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சமுத்திர பல்கலைக்கழகம்  
**The Ocean University of Sri Lanka**

**2017**

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வருடாந்த அறிக்கை  
**ANNUAL REPORT**



නිපුණතා සංවර්ධන හා වෘත්තීය පුහුණු අමාත්‍යාංශය  
திறன்கள் அபிவிருத்தி மற்றும் தொழிற்பயிசி அமைச்சு  
**Ministry of Skills Development and Vocational Training**



# **Annual Report and Accounts**

## **Ocean University of Sri Lanka**



**2017**

**Ministry of Skills Development and Vocational Training**

**No. 15, Crow Island, Mattakkuliya, Colombo 15**

**Tel: - 011-4346973 Fax:-011-4346993**

**Email : [oceanuniversity@ocu.lk](mailto:oceanuniversity@ocu.lk)**

**Web Site: [www.ocu.lk](http://www.ocu.lk)**

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## **1. Vice Chancellor's Message**

The message for the Annual Report on the path of the Ocean University of Sri Lanka in the year 2017 is made with a review of the contribution of the University.

Planning done to initiate establishment of a Fish Physiology and Geological Information systems Laboratory for the Fishery Marine Sciences degree programme, Water Quality Control and Environmental studies laboratories for the Integrated Coastal and Nautical Resources Management Degree Programme demonstrate that the Higher Education Division of the University has been active in the year 2017, to ensure provision of a higher education inclined towards practicality with the foremost motive of producing active field graduates for the Sri Lankan economy. Further, syllabuses for Nautical Transport Supplies and Management degree programme were prepared in line with the guidelines of the University Grants Commission to establish as a specialized degree is identified as a special activity that took place during the year.

It is clear that a vocational value has been built up through the commencement of Nautical Engineering, Aquaculture and Management of Aquatic Resources and Nautical and Logistics Management courses under the National Vocational qualifications Level 5 by the Vocational Training Section. Similarly, it is felt that making decisions regarding courses conducted by the College on current information is expedited through the activation of a Management Information System for centralizing information on Regional Colleges in the year 2017.

During the year, it is apparent that an effective and efficient service has been provided through the Management of Physical and Human Resources of the University by the Administrative Divisions consisting of Transport, Procurement, Maintenance and Human Resources Divisions.

The duty of the Internal Audit Division being strengthening systems, identifying issues in internal control systems, the contribution made by Internal Audit Division is noted in the review of the progress of that division.

Pleased to state the Audit opinion of standards calculations provided by the Auditor General on Final Accounts of year 2017 as a factor confirming the effective financial standards in place at the University. Since the forward march of the Ocean University of Sri Lanka would be decided on the cooperation and contribution of all divisions, in conclusion, assure leadership for all divisions to provide grasps for the precious act of skimming the intelligence of Sri Lankan children with a single mind on one path for the success of the University.

Tilak Dharmaratne  
Vice Chancellor  
Ocean University of Sri Lanka

## 02. Governing Council and Composition

01. Mr Tilak Dharmaratne (Chairman of the Governing Council)
  - Vice Chancellor, Ocean University Of Sri Lanka
02. Mr P Ranepra
  - Secretary, Ministry of Skills Development & Vocational Training
03. Ms J M C J Wijetunga
  - State Secretary (Higher Education), Ministry of Higher Education and Highways
04. Ms J M C M Jayawardena Manike
  - Director General, Tertiary and Vocational Education Commission
05. Mr Shehan Seneviratne
  - Chairman, National Apprenticeship and Industrial Training Authority
06. Dr Anil Premaratne
  - Chairman, National Aquatic Resources Research and Development Agency
07. Dr Lionel Pinto
  - Chairman, Sri Lanka Vocational Training Authority
08. Mr N B M Ranatunga
  - Director General (Technical), Ministry of Fisheries & Aquatic Resources Development
09. Mr L. P. Jayampathy
  - Secretary, Ministry of Ports and Naval Affairs
10. Mr R M Wijesinghe Banda
  - Director, Department of State Enterprises, Ministry of Finance
11. Ms L Sureka Hewage
  - Senior Assistant Secretary, Ministry of Science, Technology and Research
12. Mr Rohan Thamarabandu Dissanayake
  - Member of the Governing Council
13. Mr Saliya Wickramasuriya
  - Member, of the Governing Council
14. Ms Kasthuri Chellaraja Wilson
  - Member of the Governing Council

15. Mr Romesh M David
- Member of the Governing Council
16. Mr D DAPremasiri Domingo Attorney-at-Law
- Member of the Governing Council
17. Mr V Nihal SisiraWaidyasekera Weerasinghe
- Member of the Governing Council
18. Mr Hemantha Ratnayake (Secretary to the Governing Council)
- Registrar, Ocean University of Sri Lanka

### **03.Academic Board and Composition**

- |                               |   |  |
|-------------------------------|---|--|
| 01. Mr Tilak Dharmaratne      | - | Vice Chancellor, Ocean University of Sri Lanka                     |
| 02. Mr Hemantha Ratnayake     | - | Registrar, Ocean University of Sri Lanka                           |
| 03. Dr JayashankaSenevirathne | - | Academic Head, Ocean University of Sri Lanka<br>Colombo            |
| 04. Dr M P Kumara             | - | Academic Head, Tangalle, Ocean University of Sri<br>Lanka          |
| 05. Mr P U I Perera           | - | Director (Training) Ocean University of Sri Lanka                  |
| 06. Dr M F M Fairoz           | - | Senior Lecturer, Ocean University of Sri Lanka                     |
| 07. Dr ChampaAmarasiri        | - | Academic Consultant, Ocean University of Sri<br>Lanka              |
| 08. MsNishanthiPerera         | - | Academic Consultant, Ocean University of Sri<br>Lanka              |
| 09. Ms M C L Soyza            | - | Assistant Director (Examinations)<br>Ocean University of Sri Lanka |

## **04.Inception, Expansion , Objectives and Aims**

The gradual expansion of the National Institute of Fisheries and Nautical Engineering which pioneered the role of skilled human resources development in the fisheries sector in Sri Lanka commenced in Tangalle, Batticaloa and Jaffna regions in the year 1963, expanding to Mattakkuliya in the year 1975 and to Trincomalee area in the year 1993 with the subsequent establishment of fisheries training centers up to 6 in number. This institute was established in 1999 as the National Fisheries and Nautical Engineering with effect from 20th December 1999 by the National Fisheries and Nautical Engineering institutions Act. Further a new Fisheries and Nautical Engineering College was established in Galle district in April 2006 and another Fisheries and Nautical Engineering College was established in Kalutara North in the year 2009. The Vision and Mission of the Institute thus established shall Guide the performance of producing skilled professionals in the fisheries sector.

Pursuant to the provisions of the Act, degrees were being awarded in order to offer excellence in the fields of Fisheries and Nautical which have been suspended temporarily due to some practical difficulties and since the year 2010, actions have been taken to commence and conduct the new degree courses by securing accreditation for those. In order to conduct the educational and training activities, actions have been taken to engage an Academic staff cadre on various bases to achieve the performance of objectives.

After that this institution was again established as the Ocean University of Sri Lanka by Act No. 31 of 2014 and subsequent to the appointment of the first Vice Chancellor on 17.06.2015, Higher Education Division, Training Division and other Administrative Divisions are making a contribution to the progress of the institution.

A new degree programme titled “Integrated Coastal and Nautical Resources Management” relating to the Higher Education Division was introduced in year 2015 aimed at resources management . Along with the new programme 04 degree programmes , i.e.: “Nautical Engineering”, “Fisheries Ocean Sciences”, “Nautical Transport and Logistics Management”, are being conducted by the Higher Education Division. Further, for the subject “Fisheries and Nautical Sciences” a special degree programme was introduced and students who have completed the General Degree are allowed to register for the Special Degree.

Also, the Vocational Training Section performs a heavy load of work to provide an effective skilled labor contribution to the Sri Lankan economy. With the obtaining of ISO 9001-2008 standards certificate in year 2015, Vocational Training programmes were made to conform to International Standard and presently actions are being taken to improve quality of courses by completing syllabuses conforming to national proficiency norms.

The first Vice Chancellor was appointed to establish structure of University in accordance with the provisos of the Act administratively. Similarly, actions are being taken to absorb Staff Cadre and recruit new staff. For the other positions as well.

## **Vision**

To be a leader in Human Resources Development in the field of Fisheries, Marine Science and Nautical in South Asia.

## **Mission**

To conduct educational and training programmes consisting of modern technical methodologies with a view to fulfill the present and future human resources requirements in the field of Fisheries, Nautical and Marine Science

## **Objectives**

6. Formulation of educational courses and a training programme in Fisheries and Nautical Engineering Technology aiming to improve technical and management skills of the people engaged in and intending to engage in the Fisheries industry and the Nautical field.
7. Provision of educational courses and training programmes in the field of Fisheries and Nautical Engineering for awarding Certificates, Diplomas and other Academic Excellences.
8. Conducting and taking actions to hold discussions in relation to education in the field of Fisheries and Nautical Engineering with the assistance of National and International Organizations.
9. Conducting or promoting the conducting of researches, surveys and investigations in relation to education and extension training in the field of Fisheries and Nautical Engineering.
10. Work cooperatively with the ways and means of mutual exchange of teachers and students with Sri Lankan and Foreign Institutions, which have parallel institutional objectives.

## 05. Performance and Service Contribution of the Ocean University of Sri Lanka

08 Colleges of Fisheries and Nautical Engineering have been established and function in the following areas as pilot centres in the human resources development process under the National institute of Fisheries and Nautical Engineering.

<b>Mattakkuliya</b>	<ul style="list-style-type: none"><li>• National Institute of Fisheries and Nautical Engineering, Crow Island, Mattakkuliya, Colombo 15</li></ul>
<b>Kalutara</b>	<ul style="list-style-type: none"><li>• Fisheries and Nautical Engineering College, School Lane, Dediawala, Waskaduwa, Kalutara</li></ul>
<b>Negombo</b>	<ul style="list-style-type: none"><li>• Fisheries and Nautical Engineering College, Wellaweediya, Negombo</li></ul>
<b>Galle</b>	<ul style="list-style-type: none"><li>• Fisheries and Nautical Engineering College, Magalle, Galle</li></ul>
<b>Tangalle</b>	<ul style="list-style-type: none"><li>• Fisheries and nautical Engineering College, Mahawela Road, Tangalle</li></ul>
<b>Batticaloa</b>	<ul style="list-style-type: none"><li>• Fisheries and nautical Engineering College, Nawaladi, Batticaloa</li></ul>
<b>Trincomalee</b>	<ul style="list-style-type: none"><li>• Fisheries and Nautical Engineering College, Codbay, China Harbour, Trincomalee</li></ul>
<b>Jaffna</b>	<ul style="list-style-type: none"><li>• Fisheries and Nautical Engineering College, Second Cross Street, Gurunagar, Jaffna</li></ul>

## Service Contribution

In the process of Human Resources Development of the Fisheries and Nautical Engineering Sector, service contributions are provided by the College of Fisheries and Nautical Engineering, treating the following as the targeted groups of the institute.

