SRI LANKA

ANNUAL REPORT - 2018

NATIONAL INSTITUTE OF CO-OPERATIVE DEVELOPMENT

POLGOLLA

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Message from the Chairman

It’s a pleasure as the chairman of the National Institute of Co-operative Development to issue a message for the annual report 2018 of National Institute of Co-operative Development as a pioneering institute at the government level to develop human resource of the Sri Lankan Co-operative Movement.

This report provides a good understanding on how efficiently and productively physical, human and financial resources of the institute have been utilized to achieve its expected aims in 2018, its progress and accounts.

As the present chairman of the institute, I appreciate the commendable contribution by the academic and the non- academic staff of the National Institute of Co-operative Development in year 2018 to enrich human resource which is its most important resource, knowledge, skills, attitudes, and its experiences for the sustainable development of the Sri Lankan co-operative entrepreneurships specially with the proper management of limited institutional resources and human resources.

I wish with the whole heart that the National Institute of Co-operative Development which has received the reputation by the name of the native home of the Sri Lankan Co-operative Movement as a foremost national institute which performs academic trainings and researches in the co-operative fields to achieve institutional goals necessary to establish co-operative society enriched with the creative and innovative global relationships with a sustainable existence and its whole staff will always receive the necessary strength and courage.

Rohana Keerthi Dissanayaka
Chairman,
National Institute of Co-operative Development,
Polgolla.

Message from Director General

I'm mentioning this note with the hope that the progress and the sustainable existence of the Co-operative Movement and our institute will establish at this time of the annual report 2018 of the National Institute of Co-operative Development being issued.

Although problems on institutional resources, various difficulties and challenges arose specially during year 2018 compared to the previous years, the contribution made by the Management Board, the academic and the non- academic staff to achieve the planned targets in 2018 at the maximum level is appreciated.

I wish that the institute will receive the strength to be the excellent knowledge provider to the Sri Lankan Co-operative Movement to fulfill task necessary to generate the human resource suitable so as to win the challenges faced by the Sri Lankan Co-operative Movement at global changes.

G. H. M. A. Premasinghe

Director General and Chief Executive Officer,

National Institute of Co-operative Development,

Polgolla.

1. INTRODUCTION

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

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

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

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

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

The annual report 2018 has been prepared summarizing the annual performance, progress and current challenges in 2018 of National Institute of Co-operative Development. This institute is a national institute having co-operative education as its foremost duty assigned by the institutional Act and, engaging in relevant functions as well as the provision of its education and facilitation for outside fields.

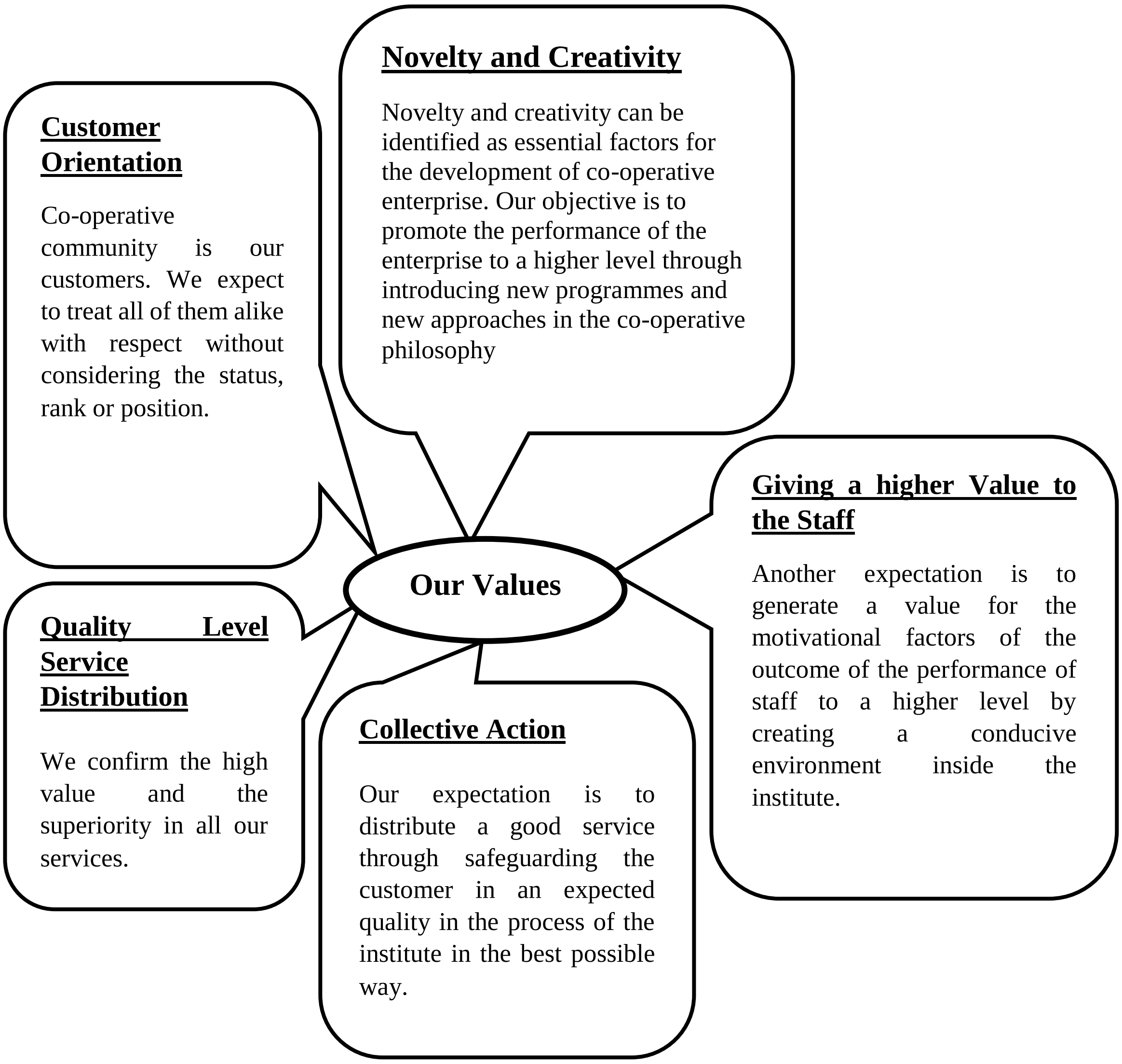
1.1. Vision

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

1.2. 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 good governance and creativity.

