



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



වාර්ෂික වාර්තාව
வருடாந்த அறிக்கை - 2012
ANNUAL REPORT



EASTERN UNIVERSITY, SRI LANKA

ANNUAL REPORT - 2012

CONTENTS

	Page
1. Vision Statement	- 01
2. Mission Statement	- 01
3. Vice Chancellor's Review	- 01
4. Details of Resources & Students	- 07
5. Details of Local Students	- 08
6. Details of Academic Staff	- 09
7. Details of Non-Academic Staff	- 10
8. Details of Research, Innovation and Publications	- 11
9. Details of Programme, Seminars & Workshops	- 12
10. Details of Awards Received	- 13
11. Details of New Courses Started	- 14
12. Details of Recurrent Expenditure	- 15
13. Details of Capital Expenditure	- 15
14. Details of Projects (Local/Foreign Funded)	- 16
15. Details of Project Expenditure (Local/ Foreign Funded)	- 17
16. Details of Financial Progress (Expenditure)	- 18
17. Details of Financial Progress (Generated Income)	- 18
18. Financial Performance Analysis - 2012	- 19
19. Any other details/Performance relevant to this Report	- 19
20. Report of the Auditor General on the Financial Statements for the Year 2012	- 20
21. Management Response to the Auditor General's Report 2012	- 29

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 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 Programmes

- **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, MBA, and Master of Development Economics (MDE).
- **Faculty of Health-Care Sciences** having six departments and offering MBBS and B.Sc. in Nursing.
- **Trincomalee Campus** having two faculties namely Faculty of **Communication & Business Studies** and **Faculty of Applied Science** and a **Siddha Medicine Unit** and offering B.Sc. in Accountancy & Financial Management, B.A in Languages & Communication Studies, Bachelor of Computer Science, Bachelor of Information Technology, Bachelor of Siddha Medicine & Surgery.
- **CEDEC**: The faculties also offer External Degree Programmes to provide opportunity for more students to get university education. These programmes are managed by the Centre for External Degrees and Extension Courses (CEDEC).

b. Achievements

- Conducted an International Conference on “**Knowledge and Technology for Post-Conflict Recovery**” on the 12th & 13th September 2013 with the participation guest speakers from the University of Dakka in Bangladesh and National University of Singapore.
- Eastern University, Sri Lanka has moved 720 places forward from 2011 to 2012 in Webometric World Ranking of Universities. Now our world rank is 12,124.
- Commenced M.Sc. in Science Education to enhance and enrich the capacity of school teachers with the approval of UGC.
- Commenced B. Ed. degree in Early Childhood and Primary Education.
- Received 17 awards at the ‘Kavitha Talent Show’, conducted by the Ministry of Higher Education.
- Rectified financial lapses and put the system in order
- Conducted “MedScope 2012” Exhibition by the students from the Faculty of Health-Care Sciences.
- Brain Gain replacing Brain Drain as witnessed by my return to Sri Lanka from Canada and the willingness of some others academics to come back soon.
- Created conducive environment for teaching and learning in achieving the goals of the university which was lacking in the past due to war and narrowed mindsets.
- Membership with the Association of Commonwealth Universities has been renewed after a lapse of some years.

- Made arrangements and rectified the problems with regard Website Server to access our university website 24 hours.
- Open Source Software “New Gen Lib” has been installed in branch libraries at Eastern University to give easy access and subscribed for e-learning materials to increase the research activities of our staff and students.
- Varieties of activities such as cultural programmes, street plays and workshops have been conducted to bring awareness about Dengue outbreak, Cancer, etc. And also to bring social harmony among our students.
- Several workshops have been conducted through Staff Development Center to upgrade the knowledge and skills of both academic and non-academic staff.
- Increased infrastructure facilities within a shorter period of time to create conducive environment for teaching & learning.
 - Construction of the Building Projects:
 1. Zoology Block of the Faculty of Science Complex has been completed at the cost of Rs. 199 million and declared open by the His Excellency the President on 5th February 2013.
 2. Building Complex for the Faculty of Arts & Culture will be completed by end of September 2013. (Total cost of estimate : Rs.121 Million).
 3. New Building for the Library will be completed by end of September 2013. (Total cost of estimate : Rs. 171 Million).
 4. Building Complex for the Faculty of Commerce & Management will be completed by end of October 2013. (Total cost of estimate : Rs. 230 Million).
 5. 15% of construction work of the Science Laboratory at Trincomalee Campus has been completed.
 6. 10% of construction work of the Students Recreation Centre at Trincomalee Campus has been completed.
 - Following approved projects are now under procurement process:
 1. Building complex for the Faculty of Health Care Sciences (FHCS). (Total cost of estimate: Rs. 360 Million).
 2. Auditorium cum Lecture Hall at Faculty of Arts & Culture. (Total cost of estimate: Rs. 44.6 Million).
 3. Building complex for the Professorial Unit of the FHCS. (Total cost of estimate: Rs. 299 Million).
 4. Play Ground at Trincomalee Campus. (Total cost of estimate: Rs. 50 Million).
 - Bids have been invited for the following projects at Trincomalee Campus:
 1. IT Centre
 2. Library
 3. Building for the Faculty of the Applied Science
 - A project proposal for a new building complex for the Faculty of Agriculture has been recommended by the Ministry of Higher Education and submitted to the Department of National Planning for its approval (Total cost of estimate : Rs.303 Million).
 - Appointing of consultant for the Siddha Medicine building at Trincomalee Campus is in process.
 - Construction of Semi permanent buildings for the additional intake (2011/2012) for the total cost of estimate of Rs. 91.9 Million:
 1. Exam Hall at Vantharumoolai has been completed.

2. Lecturer Hall for 150 students of the Faculty of Arts & Culture has been completed.
3. Lecturer hall for 300 students of the Faculty of Commerce & Management has been completed.
4. Lecturer hall for 350 students of the Faculty of Science has been completed.
5. Lecturer hall for 300 students with staff room has been completed at the FHCS.
6. Lecturer hall for 150 students at Trincomalee Campus has been completed.
7. Students gymnasium hall.

