

**1.1 Qualified Opinion**

---

The audit of the financial statements of the Uva Wellassa University for the year ended 31 December 2018 comprising the statement of financial position as at 31 December 2018 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, 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 Finance Act No.38 of 1971. My comments and observations which I consider should be report to Parliament appear in this report.

In my opinion, except for the effects of the matters described in the Paragraph 1.5 of this report, the accompanying financial statements give a true and fair view of the financial position of the Uva Wellassa University as at 31 December 2018, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

**1.2 Basis for Qualified Opinion**

---

My opinion is qualified on the matters described in paragraph 1.5 of this report.

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

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

---

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

In preparing the financial statements, management is responsible for assessing the Uva Wellassa University’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Uva Wellassa University or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Uva Wellassa University’s financial reporting process.

As per Sub-section 16(1) of the National Audit Act No. 19 of 2018, the University is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared.

#### **1.4 Scope of Audit (Auditors Responsibilities for the Audit of the financial statements)**

---

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the University's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the University's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the University to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The scope of the audit also extended to examine as far as possible, and as far as necessary the following;

- Whether the organization, systems, procedures, books, records and other documents have been properly and adequately designed from the point of view of the presentation of information to enable a continuous evaluation of the activities of the University, and whether such systems, procedures, books, records and other documents are in effective operation;
- Whether the University has complied with applicable written law, or other general or special directions issued by the governing body of the University
- Whether the University has performed according to its powers, functions and duties; and
- Whether the resources of the University had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

## **1.5 Financial Statements**

-----

### **1.5.1 Internal Control over the preparation of financial statements**

-----

Entities are required to “devise and maintain” a system of internal accounting controls sufficient to provide reasonable assurance that , transactions are executed in accordance with management’s general or specific authorization, transactions are recorded as necessary to permit preparation of financial statements in conformity with the applicable reporting standards , and to maintain accountability for assets, access to assets is permitted only in accordance with management’s general or specific authorization, and the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences. Issues with regard to maintenance of key accounting records such as General Ledger, Journal and Journal vouchers, payment vouchers etc. may include under this heading.

### **1.5.2 Non-compliance with Sri Lanka Public Sector Accounting Standards**

-----

<b>Audit Observation</b>	<b>Comments of the Management</b>	<b>Recommendation</b>
-----	-----	-----
Since useful life of the non-current assets had not been reviewed annually, fully depreciated fixed assets costing Rs.259,964,609 were further being used, whereas action had not been taken to revise the error in the estimation in terms of Sri Lanka Pubic Sector Accounting Standard 03.	A revaluation of the fully depreciated assets had not been carried out up to date and plans have been drawn to carry out revaluation of those assets.	Steps should be taken in accordance with the Sri Lanka Public Sector Accounting Standard 07.

### 1.5.3 Accounting Deficiencies

---

<b>Audit Observation</b>	<b>Comments of the Management</b>	<b>Recommendation</b>
(a) Expenditure of Rs.246,723 paid in respect of the preceding year had been brought to account as expenditure of the year under review and expenditure of Rs.340,490 related to the year under review and paid in the year 2019 had not been brought to account as expenditure of the year under review.	In the preparation of accounts by the University on accrual basis, the expenditure that can be practically accounted is brought to account as an expenditure of the relevant year.	Since the accrual basis being the accounting policy, financial statements should be prepared in accordance therewith.
(b) According to the provisions for gratuity schedule, the balance as at 31 December of the year under review amounted to Rs.31,529,645 and the balance as per the financial statements amounted to Rs.31,966,934. Accordingly, a sum of Rs.437,289 had been overstated in the Employees Provisions for Gratuity Account.	Observation is accepted. Action will be taken to eliminate the sum of Rs.437,289 from the Provisions for Gratuity Account.	Relevant adjustments should be made in the accounts.
(c) According to the financial statements as at 31 December of the year under review, the value of the closing stock of 03 items of stock amounted to Rs.31,621,585 and the value of the closing stock computed according to the presented Board of Survey Reports amounted to Rs.30,638,466. Accordingly, a sum of Rs.938,119 had been overstated in the financial statements. Similarly, a stock worth Rs.531,901 to be disposed of and identified at the Board of Survey as at 31 December of the year under review had been included in the above stock.	In order to explain the difference between the value of the stock included in the Statement of Financial Position and the value of the stock as per the Board of Survey Reports as at the end of the year under review, the following reconciliation is presented.	Adjustments Should be made in the financial statements after identifying this difference.