1.3. Values

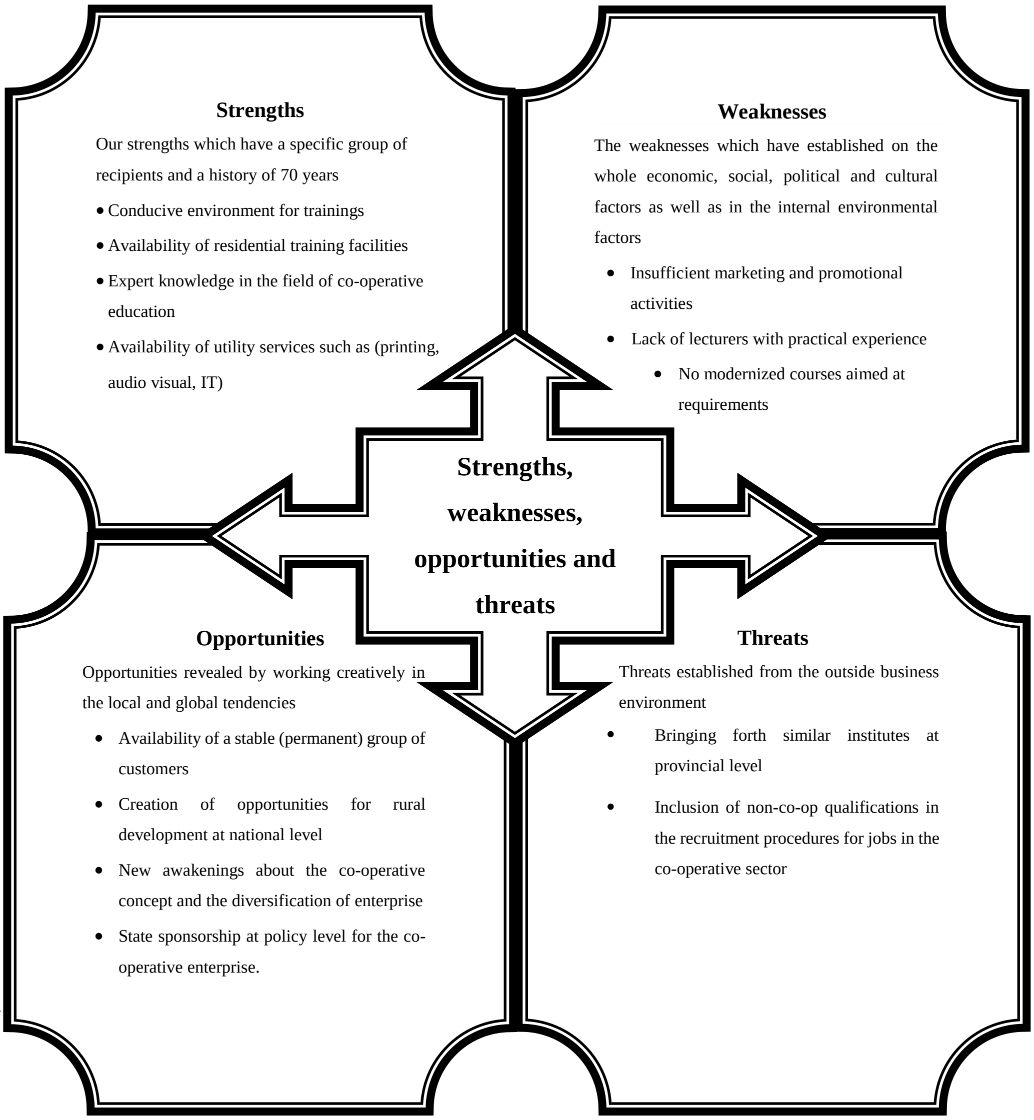


1.4. Objectives

The role of the institute is planned on 06 goals for the regulation of functions of this institute.

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

1.5. Strengths and weaknesses



1

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

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

1.7. Resources

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

1.7.1. Human Resources

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

1.7.1.1. Board of Management

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

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

<table>
<tr><td rowspan="4">Ex-officio members</td><td>The Secretary to the Ministry of Co-operative Development who holds the position for the time being or his nominee.</td><td>01</td></tr>
<tr><td>The Commissioner and Registrar of Department of Co-operative Development</td><td>01</td></tr>
<tr><td>The Chairman of National Co-operative Board</td><td>01</td></tr>
<tr><td>The Director General of the Institute who has been appointed under Section 16 of the Act.</td><td>01</td></tr>
<tr><td rowspan="3">Members appointed</td><td>Three eminent persons, who have broad experience in the co-operative sector and management, nominated by the Minister of the subject of Co-operatives</td><td>03</td></tr>
<tr><td>A representative from the Ministry of Higher Education, nominated by the Secretary to the Ministry of the Minister of Higher Education</td><td>01</td></tr>
<tr><td>Representative from the Treasury nominated by the Secretary to the Ministry of Finance</td><td>01</td></tr>
<tr><td colspan="2">Total</td><td>09</td></tr>
</table>