- Those engaged in the Fisheries and the field of Nautical Engineering.
- New entrants to the Fisheries industry and Nautical Engineering sector.
- Those expecting to enter into the field of Fisheries and Nautical Engineering.
- Teaching staff and instructors engaged in teaching the subject of Fisheries and Nautical Engineering.

## 06.Higher Education Division

### Current Status

At present the Higher Academic Division conducts 04 B.Sc. Degree courses i.e. Fisheries and Marine Sciences, Nautical Engineering, Coastal and Nautical Resources Management and Maritime Transport and Logistics Management. Out of these Fisheries and Marine Sciences Degree is being conducted in the Fisheries and Marine Sciences Faculty at Tangalle and other degree programmes are being conducted in the Engineering and Management Faculty at Mattakkuliya. Degree courses conducted by the University were free of charge from year 2017 and by now arrangements have been made to admit students for Nautical Engineering B.Sc. Degree and Fisheries and Marine Sciences B.Sc. Degree based on (Z-Score) and Nautical Transport and Logistics Management B.Sc. Degree and Coastal and Nautical Resources Management B.Sc. Degree on the results of the Aptitude Test.

**Table – No. 2: Annual Student Enrolment**

BSc Degree Programme	Number of Students					
	2012/2013	2013/2014	2014/2015	2015/2016	2016/2017	2017/2018
Nautical Engineering (BSc Degree: 04 years)	42	40	27	26	40	31
Fisheries and Marine Sciences (BSc Degree: 03 years)	27	27	12	43	27	24
Maritime Transportation Management & Logistics (BSc Degree: 03 years)	None	40	30	30	47	41
Coastal and Marine Resources Management (BSc Degree: 03 years)	None	None	17	12	40	31

**Table – No. 2: Number of students following Special Degree**

Special Degree	Number of Students
Fisheries and Marine Science Special Degree	04

**Table –No. 3: Number of Students Graduated in 2016**

Degree	Number of Students
Fisheries and Marine Science (B.Sc. Degree )	49
Nautical Engineering (B.Sc. Degree)	56

**Table –No. 04: Permanent Staff in the Faculty of Fisheries and Marine Sciences of the Ocean University of Sri Lanka**

**Senior Lecturers**

Dr M P Kumara - BSc (Hons), (Ruhuna, SL), PhD ( Edinburgh Napier, UK)

Dr M F M Fairoz -BSc, (MPhil (Ruhuna, Sri Lanka), Dsc ( Shizuoka, Japan)

**Lecturers**

Mr T W S Warnasuriya -B.Sc., (Hons) (Ruhuna Sri Lanka), MSc (Colombo, Sri Lanka)

Mr N P G Pushpitha - BSc, M.Phil. (Ruhuna, SL)

Dr Lanka Wickramasinghe -BSc ( Hons) (Ruhuna, SL), MSc ( Vrije, Belgium)

Ms S N Dushani -BSc (Hons) ( Ruhuna, SL), MSc (Tromso, Norway)

Ms B A N India - BSc (Hons) (Ruhuna, SL), MSc (Reading)

Mr W A A U Kumara - BSc (Hons), (Ruhuna SL), MSc (James Cook, Australia)

Ms Erandi Pathirana -BSc (Peradeniya, Sri Lanka), MSc ( Osaka, Japan), DCSD (NIBM, Sri Lanka)

Ms M I U Manikkaarachchi -BSc (Hons) (Ruhuna, Sri Lanka)

**Interim Academic Council**

The Interim Academic Council appointed to take decisions on academic matters and to solve problems arisen has employed several strategies and out of those, making 80% attendance at lectures mandatory, taking steps to calculate the results of examinations semester wise following practices in other State Universities, can be shown as positive actions taken during this year.

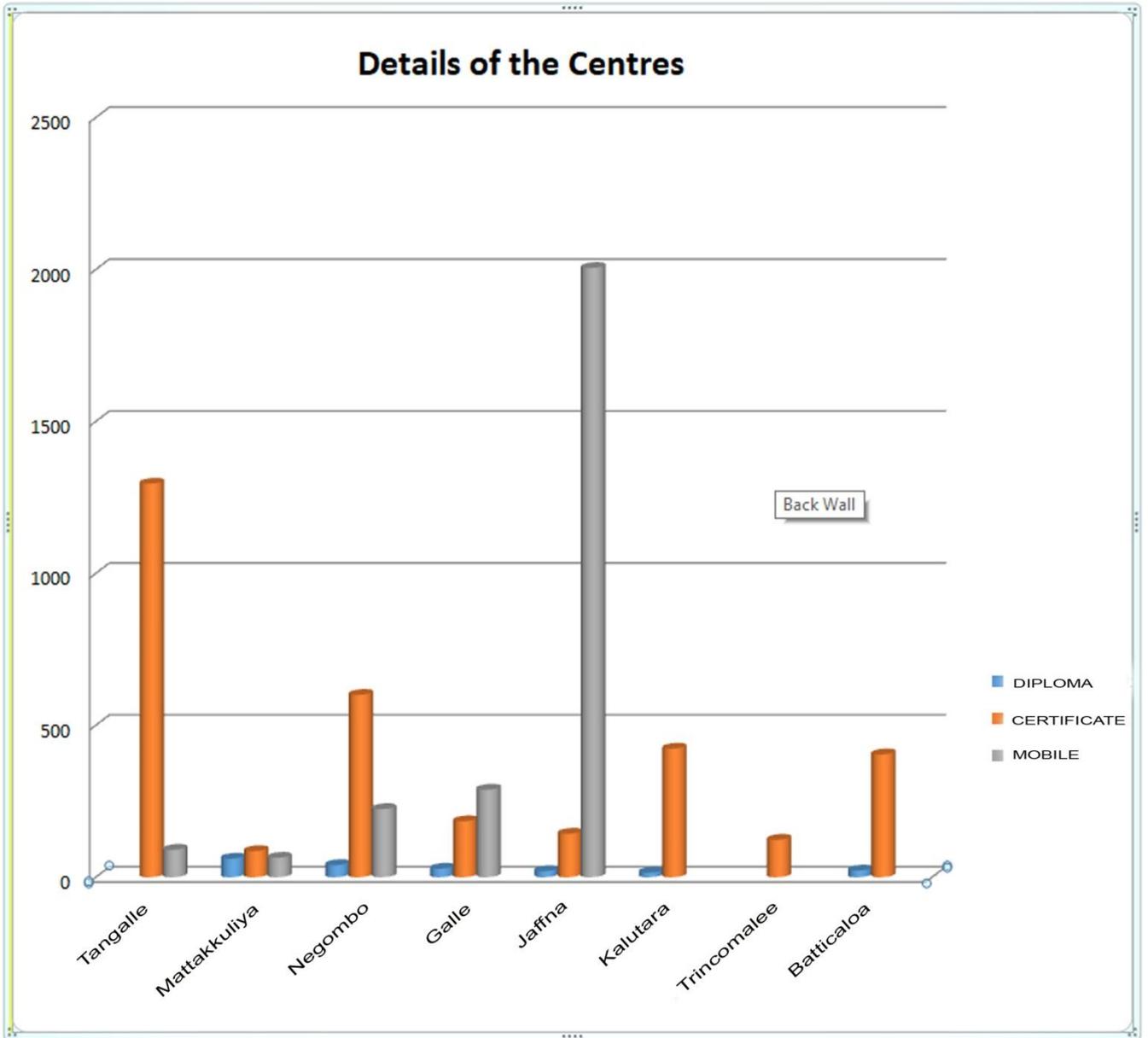
**Progress**

- Student enrolment was at a very high level in comparison to the previous years due to Courses availed free of charge from this year and the registration for special degree too has gone up.
- As a result of admitting students based on Z Score, executing government policies for the promotion of Free Education has been successful.
- Able to present around 25 researches carried out by the students to the various scientific conferences held in Sri Lanka.

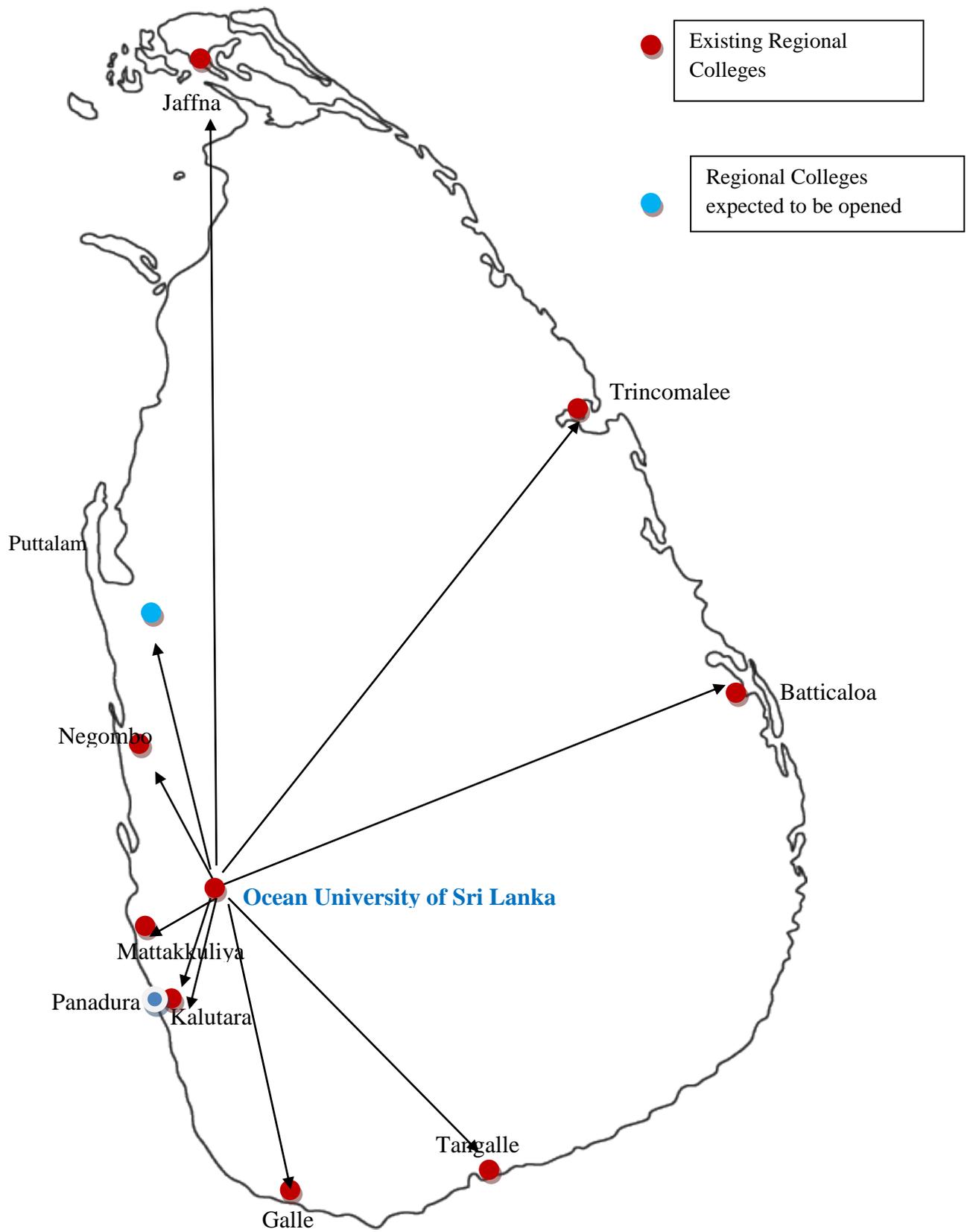
## 07. Training Division

The number of students participated in the courses conducted in 08 Regional Colleges of the Ocean University during the year 2017 are as follows

