

# Common Pre-Seen

## June 2021

### Chartered Accountancy

### Strategic Level

### Corporate Finance & Risk Management (CFRM)

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**COMMON PRE-SEEN  
(SL1 TO SL4)**

**JUNE 2021**



**JMC v Learning**  
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# College of Business Education (Pvt) Ltd

## 1. Introduction

Manilal De Zoysa, an experienced educator and entrepreneur, began his teaching career in higher education 33 years ago. His father and mother were both teachers at national level schools. His father was in fact the principal of a national school in the Gampaha District. Manilal grew up in an environment where he learnt the importance of having a good education. He studied at a leading school in Colombo, after which he entered university; and then straight after his university education, he began his teaching career. After nearly 25 years as a teacher of Economics for GCE Advanced Level students and undergraduates, he set up the College of Business Education (Pvt) Ltd (CBE).

CBE is located in Colombo 3 and has seven branches outside of Colombo. In order to establish the college, Manilal sold a few properties he inherited from his father who owned many properties in the Gampaha District. His wife Rukmani assists him in the running of the college as the Head of Academic Activities. They have two children, a son (Jagath) and a daughter (Lakshmi), and the son is keen on taking over the family business one day. In order to obtain the funds to set up the college Manilal also sought assistance from one of his university friends, Lalith Kiriella. Lalith gave him some of the initial capital and is a shareholder/director of the college. Lalith is a businessman from Kandy and he indicated last year that he wishes to sell his shares in CBE as none of his children seem to be interested in joining the business. The De Zoysa family owns a majority stake in the company.

Manilal has a very good reputation in the education sector and is well respected by his peers and colleagues. In 2020 a foreign university based in China showed interest in purchasing a majority stake in the college, which is now a leading private undergraduate and postgraduate educational institution.

Jagath is the Head of Business Development and International Relations at CBE. He is keen on expanding the business and listing the company on the Diri Savi Board in the future.

## 2. Company overview

### 2.1 Shareholding structure (6,250,000 shares at Rs. 100 per share)

Shareholders	Percentage holding as at 31 March 2021
Manilal De Zoysa	40%
Lalith Kiriella	40%
Jagath De Zoysa	10%
Lakshmi De Zoysa	10%
<b>Total</b>	<b>100%</b>

## 2.2 Human resources

CBE has a total workforce of nearly 140. The academic cadre comprises 55 staff. The balance comprises administrative and support staff. There has been a high turnover amongst the finance and IT staff in the last few years, but the academic staff turnover is fairly low as they have displayed loyalty.

The high turnover amongst the finance and IT staff was due to certain alleged fraud brought to the notice of the management in relation to revenue assurance and collection. A lack of work-life balance was also a common grievance amongst staff in the support functions. Nearly 70% of the staff are male and the employees are subjected to an annual informal appraisal system where the performance is not linked and evaluated according to KPIs. A performance-based incentive scheme is now being contemplated. A lack of written policies in the college in general has led to non-standardisation of many processes.

A voluntary retirement scheme (VRS) has been proposed by the management. They have emphasised the requirement for such a severance scheme in the light of the global pandemic.

CBE has access to foreign faculties especially for final year students in the undergraduate and postgraduate programmes. Academic staff also receive scholarships to pursue a master's or doctoral programme at such foreign faculties. However, in such an instance they are bonded for a specific number of years to the college by signing a memorandum of understanding (MOU).

CBE is well-known for its research and Jagath has been instrumental in setting up a joint venture with some leading private sector companies to fund and commercialise its research initiatives.

Refer Annexure 1 for profiles of the directors and key management personnel, and Annexure 2 for the organisational structure.

## 2.3 Product portfolio

The main products/services offered by CBE are given below.

- Undergraduate education
- Postgraduate education
- Professional/executive education
- Short courses

The percentage of revenue earned from the above categories are as follows.