Stock as per the Statement of  
Financial Position

Stationery Stock	Rs.	
		6,662,819.25
Maintenance stock and other		1,176,069.85
Electric Appliances	<u>400,182.80</u>	<u>8,239,071.90</u>
<u>Added</u>		
Re-accounted Stock (Continuous Paper)		16,750.00
Value of excess stock	<u>52,060.79</u>	<u>68,810.79</u>
<u>Less</u>		
Value of stock shortage		(14,226.08)
Value of stocks that could not be used	<u>(530,680.70)</u>	(544,906.78)
Identified Difference		<u>(110,680.66)</u>
Balance as per Board of Survey Report		<u><u>7,652,295.25</u></u>

It is informed that action will be taken to make relevant corrections after examining the difference of Rs.110,680.

**1.5.4 Un-reconciled Control Accounts or Reports**

Item	Value as per Financial	Value as per Corresponding	Difference	Comments of Management	of the Recommendation
------	------------------------	----------------------------	------------	------------------------	-----------------------

	Statements	Reports		
	Rs.	Rs.	Rs.	
Fixed Assets	190,104,996	185,672,916	4,432,080	This difference is The Register of accepted and action will Fixed Assets be taken to include it in should be the Register of Fixed maintained in an Assets and update the updated manner. same.

### 1.5.5 Unauthorized Transactions

	Details on Unauthorized Transactions	Comments of the Management	Recommendation
(a)	The maximum amount of ad hoc imprest that can be granted to an officer in the Staff Grade by an Accounting Officer is Rs.100,000 at a time, whereas ad hoc imprest of Rs.3,485,093 had been granted exceeding the above limit in 14 instances during the year under review and relevant approval had not been obtained thereon.	In carrying out necessary identical activities of the University, advances had been paid exceeding Rs.100,000.	Action should be taken in accordance with State Finance Circular No.03/2015 and the Financial Circular Letter No.05/2015 of the University Grants Commission.
(b)	The ad hoc imprest can be granted only to the officers of the Staff Grade. Nevertheless, imprests of Rs.4,987,433 had been granted to Non-Staff Grade Officers in 252 instances.	In the event of carrying out several specific activities at the same time under the relevant Head of Division/Staff Officers, advances had been paid to the Non-Staff Grade Officers in order to prevent the payment of several advances to those Staff Grade Officers.	Action should be taken in accordance with State Finance Circular No.03/2015 and the Financial Circular Letter No.05/2015 of the University Grants Commission.
(c)	An officer had proceeded abroad for a training workshop held in Australia from 27 February 2018 to 07 March 2018, whereas relevant approval had not been obtained for leave out of the country.	This matter has been referred to the Secretary to the President through the Secretary to the Ministry of Higher Education and Highways by the University Letter No.UWU/HR/PF/4/0001 dated 15 February 2018. (Prior to 11 days)  Ministry of Higher Education and Highways has informed that since there is no adequate time to refer the above application to the Secretary to the President after obtaining approval of the	Relevant approval should be obtained prior to proceed abroad.

Hon. Minister, action cannot be taken to send it to the Presidential Secretariat.