Regional Centres	Course	Number of Students
Tangalle	Diploma	--
	Certificate	1295
	Mobile Training	90
	Awareness Programmes	3413
Mattakkuliya	Diploma	61
	Certificate	86
	Mobile Training	64
	Awareness Programme	838
Negombo	Diploma	40
	Certificate	600
	Mobile Training	224
	Awareness Programmes	-
Galle	Diploma	28
	Certificate	184
	Mobile Training	288
	Awareness Programme	300
Jaffna	Diploma	20
	Certificate	143
	Mobile Training	2005
	Awareness Programmes	270
Kalutara	Diploma	15
	Certificate	423
	Mobile Training	-
	Awareness Programmes	-
Trincomalee	Diploma	-
	Certificate	123
	Mobile Training	-
	Awareness Programmes	-
Batticaloa	Diploma	22
	Certificate	404
	Mobile Training	-
	Awareness Programmes	40



## Regional Colleges Functioning under the Ocean University of Sri Lanka



**Achievements in the year 2017 are as follows**

- Commencement of the course on Nautical Engineering and Aquaculture and Management of Aquatic Resources under NVQ 5 by the Tangalle Regional Centre
- Commencement of the course on Aquaculture and Aquatic Resources Management at Galle, Jaffna, Batticaloa Regional Centres under Nautical Logistics Management NVQ 5.
- On the completion of courses, assigning students for internship at Institutions
- In place of the Kalutara Regional Centre conducted on lease basis by the Institute, a land has been allocated at Panadura for a permanent building complex to be constructed and construction of a 04 storey building costing Rs 124 million has been commenced under the provisions of Sectorial Skills Development Project.
- Implementation of a Management Information System (MIS) under the provisions of Sectorial Skills Development Project to obtain information from all the 08 Regional Centres .
- Obtaining Quality Management System (QMS) for Jaffna Centre
- In order to establish the Galle Regional Centre, action has been taken to recondition the building allocated to Boossa Economic Centre and to take the Centre to that building premises.

**Income received from Government and Non-Governmental institutions**

<b>Institution offering Funds</b>	<b>Name of Course</b>	<b>Regional Centre</b>	<b>Amount Rs</b>
Southern Provincial Council	Fiber Glass Training 03	Galle	41,080.00
	Training on Reading Sea Charts and Operating of Navigator		39,585.00
	Mobile Training on Fish Post Harvest Technology		23,790.00
	Mobile Training on Fish Post Harvest Technology		71,370.00
Divisional Secretariat - Ambalangoda	Dried Fish Production and Making Salted fish		23,790.00
World University service of Canada	Maintenance of Outboard Motor Engines	Trincomalee	288,600.00
Total			488,215.00

\*By now 2900 Captains of Multi-day Fishing vessels all over the island have been provided with Fishing vessel pilot training and the income earned from that is Rs.11,600,000.00

## **2.actions taken to improve participation of students**

- Targeting the fishing community for making them aware of the courses and availing opportunities for their children to study in the courses..
- Advertising detailed information on courses using newspapers and other media targeting youth school leavers all over the island..
- Conducting awareness programmes by visiting government schools and other community centres in the area through the Regional Centre..

## **08. Administration Division**

### **Transport Division**

- Commencement of the disposal of 08 vehicles in condemned state.
- Provide Group Transportation Facilities for Middle Level Managers who are not eligible for Official vehicles
- .Allocation of Fuel quotas for Regional Colleges
- Repair of the Jeep 31-5324 assigned to Regional College Trincomalee
- .Repair of the Bus NB 4255 in the vehicle pool of Head Office
- Repair of the Motor Vehicle KB 0385 in the vehicle pool of Head Office
- Repair of the Cab 251-6787 assigned to Regional College Galle
- Repair of Motor Vehicle 17-8657 assigned to Regional College Galle
- Repair of Van50-8895 assigned to Regional College Jaffna
- Repair of Motor Vehicle KB 0381 assigned to Regional College, Kalutara

## **09. Human Resources Division**

Management of workforce with a proper disciplinary system for the maintenance of an effective Staff Cadre to realize the Vision and Mission of the institution is being carried out by the Human Resources Development Division.

Actions are being taken by the Human Resources Division to recruit the required human resources and to improve the efficiency of the existing staff cadre and the following performance has been achieved in the year 2016.

1. Getting the recruitment procedure for the post of Lecturer required for Ocean University of Sri Lanka approved.
2. Placing advertisement for recruitment of Lecturers for the Ocean University of Sri Lanka.
3. Absorbing a part of the staff cadre not absorbed into the Ocean University of Sri Lanka.
4. Action taken to pay salaries and arrears as per University Codes for the staff cadre absorbed into the University.
5. Carrying out the needful for the development of employee capacity
6. For training requirements, directing the staff for training
7. Directing staff for overseas training

**Accordingly, the Staff Cadre from 01.01.2016 to 31.12.2106 can be shown as follows**

<b>Employee</b>		<b>2017.01.01-2017.12.31</b>		
		Male	Female	Total
<b>Senior Level</b>				
	<i>Permanent (including Officers under Probation)</i>	17	11	28
	<i>Contract Basis</i>	1	2	3
	<i>Casual</i>	0	0	0
	<b>Total (1)</b>	18	13	31
<b>2. Tertiary Level</b>				
	<i>Permanent (including Officers under Probation)</i>	24	6	30
	<i>Contract Basis</i>	8	1	9
	<i>Casual</i>	0	0	0
	<b>Total (2)</b>	32	7	39
<b>3. Secondary Level</b>				
	<i>Permanent (including Officers under Probation)</i>	24	31	55
	<i>Contract Basis</i>	0	0	0
	<i>Casual</i>	0	0	0
	<b>Total (3)</b>	24	31	55
<b>4. Primary Level</b>				
	<i>Permanent (including Officers under Probation)</i>	70	09	79
	<i>Contract Basis</i>	02	00	02
	<i>Casual</i>	02	00	02
	<b>Total (4)</b>	74	09	83
<b>Total No. of Employees (1)+(2)+(3)+(4)</b>		148	60	208

## **10. Internal Audit Division**

### **Vision of the Internal Audit Division**

Taking action to correct future activities of the Institution through the conducting of a continuous and an independent evaluation of existing Internal Control Systems in Financial activities, Administrative activities and Development activities by joining that process and recommending corrective action.

### **Functions of the Internal Audit Division**

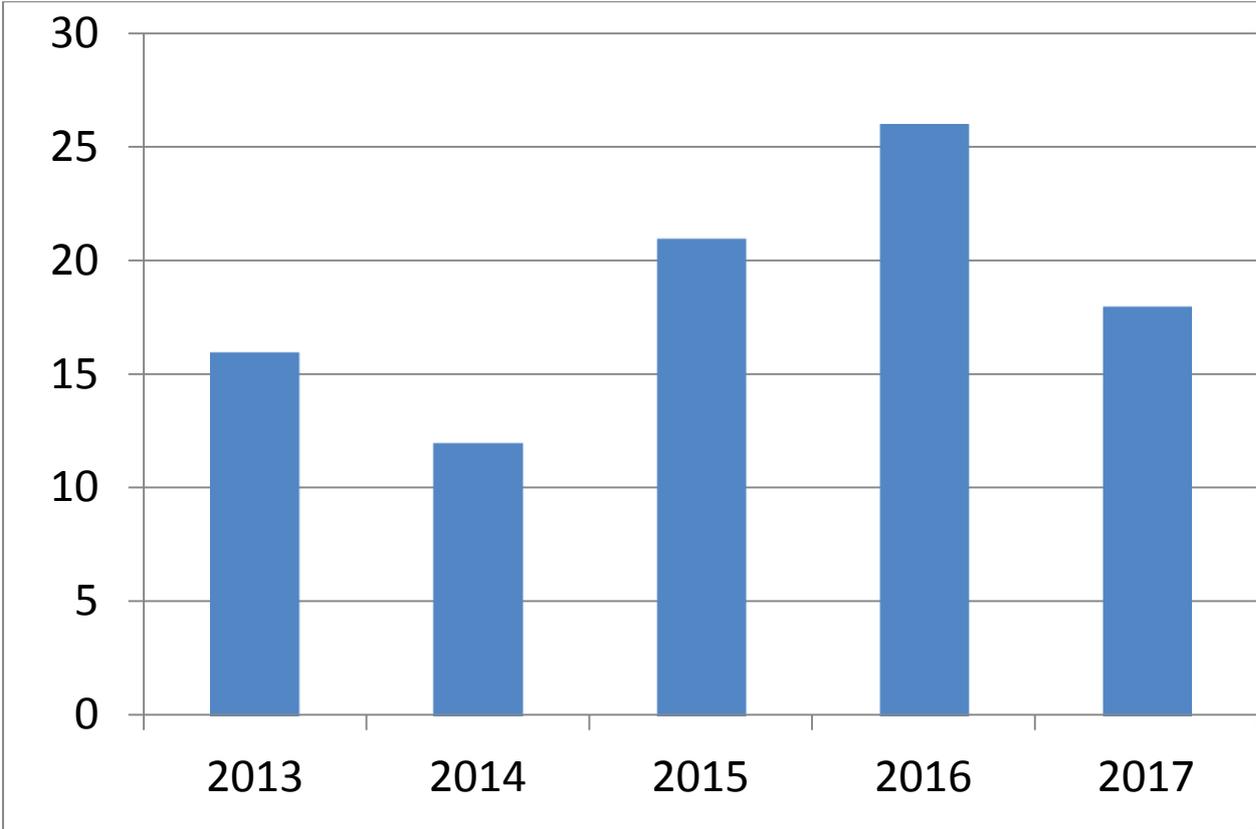
- Finding out whether the operation of internal administrative system has been successful..
- Finding out whether the required information is provided to prepare accurate financial statements
- Finding out whether tasks assigned for the staff are being implemented.
- Finding out whether the safety of assets are ensured.
- Finding out whether the rules and regulations and procedures are being followed.
- Finding out whether controlling methods are available to avoid wastage, corruption and unnecessary expenses
- Inquiring into whether assets are being consumed economically
- Conducting of special investigations
- Examining the operational activities from management point of view
- Inquiring into the factors of targets

The Internal Audit Division is carrying out audit and investigation activities covering all Regional Colleges of the Ocean University for directing the finance and administration activities of the Institute on the correct path.

