	-
Total	45	-	05

b. Trincomalee Campus

Subject	Published	Commercialized	Presented
a. No of Researches	18	12	11
b. No of Innovations	-	-	-
c. No of Journals	-	-	01
d. No of Books	01	-	-
e. No of Articles	03	-	-
f. Other	01	-	
Total	23	12	12

10. Details of Programme, Seminars & Workshops:

a. EUSL

1. Faculty Agriculture			
Subject	Attended	Completed	Presented
a. No of Postgraduate Degree Programme	01	-	-
b. No of Postgraduate Diploma Programme	-	-	-
c. No of Degree Programme	-	-	-
d. No of Diploma Programme	01	-	
e. No of Certificate Programme	-	01	-
f. Other	25	-	06
Total	27	01	06
2. Faculty Arts & Culture			
Subject	Attended	Completed	Presented
a. No of Postgraduate Degree Programme		04	03
b. No of Postgraduate Diploma Programme			-
c. No of Degree Programme		30	
d. No of Diploma Programme	01	01	
e. No of Certificate Programme			
f. Other	03	03	
Total	04	38	03
3. Faculty of Commerce & Management			
Subject	Attended	Completed	Presented
a. No of Postgraduate Degree Programme	01	02	-
b. No of Postgraduate Diploma Programme	-	-	-
c. No of Degree Programme	-	01	03
d. No of Diploma Programme	-	-	-
e. No of Certificate Programme	01	-	-
f. Other	06	35 hours	24hrs/ 02
Total	08	-	-

4. Faculty Health-Care Sciences			
Subject	Attended	Completed	Presented
a. No of Postgraduate Degree Programme	-	-	-
b. No of Postgraduate Diploma Programme	-	-	-
c. No of Degree Programme	-	-	-
d. No of Diploma Programme	-	-	-
e. No of Certificate Programme	-	-	-
f. Other (<i>Seminars & Workshops</i>)	-	-	-
Total	-	-	-
5. Faculty Science			
Subject	Attended	Completed	Presented
a. No of Postgraduate Degree Programme	04	02	-
b. No of Postgraduate Diploma Programme	-	-	-
c. No of Degree Programme	06	-	-
d. No of Diploma Programme	-	-	-
e. No of Certificate Programme	-	-	-
f. Other	38	-	01
Total	48	02	01

b. Trincomalee Campus

Subject	Attended	Completed	Presented
a. No of Postgraduate Degree Programme	-	01	-
b. No of Postgraduate Diploma Programme	-	-	-
c. No of Degree Programme	-	-	-
d. No of Diploma Programme	-	-	-
e. No of Certificate Programme	-	-	-
f. Other (SDC)	-	01	-
Total	-	02	-

11. Details of Awards Received:

a. EUSL

1. Faculty of Agriculture			
Subject	No of Awards	No of Academics	No of Students
a. Local awards	01	01	-
b. National Awards	02	02	-
c. International Awards	01	01	-
d. Other	01	01	-
Total	05	05	-

2. Faculty Arts & Culture			
Subject	No of Awards	No of Academics	No of Students
a. Local awards	-	-	-
b. National Awards	-	-	02
c. International Awards	-	-	-
d. Other	-	-	02
Total	-	-	04
3. Faculty of Commerce & Management - Nil			
4. Faculty of Health Care Sciences - Nil			
5. Faculty Science			
Subject	No of Awards	No of Academics	No of Students
a. Local awards	-	-	-
b. National Awards	*15	06	-
c. International Awards	-	-	-
d. Other	-	-	-
Total	15	06	-

* Presidential Awards and NRC Awards for Research publications

b. Trincomalee Campus

No awards were received during the period under review.

12. Details of New Courses Started

a. EUSL

Faculty	Course	Medium	Certificate	Diploma	Postgraduate Diploma	Masters	M Phil	PhD
Agriculture	-	-	-	01	-	-	-	-
Total	-	-	-	01	-	-	-	-

b. Trincomalee Campus

Faculty	Course	Medium	Certificate	Diploma	Postgraduate Diploma	Masters	M .Phil	Ph.D
Communication & Business Studies	B.A Language (Special)	English	-		-	-	-	-

13. Details of Recurrent Expenditure:

a. EUSL

Subject	2013 Rs.	2014 Rs.
a. Personal emoluments	396,847,356.46	461,711,392.42
b. Travelling	2,315,579.01	1,357,775.31
c. Supplies	35,355,288.37	35,476,627.88
d. Maintenance	15,809,210.32	16,788,011.24
e. Contractual Services	85,324,073.61	89,439,349.62
f. Research & Developments	327,996.00	34,000.00
g. Other	30,390,702.94	37,386,655.81
Total	566,370,206.71	642,193,812.28

c. Trincomalee Campus

Subject	2013 Rs.	2014 Rs.
a. Personal Emoluments	56,232,276.33	68,418,072.25
b. Travelling	278,650.70	301,759.55
c. Supplies	9,744,711.24	10,489,239.72
d. Maintenance	4,108,998.37	3,226,086.60
e. Contractual Services	38,483,676.25	42,805,177.64
f. Other	6,972,481.32	6,175,139.00
Total	115,820,794.21	131,415,474.76

14. Details of Capital Expenditure

a. EUSL

Subject	2013 Rs.	2014 Rs.
a. Acquisition of furniture & Office. Equipment	39,559,284.41	79,728,120.52
b. Acquisition of Machineries	-	1,836,609.60
c. Acquisition of Building & Structures	346,530,114.84	348,301,357.95
d. Other	70,292,573.29	74,466,565.69
Total	456,381,972.54	504,332,653.76

b. Trincomalee Campus

Subject	2013 Rs.	2014 Rs.
a. Acquisition of furniture & Office Equipments	22,656,554.66	11,062,844.72
b. Acquisition of Vehicle	299,040.00	104,564.00
c. Books & Periodicals	4,163,616.64	2,931,851.46
d. IT Development	165,000.00	-
e. Sports Goods	36,695.00	695,780.24
f. Rehabilitation of Building & Structures	25,370,300.68	45,477,756.60
g. Rehabilitation of Office Equipment	-	375,196.42
Total	52,691,206.98	60,647,993.44

15. Details of Projects (Local/Foreign Funded)

a. EUSL

Name &Detail	Loan /Grant	Funding Agency #	TCE Rs. (MN)	RFA Rs. (MN)	DF Rs. (MN)
Permanent Buildings					
Construction of Building Complex for the Faculty of Arts & Culture	Grant	GOSL	121.00	-	121.00
Construction of Building Complex for Students' Hostel for 250 Male Students including Construction of Boundary Wall and Entrance Gate for the Faculty of Health – Care Sciences of the Eastern University, Sri Lanka	Grant	GOSL	360.00	-	360.00
Construction of Building Complex for the Department of Zoology of Faculty of Science	Grant	GOSL	199.00	-	199.00
Construction of Building complex for Library	Grant	GOSL	171.00	-	171.00
Construction of Building complex for the Faculty of Commerce & Management	Grant	GOSL	230.00	-	230.00
Construction of Auditorium Cum Lecture Hall for the Faculty of Arts & Culture	Grant	GOSL	44.60	-	44.60
Construction of Building complex for Professorial Unit for the Faculty of Health Care Sciences at the Teaching Hospital, Batticaloa	Grant	GOSL	299.00	-	299.00
Hostel for 200 Boys at Vantharumoolai premises under the Tsunami Rehabilitation Project of the Ministry of Higher Education	Grant	GOSL	182.00	-	182.00
Hostel for 200 Boys at Vantharumoolai premises under the Ministry of Higher Education	Grant	GOSL	220.00	-	220.00
Hostel for 200 Girls for the Faculty of Health Care Sciences at Pillaiyaradi, Batticaloa under the Ministry of Higher Education	Grant	GOSL	220.00	-	220.00
Total	-	-	2046.60	-	2046.60

