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Message from the Chairman

It is a pleasure to issue a message for administrative report in year 2017 as the Chairman of National Institute of Co-operative Development which is a pioneering national institute of at government level at developing human resources of the Sri Lankan Co-operative Movement.

This report provides a good understanding on how efficiently and productively physical, human and financial resources of the institute have been utilized in year 2017 and its progress and accounts.

As the present Chairman of the institute, the commendable service extended by academic and non-academic staff of National Institute of Co-operative Development in year 2017 to enrich human resource, which is the most important resource, with knowledge, skills, attitudes and the relevant practice for the sustainable development of the Sri Lankan Co-operative Entrepreneurships by the proper management of limited institutional resources is appreciated.

It is hoped with the whole heart that National Institute of Co-operative Development, which received reputation as the native home of the Sri Lankan Co-operative Movement as a pioneering national institute performing academic trainings and researches of co-operative field, and the whole staff of the institute will always receive the necessary strength to fulfill institutional goals needed to establish co-operative society consisted of creative and innovative global relationship with sustainable existence.

Rohana Keerthi Dissanayake

Chairman

National Institute of Co-operative Development

Polgolla.

Message from Director General

This note is written with the expectation of the development and the sustainable existence of the Co-operative movement and the institute at this time of the issuance of annual report 2017 of National Institute of Co-operative Development.

The contribution for the achievement of the planned targets at the maximum level in year 2017 by the Management Board, Academic Board and Academic and non-academic Board facing various difficulties and challenges with the limited human resource is appreciated.

It is hoped that the institute will have the strength to perform tasks necessary to generate human resource suitable to act so as to win challenges faced by the Co-operative movement at the global level and to be the excellent knowledge provider for the Sri Lankan Co-operative Movement.

G.H.M.A. Premasinghe
Director General and the Chief Executive Officer
National Institute of Co-operative Development
Polgolla

Introduction

Introduction

Sri Lanka Co-operative School was reorganized as National Institute of Co-operative Development with the aim of granting an educational system comprising new strategies and methods changing from the traditional co-operative education prevailed up to then and successfully facing the environmental factors of the present globalization. Accordingly, the Co-operative School of Polgolla was incorporated on the 01st July 2001 as National Institute of Co-operative Development by the Parliamentary Act No. 01 of 2001.

Accordingly, the Co-operative School governed by Department of Co-operatives was transformed into a statutory institution by the name of National Institute of Co-operative Development and the functions of administration, management and governance are assigned to a Board of Management in accordance with power assigned or vested by this Act.

This Board of Management consists of representatives of the foremost ministries of the Sri Lankan Government and the scholars of the government and the private sector.

The new institute accomplishes development skills through enhancing education prioritizing the co-operative field conforming to the methodologies of education and training not only in national level but also in international level. The availability of conducive educational environment and the facilities of space in this institute has become a powerful factor to achieve these aspirations.

Conforming to the changing environment of the diversified co-operative movement based on the co-operative values, the institute carried out several subject related short term courses and managerial training programmes with the aim of providing knowledge and skills except in the year under review.

1. National Institute of Co-operative Development

The annual report 2017 has been prepared summarizing the annual performance, progress and current challenges in 2017 of National Institute of Co-operative Development. This institution is a national institution having co-operative education as its foremost duty assigned by the institutional Act and, engaging in relevant functions as well as the provision of its education and facilitation for outside fields.

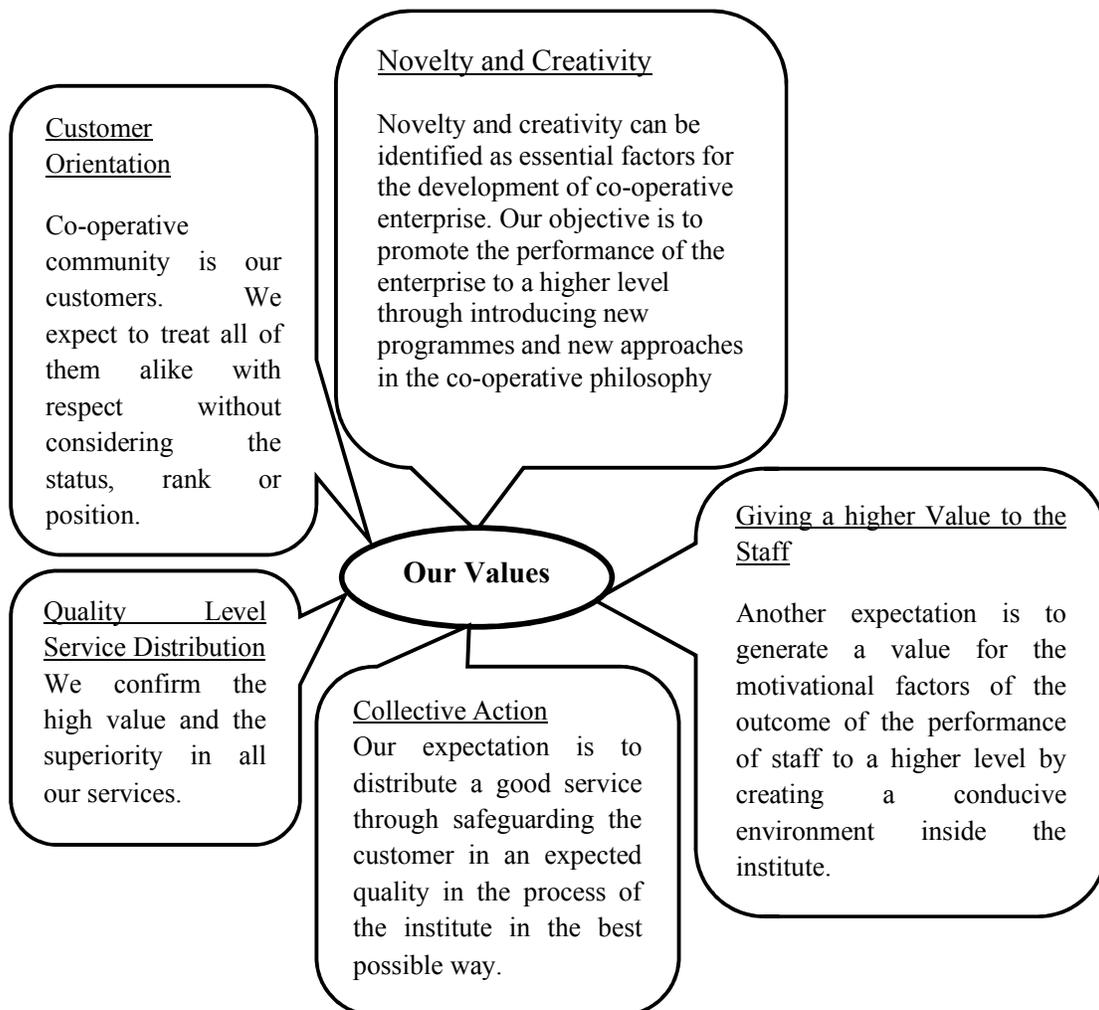
1.1. Our Vision

Establishment of a sustainable, creative, novel and perfect co-operative movement associated with global relations in Sri Lanka.

1.2 Our Mission

Development of the necessary human capital for the purpose of producing a natural and sustainable co-operative entrepreneurship which confirms the collective participation comprising good governance and creativity.

1.3 Our Values

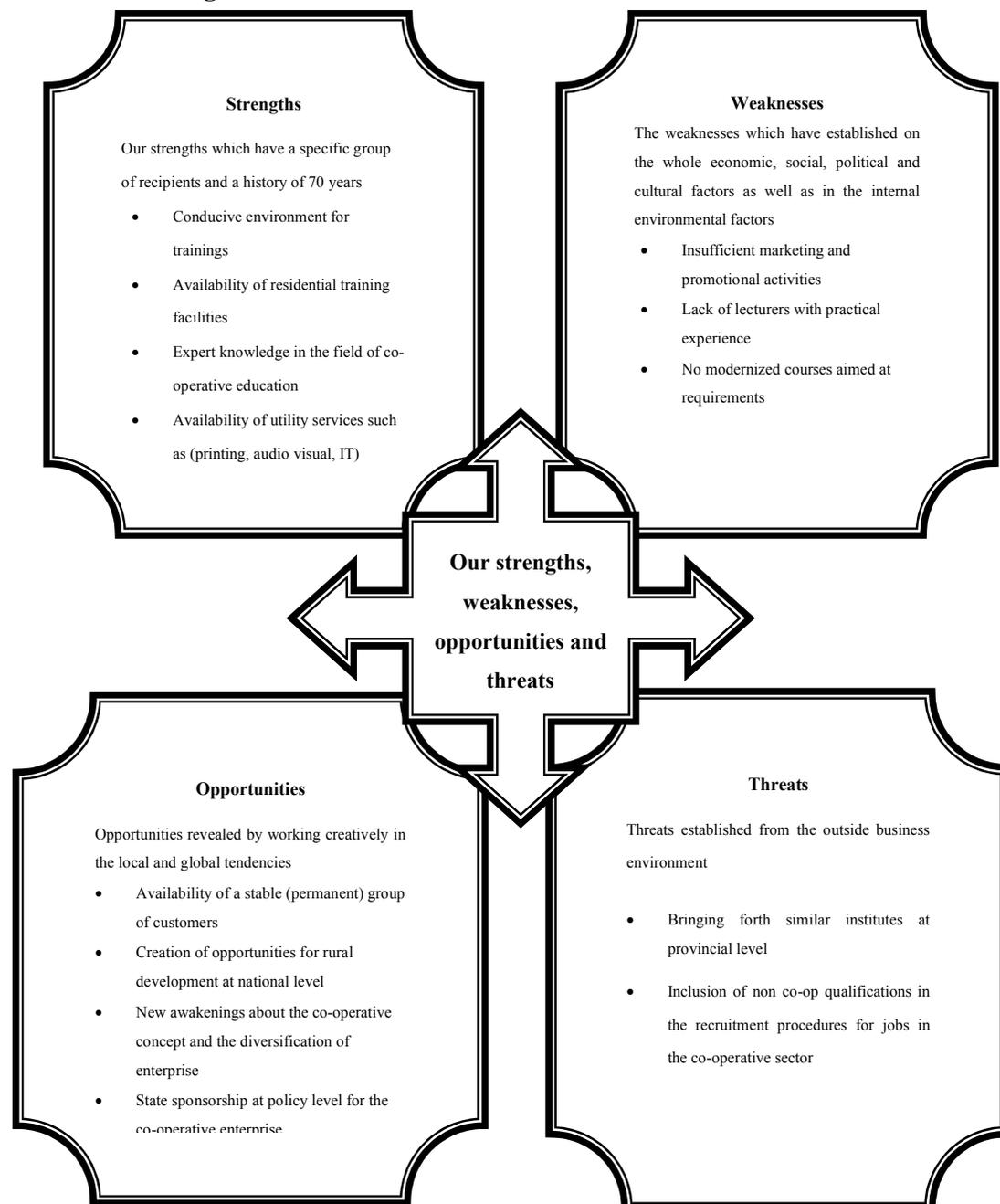


1.4 Objectives and Summary of Aims

The role of the institution is planned with 11 aims based on 06 goals for the regulation of functions of this institution

1. **Objective** Developed policies and Management.
2. **Objective** Productively develop the human capital giving priority to co-operative movement.
3. **Objective** Availability of research and development programmes related to co-operative movement
4. **Objective** Establishment of co-operative policies in the civil society
5. **Objective** Having supplied training and development services to the expected parties
6. **Objective** Availability of a Sri Lankan Co-operative Movement which has strong relationships with the international co-operative organizations with new global trends

1.5. Strengths and weaknesses



1.6 Our Role

When Sri Lanka Co-operative School established in year 1945 was restructured by National Co-operative Development Institution Incorporation Act No, 01 of 2001, the following functions have been assigned to the institution by Section 04 of Part 01 of the Act.

- I. Facilitating to interact and exchange information among persons who are engaged in activities relevant to co-operative development.
- II. Acting as a resource center for the data collection relevant to co-operative development and, collating and propagation by the publication of the collected data.
- III. Granting certificates and other distinctions for persons who passed the prescribed examinations by following academic and training courses relevant to co-operative development.
- IV. Undertaking and managing co-operative entrepreneurs in need of management skills.
- V. Providing professional instructions to co-operative entrepreneurs.
- VI. Establishing model co-operative villages, model co-operative trade centres and provincial centres.
- VII. Acting in cooperation with organizations that perform similar functions and that are located inside or outside of Sri Lanka.

1.7 Our Resources

The Institute is located along the “Kandy – Madawala” Road closer to Mahaweli dam near the Polgolla Education Center in Kandy District. It is a state educational institution established (spreading 20 acres in extent) for the promotion of human capital in the co-operative sector in this country.

1.7.1. Human Resources

National Institute of Cooperative Development is rich in human and physical resources and the staff has planned to maintain institutional functions on the management and policy decisions of the Board of Management and the Academic Board.

1.7.1.1 Board of Management

In accordance with Section 05 of Part 02 of National Co-operative Development Institute Incorporation Act No, 01 of 2001, the functions of administration, management and governance are assigned to the Board of Management. Accordingly, the Board of Management is the highest Administrative Authority of the Institute.

The constitution of the Board of Management has been mentioned by Sub section 6 (1) of part 02 of the Act and the Board shall consist of the following appointed members.

