

2022 ඌල 25
2022 ൂலை 25
25th July 2022



2018 අංක 19 දරණ ජාතික විගණන පනතේ
14 වන වගන්තිය ප්‍රකාරව පාර්ලිමේන්තුව වෙත
ඉදිරිපත් කරනු ලබන විගණකාධිපති ත්‍රෛවාර්ෂික වාර්තාව

2018 இன் 19 ஆம் இலக்க தேசிய கணக்காய்வு அதிகாரச்சட்டத்தின்
14 ஆவது பிரிவின் பிரகாரம் பாராளுமன்றத்திற்கு சமர்ப்பிக்கப்படுகின்ற
கணக்காய்வாளர் தலைமை அதிபதியின் மூன்றாண்டு அறிக்கை

**Triennial Report of the Auditor General presented in
parliament in terms of Section 14 of
the National Audit Act, No. 19 of 2018**

වකලෝස් වන කාණ්ඩය - 02
பதினோராவது தொகுதி - 02
Eleventh Volume - 02

විශ්ව විද්‍යාල, පශ්චාත් උපාධි ආයතන හා උසස් අධ්‍යාපන ආයතන
பல்கலைக்கழகங்கள், பட்டப்பின் படிப்பு நிறுவனங்கள் மற்றும்
உயர் கல்வி நிறுவனங்கள்
Universities, Postgraduate Institutes and Higher Education Institutes

ජාතික විගණන කාර්යාලය
தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE



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Triennial Report on Universities, Postgraduate Institutes and Higher Education Institutes - 2018 – 2020

The audit of the financial statements of 17 Universities, 10 Higher Education Institutions and 08 Postgraduate Institutes for the three year ended 31 December 2018, 31 December 2019 and 31 December 2020 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 National Audit Act No. 19 of 2018 and the reports inclusive of my comments and observations which I consider should be presented in Parliament have been tabled in Parliament each year. There were no comments and observations to be further considered on the 03 higher education institutions of Human Resource Development Institute, Institute of Indigenous Medicine and the Institute of Technology, University of Moratuwa from among my comments and observations included in those reports tabled in Parliament in terms of Section 14 of the National Audit Act No.19 of 2018. Accordingly, this triennial report will be tabled including the comments and observations to be further considered on the remaining 32 institutions other than the aforementioned 03 institutions.

Analysis on Fields

The Ceylon Medical College was founded in the year 1870 and the University of Ceylon had been set up in the year 1942 amalgamating the Ceylon Medical College and the Ceylon University College by the Ceylon Universities Ordinance No.20 of 1942. Subsequently, the Universities of Colombo, Peradeniya, Sri Jayewardenepura, Kelaniya, Moratuwa and Jaffna had been established by the Ceylon University Act No.01 of 1972 and the Universities Act No.16 of 1978. During the past 70 years up to the date of this report, the government of those periods had taken steps to expand the higher education opportunities while establishing 17 Universities, 10 higher education institutions and 08 postgraduate institutions by mainly through the Universities Act No.16 of 1978 and several special Acts.

The University Grants Commission established in the year 1978 by the University Grants Commission Act, No.16 of 1978 regulates all these institutions.

In analyzing data pertaining to the 03 years, 2018, 2019 and 2020, the total expenditure of the aforesaid 17 Universities was Rs. 167,634.52 million for the above three years and 82 per cent or Rs. 137,855.98 of which had been covered by Government grants. However, 16 universities other than the Uva Wellassa University of Sri Lanka had invested Rs. 14,327.48 in long-term investments as at 31 December 2020. Accordingly, it was observed that the expenditure incurred by the Government for the maintenance of those 16 universities could have been reduced by Rs. 14,327.48 million.

Similarly, the total expenditure of the 10 higher education institutions for the 03 years was Rs. 17,762.54 million and Rs. 13,705.50 or 77 per cent of which had been covered by Government grants. However, 09 higher education institutions including the University Grants Commission had invested Rs. 687.35 million in long-term investments as at 31 December 2020 other than the National Centre for Advanced Studies in Humanities & Social Sciences. Accordingly, it was observed that the expenditure incurred by the Government for the maintenance of those 09 higher education institutions could have been dropped by Rs. 687.35 million.

Further, the total expenditure of the 08 postgraduate institutions for the above three years was Rs. 3,937.4 million and 31 per cent or Rs. 1,242.10 million of which had been covered by Government grants. Further, the total expenditure of the 08 postgraduate institutions for the above three years was Rs. 3,937.4 million and 31 per cent or Rs. 1,242.10 million of which had been covered by Government grants. The 07 postgraduate institutions other than the Postgraduate Institute of English had invested Rs. 2,040.10 million in long-term investments as at 31 December 2020. Accordingly, it was observed that the expenditure incurred by the Government for the maintenance of those 07 postgraduate institutions could have been reduced by Rs. 2,040.10 million.

It was further observed that the non-utilization of funds, failure to take action on the breach of bonds, not recording arrival and departure of the academic staff on the finger print scanners and failure to carry out annual review on the useful life of the non-current assets were the common observations relevant to the field of review.

1. University of Colombo

Year	2018	2019	2020
Audit Opinion	Qualified Opinion	Qualified Opinion	Qualified Opinion

Audit Observation/Deficiency	Recommendation of the Auditor General	Comment of the Auditee and Preventive Measures Taken	Current Position
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The management had not taken actions even as at 31 December 2020 to recover the value of bonds amounting to Rs. 78,241,772 due from 18 lecturers who had been on full pay study leave to complete their postgraduate studies but had reported for the duty without completing the relevant qualifications, and sums totaling Rs. 20,212,040 that remained recoverable over a period from 02 to 18 years from 12 lecturers who had not reported back for the duty.	Necessary action should be taken to recover the relevant values as per the agreement.	Necessary action will be taken to recover the values due from lecturers who have gone abroad and have not reported for duty.	A sum of Rs. 53,791,505 that should be recoverable as at 30 September 2021 from 20 officers who had breached the bonds signed at the time of going abroad on study leave had not been recovered.

2. University of Peradeniya

Year Audit Opinion	2018 Qualified Opinion	2019 Qualified Opinion	2020 Qualified Opinion
Audit Observation/Deficiency	Recommendation of the Auditor General	Comment of the Auditee and Preventive Measures Taken	Current Position
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(a) The land of about 40 perches at Getambe belonging to the University of Peradeniya had been given to the Divineguma Department on a lease basis for a period of 30 years from 31 st December 1987 to 30 December 2017 and the arrears lease of Rs.7,200,000 due as at 31 st December 2017 and lease due from 2018 to the year 2020 had not been calculated and accounted for.	Revenue due should be accurately identified and accounted for.	No preventive measures had been taken.	Necessary action had not been taken to make the relevant corrections even by 31 January 2022.
(b) Without approval, external parties had opened a savings account at the Bank of Ceylon at peradeniya Branch on 06th June 2014 under the address of the Faculty of Veterinary Medicine of the University stating the reason as the development of the Faculty Veterinary Hospital and as at 04 June 2019, collected Rs. 2,606,324 and a sum of Rs 2,065,613 of which had been withdrawn. Although a sum of Rs. 15,000 per month had been informally obtained by outsourcing the pharmacy of the faculty, information on the sources of receiving the balance and the expenditure incurred had not been furnished to audit.	Necessary Steps should be taken to improve the internal control system and take immediate action in accordance with the investigation report to prevent the reoccurrence of such situations.	Action will be taken to conduct a disciplinary inquiry in this connection.	The disciplinary inquiry had not been completed even by 31 January 2022.
(c) An amount of Rs. 140,780,356 was due from 102 lecturers who had breached bonds and agreements. Although a period of 01 to 50 years has elapsed from the breach of bonds and agreements by these officers, the university had not adopted a formal procedure to recover the balance.	Action should be taken to recover the amount due from the officers who have breached the bonds and agreements.	The officers concerned were instructed to expeditiously recover the money due from the officers who have breached the bonds and agreements.	A sum of Rs. 131,871,454 had not been recovered even by 31 January 2022.

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| (d) | The insurance compensation of Rs.400,000 due from the Sri Lanka Insurance Corporation had not been recovered even more than 08 years had elapsed. | Action should be taken to recover the dues. | Necessary measures are due to be taken once the recommendation of the Council is received. | Money had not been recovered even by 31 January 2022. |
| (e) | A loan balance of Rs.1,355,275 due from 13 officers whose salaries had been suspended during the period from 2013 to 2020 had not been recovered until the end of the year 2020. | Action should be taken to recover the dues immediately. | In case of availing of no-pay leave or sabbatical leave by employees, instructions have been given to grant the relevant leave after settling the loan balances to be settled by them. | The loan had not been recovered even as at 31 January 2022. |
| (f) | Although bids have been presented with a variation of 30 percent to 577 percent between the engineering estimate and the contractor's estimate in respect of 52 items with a price of Rs.8,217,408 exceeding the engineering estimate for the contract for the renovation of Jayatilake's hostel, the Technical Evaluation Committee had entered into an agreement with the contractor on 06 November 2017. Contrary to the Guideline 7.9.2 (m) of the Government Procurement Guidelines. An amount of Rs.14,039,397 had been paid as mobilization advance and after the extension of time period, the repairs were to be completed by 31 December 2019. Nevertheless, the repairs had not been completed by 31 December 2020 and no action had been taken to extend the performance guarantee of Rs.2,135,946. | Provisions of procurement guideline should be followed. | Officers have been instructed to follow the provisions of the Government Procurement Guidelines. | Although work had been completed by 31 January 2022, a formal inquiry had not been conducted regarding the failure of the Technical Evaluation Committee to consider the price variations ranging from 30 per cent to 577 per cent of 52 items. |
| (g) | Allocation amounting to Rs. 330 million had been made in the years 2014 and 2015 for the project to construct the Post Graduate School of Medicine of the Faculty of Medicine, and a sum of Rs. 39,703,080 had been paid therefrom to a | Project should be initiated after conducting a proper evaluation and the Annual Appropriation Act | No preventive measures had been taken. | The project had not been implemented even by 31 January 2022. |

- consultancy firm. However, no constructions have been made even by the end of the year 2018. should be complied with.
- (h) Preliminary work had been carried out on 37 rehabilitation projects with an estimated value of Rs. 68,270,171 for the period from 2015 to 2018 and agreements had been entered into with the Contractor or awarding letters had been given to the contractor, whereas projects had been abandoned without being implemented. Necessary steps should be taken to start and operate the contracts with plans. Arrangements have been made to implement the works in planned manner. No action had been taken to execute the abandoned projects even by 31 January 2022 and performance bonds had also not been encashed.
- (i) Although 628 students were enrolled in 07 postgraduate courses in the Faculty of Engineering from 2017 to 2020 and a course fee of Rs.166,550,000 was charged for them, the approval of the University Grants Commission had not been obtained for those courses. The approval by the University Grants Commission should be obtained for Postgraduate courses. This has been referred to the University Grants Commission to obtain approval. It had not been able to obtain approval for those courses even by 31 January 2022.
- (j) Although the Engineering Design Center, operating under the Faculty of Engineering of the University has provided construction consultancy services to 07 external parties during the last 03 years, the University had been obtained consultancy services from outside parties for 11 university construction projects at a cost of Rs.93,829,364. Action should be taken to introduce formal methods for obtaining consulting services from the Engineering Design Center for construction projects of the University. It has been decided to obtain consultancy of the Engineering Design Center for this purpose. No action had been taken to introduce a formal method in this connection even by 31 January 2022.
- (k) A former Dean of the Faculty of Veterinary Medicine and Animal Science of the University had supervised the examination and examination activities in awarding the M.Phil degree to his daughter in violation of Article 05 of the Guidance on Academic Staff and Academic Accountability of the University and awarded the relevant degree on 12 July 2016. A formal arrangement should be made to act in accordance with the relevant guidelines and action should be taken expeditiously in this regard. This matter has been referred to a disciplinary inquiry. The disciplinary inquiry had not been completed even by 31 January 2022.

