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කිழිக்குප් பல்கலைக் கழகம், இலங்கை
EASTERN UNIVERSITY, SRI LANKA



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வருடாந்த அறிக்கை - 2015
ANNUAL REPORT



EASTERN UNIVERSITY, SRI LANKA

ANNUAL REPORT - 2015

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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 Campushaving** 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

1. Research Awards received in 2015

- Dr. A. G. Johnpillai, Faculty of Science received President's Award for Scientific Publication.
- Dr. S. Thirukkanesh, Faculty of Science received NRC Merit Award for Scientific Publication.
- Dr.P. Peratheepan, Faculty of Science received NRC Merit Award for Scientific Publication.
- Dr. (Mrs.) N Rodny Fernando, Faculty of Agriculture received "**Best Presenter**" award at the Graduates Conference at Tamil Nadu Agricultural University on May, 2015.
- Dr. (Mrs.) K D Harris, Faculty of Agriculture received "**Best Social Research**" award in the Annual Symposium of the Department of Agriculture - 2015.

2. Staff Development

Awareness and Capacity building of academic, administrative and non-academic staff on the following to facilities the implementation of the new initiatives.

- University Calendar 2015
- Management Guide 2015
- Outcome-based approach in curriculum design, teaching learning and assessment of students of both internal & external students.
- External degree programmes delivery through open and distance learning (ODL)
- Course design and development of ODL materials
- Quality Assurance, Self-evaluation Report writing and Institutional Review of EUSL.
- Gender Equity/ Equality (GEE) and Sexual Gender Based Violence (SGBV) Policy of EUSL and implementation.
- Internal Quality Structure Unit and Quality Assurance Cells at the faculty level

3. Academic Quality Enhancement

- Faculty of Science modernized the curriculum for B.Sc. (General) and six B.Sc. (Special) degree programs incorporating Outcome Based Education (OBE) and Student Centered Learning (SCL), which is to be implemented for 2016/17 intake. This was done using funds from Quality and Innovation Grant (QIG/B.Sc.), HETC project.
- Faculty of Science enhanced its teaching-learning facilities (undergraduate lab equipment and teaching aids such as multimedia, interactive Boards & Tablet PCs, etc.) under the QIG to facilitate innovative teaching-learning and assessment strategies. Moreover, laboratory facilities were enhanced to support undergraduate laboratory teaching and Group Student Projects.
- Faculty of Commerce and Management revised their curriculum incorporating OBE and SCL using funds from QIG/BBA, HETC Project.
- Faculty of Commerce & Management enhanced its teaching environment under the QIG to facilitate innovative teaching-learning including SCL.

4. Enhanced Quality in Governance and Management

- University Calendar prepared for the first time with the extensive participation of all staff of EUSL.
- Management Guide Part I & Part II for University employee designation and developed with the intention of providing simplified information as a partial fulfillment of best practices in good governance and management.
- Re-organized the central administrative functions into departments with subdivisions, Centers and Units; decentralizing many operations/ Functions at the Faculty level:
 - Examination work and release of semester results.
 - Appointments of Temporary/ Visiting academics to the Departments of Faculties.
 - Procurement of good and services up to a limit.

- Following new Boards/ Units/ Cells/ Committees/ Systems set up with the appropriate of the council.
 - Gender Equity/ Equality (GEE) Cell as a part of the UGC Center for GEE.
 - Quality monitoring and Enhancement Committee.
 - Board of Discipline.
 - Strategic Planning & Statistical Unit.
 - ELTU has been re-structured and is linked to the Faculty of Arts and Culture.
 - CICT has been re-structured and is linked to the Faculty of Science.
 - University Business Linkage (UBL) Unit.
 - Proctor system for student discipline.
 - Marshall System.
 - Grievance Committee.
 - SDC has been re-structured.
 - Meeting of Student Union with Management.
- Resolving Grievances of victimization over 18 staff members.
- Decentralization of operations/ Functions at the Faculty level.
 - Examination work and release of semester results.
 - Appointments of Temporary/ Visiting academics.
 - Procurement of good and services up to a limit.

C. Future Plan

- Re-organization of the central administrative function into departments with sub-divisions, Centers and Units.
 - ❖ Legal & Documentation Division.
- Following new Boards/ Units/ Cells/ Committees/ Systems set up with the appropriate of the council.
 - ❖ Research and International Affairs Unit.
 - ❖ Academic Affairs and Quality Assurance Unit.
- Establishment of Faculty of Graduate Studies
- Commence Degree Programmes for Technology Stream studies and establish Faculty of Technology.

4. Details of Resources & Students:

Faculty	Course	Total Students	Total Academic Staff	Total Non-Academic Staff
EUSL				
Arts & Culture	Bachelor of Arts	1423	97	17
Agriculture	Bachelor Science in Agriculture	411	34	34
Commerce & Management	Bachelor of Business Administration (BBA)	503	48	15
	Bachelor of Commerce (B.Com)	448		
Health-Care Sciences	Bachelor of Medicine	314	152	35
	Bachelor of Nursing	120		
Science	Bachelor of Science (Bio)	496	86	32
	Bachelor of Science (Physical)	488		
Total		4203	417	133
Trincomalee Campus				
Communication & Business Studies	B.Sc. (Accountancy & Financial Management)	316	16	02
	B.A. (Languages & Communication Studies)	117	06	02
Applied Sciences	B.Sc. in Computer Science	23	07	01
Unit of Siddha Medicine	B.Siddha Medicine & Surgery	167	07	02
Total		623	36	07

5. Details of Local Students:

Faculty	Course	Medium	Intake 2015	1 st Year Students	2 nd Year Students	3 rd Year Students	4 th Year Students	No of Graduates
EUSL								
Arts & Culture	Bachelor of Arts	Tamil	104	239	276	543	261	463
Agriculture	Bachelor Science in Agriculture	English	80	110	83	65	73	39
Commerce & Management	Bachelor of Business Administration	English	89	102	104	105	103	60
	Bachelor of Commerce	English	95	88	97	75	93	94
Health-Care Sciences	Bachelor of Medicine	English	64	67	58	75	50	32
	Bachelor of Nursing	English	26	22	22	26	24	04
Science	Bachelor of Science (Bio-Science)	English	91	90	118	83	114	64
	Bachelor of Science (Physical Science)	English	110	81	96	68	133	
			659	799	854	1040	851	756
b. Trincomalee Campus								
Communication & Business Studies	B.Sc. in Accountancy & Financial Management	English	74	74	56	99	50	34
	B.A. in Language & Communication Studies	English	62	62	38	58	21	34
Applied Sciences	B.Sc. in Computer Science	English	06	06	-	-	-	-
	B.Sc. in Physical Science	English	17	17	-	-	-	-
Unit of Siddha Medicine	B.Siddha Medicine & Surgery	English	45	45	22	25	15	16
			204	204	116	182	86	84