- Progress of providing hostel facilities to the students are as follows:

1. Permanent Buildings – EUSL

SN	Project	Progress
1	Construction of student hostel for 250 male students of Faculty of Health Care Sciences	Bids have been invited on 11.09.2013 through press notification.
2	Construction of student hostel for 250 male students at the EUSL, Vantharumoolai (Under Tsunami Rehabilitation Project of the MoHE)	Awarded to the CECB on Design and Build Basis
3	Construction of student hostel for 400 female students at the EUSL, Vantharumoolai	Cabinet approval has been obtained and now it is under procurement process
4	Construction of student hostel for 250 male students at Trincomalee Campus	10% of construction is completed.
5	Construction of student hostel for 250 female students at Trincomalee Campus	10% of construction is completed.

2. Semi Permanent Buildings – EUSL

SN	Project	Progress
1	Construction of student hostel for 80 students for the Faculty of Health Care Sciences	Work completed and ready for occupation.
2	Construction of student hostel for 100 male and 100 female students at the EUSL, Vantharumoolai. (Phase II)	Work completed and it is occupied.

- The following steps have also been taken to improve the employability of our graduates
 - (i) Several English instructors have been appointed on assignment basis to increase the English communication skill of our graduates.
 - (ii) Action has been taken to set up “Centre for Employable and Entrepreneurial Skill Development” through QIG grant to mould our graduates from job seekers to job creators.
 - (iii) Action has been taken to improve the ICT skills of the undergraduates to increase the employability.
 - (iv) Action has been taken to improve quality of teaching through student evaluation.
 - (v) New website is under preparation and will be launched soon to improve teaching and learning.
 - (vi) Steps have been taken to introduce trilingual programs.

- (vii) Several discussions had been taken with the industrialist to introduce the training programme for the undergraduates in addition to the existing programme.
- (viii) The curriculum has been revised to include Basic Mathematics and ICT as compulsory modules to the BA degree courses in the Faculty of Arts & Culture.

c. Challenges

- **Hostel Facilities:** The current student population, including new intake of the University is 5364. Our University is in a position to provide hostel accommodation only to a maximum of 1614 students. Since EUSL is located in a remote place where there are no houses for private accommodation. Therefore we need to provide accommodation to all students contrary to the norm of providing accommodation to only first and final year students. However, I believe there won't be any problem in providing hostel accommodation to all students if all approved programs are completed.
- Over thirty years of war which forced to inbreed our staff has made an immense impact on the mindset of the staff and thus they expect more flexibility and they are adamant to change to the status quo. To change their attitudes, they should be given exposures to the outer world through at least short term exposure training abroad. More funds should allocated by the government for this purpose.
- Restricted mobility due to prolonged war has also limited the communication skills of our staff which is a hurdle to bring our university to international level. More government scholarship should be awarded to our staff to upgrade their communications skills as well as their knowledge to provide a quality education to our students.
- Lack of recreational facilities to our students which are vital in creating positive attitudes. Immediate attention to be paid for sports and other recreational facilities in order to nurture the emerging talents of our students.
- The University does not have the key functional units to maintain data and documentation due to non availability of cadres and poor capacity of existing staff. More cadres should be provided to establish key functional units such as "Planning Unit" "Legal and Documentation Unit", "Data Management Unit" and etc.
- EUSL does not have a permanent Bursar for the past several years, which is a blockade in achieving our goals as we have planed. Though several attempts have been made to recruit a qualified Bursar, all efforts were in vain. Managing the university with these constraints is really a big challenge.
- Lack of on campus residential facilities for staff members.
- Eastern University is located in a low lying area and is subjected to sudden and frequent flooding which causes considerable damages every year. New architectural design should be implemented to overcome the problem.

d. Future Plan

- Improvement of infrastructure and laboratory facilities to give a quality education to our students to mould them as globally employable graduates.
- Allocate more funds to promote research. Example: 3 million rupees have been allocated for 2013 to support the research activities of our staff, in addition to the UCG Research Grants.
- Organizing International Research Symposium every year.
- Formation of a committee to upgrade our university world ranking to the top 5000 in the Webometrics Ranking. Our University website is being redesigned to be user friendly with all Research Publications and other relevant information to help upgrade the ranking.
- Establishment of Centers and Units to offer courses and training to cultivate entrepreneurial culture among our graduates. Example: Action has been taken to setup “Centre for Employable and Entrepreneurial Skill Development” through QIG grant to mould our graduates from job seekers to job creators from 2013.
- Establishing links with foreign universities as well as local universities and research centers, in addition to the existing link with Annamalai University in India, Sri Sairam Institute of Management in India and the University of Sri Jayawardanapura.
- Introducing more self financing courses, with the intention of making Batticaloa as a knowledge city, to the community to develop the skills and knowledge needed to upgrade their profession and thus increase their standard of living as well as contributing to national economy.
- Encouraging students from foreign countries to do their elective appointment at Faculty of Health-Care Sciences and making initiatives to send our students to foreign institutes. Some students from U K has expressed their willingness.
- Inclusion of more IT & English curriculum in all faculties and establishing language labs and self-learning centers to increase communication and IT skills needed for our graduates to make them employable.
- Promoting researches and awareness in response to burning social issues such as Alcoholism, Child abuse, Dengue outbreak, and Etc. The following projects are already in progress.
 - Improving the quality of Health Care provision of elders in Batticaloa District.
 - Series of Exhibition, Demonstration, Street Dramas to make awareness in preserving the local culture and local economy.
 - Study program on “PEACE MEDICINE” to the students of Faculty of Health-Care Sciences.
- Establishment of New faculties and introducing new courses to produce globally employable graduates and good citizens of the country. Action has already been taken to establish “Faculty of Travel, Tourism and Hospitality”, “Faculty of Hindu Civilization” and to introduce B.Sc. in Pharmacy and B.Ed. in Pre-school and Primary Education.
- Introducing Internship/Industrial Training Programs for the final year students in each faculty, in addition the existing programme in the Faculty of Commerce and Management to give them opportunity to expose their talents in the private sector environment to make them employable.
- Establishment of the “Center for Employable and Entrepreneurial Skills Development”.
- Establishment of Language Labs to upgrade the communication skills to bring social harmony.
- Strengthening existing Centre for Information and Communication Technology to provide ICT for all.
- Introduce B.Sc. degree in Pharmacy.