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| (l) | A number of 224 students had not been enrolled for the Faculty of Agriculture for the 04 academic years from 2009/2010 up to 2012/2013, thus representing 20 per cent of the number of students who would have been enrolled. | Action should be taken to maximize student capacity that can be admitted to Universities within the University System itself. | The students referred by the University Grants Commission are enrolled and admitted and requests have been made to the University Grants Commission to increase that number. | This situation had not been corrected even by 31 January 2022 and 334 students had not been registered within 07 academic years from 2014 to 2020. |
| (m) | The University had entered into an agreement with the Freie Universitat Berlin in order to implement the Master Landscape Archeology degree course under the Department of Archaeology during the period from 01 April 2014 to 31 December 2017. No written evidence had been furnished to the audit regarding the transactions worth € 33,400 that had been agreed to be granted to implement the project as per the terms of the said agreement and the degree course had not been implemented up to date despite the lapse of 04 years from the end of the period of agreement. | A formal control system should be introduced for the projects carried out by Faculties. | A formal control system has been introduced for the projects carried out by Faculties. | Action had not been taken to introduce a formal control system, furnish relevant information to audit and implement the graduate courses even by 31 January 2022. |
| (n) | The art gallery which was completed at the end of the year 2014 at a cost of Rs.7,586,873 has been idle for more than 06 years without any use. Meanwhile, the building had collapsed, making it unusable and the ceiling had also broken down by the year 2020. | In constructing buildings, a programme should be formulated so that it can be used optimally, with a formal evaluation. | No preventive measures had been taken. | The building had collapsed making it unusable by 31 January 2022. |
| (o) | Although an agreement was reached with the contractor on 06 November 2017 for the renovation of Jayathilaka hostel and a sum of Rs.14,039,397 was paid as a mobilization advance, the work site had been handed over to the contractor for repairs on 03 May 2018, that is six months after the advance was paid. | All constructions within the University should be carried out only through adequate evaluation and supervision. | Instructions have been given carry out these activities on proper estimates under the adequate evaluation and supervision. | An inquiry had not been conducted and necessary measures had not been taken regarding the officers who should be responsible for the issuance of mobilization advance without confirming |

the capability of handing over the site to the contractor.

- (p) Although, an Agreement for the Renovation of Wijewardena Hostel had been entered into with the contractor on 18th April 2018 at a cost of Rs. 240.51 million and a mobilization advance of Rs.40,017,474 had been paid in May 2018, the site was handed over to the contractor on 08 February 2019, that is nine months after the contract was signed.
- All constructions within the University should be carried out only through adequate evaluation and supervision.
- Instructions have been given carry out these activities on proper estimates under the adequate evaluation and supervision.
- An inquiry had not been conducted and necessary measures had not been taken regarding the officers who should be responsible for the issuance of mobilization advance without confirming the capability of handing over the site to the contractor.
- (q) Although, more than a year has passed since the agreement for the Renovation of Arunachalam Hostel had been entered into with contractor on 08 January 2018 at a cost of Rs.45.18 million and payment of Rs.7,102,351 had been made as a mobilization advance in July 2019, the site had not been handed over to the contractor for commencement of the work.
- All constructions within the University should be carried out only through adequate evaluation and supervision.
- Instructions have been given carry out these activities on proper estimates under the adequate evaluation and supervision.
- Constructions of the hostel had not been commenced even by 31 January 2022.
- (r) Even though a period of 03 years had elapsed from the payment of Rs. 740,000 to an external party after entering into an agreement worth Rs. 3,500,000 on 15 December 2015 for the establishment of a management information system for the Distance and Continuous Education Center of the university, necessary action had not been taken to get the work done or recover the relevant amount.
- Action should be taken in accordance with the agreement.
- That the relevant officers have been instructed not to make payments without a formal study of the quantity and quality of the work done, and to constantly confirm that the work of the entity is being carried out according to an agreed time frame.
- Action had not been taken to get the work done or recover the relevant amount even as at 31 January 2022.

3. University of Moratuwa

Year	2018	2019	2020	
Audit Opinion	Qualified Opinion	Unqualified Opinion	Unqualified Opinion	
Audit Observation/Deficiency	Recommendation of the Auditor General		Comment of the Auditee and Preventive Measures Taken	Current Position
(a) A total of 16 scholarship funds amounting to Rs. 2,675,341 as at 31 December 2020 had not been utilized to award any scholarship over 03 years to 10 years.	Funds should be spent to achieve the intended objectives.		Action will be taken to look into the details of these underutilized scholarship funds and to take necessary action to make them operational.	These funds had not been utilized even as at 31 December 2021.
(b) A total of 34 University Courses and Departmental Development Funds amounting to Rs.13,921,449 were inactive during the year and the total of 21 Funds amounting Rs. 6,074,585 had been underutilized over 4 years as at 31 December 2020.	Funds should be spent to achieve the intended objectives.		As the University had been completely closed for several months due to the Covid epidemic in the country in the year 2020 and the departments were also not functional at their full capacity in other months, these funds remained inactive during the year 2020.	These funds had not been utilized even as at 31 December 2021.
(c) In terms of Section 3 (i) of Chapter XX of the Establishments Code for University Grants Commission and Institutes of Higher Education and the University Grants Commission Circular No.10/2017 dated 10 July 2017, the arrival and departure of all the staff should be recorded in the fingerprint scanner. Nevertheless, a sum of Rs. 1,459,550,041 had been paid as salaries and allowances for the academic staff for the year 2020 without confirmation of the arrival and departure.	The relevant rules and regulations should be followed.		As this methodology is practiced in the entire university system, it is being adopted in the University of Moratuwa as well.	No action had been taken to confirm the arrival and departure even by 31 January 2022.

4. University of Sri Jayawardenapura

Year	2018	2019	2020
Audit Opinion	Unqualified Opinion	Qualified Opinion	Unqualified Opinion
Audit Observation/Deficiency	Recommendation of the Auditor General		Comment of the Auditee and Preventive Measures Taken
			Current Position and
(a) In terms of Section 3.1 of Chapter XX of the Establishment Code of University Grants Commission and Higher Education Institutions and University Grants Commission Circular No. 10/2017 dated 10 July 2017, arrival, departure and leave of academic staff shall be recorded in the fingerprint scanner. Nevertheless, the arrival and departure of the academic staff had not been recorded and the instructions given at the Committee on Public Enterprises (COPE) to establish a mechanism to verify in and out and leave of academic staff had not been complied with.	The instructions of the Committee on Public Enterprises should be followed.		As this is a matter of concern to the entire university system itself, the University Grant Commission should advise on how to take a decision in this regard and this matter was deliberated at the Committee on Public Enterprises in the previous years.
(b) As per the Cabinet decision taken on 29 June 1994 for the acquisition of 6.5 acres of land from Meth Sevana land for the Medical Faculty, although a total sum of Rs. 74 million has been paid to the Western Provincial Council from the year 1998 to the year 2019, the acquisition activities of the land had not been completed even as at 31 December 2020.	Land acquisition should be expedited.		Although a former Secretary to the Ministry had been appointed in November 2021 to coordinate the land acquisition activities, the land had not been acquired even by 31 January 2022.

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| (c) | Thirty Four academic staff and two non-academic staff of the university who had gone abroad for study had not been reported back for duty and a sum of Rs. 19,705,186 was due to the University on breach of bonds as at 31 December 2020. | Action should be taken to recover the amount due on breach of bonds. | Arrangements have been made to recover a sum of Rs. 17,548,926.93 in the year 2020. Further, legal actions have been taken against 15 officers and preliminary inquiries are being conducted on 12 officers. Also, actions are being taken to recover the dues from 07 officers from their provident fund. | It had not been able to recover the dues even as at 31 January 2022. |
| (d) | Out of total sum of Rs. 35,527,763 available in 102 Prize and Scholarship Funds, a sum of Rs. 32,839,003 in 98 funds remained idle as 31 December 2020 without being utilized for the intended purpose. | Relevant funds should be utilized to achieve the objectives of establishing the prize and scholarship funds. | Scholarship and prize funds were established for a specific purpose or objective and will only be utilized if the relevant objective and criteria are achieved. | A sum of Rs. 32,726,328 under 92 funds had not been utilized even by 31 January 2022. |

5. University of Kelaniya

Year	2018	2019	2020
Audit Opinion	Qualified Opinion	Disclaimer of Opinion	Qualified Opinion

Audit Observation/Deficiency	Recommendation of the Auditor General	Comment of the Auditee and Preventive Measures Taken	Current Position
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| (a) | Even though study leave with pay and capital grants had been given to complete doctorate for 12 lecturers, they had reported back to the duty without completing qualifications, and value of bond agreements to be recovered from the relevant lecturers was Rs. 54,791,505. | Doctorate should be completed within the stipulated timeframe and thereby contribution to be made to enhance the quality of the university education. | Eight lecturers are taking measures to complete the doctorate in future and 04 lecturers have not completed the doctorate. | It has not been able to recover the bond value even as at 31 January 2022. |
| (b) | Although a Senior Lecturer in the Faculty of Social Science had not involved in the academic activities from January 2014 to February 2018, a sum of Rs. 6,186,190 had been paid as salaries and allowances. | Documentary evidences should be maintained for the confirmation of conducting lecturers. | This lecturer had involve in the academic affairs. | Documentary evidence was not furnished to the audit to confirm that the lecturer had participated in the academic affairs even by 31 January 2022 and money had not been recovered. |
| (c) | As it was observed in a sample testing, sports equipment valued for Rs.1,971,000, Laboratory equipment valued at Rs. 1,232,072, and Computers and office equipment valued at Rs.5,468,400 remained idle for 01 to 03 years period as at 31 December 2018. | Purchase should be made according to proper plans after acquiring the building facilities. | Action will be taken to provide a suitable place expeditiously and then to use relevant items | Those remained idle even up to 31 December 2021. |

- (d) Cameras, televisions and computers procured on 27 January 2017 for the Studio of the Drama and Reflective Arts Unit at a cost of Rs. 9,929,568 and, 5 cameras and 7 computers costing Rs. 4,124,830 received in 2016 remained idle from those years until the date of the audit on 26 June 2020.
- Arrangements should be made to procure the items as per proper plans after the completion of construction work.
- These equipment will be used after the completion of the construction of the studio.
- As the construction of the studio had not been completed, those remained idle even as at 31 December 2021.
- (e) The primary objective of the Code of Ethics for university lecturers is to develop and teach students and, accordingly, all lecturers are required to conduct research regularly. But 29 funds total amount of Rs. 8,096,327 received for the implementation of such research had not been utilized for more than a year.
- Funds received for research should be utilized to improve the performance of the University.
- Appropriate action will be taken on the researches which are not operational
- These 29 funds had not been utilized even by 31 December 2021.