6. Details of Foreign Students:

Faculty	Course	Medium	Intake 2015	1st Year Students
Commerce & Management	BBA	English	-	01
	B.Com	English	-	01
Health Care Sciences	Medicine	English	04	03
Total			04	05

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 Geography Hindu Civilization History Islamic Studies Languages Social Sciences Christianity Economics	Tamil/English	Nil	Prof-02	SL - 25 L - 30	40
Agriculture	Agric. Biology, Agric. Chemistry, Agric. Economics, Agric. Engineering, Animal Science, Crop Science	English	Nil	Prof-01	SL - 24 L - 03	06
Commerce & Management	Commerce, Management, Economics, Human Resource Management, Marketing, Enterprise Development, Accountancy & Finance, Business Economics, Development Economics	English	Nil	Nil	SL - 20 L - 01	27
Science	Botany Zoology Physics Chemistry Mathematics	English	-	Prof - 01	SL - 17 L - 12	56

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	127
Total			Nil	04	157	256

SL – Senior lecturer L-Lecturer/Lecturer (Prob)

b. Trincomalee Campus

Faculties	Department/Unit	Medium	Senior Lecturer /Lecturer (Prob.)	Instructors/ Visiting Staff
Communication & Business Studies	Management	English	SL-05, L-06	05
	Communication	English	SL-03, L-03	-
	Languages	English		
Applied Sciences	Computer Science	English	SL-03, L-03	01
	Physical Science	English		
Unit of Siddha Medicine	-	English	SL-02, L-05	-
Total			30	06

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

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Academic/ Establishments Branch	1	-	5	1
Supplies Branch	1	-	7	2
Office of the Bursar	2	2	0	2
Faculty of Agriculture	02	15	07	10
Faculty of Commerce & Management	01	01	07	06
Faculty of Science	02	14	06	10
Faculty of Health Care Sciences	03	03	13	16
Faculty of Arts & Culture	01	04	05	07
Centre for Information & Communication Technology	-	-	2	1
English Language Teaching Unit	-	-	1	1
Examination Branch	1	2	10	2
Centre for External Degrees & Extension Courses	-	-	3	1
Library	1	-	9	1
Health Centre	1	-	7	-
Physical Education	-	-	-	3
Welfare Branch	1	-	7	1
Department of Maintenance	1	-	8	16
Hostels	-	-	9	1
Office of the Security	1	3	27	-
TOTAL	23	47	162	87

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	-	1	1	-
Faculty of Communication & Business Studies	-	-	3	1
Faculty of Applied Sciences	-	-	-	1
Unit of Siddha Medicine	-	-	1	1
Finance Branch	3	1	1	1
Examination Branch	-	-	2	1
Capital Works	-	-	-	-
Establishments Branch	-	-	1	-
Administration Branch	-	1	-	9
Library	-	-	2	2
Welfare Branch	-	-	-	-
Total	3	3	11	16

9. Details of Research, Innovation and Publications:

a. EUSL

1. Faculty Agriculture			
Subject	Published	Commercialized	Presented
a. No of Researches	41	-	30
b. No of Innovations	-	-	-
c. No of Journals	24	-	-
d. No of Books	-	-	-
e. No of Articles	12	-	07
f. Other (Abstract/Conference)	06	-	07
Total	83	-	44

2. Faculty Arts & Culture			
Subject	Published	Commercialized	Presented
a. No of Researches	46	08	26
b. No of Innovations	-	-	-
c. No of Journals	10	-	06
d. No of Books	07	01	01
e. No of Articles	63	01	19
f. Other	11	-	-
Total	137	10	52

3. Faculty of Commerce & Management			
Subject	Published	Commercialized	Presented
a.No of Researches	17	-	18
b.No of Innovations	-	-	-
c.No of Journals	18	-	-
d.No of Books	-	-	-
e.No of Articles	01	-	-
f. Other	-	-	-
Total	36	-	18

4. Faculty Health-Care Sciences			
Subject	Published	Commercialized	Presented
a. No of Researches	12	-	16
b. No of Innovations	-	-	-
c. No of Journals	05	-	02
d. No of Books	-	-	-
e. No of Articles	-	-	07
f. Other	-	-	-
Total	17	-	25

5. Faculty Science			
Subject	Published	Commercialized	Presented
a. No of Researches	11	-	01
b. No of Innovations	-	-	-
c. No of Journals	14	-	-
d. No of Books	-	-	-
e. No of Articles	07	-	02
f. Other	-	-	-
Total	32	-	03

b. Trincomalee Campus

Subject	Published	Commercialized	Presented
a. No of Researches	8	-	17
b. No of Innovations	-	-	-
c. No of Journals	6	-	2
d. No of Books	-	-	-
e. No of Articles	4	-	-
f. Other	1	-	-
Total	19	-	19

10. Details of Programme, Seminars & Workshops:

a. EUSL

1. Faculty Agriculture			
Subject	Attended	Completed	Presented
a. No of Postgraduate Degree Programme	01	01	-
b. No of Postgraduate Diploma Programme	-	-	-
c. No of Degree Programme	-	-	-
d. No of Diploma Programme	01	-	-
e. No of Certificate Programme	-	02	-
f. Other	41	-	-
Total	43	03	-

2. Faculty Arts & Culture			
Subject	Attended	Completed	Presented
a. No of Postgraduate Degree Programme	05	04	03
b. No of Postgraduate Diploma Programme	-	-	-
c. No of Degree Programme	02	02	02
d. No of Diploma Programme	-	-	-
e. No of Certificate Programme	-	-	-
f. Other	12	10	02
Total	19	16	07

3. Faculty of Commerce & Management			
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	12	05	12
Total	12	05	12

4. Faculty Health-Care Sciences			
Subject	Attended	Completed	Presented
a. No of Postgraduate Degree Programme	06	01	-
b. No of Postgraduate Diploma Programme	-	01	-
c. No of Degree Programme	-	-	-
d. No of Diploma Programme	-	01	-
e. No of Certificate Programme	08	03	-
f. Other (<i>Seminars & Workshops</i>)	07	-	03
Total	21	06	03