- Undergraduate education: 20%
- Postgraduate education: 30%
- Professional/executive education: 35%
- Short courses: 15%

CBE has a student base of approximately 9,000. Course fees make up nearly 90% of the revenue. Hostel fees, registration fees, library fees and re-sitting fees make up the balance revenue. In addition to its own programmes, the college offers franchised programmes at the undergraduate and postgraduate levels. All the courses that are franchised are subject to academic assessment regulations of the awarding body (partner university). Due to affiliations with international partner universities, the college has access to foreign faculties. Nearly 20% of the enrolled students follow the degree programmes of foreign affiliated universities. In addition to the main revenue sources stated above, the college earns referral fees from universities in China and Russia for referring Sri Lankan students to follow their MBBS courses. However, certain programmes were rolled out without a stringent evaluation and approval process by an experienced academic panel.

The actual product profitability of CBE in FY 2019/20 and FY 2020/21 differed from the estimated profit assessed at the outset prior to launching the programmes. The finance manager was therefore asked to do a variance analysis and provide a report to the board of directors.

CBE achieved its highest revenue in FY 2017/18. However, the revenue was well short of expectations. It was also revealed at one of the directors' meetings that the budgetary process and the strategic allocation of resources was weak, and hence the expected targets for revenue and costs could not be achieved. Manilal, the chairman of CBE, proposed to obtain the services of a senior management consultant to resolve the governance and financial issues faced by the college.

During FY 2020/21 the revenue of CBE was approximately Rs. 1,206 million compared to Rs. 908 million in the previous year. Once the building expansion project (discussed below) is completed in FY 2021/22, revenue is expected to increase by 10% in FY 2021/22, 20% in 2022/23 and 10% annually thereafter.

## 2.4 Capital expenditure

The college is investing in the construction of a few new buildings to expand the business and the computer faculty. The student capacity of the college could be increased by 100% when the construction is completed. Project financing loan of Rs. 6 billion, to be disbursed in stages, was obtained from a state bank at a concessionary rate of 8% in FY 2017/18. The bank offered a grace period for capital and interest payments, and this period expired on 31 March 2021.

The final disbursement of the loan mentioned above will be received by CBE at the beginning of FY 2021/22, amounting to Rs. 1.356 billion. The loan will be repaid in 5 years starting from FY 2021/22.

Construction of the new buildings was delayed due to COVID-19 and this could adversely impact the opening of these new buildings.

## 2.5 Information technology

CBE realised that it was ill-prepared for COVID-19 in terms of not being able to deliver its programmes using digital tools. Therefore it plans to invest in an integrated digital learning platform. When moving to a digital platform it is inevitable that there may be excess staff especially in the support functions where processes will be automated. A new brand strategy would need to be formulated with greater focus on online distance-based education. The finance department has also been experiencing issues with regard to generating reports required for management decision making. The audit carried out by one of the international university partners revealed serious vulnerabilities related to cyber security and business continuity planning.

## 2.6 Governance issues in a family business

As CBE is a family business, the directors lack independence and expertise in ensuring that the governance processes have been keeping pace with the expansion of the college. The chairman expects the senior management consultant to issue a report with recommendations to address deficiencies in governance, risks and controls. Jagath, who is promoting the listing of CBE, is keen on streamlining the processes and ensuring that the staff is competent enough to effectively discharge their duties.

Some of the key strategic risks faced by CBE are:

- Lack of finance and risk management experience at board level, and lack of independent deliberations on key decisions.
- Non-adherence to certain partner university regulations and contracts.
- Possible non-renewal or termination of affiliations with partner universities.

- Lack of strategic initiatives to address increased competition and aggressive price wars.
- No proper academic quality control measures.
- Lack of standardised operating procedures.
- Lack of an online educational platform.
- Poor involvement of employees in the rebranding proposal put forward by Jagath.

## 2.7 Ethical issues

Compliance with applicable contracts and MOUs signed with partner universities is of paramount importance. There have been a few complaints to the regulatory authorities that the standards of CBE have dropped, and it is questionable whether quality review mechanisms are implemented and if so, whether they are effective, although compliance reports are sent once in two years to the relevant partner universities concerned regarding the effective functioning of quality assurance (QA) processes. Inability to maintain the required quality standards is a breach of the terms of the MOUs, and it would create a lot of negative significant financial and non-financial repercussions on CBE.

