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சமுத்திர பல்கலைக்கழகம்
The Ocean University of Sri Lanka

2019

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வருடாந்த அறிக்கை
Annual Report



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திறன்கள் அபிவிருத்தி, வேலை வாய்ப்பு மற்றும் தொழில் உறவுகள் அமைச்சு
Ministry of Skills Development, Employment and Labour Relations



**Annual Report and Accounts
Ocean University of Sri Lanka**



2019

**Ministry of Skills Development, Employment
and Labour Relations**

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01. Vice-Chancellor's Message

I consider that it is a privilege to keep a message for the Annual Report 2019 as the second Vice-Chancellor appointed for the university on 26th June 2019 during the five years' service after establishing the Ocean University of Sri Lanka.

I have recognized that the identification of measures required to determine the future path of the University based on the areas to be developed and targeted criteria, as a task to be performed within the year having studied the prevailing position of the Ocean University of Sri Lanka which should be developed as a Fisheries, Ocean and Maritime University unique to the Sri Lankan economy. Accordingly, compilation of the corporate plan of the university that contains activities of the coming five years for determining the orientation of the university was completed in collaboration with the Department of Entrepreneurship, University of Sri Jayewardenepura. I would like to happily mention that it has been able to compile an excellent corporate plan due to the basic identification of problematic conditions prevailing in the university, and obtaining of comments and proposals of all the stakeholders for solving those issues in order to include those in the corporate plan.

During the year, it had been able to implement the steps required for placing the academic profile of the Ocean University of Sri Lanka within a structured framework. Accordingly, Deans were appointed to the Faculty of Naval Engineering and Management and the Faculty of Fisheries and Ocean Sciences, and Heads of Department for degree programs. Further, publicizing the results of the academic Divisions by making arrangements to successfully conduct the first research symposium in late 2019 can be mention as a good sign of a great future step of the Ocean University. Moreover, the Second Graduation Ceremony of the University was held on 12.03.2019, and through this, professionally competent graduates have been contributed for the Sri Lankan development tasks.

I consider that awarding of National Vocational Training Excellence Awards to the Jaffna Regional Center by the Tertiary and Vocational Education Commission for educating the fisheries and nautical sector is a significant achievement obtained within the year, marking a significant milestone in the field of vocational training field at the Ocean University of Sri Lanka. The Panadura Regional Center for Vocational Training was in the final stages of construction and had obtained ISO 9001-2015 quality certification for the Mattakkuliya and Tangalle Regional Centers. The Vocational Training Division has taken the lead in developing curricula for the National Quality Assurance Level 7 for the Degree in Aquaculture and Seafood Processing Technology.

Internal audit procedures have provided an effective service to overcome the existing laps in the university management system, and it is felt that those actions have helped to provide an efficient public service during the year.

Action had been taken to obtain qualified opinion on the 2019 audited financial statements and other legal regulatory requirements. Accordingly, I believe that public funds have been utilized for a productive role during the year.

I extend my greetings and good wishes for success of the university keeping the expected note to carry out the role of paving the way for a more developed path of university activities with the active contribution of the staff while avoiding the problematic situations identified in the year 2019.

Prof. N.P.Ratnayake

Vice Chancellor

Ocean University of Sri Lanka.

02. Board of Governors and Composition

- | | |
|---------------------------------|--|
| 01. Prof. Nalin Rathnayake | Vice Chancellor, Ocean University of Sri Lanka
(Chairman of the Board of Governors) |
| 02. Mr. K.D.N. Ranjith Ashoka | Secretary,
Ministry of Industry & Commerce Resettlement of
Protracted Displaced Persons, Co- Operative
Development and Vocational Training & Skills
Development. |
| 03. Mrs.L. Sureka Hewage | Senior Assistant Secretary, Ministry of Science,
Technology & Research |
| 04. Mr.N.B.M. Ranathunga | Director General, Ministry of Fisheries & Aquatic
Resource Development |
| 05. Eng. E.A.S.K. Edirisinghe | Chairman, National Aquatic Resources Research
& Development Agency |
| 06. Mr. R.D.S. Kumararathne | Director General, Tertiary and Vocational
Education Commission |
| 07. Mr.R.M. Wijesinghe Banda | Director, Department of Public Enterprises,
Ministry of Finance |
| 08. Mr. Ravi Jayawardena | Chairman, Vocational Training Authority Of Sri Lanka |
| 09. Mrs. T.K.W.T.G. Premarathna | Assistant Director (Student Loan Scheme) Ministry of
City Planning, Water Supply and Higher Education |

03. Academic Council and Composition

- | | |
|--|---|
| 01. Prof. Nalin Rathnayake (Chairman) | Vice Chancellor,
Ocean University of Sri Lanka |
| 02. Mr. Hemantha Ratnayake (Secretary) | Registrar,
Ocean University of Sri Lanka |
| 03. Mr. M.F.M. Fairos | Dean
Faculty of Fisheries and Ocean
Sciences (Tangalle), Ocean University
of Sri Lanka |
| 04. Dr. H.B. Jayasiri | Dean
Faculty of Eng. & Management
Ocean University of Sri Lanka |
| 05. Dr. Champa Amarasiri | Consultant, Higher Education Division
Ocean University of Sri Lanka |
| 06. Mrs. Nishanthi Perera | Consultant, Higher Education Division,
Ocean University of Sri Lanka |
| 07. Dr. M.P. Kumara | Senior Lecturer
Tangalle, Ocean University of Sri Lanka |
| 08. Dr. J.K. Rajapakshe | Academic Head, Oceanography Degree Program

Ocean University of Sri Lanka |
| 09. Dr. W.A.A.D. Lanka Wickramasinghe | Academic Head,
Fisheries and Ocean Sciences Degree
Programme |
| 10. Mr. S.U. Priyantha Jinadasa | Academic Head, Marine Engineering Degree
Programme, Ocean University of Sri Lanka |
| 11. Mrs. Dilini Manage | Academic Head, MTML Degree Programme,
Ocean University of Sri Lanka |
| 12. Mr. P.U.I. Perera | Director (Training),
Ocean University of Sri Lanka |
| 13. Mr. H.K.R. Thushara | Senior Assistant Registrar,
Ocean University of Sri Lanka |
| 14. Mr. Dilantha Perera | Assistant Registrar (Student Affairs)
Ocean University of Sri Lanka |

04. Origin, Evolution, Objectives of the Ocean University of Sri Lanka

The Ocean University of Sri Lanka, which was established by the Act No. 31 of 2014, is playing the role of contributing to the development of the country to meet the manpower requirements of the fisheries, marine and maritime sectors of Sri Lanka by enhancing scientific, technological and management skills, and by providing knowledge.

The starting point of the journey towards the Ocean University Sri Lanka is marked in the Negombo area. It was initially established as the Negombo Fisheries Training Center in the year 1963, and after a gradual expansion with 06 Fisheries Training Centers in Tangalle, Batticaloa, Jaffna in 1972, in Mattakkuliya in 1975, and in Trincomalee in the 1993, it was established in the name of National Institute of Fisheries and Nautical Engineering in the year 1999 by the National Institute of Fisheries and Nautical Engineering Act, 20th December 1999 and two new Fisheries and Nautical Engineering Colleges were established in 2006 in Galle and in 2008 in Kalutara North. Likewise, the Vocational Training Division has been developed at 08 Regional Centers covering various regions of Sri Lanka, and the Higher Education Division comprising of two faculties together has become a pioneer in the task of developing trained human resources in the field of Sri Lankan fisheries sector.

With the launching of degree programs in the year 2001, the B.Sc. in Fisheries & Marine Science, B.Sc. in Marine Engineering, and B.SC in Vassal Building and Nautical Architecture were gazette in the year 2003 as government recognized degree programs.

Opening avenues for more undergraduate opportunities at Sri Lanka Ocean University for students who pass the Advanced Level in all disciplines, including Commerce and Arts, the B. Sc.in Maritime Transportation Management & Logistics was commenced in the year 2014, and the B.Sc. in Coastal and Marine Resources Management was commenced in the year 2015.

Abolishing the National Institute of Fisheries and Nautical Engineering Act of 1999, the Ocean University of Sri Lanka Act, No. 31 of 2014 was passed and with establishment of the Ocean University of Sri Lanka as a full-fledged university in 2015, more opportunities were opened for Sri Lankan students to pursue higher studies.

Vision

To be a leader of Human Resources Development in Fisheries and Marine Science and Maritime Sector in South Asia

Mission

To provide state-of-the-art training and education to meet the current and emerging needs in the Fisheries, Marine and Maritime Sectors.

Objectives of the University

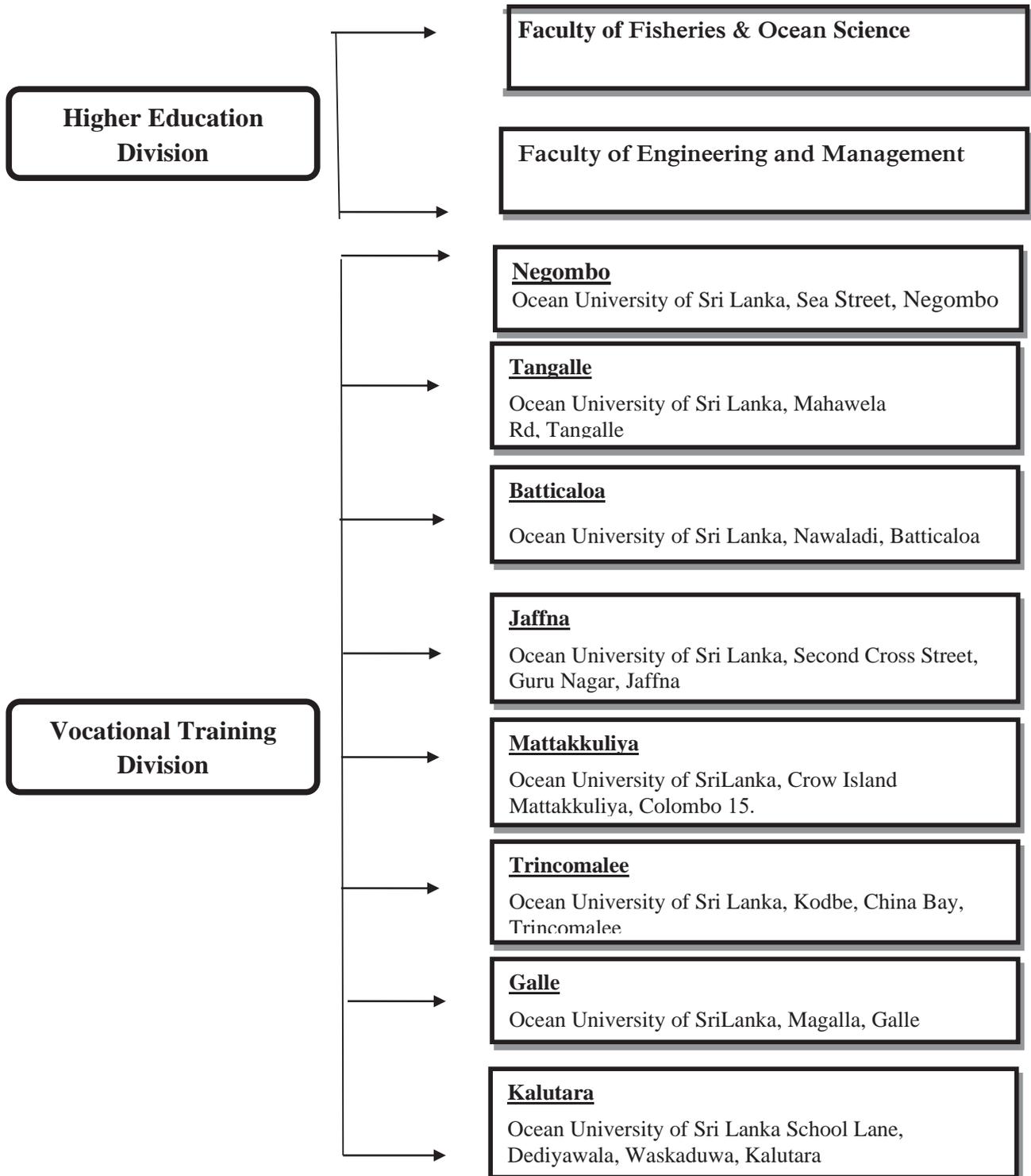
The objectives of establishing the University are cited in Part II of the Ocean University of Sri Lanka Act, No. 31 of 2014 as follows.