5. Faculty Science			
Subject	Attended	Completed	Presented
a. No of Postgraduate Degree Programme	03	-	01
b. No of Postgraduate Diploma Programme	-	-	-
c. No of Degree Programme	06	01	-
d. No of Diploma Programme	-	-	-
e. No of Certificate Programme	-	-	-
f. Other	30	-	-
Total	39	01	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	-	01	02
f. Other (*SDC)	23	02	-
Total	23	04	02

*SDC – Staff Development Centre

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	-	-	-
c. International Awards	01	01	-
d. Other	-	-	-
Total	02	02	-

2. Faculty Arts & Culture			
Subject	No of Awards	No of Academics	No of Students
a. Local awards	-	-	-
b. National Awards	-	-	-
c. International Awards	-	-	-
d. Other	-	-	-
Total	-	-	-

3. Faculty of Commerce & Management - Nil			
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4. Faculty Science			
Subject	No of Awards	No of Academics	No of Students
a. Local awards	-	-	-
b. National Awards	02	01	-
c. International Awards	-	-	-
d. Other	-	-	-
Total	02	01	-

5. Faculty of Health Care Sciences			
Subject	No of Awards	No of Academics	No of Students
a. Local awards	-	-	-
b. National Awards	01	01	-
c. International Awards	-	-	-
d. Other	-	-	-
Total	01	01	-

b. Tricomalee Campus

Subject	No of Awards	No of Academics	No of Students
a. Local awards	-	-	-
b. National Awards	-	-	-
c. International Awards	01	04	06
d. Other	-	-	-
Total	01	04	06

12. Details of New Courses Started

a. EUSL

Faculty	Course	Medium	Certificate	Diploma	Postgraduate Diploma	Masters	MPhil	PhD
Science	M.Sc. in Science Education	English	-	-	-	25.04.2015	-	-
Total	-	-	-	-	-	01	-	-

13. Details of Recurrent Expenditure:

a. EUSL

Subject	2014 Rs.	2015 Rs.
a. Personal emoluments	461,711,392	610,167,848
b. Travelling	1,357,775	1,730,283
c. Supplies	35,476,628	26,561,658
d. Maintenance	16,788,011	17,324,837
e. Contractual Services	89,439,350	112,310,739
f. Other	37,420,656	39,522,177
g. Depreciation & Amo. Expenditure	77,645,785	135,505,587
Total	719,839,597	943,123,129

b. Trincomalee Campus

Subject	2014 Rs.	2015 Rs.
a. Personal Emoluments	68,418,072	94,810,320
b. Travelling	301,760	119,539
c. Supplies	10,489,240	6,418,342
d. Maintenance	3,226,087	1,893,251
e. Contractual Services	42,805,178	55,304,521
f. Other	6,175,139	4,246,029
g. Depreciation & Amo. Expenditure	28,112,673	37,951,009
Total	159,528,149	200,743,011

14. Details of Capital Expenditure

a. EUSL

Subject	2014 Rs.	2015 Rs.
a. Maintenance & Rehabilitation	60,243,208	69,754,433
b. Acquisition of Fixed Assets	81,564,730	111,936,705
c. Construction Projects - New	69,572,543	74,794,900
d. Construction Projects – On going	278,728,815	174,875,758
e. Other	14,223,357	54,634,554
Total	504,332,653	485,996,350

b. Trincomalee Campus

Subject	2014 Rs.	2015 Rs.
a. Maintenance & Rehabilitation	45,852,953	24,165,120
b. Acquisition of Fixed Assets	14,795,022	23,366,000
c. Construction Projects – On going	154,441,848	291,972,441
d. Other	-	84,380
Total	215,089,823	339,587,941

15. Details of Projects (Local/Foreign Funded)

a. EUSL

Name & Detail	Loan /Grant	Funding Agency #	TCE (MN)	RFA (MN)	DF (MN)
Permanent Buildings					
Building Complex for Science – Zoology Department	Grant	GOLS	199.00	-	-
Building Complex for Faculty of Arts and Culture	Grant	GOLS	121.00	-	-
Building Complex for Library	Grant	GOLS	171.00	-	-
Building Complex for Faculty of Commerce and Management	Grant	GOLS	230.00	-	-
Building Complex for FHCS Pillaiyaradi - Construction of the Building Complex for the Student's Hostels for 250 Male Student's Including Construction of Boundary Wall and Entrance Gate for the Faculty of Health Care – Sciences (FHCS) of the Eastern University, Sri Lanka, Pillaiyarady, Batticaloa	Grant	GOLS	360.00	-	-
Construction of Building Complex for the Professorial Unit for the Faculty of Health Care-Sciences (FHCS) of the Eastern University, Sri Lanka at the Teaching Hospital, Batticaloa	Grant	GOLS	299.00	-	-

Construction of Building for the Auditorium Cum Lecture Hall at the Faculty of Arts & Culture	Grant	GOLS	44.60	-	-
Total			1424.60	-	-

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

TCE-Total Cost Estimate, **RFA**-Reimbursement Foreign Aids, **DF**-Demostric Funds

b. Trincomalee Campus

Name & Detail	Loan/Grant	Funding Agency #	TCE (Mn)	RFA(Mn)	DF (Mn)
a. Construction of Male & Female Hostel	Grant	GOLS	200.00	-	-
b. Construction of Science Laboratory	Grant	GOLS	14.00	-	-
c. Construction of Recreational Center	Grant	GOLS	45.50	-	-
d. Construction of Play Ground	Grant	GOLS	50.00	-	-
e. Construction of IT Center	Grant	GOLS	304.40	-	-
f. Construction of FAS Building	Grant	GOLS	410.00	-	-
g. Construction of Library Building	Grant	GOLS	326.20	-	-
h. Construction of Canteen Building	Grant	GOLS	130.40	-	-
Total			1,480.50	-	-