A few investigations related to the breach of terms of MOUs are being conducted by the partner universities at the moment. This was discussed at directors' meetings and it was decided to recruit an assistant manager with work experience related to quality assurance in the education sector.

In the past three years the finance manager has changed twice and the current finance manager is facing pressure from the directors regarding the accounting recognition of a learning management software application, developed by externally hired consultants. The finance manager is considering speaking to the CA Sri Lanka Ethics hotline to obtain advice on the above issue as well as certain other accounting practices. The lack of investigation and disciplinary action for irregularities alleged and suspected has created a culture that fosters fraud.

The University Grants Commission (UGC), which has recognised the undergraduate and postgraduate programmes offered by CBE, has received many complaints about the academic appeals and misconducts at the college.



### 3. Financial information

#### 3.1 Income statements of CBE

For the years ended 31 March	2021	2020	2019
	(Unaudited)		
	Rs.	Rs.	Rs.
Revenue	1,206,487,666	908,392,994	704,993,016
Direct expenses	(537,357,464)	(542,534,945)	(429,030,177)
<b>Gross profit</b>	<b>669,130,202</b>	<b>365,858,049</b>	<b>275,962,839</b>
Administrative expenses	(172,718,529)	(159,506,396)	(146,816,108)
Other income	2,500,767	697,239	1,000,855
<b>Profit from operations</b>	<b>498,912,440</b>	<b>207,048,892</b>	<b>130,147,586</b>
Finance income	61,020,709	59,834,271	71,103,983
Finance expenses	(7,865,444)	(7,645,464)	(7,766,666)
<b>Profit before income tax</b>	<b>552,067,705</b>	<b>259,237,699</b>	<b>193,484,903</b>
Income tax expense	(56,767,879)	(25,050,898)	(20,767,900)
<b>Profit for the year</b>	<b>495,299,826</b>	<b>234,186,801</b>	<b>172,717,003</b>
Other comprehensive income/(expense) for the year, net of tax	(1,006,567)	98,750	6,500
Revaluation gain	750,000,000	-	-
<b>Total comprehensive income/(expense) for the year</b>	<b>1,244,293,259</b>	<b>234,285,551</b>	<b>172,723,503</b>

#### 3.2 Accounting and finance

CBE currently uses two application software packages. A bespoke package is used for operations, which was developed by the college a few years ago. However, the programmer of this bespoke package has now left CBE, therefore making new modifications to the application has been an issue. An application software is used for accounting, and it is a Tier 2 ERP package. The billing and bank reconciliation facilities in the ERP package have not yet been utilised and the bespoke operations package is not integrated into the ERP system.

Despite having an ERP system, the fact that its features have not been fully utilised is a concern Jagath has highlighted in the monthly management committee meetings held at CBE. A lack of interest to learn the new system features was evident during the deliberations the management has had with the staff.

The management has also requested the staff to come up with cost reduction initiatives.

The external auditor had a few concerns about the lack of maintaining proper minutes of the meetings of the board of directors, CBE not having a proper fixed



asset register and also concerns regarding the issues with the impairment of debtors during the last year's audit.

The Department of Inland Revenue has issued a number of intimation letters for Y/A 2017/18 and Y/A 2018/19 challenging the deductibility of certain expenses and income sources.

CBE has registered for VAT and NBT.