01. To provide university education in the fields of Fisheries, Ocean Sciences, Maritime Technology and allied fields.
02. To offer vocational and technical courses of study relating to fisheries and allied fields in order to cater to the manpower needs in any area.
03. To disseminate knowledge relating to fisheries, marine and maritime sectors among persons who are engaged in fisheries and allied fields.
04. To provide for extension courses for continuous professional development in the fields of Fisheries, Ocean Sciences, Maritime Technology and allied fields.
05. To provide vocational and technical courses for personnel in the fields of fisheries and allied fields for admission to the University.
06. To provide for the progressive development of students in the fields of engineering, scientific, technical and vocational education and training systems, based on their aptitude and ability to acquire a University education in the fields of Fisheries, Ocean Sciences, Maritime Technology and allied fields.
07. To provide courses of study for those who possess National Vocational Qualifications and assist them to upgrade their competency and acquire academic qualifications in the fields of fisheries, ocean sciences, maritime technology and allied fields.

5. Role, Service Contribution of the Ocean University

Of Sri Lanka

Ocean University of Sri Lanka operates in two divisions; Higher Education and Vocational Training. The contribution of the Higher Education Division, which consists with two faculties, and the Vocational Training Division, which includes 08 regional centers as pilot centers in the human resource development process, for the role of developing Sri Lanka is as follows.



Service Contribution

The Ocean University of Sri Lanka considers the following groups as target groups of the institute in Human Resource Development Activities in Fisheries, Marine and Maritime Sectors.

- Those who are engaged in Fisheries, Marine Science and Marine Technology and allied fields
- Newcomers to Fisheries, Marine Science and Marine Technology and allied fields
- who are expecting to enter the Fisheries, Marine Science and Marine Technology and allied fields
- Academic staff and instructors who are teaching Fisheries, Marine Science and Marine Technology subjects

06. Higher Education Division

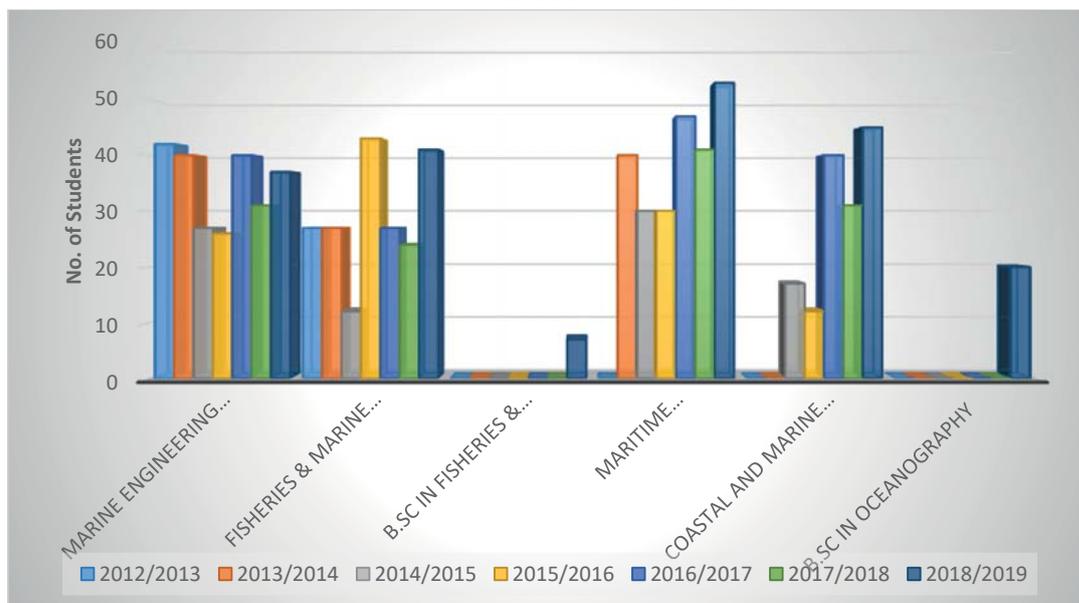
Present Status-

The five B.Sc. Degree programs of Fisheries & Marine Science, Marine Engineering, Coastal and Marine Resources Management, and Maritime Transportation Management and Logistics and B.Sc in Oceanography are conducted by the Higher Education Division of the Ocean University. The degree program in Fisheries & Marine Science is conducted at the Faculty of Fisheries & Marine Science in Tangalle, and other degree programs are conducted at the Faculty of Engineering and Management in Mattakkuliya. The degree programs offered by the university from the year 2017 onwards have been exempted from charging fees. Admission to the B.Sc. in Marine Engineering and B.Sc. in Fisheries & Marine Science has done based on Z-score while admission to the B.Sc. in Maritime Transportation Management & Logistics and B.Sc. in Coastal and Marine Resources Management, B.Sc in Oceanography has done based on the results of the Aptitude Test.

Table – No.01: Annual Student Enrollment

B.Sc. Degree Program	Student No.							
	2012/ 2013	2013/ 2014	2014/ 2015	2015/ 2016	2016/ 2017	2017/ 2018	2018/ 2019	2019/ 2020
Marine Engineering (B.Sc. Degree: 04 years)	42	40	27	26	40	31	37	47
Fisheries & Marine Science (B.Sc. Degree: 03 years)	27	27	12	43	27	24	41	49
B.Sc in Fisheries & Marine Science (Special)	-	-	-	-	-	-	07	06
Maritime Transportation Management & Logistics (B.Sc. Degree: 03 years)	-	40	30	30	47	41	53	53
Coastal and Marine Resources Management (B.Sc. Degree: 03 years)	-	-	17	12	40	31	45	55
B.Sc in Oceanography	-	-	-	-	-	-	20	26

Annual Student Enrollment



Directing of Students for the Institutional Training

The students who follow degree programs conducted by the Faculty of Fisheries and Marine Sciences are directed to the institutional training at the end of the program, and by that, student get the opportunity to work together with various institutions related to the sector. Accordingly, few institutions that provide institutional training are given below.

Public Institutes	Private Institutes
<ul style="list-style-type: none"> • National Aquaculture Development Authority • NARA Institute • Marine Environment Protection Authority • Atomic Energy Authority of Sri Lanka • Sri Lanka Petroleum Corporation • Department of Wildlife Conservation • Central Environmental Authority • Sri Lanka Customs • Sri Lanka Ports Authority • Ministry of Defense • National Water Supply and Drainage Board • Department of Fisheries • Faculty of Veterinary Medicine • Sri Lanka Institute of Quality Assurance (SLSI) 	<ul style="list-style-type: none"> • Raigam Marketing • Alfex Marine Institute • Ceylon Seaweed Pvt Ltd • Lanka Aqua Plant Company • PN Fernando & Co. • Southern Seafood Institute • MAS Holdings • Ruwani Aqua Plant • Master Divers • Blue Resource Trust • Oceanpick Pvt.Ltd

Table No. 4 - Staff at the Faculty of Fisheries & Marine Science of the Ocean University of Sri Lanka

Senior Lecturers

1. Dr. M. F. M. Fairoz - B.Sc., (Ruhuna SL), M.Phil, (Ruhuna SL), Ph.D.(Shizuoka, Japan)
2. Dr. M.P.Kumara - B.Sc.(Hons), (Ruhuna,SL), Ph.D (Edinburgh Napier,UK)

Lecturers

1. Mr. T.W.S. Warnasooriya - B.Sc.(Hons), (Ruhuna,SL)), M.Sc.(Colombo, SL)
2. Mr. N.P.G.Pushpitha - B.Sc., Mphil (Ruhuna,SL)
3. Dr. W.A.D.L. Wickramasinghe - B.Sc. (Hons) (Ruhuna, Sri Lanka), M.Sc. (Vrije, Belgium) Ph.D.(ICAR-CIFE, Mumbai,India)
4. Mrs. S.N.Dushani - B.Sc.(Hons), (Ruhuna,SL)), M.Sc.(Tromso, Norway)
5. Mrs. B.A.N. Indika - B.Sc.(Hons), (Ruhuna,SL), M.Sc. (Reading)
6. Mr. W.A.A.U. Kumara - B.Sc.(Hons), (Ruhuna,SL), M.Sc. (James Cook, Australia)
7. Mrs. Erandi Pathirana- B.Sc (Peradeniya, SL), M.Sc (Osaka, Japan), DCSD (NIBM,SL)
8. Mrs. M.I.U.Manikkaarachchi - B.Sc.(Hons), (Ruhuna,SL)
9. Mr. M.T.G. Rathnasuriya -B.Sc.(Hons), (Ruhuna,SL), M.Sc (Pahyong National University ,Korea)
10. Mr. W.A. Shiran Chamika - B.Sc (Hons), (Ocean University, SL)

Table No 5 - Staff of the Faculty of Marine Engineering and Management, Ocean University of Sri Lanka

Senior Lecturers

1. Dr. H.B.Jayasiri - B.Sc. in Biological Science (Ruhuna,SL), M.Sc. (Gothenburg, Sweden), Ph.D. (CIFE, Mumbai, India)
2. Dr. J.K. Rajapakse - B.Sc. in Physical Science (Peradeniya,SL), M.Sc. (Gothenburg, Sweden), Ph.D. (Peradeniya,SL)
3. Mr. S.P.U.Jinadasa - B.Sc. in Special in Geology (Peradeniya,SL), (Mphil) Applied Geophysics (Open University Sri Lanka)