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

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

a. EUSL

Name	TCE (MN)	Exp in 2014 (MN)	Exp in 2015 (MN)	Cumulative Exp as at 31.12.2015 (MN)	% of Physical Progress
Permanent Buildings					
a. Building Complex for Science – Zoology Department	199.00	172.14	-	172.14	99%
b. Building Complex for Faculty of Arts and Culture	121.00	100.73	-	100.73	99%
c. Building Complex for Library	171.00	140.12	-	140.12	99%
d. Building Complex for Faculty of Commerce and Management	230.00	195.11	-	195.11	99%
e. Building Complex for FHCS Pillaiyaradi - Construction of the Building Complex for the Student's Hostels for 250 Male Student's Including Construction of Boundary Wall and Entrance Gate for the Faculty of Health Care – Sciences (FHCS) of the Eastern University, Sri Lanka, Pillaiyarady, Batticaloa	360.00	83.11	94.90	178.01	88%
f. Construction of Building Complex for the Professorial Unit for the Faculty of Health Care-Sciences (FHCS) of the Eastern University, Sri Lanka at the Teaching Hospital, Batticaloa	299.00	44.00	57.60	101.61	92%
g. Construction of Building for the Auditorium Cum Lecture Hall at the Faculty of Arts & Culture	44.60	16.35	8.50	24.85	99%
Total	1,424.6	751.56	161.00	912.57	

c. Trincomalee Campus

Name	TCE Rs.	Exp in 2014 Rs.	Exp in 2015 Rs.	Cumulative Exp as at 31.12.2015	% of Physical Progress
a. Construction of Male/Female Hostel	200.00	107.55	17.32	160.84	100%
b. Construction of Science Laboratory	14.00	5.9	-	11.68	100%
c. Construction of Recreational Centre	45.50	17.59	6.92	31.39	100%
d. Construction of Play Ground	50.00	23.52	5.98	29.50	75%
e. Construction of IT Centre	304.40	-	140.67	140.67	68%
f. Construction of FAS Building	410.00	-	35.09	35.09	21%
g. Construction of Library Building	326.20	-	74.89	74.89	53%
h. Construction of Canteen Building	130.40	-	11.10	11.10	32%
Total	1480.50	154.58	291.97	495.20	-

17. Details of Financial Progress (Expenditure):

a. EUSL

Subject	Provision in 2015 Rs	Exp in 2015 Rs	Savings / Excess Rs
a. Recurrent except Project (Except Depreciation & Amortization Expenses)	807,000,000	807,617,542	(617,542)
b. Capital except Project	495,000,000	485,996,350	9,003,650
c. Project - Local funded	-	-	-
d. Project - Foreign funded	-	-	-
Total	1,302,000,000	1,293,613,892	8,386,108

b. Trincomalee Campus

Subject	Provision in 2015 Rs	Exp in 2015 Rs	Savings / Excess Rs
a. Recurrent Expect Project (Except Depreciation & Amortization Expenses)	162,250,000	162,792,002	(542,002)
b. Capital Expect Project	245,000,000	339,587,941	(94,587,941)
f. Project - Local Funded	-	-	-
c. Project - Foreign Funded	-	-	-
Total	407,250,000	502,379,943	(95,129,943)

18. Details of Financial Progress (Generated Income):

a. EUSL

Source of Revenue	Provision in 2015 Rs.	Collection in 2015 Rs.	Deficit / Surplus Rs.
Undergraduate Studies	17,130,000	14,045,700	(3,084,300)
Postgraduate Studies			
Consultancies	-	-	-
Other	1,630,600	1,705,800	75,200
Total	18,760,600	15,751,500	(3,009,100)

b. Trincomalee Campus

Source of Revenue	Provision in 2015 Rs.	Collection in 2015 Rs.	Deficit / Surplus Rs.
Undergraduate Studies	1,850,000	1,555,355	(294,645)
Postgraduate Studies	-	-	-
Consultancies	-	-	-
Other	425,000	1,223,518	798,518
Total	2,275,000	2,778,873	503,873

19. Financial Performance Analysis - 2015:

a. EUSL

Subject	Formula	Exp. Per Student Rs.
Recurrent Expenditure per Student (RE) (Except Depreciation & Amortization Expenses)	RE / No of Student strength	192,153
Capital Expenditure per Student (CE)	CE / No of Student strength	115,631
Total		307,784

b. Trincomalee Campus

Subject	Formula	Exp. Per Student Rs.
Recurrent Expenditure per Student (RE) (Except Depreciation & Amortization Expenses)	RE / No of Student strength	261,303
Capital Expenditure per Student (CE)	CE / No of Student strength	545,085
Total		806,388

20. Details of Infrastructure Facilities Received in 2015:

a. EUSL

Infrastructure Details	Expenditure (Rs. in Mn.)	Physical Progress
Renovation of Toilets at FHCS and Vantharumoolai	1.9	100%
Renovation Works for Faculty of Agriculture, EUSL	3.2	100%
Renovation of Quarters (A1,& A2) at EUSL, Vantharumoolai	12.3	100%
Refurbishing of Computer Laboratory at CICT, EUSL, Vantharumoolai	1.1	100%
Supplying and fixing of curtain at Senate, CEDEC, IQAU Buildings & Commerce Lecture Hall at EUSL	3.2	100%
Total	21.7	-

b. Trincomalee Campus







Infrastructure Details	Expenditure Rs.	Physical Progress
Septic Tank	3,089,704	100%
Partition Work	416,772	100%
New Water Supply Connection	2,028,696	100%
New CEB Supply Connection	3,640,025	100%
Total	9,175,197	-

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

a. Audit Committee Meetings held in 2015

S.No	Meeting Number	Date
1	40 th Audit Committee Meeting	29.08.2015
2	41 st Audit Committee Meeting	03.10.2015
3	42 nd Audit Committee Meeting	28.11.2015
4	43 rd Audit Committee Meeting	22.12.2015

22. Report of the Auditor General on the Financial Statements of the Eastern University of Sri Lanka for the year ended 31 December 2015 in terms of Sub-section 108(1) of the Universities Act, No. 16 of 1978

	විගණකාධිපති දෙපාර්තමේන්තුව கணக்காய்வாளர் தலைமை அறிப்பித் திணைக்களம் AUDITOR GENERAL'S DEPARTMENT	
මගේ අංකය எனது இல. } My No. }	ENP/BT/C/EUSL/01/15/0	ඔබේ අංකය உமது இல. } Your No. }
		දිනය திகதி } 3/ August 2016 Date }
<p>Vice Chancellor, Eastern University of Sri Lanka</p>		
<p>Report of the Auditor General on the Financial Statements of the Eastern University of Sri Lanka for the year ended 31 December 2015 in terms of Sub-section 108(1) of the Universities Act, No. 16 of 1978.</p>		
<p>The audit of financial statements of the Eastern University of Sri Lanka for the year ended 31 December 2015 comprising the statement of financial position as at 31 December 2015 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 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 submitted in due course.</p>		
<p>1.2 Management's Responsibilities for the Financial Statements</p>		
<p>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.</p>		
<p>1.3 Auditor's Responsibility</p>		
<p>My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Auditing Standards of Supreme Audit Institutions (ISSAI 1000– 1810). Those Standards require that I comply with ethical requirements and plan and perform the audit to</p>		
<p>අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව, - - இல. 306/72, பொல்தூவ வீதி, பத்தரமுல்லை, இலங்கை. - No. 306/72, Polduwa Road, Battaramulla, Sri Lanka</p>		
 +94-11-2887028-34	 +94-11-2887223	 oaggov@slt.net.lk
 www.auditorgeneral.gov.lk		



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. Subsections (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 2015 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 Compliance with the Sri Lanka Public Sector Accounting Standards

According to the Sri Lanka Public Sector Accounting Standard No.07, land and buildings should be accounted for separately, even when they are acquired together. However, the value of lands and buildings of the University as at 31 December 2015 amounting to Rs.916,154,072 had been shown together without showing the value of the land separately.