(GOSL / ADB / IDA / WB /.....)

b. Trincomalee Campus

Name & Detail	Loan/ Grant	Funding Agency #	TCE Rs. Million	RF A Rs.	DF Rs.
Construction of Hostel Building Complex for 100 Boys at the Trincomalee Campus	Grant	GOSL	100.00	-	100.00
Construction of Hostel Building Complex for 100 Girls at the Trincomalee Campus	Grant	GOSL	100.00	-	100.00
Construction of Students Recreation Centre at Trincomalee Campus	Grant	GOSL	45.50	-	45.50
Construction of Laboratory Building at the Trincomalee Campus	Grant	GOSL	14.00	-	14.00
Construction of Play Ground	Grant	GOSL	50.00	-	50.00
Building Complex for the Faculty of Applied Science	Grant	GOSL	410.00	-	410.00
Building Complex for the Information Technology Centre	Grant	GOSL	304.40	-	304.40
Building Complex for the Library	Grant	GOSL	326.20	-	326.20
Building Complex for the Canteen with Recreation facilities	Grant	GOSL	130.40	-	130.40
Total	-	-	1480.50	-	1480.50

(GOSL / ADB / IDA / WB /.....)

16. Details of Project Expenditure (Local/ Foreign Funded):

a. EUSL

Name	TCE Rs. (MN)	Exp in 2013 Rs. (MN)	Exp in 2014 Rs. (MN)	Cumulativ e Exp as at 31.12.2014 (MN)	% of Physical Progress
Permanent Buildings					
Construction of Building Complex for the Faculty of Arts & Culture	121.00	55.00	20.00	100.00	99%
Construction of Building Complex for Students' Hostel for 250 Male Students including Construction of Boundary Wall and Entrance Gate for the Faculty of Health – Care Sciences of the Eastern University, Sri Lanka	360.00	2.80	57.79	60.70	24%
Construction of Building Complex for the Department of Zoology of Faculty of Science	199.00	10.05	35.00	172.14	99%
Construction of Building complex for Library	171.00	65.00	31.00	140.12	99%
Construction of Building complex for the Faculty of Commerce & Management	230.00	65.00	67.00	185.00	99%
Construction of Auditorium cum Lecture Hall for the Faculty of Arts & Culture	44.60	-	16.34	16.34	82%
Construction of Building complex for Professorial Unit for the Faculty of Health Care Sciences at the Teaching Hospital, Batticaloa	299.00	-	50.72	50.72	33%
Hostel for 200 Boys at Vantharumoolai premises under the Tsunami Rehabilitation Project under the Ministry of Higher Education	182.00	-	73.00	73.00	-
Total	1606.60	197.85	350.85	798.02	-

d. Trincomalee Campus

Name	TCE Rs. (MN)	Exp in 2013 Rs. (MN)	Exp in 2014 Rs. (MN)	Cumulative Exp as at 31.12.2014	% of Physical Progress
Construction of Hostel Building Complex for 100 Boys at the Trincomalee Campus	100.0	15.43	55.16	72.19	97%
Construction of Hostel Building Complex for 100 Girls at the Trincomalee Campus	100.0	17.33	52.39	71.33	97%
Construction of Students Recreation Centre at Trincomalee Campus	45.5	6.88	17.59	24.47	66%
Construction of Laboratory Building at the Trincomalee Campus	14.0	5.77	5.91	11.68	100%
Construction of Play Ground	50.0	Nil	23.52	23.52	60%
Building Complex for the Faculty of Applied Science	410.0	Nil	74.35	74.36	3%
Building Complex for the Information Technology Centre	304.4	Nil	28.42	28.42	8%
Building Complex for the Library	326.2	Nil	30.08	30.08	5%
Building Complex for the Canteen with Recreation facilities	130.4	Nil	23.23	23.24	3%
Total	1480.5	45.41	310.65	359.29	-

17. Details of Financial Progress (Expenditure):

a. EUSL

Subject	Provision in 2014 Rs	Exp in 2014 Rs	Savings / Excess Rs
a. Recurrent except Project	544,390,000.00	642,193,812.28	(97,803,812.28)
b. Capital except Project	465,000,000.00	504,332,653.76	(39,332,653.76)
c. Project - Local funded	-	-	-
d. Project - Foreign funded	-	-	-
Total	1,009,390,000.00	1,146,526,466.04	(137,136,466.04)

b. Trincomalee Campus

Subject	Provision in 2014 Rs	Exp in 2014 Rs	Savings / Excess Rs
a. Recurrent except Project	121,364,000.00	131,415,474.76	(10,051,474.76)
b. Capital except Project	400,000,000.00	215,226,290.92	184,773,709.08
c. Project - Local funded	-	-	-
d. Project - Foreign funded	-	-	-
Total	521,364,000.00	346,641,765.68	174,722,234.32

18. Details of Financial Progress (Generated Income):

a. EUSL

Source of Revenue	Provision in 2014 Rs.	Collection in 2014 Rs.	Deficit / Surplus Rs.
Undergraduate Studies	7,750,000.00	7,660,712.60	(89,287.40)
Postgraduate Studies			
Consultancies	-	-	-
Other	8,000,000.00	12,137,759.75	4,137,759.75
Total	15,750,000.00	19,798,472.35	4,048,472.35

b. Trincomalee Campus

Source of Revenue	Provision in 2014 Rs.	Collection in 2014 Rs.	Deficit / Surplus Rs.
Undergraduate Studies	1,850,000.00	3,082,494.03	1,182,494.03
Postgraduate Studies	-	-	-
Consultancies	-	-	-
Other	510,000.00	(72,235.96)	(582,235.96)
Total	2,360,000.00	3,010,258.07	600,258.07

19. Financial Performance Analysis - 2014:

a. EUSL

Subject	Formula	Exp. Per Student Rs.
Recurrent Expenditure per Student (RE)	RE / No of Student strength	153,929.49
Capital Expenditure per Student (CE)	CE / No of Student strength	120,885.10
Total		274,814.59

b. Trincomalee Campus

Subject	Formula	Exp. Per Student Rs.
Recurrent Expenditure per Student (RE)	RE / No of Student strength	200,023.55
Capital Expenditure per Student (CE)	CE / No of Student strength	92,310.49
Total		292,334.04

