



The Annual Report - 2019

**National Institute of Co-operative
Development
Polgolla**

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Message of the Chairman

I am happy as the Chairman of the National Institute of Co-operative Development (NICD), to add a message for the Annual Report - 2019 of the National Institute of Co-operative Development.



The NICD, despite its limitations as regards human and physical resources, has been functioning for about two decades now, working to enhance the knowledge and skills of the workforce of the Co-operative Sector, and thereby contributing to the advancement of the co-operative movement in this country.

The National Institute of Co-operative Development has worked to maximum capacity, carrying out its various duties by organizing educational programs such as seminars, workshops and other related activities during the year 2019, working on the theme "Co-operate for Pleasant Service".

The NICD endeavors to render the best service possible to Sri Lankan society by equipping the personnel of the Co-operative Movement and empowering them in every way it can, to the best of its ability. A separate Ministry has now been established to deal with 'Co-operative Affairs', thus emphasizing the importance of the Co-operative Movement in Sri Lanka.

Jayalath Ravi Dissanayaka
Chairman,
National Institute Co-operative Development,
Polgolla.

Message of the Director-General

The services that have been rendered to Sri Lankan society for several decades now by the Co-operative Movement which, working as a partner of the common man within a world-wide movement are innumerable. The social service work, tasks silently undertaken and performed without fanfare by the Co-operative Movement working side by side with other powerful Social Service Organizations, during situations of disaster & distress that arise from time to time, is highly commendable.



I have great pleasure in recording the valuable services rendered by the NICD to our co-operative workforce, despite the many challenges it faced in 2019. The NICD managed to continue to conduct its annual programs regularly, despite the fact that roughly half the posts of the staff membership remained vacant during the year 2019.

We hope, in 2020, to get these vacancies filled and to be able to provide a more comprehensive service to the Co-operative Movement.

It is heartening to note that, a separate Ministry of Co-operative Affairs is being established for the first time in Sri Lankan history. This is an excellent development which should greatly benefit the NICD which, working in collaboration with the Ministry, would be able to contribute more effectively to the development and strengthening of the Co-operative Movement. Our one aim is to become an excellent training center which, by maintaining a high standard of education and training, would help to empower and strengthen the Co-operative Movement in Sri Lanka.

G.H.M.A. Premasingha
Director General and Chief Executive Officer,
National Institute Co-operative Development,
Polgolla.

Introduction

1. Introduction

1.1 Institutional Background

The National Institute of Co-operative Development (NICD) which has played a key role in the development of the Co-operative Movement in Sri Lanka was functioning as the Sri Lanka Co-operative School under the Department of Co-operative Development from 1943 to 2001.

Sri Lanka Co-operative School was re-organized as the National Institute Co-operative Development with the aim of expanding and of developing it as more independent body under the Act No. 1 of National Institute of Co-operative Development. The Institute was established in a 20-acre block of land near Mahaweli Diverting Dam at Polgolla Gramaniladhari Division, Pathadumabara Provincial Secretarial Division in the Kandy District where a conducive educational environment is available.

The main objective of the Institute is to develop the knowledge and skills of people who serve in Co-operative Sector so that a more productive and efficient contribution to the field is obtained. The tools that are used by the Institution to enhance and update their knowledge include conducting Courses, Workshops, Counseling Programs, Research and Updating and maintaining Co-operative data systems, providing facilities for information communication and the development of liaison Co-operative Institutes.

In order to supply a productive service, the National Institute of Co-operative Development possesses physical as well as human resources. The physical resources consist of the Mahinda Rajapaksha Auditorium with a seating capacity of 1120, Lecture Halls which includes the Main Hall, student accommodation, catering services, a Computer Laboratory, Audio-Visual Press facilities, a well-equipped Library and Parking facilities. The human resources consisting of 71 Staff Members is also extremely important.

The National Institute of Co-operative Development has been functioning under the State Ministry of Co-operative Services and Marketing Development. The Board of Management, consisting of 08 members headed by the Chairman, directs the administration of institutional affairs and the Academic Board appointed by the Board of Management supervises the academic affairs of the Institute. The Director General is the Chief Executive Officer of the Institute.

The National Institute of Co-operative Development is playing an important role in the work of the Ministry of Co-operative Services & Marketing Development, in helping to overcome the present challenges being faced by the Ministry. The Institute has, in addition, been providing its services consistently during the last two decades, working in close collaboration with the Department of Co-operative Development, the Commission of Co-operative Workers and the National Co-operative Board.

1.2 Institutional Role

The role of the National Institute of Co-operative Development, which has been established under the act No. 01 of 2001, is as follows:

- i. Acting as a Centre for promoting and coordinating activities in the field of Co-operative development
- ii. Providing training on Co-operative development by using modern technological methods
- iii. Promoting research on Co-operative development
- iv. Providing facilities for exchanging information and interacting with persons engaged in the Co-operative Development field.
- v. Acting as a resource center for collecting data in the area of Co-operative Development and, collating and circulating such collected data through publications
- vi. Conducting academic and training courses related to Co-operative Development and awarding certificates and making special awards for the people who get through the prescribed examinations
- vii. Accepting and training of Co-operative entrepreneurs who need management skills
- viii. Providing professional instructions to Co-operative entrepreneurs
- ix. Establishing model Co-operative Villages, Co-operative Trade Centers and Provincial Centers
- x. Working collaboratively with other organizations whether locally or globally established, which perform similar functions to our Institute

1.3 Vision, Mission, Goal and Objectives

1.3.1 Vision

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

1.3.2 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 with good governance and creativity.

1.3.3 Goals

1. Input to create a more productive and efficient Co-operative service
2. Productive Contribution to develop Co-operative policies
3. Functioning as a leading Institute to fulfill requirements of Co-operative development

1.3.4 Objectives

1. Empowering Co-operative community
2. Empowering Governing Authorities and employees of Co-operative Organizations
3. Developing services and providing them for external organizations
4. Providing information, research and counseling relating to the Co-operative field
5. Developing the Institutional Capacity

1.4 Divisions and Functions of the Divisions

The National Institute of Co-operative Development tenders its services under main 05 Divisions as mentioned below.

1.4.1 Establishment Division

The duties handled by this Division are as follows:

Affairs of the Board of Management, Establishment matters, Registration of students, Examination work, Procurement matters, Human and Physical resource development affairs, Agreement services such as security and sanitary services and Maintaining the Website.

1.4.2 Academic Division

Planning, Developing and conducting academic and training courses, Course evaluation, Co-operative research activities, Counseling services for Co-operative enterprises, Providing Library facilities, Maintaining the Co-operative information system and the Affairs of the Academic Board.

1.4.3 Accounts Division

Preparing the Annual Budget, the Procurement plan, Monthly accounts summaries, Annual academic accounts, Answers to audit queries and Keeping accounts for all income and expenditure are the duties undertaken by the Accounts Division.

1.4.4 Accommodation Division

Reservation of the Mahinda Rajapaksha Auditorium and connected office work, managing lecture halls including the main hall, reservation of rooms in hostels and matters relating to income generated from the facilities provided, including food for workshops and seminars are the functions of the Accommodation Division.

1.4.5 Internal Audit Division

Preparing the Annual internal audit plan, implementing it and attending to the affairs of the Audit Management Committee are the duties of the Division.

1.5 Staff and Organizational Chart

1.5.1 Approved Cadre

A cadre of 71 employees for the National Institute of Co-operative Development has been approved by the Department of Management Services for which the details are given below.

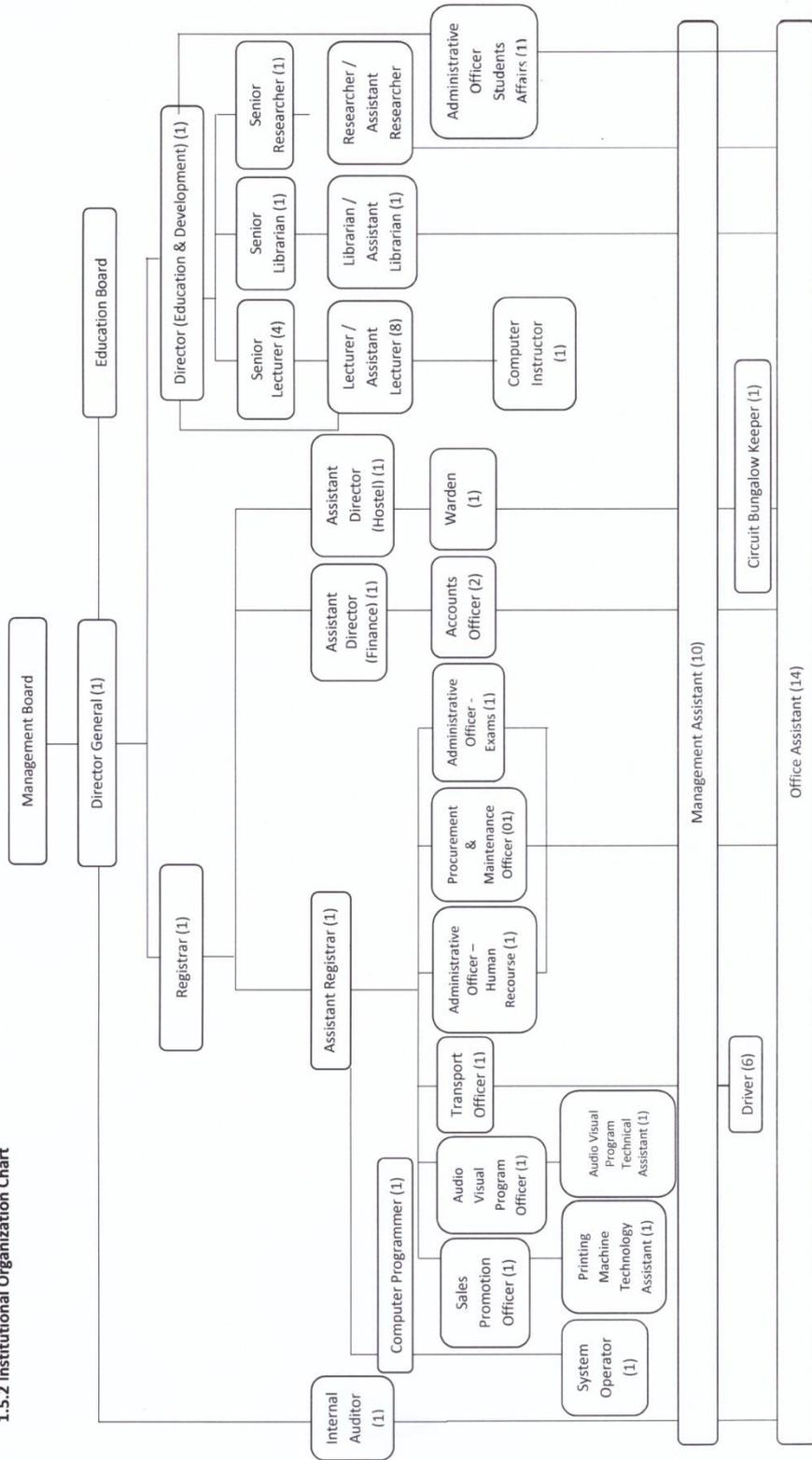
Post Category	Salary Code	Designation	No. of Positions
Senior Manager	HM 2-1	Director General	01
Senior Manager	HM 1-1	Registrar	01
		Director (Academic & Development)	01
Senior Academic and Research	AR – 2	Senior Lecturer	04
		Senior Librarian	01
		Senior Researcher	01
Academic and Research	AR – 1	Lecturer/ Assistant Lecturer	08
		Librarian/ Assistant Librarian	01
		Researcher/ Assistant Researcher	01
Management	MM 1-2	Assistant Registrar	01
		Assistant Director (Finance)	01
		Internal Auditor	01
		Assistant Director (Hostels)	01
Junior Management	JM 1-1	Accounts Officer	02
		Administrative Officer (Examinations)	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 Program Officer	01
		Warden	01
Empowering/Operation/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 Machine Technical Assistant	01
		Systems Operator	01
Management Assistant (non-technical)	MA 1-1	Management Assistant	10
Primary level (skill grade)	PL – 3	Driver	06

Primary level (Semi-skill grade)	PL – 2	Circuit Bungalow Keeper	01
Primary level (Non-skill grade)	PL – 1	Office Assistant	14
Total			71

Although the number of cadres approved for the Institute was 71, the actual number of those employees has been only 29 with 42 vacancies as of 31st December 2019.

In addition to the regular staff of the Institute, 07 Development Officers, recruited to the Ministry, have been drafted to the Institute since May 2015. Those officers have also made a significant contribution to the Institute and to the functioning of its activities.

1.5.2 Institutional Organization Chart



1.5.3. Existing Vacancies

The staff cadre of the Institute has been 71. The 42 vacancies as at 31.12.2019 are as follows:

Details of the Approved Cadre, Actual Staff and the Number of Vacancies as on 31st December 2019

Serial No.	Post	Approved Cadre	Actual Staff	Vacancies
1.	Director General	01	01	-
2.	Registrar	01	-	01
3.	Director (Academic & Development)	01	01	-
4.	Senior Lecturer	04	02	02
5.	Senior Librarian/Librarian	01	-	01
6.	Senior Researcher	01	01	01
7.	Lecturer	04	-	04
8.	Assistant Lecturer	04	02	02
9.	Assistant Librarian	01	01	-
10.	Assistant Researcher	01	-	01
11.	Assistant Director (Finance)	01	01	-
12.	Assistant Director (Hostels)	01	-	01
13.	Assistant Registrar	01	-	01
14.	Internal Auditor	01	01	-
15.	Accounts Officer	02	01	01
16.	Administrative Officer (Examinations)	01	-	01
17.	Administrative Officer (Admin./Human Resource)	01	01	-
18.	Procurement and Maintenance Officer	01	-	01
19.	Transport Officer	01	-	01
20.	Administrative Officer (Student Affairs)	01	01	-
21.	Marketing Promotion and Printing Officer	01	-	01
22.	Audio-visual Program Officer	01	-	01
23.	Officer in-charge of Hostels	01	-	01
24.	Computer Programmer	01	-	01
25.	Computer Instructor	03	01	02
26.	Audio-visual Technical Assistant	01	-	01
27.	Printing Machine Technical Assistant	01	01	-
28.	System Operator	01	-	01
29.	Management Assistant	10	02	08
30.	Driver	06	03	03
31.	Bungalow Caretaker	01	01	-
32.	Office Assistant	14	07	07
	Sub Total	71	29	42
33	*Assistant Hostel Manager	01	01	-
	Grand Total	72	30	42

*This position is held personal to the holder basis

Although the approval of the Management Services Department had been sought to get the vacancies in the Institute filled official approval for same had not been received up to 31.12.2019.