6. University of Ruhuna

Year	2018	2019	2020
Audit Opinion	Qualified Opinion	Qualified Opinion	Unqualified Opinion
Audit Observation/Deficiency	Recommendation of the Auditor General	Comment of the Auditee and Preventive Measures Taken	Current Position
<p>(a) In terms of Section 29(f) part v of the Universities Act No.16 of 1978, university can hold external examinations with the concurrence of the Commission enabling the persons who are not the students of the university to obtain degrees, higher knowledge and academic excellence, but the management had not paid attention to initiate degree courses other than the external degree course in Bachelor of Arts.</p>	<p>Graduate courses in keeping with the timely needs should be introduced and conducted.</p>	<p>Only the Bachelor of Arts (External) Degree is awarded at present and it is expected to begin the Bachelor of Commerce (External) Degree Course on the approval of the Senate.</p>	<p>Only proposals for the commencement of Bachelor of Commerce (External) Degree Course had been prepared as at 31 January 2022.</p>
<p>(b) In terms of Section 40.1 of the Establishments code for Universities, if any adverse effect on the service provides to the relevant institution does not cause by availing of leave during the vacation period, any lecturer can avail of leave during the vacation period of the Higher Education Institution. Accordingly, full pay leave had been approved to a lecturer in the Faculty of Engineering during the academic period from 06 September 2018 to 05 December 2018 and 12 January 2019 to 11 April 2019. However, it was observed that those 2 periods were academic periods and vacation leave had been obtained</p>	<p>In granting leave to officers, action needs to be taken in compliance with the Establishments Code.</p>	<p>It has been decided to consider the leave obtained by this lecturer as no-pay leave and to recover the salary and allowances paid for the relevant period.</p>	<p>It had not been able to recover the money even by 31 January 2022.</p>

continuously on the 2 occasions.

- (c) In terms of University Grant Commission Circular No.15/2018 of 26 November 2018, an Agrahara Insurance Fund had been established for the University staff by making provisions totalling Rs.40 million comprising Rs.20 million from the university consolidated fund, Rs.10 million from the University Development Fund and Rs.10 million from money recovered from suppliers who had breached agreements. Since the relevant revenue and funds are not self generated funds they could not be utilised for the establishment of an Agrahara Insurance Fund. They should be utilized only for the achievement of specific objectives related there to. The above money had been obtained for the Insurance Fund on the approval of the Council and these are not the funds received from the Treasury to the University but the revenue generated by the university. The balance of the Fund as at 31 December 2021 was Rs. 41,343,288 and that amount had been so maintained even by 31 January 2022.
- (d) Without being followed the Paragraphs 4(i), 4(ii) and 4(iii) of Management Services Circular No. 02/2014 dated 11 February 2014, research allowances were paid to university academic from the year 2014 to 2020. Since the University Grants Commission cannot issue circulars by overriding the provisions of the Management Services circular, action should be taken in accordance with provisions of the Management Services circular. The circular No. 02/2014 is not applicable to pay research allowances of Universities and the University Grants Commission Circular No. 05/2014(I) has given instructions to apply the Circulars Nos. 1/2011 and 1/2011(I) for that purpose and therefore, action has been taken to pay relevant research allowances. This situation had not been rectified even as at 31 January 2022.
- (e) Four non-academic staff officers who obtained research allowance are not in the university service at present and research reports pertaining research allowances of Rs. 858,745 paid to those officers had not been submitted. Action should be taken to obtain research reports from all officers who receive research grants. While on duty at the University of Ruhuna, these officers submitted research proposals and received research allowances. Payments were suspended from the time of their transfer. It is not expected the No action had been taken to obtain research reports or recover the money even as at 31 January 2022.

submission of final report to this university.

- (f) A project with the main objective of strengthening minor export economy by qualitatively increasing the export market for cinnamon through its value addition had been initiated by the National Science Foundation. The University had been entrusted with the task of making recommendation of more productive raw material of cinnamon by carrying out studies on the chemical composition, biologically active ingredients of cinnamon according to the locality, variety and the storage period of cinnamon. Although ¾ of the project period had elapsed, tests had been carried out only for 02 profiles out of 50 profiles relevant to Biochemical Profile as per the progress reports. Further, a 'GC' equipment had been purchased at a cost of Rs.3,955,000 on 26 April 2018 by this project, but it had not been utilized for any research work even up to the date of audit on 31 December 2019.
- Action should be taken to achieve the objectives of the researches by carrying out examinations so as to cover all the matters include in the research topic. Management's attention is needed to be focused on the purchase of capital assets by identifying the requirement.
- Since it was reported that the National Science Foundation had satisfied with the progress of this project, this matter is no longer a problem.
- Although the project had been completed, farmers had not been communicated regarding the more productive raw material of cinnamaon even as at 31 January 2022.
- (g) The ownership of the two-wheeler tractor provided by the New Innovation Commission in the year 2007 had been registered in the name of a professor of the Department.
- Assets recived from the projects should be taken over in the name of the University at the time of their receipts.
- Necessry arrangements are being made to transfer the ownership of this two-wheeler tractor to the University.
- The asset had not been transferred even as at 31 January 2022.

- (h) Approved 04 posts of Professor of the Faculty of Engineering had fallen vacant and there were 154 vacancies of the post of Lecturer in the 09 Faculties of the University and out of which the number of vacancies of the Faculty of Medicine, Faculty of Technology and the Faculty of Science stood at high as 32,23 and 22 respectively. Also there were vacancies in 14 staff grade posts and 156 non-staff grade posts in non-academic staff.
- Action should be taken to fill the vacancies immediately and thereby direct the human resource towards the vision of the University.
- Even though applications have been invited for the vacancies of the Faculty of Engineering, anyone had not forwarded applications for the post of Professor of that Faculty. Applications for the vacancies available in the other faculties have been called for and relevant basic activities are in progress.
- Approved 04 posts of Professor of the Faculty of Engineering, 51 posts of lecturers in other faculties and 09 staff grade posts and 135 non-staff grade posts of non-academic staff had remained in vacant even by 31 January 2022.

7. University of Jaffna

Year	2018	2019	2020
Audit Opinion	Qualified Opinion	Qualified Opinion	Qualified Opinion
Audit Observation/Deficiency	Recommendation of the Auditor General	Comment of the Auditee and Preventive Measures Taken	Current Position
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(a) Salaries amounting to Rs. 1,404 million had been paid to academic staff of the University during the year 2018 without being confirmed their arrival and departure through finger scanner in terms of Circular No. 10/2017 dated 10 July 2017 of the University Grants Commission.	Circular instructions should be followed.	Academic staffs in the Sri Lankan University system do not generally sign in the Attendance Register and the heads of the academic departments are confirming their presence and it was always monitored by respective heads of the department. This clarification was also accepted at the previous COPE meeting.	No action had been taken to confirm the arrival and departure through the finger print scanner even as at 31 January 2022.

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| (b) | Ninety-one (91) academic and non-academic staff of the University who had gone abroad on scholarship programmes had not reported for duty. However, the University had not taken action to recover the bond aggregating Rs. 68 million during the period from 1987 to 2019 from the officers who had breached agreements. | Appropriate actions to rectify the issue need to be taken by the management of the University. | Various measures have been introduced to improve the bond obligation through the Committee on obligations of Bond and Agreements. As a result, the number defaulters and amount outstanding has been reduced to a great extent in the past. A policy paper in this regard had been prepared for the legal requirements relating to this matter. | It had not been possible to recover Rs.61 million from 88 officers even by 31 January 2022. |
| (c) | A sum of Rs. 43,577,638 had been paid by the University to researchers in the year 2018 and previous three years. Even though the projected period of the above researches had come to end and, approximately more than 50 per cent of the research cost had already been paid, the progress of them and final reports of those researches had not been submitted to the University by researchers up to the end the year 2018. | Researchers are required to submit their final reports within the stipulated research period. | Final report of the researches for the year 2017 and 2018 are being submitted now. | Three research reports relating to sums totaling Rs. 1,890,700 had not been submitted even as at 31 January 2022. |
| (d) | Action had not been taken obtain valuation to determine the rent of Bank of Ceylon (BOC) University Branch and rent of People's Bank ATMs established at the University premises and for signing agreement to recover the rent. As a result, a considerable amount of rent income could not be obtained for more than 16 years period. | Financial Regulations should be followed. | Action has been taken to get the valuation report and to sign tenancy agreements. | It had been failed to enter into agreements with the Bank of Ceylon even as at 31 January 2022. |

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| (e) | The services of a lecturer had been terminated by the University with effect from April 2016 as she had not acquired the necessary postgraduate qualification for confirmation of service. Further, she had been appointed to the post of temporary lecturer with effect from that day. Even though, in accordance with the Establishment Circular Letter No. 13/2017 dated 06 September 2017 of the University Grants Commission, the postgraduate degree obtained through online learning mode could not be considered as acceptable qualification for confirmation, she had been confirmed in the post of lecturer with effect from April 2008, and also promoted to the post of Senior Lecture Grade II with effect from December 2016. | Action should be taken in accordance with University Act. | Action has been taken on the recommendations of the Selection Committee to confirm the lecturer whose service had been temporarily terminated due to not submitting the certificate to the effect that she completed her Ph. D, in a post of lecturer and later to promote up to the post of senior lecturer. | The University management had not taken steps to rectify this situation even as at 31 January 2022. |
| (f) | An Assistant Lecturer who had been on compulsory leave was promoted up to the post of Professor and a sum of Rs. 26,315,186 had been paid as salaries and allowances for a period from October 2013 to February 2021 without obtaining any service to the University. | Action should be taken in accordance with the Establishments Code. | Legal action has been taken against this matter. | Judgement had not been given by 31 January 2022. |
| (g) | A sum of Rs. 1,990,474 that had not been used for the expected objectives continued to exist under the non-current liabilities for a period of 09 years. | It should be used for the intended objectives without delay. | The donors of these funds had not stipulated any function to be discharged and action will be taken to use this money immediately after the receipt of instructions of the Committee. | Those funds had not been utilized even by 31 January 2022. |