Lecturers

1. Mrs. M.C.L. Soyza - B.Sc. in Fisheries Science (National Institute of Fisheries & Nautical Engineering, SL), M.Sc. in Aquaculture and Fisheries Management at Kelaniya, SL)
2. Miss E.A.K.K. Amarasekara - B.Sc. in Fisheries Science (National Institute of Fisheries & Nautical Engineering, SL), M.Sc. in Aquaculture and Fisheries Management at Kelaniya, SL)
3. Mrs. H.A.P.S.Jayapala - B.Sc. in Degree (Open University of SL), m.Sc. in Fisheries & Aquatic Resources Management (Sri Jayawardhanapura, SL)
4. Mrs. P.A.S.A. Rathnasri - B.Sc. (Special) in Aquatic Science (Sri Jayawardhanapura, SL),
5. Mrs. A. Arulnayagum - B.Sc. (Special) in Environmental Sciences, Vauniya Campus of the (University of Jaffna, SL), M.Sc. in Environmental Science (Peradeniya, SL)
6. Mrs. D.C. Mannage - B.Sc. (Hons) in Transport & Logistics Management (Moratuwa, SL), MBA in Management & Finance (Reading)
7. Mrs. H.D.M.M. Pusella - B.Sc. (Hons) in Business Administration (Peradeniya,SL)
8. Mr. Nalin De Alwis - B.Sc. (Hons) in Transport & Logistics Management (Moratuwa, SL), MBA in Management & Finance (Reading)
9. Mr. M.J.M.A. Raazul - B.Sc. in (Ruhuna,SL), MSc. (Agder,Norway)
10. Mr. P.D.D. Harshapriya - B.Sc. in Ocean University of Sri Lanka
11. Mr. A.H.S.I.Weerakoon - B.Sc. in Ocean University of Sri Lanka

Progress

01. The second convocation of the university was held on March 12,2019, and degrees were awarded to 109 graduates.
02. Commencement of Institutional and Subject Review activities for degree programs (UGC Reimburse)
03. Improvement of laboratory facilities having renovated two buildings. (Fish Anatomy lab and Geographical Information System lab)
04. Appointment of Deans to the Faculty of Marine Engineering and Management and the Faculty of Fisheries & Marine Science and appointment of Heads of Departments for Degree programs.
05. Conducting of the First Research Symposium of the university on 19.12.2019.
06. Conducting of monthly subject related lecture series.
07. Taking action to launch the Ocean University Newspaper Magazine monthly.
08. Provision of state-of-the-art equipment for laboratories to enhance student research activities.
09. Taking action to improve the lecture hall facilities. Accordingly, it had been able to install air conditioners and smart screens with modern technology in lecture halls.

Sports activities and social activities

Organizing Softball and Volleyball tournaments to enhance students' sports skills and collaboration.

- OPL 2020 Cricket Tournament.
- Conducting of Volleyball tournaments between student teams.
- Organizing the “Moksha Dhara” program in line with the Vesak festival. Conducting a blood donation program, a “Dansala” and conducting of Dhamma sermons with the involvement of the community in the area.
- Conducting of the Beach Feast and a kite festival parallel to that.

School and Social Awareness

- Teacher Awareness Program on Coastal and Marine Environment
- Conducting of seminars by Ocean University students for G.C.E (O/L) examinations.
- Contribution of resources for international environmental protection programs.

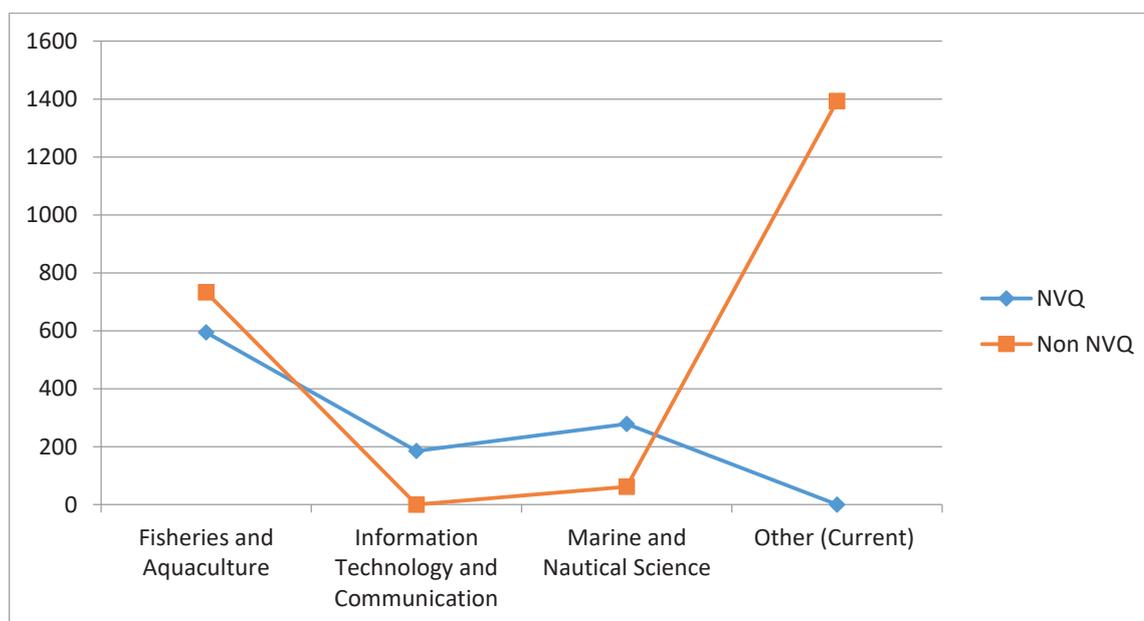
International Collaborations

01. Preparation of a feasibility report for the development of Ocean University under the KOICA Project.
02. Participation of two senior lecturers in research on maritime affairs in the Bay of Bengal, India (by Sally Ride Vessel).
03. Participation of students pursuing the degree program on Maritime Transportation Management & Logistics for the Sea Blue training program conducted in China.
04. Participation of two students following the degree program on Maritime Transportation Management & Logistics for the Research and Development Program held in Korea. (Student Research and Development – AMFUS Peace Forum Course)
05. Participation of the Vice Chancellor representing Ocean University in the “Annual Forum of AMFUF (Assis Maritime and Fisheries Universities Forum) Program held in Korea.
06. Establishment of Sri Lanka- China Research Collaboration.
07. Submission of 05 research papers on pollution with regard to fisheries, nautical activities and polythene.
08. Launching information of 08 researches at the conference held on research launch.