- |  |  |   |
|--|--|---|
| <p>(d) In terms of Public Administration Circular No.18/2016 dated 10 August 2016, all the officers including the officers of the Staff Grade of the State Corporations should get their leave approved by the Hon. Minister at the time of their proceeding abroad. Nevertheless, three officers had not taken steps accordingly.</p> | <p>Due to an error occurred in the interpretation of matters specified under Sub-matters No.01 of the Letter No.PMO/2/1/MICS/FL dated 07 April 2015 of the Prime Minister's Office, leave had not been referred to the approval of the Hon.Minister. Nevertheless, action has been taken to seek approval of the Minister to the foreign tours of the Non-executive Officers from July 2018.</p> | <p>Action should be taken in accordance with the circular instructions.</p> |
|--|--|---|

### 1.5.6 Inappropriate Evaluation or Estimation

---

<b>Audit Observation</b>	<b>Comments of the Management</b>	<b>Recommendation</b>
-----	-----	-----
<p>(a) In the payment of ad hoc sub-imprest, although a necessary estimate for the relevant purpose had been prepared, there were 223 instances of savings of imprest from 25 per cent to 100 per cent.</p>	<p>Instructions have been given to the staff to prepare estimate in commensurate with the required funds and action will be taken to release funds in accordance with the correct estimates, in future.</p>	<p>Estimates should be prepared correctly.</p>
<p>(b) Since a rate of 10 per cent for the overhead cost such as supervision and work site security included in the general instructions specified in the Building Schedule of Rate (BSR) of the Uva Provincial Council utilized in the constructions and repairs of the University is included in each Rate, it is not possible to include a separate payment for the work supervision and security in the estimates prepared by the University. Nevertheless, it was observed at the audit test check that a sum of Rs.402,500 comprising Rs.155,250 for work supervision and Rs.247,250 for work site security had been included in the estimates and paid relating to 03 works.</p>	<p>At the Audit and Management Committee discussion, the member of the Committee that prepared the Uva Provincial Building Schedule of Rate (BSR) opined that the work site supervision and security included under the overhead cost had been stated under the normal conditions and apart from that the Engineer of the relevant project reserved the right to include in the Bill of Quantity (BOQ), specific staff and items for a certain period of time, if required, depending on the nature of the task in accordance with the CIDA Register.</p>	<p>Since work supervision and work site security is included in the overhead cost of the BSR Rates of the Uva Provincial Council, a separate payment should not be included therefor.</p>

### 1.5.7 Lack of Documentary Evidence for Audit

---

Item	Amount Rs.	Evidence not furnished	Comments of the Management	Recommendations
Fixed Assets	1,984,409,725	Formal Register of Fixed Assets  Board of Survey Report	Boards of surveys pertaining to the year 2018 have been completed and action will be taken to submit the relevant reports.	Formal register of Fixed Assets should be maintained and Board of Survey reports should be furnished to the Auditor General in terms of Financial Regulations 756 and 757.

### 1.6 Non-compliance with Laws, Rules, and Regulations

---

Reference to Laws, Rules and Regulations	Non-compliance	Comments of the Management	Recommendation
(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka.			
(i) Financial Regulation 571	Deposits of Rs.21,362,955 older than 02 years and retained as cash in hand in carrying out various constructions and obtaining supplies and services had not been settled. Similarly, half yearly reports, as well, had not been prepared in respect of lapsed deposits.	Action will be taken to release the cash in hand relating to the constructions in the settlement of final bills and the cash in hand retained for the purchase of other assets will be released on completion of the	Action should be taken in accordance with Financial Regulations.



relevant conditions.

Instructions have been given to prepare the half yearly reports.

(ii) Financial Regulation 715 (2) Items of the Stores had not been properly stored. Instructions were given to maintain the Stores properly. Action should be taken in accordance with Financial Regulations

(b) Treasury Circulars

-----

Paragraph 7.2 of the Public Enterprises Circular No.PED/12 dated 02 June 2003 Operating Manual had not been prepared so as to cover main operating sectors of the University. Final activities are being carried out Action should be taken in terms of circular instructions

(c) Establishments Code of the University Grants Commission and Higher Education Institutions

-----

Section 3(1) of Chapter XX Without being confirmed the attendance and leave of the Academic Staff, a sum of Rs.354,565,436 had been paid as salaries and allowances during the year under review. The Salary Division obtains a confirmation from the relevant Heads of Departments on the employment of the academic staff and accordingly, salaries and wages are paid. Action should be taken in accordance with Public Administration Circular No.09/2009 dated 17 June 2009 and Section 3 (1) of Chapter XX of the Establishments Code of the University Grants Commission and Higher Education Institutions.

