

**1. Financial Statements**

**1.1 Opinion**

The audit of the financial statements of the Gampaha Wickramarachchi University of Indigenous Medicine for the year ended 31 December 2024 comprising the statement of financial position as at 31 December 2024 and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and notes to the financial statements, including material accounting policy 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 Subsection 107(5) of the Universities Act No. 16 of 1978 and the provisions of the National Audit Act, No. 19 of 2018. My comments and observations which I consider should be reported to Parliament appear in this report.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the University as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

**1.2 Basis for Opinion**

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 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 determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the 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 intends to liquidate the University or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the 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 of the University.

## 1.4 Scope of Audit

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 audit 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 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 audit 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 audit 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 had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

#### 1.5 Non-compliance with Laws, Rules, Regulations, Management Decisions etc.

Reference to Laws, Rules, Regulations etc.	Non-compliance	Comments of the Management	Recommendation
(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka.			
(i) Financial Regulation 571	Eleven deposits amounting to Rs. 172,900 which were refundable from 02 to 05 years included in the deposits had not been settled or taken into the state revenue.	Most of the Security deposits had not been exceeded 2 years.	Overdue security deposits should be taken to release or taken into income.
(ii) Financial Regulation 371(2)(b)	Although the staff officers who received ad hoc sub - imprest should settle the advance immediately after completion of the work, the payment of the advance totalling Rs.1,253,904 in 26 instances had been delayed from 1 to 11 months.	There had been a delay in the payment of advances due to the non-academic staff strikes that took place from May 2024 to July 16.	In accordance with the financial regulations, steps should be taken to settle the advances received immediately after completion of the relevant work.
(b) Asset Management Circular No. 2/2017 dated 21 December 2017	Although government-owned vehicles should be registered in the name of their institution, 6 vehicles owned by the	It was also stated that the transfer of the two motor vehicles will be carried out as soon as the revenue licenses	Arrangements should be made to take over and account for it promptly.

University had not been registered in the name of the University. are received, and that the transfer of the cab will be carried out as soon as the registration certificate is received.

## **2. Financial Review**

### **2.1 Financial Results**

The operating result of the year under review was a surplus of Rs. 31,523,807 and the corresponding surplus in the preceding year was Rs. 168,667,445. Therefore a deterioration amounting to Rs. 137,143,638 of the financial result was observed. The decrease in capital grants from non-exchange transactions and investment interest income had mainly contributed to this deterioration.

## **3. Operational Review**

### **3.1 Management Inefficiencies**

<b>Audit Observation</b>	<b>Comments of the Management</b>	<b>Recommendation</b>
Due to the non-use of 2 family unit houses to be need of repair, Rs. 740,000 was paid in rent from October 2022 to December 2024 for a house acquired on a monthly rental basis for a student hostel assistant warden.	Funds were allocated from the 2025 procurement plan for the maintenance of existing houses. A decision can be made to allocate an official residence for this purpose in the future after these houses are renovated or a new housing complex is built.	Existing quarters should be repaired and utilized and government funds should be used sparingly.

### **3.2 Procurement Management**

<b>Audit Observation</b>	<b>Comments of the Management</b>	<b>Recommendation</b>
(a) Although a two-storied building was renovated for the reading room and handed over for the study of University students at a cost of Rs.8,864,305 the reading room remained underutilized due to the lack of adequate facilities for the students.	It is scheduled to provide all furniture and equipment for the reading room within the next month.	Necessary arrangements should be made to provide the necessary facilities for educational activities.
(b) Although 18 rehabilitation and improvement procurement activities totalling Rs. 74.5 million were planned to be	Eighteen rehabilitation and improvement procurement activities were planned to be carried out during the current	Work should be carried out according to the Action Plan.

completed during the current year and 100 per cent of the year according to the action work on 08 of these tasks had plan, out of these, 07 tasks had been completed. only achieved physical progress ranging from 10 percent to 60 percent. Furthermore, 6 tasks had not been initiated even during the reporting year.

### 3.3 Operational Inefficiencies

Audit Observation	Comments of the Management	Recommendation
Although the University had planned to enroll 176 and 70 students for the main degree programs of Ayurveda Medicine and Surgery and the Honors Degree Program in Indigenous Medicine Resources in Science, respectively, only 109 and 24 students registered respectively and therefore , the management had not paid attention to increase students' attraction for these degree courses.	Every effort is being made to create awareness among the public through workshops at the school level and by explaining the opportunities available to graduates.	Necessary measures should be taken to increase student attraction.