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4. Statements of financial position of CBE

As at 31 March	2021	2020	2019
	(Unaudited)		
	Rs.	Rs.	Rs.
<b>Non-current assets</b>			
Property, plant and equipment	5,761,716,161	3,101,772,626	599,700,987
Intangible assets	3,232,333	4,474,646	3,567,444
	<b>5,764,948,494</b>	<b>3,106,247,272</b>	<b>603,268,431</b>
<b>Current assets</b>			
Inventory	7,234,535	6,234,543	5,976,455
Financial assets at amortised cost	150,500,000	200,500,000	225,500,000
Trade and other receivables	1,426,535,334	1,234,345,687	1,618,765,434
Cash and cash equivalents	724,035,343	762,956,352	539,044,334
	<b>2,308,305,212</b>	<b>2,204,036,582</b>	<b>2,389,286,223</b>
<b>Total assets</b>	<b>8,073,253,706</b>	<b>5,310,283,854</b>	<b>2,992,554,654</b>
<b>Capital and reserves</b>			
Stated capital	625,000,000	525,000,000	425,000,000
Revaluation reserve	750,000,000	-	-
Retained earnings	1,094,057,284	599,764,025	365,478,474
	<b>2,469,057,284</b>	<b>1,124,764,025</b>	<b>790,478,474</b>
<b>Non-current liabilities</b>			
Deferred tax liability	1,453,343	2,565,453	3,234,444
Library deposits	3,456,533	2,987,676	2,287,866
Interest bearing borrowings	4,508,784,747	3,234,567,897	1,654,543,445
Retirement benefit obligation	1,345,433	865,637	763,222
	<b>4,515,040,056</b>	<b>3,240,986,663</b>	<b>1,660,828,977</b>
<b>Current liabilities</b>			
Interest bearing borrowings	134,567,833	126,474,747	76,563,555
Bank overdrafts	8,018,181	6,473,636	2,295,866
Hostel deposits	19,837,373	18,765,654	16,776,543
Contractor dues	880,945,616	762,797,379	430,443,340
Trade payables	45,787,363	30,021,750	15,167,899
	<b>1,089,156,366</b>	<b>944,533,166</b>	<b>541,247,203</b>
<b>Total equity and liabilities</b>	<b>8,073,253,706</b>	<b>5,310,283,854</b>	<b>2,992,554,654</b>

## 5. 5-year forecast

For the year ending 31 March	2021/22	2022/23	2023/24	2024/25	2025/26
	Rs.	Rs.	Rs.	Rs.	Rs.
Revenue	1,327,136,432	1,592,563,719	1,751,820,091	1,927,002,100	2,119,702,310
Direct expenses	(591,093,210)	(585,650,666)	(643,360,500)	(708,500,600)	(778,600,500)
<b>Gross profit</b>	<b>736,043,222</b>	<b>1,006,913,053</b>	<b>1,108,459,591</b>	<b>1,218,501,500</b>	<b>1,341,101,810</b>
Administrative expenses	(189,990,382)	(301,500,555)	(311,600,500)	(361,587,666)	(399,500,499)
Other income	2,750,844	2,500,500	2,450,000	2,445,855	2,300,948
<b>Profit from operations</b>	<b>548,803,684</b>	<b>707,912,998</b>	<b>799,309,091</b>	<b>859,359,689</b>	<b>943,902,259</b>
Finance income	59,876,555	25,005,000	20,000,400	18,560,505	17,500,500
Finance expenses	(480,000,000)	(460,000,009)	(456,949,494)	(420,292,929)	(405,505,050)
<b>Profit before tax</b>	<b>128,680,239</b>	<b>272,917,989</b>	<b>362,359,997</b>	<b>457,627,265</b>	<b>555,897,709</b>
Income tax expense	-	-	-	-	-
<b>Profit after tax</b>	<b>128,680,239</b>	<b>272,917,989</b>	<b>362,359,997</b>	<b>457,627,265</b>	<b>555,897,709</b>
Other comprehensive income/(expense) for the year	(1,107,224)	(1,600,588)	(1,400,585)	(1,700,500)	(1,650,000)
<b>Total comprehensive income for the year</b>	<b>127,573,015</b>	<b>271,317,401</b>	<b>360,959,412</b>	<b>455,926,765</b>	<b>554,247,709</b>

## 6. Financial benchmarks

The financial ratios of Education Centre PLC, a company similar to CBE and is listed on the Colombo Stock Exchange, are given below. These figures may be of use for a valuation of the shares of CBE.