(d) University Grants Commission Circulars

-----

Circular No.15/2015 dated 17 November 2015. Even though the results of the internal examinations of the University should be issued within 03 months from the conduct of the Action has been taken to introduce a Management Information System (MIS System) in order Action should be taken in accordance with the circular instructions.

relevant examinations, to issue examination delays had occurred in the results without delay. release of results of 14 examinations conducted during the year under review.

(e) Public Administration  
Circulars

-----

Circular No.30/2016 dated 29 December 2016.	A formal monthly record had not been maintained on the transport services provided by 03 motor vehicles owned by the University in terms of the circular and a test on the fuel consumption had not been carried out.	A monthly service record relating to the buses has been updated and a request has been made to the Transport Division to carry out a fuel consumption test.	Action should be taken in accordance with the circular.
---	---	---	---

(f) President's circular

-----

Letter No. CSA/1/1/16 dated 11 June 2012 of the Secretary to the President.	The report that should be submitted within 02 weeks on arrival to the country after completion of the foreign tour had not been presented.	The lectures who had not submitted the reports have been informed in writing to submit the relevant reports.	Action should be taken in accordance with the circulars.
---	--	--	--

**1.7 Finance Management**

-----

<b>Audit Observation</b>	<b>Comments of the Management</b>	<b>Recommendation</b>
-----	-----	-----
In terms of Financial Regulation 371 of the Financial Regulations of the Democratic Socialist Republic of Sri Lanka, ad hoc Imprest should be settled immediately after the completion of the purpose for which the imprest was granted. Nevertheless, imprest of Rs.2,178,920 granted in 73 instances had been settled after a delay ranging from 01 month to 04 months.	Relevant parties will be informed to settle the imprest immediately after the completion of the work.	Action should be taken in accordance with the Financial Regulations.

## 2. Financial Review

### 2.1 Financial Results

The operating results of the University for the year under review had resulted in a deficit of Rs.168,999,621 as compared with the corresponding deficit of Rs.85,587,906 for the preceding year, thus observing a deterioration of Rs.83,441,715 in the financial results. This deterioration was mainly attributed to the increase in the expenditure.

### 2.2 Tendency Analysis of main income and expenditure items.

As compared with the preceding year, the collection of income of the University during the year under review had varied in a range from 28 per cent to 37 per cent.

As compared with the preceding year, the expenditure of the University during the year under review had varied in a range from 30 per cent to 60 per cent.

### 2.3 Ratio Analysis

In the preceding year the current ratio stood at 1:1.39 while it remained at 1:1.88 during the year under review, thus observing a deterioration of 0.49 in the year under review compared to the preceding year. Similarly, the quick ratio of the preceding year stood at 1:2.04 and it was 1:2.79 during the year under review. Accordingly a deterioration of 0.75 was observed.

## 3. Operational Review

### 3.1 Management Inefficiencies

<b>Audit Observation</b>	<b>Comments of the Management</b>	<b>Recommendation</b>
(a) Even though 1,662 students should have been enrolled for 13 degree courses during the years 2017 and 2018, only 1,439 students had been enrolled. Accordingly, 223 students less than the expected number of students had been enrolled. Hence, the University had failed to utilize its maximum capacity.	The University has taken action to inform the University Grants Commission regarding the relevant vacancies.	Action should be taken to enrol total number of students.
(b) According to Sri Lanka Ranking of Universities, this University stood at the 11 <sup>th</sup> position in the year 2018, whereas it had become at the 13 <sup>th</sup> position as at 01 April 2019.	Future steps are being taken to upgrade the position of ranking.	Action should be taken to upgrade position of the University in ranking.
(c) It had been an objective of the University to increase the foreign students enrolment by way of	Action has been taken to enrol the foreign students who have been referred to the University by the	Action should be taken to achieve the