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| (h) | Vehicle allowance and Fuel allowance amounting to Rs. 2,450,360 had been paid to an Acting Bursar of the University for his acting service period from the year 2015 to 2018 contrary to the Establishment Circulars of No. 13/2015 of 18 September 2015 and No. 13/2015(i) of 09 January 2016. | Relevant payments should be recovered. | Acting Bursar has served during the period from 21 December 2013 to 31 December 2018. Acting Bursar is eligible for the above payment as per the establishment circular no 13/2015. According to the provision in Para 119 of Chapter IX as per the Procedure Rule Volume-1 Extraordinary Gazette Notification No. 1589/30 dated 20.02.2009, transport and fuel allowances have been paid to Acting Bursar. | Vehicle and Fuel allowances had been paid despite being informed in writing by the University Grant Commission that these payments could not be made and these monies had not been recovered even by 31 January 2022. |
| (i) | Although lands, buildings and 02 vehicles received from the Government in the year 2015 were being used by the University, action had not been taken to account for those assets and to take over their ownership. | Necessary action should be taken to take over the ownership of the assets. | Action is being taken to take over these assets expeditiously. | It had been failed to take over the ownership of the properties even by 31 January 2022. |
| (j) | The University had incurred a sum of Rs.17,027,348 to follow postgraduate degrees for 07 academic staff from 2014 to 2019 within the specific study leave period. However they had resumed duties without completion their degrees, the university had not taken proper action to recover the expenditure in terms of Circular No.920 dated 05 February 2010. | Action should be taken in accordance with circular requirements. | Action will be taken to resolve this issue as soon as the study is completed and the report received. | Although those officers were engaging in duties without completion of that degree even as at 31 January 2022, no action had been taken to recover the spent money from those officers. |

8. Open University of Sri Lanka

Year Audit Opinion	2018 Qualified Opinion	2019 Unqualified Opinion	2020 Qualified Opinion
Audit Observation/Deficiency	Recommendation of the Auditor General	Comment of the Auditee and Preventive Measures Taken	Current Position
<p>(a) In terms of Financial Regulations 102, 103, 104, and Public Finance Circular No. 02/2016 dated 12 February 2016, removed and damaged books valued for Rs. 19,517,405, Rs. 2,637,980 and Rs. 2,891,380 in the years 2018, 2019 and 2020 respectively had been written off only with the approval of the Governing Body of the University without obtaining the Treasury approval. Furthermore, financial Regulations regarding stock shortages and surpluses had not been complied with from the outset.</p>	<p>Financial Regulations should be complied with.</p>	<p>Relevant officers were instructed to take appropriate action in accordance with the Financial Regulations and Circular Provisions regarding stock shortages and surpluses identified in board of surveys.</p>	<p>Instructions in this connection had not been given to the officers and action had not been taken as per the Financial Regulations even by 31 January 2022.</p>
<p>(b) A number of 121,248 books worth Rs.21,283,087 had been removed in the year 2018 due to excessive printing of books.</p>	<p>In order to prevent unnecessary printing of books, the recommendations of the committee appointed as per the proposal of the Committee on Public Accounts should be implemented.</p>	<p>The reasons for such excess books were that all the students who applied for the courses did not register to the courses, course books have to be revised periodically to improve the quality of courses and action has been taken to forecast correctly and reduce the excess books.</p>	<p>A methodology to identify the number of books required to be printed had not been introduced even by 31 January 2022.</p>

9. Buddhist and Pali University of Sri Lanka

Year	2018	2019	2020
Audit Opinion	Unqualified Opinion	Qualified Opinion	Qualified Opinion
Audit Observation/Deficiency	Recommendation of the Auditor General	Comment of the Auditee and Preventive Measures Taken	Current Position
<p>Bids were invited in the year 2017 to construct of a five storied building at the University premises in Colombo at a cost of Rs. 307.5 million on an engineering estimate under the Design and Construction Procurement method and a sum of Rs. 14,508,834 had been paid as mobilization advance to the selected contractor on 05 December 2019. Nevertheless, constructions had not been commenced even by 19 November 2021. Instead of appointing a line ministry representative to the Technical Evaluation Committees for 02 procurements worth Rs. 526.5 million, a retired Additional Secretary was appointed.</p>	<p>Procurement guidelines should be followed and necessary action should be taken to expedite construction.</p>	<p>This project is located at Baudhaloka Mawatha, Colombo 07. As the area is a High Security Zone, approval from the Urban Development Authority should be obtained before commencing construction. Construction will be commenced once the approval is received.</p>	<p>Constructions had not been commenced even by 31 January 2022 and inquiry had not been conducted and necessary action had not been taken against the officers who should be responsible for the issue of mobilization advances without being confirmed the capability of handing over the site to the relevant contractor.</p>

10. Eastern University of Sri Lanka

Year	2018	2019	2020
Audit Opinion	Qualified Opinion	Qualified Opinion	Qualified Opinion
Audit Observation/Deficiency	Recommendation of the Auditor General	Comment of the Auditee and Preventive Measures Taken	Current Position
(a) Section 3 (1) of Chapter XX of the Establishments Code for the University Grants Commission and Higher Education Institutes and Circular Letter No. 10/2017 dated 10 July 2017 of the University Grants Commission, All staff should be entered their arrivals and departures in the finger print scanner. However, the academic staff had not complied with that requirement.	Action should be taken to mark the arrivals and departures in the finger print scanner in terms of the Circular.	As a common practice, the arrival and departure of academic staff are not marked as in the case of all the universities.	This situation had not been corrected even as at 31 January 2022.
(b) The useful lifetime of fixed assets had not been reviewed annually in terms of paragraph 65 of the Sri Lanka Public Sector Accounting Standard 07. Even though Property, Plant and Equipment costing Rs. 536,453,179 had been fully depreciated by the end of 2019, those were still being used by the end of the year 2020 Nevertheless, action had not been taken to rectify the estimated error in accordance with Sri Lanka Public Sector Accounting Standard 03.	Sri Lanka Public Sector Accounting Standards should be adheres to.	Action will be taken to revalue the assets.	Action in terms of Sri Lanka Public Sector Accounting Standard had not been taken even by 31 January 2022.

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| (c) | In terms of Paragraphs 43,45 and 72 of Sri Lanka Public Sector Accounting Standard 07, lands containing 210 hectares of the University situated in 11 places had not been assessed and stated in the financial statements. | Action should be taken in accordance with Sri Lanka Public Sector Accounting Standards. | Action is being taken to obtain ownership of the land and revalue the buildings. | Revaluation Process had not been completed even by 31 January 2022. |
| (d) | Direct debits totaling Rs. 4,060,132 of 03 accounts had been stated in the bank reconciliation statement as unidentified debit balances without being identified as expenditure in the financial statements. Similarly, unidentified deposits totaling Rs. 1,608,236 of 03 bank accounts had not been settled for more than 12 years. | Unidentified debits and deposits should be settled. | Action has been taken for writing off. | Unidentified debits and unidentified deposits had not been settled even by 31 January 2022. |
| (e) | Bonds value of Rs. 155,332,578 due from 71 lecturers within a period from 03 to 38 years as at 31 December 2020 had not been recovered. | Bonds value should be recovered on time. | Measures have been taken to initiate legal actions. | Bonds value had not been recovered even as at 31 January 2022. |
| (f) | Employees' loan and advances totaling Rs. 20,839,969 and Rs, 84,161,724 due from outside parties over a period from 03 to 05 years further remained outstanding without being recovered as at 31 December 2020. | Action should be taken to recover the receivables. | Much of the above amount are balances continued to exist from the year 1998. There are no records for that and action will be taken to write off it with the approval of the authorities concerned. | No sufficient steps had been taken in this regard even by 31 January 2022. |

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| (g) | The University had not taken steps to settle sundry creditors and other payables totaling Rs. 20,810,414 that had continued to exist as current liabilities for a period from 03 to 15 years. | Action should be taken to settle payables. | Certain balances have been carried forward for more than a period of ten years and there are no documents thereon. Action will be taken to write off it from accounts books. | No adequate steps had been taken in this regard even as at 31 January 2022. |
| (h) | According to the Board of Survey reports for the year 2019, necessary action had not been taken in respect of shortage of 139 inventory items worth Rs. 1,379,602. | An inspection should be conducted on the stock shortage. | Action is being taken to correct this shortage. | No action had been taken to correct the stock shortage or to conduct an inspection on that matter even as at 31 January 2022. |
| (i) | No survey had been conducted on the library books worth Rs. 127,141,236 as at 31 December 2020 from the date of beginning of the university. | A survey on the library books should be conducted. | There are approximately 98,000 books and periodicals and the survey process conducted as sections was commenced before 03 years. | No action had been taken to complete the survey even as at 31 January 2022. |
| (j) | The approved and actual academic staff was 285 and 218 respectively. Accordingly, the number of vacancies was 67, of which number of vacancies of the Senior Professor was 15. The number of vacancies of the non-academic staff stood at 120. The University had not filled these vacancies even by the end of 2020. | Action should be taken to fill vacancies without delay. | Although the University took steps to publish notifications on the vacant posts from time to time, the lesser number of qualified applicants has become a problem and the number of Professors in the staff has been in vacant due to non-submission of applications. | No action had been taken to fill vacancies even as at 31 January 2022. |

11. Sabaragamuwa University of Sri Lanka

Year	2018	2019	2020
Audit Opinion	Unqualified Opinion	Qualified Opinion	Qualified Opinion
Audit Observation/Deficiency	Recommendation of the Auditor General	Comment of the Auditee and Preventive Measures Taken	Current Position
(a) Since useful life of the non-current assets had not been reviewed annually in terms of Paragraph 65 of the Sri Lanka Public Sector Accounting Standard 07, fixed assets costing Rs.893,887,711 were further in use despite being fully depreciated. Nevertheless, action had not been taken to revise the said estimated error in terms of Sri Lanka Public Sector Accounting Standard 03.	Action should be taken in accordance with the Sri Lanka Public Sector Accounting Standards.	Action is being taken to prepare a fixed asset register presently. Once this fixed asset register is prepared it is possible to eliminate all of these deficiencies.	No action had been taken to review the useful life of non-current assets even as at 31 January 2022.
(b) Payment of Rs. 9,432,774 had been made to the Security Services Company upon the request of the Secretary to the Ministry for the period from the year 2011 to 2012 contrary to the Conditions of the Security Service Agreements.	Responsible persons who have not acted in accordance with the agreements should be identified and action should be taken in accordance with legal provisions in that respect.	This has been answered at the Committee on Public Enterprises (COPE) held in July 2017.	Although this had been identified as an unlawful payment at the Committee on Public Enterprises held on 09 August 2017, no further action had been taken even as at 31 January 2022.
(c) Even though a sum of Rs. 1,370,300 had been paid from the year 2016 up to the year 2020 for the preparation of a software for the Fixed Assets Register and for entering data, the fixed assets register had not been prepared even by 31 December 2020.	Action should be taken to prepare Fixed Assets register.	As it has been decided to carry out the all the works of preparing the fixed asset register by the university, the old agreement was cancelled. Accordingly, a committee was appointed to prepare the fixed assets register	Action had not been taken to complete the preparation of Fixed Assets Register or to recover the money paid even as at 31 January 2022.

and to supervise all its activities and as discussed at the last meeting of the committee, the identification of fixed assets, coding and setting up of computerizing system are in progress.

