



UNIVERSITY GRANTS COMMISSION

INTERNAL AUDIT CIRCULAR LETTER: 03/2022

No.20, Ward Place,
Colombo 07.
12.12.2022

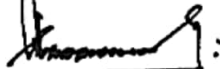
Vice-Chancellors of Universities
Rectors of Campuses
Directors of Institutes

TERMS OF REFERENCE (TOR) FOR BOND RECOVERY REVIEW COMMITTEE IN HEIs

The Commission at its 1089th meeting held on 03rd November 2022 having considered the requirements to streamline the recovery process of outstanding bond balances, granted approval to implement the attached Terms of Reference for Bond Recovery Review Committee of HEIs and Institutes with immediate effect.

Any deviations of the said procedures should only be based on the recommendation of the respective Council/Board of Management on the recommendation of their Audit Committee and subject to the approval of the Commission prior to implementation.

You are requested to table, the attached TOR before the Audit Committee of your HEI/Institute for the information of all members/observers and act accordingly.


Senior Professor Sampath Amaratunge
Chairman

- Copies: 1. Secretary/Ministry of Education
2. Chairman's Office/UGC
3. Vice-Chairman's Office/UGC
4. Members of the UGC
5. Secretary/UGC
6. Deans of the Faculties
7. Registrars of Universities
8. Internal Auditor/UGC
9. Accountant/UGC
10. Bursars of Universities
11. Librarians/SAL/AL of Universities/Campuses/Institutes
12. Deputy Registrars/Snr. Asst. Registrars/Asst. Registrars of Campus /Institutes
13. Deputy Bursars/Snr.Asst. Bursars/Asst. Bursars of Campuses/Institutes
14. Deputy Internal Auditors/Snr.Asst.Int.Auditors/Asst.Int.Auditors of Universities
15. Auditor-General
16. Govt. Audit Superintendents of Universities
17. Secretaries of Trade Unions

File No. UGC/CIA/F/IA Cir./1

Terms of Reference (TOR)
Bond Recovery Review Committee (BRRC) in HEIs

In terms of section ii of the Internal Audit Circular Letter No. 02/2018 dated 17.12.2018, the Bond Recovery Review Committee was established in the Universities. This Committee is an advisory body and a subcommittee to make necessary recommendations to the Council. The following procedures are formulated to streamline the activities of the Bond Recovery Review Committee (BRRC).

1. Composition and the Quorum of the Bond Recovery Review Committee (BRRC)

The Bond Recovery Review Committee is a subcommittee of the Governing Council. The members shall be appointed by the Governing Council and the composition of the Bond Recovery Review Committee is as follows.

- | | |
|--|----------------------|
| i. Vice Chancellor or nominee | - Chairman |
| ii. Registrar | - Member |
| iii. Bursar | - Member |
| iv. DIA/SAIA/ALA | - Member |
| v. DR/SAR/AR of the Legal & Documentation Division | - Member |
| vi. DR/SAR/AR of the Non-Academic Establishment Division | - Member |
| vii. DR/SAR/AR of the Academic Establishment Division | - Secretary/Convener |

The DR/SAR/AR of the Academic Establishment Division should act as the Secretary/Convener of the BRRC and take minutes. The Minutes of the Meeting (MoM) shall be submitted to the immediate next Audit Committee for further review and to the Council for information with a copy to the Chairman/UGC. Minutes of the meeting should be circulated among all relevant parties. The functions of the Bond Recovery Review Committee are given below and shall add-on according to the requirements of the relevant HEIs with its recommendations and the approval of the Governing Council. The Internal Auditor of the UGC should be invited/contacted for any clarification or referred to him for further advice.

The quorum is four members. Minimum four (4) meetings per year.

DR/SAR/AR of the Academic Establishment/Non-Academic Establishment Division should call clearance from all relevant parties related to the bond violator and finalize the amount to be recovered from the violator. Final dues to be recovered should be submitted to the DIA/SAIA/AIA for the certification of the accuracy before informing the bondholder.

Campuses and Institutes: Rectors of Campuses and Directors of Institutes should submit their bond details to the BRRC of their affiliated University.

2. Categories of Defaulters

Bondholders who fall under the criteria given below and their sureties.

1. As per section 7, Chapter V of the Est. Code of the UGC and the HEIs, who are deemed to have vacated post and violated bond as decided by the Governing Authority.
2. As per subsection 7:6:1 of section 7, Chapter V of the East. Code of the UGC and the HEIs, who does not respond to letters, emails, telephone calls or any other correspondence within three weeks.
3. Who agreed to full settlements, but defaulted due payment.
4. Who agreed to a payment plan and defaulted payment (a maximum of three weeks from the date of the instalment due for payment)

3. Functions of the Bond Recovery Review Committee

- i. Review the legal actions/progress of recoveries of the existing bonds
- ii. Ensure whether the formalities/terms laid down in the circular/agreement have been followed by the bondholder and any lapses have been informed to them by the relevant Establishment division accordingly.
- iii. Ensure that the terms of the agreement have been implemented as applicable.
- iv. Call explanations from the relevant officers who do not follow the laid down procedures regarding Bond/Violated bond as stipulated in the Establishment Code of the UGC and the HEIs.
- v. Recommend prompt actions to stop formalities (salaries and other privileges) of existing bondholders who do not send progress reports in the given format and within the stipulated time.

- vi. In terms of Section 7 of Chapter V of the Establishments Code of the UGC and the HEIs and the Internal Audit Circular Letter No: 01/2022 dated 19.01.2022, examine whether actions have been taken in time.
- vii. Ensure all correspondence related to the matters of violating bonds has been copied to respective sureties as well.
- viii. Ensure the bond violator is informed without delay to settle in full all dues under the terms of the bond within three (3) weeks' time and in case of failure, the guarantors are to settle the same within three (3) weeks' time.
- ix. Advise the relevant Department to inform the legal division immediately to take legal actions where necessary and submit progress to the BRRC.
- x. Make recommendations to the Governing Authority to recover bond values from the salaries of the employees who do not complete postgraduate studies within the stipulated time under the provisions of F.R 119: Surcharges with a copy to the Chairman/UGC.
Ref: Internal Audit Circular Letter No: 02/2022 dated 22.06.2022.
- xi. Considering the circumstances as the request made by the bond violators, recommend a settlement plan as given below;

- i. The maximum settlement period for those who are overseas could be recovered by a maximum of 12 instalments (monthly) depending on the value of the bond.
- ii. The settlement plan of those who live in Sri Lanka could be decided as follows.
(Subject to a minimum 40% limit of salary for those who are in University service)

	Period	Approval
1	Up to 12 instalments	With the recommendation of the BRRC, Chairman UGC Vice Chancellor of the University Rector of the Campus Director of the Institute
2	12 to 60 instalments	Secretary/Ministry of Education, with the recommendation of the BRRC and the Governing Council
3	Above 60 instalments	Treasury with the recommendation of the BRRC and the Governing Council

12.12.2022

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