1.6 Resources of the Institute

1.6.1 Human Resources

There are three categories of staff in the Institute namely, Academic Staff, Non-academic Staff and Junior Staff. The approved cadre includes 27 Non-academic staff members, 23 Academic staff members and 21 junior staff members.

1.6.1.1 Academic Staff

The vacancies during the year 2019 were 13. The position of the Academic Staff is as follows:

Serial No.	Position	Approved Cadre	Actual Staff	Vacancies
1.	Director (Academic and Development)	01	01	-
2.	Senior Lecturer	04	02	02
3.	Senior Librarian	01	01	-
4.	Senior Researcher	01	-	01
5.	Lecturer	04	-	04
6.	Assistant Lecturer	04	02	02
7.	Assistant Librarian	01	01	-
8.	Research Assistant	01	-	01
9.	Administrative Officer (Student Affairs)	01	01	-
10.	Computer Instructor	03	01	02
11.	Management Assistant	02	01	01
	Grand Total	23	10	13

The actions have been taken to obtain the service of external resource personnel to conduct professional courses due to the vacancies of the academic staff. The details of the external resource persons are given in the table below.

Serial No.	Name/Position	Subject Area
1	Mr. A.B Bulathgama Retired Director/ NCC	Co-operative Low and Common Law
2	Mr. T. Ranathunga Retired Administrative Officer	Establishment Code and Financial Regulations
3	Mr. H. Siripala Retired Senior Lecturer	Practical Co-operative Accounts
4	Mr. Vajira Samarakoon Co-operative Development Officer	Auditing
5	Mr. P.V.Pathirana Retired Bank Manager – Peoples Bank	Bank Management Micro Finance
6	Mr. Prabath Galagamage Co-operative Development Officer	Co-operative Development and Business Environment

7	Mr. Thajudeen Rasin Senior Lecturer	Tamil
8	Mr. Wasantha Samaraweera Co-operative Development Officer	Practical Co-operative Accounting
9	Mr. E.M.S.B. Ekanayake Lawyer	Auditing
10	Mr. A.M.U Bandara Bank Manager	Skill Development
11	Mr. Sugath Hettiarachchi Co-operative Development Officer	Computer Accounting and Auditing
12	Mr. D.M.T Dissanayake Retired Senior Lecturer (NCDI)	Human Resource Management Co-operative Development and Business Environment Professional Management Skills Co-operative Management
13	Mr. A.R.M. Bisthamin	Human Resource Management Bank Management
14	Mr. W.M.S.A. Wijekoon Visiting Lecturer – Sri Lanka Police Training School	Marketing Management Management
15	Mr. Sujeewa Kodithuwakku Senior Lecturer (University of Peradeniya)	Financial Accounting Financial Management
16	Dr. Ariyaratna Herath Senior Lecturer (University of Peradeniya)	Economics
17	Mr. M.S.M Farin Lecturer – Icon Business School	Financial Accounting Management Accounting Auditing
18	Mr. Rukshan Kanchana Manager - Auditor (KPMG)	Financial Accounting
19	Mr. Hasthika Neranjan Manager (Solamon de Silva and Company)	Financial Accounting Management Accounting
20	Mr. M.S. Ahafardeen Chief Operator (E-soft- Kandy)	Marketing Management Human Resource Management
21	Mr. M.T.H Jayatissa Lawyer	Marketing Management Taxation
22	Mr. A.I Vithanage Senior Teacher – Colombo International School	Marketing Human Resource Management English

23	Mr. N.N. Illas Visiting Lecturer (Open University of Sri Lanka)	Management Accounting
24	Mr. L.L. K Silva	English
25	Mr. K.D.J.P Kumara	Basic Business Mathematics
26	Mr. E.M.S Ekanayake Audit Superintendent	Management Economics Financial Management
27	Mr. Lahiru Vithanachchi	Business Taxation
28	Mr.H.E.M.N.G.G.L.Bandara (Visiting Lecturer)	Principles of Economics
29	Mr. K. Sachin (Visiting Lecturer)	Business Environment Economics
30	Mr. D.G.C Kumarasinghe Officer of Project Services - United Nations (UNOPS)	Adobe flash, Adobe photoshop, Internet & E-mail Graphic
31	Mr. S.D.M Jayathunga Manager – Information Technology (Mesh Computer Systems, Kurunegala)	Computer Networking Computer Systems
32	Ms. Anuththara Udayangani Senanayake SIBA University	Web Development (HTML & CSS) Object Oriented Programming Practical with JAVA
33	Mr. R.B. Walikumbura	English
34	Mr. L.P. Amarakoon	Bank Operation Management
35	Mr. R.C.P Ranasinghe	Performing Management
36	Mr. D.M.A.M.A.P. Abeywickrama Teacher – Mathematics	Applied Mathematics
37	Mr. K.D.J.P. Kumara	Basic Applied Mathematics

1.6.1.2 Non-academic Staff

The approved cadre of non-academic staff has been 21. The vacant posts of non-academic staff during the year 2019 were 19. The details are given in the table below.

Serial No.	Position	Approved Cadre	No. of Actual Staff	No. of Vacancies
1.	Director General	01	01	-
2.	Registrar	01	-	01
3.	Assistant Director (Finance)	01	01	-
4.	Assistant Director (Hostels)	01	-	01
5.	Assistant Registrar	01	-	01
6.	Internal Auditor	01	01	-
7.	Accounting Officer	02	01	01
8.	Administrative Officer (Examination)	01	-	01

9.	Administrative Officer (Admin./ Human Resources)	01	01	-
10.	Procurement and Maintenance Officer	01	-	01
11.	Transport Officer	01	-	01
12.	Marketing Promotion and Press Officer	01	-	01
13.	Audio-visual Program Officer	01	-	01
14.	Officer in- charge of Hostels	01	-	01
15.	Computer Programmer	01	01	-
16.	Audio-visual Technical Assistant	01	-	01
17.	Printing Machine Technical Assistant	01	01	-
18.	System Operator	01	-	01
19.	Management Assistant	08	01	07
	Total	27	08	19
20.	*Assistant Hostel Manager		01	
	Grand Total	27	09	19

1.6.1.3 Junior Staff

The approved cadre for the Junior Staff stood at 21 as at 31 December 2019. The staff position and vacancies as on the above date are as follows:

Serial No.	Position	Approved Cadre	Actual Staff	Vacancies
1.	Driver	06	03	03
2.	Bungalow Caretaker	01	01	-
3.	Office Assistant	14	07	07
	Total	21	11	10

Seven Development Officers from the Ministry and eleven Trainees have been working in the NICD due to 18 posts having remained vacant.

1.6.2. Physical Resources in the Institute

The National Institute of Co-operative Development is located in a block of land of 21 acres with sufficient facilities required for an educational institute. The Office premises, Auditorium, Lecture Halls, Computer Laboratories, Hostels, Cafeteria, Library, Official Quarters, Tourist Bungalow, Press, Audio-visual facilities, and Parking facilities are some of them to be mentioned. The details of the facilities available are as follows.

1.6.2.1 The Mahinda Rajapaksha Auditorium

The Mahinda Rajapaksha Auditorium possesses two conference halls with 80 seats, suitable for use when organizing workshops, conferences, (local as well as international) and special events. The facilities of this hall consist of a modern audio system and a lighting system which have been computerized. It also provides a seating capacity of 1125 with air conditioning.

A cafeteria with modern furniture and a car park which can accommodate 250 vehicles at a time, add color to the place. The income generated during the year 2019 was Rs. 3,490,625/-.

The Auditorium with air conditioning facilities surrounded by a balcony has a seating capacity of 1118. The details are as follows:



Particulars	Space (Square Meters)
Whole Building	3723.63
Main Auditorium (Balcony and 01 st Floor)	1505.50
Main Stage	259.00
Seating Capacity	1118 (711+407)
Visitor Room	1000
Office Premises	240
Lecture Halls and space for Artists etc.	719.13

The Auditorium, equipped with lighting facilities, sounds facilities, catering services and parking facilities for 300 vehicles, has earned a sum of Rs. 3,490,625.00 during the year 2019.

1.6.2.2 Main Hall (Vincent Subasinghe Hall)

The Main Hall which boasts facilities such as a theatre with a stage, a seating capacity of 450, and audio-visual facilities, is a venue for holding Stage Dramas, Seminars, Prize Giving Events and Workshops.

1.6.2.3 Lecture Halls

Air-conditioned Lecture Halls

➤ Ratnayake Hall

This Hall with air-conditioning possesses U shaped tables, 55 seats, audio visual facilities including an OHP, a white Board, a Clip Board, a Chart Board, is suitable for holding workshops seminars etc.

➤ Rochdale Hall

This Hall, having 160 comfortable seats, (60 seats with tables and 100 seats without tables) air conditioning, audio visual facilities such as an OHP, a White Board, a Clip Board, etc., and a stage is most suitable for workshops, group activities and lectures.



➤ C 1 Hall

C1 Hall is suitable for lectures and workshops. It provides facilities such as a seating capacity of 40, air conditioning, a multimedia Screen, an OHP, a White Board, a Clip Board, a Chart Board etc.

➤ C2 Hall

C2 Hall is also a venue for lectures and training workshops. It possesses air conditioning, 40 comfortable seats, a multimedia screen, an OHP, a White Board, a Clip Board and a Chart Board.

➤ C3 Hall

C3 Hall, having 20 seats, air conditioning, a Multimedia Screen, an OHP, a White Board, a Clip Board, a Chart Board etc. is suitable for lectures and training workshops.

➤ Multipurpose Building – Lecture Hall No.04

This building is an appropriate venue for training workshops, lectures etc. There are facilities such as a seating capacity of 65, audio-visual facilities including an OHP, a White Board, a Clip Board, a Chart Board etc. It is also air-conditioned.

➤ Multipurpose Building – Lecture Hall No. 05

This venue, having 30 comfortable seats, audio visual equipment including an OHP, a White Board, a Clip Board, a Chart Board etc. is suitable for lectures and training workshops.

Lecture Halls without air conditioning

➤ New Rochdale Hall

The facilities provided by this Hall for workshops and Lectures include a seating capacity of 60 including tables, audio-visual equipment such as an OHP, a White Board, a Clip Board, a Chart Board, etc..

➤ B Hall

This venue having 80 comfortable seats, audio-visual equipment including an OHP, a White Board, a Clip Board, a Chart Board etc. is appropriate for lectures and training workshops.

➤ Multipurpose Building – Lecture Hall No. 01

This venue having 35 comfortable seats, audio-visual equipment including an OHP, a White Board, a Clip Board, a Chart Board etc. is suitable for lectures and training workshops.

➤ Multipurpose Building – Lecture Hall No. 2

This venue, having 35 comfortable seats, audio-visual equipment including an OHP, a White Board, a Clip Board, a Chart Board etc. provides facilities for lectures and training workshops.

➤ Multipurpose Building – Lecture Hall No. 3

This venue having 40 comfortable seats, audio-visual equipment including an OHP, a White Board, a Clip Board, a Chart Board etc. is suitable for lectures and training workshops.

1.6.2.4 Computer Laboratory

NICD Information Technology Centre located in the Central Province is a better computer training center of government and private sectors. 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 consists of 55 modern computers and related facilities during the year under review.



1.6.2.5 Library

The Library is considered as the most advanced Library with modern facilities in the Co-operative sector in this country. There is a collection of about twenty-one thousand 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 are also newspaper articles in magazines and the catalogue is being computerized as at present. Readers can also use the internet facilities in the library.



1.6.2.6 Student Hostels

There are 7 Halls of Residence that can accommodate 232 occupants at a time. Some single or double rooms have air conditioning and some have not. In addition, the fully equipped Holiday Resort of the Institute provides accommodation for persons in the Co-operative Sector, the Government and in the Private sector as well.

➤ Ratnayake Hostel

The fully air-conditioned Ratnayake Hostel has 12 double rooms including 08 rooms with attached bathrooms and 04 rooms with common washroom facilities and can provide accommodation for 22 persons at a time.

➤ New Ratnayake Hostel

The fully air-conditioned new Ratnayake hostel has 04 double rooms and 16 single rooms with attached bathroom facilities. It can accommodate 24 people at a time.

➤ Ratnayake Home

This home consists of 02 houses each with 03 rooms including attached bathroom facilities. The accommodation capacity is 24.

➤ D/E/F/G/Hostels

This hostel cluster consists of 04 buildings where 72 rooms are available. Each building has common washroom facilities. It can accommodate 144 persons at a time.

➤ H Hostel

This hostel has 6 triple rooms with a common bathroom. It can provide accommodation for 18 individuals at a time.

1.6.2.7 Cafeteria

The cafeteria in the Institute provides its services to participants at Workshops, Seminars, Meetings, and various events and also for the staff of the Institute. The well-trained staff can prepare local as well as international food of a high standard. A buffet style system is followed when serving food and a day and night service is available for customers. 200 covers with seating facilities can be accommodated at one time.



1.6.2.8 Tourist Bungalow

The Tourist Bungalow is situated near the Mahinda Rajapaksha Auditorium of the Institute. Our Institution is located close to the Mahaweli diverting dam along the road from Kandy to Madawala via Waththegama and is situated 8k.m from Dalada Maligawa in Kandy. The facilities of the bungalow include 2 master bed rooms, 2 double bed rooms with single beds, and a veranda including a comfortable sofa and dining table. The house has been fully air conditioned. Situation on the Dumbara Plain is a fine place in which to spend a holiday; here a family could enjoy good climate in a pleasant environment.



1.6.2.9 Press and Audio-visual 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. It provides facilities for courses conducted by the NICD and the programs 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 programs held at the National Institute of Co-operative Development.