- (d) A three-member Inquiry Board was appointed in February 2018 in respect of non-compliance with specifications of 130 desktop computers procured by incurring Rs. 15,964,000 in June 2016. Although the Board of Inquiry report dated 19 May 2018 concluded that disciplinary action should be taken against officials who have acted irresponsibly throughout the entire procurement process, disciplinary action had not been initiated even by April 2021. Retention money amounting to Rs. 1,596,400 had been also released to the contractor on 21 June 2018.
- All procurements should comply with the Procurement Guidelines and disciplinary action should be taken against the officials who have acted contrary to that as per the recommendations of the Inquiry Board.
- The retention money was released on the recommendation of the Committee. Necessary action will be taken in the future after considering the recommendations of the committee.
- Disciplinary action had not been taken even as at 31 January 2022.

12. Rajarata University of Sri Lanka

Year	2018	2019	2020
Audit Opinion	Qualified Opinion	Qualified Opinion	Qualified Opinion
Audit Observation/Deficiency	Recommendation of the Auditor General	Comment of the Auditee and Preventive Measures Taken	Current Position
(a) As the useful life of non-current assets had not been annually reviewed in terms of Paragraph 65 of Sri Lanka Public Sector Accounting Standard 07, the fully depreciated fixed assets costing Rs. 540,145,707 were further in use. No action had been taken to revise the resultant error in the estimation as per the Sri Lanka Public Sector Accounting Standard 03 even in the year 2020.	Action should be taken in accordance with Sri Lanka Public Sector Accounting Standards.	All the requirements relating to revaluing the assets and including such values in the financial statements have been finalized. Steps are being taken to complete those activities in the year 2021.	Revaluation had not been completed even as at 31 January 2022.
(b) In terms of Clause 2.10 of the Guidelines on University Research Grants, the advances obtained for research should be settled within 90 days. Nevertheless, advances totalling Rs. 2,662,233 obtained by 11 lecturers from the University Fund and the other funds had not been settled even as at 31 December of the year 2020 despite lapse of 01 to 13 years.	Action should be taken to settle the unsettled advance balances.	Action is being taken to recover this amount.	Advances had not been settled even as at 31 December 2021.

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| (c) | Action had not been taken as per the Financial Regulations in relation to tender deposits aggregating to Rs. 2,297,392 continued to exist for the period from 2012 to 2017 and contract and miscellaneous retention money totaling Rs.68,157,974 that remained in existence over a period from 02 to 16 years. | Action should be taken in accordance with the Financial Regulation | Action has been taken to pay the money in these retentions to the relevant payees in consultation with them from the preceding year and necessary action will be taken to release the remaining amount in the future. | Adequate steps had not been taken to comply with the Financial Regulations even as at 31 December 2021. |
| (d) | Every employee of the higher educational institution should record their time of arrival and departure. However, the academic staff had not done so. | The Establishments Code of the Universities should be followed. | The methodology followed by the system of Universities in this regard is also followed by us. | Action had not been taken even by 31 January 2022 to record the arrival and departure time. |
| (e) | Eight Lecturers who had obtained full-pay leave for post graduate studies but failed to complete the post-graduation, were employed, but the sum of Rs. 35,621,947 being the value of bonds recoverable from them, had not been recovered even by to the end of the year 2020. | Action should be taken to recover bond value from the officers who could not complete the post graduate studies. | Four Lecturers have been informed to present the progress reports up to the dated of completion of the post-graduate course. It has been decided to recover the bond value in full from a Lecturer within a period of one month whilst the decision taken by the “committee of review on the violation of bonds” will be implemented on another Lecturer. | That amount could not be recovered even up to 31 December 2021. |

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| (f) | The bond value of Rs. 411,844 recoverable from a Lecturer who had vacated the post, and the bond value of Rs. 3,784,401 recoverable from a Lecturer whose service had been terminated upon his failure to complete the degree in Master of Philosophy despite obtaining academic leave, had not been recovered even up to the end of the year 2020. | Action should be taken to recover the value of bonds receivable. | It has been decided that the sum of Rs. 411,844 receivable to the University will be recovered from his provident fund, and the Deputy Registrar of the Establishments Division will be informed in order to sign a bond anew for Dr. W.M.S. Fernando. | The funds could not be recovered even up to 31 December 2022. |
| (g) | The sum of Rs. 7,108,000 that should have been credited to the Universities Fund by the Provincial Council in respect of computerization, analysis and reporting of the data pertaining to the project named "Village" implemented by the Social Sciences Department of the University and North Central Provincial Council, had been credited to personal accounts of 03 officers of the academic division. The said sum comprised Rs. 150,000 given for the use of laboratory of the University. | Action should be taken to recover the funds receivable to the Universities Fund. | Action will be taken by the Council to appoint a Committee in this connection. | Action had not been taken even up to 31 January 2022 for the recovery of those funds. |

- (h) Plans had been underway since the year 2014 to establish an Engineering Faculty for the University, and a sum of Rs. 6,120,913 had been spent from the Universities Fund on the preparation of syllabus and miscellaneous expenses. Due to failure of the University in preparing a unique syllabus deviating from the conventional syllabuses, the project proposal for establishment of an Engineering Faculty had been suspended by the Secretary of the University Grants Commission on 24 December 2019. As such, the said expenditure incurred from the Universities Fund had become uneconomic.
- In case an Engineering Faculty is not established, action should be taken to recover the expenses from the persons responsible for incurring them.
- The University has appointed a Committee under the recommendation and approval of the Council and the Senate for establishing a new Engineering Faculty. The decisions taken by this Committee will be forwarded to the relevant Divisions thus taking action in due course.
- An efficient methodology had not been prepared for establishing the Engineering Faculty even by 31 January 2022; nor had the Committee appointed in that connection given a decision thereon.
- (i) Six FUME Cupboards had not been fixed together with LP gas supply in 03 laboratories at the building of the technology department pertaining to the Faculty of Applied Sciences built on the planning and construction method. However, payments had been made for those activities as well, and a sum of Rs. 8,026,275 had been paid to another contractor for executing the said activity. Furthermore, due to substandard quality of 03 equipment fixed under laboratory items mentioned in the bid documents, those equipment had been purchased from another supplier paying a sum of Rs. 964,688.
- The value incurred additionally on the undone works of the project implemented under plan and construct method, along with the value of substandard equipment should be recovered from the contractor.
- It has been decided to seek explanations from the consultancy firm and contractor of this project and forward such explanations to be reviewed by the Technical Evaluation Committee.
- Action had not been taken even by 31 January 2022 to recover the loss from the parties responsible.

13. Bhiksu University of Sri Lanka

Year Audit Opinion	2018 Qualified Opinion	2019 Qualified Opinion	2020 Qualified Opinion
<p>Audit Observation/Deficiency</p> <p>-----</p> <p>According to the bid documents prepared for the contract relating to the establishment of Enterprise Resource Planning System, the annual turnover of the prospective bidder relating to the software development projects should exceed Rs.50 million for the last three years. Nevertheless, a bidder who had not met that requirement had been selected as the prospective bidder. The contract with the total value of Rs.8 million should have been completed by 31 May 2018 as per the agreement. However, a sum of Rs.4 million had been spent by 31 March 2021, whereas the system had not been completed.</p>	<p>Recommendation of the Auditor General</p> <p>-----</p> <p>Formal measures should be taken regarding the selection of prospective bidder in contravention of the bid conditions and action should be taken to get the contract completed in accordance with the agreement and to utilize assets effectively and efficiently.</p>	<p>Comment of the Auditee and Preventive Measures Taken</p> <p>-----</p> <p>The contractor has agreed to rectify all errors and defects by 31 December 2021 and hand over this system to the University during the first quarter of 2022.</p>	<p>Current Position</p> <p>-----</p> <p>The system had not been completed in order to be usable even by 31 January 2022.</p>

14. South Eastern University of Sri Lanka

Year	2018	2019	2020
Audit Opinion	Qualified Opinion	Qualified Opinion	Qualified Opinion
Audit Observation/Deficiency	Recommendation of the Auditor General	Comment of the Auditee and Preventive Measures Taken	Current Position
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(a) According to Section 3(1) of Chapter XX of the Establishments Code of the University Grants Commission and Circular, No. 10/2017 of the University Grants Commission dated 10 July 2017, all the staffs should record departure and arrival time using the finger scanner. However, the academic staff had not done so.	Action should be taken to record arrival and departure time in accordance with Circular, No. 10/2017 of the University Grants Commission.	It is the norm of the academic staff not to record the arrival and departure.	No corrective measures had been taken in this connection even by 31 January 2022.
(b) Due to failure in annually reviewing the useful life of non-current assets in terms of Section 65 of the Sri Lanka Public Sector Accounting Standard, No. 07, Property, Plant and Equipment costing Rs. 483,321,635 were still in used even at the end of the year 2020 despite being fully depreciated by the end of the year 2019.	The Sri Lanka Public Sector Accounting Standards should be followed.	Action has been taken to reassess the remaining items of the goods mentioned in the financial statements.	The process reassessment had not been completed even by 31 January 2022.
(c) Forty four iMac computers purchased in the year 2018 at a cost of Rs. 23,055,912 under the project for Accelerating Higher Education Expansion and Development (AHEAD), had not been disclosed in the financial statements of the University.	Cost incurred on computers should be disclosed in the financial statements.	Action has already been taken to prepare statistics by obtaining information.	Cost of computers had not been brought to accounts even by 31 January 2022.