20. Details of Infrastructure Facilities Received in 2014:

a. EUSL

Infrastructure Details	Expenditure (Rs. in Mn.)	Physical Progress
Construction of Building Complex for the Faculty of Arts & Culture	121	100%
Construction of Building complex	171	100%
Construction of Building complex for the Faculty of Commerce & Management	230	100%
Construction of Building complex for Professorial Unit of the Faculty of Health Care Sciences at the Teaching Hospital, Batticaloa	299	33% completed
Building complex for the Faculty of Health - Care Sciences of the Eastern University, Sri Lanka	360	24% completed
Construction of Auditorium cum Lecture Hall of the Faculty of Arts & Culture	44.6	82% completed

b. Trincomalee Campus

Infrastructure Details	Expenditure Rs.	Physical Progress
Construction 10m wide 200m long two way asphalt surfacing road	9,964,146.99	73%
Construction Store building	3,604,198.72	85%
Improvement of internal access by interlocking block pavement	12,316,710.68	80%
Extension work of boundary wall with steel work around the campus premises	2,369,166.10	100%
Improvement of Parapet wall at Trincomalee Campus, Eastern University, Sri Lanka.	1,432,339.52	85%
Improvement of Boundary wall with architecturally design steel lattice work at Trincomalee Campus, EUSL	733,507.94	70%

Improvement of Pedestrian Pathway at Trincomalee Campus, EUSL.	649,932.60	25%
Improvement of Entry environment at Trincomalee Campus, EUSL	964,260.00	15%
Improvement of Gateway at Trincomalee Campus, EUSL.	956,177.50	<i>Mobilization advance received but work still not started</i>

21. Any Other Details / Performance Relevant to this Report:

a. Audit Committee Meetings held in 2014

S.No	Meeting Number	Date
1	29th Audit Committee Meeting	27.01.2014
2	30 th Audit Committee Meeting	24.02.2014
3	31 st Audit Committee Meeting	24.03.2014
4	32 nd Audit Committee Meeting	28.04.2014
5	33 rd Audit Committee Meeting	26.05.2014
6	34 th Audit Committee Meeting	24.06.2014
7	35 th Audit Committee Meeting	22.07.2014
8	36 th Audit Committee Meeting	28.08.2014
9	37 th Audit Committee Meeting	29.09.2014
10	38 th Audit Committee Meeting	18.11.2014
11	39 th Audit Committee Meeting	12.12.2014

22. Report of the Auditor General on the Financial Statements of the Eastern University of Sri Lanka for the year ended 31 December 2014 in terms of Sub-section 108(1) of the Universities Act, No. 16 of 1978



විගණකාධිපති දෙපාර්තමේන්තුව
கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இல.
My No.

} EN/BT/B/EUSL/01/14/01

මගේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date

} 06 October 2015

Competent Authority,
Eastern University of Sri Lanka

Report of the Auditor General on the Financial Statements of the Eastern University of Sri Lanka for the year ended 31 December 2014 in terms of Sub-section 108(1) of the Universities Act, No. 16 of 1978.

The audit of financial statements of the Eastern University of Sri Lanka for the year ended 31 December 2014 comprising the statement of financial position as at 31 December 2014 and the statement of financial performance, statement of changes in net assets 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 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 will be issued in due course.

1.2. Management's Responsibilities 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 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 judgment, including the assessment of the risks of material misstatement 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 management, as well as evaluating the overall presentation of the 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 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 Eastern University

of Sri Lanka as at 31 December 2014 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 Accounting Deficiencies

The following accounting deficiencies were observed.

- (a) Assets such as buildings and furniture taken over from the Staff Development Centre, Buttala in the year 2011 had not been valued and brought to accounts.
- (b) The assets such as furniture, equipment, books and vehicles at the total value of Rs.19,411,037 were lost during the year 1990 due to the war situation prevailed in the Batticaloa District. However, no adjustments had been made in the accounts in this regard even up to the end of the year under review.
- (c) After completion of the Project for Improving Relevance and Quality of Undergraduate Education (IRQUE) in 2011, the assets of the Project such as computers, furniture, books and equipment had been handed over to the University. However, those assets had not been valued and brought to accounts.

2.2.2 Accounts Receivable

The following observations are made.

- (a) Loan balances aggregating Rs. 9,716,548 recoverable from 307 officers who were retired, vacated their post and transferred out from the University had remained outstanding for more than 05 years. Nevertheless, the University had not taken meaningful action even up to 30 June 2015 to recover those outstanding loan balances or to take legal action against the officers concerned.
- (b) Advances aggregating Rs. 5,000,378 granted to foreign suppliers were lying in 135 import advance accounts for over 10 years without being taken action to investigate the recoverability of those advances from the respective suppliers.



- (c) Advances aggregating Rs. 14,604,399 paid to various suppliers had remained unrecovered for a period ranging from 05 to 18 years without taking action to recover them.

2.3 Non-compliance with Laws, Rules, Regulations and Management Decisions etc.

Instances of non-compliance with laws, rules and regulations observed in audit are given below.

Reference to Laws, Rules and Regulations

Non-compliance

- a) Establishments Code for the University Grants Commission and Higher Educational Institutions

(i) Section 20.6 of Chapter- X

Particulars of no-pay leave obtained by academic and non academic staff had not been reported monthly to the Auditor General in Form General: 96.

(ii) Section 3:1 of Chapter- XXVII

The University had not taken necessary measures to maintain an Attendance Register in order to record the arrival and departure of academic staff. In this regard, the Competent Authority had informed me that, by tradition the academic staffs do not record their attendance as in all other Universities.

- (b) Financial Regulations of the Government of Democratic Socialist Republic of Sri Lanka

(i) Financial Regulations 102 to 105

(i) A vehicle belonging to the University had met with an accident and a sum of



Rs.1,563,073 had been spent during the year under review to repair that vehicle. However, action had not been taken to conduct inquiries to ascertain the extent and cause of losses and to fix the responsibilities.

- (ii) According to the physical examination carried out as at the end of the year under review, there were shortages of 913 inventory items at the Vice Chancellor's Bungalow. In this regard, the University had not taken action to conduct inquiry to ascertain the extent of loss and fix the responsibilities.

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the operations of the University during the year under review had resulted in a deficit of Rs. 863,344,968 before taking into account the Government Grant of Rs. 777,087,000 for recurrent expenditure as compared with the corresponding deficit of Rs. 765,406,686 for the preceding year before taking into account the Government Grant of Rs. 621,470,000 for that year, thus indicating a further deterioration of Rs. 97,938,282 in the financial results for the year under review. The increase of personal emoluments by Rs. 77,049,832 during the year under review as compared with the previous year had mainly attributed for this deterioration in the financial results.

4. Operating Review

4.1. Performance

The academic performances of the University during the year under review are as follows.

(a) Results of Examinations

Details of final examinations held in 2014 and the number of graduates passed out are as follows.

Details	Faculty of Agriculture	Faculty of Arts and Culture	Faculty of Commerce and Management	Faculty of Science	Faculty of Health Care Sciences
Number of students sat for final examinations during the year under review	38	289	165	19	36
Number of students passed the examinations	38	289	95	12	36
Percentage of students passed degree examinations, as a percentage of number of students sat for the final examinations	100%	100%	58%	63%	100%

The following observations are made in this connection.