1.6.2.10 Staff Quarters

The Institute possesses 19 official quarters to provide housing facilities for officers and other staff serving in the Institute. The houses have been categorized according to their size and other related matters. 11 houses have been renovated or modified using Capital Fund of the Institute during the years of 2018 and 2019.

1.6.2.11 Parking Facilities

Parking facilities are available in the premises of the Mahinda Rajapaksha auditorium where 250 vehicles could be accommodated. The 03 entrances to the car park are equipped with security personnel. The premises around the Central Office provide parking facilities for about 100 vehicles of visitors who come to the Institute for official purposes.

An ATM machine established by the Peoples Bank facilitates the accounts transactions of those around.

1.7 Courses of Studies

The following are the courses conducted annually by the Institute:

Higher National Diploma Courses	01
Diploma Courses	01
Certificate Courses	04
Professional Courses	05
Short term Courses	<u>21</u>
Total	<u>42</u>

1.7.1 Higher National Diploma Courses

1.7.1.1 Higher National Diploma in Management and Accounting

The Higher National Diploma Course in Management and Accounting, introduced in 2021, is a one-year program. The academic activities of the program span over two semesters. Eligibility criteria for the course are as follows:

- Applicants attached to Co-operative, Government and Private sectors should have a Diploma in Computer and Information Technology (minimum of 30 credits).
- Applicants who are expecting jobs should have the same qualifications as given above.

The program intends to improve the application and use of Information Technology in different professions and also improve the practical aspects of the subject.

1.7.2. Diploma Courses

1.7.2.1 Diploma Course in Co-operative Development

The Diploma Course is a prescribed course for officers in Co-operative Development Department for confirmation in their positions. It is essential to pass the Certificate Course in Co-operative Development to gain admission to the Diploma course.

1.7.2.2 Diploma Course in Bank Management

The course intends to enhance the knowledge, attitudes and skills of executive and administrative officers. Also, officers in banking affairs, in Co-operative Societies and Co-operative Development Departments. The objective of the Diploma course is to assist the development of professional skills in officers in Co-operative Rural Banks, Sanasa Banks, and other Co-operative Societies.

1.7.2.3 Diploma in Human Resource Development

The Diploma intends to accommodate individuals and managers who are engaged in human resources in the Co-operative movements. The objectives of this program are to enhance the knowledge, attitudes and skills of human resource Managers and thereby achieve the maximum productivity of the workers in the sectors concerned.

1.7.2.4 Diploma in Business Management

The target group for this program includes chief executives, middle-level executives and officers at executive levels. These officers face different situations in managing Co-operative societies and organizations. The course designed to improve knowledge, attitudes and skills of officers to manage their organizations by overcoming problems.

1.7.2.5 Diploma in Accounting

It is essential to establish a transparent accounting system within an Institute to make correct decisions of Co-operative societies. The Statements of Accounts should be prepared in accordance with proper accounting standards. It is a statutory requirement to prepare the statements for each financial year by respective Co-operative societies. The Statements of Accounts of each Co-operative society prepared at the end of the respective financial year should be submitted to the Department of Co-operative Development before the end of 03 months of the next financial year. The establishment of an accounting system in the organization is recognized as a responsibility of the Board of Management. The diploma is designed to ensure the development of attitudes and skills of the human resources in the organizations concerned.

1.7.2.6 Diploma in Auditing

The Auditing Officers in the Co-operative Movement in Sri Lanka are the key officers who are involved in maintaining good governance in this movement. The Diploma Course aimed at internal as well as external Auditors provides knowledge and skills necessary to carry out their work/ profession satisfactorily.

1.7.2.7 Diploma in Micro Finance

Currently, it is important to equip the service providers, with knowledge, skills and attitudes, in serving in rural financial Institutes to facilitate loan requirements of rural people. The purpose of providing loan facilities to rural people is to convert them into self-employed persons. This course helps further, prevent rural people from obtaining loans in informal ways and to introduce a systematic acceptable loan system among them.

1.7.2.8 Diploma in Marketing and Business Development

The course aims to provide a platform to build the marketing and business development affairs more professionally performed by Senior Managers, Assistant Managers, Field Officers and Management Assistants, graded as the top level, middle level and primary level, introduced under the Act of the Co-operative Societies.

1.7.2.9 Diploma in Management and Accounting

The Diploma Course commenced in 2017 by the Division of Professional Studies of the National Co-operative Development Institute operates for a period of 02 months a year. The officers attached to the Co-operative, Government and Private sectors follow this program, in addition to the students who have passed G.C.E. (A' Level). This Diploma course considers as the first year of the Degree program in Management and Accounting.

1.7.2.10 Diploma in Information Technology

The course is held annually by the Computer Division in the Institute. The following officers can register to follow this program: those keen to gain knowledge in Information Technology, officers engaged in various fields in the Co-operative sector, employees of the Government as

well as private sectors, and those who seek employment. The program aims to enhance the theory as well as practical knowledge in the subject.

1.7.3 Certificate Courses

1.7.3.1 Certificate Course in Co-operative Development

The Certificate Course in Co-operative Development is for the officers newly recruited to the Department of Co-Operative Development. It spans over two terms, each of four and half month duration and practical training for 03 months.

The course provides knowledge about Co-operative enterprises. It also helps to develop knowledge, skills and attitudes associated with Co-operative enterprises that need to be socialized.

1.7.3.2 Certificate Course in Computer Application Assistance

The Computer Division conducts the certificate course and comes under the National Professional Qualification (NAQ) Level 3. Those who wish to obtain knowledge in computer literacy can apply for this course. The objective of the course is to develop skills in computer application and offer a professional qualification in the relevant field.

1.7.3.3 Certificate Course in Office Automation

The certificate course is designed especially for professionals and handled by the Computer Division of the Institute. The course includes tools to develop knowledge and computer skills in persons using hardware and software in their relevant working environments. Classes are held during the week and at weekends. The course content is prepared to expand practical knowledge of the officers using computers in the Co-operative sector.

1.7.3.4 E- K I D S

The E-kids program handled by the Institution comprises the following categories.

E-kids primary level course, E-kids intermediate course for children between 8-10 years, E-kids advance level course for children between 11-12 years, computer learning level 04 course for children between 13-14 years and TCT (O/L) course for children of over 15 years. Classes are held during the weekend (2019).

1.7.4 Professional Courses

1.7.4.1 Courses of the Association of Accounting Technicians of Sri Lanka (AAT) (AAT – 1, AAT -2)

The NICD is the registered Centre to deliver lectures for the AAT course, according to an agreement between the NICD and the AAT.

The Institute is responsible for arranging lectures for 03 levels of AAT Courses (AAT Level 1, 2) and examinations under the mediation of the AAT.

1.7.4.2 Courses of the Institute of Chartered Accountants of Sri Lanka

(CA Business level, CA Corporate level & CA Executive Level)

According to an agreement signed between the National Institute of Co-operative Development and the Institute of Chartered Accountants of Sri Lanka, the following Level courses designed by the ICASL are held at the NICD

- Classes for Business level, Corporate Level, & Executive Level
- Communication Skills (CS) for Business Level

(The medium of instructions is English)

The National Institute Co-Operative Development comes under the category “Platinum” among the registered centers in Sri Lanka.

1.7.5 Short Term Courses/ Workshops

1.7.5.1 Training Program on Secretarial Skills

Workshops are organized to enhance the knowledge, skills and attitudes necessary for Secretaries including Secretaries attached to Boards of Directors of the Co-Operative Sector, to conduct their duties.

1.7.5.2 Workshop on Introducing Bank Monitoring

The target group for this workshop is the staff members dealing with microfinance, in Co-Operative Sanasa Societies. The aim of this program is to educate the rural community on banking transactions. It is important to make aware customers of a bank the security of their finance. The withdrawal of money should be readily available to customers. The officers of Co-operative societies should be given proper guidelines about the banking procedures and the system of monitoring. It has been noticed that the officers of these societies have only a little knowledge of banking procedures. Therefore, it is important to train them regularly, to expand and update their knowledge of the changes that take place in a micro-financial environment.

1.7.5.3 Training Workshop on Management Auditing

Techniques are used to recognize the status of a business, weaknesses and the effect of the weaknesses on the business, how to overcome those problems, and the strategies to be implemented. At the end of a financial year of a Co-operative society, statutory auditing is carried out by an officer or a group of officers in the Co-operative Development Department.

Management auditing that is aimed at the development of a society hardly takes place. The main reason for such a situation is that the Auditors have little knowledge of Management Auditing. Similarly, the Executive Officers or Audit Officers attached to Co-operative

Societies do not have much knowledge of Management Auditing. Taking these facts into consideration, the NCDI organizes this training workshop to give a basic knowledge in Management Auditing.

1.7.5.4 Training Work on Skills Development Using Auditing Standards

The workshop is designed to provide theory as well as practical awareness, to enhance the quality of the duties of auditing performed by officers attached to the Co-Operative Development Department. They are the officers who carry out the affairs of auditing in Co-Operative societies.

1.7.5.5 Training Workshop on Loan Management

The administration of loan management of the membership is one of the main functions in Rural Finance Institutes. It is necessary to maintain a cluster of loans for the members to ensure the sustainability of Institutes. Therefore, the Field Officers of Financial Institutes should have a thorough knowledge of these situations. This program helps them to improve their subject knowledge. Further, the program includes discussions on ways and means to ensure the trust of customers based on a loan, customary in Financial Institutes. This program should essentially be followed by the officers in rural Financial Institutes to ensure a smooth running of these Institutes and maintain their sustainability.

1.7.5.6 Training Workshop on Preparation of Man Power Estimation

A Co-operative society should follow a systematic plan to maintain the human resource in its society. The approval from Co-operative Workers Commission and Commissioner of Co-operative Development is essential to create positions in a Co-operative society. It is the responsibility of a society to estimate the needs of workers and obtain approval to appoint them. This type of program is, therefore, necessary to train officers in Co-Operative societies.

1.7.5.7 Training Workshop on Marketing and Consumer Hospitality

Many staff members serve in Multi-Services Co-operative Societies who directly deal with customers such as persons engaged in Mega Super Markets, Super Markets, Mini Supermarkets, Co-operative Rural Banks and Finances in Co-operative Societies. It appears that they lack knowledge in marketing and also in dealing with customers. As a result, due respect and hospitality towards the customers are inadequate. Customers are more attracted to the private sector than Co-operative societies because of their friendliness towards the customers. This has resulted in a lower profit for Co-operative societies. The workshop was held to improve the marketing abilities of the workers concerned.

1.7.5.8 Training Workshop on Internal Auditing in Rural Banks

It is necessary to carry out internal inspections in rural banks by an independent person to update the internal audit functions and to win the confidence of customers, the accounting procedure needs frequent inspection. There is one Rural Bank Internal Auditor for each of the 08 branches of Rural Banks. It appears that the newly appointed Internal Auditors do not

have any training in theory and practical. Further, the officers who are not Auditors in Multi-Services Co-Operative Societies are appointed for auditing matters. It is, therefore, necessary to train them in the auditing field. This workshop has become a training program for a large number of trainers annually.

1.7.5.9 Training workshop on the Development of Attitudes in Persons in Co-operative Societies

The training program enhances the soft skills that are essential for serving customers with hospitality. Also, improves positive thinking among workers to obtain an effective service to the Co-operative Societies.

1.7.5.10 Workshop on Reviewing F28 reports

The F28 report of Multi-Services Co-operative Societies is a monthly report. It is necessary to submit a copy to the Department of Co-operative Development. This report, which is a compulsory requirement, reflects the monthly performances of a Co-operative society. It is necessary to maintain an updated accounting system to prepare this report accurately. Another objective of preparing this report is to establish a transparent accounting system in a society.

1.7.5.11 Training Workshop on Decision Making Skill Development

The various disputes in Co-operative movements can be differently defined. The Officers attached to the Co-operative sector must know the guidelines to be followed on accepted principles to seek solutions to disputes. The objective of this program is to give training on addressing the above issues.

1.7.5.12 Training Workshop on Project Management

Project management plays a significant role in almost all subjects. It appears that a few short courses are available to gain knowledge on the above topic. Many businesses started by entrepreneurs registered as Co-operative societies are unsuccessful due to a lack of understanding in project management.

As a result, there are excess funds and profits accrued at Co-operative societies. The excess funds go into fixed deposits or are invested in treasury bills rather than invest in projects. Further, project proposals prepared for various purposes submitted by Co-operative societies are not accepted as the correct format has not been followed. Similarly, Co-operative Development Officers who recommend project proposals submitted have not paid due attention. Therefore, the course gives a basic understanding of Project Management to both parties.

1.7.5.13 Training Workshop on Discipline of Co-operative Workers

Co-operative organizations become bestowed (bidding) legally when they become weak due to various reasons. The bidders who carry out the bidding process should have proper

knowledge of what they have to follow. The program gives a comprehensive understanding of the duties they have to perform.

1.7.5.14 Training Program on Performance Enhancement of Officers engaged in Court of Law Duties

The Officers attached to Departments of Co-operative Development carry out the duties connected with the Court of Law. The training program provides awareness on the following areas.

- The rules, regulations and policies that is effective in the affairs of the Court of Law
- Their role in performing the duties
- Co-operative Law and Common Law

1.7.5.15 Workshop on Development of Role of the Members of Director Boards for Creative Co-operative Management

The workshop enhances the knowledge, skills and attitudes of members of Director Boards headed by Chairmen of Co-operative Societies, Organizations, and Associations, who serve as leading Managers of the Co-operative movement in Sri Lanka in order to direct Co-operative Organizations efficiently and effectively.

1.7.5.16 Workshop on Skill Development of Officers Directing Formal Disciplinary Inquiries

The issues regarding the discipline of workers in Co-operative Movement are not unusual. The Officers in Co-operative Sector appear to represent the complaining party. This program intends to enhance their knowledge, attitudes and skills to perform such duties.

1.7.5.17 Management of Investment Clusters for Co-operative Rural Bank and Financial Societies

Many Co-operative Societies are encouraged to invest their excess funds in investment projects for long periods. The competent persons in these Institutes lack the knowledge of directing the investments on proper channels in terms of minimum risk or at no risk. There is a necessity to plan such a program and implement it soon to train the persons concerned.