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

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

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

	Position	Name
1.	Chairman of Board of Management	**Mr. K. D. N. Lalith Gangewatte** **Mr. M. R. M. Hamjad**
2.	Member of Board of Management	**Mr. K. D. N. Ranjith Ashoka** (Sri Lanka Administrative Service- Special Grade) Secretary, Ministry of Industry and commerce, Resettlement of Protracted Displaced Persons, Co-operative Development and Vocational Training and Skills Development
3.	Member of Board of Management	**Mrs. L. A. Sujatha Wijesinghe** (Sri Lanka Administrative Service- Special Grade), Secretary, Ministry of Commerce and Industries. **G. H. M. A. Premasinghe** (Sri Lanka Administrative Service- Special Grade), Director General, National Institute of Co-operative Development
4.	Member of Board of Management	**Mr. Saman Jayasinghe** (Sri Lanka Administrative Service- Special Grade), Additional Secretary (Co-operatives), Ministry of Industry and commerce, Resettlement of protracted Displaced persons, Co-operative Development and Vocational Training and Skills Development
5.	Member of Board of Management	**Mr. S. L. Naseer,** (Sri Lanka Administrative Service- Special Grade), Commissioner and Registrar (Central Government)
6.	Member of Board of Management	**Mr. K. K. S. A. Perera,** (Sri Lanka Administrative Service- Special Grade) Director (Finance), Ministry of Finance. Ministry of Town Planning, Water Supply and Higher Education
7.	Member of Board of Management	**Mr. G. R. K. S. Ganegoda** (Sri Lanka Accountants Service - Class 11) Assistant Director (Finance), Ministry of City Planning, water supply and higher Education.
8.	Member of Board of Management	**Mr. W. Lalith A. Peries** Chairman, National Co-operative Board
9.	Member of Board of Management	**Mr. M. S. M. Rismy** Director, Chief Executive Officer Sri Lanka Local Government Authority
10.	Member of Board of Management	**Mr. L. B. Dassanayaka** Chairman, Technological Development Co-operative Society Ltd

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

The Board of Management have held 06 meetings in year 2018 under review.

	Name	Meeting Dates					
		2/5	3/26	4/10	6/13	8/17	8/27
1.	Mr. K. K. S. A. Perera	✓	✓	✓	-	-	-
2.	Mr. G. R. K. S. Ganegoda	✓	✓	✓	✓	✓	-
3.	Mr. W. Lalith Peries	✓	✓	-	-	-	-
4.	Mr. M.S. M. Rismy	✓	ab	✓	✓	✓	ab
5.	Mr. M. R. M. Hamjad	✓	✓	✓	✓	✓	✓
6.	Mr. G. H. M. A. Premasinghe	✓	✓	✓	✓	✓	✓
7.	Mr. L. B. Dasanayaka	✓	✓	✓	✓	✓	✓
8.	Mr. Saman Jayasinghe	✓	✓	✓	✓	ab	✓
9.	Mr. K. K. S. A. Perera	-	-	-	-	✓	✓
10.	Mr. G. R. K. S. Ganegoda	-	-	-	-	✓	✓
11.	Mr. W. Lalith Peries	-	-	-	-	✓	ab
12.	Mr. M.S. M. Rismy	-	-	-	-	-	✓

1.7.1.2. Academic Board

The Academic Board of the Institute appointed by the Board of Management should consist of the following members in accordance with Section 12 of Part 03 of National Co-operative Development Institution Incorporation Act No, 01 of 2001 and Consists of the following members.

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

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

Functions of the Academic Board

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

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

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

Name	Position
Mrs. Sujatha Wijesinghe	Chairman of the Academic Board Director General, National Institute of Co-operative Development, Polgolla, (Sri Lanka Administrative Service - Special Grade)
Mr. G. H. M. A. Premasinghe	Chairman of the Academic Board Director General, National Institute of Co-operative Development Polgolla, (Sri Lanka Administrative Service - Special Grade)
Mrs. Gayathree Abeygunasekara	Member of the Academic Board Additional Commissioner General of Examinations, Department of Examinations of Sri Lanka, Pelawatte, Battaramulla
Mr. H. M. Premarathna	Member of the Academic Board Representative of University Grants Commission, Senior Lecturer University of Colombo

Mr. S. L. Naseer	Member of the Academic Board Representative of Commissioner of Co-operative Development. (Sri Lanka Administrative Service - Special Grade)
Not appointed	Member of the Academic Board Recommended by the subject Minister

Review year of the 2018, there were 02 Study Board meetings has been held.

Name	Participation	
	2018.01.24	**2018.09.11**
Mrs. Sujatha Wijesinghe	✓	-
Mr. G. H. M. A. Premasinghe	-	✓
Mrs. Gayathri Abeygunasekara	✓	✓
Mr. S. L. Nazeer	✓	✓
Mr. H. M. Premarathna	✓	✓

- No membership

1.7.1.3. Audit and Management Committee

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

Name	Designation
Mr. K. K. S. A. Perera (AMC Chairman) Member of Management Board	Director – Department of Public Enterprises, Ministry of Finance & Mass Media
Mr. G. R. K. S. Ganegoda (Committee Member) Member of Management Board	Accountant – Ministry of Urban Planning, Water Supply and Higher Education
Mr. M.S. M. Rismy (Committee Member) Member of Management Board	Director – Sri Lanka Institute of Local Governance
Mrs. A.N.N.Perera (Committee Member)	Superintended of Audit – National Audit Office
Mrs. B. K. M. J. Rodrigu (Committee Member)	Chief Internal Auditor – Ministry of Industry & Commerce, Resettlement of Protracted Displaced Persons & Co-operative Development

1.7.1.4. Staff of the Institute

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

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

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

Classification of Post	Salary Code	Designation	No. of Positions
Senior Manager	HM 2-1	Director General	01
Senior Manager	HM 1-1	Registrar	01
		Director (Academic & Development)	01
Senior Academic and Research	AR – 2	Senior Lecturer	04
		Senior Librarian	01
		Senior Researcher	01
Academic and Research	AR – 1	Lecturer/ Assistant Lecturer	08
		Librarian/ Assistant Librarian	01
		Researcher/ Assistant Researcher	01
Middle Management	MM 1-2	Assistant Registrar	01
		Assistant Director (Finance)	01
		Internal Auditor	01
		Assistant Director (Hostels)	01
Junior Management	JM 1-1	Accounts Officer	02
		Administrative Officer (Exam)	01
		Administrative Officer (Administration/Human Resources)	01
		Administrative Officer (Student Affairs)	01
		Procurement and Maintenance Officer	01
		Marketing Promotion and Printing Officer	01
		Transport Officer	01
		Audio-visual Programmer 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 Machines Technical Assistant	01
		Systems operator	01

Management Assistant (non-technical)	MA 1-1	Management Assistant	10
Primary level (Skills grade)	PL – 3	Driver	06
Primary level (Semi-skills grade)	PL – 2	Circuit Bungalow keeper	01
Primary level (Non-skills grade)	PL – 1	Office Assistant	14
Total			**71**

The approved cadre of the institute is 71. The number of employees engaged in service as at 31st December 2018 was 30. The number of vacancies to that date was 41.

