



ANNUAL REPORT - 2014

**Postgraduate Institute of Agriculture
University of Peradeniya**



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THE VISION

To be a regional centre of excellence in postgraduate education and research, in agriculture and related fields, to serve the needs of the country, industry and the global community.

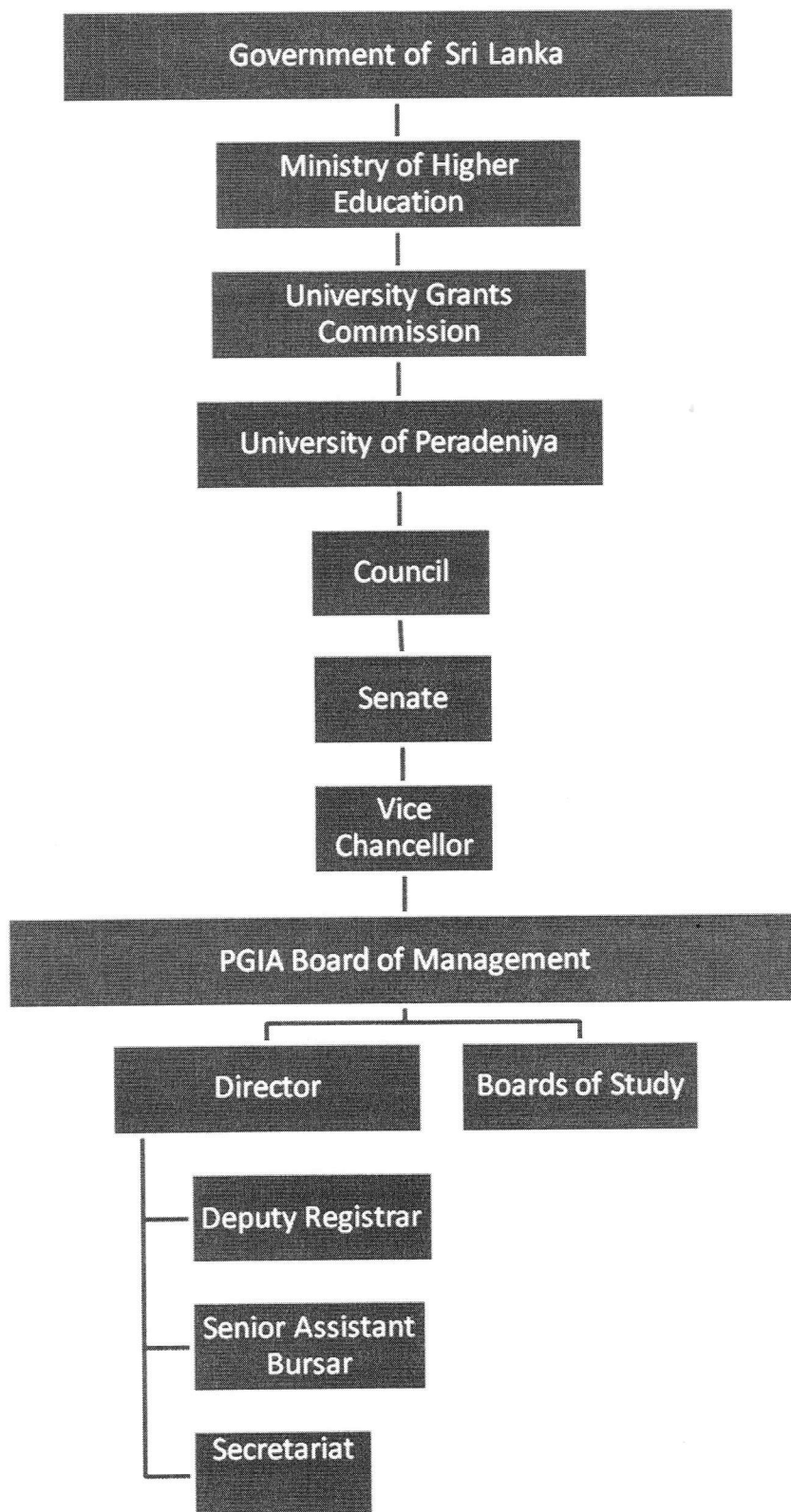
THE MISSION

To serve as a centre for postgraduate education & research and impart an academically sound, practically-oriented training through high-quality teaching and research, and produce competent, innovative and committed professionals who will make a positive contribution to agriculture and allied fields.

GOALS

- 1 Strive to attain excellent academic standards**
- 2 Be recognized at national and international level as a centre of excellence in postgraduate teaching and research**
- 3 Establish a culture of research and innovation**
- 4 Become a financially viable Institute**

ORGANIZATION STRUCTURE OF THE POSTGRADUATE INSTITUTE OF AGRICULTURE



MEMBERS OF THE BOARD OF MANAGEMENT - 2014

1. Prof. Colin N. Peiris, Director, Postgraduate Institute of Agriculture
2. Mr. Douglas Nanayakkara, Addl. Secretary representing Secretary, Ministry of Higher Education
3. Dr. A.J. Satharasinghe, Addl. Director General, Dept. of Census & Statistics representing the Secretary, Ministry of Finance
4. Mr. R.M.D.B. Meegasmulla, Secretary representing the Ministry of Agriculture
5. Mr. H.L. Tissera, Secretary (Livestock Breeding) representing the Secretary, Ministry of Livestock & Development
6. Secretary representing the, Ministry of Plantation Industries (Vacant)
7. Mr. K.A.I.D. Silva, Director/Policies & Planning representing the Secretary, Ministry of Environment & Renewable Energy
8. Mr. Anura Sathurusinghe, Conservator General of Forests representing the Head of the Department of Forests
9. Dr. J.D. Samarasinghe, Chairman, Council for Agricultural Research Policy
10. Dr. Rohan Wijekoon, Director General of Agriculture
11. Dr. D.R.T.G. Ratnayake, Director General, Department of Animal Production & Health
12. Mr. N.K.A. Rupasinghe, Director General, Department of Export Agriculture
13. Dr. H.A.J. Gunathilake, Director, Coconut Research Institute
14. Prof. K. Samarasinghe, Dean, Faculty of Agriculture, University of Peradeniya
15. Dr. M.G.T.S. Amarasekara, Dean, Faculty of Agriculture, Rajarata University
16. Prof. D.P.T.S.G. Attanayake, Dean, Faculty of Agriculture, Wayamba University
17. Dr. A.D. Ampitiyawatte, Dean, Faculty of Agriculture, University of Sabaragamuwa
18. Prof. S. Subasinghe, Dean, Faculty of Agriculture, University of Ruhuna
19. Dr. P. Sivarajah, Dean, Faculty of Agriculture, Eastern University
20. Dr. (Ms.) S. Sivachandran, Dean, Faculty of Agriculture, Jaffna University
21. Prof. H.B.S. Ariyaratne, Dean, Faculty of Vet. Medicine & Animal Science

Elected Members of the Faculty of Agriculture

22. Prof. V.A. Sumanasinghe, Board of Study in Agricultural Biology
23. Prof. (Ms.) H.L.J. Weerahewa, Board of Study in Agricultural Economics
24. Prof. E.R.N. Gunawardena, Board of Study in Agricultural Engineering
25. Dr. H.V.A. Wickramasuriya, Board of Study in Agricultural Extension
26. Prof. H.W. Cyril, Board of Study in Animal Science
27. Dr. B.L. Peiris, Board of Study in Bio-Statistics
28. Dr. Shamala Kumar, Board of Study in Business Administration
29. Prof. H.M.G.S.B. Hitinayake, Board of Study in Crop Science
30. Prof. D.G.N.G. Wijesinghe, Board of Study in Food Sc. & Technology
31. Dr.(Ms.) D.M. de Costa, Board of Study in Plant Protection
32. Prof. A.N. Jayakody, Board of Study in Soil Science

Members Appointed by the University Grants Commission

33. Prof. R.P. de Silva
35. Prof. B.S.B. Karunaratne
36. Prof. S.S.E. Ranawana
34. Dr. D.B.T. Wijeratne
37. Prof. S.K. Pinnawala

1. Director's Statement/Review of the Institute for the year 2014
Postgraduate Institute of Agriculture (as reported by the Director, Prof. S. Samita)

1.1 Introduction

The Postgraduate Institute of Agriculture (PGIA), was established in June 1975 in terms of the Ordinance No. 9 of 1979 as the pioneering institution of postgraduate education of its kind in the country, affiliating to the University of Peradeniya. The governance of the Institution is vested with the Board of Management, comprising academics of various disciplines in agriculture, eminent personalities representing Ministries of Agriculture, Livestock, Environment & Forestry, Plantation, Higher Education, Animal Production & Health etc. Develop an in-country capacity for postgraduate education and to provide appropriately trained scientific personnel to a rapidly expanding agricultural sector of the country are the main objectives that gave rise to establishing the Institution. As expected it has fulfilled the national needs for over a quarter of a century and has been strategizing to encounter new challenges in the agricultural sector of the country that have been surfaced due to environmental pollution, food safety & security, bio diversity and so on.

1.2 Academic & Research Activities:

Teaching in the institute is mostly undertaken by well qualified academic staff members of the Faculty of Agriculture, University of Peradeniya, a few academic staff members from university system, other government, private sector, organizations on visiting basis supported by strong and experienced non-academic work force utilizing the state-of-the art Laboratory, IT, Library & Lecture theatre facilities available at both Faculty and the Institute. More than 300 visiting Lectures are engaged in teaching through 11 Boards of Study, representing wide array of disciplines in Agriculture. Institute offers 35 degree programs presently, including 02 postgraduate diplomas, 29 Masters degree programs and Business Administration, M.Phil., Ph.D. and Doctor of Business Administration degrees. The annual intake of students are stands around 400 - 450 and the annual total student population which is of cosmopolitan nature stands around 2000. Keep in line with the very motto of the University of Peradeniya; ***More open than Usual***, the student population comprises of graduates of almost all faculties in the university system. During the year under review 482 students were registered in the 11 Boards of Study, particulars of which are as follows:

- 376 - 26 different M.Sc. degree programs offered by 11 Boards of Study
24 students from Ghana were included.
- 45 - MBA degree offered by BS/Business Administration
- 37 - M.Phil.
- 21 - Ph.D. and 03 - on Casual basis respectively

345 students have completed their respective degree programs/ postgraduate diplomas, particulars of which are indicated below in gender-wise:

- M.Sc. - 127/143, MBA - 12/15, M.Phil - 10/06, Ph.D. - 04/01,
PG Diplomas - 12/15 (M/F)

The PGIA has been thriving hard and actively engaged in strengthening its academic and research base, particularly focusing on national needs and requirements of the country. Towards fulfilling this noble commitment, in the year under review, entire curriculum of all Boards of Study have been revised through consultative process and active participation of all stakeholders which made the new Prospectus and the Student Hand Book printed to be issued to new intake to the Institute for the academic year 2014. As a result, two new programmes are in the pipeline and many new course units were introduced and modified course units were incorporated to the existing curricular to enrich the existing degree programs to enhance the employability of un employed graduates and to improve the quality of graduate workforce.

1.3 Annual Congress

The 26th Annual Congress of the Institute, which is one of the conspicuous events of the annual calendar of the Institute, a platform where researchers of both local and international, and staff & students of the Institute take part to discuss, share and disseminate knowledge that they have gathered through research. The event was celebrated in a grand scale on 20th & 21st November 2014 in Kandy under the patronage of Address by the Chief Guest Dr. Steve J. Staal, Regional Representative for East and Southeast Asia, International Livestock Research Institute. For this event, 73 presentations including 24 posters were received from the researchers of the Institute and few international participants from India, Pakistan, Nepal, Korea, Indonesia, Vietnam and Bangladesh of which the 37 were selected through a rigorous review process spanning a wide spectrum of subject areas related to agriculture which have been organized into ten sessions. Best presenters were given away awards. **Dr. S. Patharajah**, the Coordinator for 2014 presented the Journal of *Tropical Agricultural Research Vol. 26(1)* to the Guest of Honour and the Chief Guest.

1.4 Achievements:

A facelift was given to the main building of the Institute which was constructed in No. 1981. No. of classrooms have been increased to 17 from 13 and have been provided with state-of-the-art facilities. Management Information System was inaugurated facilitating both teachers and students to engage in teaching and learning through web based environment and to facilitate authorities to take timely

decision, strengthen the efficiency and the effectiveness of its workforce. Capital grant of the Institute has been productively utilized to improve physical infrastructure. Collection of program fees have been achieved up to 80% which is a tremendous improvement when compared to the history of the Institute due to constant monitoring and strategies employed.

Preparation of Draft Fixed Asset Register has also been nearing completion and many initiatives have also been taken to reduce audit queries raised for more than a decade. 04 vacancies fell vacant were filled by recruiting 01 Clerk (Gr. III) and 03 Labourers. Further, teaching activities of Boards of Study were facilitated with recruitment of full time Tutor and a Senior Professor. A new cadre position for a post of driver was approved.

1.5 Failure & Justifications:

No significant failures were confronted during the year under review. However, compared to the efforts put in, an increase of local intake could not be improved and drop-out rates could also not be arrested. Further, even though the scholarship scheme was introduced, intake of foreign students could also not be increased as expected. Failures could be attributed to the facts such as distant positioning of the Institute from the Centre of the Country and lack of residential facilities for foreign students. Two more vacant positions could not be filled due to lack of qualified applicants on account of nature of the procedure to be adopted in filling them.

1.6 Future Plans:

As has been adopted, Quality is the focal point for consideration in the Institute in the future as well. To reach this milestone, initiatives will be deploying to accredit all the programs as per the Sri Lanka

Quality Assurance Framework (SLQF) from 2014 onwards. Arrangements are being taken for off-shore offering of M.Sc. degree program in Bio-statistics by the respective Board of Study in Ghana by March 2014 under the MoU signed between Yeshua Institute of Technology and PGIA of the University of Peradeniya. Under this program, it is expected to recruit 20 students initially from Ghana and nearby countries for which academic staff members of the Institute will visit Ghana for teaching according to a given calendar. Institute is further expected to increase course fee of all programs it offers based on the market rates. More importantly, the Institute steps into establishing a central laboratory, especially to carry out food based research and to open up branches of it, 1st being in Colombo and based on the success, another being in Kilinochchi as recommended by the COPE. Further, steps will also be taken to get vested a building from the University of Peradeniya to provide accommodation and to increase No. of foreign students. All these efforts

will be targeting achieving one of its main objectives embedded in the Corporate Plan for 2014 - 2017; i.e., **financial viability** in the future.

2. DETAILS OF RESOURCES AND STUDENTS - 2014

Course	Total No. of Students	Distribution of Staff (Permanent Staff Only)			
		Academic Staff	Non-Academic Staff	Academic Support Staff	Total
P.G. Diploma		01	40	01	42
M.Sc.	376				
MBA	45				
M.Phil.	37				
Ph.D.	21				
Casual	03				
Total	482	01	40	01	42

The above Table shows resources and students available as at 31st December 2014. The year under review show the number of students registered for various postgraduate degrees and the permanent staff cadre serving in the PGIA.

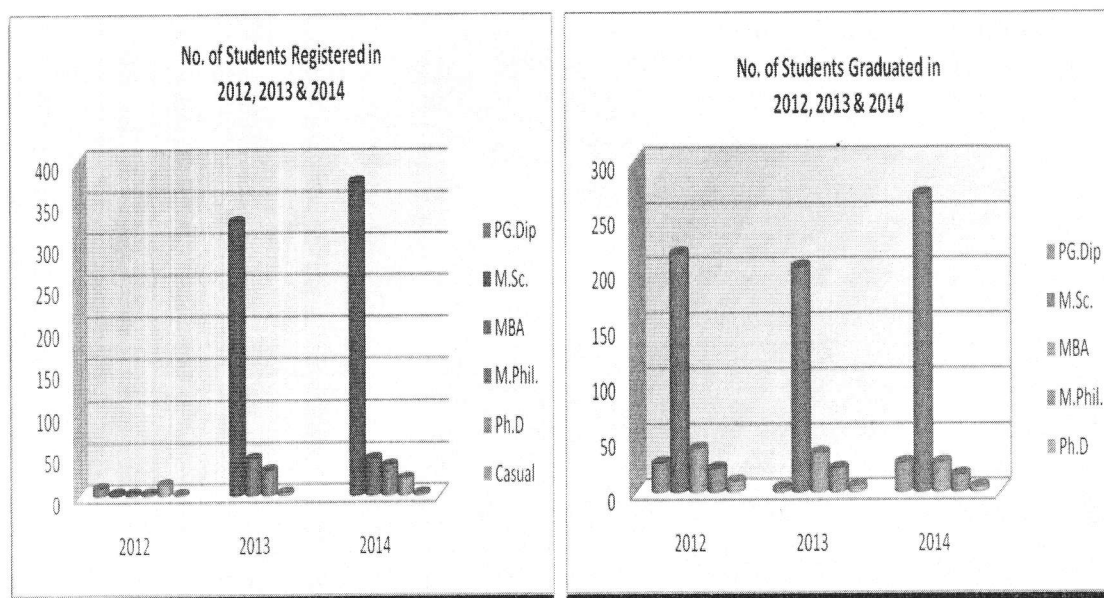
The Senior Asst. Librarian of the Agriculture Library and a Labourer Gr.I retired from service during the year.