1.7.5.18 Awareness Workshop on Bidding of Co-operative Societies

The Co-operative organizations become legally dispensed (bidding) when they are weak due to various reasons. The bidders who carry the duties in this process should be knowledgeable in what they have to follow. This program is to give them a comprehensive understanding of the duties they have to perform.

1.7.5.19 Training Workshop on Performance Development of Managers/ Chief Executive Officers in Co-operative Societies

The program intends to improve the knowledge, skills and attitudes of Managers, Executive Officers of Co-operative Societies to make their services efficient, effective and productive.

1.7.5.20 Reconciliation of Finance for a Sustainability of an Institute

The sustainability of a financial institute is of importance to both the Institute and the customers. The key responsibility of the management of an Institute is maintaining the property, the loan cluster that is an asset of the Institute that generates significant income, thereby the profit.

Review to find out whether the Institute has gained maximum profit from its assets is of importance. Also, ensure that the investors benefit at the end of the year. The program organized under the above title discusses the way assets move to ensure the sustainability of Institutes.

1.7.5.21 Pawning Procedures in Co-Operative Rural Banks

One of the sources of income generation in Rural Banks is the pawning system. Nevertheless, due to the lack of competency of the staff who handles pawning procedures, societies are faced with the problem of losing funds.

These actions lead to abuse and cheating of funds, affecting the reliability that customers have for the Institute. It is, therefore, necessary to equip the staff frequently to ensure a systematic pawning procedure. This training helps to build their trust towards Institutes so that the sources of income generation can increase. Rural folks have close relationships with Rural Banks due to the services they provide. When they need a loan, they seek the support of Rural Banks nearby to pawn their gold jewelry and fulfill their necessities, rather than go to Towns.

1.7.5.22 Short Course of Computer Skills (IT) for Professionals

The Short Course in Computer Skills is conducted for Co-operative Development Officers and Co-operative Society people.

1.8 Future Expectations and Challenges

1.8.1 Future Expectations

Future expectations of the Institute are to become a Centre, offering degree programs relevant to the Co-operative Sector. The introduction of National Higher Diploma Courses is already in progress as extensions to the existing Diploma Courses. Further, a small percentage of officers who served in Co-operative Departments and Societies come under the training programs run by the NICD as programs are conducted only in/at the Institute. For the participation of a wider group, due consideration is given to expanding facilities for educational and training components.

1.8.2 Challenges

There is a problem that the Institute does not have sufficient staff competent in respective areas to carry out duties assigned by the Act. Similarly, the approved cadres for the Institute are sufficient only to perform present duties and are badly affected, unable to deliver an efficient service.

Institutional Administration

2. Institutional Administration

The Board of Management is the supreme governing authority of the National Institute Co-operative Development. The academic affairs of the Institute come under the Academic Board and the Internal Audit Committee supervises the activities of the Institute.

2.1 Board of Management

The administrative functions, management and governance have been assigned to the Board of Management in accordance with the Institutional Act. The development plans and annual budgets must be approved by the Board of Management.

2.1.1 Composition of the Board of Management

The Board of Management consists of the following members

- (a) Ex-officio Members
 - i. The Secretary of the Ministry or his/her nominee of the Ministry in – charge of the Subject
 - ii. The Commissioner/Co-operative Development in the Department of Co-operative Development
 - iii. The Chairman of the National Co-operative Development Board of Sri Lanka
 - iv. The Chairman of the Co-operative Management Institute of Sri Lanka (This Institution is not functioning now)
 - v. The Director General of the Institute appointed in accordance with Section 16 of the Act

- (b) The Members appointed by the Minister
 - i. Three persons competent in the field of the Co-operative Movement and Management, nominated by the Minister in – charge of the Subject
 - ii. One person attached to the Ministry of Higher Education, nominated by the Minister in-charge of the Subject
 - iii. One person attached to the Treasury, nominated by the Secretary of the Finance Ministry

One person among the nominated members is appointed as the Chairman of the Board of Management

2.1.2 Details of the Chairman and the Board of Management in 2019

Name	Position	Position in the Board	Nature of the Appointment
1. Mr. Rohana Keerthi Dissanayake	Chairman/ National Institute of Co-operative Development	Chairman	Appointed member
2. Mr. G.H.M.A Premasinghe	Director General/ National Institute of Co-operative Development	Member	Ex- officio member
3. K.D.N. Ranjith Ashoka	Secretary/ Industry and Trade Affairs Ministry	Member	Ex-officio member
4. Mr. Saman Jayasinghe	Additional Secretary/ Industry and Trade Affairs Ministry	Member	Ex-officio member
5. Mr. S.L Naziir	Commissioner/Co-operative Development and Society Registrar	Member	Ex-officio member
6. Mr. K.K.S.A. Perera	Director/ Finance Ministry (finance)	Member	Ex-officio member
7. Mr. Suvinda S Singappuli	Commissioner/Co-operative Development and Society Registrar	Member	Ex-officio member
8. Mr. G.R.K.S. Ganegoda	Accountant/ Higher Education Ministry	Member	Ex-officio member
9. Mr. Lalith Peris	Chairman/National Co-operative Board	Member	Ex-officio member
10. Mr. M.S.M Rizmy	Director, Chief Executive Officer, Sri Lanka Local government Authority	Member	Appointed member
11. L.B. Dasanayake	Chairman, Technological Development Co-operative Society Ltd	Member	Appointed member

2.1.3 Affairs of the Board of Management

The details of holding of meetings and decisions arrived at by the Board of Management in 2019 are as follows:

Date of the Meeting	No. of Members Participated	Number of Papers tabled	Number of Decisions made
03/29/2019	9 Members including the Chairman	34	42
05/30/2019	8 Members including the Chairman	23	26
07/12/2019	8 Members including the Chairman	07	07
07/18/2019	8 Members including the Chairman	07	13
08/20/2019	8 Members including the Chairman	07	07
09/26/2019	9 Members including the Chairman	21	21
10/29/2019	9 Members including the Chairman	12	14
11/22/2019	7 Members including the Chairman	11	16
	Total	122	146

2.2. Academic Board

In accordance with the decisions taken by the Board of Management, the duties of the Academic Board are as follows:

The Preparation of programs of training and research, the development of study courses and curricula, conducting Examinations, making the necessary recommendations for issuing examination results, the Issuing terms and conditions for offering scholarship certificates.

2.2.1 Composition of the Academic Board

The composition of the Academic Board is as follows:

- i. The Chairman of the Academic Board should be the Director General of the Institute
- ii. A member of the University Academic staff nominated by the University Grants Commission established in accordance with the University Act of No.16 of 1978.
- iii. The Commissioner General of Examinations or his/her nominee
- iv. The Commissioner of Co-operative Development or a representative nominated by the Commissioner of Co-operative Development,
- v. A person competent in management skills, came in the area of the Co-operative sector or in the private sector, to be appointed with the consent of the minister.

2.2.2. Representatives of the Academic Board

Se. No.	Name	Position	Nature of the Appointment
1.	Mr. G.H.M.A. Premasinghe	Director General and Chief Executive Officer of the National Institute of Co-operative Development	Chairman of the Board of Management/Director General of the Institute
2.	Mr. W.G. Premarathne	Senior Lecturer, (Marketing), Faculty of Management and Finance, University of Colombo	Member of Academic Staff – Nominee of the University Grants Commission
3.	Mrs. K.D.M Abeygunasekera	Commissioner of Examinations (Research/ Development and Assessment) Department of Examinations	Member of the Board of Management – for Commissioner General of Examinations
4.	Mr. S.L Nazeer	Commissioner/ Co-operative Development (Central Government) and Society Registrar, Department of Co-operative Development	Members of Board of Management and Commissioner of Co-operative Development
5.	Mr. Suvinda S Singappuli		
6.	Mr. M.G.A Thilakarathne	Secretary/Government Service Commission of the Central Province	Member of the Board of Management and Nominee of the Minister

2.2.3 Affairs of the Academic Board

Date	No. Members Participated	Number of Decisions taken
16.05 2019	03	13
27.09.2019	03	01
04.11.2019	03	12
Total		26

2.3 Audit Management Committee

The Committee on Audit Management in the Institute works in liaison with the Internal Auditor. The Committee carries out the audit analysis of the Institute based on observations made by the Auditor General.

2.3.1 Composition of the Audit Management Committee

- i. Three Members of the Board of Management
- ii. Audit Superintendent of the National Audit Department
- iii. Chief Internal Auditor of the relevant Ministry
- iv. Internal Auditor of the Institute

2.3.2 Representatives of the Audit Management Committee

Name	Position
Mr. K.K.S.A. Perera	Director General – COPE
Mr. B.M.N Balasooriya	Secretary – Internal Trade and Consumer Welfare State Ministry
Mr. Suvinda S Singappuli	Commissioner of Co-operative Development / Society Registrar, Department of Co-operative Development
Mr. J.M Herath Banda	Director, Department of National Budget
Mr. J.R.K.S Ganegoda	Accountant – Town Planning, Water Supply and Ministry of Higher Education
Mr. M.S.M Rizmy	Director – Sri Lanka Institute for Local Government
Mrs. A.N.N. Perera	Audit Superintendent – National Audit Office
Mrs. B.K.N.J Rodrigo	Chief Internal Auditor – Industries and Trade Affairs, Re-establishment of the displaced for a continued period and Ministry of Co-operative Development
Miss R.A.A.H. Premachandra	Internal Auditor/National Institute of Co-operative Development

2.3.3 Affaires of Audit Management Committee - 2019

Date	No. Participated	Decisions Taken
26.02.2019	05	27
07.06.2019	06	34
24.09.2019	06	17
13.03.2020	05	18
Total		96

Institutional Progress

3. Institutional Progress

3.1 Establishment Division

The Establishment Division is supposed to have functioned under the purview of the Registrar. However, during the year under review the post of Registrar has remained vacant. Though the staff cadre of the Division was supposed to have consisted of 07 members, 03 of the positions were not filled. Therefore, the actual number of staff members during the period under review was only 4 and the affairs of this Division were handled by only 04 people. The progress of this Division during the year 2019 is as follows:

3.1.1. Human Resource Development

Approved Carder	71
Actual Staff as on 31.12.2019	29
Vacancies as on 31.12.2019	42
Grade to grade Promotions Confirmed – 2019	nil
Confirmation of Services	nil
Retirement of Services	01
Number of Officers underwent on Training	07
Staff Meetings held	06

3.1.2 Physical Resource Development

	Nos.	Amount (Rs.)
I. Renovation of Buildings and Rehabilitation work	02	18,168,174,.33
i. Purchasing of Machinery and equipment	03	825,241.46
ii. Purchasing of Office Equipment	07	4,097,159.08

3.1.3 Procurement Matters

	No. of Decisions	Value Rs.
Departmental Procurement matters	05	26,551,943.97
Minor Procurement matters	70	10,185,043.31
Total		36,736,987.28

3.1.4. Conducting Examinations and Issuing Results

	Internal	On request (others)
Number of Examinations Conducted	30	04
Number of Candidates	295	1221
Passes	236	-
Failures	02	-
Weak Passes	42	-
Drop outs	15	-

The details of the examination results approved by the Academic Board who met on three occasions during the year under review are as follows:

Date	Course	Number of Students				
		Sat	Passed	Weak Passes	Failed	Other
2019.05.16	1. Diploma in Information Technology - 2017/2018	10	09	01	-	-
	2. Diploma in Business Management and Development - 2017	25	11	11	01	02
	3. Certificate Course in Co-operative Management and Development (Manner) - 2017	29	22	05	-	02
	4. Diploma in Co-operative Management (WP/NC/Est./Sab) -2016/2017 (repeat - examination)	05	05	-	-	-
	5. Certificate Course in Co-operative Development (WP/South/Uva) -2016/2017 (repeat - examination)	01	01	-	-	-
	6. Certificate Course in Bank and Financial Managements (SDB in Matara) - 2016/2017, 2017 (repeat - examination)	01	01	-	-	-
	7. Diploma in Auditing - 2017 (repeat - examination)	05	04	01	-	-
	8. Diploma in Human Resource Development - 2017 (repeat - examination)	01	01	-	-	-
	9. Diploma in Micro Finance (repeat - examination)	06	05	01	-	-
	10. Diploma in Bank Management - 2017(repeat - examination)	01	01	-	-	-
	11. Diploma in Business Management - 2017 (repeat- examination)	03	02	01	-	-
	12. Diploma in Bank Management (Kuliyapitiya) – 2017 (repeat – examination)	03	03	-	-	-
	13. Diploma in Business Management (repeat – examination)	01	01	-	-	-
	14. Diploma in Information Technology - 2014/15 (repeat – examination)	02	02	-	-	-
	15. Diploma in Information Technology -2010 (repeat – examination)	01	01	-	-	-
	16. Diploma in Bank Management – 2016 (repeat – examination)	05	05	-	-	-
	17. Diploma in Co-operative Development (NW/East) -2018	44	33	11	-	-

2019.09.27	18.	Certificate Course in Co-operative Development (Sabaragamuwa Province) - 2017/2018	32	32	-	-	-
	19.	Diploma in Business Management - 2018	19	13	03	-	03
	20.	Diploma in Bank Management – 2018	23	19	01	-	03
	21.	Diploma in Auditing - 2018	21	17	02	-	02
	22.	Diploma in Accountancy - 2018	15	13	-	-	02
	23.	Diploma in Human Resource Management - 2018	09	08	-	-	01
	24.	Diploma in Co-operative Development (WP/NC. /East. Pro/Sab. Pro.) -2016/2017 (repeat - examination)	01	01	-	-	-
	25.	Diploma in Accountancy -2016 (repeat - examination)	01	01	-	-	-
2019.11.04	26.	Diploma in Information Technology - 2018/2019	15	10	04	01	-
	27.	Diploma in Co-operative Development (NW/ East P.) -2018 (repeat - examination)	11	11	-	-	-
	28.	Diploma in Bank Management – 2018 (repeat - examination)	02	02	-	-	-
	29.	Diploma in Auditing - 2018 (repeat - examination)	02	01	01	-	-
	30.	Diploma in Business Management and Development - 2017 (repeat - examination)	01	01	-	-	-

3.2 Academic Division

The staff cadre of the Academic Division headed by the Director (Academic and Development) consists of 24 staff members which includes 12 Lecturers and 02 Researchers. Since 2019, vacancies for 08 Lecturers and 02 Researchers had not been filled, the work of the Division had to be carried out by only 04 Lecturers. Therefore, external resource persons had to be recruited to conduct the Courses.