- (i) The results for Bachelor of Business Administration degree of the Faculty of Commerce and Management had not been released during the year under review and it was released only in January 2015. Accordingly the total number of students passed in both stream such as Bachelor of Commerce and Bachelor of Business Administration was 142 and the faculty pass rate was 89 per cent.
- (ii) According to the information furnished by the University the passing rates at first attempt are considerably lower in the Faculty of Science due to be more in-depth study of fundamental science (pure science), which includes construction/formation of

theoretical concepts from first principles, and then develop to understand the model real world situations.

(b) Enrollment of Students

The number of students enrolled for each faculty and the number of students who left after obtaining degrees during the past 03 years are shown below.

Faculty	Number of Students Enrolled			Number of students who left after obtaining degrees		
	2014	2013	2012	2014	2013	2012
Agriculture	118	83	65	22	27	18
Arts and Culture	210	276	543	311	374	305
Commerce and Management	208	201	180	81	96	54
Science	192	214	151	34	57	27
Health Care Sciences	89	80	101	42	27	-
Total	817	854	1,040	490	581	404

The following observation is made in this connection.

Enrollment of students to the Faculty of Agriculture during the year under review had increased by 42 per cent, whereas, enrollment of students to the Faculty of Arts and Culture, Faculty of Science during the year under review had decreased by 24 per cent and 10 per cent respectively.

(c) Library Administration

The following observations are made in this regard.

- (i) Fifty two (52) library books borrowed by 15 academic staff had been retained for period ranging from 01 year to 05 years without returning them within the stipulated time period. However, the University had not taken action to get those books or to impose a fine of Rs. 430,684 for delays.
- (ii) Books to the cost of Rs. 675,020 damaged due to flood, fungi and insects had not been written off from the books of account.

4.2 Operating Inefficiencies**4.2.1 Procurement of Wooden Bunk Beds and Study Tables for Student Hostels**

A contract valued at Rs. 44,559,000 had been awarded to a private supplier in Akkaraipattu on 15 August 2014 for supply of 600 bunk beds and 400 wooden study tables. The following observations are made in this regard.

- (i) According to clause 26 of the general terms and conditions of the contract agreement, the performance security to the value of Rs. 4,455,000 should have been submitted before 25 August 2014. However, the contractor had not submitted the performance security as requested.
- (ii) The supplier had supplied 200 bunk beds and 25 study tables at the total value of Rs.11,632,500 during the period from 10 October 2014 to 03 November 2014 without obtaining purchase order from the University. However, the University had issued purchase order to the relevant supplier after receiving all the goods.

4.2.2 Procurement of Building on Lease Basis for Students Hostels

- (a) The University had obtained a building on lease basis at St. Joseph's Girl's Home, Thannamunai, Batticaloa in order to provide accommodation facilities to 250 female students. The following observations are made in this regard.

- (i) According to the valuation report submitted by the District Valuer of the Department of Valuation, the monthly rental for this building was Rs. 170,000. However, the University had paid a sum of Rs. 400,000 as monthly rental without considering the value assessed by the District Valuer. As a result, a sum of Rs.1,150,000 had been overpaid during the year under review as rental to the owner of the building.
 - (ii) The University had not followed Government Procurement Procedure to obtain a suitable and cost effective building on lease basis to use as student hostel in terms of Guideline 2.14.1 of the Procurement Guidelines- 2006.
- (b) The University had obtain another building at Puliyadikudah, Batticaloa at a monthly rental of Rs.130,000 since 01 May 2014 in order to provide accommodation facilities to 65 female students. However, according to the valuation report of the District Valuer of the Department of Valuation, the monthly rental for this building was Rs.82,500. As such, an amount of Rs.570,000 had been overpaid during the year under review as rental to the owner of the building.

4.2.3 Procurement of a Generator for Vice Chancellor's Bungalow

The University had purchased a generator during the year under review from a private company for Rs.1,675,610 to use at the Bungalow of the Vice Chancellor. The supplier had agreed to provide services free of charge within the warranty period. However, the University had not made use of this service and as such the generator was not in working condition for over 2 months during the warranty period due to improper maintenance of the generator.

4.2.4 Landscaping and Planting of Trees at the University Premises

The University had spent a sum of Rs.1,752,740 during the year under review for landscaping and planting of trees at the main entrance building complex of the Faculty of Science to mark the visit of then President and opening of the building complex of the Faculty of Science. The following observations are made in this regard.



- (a) The University had selected a contractor for this purpose who had been recommended by the Consultant of the Higher Education for Twenty First Century (HETC) Project of the Ministry of Higher Education without following the open competitive bidding procedure in terms of Guideline 2:14:1 of Procurement Guidelines -2006.
- (b) Even though the contractor had commenced the relevant works on 18 April 2014, the Departmental Procurement Committee (DPC) had selected the said contractor only on 01 July 2014 after completion of the works.
- (c) The payment of Rs. 1,752,790 had been made to the contractor based on the rate submitted by the contractor without considering the prevailing rates for similar plants in the market or obtained from other similar suppliers.

4.2.5 Purchase of Household Items to the Vice Chancellor's Bungalow

The household items such as dining tables, bed room suite, fitness equipment, sofa set, beds and chairs to the value of Rs.1,447,873 had been purchased from a contractor on 12 March 2013.

The following deficiency was observed in this regard.

A bogus quotation in loose leaf with several alterations obtained from a supplier in Moratuwa on 12 March 2013 had been approved by the Vice Chancellor for the purchase of above mentioned goods instead of being followed a procurement procedure in terms of Guideline 2.14.1 of Procurement Guidelines-2006. Further, the University had lost a sum of Rs.131,625 due to the payment of 10 per cent margin in addition to the price quoted by the supplier.

4.3 Management Inefficiencies

The following inefficiencies were observed.

- (a) According to the meeting of the Audit Committee held on 24 June 2014, it was decided to recover the loss of Rs.4,233,370 sustained on the procurement of 155 computers and 06 UPS from 03 officers of the University. However, the above loss had not been recovered even up to 30 June 2015. In this regard, the Competent Authority had informed me that, it



was decided to appoint a three member Committee for study and review the recommendations and report submitted by the Inquiry Officer for the disciplinary inquiry carried out on the said matter.

- (b) According to the agreement signed on 23 June 2012, the consultancy works for the preparation of Master Plan of the University, Trincomalee Campus and Swami Vipulananda Institute of Aesthetic Studies (SVIAS) should have been completed within 03 months from 16 April 2012. However, the works had not been completed even up to 30 June 2015.
- (c) Seventy four (74) lecturers of the University who went abroad on scholarships had not reported for duty or left from the University after completion of the scholarships. However, the University had not taken action to recover sums aggregating Rs. 160,937,945 from 74 lecturers for breach of agreements even up to 30 June 2015. In this regard, the Competent Authority had informed me that, 12 cases out of 74 bond defaulters had been handed over to the Attorney General's Department to take legal action against them and to recover the dues from the defaulters.
- (d) Advances should have been recovered from the lecturers before granting leave for scholarships in abroad. However, the University had granted leave for scholarship without recovering their outstanding advance balances aggregating Rs. 204,551 from 05 lecturers who breached bond agreements.
- (e) According to Section 72 (1) of the Universities Act, No. 16 of 1978 and Section 21.1.1 of Chapter III of the Establishments Code for the University Grants Commission and Higher Educational Institutions, a lecturer should complete postgraduate degree within 08 years in the post of lecturer (probation) to be promoted to as Senior Lecturer Grade -II. However, seventeen lecturers who had not completed the postgraduate degrees within the specified period had been promoted to as Senior Lecturer Grade II without taking action to revert back them to the post of Temporary Lecturers.
- (f) An old building of the University Guest House had been renovated by spending Rs.13,399,453 during the year under review and valuable goods such as fans, bulbs,

generator and switches removed from this building had been handed over to the Electrician of the University on 30 August 2012. However, the University had not taken action to include those items in the inventory register maintained at Vice Chancellor's Bungalow.