DETAILS OF LOCAL STUDENTS - 2014

Academic Programme	Intake-2014	Intake-2013	No. Graduated-2014*
P.G. Diploma	-	-	27
M.Sc.	376	328	270
MBA	45	45	27
M.Phil.	37	31	16
Ph.D.	21	04	04
Casual	03	-	-
Total	482	408	345

* Those who have registered from year 2009 onward, and passed out in 2014.
Further Students who have either failed or did not sit for Comprehensive Examinations were awarded Postgraduate Diplomas even though students were not admitted to follow PG Diplomas directly in the year under review.

There was an increase in both the graduation and student enrolment when compared to the previous year. The following two graphs depict graduation and enrollment statistics for the years 2012, 2013 and 2014.



DETAILS OF FOREIGN STUDENTS - 2014

Academic Programme	2014 Intake	2013 Intake	No. Graduated-2014
P.G. Diploma	-	-	
M.Sc.	17	01	01
MBA	-	-	
M.Phil.	-	-	
Ph.D.	-	02	01
Total	17	03	02

In the year under review, Institute was able to launch its offshore offering programme facilitated by the Memorandum of Understanding (MoU) signed between the PGIA of the UoP and the Yeshua Institute of Technology, Accra, Ghana. Under this MoU, 17 students have been registered to follow M.Sc. degrees in Applied Statistics offered by the Board of Study in Bio-Statistics, thereby started achieving one of its prime key performance indicators; i.e. Increase of foreign students.

3. DETAILS OF ACADEMIC STAFF AS AT 31ST DECEMBER 2014 (Permanent Staff Only)

Institute	Subject	Medium	Senior Professor		Professor		Associate Professor		Senior Lecturer		Lecturer		Academic Support Staff		Total	
			M	F	M	F	M	F	M	F	M	F	M	F	M	F
Postgraduate Institute of Agriculture	Not Applicable	English	1										1		2	0
	Total		1										1		2	0

M - Male F - Female

The above Table illustrates the academic staff of the Institute which comprised of the Director Institute. In addition one member representing academic support staff; i.e. Programme cum Systems Analyst also included in the Table. Based on the requirements of the Institute, one Senior Professor and 01 Tutor were required on contract basis utilizing approved cadre positions available at the Institute for which salaries were paid from the generated income.

All academic activities were conducted by visiting staff of over 300, mainly from the Faculty of Agriculture, University of Peradeniya.

4. DETAILS OF NON-ACADEMIC STAFF AS AT 31ST DECEMBER 2014
(Permanent Staff Only)

Branch	Most Senior		Senior Staff		Junior Staff		Minor Employee	
	M	F	M	F	M	F	M	F
Gen. Administration		03	-	01	04	02	08	01
Student Admission	-	-	-	01	02	01	01	-
Accounts	01	-	-	01	05	-	01	-
Library	-	-	-	02	-	01	03	01
IT Unit					01	-	02	
Total	01	03	-	05	12	04	15	02

1. Administrative level and Executive Level 2. Senior Staff Grades
3. Clerical and Allied Grades 4. Below the above Grades

4.1 Recruitments:

Action had been taken to fill the vacancies of Non-academic staff, particulars of which are as follows;

1. Ms. E.M.N.D. Ekanayake was recruited as the Telephone Operator cum Receptionist with effect from 18th March, 2014
2. Ms. K.A.P. De Silva was recruited as the Stenographer Gr. II (English) with effect from 15th September, 2014

4.2 Retirements:

The following employees have been retired from service during the year 2014;

1. Ms. I. Mudannayake, Senior Asst. Librarian of the Agriculture Library has retired from service on 14th November 2014 after rendering over 34 years of dedicated service. She had a Masters degree in Library & Information Science from the Univ. of Philippines and a Fellowship of the Sri Lanka Library Association.
2. Mr. K.P. Jayasinghe, Labourer Gr.I has retired from service on 16th July 2014 after extending 29 years of his valuable service to the institute.

4.3 Training & Development Activities of the Staff

In the year under review, the Institute has paid its concern over the training of its staff. Every opportunity available was seized by the Institute to train its staff to bring their knowledge up to the desired levels. The administrative staff and the support staff of the PGIA had undergone trainings and attended workshops, particulars of which are as follows:

1. Ms. Samudrika Herath, Deputy Registrar attended a day workshop on “People Management” on 7th July 2014 conducted by the Sri Lanka Institute of Marketing in Colombo.
2. Ms. Samudrika Herath, Deputy Registrar attended a two weeks training programme on “Participatory Monitoring & Evaluation” conducted by the International Centre for Development Communication of the University of Kasertsart, Thailand from 11-21 November 2014.
3. Ms. Samudrika Herath, Deputy Registrar, Mr. BGSP Jayakody, Senior Assistant Bursar and Ms. KSK Herath, Assistant Registrar attended 02 days workshop on “Financial Management for Non-Financial Managers” conducted by the Ministry of Higher Education from 12-13 December 2014 at the University of Peradeniya.
4. Ms. C. Dahanayake, Senior Personal Secretary to the Director attended a workshop on “Executive PA Excellence” held in Singapore from 23-24 January 2014.
5. Ms. S. Hapuararchchi, Senior Staff Asst. (Stenography Service) attended two workshops on - “Secretarial Practices” conducted by the Ministry of Youth Affairs & Skills Development and “Personality Development for Stenographers” conducted by the Staff Development Centre, University of Peradeniya.
6. Ms. E.M.N.D. Ekanayake, Telephone Operator *Cum* Receptionist attended a one day workshop on “Telephone Skills and Etiquette Training for Secretaries and Front Office Staff” conducted by the Ministry of Youth Affairs and Skills Development on 25th April 2014.
7. All the staff of the PGIA attended two days Personality Development Workshop on “Empowering Yourself” which was conducted by the Staff Development Centre of the University of Peradeniya on 15th & 16th December 2014.

5. DETAILS OF RESEARCH, INNOVATION AND PUBLICATIONS - 2014

Subject	Published	Commercialized	Presented
Researches	--	--	85 *
Innovations	--	--	--
Journals	04	04	04
Books	03	03	03
Articles	73	--	73**
Other	--	--	--
Total	80	07	165

- * 33 - Presentations made by MBA students who have completed their degrees at the PGIA
- 12 - Presentations of progress of research made by students who have been awarded scholarships by the PGIA Research Facilitation Fund.
- 40 - Proposal presentations made by students in respect of their registration for M.Phil. & Ph.D. degrees in the year under review
- ** 73 - Articles presented at the Annual Congress of the Institute including 24 posters presentations.

6. DETAILS OF PROGRAMMES, SEMINARS, CONFERENCES & WORKSHOPS - 2014

Subject	Attended	Completed	Presented
Postgraduate Degrees	29	--	29
Postgraduate Diplomas	-	-	-
Degree Programme	-	-	-
Diploma Programme	-	-	-
Certificate Programme	--	--	--
Abstracts	54*+24**	--	78
Book Chapters	--	--	--
Presentations	54*+24**	--	78
Working Papers	--	--	--
Training Programmes	21		
Workshops	330	09	
Seminars	19		19
Other (Please Specify)			
Total	20+01		116

* Including invited presentations of 05 ** 24 oral presentations

7. DETAILS OF SEMINARS, WORKSHOPS, TRAINING/ AWARENESS PROGRAMMES, SYMPOSIUMS AND SHORT COURSES CONDUCTED IN 2014

No.	Event/Title	Institute	No. of Participants	Date/s held
1.	Soil, Plant, Water & Fertilizer Analysis	Board of Study in Soil Science	30	Feb. 17-21
2.	Multivariate Data Analysis	Board of Study in Bio - Statistics	53	Feb. 24-26
3.	Technology Essentials for Quality Assured Seed Production in Annual Food Crops	Board of Study in Crop Science	27	Feb.26, March 01
4.	Multivariate Data Analysis	Board of Study in Bio - Statistics	53	March 10-12
5.	Leadership Training Programme	Board of Study in Agricultural Extension	51	March 14-16
6.	Design & Analysis of Experiments	Board of Study in Bio-Statistics	24	April 28-30
7.	Analysis of Count & Rank Data	Board of Study in Bio-Statistics	39	Sept. 23-26
8.	Water Professionals Day Symposium	Board of Study in Agricultural Engineering	60	October 01
	World Food Day	Lions Club of Kandy and the PGIA	125	October 16
9.	Plant Protection Techniques	Board of Study in /Plant Protection	20	Nov.24-Dec. 5
10.	Empowering Yourself	PGIA & Staff Development Centre/ UoP	33	Dec.15-16



Staff of the PGIA attended two days Personality Development Workshop on “Empowering Yourself”



Leadership Training Program – Teamwork

8. DETAILS OF INTERNATIONAL SEMINARS, WORKSHOPS TRAINING/ AWARENESS PROGRAMMES AND SHORT COURSES CONDUCTED IN 2014

No.	Event/Title	Organized by (Faculty/Department/Center/ Unit)	No. of Participants	Date held
None				

9. DETAILS OF INTERNATIONAL AGREEMENTS/MOU'S SIGNED IN 2014

No.	Institute	Faculty/Department/Center/Unit/ UoP	Theme	Date signed
None				

10. DETAILS OF AWARDS RECEIVED BY BOTH STAFF MEMBERS AND STUDENTS IN THE YEAR 2014

Subject	No. of Awards	No. of Academics	No. of Students
Local Awards	14		14
National Awards	01	03	03
International Awards	01		01
Other	-		
Total	16	02	16

This table shows the details of awards received by the PGIA. 14 awards received by students of the PGIA who were adjudged as best presenters at the Annual Congress – 2014 and the Joachim Memorial Award. All these awards were presented locally.

Prof. WAJM de Costa and Dr.(Ms.) ARF Zahra of the Board of Study in Crop Science and Dr.(Ms.) DM de Costa of the BS in Plant Protection were awarded Commendation Certificates by the National Science Foundation of Sri Lanka for their research on ‘Expression of candidate genes for salt tolerance in Sri Lankan rice germplasm’ at the NSF Research Awards - 2013 held in 2014. This research was funded by the National Science Foundation and the International Centre for Genetic Engineering and Biotechnology (ICGEB), Italy.

Ms. J.A.S. Chathurika, a Ph.D. student registered under the Board of Study in Soil Science has received 2014 Scholar Award from International Plant Nutrition Institute, USA. She was one of 30 students to receive this international award, having competed with many highly qualified applicants from a wide array of universities and field of study around the world.

11. DETAILS OF NEW COURSE/S COMMENCED DURING THE YEAR 2014

Even though the approval had been received for two new Masters degree programmes; i.e., Masters degree in Horticulture and Masters degree in Plantation Management in the year 2014, these two degrees are to be offered in the academic year 2015 onwards. Already students have been enrolled for these programmes and academic activities of them will commence on 20th February 2015.

12. ANNUAL CONGRESS – POSTGRADUATE INSTITUTE OF AGRICULTURE - 2014



Picture: Inauguration of the Annual Congress - 2014

The Annual Congress of the Institute is one of the conspicuous events of the annual calendar of the Institute. Congress is a platform where researchers of both local and international, and staff & students of the Institute take part to discuss, share and disseminate knowledge that they have gathered through research. The event was celebrated in a grand scale from 20-21 November 2014 in Kandy under the patronage of Dr. Steve J. Staal, Regional Representative for East and Southeast Asia, International Livestock Research Institute.

At this event 73 presentations, including 24 posters were made by researchers of the Institute and international participants from India, Pakistan, Nepal, Indonesia, Korea, Vietnam and Bangladesh.

The following students were adjudged as best presenters at the 26th Annual Congress of the Institute.

Ms. M.N.D.F. Abeykoon - Diversity and Evaluation of Animal Genetic Resources

Ms. Ranithri Abeynayake - Food, Feed and Nutrition

Ms. N.S. Withanage - Water Resources Management

Ms. W.A.D. Jayawardana - Molecular Biology and Biotechnology

Mr. M.S.L.R.P. Marasinghe - Biosystems Engineering & Remote

H.A.R.K. Jayawardana - Agronomy and Plant Breeding



One of the best presenters receiving his award from the Director/PGIA

Ms. M.D. Kalpage - Plant Protection

Mr. Sampson Ankrah- Statistics and Economics

Mr. R.P. Liyanage - Improvement and Management of Animal Genetic Resources

Ms. R.M.S. Wijerathna - Agricultural Extension and Education

Ms. E.M. Herath - Poster Presentation

Mr. R.P. Liyanage - Best Presentation

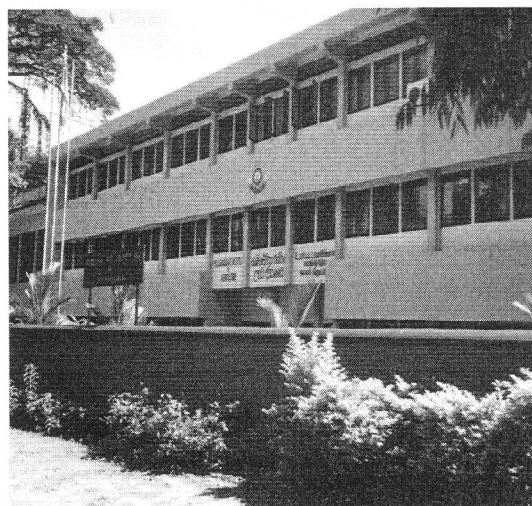
Mr. R.P. Liyanage - Overall Best Presentation of the 26th Annual Congress of the PGIA

Joachim Memorial Award which was given away at the 26th Annual Congress, won by **Ms. R.N. Nawarathna** in the Board of Study in Agricultural Biology who scored the highest GPA at the final examination conducted by the PGIA in 2014.

14. GENERAL ADMINISTRATION

13.1 Infrastructural Development:

The PGIA has been paying greater concern over the teaching, learning and physical environment as they are considered as utmost pre-requisites and a boost for high level achievement in academic and research activities. As such, the year under review, the Institute prioritized and pre-arrangements have been made for the following construction activities by utilizing meager capital grants received from the government. The huge balance has to be met with the generated funds of the Institute which had already been spent and allocated:



1. Renovation and Construction of Toilet Unit and Canteen area of the Building No.1
2. Supplying and fixing roof to cover the Shroff counter
3. Planning & Designing Landscape work
4. Construction of a roof to the Building No. 2
5. Refurbishment of the Hostel complex for research students
6. Construction of a food laboratory

Even though the Institute had planned to construct a food laboratory, it was not materialized due to lack of proper place to house it. On the other hand, the Institute felt that instead of having a food laboratory, it should venture on to establish a common laboratory to facilitate PG students and researchers of the Institute in future.

Further, although the Institute had a plan to refurbish the old building complex which had been handed over by the Dept. of Agricultural Engineering at Meewathura specifically for the use of research students and foreign students, on account of the advice given by the Dept. of Buildings of the Central Province, who being the Consultant to the PGIA for all construction activities, the initiative had to be abandon. However, preliminary work has been undertaken by the Director/PGIA to construct a Hostel complex joining with the PGIS and work is being pursued in the year under review, for which a land has to be received from the University of Peradeniya.

As has been done annually, substantial funds have been invested on uplifting the facilities in teaching and learning environment of class rooms, lecture theatres, and auditorium in the year under review too.