2.2.2 Accounting Deficiency

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 books of accounts in this regard even up to the end of the year under review and as such the value of fixed assets had been overstated by the same value.

2.2.3 Accounts Receivable

The following observations are made.

- (a) Loan balances aggregating Rs. 9,716,548 had remained outstanding for more than 05 years without being recovered from 307 officers who were retired, vacated the posts and transferred out from the University. Nevertheless, the University had not taken action even up to 31 May 2016 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 11 years without action being taken to recover those advances.
- (c) Advances aggregating Rs. 18,698,666 paid to various suppliers had remained unrecovered for a period ranging from 05 years to 19 years without taking action to recover them.



2.2.4 Non-compliance with Laws, Rules and Regulations.

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

Reference to Laws, Rules and Regulations	Non-compliance
<p>(a) Establishments Code for the University Grants Commission and Higher Educational Institutions</p> <p>(i) Section 20.6 of Chapter- X</p> <p>(ii) Section 3:1 of Chapter- XXVII</p>	<p>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. In this regard, the Vice Chancellor informed me that this practice was not in the University system.</p> <p>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 Vice Chancellor informed me that by tradition the academic staffs do not record their attendance.</p>
<p>(b) Financial Regulations 396 of the Government of Democratic Socialist Republic of Sri Lanka</p>	<p>Ten cheques at the total value of Rs.24,502 issued by the University had not been presented for payment for more than 01 year. However, the entire value of the un-presented cheques amounting to Rs.4,579,874 had been shown as current liabilities without taking proper action in terms of provisions in the Financial Regulations.</p>



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. 157,502,871 as compared with the corresponding deficit of Rs. 76,652,728 for the preceding year, thus indicating a further deterioration of Rs. 80,850,143 in the financial results for the year under review. Increase of personal emoluments and expenditure on contractual services by Rs. 174,848,703 and Rs.35,370,733 respectively during the year under review as compared with the previous year had mainly attributed for the deterioration in the financial results.

4. Operating Review

4.1. Performance

(a) Results of Examinations

According to the University Grants Commission Circular No.636 dated 14 July 1995, the results of examinations of the University should be released within 03 months after the conduct of examinations. However, the results of examinations relating to the External Degree courses held during the month of April, July and August 2015 had been released only on 08 June 2016 after considerable delays. Details are given below.

Faculty/ Department	Number of Students sat for the Examination	The month in which the examination was held	Delay up to 31 May 2016
Faculty of Commerce and Management			Months
- 1 st year -2010/2011	160	August 2015	08
- 2 nd year 2010/2011 (repeat)	51		
Faculty of Agriculture			
- 1 st and 2 nd year (repeat)	04	July 2015	09
Department of Nursing			
- 1 st Year, 1 st semester 2010/2011 (repeat)	04	April 2015	09



(b) Enrollment of Students

The number of students enrolled for each faculty during the year under review and in the last three years is given below.

Faculty	Number of Students Enrolled			
	2015	2014	2013	2012
Agriculture	39	118	83	65
Arts and Culture	463	210	276	543
Commerce and Management	154	208	201	180
Science	64	192	214	151
Health Care Sciences	36	89	80	101
Total	756	817	854	1,040

The following observations are made in this connection.

- (i) Enrollment of students to the Faculty of Agriculture and Faculty of Science during the year under review as compared with the previous year had decreased by 67 per cent whereas; enrollment of students to the Faculty of Arts and Culture during the year under review as compared with the previous year had increased by 120 per cent.
- (ii) Enrolment of students for all faculties during the year under review had decreased by 27 per cent as compared with the year 2012.

(c) Cost per Student

The total numbers of students registered at the University and the cost per student for the year under review and in previous three years period are shown below.

	2015	2014	2013	2012
Total Cost (Rs.'000)	958,198	586,471	627,796	427,087
Total Number of Students	4,203	3,810	3,158	2,769
Cost per Student (Rs.'000)	228	154	199	154

The cost per student of the University was increased by 48 per cent in the year under review as compared with the preceding year.



4.2 **Operating Inefficiencies**

The following observations are made.

(a) **Library Administration**

Twenty seven library books borrowed by 07 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. 43,183 for delays.

(b) **Settlement of Research Advances**

Research grant advances amounting to Rs. 82,850 paid to 02 lecturers in 2014 to carry out research works had not been settled even up to 30 June 2016. However, the University had not taken any action in this regard.

(c) **Granting Leave for Studies**

A senior lecturer, Grade -I attached to the Faculty of Arts and Culture had been granted study leave with pay from 01 October 2010 to 31 March 2011 to pursue PhD program at the above mentioned Faculty. In this regard, the following matters were observed.

- (i) According to the Bond Agreement entered with the University on 01 October 2010, the lecturer should compulsorily serve the University for 05 years after completing her study leave. However, she had retired from the service on 29 January 2015 after having completed her PhD programme effective from 11 February 2014. In this regard, the University had not taken action to recover the bond value of Rs.2,534,659 from the surety.
- (ii) The Leaves and Awards Committee had approved the full pay study leave to the lecturer to pursue PhD programme without considering period remaining to serve the University up to the date of her retirement.
- (iii) According to the Higher Education Circular No 01/2011 dated 20 April 2011 and Management Services Circular No.02/2014 dated 11 February 2014, the academic staff should submit a research proposal with the approval of the



Research Committee to obtain research allowances. However, the above mentioned lecturer had obtained research allowances aggregating Rs.923,708 during the five years period from 2011 to 2015 for a thesis submitted for her PhD programme without submitting a fresh proposal for the research activities.

(c) Violation of Bond

Even though a senior lecturer attached to the Department of Social Sciences had obtained a grant of Rs.368,500 from the National Centre for Advanced Studies (NCAS) on 05 March 2012 to read PhD program at the University of Madras, India, he had not completed the PhD even up to 30 June 2016. However, the University had not taken action to recover the bond value of Rs. 368,500 as per agreement.

4.3 Management Weaknesses

The following observations are made.