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| (d) | Balances of distress loans, festival advances, receivable salaries, breach of bonds, and sums receivable from contractors and institutions totaling Rs.9,719,273 that had remained outstanding over periods ranging from 01-19 years, were not recovered even by 31 December 2020. | Action should be taken to recover the outstanding monies. | Legal action has been taken to recover a sum of Rs. 2,518,143. The University Grants Commission has been informed to recover a sum of Rs. 6,173,532 from the Provident Fund of the University. | A sum of Rs. 9,276,315 could not be recovered even by 31 January 2022. |
| (e) | Retention monies totalling Rs. 12,834,860 remained payable to the suppliers over periods ranging from 02 to 07 years, had not been settled as at 31 December 2020. | Action should be taken to settle the retention monies. | Action will be taken when preparing the final accounts for the year 2021 either to release the retention monies or credit to the revenue of the University. | Retention monies had not been settled even by 31 January 2022. |
| (f) | Without being approved by the Ministry of Finance, Ministry of Education, and Finance Committee of the University, a sum of Rs. 31,559,910 had been invested in fixed deposits in the year 2020. | Establishments Code of the institutions of higher studies should be followed. | Action is being taken to obtain consent of the Ministry of Education and the Ministry of Finance. | Consent of the Ministry of Education and the Ministry of Finance, had not been obtained even by 31 January 2022. |
| (g) | Due to negligence of the officers responsible, a delay of over 06 years had been spent to take action for recovering the bond value of Rs. 1.73 million from a Lecturer. As such, the University had sustained a loss. Nevertheless, no action whatsoever had been taken against the responsible officers even by 31 December 2021. | Action should be taken to collect the bonds from the officers on time. | Legal opinion is being sought. | Those bonds had not been recovered even by 31 January 2022. |

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| (h) | Laboratory instruments procured during 2017-2019 at a cost of Rs. 93.5 million remained idle without being used over 01-04 years. | Action should be taken to productively use the instruments. | Many of the instruments were used temporarily for degree programme in mechanical engineering. | Those instruments were not in use even by 31 January 2022. |
| (i) | The University had awarded a contract in the year 2010 for the construction of a building complex to be used by the Faculty of Management and Commerce at a contract value of Rs. 112 million; and, the contract should have been completed on or before 28 February 2014. The construction works had been completed by 20 April 2014 though, late payments amounting to Rs. 2,977,412 had not been recovered from the contractor as per the agreement. Retention monies amounting to Rs. 2,808,880 had been brought forward over a period of 06 years without being setoff against the late payments. | Action should be taken to recover the late payments from the contractor. | The contractor requested that a discussion be held with the University in this connection. The date was not confirmed due to Covid-19 pandemic. | Late payments had not been recovered even by 31 January 2022. |

15. Wayamba University of Sri Lanka

Year Audit Opinion	2018 Qualified Opinion	2019 Qualified Opinion	2020 Unqualified Opinion
Audit Observation/Deficiency	Recommendation of the Auditor General	Comment of the Auditee and Preventive Measures Taken	Current Position
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(a) Medical equipment worth Rs. 680,041 purchased in the year 2015 without constructing a building suitable for the medical center in Makandura, remained idle.	Procurements should be made in a well-planned manner.	Prior to ordering goods in the future, requirements thereof and storage facilities will be looked into.	The medical equipment remained idle even by 31 January 2022.
(b) Even though a sum of Rs. 3,437,160 was given by the United Nations Food and Agriculture Organization for the "The Assessment of water and sediment quality and associated sea urchin of the gulf of manner coastline" project in the years 2014 and 2016, only a sum of Rs. 1,170,721 was spent. The relevant project had not been completed even by 31 December of the year (2020 and a sum of Rs. 2,266,439 had been remained underutilize for more than 4 years.	Action should be taken to achieve the objectives of the project.	A budget had been prepared by the Lecturer in charge of the relevant project for the balance amount provided by the Food and Agriculture Organization of the United Nations and it will be submitted to the next Finance Committee after obtaining the approval of the Food and Agriculture Organization of the United Nations.	The project had not been completed even by 31 January 2022.

- (c) Even though a sum of Rs.4,293,155 had been paid on 16 January 2020 to the Ceylon electricity Board for the supply of bulk electricity to the hostel complex of the Medical Faculty of the North Western University, the work had not been completed even by the end of the year.
- The works should be done thus achieving the objectives.
- Although payment had been made to the Electricity Board, this work could not be completed during the year under review as expected
- The said work could not be done even by 31 January 2022.
- (d) Prompt action had not been taken to recover a sum of Rs. 3,172,714 remained receivable since 2011 from 02 Lecturers who failed to return after proceeding abroad for studies.
- Action should be taken for recovery in accordance with Laws and Rules.
- Legal action has been taken for the prompt recovery.
- The sum could not be recovered even by 31 January 2022.

16. University of the Visual Performing Arts

Year	2018	2019	2020
Audit Opinion	Unqualified Opinion	Unqualified Opinion	Unqualified Opinion
Audit Observation/Deficiency	Recommendation of the Auditor General	Comment of the Auditee and Preventive Measures Taken	Current Position
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(a) Contrary to Letter No. HE/UD/09/DF/VPA/201 dated 08 November 2018 of the Secretary to the Ministry of Higher Education, granting approval for using local currency for foreign travel, 19 officers had been sent for foreign training by spending local funds of Rs. 9,293,409 for 02 short terms foreign training programmes.	Payments should be made after being properly approved.	Payment of relevant Course fees and casual allowances by obtaining approval of the Leave and Grants Committee is the methodology followed by the University.	No disciplinary action had been taken by 31 January 2022 against the officers responsible for allowing the use of local funds for foreign training without approval.

- (b) The board of examination had given marks to a student who had not participated in a practical test on computer applications held at the Department of Drama, Oriental Ballet and Modern Dance in the year 2016, thus causing an irregularity. That student had been appointed as a Probationary Lecturer to the same Faculty in the year 2019.
- Proper action should be taken on the examination irregularity.
- Action has been taken to conduct a preliminary investigation.
- The preliminary investigation had been completed though, the report of the investigation had not been received even up to 31 December 2021.

17. UvaWellassa University of Sri Lanka

Year Audit Opinion	2018 Qualified Opinion	2019 Qualified Opinion	2020 Unqualified Opinion
Audit Observation/Deficiency	Recommendation of the Auditor General	Comment of the Auditee and Preventive Measures Taken	Current Position
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(a) A sum of Rs.40,580,180 had been paid as accommodation allowances for 390 officers for the period from 01 January 2017 to 31 December 2020 without obtaining the approval of the University Grants Commission or concurrence of the Treasury.	Should be obtained on approval of the University Grants Commission and consent of the Treasury.	The houses rented by the university were used as dormitories of the staff until 2017 and as the number of employees had increased, rentals had been paid due to lack of hostels.	Approval of the University Grants Commission and consent of the Treasury could not be obtained even up to 31 December 2022. House rentals were still being paid.
(b) In the open recruitment for the post of Senior Assistant Librarian as per the University Grants Commission Circular No. 921 dated 23 April 2010, an applicant who had not fulfilled the relevant qualifications for the post had been recruited informally, on the Acting Vice Chancellor's	Only the qualified applicants should be recruited.	Recruitment was made to the post of Senior Assistant Librarian on the basis that the degree of Master of Philosophy should be completed at the time of appointment. Letters required for	Qualifications had not been verified even by 31 January 2022.

letter dated 25 July 2018 and a sum of Rs. 5,418,552 had been paid as salaries and allowances for the period starting from August 2018 to July of the year 2020.

verification of qualifications were sent to the relevant universities.

- (c) A University Lecturer was granted with paid study leave for 3 years from 25 September 2015 to 24 September 2018 and unpaid study leave from the date of termination of paid study leave until 24 July 2019 for pursuing a Doctorate of Philosophy at Xiamen University, China. However, the lecturer had reported for duty on 11 July 2019 without completing his Doctorate of Philosophy. Although he had not completed his Doctorate of Philosophy for more than two years by October 2021, the university was unable to deal with proper action for the breach of bond agreements.
- Action should be taken for the prompt recovery of funds from the officers who breached the bond agreements without completing the doctorate on time.
- An extension was given until 30 June 2021 by considering the request for an extension to furnish the certificate of completion of the Doctorate. The Lecturer will be deemed to have violated the bond agreements thereafter.
- The said certificate had not been furnished even by 31 January 2022. However, no action was taken to recover the value of bond.

18. University Grants Commission

Year Audit Opinion	2018 Qualified Opinion	2019 Qualified Opinion	2020 Qualified Opinion
Audit Observation/Deficiency	Recommendation of the Auditor General	Comment of the Auditee and Preventive Measures Taken	Current Position
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(a) As per the Cabinet decision dated January 25, 2011, local universities can enroll foreign students equal to 0.5 percent of the total number of students proposed to be enrolled. Accordingly, in the last 5 years, the total number of students proposed to be enrolled was 220, but the number of foreign students had been enrolled was only 58. 162 local students who were hoping for admission to universities had lost their university admission due to lack of focus on recruiting local students to replace the 162 foreign students who were vacant.	Once the 0.5 per cent quota allocated for foreign students is filled, the local students should be allowed to enroll in case of any vacancies left.	This was attributable to the reasons such as, decrease in the number of students applied, rejection of applications from the students without minimum qualifications, and lack of interest of the foreign students to enroll for universities outside Colombo.	Even though allocations had been made for 235 foreign students for the academic year 2019/2020, only 15 had been enrolled.
(b) Candidates who have appeared for the GCE Advanced Level Examination at the island wide level and obtained high Z scores, due to failing the aptitude test conducted for admission to the University, it was observed that he was deprived of the opportunity to enter the preferred courses or to enter the university although he passed the GCE (Advanced Level) examination with a high Z score. However, no further action has been taken to revise or suspend this system, and the process of conducting aptitude tests for admission of students to the	Management should focus on admitting students to university entrance based on the results of the competitive examination conducted island wide.	The University Grants Commission has decided to continue the test for two more years following the requests made by miscellaneous parties, and the said test will not be included in the courses to be introduced newly in due course.	It had been decided as per the decision taken at the meeting of the COPE held on 08 December 2021 that the aptitude test should be discontinued. However, no specific decision had been taken by the University Grants Commission in this connection

University for the 2019/2020 academic year has been further continued.

even by 31 January 2022.

- (c) A sum of Rs. 27 million had been spent during 2017-2020 on the Center for Gender Equity and Equality established to minimize ragging, but it was not revealed that action had been taken on 200-250 complaints received per year during that period.
- Action should be taken to achieve the objectives and targets.
- The activities mentioned in the Action Plan of this Center could not be executed as planned due to practical issues and strike of the non-academic staff of the University.
- A progress on complaints being taken into consideration was not observed even by 31 January 2022.
- (d) Although the Commission has paid Rs. 452 million as membership fee to the South Asian University for the period from 2010 to June 2020 with the aim of developing the skills and knowledge of Sri Lankan students and thereby producing students with leadership qualities, it has not been observed that it contributes to the development of skills and knowledge of Sri Lankan students and thereby produces students with leadership qualities.
- Action should be taken to obtain benefits for the Sri Lankan students in regard of the membership fees being paid to a foreign higher educational institution over an extensive period.
- Membership fees had been paid to the South Asian University under approval of the Treasury after being informed by the Ministry of Foreign Affairs.
- No benefits had been gained for Sri Lankan students even by 31 January 2022.