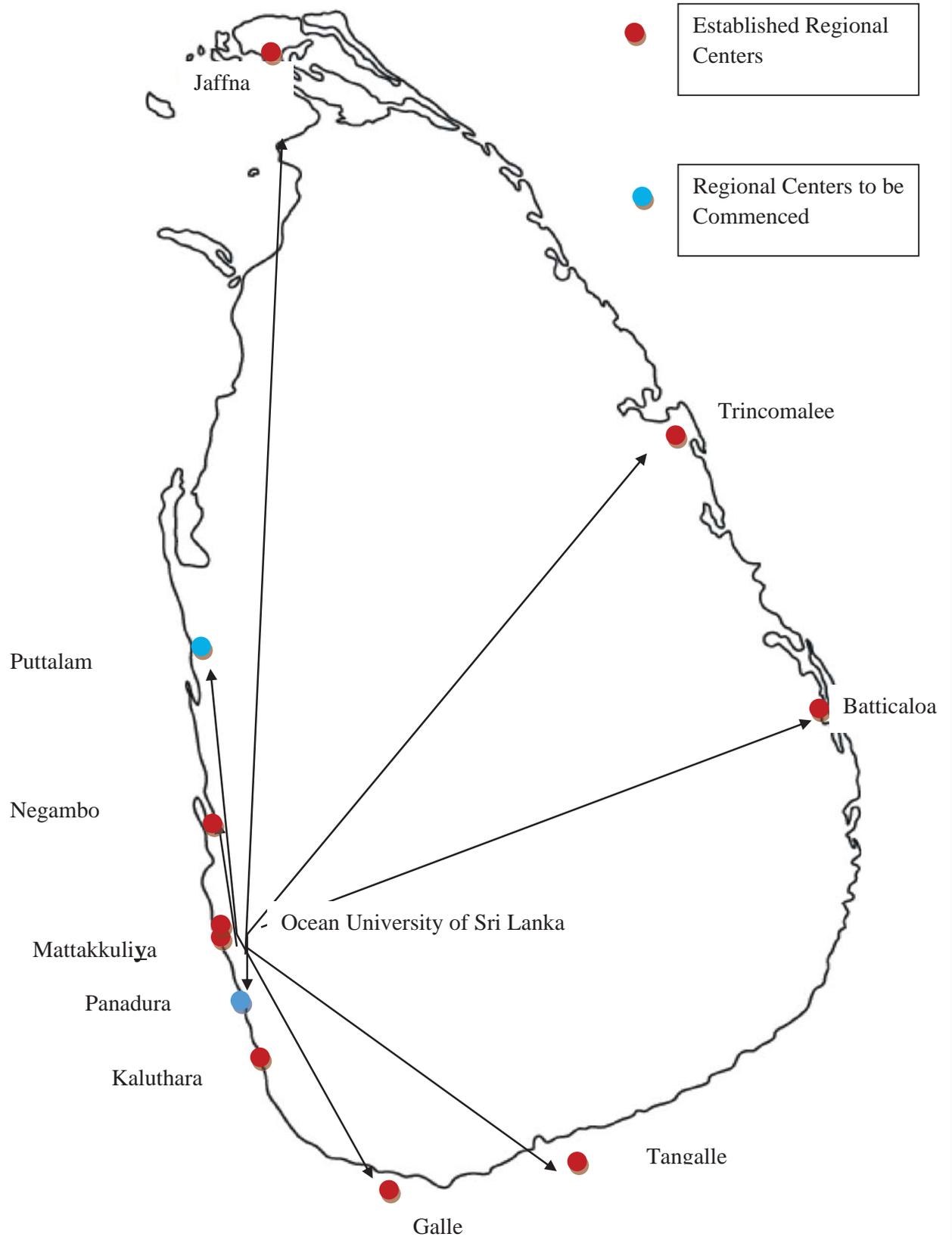
7. Training Division

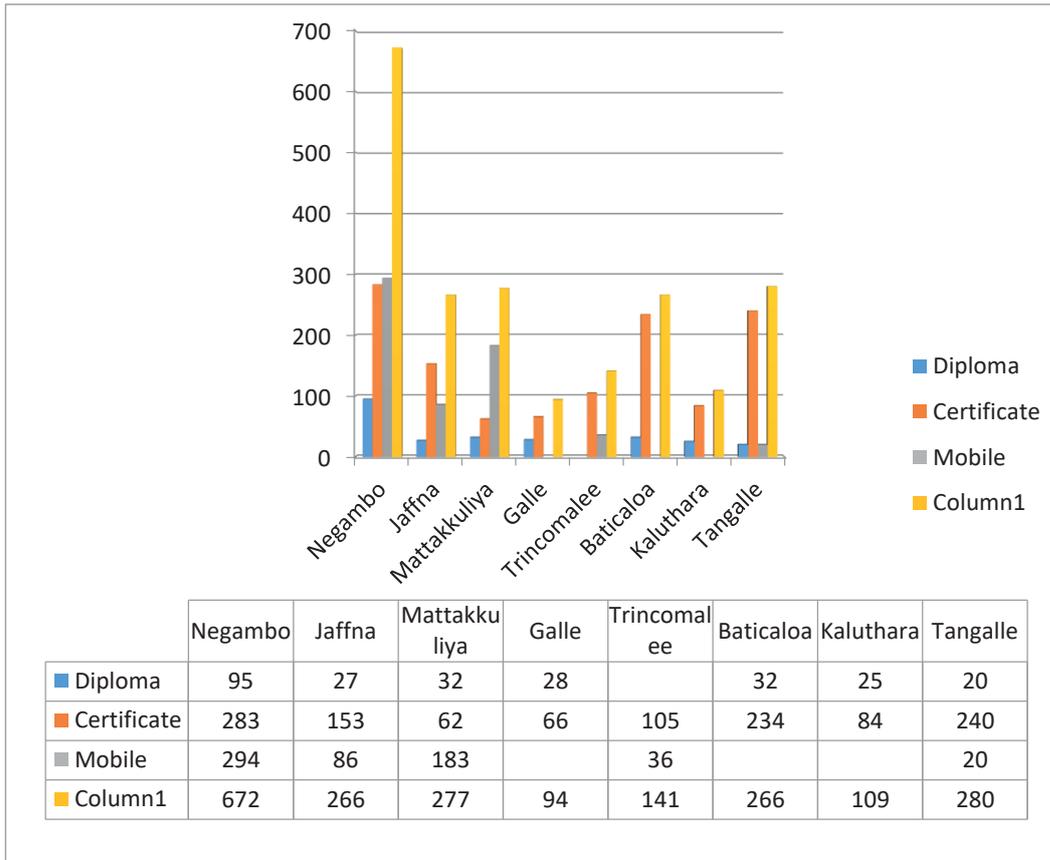
The progress of the courses conducted at 08 Regional Colleges under Vocational Training Division of the Ocean University of Sri Lanka in the Year 2019 is as follows.

Sector	Skill Level (NVQ/ NON NVQ)	No. of enrolled students	No. of students completed the course	No. of students left the course	Up to the year 2020
Fisheries and Aquaculture	NVQ	594	105	69	420
	Non	733	534	39	160
Information Technology and Communication	NVQ	185	16	11	158
	Non	0	0	0	0
Marine and Nautical Science	NVQ	278	25	32	221
	Non	61	53	8	0
Other (Current)	NVQ	0	0	0	0
	Non	1393	1393	0	0



Regional Centers functioning under the Ocean University of Sri Lanka





Achievements obtained in the year 2019 are as follows.

❖ Construction of a 04 storied building was commenced in 2017 at a cost of Rs.124 million under the provisions of the Skills Sector Development Project, and by the end of 2019 98% of the work has been completed.



❖ Jaffna Regional Centre of Ocean University of Sri Lanka won the first place for the National Vocational Training Excellence Award - 2019 at medium level of a Government Institute at National and Provincial Level.



- ❖ Assigning of students for job-oriented training institutes upon the completion of courses by the Regional Centers.
- ❖ Developing of courses from NVQ 5 to NVQ 6 and NVQ 7 levels.
- ❖ Making arrangements to provide a productive service to the trainees with a proper management through the introduction and implementation of a Quality Management System - QMS for the centers.
- ❖ Providing of fishing vessel operator training for 579 multiday fishing vessel Operators Island wide.
- ❖ Construction of a welding workshop for the Mattakkuliya Regional Center.
- ❖ Preparation of curricula for National Quality Assurance Level 7 for the Degree in Aquaculture and Seafood Processing Technology.
- ❖ As per the request of Department of Fisheries and Aquatic Resources, making arrangements to grant Internationally Recognized Fishing Vessel Operator Certificate for Multi-Day Fishing Vessel Operators by the Regional Centers.

Actions taken to improve student participation

- ❖ Making aware of the fishing community of the courses and providing opportunities for their children to follow courses.
- ❖ Taking action to increase the enrollment of students for the courses by publishing detailed information about the courses in the newspapers, television and electronic media to make aware the service seekers scattered all over the island.
- ❖ Implementing of awareness programs for students and teachers in public schools in their respective areas by the Regional Centers.
- ❖ Educating the public by presenting exhibition stalls for local and national level exhibitions.

8. Administration Division

Progress of the Sub Divisions implemented under the Administration Division:

Human Resources Division

With the objective of achieving the Vision and Mission of the University and creating a productive and efficient staff, the Human Resource Division directs the employees for the training programs required, and manages the staff with a proper disciplinary system.

01. Recruitment for the lecturer posts required by the Ocean University of Sri Lanka.
02. Preparation of the set of proposals relevant to the absorption of the staff who have not absorbed to the Ocean University of Sri Lanka.
03. Making necessary arrangements to develop the capacity of employees.
04. Direction of staff for the training requirements

Accordingly, staff from 01.01.2019 to 31.12.2019 can be cited as follows.

Staff Details

Staff	Salary Code	Approved Cadre	Existing Staff			Actual Staff	Vacancies of the permanent staff
			Permanent	Temporary	Contract		
Academic	UAC/ Allowance	34	26	-	02	28	08
Library	U AC	03	0	0	0	0	03
Administration & Finance	U EX 3	02	02	0	0	02	00
Other Executive	U EX 2/U EX 1	24	17	0	0	17	07
Health							
Academic Support	U EX 1/U MN /AR 1	90	22	0	25	47	68
Technical Officer	U MT	18	07	0	0	07	11
Management Assistant	U MN	66	49	0	0	49	17
Primary	U PL	98	79	0	0	79	19

(b) Details of the Non-Academic Staff

Faculty / Regional Centre	Cadre				
	Senior	Tertiary	Secondary	Primary	Contract
Department of Fisheries and Marine Sciences	11	00	08	02	00
Department of Oceanography	02	00	00	00	00
Department of Aquaculture and Seafood Technology	00	00	00	00	00
Faculty of Engineering and Management	04	00	00	00	00
Department of Coastal and Marine Resources Management	05	00	00	00	01
Department of Maritime Transportation and Logistics Management	03	00	01	02	01

(c) Staff Participation for the Training Programs

Course	Program	Local	Foreign	No. of Participants
Postgraduate Degree Program	KOICA Masters Fellowship Program		✓	10
Postgraduate Diploma	Ph.D Degree Program		✓	01
Degree Programs				
Diploma programs				
Certificate courses				
Other (seminar/ workshops)	Labour Law and Disciplinary Procedures for Administrative Professionals	✓		01
	Social Security Laws	✓		03
	Preparation of the Government Officers' Advance B Account	✓		01
	Operation and Maintenance of Generators	✓		01
	Workshop on Use and Maintenance of Power Generators	✓		01
	Employment conditions and Disciplinary Procedure from workplace to supreme court	✓		02
	Workshop on Continuing and Maintenance of Fixed Assets related to Property/ Equipment	✓		01
	Duties and Responsibilities of Office Aides (KKS)	✓		05
Total				26

Progress

01. Assumption of duties in the post of Vice Chancellor by Prof.Nalin Rathnayake as the second Vice Chancellor.
02. Taking action to completely fill higher academic staff vacancies for lecturers.
03. Submission of a Cabinet Memorandum for recruiting a Chief Nautical Engineer.
04. Provision of University Salary Codes to 41 staff members which was delayed in the Absorption.
05. Drafting of university scheme for 32 posts and submission it to the ministry.
06. Providing of opportunity for 10 lecturers to pursue postgraduate Degree programs at two Korean Universities.

8.2 Transport

01. The following 06 vehicles which were in a dilapidated condition were disposed of during the year.

Type of the Motor Vehicle	Vehicle No.
Suzuki Cab	50-6189
Isuzu Journey Bus	29-5410
Honda Motorcycle	GL 0361
Mitsubishi Galan	17-3404
Isuzu Journey Bus	29-5408
Bajaj motorcycle	146-6057

02. Completion of the disposal of two more vehicles which are in a dilapidated condition at Tangalle College.

Type of the Motor Vehicle	Vehicle No.
Isuzu Journey Bus	29-5407
Bajaj Motorcycle	146-6027

03. Disposal of 02 vehicles in the head office

Type of the Motor Vehicle	Vehicle No.
Mitsubishi Pajero Jeep	64-5796
1677- Mitsubishi Lori	42-1677

04. Obtaining 06 Vehicles for the Ocean University of Sri Lanka from the Presidential Secretariat.

Type of the Motor Vehicle	Vehicle No.
Lancrusher Jeep	65-5278
Super Saloon	KO-8665
Kareena	KB-7104
Tata Mini Bus	NA 99673
Bolero Cab	PA 7094
Liana	KA 9810

05. Repairing the jeep 31-5324 attached to the Trincomalee Regional College.
06. Attachment of another vehicle KB 0381 to Tangalle Faculty.

9. Internal Audit Division

Vision of the Internal Audit Division

Contribute to the meaningfulness of good governance by maintaining a continuous and independent evaluation on existing internal control systems in financial activities, governance and development activities, and by making recommendations for remedial measures having participated in the said process.