The Vacancies in the Division are as follows:

Position	No. of Vacancies
Senior Lecturer	02
Senior Researcher	01
Lecturer/Assistant Lecturer	06
Assistant Researcher	01
Computer Instructor	01
Management Assistant	02

3.2.1 Conducting Courses

The number of Workshops and Courses held at the Institute was 61 and number of participants was 1942 during the year 2019. The details are as follows:

3.2.1.1 Courses Conducted (over 3 months)

Serial No.	Title of the Course	No. of Times held	Number Participated	Income Generated Rs.
1.	Higher National Diploma in Accounting and Finance	01	13	1,009,382
2.	Diploma in Co-operative Development	02	99	515,904
3.	Diploma in Bank Management	03	99	2,657,333
4.	Diploma in Human Resource Management	02	19	448,000
5.	Diploma in Business Management	02	43	1,000,125
6.	Diploma in Accounting	02	27	774,000
7.	Diploma in Auditing	02	51	1,100,000
8.	Diploma in Business Development and Management	02	46	1,090,700
9.	Diploma in Information Technology	02	33	771,500
10.	Certificate Course in Co-operative Development	03	95	2,345,121
11.	Certificate Course in Computer Applications (IT – O/L)	01	21	418,000
12.	Certificate Course in Office Automation (IT)	03	45	548,500
13.	E-Kids	01	16	64,125
14.	AAT – 1	01	08	188,000
15.	AAT – 2	01	05	107,500
16.	CA Business Level	03	265	4,071,700
17.	CA Executive Level	02	78	1,497,000
18.	CS English	02	39	214,500
	Total	35	1002	18,821,390

3.2.1.2 Short Term Courses/ Workshops Conducted

Se. No	Title of the Course	No. of Occasions	No. of Participants	Income (Rs.)
1	Training Workshop on Secretarial Skills	01	19	0.1
2	Training Workshop on Introduction to Banking Monitoring	01	40	0.1
3	Training Workshop on Skills in Audit Management	01	23	0.1
4	Training Workshop on Skill Development of Using Auditing Standards	01	43	0.2
5	Training Workshop on Loan Management	03	135	0.7
6	Training Workshop on Preparation of Estimations of Manpower	01	77	0.3
7	Training Workshop on Internal Auditing in Rural Banks	01	55	0.3
8	Training Workshop on Development of Attitudes of Workers of Co-operative Societies	03	181	0.5
9	Training Workshop on Reviewing Report F 28	01	13	0.08
10	Training Workshop on Skill Development on Decision Making	01	25	0.1
11	Short Term Training Workshop on Project Management	01	34	0.1
12	Training Workshop on Performance Improving of Officers who attend matters at the Court of Law	01	25	0.02
13	Role of Members of Director Boards for creative Co-operative Management	01	36	0.1
14	Training Workshop on Preparation of a Research Dissertation	01	16	0.1
15	Training Workshop on Practical Accounting Procedures	01	57	0.2
16	Awareness Workshop for Workers in Co-operative Societies on Bidding of Co-operative Societies	01	32	0.05
17	Workshop on Performance Enhancing of Managers (Chief Executive Officers) in Co-operative Societies	01	26	0.1
18	Workshop on Computer Skills for Professional (IT)	03	56	0.1
19	International Training Workshops	02	47	0.05
	Total	26	940	3.3

3.2.2. Research Activities

The NICD has taken preliminary steps to re-commence research activities, which had been temporarily halted, due to the fact of the positions of Senior Researcher and Researcher remaining vacant. The NICD had no opportunity of carrying out the research regarding the Co-operative Movement. A Committee has been appointed to explore the possibility of carrying out research with the support of undergraduates and postgraduates in Universities. A report with recommendations of the Committee had been received by the NICD in 2019.

3.2.3 Counseling Affairs

Providing counseling to Co-operative Societies has been a difficult task as some of the positions of Lecturers had remained vacant throughout the year 2019. Some actions had been taken to provide counseling to the Co-operative Societies in the Central Province.

3.2.4 Library Facilities

The NICD has a Library specially designed for studies. In addition to the collection of books belonging to the area of the Co-operative Movement, the special collection includes, books on Commerce, Accountancy, Economics, Banking, Management, Marketing, Research Methodology, Law, Sociology, Social Work, Counseling, Positive Thinking, Professional Education, and Social Welfare. The total collection of books stood at 22701 in 2019. 06 books were donated to the Library while 85 books were purchased during the year 2019. The Library also possesses periodicals published locally as well as globally in all three media; Sinhala, Tamil and English, Newspapers, Dissertations, Research Reports and Electronic Publications. It also has a reserve collection of the following; Dictionaries, Encyclopedias, Ordinances (relating to the subject of the Co-operative Movement), Acts, Bills, Records of the Commissions, Sessional Papers, Annual Reports and rare books.

The functions of the Library extending two directions are Lending and Reference. This collection of books has been categorized according to the DV decimal system which is accepted internationally.

Library Membership;

- All students following courses in the NICD
- The Academic staff of the NICD
- The Non-academic staff of the NICD
- The Visiting Lecturers of the NICD
- A Reference service is available for people representing different fields within Sri Lanka, based on the approval of the Director General of the NICD

Other Services

Awareness programs are organized at the beginning of each course.

3.3 Accommodation Division

The activities of this division are being supervised by the Assistant Manager (Hostel) as the positions of the Assistant Director and Officer in-charge of Hostels have remained vacant. The services rendered by this division include providing accommodation and food for participants attending educational and training programs organized by the NICD as well as Seminars and Workshops organized by other Institutes. The affairs of the Mahinda Rajapaksha Auditorium comprising 1120 seats and modern facilities are also attended to by the Accommodation Division being run by the Marketing Promotion and Press Officer due to the above two positions having remained vacant.

3.3.1 Providing Hostel and Auditorium Facilities (income generated)

	Income Rs.
Accommodation	9,244,083.25
Lecture Hall facilities	3,456,900.00
Commission for providing food	1,381,333.00
Tourist Bungalow	424,850.00
Auditorium (with tax)	3,490,625.00
Others	516,637.55
Total	18,514,428.80

3.3.2 Providing Services for Other Organizations

The NICD provides facilities for conducting Workshops and Seminars organized by Government and Private Organizations and the details are as follows:

Seminar/Workshops	257
No. of Participants	2511

3.4 Financial Progress of the Institution

The Accounts Division of the Institute is functioning under the supervision of Assistant Director (Finance) and the staff of the Finance Division should have been 06, in the year of 2019. The staff was filled under 03 posts and 03 vacancies also there.

The following is a summary of Treasury Provisions and Institution Earning and Expenditure. Financial Statements of the Institute during the year of 2019

2019.12.31 Financial Progress

<u>Income</u>	Rs.
Grant from Treasury	32,536,208
Cooperative fund of People's Bank	185,340
Earning of the Institution	41,578,820
Total Income	74,300,368
<u>Expenditure</u>	
Salary and Wages	36,176,041
Transport Expenditure.	370,070
Stationaries and Supplies	5,687,070
Maintenance	3,994,186
Contractual Services	22,735,377
Others	2,165,297
Total Expenditure	71,128,041
Surplus/ Deficit	3,172,327

Financial Statement on 2019.12.31

<u>Assets</u>	Rs.
<u>Non-Current Assets</u>	
Property, Plant & Equipment	840,957,406
Other Financial and non-financial assets	5,582,980
<u>Current Assets</u>	
Cash at Bank	41,904,205
Short term Investment	22,001,476
Other current Assets	42,047,974
Total Assets	952,494,041
<u>Equity & Liabilities</u>	
Capital	146,403,007
Reserves	696,096,712
Non-current Liabilities	30,161,803
Current Liabilities	79,832,519
Total Equity & Liabilities	952,494,041

Summary of Capital Grant Receipts and Capital Expenditure

Capital grant From Treasury	Capital 2019	13,000,000
	Capital 2018	<u>15,000,000</u>
		<u>28,000,000</u>
 <u>Capital Expenditure (Capital grant From Treasury)</u>		
<u>Renovation and Construction</u>		
Quarters (2018/2019)		24,053,987
Lecture Hall (2019 Grant)		700,000
Arrears for D, E, H Hostel renovations in 2017	}	
Settlement of Provisions		<u>1,467,618</u>
		<u>26,221,605</u>
 <u>Purchase of capital goods and other Expenses (Rs.)</u>		
Porches of Computer Machines		1,674,000
Development of Curriculum		<u>104,395</u>
		<u>1,778,395</u>
 Total Capital Expenditure incurred By Treasury in the year of 2019		 28,000,000
 <u>Capital Expenditure from Organizational Fund (Rs.)</u>		
Renovation of B Hall, construction of new toilet systems	}	6,228,079
and Renovation of waste water system		
Purchase of capital goods		<u>1,092,843</u>
Total Capital Expenditure incurred from Organizational Fund		<u>7,320,922</u>

3.5 Progress of the Internal Audit Division

The Cadre of the Internal Audit Division comprises two positions namely; Internal Auditor and Management Assistant. The Internal Auditor attended all the duties of the Division due to the position of Management Assistant remained vacant. The Internal Audit Division handles the affairs of the Audit Management Committee. The performances of the Division during the year 2019 are as follows.

3.5.1 The Affairs of the Audit Management Committee

Representatives of the Audit Management Committee

Name	Position	Nature of the Appointment
Mr. K.K.S.A. Perera	Director General – COPE	Member of the Director Board
Mr. B.M.N Balasooriya	Secretary – Internal Trade and Consumer Welfare State Ministry	Member of the Director Board
Mr. Suvinda S Singappuli	Commissioner of Co-operative Development / Society Registrar, Department of Co-operative Development	Member of the Director Board
Mr. J.M Herath Banda	Director, Department of National Budget	Member of the Director Board
Mr. J.R.K.S Ganegoda	Accountant – Town Planning, Water Supply and Ministry of Higher Education	Member of the Director Board
Mr. M.S.M Rizmy	Director – Sri Lanka Institute for Local Government	Member of the Director Board
Mrs. A.N.N. Perera	Audit Superintendent – National Audit Office	Observer
Mrs. B.K.N.J Rodrigo	Chief Internal Auditor – Industries and Trade Affairs, Re-establishment of the displaced for continued period and Ministry of Co-operative Development	Observer
Miss R.A.A.H. Premachandra	Internal Auditor/National Institute of Co-operative Development	Convener

The duties carried out by the Audit Management Committee in 2019 are as follows;

Date	Number of Members Participated	Number of Decisions taken
26.02.2019	05	27
07.06.2019	06	34
24.09.2019	06	17
13.03.2020	05	18

Note: The fourth Audit Management Committee Meeting scheduled for the month of December 2019 had to be postponed to 13 December 2020 due to the matters took place in

assigning the National Institute of Co-operative Development to the new Ministry of Internal Trading, Food Security and Consumer Welfare. Until then, the NICD was functioned under the Ministry of Industry and Trade Affaires, Re-establishment of the Displaced for continued period, Co-operative Development, Professional Training and Skill Development.

3.5.2 The duties carried out by the Audit Management Committee

Number of Days of Infections done	Nos. within the year
Inspections submitted (No. of Audit Reports)	16
Observations recognized (no. of Audit Matters)	113

As mentioned above, I present the information of the Administration and progress of National Institute of Cooperative Development in 2019 and I would like to point out that the organizational activities in 2019 were carried out in an optimal manner. I submit the final accounts of the Institute and the report of the Auditor General under Chapters 4 and 5.

Director General and Chief Executive Officer

Final Accounts as at
31.12.2019

NATIONAL INSTITUTE OF CO-OPERATIVE DEVELOPMENT

STATEMENT OF FINANCIAL POSITION AS AT 31st DECEMBER 2019

	NOTE	AS AT 31.12.2019 Rs.	AS AT 31.12.2018
ASSETS			
NON CURRENT ASSETS			
Property, Plant & Equipment	2	840,957,406	832,241,419
Other non-current financial assets	3.1	2,426,250	2,255,763
		843,383,656	834,497,182
Differed expenditure on Transformer	3.2	3,260,625	3,364,520
Less: Amotisation of differed expenditure		(103,895)	(103,895)
Balance differed expenditure		3,156,730	3,260,625
CURRENT ASSETS			
Current Investment	4	22,001,476	20,205,589
Trade & other Receivable	5	40,979,247	39,341,068
Stock	6	1,068,727	1,287,770
Cash at Bank	7	41,904,205	66,591,030
		-	-
		105,953,655	127,425,458
TOTAL ASSETS			
		952,494,041	965,183,265
EQUITY & LIABILITIES			
CAPITAL & RESERVES			
Capital	8	233,254,215	233,254,215
Accumulated Profit / (Loss)	9	(86,851,208)	(81,212,192)
		146,403,007	152,042,023
RESERVES			
Capital Grant from Treasury	10	403,759,115	417,086,876
Capital Grant from Ministry	11	13,654,557	14,564,450
Revaluation Reserve		271,357,432	258,253,098
Publication Fund		7,325,608	6,703,035
		696,096,712	696,607,459
NON CURRENT LIABILITIES			
Provision for Gratiuty		8,042,349	7,254,295
Loan From Co-operative Fund		22,119,454	24,000,000
		30,161,803	31,254,295
CURRENT LIABILITIES			
Creditors & Accrued Expences	12	57,767,306	58,807,201
Retention Money		22,065,213	26,472,286
		79,832,519	85,279,487
TOTAL EQUITY & LIABILITIES			
		952,494,041	965,183,265

Note: Submission of the financial statements is responsibility of the management of the Institute, and certify that the Annual financial statements are true and correct.