Ex-officio members	Secretary to the Ministry of Co-operative Development who holds the position for the time being or his nominee.	01
	The Commissioner and Registrar of Department of Co-Operative Development	01
	Chairman of National Co-operative Board	01
	Director General of the Institute who was appointed under the Section 16 of the Act.	01
Members appointed	Three eminent persons, who have brode experience in the co-operative sector and management, nominated by the Minister of the subject of co-operatives	03
	Representative from the Ministry of Higher Education, nominated by the Secretary to the Ministry of the Minister of Higher Education	01
	Representative from the Treasury nominated by the Secretary to the Ministry of Finance	01
Total		09

The Board of Management is assigned the functions of administration, management and governance of the Institute. The Board of Management should execute or perform powers and functions enacted, assigned or vested by this Act for the administration of the activities of the institute as well.

In addition, directing resources of the institute so as to reach aims and objectives in such a way that the annual development plans, annual budgets, evaluation and approval, the preparation of policies, the supervision of performance of the institute periodically and evaluation, and analyzing annual, biannual, quarterly financial reports and reports of the auditor general and evaluation are responsibilities of the Board of Management and if the results cannot be balanced, it is the duty of the Board of Management to take remedial measures to reach the expected targets.

The Board of Management consisted of the following members in the year under review.

	Position	Name
1.	Chairman of Board of Management	Mr. Lalith Gangewatte
2.	Member of Board of Management	Mrs, L.A. Sujatha Wijesinghe Director General, National Institute of Co-operative Development, (Sri Lanka Administrative Service - Special Grade)
3.	Member of Board of Management	Mr. Chinthaka S Lokuhetti Secretary, Ministry of Commerce and Industries (Sri Lanka Administrative Service- Special Grade)
4.	Member of Board of Management	Mr. K. D. N. Ranjith Ashoka Secretary, Ministry of Commerce and Industries (Sri Lanka Administrative Service- Special Grade)

5.	Member of Board of Management	Mr. D.Jeewananda Commissioner and Registrar (Central Government) (Sri Lanka Administrative Service- Special Grade)
6.	Member of Board of Management	Mr. S. L. Naseer, Commissioner and Registrar (Central Government) (Sri Lanka Administrative Service- Special Grade)
7.	Member of Board of Management	Mrs.A.D.A.K Nandasena Assistant Director (Finance) Ministry of Finance. (Sri Lanka Administrative service - Special Grade)
8.	Member of Board of Management	Mr K. K. S. A. Perera, Director (Finance), Ministry of Finance. (Sri Lanka Administrative service - Special Grade)
9.	Member of Board of Management	Mr. D.S.N Hettige
10.	Member of Board of Management	Mr. Lalith Peries Chairman, Sri Lanka Co-operative Board
11.	Member of Board of Management	Mr. M. S. M. Rismy

The quorum for the Board of Management should be 5 members and the provisions have been made to conduct meetings of the Board of Management at least once in three months by the Act.

The Board of Management have held 04 meetings in year 2017 under review.

Serial No	Name	Meeting Dates			
		1/3	30/5	3/8	10/11
1.	Mr. Lalith Gangewatte.	✓	✓	✓	✓
2.	Mrs. L.A. Sujatha Wijesinghe	✓	✓	✓	✓
3.	Mr. Chinthaka S Lokuhetti	✓	ab	✓	-
4.	Mr. K. D. N. Ranjith Ashoka	-	-	-	✓
5.	Mr. D.Jeewananda	✓	-	-	-
6.	Mr. S. L. Naseer	-	✓	✓	✓
7.	Mrs. A.D.A.K Nandasena	ab	ab	✓	-
8.	Mr K. K. S. A. Perera	-	-	-	✓
9.	Mr. D.S.N Hettige	✓	✓	✓	-
10.	Mr. Lalith Peries	✓	✓	✓	✓
11.	Mr.M.S M.Rismy	✓	✓	✓	✓

1.7.1.2 Academic Board

The Academic Board of the Institute appointed by the Board of Management should consist of the following members in accordance with Section 03 of National Co-operative Development Institution Incorporation Act No, 01 of 2001.

Director General of the institute appointed under section 16 of the Act	01
A representative of the Academic Staff members of a University nominated by the University Grants Commission established by the Universities Act No. 16 of 1978	01
Commissioner General of Examinations or his representative	01
Commissioner of Co-operative Development or his representative nominated by him	01
An eminent person who has experience in management and training, appointed from the co-operative sector or the private sector according to the opinion of the Minister.	01
Total	05

Every member of the Academic Board is appointed to perform the following activities and the functions of the board for a period of three years in accordance with sub-section 12 (03) of the Act and the quorum for the Academic Board should consist of three members.

- **Functions of the Academic Board**

The following functions should be performed by the Academic Board in accordance with the policy decisions taken by the Board of Management in terms of Section 13 of the Act.

- Preparation of training and research programmes
- Curriculum development for the courses conducted by the institute
- Preparing recommendations for examinations conducted by the institute and approval, the supervision of examinations and proposals for the evaluation of educational programmes.
- Release of results subject to confirmation by the Board of Management
- Preparation of rules and regulations for scholarships, medals and other awards

The Academic Board is appointed in order to carry out the following functions and duties and the Board consisted of the following members in the year under review.

Name	Position
Mrs. Sujatha Wijesinghe	Mrs. L.A. Sujatha Wijesinghe Chairman of the Academic Board Director General, National Institute of Co-operative Development, Polgolla, (Sri Lanka Administrative Service - Special Grade)
Mr. W.M.N.J. Pushpakumara	Member of the Academic Board Commissioner General of Examinations Department of Examinations Pelawatte, Battaramulla

Not appointed	Member of the Academic Board Representative of University Grant Commission Senior Lecturer Department of Economics University of Peradeniya
Not appointed	Member of the Academic Board Commissioner of Co-operative Development Central Province, Ehelepola Kumarihamy Mawatha, Bogambara, kandy
Mr. C. C. Hidallaarachchi	Member of the Academic Board Recommended by the subject Minister

Summary of the meetings of the Academic Board

For the release of results of academic courses and other functions in the year under review.

Name	participation
	2017.03.30
Mrs. Sujatha Wijesinghe	✓
Mr. W.M.N.J. Pushpakumara	✓
Mr. C.C.Hidallaarachchi	✓
✓ - Presence for the Board of Management Ab - Absent for the Academic Board - - No membership of the Academic Board	

1.7.1.3 Audit and Management Committee

The Audit and Management Committee has been appointed by the Board of Management of the institute under the good governance guidance given by circular no PED /55 dated 14.12.2010 of the Department of Public enterprises of Ministry of Finance. The committee consists of three members from the Board of Management.

The summary of the meetings of the Audit Management and Management Committee

04 meetings of the Audit and Management Committee relevant to this year have been conducted. The participation in the relevant meetings is as follows.

Name	participation			
	2017.03.14	2017.06.09	2017.10.27	2018.01.12
Mrs. A.D.A.K Nandasena, Chairperson Member of the Board of Management	✓	✓	-	-
Mr. K. K. S. A. Perera Chairman of the Committee Member of the Board of Management	-	-	✓	✓

Mr. D.S.N Hettige Member of the Board of Management.	ab	✓	✓	
Mr. P. R. K. S. Ganegoda Member of the Committee Member of the Board of Management	-	-	-	✓
Mrs.A,N.N.Perera Superintend of Auditing, Auditor General's Department	✓	✓	✓	✓
Mrs. B. K. M. J. Roodrigo Chief Internal Auditor Ministry of	-	-	✓	✓
Mr. M.S.M.Rismy Member of the Committee Member of the Board of Management	✓	✓	✓	✓

✓ - Presence for the meeting

Ab -Absence for the meeting

- - No membership

1.7.1.4 Staff of the Institute

The Director General is the Chief Executive Officer of the institute. The Registrar, all administrative affairs, institutional and administration, financial, residential, printing, audio-visual activities are managed under the Director General.

The institutional academic division works under the guidance of Director (Academic and Development). Senior Lecturers, Lecturers, Senior Research Officer, Research Officer, Senior Librarian, Librarian and the instructive staff of the information technology unit strengthen the academic division.

71 cadre positions have been identified by a cadre assessment and the approval of the Department of Management Services has been obtained. Information regarding the approved cadre is as follows.

Classification of Post	Salary code	Designation	No. of Positions
Senior Manager	HM 2-1	Director General	01
Senior Manager	HM 1-1	Registrar	01
		Director (Academic & Development)	01
Senior Academic and Research	AR – 2	Senior Lecturer	04
		Senior Librarian	01
		Senior Researcher	01
Academic and Research	AR – 1	Lecturer/ Assistant Lecturer	08
		Librarian/ Assistant Librarian	01
		Researcher/ Assistant Researcher	01
Middle Management	MM 1-2	Assistant Registrar	01
		Assistant Director (Finance)	01
		Internal Auditor	01
		Assistant Director (Hostels)	01

Junior Level managers	JM 1-1	Accounts Officer	02
		Administrative Officer (Exam)	01
		Administrative Officer (Administration/Human Resources)	01
		Administrative Officer (Student Affairs)	01
		Procurement and Maintenance Officer	01
		Marketing Promotion and Printing Officer	01
		Transport Officer	01
		Audio-visual programme officer	01
		Warden	01
Empowering/operations extension Officers	MA 5-3	Computer Programmer	01
Extension Officers/Operations	MA 4	Computer Instructor	03
Management Assistant (Technical)	MA 2-1	Audio visual Technical Assistant	01
		Printing Machines Technical Assistant	01
		Systems operator	01
Management Assistant (non-technical)	MA 1-1	Management Assistant	10
Primary level (Skills grade)	PL – 3	Driver	06
Primary level (Semi-skills grade)	PL – 2	Circuit Bungalow keeper	01
Primary level (Non-skills grade)	PL – 1	Office Assistant	14
Total			71

The approved cadre of the institute is 71. The number of employees engaged in service as at 31st December 2017 was 33. The number of vacancies to that date was 38.

In addition to this staff, 07 Development Officers recruited to the line Ministry have been attached to this institute from May 2015 and they contribute highly in the institutional activities.

Information regarding the approved cadre and the number of vacancies as at 31st December 2017

Serial No.	Post	No. of Vacancies	No. in Office	Vacancies
1.	Director General	01	01	00
2.	Registrar	01	01	00
3.	Director (Academic & Development)	01	01	00
4.	Senior Lecturer	04	03	01
5.	Senior Librarian/Librarian	01	01	0
6.	Senior Research Officer	01	01	00
7.	Lecturer	04	00	04
8.	Assistant Lecturer	04	03	01
9.	Assistant Librarian	01	01	0
10.	Assistant Research officer	01	01	00
11.	Assistant Director (hostels)	01	0	01
12.	Assistant Director (Finance)	01	01	0

13.	Assistant Registrar	01	01	0
14.	Internal Auditor	01	01	00
15.	Accounts Officer	02	01	01
16.	Administrative Officer (Examinations)	01	0	01
17.	Administrative Officer (Admin/human resource)	01	01	0
18.	Procurement and Maintenance Officer	01	01	00
19.	Transport Officer	01	0	01
20.	Administrative Officer (Student affairs)	01	01	0
21.	Marketing promotion and printing officer	01	01	00
22.	Audio visual programme officer	01	0	01
23.	Officer in charge of hostels	01	00	01
24.	Computer programmer	01	01	0
25.	Audio visual technical assistant	01	01	0
26.	Printing machines technical assistant	01	01	0
27.	System operator	01	0	01
28.	Management assistants	10	02	08
29.	Computer instructor	03	01	02
30.	Driver/Office assistants	06	04	02
31.	Bungalow keeper	01	01	0
32.	Office assistants	14	06	08
	Total	71	38	33
33.	*Assistant Hostel Manager		01	00
	Grand Total		39	

*This position is held personal to the holder basis

The staff has been directed to local and foreign trainings in year 2017 under the institutional staff trainings.

1.7.2 Institutional Physical Resources

The institutional physical resources are located in nearly 21 acres of land and they can be classified into the sub fields according to the usage and the type of income generation resources as follows

- Office premises
- Lecture halls
- Seminar halls
- Hostel facilities
- Other physical and capital resource

1.7.2.1 Office Premises

The office premises with the institutional main administrative unit consist of three main buildings. The building in which the Director General's office administrating the whole administrative activities and the examination division are located in a two-storey building of 1200 square feet.

The premises which include administration, finance, and academic divisions, the official chambers of the academic staff are the main operation premises and it is nearly 10,000 square feet in extent.

The old administration building consists of the hostel office, the record room of the examination branch, main stores, the co-operative museum and several other office rooms. The government audit section has been established in this building and 03 rooms have been allocated for that.

1.7.2.2. Lecture Halls

There are several lecture halls located in the main premises of National Institute of Co-operative Development, which can be used for national and international level educational activities.

B - Hall

There is a historical value to this lecture hall having 100 comfortable seats with audio visual facilities.



Rochdale Hall

There is a great demand for this lecture theater from the scholars who expect to learn in a calm and quiet area. It has 100 seats with audio visual facilities.

C 1, C2 & C3 Lecture Halls

These lecture halls are more suitable for small groups and they have been provided with modern seats and air conditioned facilities. There are 40 seats in C1 hall and 40 seats in C2 hall, & 30 seats in C3 hall. Altogether 110 seating facilities are available in this set with audio visual and other required facilities.



Multipurpose building

The new Information Technology Center and the Professional Education Division are located in the multipurpose building and there are five lecture rooms including a mini conference hall in it.

All those lecture rooms have modern facilities with comfortable chairs and higher level educational facilities. 66 modern computers have been allocated in these two laboratories of the information technology unit in this building for academic activities.



The seating capacity of this section is for 45 students in lecture hall no: 01, 80 students in lecture hall no: 02, 50 students in lecture hall no: 03, 45 students in lecture hall no: 04, 80 students in the mini conference hall and altogether for 300 scholars.



All the lecture halls of the National Institute of Co-operative Development can provide facilities for 430 trainees simultaneously for their academic activities. Seminar room facilities have also been established for educational and other sessions in addition.