19. Gampaha Wickramaarachchi Ayurveda Institute

Year	2018	2019	2020
Audit Opinion	Qualified Opinion	Qualified Opinion	Qualified Opinion

Audit Observation/Deficiency	Recommendation of the Auditor General	Comment of the Auditee and Preventive Measures Taken	Current Position
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During the physical inspection carried out on 07 April 2021 at the Mathalana Herbal Park in Wathupitiwala with an land extent of 2.3533 hectares which was acquired as a free acquisition in the year 2013, shortcomings such as failure to introduce a suitable methodology to easily identify the relevant vegetation, failure to conduct a census of existing vegetation, lack of reporting on vegetation location and unavailability of constant plan for running the park were observed.	The herbal garden should be maintained under a proper plan and management.	Due to changes regularly occurred at the management of the institution during the preceding period, planning, implementation and maintenance of the development activities of the garden had become difficult.	Action had not been taken even by 31 December 2021 to properly manage the herbal garden.

20. National Institute of Library and Information Sciences

Year	2018	2019	2020
Audit Opinion	Qualified Opinion	Qualified Opinion	Qualified Opinion
Audit Observation/Deficiency	Recommendation of the Auditor General	Comment of the Auditee and Preventive Measures Taken	Current Position
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Despite the vacancy for a Lecturer, the Institution had obtained the services of 66 Visiting Lecturers to conduct academic courses, thus paying a sum totallingRs. 3,245,000 for the year 2020.	Vacancies in approved posts should be filled, and action should be taken to minimize the payments made to the Visiting Lecturers.	Although applications had been called for the vacant post of Lecturer, interviews could not be held due to Covid-19 pandemic. Even if that vacancy had been filled, it would not have been sufficient for all the courses conducted by the institution. As such, services of the external resource personnel will be obtained.	Lack of Lecturers remained so even by 31 January 2022, but no action had been taken to revise the approved cadre.

21. University of Colombo School of Computing

Year	2018	2019	2020
Audit Opinion	Unqualified Opinion	Unqualified Opinion	Unqualified Opinion
Audit Observation/Deficiency	Recommendation of the Auditor General	Comment of the Auditee and Preventive Measures Taken	Current Position
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(a) Distress loans equivalent to 10 times the basic salary had been paid in excess of the maximum limit of Rs. 250,000. As such, an overpayment of Rs. 11,364,433 had been made to 44 officers.	provisions of Circulars should be followed.	A special distress loan scheme had been put in place 10 years ago under approval of the Board of Governance of the Institution. The financial provision required thereon was provided from the earnings of the institution. Payment of distress loans has been suspended until formal approval is received.	A formal approval could not be obtained in that connection even by 31 January 2022.
(b) A sum totalling Rs. 6,569,834 receivable from 03 Lecturers who had breached bond agreements as at 31 December 2020, had not been recovered throughout a period of 03-16 years.	Action should be taken to recover without delay.	Legal action is being taken for the recovery.	A sum of Rs. 4,331,995 remained further recoverable even as at 31 December 2021.

22. The Institute of Biochemistry, Molecular Biology and Biotechnology

Year	2018	2019	2020
Audit Opinion	Qualified Opinion	Qualified Opinion	Unqualified Opinion
Audit Observation/Deficiency	Recommendation of the Auditor General	Comment of the Auditee and Preventive Measures Taken	Current Position
----- Salaries and allowances totalling Rs. 19,224,085 had been paid to 09 members of the academic staff without verifying their arrival and departure times.	----- Establishments Code of the Universities should be followed.	----- Members of the academic staff execute their duties as per work norms under supervision of the Director of the institution.	----- Action had not been taken even by 31 January 2022 to verify the arrival and departure times of the academic staff.

23. National Centre for Advanced Studies in Humanities and Social Sciences

Year	2018	2019	2020
Audit Opinion	Qualified Opinion	Unqualified Opinion	Unqualified Opinion
Audit Observation/Deficiency	Recommendation of the Auditor General	Comment of the Auditee and Preventive Measures Taken	Current Position
----- Grants worth Rs. 42,338,669 had been provided for 24 beneficiaries by the Center to follow post graduate courses during the period 2005-2014. However, they had not completed the courses even after a period of 07-15 years by the end of the year under review.	----- The Center should take follow-up action to ensure that the beneficiaries follow and complete the courses.	----- The funds provided for those who failed to complete the studies and show progress will be recovered.	----- Letters had been sent informing that the funds paid to those who discontinued the courses, be repaid. But the funds could not be recovered even by 31 January 2022.

24. Swami Vipulananda Institute of Aesthetic Studies

Year	2018	2019	2020
Audit Opinion	Qualified Opinion	Qualified Opinion	Qualified Opinion
Audit Observation/Deficiency	Recommendation of the Auditor General	Comment of the Auditee and Preventive Measures Taken	Current Position
(a) A sum of Rs. 3,885,993 had been allocated as research allowances for 23 members of the staff who had not presented research reports in the specified years since 2016. However, those provisions had not been used on researches and remained unutilized.	Action should be taken to utilize the provision on intended purposes.	Action has been taken to write back the excess provision.	Action had not been taken even by 31 January 2022 either to utilize the provision or make adjustments in the books.
(b) According to Section 3(1) of Chapter XX of the Establishments Code of the University Grants Commission and higher educational institutions and Circular, No. 10/2017 of the University Grants Commission dated 10 July 2017, all the staffs should record departure and arrival time using the finger scanner. However, the academic staff had not done so.	Necessary action should be taken as per the Circular.	As in the case of other higher educational institutions, the academic staff does not record their arrival and departure time using the finger scanner.	Not rectified even by 31 January 2022.
(c) As the useful life of non-current assets had not been reviewed annually in terms of Section 65 of Sri Lanka Public Sector Accounting Standard 07, Property, Plant and Equipment costing Rs. 17,259,976 had still been in use by 31 December 2020 despite being fully depreciated as at 31 December 2019. However, action had not been taken to	The Sri Lanka Public Sector Accounting Standards should be followed.	Action has been taken to assign 03 skilled trainees to prepare the Register of Fixed Assets.	The Sri Lanka Public Sector Accounting Standards had not been followed even by 31 January 2022.

correct the estimated error as per Sri Lanka Public Sector Accounting Standard 03.

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| (d) | A sum of Rs. 2,950,935 receivable over a period of 02-08 years had not been recovered even by 31 December 2020. | Action should be taken to recover the dues. | Approvals of the Director General of Public Finance and the Director General of the Department of National Budget have been sought to write off the unrecovered bond value of Rs. 2,128,637. | The dues had not been recovered even by 31 January 2022. |
| (e) | Since the inception of the institution, a survey had not been conducted up to the end of the year 2020 on library books worth Rs. 6,166,845. | A survey should be conducted on the library books in accordance with the Circulars. | Surveys will be conducted on library books from the year 2021. | Survey on library books had not been completed even by 31 January 2022. |
| (f) | According to the information furnished to the Audit, action had not been taken to fill 13 and 44 vacancies existed by the end of the year 2020 in academic and non-academic staffs respectively. | Necessary action should be taken to fill the vacancies. | Advertisements have been published to make recruitments for 08 permanent posts in the academic staff. Recruiting to the posts in non-academic staff has been suspended as per Government instructions. | Those posts remained vacant even by 31 January 2022. |
| (g) | A Register of Fixed Assets had not been maintained with respect to fixed assets costing Rs. 666,355,916. | A Register of Fixed Assets should be prepared. | The Register of Fixed Assets and the detailed schedules on Property, Plant and Equipment are being prepared. | Preparation of the Register of Fixed Assets had not been completed even by 31 January 2022. |

25. Post Graduate Institute of Agriculture

Year	2018	2019	2020
Audit Opinion	Qualified Opinion	Unqualified Opinion	Unqualified Opinion
Audit Observation/Deficiency	Recommendation of the Auditor General	Comment of the Auditee and Preventive Measures Taken	Current Position
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(a) Students, who had completed the post graduate studies, presented 125 research papers to the institution. However, action had not been taken either to publicize them through nationally or internationally recognized publishers, commercialize the selected ones, or use them for the betterment of the country or the institution through innovation.	The theses should either be publicized nationally or internationally, commercialized, or used for the betterment of the country through innovation.	An opportunity has been given to the students to present their research papers to the general assembly held by the institution annually. The research papers praised therein will be published.	No substantial measures had been taken even by 31 January 2022 to publish, commercialize the theses, or use them for innovation.
(b) An advance of Rs. 1,500,000 had been paid to a private institution in the year 2017 after entering into an agreement for installation of a computerized accounting system at the value of Rs. 2,100,000. However, the system had not been installed even after a lapse of 03 years after the end of the period of agreement.	The agreed activities should be completed on time under proper control and supervision.	Action has been taken to extend the period of agreement.	The period of agreement had been extended up to 31 December 2020 though, the installation process had not been completed even by 31 January 2022.
(c) Student registration fees totalling Rs. 11,160,670 and course fees totalling Rs. 17,432,712 remained receivable over 03-10 years by 31 December 2020.	All the due income should be recovered on time.	Action will be taken to recover the registration fees through various means.	A sum of Rs. 15,864,063 could not be recovered even by 31 January 2022.

- (d) Four construction projects worth Rs. 31,107,047 scheduled to be completed within the year 2020, had not been implemented. All the constructions should be completed within the specified period. Action will be taken to complete all the construction works within the specified period. All 04 projects had not been implemented even by 31 January 2022.

26. Post Graduate Institute of Medicine

Year Audit Opinion	2018 Unqualified Opinion	2019 Qualified Opinion	2020 Qualified Opinion
Audit Observation/Deficiency	Recommendation of the Auditor General	Comment of the Auditee and Preventive Measures Taken	Current Position
<p>The sum of Rs. 3,605,803 existing since 2018 in the PGIM Research & Publication Fund, and the sum of Rs. 1,625,666 received in the years 2018 and 2019 for rehabilitating the fixed assets and library books and publication of reports, had not been utilized on the intended purpose.</p>	<p>Intended purposes should be identified and expenses should be made according to a plan.</p>	<p>None of the intended activities could be executed during the 02 preceding years. The balance of the fund will be utilized on the relevant expenses in the year 2021.</p>	<p>Even by 31 December 2021, the PGIM Research & Publication Fund had not been utilized in full, and a sum of Rs. 1,024,995 from the fixed assets rehabilitation fund had not been utilized.</p>

27. Postgraduate Institute of Pali and Buddhist Studies

Year Audit Opinion	2018 Qualified Opinion	2019 Qualified Opinion	2020 Qualified Opinion	
Audit Observation/Deficiency		Recommendation of the Auditor General	Comment of the Auditee and Preventive Measures Taken	Current Position
----- A sum of Rs. 3,598,493 had been spent as miscellaneous expenses during the year 2019 relating to the laying of corner stone for the new building of the institution being constructed at the Manelgama premises in Kelaniya. The management had not brought their attention to organize the event at minimal costs. Constructions of the building should have been commenced on 14 May 2019 and completed by 13 May 2021 though, the plan of the building had not been approved even up to the date of audit on 14 August 2020.		----- The management should ensure minimal costs.	----- A sum of Rs. 3,598,493 had been spent on laying the corner stone.	----- Plan of the building could not be approved, nor had the constructions been completed even by 31 December 2021.