- (g) The then Vice Chancellor had left the University with effect from 05 March 2015. However, the University had not taken action to recover loan balances of Rs.45,182 from him.

4.4 Human Resources Management

There were 23 vacancies in key academic posts including Professors for five Faculties of the University. Further out of 64 vacancies in the academic staffs, 41 vacancies exist for the post of senior lecturers and lecturers. However, the University had not taken action to fill those vacancies even up to 30 June 2015.

4.5 Assets Management

Although the medical equipment called "eight accessories of the tissue processor" had been procured at a cost of Rs. 4.5 million during the year 2012, it had remained idle at the Faculty of Health Care Sciences from the date of purchase due to failure to purchase the main part of tissue processor.

5. Accountability and Good Governance

5.1 Presentation of Financial Statements

According to Section 6.5.1 of Public Enterprises Circular No. PED/12 of 02 June 2003, the financial statements for the year under review should have been rendered for audit within 60 days after the close of financial year. However, the financial statements of the University for the year under review had been rendered for audit only on 16 June 2015.

5.2 Internal Audit

Permanent and experienced staff had not been appointed to the Internal Audit Unit to carry out the internal audit functions in an efficient and effective manner.

5.3 Procurement Plan

A Master Procurement Plan including activities expected to be fulfilled at least within a period of three years in terms of the Section 4.2.1. (a) and 4.2.3 of the Procurement Guidelines had not been prepared.

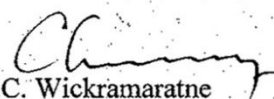
5.4 Budgetary Control

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

6. 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 systems and controls.

- (a) Accounting
- (b) Assets Management
- (c) Recovery of Loans and Advances
- (d) Contract Administration
- (e) Human Resources Management


W.P.C. Wickramaratne
Acting Auditor General

23. MANAGEMENT RESPONSE TO THE AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENTS OF THE EASTERN UNIVERSITY, SRI LANKA FOR THE YEAR ENDED 31 DECEMBER 2014 IN TERMS OF SUB-SECTION 108 (1) OF THE UNIVERSITIES ACT, NO. 16 OF 1978

Audit Paragraph Reference		Observation
2.2 Comments on Financial Statements:		
2.2.1 Accounting Deficiencies :		
The following accounting deficiencies were observed		
(a)	Assets such as buildings and furniture taken over from the Staff Development Centre, Buttala in the year 2011 had not been valued and brought to accounts.	Admitted. The said assets have now been revalued and Capitalized in the books of accounts. The Fixed Assets Register of EUSL has been prepared and the value will be disclosed in the statement of Non-Current Assets as at 31.12.2015.
(b)	The assets such as furniture, equipment, books and vehicles in the total value of Rs. 19,411,037 were lost during the war situation prevailed in the district in 1990. In this connection, a sum of Rs. 17,860,814 had only been adjusted in the books of accounts as loss of assets. However, adjustments had not been made in respect of balance assets of RS. 1,550,223.	Not Admitted The total value of loss is Rs.19,411,037.00. No adjustments were made in the Books of Accounts up to now since we had not received the approval from the Secretary to the Treasury so far. Action had already been taken to obtain the approval from Secretary to the Treasury for the value of Rs.19,411,037.00 as per the FR 102 to write off the loss. Once we receive the approval necessary adjustments will be made in the books of accounts.
(c)	After completion of the Improving Relevance and Quality of Undergraduate Education (IRQUE) project in 2011, assets of this project such as computers, furniture, books and equipment were handed over to the University. However, those assets had not been valued and to the accounts.	Admitted. All the assets which were procured under IRQUE Project had been transferred to the relevant departments by the LTS Office, IRQUE Project, EUSL as per the letter dated 15.09.2010 from the Secretary, MOHE. Further the said assets have now been revalued and Capitalized in the books of accounts. The value will be disclosed in the statement of Non-Current Assets as at 31.12.2015.
2:2:2 Accounts Receivables		
The following observations are made;		
(a)	Loan balances aggregating Rs. 9,716,548.00 from 307 officers who were retired, vacated the posts and transferred out to other service stations had remained outstanding for more than 05 years. However, the University had not taken action up to now to recover those outstanding loan balances or to take legal action against the officers concerned.	Admitted. Actions will be taken to recover the outstanding loan balance as follows; Retired Officers: through legal action / from their University Provident Fund. Vacated of Post Officers: either from their sureties or from University Provident Fund Transferred Officers: by sending Individual request letters / sending letters to the respective institutions where they transferred.

(b)	Advances aggregating Rs. 5,000,378.00 granted to foreign suppliers were lying in 135 import advance accounts for over 10 years without action being taken to investigate and recover those advances from the respective suppliers.		Admitted. Most of the supplies advances were paid in the year 1990. During the situation prevailed in this year, the goods which ordered had to be collected from the Colombo based suppliers with on the spot payments. Therefore, the cheques were written in advance in order to make the direct payment and once the goods received these advances have not been settled. This has been failure on our part. This will be rectified.
(c)	Advance aggregating Rs. 14,604,399 paid to various suppliers had remained unrecovered for a period ranging from 05 to 18 years without taking action to recover them.		
2:3 Non-compliance with Laws, Rules, Regulations and Management Decisions			
Instances of non-compliance with laws, rules and regulations observed in audit are given below.			
Reference to Laws, Rules and Regulations			Non – compliance
(a)	Establishments Code for the University Grants Commission and Higher Educational Institutions		
(i)	Section 20.6 of Chapter-X	Particulars of no-pay leave obtained by academic and non- academic staffs had not been reported monthly to the Auditor General in Form General: 96.	Admitted. Action will be taken to report all the no-pay leave particulars to the Auditor General in future as per the regulation.
(ii)	Section 3:1 of Chapter-XXVII	The University had not taken necessary measures to maintain Attendance Register in order to record the arrival and departure of academic staff.	Admitted By tradition the academic staff do not record their attendance as in all other Universities.
(b)	Financial Regulations of the Democratic Socialist Republic of Sri Lanka		
(i)	No. 102 — 104	A vehicle belonging to the University had met with an accident and a sum of Rs.1,563,073.00 had been spent during the year under review to repair that vehicle. However, action had not been taken to conduct inquiries to ascertain the extent and cause of losses and to fix responsibilities.	Admitted An Inquiry Committee was appointed to conduct the disciplinary inquiry subsequently it was not conducted since the Police Statement had not accused the Driver.
(ii)		According to the physical examination carried out as at the end of the year under review, there were shortage of 913 inventory items at the Vice Chancellor Bungalow. In this regard the University had not taken action in terms of FR 102 and 105 to conduct inquiry to ascertain the extent of loss and fix the responsibility.	Partly Admitted. Due to the renovation of the Vice-Chancellor’s lodge most of the items were shifted to rented residence of Vice-Chancellor and the Board of Survey also was not conducted during that time. After the renovation, Vice-Chancellor’s lodge had been mostly furnished with new items and rest of the inventory items were transferred to the Guest Houses at the Batticaloa and Colombo. There are a number of consumable items such as Mosquito net, towel, bed sheets, pillow covers, glasses, plates and etc