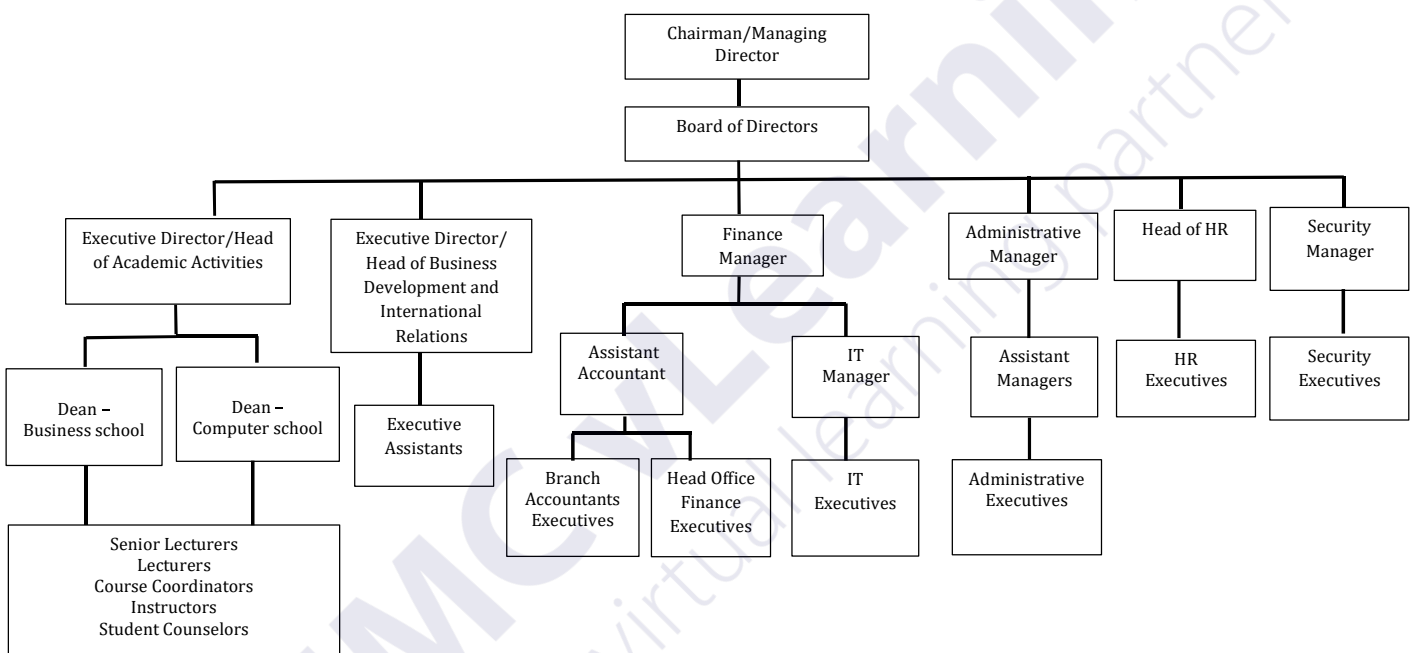
- Dividend payout ratio: 5%
- Earnings per share (EPS): Rs. 70 (issued at Rs. 100 per share)
- The company was funded with a debt-to-equity ratio of 75:25
- Market price per share: Rs. 115
- Beta (based on ASPI): 0.55
- Current treasury bill rate: 6.7% per annum
- Market risk premium: 7.0%
- Market rate of return: 13.7% per annum