### **Progress of the Internal Audit Division**

- Implementation of Internal Audit Programme
- Compilation of 18 internal audit queries and coordinating progress of those.
- Coordinating for external audit queries
- Conducting Audit and Management Committees and review actions taken by the institution.

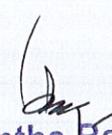
**Internal Audit Queries**



## 11. Final Accounts

### Ocean University of Sri Lanka Statement of Financial Position as at 31<sup>st</sup>December 2017

	<u>Note</u>				
<b>Assets</b>					
<b>Fixed Assets</b>					
Property, Plant & Equipment	9	525,409,154		437,451,967	
			525,409,154		437,451,967
<b>Current Assets</b>					
Staff					
Loans	10	12,008,231		8,507,849	
Inventories	11	1,024,689		1,088,162	
Trade and other(receivables)	12	63,306,415		27,992,790	
Suspense		85,433		85,433	
Cash & Cash Equivalents	14	3,262,800	79,687,569	32,097,454	69,771,688
<b>Total Assets</b>			<b>605,096,722</b>		<b>507,223,656</b>
<b>Equity &amp; Liabilities</b>					
<b>Capital Reserve</b>					
Accumulated Funds	15	749,318,173		736,621,992	
Accumulated Fund SSDP	15.1	166,331,014		139,834,358	
Accumulated Excess/Deficit	16	(435,126,654)		(466,618,875)	
			480,522,533		409,837,475
<b>Non-Current Liabilities</b>					
Provision for Gratuity		33,775,589		46,082,397	
			33,775,589		46,082,397
<b>Current Liabilities</b>					
Accrued Expenses	17	87,206,982		48,553,176	
Other payables	18	3,591,619		2,750,608	
			90,798,600		51,303,784
<b>Total Liabilities</b>			<b>605,096,722</b>		<b>507,223,656</b>

  
**Hemantha Ratnayake**  
MBA (PIM) MA (U OF C) CA (Def Studies) psc

**Registrar**

Ocean University of Sri Lanka  
Crow Island, Colombo 15,  
Sri Lanka.

**Ocean University of Sri Lanka**  
**Statement of Financial Performance for the Year ended 31<sup>st</sup> December 2017**

	<u>Note</u>	<b>2017</b>	<b>2016</b>
<b>Operating Revenue</b>			
Government Grant	<b>1</b>	247,161,000.00	175,000,000.00
Other income		17,775,768.84	22,260,643.87
SSDP-Recurrent		4,753,879.18	9,115,566.44
<b>Operating Income</b>		269,690,648.02	206,376,210.31
Deferred income-Amortization adjustment		47,915,337.22	
		317,605,985.24	
<b>Operating Expenses</b>			
Personal Emoluments	<b>2</b>	164,334,233.19	163,634,037.02
Travelling	<b>3</b>	2,402,417.77	2,511,040.85
Supplies	<b>4</b>	7,437,971.08	7,761,870.52
Maintenance	<b>5</b>	3,665,947.16	2,768,404.36
Contractual Services	<b>6</b>	40,955,931.50	35,265,341.35
Training Expenses	<b>7</b>	25,142,113.79	23,520,523.44
Other Expenses	<b>8</b>	3,983,251.65	3,548,360.12
Annual Depreciation	<b>9</b>	47,915,337.22	49,318,407.53
<b>Total Expenditure</b>		295,837,203.36	288,327,985.19
<b>Net Surplus/(Deficit)</b>		21,768,781.88	(81,951,774.88)

**OCEAN UNIVERSITY OF SRI LANKA**  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 DECEMBER**  
**2017**

	<b>Government Contribution</b>	<b>SSDP Grant</b>	<b>Accumilated Excess(Deficits)</b>	<b>Total</b>
<b>Balance as at 01 January 2016</b>	<b>654,927,884</b>	<b>131,792,338</b>	<b>(384,667,100)</b>	<b>402,053,122</b>
Profit for the year			(81,951,775)	
Revaluation Surplus on PPE				
Actual (Losses) / Gains on Employees Benefits				
Revaluation Valuve of Disposal Assets				
Capital Grant Received During the year	81,694,108	8,042,019		89,736,127
Defferd Income				
<b>Balance as at 31 December 2016</b>	<b>736,621,992</b>	<b>139,834,358</b>	<b>(466,618,875)</b>	<b>409,837,475</b>
Profit for the year			21,768,782	21,768,782
Actual (Losses) / Gains on Employees Benefits			-	-
Revaluation Valuve				
Prior year ajustment			9,723,439	9,723,439
Capital Grant Received During the year	52,750,000	34,358,175		87,108,175
Defferd Income	(40,053,819)	(7,861,518)		(47,915,337)
<b>Balance as at 31 December 2017</b>	<b>749,318,173</b>	<b>166,331,014</b>	<b>(435,126,654)</b>	<b>480,522,533</b>

## Cash Flow Statement

### Consolidated Cash Flow Statement for the year ended 31 December 2017

Cash Flow from Operating Activities	<b>Rs.</b>	
	<b>2017</b>	<b>2016</b>
Shortage and Excess from normal operations	21,768,782	(81,951,775)
<b>Non-cash operations</b>		
Annual Depreciation	47,915,337	49,318,408
Amortization	(47,915,337)	
Increase - Payments	39,494,816	672,635
Increase of provisions associated with Staff cost	(12,306,808)	7,368,269
Inventory - Decrease	63,473	722,169
Receivables - Increase	(35,313,625)	(6,340)
Staff Loans - Increase	(3,500,382)	(2,051,978)
Previous year adjustments	9,723,439	(342,280)
<b>Net Flow from Operating Activities</b>	19,929,695	(26,270,892)
<b>Cash Flows from Investment Activities</b>		
Purchase of Assets	(135,872,524)	(51,898,630)
<b>Net Assets created from Investment Activities</b>	(135,872,524)	(51,898,630)
<b>Cash Flow from Financial Activities</b>		
Capital Funds	52,750,000	81,694,108
Capital Funds– Sectorial Skills Development Project	34,358,174	8,042,019
Cash Flow from Financial Activities	87,108,174	89,736,127
Net Increase/(Decrease )in Cash and Cash Equivalent	(28,834,654)	11,566,605
Cash & Cash Equivalent at beginning of the period	32,097,454	20,530,849
Cash & Cash Equivalent at end of the period	3,262,799	32,097,454

## Ocean University of Sri Lanka

### Notes to the Accounts

		<b>(Rs)</b>	
<b>Note 1</b>	<b>Income</b>	<b>2017</b>	<b>2016</b>
	Distress Loan Interest	340,468.48	279,091.46
	Sundry Income	1,304,285.14	1,629,910.07
	<b><u>Course Fees</u></b>		
	Course fees- Higher Education	1,056,985.00	12,995,775.00
	Income from Courses	14,569,758.96	6,803,731.04
	Income from Colleges		
	House Rent Income	504,271.26	552,136.30
		17,775,768.84	22,260,643.87
<b>Note2</b>	<b>Personal Emoluments</b>		
	Salaries & Wages	58,962,298.15	52,576,521.28
	E.T.F	18,384,575.04	21,901,307.84
	E.P.F	4,115,123.07	3,303,307.09
	Other Allowances	67,072,938.44	59,115,914.98
	Overtime Payment	3,509,752.25	4,684,990.31
	Provision for Gratuity	-	9,364,022.90
	SSDP-Performance basedpayment	432,520.00	1,695,340.00
	Skills Sector Dev.Prog		
	Visiting Lecturers Fees	11,857,026.24	10,992,632.62
		164,334,233.19	163,634,037.02
<b>Note 3</b>	<b>Travelling Expenses</b>		
	Domestic travel	1,597,442.29	2,069,121.36
	Foreign travel	804,975.48	441,919.49
		2,402,417.77	2,511,040.85
<b>Note 4</b>	<b>Supplies</b>		
	Stationery& Office requisites	3,905,872.76	4,360,436.30
	Fuel & Lubricants for vehicles	3,107,870.57	2,948,810.48
	Cleaning and other materials	70,627.50	93,181.97
	Medical Supplies	353,600.25	359,441.77
		7,437,971.08	7,761,870.52
<b>Note4.1</b>	<b>Stationery &amp; Office requisites</b>		
	Opening Stock	1,088,162.00	1,810,330.66
	Add- Annual Purchasing	3,842,400.21	4,360,436.25
	Deduct -Closing Stock	(1,024,689.45)	(1,088,161.95)
	Consumption for the year	3,905,872.76	5,082,604.96
<b>Note5</b>	<b>Maintenance Expenses</b>		
	Vehicles	1,625,671.38	1,293,435.81
	Buildings	929,817.50	623,902.76

	Machinery	263,030.02	225,719.80
	Vessels	18,020.50	99,615.00
	Office Equipment	829,407.76	525,730.99
		<u>3,665,947.16</u>	<u>2,768,404.36</u>
<b>Note6</b>	<b>Contractual Services</b>		
	Telecommunication	7,525,716.60	6,029,857.56
	Postal	260,988.50	488,530.00
	Transport	1,420,863.79	2,906,789.70
	Electricity	5,547,656.94	6,295,214.62
	Water	2,688,640.46	3,687,789.06
	Rates and Taxes	7,836,258.52	4,551,498.46
	Other	59,795.00	311,747.50
	Security Charges	9,543,139.15	5,926,075.50
	Janitorial Services	6,072,872.54	5,067,838.95
		<u>40,955,931.50</u>	<u>35,265,341.35</u>
<b>Note7</b>	<b>Training</b>		
	Expenditure for University	11,475,409.04	5,391,433.77
	Expenditure for Colleges	7,584,582.19	10,476,000.77
	<b>Project Expenditure</b>		
	Capacity Building of Human Resources	1,760,763.38	237,664.06
	SSDP-Recurrent Expenditure	4,321,359.18	7,415,424.84
		<u>25,142,113.79</u>	<u>23,520,523.44</u>
<b>Note 8</b>	<b>Other Expenditure</b>		
	Welfare	1,244,746.39	1,315,234.51
	Entertainment	1,375,796.94	805,441.61
	Board Meeting expenses	772,594.00	923,002.50
	Bank Charges	35,705.34	29,382.98
	Consultancy	193,484.50	120,385.02
	Legal fees & other allowances	291,360.00	306,958.00
	Diet and Uniforms	26,034.50	16,820.00
	NARA Transport	43,529.98	31,135.50
		<u>3,983,251.65</u>	<u>3,548,360.12</u>