4. Details of Resources & Students:

Faculty	Course	Total Students	Total Academic Staff	Total non Academic Staff
EUSL				
Arts & Culture	Bachelor of Arts & Culture	1220	53	20
Agriculture	Bachelor Science in Agriculture	175	27	36
Commerce & Management	Bachelor of Business Administration	324	24	14
	Bachelor of Commerce	318		
Health-Care Sciences	Bachelor of Medicine	265	22	29
	Bachelor of Nursing	45		
Science	Bachelor of Science (Bio)	188	32	37
	Bachelor of Science (Physical)	234		
Total		2769	162	136
Trincomalee Campus				
Communication & Business Studies	B.Sc. in Management	219	05	01
	B.Sc. in Communication	242	06	-
Applied Sciences	B.Sc. in Computer Science	10	05	01
Unit of Siddha Medicine	B.Siddha Medicine & Surgery	60	05	04
Total		531	21	06

5. Details of Local Students:

Faculty	Course	Medium	Intake 2012	1 st Year Students	2 nd Year Students	3 rd Year Students	4 th Year Students	5 th Year Students	No of Graduated
EUSL									
Arts & Culture	Bachelor of Arts & Culture	Tamil	-	261	253	338	368	-	340
Agriculture	Bachelor Science in Agriculture	English	-	73	42	36	24	-	27
Commerce & Management	Bachelor of Business Administration	English	-	105	88	79	52	-	91
	Bachelor of Commerce	English	-	94	75	135	14	-	
Health-Care Sciences	Bachelor of Medicine	English	-	50	51	66	35	63	27
	Bachelor of Nursing	English	-	26	09	05	04	-	-
Science	Bachelor of Science (Bio-Science)	English	-	114	38	17	19	-	16
	Bachelor of Science (Physical Science)	English	-	133	49	20	32	-	
	Total		-	856	605	696	549	63	501
Trincomalee Campus									
Communication & Business Studies	B.Sc. in Management	English	-	51	50	58	17	-	28
	B.Sc. in Communication	English	-	51	57	46	15	-	76
Applied Sciences	B.Sc. in Computer Science	English	-	-	-	10	-	-	-
Unit of Siddha Medicine	B.Siddha Medicine & Surgery	English	-	11	16	19	-	-	-
Total									
			-	113	123	133	32	-	104

6. Details of Academic Staff:

a. EUSL

Faculties	Subjects	Medium	Senior Professor	Professor/ Associate Prof.	Senior Lecturer /Lecturer (Prob.)	Instructors/ Visiting Staff/ Temp. Tutor
Arts & Culture	Arabic Comparative Religion & Social Harmony Education & Childcare Fine Arts and Drama & Theater Arts Geography History Languages Islamic Studies Social Sciences Christianity Economics Hindu Civilization	Tamil/ English	-	01	39	11
Agriculture	Agric. Biology, Agric.Chemistry, Agric.Economics, Agric.Engineering, Animal Science, Crop Science	English	0	0	21	04
Commerce & Management	Commerce, Management, Economics, Human Resource Management, Marketing, Enterprise Development, Accountancy & Finance, Business Economics, Development Economics	English	0	0	22	14
Science	Botany Zoology Physics Chemistry Mathematics	English	0	0	25	15
Health Care Sciences	Dept. of Human Biology Clinical Sciences Medical Education & Research Pathophysiology Supplementary Health Sciences Primary Health Care	English	0	01	21	42
TOTAL			0	02	128	86

b. Trincomalee Campus

Faculties	Department/ Unit	Medium	Senior Lecturer /Lecturer (Prob)	Instructors/ Visiting Staff
Communication & Business Studies	Management	English	05	-
	Communication	English	06	-
Applied Sciences	Computer Science	English	05	-
	Physical Science	English		-
Unit of Siddha Medicine	-	English	05	-
Total		-	21	-

7. 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	2	1
Office of the Registrar	1	-	2	1
Senate House	-	1	2	1
Administration Branch	1	-	20	-
Internal Audit Unit	1	1	1	1
Career Guidance Unit	-	-	1	-
Non Academic/ Establishments Branch	1	-	3	-
Academic/ Establishments Branch	1	-	5	1
Supplies Branch	1	-	7	2
Office of the Bursar	3	4	3	1
Faculty of Agriculture	1	3	15	13
Faculty of Commerce & Management	1	-	7	6
Faculty of Science	1	9	10	10
Faculty of Health Care Sciences	1	1	20	9
Faculty of Arts & Culture	1	4	10	6
Centre for Information & Communication	-	-	2	1
English Language Teaching Unit	-	-	-	1
Examination Branch	1	2	9	2
Centre for External Degrees & Extension Courses	-	1	3	1
Library	-	-	8	1
Health Centre	1	-	7	-
Physical Education	-	-	2	1
Welfare Branch	1	-	2	1
Department of Maintenance	1	-	9	16
Hostels	-	-	9	1
Office of the Security	1	2	15	-
TOTAL	20	29	174	77

1 - Administrative level & Executive Level
3 - Clerical & Allied Grade

2 - Senior Staff Grade
4 - Below the above Grade

b. Trincomalee Campus

Faculties/Departments/Sections/ Branches/ Units	Most Senior¹	Senior Staff²	Junior Staff³	Minor Employees⁴
General Administration	01	07	03	-
Maintenance	-	-	02	-
Examination Branch	-	01	01	01
Establishments Branch	-	01	-	-
Welfare Branch	01	01	-	-
Finance Branch	02	04	01	01
Library	-	04	01	-
Dept. of Business & Management Studies	-	-	-	01
Dept. of Language & Communication Studies	-	-	-	-
Faculty of Applied Science	-	-	01	01
Unit of Siddha Medicine	-	-	01	02
Total	04	18	10	06

8. Details of Research, Innovation and Publications:

a. EUSL

1. Faculty Agriculture			
Subject	Published	Commercialized	Presented
a. No of Researches	44	-	27
b. No of Innovations	01	-	-
c. No of Journals	14	-	02
d. No of Books	06	08	01
e. No of Articles	12	-	11
f. Other	-	-	-
Total	77	08	41
2. Faculty Arts & Culture			
Subject	Published	Commercialized	Presented
a. No of Researches	18	-	-
b. No of Innovations	-	-	-
c. No of Journals	-	-	-
d. No of Books	05	-	-
e. No of Articles	32	-	-
f. Other	-	-	-
Total	55	-	-
3. Faculty of Commerce & Management			
Subject	Published	Commercialized	Presented
a.No of Researches	05	-	09
b.No of Innovations	-	-	-
c.No of Journals	-	-	01
d.No of Books	03	-	-
e.No of Articles	02	02	-
f. Other	01	-	-
Total	11	02	10