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

Information regarding the approved cadre and the number of vacancies as at 31st December 2018

Serial No.	Post	No. of Vacancies	No. in Officers	Vacancies
1.	Director General	01	01	00
2.	Registrar	01	01	00
3.	Director (Academic & Development)	01	01	00
4.	Senior Lecturer	04	02	02
5.	Senior Librarian/Librarian	01	01	0
6.	Senior Research Officer	01	01	01
7.	Lecturer	04	00	04
8.	Assistant Lecturer	04	02	02
9.	Assistant Librarian	01	01	0
10.	Assistant Researcher	01	00	01
11.	Assistant Director (Hostels)	01	00	01
12.	Assistant Director (Finance)	01	01	0
13.	Assistant Registrar	01	01	0
14.	Internal Auditor	01	01	00
15.	Accounts Officer	02	01	01
16.	Administrative Officer (Examinations)	01	0	01
17.	Administrative Officer (Admin/Human Resource)	01	01	0
18.	Procurement and Maintenance Officer	01	00	01
19.	Transport Officer	01	0	01
20.	Administrative Officer (Student Affairs)	01	01	0
21.	Marketing Promotion and Printing Officer	01	01	00
22.	Audio visual Programme Officer	01	00	01

23.	Officer in charge of hostels	01	01	00
24.	Computer Programmer	01	01	0
25.	Computer Instructor	03	01	02
26.	Audio Visual Technical Assistant	01	00	01
27.	Printing Machines Technical Assistant	01	01	0
28.	System Operator	01	0	01
29.	Management Assistants	10	01	09
30.	Driver/Office Assistants	06	03	03
31.	Bungalow Keeper	01	01	0
32.	Office Assistants	14	05	09
33.	*Assistant Hostel Manager		01	00
	Grand Total	**71**	**30**	41

***This position is held personal to the holder basis**

The staff has been directed to local and foreign trainings in year 2018 under the institutional staff trainings.

1.7.2. Institutional Physical Resources

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

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

1.7.2.1. Office Premises

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

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

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

1.7.2.2. Lecture Halls

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

B - Hall

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

Rochdale Hall

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

C 1, C2 & C3 Lecture Halls

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

Multipurpose Building

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

All those lecture rooms have modern facilities with comfortable chairs and higher-level educational facilities.

66 modern computers have been allocated in these two laboratories of the information technology unit in this building for academic activities.

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

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

1.7.2.3. Conference Halls

Auditorium of the National Institute of Co-operative Development

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

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

Description	**Area**
Total Building	3723.63 M^2
Main Auditorium (Balcony & Ground Level)	1550.5 M^2
Main Stage Area	259.00 M^2
Seating Capacity	1118 (711+407)
Lobbies	1000 M^2
Office Space	240 M^2
Lecture hall & Artist space	719.13 M^2

This auditorium provides audio visual facilities and a dining hall as well as parking spaces for over 300 vehicles. Programmes were conducted under the following system of rate for hiring and Rs.6.83 million has been earned in 2018.

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

Ratnayake Hall

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

The renovation of this hall and the hostel were fully completed in the year under review with Rs.9.7 million being spent.

New Rochdale Hall

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

Vincent Subasinghe Hall

This hall has a modern audio system and facilities for stage dramas and film shows and also for other similar activities. It has 600 seats and satisfies the needs of an auditorium in the area. Considering the social responsibility of the institute, this theater is rented out at a minimum rate.

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

Serial no		Hall	No of seats
i.	Lecture Halls	New Rochdale Hall	60
ii.		B Hall	80
iii.		Rochdale Hall	60
iv.		C1 Lecture Hall	40
v.		C2 Lecture Hall	40
vi.		C3 Lecture Hall	20
vii.		Multipurpose Building Lecture Room No. -01	70
viii.		Multipurpose building Lecture Room No. - 02	45
ix.		Multipurpose building Lecture Room No. -03	40
x.		Multipurpose Building Lecture Room No. -04	65
xi.	Conference Halls	NICD Auditorium	1"118
xii.		Vincent Subasinghe Hall	450
xiii.		Ratnayake Hall	55
xiv.		Multipurpose Building Conference Hall	75
Total			**2"218**

1.7.2.4. Residential Facilities

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

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

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

Student Hostel

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

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

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

Commercial Hostels

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

New Ratnayake Hostel

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

Ratnayake Hostel

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

Ratnayake Houses.

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

Holiday Resort

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

The resort is renovated in 2014 and it consists of 04 double rooms with attached bath rooms including the hot water facility. The dining room, the veranda and the other facilities suitable for a family vacation have been provided.
It is located in a quiet environment and has all basic facilities. The holiday resort facility can be enjoyed in a quiet environment with all basic facilities including safety under a reasonable rate system. The Holiday Resort can be booked directly through the institute.

Type of Hostels	Name of Hostel	No. of Rooms	No. Residents that can be facilitated
Student Hostels	1. D Hostel	20	40
	2. E Hostel	20	40
	3. F Hostel	20	40
	4. G Hostel	20	40
	5. H Hostel	06	18
		86	178

Commercial Hostels	6. New Ratnayake Hostel (air conditioned)	22	26
	1. A. Ratnayake Hostel (air Conditioned)	14	26
	2. 02 RH Houses	04	12
	3. Holiday Resort	04	08
		44	72
	Total	**130**	**250**

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

1.7.2.5. Other Physical Capital Resources

Information Technology Center

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

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

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

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

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

Library Facilities

This library is considered as the most advanced library with modern facilities in the Co-operative sector 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 is also newspaper articles/articles in magazines and the catalogue is being computerized as at present. Readers can also use the internet facilities in the library.

Printing Facilities

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

Audio Visual Facilities

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

Transport Service

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

2. INSTITUTIONAL PROGRESS

2.1. Financial Progress

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

2.1.1. Annual Income during years 2014– 2018

The overall income of National Institute of Co-operative Development in year 2018 was Rs.**42.41** million and the income according to the divisions is as follows.