13.2 Management Information System (MIS):

The MIS established at the PGIA is slowly and steadily being functioned. Action has already been taken by the System Analyst of the Institute to modify the systems enabling procurement, accounting and stores activities to be automated during the year under review. In order to facilitate for viewers, MIS had been strengthened by increasing its bandwidth which enabled all students, teachers, researchers and those who wish to navigate from outside the PGIA to access the MIS with much ease. Expenses incurred for this activity was met with the generated funds of the PGIA.

Preparation of Procurement Plan, Corporate Plan, Action Plan for the year 2014 completed, conduct of statutory meetings such as Board of Management, Coordinating Committee, Audit Committee etc. were held and conduct of annual verification was completed as has been planned. Queries raised by Auditor General for the year under review had been given high priority and action had been taken to remedy the shortcomings and lapses highlighted by the Auditor General.

Rules and regulations governing conduct of academic activities and research had also been revisited and new regulations have also been formulated to strengthen the systems and the address shortcomings as and when necessary which had been conveyed to students and teachers as well for implementation. Special consideration was given on conduct of research degrees and completion of them on time.

13.3 Welfare & Leisure Activities

The year under review saw a number of activities conducted by the PGIA by reviving its role to become a socially responsible citizen, particulars of which are as follows:

1. Sinhala and Tamil New year celebration was done in a splendid manner with the participation of staff members and their families at the University of Peradeniya Grounds on 1 May 2014.
2. Welfare Association of the PGIA hosted a talk by Dr. Sardha Hemapriya, Consultant Gynecologist of the Kandy Hospital on “**Instructions and Guidance for Quality Life**” on 9 September 2014.
3. Members and the families of the PGIA went on a pilgrimage to Somawathi Temple, Medirigiriya on 2 February 2014 which has been an annual event of the Institute to promote friendships among its staff members and their families.

Sports Activities

Members of the PGIA took part at annual sports events conducted by the University of Peradeniya as has been done before in the year 2014 as well.

1. PGIA staff cricket team won the championship of the annual cricket tournament conducted by the University of Peradeniya.
2. Mr. Roshan Buddhika Jayathilake represented the University Cricket Team that took part in State Service C Division Cricket Tournament who won the champion in the year under review.

14. AGRICULTURE LIBRARY

Table 1. Library Allocations received in 2014

PGIA Allocation	Rs.500,000.00
Faculty Allocation	Rs.383,172.82
Total	Rs.883,172.82

Acquisitions - Books

During the Year 2014 a total 241 books were added to the Library Collection, which comprised textbooks recommended by teaching staff of both the Faculty of Agriculture and the PGIA to suit the teaching programmes of the two institutions.

Table 2. Details of the books added to the collection

Description	No(s.)	Value (in Rs.)
Number of books purchased by PGIA finances	35	263,030.85
Number of books purchased by Faculty allocation	30	409,540.22
Total number of books purchased (PGIA & Faculty)	65	
Number of PGIA theses added to the collection	19	

Table 3. Donations

Description	No(s.)	Value (in Rs.)
Number of books received from other donors	175	265,804.02
Total number of books added (Purchases and Donations)	241	

Table 4. Periodicals

Description	No(s.)	Value (in Rs.)
Number of periodicals ordered by PGIA finances	05	64,548.99
Number of periodicals ordered by Faculty allocation	01	540.00
Total number of periodicals ordered (PGIA & Faculty)	06	65,088.99

Five periodicals titles were subscribed in 2014 including 02 foreign periodicals by the PGIA funds.

Table 5. Library User Categories

Category	No.
Postgraduate Students	1064
Undergraduate Students	1217
Academic Staff (Permanent)	228
Academic Staff (Temporary)	14
Clerical and similar services	06
Short term users of the Library	46
Total	2575

Usage of Library Books

A total of 5356 books have been circulated among the students/teachers in 2014.

Inter- Library Loans

In 2014 the number of requests received from students to obtain articles from other Libraries in Sri Lanka were 13. Out of the 13 requests we received 03 articles. Agriculture Library supplied 04 articles to other Libraries out of 26 requests, we received from other libraries.

AGRINET (Agriculture Information Network) Content Page Service

Journal content pages were circulated among Agriculture Libraries in Sri Lanka for the benefit of scientists and researchers (NARS scientists) in agriculture institutions in Sri Lanka under the AGRINET journal content page service. The agriculture Library has supplied 18 journal content pages to the scientists under this programme.

Literature Searching

CAB CD- ROM database was used for literature searching by research students both in the Faculty and PGIA. Seventy six (76) CAB searches were carried out during the Year 2014.

Sales /Exchanges of Tropical Agricultural Research.

Sales work of the PGIA journal 'Tropical Agriculture Research' is handled by the Library.

The number of copies sold in 2012 (full volume)	-	13
Number of copies exchanged with other institutions for their publications	-	12

Other Library Cooperation Activities:

A massive stock verification was conducted by an external team (Staff of the UP system) from 24.07.2014 to 11.08.2014.

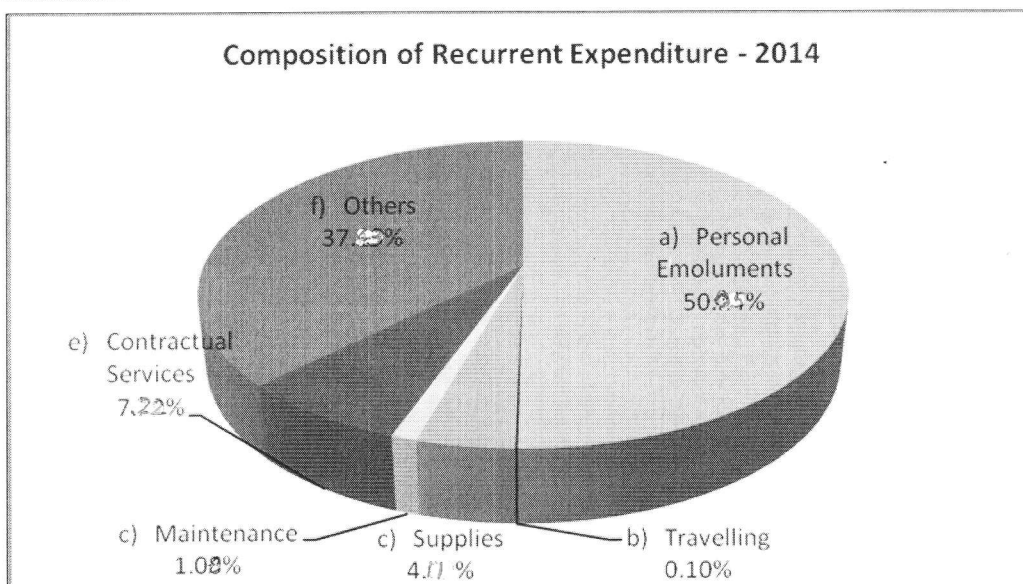
Inauguration of the Electronic Circulation System of the Agriculture Library

The inauguration of the electronic circulation system of the Agriculture Library by using "Alice" for Windows Software held on 13th November 2014. The advantages of installing an electronic circulation system was that it manages the circulation work of the Library with much efficiency than a manual system.

15. FINANCIAL PERFORMANCE

15.1 Details of Recurrent Expenditure

Subject	2012 (Rs.)		2013 (Rs.)		2014 (Rs.)	
	Allocation	Actual	Allocation	Actual	Allocation	Actual
a) Personal Emoluments	44,764,000	39,408,203	41,203,000	39,911,697	50,445,000	46,896,435
b) Travelling	255,000	69,593	100,000	97,158	900,000	92,045
c) Supplies	3,173,000	2,992,028	3,625,000	3,362,729	3,990,000	3,851,235
d) Maintenance	1,451,000	737,389	985,000	1,239,819	1,400,000	1,019,205
e) Contractual Services	6,076,000	5,158,518	5,635,000	5,448,947	8,840,000	6,766,142
f) Others	19,910,000	9,598,707	18,290,000	19,021,554	22,480,000	35,069,716
Total	75,629,000	57,964,438	69,838,000	69,081,905	88,055,000	93,694,777
Financed By:						
Government Grant	15,400,000		19,000,000		16,080,000	
As a percentage	20%		27%		18%	
Generated Funds	60,229,000		50,838,000		71,975,000	
As a percentage	80%		73%		82%	

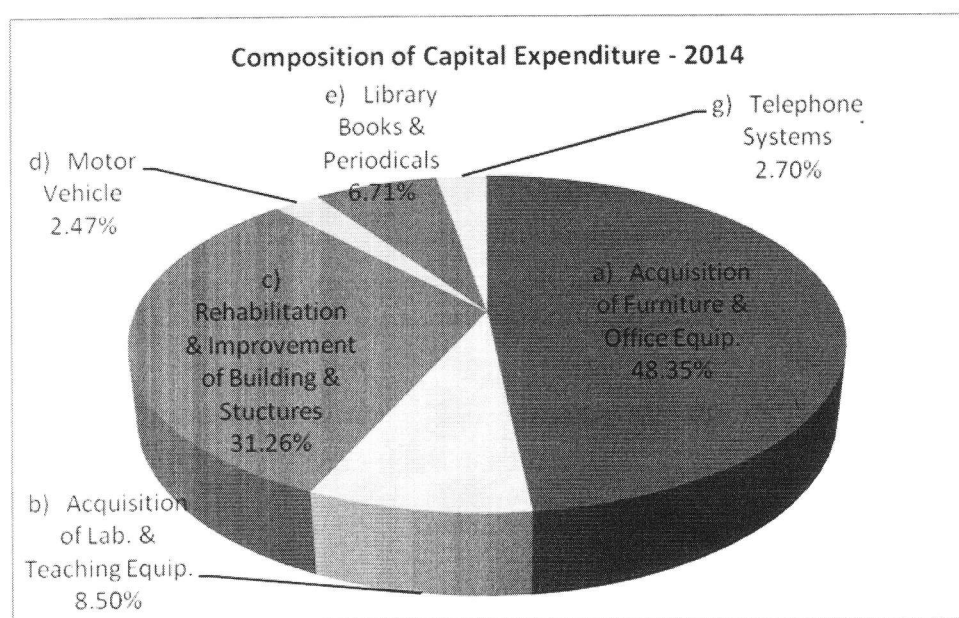


The treasury allocation for the recurrent expenditure of the Institute in the year 2014 is Rs. 16.08 million and allocation for capital expenditure was 9.0 million. It was about Rs.3.0 million and 0.2 million decrease respectively compared to the last year allocation. Total actual recurrent and the capital expenditure for this year is Rs.93.69 million and Rs.15.76 million respectively. The total recurrent expenditure was financed primarily by the generated funds (82%) and the remainder by consolidated fund (18%). About 50.05% of recurrent expenditure is for the personal emoluments including salaries & wages of the permanent staff and the visiting lecture fees. Other recurrent expenditure including course

materials, special services, travel grants to university teachers, annual congress...etc is about 37.29 % of total recurrent expenditure of the year under review. The composition of the recurrent expenditure is given in the above figure.

15.2 Details of Capital Expenditure

Subject	2012 (Rs.)		2013 (Rs.)		2014 (Rs.)	
	Allocation	Actual	Allocation	Actual	Allocation	Actual
a) Acquisition of Furniture & Office Equipments	2,000,000	2,988,881	2,500,000	3,976,203	6,050,000	7,623,417
b) Acquisition of Lab. & Teaching Equipments	-	667,520	-	-	1,600,000	1,340,392
c) Rehabilitation and improvement of Building & Structures	7,800,000	267,937	6,706,000	8,430,449	-	4,929,799
d) Motor Vehicle	-	8,350,000	-	-	350,000	389,831
e) Others- Library Books & Periodicals	1,500,000	8,023	-	996,409	500,000	1,058,161
f) Sports Goods					500,000	-
g) Telephone Systems					-	426,328
Total	9,800,000	12,282,361	9,206,000	13,403,062	9,000,000	15,767,929



About 31% of the capital investment budget of nearly Rs. 4.93 million was for the Rehabilitation of Building No 01 of the institute and 48% of the capital budget of nearly 7.62 million was set aside for acquisition of furniture and office equipments upgrading the facilities in the class rooms and computer laboratories. Further an amount of nearly 1.05 million was spent for acquisition of books and periodicals for the Agriculture library of the Institute. The composition of capital expenditure are given in the above figure.

**STATUTORY REPORT AND DISCLOSURE OF SIGNIFICANT ACCOUNTING POLICIES
FOLLOWED IN PREPARING THE FINANCIAL STATEMENTS OF THE
POSTGRADUATE INSTITUTE OF AGRICULTURE, UNIVERSITY OF PERADENIYA
FOR THE YEAR ENDED 31ST DECEMBER 2014**

1. General

The Financial Statements of the Postgraduate Institute of Agriculture for the year ended 31st December 2014 have been prepared in terms of section 12 (3) (e) and 19 (1) of the Postgraduate Institute of Agriculture Ordinance No. 9 of 1979, 106 (1) and 107 (b) of the Universities Act No.16 of 1978 and as amended by the subsequent legislation and in pursuance of the Finance Act. No 38 of 1971.

2. Significant Accounting Policies

2.1 Basis of Accounting

The Presentation of Financial Statements have been made in accordance with Sri Lanka Public Sector Accounting Standards (SLPSAS) – Volume I published in 2009 & Volume –II published in 2012 and other applicable Sri Lanka Accounting Standards published by the Institute of Chartered Accountants of Sri Lanka.

The financial statements of the Institute are prepared under the historical cost convention in conformity with Sri Lanka Accounting Standards adopted under the provisions of Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995.

All accounting policies adopted by the Institute are applied consistently with those of the previous year. Where necessary, comparative figures have been adjusted to conform to the changes in presentation of the current year. No adjustment has been made for inflationary factors affecting the Accounts.

Transactions of outside research grants are accounted on cash basis

3. Property, Plant & Equipment (PPE)

- 3.1.** Property, Plant and Equipment are stated at cost and the depreciation is provided in terms of the UGC Circulars No. 649 of 5th October 1995 and LKAS 16. Depreciation is charged to the statement of financial performance, on a straight line basis.

The rates of depreciation for PPE are decided in accordance with the instructions of UGC circular.

<u>Property, Land and Equipment</u>	<u>Rate of Depreciation</u> <u>per annum (%)</u>
Building & Structure	- 05
Office Equipment	- 20
Housing Projects Equipment	- 20
Furniture and Fittings	- 10
Laboratory, Teaching & Office Equipment	- 20
Motor Vehicles	- 20
Library Books and Periodicals	- 20
Housing Projects	- 10

Depreciation of an asset begins when it is available for use and ceases at the earlier of the dates on which the asset is classified as held for sale or is derecognised.

The process of revaluation of fixed assets amounting to Rs. 58,651,102.32 shown at zero values after depreciation was commenced in January, 2015 by the Department of Valuation. The revalued amounts will be brought to the accounts after receiving the final report.

The Physical Verification of Library Material which had a book value of Rs. 35,059,653.74 was conducted by the committee appointed by the Vice-chancellor and a preliminary report of the same was submitted by the Librarian of the University of Peradeniya who has been coordinated the task on August 2014. Action has been taken to complete the task having appointed a sub-committee by the Board of Management and adjustment in respect of library materials lost will be made in the financial statement following the proper procedure as laid down in the Financial Regulations in near future.

- 3.2 The ownership of the land in which the buildings of the Institute are constructed is not legally vested to the PGIA as the Institute operates as an affiliated Institute to the University of Peradeniya. Hence, the value of the land is not considered in preparation of financial statements of the Institute.

4. Current Assets

Assets classified as current assets on the Balance Sheet are cash and bank balances and those which are expected to be realised in cash during the normal operating cycle or within one year from the reporting date, whichever is shorter.

4.1 Inventories/ Stocks

Inventories/ Stocks are valued at actual cost. The cost of the inventories are arrived at by using the First-In, First –Out basis. The stock balance appearing in Accounts has been physically verified.

4.2 Trade & Other Receivables

Trade and other receivables are stated at the amounts estimated to be realised, and where necessary, provision is made in the financial statements, for bad & doubtful debts.

Revenue from tuition fees is recognized over the period of instruction according to LKAS 29. Accordingly income from PG Diploma, M.Sc, M.Phil, MBA and P.hD programmes are recognized over a period of 1 Year, 1 ½ Years, 2 Years, 2 ½ Years and 03 Years respectively.

Actual Loan Balances to be recovered from the staff as at 31st December 2014 are considered as loans receivable.