4. Faculty Health-Care Sciences			
Subject	Published	Commercialized	Presented
a. No of Researches	-	-	03
b. No of Innovations	-	-	-
c. No of Journals	-	-	-
d. No of Books	-	-	-
e. No of Articles	-	-	-
f. Other	-	-	-
Total	-	-	03
5. Faculty Science			
Subject	Published	Commercialized	Presented
a. No of Researches	66	01	31
b. No of Innovations	-	-	-
c. No of Journals	-	-	-
d. No of Books	03	-	-
e. No of Articles	-	-	-
f. Other	-	-	-
Total	69	01	31

b. Trincomalee Campus

Subject	Published	Commercialized	Presented
a. No of Researches	-	-	03
b. No of Innovations	-	-	-
c. No of Journals	-	-	-
d. No of Books	-	-	-
e. No of Articles	-	-	-
f. Other	-	-	01
Total	-	-	04

9. Details of Programme, Seminars & Workshops:

a. EUSL

1. Faculty Agriculture			
Subject	Attended	Completed	Presented
a. No of Postgraduate Degree Programme	04	04	01
b. No of Postgraduate Diploma Programme	-	-	-
c. No of Degree Programme	01	01	-
d. No of Diploma Programme	-	-	-
e. No of Certificate Programme	28	02	02
f. Other	22	-	05
Total	55	07	08
2. Faculty Arts & Culture			
Subject	Attended	Completed	Presented
a. No of Postgraduate Degree Programme	16	01	01
b. No of Postgraduate Diploma Programme	-	-	-
c. No of Degree Programme	-	-	-
d. No of Diploma Programme	-	-	-
e. No of Certificate Programme	02	01	-
f. Other	21	06	08
Total	38	08	09

3. Faculty of Commerce & Management			
Subject	Attended	Completed	Presented
a. No of Postgraduate Degree Programme	03	01	-
b. No of Postgraduate Diploma Programme	-	-	-
c. No of Degree Programme	-	-	-
d. No of Diploma Programme	-	-	-
e. No of Certificate Programme	03	-	-
f. Other	16	11	01
Total	22	12	01
4. Faculty Health-Care Sciences			
Subject	Attended	Completed	Presented
a. No of Postgraduate Degree Programme	-	01	01
b. No of Postgraduate Diploma Programme	01	01	-
c. No of Degree Programme	-	-	-
d. No of Diploma Programme	-	-	-
e. No of Certificate Programme	06	11	-
f. Other (<i>Seminars & Workshops</i>)	09	06	02
Total	16	19	03
5. Faculty Science			
Subject	Attended	Completed	Presented
a. No of Postgraduate Degree Programme	02	01	01
b. No of Postgraduate Diploma Programme	-	-	-
c. No of Degree Programme	-	-	-
d. No of Diploma Programme	03	02	01
e. No of Certificate Programme	-	-	-
f. Other	-	-	-
Total	05	03	02

b. Trincomalee Campus

Subject	Attended	Completed	Presented
a. No of Postgraduate Degree Programme	04	03	02
b. No of Postgraduate Diploma Programme	-	-	-
c. No of Degree Programme	-	-	-
d. No of Diploma Programme	-	-	-
e. No of Certificate Programme	-	-	-
f. Other	-	-	-
Total	04	03	02

10. Details of Awards Received:

a. EUSL

1. Faculty of Agriculture			
Subject	No of Awards	No of Academics	No of Students
a. Local awards	04	02	-
b. National Awards	-	-	-
c. International Awards	-	-	-
d. Other	-	-	-
Total	04	02	-

2. Faculty Arts & Culture			
Subject	No of Awards	No of Academics	No of Students
a. Local awards	01	-	-
b. National Awards	01	01	-
c. International Awards	-	-	-
d. Other	-	-	-
Total	02	01	-
3. Faculty of Commerce & Management			
Subject	No of Awards	No of Academics	No of Students
a. Local awards	01	-	-
b. National Awards	-	-	-
c. International Awards	-	-	-
d. Other	-	-	-
Total	01	-	-
4. Faculty of Health Care Sciences			
Subject	No of Awards	No of Academics	No of Students
a. Local awards	-	-	-
b. National Awards	-	-	-
c. International Awards	01	01	-
d. Other	-	-	-
Total	01	01	-
5. Faculty Science (Nil)			

b. Tricomalee Campus

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

11. Details of New Courses Started:

a. EUSL

Faculty	Course	Medium	Master
1. Faculty of Science	M.Sc. in Education	English	01
Total	-	-	01

12. Details of Recurrent Expenditure:**a. EUSL**

Subject	2011 Rs.	2012 Rs.
a. Personal emoluments	278,295,941.69	314,543,938.91
b. Travelling	1,324,620.30	1,173,847.69
c. Supplies	20,538,845.73	23,681,136.36
d. Maintenance	8,506,836.13	9,872,207.49
e. Contractual Services	48,786,417.51	61,387,309.09
f. Other	10,544,669.74	16,428,218.96
Total	367,997,331.10	427,086,658.50

b. Trincomalee Campus

Subject	2011 Rs.	2012 Rs.
a. Personal emoluments	33,554,885.25	44,844,297.35
b. Travelling	267,113.78	205,965.28
c. Supplies	4,262,968.12	6,312,522.67
d. Maintenance	2,413,526.93	2,924,883.12
e. Contractual Services	27,394,627.28	38,192,975.88
f. Other	1,692,524.28	3,231,742.74
Total	69,585,645.64	95,712,387.04

13. Details of Capital Expenditure:**a. EUSL**

Subject	2011 Rs.	2012 Rs.
a. Acquisition of furniture & Office Equipments	14,230,524.46	24,972,730.64
b. Acquisition of Machineries	-	-
c. Acquisition of Building & Structures *	9,815,888.46	261,251,304.74
d. Other	49,872,259.13	77,839,425.35
Total	73,918,672.05	364,063,460.73