Prepared by
N.W.K.H.Indika
Accounts Officer

Checked by
K.D. Anil
Asst. Director -Finance

J.R.W.Dissanayake
Chairman

G.H.M.A.Premasinghe
Director General/CEO

K.D.Anil
Asst. Director -Finance



NATIONAL INSTITUTE OF CO-OPERATIVE DEVELOPMENT
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2019

	NOTE	ACTUAL 2019 Rs	ACTUAL 2018 Rs	Budget 2019 Rs	SCHEDULE No.
Revenue					
GRANT FOR RECURRENT EXPENDITURE	13	32,721,548	31,134,685	36,000,000	
AMOTIZATION ON CAPITAL GRANT		27,237,654	26,453,011	-	
INCOME EARNED BY NICD	14	41,578,820	41,750,342	45,570,216	
		101,538,022	99,338,037	81,570,216	
LESS : EXPENDITURE					
01. PERSONNEL EMOLUMENTS	15	36,176,041	33,014,926	41,179,267	
02. TRAVELLING	16	370,070	75,175	800,000	
03. SUPPLIES	17	5,687,070	4,874,160	5,689,900	
04. MAINTENANCE	18	3,994,186	2,426,771	6,444,000	
05. CONTRACTUAL SERVICES	19	22,735,377	19,955,190	24,871,400	
06. OTHERS	20	2,165,297	2,146,903	1,569,320	
07. DEPRECIATION	2	36,499,249	33,826,632	-	
08. AMOTIZATION OF DIFFERED EXPENDITURE		103,895	103,895	-	
		107,731,185	96,423,652	80,553,887	
Surplus or (Deficit) over the expenditure from ordinary activity before Taxation		(6,193,164)	2,914,386	1,016,329	
Less: Taxation		-	-	-	
Net Surplus or (Deficit) for the period		(6,193,164)	2,914,386	1,016,329	
Other Comprehensive Income					
-Gain/(loss) on Revaluation of property ,plant and equipment		13,104,334	237,351,654	0	41
- Actuarial Gain/(Loss) on defined benefit plans		0	0	0	
- Gain /(loss) on available -for-sale financial assets		0	0	0	
-Other comprehensive income for the year		0	0	0	
Total comprehensive income for the year		6,911,170	240,266,039	1,016,329	

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NATIONAL INSTITUTE OF CO-OPERATIVE DEVELOPMENT
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2019

	2019	2018
Net Surplus /(Deficit) for the period	(6,193,164)	2,914,386
Adjustments for		
Add:		
Depreciation	36,499,249	33,826,632
Amortization of differed expenditure	103,895	103,895
Prior year Adjustment -Addition	1,638,605	5,068,502
Profit on sale of Fixed Assets	-	-
Provision for Bad debtors	35,804	461,552
Provision for gratuity	1,379,351	1,451,312
Less:		
Profit on sale of Fixed Assets	-	-
Amortisation of Capital grant	(27,237,654)	(26,453,011)
Interest Income	(1,464,190)	(1,292,215)
Gratuity Payment	(591,297)	(751,452)
Retention	-	54,780
Profit on sale of Fixed Assets	(130,894)	-
Prior year Adjustment -Deduction	(1,145,957)	(5,644,771)
L.D. & Material cost deducted from 3rd bill of Omega Constructio	(86,040)	-
Institutional fund adjustment	9,000,872	(4,884,730)
	9,000,872	1,940,494
Operating Profit/(loss) before working capital changes	2,807,708	4,854,880
Changes in working capital		
Decrease/(Increase) in debtors, & Receivables	(1,694,953)	6,974,724
(Decrease) /Increase in cred.& accrued expences	(2,080,377)	(1,725,394)
Decrease/(Increase) in stock	219,043	352,041
	(3,556,317)	5,601,371
Net cash flow from operating activities	(748,609)	10,456,251
Cash flows from investing activities		
Retention money	(5,958,226)	(345,100)
Purchase of - property , plant & equipment	(2,521,550)	(677,478)
- Land Development	-	-
-Building	(26,572,134)	(16,568,896)
- Furniture & Fittings	(211,376)	(314,750)
- Library books	(33,312)	(2,700)
- Other Equipment	(11,750)	(220,398)
Investment in capital work - in - progress	-	-
Investment in Fixed Deposit	(1,897,276)	(11,349,446)
Sale proceeds on Fixed Assets	130,894	-
Interest receipt	1,464,190	1,026,292
	(35,611,145)	(28,452,475)
Cash flows from financing activities		
Capital grant Received from treasury	13,000,000	15,000,000
Capital grant Received from Ministry	-	0
Distress loan	(69,098)	(272,570)
Institutional Fund	-	-
Publication Fund	622,573	667,472
Repayment of Co-op Fund loan	(1,880,546)	(1,000,000)
	11,672,929	14,394,902
Net increase in cash flows within the Year	(24,686,825)	(3,601,322)
Cash & cash equivalents at the beginning of the period	66,591,030	70,192,352
Cash & cash equivalents at the end of the period	41,904,205	66,591,030

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NICD-POLGOLLA
STATEMENT OF CHANGES IN NET ASSETS / EQUITY

DESCRIPTION	CAPITAL	PROFIT/(LOSS)	CAPITAL RESERVE TREASURY	REVALUATION SERPLUS	CAPITAL RESERVE MINISTRY	FUNDS	TOTAL
Balance as at 01.01.2018	233,254,215	(83,550,309)	427,629,995	20,901,444	15,474,343	10,920,293	624,629,981
Less: Dep. On F/A purchased from Govt. Grant	-	-	(25,543,118)	-	(909,893)	-	(26,453,011)
Profit/(Loss) for the period	-	2,914,386	-	237,351,654	-	667,472	240,933,511
Adjustments	-	5,068,502	-	-	-	(4,884,730)	5,068,502
Invested within the period	-	(5,644,771)	15,000,000	-	-	-	(10,529,501)
Balance as at 31.12.2018	233,254,215	(81,212,192)	417,086,877	258,253,098	14,564,450	6,703,035	848,649,483
Balance as at 01.01.2019	233,254,215	(81,212,192)	417,086,877	258,253,098	14,564,450	6,703,035	848,649,483
Less: Dep. On F/A purchased from Govt. Grant	-	-	(26,327,761)	-	(909,893)	-	(27,237,654)
Profit/(Loss) for the period	-	(6,193,164)	-	13,104,334	-	644,851	7,556,022
Adjustment-Addition	-	1,700,105	-	-	-	-	1,700,105
Adjustments - Deduction	-	(1,145,957)	-	-	-	(22,279)	(1,168,236)
Invested within the period	-	-	13,000,000	-	-	-	13,000,000
Balance as at 31.12.2019	233,254,215	(86,851,208)	403,759,116	271,357,432	13,654,557	7,325,607	842,499,719



NOTES TO THE ACCOUNTS AS AT 31ST DECEMBER 2019

NOTE : 01

ACCOUNTING POLICIES

1.1 GENERAL ACCOUNTING POLICIES

1.1 a. Accounting Conventions

The Financial statements of the Institute comprise Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Equity, Cash Flow statement, Presentation of Budget information in financial statement, Accounting Policies and Notes to the Accounts. The financial statements of the Institute prepared on the historical cost basis and in accordance with Sri Lanka Public Sector Accounting Standards issued by the Institute of Chartered Accountants of Sri Lanka. According to the circular No:265/2018 & dated on 10.05.2018 issued by the department of Public Accounts, Ministry of Finance of Mass Media. These standards are applying w.e.f.01.01.2019 .

1.1. b. Format of Accounts

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

1.1. c. Post Balance Sheet Events

All material events occurring after the date of Financial Position are considered and where necessary adjustments and disclosures are made in the Financial Statements.

1.2 ASSETS AND BASES OF THEIR VALUATION

1.2 a. 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 is provided on the bases specified below.

Land and Building have been revalued in 2018 by the Department of Valuation. Motor vehicle, Plant & Machinery, Audio Visual Equipment, Computers, Printers & Accessories, Office Equipment have been revalued in 2019 by the committee including an officer of the Department of Valuation appointed by Director General of National Institute of Co-operative Development.



All the values of Revaluated Assets have been taken into the Accounts. Furniture and Fittings are not revalued and their values have been shown in the Account at the cost less depreciation.

1.2 b. Depreciation

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

<u>Asset</u>	<u>Useful Lifetime</u>
Building & Structures	40 years
Motor Vehicles	04 years
Furniture & Fittings	10 years
Books and Manuals	04 years
Plant & Machinery - Generators	20 years
Plant & Machinery - Auditorium A/C plant	10 years
Plant & Machinery - other than above	05 years
Cutlery items & others	03 years
Revalued Fixed Assets	Estimated useful lifetime

Depreciation is provided for the fixed assets on periodical bases.

Expenditure made on 2 Nos of Transformer worth of Rs. 4,155,818.00 provided by C.E.B. has been differed and written off the cost over a period of 40 years.

1.3 LIABILITIES AND PROVISION

1.2 a. Provision for Gratuity

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

Employees are eligible for 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 their basic salary, cost of living allowance and holiday payment to EPF and ETF respectively.

1.3 b. Provisions for Bad Debtors

5% provision has been made for Bad Debtors.



1.3 c. Other Liabilities

Legal action has been taken to recover the due house rent with penalty sum of Rs.645,122.00 from ex-employee who occupied the quarters. However he has passed away on 10th October 2016 and hence there is a suspicion if NICD could recover the outstanding house rent. Ex-employees have filed 04 cases against the institute.

1.4 INCOME & EXPENDITURE ACCOUNT

1.4 a. Revenue Recognition

- ◆ All Fees for services rendered are accounted on accrual basis
- ◆ Fees for Diploma courses, certificate courses and Interest earned on Investment are accounted on periodical basis that services rendered (accrual basis on basis of services rendered)

1.4 b. Expenses

All expenses except premium of Insurance and motor vehicle license fee are accounted on accrual basis and Premium of Insurance and motor vehicle license fee are accounted on periodical basis.

1.5 GOVERNMENT GRANTS

1.5 a. Capital Grants

Government grants received in the capital nature are treated as reserves in the statement of Financial Position and Depreciation made on the Fixed Assets purchased out of the grant is deducted from the reserves and credited to statement of Financial Performance as amortization on capital grant.

1.5 b. Recurrent Grants

Treasury grant is treated as an Income in the year in which it was received, in the Statement of Financial Performance and unused recurrent grant other than Treasury grant is shown as a liability in the statement of financial position.

No grant received during the year under review from People's Bank. But Rs.347,947.66 received as a grant from People's Bank for the Training Programmes in previous year was remained in the account as unutilized grant as at 01.01.2019 and out of that Rs.185,340.00 was spent to print the training guide during the year 2019 and it has been mentioned as a revenue grant in the Financial Performance and Unutilized grant has been mentioned under creditors.



- 1.6 Preparation and submission of financial Statements is the responsibility of the Management of the institute.
- 1.7 Balances of goods in the stores as at 31.12.2019 were calculated according to "Average Method" while the balance of publications for sale/printing were valued according to their cost.
- 1.8 Cash Flow Statement was prepared according to Indirect Method.
- 1.9 30 Nos of permanent employees were there in this institute as at 31st December 2019 in addition to that 7 Nos of Development officers from Line Ministry had been assigned to the NICD.
- 1.10 Line Ministry has given a grant sum of Rs. 3.4 Mn. Initially to form a fund for publishing the publications related to the Co-operative subject.
And formulated this fund is to be published the publications on Co-operative subject. Line Ministry has been given the advise to maintain the separate set of books to carry out this works. Accordingly kept the records separately for this purpose and Financial Performance for the year 2019 and **Statement** of financial Position as at 31.12.2019 are attached herewith.
- 1.11 During the year 2019, Interest earned from the investment of the Publication Fund is Rs.585,296.00. These interest has been credited to the same Funds through the Financial Performance.
- 1.12 Compensation has to be paid to the 02 Nos employees who injured on duty and to one employee who has died in attending the duty in the year 2019.



NOTE:02
PROPERTY, PLANT & EQUIPMENT -2019

Cost / Valuation	Balance As 01.01.2019		Removed Items As At (01/07/01)		Prior Year		Balance After		Additions during the year		Adjustments		ACTUAL 31.12.2019		Schedule						
	Balance As 01.01.2019	Removed Items As At (01/07/01)	Additions	Deductions	Balance After	Adjustments	Additions during the year	Adjustments (Deduction)	Balance After	Adjustments	Additions during the year	Adjustments (Deduction)	ACTUAL 31.12.2019	Schedule							
Land	199,500,000.00	-	-	-	199,500,000.00	-	-	-	-	-	-	-	199,500,000.00	1							
Building & Structures	585,417,351.66	-	-	-	585,417,351.66	-	-	29,294,809	-	-	-	-	614,712,160.43	1							
Plant, Machinery & Equip:	103,064,254.78	-	-	-	103,064,254.78	-	-	2,521,550	10,265,512.00	-	(25,410,933)	-	90,440,383.78	2							
Vehicles	16,914,588.00	-	-	-	16,914,588.00	-	-	11,750	10,150,000.00	-	(16,910,000)	-	10,166,338.00	2							
Furnitures	45,834,969.47	-	-	-	45,834,969.47	-	-	211,376	-	-	-	-	46,046,345.47	3							
Library Books	2,476,111.35	-	-	-	2,476,111.35	-	-	33,917.50	-	-	-	-	2,510,028.85	4							
Curtain ,Cutlery items & Others	2,099,970.25	-	-	-	2,099,970.25	-	-	-	-	-	-	-	2,099,970.25	5							
Total	955,307,245.51	-	-	-	955,307,246	-	-	32,073,402	20,415,512	-	(42,320,833)	-	965,475,226.78								
Accumulated Depreciation	Balance As AT 01.01.2019	Removed Items As At (01/07/01)	Prior Year Additions	Prior Year Deductions	Balance After Prior Year Adjustments	Removed Items As At (01/07/01)	Prior Year Additions	Prior Year Deductions	Balance After Prior Year Adjustments	Additions during the year	Adjustments (Deduction)	Balance After Prior Year Adjustments	Removed Items As At (01/07/01)	Prior Year Additions	Prior Year Deductions	Balance After Prior Year Adjustments	Additions during the year	Adjustments (Deduction)	Balance After Prior Year Adjustments	ACTUAL 31.12.2019	
Building & Structures	8,065,517.50	-	-	-	8,065,517.50	-	-	-	20,717,594	-	-	-	28,783,111.50	6							
Plant, Machinery & Equipment	72,253,998.56	-	-	-	72,253,998.56	-	-	11,173,686	11,173,686	-	(20,103,922)	-	63,323,762.56	7							
Vehicles	14,352,087.00	-	-	(37,500.00)	14,314,587.00	-	-	675,735	14,314,587.00	-	(14,905,833)	-	84,489.00	8							
Furnitures	24,080,039.91	-	-	-	24,080,039.91	-	-	3,806,240	3,806,240	-	-	-	27,886,279.91	9							
Library Books	2,384,269.39	-	-	-	2,384,269.39	-	-	52,528	52,528	-	-	-	2,436,797.39	10							
Cutlery items & Others	1,929,914.00	-	-	-	1,929,914.00	-	-	73,466	73,466	-	-	-	2,003,380.00	11							
Total	123,065,826	-	(37,500)	-	123,028,326	-	-	36,499,249	123,028,326	-	(35,009,755)	-	124,517,820								
Gross Book Value	955,307,246	-	-	-	955,307,246	-	-	36,499,249	955,307,246	-	-	-	965,475,227								
Accumulated Depreciation	123,065,826	-	(37,500)	-	123,028,326	-	-	36,499,249	123,028,326	-	-	-	124,517,820								
Net Book Value	832,241,419	-	37,500	-	832,278,919	-	-	36,499,249	832,278,919	-	-	-	840,957,406								
Capital work-in- Progress	Balance As AT 01.01.2019	Removed Items As At (01/07/01)	Prior Year Additions	Prior Year Deductions	Balance After Prior Year Adjustments	Removed Items As At (01/07/01)	Prior Year Additions	Prior Year Deductions	Balance After Prior Year Adjustments	Additions during the year	Adjustments (Deduction)	Balance After Prior Year Adjustments	Removed Items As At (01/07/01)	Prior Year Additions	Prior Year Deductions	Balance After Prior Year Adjustments	Additions during the year	Adjustments (Deduction)	Balance After Prior Year Adjustments	ACTUAL 31.12.2019	
Contract No:	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Transfer the WIP to Fixed Assets	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Work in Progress - Quarters	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-	
Carrying Value	832,241,419	-	37,500	-	832,278,919	-	-	36,499,249	832,278,919	-	-	-	-	840,957,406							