4.3 Cash and Cash Equivalents

Cash on hand in banks and short-term deposits which are held to maturity are carried at cost. For the purpose of the Cash Flow Statement, cash & cash equivalents consist of cash on hand and deposits in banks, net of outstanding bank overdrafts.

5. Liabilities & Provisions

Liabilities classified as current liabilities on the Balance Sheet are those which fall due for payment on demand or within one year from the reporting sheet date. Non – current liabilities are those balances that fall due for payment later than one year from the reporting sheet date.

All known liabilities have been accounted for in preparing the Financial Statements.

5.1 Employee Benefits

5.1.1 Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to Employee Provident and Employee Trust Funds covering all employees are recognised as an expense in profit and loss as incurred.

The PGIA contributes 15% and 3% of gross emoluments to employees as Provident Fund and Trust Fund contributions respectively.

5.1.2 Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan.

Provision has been made for retirement gratuities from the first year of service for all employees, in conformity with LKAS 19 on employee benefit. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

5.2 Provisions

A provision is recognised if, as a result of a past event, the PGIA has present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

Provision for Bad & Doubtful Debts

No provision for bad & doubtful debts on tuition fees and registration fees had been made in the financial statements of the Institute up to the year 2013. However statistics shows that approximately 10% of the total tuition fees and registration fees in each year were not collected due to various reasons beyond the control of the Institution. However 10% of total tuition fees and registration fees income had been made for dropouts in the budgets prepared for each degree programme.

Therefore an equivalent percentage of 10% on tuition fees and registration fees receivable as at 31/12/2014 has been made in the financial statements as provision for bad & doubtful debts starting from this year which will be adjusted based on the actual dropouts in each year.

5.3 Trade and Other Payables

Liabilities for Accounts Payable are carried at the amount of cash & cash equivalents expected to be paid.

6. Contingent Liabilities and Assets

6.1 Contingent Liabilities

No contingent liabilities have been recognised by the Postgraduate Institute of Agriculture as at 31.12.2014

6.2 Contingent Assets

The Vehicle No: 56-9016 (Mitsubishi Double Cab) of the Institute which had a book value of Rs. 800,000.00 has met with an accident on 21st March 2014. A comprehensive insurance cover for Rs. 800,000.00 had been obtained for this vehicle. The insurance company declared the vehicle as fully condemned and offered a total claim of Rs. 750,000.00. The special committee appointed by the Institute to investigate this incident has refused to accept this offer and made a request to the Insurance Company to pay the full amount of Rs. 800,000.00. However as at the date of financial statements no final decision has been given by the Insurance Company in reply to the request made by the Institute. Therefore no adjustment has been made in the financial statements prepared as at 31st December 2014 as the final claim pursuing through the legal processes is unknown.

7. Statements of financial Performance

7.1 All the Expenditure incurred in the running of the business and maintaining the Capital Asset in state of efficiency has been charged to revenue in arriving at the surplus for the year.

7.2 Expenditure incurred for the purpose of acquiring, extending and improving assets of a permanent nature by means of which is to carry on the business for the purpose of increasing the earning capacity of the business has been treated as Capital Expenditure.

8. Taxation

PGIA is exempted from paying income tax under the section 7 (b) (v) of Inland Revenue Act No. 10 of 2006.

9. Government Grants

Grants received from the General Treasury of the Government of Sri Lanka are recognised as income in the period in the period in which the related costs are recognised.


Government grants utilized to acquire assets that will be expensed in subsequent periods are recognised as Deferred Income. Government Grants represented by other assets including cash and cash equivalents, less liabilities (other than liabilities on account of the Grants received) are recognised as liabilities.

Summary of the allocated, released and the balance of the treasury grant is as follows:

Description	Amount Allocated (Rs.)	Amount Released (Rs.)	Balance (Rs.)
Recurrent Grant	16,080,000	16,080,000	-
<u>Rehabilitation & Improvements</u>			
1. Buildings	-	-	-
2. Vehicles	350,000	350,000	-
3. Equipment	-	-	-
4. Others	-	-	-
<u>Acquisition of Assets</u>			
1. Books & Periodicals	500,000	500,000	-
2. Lab & Teaching Equipment	1,600,000	1,600,000	-
3. Office Equipment	6,000,000	6,000,000	-
4. Furniture & Fittings	50,000	50,000	-
5. Sports Goods	500,000	500,000	-
Total	25,080,000	25,080,000	-

POSTGRADUATE INSTITUTE OF AGRICULTURE
UNIVERSITY OF PERADENIYA
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2014

	Note	As at 31/12/2014		As at 31/12/2013	
ASSETS		Rs.	Rs.	Rs.	Rs.
Current Assets					
(a) Cash & cash equivalents	01	4,092,566		2,737,775	
(b) Short Term Investment	02	-		7,000,000	
(c) Trade & other receivables	03	39,786,003		35,002,255	
less :					
Provisions for Bad and Doubtful Debts		(2,872,912)	36,913,091		
(d) Inventories/Stocks		1,242,049		1,190,287	
(e) Text Books & PGIA Publication		1,510,019		1,754,552	
(f) Prepayments / Periodicals	04	413,547		1,050,692	
(g) Loans & advances	05	5,553,838		4,993,288	
(h) Other financial assets		157,800	49,882,910	157,800	53,886,648
Non-current Assets					
(a) Investment	06	251,016,409		201,537,854	
(b) Property, plant & equipment	07	64,629,771	315,646,179	58,809,240	260,347,094
Total Assets			365,529,089		314,233,742
LIABILITIES					
Current Liabilities					
(a) Advance Income	08	-		2,597,950	
(b) Deferred Income	09	21,864,499		18,245,711	
(c) Payables	10	17,423,751		14,522,988	
(d) Accrued expenses/provisions	11	28,704,032	67,992,282	24,374,080	59,740,730
Non-current Liabilities					
(a) Deferred Income	09	2,250,000		2,585,967	
(b) Provision for gratuity	12	9,284,028	11,534,028	9,788,833	12,374,799
Total Liabilities			79,526,310		72,115,529
Total Net Assets			286,002,779		242,118,213
NET ASSETS/EQUITY					
Deferred Staff Loan Benefit		2,174,001		2,139,229	
IFRS Adjustment A/C on Staff Loan		(2,174,001)	-	(2,139,229)	
Accumulated fund	13	46,518,087		45,840,216	
Surplus/(Deficit) - B/ B/F	14	227,122,461		184,767,513	
Restricted funds	15	12,362,232	286,002,779	11,510,484	242,118,213
Total Net Assets/Equity			286,002,779		242,118,213



Prof. S. Samita
Director/Accounting Officer



B.G.S.P. Jayakody
Senior Assistant Bursar

**POSTGRADUATE INSTITUTE OF AGRICULTURE
UNIVERSITY OF PERADENIYA**

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2014

		As at 31/12/2014	As at 31/12/2013
	Note	Rs.	Rs.
Operating Revenue			
Recurrent Grant		16,000,000	19,000,000
Internal Income	16	111,600,294	87,288,434
Amotization of Govt. Grant		8,322,129	5,988,490
		<u>135,922,423</u>	<u>112,276,924</u>
Operating Expenses			
Personal emoluments	17	47,258,768	39,907,916
Travelling	18	92,045	90,183
Supplies and consumables	19	3,851,235	3,303,068
Maintenance	20	1,019,205	1,239,819
Contractual services	21	6,766,142	5,448,947
Research and development			-
Depreciation	22	9,602,896	8,898,590
Other Recurrent expenses	23	21,625,924	19,137,868
Bad Debts		950,914	
Provisions for Bad and Doubtful Debts		2,872,912	
Financial expenses		17,070	
Total operating expenses		<u>94,057,110</u>	<u>78,026,391</u>
Net surplus/(deficit) for the period		41,865,313	34,250,533
Other Comprehensive Income			
Exchange gain / loss in translating foreign operations			
Revaluation Surplus			
Gain/loss on fair value re-measurement of available for sale financial assets			
Actuarial gain / loss on pension plans			
Other Comprehensive Income		<u>41,865,313</u>	<u>34,250,533</u>
Total Comprehensive Income		<u><u>41,865,313</u></u>	<u><u>34,250,533</u></u>


Prof. S. Samita
Director/Accounting Officer



B.G.S.P. Jayakody
Senior Assistant Bursar


POSTGRADUATE INSTITUTE OF AGRICULTURE

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2014

(in thousands of currency units)


	Accumulated Fund	Revaluation Reserve	Translation Reserve	Total
Balance as at 31 December 2012	194,296,041	-	-	194,296,041
Changes in accounting policy	-			
Restated balance	194,296,041	-	-	194,296,041
Surplus on revaluation of properties	-	-		-
Deficit on revaluation of investments				
Currency translation differences		-	-	-
Amortization of Govt. Grant on Value of Fixed Assets	(5,988,490)			(5,988,490)
Net gains and losses not recognised in the statement of financial performance	19,560,129			19,560,129
Surplus/(deficit) for the period	34,250,532	-	-	34,250,532
Balance as at 31st December 2013	242,118,213	-	-	242,118,213
Deficit on revaluation of properties				
Surplus on revaluation of investments		-		-
Currency translation differences			-	-
Net gains and losses not recognised in the statements of financial performance	2,019,254	-	-	2,019,254
Surplus/(deficit) for the period	41,865,313	-	-	41,865,313
Balance as at 31 December 2014	286,002,779	-	-	286,002,779


Prof. S. Samita
 Director/Accounting Officer


B.G.S.P. Jayakody
 Senior Assistant Bursar

POSTGRADUATE INSTITUTE OF AGRICULTURE
APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2014

	2014 Rs.	2013 Rs.
B/F Excess of Income over expenditure	41,865,313	34,250,532
Balance B/F from previous year	184,767,513	143,388,207
	226,632,826	177,638,740
ADD :		
01. Income in respect of past year	2,023,645	25,281,815
02. Other adjustments - Credits	-	-
	228,656,471	202,920,554
LESS :		
01. Adjustment- Accumulated Depreciation	-	-
02. Payments in respect of past year	1,534,010	14,653,041
03. Adjustments - Debits	-	-
04. Capital expenditure from Income & General Reserve	-	3,500,000
	1,534,010	18,153,041
	227,122,460	184,767,513


Prof. S. Samita
Director/Accounting Officer


B.G.S.P. Jayakody
Senior Assistant Bursar

INDIRECT METHOD CASH FLOW STATEMENT

POSTGRADUATE INSTITUTE OF AGRICULTURE

CASH FLOW STATEMENT FOR YEAR ENDED 31 ST DECEMBER 2014

	Rupees "000"	
	2014	2013
	Actual	Actual
	Rs.	Rs.
Cash Flows from Operating Activities		
Surplus/(deficit) from ordinary activities	41,865	34,251
Non -cash movements	41,865	34,251
Depreciation on property, plant and equipment	9,603	8,899
Provision for gratuity	1,058	1,001
Provision for Bad and Doubtful Debts	3,824	-
Provision for Audit Fee	714	-
Interest on Investments	(21,350)	(27,732)
Prior Year Adjustments	614	9,577
Amotization of Govt. Grant	(8,322)	(5,988)
Gain/ (loss) on sale of property, plant and equipment	(601)	-
Increase/Decrease in working capital		
Increase/(decrease) in inventories	193	432
Increase/(decrease) in payables	7,411	22,747
Gain/(loss) on sale of investments	(42,479)	(118,174)
Increase/(decrease) in other current assets	(561)	415
Increase/(decrease) in trade & other receivables	(4,784)	(33,657)
Increase/(decrease) in Pre-payments	637	-
Net cash flows from operating activities	(12,178)	(108,231)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(7,648)	(4,973)
Rehabilitation expenses	(5,320)	(8,430)
Sale of property, plant and equipment	601	-
Other financial assets	-	-
Interest on investments	21,350	27,732
Net cash flows from investing activities	8,983	14,329
CASH FLOW FROM FINANCING ACTIVITIES		
Govt grant: Capital	9,000	9,206
Withdrawals of investment	-	-
Payment of Audit fee	(939)	-
Payment of Gratuity	(1,563)	-
Self funding projects (net value)	(1,948)	(275)
Net cash flows from financing activities	4,550	8,931
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	1,355	(84,971)
Cash & Cash Equivalents at the beginning of the Period	2,738	87,709
Cash & Cash Equivalents at the end of the Period	4,093	2,738
Net Increase in Cash and Cash Equivalents	1,355	(84,971)

Prof. S. Samita
Director/Accounting Officer

B.G.S.P. Jayakady
Senior Assistant Bursar

කෘෂිකම්පිදා පශ්චාත් උපාධි ආයතනය
ජේරාදෙණිය විශ්වවිද්‍යාලය

2014 දෙසැම්බර් මස 31 දිනට මූල්‍ය තත්ත්ව ප්‍රකාශනය

වත්කම්	කටයුතු	2014.12.31		2013.12.31	
		රු.	රු.	රු.	රු.
ජංගම වත්කම්					
(අ) මුදල්, මුදල් හා සමාන දෑ	01	4,092,566		2,737,775	
(ආ) කෙටි කාලීන ආයෝජන	02	-		7,000,000	
(ඇ) වෙළඳ හා අනෙකුත් ලැබියයුතු දෑ	03	39,786,003		35,002,255	
අඩුකලා:					
බොල් හා අභිමාණ ණය වෙන්කිරීම		(2,872,912)	36,913,091		
(ඈ) තොගය		1,242,049		1,190,287	
(ඉ) නිර්දේශිත ගුණිත හා ප්‍රකාශන		1,510,019		1,754,552	
(ඊ) පූර්ව ගෙවීම් / වාර සගරා	04	413,547		1,050,692	
(උ) ණය සහ අත්තිකාරම්	05	5,553,838		4,993,288	
(ඌ) අනෙකුත් මූල්‍ය වත්කම්		157,800	49,882,910	157,800	53,886,648
ජංගම නොවන වත්කම්					
(අ) දිගු කාලීන ආයෝජන	06	251,016,409		201,537,854	
(ආ) දේපල පිරිසිදු කිරීම හා උපකරණ	07	64,629,771	315,646,179	58,809,240	260,347,094
මුළු වත්කම්			365,529,089		314,233,742
වගකීම්					
ජංගම වගකීම්					
(අ) ඉදිරියට ලද ආදායම	08	-		-	
(ආ) වලමකින ආදායම	09	21,864,499		-	
(ඇ) ගෙවිය යුතු වියදම්	10	17,423,751		14,522,988	
(ඈ) උපරිත වියදම්/ වෙන්කිරීම්	11	28,704,032	67,992,282	24,374,080	38,897,069
ජංගම නොවන වගකීම්					
(අ) වලමකින ආදායම	09	2,250,000		-	
(ආ) පාරිභෝගික සඳහා වෙන්කිරීම්	12	9,284,028	11,534,028	9,788,833	9,788,833
මුළු වගකීම්			79,526,310		48,685,901
මුළු ශුද්ධ වත්කම්			286,002,779		265,547,841
ශුද්ධ වත්කම්/නිමිකම්					
වලමකින සහන ලද සේවක ණය ප්‍රතිලාභ		2,174,001		2,253,046	
IFRS සේවක ණය ප්‍රතිලාභ ගැලපුම් ගිණුම		(2,174,001)	-	(2,253,046)	
සමුච්චිත අරමුදල	13	46,518,087		45,840,216	
ඉ/ගෙ අතිරික්තය/ උපායමාර්ග	14	227,122,461		184,767,513	
නියමිත අරමුදල්	15	12,362,232	286,002,779	11,510,484	242,118,213
මුළු ශුද්ධ වත්කම්/ නිමිකම්			286,002,779		242,118,213