**Annexure 1: Profiles of directors and key management personnel as at 31 March 2021**

<b>Name</b>	<b>Designation</b>	<b>Age</b>	<b>Qualifications</b>	<b>Industry experience (years)</b>
Manilal De Zoysa	Chairman/Managing Director	64	BSc, MPhil, PhD (Education)	33
Lalith Kiriella	Non-independent, Non-executive Director	64	BSc, MSc (Econ)	33
Rukmani De Zoysa	Executive Director/Head of Academic Activities	62	BSc (Hons)	31
Jagath De Zoysa	Executive Director – Head of Business Development and International Relations	35	BSc (Econ), MCIM (UK)	12
Prof. B. Ariyasinghe	Dean – Business School	59	BSc, MSc, PhD (Entrepreneurship)	33
Gihan Elleperuma	Dean – Computer School	58	BSc, MSc (IT Management)	32
Hasan Ali Akbar	Head of HR	37	Diploma in HR from IPM	13
Kuda Pathirana	Finance Manager	32	FMAAT SL	8
Sethu Sundaram	IT Manager	26	Diploma in IT	4
Asanga Walpitta	Administrative Manager	42	Diploma in Facilities Management	19



**Annexure 2: Organisational structure**



### ***Annexure 3: Post-Pandemic: How Sri Lanka could thrive as an ideal higher education destination***

By: Prof. Nalaka Jayakody DSc (Cn), MSc (Swe)

With Sri Lanka being commended for its highly successful measures in containing the novel coronavirus which led to a global pandemic whilst many developed nations failed to do so, it is an ideal moment for the country to be positive and turn this crisis into an opportunity, especially when it comes to higher education.

Sri Lanka has been trying to achieve the knowledge hub status for a decade, and now it is about time to start acting upon it and make a real transformation in both the state and non-state sectors to attract and encourage foreign students at least from neighbouring countries thereby earning foreign exchange and significantly contribute to the national economy. Here is some of my thought-provoking advice and solutions to achieve this.

#### **Overview of the higher education sector in Sri Lanka**

The overall higher education system in the country is expanding rapidly. There are two scenarios here: state and non-state. When it comes to the state sector, there are presently fifteen universities that come under the purview of the University Grants Commission (UGC). These universities accommodated places for 31,000 new entrants last year, including in the subject areas of medicine, engineering and law. In addition to four other state universities, there are 38 technical colleges and 8 university colleges that provide over 185,000 placements, totaling to over 216,000 placements, including universities, provided completely free of charge annually; well surpassing the 150,000 – 160,000 students who pass the GCE A/L examination every year.

With the government genuinely interested in uplifting the standards of these institutions, the higher education sector has recently exhibited progressive growth, with delays in policy planning and implementation now being taken care of. Timely planning and implementation of policies is of paramount importance for a speedy and responsive process and to achieve success.

The non-state higher education sector has contributed immensely in the past years. However, there aren't sufficient formal regulatory and standardisations in place to regularly and periodically monitor and maintain compliance and quality in all their teaching and training programmes. When Sri Lanka opened its doors to a free-market economy, many private institutions mushroomed in every nook and corner of the island. With appropriate mechanisms, the higher education standards and excellence of the country can be significantly elevated and improved to that of an international level.

## **How has the global pandemic affected Sri Lanka's higher education sector?**

It is no doubt that the entire country has taken a hit with the recent outbreak of the coronavirus, which has evolved into a global pandemic forcing many nations to go under lockdown. The higher education sector in Sri Lanka has not been heavily affected in comparison to other industry sectors in the country. However, we most definitely see a delay in many of the planned activities and initiatives with the country imposing curfew and travel restrictions, and if such measures continue to take place, the sector will certainly linger like many others. Various study programmes and examinations are being halted presently but we hope the country will resume and catch up on everything that was missed.

With many activities and schedules of international schools being delayed due to the pandemic, for instance the May/June sessions of their GCE A/L (both Cambridge International and Pearson Edexcel) examinations, there could be an effect on those engaged in the non-state higher education sector. However, with other alternative measures taking place, for example Cambridge International has decided to award grades to candidates using their own evidence combined with evidence from schools, the sector can probably expect a smooth and quick revival. With Sri Lanka being well equipped when it comes to information technology and digital infrastructure, we see many higher education providers successfully implementing e-learning, blended learning and distance learning methods, which I believe are the future in education.