* - Construction Project

b. Trincomalee Campus

Subject	2011 Rs.	2012 Rs.
a. Acquisition of furniture & Office Equipments	1,207,770.50	8,401,209.40
b. Acquisition of Machineries	-	-
c. Acquisition of Building & Structures	5,260,250.04	16,021,520.16
d. Other	809,916.55	7,479,282.66
Total	7,277,937.09	31,902,012.22

14. Details of Projects (Local/Foreign Funded):

a. Trincomalee Campus

Name &Detail	Loan / Grant	Funding Agency #	TCE Rs.	RFA Rs.	DF Rs.
Rehabilitation of Corridor for Gents and Ladies toilets at Trincomalee Campus	Grant	GOSL	659,827.50	-	-
Vehicle Park	Grant	GOSL	2,347,070.00	-	-
Construction of Research lab for Animal house of Unit of Siddha Medicine at Trincomalee Campus	Grant	GOSL	3,590,140.30	-	-
Improvement of View Room for LCS	Grant	GOSL	1,133,150.00	-	-
Repair estimate for boys hostel at 526, St.Antony's street, Selvanayahapuram, Trincomalee	Grant	GOSL	99,315.00	-	-
Improvement of class room building-03	Grant	GOSL	863,615.00	-	-
Improvement of class room building-02	Grant	GOSL	786,155.00	-	-
Improvement of class room building-01	Grant	GOSL	1,059,285.00	-	-
Rehabilitation of five nos. of toilets and 05 nos. of bath rooms for boy's hostel at 315, Dockyard Road, Trincomalee	Grant	GOSL	1,453,043.40	-	-
Rehabilitation of office and lecture hall for BMS at Trincomalee campus	Grant	GOSL	2,368,395.00	-	-
Partition work for network building at Library & Amono sheet roof work for Finance &Computer unit	Grant	GOSL	761,900.00	-	-
Construction of Lecture hall of Department of BMS	Grant	GOSL	3,519,140.30		
Construction of Men's Hostel	Grant	GOSL	100,000,000.00		
Construction of Women's Hostel	Grant	GOSL	100,000,000.00	-	-
Total			218,641,036.50	-	-

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

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

a. EUSL

Name	TCE Rs.	Exp in 2011 Rs.	Exp in 2012 Rs.	Cumulative Exp as at 31.12.2012	% of Physical Progress
Households baseline survey	2,507,000.00	1,434,010.00	1,072,990.00	2,507,000.00	100
Organic Farming	515,848.57	515,848.66		515,848.66	100
DTHR Project	454,029.50	-	104,935.00	104,935.00	23
DFC Project	641,296.00	-	95,000.00	95,000.00	15
National Agricultural Research Plan (CARP)	31,465.20	-	31,465.20	31,465.20	100
GIS Training Programme	63,000.00	-	63,000.00	63,000.00	100
WASH Endline Survey Project	4,746,500.00	-	1,827,700.00	1,827,700.00	39
Study on selecting Geographical & Administrative locations	1,548,040.00	-	1,548,040.00	1,548,040.00	100
Land O' Development Sri Lanka DEEP Project	1,259,500.00	-	1,259,500.00	1,259,500.00	100
Development of Culture Based Fisheries Eastern Province	2,223,900.00	-	2,223,900.00	2,223,900.00	100
Conflict Peace & Development	308,052.50	-	308,052.50	308,052.50	100
Total	14,298,631.77	1,949,858.66	8,534,582.70	10,484,441.36	79

c. Trincomalee Campus

Name	TCE Rs.	Exp in 2011 Rs.	Exp in 2012 Rs.	Cumulative Exp as at 31.12.2012	% of Physical Progress
Vehicle Park	2,347,070.00	10,050,286.00	6,147,600.00	-	-
Construction of Research lab for Animal house of Unit of Siddha Medicine at Trincomalee Campus	3,590,140.30	-	1,605,000.00	-	-
Partition work for network building at Library & Amona sheet roof work for Finance & Computer unit	761,900.00	-	1,605,000.00	-	-
Construction of Lecture Hall for Department of BMS	3,519,140.30	-	-	-	-
Total	10,218,250.60	10,050,286.00	9,357,600.00	-	-

16. Details of Financial Progress (Expenditure):**a. EUSL**

Subject	Provision in 2012Rs	Exp in 2012 Rs	Savings / Excess Rs
a. Recurrent except Project	426,811,000.00	427,086,658.50	(275,658.50)
b. Capital except Project	265,000,000.00	364,063,460.73	(99,063,460.73)
c. Project - Local funded	14,298,631.77	8,534,582.70	5,764,049.07
d. Project - Foreign funded	-	-	
Total	706,109,631.77	799,684,701.93	(93,575,070.16)

b. Trincomalee Campus

Subject	Provision in 2012Rs	Exp in 2012 Rs	Savings / Excess Rs
a. Recurrent except Project	89,400,000.00	95,712,387.00	(6,312,387.00)
b. Capital except Project	36,400,000.00	31,902,012.00	4,497,988.00
c. Project - Local funded	136,500,000.00	9,357,600.00	127,142,400.00
d. Project - Foreign funded	-	-	-
Total	262,300,000.00	136,971,999.00	125,328,001.00

17. Details of Financial Progress (Generated Income):**a. EUSL**

Source of Revenue	Provision in 2012 Rs.	Collection in 2012 Rs.	Deficit / Surplus Rs.
Undergraduate Studies	3,483,918.64	8,838,850.00	5,354,931.00
Postgraduate Studies	1,273,386.30	1,184,450.00	(88,936.30)
Consultancies	-	-	-
Other	1,334,583.20	685,900.00	(648,683.20)
Total	6,091,888.14	10,709,200.00	4,617,311.86

b. Trincomalee Campus

Source of Revenue	Provision in 2012 Rs.	Collection in 2012 Rs.	Deficit / Surplus Rs.
Undergraduate Studies	792,000.00	736,394.43	(55,605.57)
Postgraduate Studies	-	-	-
Consultancies	-	-	-
Other	114,000.00	101,394.43	(12,605.57)
Total	906,000.00	837,788.86	(68,211.14)