**Note - 09 –Property, Plant & Equipment**

Description		Balance as at 01.01.2017	Acquisitions /(disposals) During the year	Depreciation For the year	Accumulated Depreciation 31.12.2017	Balance as At 31.12.2017
Lands & Lands improvement	2105	7,939,174.75		793,917.48	2,138,359.88	5,800,814.88
Buildings Lease Hold	2001	7,031,981.78			7,031,980.78	1.00
Rehabilitation of Buildings	2001/01	114,676,593.24	17,255,299.34	6,023,726.66	59,549,409.88	72,382,482.70
Infrastructure – Negombo Jetty	2001/02	379,687.57		18,984.38	322,734.06	56,953.51
Purchase of Plant & Machinery	2103	99,436,498.31	5,104,835.41	9,971,016.50	50,541,592.80	53,999,740.92
Purchase of buildings	2104	132,709,515.79	41,111,461.25	6,635,475.79	21,519,153.53	152,301,823.51
Rehabilitation of Boats and vessels	2005/02	11,832,028.02		1,183,202.80	9,522,265.97	2,309,762.05
Fishing Gear Equipment	2107/02	37,273,126.17		3,727,312.62	26,185,278.91	11,087,847.26
Communication equipment.	2103/02	1,076,476.45		43,416.14	1,076,475.45	1.00
Furniture & Fittings	2102	55,184,457.18	7,137,407.32	5,765,541.97	27,229,570.46	35,092,294.04
Name Boards	2106/02	969,114.80		96,911.48	690,031.14	279,083.66
Books for Library	2107/03	17,215,573.56	2,570,521.58	1,748,671.31	8,733,691.09	11,052,404.05
Other Assets	2106/00	1,987,298.56	6,143,635.16	198,729.86	1,136,180.98	6,994,752.74
Rehabilitation-Vehicles	2003	18,485,984.04	3,435,312.23	102,660.25	18,588,643.29	3,332,652.98
Computers	2103/03	31,211,625.93			31,211,624.93	1.00
Purchase of Vehicles	2101	15,214,453.02			15,214,452.02	1.00
Laboratory Equipment	2107/04	9,728,427.82		972,842.78	7,558,974.96	2,169,452.86
Rehabilitation of Office Equipment	2004/00	1,633,751.07	1,116,763.10	172,195.80	643,868.05	2,106,646.12
Rehabilitation of Plants & Machinery	2002	2,610,446.91	105,241.65	262,004.95	1,624,492.44	1,091,196.12
Containers	2106/01	372,455.00		3,108.50	372,454.00	1.00
Training Equipment	2107	46,721,129.96	17,534,670.31	5,047,254.85	15,024,430.68	49,231,369.59
Rehabilitation-Training Equipment	2005/00	8,849,670.43		884,967.04	2,086,047.30	6,763,623.13
Hostel Building - Negombo	2104/02	37,436,137.51		1,871,806.88	4,679,517.20	32,756,620.31
'Chairman's Building	2014/03	20,185,385.00		1,009,269.25	2,018,538.50	18,166,846.50
Jaffna Building	2104/03	27,646,398.62		1,382,319.93	3,570,993.15	24,075,405.47
<b>Total (A)</b>		<b>707,807,391.49</b>	<b>101,515,147.35</b>	<b>47,915,337.22</b>	<b>318,270,761.44</b>	<b>491,051,777.40</b>

**Note 09.01 On going activities**

Description	Balance as at 01.01.2017	Acquisitions/ /(Disposals) during the year	Deprecia- tion during the year	Accumulate- d Depreciation 31.12.2017	Balance as at 31.12.2017
Administrative Building of Ocean University, Panadura		34,357,376.31			34,357,376.31
Total (B)		34,357,376.31			34,357,376.31
<b>Grand Total</b>	<b>707,807,391.49</b>	<b>135,872,523.66</b>		<b>318,270,761. 44</b>	<b>525,409,153.71</b>

**Note 10 Staff Loans**

Distress Loans	11,665,463.03	8,186,134.98
Festival Advance	150,553.50	129,500.00
Book Loans	750.00	750.00
Tsunami Loans	191,464.23	191,464.23
	<u>12,008,230.76</u>	<u>8,507,849.21</u>

**Note 11 Stock as at 31/12/2016**

Stationery	<u>1,024,689.45</u>	<u>1,088,161.95</u>
	<u>1,024,689.45</u>	<u>1,088,161.95</u>

**Note 12 Receivables**

Refundable Deposits (Electricity NARA)	218,750.00	218,750.00
Refundable Deposits (Vehicle rent)	47,000.00	47,000.00
Advances	3,760,667.71	3,742,167.71
Deposits for Hostels	1,708,500.00	1,708,500.00
Receivable-Course Fees-University	15,754,623.10	15,754,623.10
Salary Advances	121,500.00	132,500.00
Receivable-Hostel Fee-University	3,325,054.00	3,325,054.00
NARA Advances	930,592.50	930,592.50
Refundable Hostel Fees	110,000.00	110,000.00
Travelling Advances		

		15,000.00	15,000.00
	Ceylon Oxygen	18,635.00	18,635.00
	Refundable Tender Deposits		1,215,800.00
	NARA-Deposits	180,000.00	180,000.00
	Audit Fees	67,247.50	67,247.50
	Refundable –Deposits	291,260.00	126,920.00
	Hostel -Deposits	400,000.00	400,000.00
	Receivable-Building Deposits	27,600,000.00	
	Deposits	456,731.47	
	Welfare	500.00	
	Paymentsto debtors	8,153,444.11	
	Grant Receivable -SSDP	146,910.10	
		<hr/>	<hr/>
		63,306,415.49	27,992,789.81
<b>Note 13</b>	<b>Statement of Equity changes</b>		
<b>Note 14</b>	Cash at bank		
	Cash at Bank –Peoples Bank-9868	1,242,478.05	31,647,180.30
	Cash at Bank-Peoples Bank -9909	2,020,321.87	450,273.87
		<hr/>	<hr/>
		3,262,799.92	32,097,454.17
<b>Note 15</b>	<b>Accumulated Fund</b>		
	Opening Balance	736,621,992.35	654,927,884.34
	Add: Government Grant	52,750,000.00	81,694,108.01
	Amortization	(40,053,819.03)	
	Closing Balance	<hr/>	<hr/>
		749,318,173.32	736,621,992.35
<b>Note 15.1</b>	Opening Balance	139,834,357.67	131,792,338.32
	SSDP-Receipt of Annual Grant	34,358,174.71	8,042,019.35
	Amortization	(7,861,518.19)	
	Closing Balance	<hr/>	<hr/>
		166,331,014.19	139,834,357.67

**Note 16****Accumulated Deficit/Surplus**

Opening Balance-Accumulated Deficit/Surplus	(466,618,875.24)	(384,667,100.36)
Add-Deficit/Surplus	21,768,781.88	(81,951,774.88)
Prior year adjustments	9,723,439.31	
Closing Balance	<u>(435,126,654.05)</u>	<u>(466,618,875.24)</u>

**Note 17****Accrued Expenses**

Accrued Expenses for 2015	5,989,431.70	11,210,663.09
Cancelled cheques		697,854.61
Payable - EPF		6,624,699.00
Accrued Expenses for 2015	<u>81,217,499.85</u>	<u>30,019,959.32</u>
	<u>87,206,981.55</u>	<u>48,553,176.02</u>

**Note 18****Payable Expenditure**

Retentions	2,006,143.79	2,006,143.79
Refundable -Tender Deposits	781,484.52	338,879.62
Refundable- Library Deposits	453,000.00	251,786.20
Refundable- Laboratory Deposits	217,000.00	2,000.00
Stamp duty	20,000.00	
NARA Transport Fee		141,983.00
Stamp duty		3,025.00
Fees Payable	3,090.39	3,090.39
Other payables	3,700.04	3,700.04
Payable---- Hostel Fee	<u>107,200.00</u>	
	<u>3,591,618.74</u>	<u>2,750,608.04</u>

## 12. Audit Report



# ජාතික විගණන කාර්යාලය

## தேசிய கணக்காய்வு அலுவலகம்

### NATIONAL AUDIT OFFICE



මගේ අංකය } VTY/G/OUSL/1/2017/05  
எனது இல. }  
My No. }

මගේ අංකය }  
உமது இல. }  
Your No. }

දිනය }  
திகதி } 11 December 2018  
Date }

The Vice Chancellor  
Ocean University of Sri Lanka

### Report of the Auditor General on the Financial Statements of the Ocean University of Sri Lanka for the year ended 31 December 2017 in terms of Section 14(2) (c) of the Finance Act, No. 38 of 1971.

The audit of financial statements of the Ocean University of Sri Lanka for the year ended 31 December 2017, comprising the statement of financial position as at 31 December 2017 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Sections 13 (1) of the Finance Act, No.38 of 1971 and Section 51(2) of the Ocean University of Sri Lanka Act, No.31 of 2014. My comments and observations which I consider should be published with the Annual Report of the University in terms of Section 14(2)(c) of the Finance Act appear in this report.

#### 1.2 Management's Responsibility for the Financial Statements

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

#### 1.3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Auditing Standards of Supreme Audit Institutions (ISSAI 1000 – 1810). Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

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



I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

#### 1.4 Basis for Qualified Opinion

My opinion is qualified based on the matters described in paragraph 2.2 of this report.

### 2. Financial Statements

#### 2.1 Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 2.2 of this report, the financial statements give a true and fair view of the financial position of the Ocean University of Sri Lanka as at 31 December 2017 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

#### 2.2 Comments on Financial Statements

##### 2.2.1 Accounting Policies

Although fixed assets purchased at a cost of Rs.707,807,391 using the capital grants received from the Government and the other projects are annually depreciated, the University had not recognized a policy to amortize those capital grants and bring them to accounts. However from the year under review assets purchased from the Government grants had been identified and similar value to relevant depreciation amount had been adjusted in the capital grant account as a deferred income of the performance statement.