1.7.2.3. Conference Halls

Auditorium of the National Institute of Co-operative Development

The greatest multipurpose auditorium outside the capital is the Auditorium of National Institute of Co-operative Development constructed with the objective of providing the physical space for the conduction of training and conference as required by co-operative and other institutions, the conduction of national and international seminars, and for facilitating national and international performing experiences and, for the income generation by the institute.



The main auditorium having a balcony and 1168 seats is fully air conditioned and its space is as follows.

Description	Area
Total Building	3723.63 M ²
Main Auditorium (Balcony & Ground Level)	1550.5 M ²
Main Stage Area	259.00 M ²
Seating Capacity	1168 (711+407)
Lobbies	1000 M ²
Office Space	240 M ²
Lecture hall & Artist space	719.13 M ²

This auditorium provides audio visual facilities and a dining hall as well as parking spaces for over 300 vehicles. Programmes were conducted under the following system of rate for hiring and Rs.4.68 million has been earned in 2017.

Institutional section	Type of Programme	
	Related to performing (06 Hours)	Not related to performing (06 Hours)
Government and co-operative institutions	Rs . 225,000.00	Rs. 225,000.00
Private sector	Rs . 300,000.00	Rs. 250,000.00 (Day)
		Rs. 275,000.00 (Night)
15% of the initial fee will be charged for an additional hour and Rs.75,000.00 will be charged for 02 hours for rehearsal.		

Ratnayake Hall

This hall with 55 seating capacity is more suitable for conducting seminars and workshops. It is also air conditioned and it has a projector and loud speaker facilities.

The renovation of this hall and the hostel were fully completed in the year under review with Rs.9.5 million being spent.



New Rochdale Hall

This hall having 80 seats is more suitable for academic and training sessions with group activities. It is also air conditioned and equipped with a multimedia audio visual system.



Vincent Subasinghe Hall

This hall has a modern audio system and facilities for stage dramas and film shows and also for other similar activities. It has 600 seats and satisfies the needs of an auditorium in the area.

Considering the social responsibility of the institute, this theater is rented out at a minimum rate.



The institute has 14 lecture halls and seminar rooms with a total seating capacity of 2218. Their seating capacity except the auditorium is only 1100. Details are as follows.

Serial no		Hall	No of seats
I.	Lecture Halls	New Rochdale Hall	60
II.		B Hall	80
III.		Rochdale Hall	60
IV.		C1 Lecture Hall	40
V.		C2 Lecture Hall	40
VI.		C3 Lecture Hall	20
VII.		Multipurpose Building Lecture Room No. -01	70
VIII.		Multipurpose building Lecture Room No. - 02	45
IX.		Multipurpose building Lecture Room No. -03	40
X.		Multipurpose Building Lecture Room No. -04	65
XI.	Conference Halls	NICD Auditorium	1,118
XII.		Vincent Subasinghe Hall	450
XIII.		Ratnayake Hall	55
XIV.		Multipurpose Building Conference Hall	75
Total			2,218

1.7.2.4. Residential Facilities

National Institute of Co-operative Development provides residential facilities for trainings for the scholars all over the island as a residential training Institute and residential facilities have been constructed under several categories.

The residential facility is one of the main assets and a historical symbol of this institute.

Student hostels, D, E, F, G, H, Rathnayaka and new Rathnayaka commercial hostels were fully renovated with nearly 40 million rupees from treasury grants being spent.

Student Hostel

The main student hostel system was constructed as two-storeyed 4 individual hostels. There are 02 common bath rooms in each floor and 02 single beds in each room for two residents and complete with other facilities.



The full capacity of this hostels is 160 residents and this is located in a quiet and beautiful surrounding area.

The H hostel added very recently to the student hostels has common bath rooms and 04 rooms. Its residential capacity is 18. The full residential capacity is for 178 residents.

Commercial Hostels

These do not belong to the category of student hostels and this hostel system has been constructed in order to provide facilities for outside parties. This system has 04 hostels.



New Ratnayake Hostel

New Ratnayake Hall has been constructed with the objective of providing residential facilities for special guests and foreign teams and it is air conditioned and it has hot water for attached bath rooms. It has 18 single rooms and 4 double rooms and the total capacity is for 26 residents.

Ratnayake Hostel

Ratnayake Hostel is air conditioned and hot water facilities are available in it. While it has 14 double rooms, the total capacity is 26.

Ratnayake Houses.

Those who expect residential facilities as members of a family, a single group of an institute such as one group of a co-operative society can be provided with residential facilities in these houses. There are two houses with attached bath rooms, 4 treble rooms and a kitchen.

Holiday Resort

In addition to the educational assets possessed by National Institute of Co-operative Development, the Holiday Resort is a special asset possessed by the institute.



The resort is renovated in 2014 and it consists of 04 double rooms with attached bath rooms including the hot water facility. The dining room, the veranda and the other facilities suitable for a family vacation have been provided.



It is located in a quiet environment and has all basic facilities. The holiday resort facility can be enjoyed in a quiet environment with all basic facilities including safety under a reasonable rate system. The Holiday Resort can be booked directly through the institute.

Type of Hostels	Hostel	No. of Rooms	No. Beds
Student Hostels	1. D Hostel	20	40
	2. E Hostel	20	40
	3. F Hostel	20	40
	4. G Hostel	20	40
	5. H Hostel	06	18
		86	178
Commercial Hostels	6. New Ratnayake Hostel (air conditioned)	22	26
	2. A. Ratnayake Hostel (air Conditioned)	14	26
	3. 02 RH Houses	04	12
	4. Holiday Resort	04	08
		44	72
	Total	130	250

The residential system has 05 student hostels and 04 commercial hostels and it is 9 hostels altogether. 250 people can be provided with accommodation facilities at the same time.

1.7.2.5. Other Physical Capital Resources

Information Technology Center

NICD Information Technology Centre located in the central province is a better computer training centre of the government and the private sector.



The information Technology Centre which operates under two sections and which is located in the main premises contains 24 computers and related facilities for courses targeting scholars in co-operative sector.

The other section is to facilitate the IT education for school leavers and those who are willing to be IT professionals. This section is located in the multipurpose building and it consist of 55 modern computers and related facilities in the year under review.

The Information Technology Center which came among the facilities of the institute shows the strength of the institute for computer courses. The computer section is furnished with modern equipment and it consists of 04 laboratories, and 79 computers were installed. All those computers are networked and provided with internet facilities. Accordingly, the computer division is considered as a complete Information Technology Centre.

The specialty of the centre is that every student enrolled is provided an opportunity to use a separate computer and the student is supervised to ascertain whether the student receives the expected skill.

Library Facilities

This library is considered as the most advanced library with modern facilities in the co-operative sector. There is a collection of about 21,000 books, journals written on different subjects on national and international importance. There is a separate collection of books written on the co-operative sector, and there is also newspaper articles/articles in magazines and the catalogue is being computerized as at present. Readers can also use the internet facilities in the library.



Printing Facilities

This unit is equipped with a modern offset printing machine and a Duplo printing machine and this unit satisfies the printing needs of the institute and the scholars. The necessity to extend this unit as a government, co-operative and private sector printing unit has been identified.



Audio Visual Facilities

This unit provides facilities for courses carried out in the subject of co-operatives and the programmes conducted by outside organizations. It has projectors, multimedia facilities and other audio visual methods for lectures. In addition, the unit has facilities for micro teaching system using videography and screening video films. Another service in this Unit is the collection of photographs of special occasions and different programmes held at the Institute of Co-operative Development.



Transport Service

In addition to the 02 assigned vehicles used for internal transport service of the institute and the fleet of pool vehicles comprising a van, a bus and a three wheeler. The bus belongs to the institute is a very good asset for providing transport service to the scholars and the outside parties.

Institutional Progress

2. Institutional Progress

2.1. Financial Progress

A brief account of the income, the expenditure and the treasury allocations of National Institute of Co-operative Development for the last five years are as follows.

2.1.1. Annual Income during years 2013– 2017

The overall income of National Institute of Co-operative Development in year 2016 was Rs.36.66 million and the income according to the divisions is as follows

Details	2013	2014	2015	2016	2017
Course fees	15,035,930	16,199,760	13,849,077	11,869,978	16,673,912.00
Rent of Hostels, lecture rooms, quarters and buildings	11,659,899	13,485,724	17,237,382	9,462,940.00	10,090,323.00
Income of Mahinda Rajapaksha auditorium				3,533,500.00	4,680,009.00
Commissions on supplying of foods	1,229,893	1,477,909	1,346,125	924,298	697,696.00
Sale of Publications and printing charges	460,110	271,715	34,036	11,737	109,870.00
Income from sale of assets	2,857,712	125,900	3,085,056	1,773,685	2,156,539.00
Other income	5,418,299	2,331,964	573,732	1,913,006	1,776,016.00
Total Income	36,661,843	33,892,972	36,125,408	29,489,144	36,184,365.00

2.1.2. Annual Expenditure during years 2013 – 2017

Details	2013	2014	2015	2016	2017
1. Salaries, wages, lecture fees and other fees	24,849,379	26,981,094	29,798,644	32,875,799	32,912,050.00
2. Travelling expenses	1,367,759	1,551,703	808,791	499,670	347,155.00
3. Supplies and office requisites	6,515,097	6,337,853	6,743,328	3,856,367	4,498,298.00
4. Maintenance cost	4,620,868	5,067,118	3,478,885	856,605	981,193.00
5. Service agreements	17,244,015	18,184,056	18,719,614	19,259,345	19,108,120.00
6. Other	-	-	2,515,438	1,623,121	1,918,204.00*
b) Nation building tax	278,897	304,108	100,319	127,598	-
c) Sundry expenses	2,395,020	2,096,237	-	-	-
d) Contribution to the institutional fund	1,656,175	1,317,366	1,113,596	305,895	-
Total Expenditure	58,927,210	61,839,535	63,280,630	59,404,400	59,765,020.00

* Nation building tax and Contribution to the institutional fund included

2.1.3. Treasury Allocations during years 2013 - 2017

Details	2013 Rs.	2014 Rs.	2015 Rs.	2016 Rs.	2017 Rs.
Treasury Allocations	56,000,000	26,000,000	34,000,000	13,000,000	8,000,000
Recurrent Allocations	25,066,462	25,425,571	27,054,900	29,217,750	30,978,448

2.1.4. Institutional Income, Expenditure and Allocations during years 2013 -2017

Details	2013	2014	2015	2016	2017
1. Institutional Income	36,661,843	33,892,972	36,125,408	29,489,144	36,184,365.00
2. Expenditure	58,927,210	61,839,535	62,064,700	59,404,400	59,765,020.00
Deficiency before allocations	(22,265,367)	(27,946,563)	(25,939,292)	(29,915,256)	(23,580,655.00)
3. Recurrent Allocations (Treasury allocations and Donations of Peoples' Bank)	25,227,101	27,448,017	28,673,025	30,192,750	30,978,448
Surplus (Deficiency) after allocations	2,961,734	(498,546)	2,733,733	277,494	7,397,793

2.1.5. Treasury Allocations, Receipts and Inputs during years 2013-2017

Details	2013	2014	2015	2016	2017
Capital awards – balance brought forward from the previous years	29,178,294	35,165,628	26,025,452	71,365,739	74,558,855
Capital Allocation receipts	56,000,000	26,000,000	75,479,000	13,000,000	8,000,000
Receipts of advance payments from the co-operative fund	20,000,000	25,000,000	-	-	
Total Capital Allocations	105,178,294	86,165,628	101,504,452	84,365,739	82,558,855
Inputs of capital awards					
(a) Construction of the second and final phases of the multipurpose building	603,857	-	-	-	-
(b) Program for obtaining national professional standards	2,461,448	647,944	98,713	3,505,660	1,787,944
(c) Construction of the auditorium	66,947,364	59,492,229	30,040,000	-	-
(d) Hostel renovation				6,301,224	32,988,585
Total Expenditure	70,012,666	60,140,173	30,138,713	9,806,884	34,776,529
Balance carried forward	35,165,625	26,025,455	71,365,739	74,558,855	47,782,329

2.2. Academic Progress

2.2.1. Academic and Development Section

With the aim of providing trainings and education for the development of the human resources of the co-operative sector which is the main objective of the institute, the academic and development section functions as several separated sub sections as follows.

- I. Co-operative Development Academic Section
- II. Human Resource Development Academic Section
- III. Research and Training Section
- IV. Financial Management and Development Academic Section
- V. Business Administration and Development Academic Section
- VI. Information Technology Section

All the sections work as a single unit under the preview of Director (Academic & Development). Each and every above section functions under the supervision of a Senior Lecturer or a Lecturer. The academic human resource has been strengthened by 06 lecturers included in the permanent staff of this institute and the external resource pool of experts of their subjects attached when necessary.

The annual training guidance is prepared by including contents decided by a training need identification programme conducted with the participation of a group of experts in cooperative sector and academic researches. The quality of every academic course is developed and maintained by the service from the institutional academic staff, lecturers and external resource persons.

The main purpose of the Institute is to develop the human resource of the sector by the functions of Sub- section A to J of Section 4 of part I of the Incorporation Act. 64 Diplomas, Certificates and Short Term Management Courses have been conducted with this aim in the year under review. 05 programmes out of these programmes were commenced in year 2016 and the other 59 programmes were commenced and conducted in year 2017.