- introducing higher standard courses at international level under a minimum cost. Nevertheless, per one student had been enrolled in the years 2016 and 2017, while any student had not been enrolled during the year under review.
- (d) The land of 30.9667 hectares in extent belonging to the Ministry of Industries and due to be granted to the establishment of the University as per the Cabinet Decision taken on 10 February 2005 had not been vested in the University.
- (e) Even though 13 years had elapsed from the commencement of the University, external degree courses or diploma courses had not been initiated by the University as self-financing source of income
- Ministry of Higher Education. targets.
- Since the above land had not been legally vested in the Ministry of Industries, the transfer of that land to the University has been delayed from the year 2009. Therefore, the University has forwarded an application again to the Land Ministry for taking over of the above land. Further, 06 industrialists have temporarily resided in this land at present. In response to the continuous requests made by the University to the respective officers of the Ministry of Higher Education to evict those people from the above land, a Compensation Committee was appointed under the Cabinet Paper No ୧.୧.୧/19/0379/110/020 dated 27.02.2019. It is informed that the future steps will be taken in pursuance of the recommendations of the said Committee.
- The Business Management external degree course and the English Diploma course are expected to be commenced in the year 2019 and syllabus and the proposals for the Information Technology External Degree course and Bachelor of Science External Degree course have been forwarded for the evaluation and approval.
- Action should be taken to lawfully take over the relevant land.
- Action should be taken to initiate external degree courses and diploma courses.
- Action is being taken to initiate an external degree course on Animal and Plant Production.

### 3.2 Operating Inefficiencies

Audit Observation	Comments of the Management	Recommendation
(a) By the end of the year under review, hostel facilities had been provided for 1,019 students and 50 per cent or 511 of the above students had been provided with hostel facilities in the hostels obtained on rent basis. Further, a sum of Rs.44,221,235 had been paid for the provision of the hostel facilities to the students in the hostels obtained on rent from the year 2015 to 2018. It was observed to Audit that the University had not taken adequate steps for the construction of hostels.	Arrangements and plans have been made to construct new hostels for the students and the staff of the University.	Action should be taken to construct hostels by expeditiously completing the taking over of the proposed lands.
(b) Without being paid attention on the requirement of purchasing goods and the available stock level of the Stores, goods had been purchased as indicated below.	It is informed that the A3 photocopy papers are utilized for the requirements of the Examination Branch. The Handle Type System Fittings Sets are needed for repairs of the externally obtained hostels and owing to the scarcity of those items in the market, such items have been purchased in excess.	Action should be taken to make purchase by examining the necessity and the available stock level.
(i) Five hundred and ninety one packets of A3 photocopy papers worth Rs.543,714 purchased in the year 2015 had not been used.		
(ii) One hundred and seventy units of System Fittings Set Handle Type valued at Rs.93,500 purchased in the year 2017 had not been utilized.		
(c) According to the Board of Survey	Action will be taken in	Action should be taken in

Report 2018, there observed a shortage of 634 units of goods worth Rs.15,006 belonging to 23 items of stock and an excess of 222 units of goods worth Rs.52,061 belonging to 31 items of stock. Nevertheless, necessary steps had not been taken thereon.

accordance with the relevant regulation in respect of the excess and shortage of stocks identified according to the Board of Survey Reports.

accordance with the Financial Regulations.