Details	2014	2015	2016	2017	2018
Course fees	16,199,760	13,849,077	11,869,978	16,673,912	17,391,905
Rent of Hostels, lecture rooms, quarters and buildings	13,485,724	17,237,382	9,462,940	10,090,323	12,372,817
Income of Mahinda Rajapaksha auditorium			3,533,500.00	4,680,009	6,836,957
Commissions on supplying of foods	1,477,909	1,346,125	924,298	697,696	1,471,101
Sale of Publications and printing charges	271,715	34,036	11,737	109,870	98,829
Income from sale of assets	125,900	3,085,056	1,773,685	2,156,539	-
Other income	2,331,964	573,732	1,913,006	1,776,016	4,246,206
Total Income	**33,892,972**	**36,125,408**	**29,489,144**	**36,184,365**	**42,417,815**

2.1.2. Annual Expenditure during years 2014 – 2018

Details	2014	2015	2016	2017	2018
1. Salaries, wages, lecture fees and other fees	26,981,094	29,798,644	32,875,799	32,912,050	33,014,927
2. Travelling expenses	1,551,703	808,791	499,670	347,155	75,175
3. Supplies and office requisites	6,337,853	6,743,328	3,856,367	4,498,298	4,874,160
4. Maintenance cost	5,067,118	3,478,885	856,605	981,193	2,426,771
5.Service agreements	18,184,056	18,719,614	19,259,345	19,108,120	19,955,190
6. Other	-	2,515,438	1,623,121	1,918,204*	2,146,903
b)Nation building tax	304,108	100,319	127,598	-	-
c)Sundry expenses	2,096,237	-		-	-
d)	1,317,366	1,113,596	305,895	-	-
Total Expenditure	**61,839,535**	**63,280,630**	**59,404,400**	**59,765,020**	**62,493,126**

* Nation building tax and Contribution to the institutional fund included

2.1.3. Treasury Allocations during years 2014 - 2018

Details	2014 Rs.	2015 Rs.	2016 Rs.	2017 Rs.	2018 Rs.
Treasury Allocations	26,000,000	34,000,000	13,000,000	8,000,000	15,000,000
Recurrent Allocations	25,425,571	27,054,900	29,217,750	30,978,448	30,527,242

2.1.4. Institutional Income, Expenditure and Allocations during years 2014 - 2018

Details	2014	2015	2016	2017	2018
1. Institutional Income	33,892,972	36,125,408	29,489,144	36,184,365	42,417,815
2. Expenditure	61,839,535	62,064,700	59,404,400	59,765,020	62,493,126
Deficiency before allocations	**(27,946,563)**	**(25,939,292)**	**(29,915,256)**	**(23,580,655)**	**(20,075,311)**
3. Recurrent Allocations ^Treasury allocations and Donations of Peoples' Bank&	27,448,017	28,673,025	30,192,750	30,978,448	30,527,242
Surplus (Deficiency) after allocations	**(498,546)**	**2,733,733**	**277,494**	**7,397,793**	**10,451,931**

2.1.4. Treasury Allocations, Receipts and Inputs during years 2014 - 2018

Details	2014	2015	2016	2017	2018
Capital awards – balance brought forward from the previous years	**35,165,628**	26,025,452	71,365,739	74,558,855	47,782,855
Capital Allocation receipts	26,000,000	75,479,000	13,000,000	8,000,000	15,000,000
Receipts of advance payments from the co-operative fund	**25,000,000**	-	-		-
Total Capital Allocations	**86,165,628**	**101,504,452**	**84,365,739**	**82,558,855**	**62,782,326**
Inputs of capital awards					
(a) Program for obtaining national professional standards	647,944	98,713	3,505,660	1,787,944	874,975
(b) Construction of the auditorium	59,492,229	30,040,000	-	-	-
(c) Hostel renovation			6,301,224	32,988,585	13,245,915
Total Expenditure	**60,140,173**	**30,138,713**	**9,806,884**	**34,776,529**	**14,120,890**
Balance carried forward	**26,025,455**	**71,365,739**	**74,558,855**	**47,782,329**	**48,661,436**

2.2. Academic Progress

2.2.1. Academic and Development Section

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

i. Co-operative Development Section
ii. Human Resource Development Section
iii. Research and Training Section
iv. Financial Management and Development Section
v. Business Administration and Development Section
vi. Information Technology Section

All the sections work as a single unit under the preview of Director (Academic & Development). Each and every above section function under the supervision of a Senior Lecturer or a Lecturer. The academic human resource has been strengthened by 04 lecturers included in the permanent staff of this institute and the external resource pool of experts of their subjects attached when necessary.

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

The main purpose of the institute is to develop the human resource of the sector by the functions of Sub- Section A to J of Section 4 of part I of the Incorporation Act. 69 Diplomas, Certificates and Short Term Management Courses have been conducted with this aim in the year under review. 04 programme out of these programmes was commenced in year 2017 and the other 65 programmes were commenced and conducted in year 2018.

Progress of the Courses organized by the Institute 2014 - 2018

Courses		2014		2015		2016		2017		2018	
		No. of Courses	No. of students participated	No. of Courses	No. of students participated	No. of Courses	No. of students participated	No. of Courses	No of students participated	No. of Courses	No. of students participated
Permanent Training Courses	Co-operative Development Certificate							02	85	01	24
	Co-operative Development Diploma							01	42	01	44
Other Diploma Courses	Co-operative Professional Diploma	08	164	07	159	07	163	06	105	05	80
	Information Technology							01	13	01	17
	Non-Co-operative Professional							01	26	01	28
Other Certificate Courses	Co-operative Professional Certificate							01	34	00	00
	Information Technology	11	199	12	218	11	240	06	66	04	45
	Languages							02	24	02	06
Short Term Programmes	Training Guidance Included	51	1879	19	666	22	711	19	547	18	520
	Training Guidance not Included							04	169	07	294
Training conducted from People's Bank Fund		10	360	40	1548	04	237	6	230	00	00
International Training Programmes								3	76	01	23
Training of students for professional examinations		06	301	10	157	07	096	7	162	10	276
No. of Total Academic Courses		86	2903	88	2748	51	1447	59	1579	51	1357
Training Programmes conducted by External institutions with the use of institutional resources		380	23475	712	36965	321	16955	97 9	22376	317	26265
Total		**466**	**26378**	**800**	**39713**	**372**	**18402**	**1038**	**24,955**	**419**	**28979**

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

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

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

2.2.2.1. Certificate Course in Co-operative Development.

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

End of the second term course work of the course commenced in 2017 for Cooperative Development officers, integrated with Sabaragamuwa, Southern, Western and Uva Province. The Certificate course of Cooperative Development had commenced on 15.11.2018, integrated with the Department of Cooperative Development, Central Government and Southern Province.