Progress of the Courses organized by the Institute 2013 - 2017

Courses		2013		2014		2015		2016		2017	
		No. of Courses	umber of students participated	No. of Courses	umber of students participated	No. of Courses	umber of students participated	No. of Courses	umber of students participated	No. of Courses	umber of students participated
Permanent Training Courses	Co-operative Development Certificate	08	177	08	164	07	159	07	163	02	85
	Co-operative Development Diploma									01	42
Other Diploma Courses	Co-operative Professional Diploma									06	105
	Information Technology									01	13
	Non Co-operative Professional									01	26
Other Certificate Courses	Co-operative Professional Certificate									11	291
	Information Technology	06	66								
	Languages	02	24								
Short Term Programmes	Training Guidance Included	41	1324	51	1879	19	666	22	711	19	547
	Training Guidance not Included									04	169
Training conducted from People's Bank Fund				10	360	40	1548	04	237	6	230
International Training Programmes										3	76
Training of students for professional examinations		11	162	06	301	10	157	07	096	7	162
Training Programmes conducted by External institutions with the use of institutional resources		421	24014	380	23475	712	36965	321	16955	979	22376
Total*		492	25968	466	26378	800	39713	372	18402	1038	23,955

2.2.2 Training of the Officers of the Department of Co-operative Development

The main function of the Institute is to contribute towards the progress of the co-operative sector by enriching it with updated knowledge. Accordingly, the compulsory courses for the co-operative sector are deemed to be permanent training courses.

Accordingly, the Diploma in Cooperative Development and the Certificate in Cooperative Development courses which have been designed to fulfill the professional requirements of the Central Government and the Provincial Cooperative Departmental officers are permanent training courses of the institute.

2.2.2.1. Certificate Course in Co-operative Development.

Every new entrant recruited to the Department of Co-operative Development should pass this course and this is the course prescribed as the qualification for the first efficiency bar examination and the confirmation in the post of Co-operative Development Officer.

The academic process of the second term of the Wayamba Provincial Development Officers were completed and a new certificate course for the Sabaragamuwa provincial Development Officers

and a new certificate course for the Southern , Western and Uwa provincial combined group were commenced in year 2017.

The results of the Uwa provincial group were released in year 2017

Course	Date of Commencement	Date Completion	No. of Trainees
1. Certificate Course in Co-operative Development (Southern, Western and Uwa Provinces)	2016.12.05	2018.4.10	53
2. Certificate Course in Co-operative Development (Wayamba Province -2 nd Term)	2016.03.08	2017.08.30	64
3. Certificate Course in Co-operative Development (Sabaragamuwa Province -1 st Term)	2017.10.02	2018.02.09	32
Total			149

A brief description on the Certificate Course in Co-operative Development conducted by this institute in last five years is as follows.

Year	Description	
	Number of Courses *	Total Number of Students *
2013	02	88
2014	01	52
2015	01	34
2016	02	120
2017	01	32

* Only newly registered courses and number of student in each year shown

2.2.2.2. Diploma in Co-operative Development

The Diploma in Co-operative Development Course is the prescribed course as the 2nd efficiency bar examination for Co-operative Development officers who have been recruited to the Department of Co-operative Development and confirmed in the post and who have completed a five year service.

The new Diploma Course in Co-operative Development was commenced for 42 officers representing the Western, the North Central, the East and the Sabaragamuwa Provinces for academic year 2017.

Course	Date of Commencement	Date Completed	No. of Trainees
1. Diploma in Co-operative Development (Western, North Central, East and Sabaragamuwa Province)	2017.05.22	2017.11.22	42

A brief description about the Diploma Courses and the Training Courses conducted in last five years for the Co-operative Development Officers in the Department of Co-operative Development is as follows. The number of courses and the number of students depend on the recruitments to the central government and the provincial Department of Co-operative Development.

Year	Number of Courses *	Total Number Participated *
2013	01	40
2014	01	29
2015	01	40
2016	Not new registration	
2017	01	42
Total	04	151

* Only newly registered courses and number of student in each year shown

2.2.3. Diploma Courses

Actions have been taken to extend the educational and the training programmes to other identified fields with prioritizing the co-operative sector by the institution and accordingly, Diploma Courses covering the following fields are conducted at present.

- **Co-operative Professional Diploma Courses**
- **Information Technology Diploma Courses**
- **Non Co-operative Professional Diploma Courses**

2.2.3.1 Co-operative Professional Diploma Courses

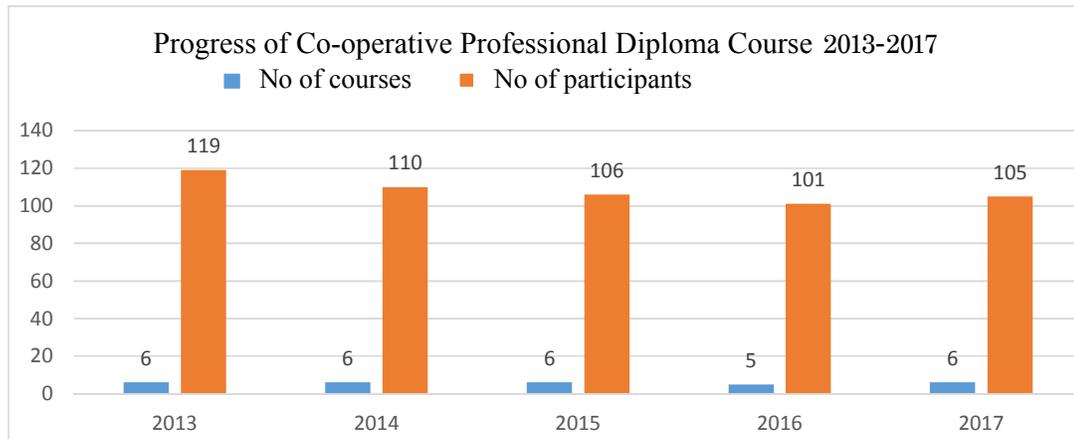
This is a one year part time course conducted in order to increase the knowledge and skills of co-operative professionals and employees.

There were 06 such courses commenced in year 2017 and 105 students were given trainings.

The details of the Diploma Courses commenced during year 2017 are as follows.

Training programme	Date commenced	Expected date of completion	No. participated
Diploma in Banking Management	2017.03.21	2018.03.21	19
Diploma in Human Resource Management	2017.03.28	2018.03.28	23
Diploma in Auditing	2017.03.27	2018.03.27	23
Diploma in Accountancy	2017.04.03	2018.04.03	14
Diploma in Business Management	2017.04.03	2018.04.03	15
Microfinance Diploma course	2017.04.03	2018.04.03	11
Total			105

A brief description of the number of Diploma Courses conducted by this Institute and the number of trainees during years from 2013 to 2017 is as follows.



Year	No of Courses*	Total no of participants*
2013	6	119
2014	6	110
2015	6	106
2016	5	101
2017	6	105
Total	29	541

2.2.3.2. Diploma in Information Technology

This is a six month full time course designed with the inclusion of three modern computer languages for the youth who completed school education and who expect to continue their higher education in Information Technology.



13 student were enrolled in year 2017 for this course commenced annually after the GCE (A/L) examination.

Name of Course	Date Commenced	Date Completed/Scheduled to be completed	No. of Trainees
1. Diploma in Information Technology	2017.09.25	2018.03.25	13

A brief description of the number of Diploma in Information Technology Courses conducted by this Institute and the number of trainees during years from 2013 to 2017 is as follows.

Year	No of Courses*	Total no of participants*
2013	05	93
2014	02	58
2015	01	28
2016	01	26
2017	01	13
Total	10	218

2.2.3.3 Non Co-operative Professional Diploma Courses

This is a six month part time Business Development Diploma Course designed for the younger generation entering to higher education after school education, with the aim of engaging in business.

This is an access course having an agreement with the Association of Accounting Technicians of Sri Lanka to follow Business Development Degree Programme at Sri Lanka Accounting Institute and this course was introduced in 2017. The first batch comprises 26 students.

Name of Course	Date Commenced	Date Completed/ Scheduled to be completed	No. of Trainees
Business Development Diploma	2017.03	2018.03	26

2.2.4 Certificate Courses

Actions are taken to plan and conduct certificate courses that were identified during the relevant period and that were included or not included in the annual training directory and the courses in the following fields have been conducted.

- Co-operative Professional Certificate Courses
- Information Technology Certificate Courses
- Language Certificate Courses

2.2.4.1. Co-operative Professional Certificate Courses

These courses are planned for the professionals who have engaged in service and have not reached the basic qualifications necessary to directly register a Diploma Courses. Courses are developed according to the current necessities forwarded by Co-operative institutes.

Courses conducted in year 2017 under review are as follows

Name of Course	Date Commenced	Date Completed/ Scheduled to be completed	No. of Trainees
Co-operative Management and Development Certificate Course	2017.06.02	2017.12.30	34

2.2.4.2. Information Technology Certificate Courses

The NVQ Level – 03 Certificate Courses aimed at the students who have completed the G. C. E. (O/L) and who are waiting for the G. C. E. (A/L) and adults who are seeking for the basic knowledge of Information Technology and E- Kids courses designed for children over 5 years old occupy a prominent place among the courses.

	Name of Course	No. of Trainees
1.	Certificate in Computer Application Assistant (NVQ Level 03)	11
2.	E- kids Computer Learning - (PL & IL)	10
3.	E- kids Computer Learning –IV	12
4.	Computer Learning O/L ICT	19
5.	Computer hardware Engineering	07
6.	Web Base Training Programme	07
	Total	66

06 computer certificate courses were commenced and the training for 66 trainees was successfully completed in year 2017 and the progress of Information Technology Certificate Course during the period from 2013 to 2017 is as follows.

Year	No of Courses*	Total no of participants*
2013	06	96
2014	6	106
2015	5	107
2016	6	136
2017	06	66
Total	29	511

2.2.5. Language Certificate Courses

02 English Courses planned for those who are engaged in various employments and who are young school leavers and who have intention to enhance English knowledge were conducted in year 2017 and 24 students participated in it.

Name of Course	No. of Trainees
1. Certificate Course in English 01	11
2. Certificate Course in English 02	13
Total	24

2.2.6. Subject Related Short Term Management Training Programmes

A number of short term management training programmes aimed at the leaders of the co-operative societies, employees and officers attached to the Department of Co-operative Development and employees of the government sector is organized annually by this Institute.

These Programmes are designed for the previously identified fields and according to the requested fields of the attached organizations in the relevant academic year.

2.2.6. Short Term Training Programmes Conducted According to the Training Directory

21 short term courses included in the training directory were planned to conduct in this year and although it was expected to train 630 trainee, 19 trainings were conducted and 547 trainees were trained by the end of the year.

	Name of the course	No of trainees expected	Actual participants
1.	Management and audit training programme	30	25
2.	Secretarial practice training programme	30	23
3.	Marketing and customer care programme1	30	39
4.	Rural Bank internal audit training	30	49
5.	Marketing and customer care programme 2	30	33
6.	Director Board trining programme	30	28
7.	F 28 report review programme	30	32
8.	Programme on disciplinary procedures	30	23
9.	Programme on audit standard usage	30	30
10.	Programme on decision making skills	30	27
11.	Programme on rural bank moniterinn	30	33
12.	Co-operative committee excutive officers' training (Making aware of legal provisions)	30	36
13.	Training on liquidation of Co-operative societies	30	27
14.	Introduction of new technology to Office Management	30	28
15.	Director Board members' attitude development training programme	30	25
16.	Workshop on computer skills for prof (Advanced Excel)	30	22
17.	Workshop on computer skills for prof (Hardware)	30	21
18.	Workshop on computer skills for prof (Hardware)	30	21
19.	Short term course on loan management	30	25
	Total	570	547

2.2.8. Short Term Training Programme Conducted by the Institute outside the Training Directory

Although 02 programmes out of 21 programmes that were the expected target of planned Short Term Management Training Programmes in year 2017 were unable to be conducted, 04 programmes not included in the training directory were planned and conducted and 169 trainees were trained.

	Name of the course	Days conducted	No of trainees
1.	Training programme for officers for farmer organization audit-01	2017.4.28-05.02	40
2.	Training for Ltd Ahugoda SANASA society Director Board	2017.05.12-13	39
3.	Training Programme for officers for farmer organization audit 02	2017.06.15-19	45
4.	Training Programme for officers for farmer organization audit -03	2017.07.08-12	45
	Total		169

In the year of 2017, 23 short term training programmes were conducted and 716 trainees were trained as a whole.

A brief description of the number of trainees for the Short Term Management Training Programmes conducted by this Institute and the number of trainees in years from 2013 to 2017 is as follows.

Year	Details	
	No of Courses	Total No of Participants
2013	41	1,324
2014	51	1,879
2015	19	666
2016	22	711
2017	23	716
Total	156	5,296

2.2.9. Courses conducted under the sponsorship of the Peoples' Bank

04 capacity building programmes aiming at the Co-operative society staff management performance improvement were conducted with the use of financial allocations received to National Institute of Co-operative Development from annual allocations for training institutes of co-operative sector with the aim of improving the co-operative movement.

237 trainees were trained in 2016 and 230 trainees were provided knowledge in 2016 under the sponsorship of the Peoples' Bank.

Details of the implemented programmes are as follows.

	Date /Dates held	Name of the Programme	No. of Trainees
01	2017.05.16-17	Marketing staff performance improvement training programme 1	37
02	2017.05.18-19	Marketing staff performance improvement training programme 2	24
03	2017.05.30-31	Marketing staff performance improvement training programme 3	43
04	2017.11.13	Central provincial SANASA committee members' performance improvement training programme 1	126
	2017.11.14	Central provincial SANASA committee members' performance improvement training programme 2	
	2017.11.15	Central provincial SANASA committee members' performance improvement training programme 3	
	Total		230

2.2.10 International Training Programme

It is necessary to work in cooperation with organizations inside or outside of Sri Lanka, performing similar functions in terms of Section 4(a) of the incorporation Act. It is very important for the Sri Lankan co-operative movement and for the future progress of this institution to interact with co-operative organizations at international level.