### 3.3 Underutilization of Funds

-----

Audit Observation -----	Comments of the Management -----	Recommendation -----
(a) Sums totalling Rs.4,736,843 of the U.K.K Fund, Vice-chancellor's Fund and Welfare Fund had not been utilized for any purpose during the year under review and as such, objectives of the establishment of relevant Funds had not been achieved.	Since there was no need to utilize monies of the U.K.K Fund, Vice-chancellor's Fund and Welfare Fund, action was taken to further invest those monies.	Action should be taken to achieve the objectives.
(b) Out of Rs.591,250 granted by the Uva Provincial Department of Agriculture in the year 2018 to conduct field studies on the economic productivity of the agriculture based industries and the productivity of the Government Training Centres, a sum of Rs.397,290 had not been utilized.	Field study activities have been completed and plans have been drawn to make relevant payments.	Funds received from the external institutions should be timely used on the relevant specific purposes for the achievement of expected objectives.
(c) A sum of Rs.100,000 received from the Uva Provincial Council for various programmes of the Management Faculty of the Uva Wellassa University in the year 2017 had not been utilized.	On the recommendations of the Project Coordinator, action will be taken to re-pay the Rs.100,000 received from the Uva Provincial Council relating to the project.	Funds should be utilized for the achievement of the objectives of the relevant project.

### 3.4 Idle or Underutilized Property, Plant and Equipment.

-----

Audit Observation -----	Comments of the Management -----	Recommendation -----
(a) The two wheeler tractor and four-wheeler tractor and the plough purchased by the Uva Wellassa	Two batches of students have been enrolled for the faculty of Technology and action will be	The machines and the equipments should be used for the intended

University at a cost of Rs.2,657,499 with the intention of utilized in the learning activities of the students, had not been used.

taken to use the relevant machines and equipment for the practical training activities of the BET in Mechanical Engineering course modules pertaining to their 4<sup>th</sup> year I & II half yearly syllabus. Further, with the use of relevant machines, a workshop has been conducted for the students.

objectives.

In addition, those machines will be utilized in general administrative activities.

- (b) Pressure Plate Apparatus worth Rs.5,240,300 purchased in the year 2017 had not been used for the relevant purpose.
- Since the relevant equipment operates under high pressure, a permanently established separate location is needed for the use of that equipment securely. A place has been reserved for that purpose and trials of the equipments have been conducted in several instances.
- Students should be directed to the activities so as to ensure their safety.

### 3.5 Human Recourse Management

-----

Audit Observation -----	Comments of the Management -----	Recommendation -----
(a) According to the information made available to Audit, 05 vacancies of the post of Professor and 36 vacancies of the post of Lecturer of the Academic Staff of the University as at 31 December of the year under review had not been filled.	Plans have been drawn to fill the vacancies from the second quarter to fourth quarter of the year 2019.	Action should be taken to fill vacancies of the Academic Staff expeditiously.
(b) According to the information made available to Audit, 73 vacancies of the Administrative and Non-academic staff had not been filled as at 31 December of the year under review.	Action is being taken to make recruitments for the post of Administrative and Executive Grades.  In order to fill 34 vacancies of the Non-academic staff, line Ministry has been informed through the University Grants Commission in terms of circular No.876 of the University Grants Commission.	Action should be taken to fill vacancies of the Non-academic Staff.
(i) Without being appointed an officer	Steps are being taken to make	Action should be

to the post of Librarian that remained vacant from the beginning of the University, the Librarian of the Rajarata University, who was in sabbatical leave, had been appointed as the Librarian from 01 August 2017 to 31 July 2018 up on the approval of the 123<sup>rd</sup> Council meeting and her appointment had been extended up to 30 April 2019 from 01 February 2019 upon the decision of the 139<sup>th</sup> Council meeting held on 25 January 2019.

recruitment to the post of Librarian

taken to fill vacancies of the post of Librarian permanently.

- (ii) Without being recruited and Engineer to the university that remained vacant from the inception of the University , the Chief Engineer the Uva Provincial Department of Buildings had been appointed to that post on part time basis from 02 December 2015 on a monthly allowance of Rs.50,000. Plans have been prepared to make relevant recruitment in second quarter of the year 2019. An Engineer should be recruited to the University on permanent basis.
- (iii) Even though 02 tractors had been purchased before the year 2017 and 03 buses had been purchased during the year 2017 to the Uva Wellassa University, action had not been taken to recruit permanent drivers by including those posts in the permanent cadre and four persons had been appointed therefor on daily pay basis under the Labour Supply Programme of the University. Approval has been sought from the University Grants Commission for 05 permanent drivers in August 2017. Action should be taken to obtain approval for the post of driver and accordingly make recruitments.