##### 2.2.2 Sri Lanka Public Sector Accounting Standards

###### Sri Lanka Public Sector Accounting Standard 07

The following observations are made.

- a) Contradictory to the paragraph 21 of the standard during the year under review expenditure of Rs. 1,681,850 and Rs. 1,042,461 related to repairs and maintains of buildings and vehicles respectively had been capitalized.
- b) In terms of paragraph 47 of the standard, a revaluation is necessary when the fair value of property plant and equipments materially differs, however a net value of Rs. 491,051,777 of property plant and equipments had not been revalued as at 31 December 2017.
- c) In terms of paragraph 65 of the standard, as a result of not estimating the useful life of non-current assets annually a cost of Rs. 46,798,533 assets which had been fully depreciated are still being in used. Therefore estimation error had not been revised as per Sri Lanka Public sector Accounting Standard 03.



### 2.2.3 Accounting Deficiencies

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The following observations are made.

- (a) Even though a sum of Rs. 723,062 retained for previous year's construction contracts had been released in the year under review, instead of debiting it to repayable retained money account it had been debited to relevant assets account. Therefore assets account and repayable retained money account had been overstated by that amount. Further out of the released money a sum of Rs. 188,540 had been included in the payable retained money amounting to Rs. 2,006,144 as at 31 December 2017.
- (b) Instead of debiting advances amounting to Rs. 30,480,475 paid for constructions into advance account in the year under review, it had been debited to building account. Therefore building account and advance account had been overstated and understated respectively.
- (c) Instead of accounting a sum of Rs. 6,126,550 as working progress paid for preparation of estimates and sum of Rs. 331,132 paid for soil testing relating to the five storied building proposed to be built at the premises of head office Mattakuliya had been capitalized under the building and construction account. However as a result of not having Financial provisions constructions had been abandoned as at end of year under review.
- (d) At the end of the year under review, Instead of presenting a sum of Rs. 1,604,783 as working in progress paid for workshop and lecture halls under construction at the Tangalle center and sum of Rs. 16,321,399 presented as accrued expenditure relating to the other constructions had been capitalized. Therefore building account had been overstated and working in progress account had been under stated by Rs. 17,926,182.
- (e) As a result of capitalizing an agreed sum of Rs. 21,889,116 related to 2 construction contracts which the agreements were executed as at end of year under review, building & construction and suspense expenditure accounts in the financial statements had been overstated by that amount. Nevertheless one of the constructions amounting to Rs. 15,387,672 had been cancelled on 12 June 2018 as the constructions were not functioned.
- (f) Instead of debiting the released tender deposit in the year under review amounting to Rs. 200,000 into repayable tender deposit account, it had been debited to receivable deposit account. Therefore the tender deposit account and receivable deposit account had been overstated by that amount.
- (g) Provisions had not been made in the accounts for the audit fees in respect of the year under review and previous 03 years.



- (h) Out of arrears salary paid for officers amounting to Rs. 24,590,014 which the provision had not been made in the accounts of year under review, a sum of Rs. 8,762,125 had been debited to creditors account and the balance sum of Rs. 15,827,889 had been debited to accrued expenditure account. Further as a result of these erroneous accountings Creditors Account in the Financial Statements had shown as a debit balance of Rs. 8,153,444.
- (i) As a result of accounting of not received goods and services amounting to Rs. 7,134,344 as accrued expenditure as at end of year under review, accrued Expenditure Account by that amount, Fixed Asset Account by Rs. 6,887,057 and Stationery Account by Rs. 247,287 had been overstated in the Financial Statements.
- (j) Four vehicles amounting to Rs. 27,159,250 and their depreciation of Rs.6,789,812 taken over from Finance Ministry and other Departments by the University in 2015 and 2016 had not been taken into accounts.

#### 2.2.4 Suspense Accounts

Unidentified balance of Suspense account Rs. 85,433 outstanding from 2011 coming under current assets in the Financial Statements had not been resolved as at end of year under review.

#### 2.3 Accounts Receivable and Payable

The following observations are made.

- (a) Graduate course fees of Rs. 15,754,623 recoverable as at end of year under review includes a sum of Rs. 5,913,500 relating to the period from the year 2001 to 2003 and sum of Rs.9,841,123 due from the Graduate and other courses from 2015/2016 academic year had not been recovered from the student even up to the end of year under review. However recovery of this money remained uncertain as the University fees had not been charged from 2017. A proper approval for abandon of charging course fees had not been furnished to audit.
- (b) Recovery of student's hostel fees amounting to Rs. 798,671 brought forward relating to the period from the year 2001 to 2003 remained uncertain as long period had elapsed from their leaving of the hostels. Further from 2017 as money is not charging from the hostel students, hostel student fees amounting to Rs. 2,526,383 relating to previous years had been evade by students. . A proper approval for abandon of charging hostel fees had not been furnished to audit.
- (c) Recovery of receivable tsunami loan balance of Rs. 191,464 relating to 06 officers remained Uncertain as these officers were not in the service at present.
- (d) Action had not been taken to identify and settle the accrued expenditure balance amounting to Rs. 5,989,432 brought forward from the year 2015 and before that



- (e) A sum of Rs. 445,750 deposited NARA(National Archives and Records Administration) for obtaining various services for the period from the year 2002 to 2013 and a sum of Rs. 930,592 relating to Scuba Diving Programs had been remained receivable from the year 2009, however they had not been confirmed by the relevant institution as payables.
- (f) An Audit fee of Rs. 67,247 had been brought forwarded in the accounts without settling for a long period of time

#### 2.4 Non-compliance with Laws, Rules, Regulations and Management Decisions

The following instances of non-compliances with Laws, Rules, Regulations and Management Decisions were observed.

Reference to Laws, Rules and Regulations etc.	Non-compliance
(a) Sections 10 (1), 13 (1), 18,24 (1),28 of the Ocean University of Sri Lanka Act, No.31 of 07 September 2014.	A Chancellor had not been appointed in accordance with the referred regulations and the establishment of Board of Authorities, Academic Councils and Campuses had not been carried out.
(b) Section 47 of the Employee provident fund Act, No 15 of 1958 and University Grants Commission Circular No.955 of 28 April 2011.	Contradictory to Act and provisions of circulars apart from cost of living allowance other allowances also had been considered for calculation of Employee Provident Fund contribution. Therefore from the period 2010 to July 2012 an additional sum of Rs. 777,342 had been remitted to the fund. Further after July 2012 benefit additionally transferred amount of employee funds had not been calculated and offset from the contribution to be paid in the future.  In the computation of contribution to the Employees Provident Fund and the Employees Trust Fund, the academic allowance paid along with the salary should not be taken into account, whereas action had been taken by the university contrary to that matter.
(c) Establishment Code of the Democratic socialist Republic of Sri Lanka Section 6.1 of Chapter VIII	Even though Over Time payment and Holiday Payment should be calculated based on monthly consolidated salary. Over Time had been paid based on Gross salary.



- (d) Financial Regulations of the Democratic Socialist Republic of Sri Lanka
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- (i) Financial Regulation 206 Actions had not been taken according to terms and regulations at the release of retention money Rs.723,062.
- (ii) Financial Regulation 565(2) General deposit register had not been maintained according to the regulation.
- (iii) Financial Regulation 570,571 and 572 Actions had not been taken according to regulations relating to repayable retention money amounting to Rs.2,006,144 remained more than two years.
- (ii) Financial Regulation 835
- (i) Without obtaining approval of the Secretary to the relevant Ministry, a sum of Rs.1,650,000 had been paid as the initial advance payment to the lessors in respect of 02 buildings obtained for the students hostels.
- (ii) Although it had been stated that the conditions relating to the payment of initial advance payments should be included in the agreements in consultation with the Attorney General, action had not been taken accordingly in the event of obtaining the above building on lease. Further, the lists of the furniture and fittings available in those buildings had not been included in those lease agreements.
- (d) Treasury Circulars No. IAI/2002/02 of 28 November 2002. A Register of Fixed Assets had not been maintained relating to the computers, accessories and software amounting to beginning cost of the year Rs.31,211,626 and during the year under review purchased amount of Rs.4,370,860.

### 3. Financial Review

#### 3.1 Financial Results

According to the Financial Statements the financial result of the University for the year under review had been a surplus of Rs. 21,768,782, however in the previous year it had been a deficit of Rs. 81,951,775. Therefore compare to previous year in the year under review it had



been increased by Rs. 103,720,557. Compare to previous year in the year under review the increase of government grants by Rs. 72,161,000 and adjustment of Rs. 47,915,337 as deferred income out of Government Grants had been contributed for above increase.

According to Financial analysis of the year under review and two previous years of 2015 and 2016 there had been a deficit of Rs. 55,500,835 and Rs. 81,951,775 respectively. Nevertheless in 2017 it had been a surplus of Rs. 21,768,782. However when adjusting salaries and provision for depreciation of fixed assets for Financial results, University's contribution had been Rs. 120,958,811 in 2015 and it had been increased continuously up to Rs. 234,018,352 in 2017.

#### 4. Operating Review

##### 4.1 Performance

##### 4.1.1 Activity and Review

The following observations are made.

- a) To achieve the objectives of the ocean University of Sri Lanka Act, No.31 of 2014, Even though the University had carried out awareness programs for fisheries by conducting Degree / professional training courses and mobile programs, at the enrolment attention had not been given to provide professional and technical courses to fisheries and staff of related fields.

- b) The following observations are made in relation to enrolment of students and conduct of courses.

- (i) Conduct of Degree programs

Academic studies had not been commenced until the year end as the enrolment of new students for four courses of two colleges for academic year 2017 / 2018 had been delayed during the year under review.

- (ii) Conduct of Diplomas

Plans had been drawn to enroll 194 students under twelve batches for three courses in six colleges whereas actually 144 students under seven batches in six universities had been enrolled in the year under review. Accordingly the progress of conducting diplomas and student enrollment had been 58 per cent and 74 per cent respectively. As per the information furnished to the audit, it was revealed even though plans had been drawn to complete diploma courses for 29 students enrolled to Negambo Center, these courses had not been conducted and certificates had not been awarded during the year under review.



(iii) Conducting Certificate Course

Continues Discharge Certificate (CDC course)

More than Rs.3 Million had been cost to obtain the certificate of ISO 9001-2008 for three years from 7 of April 2015 to 8 of April 2018 relating to Dec Rating and Engine Rating diplomas conduct in Mattakuliya and Tangalle centers, which is required for a job in commercial ship under Continues Discharge Certificate. Even though plans had been drawn to enroll 120 students under 4 batches for 2 diploma courses in these two centers , only 42 students for 2 courses had been enrolled in Mattakuliya center and no student had been enrolled to Tangalle center during the period for which the quality qualification obtained. It was observed in the audit the progress of CDC group enrollment was 50 per cent and progress of student enrollment was 35 per cent.