Role of the Internal Audit Division

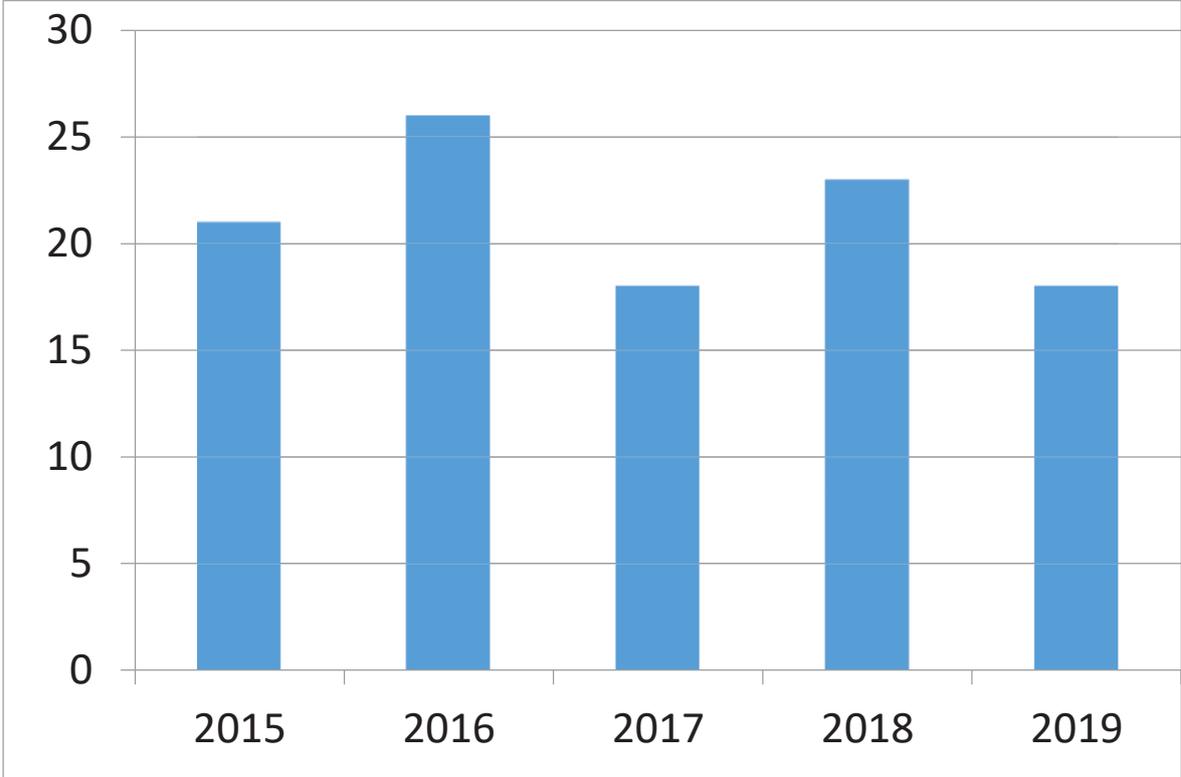
01. To find out whether the activities of the internal control system are successful.
02. To investigate whether required information is provided to make accurate financial statements.
03. To find out whether the staff is performing the assigned tasks.
04. To find out whether the security of the assets is guaranteed.
05. To find out whether the rules, regulations and procedures are being followed.
06. To find out whether there are control systems to prevent waste, corruption and unnecessary spending.
07. To inquire whether assets are being used economically.
08. Conducting of special investigations.
09. To examine operational activities from a management perspective.
10. To inquire regarding target factors.

The Internal Audit Division also conducts audit and investigation duties covering all other colleges in the country and guides the financial and administrative activities of the institution towards the right direction.

Progress of the Audit Division

- ❖ Implementation within the internal audit work plan.
- ❖ Compilation of 18 internal audit queries and coordination of its progress.
- ❖ Conducting of Audit Management Committees and reviewing the actions taken by the institute.

Internal Audit Queries

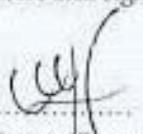


10. Final Accounts

Ocean University Of Sri Lanka Statement of Financial Position As at 31st December 2019

	Note	2019		2018	
ASSETS					
Non Current Assets					
Property, Plant & Equipment	9	648,762,979	Rs.	592,759,143	Rs.
			648,762,979		592,759,143
Fixed Deposits		4,593,819			
Current Assets			4,593,819		
Staff Loan	10	13,167,510		12,540,685	
Inventories	11	1,422,223		1,799,717	
Trade & other Receivables	12	32,654,272		77,829,168	
Suspense		85,433		85,433	
Cash & cash equivalents	14	15,589,028	62,918,466	15,749,150	108,004,153
Total Assets			716,275,264		700,763,296
EQUILITY & LIABILITIES					
Capital & Reserves	15	3,576,819			
Accumulated Funds	15.1	822,051,587		830,564,112	
Accumulated Funds SSDP	15.2	239,045,854		201,422,283	
Accumulated Excess/(Deficits)	16	(514,416,548)		(445,391,295)	
			550,257,712		586,595,120
Non Current Liabilities					
Deferred Income					
Provision for Gratuity		63,379,169	63,379,169	45,331,680	45,331,680
Current Liabilities					
Accrued Expenses	17	83,644,548		55,834,256	
Payables	18	18,993,833	102,638,380.7	13,002,239	68,836,495
Total Liabilities			716,275,264		700,763,296

The accounting policies on pages 05 to 08 and notes on pages 09 to 14 from an integral Part of these Financial Statements. The board of directors is responsible for the preparation and Presentation of these Financial statements. These Financial Statements were approved by the Board of Directors and signed on their behalf.

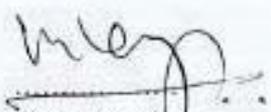


 Director Finance


 Vice-Chancellor
 Ocean University Of Sri Lanka,



 Board Member



 Board Member

Ocean University Of Sri Lanka
Statement of Financial Performance
for the Year Ended 31st December 2019

	<u>Notes</u>	2019	2018
		Rs.	Rs.
Operating Revenue			
Government Grant	1	325,340,000	309,048,000
Other Income		4,617,034	11,575,725
SSDP-Recurrent Grant		4,177,597	5,260,073
Operating Revenue		<u>334,134,631</u>	<u>325,883,797</u>
Deferred Income from Amortization		71,119,936	59,520,683
		<u>405,254,567</u>	<u>385,404,480</u>
Operating Expenses			
Personal Emoluments	2	265,576,275	223,470,891
Travelling	3	3,136,345	2,733,151
Supplies & consumable used	4	8,607,415	8,946,878
Maintenance	5	5,282,355	5,127,480
Contractual Services	6	78,052,964	67,556,151
Training Expenses	7	20,779,816	19,709,580
Others	8	4,448,977	3,356,208
Depreciation	9	71,119,936	59,520,686
Total Expenditure		<u>457,004,082</u>	<u>390,421,024</u>
Net Surplus/(Deficit) for the period		<u>(51,749,516)</u>	<u>(5,016,544)</u>

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER 2019

Rs.

	Government Contribution	SSDP Grant	Capital Reserves	Accumulated Excess(Deficits)	Total
Balance as at 01st of January 2017	749,318,173	166,331,014		(435,126,654)	480,522,533
Profit for the year				(5,016,544)	(5,016,544)
Capital Grant Received During the year		34,358,175			34,358,175
Prior year adjustment				(5,248,097)	(5,248,097)
Capital Grant Received During the year	136,159,250	39,698,660			175,857,910
Defferd Income	(54,913,291)	(4,607,391)			(59,520,682)
Balance as at 31st of December 2018	830,564,132	201,422,283		(445,391,295)	586,595,120
Profit for the year				(51,749,516)	(51,749,516)
Actual (Losses) / Gains on Employees Benefits				-	-
Prior year adjustment				(17,275,737)	(17,275,737)
Capital & Resrves			3,576,819		
Capital Grant Received During the year	58,000,000	42,230,962			100,230,962
Deferred Income	(66,512,545)	(4,607,391)			(71,119,936)
Balance as at 31st of December 2019	822,051,587	239,045,854	3,576,819	(514,416,548)	550,257,713

OCEAN UNIVERSITY OF SRI LANKA
INDIRECT METHOD CASHFLOW STATEMENT
CONSOLIDATED CASH FLOW STATEMENT FOR PERIOD ENDED
31ST DECEMBER 2019

	<u>31/12/2019</u>	<u>31/12/2018</u>
	Rs.	Rs.
CASH FLOWS FROM OPERATING ACTIVITIES		
Net Profit /(Loss) before Taxation	(51,749,516)	(5,016,544)
ADJUSTMENTS FOR		
Grants Adjustments	-	38,495,591
Gratuity Provisions	20,223,914	12,294,349
Depreciation	71,119,936	59,520,686
Prior - year Adjustments	(17,275,737)	23,324,267
- PPE Adjustments	23,105,810	
Amortization	(71,119,936)	(59,520,686)
	<u>(25,695,529)</u>	<u>69,097,663</u>
Operating profit before working capital changes		
(Increase)/Decrease in inventories	377,495	(775,028)
(Increase)/Decrease in Trade & other Receivables	44,548,071	(15,055,206)
Increase /(Decrease) in Trade & other Payables	33,801,886	(21,962,106)
Cash Generated from Operating Activities	<u>78,727,452</u>	<u>(37,792,341)</u>
Gratuity Paid	(2,176,426)	(738,258)
Net cash Flows From Operating Activities	<u>(2,176,426)</u>	<u>(738,258)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Fixed Deposits	(4,593,819)	
Acquisition of Property ,Plant & Equipment	(150,229,582)	(155,443,039)
CASH FLOWS FROM FINANCIAL ACTIVITY	<u>(154,823,401)</u>	
Resrves	3,576,819	
Capital Grant	58,000,000	109,000,000
Capital Grant (SSDP)	42,230,962	28,362,319
Net Cash Flow From Financial Activity	<u>103,807,781</u>	<u>137,362,319</u>
Net Increase /(Decrease) in Cash and Cash Equivalent	(160,123)	12,486,344
Cash & Cash Equivalent at Beginning of the Period	<u>15,749,150</u>	<u>3,262,800</u>
Cash & Cash Equivalent at End of the Period	<u>15,589,027</u>	<u>15,749,150</u>

Ocean University of Sri Lanka

Notes to the Account

As at 31st December 2019

	Budget Allowance for 2019 (Rs)	as at 31.12.2019 (Rs)	as at 31.12.2018 (Rs)
Note 1 Other Income			
Distress Loan Interest		489,150	447,735
Sundry Income		470,707	5,377,430
Course Fee Income			
Higher Education		872,075	1,189,350
Colleges		190,173	4,216,632
Hostel & House Rent Income		297,912	344,578
Course Fee - Skipper		1,389,181	
- Mobile		702,836	
- Tender Fees		5,000	
- Symposium		200,000	
		<u>4,617,034</u>	<u>11,575,725</u>
Note 2 Personal Emoluments			
Salaries & Wages	95,330,000	104,046,584	96,794,028
E.P.F	18,300,000	14,911,472	14,915,202
E.T.F	4,547,000	3,732,228	3,635,044
Other Allowance	97,163,000	99,422,269	76,052,977
Overtime	7,200,000	9,048,724	6,237,748
Gratuity	6,000,000	20,223,914	
SSDP -Performance base allowances			12,294,349
Visiting Lecture Fees	16,800,000	14,191,084	13,541,544
	<u>245,340,000</u>	<u>265,576,275</u>	<u>223,470,891</u>
Note 3 Travelling Expenses			
Domestic	1,800,000	2,970,493	2,065,289
Foreign	200,000	165,852	667,862
	<u>2,000,000</u>	<u>3,136,345</u>	<u>2,733,151</u>
Note 4 Supplies			
Stationery & office requisites (Note 4.1)	2,500,000	4,111,537	4,891,849
Fuel & Lubricants for Vehicles	4,000,000	3,976,349	3,587,865
Cleaning & Other material		78,668	93,568
Medical Supplies	600,000	440,861	373,597
	<u>7,100,000</u>	<u>8,607,415</u>	<u>8,946,878</u>
Note 4.1 Stationery & office requisites			
Opening Balance		1,799,718	1,024,689
Add: Purchases During The Year		3,734,042	5,666,876
Less: Closing Balance		(1,432,223)	(1,700,212)