18. Financial Performance Analysis - 2012:

a. EUSL

Subject	Formula	Exp. Per Student Rs.
Recurrent Expenditure per Student (RE)	RE / No of Student strength	154,238.59
Capital Expenditure per Student (CE)	CE / No of Student strength	131,478.32
Total		285,716.91

b. Trincomalee Campus

Subject	Formula	Exp. Per Student Rs.
Recurrent Expenditure per Student (RE)	RE / No of Student strength	195,331.40
Capital Expenditure per Student (CE)	CE / No of Student strength	65,106.15
Total		260,437.55

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

a. Audit Committee Meetings held in 2012

S.No.	Meeting No.	Date
01	10 th	09.03.2012
02	11 th	12.05.2012
03	12 th	30.06.2012
04	13 th	25.07.2012
05	14 th	28.08.2012
06	15 th	24.09.2012
07	16 th	22.10.2012
08	17 th	28.11.2012
09	18 th	30.12.2012

**20. Report of the Auditor General on the Finance Statements of Eastern University,
Sri Lanka for the year ended 31 December 2012**



**විගණකාධිපති දෙපාර්තමේන්තුව
கணக்காய்வாளர் தலைமை அறிப்பித் திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT**



මගේ අංකය }
எனது இ } EN/BT/B/EUSL/FS/2012
My No. }

මගේ අංකය }
எனது இ }
No. }

දිනය }
திகதி } 31 June 2013
Date }

The Vice Chancellor,
Eastern University, Sri Lanka.

Report of the Auditor General on the Financial Statements of the Eastern University, Sri Lanka for the year ended 31 December 2012 in terms of Section 108(2) of the Universities Act No. 16 of 1978 and Section 13(7) (a) of the Finance Act No. 38 of 1971.

The audit of financial statements of the Eastern University, Sri Lanka for the year ended 31 December 2012 comprising the statement of financial position as at 31 December 2012 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 Sections 108(1) and 111 of the Universities Act, No. 16 of 1978 and Sub- sections (3), (4) and (7) of Section 13 of the Finance Act, No. 38 of 1971. This report is furnished in terms of Section 108 (2) of the Universities Act, and Section 13(7) (a) of the Finance Act.

1:2. Management's Responsibilities for the Financial Statements.

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

අං. 306/72 පොල්දූව පාර,
බත්තරමුල්ල, ශ්‍රී ලංකාව

දුරකථනය }
தொலைபேசி } 2887220
Telephone. }

இல. 306/72, பொல்துவ வீதி,
பத்தரமுல்லை இலங்கை

ෆැක්ස් අංකය }
பெக்ஸ் இல } 2887223
Fax No. }

No.306/72, Polduwa Road,
Battaramulla, Sri Lanka

ඉමේල් පිටුවෙහි තැබුණු
අං. ලේඛනය } oaggov@sltnet.lk
E-mail. }

1.3 Auditor's Responsibility.

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards. Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of risk of the material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the University's preparation and fair presentation of financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the management, as well as evaluating the overall presentation of the financial statements. Sub-sections (3) and (4) of Section 13 of the Finance Act, No.38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the audit.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified 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, Sri Lanka as at 31 December 2012 and its financial performance and cash flows for the year then ended in accordance with the Sri Lanka Public Sector Accounting Standards.

2.2. Comments on Financial Statements.

2.2.1 Accounting Deficiencies

The following accounting deficiencies were observed in audit.

- (a) Although the Improving Relevance and Quality of Undergraduate Education (IRQUE) Project had handed over the assets to the University after completion of the Project, the value of assets had not been disclosed in the financial statements.
- (b) Laboratory equipment valued at Rs. 9,555,427 received as donations from the Central Environmental Authority during the year 2006 had not been brought to account.

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

Instances of non- compliance observed in audit are given below.

Reference to Laws, Rules, Regulations and Management Decisions

Non- compliance

(a). Financial Regulations

(I) F.R 102

Action had not been taken in respect of losses amounting to Rs 17,860,815 sustained during the year 1990.

- | | |
|---------------|---|
| (II) F.R 371 | Action had not been taken to recover the advances aggregating Rs 14.61 million paid for various purposes and lying for a period ranging from 01 year to 17 years. |
| (III) F.R.756 | Physical verifications had not been carried out as at end of the year under review in respect of the assets of the University. |
| (IV) F.R 1646 | Daily running charts had not been rendered for audit in respect of vehicles of the University. |

**(b) Establishments Code of the
University Grants Commission and
Higher Educational Institutions**

- | | |
|--------------------------------------|--|
| (i) Section 20.6 of Chapter- X | Particulars of no-pay leave obtained by the officers had not been reported monthly to the Auditor General in Form General : 96 |
| (ii). Section 3:1 of Chapter- XXVII | The arrival and departure of the academic staff of the University had not been recorded in attendance register. |

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. 84,147,590 after taking into account the Government Grant of Rs. 516,211,000 for recurrent expenditure as compared with the corresponding deficit of Rs. 59,498,212 for the preceding year after taking into account the Government Grant of Rs. 437,448,075 for that year thus indicating a further deterioration in the financial results by Rs.24,649,378. Increase in operating expenditure by Rs. 96,267,379 had mainly contributed for this deterioration.

4. Operating Review

4.1. Performance

(a) Results of Examinations held

According to the information made available, the performances of the undergraduates at the examinations held during the year under review are given below.

<u>Faculty</u>	<u>Period of Examination held</u>	<u>No of Students sat for the examinations(first to final year)</u>	<u>No of Students passed(final year)</u>
Agriculture	March, April, October, November and December 2012	175	27
Arts	March, April, June, July, October and November 2012	1220	333
Commerce and Management	February ,March, April, May, June, July, September, November and December2012	716	91
Science	February ,March, April, October, November and December2012	422	48
Health Care Science	February ,March, April, October, November and December2012	<u>238</u>	<u>27</u>
Total		<u>2,771</u>	<u>526</u>

(b) Cost per Student

Total recurrent expenditure incurred by the University during the year under review amounted to Rs. 482,847,281. The average recurrent cost per student for the year was Rs. 174,376. The cost per student had increased by Rs 43,705 as compared with the preceding year.

(c) Mahapola and Bursaries

A sum of Rs. 11,833,100 had been paid as Mahapola to 5,503 students and a sum of Rs. 16,598,400 had been paid as Bursary to 8,301 students during the year under review.

(d) Library Administration

409 books had not been returned within the stipulated period by the academic staff and students who had obtained books from the Library. In this regard, no proper action had been taken to get back these books.