			included in the shortage list of 913 items. These items are kept in a place as unusable and will be dispose based on the recommendation of Board of Survey. We agree that the Inventory Register has not been updated and action is being taken to update the inventory register and rectify the shortages as mentioned.
3. Financial Review			
3.1 Financial Results			
According to the financial statements presented, the operations of the University during the year under review had resulted in a deficit of Rs. 863,344,968.00 before taking into account the Government Grant of Rs. 777,087,000.00 for recurrent expenditure as compared with the corresponding deficit of Rs. 765,406.686.00 for the preceding year before taking into account the Government Grant of Rs.621,470,000.00 for that year thus indicating a deterioration of Rs.97,938,282.00 in the financial results for the year under review. Increase of personal emoluments by Rs.77,049,832.00 during the year under review as compared with the previous year had mainly attributed for the deterioration in the financial results.			<p>Noted</p> <p>The reasons for this result that the expenditure were made over and above the budgetary allocation due to;</p> <ol style="list-style-type: none">1. Increasing the Special allowances and the payment of 20% Additional special allowances.2. Increasing the electricity charges due to constructions of new Hostel buildings and Faculty buildings.3. Increasing non-cash items such as depreciation and amortization for non-current assets.
4. Operating Review			
4.1. Performance			
The academic performances of the University during the year under review are as follows;			
(a)	Results of Examinations	Noted	
(b)	Enrollment of Students		
(d)	Library Administration: The following observations are made in this regard.		
(i)	Fifty two (52) library books borrowed by 15 academic staff had been retained for period ranging from 01 year to 05 years without returning them within the stipulated period. However, the Universities had not taken action to get those books or to impose a fine of Rs.430,684.00 for delays.	<p>Admitted.</p> <p>Out of 15 academic staff 02 were returned the books. Action had already been taken to recover the borrowed books or impose the fine from the borrowers who are in service with the approval of the Council. In case of the staff who left from the University, the fine + book value will be deducted from their UPF once they submit their UPF refund claim papers.</p>	
(ii)	Books to the cost of Rs.675,020.00 damaged due to flood, fungi and insects had not been written off from the books of account.	<p>Admitted.</p> <p>The following action had already been taken to written off these books from the books of accounts;</p> <ul style="list-style-type: none">• A Sub-Committee had been appointed by the Library Committee to recommend the write-off books.	

		<ul style="list-style-type: none"> • A memo has been placed to the Finance Committee for its recommendation to the Council for its approval to write-off. • The Finance Committee at its 52nd meeting held on 04.06.2015 did not recommend the memo since the correct procedure had not been followed through the Board of Survey and informed the Librarian to rectify the lapses and resubmit the memo for the recommendation. <p>Action is being taken to follow up the Finance Committee recommendation.</p>
4.2 Operating Inefficiencies 4.2.1 Procurement of Wooden Bunk Beds and Study Tables for Student Hostels		
	<p>A contract value at 44,559,900 had been awarded to a private supplier in Akkaripattu on 15 August 2014 for supply of 600 bunk beds for Rs.32,679,000 and 400 wooden study tables. The following observations are made in this regard.</p>	<p>Admitted.</p> <p>The University has intended to procure the stated furniture as early as possible since;</p> <ul style="list-style-type: none"> • The student number was increased as more than double by the UGC during the year under review and we needed additional furniture to provide them.
(i)	<p>According to clause 26 of the general terms and conditions, performance security to the value of Rs. 4,455,000 should have been submitted before 25 August 2014. However, the contractor had not submitted performance security.</p>	<ul style="list-style-type: none"> • The University had to furnish the new hostels which are being constructed by the Ministry of Higher Education and the Ministry also insisted to open this hostels as early as possible with fully furnished. • It was decided to start the academic program immediately for the above students since the next batch of students were ready to admit <p>Therefore the EUSL had initiate the procurement process to procure the furniture from the said supplier and he was requested to submit the performance bond on or before 25.08.2014. However the supplier failed to submit it and he started to supply the goods with effect from first week of Sept. 2014 even though without any Purchase Order. The EUSL compelled to accept the goods due to avoid the student crisis and he was again instructed to submit the performance bond. The supplier informed that he had supplied the furniture more than the value of performance bond. Therefore we induce to withhold a part payment which is more than the value of performance bond. However, we have not made full payment for this purchase and there are no losses to the University in this regard</p>

(ii)	The supplier had supplied 200 bunk beds and 25 study tables at the total value of Rs.11,632,500 from 10 October 2014 to 03 November 2014 without obtaining purchase order from the University. However, the University had issued purchase order to the relevant supplier after receiving all the goods.	Partly Admitted. The supplier started to supply the goods with effect from first week of Sept. 2014 even though without any Purchase Order. The University had issued the purchase order on 03.11.2014 after receiving nearly 30% of goods.
4.2.2 Procurement of Building on Lease for Students Hostels		
(a)	The University had obtained a building at St.Joseph's Girl's Home at Thannamunai, Batticaloa in order to provide accommodation facilities to 250 female students. The following observations are made in this regard.	Admitted. The building/property belonging to the Diocese of Batticaloa call St.Joseph's Girl's Home has been rented out for the purpose of accommodating 250 students. There were no places available to accommodate such number of students at once in this area. The value assessed by the District Valuer of the Department of Valuation was informed to the Bishop and he did not agree that amount. Therefore it was informed to the Council and the Council suggested to obtain the Commercial Value within the Divisional Secretariat area with the certification of Divisional Secretary. The Commercial Value was Rs.2,000.00 per person as per the certification of the Divisional Secretary and it was approved by the Council at its 253 rd meeting held on 29.05.2015. However we paid Rs.400,000.00 as monthly rental which was less than the Commercial Rental Value i.e Rs.2,000.00 x 250 = Rs.500,000.00.
	(i) According to the valuation report submitted by the District Valuer of the Department of Valuation the monthly rental as Rs. 170,000.00. However, the University had paid a sum of Rs. 400,000.00 as monthly rental without considering the value assessed by the District Valuer. As a result, a sum of Rs.1,150,000.00 had been overpaid during the year under as rentals to the owner of the building.	
	(ii) The Universities had not followed procurement procedure to select a suitable building on lease basis to use as student hostel in terms of Section 2.14.1 of the Procurement Guidelines 2006.	Admitted. The Procurement Procedure could not be followed due to the following reasons; 1. The student number was increased as more than double by the UGC during the year under review. 2. The University had planned to accommodate the above students at the new hostels which are being constructed by the Ministry of Higher Education and it was not completed within the expected time frame. 3. It was decided to start the academic program immediately for the above students since the next batch of students were ready to admit.