- (a) According to the meeting of the Audit Committee held on 24 June 2014, it was recommended 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 who are responsible for this loss. However, the above loss had not been recovered even up to 31 May 2016.
- (b) Seventy three lecturers of the University who went abroad on scholarships had not reported for duty after completion of the scholarships. However, the University had not taken action up to 30 June 2016 to recover sums aggregating Rs. 156,535,552 from those lecturers or from their guarantors for breach of agreements even though the above balances had remained outstanding for a period ranging from 05 to 20 years. In this connection, the Vice Chancellor had informed me that, 12 cases had been handed over to the Attorney General's Department to take legal action and to recover the dues from the defaulters.



- (c) According to the Board of Survey Report of the Trincomalee Campus for the year 2014, it was observed that 167 inventory items to the value of Rs.1.19 million kept at Guest House, Dockyard Road Hostel, Canteen and Maintenance Unit of the Campus were reported missing. However, the University had not taken action to find the causes of losses and to fix the responsibility for such losses in terms of Financial Regulations 104.

4.3 Contract Administration

Construction of Playground at Trincomalee Campus

A contract had been awarded to a contractor at a cost of Rs.32,447,463 on 19 April 2014 to construct a Playground and the contractor had abandoned the construction works after getting payments totalling Rs. 24,765,167. However, the University had not taken action to en-cash the performance bond within the validity period and black list the contractor.

4.4 Human Resources Management

There were 19 vacancies in the post of professors and 65 vacancies in the post of senior lecturers and lecturers and this had badly affected to the educational activities of the students. However, the University had not taken proper action to fill these vacancies even up to 31 July 2016.

4.5 Assets Management

The following observations are made in this regard.

- (a) Although the medical equipment called “eight accessories of the tissue processor” had been procured at a cost of Rs. 2.875 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.
- (b) Even though medical equipment called “mortuary cooling chamber” valued at Rs.2,994,370 had been purchased by the University on 04 July 2012 and handed over to the Anatomy Laboratory of the Department of Human Biology, the University had not supplied 10KV UPS to operate the above equipment. As a result, it had remained idle up to 07 April 2016.



5. Accountability and Good Governance

5.1 Presentation of Financial Statements

According to Section 6.5.1 of Public Enterprises Circular No. PED/02 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 04 April 2016.

5.2 Corporate Plan

A review of operating results for the preceding three years had not been included in the Corporate Plan prepared in terms of paragraph 5.1.2 of the Public Enterprises Circular No. PED/12 of 02 June 2003. 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

The following observations are made.

- (a) In terms of paragraph 04 of the Public Finance Circular No. 01/2014 of 17 February 2014, Action Plan prepared by the University for the year under review had not included the updated Organizational Structure of the University, approved and actual Cadre at present and the Internal Audit Plan.
- (b) The University had not prepared performance reports in order to measure the physical progress indicated in the Action Plan for the year under review.
- (c) The University had not incorporated the Faculty of Arts and Culture in its Action Plan for the year under review.

5.4 Procurement Plan

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



5.5 Unanswered Audit Queries

Out of 24 audit queries issued in the month of June 2015, replies for 03 audit queries had not been received even up to 30 June 2016.

6. Systems and Controls

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

- (a) Control over Fixed Assets : Presentation of fair value of the fully depreciated assets.
- (b) Contract Administration : Recovery of liquidated damages, approval for extensions, and comply with the conditions of the contract agreement.

A handwritten signature in blue ink, appearing to read 'H. M. Gamini Wijesinghe'.

H. M. Gamini Wijesinghe
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 2015 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 Compliance with the Sri Lanka Public Sector Accounting Standards	
<p>According to the Sri Lanka Public Sector Accounting Standards No.07, land and buildings should be accounted for separately, even when they are acquired together. However, the value of lands and buildings of the University as at 31 December 2015 amounting to Rs. 916,154,072 had been shown under land and buildings account without showing the value of land separately.</p>	<p>Admitted The ownership and the revaluation process of the Land and Building belongs to the EUSL is in progress with the assistance of a Consultant. Once the process is over the revalued amount will be disclosed separately in the financial statements 2016 as per the Sri Lanka Public Sector Accounting Standards No.07.</p>
2.2.2 Accounting Deficiency:	
<p>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 books of accounts in this regard even up to the end of the year under review and as such the value of fixed assets had been overstated by the same value.</p>	<p>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.</p>
2:2:3 Accounts Receivables	
<p>(a) Loan balances aggregating Rs. 9,716,548 had remained outstanding for more than 05 years without being recovered from 307 officers who were retired, vacated the posts and transferred out from the University. Nevertheless, the University had not taken action even up to 31 May 2016 to recover those outstanding loan balances or to take legal action against the officers concerned.</p>	<p>Admitted. Actions will be taken to recover the outstanding loan balance as follows;</p> <ul style="list-style-type: none"> • Terminated Officers: The said staff did not claim their UPF balances till now. Action is taken to recover unsettle loans and salary advances from their UPF balance once they apply for their refund. • Officers who transferred from EUSL to SVIAS: A memo has been placed to the Finance Committee in order to transfer the unsettle loans and salary advances to the SVIAS and Necessary adjustment were made to write off the amount sum of Rs.1,394,928.00 from the EUSL Financial record with the approval of the Council. • VOP and Bond Defaulters: Legal action is in process in consultation with the

		<p>Attorney General to settle the due amount from the said employees and during their settlement of Bond amount, the loan dues also will be recovered from them.</p> <ul style="list-style-type: none"> • Staff who retired from the services: Action is taken to recover the due loans and salary advances from the retired staff by sending letters. In the meantime investigation is in progress to identify the officers who responsible to clear the "No-Claim" certificate and action will be taken to recover the amount from them. (Check the action Pls.) • Officers who transferred to other Universities/ Government Department: Action has already been taken recover the unsettled loans and salary advances from the transferred staff in consultation with the respective institutions. (Check the action Pls.)
(b)	(b) Advances aggregating Rs. 5,000,378 granted to foreign suppliers were lying in 135 import advance accounts for over 11 years without action being taken to recover those advances.	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 will be regularised.
(c)	Advances aggregating Rs. 18,698,666 paid to various suppliers had remained unrecovered for a period ranging from 05 years to 19 years without taking action to recover them.	
2:2:4 Non-compliance with Laws, Rules, Regulations		
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. In this regard, the Vice Chancellor informed me that this practice was not in the University system.	Admitted. This is not in practice in the University system.
(ii)	Section 3:1 of Chapter-XXVII The University had not taken necessary measures to maintain an Attendance Register in order to record the	Admitted