Course	Date of Commencement	Date Completion	No. of Trainees
1. Certificate Course in Co-operative Development (Sabaragamuwa Province)	2017.10.02	2018.12.28	32
2. Certificate Course in Co-operative Development (Southern, Western and Uva Provinces)	2017.12.04	2018.04.10	53
3. Certificate in Co-operative Development (Central Government and Southern Provinces)	2018.11.15	2019.04.01	24
Total			**109**

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

Year	Description	
	Number of Courses *	Total Number of Students *
2014	01	52
2015	01	34
2016	02	120
2017	02	85
2018	01	24

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

2.2.2.2. Diploma in Co-operative Development

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

A Course commenced on the academic year 2018 for 44 officers, integrated with North West & Southern Provinces.

Course	Date of Commencement	Date Completed	No. of Trainees
1. Diploma in Co-operative Development (Wayamba and Eastern provinces)	**2018.04.02**	**2018.10.12**	**44**

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

Year	Number of Courses *	Total Number Participated *
2014	01	29
2015	01	40
2016	Not new registration	
2017	01	42
2018	01	44
Total	**04**	**155**

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

2.2.3. Diploma Courses

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

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

2.2.3.1. Co-operative Professional Diploma Courses

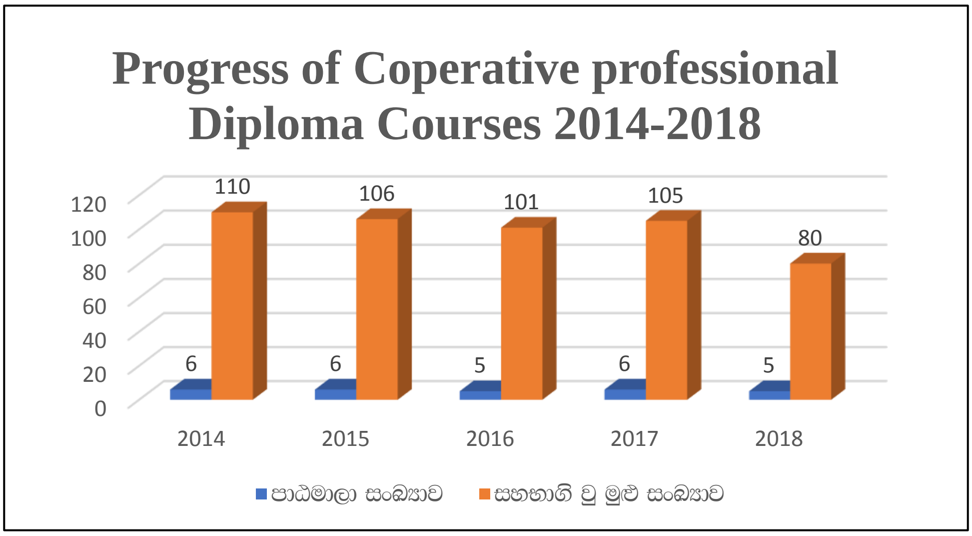
This is a one-year part time course conducted in order to increase the knowledge and skills of co-operative professionals and employees.

There were 05 such courses commenced in year 2018 and 80 students were given trainings.

The details of the Diploma Courses commenced during year 2018 are as follows

Training Programme	Date commenced	Expected date of completion	No. of Participated
Diploma in Banking Management	2018.03.26	2019.03.26	**22**
Diploma in Human Resource Management	2018.03.26	2019.03.26	**08**
Diploma in Auditing	2018.05.08	2019.05.08	**21**
Diploma in Accountancy	2018.05.08	2019.05.08	**13**
Diploma in Business Management	2018.03.26	2019.03.26	**16**
Total			**80**

A brief description of the number of Diploma Courses conducted by this Institute and the number of trainees during the period of five years from 2014 to 2018 is as follows.



Year	No of Courses*	Total no of participants*
2014	6	110
2015	6	106
2016	5	101
2017	6	105
2018	5	80
Total		**502**

2.2.3.2. Diploma in Information Technology

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

17 students were enrolled in year 2018 for this course commenced annually after the GCE (A/L) examination.

Name of Course	Date Commenced	Date Completed/Scheduled to be completed	No. of Trainees
1 Diploma in Information Technology	2018.09.25	2019.03.25	17

A brief description of the number of Diploma in Information Technology Courses conducted by this Institute and the number of trainees during years from 2014 to 2018 is as follows.

Year	No of Courses*	Total no of participants*
2014	02	58
2015	01	28
2016	01	26
2017	01	13
2018	01	17
Total	**6**	**142**

2.2.3.3. Non-Co-operative Professional Diploma Courses

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

This is an access course having an agreement with the Association of Accounting Technicians of Sri Lanka to follow Business Development Degree Programme at Sri Lanka Accounting Institute and this course was introduced in 2017. The first batch comprises 26 students and 28 students were newly registered in 2018.

Name of Course	Date Commenced	Date Completed/ Scheduled to be completed	No. of Trainees
Diploma in Business Management & Development	2018 .07	2019.07	28

2.2.4. Certificate Courses

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

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

2.2.4.1. Co-operative Professional Certificate Courses

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

New courses have not been commenced in year 2018 under review.

2.2.4.2. Information Technology Certificate Courses

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

	Name of Course	No. of Trainees
1.	Certificate in Computer Application Assistant (NVQ Level 03)	10
2.	E- kids Computer Learning - (PL & IL)	35
3.	E- kids Computer Learning –IV	
4.	Computer Learning O/L ICT	
5.	Computer hardware Engineering	00
6.	Web Base Training Programme	10
7.	Other IT workshops	223
	Total	**278**

05 computer certificate courses were commenced and the training for 55 trainees was successfully completed and 12 other programmes for 223 trainees were conducted and altogether 278 trainees were trained in year 2018 and the progress of Information Technology Certificate Course during the period from 2014 to 2018 is as follows.