This institute has obtained the membership of International Co-operative Alliance, Vikunthmetha National Co-operative Management Institute and the Center for International Co-operation and Training in Agricultural Banking (CICTAB).

The professional exchange and the student exchange Programmes are conducted under the memorandum of understanding with Vikunthmetha National Co-operative Management Institute and 03 programmes were conducted in 2017 to provide co-operative experiences and knowledge to 76 Indian and South Asian co-operative professionals and that number was 60 in year 2016.

Year	Details	
	No of courses	Total no of participants
2015	05	109
2016	03	60
2017	03	76
Total	11	245

2.2.11. Preparation of students for Professional Courses

This Diploma Courses and the Certificate Courses aimed at providing knowledge on computers, Information Technology, English, Accounting and Management for the youth seeking jobs and public officers, and also training programmes for students were conducted.

The professional courses were conducted with the aims of training students for examinations conducted by Sri Lanka Institute of Chartered Accountancy, Sri Lanka Institute of Certified Management Accountancy, Association of the Accountancy Technicians and Sri Lanka Banking Institute (IBSL) and of the social responsibility of the institute.

Name of course	Duration	No of participants*
I. AAT Foundation (AA1) Sinhala medium	2017 June	32
II. AAT 3 (AA3) Sinhala medium	2017 July	05
III. CA Executive Level - English Medium	2017 September	35
IV. CA English Course (communication & people Skills)	2017 July	24
V. CA Business Level	2017 December	16
VI. AAT 2 (AA2) Sinhala medium	2018 January	20
VII. CA Executive Level- English Medium	2018 March	30
Total		162

*Only new registration in 2017

10 courses were commenced in 2016 and 157 students were prepared for the examinations of the aforesaid institutions and 07 courses were commenced in 2017 and 162 students were prepared for the examination of the aforesaid institutions.

2.2.12. Training courses conducted by outside institutions with the use of institutional resources in 2017

The opportunity for the government, the semi-government, and the private sector to conduct educational programmes with the use of institutional resources has been provided with the aim of generating income by diversifying institutional role and employing property in full capacity.

Accordingly, 979 such programmes were conducted and facilities have been provided for 22379 trainees to gain knowledge. It is a 204% increase of the number of programmes and a 32% increase of the number of trainees compared to that of 2016.

Year	2013	2014	2015	2016	2017
Courses conducted	421	380	712	321	979
Total no of participants	24,014	23,475	36,965	16,955	22,376

Knowledge and trainings for 1579 scholars have been provided by the 59 local and foreign courses and programmes organized by the institute in year 2017 under review as a whole. Academic and training facilities for 22376 trainees have been provided by the 979 programmes organized by the outside institutions and 23955 trainees were provided the same by all 1038 programmes.

2.3. Academic Facilitator Progress of the Institute

This institute is rich in many services prepared for the success of the academic activities of the institute

2.3.1. Hostel Division

The Main function of the Hostel Division is to provide accommodation to the trainees who come to the institute to follow academic programs according to their needs. A full description of this section is shown under 2.iv

The canteen which is administrated by the Hostels Division supplies food for the residents in whatever way they like. This includes a canteen which provides meals for 100 – 300 trainees on any given day.

2.3.2. Library Division

The Library of the institute has been established under the academic division and categorized under the special libraries. The permanent reader community of the library is the trainees and the nonacademic staff of the institute.

New publication are added annually to the library on the academic necessity of the institute. 100 new books were purchased within year 2017 and 10 books were gifted to the library by 02 retired lecturers. The main subject of the co-operative and books on subsidiary subjects such as Management, Accountancy, Auditing, Social Sciences, Economics, and Banking were also given attention when purchasing books. The total number of books available in this library is 22,053.

There are many rare books related to the co-operative sector and, the acts issued regarding the co-operative movement from year 1911 and records are also available in this library.

There is a daily and a weekly newspaper catalogue for selected articles which are important for trainees as well as for the co-operative field. In addition, all “Samupadeepani” supplements from year 2009 are available in the library. In addition to the books, there is a collection of periodicals and also internet facilities in order to search for information.

2.3.3. Examinations Division

All examinations of courses such as Permanent Certificate Courses, Professional Diploma Courses, Diploma Courses and Certificate Courses are conducted under a formal examination procedure and the results are released by the examinations branch fully supervised by the Registrar.

The examinations are held for the Professional Diploma Courses in each month and for permanent courses at the end of every term /course according to the structure of the courses of the Institute.

In addition to this regular activities, examinations for co-operative societies for various factors are organized and conducted together with the Academic & Development Section at the outside requests.

01 Academic Board meeting was held by the Examination Division in the year under review

Date	Course Name	No of Students			
		Participated	Passed	Repeat	Failed
2017.03.30	Certificate course in Co-operative Development 2016/2015- (Uwa)	34	31	01	-
	Certificate course in Co-operative Development 2014/15 (Repeat)	01	01	-	-
	Certificate course in Co-operative Development 2013/14 (Repeat)	08	08	-	-
	Diploma in Co-operative Development 2011/12(Repeat)	01	01	-	-
	Diploma in Co-operative Development 2014/2015 (Repeat)	02	02	-	-
	Diploma in Banking Management 2012/13 (Repeat)	01	01	-	-
	Diploma in Banking Management 2013/14(Repeat)	01	01	-	-
	Diploma in Accounting 2015/16 (Repeat)	04	04	-	-
	Diploma in Human Resource Management 2015/16 (Repeat)	03	03	-	-
	Diploma in Banking Management 2015/16(Repeat)	02	02	-	-
	Diploma in Auditing 2015/16(Repeat)	03	03	-	-
	Diploma in Accounting 2013/14 (Repeat)	01	01	-	-
	Diploma in Entrepreneurship Management – 2015(Repeat)	01	01	-	-
	Diploma in Entrepreneurship Development - 2015/2014(Repeat)	02	02	-	-

2.3.4. Printing Division

Printing all tutorial and lecturer notes required for the courses and books, periodicals and also different printing requested by outside organizations are carried out in this division. This division has all equipment needed for a complete printing press.

An amount of Rs. 102,234.00 has been earned for printing in year 2017

2.3.5. Audio visual division

This division provides audio visual equipment during training programs. Equipment for playing videos and audios, projectors and loud speakers are also provided when there is a need for the training programs. Another service provided by this division is videography of different training programs and photographing of different events.

2.3.6. Auditorium

The institutional auditorium that fulfills national and international auditory needs under the diversification of the institutional role and that was presented to the co-operative sector as the only national training institute was opened on 13.11.2014. And it has been in operation from year 2015.

10 programmes were held in year 2016 under review and an amount of Rs.3532500.00 was earned and the number of programmes increased to 18 in 2017 and the overall income increased to Rs.4,680,009. This is an income increase of 32%.



2.4. Development of Physical Resources

Year 2017 is a year that many special things related to the physical resource development have been fulfilled. The priority in this year was given to renovate the essential buildings that were unable to be renovated in year 2016.

An amount of Rs.20 million of the treasury capital allocations was allocated for year 2017 and actions were taken to provide high facilities for service recipients by renovating the relevant buildings with the use of the said amount and the consultancy service from the Department of Engineering Service of the Central Province.

The summary of this renovation activities is as follows.

Details	Estimated Amount (exclusive tax)	Contract Amount (exclusive tax)
Renovation of Hostels D, E, and H buildings, new Rochdale lecture hall and information technology building	16,215,406.40	15,785,412.00

Current Challenges Faced by Institute

3. Current Challenges Faced by Institute

The academic service for 23955 direct service recipients and service opportunities for a group of nearly 18000 were given by conducting 1038 training programmes of all structure and 18 programmes respectively in year 2017 under review and the institute earned over Rs. 36 million. Actions relevant to a vote of Rs. 59 million including the capital expenditure of Rs. 15 million have been done. There are challenges and difficulties faced by the institute when performing these duties.

- Only 39 employees were engaged in service for this whole performance in year 2017 and 32 employees out of the 71 approved cadre were vacant. This is a great barrier for the development of the institute.
- Although the approved cadre of lecturers was 13. 50% of the approved cadre remained vacant in 2017. This is an obstacle to conduct academic and training activities expected from the co-operative movement as planned.
- Co-operative subject is a provincial subject, and therefore taking steps to commence training centers at provincial level is a great challenge for the academic activities

Overcoming these challenges is an essential factor for year 2018 to be highly successful.

Director General and Chief Executive Officer.

Financial Statements

4. Financial Statements

4.1 Statement Of Financial Position As At 31st December 2017

	Notes	2016.12.31 Rs.	2017.12.31 Rs.
Assets			
Non Current Assets			
Property ,Plant &Equipment	2	602,506,781	609,832,158
Other non –current financial assets	3.1	1,713,749	1,944,305
		604,220,530	611,776,463
Different Expenditure on Transformer, curtain &Linen	3.2	3,572,310	3,468,415
Less: Amortization of differed Expenditure		(103,895)	(103,895)
Balance of differed Expenditure		3,468,415	3,364,520
Current Asset			
Current Investment	4	7,981,267	8,895,031
Traders & Other Receivable	5	40,064,254	46,511,421
Stock	6	1,134,572	1,639,811
Cash at Bank	7	94,491,494	70,192,352
		143,671,587	127,238,616
Total Assets		751,363,532	742,379,599
Equity & Liabilities			
Capital &Reserves			
Capital	8	233,254,215	233,254,215
Accumulated Profit /(Loss)	9	(86,059,588)	(83,550,308)
		147,194,627	149,703,907
Reserves			
<u>Capital Grant from Treasury</u>	10	445,505,844	427,629,994
<u>Capital Grant from Ministry</u>	11	15,858,435	15,474,343
Revaluation Reserves		20,901,444	20,901,444
Institutional Funds		4,604,805	4,884,730
Publication Fund		5,439,297	6,035,563
		492,309,826	474,926,074
Non Current Assets			
<u>Provision for Gratuity</u>		4,954,096	6,554,435
Loan Fron Co-operative Fund		25,000,000	25,000,000
		29,954,096	31,554,435
Current Liabilities			
<u>Creditors & Accrued Expenses</u>	12	59,995,237	60,532,595
Retention Money		21,909,747	25,662,588
		81,904,983	86,195,183
Total Equity & Liabilities		751,363,532	742,379,599



Lalith Gangewatta
Chairman



L.A.Sujatha Wijesinghe
Director General



K.D.Anil
Senior Finance Manager

**4.2. Statement Of Comprehensive Income & Expenditure For The Year Ended 31ST
December 2017**

	Notes	Actual 2016 Rs.	Actual 2017 Rs.
<u>Revenue</u>			
Grant for Recurrent Expenditure from Government Fund	13	30,225,739	31,145,190
Grant for Capital Expenditure from Government Fund		26,166,575	26,260,692
Income Earned by NICD	14	29,489,144	36,184,366
		85,881,458	93,590,248
<u>Less: Expenditure</u>			
01. Personal Emoluments	15	32,875,799	32,912,050
02. Traveling	16	499,670	347,155
03. Supplies	17	3,856,367	4,498,298
04. Maintenance	18	856,605	981,193
05. Contractual Service	19	19,259,345	19,108,120
06. Others	20	1,623,121	1,918,204
07. Depreciation	21	30,478,198	31,212,052
08. Amortization of Differed Expenditure		103,895	103,895
		89,553,000	91,080,968
Surplus or (Deficit) over the Income from ordinary activity Before Taxation		(3,671,541)	2,509,280
Less: Taxation		-	
Net Surplus or (Deficit) for the period		(3,671,541)	2,509,280
Other Comprehensive Income Gain on Revaluation of Property ,Plant & Equipment		-	-
Total Comprehensive Income for the year		(3,671,541)	2,509,280

4.3. Cash Flow Statement For the year ended 31st December 2017

	Rs. 2016		Rs.2017	
Excess of Expenditure over Income before taxation		(3,671,541)		2,509,280
Adjustments for				
Depreciation	30,478,198		31,212,052	
Amortization for Differed Expenditure	103,895		103,895	
Capital Grant	(26,166,532)		(26,260,692)	
	-		-	
Profit on Sales Of Fixed Assets	-		-	
Provision for Bad Debtors	(61,188)		182,373	
Provision for Gratuity	1,229,551		1,600,339	
Grant from Ministry	(341,413)		-	
Capital Grant for Recurrent Expenditure	-		(23,250)	
Revaluation Surplus	-		(210,875)	
Prior Year Adjustment	-		-	
Interest Income	(358,434)		(504,360)	
Retention	(27,623)		-	
Tender Deposit	-		-	
Received Advance				
	(966,007)		-	
Transfer from productivity control A/C	305,895	4,196,341		6,099,482
Operating Profit (Loss) Before Working Capital Changes		524,799		8,608,762
Changes in Working Capital				
Decrease/(Increase) in debtors & Receivables	(990,684)		(6,629,540)	
Tax increase on Inputs	-		-	
(Decrease)/Increase in creditors & Accrued Expenditure	2,435,146		537,358	
(Decrease)/Increase in Stock	231,671		(505,239)	
Net Cash Flow from Operating Activities		1,676,133		(6,597,422)
Net Cash Flow from Operating Activities				
Retention Money	360,811		32,778	
Purchase of Property, Machinery and Equipment				
- Land Development	-			
- Building Improvement	-		(29,213,821)	
- Property, Plant & Equipment	(603,450)		(2,464,990)	
- Furniture & Fittings	(438,293)		(2,921,120)	
- Library Books	(49,723)		(112,657)	
- Other Equipment	(19,500)		-	
Investment in capital work-in-progress	(3,936,049)		(77,779)	
Differed expenditure made on transformer				
Staff Loan	(722,328)		(1,144,319)	
Long term Process Investment	-		-	
Sale proceeds on fixed assets	-		210,875	
proceeds from sale of items of collapsed roof	-		-	
Interest income	358,434		504,360	
Net Cash Flow from Investing Activities		(5,050,098)		(35,186,673)
Cash flow from financing activities				
Capital Grant received from Treasury	13,000,000		8,000,000	
Institutional Fund	-		279,925	
Publication Fund	441,730		596,266	
Net cash flow from financing activities		13,441,730		8,876,191
Net increase cash flow within the year		10,592,565		(24,299,142)
Cash & Equivalents at the beginning of the period		83,898,929		94,491,494
Cash & Equivalents at the end of the period		94,491,494		70,192,352