## **How has this crisis turned into an opportunity for Sri Lanka?**

Well with every crisis situation comes various opportunities and positive avenues that can be explored. Sri Lanka has been trying to be a knowledge hub for almost a decade now; however due to a numerous reasons the nation has seen a delay in achieving this. Many of the developed countries have failed to timely act upon and contain the novel coronavirus and this has resulted in most of the parents to think twice whether to send their child overseas. Though the country has promoted the sector among many neighbouring countries in the past, the chances were low due to students choosing developed countries as their preferred choice of study destination. This certainly opens up an opportunity for Sri Lanka to not only create and sustain a truly international learning environment where parents would be more than willing to enroll at a local higher education provider, but also go on to attract and welcome prospective students on a regional level with a vision of having a global reach later on.

This is an ideal moment for Sri Lanka to attract prospective students especially from countries such as the Maldives, Myanmar, Pakistan, Bhutan, India, Nepal and China for example, and market its range of local study programmes approved by the Ministry of Higher Education (MoHE) and recognised by the UGC, as well as various transnational education (TNE) programmes where foreign degrees are offered here at home, enabling international students to physically study in Sri Lanka and obtain their preferred foreign degree, rather than having to visit the particular country.



## **Knowledge and expertise among local academic professionals**

Sri Lanka has conventionally been on the lookout for foreign experts, preferring them over the many local intellects that are readily available. We have very solid professionals in various fields of study. For instance, when we take the current global pandemic, many Sri Lankans abroad are front-runners. There are so many Sri Lankan researchers, thought leaders and scientists in countries such as Australia, the UK and the US giving brilliant advice and solutions. My personal view on this is that we have sufficient expertise locally and there is no real need to look for those from abroad unless it is for something that is very new to us. Many countries send professionals abroad for advanced education and training and these professionals return to their home country to give back and contribute to their respective fields; some countries even go on to sponsor them. Unfortunately, a few who go overseas from Sri Lanka are reluctant to return because they feel they have wider opportunities abroad or there is no favourable environment or relevant positions available back home. When a country sends academic professionals overseas for such activities, there needs to be right measures to track them and a stimulating environment needs to exist with suitable positions made available to recruit their expertise upon their return.

## **Regulations to monitor the quality of education in both the state and non-state sectors**

The non-state sector has heavily contributed to Sri Lanka's higher education sphere in the last decade, with a higher capacity to accommodate the growing demands of students. There is a regulatory body for the state sector, the UGC, which we are all aware of, whereas the private sector comes under the Ministry of Higher Education (MoHE) Non-State Division.

There have been initiatives in the recent years with the country introducing the Sri Lanka Qualifications Framework (SLQF), which is a nationally consistent framework for all higher education qualifications offered in the country, requiring both state and non-state to comply with it. However, there is no authority to regularly measure or monitor whether they really comply with the quality assurance system. Therefore, the government should have an Independent Quality Assurance Commission with immediate effect, reporting directly to the highest authority or even the President. This commission needs to physically visit and conduct audits and quality checks periodically, preferably at least once a year. There needs to be minimum standards introduced to all higher education institutions including standards for resource personnel, infrastructure facilities, leisure, and so on, requiring them to adhere to the norms and standards of quality in all their teaching and training programmes.

## **The present non-state higher educational sector needs to be strengthened**

The non-state higher education sector is performing at its best presently with its current resources, capabilities and the minimum manpower it possesses. The sector can be really strengthened by establishing appropriate monitoring and auditing mechanisms, and priority should be given to appointing highly qualified academic professionals to the Ministry of Higher Education (MoHE) Non-State Division.

The transnational education (TNE) providers in the country for example need to be monitored because we have no idea whether the affiliated universities are reputed or whether the quality

of education is up to an adequate and acceptable level. For Sri Lanka to attain the 'knowledge hub' status, the quality of higher education should be regulated and standardised. For example, when it comes to pursuing an MBA, the options offered here are plenty and these programmes can be completed within six months, eight months, or a year. This should not be the case; it has to have a certain level of quality and consistency, with minimum standards being maintained. Only then will we be able to truly achieve the knowledge hub status that we desire.