අධ්‍යක්ෂ
ගණන්දීමේ නිලධාරී

ජ්‍යෙෂ්ඨ සහකාර මූල්‍යාධිකාරී

කෘෂිකම්පිළු පශ්චාත් උපාධි ආයතනය
ජේරාදෙනිය විශ්වවිද්‍යාලය

2014 දෙසැම්බර් මස 31 දිනෙන් අවසන් වර්ෂය සඳහා
විස්තරණ ආදායම් ප්‍රකාශය

	සටහන්	2014.12.31	2013.12.31
මෙහෙයුම් ආදායම්		රු.	රු.
රජයේ ආධාර(පුනරාවර්තන වියදම් සඳහා)		16,000,000	19,000,000
අනෙකුත් ඉපයීම්	14	111,600,294	87,288,434
රජයේ ආධාර මත ක්‍රමාංකය		8,322,129	5,988,490
		<u>135,922,423</u>	<u>112,276,924</u>
මෙහෙයුම් වියදම්			
පොදුගලික පඩිනඩි හා චේතන	15	47,258,768	39,907,916
ගමන් වියදම්	16	92,045	90,183
සැපයුම් හා පරිභෝජන භාණ්ඩ	17	3,851,235	3,303,068
නඩත්තුකිරීමේ වියදම්	18	1,019,205	1,239,819
කොන්ත්‍රාත් සේවාවන්	19	6,766,142	5,448,947
පර්යේෂණ හා සංවර්ධන		-	-
තෘයස්කර්ම හා ලියාපදිංචි	20	9,602,896	8,898,590
අනෙකුත් පුනරාවර්තන වියදම්	21	21,625,924	19,137,868
බොල් ණය		950,914	
බොල් සහ අඩමාන ණය වෙන්කිරීම		2,872,912	
මූල්‍ය වියදම්		17,070	
මුළු මෙහෙයුම් වියදම්		<u>94,057,110</u>	<u>78,026,391</u>
කාළපරිච්ඡේදය සඳහා ගුද්ධ අතිරික්තය/ප්‍රාණභාවය		41,865,313	34,250,533
අනෙකුත් විස්තරණ ආදායම්			
දේපල පිරිසිදු හා උපකරණ ප්‍රත්‍යාග්‍යය අතිරික්තය		-	-
විදේශ ඒකකවල මූල්‍ය වාර්තා විදේශ මුදලට පරිවර්තනය කිරීමේදී පැන නගින ලාභ හෝ අලාභ		-	-
විකිණීම සඳහා තබා ඇති මූල්‍ය වත්කම්හි සාධාරණ අගය නැවත මැනීමේදී ඇතිවන ලාභ සහ අලාභ		-	-
නිශ්චිත විශ්‍රාම ප්‍රතිලාභ සැලසුම් තත්වාගතනය මත ඇතිවන ලාභ හෝ අලාභ		-	-
අනෙකුත් විස්තරණ ආදායම්		-	-
විස්තරණ ආදායම් එකතුව		<u><u>41,865,313</u></u>	<u><u>34,250,533</u></u>



අධ්‍යක්ෂ
ගණන්දීමේ නිලධාරී


ජ්‍යෙෂ්ඨ සහකාර මූල්‍යාධිකාරී

කෘෂිකම්විදු පශ්චාත් උපාධි ආයතනය
ජේරාදෙනිය විශ්වවිද්‍යාලය

2013 දෙසැම්බර් මස 31 දිනෙන් අවසන් වර්ෂය සඳහා විසර්ජන ගිණුම

	2013	2012
	රු.	රු.
ඉ/ගෙ ගුද්ධ අතිරික්තය/(ප්‍රාණතාවය)	41,865,313	34,250,532
පසුගිය වර්ෂයෙන් ඉ/ගෙ අතිරික්තය/(ප්‍රාණතාවය)	184,767,513	143,388,207
	226,632,826	177,638,740
එකතුව		
01. පසුගිය කාළපරිච්ඡේදයට අදාළ අදායම්	2,023,645	25,281,815
02. වෙනත් ගැලපුම් - බැර		
	228,656,471	202,920,554
අඩුකල		
01. ගැලපුම් - සමුච්චිත ණය කිරීම්	-	-
02. පසුගිය වර්ෂයන්ට අදාළ වියදම්	1,534,010	14,653,041
03. ගැලපුම් - හර	-	-
04. සමුච්චිත අරමුදලින් කල ප්‍රාග්ධන වියදම්	-	3,500,000
	1,534,010	18,153,041
	227,122,460	184,767,513


අධ්‍යක්ෂ
ගණන්දීමේ නිලධාරී


ජ්‍යෙෂ්ඨ සහකාර මුද්‍රාධිකාරී

	2014 Rs.	2013 Rs.
01. CASH & CASH EQUIVALENTS		
Bank balances		
People's Bank A/C No. 057100131338027	359,333.01	(156,574.70)
People's Bank A/C No. 057100131338032	223,038.17	1,504,552.56
Bank of Ceylon A/C No. 0001273337	3,510,194.47	1,278,119.39
People's Bank A/C No. 057-1-002-20000258	-	111,677.48
Total	4,092,565.65	2,737,774.73

Closing balances of above bank accounts as at 31st December 2014 were reconciled with respective cash books.

02.SHORT TERM INVESTMENT

Call deposits-Recurrent (No 257600100010403-0)	-	2,000,000.00
Call deposits-Research Account (73272662)	-	5,000,000.00
Call deposits-Capital Account	-	-
Total	-	7,000,000.00

03. TRADE & OTHER RECEIVABLES (Schedule A)

Interest Receivable	10,935,293.62	15,490,370.25
Tution Fees Receivable	20,245,428.22	11,784,638.09
Registration & Other Fees Receivable	8,483,690.77	7,586,386.74
Cheques/M.O. returned by Bank	20.00	20.00
Interest Receivable on Property Loan	120,940.36	60,839.46
Income Receivable	-	80,000.00
Receivable for Distress Loan Instollment	630.00	
Total	39,786,002.97	35,002,254.54

04 . PREPAYMENTS/ PERIODICALS

Books in transit (Book advance)	290,565.06	943,825.60
Pre-payments	122,981.50	106,866.25
Total	413,546.56	1,050,691.85

05. LOANS AND ADVANCES (Schedule B)**Staff loans & Advances**

	2014 Rs.	2013 Rs.
1. Staff loans	100,980.00	66,810.00
2. Distress loans	4,656,403.99	4,124,061.99
3. Transport loans	396,704.00	418,416.00
4. Festival advances	7,750.00	8,500.00
5. Computer loans	392,000.00	375,500.00
6. Salary advances	-	-
Sub Total	5,553,837.99	4,993,287.99

Miscellaneous Advances

1. Research grants advances	-	-
2. General advances	-	-
3. Capital advances	-	-
	-	-

Total

5,553,837.99	4,993,287.99
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06 - INVESTMENT**SAVING DEPOSITS****1. Bank of Ceylon Savings Accounts:**

PGIA research fund savings A/C No. 1280803	153,659.99	147,644.79
World wildlife fund savings A/C No. 1282692	-	-

2. People's bank savings accounts:

PGIA deposits savings A/C No. 057-2-001-3-1360625	191,563.67	184,064.67
Student scholarships savings A/C No. 057-2-001-7-1360628	-	-
Rehabilitation savings A/C No. 057-2-001-3-1993699	292,188.26	280,750.16

637,411.92	612,459.62
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FIXED DEPOSITS (Schedule C)**Deposits Number & Bank**

1. FD Peoples Bank No. 346483 (57600100003911-0)	14,677,422.08	13,404,038.43
2. FD Peoples Bank No. 783532 (057600100003001-1)	1,000,000.00	1,000,000.00
3. FD Peoples Bank No. 567898 (05760010000230209)	300,000.00	300,000.00
4. FD Peoples Bank No. 964239 (057-60-01-00010606-5)	5,000,000.00	5,000,000.00
5. FD Peoples Bank No. 057-60-01-00010954-3	-	3,000,000.00
6. FD Bank of Ceylon No. 773545(2-001585-1)	1,416,355.69	1,416,355.69
7. FD Bank of Ceylon No. 8826295	6,600,000.00	6,600,000.00
8. FD Peoples Bank No. 57600100009281-9	10,000,000.00	10,000,000.00
9. FD Peoples Bank No. 57600100009545-1	29,700,000.00	29,700,000.00
10. FD Peoples Bank No. 57600100008453-3	5,000,000.00	5,000,000.00
11. FD Peoples Bank No. 57600100010019-6	12,500,000.00	12,500,000.00
12. FD Peoples Bank No.057600100012025-4	25,000,000.00	-
13. FD Peoples Bank No. 057600100011492-0	8,000,000.00	8,000,000.00
14. FD Peoples Bank No. 57600100010436-1 Stoer Keeper	5,000.00	5,000.00
15. FD Bank of Ceylon No. 74187080	75,000,000.00	75,000,000.00
16. FD Peoples Bank No. 57600100010799.2	25,000,000.00	25,000,000.00
17. FD Peoples Bank No. 57600100011561-6	5,000,000.00	5,000,000.00
18. FD Bank of Ceylon No. 75807217	12,000,000.00	
19. FD Peoples Bank No. 057600100012559-8	7,114,684.93	
20. FD Peoples Bank No. 057600100012583-8	4,065,534.25	
21. FD Bank of Ceylon No. 76509352	3,000,000.00	

250,378,996.95	200,925,394.12
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Total

251,016,408.87	201,537,853.74
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NOTES TO THE FINANCIAL STATEMENTS

07. PROPERTY, PLANT & EQUIPMENT										
	Land & Buildings	Furniture & Fittings	Office Equipment	Motor Vehicle	Telephone	Library Books & Periodicals	Housing Project Furniture & Equipment	Laboratory & Teaching Equipment	2014	2013
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cost										
As at 1st January 2014	73,738,756.35	1,655,035.29	11,163,826.75	14,495,000.00	34,915.17	34,001,492.49	490,748.65	44,488,868.94	179,418,643.64	180,068,643.64
Less/Add: Adjustment				(650,000.00)						(650,000.00)
Additions	4,929,798.77	31,775.00	7,591,642.48	389,831.00	426,328.00	1,058,161.25		1,340,392.32	15,767,928.82	
Cost as at 31st December 2014	78,668,555.12	1,686,810.29	18,755,469.23	14,234,831.00	461,243.17	35,059,653.74	490,748.65	45,829,261.26	195,186,572.46	179,418,643.64
Less: Depreciation										
Accumulated Depreciation as at 1st January 2014	29,446,763.66	1,319,821.35	5,569,130.72	8,887,267.76	34,915.17	32,680,393.42	490,748.66	42,830,362.46	120,953,906.15	121,259,403.20
Previous Year Adjustment	37,653.63		306,849.32	(650,000.00)						(305,497.05)
Charged to Income & Expenditure Account	3,494,636.84	141,768.87	2,473,410.86	1,670,000.00	8,876.97	822,306.34		991,895.93	9,602,895.81	
Accumulated Depreciation as at 31st December 2014	32,979,054.13	1,461,590.22	8,349,390.90	9,907,267.76	43,792.14	33,502,699.76	490,748.66	43,822,258.39	130,556,801.96	120,953,906.15
Net Book Value as at 31st December 2014	45,689,500.99	225,220.07	10,406,078.33	4,327,563.24	417,451.03	1,556,953.98		2,007,002.87	64,629,770.50	58,464,737.49

	2014 Rs.	2013 Rs.
08. ADVANCE INCOME		
1. Advance Course Income Account	-	2,597,950.00
	-	2,597,950.00
09. DEFERRED INCOME		
1. Deferred Registration & Other Fees Income	-	481,911.40
2. Deferred Tuition Fees Income	24,114,499.45	20,349,766.67
	24,114,499.45	20,831,678.07
10. PAYABLES (Schedule D)		
Deposits		
1. Science deposits	2,730,566.78	3,327,566.78
2. Library deposits	10,693,984.74	10,091,307.00
3. Tender deposits	15,000.00	44,492.00
4. Retention Payable	877,290.49	711,653.63
	14,316,842.01	14,175,019.41
5. Cancelled cheques	-	100,853.00
6. Foreign Student Research Fund	-	83,340.01
7. Others (Security deposits)	1,668.00	1,668.00
8. Other deposit - DGNC Perera (store keeper)	5,475.00	5,700.00
9. Creditor's A/c State Trading Corporation	-	156,408.00
10. Foreign Student Research - Ghana Projects	1,188,706.97	
11. Creditor's A/c Debug Computer Peripherals	176,000.00	-
12. Creditor's A/c The Book Rescuers	66,025.52	-
13. Creditor's A/c Consartium Book (pvt) Ltd	143,394.33	-
14. Creditor's A/c Prints Publication (pvt) Ltd	59,798.99	-
15. Creditor's A/c Sri Lanka Standards Institution	42,670.00	
16. Creditor's A/c The Law Publishers	81,416.01	
17. Creditor's A/c Department of Building	176,981.12	-
18. Creditor's A/c United Motors Lanka Plc	389,831.00	
19. Creditor's A/c Suhada Enterprise	774,940.68	
20. Creditor's A/c National Development Bank	0.98	
	17,423,750.61	14,522,988.42
Total	41,538,250.06	37,952,616.49

	2014 Rs.	2013 Rs.
11. ACCRUED EXPENSES		
1. Visiting lecture fees	22,745,251.00	19,036,813.00
2. Special services council	192,000.00	134,600.00
3. Examination expenses	742,918.02	629,467.54
4. Fuel supplies	52,634.00	20,521.92
5. Communication expenses	209,681.12	134,160.40
6. Holiday pay	24,406.75	9,054.00
7. Chemical Supplies	204,963.72	-
8. Electricity charges	400,422.51	293,726.14
9. Uniform cloth supplies	1,800.00	52,082.30
10. Travelling expenses	7,060.00	5,700.00
11. Overtime	184,044.20	172,943.00
12. Equipment Repairs	-	3,998.40
13. Travel grants to teachers	108,040.00	145,464.00
14. Stationery Supplies	380,596.64	6,978.50
15. Cleaning Service	163,618.56	122,795.68
16. Congress Expenses	253,350.00	452,196.78
17. Staff Development	130,850.00	-
18. Stamp Duty	17,025.00	4,850.00
19. Salaries & Wages	9,480.00	396,810.00
20. Provident Fund	-	8,100.00
21. Employees Trust Fund	-	972.00
22. Holiday Warrant	11,080.00	10,830.00
23. Other supplies	11,600.00	9,460.00
24. Rental & Higher Charges	12,480.00	3,120.00
25. Entertainment expenses	8,365.00	-
26. Security charges	214,200.00	85,400.00
27. Water charges	277,650.00	305,118.00
28. Course Materials	995,210.00	-
29. Printing & Advertisement	39,600.00	30,199.54
30. Research Facilitate Fund	64,120.00	392,970.41
31. Corporate Planning	-	150,000.00
32. Workshop & Seminars	95,144.00	48,748.00
32. Special services professional & others	56,200.00	154,840.75
33. CAP NET Project	-	182,000.00
34. NSF Grant Dr. D.A.N. Dharmasena	425,230.54	5,160.00
35. HETC Projects - J. Nimalan	-	15,000.00
36. Staff & Student Welfare	30,000.00	-
37. Egg Plant Projects	4,320.00	-
38. IDRC - SAWA Project	180,691.28	-
	28,254,032.34	23,024,080.36

12. PROVISIONS

1. Special services professional & others (Audit fees)
2. Provisions for Gratuity

450,000.00	1,350,000.00
9,284,027.50	9,788,832.50
9,734,027.50	11,138,832.50
37,988,059.84	34,162,912.86

Total

13. ACCUMULATED FUND (Schedule E)

	2014 Rs.	2013 Rs.
Capital grant spent	55,577,186.19	48,131,386.43
Unspent capital grant	(4,106,927.33)	(2,308,628.28)
Unspent capital grant-rehabilitation	(4,952,171.89)	17,457.88
Contribution to capital outlay from		
Income & general reserve	-	-
Total	46,518,086.97	45,840,216.03

14. SURPLUS/(DEFICIT) BALANCE A/C

Balance as at 31st December 2012	184,767,513.36	143,388,207.38
	-	-
	184,767,513.36	143,388,207.38
Less: Adjustment during the year		
(a). Previous year capital outlay from income	-	3,500,000.00
(b). Cancellation of welfare fund	-	-
(c). Cancellation of computer fund	-	-
(d). Cancellation of medical fund		
(e). Previous year adjustment	489,634.53	10,628,773.54
	489,634.53	7,128,773.54
	185,257,147.89	150,516,980.92
Add: Net surplus/(deficit) for the period	41,865,312.63	34,250,532.44
Surplus/(Deficit) - balance B/F	227,122,460.52	184,767,513.36

15. RESTRICTED FUNDS

(c) Research grants (Schedule F)	3,211,735.18	5,159,987.06
(d) Gifts & donations (Schedule G)	8,850,496.54	6,050,496.54
(e) Others (Schedule H)	300,000.00	300,000.00
Total	12,362,231.72	11,510,483.60