4.4. Statement of Changes in Equity For the year ended 31st December 2017

	Capital	Profit/(Loss)	Capital reserved Treasury	Revaluation Surplus	Capital reserve Ministry	Funds	Total
Balance as at 01.01.2016	233,254,215	(83,517,778)	457,571,860	20,901,444	16,659,014	9,296,476	654,462,231
Less: Dep.on F/A Purchased from Govt. Grant	-	-	(25,066,015)	-	(1,100,517)		(26,166,532)
Profit/(Loss) for the period	-	(3,671,541)	-	-		441,730	(3,229,811)
Prior year Adjustment		1,129,730	-	-		-	1,129,730
Investment within the period		-	13,000,000	-	2,938	305,895	13,308,833
Less: Depreciation							
Balance as at 31.12.2016	233,254,215	(86,059,589)	445,505,845	20,901,444	15,858,435	10,044,101	639,504,451
Balance as at 31.12.2017	233,254,215	(86,059,589)	445,505,845	20,901,444	15,858,435	10,044,101	639,504,451
Less: Dep. on F/A Purchased from Govt. Grant	-	-	(25,875,850)	-	(384,842)	-	(26,260,692)
Profit/(Loss) for the period	-	2,446,322	-	-	-	596,266	3,042,588
Prior year Adjustment	-	-	-	-	-	-	-
Investment within the period	-	-	8,000,000	-	-	-	-
Balance as at 31.12.2017	233,254,215	(83,613,267)	427,629,995	20,901,444	15,473,593	10,920,293	624,566,273

4.5 Notes to the Accounts as at 31st December 2017

Accounting Policies

General Accounting Policies

Accounting Conventions

The Financial statement of the Institute comprises the Statement of Financial Position, the Comprehensive Income Statement, the Cash flow Statement, the Statement of changes in equity, the Accounting Policies and the Notes to the Accounts. The financial statements of the Institute are prepared on the historical cost basis and in accordance with Sri Lanka Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka. These Standards apply consistently.

Format of Accounts

The Financial Statements are presented in accordance with the format issued by the Institute of Chartered Accountants of Sri Lanka. The previous year figures and phrases are re-arranged wherever necessary to conform to the current year's presentation.

Post Balance Sheet Event

All material events occurring after the Balance Sheet date are considered and adjustments and disclosures are made in the Financial Statement where necessary.

Assets and Bases of their Valuation

Property, Plant & Equipment

The Cost of Property, Plant & Equipment is the cost of purchased or constructed value together with any incidental expenses thereon. These are accounted at cost or revalued amount less accumulated depreciation, which provided on the bases specified below.

Depreciation

The provision of depreciation is calculated on the cost of Property, Plant & Equipment so as to write off such cost over the estimated useful lifetime of the assets by equal annual installments as follows.

Assets	Useful Lifetime
Building & Structure	40 years
Motor Vehicle	04 years
Furniture & Fittings	10 years
Books & Manuals	04 years
Plant & Machinery-Electrical	20 years
Plant & Machinery-Auditorium, Air Condition Machines	10 years
Plant & Machinery-Above not mentioned	05 years
Cutlery Items & Others	03 years

Depreciation is provided for the fixed assets on periodical bases.

The expenditure incurred on 2 transformer provided by C.E.B. is Rs.4,155,818.00.

Liabilities and Provision

Provision for Gratuity

Provision is made for the payment of retirement gratuities payable under the Gratuity Act No: 12 of 1983 in respect all eligible employees, whose service periods are more than one year at the Balance Sheet date.

Employees are entitled to Employee's Provident Fund contributions and Employee's Trust Fund contributions in line with the respective statutes and regulations. The Institute contributes 15% and 3% on Basic salaries of employees to EPF and ETF respectively.

Provision for Bad Debtors

5% provision has been made for Bad Debtors.

Other Liabilities

A sum of Rs, 217,200/= has been made as a provision for the legislation of employees and other parties in the Financial Statements.

Legal actions have been taken regarding the eviction of ex-employees from quarters occupied without permission for claiming Rs.645,122.00 including the rent of the quarters and the penal rent by them The defendant passed away on 10.10 2015, therefore claiming the particular amount is uncertain.

An ex-employee has filed two actions.

Revenue Recognition

- All fees for services rendered are accounted on accrual basis.
- Fees for the Diploma courses, other certificate courses and the interest income earned on investments are accounted on annual basis that service was rendered.

Expenses

All expenses are accounted accrual basis other than insurance installments.

Only insurance installments have been entered on annual basis.

Government Grants

Government grants received in the capital nature are treated as reserves in the statement of Financial Position.

Capital Grants

Recurrent Grants

These are treated as an the Income in the year in which they were received in the Comprehensive Income & Expenditure Statement. The recurrent grants that were not utilized have been shown as liability in the statement of financial position.

Grants have not been received from Co-operative Fund at People's Bank for the training programmes in the year under review but the grant of Rs.975000.00 that was received in 2016 and was not utilized remained as a balance at 01.01. 2017. A sum of Rs. 534,747.00 from the said sum was spent for 05 programmes in 2017. The amount has been entered as a grant of income in the Income and expenditure statement.

The amount that was not utilized has been entered in the debtor's amount.

- Preparation and submission of financial statements is a responsibility of the management of the Institute.
- Final stock of stores and Press as at 31.12.2017.was calculated in average method and printed materials were calculated in cost value.
- Cash Flow Statement was prepared according to the current circle method.
- 35 permanent of employees, 02 casual employees and 04 trainees were engaged in service at this institute as at 3.12.2017. 05 Development Officers attached from the line Ministry were engaged in service in addition.
- The Line Ministry has grant a sum of Rs.3.4 million with the aim of publishing books relevant to Co-operative subject. The Line ministry has advised to maintain the separate set of books to carry out this works. Accordingly, the set of books is maintained as instructed by the ministry and the statement of income, expenditure and financial position 2017 is attached.
- The interest income earned by investing the publication fund and the institutional fund is Rs.572, 262.00 and Rs.279, 138.00 respectively. These income are separately credited in the Income & Expenditure Account.
- An amount 4,181,639.79 and an amount of Rs, 501, 796.97 including the cost of living relevant to the period of 2006-2015 have to be paid to ETF fund and EPF fund respectively as arrears of payment.

Note: 02

Property, Plant & Equipment- 2017

Cost/Valuation	Balance as 01.01.2017	Prior Year		Balance after adjustment	Additions during the year	Adjustment (Addition)	Adjustments (Deduction))	Actual 31.12.2017
		Addition	Deduction					
Land	135,040,306.01	-	-	135,040,306.01	-	-	-	135,040,306.01
Building & Structure	452,742,785.69	-	-	452,742,785.69	36,410,053.00	-	-	489,152,838.34
Plant, Machinery & Equipment	100,089,731.49	-	-	100,089,731.49	2,570,840.00	-	(386,885)	102,273,686.65
Vehicles	16,914,588.00	-	-	16,914,588.00	-	-	-	16,914,588.00
Furniture	42,250,385.27	-	-	42,250,385.27	3,298,399.00	-	(44,815)	45,503,969.47
Library Books	2,383,982.35	-	-	2,383,982.35	113,407.00	-	-	2,497,389.35
Curtain,Cutlary items & Others	1,879,572.25	-	-	1,879,572.25	-	-	-	1,879,572.25
Total	751,301,351.06	-	-	751,301,351.06	42,392,699.00	-	-	793,262,350.07
Accumulated Depreciation	Balance as at 01.01.2017	Prior year Adjustment			Addition during the year	Adjustments Additions	Adjustments (Deduction)	Actual 31.12.2017
		Additions	Deductions					
Building & Structure	73,999,934.09	-	-	73,999,934.09	11,959,409.00	-	-	85,959,343.09
Plant, Machinery & Equipment	45,810,051.56	-	-	45,810,051.56	13,915,416.00	-	(386,885)	59,338,582.56
Vehicles	12,214,587.00	-	-	12,214,587.00	1,487,500.00	-	-	13,702,087.00
Furniture	16,726,593.91	-	-	16,726,593.91	3,616,172.00	-	(44,815)	20,297,950.91
Library Books	2,292,496.39	-	-	2,292,496.39	57,634.00	-	-	2,350,130.39
Curtain, ,Cutlery items & Others	1,683,956.00	-	-	1,683,956.00	175,921.00	-	-	1,859,877.00
Total	152,727,618.95	-	-	152,727,618.95	31,212,052.00	-	(431,700)	183,507,970.95
Gross Book Value	751,301,351.00	-	-	751,301,351.00			-	793,262,350.00
Accumulated Depreciation	152,727,619.00	-	-	152,727,619.00			-	183,507,971.00
Net Book value	598,573,732.00	-	-	598,573,732.00			-	609,754,379.00
Capital work-in-progress	Balance as at 01.01.2016	Prior year Adjustment		Balance after adjustment	Additions during the year	Adjustment Addition	Adjustments (Deduction))	Actual 31.12.2015
		Additions						
Renovation of Hostels D,E,H	3,936,049.00			3,936,049.00	77,779.00		(3,936,049)	
					77,779.00	-	(3,936,049)	77,779.00
Carrying Value	602,509,781.00		(881,344)	(637,938,026)				609,832,158.00

	2016 Rs	2017 Rs.
Note: 03.1		
<u>Other Non-Current financial Assets</u>		
Deposit with Electricity Board	813,750	813,750
Distress Loan-Staff	899,999	1,130,555
	1,713,749	1,944,305
Note- 04.1		
<u>Current Investment</u>		
Investment in Fixed Deposit	7,217,379	8,014,476
Distress Loan -Staff	763,889	880,555
	7,981,268	8,895,031
Note - 05		
<u>Trade & Other Receivables</u>		
3501-3512 Course fee receivables (Schedule:5A)	2,090,284	2,099,723
3504 Receivable on programme fee out - side	930,359	1,341,995
3513 Receivable in Printing Service	40,511	135,223
Other Deposits 5B)	-	-
3514 Receivable on other services	300,771	322,924
3402 Advance to contractors	2,204,287	5,007,472
3403 Advance to Suppliers	292,200	75,000
3515 Interest receivable on Investment	130,130	276,676
3518 Hostel fee Receivable	53,750	75,000
3520 House rent Receivable	645,122	645,122
3523 Advance to Suppliers	239,300	138,800
3524 Staff food supply control A/C	5,130	11,910
3525 Receivable on food supply to co-operative inspectors	130,896	130,896
3526 Receivable fines	-	40
3527 Festival advance receivable	48,300	31,250
3532 Advance to staff	-	9000
3535 Transfer fund to other Accounts	-	-
3539 VAT	34,083,330	37,622,839
3540 WHT Payment	7,321	17,505
3543 Loan for staffs	-	-
3545 Cheque return control A/C	-	-
3547 Pre-paid Insurance Premium	671,317	340,099
3548 Receivable Bus Hire	19,635	-
3549 Building rent receivable	16,250	315,500
3551 Income from home garden	-	20,655
3350 Salary for the Development officers receivable from Ministry	-	-
Publication II Trade & other receivables	104,243	25,049
Less: Provision for Bad debtors	(1,365,267)	(1,564,803)
Specific provision for Bad debtors	(583,616)	(566,455)
	40,064,254	46,511,421

NOTE - 06

	2016	2017
	Rs.	Rs.
Inventories		
3301 Stationery Stock	210,063	341,582
3302 Printing material stock	299,417	546,379
3303 Building material	46,664	105,415
3304 Audio Visual	6,552	6,552
3305 Sundry Stock	299,854	370,842
3306 Publications – II (Books & Handouts)	00	00
Publication II Book stock	257,956	254,974
Publication II Printing material stock	14,067	14,067
	1,134,573	1,639,811

NOTE – 07**Cash at Bank (People’s Bank, Katugastota)**

Publication Account I	089-1001-92649564	259	259
Training & Education	089-1001-32648143	14,071,329	16,269,659
Productivity Account	089-1001-38092967	238,856	238,856
Government	089-1001-92648140	76,218,338	49,815,997
Service charge Account	089-1001-50002158	703,803	437,620
Institutional Fund	089-2001-90030993	2,898,613	3,030,555
Publication Account ii	089-1001-50018442	360,296	399,407
		94,491,494	70,192,353

NOTE - 08**CAPITAL**

Balance on 01.01.	233,254,215	233,254,215
<u>Add/Less: Adjustment to statement of affairs</u>	-	-
	233,254,215	233,254,215

NOTE - 09**ACCUMULATED PROFIT/(LOSS)**

Balance as at 01 st of January	(83,517,777)	(86,059,589)
<u>Add/(Less):Prior year adjustments</u>		
Audit fee		
Others-Addition	2,011,074	-
Others-Deductions	(881,344)	-
	1,129,730	-
Accumulated Profit after prior year adjustment	(82,388,046)	(86,059,589)
Add: Surplus/(Deficit)	(3,671,541)	2,509,280
	(3,671,541)	2,509,280
	(86,059,588)	(83,550,308)