The non-state definitely needs adequate support from the government as their investments and operations are colossal. The government can provide them various loan facilities, subsidies, quick approvals for requests, among many other things. There most certainly needs to be a support structure in place and more engagement and involvement from the government towards the non-state sector to make processes easier and convenient by prioritising and responding to their requirements.

### **How Sri Lanka can be more recognised as a knowledge hub both regionally and globally**

Sri Lanka is a really beautiful and neutral destination, ideally positioned with its strategic geographic location on the world map. The local culture is very distinctive and interesting with a tropical culture that is loved by all visitors. The country is blessed immensely with various resources readily available. All of this and more makes Sri Lanka the ideal choice among prospective students for higher education. Conventionally, the higher education providers promote Sri Lanka individually within their own capacities. The time has now come for the government to take initiative and promote Sri Lanka as an ideal higher education destination. I am an advisor to the higher education pillar under the Export Development Board (EDB) and we have recently developed a five-minute education promotional video titled 'Study in Sri Lanka'. This is a great start to many things that are yet to be followed.

Any parent or student who prefers to get their qualification from a university and not from an institution which is the case with Sri Lanka in non-state sector. To resolve this, I suggest that the government should step in and classify the non-state sector into institutes, university colleges and universities, like in Malaysia and India. Failure to do so will result in foreign students being reluctant to choose Sri Lanka for their higher education. I also suggest that local degrees as well as transnational education (TNE) degrees should be freely available.

### **Sri Lanka should focus on new study streams**

We live in a highly paced environment today where digital technologies and innovation dominate our day-to-day activities, demanding a shift from traditional courses and qualifications. Rather than offering the traditional pillars, Sri Lanka has to develop and embrace new study programmes in the Science, Technology, Engineering and Mathematics (STEM) streams. I also believe that the country must develop more and more public-private partnerships to share their experiences and develop a suitable curriculum that is acceptable by international requirements. Both the state and non-state higher education sectors should adapt the sharing economy concept, by working towards sharing their resources for maximum capacity utilisation than merely competing with one another.

## **The way forward in realising this vision**

The main objective is to create a conducive and stimulating environment in the higher education sphere of Sri Lanka in order to attract and encourage foreign students at least from the neighbouring countries, which would result in earning significant foreign exchange and contributing to the national economy's growth and development. To achieve this (and with reference to all that was discussed previously), the following sums up the way going forward.

*Quality standards and monitoring need to be strengthened:* Sri Lanka should enhance and strengthen its present quality assurance mechanisms such as periodic programme reviews and adherence to SLQF for both the state and non-state higher education sectors. The government should have an Independent Quality Assurance Commission with immediate effect, reporting directly to the highest authority or even the President.

*Change existing policies:* Sri Lanka needs to adopt new policies such as classifying the non-state higher education sector into institutes, university colleges and universities, depending on certain criteria like in the case of Malaysia and India. This will allow the sector to have increased transparency, consistency and governance.

*Collaborations and public-private partnerships should increase:* Higher education providers in both the state and non-state sectors have to collaborate with one another and share their existing resources and capacities to create greater synergies. This can be referred to as the 'sharing economy', which simply means collaborative consumption.

*Invite high-caliber academics or the top leaderships alike:* Sri Lanka should always prioritise appointing sound academic professionals as decision makers for the higher education sector. Further, necessary steps need to be taken to encourage Sri Lankan intellectuals who are currently abroad to return and have a promising, progressive career path here at home, including research contribution and collaboration.

*Roadshows and promotion of the sector:* Sri Lanka needs to appoint a dynamic committee from both the state and non-state sectors with the sole purpose of promoting the country as a knowledge hub. They can initiate roadshows, among other initiatives, through the embassies overseas in potential countries identified such as Pakistan, Nepal, Myanmar, Bhutan, China, the Maldives, Middle East and Bangladesh.

(Source: <https://www.lankanewsweb.net/67-general-news/62279-Post-Pandemic-How-SL-can-thrive-as-an-ideal-higher-education-destination>)