Object	2014			2013 Actual
	Budgeted	Actual	Variations	
16. OTHER INCOME				
Interest from loans	600,000.00	218,493.77	381,506.23	221,028.23
Interest from Investments	19,500,000.00	21,131,489.78	(1,631,489.78)	27,510,894.17
IFRS Adjustment A/C on Staff Loan Interest	-	362,333.44	(362,333.44)	356,538.21
Rent from properties	500,000.00	627,990.00	(127,990.00)	578,240.00
Library subscription	750,000.00	791,635.81	(41,635.81)	749,406.78
Sale of produce	-	-	-	-
Re-imbursements	-	-	-	-
Miscellaneous receipts	300,000.00	946,557.31	(646,557.31)	2,670,268.57
Semester fees (Postgraduate)	9,500,000.00	11,279,002.11	(1,779,002.11)	10,589,942.42
Tuition fees (Postgraduate)	44,750,000.00	61,514,526.71	(16,764,526.71)	34,619,133.33
Examination fees (Postgraduate)	2,400,000.00	3,359,477.00	(959,477.00)	1,890,500.00
Sale of publications	750,000.00	978,329.38	(228,329.38)	1,007,429.50
Sale of Old Stores	25,000.00	601,000.00	(576,000.00)	-
Library fines	30,000.00	31,180.00	(1,180.00)	29,689.00
Medical fees	-	-	-	-
Student welfare fees	-	-	-	23,000.00
Supervision fees	-	-	-	-
Services rendered to outsiders	750,000.00	583,805.40	166,194.60	880,473.90
Internet charges	-	-	-	-
Workshops & Seminar	2,500,000.00	3,511,160.00	(1,011,160.00)	2,497,586.25
Bench / practicum fees expenses	-	-	-	-
Annual Congress Fees	2,500,000.00	3,223,306.74	(723,306.74)	3,244,429.54
Overhead charges	350,000.00	2,440,006.33	(2,090,006.33)	419,873.75
Others Receipts	-	-	-	-
Total	85,205,000.00	111,600,293.78	(26,395,293.78)	87,288,433.65

Object	2014			2013 Actual
	Budgeted	Actual	Variations	
17. PERSONAL EMOLUMENTS				
Salaries & wages	14,765,000.00	12,927,806.27	1,837,193.73	13,046,273.32
U.P.F. 15% (Non pensioners)	2,129,000.00	2,007,939.93	121,060.07	1,994,755.99
University pension	589,000.00	568,471.84	20,528.16	507,122.28
E.T.F. 3%	543,000.00	507,283.12	35,716.88	486,556.69
Interim Allowance	-	512,980.00	(512,980.00)	-
Academic allowance	1,346,000.00	1,042,215.25	303,784.75	1,175,704.68
Research Allowance	536,000.00	918,830.68	(382,830.68)	529,213.38
Special Allowance 20%	2,508,000.00	2,432,671.21	75,328.79	2,052,094.56
Visiting lecture fees	19,437,000.00	17,359,438.00	2,077,562.00	13,024,478.00
Cost of living allowance	4,291,000.00	4,048,208.39	242,791.61	3,247,420.00
Overtime	2,355,000.00	2,094,402.95	260,597.05	2,165,671.90
Holiday pay	250,000.00	149,241.75	100,758.25	193,271.96
Other allowances	96,000.00	82,599.56	13,400.44	95,077.75
Additional Allowance 20%	-	1,186,538.05	(1,186,538.05)	32,615.00
Gratuity	1,600,000.00	1,057,807.50	542,192.50	1,001,122.50
Employee Benefit on Staff Loan	-	362,333.44	(362,333.44)	356,538.21
Total	50,445,000.00	47,258,767.94	3,186,232.06	39,907,916.22
18. TRAVELING				
Travelling expenses (Domestic)	100,000.00	92,045.00	7,955.00	90,183.00
Travelling expenses (Foreign)	800,000.00	-	800,000.00	-
Total	900,000.00	92,045.00	807,955.00	90,183.00
19. SUPPLIES				
Stationery & office requisites	1,850,000.00	2,044,601.35	(194,601.35)	1,192,348.96
Fuel & lubricant	1,230,000.00	907,368.06	322,631.94	1,287,520.86
Uniforms including tailoring charges	60,000.00	54,053.20	5,946.80	64,610.82
Chemicals & Glassware	250,000.00	585,410.45	(335,410.45)	132,398.80
Medical Supplie	-	-	-	-
Mechanical & electrical goods	-	-	-	-
Others	600,000.00	259,802.08	340,197.92	626,188.41
Total	3,990,000.00	3,851,235.14	138,764.86	3,303,067.85
20. MAINTENANCE				
Vehicles	700,000.00	468,579.86	231,420.14	770,116.47
Plant, machinery & equipment	500,000.00	450,775.61	49,224.39	356,396.18
Buildings	150,000.00	93,449.25	56,550.75	109,306.50
Furniture	50,000.00	6,400.00	43,600.00	4,000.00
Others	-	-	-	-
Total	1,400,000.00	1,019,204.72	380,795.28	1,239,819.15

Object	2014			2013 Actual
	Budgeted	Actual	Variations	
21. CONTRACTUAL SERVICES				
Transport	210,000.00	184,269.00	25,731.00	134,327.33
Security service	600,000.00	511,000.00	89,000.00	511,000.00
Rental & hire charges	10,000.00	9,360.00	640.00	9,360.00
Telecommunication	2,570,000.00	2,176,924.92	393,075.08	1,283,013.71
Postal charges	400,000.00	349,983.00	50,017.00	330,545.00
Electricity	1,500,000.00	1,412,974.47	87,025.53	1,198,046.29
Cleaning services	1,200,000.00	791,056.56	408,943.44	969,879.68
Rates & taxes to local authorities(VAT)	-	-	-	-
Water charges	500,000.00	88,902.00	411,098.00	78,840.00
Printing advertising	1,850,000.00	1,241,671.58	608,328.42	893,378.38
Others	-	-	-	40,557.00
Total	8,840,000.00	6,766,141.53	2,073,858.47	5,448,947.39
22. DEPRECIATION OF FIXED ASSETS				
Buildings (Including structures)		3,494,636.84		3,229,789.20
Office equipment		2,473,410.86		931,918.29
Laboratory & Teaching equipment		991,895.93		1,248,637.79
Library books & periodicals		822,306.34		903,000.87
Furniture & fittings		141,768.87		136,243.55
Motor vehicles		1,670,000.00		2,449,000.00
Telephone Systems		8,876.97		
Total		9,602,895.81		8,898,589.70
23. OTHER RECURRENT EXPENDITURE				
Travel grant to university teachers	700,000.00	704,133.20	(4,133.20)	640,693.20
Special services - council & committees	1,400,000.00	1,558,884.00	(158,884.00)	1,126,198.30
Special services - professional & other fees	1,700,000.00	1,316,128.82	383,871.18	1,170,146.60
Academic research & publications	350,000.00	191,344.60	158,655.40	93,041.64
Staff development	1,200,000.00	1,311,822.63	(111,822.63)	82,750.00
Postgraduate research & scholarships	200,000.00	27,716.00	172,284.00	1,001,873.00
Course matireals for students	5,500,000.00	6,821,567.58	(1,321,567.58)	3,962,925.50
Students welfare, employee welfare	250,000.00	135,172.36	114,827.64	92,500.00
Holiday warrants	30,000.00	15,400.00	14,600.00	17,050.00
Entertainment expenses	300,000.00	193,535.60	106,464.40	253,198.90
Sports Activities	200,000.00	109,580.50	90,419.50	-
Bank charges	50,000.00	50,455.00	(455.00)	42,855.00
Awards & indemnities	20,000.00	5,000.00	15,000.00	12,500.00
Convocation/annual congress	2,500,000.00	2,254,123.89	245,876.11	3,391,740.86
Contributions & membership fees		-	-	-
Examination fees	4,120,000.00	3,068,094.37	1,051,905.63	3,636,106.44
Workshops & Seminars	2,500,000.00	3,039,935.25	(539,935.25)	2,131,993.66
Research Facilitation Fund	1,200,000.00	664,130.17	535,869.83	1,185,049.69
Co-operate Planning, Governance & Outreach	50,000.00	-	50,000.00	150,000.00
Stamp dues	50,000.00	25,575.00	24,425.00	13,875.00
Orientation Expenses	110,000.00	83,866.00	26,134.00	
Other recurrent expenses	50,000.00	49,459.20	540.80	133,369.81
Total	22,420,000.00	21,625,924.17	854,075.83	19,137,867.60

16. AUDIT COMMITTEE REPORT - 2014

1. COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee of the Institute is formally constituted as a sub-committee of the Board of Management, to which it is accountable and it is wholly consisted of three Non-Executive members of the Board of Management and an Internal member of the Board of Management. The attendance of the members at the Audit committee are as follows:

Name of the Member	No. attended
Dr. Amara Satharasinghe, Chairman Director General, Dept. of Census & Statistics	04/04
Mr. W D L Gunarathna, Member Director General, Dept. of Export Agriculture	01/04
Prof. B S B Karunaratne, UGC Nominee to the Board of Management from September 2014	02/04
Prof. K Samarasinghe, Member Dean/ Faculty of Agriculture, UoP	04/04

In addition to the above members, members of the Auditor General's Department, Director, Senior Assistant Bursar and the Assistant Registrar of the Institute Deputy Internal Auditor of the University of Peradeniya who served as the Auditor of the Institute were also participated as an invited members to the meetings.

2. MEETINGS

As per the Public Enterprise circular No PED/31, the committee is required to meet at least Four (04) times a year. During the year under review, the committee was able to met 04 times and reports of internal and the government auditor's were discussed at these meetings. The minutes of the committee were made available to the Governing Authority of the Institute for information and necessary action.

3. MAIN RESPONSIBILITIES

The main objective of the Audit committee is to assist the Board of Management to effectively carry out its responsibilities relating to financial and other connected affairs of the Institute. The main responsibilities of the Audit Committee comprises –

- Determination of the responsibilities of the Internal Audit Unit and Review of the Audit Plan;
- Review and Evaluate Internal Control Systems for all activities of the entity;

- c. Review financial statements to ensure compliance with Accounting Standards.
- d. Ascertain whether statutes, regulations, rules and circulars are complied with;
- e. Review and monitor on Internal and External audit reports (Auditor General's report, external management letters etc.) and follow-up on the recommendations given therein; and
- f. Review implementation of recommendation/directives of the Committee on Public Enterprises

4. ACTIVITIES UNDERTAKEN BY THE AUDIT COMMITTEE DURING THE YEAR

a. The following activities during the year under review.

- Preparation of a Fixed Asset Register for the Institute has been completed and revaluation of assets have also completed and Verification of library material have also been completed which are the two main issues that accounted for disclaimer of the audit opinion of the Institute; Financial authority has been delegated as per the recommendation made by the Audit Committee which was also highlighted in the Auditor General's report for the year under review.
- Rectified the accounting errors which could be done in the year itself and steps have been taken not to repeat the accounting errors reported for the year under review in future;
- streamlined vehicle maintenance activities and prepared fuel consumption reports under the supervision of Senior Administrative Officer of the University in the absence of an Engineer with the recommendation of the Audit Committee
- Conducted annual verification for the year 2014 on time;
- Streamlined the conduct of Audit Committees and answering to audit queries;
- Prepared the Corporate Plan for 2014-2017 and Action Plan for the year 2014
- Audited UPF payments due for two staff members retired from the services;
- Checked systems adopted in the Institutes, checked project activities that were Undertaken and internal checking has also been carried out in respect of procurement activities to ensure the compliance of Rules, Regulations and Circular Instructions etc by the Institute and reports of same had been brought to the notice of the Audit Committee for remedial action where necessary. With the recommendation of audit Committee they had been tabled at the Board of Management for approval. Accordingly directives have been issued where necessary for compliance.

b. Determination of the responsibilities of the Internal Audit Unit and Review of the Audit Plan;

The Audit Committee approved the internal audit programme for the year 2014 submitted by the Deputy Internal Auditor of the University of Peradeniya, who has been assigned to the PGIA by the University itself. The Audit Committee considered

the quarterly progress reports submitted by the Deputy Internal Auditor as against the planned activities embedded in the audit plan for the year 2014 approved by the Audit Committee. The Committee reviewed and monitored the effectiveness of the Internal Audit and inspection functions of the Internal Audit Division and provided the guidance to improve the status of the Institute with good practices.

c. Review and Evaluate Internal Control Systems for all activities of the entity;

The Audit Committee paid its focus on the Internal control systems adopted in the Institute and noted that many lapses that were pointed out by the Internal Auditor has been attended to. The Audit Committee also reviewed the effectiveness of the Institute's internal controls over financial reporting and other related core areas such as vehicle administration, control of overtime payments, conducting annual stores verification/ Inventory verification/Library material verification, recovery of unsettled student payments etc., preparation of Fixed Asset Register, settlement of matters relating to the Electronic Identity Card System and settlement of refundable library deposits etc, and provided the necessary guidance to overcome the unsettled matters and made necessary recommendations to strengthen the internal control systems.

d. Compliance with Laws and Regulations

The Audit Committee reviewed the reports submitted by the External Auditors, Internal Auditors and COPE recommendations etc. on the state of compliance with applicable laws and regulations. With the recommendation of the Audit Committee, Institute had initiated action on settlement of advances, delegation of financial authorities to relevant officers in the Institute, proposed a new criteria for conduct of short courses and sent it to the Treasury for approval, sought clarification from the UGC for matters that had to be dealt with them in respect of payment of language proficiency as they had been the key issues that were highlighted by the Auditor General in his report. Towards this direction, a manual of procedure prepared for accounting matters have also been recommended to be adopted by the Institution for improvement of both financial performance and thereby improving overall performance of the Institution. Further, Audit Committee considered the reports submitted by the Institute in respect of receivable from course fee for past years, and action has already been taken to get them to the books having verified the balances from students. The Committee noted that manual of procedure is being prepared for work comes under the purview of the general administration and student admission, the Committee also continuously reviewed the process of replying to audit queries, replies were discussed at the Audit Committee and guidance were given for improvement of the answers provided. The Committee had satisfied with the answers provided, especially to the queries by the Auditor General and had a useful discussions with the Government Auditors to rectify the lapses and shortcomings in the administrative process of the Institution, which would result in the satisfactory outcome in the year ended as at 31st December 2014.

e. Review financial statements to ensure compliance with Accounting Standards:

The committee noted that all the financial statements were prepared according to the Sri Lanka accounting standards and noted that all remedial actions were taken for the queries raised by the Auditor General in this regard. The Committee strictly advised the Accounts division to adhere to them when financial statements are prepared in future.

The Audit Committee also reviewed the effectiveness of the Institute's internal controls over financial reporting and other related core areas such as vehicle administration, control of overtime payments, conducting annual stores verification/ Inventory verification/Library material verification, recovery of unsettled student payments etc., preparation of Fixed Asset Register, settlement of matters relating to the Electronic Identity Card System and settlement of refundable library deposits etc, and provided the necessary guidance to overcome the unsettled matters and made necessary recommendations to strengthen the internal control systems. Towards this direction, a manual of procedure prepared for accounting matters have also been recommended to be adopted by the Institution for improvement of both financial and thereby overall performance of the Institution. Further, Audit Committee considered the reports submitted by the Institute in respect of receivable from course fee for past years, and action has already been taken to get them to the books having verified the balances from students.

f. Meetings of Audit Committee

Four (04) Audit Committee meetings were held during the year ended as at 31st December 2014. The Audit superintendent of the government Audit Department, and the Director of the Institute were also present at all audit committee meetings as observers on invitation. In addition, Dean, Faculty of Agriculture, University of Peradeniya had also been appointed as a member of the audit committee.

5. CONCLUSION

The Audit Committee is satisfied with the initiatives taken by the authorities as per the directives given by them, the progress achieved, the effectiveness of the internal controls systems of the Institute and the follow up actions taken on the recommendations given by the Committee on outstanding matters such as preparation of Fixed Asset Register, matters relating to Electronic ID Card System operating in the Institute during the year 2014. As a result, the Committee noted that the PGIA would be receiving subject to opinion for the final accounts of the Institute for the year ended as at 31.12.2014.

Sgd.