		arrival and departure of academic staff. In this regard, the Vice Chancellor informed me that by tradition the academic staffs do not record their attendance.	By tradition the academic staff do not record their attendance as in all other Universities.
(b) Financial Regulations			
(i)	FR 396	Ten cheques at the total value of Rs. 24,502 issued by the University had not been presented for payment for more than 01 year. However, the entire value of the un-presented cheques amounting to Rs. 4,579,874 had been shown as current liabilities without taking proper action in terms of provisions in the Financial Regulations.	Admitted Action has already been taken to cancel all the un-presented cheques amount sum of Rs 24,502.00 (not 27,667.00 as mentioned) which are not presented more than six months and adjusted in the appropriate ledgers as liability.
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. 157,502,871 as compared with the corresponding deficit of Rs. 76,652,728 for the preceding year, thus indicating a further deterioration of Rs. 80,850, 143 in the financial results for the year under review. Increase of personal emoluments and expenditure on contractual services by Rs. 174,848,703 and Rs. 35,370,733 respectively during the year under review as compared with the previous year had mainly attributed for the deterioration in the financial results.		The reasons for this result that the expenditure were made over and above the budgetary allocation due to; 1. Personal Emoluments of the university had been increased up to Rs. 704,978,168 by 32.98%. Major reasons for the increase of personal emoluments expenses are; <ul style="list-style-type: none"> • Monthly Interim Allowance was increased up to Rs.10,000.00 for all staff of the University. (UGC Circular No: 03/2015) • 20% Monthly Compensatory (MC) Allowance was introduced by the University Grants Commission for the all non-academic staff on 01st January 2015 onwards. (UGC Circular No: 02/2015) • Academic Allowance was increased on 01st January 2015 onwards as given below. (UGC Circular No: 1000) 2. Transport and Fuel Allowance was introduced by the University Grants Commission 01st July 2015 onwards.	

	(UGC Establishment Circular No: 13/2015)
	3. Expenditure on Contractual Services had been increased up to Rs. 167,615,260 by 26.75%.
	4. Depreciation and amortization expenses are the non-cash expenses which is amounting to Rs. 173,456,597. Due to this the total operating expenses of the university has increased.
4. Operating Review	
4.1. Performance	
(a) Results of Examinations	
According to the University Grants Commission Circular No.636 dated 14 July 1995, the results of examinations of the University should be released within 03 months after the conduct of examinations. However, the results of examinations relating to the External Degree courses held during the month of April, July and August 2015 had been released only on 08 June 2016 after considerable delays. Details are given below.	Admitted The delay in results of external examination was due to intake of double batch and extra work load with the shortage of staff. However, the results of the all courses have been released now.
(b) Enrollment of Students	
(i) Enrolment of students to the Faculty of Agriculture and Faculty of Science during the year under review as compared with the previous year had decreased by 67 per cent, and 67 per cent respectively whereas, enrolment of students to the Faculty of Arts and Culture during the year under review as compared with the previous year had increased by 120 per cent.	The Student allocation / admission process is entirely handled by the University Grants Commission and the University is admitting the student based on the allocation made by the UGC.
(ii) Enrolment of students for entire faculties during the year under review had decreased by 27 per cent as compared with the year 2012.	
(c) The cost per student of the University was increased by 48 per cent in the year under review as compared with the preceding year.	Noted

4.2 Operating Inefficiencies		
(a)	<p>Library Administration: Twenty seven library books borrowed by 07 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. 43,183 for delays.</p>	<p>Admitted</p> <p>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>
(b)	<p>Settlement of Research Advances: Research grant advances amounting to Rs. 82,850 paid to 02 lecturers in 2014 to carry out research works had not been settled even up to 30 June 2016. However, the University had not taken any action in this regard.</p>	<p>This is being investigated.</p>
(c)	<p>Granting of Leave for Studies: A senior lecturer, Grade -I attached to the Faculty of Arts and Culture had been granted study leave with pay from 01 October 2010 to 31 March 2011 to pursue PhD programme at the above mentioned Faculty. In this regard, the following matters were observed.</p>	
	<p>(i) According to Bond Agreement entered with the University on 01 October 2010, the lecturer should compulsorily serve the University for 05 years after completing her study leave. However, she had retired from the service on 29 January 2015 after having completed her PhD degree effective from 11 February 2014. In this regard, the University had not taken action to recover the bond value of Rs.2,534,659 from the surety.</p> <p>(ii) The Leaves and Awards Committee had approved the full pay study leave to the lecturer to pursue PhD programme without considering period remaining to serve the University up to the date of her retirement.</p> <p>(iii) According to the Higher Education Circular No 01/2011 dated 20 April 2011 and Management Services Circular No.02/2014 dated 11 February 2014, the academic staff should submit a research proposal with the approval of the Research Committee to obtain research</p>	<p>Admitted in principle</p> <p>Action in this matter is being explored</p>

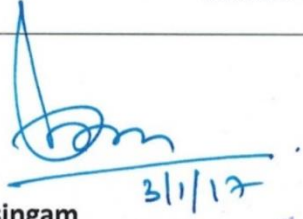
	allowances. However, the above-mentioned lecturer had obtained research allowances aggregating Rs. 923,708 during the five years period from 2011 to 2015 for a thesis submitted for her PhD program without submitting a fresh proposal for the research activities.	
(g)	<p>Violation of Bond: Even though a senior lecturer attached to the Department of Social Sciences had obtained Grant of Rs.368,500 from the National Centre for Advanced Studies (NCAS) on 05 March 2012 to read PhD Degree studies at the University of Madras, India, he had not completed the PhD even up to 30 June 2016. However, the University had not taken action to recover the bond value of Rs. 368,500 as per agreement.</p>	<p>Admitted</p> <p>Actions is being taken</p>
4.3 Management Weakness		
(a)	<p>According to the meeting of the Audit Committee held on 24 June 2014, it was recommended 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 who are responsible for this loss. However, the above loss had not been recovered even up to 31 May 2016.</p>	<p>Not admitted</p> <p>The Council at its 246th meeting held on 23.07.2016 was noted the said recommendation of the Audit Committee and the relevant reports on the Procurement of 155 computers and 06 UPS submitted by the Registrar and decided to appoint a three member committee to revisit the report submitted by the Inquiry Officer.</p> <p>However, the report from the above committee has not received in time, the Council at its 261st meeting held on 29.01.2016 noted that this is longstanding inconclusive issue and decided to close the matter with issuing warning letters to the relevant officers considering the followings;</p> <ul style="list-style-type: none"> • The first formal inquiry states that persons involved have not done it intentionally and there is no evidence of fraud. • Undue delay in the inquiry processes was observed in the meantime one accused officer passed away. • No loss was observed in this issue since the EUSL has already got 15 Computers and UPSs instead of license keys.