- 33 students had completed and obtained the certificates for CDC diploma in Mattakuliya center. However it was observed in the audit considerable productivity had not been gained from the quality certificate compare to the cost incurred.

(iv) National Vocational Qualification

- Although plans had been drawn to enroll 534 students under 30 batches for 7 NVQ diplomas in 8 Universities in the year under review, only 202 students had been registered under 15 batches for 7 courses in 5 colleges. Therefore the progress of enrollment of batches was 50 per cent and the progress of registration of students remained at a lower level of 38 per cent.
- 78 registered students had obtained the certificates for 10 NVQ diplomas during the year under review. However out of 129 registered students for the ten courses at the beginning 51 students (2016 and 2017) had left the course, which is 40 per cent of the registered students.

Non NVQ Diplomas

Although plans had been drawn to enroll 440 students for 8 NON NVQ courses in 8 colleges, only 222 students for 5 courses in 8 colleges had been enrolled allies 50 per cent.

- c) The following observations are made relating to the conduct of courses as centers and student registration

The performances of the centers remained at a weak level as not completing the activities relating to University staff absorption, not recruiting the consultants, not



communicating the awareness program to enroll students and not applying for courses as mention in below

- (I) Even though plans had been drawn to enroll 27 students for 2 courses and 40 students to Dec rating and engine rating(CDC course) courses, no student had been enrolled and further three courses planned for 45 students had not been conducted.
- (II) Even though plans had been drawn to conduct 2 diploma courses and 5 NVQ courses, only one diploma course and 2 NVQ courses had been conducted in Negambo center. Even though 125 students had been planned to enroll as a whole to the Negambo center in the year under review, the number of registered students were 96.
- (III) Even though it had not been planned to conduct diploma in Batticaloa college, one diploma course had been conducted with the participation of 22 students and 04 planned NVQ courses were not conducted. As a whole 70 students had been studied in the year under review.
- (IV) Although plans had been drawn to enroll 45 students for 3 diploma courses in Kaluthara center, only 15 students had been enrolled for two courses.
- (V) It had not been planned to conduct diploma courses in Trincomalee center, however no student had been enrolled for 4 NVQ courses which had been planned to enroll 90 students. Further during the year under review 16 students had been enrolled for planned certificate (NON NVQ) diploma and 15 students had been enrolled for unplanned certificate (NON NVQ) diploma, however the period of these two courses remained less than two weeks was observed in audit.

#### 4.2 Management Activities

The following observations are made.

- (a) Arrears of Rs. 2,039,472 the contribution of employees provident Trust Fund for the period from 2010 to 2012 had been paid by the university. However university had to paid a sum of Rs. 2,936,012 as a surcharge in the year under review.
- (b) Actions had not been taken to take over the ownership of the lands and buildings and other properties to the University including the head office of the university, 8 colleges situated in regionally.

#### 4.3 Underutilization of Funds

Under the Partial Vocational Training Program a provision of Rs.60.75 million had been granted for academics and constructions development activities. Out of that a sum of Rs.21.64 million or 36 per cent had not been utilized as at end of the year under review.



#### 4.4 Idle and Underutilized Assts

The following observations are made

- a) Furniture and fittings amounting to Rs.7 million had been supplied in the year under review for Batticaloa center which was built in 2013 with the cost of Rs.14 million . Even though it has elapse 4 years from the date of built. The building had not been used till 30 April 2018.
- b) As per Internal Audit Report University owned 7 large size fishery vessels, 05 small size vessels and 01 high speed fishery boat, out of them high speed fishery boat, 05 large size fishery vessel and 01 small size vessel had been inactive from several previous years.

#### 4.5 Staff administration

According to the information furnished to audit, the approved cadre and the actual cadre of the University by the end of the year under review stood at 327 and 188 respectively. Accordingly, existing 139 vacancies..

The following observations are made.

- (a) Without being taken action to recruit officers on permanent basis for the vacancies in the approved cadre of the University, 15 officers had been recruited on contract and daily basis without obtaining a proper approval of the Department of Management Services.
- (b) Enrollment procedure of the University had not been prepared as at end of year under review and absorption activities of employees from National Fishery and Navy Engineering Institute to University had not been completed at that date.
- (c) An officer hold the position of lecturer in Tangalle College had left the country for a foreign scholarship from 22 February 2016 to 28 February 2019. However it was observed that the officer had not been taken the approval for the academic leaves with salaries and had not been entered into guarantee bond and agreement. Further a sum of Rs. 125,870 had been paid to her as salary for the months of April and March 2016 and action had not been taken to recover that money.

#### 4.6 Utilization of vehicles

The following observations are made.

- (a) Out of 29 vehicles of the university 8 vehicles remained condemned position over a long period of time whereas no action had been taken to repair or dispose above vehicles even by the end of year under review.
- (b) A sum of Rs. 716,928 had been spent for repair four vehicles in 2016 and 2017 subjected to accidents. However only Rs. 548,000 had been reimbursed by the Insurance companies. Therefore a loss of Rs. 168,927 had been incurred.



5. Sustainable Development  
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5.1 Achievement of Sustainable Development Goals  
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According to Sustainable Development Agenda 2030 of United Nation every Government had been aware how they should act through the circulars by approving Sustainable Development Act No. 19 of 2017 dated on 03 October 2107. Even though all the Government Institutions should aware about how to accomplish the works coming under their scope, University had not been aware about it. Therefore index had not been identified regarding the activities that coming under the scope of sustainable development goals & objectives, how to achieve those objectives and measurement of objectives.

6. **Accountability and Good Governance**  
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6.1 **Procurement and Contract Process**  
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6.1.1 **Procurement**  
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A building with monthly lease value of Rs. 2.3 million for 2 years had been obtained under a lease agreement with the objectives of providing lecture halls, labs and computer labs. Further on 26 December 2017 had been entered into 02 agreements with the total value of Rs. 77.76 million including the cost of Rs. 22.56 million for interior partion of the building and as per the conditions of agreement lesser agreed to extend the duration of the lease for another 2 years.

The following observations are made relating to above matter

- (a) As per Sentence 6 (2) (1) of Sri Lanka Ocean University Act No. 31 of 2014 the ministry had not given a written command to Control Board of University, Further a feasibility study had not been carried out.
- (b) Although approval from Control Board to rent the building had been obtained on 18 September 2017, Procurement notice had been published in news paper on 6 July 2017. However as the information of bidding paragraph and condition paragraph were contradictory to each, after correcting the Procurement agreement had been published on second time with the additional cost of Rs. 83,720 had been incurred on 17 July 2017.
- (c) As per lease agreement 50 per cent of advance amounting to Rs. 27.6 million had been paid on 27 December 2017. This payment was not compliance to the 5.4.4 of the procurement guideline.
- (d) As per Procurement guidelines 2.14.1 and supplementary 33 the decision relating to lease and cost of interior partion amounting to Rs. 147.70 million had to be made by the



Procurement committee of the ministry, contradictory to it decision had been made by Procurement committee of department.

- (e) According to bidding conditions it was mentioned that total ground size of the building should be 25,000 sqft or more, however it was observed in physical audit carried out on 09 July 2018 that the building was 22,300 sqft with three floors.
- (f) Approval had not been taken from the secretary to the ministry as per the financial regulation 835(1)(c) for the sum of Rs.27,600,000 paid as an advance at the lease of this building.
- (g) According to bidding agreement professional charges, stamp charges and registration fees amounting to Rs.833,000 should be afforded equal by two parties, lawyer fees amounting to Rs.625,500 had been paid by University. Therefore an additional sum of Rs. 207,000 had been paid.
- (h) Due to the location of the building in the land and lack of facilities in the surround, it was observed that there isn't a suitable environment for University students.
- (i) It was observed that the building had been leased for Rs. 169.76 million for 4 years of time period to conduct degree programs. However no action had been taken by the university to construct a building to fulfill this necessities
- (j) Even though it had been elapsed one year from sinning of lease agreement for above mention building, all the degree programs had been conducted in premises of head office. It was observed that the lease of this building was an uneconomic transaction as enough space available in head office to conduct degree programs and further there wasn't a considerable progress in student enrollment.

#### 6.1.2 Deficiencies in Contract Administration.

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The following observations are made

- (a) Eventhough the time period elapsed according to contract agreement of four contract amounting to Rs. 49.5 million, construction activities had not been completed as at audited date 10 May 2018. The following observations were made in relation to it.
  - (i) it was observed in the document inspection that the physical progress of two contracts as at 10 May 2018 remained at less than 70 per cent, however action had not been taken by the contractor to extend the validity period and attention had not been given by the supervising engineer relating to this.
  - (ii) To repair the building in Bussa College on 17 December 2017 had entered into an agreement with contractor of the contract with the estimated value of Rs. 18,148,219. Although the project had to be completed on 17 July 2018, works of the project had not been commenced even by 17 July 2018.



- (iii) Proposed welding workshop to be built in Mattakuliya center amounting to Rs.13,380,585 planned to be completed on 4 April 2018. However the progress was at 12 per cent as at audited date 10 June 2018.

The Vice Chancellor had informed to audit that the estimation are being prepared to recall the prices again as the contractor had abandon the construction activities.

It was observed in the audit that actions had not been taken according to agreed conditions and bidding clauses relating to delay of 4 constructions amounting to Rs. 49.5 million.

- (c) Instead of accomplishing the defects of the building through the contractor constructed in 2015 under Partial Vocational Development Program amounting to Rs. 27,646,398, it had been accomplished through Jaffna District Secretarial Office with the cost of Rs. 2,147,737.

## 7. Systems and Controls

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

<u>Area of Systems and Control</u>	<u>Observations</u>
(a) Accounting	Shortcomings had taken place in entering transactions and journal entries in the ledger accounts and assets in similar nature and usage had not been taken into one asset category
(b) Assets Management	Assets had not been legally taken over and assets had remained under utilised.
(c) Maintaince of books and documents	A updated fixed asset register had not been maintained
(d) Procurement	Procurement guidelines and Financial regulations had not been followed in the lease of buildings
(e) Staff Administration	Failure in properly absorbing the staff and failure in properly conducting the course due to not filling vacancies.
(f) Financial Control	As the expense objects and limits of the payments had not been informed properly to the centers, Allowances to external consultants and cost relating to renovations had been paid using petty cash.

Sgd./ H.M. GAMINI WIJESINGHE  
Auditor General

H.M.Gamini Wijesinghe  
Auditor General.