Dr. Amara Satharasinghe/Chairman/Audit Committee

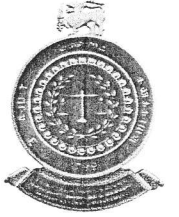
**Member Board of Management/Addl. Director General/Dept. of Census & Statistics
Postgraduate Institute of Agriculture (PGIA)/University of Peradeniya (UoP)**



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கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்

AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இல.
My No.

සිඑල්-1/කේඩ්/ජේ/පීඅයිඒ/01/உமது இல.
2014/04

ඔබේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date

2016 පෙබරවාරි 12 දින

අධ්‍යක්ෂ,

කෘෂිකර්ම විද්‍යා පශ්චාත් උපාධි ආයතනය.

කෘෂිකර්ම විද්‍යා පශ්චාත් උපාධි ආයතනයේ 2014 දෙසැම්බර් 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන පිළිබඳව 1978 අංක 16 දරන විශ්වවිද්‍යාල පනතේ 108(1) උපවගන්තිය ප්‍රකාර විගණකාධිපති වාර්තාව

මාගේ සමාංක හා 2015 අගෝස්තු 11 දිනැති ලිපියට යොමුවේ.

02. ඉහත සඳහන් ලිපිය සමඟ එවන ලද මාගේ වාර්තාවේ ඉංග්‍රීසි අනුවාදය මේ සමඟ එවා ඇත.

එච්.එම්.ගාමිණි විජේසිංහ

විගණකාධිපති

SAD
15/02/2016

පිටපත් :-

1. ලේකම් - උසස් අධ්‍යාපන හා මහාමාර්ග අමාත්‍යාංශය
2. ලේකම් - මුදල් අමාත්‍යාංශය
3. සභාපති - විශ්වවිද්‍යාල ප්‍රතිපාදන කොමිෂන් සභාව
4. උපකුලපති - ජේරාදේණිය විශ්වවිද්‍යාලය



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கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இல.
My No. }

CL/1/KD/J/PGIA/01/2014/04

ඔබේ අංකය
உமது இல.
Your No. }

දිනය
திகதி
Date }

11 August 2015

The Director,

Post Graduate Institute of Agriculture.

Report of the Auditor General on the Financial Statements of the Post Graduate Institute of Agriculture for the year ended 31 December 2014 in terms of Sub Section 108 (1) of Universities Act, No. 16 of 1978.

The audit of the Statement of Financial Positions as at 31 December 2013 and the financial statements of the Postgraduate Institute of Agriculture for the year ended 31 December 2014 comprising the Comprehensive income statement, Statement of changes in equity and Cash flow statement for the year then ended and a Summary of significant accounting policies and other explanatory notes 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 Section 20 of the Ordinance published in the Extraordinary Gazette No. 68/11 of 26 December 1979, Sub-section 107(5) and Sections 108 and 111 of the Universities Act, No. 16 of 1978. My comments and observations which I consider should be published with the Annual Report of the Institute in terms of Sub-section 108(1) of the Universities Act appear in this report. A detailed report in terms of Section 108 (2) of the Universities Act was issued to the Director of the Institute on 25 March 2015.

1.2 Management's Responsibility for the Financial Statements

The 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 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 judgement, 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 Institute'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 Institute'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-sections (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 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 Postgraduate Institute of Agriculture as at 31 December 2014 and its Financial performance and Cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

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

The following non-compliances with laws and rules were observed in audit.

Reference to Laws, Rules,
Regulations etc.

Non-compliance

(a) The Statute of Post Graduate
Institute of Agriculture ordinance
No. 02 of 1974

(i) Paragraph 14

Even though the academic committees should consist of 09 members inclusive of the Director of the Institute, it was observed in the audit that the participation of members of academic committees was not satisfactory.

(ii) Sub –paragraph 14 (7)

Although at least 06 sessions of the Academic Board meetings should be held per year, 05 sessions each had been conducted during the year under review for the committee of Agricultural Economics and Committee of the Centre of Food Science and Technology.

(b) Employees' Provident Fund
Act, No. 15 of 1958, and the letter
No. 3/අයක/11 of Commissioner
General of Labour, dated 24
August 2001.

As academic allowances are not defined as a cost of living allowance, this allowance should not be considered in the contribution for Employees' Provident Fund, Pensions Fund and Employees' Trust Fund. However, as action had been taken in contravention of the said requirement, contributions amounting to Rs. 61,940 had been overpaid to the aforesaid Funds on behalf of the academic staff of the Institute.

(c) Sections 28.5 and 28.6 of
Chapter XIV of the Establishments
Code of Democratic Socialist
Republic of Sri Lanka.

An application for the travelling expenses should be furnished within 30 days after the conclusion of the travel. Late fee should be get levied for late applications in terms of Section 28.6. However according to the test checks, late fees amounting to Rs. 18,726 had not been get levied from late applications of travelling expenses, forwarded at 10 instances.

2.2 Comments on Financial Statements.

2.2.1 Sri Lanka Public Sector Accounting Standards

Action, in terms of Sri Lanka Public Sector Accounting Standards No. 01, and Section 92, had not been taken to revalue and account the assets of the cost of Rs.88,136,603 depreciated to zero value but being further used.

2.2.2 Accounting Deficiencies

Even though it was the policy of the Institute to write off the computer information system, worth Rs.2,800,000 accounted under office equipment, as amortization by accounting it as an intangible asset, action had not been taken accordingly.

2.2.3 Non-availability of Evidence for Audit

The evidence indicated against the following 04 items of accounts of the year under review totaling Rs.27,159,533 had not been presented to audit.

<u>Item</u>	<u>Value</u> Rs.	<u>Evidence not made available</u>
Accrued Expenses	1,094,418	Schedules
Course Fees receivable	1,188,468	Schedules and Confirmation of Balances
Course Fees Received in Advance	24,114,499	-do-
Payment of Research Allowance for 05 Officers	<u>762,148</u>	approved Research Proposals
	<u>27,159,533</u>	

2.3 Accounts Receivable and Payable

Action had not been taken either to release or include in the income of the Institute a sum of Rs. 280,010 paid by the students as Science and library deposits during the period from 1974 – 2004.

(d) Chapter IX of Volume II, and Paragraph 4.1 of Chapter VII in Volume I of the Establishments Code of Universities

If Stock surveys, an activity extraneous to the normal duties, are conducted excluding working hours, only holiday pay or overtime can be paid. Contrary to those provisions, an allowance of stock survey totaling Rs. 79,090 had been paid to 06 officers of the Board of survey in the year 2013 for the stock survey conducted during working hours in the month of January of the year under review.

(e) Volume II of the Establishments Code of Universities

(i) (ii) and (iii) of 6.2 of Chapter VIII

Although ten per cent of the earnings generated through a service performed in addition to one's duty should be paid to the Higher Education Institute to which one belongs, a sum of Rs. 1,316,996 out of the sum of Rs. 13,169,959 paid as fees for visiting lecturers during the year under review of the Institute, had not been credited to the fund of the Institute.

(ii) 2.2 of 2 of Chapter IX

Payment of overtime should be made only for work specifically assigned, totally extraneous to the normal duties, urgent and not possible to perform within normal working hours. However, officers of the Institute had been paid a sum of Rs 2,094,403 as overtime payments during the year under review for performing the duties which were in the assignment of duties.

(f) Financial Regulations of the Democratic Socialist Republic of Sri Lanka

(i) Financial Regulation 371

Though ad hoc sub-Imprests granted should be adequate for the relevant purpose, advances in excess of Rs. 69,658 more than the amount required for the settlement of expenses had been granted in 11 instances.

- (ii) Financial Regulation 371(2) Although an ad hoc sub-imprest should be settled immediately after the completion of the purpose for which it was granted, advances totaling Rs. 95,000 had been settled with a delay of 01 – 11 months.
- (g) Volume V of Public Finance Telephone expenditure amounting to Rs. 20,781 had been Circular No. 446 dated 01 reimbursed to the Personal Secretary during the year under review September 2010 without a proper approval of the Secretary to the Ministry.
- (h) Paragraph 09 of Public A budget on human resources had not been prepared. Enterprises Circular No. PED /12 dated 02 June 2003.
- (i) Sections 02, 03, 04, 05 and 06 Though a Fixed Assets Register for computer accessories and of Treasury Circular No software should be maintained, such a Register had not been IAI/2002/02 dated 28 November maintained with respect to computer accessories and software of a 2002. sum of Rs. 18,755,469.

2.5 Transactions not supported by Adequate Authority

The following observations are made.

- (a) A sum of Rs. 1,186,537 had been paid as allowances to 45 officers of the Post Graduate Institute of Agriculture without the approval of the Treasury from July to December of the year under review in terms of the University Grants Commission Circular No. 07/2014 dated 17 July 2014 prepared in accordance with the letter No. DMS/1528(A) of the Director General of the Department of Management Services dated 01 July 2014.
- (b) A lecturer had been paid an honorary allowance of Rs. 150,000 without a proper approval for preparation of the Corporate Plan for 2014 – 2017.

- (c) In making the payments for the staff of the University officiating at the Centers in the University in terms of the provisions in Paragraph 02 of the Department of Public Enterprises Circular No. 95 dated 14 June 1994 and the Ministry of Finance Circular No. PE 1/174 11-2003 dated 29 January 2003, a sum of Rs. 674,406 had been paid allowances for coordinating short-term courses, fees for lectures and for making payments as fees for Assistants during the year under review without obtaining the approval of the Cabinet and Treasury for making payments.

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the financial result of the Institute for the year ended 31 December 2014 amounted to a surplus of Rs.41,865,313 as compared with the corresponding surplus of Rs.34,250,533 for the preceding year, thus an improvement of Rs.7,614,780 in the financial result for the year under review was observed. The improvement had mainly been as a result of the speed of increase in the internal earnings, and amortization on Government grants by Rs.24,311,860, and Rs.2,333,639 respectively than the increase of expenses by way of allocations made for personnel emoluments and salaries, other recurrent expenditures, and bad and doubtful debts of a sum of Rs. 7,350,852, Rs. 2,488,056, and Rs. 2,872,912 respectively.

4. Operating Review

4.1 Management Inefficiencies

The following observations are made.

- (a) No action whatsoever had been taken up to the date of audit in connection with 437 unidentified books valued at Rs. 230,255 in the verification of library books in the year 1995, and 68 unidentified books in the verification of books at the library in Mahailuppallama in the year under review.
- (b) Action had not been taken to update the rates levied for the maintenance of Welfare Canteen at the Post Graduate Institute of Agriculture and charges for water and electricity changed timely.

4.2 Operating Inefficiencies

The Institute had been unable to enroll students for 07 courses in the year 2014.

4.3 Idle and Under-utilized Assets

Even though immovable assets and slow moving assets amounting to Rs. 391,249 and Rs. 36,218 respectively had been identified according to the stock verification report, no action whatsoever had been taken regarding the same up to the date of audit.

4.4 Identified Losses

The following observations are made.

- (a) Even if a van valued at Rs. 800,000 insured with comprehensive insurance policy had met with an accident, action had not been taken to recover the damages up to the date of audit, i.e. 20 February 2015.
- (b) Even though it was revealed at the stock verification survey conducted in the year under review that 346 library books valued at Rs. 358,456 had been misplaced, action had not been taken to recover the losses by identifying the parties responsible thereof.

4.5 Personnel Administration

Even though the approved number of cadre of the Institute is 18, only 06 employees in the grades of drivers and labourers had been employed. Twelve posts inclusive of 10 in the academic staff, had been remaining vacant over a long time, and action had not been taken to fill those vacancies even up to the date of audit.

5. Accountability and Good Governance

5.1 Corporate Plan

Although a Corporate Plan should be prepared for a period not less than 03 years, updated annually, approval from the Board of Management should be obtained for the same and it should be furnished to the Auditor General, the Treasury, the Line Ministry and to the Department of Public Enterprises at least 15 days prior to commencement of each new year in terms of Paragraph 5.1.3 of Public Enterprises Circular No. PED/12 of 02 June 2003, the approval from the Board of Management for the Corporate Plan for the year under review, had been obtained on 31 January 2015.

5.2 Action Plan

Even though an annual Action Plan had been prepared in order to achieve the objectives included in the Corporate Plan, the Institute had not devised a methodology to look into the progress timely in achieving the objectives in the Action Plan.

5.3 Internal Audit

An Internal Audit Unit had not been established at the Institute. Instead, the internal audits had been carried out by the Internal Audit Unit of the University of Peradeniya. The following weaknesses were observed therein.

- (a) Quarterly Reports and Annual Reports that should be prepared in terms of the Secretary to the Ministry of Finance's Audit and Management Circular No. DMA /2009 (1) dated 09 June 2009 had not been prepared during the prescribed period.
- (b) An internal audit programme had been prepared for the year under review. All the divisions that should have been checked during the year, had not been checked and only 02 Internal audit reports on the investigations carried out, had been presented.

5.4 Audit Committees

The audit committee had not presented its observations to the Board of Directors In terms of the Section 7.4.1 of the Public Enterprises Circular No. PED/ 12 dated 02 June 2003 and the following matters related to the audit committee had been deemed out of scope.

- (a) Definition of the responsibilities of the Internal Audit Unit and review of the annual audit plan.
- (b) Review and evaluation of internal control system relevant to all activities implemented in the Institute.
- (c) Reports containing the observations to be included in the Annual Report.
- (d) Review on the proposals / guidelines presented to the Committee of Public Enterprises.
- (e) A review and actions impending on the management letters and on the internal / external audit reports.

5.5 Procurement Plan

Even though a main Procurement Plan had been prepared for the year under review in terms of the provisions of the Government Procurement Guidelines, activities of procurement expected for the minimum period of 03 years had not been included therein.

5.6 Budgetary Control

As the Annual Budget had not been made use as an instrument for the achievement of the targets set in the year in terms of 5.2 of the Public Enterprises Circular No. PED/12 of 02 June 2003, the following matters were observed.

- (a) When budgeted and actual expenses are compared, an under- provision had been made for expenses totaling Rs 3,041,000 relating to 07 Objects, whereas an over-provision had been made for expenses totaling Rs. 11,385,000 relating to 31 Objects.
- (b) When budgeted and actual income are compared, an income of Rs. 24,622,000 relating to 13 items of income had been under-assessed.

6. Systems and Controls

Weaknesses in the systems and controls observed during the course of audit were brought to the notice of the Director from time to time. Special attention is needed in respect of the following areas of control.

- (a) Accounting
- (b) Utilization of Research Grants
- (c) Financial Management
- (d) Employee Management
- (e) Procurement
- (f) Library Administration
- (g) Conducting / Management of Courses

W.P.C. Wickramaratne
Acting Auditor General.

Audit Replies

Ref. No.CL-1/KD/J/PGIA/AD/2014/04

To: Auditor General, Auditor General's Department

Subject : Audit Report 2014

With reference to the above number and dated 11.08.2015, the reasons and the explanations regarding the Report of the Auditor General are as follows:

2.2 Views regarding the Financial Statement

2.2.1 Accounting standards of the Sri Lankan Government

As requested from the Department of Valuation by the letter dated 02.12.2014 for revaluation of other assets worth of Rs. 58,651,102 except the books in the library as pointed out by the Dept. of Valuation appeared in the report of the Auditor General as advised by the 45th meeting of the Audit Committee held on 01st August 2014. Accordingly all documents related to assets were given to the Dept. of Valuation on 23.01.2015 as requested by them in their letter KD/Misc. /014/A6 dated 08.12.2014, and after commencing the revaluation on completed on 12.03.2015 and received the value of revaluation. We have already arranged to include those values in the fixed assets register and also update the register. Tallying of accounts related to assets will be included in the accounts for the year 2015.

2.2.2 Shortcomings in Accounts

According to accounting standards, information in computers cannot be classified as intangible assets and it was not even revealed through the policies of accounts of the Institute. Accordingly M.I.S. of the Institute which was purchased without computing the value will be classified under office equipment and arrangements have been made to discard them.

2.2.4 No Evidence for Auditing

Accrued Expenses – Rs. 1,094,418

It seems that there is no accrued item for value of Rs. 1,094,418 shown in the schedule of the audit report related as sundry expenses of Rs. 4,744,149.32 and Rs. 22,745,251 considered as the accrued expenses as visiting lecture fees related to total accrued expenditure of Rs. 27,489,400.32 in the year 2014.