Year	No of Courses*	Total no of participants*
2014	6	106
2015	5	107
2016	6	136
2017	06	66
2018	04	45
Total	**27**	**460**

2.2.5. Language Certificate Courses

01 English Courses planned for those who are engaged in various employments and who are young school leavers and who have intention to enhance English knowledge were conducted in year 2018 and 06 students have participated in it.

Name of Course	No. of Trainees
2. Certificate Course in English 01	06
Total	**06**

2.2.6. Subject Related Short-Term Management Training Programmes

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

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

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

20 short term courses included in the training directory were planned to conduct in this year and although it was expected to train 600 trainees, 18 trainings were conducted and 520 trainees were trained by the end of the year.

	Name of the course	No of trainees expected	Actual participants
1.	Training programme on the Preparation of a Dissertation	30	22
2.	Secretarial Practice Training Programme	30	14
3.	Management and Audit Training Programme1	30	17
4.	Marketing and Customer Care Programme for the Institutional Promotion	30	22
5.	Director Board Training Programme (NESCO) 1	30	20
6.	Director Board Training Programme (NESCO) 2	30	21
7.	Two Day training Programme on Taxation	30	28
8.	Director Board Training Programme (NESCO) 3	30	16
9.	Management and Audit Training Programme 2	30	21
10.	Rural Bank Internal Audit Training Programme	30	36
11.	Training Programme on Decision Making	30	33
12.	F 28 Report Review Programme F 28	30	29

13.	Training Programme on Audit Standard Usage	30	30
14.	Training Programme on Introduction to Bank Regulation	30	16
15.	Training Programme on Management of Public Relations and Formal Office Management Methods	30	28
16.	Training programme on Rural Bank Loan Management	30	43
17.	Training Programme on Development of Skills of Executive Officers of Co-operative societies	30	08
18.	Awareness Programme for legal provisions Relevant to Duties of the Staff of Co-operative Societies	30	59
19.	Training programme on Performance Development of Co-operative Development Officers Engaging in Judicial Duties	30	30
20.	Director Board Training Programme 4 (Tamil medium)	30	27
21.	**Total**	**600**	**520**

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

20 programmes that were the expected target of planned Short-Term Management Training Programmes in year 2018 were conducted as expected, 07 programmes not included in the training directory were planned and conducted and 294 trainees were trained.

	Name of the Course	Days Conducted	No of Trainees
1.	General Committee representative training of Katana Multi-purpose Co-operative Society Ltd	2018.03.17	40
2.	Audit Training programme for Mahaweli Farmer Organization Audit-01	2018.03.30-2018.04.03	45

3.	Audit Training programme for Mahaweli Farmer Organization Audit-02	2018.05.26-2018.05.30	36
4.	Training programme for the staff of Co-operative Society Ltd of minor and middle scale entrepreneurs	2018.09.23-24	37
5.	Employees' Attitude Development Programme for the Officers of Beralapanathara Multi-purpose Co-operative Society Ltd	2018.12.26-27	48
6.	Certificate Course on Management and Development of Co-operatives – Mannar District	2017.06.02-2018.04.	34
7.	Banking Diploma (Kuliyapitiya Sanasa)	2018.08.05 - 2019.09.15	54
	Total		**294**

In the year of 2018, 38 short term training programmes were conducted and 753 trainees were trained as over role

A brief description of the number of trainees for the Short-Term Management Training Programmes conducted by this Institute and the number of trainees in years from 201 to 2018 is as follows.

Year	Details	
	No of Courses	Total No of Participants
2014	51	1,879
2015	19	666
2016	22	711
2017	19	547
2018	27	814
Total	**138**	**4617**

2.2.9. International Training Programme

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

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

The professional exchange and the student exchange Programmes are conducted under the memorandum of understanding with Vikunthmetha National Co-operative Management Institute and 01 programme was conducted in 2018 to provide co-operative experiences and knowledge to 23 Indian and South Asian co-operative professionals and that number was 76 in year 2017.

The following summery shows the progress of this programme during last 04 years.

Year	Details	
	No of courses	**Total no of participants**
2015	05	109
2016	03	60
2017	03	76
2018	01	23
Total	**12**	**268**

2.2.10. Preparation of students for Professional Courses

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

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

Name of course	Duration	No of Participants*
CA Business Level -2018 June	2018 Jan to 2018 June	50
CA Business Level -2018 December	2018 July to December	48
CA Executive Level -2018 September	2018 March to 2018 Sep	46
CA Executive Level -2019 March	2018 Sep to 2019 March	40
AAT (AA1) Sinhala - 2018 July	2018 Jan to July	11
AAT (AA2) Sinhala -2018 December	2018 August to December	7
AAT (AA3) Sinhala - 2018 June	2018 Feb to 2018 June	13
CA English Course - 2018 September	2018 May to Sep	26
CA English Course - 2019 February	2018 Oct to 2019 Feb	25
Computerize accounting & Auditing	2018 July to 2018 September	10
Total		**276**

***Only new registration in 2018**

10 courses were commenced in 2018 and 276 students were prepared for the examinations of the aforesaid institutions and 07 courses were commenced in 2017 and 162 students were prepared for the examination of the aforesaid institutions.

2.2.11. Training courses conducted by outside institutions with the use of institutional resources in 2018

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

Accordingly, 317 such programmes were conducted and facilities have been provided for 26265 trainees to gain knowledge in 2018. It is a 80% increase of the number of programmes and a 85% increase of the number of trainees compared to those of 2017.

Year	2014	2015	2016	2017	2018
Courses conducted	**380**	**712**	**321**	**255**	**317**
Total no of participants	**23,475**	**36,965**	**16,955**	**22,376**	**26,265**

Knowledge and trainings for 1357 scholars have been provided by the 65 local and foreign courses and programmes organized by the institute in year 2018 under review as a whole. Academic and training facilities for 27,622 trainees have been provided by the 317 programmes organized by the outside institutions and 27622 trainees were provided the same by all 382 programmes.