Ocean University of Sri Lanka

Notes to the Account

As at 31st December 2019

	Budget Allowance for 2019 (Rs)	as at 31.12.2019 (Rs)	as at 31.12.2018 (Rs)
Note 5			
Maintenances Expenditure			
Vehicles	2,000,000	2,869,639	2,688,408
Buildings & Structures	500,000	1,117,555	979,917
Machinery	500,000	785,055	152,269
Boat & Vessel	100,000		
Office Equipment	100,000	510,107	1,306,887
	<u>3,200,000</u>	<u>5,282,355</u>	<u>5,127,480</u>
Note 6			
Contractual Services			
Telecommunication	7,500,000	7,085,778	6,583,256
Postal Charges	500,000	276,795	263,670
Transport	1,500,000	1,646,922	1,919,156
Electricity	8,000,000	7,942,468	6,746,526
Water	2,000,000	2,284,009	2,296,599
Rent & Local Taxes	19,000,000	33,966,374	24,348,087
Others	100,000	500,482	2,096,271
Security Charges	13,500,000	16,321,948	14,076,633
Janitorial Service	5,052,000	8,028,187	7,805,493
Audit Fees	950,000	-	1,420,460
	<u>58,102,000</u>	<u>78,052,964</u>	<u>67,556,151</u>
Note 7			
Training			
Training Materials			
C.T.C.Colleges	4,500,000	4,586,055	8,646,297
C.T.C.University	6,824,000	8,424,261	4,915,817
Skipper Training Expenditure		803,092	
Mobile Training Expenditure		378,910	
Project expenses			
Capacity Building	2,750,000	2,002,712	887,393
SSDP-Recurrent Expenditure		3,218,437	5,260,073
Research & Development	2,578,000	1,366,348	
	<u>16,652,000</u>	<u>20,779,816</u>	<u>19,709,580</u>
Note 8			
Others			
Staff welfare	1,200,000	1,510,440	1,389,311
Entertainment	500,000	923,790	1,218,787
Board Member Fees	600,000	364,017	450,677
Bank Charges		26,615	36,534
Consultancy	100,000	38,910	188,523
Legal & Other Allowance	500,000	1,583,905	52,583
Diets & Uniform		-	19,794
Others	34,000	1,300	-
	<u>2,934,000</u>	<u>4,448,977</u>	<u>3,356,208</u>

Ocean University of Sri Lanka

Notes to the Accounts as at 31st December 2019

Note - 09 -

Property Plant & Equipment

Description	Budget Code	Balance as at 01 .01 .2019	Additions	Disposals	Balance as at 31 .12 .2019
Cost of the Assets					
Land & Land Improvement	2105	7,939,174.75			7,939,174.75
Rehabilitation of Building	2001/01	140,468,025.06		(6,824,072.00)	133,643,953.06
Acquisition- Plant & Machinery	2103	104,541,333.72	31,286,673.00		135,828,006.72
Acquisition- Building	2104	183,966,316.94	23,832,545.34		207,798,862.28
Rehabilitation of Boat & Vessels	2005/02	11,832,028.02			11,832,028.02
Fishing Gear Equipment	2107/02	37,273,126.17			37,273,126.17
Furniture & Fittings	2102	102,741,879.49	4,400,206.49		107,142,085.98
Name Boards	2106/02	1,459,114.80			1,459,114.80
Library Books	2107/03	26,007,045.38	184,548.60		26,191,593.98
Other Assets	2106/00	8,267,273.72	383,300.00		8,650,573.72
Rehabilitation of Vehicles	2003	22,713,970.61	1,307,495.62		24,021,466.23
Computers	2103/03	31,211,625.93	2,114,375.40		33,326,001.33
Acquisition - Vehicle	2101	42,373,703.02			42,373,703.02
Laboratory Equipments	2107/04	9,728,427.82			9,728,427.82
Rehabilitation of office Equipments	2004/00	2,951,207.32	85,488.00		3,036,695.32
Rehabilitation of Plant & Machinery	2002	2,715,688.56	604,808.67		3,320,497.23
Acquisition-Training Equipments	2107	64,902,190.12	2,979,686.00		67,881,876.12
Rehabilitation of Training Equipments	2003/00	8,849,670.43			8,849,670.43
Negombo Hostel	2104/02	37,436,137.51			37,436,137.51
Chairman Office building	2104/03	20,185,385.00			20,185,385.00
-Jaffna Building	2104/03	27,646,398.62			27,646,398.62
University Cloaks			1,079,250.00		1,079,250.00
Sub Total		895,589,410.56	68,252,377.12	(6,824,072.00)	957,017,715.68

Description	Budget Code	Balance as at 01 .01 .2019	Additions	Disposals	Balance as at 31 .12 .2019
Working progress					
Ocean University regional center building -Panadura	2104-5	54,437,728.55	62,583,061.58		117,020,790.13
Working progress boossa building	-2110	12,042,337.60	10,437,776.04		22,480,113.64
Work shop Matinkkulliyin	-2110		6,681,033.40		6,681,033.40
JAICA Building wards at Tangalle	2104-9		1,722,803.24		1,722,803.24
Student Hostel at Tangalle			552,530.96		552,530.96
Sub Total		66,480,266.15	81,977,205.22	-	148,457,471.37
Grand Total		962,069,676.71	150,229,582.34	(6,824,072.00)	1,105,475,187.05

Description	Budget Code	Balance as at 01 .01 .2019	Additions	Disposals	Balance as at 31 .12 .2019
Accumulated Depreciation					
Land & Land Improvement	2105	2,932,277.36	793,917.48		3,726,194.84
Rehabilitation of Building	2001/01	66,165,048.00	7,023,401.25		73,188,449.25
Infrastructure - Negombo Jetty	2001/02	341,718.44	18,284.38		360,002.82
Acquisition- Plant & Machinery	2103	60,995,726.17	11,581,236.99		72,578,963.16
Acquisition- Building	2104	30,210,202.38	9,241,390.48		39,451,592.86
Rehabilitation of Boat & Vessels	2005/02	10,705,468.77	1,126,258.25		11,832,027.02
Fishing Gear Equipment	2107/02	29,912,591.53	3,727,312.62		33,639,904.15
Furniture & Fittings	2102	33,983,878.34	10,295,670.72		44,279,549.06
Name Boards	2106/02	795,109.29	160,055.06		955,164.35
Library Books	2107/03	10,723,140.65	2,600,704.34		13,323,845.19
Other Assets	2106/00	1,949,274.35	829,921.54		2,779,195.89
Rehabilitation of Vehicles	2003	22,713,969.61	310,161.43		23,024,131.06
Computers	2103/03	31,211,624.93	103,780.75		31,315,405.68
Acquisition - Vehicle	2101	16,346,087.44	9,745,875.58		42,373,702.02
Laboratory Equipments	2107/04	8,531,817.74	972,842.78		9,504,660.52
Rehabilitation of office Equipments	2004/00	928,954.12	295,833.13		1,224,787.25
Rehabilitation of Plant & Machinery	2002	1,896,061.30	272,413.36		2,168,474.66
Acquisition-Training Equipments	2107	21,464,123.60	6,346,432.66		28,010,536.26
Rehabilitation of Training Equipments	2005/00	2,971,014.31	884,967.84		3,855,981.35
Negombo Hostel	2104/02	6,551,324.08	1,871,806.88		8,423,130.96
Chirman Office building	2104/03	3,027,807.75	1,009,269.25		4,037,077.00
-Jaffna Building	2104/03	4,933,313.08	1,382,319.93		6,335,633.01
University Cloaks			323,100.00		323,100.00
Sub Total		569,310,533.24	71,119,936.12	-	456,712,208.36
Written Down Value as at 31st December		592,759,143.47			648,762,978.69

Ocean University of Sri Lanka

Notes to the Account

As at 31st December 2019

90

	Budget Allowance for 2019 (Rs)	as at 31.12.2019 (Rs)	as at 31.12.2018 (Rs)
Note 10 Staff Loan			
Distress Loan		12,872,045	12,206,667
Festival Advance		123,250	141,804
Book Loan		750	750
Tsunami loan		171,464	191,464
		<u>13,167,510</u>	<u>12,540,685</u>
Note 11 Stocks at 31/12/2019			
stationery		1,422,223	1,799,717
		<u>1,422,223</u>	<u>1,799,717</u>
Note 12 Receivables			
Refundable Deposits(Electricity NARA)		218,750	218,750
Refundable Deposits(Vehicle Rent))		47,000	47,000
Advances		3,742,168	3,742,168
Deposits (Hostel Deposits)		1,713,000	1,708,500
Course Fees Receivables-University		11,797,123	15,092,123
Salary Advance		-	116,500
Hostel fees-Receivable - University		215,404	2,892,804
Ministry of fisheries Advance		930,593	930,593
Refundable Hostel Fees		110,000	110,000
Travelling Advanced			15,000
Fuel Allowance		18,635	18,635
Refundable Tender Deposits - Nara		180,000	180,000
NARA Refundable		33,269	62,702
Refundable Deposits		124,920	126,920
Hostel Deposit		400,000	400,000
Buiding Deposit - Receivables		5,750,000	18,400,000
Welfare -NIFNE		10,500	10,500
Funds Receivable From SSDP		1,148,542	12,862,508
Advanced Payment for panadura			18,841,101
Boossa Bulding			2,053,364
W I P Work shop buiding at Mattakkuliya		1,631,936	
Tricomale Building		4,153,670	
Advanced Payment Boossa Stage 2		382,573	
Fixed deposit Intrest Receivables		46,190	
		<u>32,654,272</u>	<u>77,829,168</u>