(b)	<p>The University had obtain another building at Puliyadikudah, Batticaloa at a monthly rental of Rs.130,000 from 01 May 2014 in order to provide accommodation facilities to 65 female students. However, according to the valuation report of the District Valuer of the Department of Valuation the monthly rental for this building was Rs.82,500. As such, an amount of Rs.570,000 had been overpaid during the year under review as rentals to the owner of the building.</p>	<p>Admitted.</p> <p>The building/property belonging to the Diocese of Batticaloa call St. Sebastian Hostel at Puliyadikudah, Batticaloa has been rented out for the purpose of accommodating 60 students. There were no suitable places available to accommodate such number of students in this area. The value assessed by the District Valuer of the Department of Valuation only for the building and it was informed to the Bishop who is the land lord and he did not agree that amount. Therefore it was placed to the Procurement Committee and it was approved the additional rental value Rs. 47,500.00 considering the;</p> <ol style="list-style-type: none"> 1. Furniture provided by the landlord 2. Availability of Basket Ball Court and 3. Study Hall facility
4.2.3 Procurement of Generator for Vice-Chancellor's Bungalow		
	<p>The University had purchased a generator during the year under review from a private company for Rs.1,675,610.00 to use the Bungalow for Vice-Chancellor. The supplier had agreed to provide services free of charge within the warranty period. However, the University had not made use of this service. As a result, the generator was not in working condition for over 2 months during the warranty period due to improper maintenance of the generator.</p>	<p>Not admitted.</p> <p>The generator is in running condition up to now only the Automatic Transfer Switch (ATS) was out of order. It was informed to the supplier and the Supplier replaced a new system since it was in warranty period.</p>
4.2.4 Landscaping and Planting of Trees at the University Premises		
	<p>The University had spent a sum of Rs. 1,752,740 had been spent for landscaping and planting of trees at the main entrance and Science Faculty building complex of the University to mark the visit of the former President and opening of the Science Faculty Building Complex on 19 April 2014. The following observations are made in this regard.</p>	<p>Admitted.</p> <p>This contract was awarded to mark the visit of the former President on 19.04.2014. It was initiated at a meeting with the former Minister of Higher Education (MOHE) held on 04.04.2014 and as directed by him the Landscape Consultant who was appointed by the MOHE to look after landscape activities in all Universities recommended to award the contract to M/s Ranamayura Landscaping & Plants due to the following reasons.</p>
(a)	<p>The University had selected a contractor for this purpose who had been recommended by the Consultant of the Higher Education for Twenty First Century (HETC). Project of the Ministry of Higher Education without following open tender procedure in terms of Section 2:14:1 of Procurement Guidelines -2006.</p>	<ol style="list-style-type: none"> 1. It is a specialized job. 2. Limited time before the visit of the former President 3. Most of the suppliers had closed their business during the period of President Visit since it was fall on Sinhala / Tamil New year. 4. No Supplier was available to supply the above plants at Batticaloa.

(b)	Even though the contractor had commenced the relevant works on 18 April 2014, the Departmental Procurement Committee (DPC) had recommend said contractor only on 01 July 2014 after completion of the works.	Therefore the open tender procedure could not be followed.
(c)	The payment of Rs. 1,752,790 had been made to the contractor based on the rate submitted by the contractor without obtaining the prevailing rates for similar plants in the market or from other similar suppliers.	The rates were recommended by the Works Engineer of the University and the Consultant based on the rates paid for similar work done by the CECB at EUSL during the same period.

4.2.5 Purchase of Household Items to the Vice-Chancellor's Bungalow

<p>The Household items such as dining tables, bed room suite, fitness equipment, sofa set, beds and chairs to the value of Rs. 1,447,873.00 had been purchased from the contractor on 12 March 2013.</p> <p>The following deficiencies were observed in this regard.</p> <p>A bogus quotation in loose leaf with several alterations obtained from a supplier in Moratuwa on 12 March 2013 had been approved by the Vice Chancellor for the purchase of above mentioned goods instead of being followed proper procurement procedure in terms of Section 2.14.1 of Procurement Guidelines-2006. Accordingly, the contractor had supplied the relevant household items with the 10 per cent margin of the price quoted in the quotation. Further, the University had lost a sum of Rs.131,625 due to the payment of 10 per cent margin in addition to the price quoted by the supplier.</p>	<p>Admitted.</p> <p>After the appointment of former Vice-Chancellor, he was asked to stay at Rented out Guest House, Trinco Road, Batticaloa until the renovation work of the Vice-Chancellor's Lodge was over. In the meantime the existing furniture at the Vice-Chancellor's Lodge were very old and outdated as well. Therefore, it was instructed to the Contractor to provide such new and modern furniture since the Vice-Chancellor has to be shifted to the renovated Vice-Chancellor's Lodge soon after completion of the work.</p>
--	---

4.3 Management Inefficiencies

The following inefficiencies were observed.

(a)	According to the meeting of the Audit Committee held on 24 June 2014, it was decided to recover the loss of Rs. 4,233,370 sustained on the procurement of 155 computers and 06 UPS from 03 officers of the University. However, the above loss had not been recovered even up to 30 June 2015.	<p>Not admitted.</p> <p>Audit Committee recommendation had been placed before the Council and the Council at its 247th meeting held on 28.08.2014 decided to appoint a three member Committee for study and review the recommendation and report submitted by the Inquiry Officer for the disciplinary inquiry on the said matter.</p> <p>The report of the three member Committee is awaited for further action.</p>
(b)	According to the agreement signed on 23 June 2012, the consultancy works for the preparation of Master Plan of the University, Trincomalee Campus and Swami Vipulananda Institute of Aesthetic Studies (SVIAS) should have been completed within 03 months from 16 April	<p>Not admitted.</p> <p>The Consultants has submitted the final draft Master Plan developed for EUSL on 15.06.2012 and had a presentation to University Officials. Since there were some amendments and getting the title deeds from</p>