NOTE- 10	2016	2017
<u>CAPITAL GRANTS FROM TREASURY</u>	Rs.	Rs.
Balance on 01.01	457,571,859	445,505,844
Add: Adjustment	-	-
	457,571,859	445,505,844
Add: Received for the year	13,000,000	8,000,000
	47,571,859	453,505,844
Less: Depreciation of Assets purchased from capital grants	(25,066,015)	(25,875,850)
	445,505,844	427,629,994

NOTE - 11		
<u>CAPITAL GRANTS FROM MINISTRY</u>		
Balance on 01.01	29,320,091	29,323,029
Add: Received for the year	2,938	750
	29,323,029	29,323,779
Less: Depreciation of Assets purchased from capital grants	(13,464,593)	(13,849,435)
	15,858,435	15,474,343

NOTE - 12**CREDITORS & ACCRUED EXPENCES**

4001 Telecommunications	74,710	114,330
4002 Water	73,975	-
4003 Electricity	138,355	119,702
4004 Lecture Fees	500,500	1,009,138
4005 Other accuser Expenses	511,154	664,125
4008 Subsistence Control A/C	72,450	72,450
4015 Govt. Audit fee Payable	550,000	844,925
4016 Payable to Treasury	85,822	275,738
4018 Advance received for programme – Outside	548,119	86,937
4019 Security Service	398,351	447,510
4021 Laundry service		1,150
4022 Building Renovation –CECB	45,726,029	47,374,205

	2016	2017
	Rs.	Rs.
Structure:12A Received Advance	3,870,733	1,487,715
4027 Payable to Suppliers	767,400	135,364
4028 Advance received for bus hire	1,000	-
4035 Salary control Account-Casual	100,247	86,733
4040 Refundable course fee	142,000	75,750
4041 Productivity Control A/C	238,856	238,856
4060 Rasapiri Caters	2,280	211,988
3902 Security Deposit	1,478,322	637,063
4043 VAT Receipt	2,500,286	3,046,968
3903 Refundable tender deposit	91,350	192,650
3907 Refundable library fee	-	-
4058	217,200	-
4048 Payable to Ruchira caters	-	9,204
4049 Fuel bill payable	57,024	67,490
4053 Building rental received in advance	-	-
4052 CWE Food Supply payable	150,000	-
4057 Peoples Bank grant received	975,000	440,253
4056 Advance received from Co-operative fund for Auditorium	-	-
4059 Payable to AAT Publications	-	17,408
4061 Not used fund in 2015	175,738	543,744
4063 Previously received hostel income	-	794,925
4064 Instruction fees	-	60,635
Publication fund- ii Creditors and accrued Expenses	83,170	108,345
	59,995,237	60,532,595

Note 13**RECURRENT GRANTS (CODE:11)**

1021 From Treasury	29,409,001	30,610,443
1020 From Ministry	-	-
1044 From Co-operative Fund	816,738	534,747
	30,225,739	31,145,190

NOTE – 14**OTHER INCOME (CODE:11)**

	2016	2017
	Rs.	Rs.
1001 - 1011 Course Fee - Schedule 14 – A	11,869,978	16,673,912
1012 Room Charges	6,773,300	6,777,377
1014 Lecture Hall Fee	1,879,275	2,100,000
1014	3,533,500	4,680,009
1015 House Rent	367,865	401,446
1017 Sales of Publications	1,925	7,636
1018 Service Charges	48,975	128,900
1023 Printing Service	9,812	102,234
1024 Library Fee	62,500	55,500
1025 Exam Fee	133,464	151,537
1026 Fixed Deposit Interest	281,863	504,360
1027 Interest on Staff Loan	76,571	88,290
1035 Non-refundable Tender Deposit	145,372	188,922
Opportunity cost interest on concessionary staff loan	137,066	161,889
1036 Sale of Fixed Assets	45,784	234,125
Miscellaneous Income – (Schedule 14 –B)	1,727,901	1,922,414
1043 Commission on food supply	924,298	697,696
1069	442,500	811,500
1063 NBT		279,418
1083	966,007	-
1085 unpaid compensation		217,200
Over provision of Depreciation	61,188	-
	29,489,144	36,184,366

NOTE - 15**PERSONNEL EMUOLUMENTS (CODE:01)**

101 Salaries & Wages	21,867,594	20,919,231
151 Lecture Fees	3,014,875	4,070,849
103 Over Time	391,425	181,807
104 Allowances	2,009,284	1,395,048
105 E.P.F.(Institutional Contribution)	2,284,068	2,448,617
106 E.T.F. Contribution	456,814	489,723
153 Examination Supervision Fee	147,750	119,800
154 Course coordination Fee	167,437	299,004
110 Director Fee	216,000	120,000
112 Holyday pay & others	71,859	61,278
115 Allowance for Audit committee	90,000	72,000
155 Question paper preparation fee	141,663	135,670
156 Paper Marking Fee	406,640	414,200
118 Gratuity	1,229,551	1,600,338
119 Pension Fund	132,576	212,271
158 Instructing Fee	103,500	129,360
159 course Administration Fee	7,700	80,965
Employment benefit on concessionary staff loan	137,066	161,889
	32,875,799	32,912,050

NOTE - 16**TRAVELLING EXPENCES (CODE: 02)**

201 Domestic	140,038	112,491
202 Foreign	359,632	234,664
	499,670	347,155

NOTE- 17

<u>SUPPLIES & office necessities (CODE:03)</u>	2016 Rs.	2017 Rs.
301 Stationery & Other requisition	532,565	480,719
302 Fuel & Lubricant	1,557,465	1,392,715
303 Printing Materials	327,010	461,889
304 Newspapers & Periodicals	52,380	39,260
306 Diets	728,608	1,315,834
307 Mechanical & Electrical Goods	76,744	104,712
308 Video cassette & Others	5,292	-
310 Others	423,460	622,550
313 Cost of water bottles	152,843	80,820
314 Cost of purchased publication for resale	-	-
	3,856,367	4,498,499

NOTR - 18**MAINTENANCE EXPENCES (CODE:04)**

401 Vehicle	532,861	437,197
402 Plant ,Machinery & Equipment	132,528	263,484
403 Building & Structure	129,911	160,752
405 Computer accessories	-	43,295
406 Motor Vehicle License & Insurance		1,210
407 Curtain & Carpets	61,306	75,255
	856,605	981,193

NOTE -19**CONTRACTUAL SERVICES (CODE:05)**

501 Transportation	1,168,418	1,622,544
502 Telecommunication	953,968	1,035,512
503 Postal Charges	332,410	228,730
504 Electricity	3,893,135	2,840,133
505 Water	1,040,978	638,027
511 Rent & Tax Charges	42,149	22,649
508 Audit Fee	186,000	294,925
510 Advertisement/Publicity	473,778	922,963
512 Security Services	3,988,672	4,768,250
513 Janitorial Services	4,562,239	4,395,188
514 Laundry Services	272,220	295,010
515 Gardening	171,750	39,477
516 Insurance	629,286	695,791
517 Translation	87,360	44,031
520 Staff Training (Local/Foreign)	6,000	65,000
521 Subscription & Member Fee	457,300	556,968
523 Other Services	257,775	228,235
524 Printing Charges – Printing section	500,698	251,587
525 Printing Charges – Audio Visual	102,000	24,000
526 Stamp Charges	950	-
530 Hall Charges	16,518	-
531 Accommodation Charges	115,740	139,100
	19,259,345	19,108,120

	2016	2017
	Rs.	Rs.
NOTE -20		
<u>OTHER EXPENCES (CODE:06)</u>		
519 Uniform Allowances	-	-
532 Repayment of Quarters Rent	136,924	-
601 & 602 Legal fee & Donation	88,500	63,000
605 Compensation	-	-
607 Entertainment-General & Visitors	912,217	444,562
607 Entertainment- Opening ceremony of Auditorium Building	-	-
703 Bank Charges	17,775	34,169
705 Loan interest of Staff	-	-
707 N.B.T.	127,598	914,961
709 Provision for Bad debtors	-	182373
710 Contribution to Institutional Fund	305,895	279,138
712 Unpaid WHT	32,950	-
713 Loss of Exchange	1,262	-
	1,623,121	1,918,204

Schedule : 12-A**Course fee Received in Advance**

4023 Diploma Courses in Co-operatives	3,138,382	1,381,280
4024 Programmes	655,214	-
4025 other Courses	77,137	106,435
	3,870,733	1,487,715

Schedule: 14-A**Course Fee Income**

1001 Diploma – Co-operative	3,361,300	4,069,254
1001 Diploma – Professional		485,000
1002 NICD Computer Diploma		485,000
1003 Certificate Course-Computer	640,600	493,825
1004 Certificate in English	949,899	924,750
1005 Special Courses	423,750	438,060
1005-01 Course fee for AAT		
1005-02 Chartered Course Fee	643,225	859,725
1005-03 CMA Course Fee	399,310	1,710,345
1005-04 CBF Course Fee	3,100	-
1006 Diploma Programme – BIT	78,900	-
1007 Certificate Courses – Co-operative	214,500	-
1008 Short term Courses –Workshop	1,242,616	2,121,228
1009 Short term Courses – IT	2,159,039	3,356,410
1010 Short term Courses – On Request	691,070	598,170
1072 Certificate course in Tamil Language	1,062,669	1,617,146
	-	-
	11,869,978	16,673,912

Schedule:14-B

Miscellaneous Income	38,496	88,800
1016 Income from Garden	80,399	45,300
1034 Hostel Manager Fee	6,132	-
1038 Photocopy Charges	623,843	212,801
1041 Other supplies	-	-
1044 Water Bottles	267,055	140,285
1045 Registration of Supplies	77,865	101,304
1046 Photograph Income	8,800	-
1047 Fines	42,232	1,109,024
1051 Other income	100	100
1056 Income from the bus	71,909	10,379
1061 Extra income	326,130	84,065
1062 Payable amounts not requested	106,529	8,990
1080 Commission on AAT Publications		53,750
1071 Sale of newspapers	41,152	11,320
1079 Commission on software development	9,635	-
1082 R FUND	-	-
	<u>27,623</u>	<u>56,297</u>
	<u>1,727,901</u>	<u>1,922,414</u>



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தேசிய கணக்காய்வு அலுவலகம்

NATIONAL AUDIT OFFICE



මගේ අංකය
எனது இல.
My No.

CLP/KD/I/NICD/01/17/36

ඔබේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date

28 September 2018

The Chairman,

National Institute of Cooperative Development

Report of the Auditor General on the Financial Statements of the National Institute of Cooperative Development for the year ended 31 December 2017 in terms of section 14(2)(c) of the Finance Act No 38 of 1971

The audit of financial statements of the National Institute of Cooperative Development for the year ended 31 December 2017 comprising the statement of Financial Position as at 31 December 2017 and the statement of financial performance, statement of changes in equity and statement of cash flows for the year then ended and the summary of significant accounting policies and other explanatory information was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Finance Act, No 38 of 1971 and Section 22 of the National Institute of Cooperative Development Act (incorporated) No.1 of 2001. My comments and observations, which I consider should be published with the Annual Report of the Institute in terms of Section 14(2) (c) of the Finance Act appear in this report. A detailed report in accordance with the Section 13(7) (a) was sent to the Chairman of the Institute on 14 August 2018.

1.2 Responsibility of the Management for Financial Statements

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



1.3 Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments the auditor considers internal control relevant to the Foundation'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 institution'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 the financial statements. Section (3) and (4) 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 paragraphs 2.2 of this report.

2 Financial Statements

2.1 Qualified Opinion

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



2.2 Comments on Financial Statements

2.2.1 Sri Lanka Accounting Standards

Sri Lanka Accounting Standard 16

According to the paragraph 31 of the standard a revaluation had not been done in respect of land and buildings after the year 2001 thus those assets had not been presented in their carrying value in the financial statements.

2.2.2 Accounting Deficiencies

The following observations are made.

- a) Out of the grant of Rs.30, 980,000 received from the treasury for recurrent expenditure for the year under review, only a sum of Rs.30,610,443 expended during the year had been shown in the comprehensive income statement and the unexpended amount of Rs.369, 557 had been shown under the payables.
- b) A sum of Rs 247,226 payable for building renovations during the year under review had not been taken in to accounts.
- c) Lawyer's charges of Rs.66, 000 which should be adjusted for the previous years had been adjusted to the profit of the year under review.

2.2.3 Lack of evidence for audit

Asset registers and schedules had not been furnished to audit in respect of non - current assets totaled Rs. 746,737,795.



2.3 Receivable and Payable Accounts

The following observations are made.

- a) The total amount of 6 balances of receivable accounts as at 31 December of the under review amounting to Rs.4,675,883 consists with a total of balances remaining in a period of 1 to 5 years amounting to Rs.3,189,691 and balances unsettled over a period more than 5 years amounting to Rs.1,486,192.
- b) A stall of the multipurpose building owned by the Institute had been leased to the cooperative co-op city shop and estimated rent of Rs. 237,895 should be received for March to August 2017 for the stall.
- c) The receivable balance of VAT from the Department of Inland Revenue amounting to Rs. 37,622,639 which had been brought forward from the year 2005 had not been settled even in the year under review.
- d) The total amount of 5 balances of payable accounts as at 31 December of the year under review amounting to Rs.75,513,623 consists with a total of balances remaining unsettled in a period of 1 to 5 years amounting to Rs.28,139,418 and balances unsettled over a period more than 5 years amounting to Rs.47,374,205.



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

The following non- compliances were observed.

Reference to laws, Rules and Non – compliance
Regulations

Financial Regulations of the
Democratic Socialist Republic of Sri
Lanka

Financial Regulations 757 (2) and section 3 of the Public Finance Circular No.05/2016 dated 31 March 2016.