28. Post Graduate Institute of Management

Year Audit Opinion	2018 Qualified Opinion	2019 Qualified Opinion	2020 Qualified Opinion
Audit Observation/Deficiency	Recommendation of the Auditor General	Comment of the Auditee and Preventive Measures Taken	Current Position
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(a) The dues of Rs. 1,527,144 brought forward over 03 years relating to 03 courses, had not been recovered.	The outstanding course fees should be recovered.	Action will be taken in due course not to allow the students who defaulted on payments, to sit the examinations.	The outstanding course fees had not been recovered even by 31 December 2021.
(b) As per the recommendations of the report of the COPE held in the year 2009 relating to the fraud of Rs. 58.2 million committed at the branch in Dubai, the CID had been entrusted in the year 2011 to conduct an investigation. However, a case had not been filed even after 10 years from the date of fraud.	The investigation should be expedited.	Filing a case has been delayed until the Department of Criminal Investigation receives instructions from the Attorney General relating to the financial irregularities at the Dubai branch.	A case had not been filed even by 31 December 2021.
(c) Sums of Rs. 2,079,000 and Rs. 11,603,217 being the payables and receivables respectively from the Dubai branch had been brought forward over an extensive period in the statement of financial position without being investigated.	Prompt action should be taken to settle those balance continued to exist over 10 years.	Necessary action will be taken in this connection as soon as the investigation conducted by the CID on the affairs of the Dubai branch, is completed.	The investigation had not been concluded by the CID even by 31 December 2021.
(d) Action had not been taken even in the year 2020 to recover the loan balance of Rs. 2,874,482 from the former Director of the institution who had been retired in the year 2012.	The dues receivable to the institution should be recovered before being retired.	Action will be taken to recover the loan balance when the Director's provident fund is released.	The loan balance had not been recovered even by 31 December 2021.

29. Postgraduate Institute of Archaeology

Year	2018	2019	2020
Audit Opinion	Unqualified Opinion	Unqualified Opinion	Unqualified Opinion
Audit Observation/Deficiency -----	Recommendation of the Auditor General -----	Comment of the Auditee and Preventive Measures Taken -----	Current Position -----
Based on the decisions taken by the board of management, 05 research assistants had been recruited since the year 2011 irrespective of the approved cadre. As such, the scholars following courses at the institution had been deprived of the opportunity to be involved in researches under qualified lecturers.	The scholars should be allowed to take part in researches under the guidance of experienced lecturers.	It is expected to proceed as per recommendations of the board of management.	Four research assistants had further been recruited even by 31 December 2021.

30. Post Graduate Institute of Science

Year	2018	2019	2020
Audit Opinion	Qualified Opinion	Qualified Opinion	Qualified Opinion
Audit Observation/Deficiency -----	Recommendation of the Auditor General -----	Comment of the Auditee and Preventive Measures Taken -----	Current Position -----
(a) As the useful life of non-current assets had not been reviewed annually in terms of Sri Lanka Public Sector Accounting Standard 07, non-current assets valued at Rs. 53,946,827 were still in use despite being fully depreciated, and the estimated error had not been revised in terms of Sri Lanka Public Sector Accounting Standard 03.	The financial statements should be prepared in accordance with the Accounting Standards.	Some of the assets have been revalued.	The revaluation process had not been completed even by 31 January 2021.

- (b) The assets worth Rs. 15,116,057 revalued in the years 2010 and 2011 as per Paragraph 47 of the Sri Lanka Public Sector Accounting Standard 07, had been fully depreciated, but action had not been taken to revalue those assets again in the year under review. Action should be taken in accordance with the Accounting Standards. The fully depreciated assets are being revalued at present. The revaluation process had not been completed even by 31 January 2022.
- (c) The sum of Rs. 15,428,800 recognized in the financial statements of the year 2018 as being receivable course fees, had not been recovered in the year 2018. Action should be taken to promptly recover the outstanding course fees. Thirty per cent of the course fee is recovered at the time of registration for the courses, 33 per cent is recovered at the second semester, and the balance is recovered prior to the final examination. A sum of Rs. 4,979,393 had not been recovered from the outstanding course fees even by 31 January 2022.
- (d) The sum of Rs. 2,117,84 being the total of 15 balances payable from 31 December 2017 to 31 December 2019 relating to Short Courses, Workshops & Other, had not been settled even in the year 2020. The payables should be settled as soon as possible. Limits have been imposed on dates relating to payments to be made to the visiting lecturers of short term courses and other affairs. It has been decided not to make payments after a period of one year since the end of courses. A balance of Rs. 1,385,280 relating to 04 courses had not been settled even by 31 January 2022.
- (e) Of the sum amounting to Rs.93,287,025 withdrawn during 01 January 2009 and 31 December 2016 from 14 fixed deposits opened by the institution at the Peradeniya branch of the People's Bank, Rs. 37,948,865 had been invested anew in fixed deposits whilst Rs. 5,000,000 of the balance of Rs. 55,338,160 had been inappropriately utilized. Action should be taken to promptly recover the defrauded amount. The Case No. B/43167/17 has been filed at the district court, Kandy for the recovery of that sum. The case had not come to a conclusion even by 31 January 2022.

within a period of 6 months before being deposited in the bank account maintained by the institution. The balance of Rs. 50,338,160 of that amount had not either been deposited in the bank account of the institution or recorded in the cash book; instead, that sum had fraudulently been obtained by the senior assistant financial superintendent.

- (f) No funds whatsoever have so far been spent on any scholarship or research activity from the Fund established for providing research and scholarship facilities. The balance of that Fund amounted to Rs. 7,771,002 by the end of the year 2020.
- Funds should be utilized on the intended purposes.
- Using the balance of the research Fund of the Post Graduate Institute of Science mentioned by the Audit, a research grant valued at Rs. 6 million had been given in the year 2021 on 12 research projects.
- a sum of Rs.2,083,789 remained unutilized even by 31 December 2021.
- (g) Eight research funds worth Rs. 2,353,608 provided for research activities, had not been utilized during the year 2020.
- Funds should be efficiently be utilized on the intended purposes.
- Maximum utilization of research funds will be ensured.
- The unutilized amount as at 31 December 2021 was Rs. 996,839.

31. Post Graduate Institute of English

Year Audit Opinion	2018 Qualified Opinion	2019 Qualified Opinion	2020 Qualified Opinion
Audit Observation	Recommendation of the Auditor General	Comment of the Auditee and Preventive Measures Taken	Current Position
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(a) The receivables from students totaled Rs. 4,306,380 as at 31 December 2020 and a balance of Rs. 2,003,100 older than 03 years existed therein. No formal procedure was followed to recover the money.	A mechanism should be put in place to timely recover the balances identified as being receivable in each year.	Action is being taken to identify the inactive students belonging to the said category. Recoveries will be made from the active students who had defaulted on payments.	The balance that could not be recovered even by 31 December 2021 totalled Rs. 4,199,130.
(b) According to Section 3(1) of Chapter XX of the Establishments Code of the University Grants Commission and Circular, No. 10/2017 of the University Grants Commission dated 10 July 2017, all the staffs should record departure and arrival time using the finger scanner. However, without verifying the arrival and departure time of the academic staff of the institution in that manner, a sum of Rs. 12,273,298 had been paid as salaries and allowance of the year 2018.	The Establishments Code of the Universities should be followed.	As the duties of the academic staff can not be restricted to a certain timeframe, no any University in Sri Lanka records the arrival and departure time. The University Grants Commission and the Ministry of Higher Education are also aware of this.	Action had not been taken even by 31 January 2022 to verify the arrival and departure time as per provisions of the Establishments Code of the Universities.

- (c) The balance of Rs. 3,967,500 existed in the PGIE Development Fund as on 31 December 2019, had not been utilized for the relevant purposes for a period of 05 years. The funds should be utilized on the intended purposes. As per the decision taken by the board of management on 16 October 2020, funds of the Development Fund will be utilized on the Management Information System to be developed for the institution. Those funds had not been utilized even by 31 December 2021.

32. Postgraduate Institute of Humanities and Social Sciences

Year Audit Opinion	2018 Unqualified Opinion	2019 Unqualified Opinion	2020 Unqualified Opinion
Audit Observation/Deficiency	Recommendation of the Auditor General	Comment of the Auditee and Preventive Measures Taken	Current Position
(a) Course fees should be recovered before the final examination of each course. The sum of Rs. 39,665,822 shown as the course fees receivable on 07 courses in the year 2018, included a sum of Rs. 19,984,027 that had continued to exist over 01-03 years after conclusion of courses.	The dues should be recovered on time within the specified period.	Action has been taken not to allow the students who had defaulted on course fees, to sit the exams.	The outstanding course fees had not been recovered even by 31 January 2021.
(b) Action had not been taken to obtain approval of the University Grants Commission on 51 of the courses being conducted by the Postgraduate Institute of Humanities and Social Sciences.	Action should be taken to obtain University Grants Commission approval without delay.	The relevant approvals are obtained for all the courses commenced newly.	Although the University Grants Commission had been requested for approval, such approvals could not be obtained even by 31 January 2022.

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| (c) | The contract agreement entered into at the value of Rs. 4,666,843 for broadening the access to the institution and constructing a garage, was scheduled to be completed by 27 May 2019. However, the contract had not come to an end even by 31 December 2020. | Action should be taken to complete the construction contracts within the period of agreement. | Action has been taken to commence the procurement activities after identifying the requirements of the institution. | The constructions had not been completed even by 31 January 2022. |
| (d) | The grants valued at Rs. 6,699,195 received from Minan Buddhist Collage, China in the years 2017, 2018, and 2019 for constructing a building complex to provide accommodation for foreign students, remained utilized even by 31 December 2020. | Attention should be drawn on the prompt utilization of funds. | Action is being taken to obtain the necessary approvals for the constructions. | The constructions had not been commenced even by 31 January 2022. |
| (e) | Rs. 1,170,025 out of the sum allocated in the year 2018 for renovating the building of the institution, had not been utilized even by 31 December 2019. | The funds should be utilized on the intended purpose. | The relevant officers have been instructed to schedule procurements by properly identifying the requirements of the institution. | The said sum had not been utilized even by 31 January 2022. |
| (f) | Having recruited 16 employees on contract basis in excess of the approved cadre, a sum of Rs. 6,067,134 had been paid as salaries and allowances in the year 2020. However, no action had been taken to revise the approved cadre. | The staff should be maintained within the approved limits. | The University Grants Commission have been requested to increase the cadre. | Action had not been taken even by 31 January 2022 to revise the staff. |