	2012. However, the works had not been completed even up to 30 June 2015.	the relevant authorities was in progress it was delayed to finalized the document. However, they have submitted the 1 st submission of the Master Plane in November 2012 and 2 nd submission was made after some corrections and revisions on 20 th May 2013 for all premises including Trincomalee Campus and Swamy Vipulananda Institute of Aesthetic Studies (SVIAS).				
(c)	Seventy four (74) lecturers of the university who went abroad on scholarships had not reported for duty or left from the University after completion of the scholarships. However, the University had not taken action to recover sums aggregating Rs. 160.937.945 from 74 lecturers for breach of agreements even up to 30 June 2015.	<p>Partly admitted.</p> <ul style="list-style-type: none">• 12 cases included 74 no's of Bond defaulters had been handed over to the Attorney General's Department to take legal action and to recover the dues from the defaulters. Two state counsels are handling these cases. Nearly 9.7 million had been recovered from the Bond Defaulters up to now.• The Department of Attorney General informed that they could not take up any cases beyond 10 year period in future. However, a request made to the Attorney General through the Chairman / UGC and Secretary / MoHE to pursue over 10 year cases.• No positive response received from the Attorney General Department up to now. Present Bond value as at 31.12.2014 is; <table><tr><td>Total Bond value</td><td>Rs.160,541,597.43</td></tr><tr><td>Total Recovery</td><td>Rs. 10,190,871.88</td></tr></table>	Total Bond value	Rs.160,541,597.43	Total Recovery	Rs. 10,190,871.88
Total Bond value	Rs.160,541,597.43					
Total Recovery	Rs. 10,190,871.88					
(d)	Advances should have been recovered from the lecturers before grating leave for scholarships in abroad in terms of Section 15:10:1 of Chapter XII of the Establishments Code. However, the University had granted leave for scholarship without recovering their outstanding loan balances and advance aggregating Rs. 10,087,909.00 from 47 lecturers who breached bond agreements.	<p>Not admitted.</p> <p>As per Section 15:10:1 of Chapter XII of the Establishments Code of the Government of Sri Lanka clearly states that “<i>an officer applying for no pay leave for employment abroad should be settle the loan before he is granted the leave</i>”. It is not applicable to the teachers those who are on study leave with pay.</p>				
(e)	According to the Section 72 (1) of the Universities Act No. 16 of 1978 and Section 21. 1. 1 of Chapter III of the Establishments Code of University Grants Commission and Higher Educational Institutions, a lecturer should completed postgraduate degree within 08 years in the post of lecturer (probation) to be promoted to Senior Lecturer Grade -II. However, seventeen lecturers who had not completed the postgraduate degrees within the specified period had been promoted to Senior Lecturer Grade II without taking	<p>Admitted.</p> <p>The said lecturers had been promoted during the situation prevailed in this region before 2008. During that period they could not get the admissions and complete their Post Graduate Courses within the stipulated time frame. Further, the University also faced lack of senior staff during such period. Therefore, they were promoted with the approval of the Council.</p> <p>The provisions of Act and Establishments Code are now being strictly followed.</p>				

	action to revert back them to the post of Temporary Lecturers.	
(f)	An old building of the University Guest house had been renovated and valuable goods such as fans, bulbs, generator and switches removed were hand over to the Electrician of the University on 30 August 2012. However, the University had not taken action to include those items in the Inventory book maintain for Vice Chancellor's Bungalow.	Not admitted. The said items were not missing and which are handed over to the Maintenance Department by the Electrician and available at the University. Some of the fans were repaired and re-fixed at the Students Hostels. The Generator is utilizing at the Faculty of Health Care Sciences. The said items are not belonging to the Vice-Chancellor's Lodge and belonging to the Administration Branch under the Guest House.
(g)	The then Vice-Chancellor had left the University with effect from 05 March 2015. However, the University had not taken action to recover loan balances of Rs.45,182.00 from him.	Not admitted. There is enough UPF balance of former Vice-Chancellor and it will be recovered once he submit his UPF refund claim papers.
4.4 Human Resources Management		
There were 23 vacancies in key academic posts including Professors for five Faculties of the University. Further, 64 vacancies in the academic staffs. 41 vacancies exists for the post senior lecturers and lecturers. However, the University had not taken action to fill those vacancies even up to 30 June 2015.		Partly admitted. Some of the vacant posts were advertised through press advertisements in December 2014, but the further process could not be made due to non-appointment of Council, the Presidential Election held in January 2015 and the period of Vice-Chancellor was over. Action is now being taken to complete the process to fill all the academic vacancies.
4.5 Assets Management		
Although the medical equipment called eight accessories of the tissue processor had been procured at a cost of Rs. 4.5 million during the year 2012. It has remained idle at the Faculty of Health Care Sciences from the date of purchase due to failure to purchase the main part of tissue processor.		Partly Admitted. Some parts of the Tissue Processing Unit could be used with the Microtome (equipment used to Cut prepared tissue for microscopic slides) at the Department of Pathophysiology, FHCS. Further, It is suggested that the rest of the parts could be tried out on other microtomes available at the Faculty of Science / Agriculture. Action will be taken to transfer the items to other faculties based on their requirement. The payment for the Tissue Processing Unit had not been paid up to now.

5. Accountability and Good Governance	
5.1 Presentation of Financial Statements	
According to Section 60501 of Public Enterprises Circular No. PED/12 of 02 June 2003, the financial statements for the under review should have been rendered for audit within 60 days after the close of financial year. However, the financial statements of the University had been rendered for audit only on 16 June 2015.	<p>Admitted.</p> <p>Preparation of final accounts for the year 2014 had been completed by 10th March 2015. From 5th March 2015 there was no CEO at EUSL. The Acting Registrar was requested by the UGC to look after the routine duties until the new Vice-Chancellor is appointed. A Competent Authority was appointed from 2nd April 2015 and therefore the University had no alternative but the completed final accounts were submitted to Government Audit Office at Batticaloa only with the signature of the Acting Registrar and Actin Bursar on 11th March 2015. However we accepted that there is only ten days delay.</p> <p>After appointing the Competent Authority, the first meeting of the Council (253rd) held on 29.05.2015 was approved the final accounts to render the Auditor General.</p>
5.2 Internal Audit	
Permanent and experienced staff had not been appointed to the Internal Audit Unit carry out the internal audit function in an efficient and effective manner	<p>Not admitted.</p> <p>Internal Audit Unit of the EUSL effectively functions under an experienced Asst. Internal Auditor with the support staff with the cadre provision of its inception. Since expansion of the EUSL and increasing the volume of work additional cadres had already been proposed to the UGC.</p>
5.3 Procurement Plan	
A Master Procurement Plan including activities expected to be fulfilled at least within a period of three years in terms of the Section 4.2.1. (a) and 4.2.3 of the Procurement Guidelines had not been prepared.	<p>Admitted.</p> <p>A Master Procurement Plan had been prepared for a period of one year as practice. However, the Procurement Guidelines will adhere from 2015.</p>
5.4 Budgetary Control	
Significant variances were observed between the budgeted expenditure thus. Indicating that the budget had not been made use of as an effective instrument of management control.	<p>Noted.</p> <p>The reasons for the major variation was;</p> <ol style="list-style-type: none"> 1. Increasing the Special allowances and the payment of 20% Additional special allowances. 2. Increasing the utilities such as electricity, water, transport and rent charges

	<p>3. Furnishing the new hostels also was done without enough allocation based on the instruction given by the Ministry of Higher Education.</p> <p>4. Increasing non-cash items such as depreciation and amortization for non-current assets.</p>
6. Systems and Controls	
<p>Deficiencies in systems and controls during the course of au notice of the Vice Chancellor of the University from time to time. Special attention is needed in respect of the following areas of systems and controls.</p>	Noted
(a) Accounting	
(b) Assets Management	
(c) Recovery of Loans and Advances	
(d) Contract Administration	
(e) Human Resources Management	


Dr. T Jayasingam
Vice-Chancellor
Eastern University, Sri Lanka

Vice-Chancellor
Eastern University, Sri Lanka.