#### 4 Accountability and good governance

-----

##### 4.1 Corporate Plan

-----

<b>Audit Observation</b>	<b>Comments of the Management</b>	<b>Recommendation</b>
-----	-----	-----
In terms of Sections 5.1.2 Of the Public Enterprises Circular No.PED/12 dated 02 June 2003, a review on the operating results of	The Corporate Plan is annually revised and accordingly Action Plan, too, remains active with the amendments. It is not	Action should be taken in accordance with circulars.



preceding 03 years had not been possible to include financial included in the aforesaid Corporate value for all the items included Plan and the Financial value of the in the Corporate Plan and the targets to be achieved had also not Action Plan and arrangements been included therein. have been made to include Accordingly Corporate Plan had financial value for the main not been prepared in a manner able targets. to evaluate the annual progress.

## 4.2 Budgetary Control

Audit Observation -----	Comments of the Management -----	Recommendation -----
(a) Although income expected to be collected from the self-financing courses during the year under review was Rs.5,875,000 according to the revised budget, actual income had been Rs.3,499,377.	Since the expected number of students had not participated in the courses, actual income had decreased.	Steps should be taken to utilize the resources in maximum capacity by enrolling expected number of students.
(b) The sum of Rs.2,278,443 paid for the self-financing courses under the recurrent expenditure had not been recognized in the preparation of budget estimates.	Action will be taken to make corrections in future.	Estimates should be correctly prepared.
(c) According to the revised budgetary provisions, a sum of Rs.650,000,000 had been estimated for the Capital expenditure and the actual expenditure was Rs.428,192,858. Accordingly, a sum of Rs.221,807,142 had been saved and it had represented 34 per cent of the total provision. Similarly, out of the provisions made for 08 Objects, provisions ranging from 13 per cent to 74 per cent had been saved.	It is informed that since the Capital provisions requested according to the monthly finance forecasting report had not been properly received, progress of the total Capital expenditure had declined.  It is further informed that all chemicals and other equipment for which orders were placed relating to the researches had not supplied by the suppliers within due period.  The planned recurrent programmes could not be completed within the prescribed period.  The relevant tender for the library proposed to be constructed under the planning and constructions could not be awarded within the expected period and the programmes planned relating to the Quality Assurance Carrier	Estimates should be correctly prepared.

Guidance and Enterprises Programmes could not be completed within the prescribed period.

Although the actual expenditure under the purchase of assets amounted to Rs.135,042,767, the value of orders placed but not supplied the items as at that date amounted to Rs.61,080,759. Accordingly, savings of provisions as a percentage is 5 per cent.

Since the Laboratory equipment ordered relating to the Technology Stream had not been supplied to the University on expected days, provisions had been saved.

### 4.3 Environmental Issue

---

Audit Observation	Comments of the Management	Recommendation
A sum of Rs.19,695,753 had been spent relating to the water consumption of the University during the preceding 04 years and attention had not been drawn on using the disposed water to wash vehicles and other various maintenance activities.	Arrangements have been made to use the water disposed by the purification system, rain water and spring water and to manage water obtained from the Water Supply and Drainage Board under the Alternative Water Supply system operated under the approval of the Cabinet.	Action should be taken to use the purified water under a proper management.

### 4.4 Sustainable Development Goals.

---

Audit Observation	Comments of the Management	Recommendation
Although the University was aware of the preparedness on reaching goals and targets to be achieved in terms of “Agenda 2030 of the Sustainable Development Goals” adopted by United Nations, following steps had not been taken.	Even though the University had not specifically set sustainable development goals and targets, performance are being achieved so as to cover the targets set out in 04,05, 06 and 09 of the Action Plan and Corporate Plan.	Sustainable Development Goals and Targets should be recognized and indicators should be identified in order to evaluate such goals and targets.

- (i) Identification of Sustainable Development Goals and Targets.
- (ii) Identification of indicators for the evaluation of Sustainable Development Goals and Targets.