## 13. Explanations to the Audit Report

Audit Report on the Financial Statements of the Ocean University of Sri Lanka for the period ended 31<sup>st</sup> December 2017 as per paragraph 14(2)(C) of Finance Act No. 38 of 1971.

### 2.2 Expressing an opinion on Financial Statements

#### 2.2.1 Sri Lanka Public Accounting Standards

Amortization adjustments were commenced in year 2017 and when making adjustments of that for prior years those should be done under deferred income. Accordingly the resultant excess shown at the end of the year under review, affects the difference in the financial result. This will be directed to the Audit and Management Committee and action will be taken on the advice of the Committee.

#### 2.2.2 Sri Lanka Public Accounting Standards

##### Sri Lanka Public Accounting Standards - 07

(a) It is stated that assets have not been properly revalued as advised in the Audit Report. Action is being taken to discuss regarding this in the forthcoming Audit and Management Committee Meeting and to act according to the recommendations of the Committee. Further, although provisions had been requested for vehicle and building maintenance under Recurrent Expenditure when preparing the Budget, this situation has arisen in the management of expenditure, since a higher provision is approved and granted as rehabilitation expenditure for repairs. However, relevant divisions have been instructed to prepare the budget to carry out that under Recurrent Expenditure and to act according to paragraph 21 of the Standards.

(b) Action is being taken to discuss regarding this at the Audit and Management Committee meeting and to act according to the recommendations of the Committee.

(c) Accept that this has been caused due to an oversight. Action will be taken to rectify this with a journal entry when preparing Final Accounts for 2018.

#### 2.2.3 Deficiencies in Accounting

(a) Instructions have been issued to Debit Construction Advances Account No: 4601/32 when making payments for construction advances. Shall pay attention regarding this and the relevant adjustments would be made through the Final Accounts of year 2018 with a journal entry.

This situation has arisen due to these payments being made based on Net Value as Final Accounts are prepared using a Computerized Accounting Package. However, a proper internal control system has been introduced by now instructing to act as per F.C. 206 when releasing retained sums.

(b) Instructions have been issued to present the Accounts after making adjustments when preparing Final Accounts for year 2018.

(c) Although a sum of 300 million had been allocated under proposal No: 339 in the Budget 2016, the construction of this Five Storey building has stopped due to not receipt of provisions for continuing work. Since the construction has ceased, action will be taken to transfer to unfinished work Accounts

(d) Instructions have been issued to prepare Final Accounts for year 2018 after transferring payments relating to this construction to an Ongoing Work Account .

(e) Instructions have been issued to rectify the adjustments relating to this construction with a Journal Entry in year 2018

(f) Instructions have been issued to rectify with a Journal entry and present when preparing Final Accounts for 2018.

(g) Although the Audit of the year prior to the year under review had been carried out, the bills for making payment for fees were not received at the University. The relevant provisions have not been made since the Audit Fee was not known. However, instructions have been issued to rectify this deficiency when preparing Final Accounts for year 2018..

(h) While accepting this fact, instructions have been issued to update the Accrued Expenditure Accounts by making the relevant adjustments through a Journal Entry.

(i) This has been rectified.

(j) Accounted by now . Also instructions have been issued to make relevant provisions when preparing Final Accounts for the year 2018.

#### 2.2.4 Suspense Account

Decided to forward a report regarding the Suspense Accounts balance of Rs. 85,433/-(Debits) to the Audit and Management Committee and to act on the relevant recommendations.

#### 2.3 Receivable and Payable Accounts

(a)(b) The Ministry on several occasions has made requests to the Treasury and Public Enterprises Department seeking approval to release course fees and hostel fees due for the period from year 2001 to year 2003 from Final Accounts. Further has reported to the Ministry under Circular No: 02/2016 of Public Finance Department for obtaining approval to write-off the relevant balances from the accounts.

A special form has been introduced to obtain updated information for the write-off of course fees and hostel fees receivable in 2015/2016 from the Final Accounts has been forwarded Deans and Director Training. Instructions have been issued for submission to Audit and Management Committee no sooner that information is received in order to obtain recommendations on steps to be taken in the future..

- (c) Actions are being taken to recover such loan balances.
- (d) Accrued Expenditure balance of Rs .5,989,432 relating to 2015 and prior years has been identified and actions are being taken to settle that
- (e) NARA has provided confirmation on this and has informed to make arrangements to settle those balances expeditiously .
- (f) Instructions have been issued to act regarding this balance under Circular No: 02/2016 of Public Finance Department.

#### 2.4 Non -adherence to Legal Regulations and Management Decisions

- (a) A Dean has been appointed . Actions are being taken to establish an Academic Board of authority and Faculties .
- (b) Instructions have been issued to settle the additional balance paid, in the future
- (c) Establishment Code of the Democratic Socialist Republic of Sri Lanka

At present overtime payments are made based on monthly consolidated salary  
Finance Code of the Democratic Socialist Republic of Sri Lanka

Necessary instructions have been issued regarding maintenance of a Deposits Register as per FR 565 (2) and a proper internal system for repayment of deposits as per FR 206 as advised in the Audit Report.

- (VII) Instructions have been issued to act according to FR 835 when extending the period of student's Hostel building. Has acted accordingly when entering into lease agreement for the conducting of degree courses
- (VIII) Instructions have been issued to take action paying attention regarding this when entering into agreements in the future

(d) It is stated in the Audit Report that the re-valuation of Assets has not been properly done. Actions are being taken to discuss regarding this at the Audit and Management Committee scheduled to be held and to act according to the recommendations of the Committee.

(IX) (d) Instructions have been issued to maintain an Assets Register for computer accessories and software as per Treasury Circular No. 842 dated 19 December 1978..

#### 2.4 Transactions not confirmed by an adequate authority

(I) Since the Treasury was unable to provide the required capital provisions for the construction of the building, on the instructions of Deputy Secretary of the Treasury dated 13/06/2016 , action was taken to obtain buildings on lease basis

(ii) Instructions regarding procurement was obtained from a specialist in Sectorial Skills Development Project. Procurement actions have been carried out on his instructions

(iii) Payments have been made on an agreement to deduct 50% of the monthly rent instead of reduction at the latter part of the lease agreement

(iv) Since taking the building on lease and partitioning are two functions, it was carried out by the Procurement Committee of the Department

(v) That observation is not correct

(vi) The Sector Skills Development Division had taken action regarding this

(vii) Carried out on the assessment provided by the Assessor's Department

(viii) Corrected

(ix) Since this building has been obtained only for Lecture Halls a ventilated environment with flora exists in the University Premises

### 3. Financial Review

#### 3.1 Financial Results

A direct influence has been made on effecting amortization adjustments as pointed out in the previous audit and accept that this financial result was secured on the increase in government grants.

#### 4. Operational Review

##### 4.1 Performance

###### 4.1.1 Degree Courses

- (i) Most Universities enroll students for Science Degrees in the month of November. Therefore, based on this period, actions were taken to enroll students to our university in the month of November. During the year under review, educational activities for students enrolled in November have been commenced in the month of December in the same year

###### Diploma Courses

- (ii) In spite of targeting with the expectation that Instructors would be recruited, the expected progress could not be achieved due to problems resulting from not recruiting and not absorbing them  
Certificates have been awarded to those 17 students by now.

- (iii) Certificate Courses

###### CDC Courses

Although planning was done with the expectation of physical facilities getting developed, since physical facilities at the Mattakkuliya Centre were inadequate, the number that could be accommodated was enrolled.

Non provision of human and physical resources to the Tangalle Centre for the conducting of CDC courses, the opportunity for conducting those courses has slipped.

- (ii) Although the ISO certificate was secured, conducting courses properly is difficult since Officers qualified to conduct such courses do not come for a minimum salary and there are no provisions to pay the salaries they expect.

###### NVQ Courses

Standard of training has come down due to shortages in supplies of physical and Human resources and also training equipment and materials after the Ocean University Act was approved..

Educational activities not taking place properly due to the absence of permanent Instructors to co-ordinate courses and the non-availability of adequate

infrastructure and an educational environment when compared with competing institutions can result in students leaving.

Also certain students leave the course due to securing employment and also due to the securing of opportunities for higher education.

#### NON NVQ Course

- (viii) While progress in Non NVQ courses could be achieved due to availability of adequate Human and Physical resources, the non-availability of the required trained Human Resources and adequate Physical Resources has weakened those. Instructions have been issued to conduct courses with a view to effecting a development in the future.
- (b) (i) Since the Secretary has informed that approval of the Ministry of Trade and Shipping was required to conduct CDC courses, the commencement of the course was delayed until receipt of approval .
- (ii) Although targeted on the expectation that Instructors would be recruited, the expected progress could not be achieved due to problems in not completing the activities for their recruitment and absorbing
- (ix) Although targeted on the expectation that Instructors would be recruited, the expected progress would not be achieved due to problems in not completing the activities of their recruitment and absorbing
- (x) Although targeted on the expectation that Instructors would be recruited, the expected progress would not be achieved due to problems in not completing the activities of their recruitment and absorbing .
- (xi) Although planned to commence courses with the participation of external Instructors, the courses could not be started as planned due to dearth of Instructors.
- (xii) Instructions have been issued to pay due attention to settle these problems in year 2018.

#### 4.2 Management Activities

- (a) Has acted in accordance with the Employees Provident Fund Act.
- (b) This institution was under the Ministry of Fisheries and Aquatic Resources and at present actions are being taken to acquire that to the Line Ministry. Also necessary actions are being taken to acquire all other assets by the University.

#### 4.3 Under-utilization of funds

Due to delays in procurement process,provisions, could not be made use of to the fullest .

#### 4.4 Identified Losses

(a) Defects occurred after the period of contractors liability lapsed were to be repaired on the agreement reached with the District Secretariat, Jaffna and payments have been made .consenting to that

(b) Actions taken as per Employees Provident Fund Act

#### 4.4 Idle and under-utilized Assets

(a) After the completion of required facilities at the Tourist Home, action will be taken to make effective use of it.

(b) Deploying vessels will be based on requirement arising when conducting courses

#### 4.5 Staff Administration

(a) Since absorbing into the Ocean University of Sri Lanka has not been over yet, all recruitments have been made with prior approval from the Department of Management Services and salaries and allowances have been paid

(b) A recruitment procedure is being prepared

(c) Governing Board has been apprised regarding this, Necessary steps will be taken in the future.

#### 4.6 Vehicle Exploitation

(i) Observation is not correct .

(ii) Since there is a permanent staff cadre, calculation in this way is not reasonable

#### 5.1 Reaching Sustainable Objectives

##### 6.1. Procurement and Contract Process

##### 6.1.2 Deficiencies in Contract Administration

#### 7.0 System and Administration