Receivable Course Fees 1,188,468

According to the bilateral agreement of understanding between the PGIA and Yeshuwa Tech Institute of Ghana, from the 20 students who have registered for M. Sc. degree courses for Statistics have received an amount of Rs. 1,188,468 as the course fee and enrolment fee for the year 2014. As this course will commence in the year 2015, the amount had been taken into the accounts as future course fees received.

Future Course Fees received Rs. 24,114,499.

The schedule regarding future course fees received was submitted for auditing and the relevant documents can be submitted for auditing whenever required.

Payment of Research Allowance

Arrangements have been made to pay the research allowance for 5 officers who were eligible according to the U.G.C. circular no. 1000 dated 08.01.2013 and no. 05/2014(ii) dated 28.05.2014 after submissions of proposals to the Senate Research Committee and on its recommendation based on the letter no. AE/10 dated 20.08.2014 to Prof. S. Samita and Ms. I. Mudannayake, and to Miss S. Herath, Mr. SP Jayakody and Ms C. Dahanayake based on the letter of E/10 dated 24.10.2014. I wish to inform you that relevant research proposals can be obtained from the Senate Research Committee.

2.3 Receivable and Payable Accounts

The dates regarding the registered Nos. 5438, 5793 and 5854 should be altered as 29.10.2005, 10.11.2005 and 05.11.2005 respectively. Accordingly, action had been taken to clear the deposits of registered student up the year 2004 by now. In addition, action is being taken to do the needful for the students who have exceeded the time period in order to complete their degrees to pay the deposits after writing to them or to take into the accounts of the Institute.

2.4 Not conforming to the rules and regulations and management decisions

(a) Clause No. (i) 14 of PGIA Ordinance No 02 of 1974

While there is a marked development of participation of academic staff members relative to the previous years during the academic year under review, action will be taken to remove the members whose services were not satisfactory after informing the relevant secretaries of academic boards.

Clause No. (ii) 14 (7)

According to the ordinance of the Institute every academic board should have at least 06 meetings per year. It is hereby admitted that academic boards of agricultural economics and the academic board of food science and technology had conducted only 5 meeting each and therefore, it has been informed that relevant academic boards should conduct required number of meetings covering even the number of meetings they have neglected.

(b) The Act No. 15 of 1958 - Employees Trust Fund and the letter of Labour Commissioner No. ෧/අයවන/11 dated 24th August 2001

According to the Circular No. 1000 dated 08th June 2013 issued by the University Grants Commission the money contributed had been paid.

(c) Clause no. 28.5 and 28.6 of the chapter xiv of the Establishment code Democratic Socialist Republic of Sri Lanka

The Institute will make the payments only after concluding the lectures, holding examinations and issuing of marks. Accordingly, what is considered for reimbursement of travelling fees is not the date on which the journey was completed but the date on which the request was made after completion of the above conditions. However, the recommendations made by the 32nd meeting of the Finance Committee held on 24.07.2015, and the recommendations made by the Board of Management at its 216th meeting held on 03.09.2015 will be submitted to the next audit committee

meeting and approval will be sought not to levy a late fee on requests made after completion of the above conditions.

(d) Clause No. 4.1 of Chapter vii and chapter ix of part II of the University Establishments Code

As payment cannot be made for working on evenings according to the normal procedure for the staff officers who have participated in the annual board of survey in the year 2013, the approval of the Board of Management at its 203/17 meeting held on 24.11.2013 was sought to pay an honorarium to the staff officers and other employees taking into account the time spent for the relevant Board of Survey. However, action had been taken to pay overtime payment and holiday pay since the year 2014.

(e)(i) Clause No.ii and iii of 6.2 of Chapter viii – University Establishments Code

As the visiting lecturers of this institute are conducted by the academic staff of the Universities, most of the lectures and practical classes are held on holidays and on weekends. In addition, limited numbers of lectures are conducted during weekdays on urgent occasions. As 10% and 16% tax is levied from the total income of these lecturers, the Internal auditor of the UGC at the 49th meeting of the audit committee held on 27.03.2015 informed that approval will be sought to release these lecturers from paying the state portion of the income. As pointed out in the Auditor General's report about Rs. 13,169,959.00 the value of the lecture fees conducted outside the normal office hours will be computed and a comprehensive report will be submitted to the audit in future.

(ii) Clause No. 2.2 of Chapter ix of the University Establishments code

As most of the lectures and practical classes of this institute are conducted on weekends, offices, lecture rooms, computer units, other sections and laboratories of the faculty of agriculture has to be frequently obtained. Therefore, overtime services were obtained only from the required employees and limited the overtime work of other employees. As pointed out by the previous audit reports and recommendations made by the common general committee, overtime payment is paid only up to 35% of the basic salaries of employees.

(f) Financial Regulations 371 of the Democratic Socialist Republic of Sri Lanka

It is hereby admitted that although advance payments were released at the rate of Rs. 20,000.00 considering the budget estimates, it was noted at the time of settlement of advance payments that expected expenditures were not met. Therefore, according to the recommendations made at the 49th meeting of the audit committee held on 27.03.2015 explanations would be obtained from the relevant officers as to why they were unable to make the expected expenditure.

Financial Regulations 371 (2)

Except the cash advance of Rs. 5000.00 paid to Ms S. Herath on 09.06.2014 pointed out by the audit report, the rest of the money paid were not advance payments, they were only additional cash imprests paid during the financial year.

(g) Volume 5 of the financial circular 446 of the Government dated 01st September 2010

As mentioned in the (i) paragraph, when the University Grants Commission adopting the Finance Circular of the Government it was mentioned under volume vi of the

UGC circular 922 that middle and lower grade executive officers could be reimbursed their communication fees up to the limit of Rs. 4,000.00. Therefore, according to the commission circular no. 922 telephone bills of personal assistants belonging to the lower category of executive officers are paid their telephone bills up to the limited of Rs. 4,000.00. These payments are made on the recommendation of the Finance Committee of no. 21 in the year 2012 and approval of the Board of Management at its 197.5 meeting held on 12.11.2012.

(h) **Clause No.09 of the State Public Enterprises circular no. PE D/12 dated 02nd June 2003**

As pointed out by the Auditor Generals' report a budget of human resources is being prepared as at present and copies of the same will be sent to the relevant institutes in future.

(i) **Clause Nos. 02, 03, 04, 05 and 06 of the circular no. IAI2002/02 dated 28th November 2012 of the Treasury**

While it is hereby admitted that as pointed out by the auditor general's report that there is no separate fixed assets register for the computer accessories and software and as advice given by the Secretary of the treasury in his circular no. ZAI/2002/12 dated 28.11.2002, fixed assets register will be prepared including the amounts revalued by the Dept. of Valuation and will be submitted to the audit in future.

2.5 Transactions which were not conformed by relevant authorities

- (a) According to the UGC Circular No. 07/2014 dated 17.07.2014, additional 20% of payment had been made to staff for enrolling additional batch of students based on the year 2011/2012. Accordingly, comparatively to the base year 2011/2012 during which 388 students has been registered, the institute was able to register 430 students in the academic ear 2012/2013 and the institute was able to increase its total income of registration and course fees from Rs. 34,619,133.33 to Rs. 61,514,526.71.
- (b) As depicted in the Auditor General's Report the honorarium payment of Rs. 150,000.00 paid to Dr. SSE Ranawana was for the purpose of preparation of Corporate Plan for the Institute including the preparation of the Students Hand Book, rules and regulations and by laws for students and code of ethics for students as well as for academic staff and preparation of manual of procedure. This payment had been made on the approval given by the Board of Management at its 202nd meeting held on 27.09.2013 and on the approval of the council at its 420th meeting held on 28.05.2013.
- (c) Taking into account the time spent and the expert knowledge for coordinating and assisting the short term workshops, lectures and practical examinations conducted by the PGIA an increased payment of more than the normal lecture fees and practical classes had been paid according to an estimate after taking approval of the Board of Management and the Finance Committee.

3. Review of Finances

- 3.1 It is hereby kindly informed that the information submitted regarding the review of finances of the institute is accurate.

4. Review of Operations

4.1 Inefficiencies in Management

- (a) As the verification of books in the year 1995 had been carried out by the relevant staff themselves without any formal procedure it was not possible to take any action regarding 437 books which have been mentioned as they could not be identified. The observations made by the Senior Assistant Librarian regarding 68 books which have been mentioned as they could not be identified at the verification of books in the year 2014 done at Mahailuppallama library will be placed at a special committee appointed by the Board of Management and future action will be taken.
- (b) After revaluation of the charges for water and electricity, action will be taken to obtain a realistic charge which will be appropriate for the present day conditions.

4.2 Operational Inefficiencies

Although the Auditor General has pointed out in his report that no students have been registered for the following courses of study, the number of students registered for those courses in the year 2014 were as follows.

1. Ph.D. (R) in Agricultural Biology	04
2. Ph.D. (R) in Crop Science	09
3. Ph.D. (R) in Food Science & Technology	01
4. M.Phil Agricultural Extension	03
5. M.Phil Crop Science	09
6. M.Phil Food Science and Technology	03
7. M.Phil Agricultural Biology	04

Research students for the PGIA are enrolled only after an interview and a scrutiny of the proposed research by each academic board. Students are enrolled according to the merit at the interview, presentation of each research proposal and also on the recommendation of the academic board. Although students apply for research degrees in some years, they are not enrolled if the applicants are not related to the relevant academic discipline.

4.3 Unutilized and Underutilized Assets

The Institute received the report of the stocks verification conducted as at 31.12.2014 on 25.01.2015. The recommendations of the Verification Board were placed at the Finance Committee held on 27.02.2015 and on the same day at the Board of Management at its 211th meeting. The report has already been submitted to the special committee appointed for this purpose. Accordingly action will be taken in the near future regarding the unutilized and slow moving items.

4.4 Identified Short comings

- (a) A request had been made to the Sri Lanka Insurance by letter dated 27.03.2014 in order to obtain the insurance payment for the damaged vehicle and they agreed to pay an amount of Rs. 650,000.00 by their letter no. V/CH/1/010/1017567/2014 dated 04.11.2014 considering it as a fully damaged vehicle. The board of management at its 207th meeting held on 26.07.2014 appointed a special committee consisting of 04

members in order to take further action regarding this damaged vehicle as per the financial regulations 104. But the special committee was not in agreement with the insurance payment and therefore, another request was made on 28.11.2014 to pay the full value of the insurance. Although the Sri Lanka Insurance was in agreement to increase the payment to Rs. 750,000, the committee was not in agreement to accept even this value and therefore, another request was made by our letter dated 23.01.2015 to pay the full insurance value. Considering this request Sri Lanka Insurance was in agreement to pay the full value of the insurance of Rs. 800,000.00 by their letter no. V/CH/1/010/1017567/2014 dated 10.03.2014. The special committee at its meeting held on 19.03.2015 was in agreement for this amount. Accordingly subject to payment of the full amount of the insurance the ownership of the damaged vehicle was transferred to Sri Lanka Insurance on 01.04.2015 and Sri Lanka Insurance had arranged to make a payment of Rs. 796,050 on 29.04.2015.

- (b) Physical verification of books of the PGIA Library was commenced on 25.07.2014 and concluded on 10th August, and the final report was forwarded to the Director on 10.11.2014. The observations made by the former Senior Assistant Librarian on 30.01.2015 and 03.03.2015 regarding the books, periodical and journals which have been considered as lost given to the Director had already been forwarded to a 3 member committee appointed by the Board of Management. Accordingly as soon as the recommendations of the committee are received they will be forwarded to the Board of Management and future action will be taken.

4.5 Administration of Staff

Professor/Visiting Professor/Senior Lecturer Grade II

The Institute had already sought the approval of the UGC by its letter no. UGC/HR/09/01/59 dated 19.03.2008 for filling of vacancies of 03 posts of professor, 02 posts of visiting professor and 03 posts of senior lecturer on self-funded basis and also at the requirement of the Institute. Accordingly, lecturers were appointed for these positions on the recommendation of academic boards for short term periods. Action will be taken to fill these vacancies in the future. In addition, utilizing the allocations made for 01 post of senior lecturer Mr. DMKB Dissanayake was appointed with effect from 01.10.2015 as a tutor for the academic board of the MBA course and another tutor will be appointed with effect from 01.09.2015 for the Agricultural Projects academic board on the recommendation of the Board of Management and the Council.

Post of Coordinator

Mr. TAAN Siriwardena had been appointed with effect from 01.04.2015 for the post of Coordinator which had been fallen vacant.

Post of Senior Assistant Librarian

This post fell vacant on 14.11.2014 and a press advertisement was placed on 24.11.2014 in order to fill the vacancy. Although 03 applications have been received only one person had all the required qualifications. Accordingly, a selection board was appointed by the Board of Management at its meeting held on 25.01.2015 and an interview was held. Ye the selection committee had not recommended to appoint any of the applicants and therefore, since there were no sufficient number of candidates, the committee had recommended to call for fresh applications which will be open

even for the Assistant Librarians in the system too. Accordingly, these recommendations had been submitted to the Board of Management and action will have already been taken to call for fresh applications.

Post of Driver

At the time of action was being taken to fill the post of driver by confirming the driver appointed on assignment basis, his appointment was not extended as a result of the accident in connection with the vehicle no. 60 – 5134, and his appointment on assignment basis was terminated on the recommendation of the Board of Management and the Council and the request made by him to confirm in the post of driver had been ignored on the recommendations given by the Council held on 27.01.2015 which was received by us on 15.02.2015. Accordingly, applications have been called and action is being taken to fill this vacancy.

Post of Labourer

Action is being taken to obtain the approval in order to convert one post of labourer as a post of hostel keeper at the requests of students for the proposed hostel complex. The approval of the Dept. of Management Services had been sought in order to fill the other post of labourer.

5. Accounting Affairs and Good Governance

5.1 Corporate Plan

The corporate plan proposed for the years 2014 – 2017 had been discussed from the year 2014 at the Board of Management considering the advice given at the series of workshops conducted by the UGC and also the Ministry of Higher Education and handed over the plan at a workshop conducted by the Ministry of Higher Education on 16th July 2014. Accordingly, the Board of Management had already granted its approval at its meeting held on 31.01.2015 for the revised Corporate Plan.

5.2 Action Plan

The progress of the annual action plan have been informed to the UGC and the Ministry of Higher Education on two occasions and copies of those are available in the Accounts Branch to be submitted to the Audit whenever required.

5.3 Internal Auditing

- (a) The internal auditing of the Institute, affiliated institutes and centers are done by the Internal Audit Division of the University utilizing the resources available with them. They submit the activities carried out by them to the University Audit Committee in the form of quarterly and biannual reports. The copies of them are even handed over to the PGIA.
- (b) While there is no specific auditing staff for the institute, the auditing of the Peradeniya University, PGIA and also other Centers is done by the Internal Audit Division of the University of Peradeniya. Therefore, utilizing the limited resources the audit division has, and also with maximum efforts they have issued 02 reports for the year 2014.

5.4 Audit Committees

Among the matters pointed out by the report of Auditor General, action has been taken for determination of the responsibilities of the Audit Division, to review the annual audit plan, to review the observation reports for inclusion of annual reports, proposal made to government project committees/review of guidelines, internal/external audit reports, review of management letters and future actions to be discussed at all meetings of audit committees and to draw attention to the Board of Management.

5.5 Procurement Plan

The amount of annual allocations made by the Treasury to the PGIA is given on annual basis, and the annual budget and the annual action plan is prepared accordingly. Therefore, since it is uncertain about the amount of allocation made by the government it is not practical to prepare the procurement plan for 3 long years; therefore it was prepared on annual basis.

5.6 Controlling of the Budget

- (a) Circulars were issued after the budget was prepared and variables could be seen on income and expenditure headings and as expected expenditure was carried out and not carried out due to different reasons there was differences of deficiencies and over deficiencies in expenditure votes. Therefore it was noted to realistic prepare future budget minimizing all variables.
- (b) Action will be taken to minimize the budgeted incomes and actual income when future budgets are prepared.

6. Systems and Controlling

Relevant Heads of Departments and staff were already made aware that attention should be paid to the areas where there are weaknesses in internal control as pointed out by the Auditor General' report.

I privately certify that all the explanations given here from your query are correct.

Professor S. Samita
Director/PGIA
Postgraduate Institute of Agriculture

Copies

- 1. Secretary, Ministry of Higher Education and Research
- 2. Chairman, University Grants Commission
- 3. Secretary, Ministry of Finance
- 4. Vice Chancellor, University of Peradeniya