(b)	<p>Seventy three lecturers of the University who went abroad on scholarships had not reported for duty after completion of the scholarships. However, the University had not taken action up to 30 June 2016 to recover sums aggregating Rs. 156,535,552 from those lecturers or from their guarantors for breach of agreements even though the above balances had remained outstanding for a period ranging from 05 to 20 years. In this connection, the Vice Chancellor had informed me that, 12 cases had been handed over to the Attorney General's Department to take legal action and to recover the dues from the defaulters.</p>	<p>Partly admitted</p> <ul style="list-style-type: none"> • 12 cases including 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. Over 10 million had been recovered from the Bond Defaulters up to now. • The Department of Attorney General informed that they could take up the cases within 10 years period on priority basis and will be consider beyond 10 years later. • Legal action is in progress in consultation with the Attorney General's Department.
(c)	<p>According to the Board of Survey Report of the Trincomalee Campus for the year 2014, it was observed that 167 inventory items to the value of Rs.1.19 million kept at Guest House, Dockyard Road Hostel, Canteen and Maintenance Unit of the Campus were reported missing. However, the Campus had not taken action to investigate the losses and fix the responsibility for such losses in terms of Financial Regulations 104.</p>	<p>Partly Admitted</p> <p>According to the investigation made by the Administration Branch at Trinco Campus, it was found that missing items were located in a place and during the verification process it could not be found since new staff / staff officers were not unaware of this. Action is being taken to adjust entries during the annual verification 2015 according to the findings.</p>
<p>4.3 Contract Administration</p>		
<p>4.3.1 Construction of Vehicle Park at Trincomalee Campus</p>		
<p>Construction of Playground at Trincomalee Campus</p>		
<p>A contract had been awarded to a contractor at a cost of Rs. 32,447,463 on 19 April 2014 to construct a Playground and the contractor had abandoned the construction works after getting payments totalling Rs. 24,765,167. However, the University had not taken action to encash the performance bond within the validity period and black list the contractor.</p>	<p>According to the available records, the value of the performance bond was Rs.1,625,00000. The physical and the financial progress of the project was 85% and 76% respectively. Further the actual work done certified by the Works Engineer was Rs.28,919,262.29 and actual paid amount was Rs.24,765,167.38. Therefore no loss observed in this regard.</p>	
<p>4.4 Human Resources Management</p>		
(a)	<p>There were 19 vacancies in the post of professors and 65 vacancies in the post of senior lecturers and lecturers and this had badly affected to the educational activities of the students. However, the University had not taken proper action to fill these vacancies even up to 31 July 2016</p>	<p>Not Admitted</p> <p>The University took action to advertise the academic and academic supportive posts in many occasions from the year 2012 to 2015. However appointments were not made to the cadre vacancies during this period due to the following reasons;</p>

		<ul style="list-style-type: none"> • No suitable candidates applied for some fields with relevant qualifications. • Response was very minimal from those who have qualifications under medical category due to less attractive remuneration package in the University system. • Some of the Professor Cadre vacancies have been filled by Professors / Senior Lecturers on Sabbatical appointment at the Faculty of Health Care Sciences.
4.5 Assets Management		
(a)	Although the medical equipment called 'eight accessories of the tissue processor' had been procured at a cost of Rs. 2.875 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.	Admitted Action is being taken to order the main part of the "Tissue Processing Unit".
(b)	Even though medical equipment called "mortuary cooling chamber" valued at Rs.2,994,370.00 had been purchased by the University on 04 July 2012 and handed over to the Anatomy Laboratory of the Department of Human Biology, the University had not supplied 10KV Ups to operate the above equipment. As a result, it had remained idle up to 07 April 2016.	Not Admitted It was in operation from the date of purchase and due to the power fluctuations the operation was temporarily suspended for a brief period. It is in operation after a 10KV UPS is installed.
5. Accountability and Good Governance		
5.1 Presentation of Financial Statements		
	According to Section 6.5. 1 of Public Enterprises Circular No. PED/02 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 04 April 2016.	Admitted Preparation of final accounts for the year 2015 had been completed by end of February 2015 and it was approved by the 263 rd Council held on 24.03.2015.
5.2 Corporate Plan		
	A review of operating results for the preceding three years had not been included in the Corporate Plan prepared in terms of the paragraph 5.1.2 of the Public Enterprises Circular No. PED/12 of 02 June 2003. 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.	Admitted The financial value will be included in the Action Plan and it will be evaluated in future.

5.3 Action Plan		
(a)	In terms of the paragraph 04 of the Public Finance Circular No. 01/20 14 of 17 February 2014, Action Plan prepared by the University for the year under review had not included the updated organizational structure of the University, approved and actual cadre at present and the Internal Audit Plan.	Noted and will be rectified in future
(b)	The University had not prepared performance reports in order to measure the physical progress indicated in the Action Plan for the year under review.	Noted and will be rectified in future
(c)	The University had not incorporated the Faculty of Arts and Culture in its action plan for the year under review.	It was an oversight and it will be included in next year action plan.
5.4 Procurement Plan A Master Procurement Plan including activities expected to be fulfilled at least within a period of three years in terms of Section 4.2.1. (a) and 4.2.3 of the Procurement Guidelines had not been prepared. Instead, a Master Procurement Plan had been prepared for a period of one year.		Admitted A Master Procurement Plan had been prepared for a period of one year as practice. However, the Procurement Guidelines will adhere from 2015.
5.5 Unanswered Audit Queries Out of 24 audit queries issued in the month of June 2015, replies for 03 audit queries had not been received even up to 30 June 2016.		Admitted Out of six three had been replied and getting appropriate information for replying the balance queries is in progress. It will be replied shortly.
5.6 Conduct of the Annual Boards of Survey According to the Establishment Circular Letter No. 04/2013 dated 10 th April 2013 of University Grants Commission, the Annual Boards of Survey for the year under review should be conducted and the report thereon should have been furnished to the Auditor General on or before 17 March 2016. However, the University had not appointed the Boards of Survey and conduct it.		Admitted The Board of Survey 2015 has been completed and the report submitted to the Council.
6. Systems and Controls Deficiencies observed in systems and controls during the course of audit were brought to the notice of the Vice Chancellor of University from time to time. Special attention is needed in respect of the following areas of systems and controls. (a) Control over Fixed Assets: Presentation of fair value of the fully depreciated assets		Noted

<p>(b) Contract Administration: Recovery of liquidated damages, approval for extensions, and comply with the conditions of the contract agreement</p>	
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31/12

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

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