NOTE : 03.1	ACTUAL 2019 Rs.	ACTUAL 2018 Rs.	SCHEDULE No.
Other non-current financial assets			
Deposit with Electricity board	813,750	813,750	
Distress Loan -staff	1,612,500	1,442,013	12
	<u>2,426,250</u>	<u>2,255,763</u>	
NOTE: 04			
Current Investment			
Investment in Fixed deposit	21,261,198	19,363,922	13
Distress Loan - staff	740,278	841,667	12
	<u>22,001,476</u>	<u>20,205,589</u>	
NOTE: 05			
Trade and Other Receivable			
3501-3512 Course Fee Rceivable(Schedule:5A)	2,565,396	2,156,442	
3504 Receivable on Programme Fee-Out Side	1,003,086	2,592,787	14
3513 Receivable on Printing Service	13,376	11,775	15
3514 Receivables on Other services	361,747	283,624	16
3402 Advances to Contractors	-	-	
3403 Security Deposit	75,000	75,000	
3515 Interest Receivable on Investment	515,837	542,598	17
3518 Hostel fee Receivable	504,000	13,720	
3520 House rent receivable	647,678	645,122	
3522 Library Fee & Exam Fee	29,665	6,700	
3523 Advance to suppliers	138,800	138,800	
3524 Staff food supply control A/C	18,475	6,950	
3527 Festival advance receivable	36,000	47,250	
3532 Advance to staff	-	-	
3539 Vat	35,083,133	33,933,319	
3540 WHT payment	-	45,627	
3545 Cheque Return Control A/C	50,100	-	
3547 Pre-paid insurance Premium & Other payments	523,499	705,141	35
3548 Receivable bus hire	-	-	
3549 Building & Land rent receivable	68,948	118,948	
3551 Receivable Income from Garden	17,135	3,523	
3552 Receivable of election duty payment	32,746	-	
3553 E.P.F Receivable from employees	1,316,338	-	
3554 Research evaluation fee receivable	15,000	-	
Publication II Trade & Other Receivables	25,049	39,695	
Less: Provision for bad debts	(2,061,758)	(2,025,954)	
Specific Provision for bad debtor	-	-	
	<u>40,979,247</u>	<u>39,341,068</u>	
NOTE:06			
Inventories			
3301 Stationery stock	374,404	380,560	
3302 Printing Material stock	182,333	236,585	
3303 Building Material	89,359	136,417	
3304 Audio visual	6,552	6,552	
3305 Sundry stock	229,050	305,392	
Publication ii - Book Stock	172,962	208,198	
Publication ii - printing Material Stock	14,067	14,067	
	<u>1,068,727</u>	<u>1,287,770</u>	
NOTE:07			
CASH AT BANK (People's Bank katugastota)			
Publication Account i 0089 1001-92649564	-	-	
Training & Education 0089-1001-32648143	7,581,979	13,032,435	
Productivity Account 089-1001-38092-967	-	238,856	
Government 0089-1001-92648140	29,908,823	50,151,634	
Service Charge Account 0089-1001-50002158	177,187	258,346	
Gratuity Fund Account 0089-2001-90030993	3,594,309	2,396,338	
Publication Account ii 0089-1001-50018442	641,907	513,422	
	<u>41,904,205</u>	<u>66,591,030</u>	



	ACTUAL 2019 Rs.	ACTUAL 2018 Rs.	SCHEDULE No.
NOTE:08			
CAPITAL			
Balance on 01.01.2001	233,254,215	233,254,215	
Add/Less:Adjustments to statement of affairs			
	<u>233,254,215</u>	<u>233,254,215</u>	
NOTE: 09			
ACCUMULATED PROFIT/(LOSS)			
Balance as at 01st of January	(81,212,192)	(83,550,308)	
Add/Less: adjustments			
Others - Addition	1,700,105	5,068,502	40
Others - (Deduction)	(1,145,957)	(5,644,771)	40
	<u>554,148</u>	<u>(576,270)</u>	
Accumulated profit after prior year adjustment	<u>(80,658,044)</u>	<u>(84,126,578)</u>	
Add: Surplus / (Defecit) for the year	(6,193,164)	2,914,386	
	<u>(6,193,164)</u>	<u>2,914,386</u>	
Balance as at 31st of December	<u>(86,851,208)</u>	<u>(81,212,192)</u>	
NOTE: 10			
CAPITAL GRANTS FROM TREASURY			
Balance on 01.01.	417,086,876	427,629,994	
Add:Adjustment	-	-	
	<u>417,086,876</u>	<u>427,629,994</u>	
Add:Received for the Year	13,000,000	15,000,000	
	<u>430,086,876</u>	<u>442,629,994</u>	
Less:Depreciation of Assets purchased from capital grants	(26,327,761)	(25,543,118)	18
	<u>403,759,115</u>	<u>417,086,876</u>	
NOTE: 11			
CAPITAL GRANTS FROM MINISTRY & CO-OPERATIVE FUND & OTHERS			
Balance on 01.01.	29,323,779	29,323,779	
Add:Received for the Year	-	-	
	<u>29,323,779</u>	<u>29,323,779</u>	
Less:Depreciation of Assets purchased from capital grants	(15,669,221)	(14,759,328)	18
	<u>13,654,557</u>	<u>14,564,450</u>	



NOTE :12

	ACTUAL 2019 Rs.	ACTUAL 2018 Rs.	SCHEDULE No.
<u>CREDITORS & ACCRUED EXPENCES</u>			
4001 Telecommunications	65,682	67,992	
4002 Water	-	-	
4003 Electricity	337,463	143,042	
4004 Lecture Fees	49,240	318,556	19
4005 Other accrued expences	2,059,231	683,617	20
4008 Subsistence Control A/c	72,450	72,450	
4015 Govt. Audit Fee payable	1,032,000	1,250,425	
4016 Payable to Treasury	49,138	113,616	
4018 Advance received for programme - Outside	426,122	1,773,050	21
4019 Security Services	502,200	440,200	
4020 Janitorial Services	607,586	691,301	
4021 Laundry services	-	-	
4022 Building Constructors -(CECB & Others)	45,726,029	47,374,205	
Received in Advance as per (Schedule:12A)	1,879,956	1,662,676	
4027 Payable to suppliers	92,927	50,249	
4029 Transfer funds Received	-	-	
4035 Salary control a/c Casual	75,500	98,674	
4040 Refundable course fee	133,462	155,765	
4041 Productivity Control A/C	114,711	238,856	
3902 Security Deposit	568,745	371,808	37
4043 VAT payable Account	-	-	
3903 Refundable Tender Deposit	286,348	394,588	22
4048 Payable to food supplier	497,139	1,024,101	
4049 Fuel bill payable-	-	112,844	
4057 People bank grant received	162,608	347,948	
4059 Payable to aat on publication	-	-	
4062 NBT Payable	-	164,683	
4063 Received in advance for Hostel Fee	1,092,420	265,650	
4065 Payable WHT	86,599	196,368	
4064 Payable Consultancy Fee	1,742,252	701,770	
4068 Payable Stamp Charges	3,275	-	
Publication II Creditors & Accrude Expences	104,225	92,770	
	57,767,306	58,807,201	

NOTE: 13

RECURRENT GRANTS (CODE :11)

1021 From Treasury	32,536,208	31,070,985	36,000,000
1044 From People's Bank - Co-operative fund	185,340	63,700	
	32,721,548	31,134,685	36,000,000



NOTE: 14

	ACTUAL 2019 Rs.	ACTUAL 2018 Rs.	BUDGET 2019 Rs.	SCHEDULE No.
OTHER INCOME GENERATED FROM (CODE:11)				
1001 -1011 Course Fee - (Shedule 14-A)	19,185,032	17,156,276	21,452,376	
1012 Room Charges	9,668,933	8,340,807	8,571,340	34
1014 Lecture hall Fee	3,456,900	3,214,060	3,080,000	34
1014 Auditorium hall Charges	2,963,909	6,836,957	6,804,000	
1015 House rent	504,974	439,450	360,000	
1017 Sales of Publications	-	-	100,000	
1018 Service charges	-	105,000	-	
1023 Printing Service	39,421	16,015	25,000	
1024 Library Fees	66,000	42,000	111,500	
1025 Exam .Fees	109,448	193,629	-	
1026 Fixed Deposit,Savings Interest & Security Deposit Intere	1,464,190	1,191,499	1,656,000	
1027 Interest on staff Loan	104,109	100,716	100,000	
1035 Non Rufundable Tender Deposit	55,652	63,913	-	
Opportunity cost Interest on concessionary staff Loan	205,737	225,947	-	39
1036 Sales of Fixed Assets	130,894	-	50,000	
Miscellaneous income - (Shedule 14-B)	1,437,907	1,681,109	1,600,000	
1043 Commission on food supply	1,381,333	1,366,101	1,300,000	
1069 Rent Income on Building	454,200	378,500	360,000	
1063 N.B.T	350,179	398,362	-	
	41,578,820	41,750,342	45,570,216	

NOTE:15

PERSONNEL EMOLUMENTS (CODE:01)

101 Salaries & Wages	20,481,309	20,613,196	24,037,838
104 Allowance	1,148,045	586,741	1,256,500
105 E.P.F.(Institution Contribution)	2,533,594	2,618,727	3,084,087
106 E.T.F.Contribution	506,719	523,745	616,817
114 Acting pay	-	69,574	-
118 Gratuity	1,443,037	1,451,312	811,571
119 Pension Contribution	283,863	161,909	280,230
	26,396,567	26,025,203	30,087,043

Overtime & Holiday pay

103 Over Time	496,742	206,047	400,000
112 Holiday Pay	672,843	229,194	100,000
	1,169,585	435,241	500,000

Lecture Fee & Other Allowance

151 Lecture Fees	6,481,313	4,858,838	7,733,234
153 Exam Supervision Fees	113,200	166,097	183,000
154 Course Coordinating Fee	381,564	404,118	734,600
110 Sitting allowance for Board of Directors	294,000	204,000	480,000
115 Allowance for Audit Committee	108,000	114,000	96,000
155 Question Paper preparing & Moderation fee	516,750	133,720	423,450
156 Paper Marking Fee	312,906	337,420	440,040
158 Instructing fee	52,500	78,000	172,800
159 Course administrative fee	96,750	32,344	-
161 Research Report Evaluation	12,000	-	-
53 Question paper Type Setting Charges	35,170	-	29,100
Consultancy Fee	-	-	300,000
Employment benefit on concessionary staff Loan	205,737	225,947	-
	8,609,889	6,554,483	10,592,224

NOTE-16

TRAVELLING EXPENCES (CODE:02)

201 Domestic	149,066	75,175	300,000
202 Foreign	221,004	-	500,000
	370,070	75,175	800,000



NOTE-17

SUPPLIES (CODE:03)

	ACTUAL 2019 Rs.	ACTUAL 2018 Rs.	BUDGET 2019 Rs.	SCHEDULE No.
301 Stationary & Office Requisition	876,099	601,973	600,000	
302 Fuel & Lubricants	1,728,754	1,591,638	1,840,800	
303 Printing Materials	877,906	572,898	500,000	
304 Newspapers & Periodicals	70,470	45,250	70,000	
306 Diets	1,288,504	1,624,114	1,479,100	
307 Mechanical & Electrical goods	118,016	184,292	400,000	
310 Others	628,981	100,003	650,000	
313 Cost of water bottle	98,340	153,992	150,000	
	5,687,070	4,874,160	5,689,900	

NOTE 18

MAINTENANCE EXPENCES (CODE:04)

401 Vehicle	492,495	731,972	1,011,000
402 Plant ,Machinery & Equipment	1,096,071	732,817	2,383,000
403 Building & Structures	2,310,483	919,398	2,500,000
404 Furniture	-	4,000	300,000
405 Computer Item	-	-	-
406 Motor Vehicle License & Insurance	95,137	38,583	250,000
	3,994,186	2,426,771	6,444,000

NOTE-19

CONTRACTUAL SERVICES (CODE:05)