The copies of the Board of Survey reports had not been furnished to the Auditor General after carrying out the board of survey for the year under review.

Paragraph 3 (iv) of the Public Administration Circular No.11/2006 dated 14 July 2006

Although 2040 liters of fuel had been used in the year 2017 for the cab assigned to the Chairman, monthly summaries of running charts had not been submitted.

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the operations of the Institute for the year ended 31 December 2017 had resulted in a surplus of Rs.2,509,280 and as against to the deficit of Rs.3,671,542 in the preceding year, thus indicating an increase in the financial results by Rs.6,180,822. Increase of the revenue by Rs.7,708,790 had mainly effected to the above increase.



Even though financial deficiency of Rs.706,722 existed in the year 2013 had further deteriorated up to Rs.5,786,120 for the year 2014 in the analysis of the financial results for 04 preceding years and the year under review a it was increased up to a surplus of Rs.1,156,557 in the year 2015 and further a deficiency of Rs.3, 671,542 had existed for the year 2016 and a surplus of Rs.2, 509,280 had existed for the year 2017. However, considering the adjustments of depreciation for non-current assets made to the financial results the contribution of Rs.10,033,116 for the year 2013 had continuously increased up to Rs.33,845,710 for the year 2015. Even though the contribution had deteriorated up to Rs. 26,806,656 for the year 2016, It had increased up to Rs.33,721,332 for the year 2017.

3.2 Legal Cases filed by the Institute or against to the Institute

The following observations are made.

- a) Three cases had been filed against to the Institute by 3 external individuals to restore the service and to obtain compensation.
- b) A case had been filed by the Institute to recover the outstanding house rent of Rs.425,406 receivable from an officer who served to the Institute and retired and died for the period he reside in a government residence.

4. Operating Review

4.1 Performance

4.1.1 Planning

The following observations are made.

- a) Although the corporate plan had been prepared for the period from 2013 to 2017, only the objectives relating to educational activities had been included in the plan. An analysis of the capacity had been furnished, weaknesses had not been identified.



- b) i Although the total expenditure for development activities had been shown in the annual budget, separate expenditure for each project had not been presented.
- ii. A human resources development plan had not been presented along with the annual action plan for the year under review and out of 33 officers of the institute, only 7 officers had been sent to external training programs for 7 days during the year under review.
- iii. A plan for refunding loans which should be presented along with the annual action plan, had not been presented and actions had not been taken to refund the loan amounting to Rs.25, 000,000 obtained from the cooperative fund.
- iv An Annual action plan had not been prepared as compared with the annual budget thus adequacy of estimates could not be identified.

4.1.2 Operating and Review

 The following observations are made

- a) According to the section 4 of the National Institute of Cooperative Development Act (incorporated) No.1 of 2001, objectives of the institute had not been achieved sufficiently details are given below.
- (I) Although the institute should be acted as a center to promote and coordinate activities relating to the cooperative development, cooperative certificate course and cooperative diploma course had only been conducted with time delays.
- (II) Although training should be provided using modern techniques, courses had been conducted using traditional teaching methods without using modern techniques.



- (III) Although research relating to cooperative development should be promoted, any research had not been carried out during the year under review and the posts of the researcher and the assistant researcher were vacant during the year under review.
- (IV) Although the cooperative enterprises which are in the need of management skills should be taken over and managed, attention had not been paid in respect of said objective and it was observed in the examination carried out in respect of cooperative enterprises that out of 9951 cooperative societies in 7 provisions, only 5996 societies were activated and 3955 societies were in the position of deactivated.
- (V) Although professional instructions should be given to cooperative enterprises, such service had not been given.
- (VI) Although model cooperative villages and trade centers should be established, only a milk village project had been implemented in the year 2013.. However it had not activated and attention of the top management had not been paid on this objective.
- b) According to the section 13 of the National Institution of Cooperative Development (Incorporated) Act No.01 of 2001, actions had not been taken by the Board of Study of the Institute to carry out duties relating to prepare training and research programmes and to develop subject series and matters for the courses conducted by the Institute.
- c) The progress of the training courses and accessory programmes conducted by the Institute during the year under review as compared with the previous year is given below.
- (I) Although it had been planned to conduct 21 short term training courses during the year under review, only 19 courses had actually been conducted.
- (II) Even though a sum of Rs. 440,253 was saved out of the peoples bank grant received for conducting training programmes, it had not been planned to be commenced training programmes under the peoples bank grant during the year under review.



(III) Even though courses had been conducted free of charge for improvement of cooperative field in previous years, conduction of such courses had been relinquished during the year under review.

d) Performance indicators which should be prepared according to the Professional Training Guide of the Institute had not been prepared thus the completion level of the activities included in the annual action plan could not be measured.

e) Although it had been expected to establish a research section attached to the study section in order to carry out duties relating to cooperative researches as per the Training Guidance of 2017 and 2018, it had not been implemented.

f) The income of the audio and visual section had fallen down from Rs.833, 501 to Rs.152, 360 from the period of the year 2012 to the year 2017. Even though 65 courses had been conducted by the Institute, the audio and visual section consists with modern equipment had only been used for 4 courses during the year 2017 in respect of institutional training requirements.

g) Nine short term professional training courses planned to earn a sum of Rs.1, 786,500 in the year 2017 had not been conducted.



4.2 Management Activities

The following observations are made.

- a) Actions had not been taken to increase the number of trainees through a wide advertising, because a sufficient number of trainees were not participated to the professional training courses conducted by the Institute.
- b) The circuit bungalow of the institute had been renovated in a luxurious level incurring a sum of Rs. 16,000,000 in the year 2014 and it had been reserved only for the ministers and their staff. As a result, the income earned during the year under review was Rs.29, 965 only and the income had dropped gradually from Rs.588,595 to Rs.29,965 during the period of 5 years from 2013 to 2017.
- c) The estimated income of Rs.187,200 had loss to the government due to non-recovering of rent from the government resident No.p-12 for a period of almost 11 years which was rented out to the Mahaweli Cooperative Society without an agreement.

4.3 Operating Activities

The following observations are made.

- a) The balance of Rs.238, 855 carried forward from the year 2007 relating to the account opened for the effective competition which was held in the year 2007 and the year 2009 had been remained in the account for a period of 10 years without being used for any fruitful activity.
- b) The training Guidance had been prepared without determining the number of trainees to be participated to each course which was expected to conduct during the year under review.



- c) Although a sum of Rs.5, 616,000 had been planned to earn as income from the auditorium consisted with modern facilities according to the budget for the year 2017, only a sum of Rs.4,968,750 had been earned in 17 instances.

4.4 Transactions in Contentious Nature

The provision received from the Department of National Budget amounting to Rs. 7,000,000 for the renovation of residences during the year 2015 had been utilized to renovate the library.

4.5 Underutilization of Funds

The following observations are made.

- a) Out of the provision of Rs.6, 000,000 received in the year 2014 from the Department of National Budget for the project of development of the standard of the training courses of the Institute, a sum of Rs.3, 498,291 had been remained in the current account as at 31 December 2017 without using for any purpose of targets to be achieved.
- b) Out of the provision of Rs.68, 445,000 received in the year 2014 and 2015 for the constructions of auditorium, a sum of Rs.38, 445,000 had been remained in the current account up to 31 December 2017 without being spent.

4.6 Idle and underutilized Assets

The following observations are made.

- a) Seven office rooms of the old building of the Institute No. B-13 had been remained idle without being used from the year 2008 and estimated house rent of Rs.214, 027 had lost to the government because the residence scheduled in the name of the Director General was not being used for the period from 05 January 2015 to 31 December 2017. It was revealed in audit that recruitment of officers on secondary basis had been affected to the above situation.



- b) Three government residences had been closed from the year 2012 to the year 2017 without being used and estimated income of Rs.270, 850 had lost to the government.
- c) The cooperative co-op city trade center established in the multipurpose building had been closed and remained idle since September 2017 and actions had not been taken to lease to an external party thus an estimated income of Rs.240, 000 had lost.

4.7 Identified Losses

A motor vehicle belongs to the Institute which had faced to an accident on 01 June 2014 had been repaired incurring a sum of Rs.247, 332 without an examination being done by a mechanical engineer and without obtaining an estimate relating to the repairs. However the vehicle had to be run only 1332 kilometers due to failures of the repairs after the accident and the vehicle had remained idle. Although a completion report should be submitted within 3 months since the date of the accident according to the financial regulation 104 (4) in respect of the above accident, a completion report had not been submitted even up to 29 June 2018.

4.8 Commencing projects in the land not acquired properly

According to the Financial Regulation 315 (1) the land 26 acres in extent which the institute was situated had not been acquired and the land had been captured without permission by the owners of the adjoining lands. Actions had not been taken by the Institute to secure the property and to take necessary legal actions.

4.9 Staff Administration

The following observations are made.

- a) There were 36 vacancies of 16 approved posts and actions had not been taken to fill those vacancies even up to the end of the year under review.



- b) Without being paid attention of authorities to recruit permanent officers to the posts of Director General and the Director (Study and Development), officers had been recruited on secondary basis from the year 2001. Hence the vision of the Institute to be established a cooperative enterprise with sustainable existence and filled with global coordination consists with innovation and modernization could not be reached.

4.10 Vehicle Utilization

Actions had not been taken to assign the ownership of the cab which had been purchased under the finance lease and paid the total leasing instalments.

4.11 The Market Share

The following observations are made.

- a) Out of 84 computers of the computer lab 77 per cent had been purchased in the year 2010 and older than 5 years. Central processing units with expired technology had been used thus attraction of trainees was minimized because the targeted team was educated up to G.C.E (ordinary level), aged over 16 years and with more computer knowledge.
- b) Although it was mentioned in the training guideline that the professional training unit is implementing as resource education center of 3 institutions, any professional course had not been commenced with those institutions even up to 5 February 2018.
- c) Various marketing promotional strategies had not been used to attract targeted teams and to keep the courses of the institute in minds.



5. Achievement of Sustainable Development Goals

All Statutory Institutions should functioned in accordance with the 2030 Agenda for Sustainable Development adopted by the United Nations and the National Institute of Cooperative Development had not aware as to how to act with respect of activities under their purview for the year under review.

6. Accountability and Good governance

6.1 Presentation of Financial Statements

According to the paragraph 6.5.1 of the Public Enterprises Circular No:PED/12 dated 02 June 2003, financial statements should be presented to the Auditor General within 60 days after the financial year. However financial statements for the year 2017 had been presented by the Institute on 27 March 2018.

6.2 Internal Audit

Although an internal audit unit was implemented in the institute, the management had not paid the attention to rectify the internal control weaknesses shown by the internal audit unit.



6.3 The process of procurement and Contracts

6.3.1 Procurement

The following observations are made.

- a) Dates for commence and completion had not been mentioned relating to the procurement activities planned according to the procurement plan.
- b) The camera system for the auditorium, television and franking machine which were planned to be purchased according to the procurement plan for the year under review had not been purchased even up to 31 December 2017.
- c) The minimum bid of Rs.911,342 presented for purchasing office equipment had been rejected and purchasing had been made in the institute of which presented the bid over Rs.167,658 than the lowest. However reasons for rejecting the lowest bid had not been furnished to audit.
- d) Although a provision of Rs.7 million had been made by the treasury for renovation of government residence which had been planned in the annual action plan, it had not been done during the year.

6.4 Uneconomic Transactions

The new wiring of the electricity system of the New Rathnayaka Hostel at the estimated value of Rs.2, 151,777 had been done incurring a sum of Rs.2,276,256 under the treasury grant in the year 2016. However electricity disconnection was occurred after the new wiring as the prior condition thus the total amount utilized in this regard had become fruitless.

6.5 Budgetary Control

The following observations are made.

- a) Instead of being implemented to achieve budgeted targets through a correct and realistic budget, the budget had been reviewed and amended as match as to the objectives fulfil and an amended budget had been furnished to audit on 03 August 2017.
- b) Variations were observed from 10 per cent to 540 per cent relating to the actual income and expenditure of 17 items compared with the budgeted income and expenditure.

6.6 Unresolved Audit Paragraphs

Action had not been taken to recover a sum of Rs.1, 034,765 from relevant parties for running 14, 644 kilometers the bus belongs to the institute for travels which could not be taken under the duty in 59 days from 22 January 2012 to 03 January 2015 without the approval of the Board of Council.

6.7 Fulfilment of Social Responsibility

The following observations are made.

- a) The institute supplied the service for cleaning and development of garden had not supplied necessary chemicals and equipment according to the agreement and had not supplied a proper service as well.
- b) The old oil tank in front of the residence of the residential manager in the premises of the institute had become wilderness and bottles, polythene and other garbage had been disposed into it. The possibility of adverse effects which can be occurred to the external beauty, health of the officers and residents and breeding mosquitos cannot be ruled out.



7. Systems and Controls

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

Areas of Systems and Controls	Observations
a) Fixed assets	Fixed assets register not being maintained. Board of Survey not being conducted and underutilization of fixed assets
b) Stores Administration	Assigning duties of the stores to a karyala karya sahayaka, and registers of the stores not being maintained properly
c) Staff Administration	Vacancies not being filled, educational and professional qualifications not being got confirmed, efficiency bar examinations not being held timely, salary increments and promotions not being provided as scheduled.
d) Contract Administration	A procurement plan not being prepared for construction, allocations for construction projects not being used timely.
e) Conduction of training courses	Trainings not been improved with proper plans for the main objective of cooperative promotion, low level progress of training programs, Trainings not being promoted using modern techniques

Sgd./ H.M. GAMINI WIJESINGHE
Auditor General

H.M. Gamini Wijesingha

Auditor General