Ocean University of Sri Lanka

Notes to the Account

As at 31st December 2019

	Budget Allowance for 2019 (Rs)	as at 31.12.2019 (Rs)	as at 31.12.2018 (Rs)
Note 14 Cash & cash Equivalents		14,909,110	13,184,971
Cash at Bank- Peoples Bank-9868		679,919	2,564,179
Cash at Bank- Peoples Bank-9909		15,589,028	15,749,150
Note 15 Capital & Reserves			
University Administrative Fund		1,192,273	
Vice Chancellor Fund		596,135	
University Administrative Fund		1,788,411	
		<u>3,576,819</u>	
Note 15.1 Accumulated Fund			
Opening Balance		830,564,132	749,318,173
Add: Government Contribution		58,000,000	109,000,000
Grants Received from Treasury			20,575,000
Amortization amount Declared from Grant		(66,512,545)	(54,913,291)
Closing Balance		<u>822,051,587</u>	<u>823,979,882</u>
Grant received from other Institute			6,584,250
Total Grant		<u>822,051,587</u>	<u>830,564,132</u>
SSDP-Accumulated Fund			
Opening Balance		201,422,283	166,331,014
SSDP-Accumulated Fund		42,230,962	39,698,660
Amortization amount Declared from Grant		(4,607,391)	(4,607,391)
Closing Balance		<u>239,045,854</u>	<u>201,422,283</u>
Note 16 Accumulated Surplus/(Deficits)			
Opening Balance(Deficits) During the year		(445,391,295)	(435,126,654)
Add: Surplus /(Deficits)		(51,749,516)	(5,016,544)
Prior year adjustment		(17,275,737)	(5,248,097)
Closing Balance		<u>(514,416,548)</u>	<u>(445,391,295)</u>
Note 17 Accrued Expenses			
Accrued Expenses		83,644,548	55,834,256
		<u>83,644,548</u>	<u>55,834,256</u>

	Budget Allowance for 2019 (Rs)	as at 31.12.2019 (Rs)	as at 31.12.2018 (Rs)
Note 18 Payables			
Retention		12,281,020	9,246,126
Refundable Deposits (Tender Deposit)		107,200	461,826
Library Deposit (Refundable)		1,641,000	964,000
Science Deposit (Refundable)		792,000	452,000
Stamp Duty			21,250
PAYE		24,365	3,090
Receivable		3,700	3,700
Refundable Hostel Deposit		652,526	107,200
Audit Fees		1,353,213	1,353,213
Payable to creditors		493,492	388,434
Other		1,400	1,400
WIIT		300,468	
Advanced Payment for panadura		1,343,450	
		<u>18,993,833</u>	<u>13,002,239</u>

11 . Auditor General's Report

National Audit Office

My No: VTY/G/C/OUSL/2019/02

Date: July 09, 2020

Vice Chancellor

Ocean university of Sri Lanka

Report of the Auditor General on the Financial Statements and Other Regulatory Requirements of the Ocean University of Sri Lanka for the year ended 31 December 2019 in terms of Section 12 of the National Audit Act No. 19 of 2018

Certified Financial Statements and the aforesaid report is sent herewith.

Sgd. by

W.P.C.Wickramaratne

Auditor General

National Audit Office

My No: VTY/G/C/OUSL/2019/02

Date: July 09, 2020

Vice Chancellor

Ocean University of Sri Lanka

Report of the Auditor General on the Financial Statements and Other Regulatory Requirements of the Ocean University of Sri Lanka for the year ended 31 December 2019 in terms of Section 12 of the National Audit Act No. 19 of 2018

1. Financial Statements

1.1 Qualified Opinion

The audit to financial statements of the Ocean University of Sri Lanka for the year ended 31 December 2019 comprising the statement of financial position as at 31 December 2019 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended and notes to the financial statements 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 provisions of the Section 51(2) of the Sri Lanka Ocean University Act No. 31 of 2014 and National Audit Act, No. 19 of 2018.

In my opinion, except for the effects of the matters described in Basis for the Qualified Opinion in my report, the financial statements give a true and fair view of the financial position of the Ocean University of Sri Lanka as at 31 December 2019, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

1.2 Basis for Qualified Opinion

(a) In terms of Sri Lanka Public Sector Accounting Standard 03, when correcting accounting errors done in previous years by the entities should be adjusted to effect to the prior years and disclosed in financial statement but had not been done for debit value of Rs. 18,294,286 and credit value of Rs. 1,081,250 accordingly.

- (b) In terms of Paragraph 47 of the Sri Lanka Public Sector Accounting Standard 07, when the fair value of items of property, plant and equipment differs materially, it should be necessary to revalue in every three or five years. Nevertheless, action had not been taken accordingly in respect of property, plant and equipment owned by the University of which the net value amounted to Rs.500,305,508 as shown in the statement of financial position as at 31 December of the year under review. Moreover, contrary to paragraph 21 of that Standard expenditure of recurrent nature amounting to Rs.1,301,495 incurred on repairs and maintenance of motor vehicles had been capitalized.
- (c) Since use full if e of the non-current assets had not been reviewed annually in terms of Paragraph 65 of the Sri Lanka Public Sector Accounting Standard 07,two items of fixed assets coasted Rs.53,925,596 were further in use despite being fully depreciated. However, action had not been taken to revise the said estimated error in terms of Sri Lanka Public Sector Accounting Standard 03.
- (d) Assume of Rs.4,153,670 in cured on the renovation of buildings of the Trincomalee College had been debited to the advance Account instead of Buildings Account and the value of property, plant and equipment was under stated and the balance of the advance account was overstated from that amount at the end of the year under review.
- (e) In the correcting of the error occurred by debiting the accrued expenditure account at the settlement of the amount pay able for two constructions related to previous years which had not been accounted for as accrued expenses amounted to Rs.3,764,056, the deficit and surplus account had been debited instead of debiting to the relevant asset account.
- (f) Detailed schedules for receivable and payable accounts that were included in financial statements amounted to Rs. 49,989,268 relevant to four account heads had not been submitted for auditing.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

Responsibilities of Management and Those Charged with Governance for the Financial Statements

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

In preparing the financial statements, management is responsible for assessing the Ocean University' ability to continues going concern, disclosing matters related to going concern and using the going concern basis of accounting unless management either in tendstoliqui date the Ocean University or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Ocean University's financial reporting process.

As per Sub-section16(1) of the National Audit Act,No.19 of 2018,the Ocean University is required to maintain proper books and records of all its income ,expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the University.

1.4 Auditor's Responsibility for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statement s as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional skepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not

detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions or the override of internal control.

- Obtain an understanding of internal control relevant to the audit 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 Ocean University's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Ocean University's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the University to cease to continue as a going concern.

Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Important audit findings, internal control deficiencies and other matters identified throughout my auditing were informed to those charged with governance.

02. Report on Other Legal and Regulatory Requirements

Special provisions are included in the National Audit act, No.19 of 2018 regarding the below mentioned requirements.

- As per the requirements mentioned in Section 12 (a) of the National Audit Act, No. 19 of 2018, excluding the impact made by the facts described in the Basis for Qualified Opinion of my report, I have obtained all the details and clarifications required for the Audit, as Indicated through my audit, the Ocean University has maintained proper financial reports.

-The financial statements submitted by the Ocean University as per the requirement mentioned in the Sentence 6 (1) (d) (III) of the National Audit Act, No. 19 of 2018 are compatible with the previous year.

- As per the requirement mentioned in the Sentence 6 (1) (d) (IV) of the National Audit Act, No. 19 of 2018, the recommendations made by me in the previous year are included in the financial statements submitted.

On the procedures follow and evidences obtained and in the limiting to quantitative facts, nothing drew my attention to made following statements.

- As per the requirement mentioned in the Sentence 12 (IV) of the National Audit Act, No. 19 of 2018, that a certain member of the governing council of the Ocean University has a direct or some other way connection apart the general business nature regarding certain agreement related to the Ocean University.
- As per the requirement mentioned in the Sentence 12 (f) of the National Audit Act, No. 19 of 2018, other than the following observations, it has been taken action non-compliance to certain relevant written law or other general or special provisions issued by the Governing Council of the Ocean University.

Reference to Regulation	Laws, Rules,	Description
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a) Sri Lanka Ocean University Act No. 31 of 2014 Section 10(1) and 10 (3)		Although the Chancellor of the University and the Director of the “Admissions Accreditation and Quality Assurance Council” were to be appointed, the University had not appointed officers to those posts from its inception.
(ii) Section 45		Even though it has to prepare annual budget estimates and annual budgeted financial estimates (financial appropriations) relevant to a certain financial year, such financial statements had not been prepared relevant to the year under review.

Only budget estimates had been prepared for obtaining provisions from the Treasury, those estimated values had been cited in the financial statement notes as budgeted values.

b) Financial Regulation 206 and 565(2) of the Financial Regulations of the Democratic Socialist Republic of Sri Lanka

Due to having occasion's that non-compliance of the provisions in the financial regulations on there funding of deposits, the value of the deposit that could be further settled to a person/institution on a specific day could not be ascertained. Further, also, deposit registers had not been maintained.

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- As per the requirement mentioned in the Sentence 12 (g) of the National Audit Act, No. 19 of 2018, that it had not been compliance with the powers, duties and the functions of the Ocean University.
 - As per the requirement mentioned in the Sentence 12 (h) of the National Audit Act, No. 19 of 2018, other than the following observation, that it had not utilized the resources of the Ocean University efficiently and productively within prescribed time frames having procured in conformity with relevant rules and regulations.

A new building of about 16,800 square feet had been obtained on a rental basis at monthly rent of Rs.2.3 million for the purpose of use by the Administrative and Academic Staff of the University and for Classrooms and Libraries from December 2017. In addition to the monthly rent, a sum of Rs.22million had been spent on the interior designs of the building. However, It did not show any increase in the number of students being enrolled to the university or the number of degree courses being conducted. An area of 11,778 square feet of the building complex owned by Ocean University was underutilized.

Other Audit Observations

- a) (i) Even though the number of registered students had increased from 87 under 04-degree courses in the year 2015 to 156 by the year 2016, there had not been a sufficient growth since then and by 2019 the number of students enrolled under 05 courses was only 207.

- (ii) The number of students following courses under 12 Vocational Courses (NVQs) in the year 2015 was 466 and that was not increased sufficiently and the number of students registered under 14 such courses was 604 in the year under review.

Accordingly, the management had not focused on enrolling more students for degree and Vocational courses.

- b) According to a test check conducted during the audit, 03 lecture books pertaining to 20 subjects covering 674 hours in the degree courses of the Mattakkuliya Faculty were not submitted for audit and the lecture books submitted had not included information on 435 hours to be covered under 08 subjects. Also, according to the records kept in the lecture books, out of 1854 hours which should have been covered under 38 subjects only 1218 hours were recorded. Accordingly, the audit revealed that there were shortcomings such as lack of proper supervision on the Lecture Record Books introduced by the University to cover the course content and incomplete information.
- c) In the test check conducted on the students who sat for the examinations, the students were eligible to appear for 1306 question papers for the first time in 36 subjects for which results have been issued from examinations conducted under degree courses in the Mattakkuliya faculty, but only 924 question papers were faced. Accordingly, it was observed during the audit that the university does not have a system to identify the number of students who are eligible to sit for the examinations under each course and the number of students who have appeared for the examinations under that course.
- d) The university had introduced a system of examining the answer scripts within two weeks and releasing the results after a week of evaluation, under the degree courses. According to the test check conducted on examinations held in May and June of the year under review in the Mattakkuliya Faculty, Students were eligible to appear for 3036 question papers under 85 subjects in 12 groups, but the results of only 924 answer scripts pertaining to 36 subjects in 09 groups had been issued as at 31 December of the year under review. The university had not followed a systematic mechanism to ensure that students appeared for the remaining question papers.