4.2 Management Inefficiencies

The following observations are made.

- (a) Fifty seven lecturers of the University who went abroad on scholarships had not reported for duty or left from the University after completion of the scholarships. However, the University had not taken action to recover a sum of Rs 70,407,561 from 57 lecturers for breach of agreements.
- (b) The University had not taken action up to 31 December 2012 to fill the 52 vacancies existed in the academic staff. Therefore, it had mainly affected the academic activities of the students.
- (c) The approval of the University Grants Commission (UGC) had not been obtained by the University in terms of Section 29 (d) and 29 (e) of the Universities Act, No. 16 of 1978 to confer post-graduate degrees even up to 31 December 2012. However, 22 post-graduate degree courses had been conducted without the approval of the UGC.

- (d) Advances amounting to Rs.1.18 million had been paid to 54 persons and these advances were remained unsettled for a period ranging from 05 years to 17 years without action being taken to identify the persons and recover advances.

4.3 Operating Review

The following observations are made.

(a) Procurement of Medical Equipment

Medical equipment to the value of Rs 13.4 million had been procured from a private company in India during the year under review for the use of Faculty of Health Care Science (FHCS). Following observations are made in this regard.

- (i) Three bidders had submitted their bids for the procurement. Out of 03 bids, two bids were forged and one bid was from a garment accessory supplier.
- (ii) Two bidders were identical in their telephone numbers and addresses.
- (iii) Although the medical equipment called “eight accessories of the tissue processor” had been procured at a cost of Rs 4.5 million, it had remained idle from the date of purchase due to lack of main part of tissue processor.
- (iv) All three quotations had been called for from India without considering the local suppliers for this equipment.
- (v) According to the information made available, prices paid for the equipment were higher than the prevailing market prices at international market. Few examples are given below.

<u>Item name</u>	<u>Market price (USD)</u>	<u>Purchased price (USD)</u>
Mortuary Refrigerator (Mortuary Chambers)	1320- 7900(Range)	26,000
Ultra-sound Scanner	8,000-15,000	36,324
Binocular Microscope	2,123-4,425	9,015

(b) Procurement of Library Automation Management Software (“Libsys”) for USD 27,400 (Rs . 3.2 million)

“Libsys” software system had been procured from M/S Libsys Technologies Pvt. Ltd. Haryana, India at a cost of Rs.3.2 million in the year 2008 and payment had been made during the year under review. In this regard, the following deficiencies were observed.

- (i) The Technical Evaluation Committee (TEC) had not recommended the procurement.
- (ii) The approval of the Procurement Committee (PC) had not been obtained.
- (iii) The University had not entered into an agreement with the supplier.
- (iv) The University had not obtained performance security bond from the supplier.
- (v) According to the letter of contract, the supplier should have been supplied “Linux” System. However, the supplier had supplied and installed Windows System on 27 April 2009.
- (vi) The physical inspection revealed that “Libsys” system had not been operated to its full capacity due to lack of system components such as data export and import module, report generating module and data backup modules.
- (vii) The supplier had not carried out yearly support service after installation for 03 years due to non- payment of dues of USD 10,960(40% of the total cost) to the supplier.
- (viii) Although this system had been procured at a cost of Rs.3.2 million in the year 2008, the system had been installed at the Library only on 27 April 2009.

- (c) Although funds amounting to Rs.17,372,951 had been received from TROMSO University of Norway to facilitate the BSc in Nursing Programme at the Faculty of Health Care Science, proper records had not been maintained in this regard. It was further observed that the approvals of the Council and Senate of the University had not been obtained to operate this Project.

5. Accountability and Good Governance

5.1 Budgetary Control

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

5.2 Audit Committee

09 Audit Committee meetings had been conducted during the year under review. The Committee had recommended to reply audit queries in several meetings. However, action had not been taken to reply 06 audit queries issued by the Auditor General during the year under review.

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 the University from time to time. Special attention is needed in respect of the following areas of control.

- (a) Accounting
- (b) Assets Management
- (c) Payments and Settlement of Advances
- (d) Procurements


H.A.S. SAMARAWEERA
AUDITOR GENERAL

21. MANAGEMENT RESPONSE TO THE AUDITOR GENERAL'S REPORT ON THE FINANCIAL STATEMENTS OF THE EASTERN UNIVERSITY, SRI LANKA FOR THE YEAR ENDED 31 DECEMBER 2012 IN TERMS OF SECTION 108 (2) OF THE UNIVERSITIES ACT, NO. 16 OF 1978 AND SECTION 13 (7) (A) OF THE FINANCE ACT, NO. 38 OF 1971

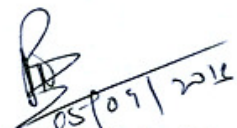
Audit Paragraph Reference & Management Observation of Governing Authority		Observation
2.2 Comments on Financial Statements		
2.2.1 Accounting Deficiencies:		
a.	Although the Improving Relevance and Quality of Undergraduate Education (IRQUE) Project handed over assets to the University after completion of Project, the value of assets had not been disclosed in the financial statements.	All the assets which were procured under IRQUE Project had been transferred to the relevant departments by the LTS Office, IRQUE Project, EUSL as per the letter dated 15.09.2010 from the Secretary, MOHE. Further regarding the Capitalization of the assets in the financial statement, it was not cleared in the letter whether the value of assets which were procured under IRQUE project appearing in the inventory register of LTS office could be taken into the final accounts as depreciated value or cost value. EUSL has taken action to complete the Fixed Asset register through the outsource service provider. Once the task is completed, it would be incorporated in the final accounts.
b.	Laboratory equipment valued at Rs.9,555,427 received as donations from the Central Environmental Authority during the year 2006 had not been brought to accounts.	The comment of the Auditor General is accepted. EUSL has taken action to complete the Fixed Asset register through the outsource service provider. Once the task is completed, it would be incorporated in the final accounts.
2:2:3 Non-compliance with Laws, Rules, Regulations and Management Decisions		
a. <u>Financial Regulations:</u>		
	I. F.R 102 Action had not been taken in respect of losses amounting to Rs 17,860,815 sustained during the year 1990.	All documents had already been forwarded to the relevant authorities to obtain the approval for write off.
	II. F.R 371 Action had not been taken to recover the advances aggregating Rs 14.61 million lying in the accounts for a period ranging from 01 year to 17 years.	01. Advance taken by the Internal Staff Action is being taken to recover the advances from the defaulters from their salaries or UPF.