501 Transpotation	744,692	1,131,448	1,275,000
502 Telecommunications	979,209	930,682	769,000
503 Postal Charges	322,214	200,035	300,000
504 Electricity	3,856,504	3,108,332	3,780,000
505 Water	812,943	1,075,922	1,216,000
506 & 511 Hire Charges & tax charges	30,399	44,734	45,000
508 Audit Fee	486,835	575,000	450,000
510 Advertisement/Publicity	999,241	881,118	2,555,400
512 Security Services	5,610,700	5,204,470	5,112,000
513 Janitorial Services	6,732,599	5,498,513	6,042,000
514 Laundry Services & Linen	141,471	297,838	300,000
515 Gardening	29,560	20,875	300,000
516 Insurance	524,708	545,232	812,000
517 Translations fee	182,865	-	100,000
519 Uniform allowance	20,000	-	-
520 Staff Training (Local / Foreign)	128,500	100,000	500,000
521 Subscription & Membership fees	774,695	6,500	525,000
523 Other Expenses (miscellaneous)	124,268	154,635	300,000
524 Printing - Printing Section	161,750	90,255	430,000
525 Charges -Audio Visual	22,450	26,100	-
526 Stamp charges	5,775	-	-
530 Hall charges	37,000	26,000	60,000
531 Accomadation charges	7,000	37,500	-
	22,735,377	19,955,190	24,871,400

NOTE-20

OTHER EXPENCES (CODE:06)

601 Legal fees	-	10,500	50,000
605 Compensation	-	-	-
607 Entertainment - Staff & Visitors	919,641	596,863	827,320
703 Bank Charges	54,763	51,188	30,000
705 Loan interest of Staff	56,005	25,827	62,000
707 N.B.T & WHT payment	1,099,085	996,131	600,000
709 Provision for bad debts	35,804	461,552	-
713 Exchange Losses	-	4,841	-
	2,165,297	2,146,903	1,569,320

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Schedule:5-A	ACTUAL 2019 Rs	ACTUAL 2018 Rs	BUDGET 2019 Rs.	SCHEDULE No.
Course Fee Receivable				
3501 Diploma in Co-Operative	611,548	212,105		23
3502 Coopative Certificate course	101,533	-		
3503 Workshop	218,000	482,510		24
3505 Short term IT Training programme	41,177	-		
3506 Short term Others Courses	938,282	965,152		25
3507 Professional courses	445,000	166,450		26
3508 NICD IT Diploma	160,656	114,500		27
3509 Diploma in business Management	49,200	173,600		28
3511 Course fee receivable for English course	-	42,125		29
	2,565,396	2,156,442		
Schedule:12-A				
Course Fee Received in Advance				
4023 Diploma Courses in Co-Operative	1,851,080	1,534,815		30
4024 Work shop	-	84,486		31
4025 Others Courses	28,876	43,375		32
4042 Professional courses	-	-		
	1,879,956	1,662,676		
Shedule: 14-A				
Course Fee Income				
1001-1 Diploma - Co-operatives	4,273,869	3,864,504	5,260,650	33
1001- 2 Diploma - Business Development	550,000	705,600	768,333	
1002 NICD IT Diploma	558,458	498,250	802,250	
1003 Certificate course - Computer	532,844	551,000	2,203,000	
1004 Certificate in English	120,625	419,640	333,000	
1005 Professional Course	-	-	-	
1005-01 Course fee for AAT	274,250	606,075	1,037,450	
1005-02 Chartered Course fee	5,127,700	2,875,835	4,052,500	
1005-05 Higher Diploma in Accountancy	1,009,800	-	1,364,000	
1007 Certificate Courses - Co-operative	1,899,961	1,075,716	1,612,693	
1008 Short Term Courses - Workshop	3,058,715	2,564,800	3,906,000	
1009 Short Term Courses - IT	770,005	1,618,368	112,500	
1010 Short Term Courses -	1,008,805	2,376,488		
	19,185,032	17,156,276	21,452,376	
Shedule: 14-B				
Miscellaneous Income				
1016 Income from Garden	80,520	102,637	-	
1034 Hostel Manager fee	49,113	59,350	-	
1038 Photocopy charges	-	5,894	-	
1040 Hire of Equipment	528,119	735,685	400,000	
1044 Water bottle	189,140	320,735	300,000	
1045 Registration of suppliers	124,782	119,130	-	
1046 Photograph Income	-	-	-	
1047 Fines/Fanalty	91,876	128,774	-	
1048 Book Binding	250	900	-	
1051 Miscelaneous Income	1,750	41,300	600,000	
1056 Income from bus	170,040	67,180	300,000	
1061 Additional income	1,230	15,568	-	
1062 Unclaimed Deposit	171,300	-	-	
1080 Commission on aat publications	800	10,456	-	
1071 Sale of News papers & other unserviseable Item	13,985	500	-	
1086 Recoveries for damage Item	-	14,500	-	
1087 Unrecognised Deposit	-	58,500	-	
1088 Research Evaluation Charges	15,000	-	-	
	1,437,907	1,681,109	1,600,000	

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PUBLICATION FUND - NATIONAL INSTITUTE OF CO-OPERATIVE DEVELOPMENT
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2019

		2019		2018
ASSETS				
NON CURRENT ASSETS				-
CURRENT ASSETS				
Current Investment		6,476,813		5,909,241
Trade & Other receivables		25,049		39,695
Interest Receivable		99,035		111,183
Stock - Raw Materials	14,067		14,067	
- Publication	172,962		208,198	
		187,028		222,265
Cash at Bank		641,907		513,422
TOTAL ASSETS		7,429,832		6,795,805
EQUITY & LIABILITY				
Publication Fund as at 01.01.2014		3,417,039		3,417,039
Accumulated Profit /(Loss) as at 01.01	3,285,997		2,618,524	
Adjustment	(22,279)			
Profit for the year	644,851		667,473	
Accumulated Profit /(Loss) as at 31.12		3,908,569		3,285,997
Accumulated Fund as at 31.12		7,325,608		6,703,035
CURRENT LIABILITIES				
Creditors & Accrued Expenses		104,225		92,770
Total Equity & Liabilities		7,429,832		6,795,805



PUBLICATION FUND - NATIONAL INSTITUTE OF CO-OPERATIVE DEVELOPMENT
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2019

		<u>2019</u>		<u>2018</u>
Revenue				
Sales of Publications		132,525		135,025
Less:				
Cost of Goods sold		(42,271)		(46,776)
Gross Profit		90,254		88,249
Add: Other Income				
Commission	-		1,410	
Interest on Fixed Deposit	585,296		584,659	
		585,296		586,069
		675,550		674,318
Less: Expenditure				
Royalty	-		-	
Discount	(8,460)		(6,845)	
Withholding tax payment	(22,239)		-	
		(30,699)		(6,845)
Net Profit		644,851		667,473



Auditor General's Report

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the National Institute of Cooperative Development for the year ended 31 December 2019 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

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1. Financial Statements

1.1 Qualified Opinion

The audit of financial statements of the National Institute of Cooperative Development for the year ended 31 December 2019 comprising the statement of Financial Position as at 31 December 2018 and the statement of financial performance, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies 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 provisions of the National Audit Act No. 19 of 2018 and the Finance Act No.38 of 1971. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

In my opinion, except for the effects of the matters described in the basis for Qualified Opinion section of my report, the accompanying financial statements give a true and fair view of the financial position of the National Institute of Cooperative Development as at 31 December 2019 and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

1.2 Basis for Qualified Opinion

(a) Even though the motor vehicle given to the Institute had been assessed at Rs.2,000,000, action had not been taken to acquire and account for the above vehicle and include in the financial statements.

(b) Although the employees' contribution recoverable to the Public Service Provident Fund from the year 2006 to 2015 amounted to Rs.1,501,070, it had been stated as Rs.1,316,338 in the financial statements, thus understating Rs.184,732.

- (c) The value of Rs.1,120,020 spent during the year under review for the development of land belonging to the Institute had been brought to account under the buildings.
- (d) The value of direct remittance of Rs.471,014 received by the bank as at 31 December of the year under review had not been identified and adjusted in the accounts.
- (e) A difference of Rs. 170,815 was observed between the balances of 02 accounts totaling Rs. 46,816,350 shown in the financial statements and the balance shown in the subsidiary documents.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Public Sector Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Institute or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Institute's financial reporting process.

As per Sub-section 16(1) of the National Audit Act No. 19 of 2018, the **Institute** is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Institute.

1.4 Auditor's Responsibility for the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial

statements or, if such disclosures are inadequate, to modify my opinion. However, future events or conditions may cause the Institute to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

2. Report on Other Legal and Regulatory Requirements

National Audit Act, No. 19 of 2018 includes specific provisions for following requirements.

- Except for the effect of the matters described in the Basis for Qualified Opinion paragraph, I have obtained all the information and explanation that required for the audit and as far as appears from my examination, proper accounting records have been kept by the Institute as per the requirement of Section 12 (a) of the National Audit Act, No. 19 of 2018.
- The financial statements presented is consistent with the preceding year as per the requirement of section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.
- The financial statements presented includes all the recommendations made by me in the previous year as per the requirement of section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018.

Based on the procedures performed and evidence obtained were limited to matters that are material, nothing has come to my attention.

- to state that any member of the governing body has any direct or indirect interest in any contract entered into by the Institute which are out of the normal cause of business as per the requirement of section 12 (d) of the National Audit Act, No. 19 of 2018.
- to state that the Institute has not complied with any applicable written law, general and special directions issued by the governing body of the Institute as per the requirement of

section 12 (f) of the National Audit Act, No. 19 of 2018, except for the following observations.

Reference to Laws, Rules/ Directives -----	Description -----
(a) Section 15 (4) of the National Institute of Cooperative Development (Incorporation) Act, No.01 of 2001.	In paying remunerations to the Academic Board, an allowance at Rs.5,000 has been paid on the approval of the Board of Management meeting held on 18 December 2015, whereas action had not been taken to obtain approval of the respective Minister and the Minister of Finance for that purpose.
(b) Financial Regulations of the Democratic Socialist Republic of Sri Lanka F.R. 104 and 105	Despite lapse of 1 year and 8 months from stealing the root of the Sandalwood assessed at Rs.37,552 existed in the Institute premises, action had not been taken to recover the loss by conducting an inquiry.
(c) Chapter XIX of the Establishments Code of the Democratic Socialist Republic of Sri Lanka Section 5:6	 The rent of the government quarters owned by the Institute had been assessed in the year 2014 and the rent had been levied up to 31 December 2019 based on that assessment. Although the economic rent applies only for one year, the rent had been recovered for 5 years without an annual assessment.
 Section 6:10	 Without being complied with the referred section, at the 128 th Management Committee Meeting held on 30th November 2019, it had been proposed to extend the period of the Government quarters No. 9 by one

year to the wife of the deceased Assistant Registrar in accordance with Board Paper No. 2019/08/04, and to extend the period at her annual request.

(d) Circular No.DMS/1735 dated 05 March 2018 of the Director General of the Management Services.

- i. Without obtaining approval as per the circular referred, a sum of Rs.154,500 had been paid to 10 officers for editing question papers.
- ii. Without obtaining approval as per the circular referred, 08 officers had been paid Rs.381,562 as course coordination allowance.
- iii. Supervision allowance of Rs.96,750 had been paid as per the decision of the Board of Management in the year 2001 without obtaining the approval as per the referred circular.

- to state that the Institute has not performed according to its powers, functions and duties as per the requirement of section 12 (g) of the National Audit Act, No. 19 of 2018, except for the following observations.

In terms of Section 4 of the National Institute of Cooperative Development Act, No.01 of 2001, the functions such as to act as a center for the promotion and co-ordination of activities related to co-operative development, to provide trainings in co-operative development with the use of modern technological methods, to promote research on co-operative development, to undertake and manage co-operative enterprises which require managerial skills, to provide professional advice to co-operative enterprises and to establish model co-operative villages and model co-operative centers should be carried out

- to state that the resources of the Institute had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws as per the requirement of section 12 (h) of the National Audit Act, No. 19 of 2018.

In terms of Clause 07.04.16 of the Agreement entered into with the selected institution to carry out the cleaning activities, the Institute had made contribution of Rs. 679,329.64 during the year under review on behalf of the employees who carried out cleaning activities. However, the Institute did not examine whether the payments were credited to the relevant funds in the name of the employees in accordance with the above clause and as such, the money had been illegally retained by the service supplied institute without remitting it to the Commissioner General of Labor. Nevertheless the Institute had not taken any action in this regard.

3. Other Audit Observations

- (a) The value of 11 accounts balances receivable as at 31 December of the year under review totaled Rs.3,629,081 and it included the balances totaled Rs.229,531 continued to exist over a period from 01 year to 5 years and balances of Rs.1,934,049 remained unsettled for more than a period of 05 years.
- (b) There were 11 vacancies in 06 top management posts of the Institute by 31 March 2020. Without being making permanent appointments to the posts of Director General and Director (Education and Development) of the Institute from the year 2001, recruitments have been made to those posts on secondary basis and contract basis.
- (c) According to the Board of Management decision taken on 19 June 2019, although the total number of lecture hours required to be conducted by 03 lecturers during the year 2019 was 2,040 at minimum of 60 hours per lecturer for a month, the total number of lecture hours conducted during the year was 1,370.25. Accordingly, 669.75 lecture hours had not been conducted during the year.
- (d) The Institute had been deprived of an income of Rs.1,025,875 for not conducting the targeted E-Kids courses during the year under review and an income of Rs.800,250 due to not attending the expected number of trainees for the computer courses.
- (e) Although the estimated income of the theater owned by the Institute during the year under review was Rs. 6,804,000, the revenue received due to not taking action to increase the publicity of the theater was only Rs.3,105,207.

- (f) A sum of Rs.844,921 out of Rs.6,000,000 received from the Department of National Budget in the year 2014 in respect of Standard Development Project of the training courses of the Institute, a sum of Rs.24,844,722 that remained unspent from the sum of Rs.68,445,000 received in the years 2014 and 2015 for the construction of the auditorium and a balance of Rs.305,589 out of the provisions received for multipurpose building in the year 2017 had been retained idle in the current account.
- (g) As the Institute had not taken action to survey the 26 acre land of the Institute and obtain a transfer license from the government for more than a period of 50 years, the illegal acquisition of the land had become a difficult task to control.

Signed By;

W.P.C.Wickramarathne

Auditor General.