- e) The Admissions Accreditation and Quality Assurance Council, which is empowered under Section 23 of the University Act to formulate criteria for course content, number of students to be recruited and matters of academic staff, has met only 03 times during the year from the inception of the University in 2015 to the year under review but only the absorption of university staff was discussed.
- f) The Sea Training Vessel Maintenance Unit to be established under Section 5.1 (25) of the Ocean University Act No.31 of 2014 had not been established till the end of the year under review. 13 vessels such as Inboard, Outboard and High-Speed Boats received from 1994 to 2015 for use in this unit were remained idle and underutilized in the regional colleges.
- g) Even though the Perera Hostel at Mattakkuliya had been returned in the year 2015, the advance payment of Rs. 840,000/- made by the university for that had been stated under accounts receivable without recovering that amount.
- h) There were 09 long-term unresolved balances with a total value of Rs. 13, 784,801/- under accounts payable and receivable.
- i) Even though the approved cadre was 335, the number of staff serving by the end of year 2019 was 202. Accordingly, there were 60 vacancies in the academic staff, 78 vacancies in the non-academic staff and 15 excess staff under 04 designations.
- j) The approved cadre of Lecturers in the Higher Education Division where the degree courses are conducted was 31 and the actual cadre was 25, thus 06 vacancies were existed. However, service of 02 lecturers on contract basis and 67 external lecturers had been taken and a sum of Rs.1,200,000 and Rs.5,468,025 had been paid respectively as allowances.
- k) The approved cadre of Instructors in the Vocational Education Division, which conducts Vocational courses, was 74 and the actual cadre was 18 at the end of the year 2019. In addition to that, service of 25 consultants on contract basis and 79 external consultants had been taken and a sum of Rs. 9,976,285 and Rs. 5,735,245 had been paid respectively as allowances.

W.P.C.Wickramaratne

Auditor General

12. Clarifications Made to the Report of the Auditor General

My No. OCU/02/02/01-2019GA

Date: 06 October 2020

Auditor General
Auditor General's Department
306\$72" Polduwa Road,
Battaramulla

Reply Report Compiled for the Report of the Auditor General on the Financial Statements and Other Regulatory Requirements of the Ocean University of Sri Lanka for the year ended 31 December 2019 in terms of Section 12 of the National Audit Act No. 19 of 2018

Reference: Report of the Auditor General on the Financial Statements and Other Regulatory Requirements of the Ocean University of Sri Lanka for the year ended 31 December 2019 in terms of Section 12 of the National Audit Act No. 19 of 2018

01. The Reply Report compiled for the Descriptive Report of the Auditor General on the Financial Statements and Other Regulatory Requirements of the Ocean University of Sri Lanka for the year ended 31 December 2019 which was sent to us by you.

02. Submitted herewith for your kind attention and information.

Prof. N.P.Ratnayake

Vice Chancellor

Ocean University of Sri Lanka

Copies

01. Audit Superintendent – National Audit Office
Government Audit Division, Department of Technical Education and
Training, Colombo 10

Report of the Auditor General on the Financial Statements and Other Regulatory Requirements of the Ocean University of Sri Lanka for the year ended 31 December 2019 in terms of Section 12 of the National Audit Act No. 19 of 2018

1.2 (a) Agree with the audited matter, and we kindly inform those relevant rectifications will be adjusted as per the Sri Lanka Public Sector Accounting Standards and disclose in the financial year ended 31.12.2020.

1.2 (b) Agreed with the audited matter, and action will be taken to revalue property, plant and equipment as per the paragraph 47 of the Sri Lanka Public Sector Accounting Standard 07 at the year ended 31.12.2020.

Similarly, we kindly inform that the capitalized recurrent expenditure will be adjusted in accounts correctly and will submit the Auditor General's Department in the Audit Report of financial year ended 31.12.2020.

1.2 (c) I kept a note to annually review the use full if e of the non-current assets for the items costed Rs.53,925,596 in terms of Paragraph 65 of the Sri Lanka Public Sector Accounting Standard 07, and to submit in the Financial Year ended 31.12.2020 as well having revised in terms of the Sri Lanka Public Sector Accounting Standard 03.

1.2 (d) Necessary instructions have been given to rectify this error when preparing Final Accounts for the year ended 31.12.2020 of the Ocean University of Sri Lanka, and to update the balance of relevant assets account, advance account.

1.2 (e) Necessary instructions have been given to rectify this error when preparing Final Accounts for the year ended 31.12.2021 of the Ocean University of Sri Lanka, and to update the balance of relevant assets account, deficit and surplus account.

1.2 (f) I state that detailed schedules for receivable and payable accounts that are included in financial statements have been already submitted to you. Necessary action is being taken to identify the said balances more properly in the future.

2. Report on Other Legal and Regulatory Requirements

a) Sri Lanka Ocean University Act No. 31 of 2014 Actions are being taken in terms of Section 10 (1) of the Sri Lanka Ocean University Act No. 31 of 2014.

Section 10(1) and 10 (3) By now, accreditation is being carried out having appointed an Acting Director of Accreditation and Quality Assurance.

(ii) Section 45

After allocation and approval of recurrent and capital expenditure properly by the Treasury Department for the year 2020, necessary arrangements have been made to prepare the annual budget estimate and budgeted financial statements and to submit the governance board.

b) Financial Regulation 206 and 565 (2) of the Financial Regulations of the Democratic Socialist Republic of Sri Lanka

Steps are being taken to maintain deposit register and necessary action has been taken to identify that could be further settled to a person on a specific day and to submit with the accounts of the year ended 31.12.2020.

3. Other Audit Observations

a) i) Arrangements have been made to admit in maximum capacity based on existing lecture halls and class rooms. Steps have been taken to admit students having increased courses up to six in the year 2020. Since laboratories and workshops are obtained from external parties on rent basis, it is expected to admit more after increasing those facilities. Under the “KOICA” project to be received in the year 2024 with Korean assistance, it is proposed to admit 1600 students per year after having developed the university and established necessary facilities.

(ii) There weren't permanent instructors of the relevant field in the year under review, and since the members of the Governing Board were changed from time to time within a short duration of time for obtaining those appointments, and since there wasn't adequate time for obtaining the required approval for external and contract basis appointments, it was unable to recruit external instructors and on contract basis as planned.

(b) Many of the lectures are conducted by external lecturers. They have been informed to complete their lecturer record books, and action will be taken to introduce a new simple methodology in the future in this regard. Similarly, an acceptable methodology will be prepared for this through Deans and Academic Department Heads.

c) This issue has been identified; By Laws for conducting examinations in the university and for participating students in those have been incorporated and implemented since the year 2020. Similarly, a signature register of examination candidates is being maintained.

d) Many examination answer scripts are examined by external lecturers. There is a delay in obtaining results from them. For avoid that, written requests have been made from the Department of Management Services to recruit permanent lecturers.

e) The Admissions Accreditation and Quality Assurance Council was held for the first time in the year 2017. Thereafter it was conducted in each year. There, in the early years, arrangements were made to solve the matters related to absorption, which was a basic issue prevailed at the university, because without solving that issue there had been arisen a situation of incapability to continue as a university. However, at the Accreditation and Quality Assurance Council held last time, decisions were granted regarding higher education activities such as obtaining approval for conducting 06 higher education courses.

f) Even though it has been mentioned to take action to continue a Sea Training Vessel Maintenance Unit under the Ocean University Act, since there wasn't trained staff for that purpose, the approval of the Department of Management Services had been informed in writing. Similarly, some vessels were not in the running condition, and out of those a vessel with repairable condition has been repaired in the year 2020 and has been arranged for training purposes as per the requirement, and action had been taken to dispose the vessels that are not in a usable condition without repairing them. Similarly, as a temporary solution that unit has been established and appointed an acting supervisor.

g) It had been inquired from the Attorney General's Department for obtaining relevant hostel deposit, and further action in that regard is being taken.

h) At several instances, to write off the said balances, having submitted to the Audit and Management Committee and with the approval of the that committee, although it had been submitted to the approval of the Treasury Department through the line ministry with the

Approval of the governing council at that time, required approval wasn't received to write off the said balances through accounts.

Similarly, to take necessary action again to write-off these loan balances from accounts, then the Hon. (Acting) Minister of Industry and Commerce, Resettlement of Protracted Displaced Persons and Cooperative Development and Vocational Training and Skills Development had submitted a Cabinet Memorandum in the year 2019 as well, and in terms of that Cabinet

Memorandum, the Senior Assistant Secretary (Administration) of the Ministry of Industry and Commerce, Resettlement of Protracted Displaced Persons and Cooperative Development and Vocational Training and Skills Development had sent addressing the Vice Chancellor,

and with the said decision, and a memorandum has been prepared to submit to the first Audit and Management Committee in the year 2020 to settle this balance of Rs. 13,784,801/-, which is mentioned as the long-term unresolved balance in the Auditor General's Report, and it has been instructed to take further action in accordance with the recommendations of that committee.

i) 30 persons have been recruited for the academic staff of Higher Education Division, and it is to be recruited 23 persons in the future. The staff of Vocational Training Division consists with 17 academic staff members and it is to be recruited 24 in the future.

j) At least 13 lecturers have to be provided to each department in order to cover 65 subjects of 5 study programs of the University. However, since the currently available lecturers are not sufficient to conduct courses properly, action had been taken by the university to obtain the assistance of visiting lecturers. Generally, 13 lecturers are needed in order to cover the syllabus of one degree program, and for the administration affairs of the Higher Education Division. Accordingly, even though it is required the service of 65 lecturers for conducting the affairs of the university in a very efficient and effective manner, there is a dearth of 37 lecturers. By now, it has been requested from the Department of Management Services to recruit 20 lecturers. This issue will be solved after the filling of vacancies having approved the required academic staff for the university.

There are approximately 300 subject covering modules for degree programs of the university, and at least 13 lecturers are required to a single department for academic and administration activities of completing a degree program. Since the lecturers of the permanent staff can only cover nearly 130 specific lectures, the service of visiting lecturers has been obtained for conducting lectures efficiently and effectively.

k) 23 vocational courses are being conducted at regional centers, and since there aren't permanent instructors at the most of those centers, lecturers on visiting and contract basis have been recruited for properly implement courses at present. The number of approved instructors for the Vocational Studies Department is 69. Out of that although 18 are engaged in service by now, since it has to come in to an agreement on absorption issues and organizational structure for recruiting other instructors, action is being taken to rectify those activities within the year 2020.

Prof. Nalin Ratnayake
Vice Chancellor
Ocean University of Sri Lanka