		02. Advance to the supplier A committee has been appointed to study and submit a report. Action will be taken based on the recommendation of the Committee.
	III. F.R 756 A physical verification had not been carried out as at the end of the year under review in respect of the assets of the University	A physical verification for the year – 2012 is in progress.
	IV. F.R 1646 Daily running charts had not been rendered for audit in respect of vehicles of the University.	Daily running charts are now updated and rendered to the General Audit Office in regular manner.
b.	Establishments Code for the University Grants Commission and Higher Educational Institutions. i. Section 20.6 Chapter-X: Particulars of no-pay leave obtained by the officers had not been reported monthly to the Auditor General in form General: 96 ii. Section 3:1 Chapter-XXVII: The arrival and departure of the academic staff of the University had not been recorded in attendance register.	i. We agree and action will be taken to report all the no-pay leave particulars to the Auditor General in future. ii. By tradition the academic staff are not recorded their attendance. However, the leave particulars are maintaining at the Faculty level.
3 Financial Reviews		
3.1 Financial Results		
According to the financial statements presented, the operation of the University during the year under review had resulted in a deficit of Rs. 84,147,590 after taking into account the Government Grant of Rs. 516,211,000 for recurrent expenditure as compared with the corresponding deficit of Rs. 59,498,212 for the preceding year after taking into account the Government Grant of Rs. 437,448,075 for that year thus indicating a deterioration in the financial results by Rs.24,649,378. Increase in operating expenditure by Rs.96,267,379 had mainly attributed for this deterioration.		Noted

4. Operating Review		
4.1. Performance		
a.	Results of Examinations held	We disagree with your comment. The total numbers of student who sat for the examinations mentioned as first to final years of the faculties and passed out numbers are mentioned only for final year students of the faculties.
b.	Cost Per Student	Since increased of the personal emolument of the staff, and allocation for other capital works & contractual services have also increased the cost of per student.
c.	Mahapola and Bursaries	Noted
d.	Library Administration: 409 books had not been returned within the stipulated period by the academic staff students who had obtained books from the Library. In this regard, no proper action had been taken to get back these books.	Reminders have been sent to all borrowers and further action will be taken through the Library Committee to recover the value of the books.
4.2 Management Inefficiencies		
a.	Fifty seven lecturers of the University who went abroad on scholarships had not reported to duty or left from the University after completion of the scholarship. However, the University had not taken action to recover a sum of Rs 70,407,561 from 57 lecturers for breach of agreements.	• 12 cases included 72 no's of Bond defaulters had been handed over to the Attorney General's Department to take legal action and to recover the dues from the defaulters. Two state counsels are handling these cases. Nearly 7.8 million had been recovered from the Bond defaulters up to now. • Senior Management Committee at its 19th and 20th meetings recommended to seek the assistance from the respective High Commissions to trace the bond defaulters who were living in abroad. • Recently the Department of Attorney General informed that they could not take up any cases beyond 10 year period in future. However, a request made to the Attorney General through the Chairman / UGC and Secretary / MoHE to pursue over 10 year cases as per the recommendation of the 15th Audit Committee held on 24.10.2012.

b.	The University had not taken action up to 31 December 2012 to fill the 52 vacancies existed in the academic staff. Therefore, it had mainly affected the academic activities of the students.	Most of the vacancies had now been filled and some of the professor cadres unable to fill due to unavailability of the suitable candidates.
c.	The approval of the University Grants Commission (UGC) had not been obtained by the University in terms of Section 29 (d) and 29 (e) of the Universities Act, No. 16 of 1978 to confer post-graduate degrees even up to 31 December - 2012. However, 22 post-graduate degrees courses had been conducted without the approval of UGC.	We agree with the comment. Action is in progress to rectify and obtain the proper approval from the UGC.
d.	Advances amounting to Rs.1.18 million had been paid to 54 persons and these advances were remained unsettled for a period ranging from 05 years to 17 years without action being taken to identify the persons and recover advances.	Action is being taken to write off the unknown advances after proper investigation and approval of the relevant authorities.
4.3 Operating review		
a.	Procurement of Medical Equipment	The inquiry committee appointed by the Council has submitted its report to the Council. Based on their recommendation action is being taken.
b.	Procurement of Library Automation Management Software ("Libsys") – USD 27,400 (Rs . 3.2 million)	"LibSys" software system had been purchased based on the recommendation of the Standing Committee of the Library and information sciences (SCOLIS) of the UGC. We agree that a valid agreement had not been signed. However action is being taken to sign the agreement and rectify the shortcomings to pay the balance payment.
c.	Although funds amounting to Rs.17,372,951 had been received from TROMSO University of Norway to facilitate the BSc in Nursing Programme at the Faculty of Health Care Sciences, proper records had not been maintained in this regard. It was further observed that the approval of the Council and Senate of the University had not been obtained to operate this project.	The Audit Committee at its 15th meeting held on 24.09.2012 expressed its opinion that it may not be to rectify the wrong procedure followed by the project administration in the past since the project had now been closed. Therefore the Committee suggested to proceed the investigation at least to find out what happened to the project funds. A one man Committee had been recommended by the Audit Committee and the investigation is in progress.

5. Accountability and Good Governance		
5.1. Budgetary Control		
	Major variations were observed between the budgeted expenditure and actual expenditure, thus indicating that the Budget had not been made use of as an effective instrument of management control.	The comment of the Auditor General is accepted. The reason for the major variation was the increase the allowances to the academic staff as per the UGC Circular letter No.:03/2011 dated 14.03.2011
5.2. Audit Committee		
	09 Audit Committee meetings had been conducted during the year under review. The Committee in several meetings had recommended to reply audit queries in several meetings. However, action had not been taken to reply 06 audit queries issued by the Auditor General.	We have taken action to reply the remaining Audit Queries.
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 the University from time to time. Special attention is needed in respect of the following areas of control. (a) Accounting (b) Fixed Assets (c) Inventory (d) Payments and Settlement of Advances (e) Procurement	Noted


 05/09/2016
 Dr. K Kobindarajah
 Vice Chancellor
 Eastern University Sri Lanka