2.3. Academic Facilitator Progress of the Institute

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

2.3.1. Hostel Division

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

(Rs.000)

Description	Accommodation Facilities	Hall Facilities	Audio Visual Facilities	Food Commission	Water Bottle Charges	Total
2018	**8.340**	**3.21**	**0.735**	**1.366**	**0.32**	**13.97**

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

2.3.2. Library Division

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

New publication are added annually to the library on the academic necessity of the institute. 100 new books were purchased within year 2018 and 10 books were gifted to the library by 02 retired lecturers. The main subject of the Co-operative and books on subsidiary subjects such as Management, Accountancy, Auditing, Social Sciences, Economics, and Banking were also given attention when purchasing books. The total number of books available in this library is 22,053.

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

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

2.3.3. Examinations Division

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

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

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

02 Academic Board meeting was held by the Examination Division in the year under review & approved results.

Date	Course Name	No of Students			
		Particip ated	Passed	Repeat	Failed
2018.01.24	Certificate Course in Co-operative Development (Wayamba) - 2016/2017	62	58	04	-
	Diploma Course in Business Management - 2016	24	19	03	02
	Diploma Course in Banking Management - 2016	34	14	14	06
	Diploma Course in Human Resource Management - 2016	06	03	03	-
	Diploma Course in Auditing - 2016	19	12	05	02
	Diploma Course in Accountancy - 2016	17	09	08	-
	Diploma Course in Information Technology 2016/17	18	12	04	02
	Diploma Course in Co-operative Development (Sabaragamuwa province) - 2015/16 (Repeat)	06	06	-	-
	Certificate course in Co-operative Development (Uva province)- 2015/2016 (Repeat)	01	01	-	-
	Diploma Course in Auditing - 2015 (Repeat)	02	02	-	-
	Diploma Course in Banking Management - 2015 Repeat)	03	03	-	-
	Diploma Course in Human Resource Management - 2015 (Repeat)	01	01	-	-
	Diploma Course in Business Management - 2015 Repeat)	02	02	-	-
	Diploma Course in Banking Management - 2013/14 (Repeat)	01	01	-	-
	Diploma Course in Information Technology - 2010/11 (Repeat)	01	01	-	-

	Diploma Course in Information Technology - 2009/10 Repeat)	01	01	-	-
2018.09.11	Diploma Course in Co-operative Development (Western/North Central/East /Sabaragamuwa) - 2017	41	35	06	-
	Certificate Course in Co-operative Development (Western/South/Uva) - 2016/2017	53	50	02	01
	Diploma Course in Banking Management - 2017	18	17	01	-
	Diploma Course in Business Management - 2017	22	17	04	01
	Diploma Course in Human Resource Management - 2017	10	09	01	-
	Diploma Course in Auditing - 2017	23	17	05	01
	Diploma Course in Accountancy - 2017	14	11	01	02
	Diploma Course in Micro Finance - 2017	10	04	06	-
	Diploma Course in Banking Management - 2016/17 (Kuliyapitiya)	38	35	03	-
	Certificate Course in Financial Management -2016/17 (Matara)	20	18	02	-
	Certificate Course in Co-operative Development (Wayamba) - 2016/2017 (Repeat)	06	06	-	-
	Diploma Course in Human Resource - 2016 (Repeat)	03	03	-	-
	Diploma Course in Auditing - 2016 (Repeat)	03	03	-	-
	Diploma Course in Accountancy - 2016 (Repeat)	07	06	01	-
	Diploma Course in Banking Management - 2016 (Repeat)	12	12	-	-
	Diploma Course in Business Management -2016 (Repeat)	02	02	-	-
	Diploma Course in Human Resource Management - 2015 (Repeat)	02	02	-	-
	Diploma Course in Banking Management - 2015 Repeat)	01	01	-	-
	Diploma Course in Human Resource Management - 2013 (Repeat)	01	01	-	-

2.3.4. Printing Division

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

2.3.5. Audio visual division

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

2.3.6. Auditorium

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

18 programmes were held in year 2017 under review and an amount of Rs.4,680,009.00 was earned and the number of programmes increased to 27 in year 2018 and the overall income increased to Rs. 6,836,956,52. This is an income increase of 31.5%.

2.4. Progress of Internal Audit Section

2.4.1. 04 meetings of the Audit and Management Committee relevant to this year have been conducted. The participation of the relevant meetings, as Discussed of Matters, given instructions & number of Decisions are as follows.

Details of Participation

Name	Participation			
	2018/03/28	2018/09/06	2018/10/26	2019/02/01
Mr. K. K. S. A. Perera (AMC Chairman)	✓	✓	✓	✓
Mr. G. R. K. S. Ganegoda (Committee Member)	✓	✓	✓	✓
Mr. M.S. M. Rismy (Committee Member)	✓	✓	ab	ab
Mrs. A.N.N.Perera (Superintendent of Audit)	✓	✓	✓	✓
Mrs. B. K. M. J. Rodrigu (Chief Internal Auditor - Ministry)	✓	✓	✓	✓

- No membership

Discussed of Matters, given instructions & number of Decisions

Conducted Date of Audit & Management Committee Meeting	Participations	Number of Discussed maters	Number of given instructions & decisions
2018.03.22	6	28	47
2018.09.06	6	25	33
2018.10.26	5	11	20
2019.02.01	5	23	30

According to 2018 approved Audit plan & Programme, Internal Audit Section audited sections of Administrations, Education & Development, Finance, Exam, Hostel, Library, Press, Audio Visual, Auditorium, Sales Promotion, Information Technology, and Professional Courses & Computer Programme. From this auditing, they observe 118 audit maters & issued 17 Internal Audit Reports. As well as we received 12 Audit Quarries from Government Audit Section for the year 2018. By giving answer for this Audit Quarries, we go to accurate path from this audit observations.

3. CHALLENGES AND EXPECTATION

3.1. Challenges

A major complaint to the institute is the institution has failed to fulfill the overall assigned duties in accordance with the Act in establishing the National Institute of Cooperative Development (NICD).In addition to conducting training programs, according to the act NICD must carry out research related to cooperative development, providing professional advice required by cooperative societies, take over and succeed weak Co-operative enterprises , establishment of cooperative centers etc.

To carry out these tasks, 71 staff approved to the cadre to the institute since 2012, but the institute did not fill the required vacancies in the past. Due to that, 40 vacancies in every year and didn't obtain approval for same. Because of this, the institution is unable to perform the above functions in addition to conducting training programs. This problem has strongly affected the institution.

Co-operative societies are also expected to conduct training programs free of charge. But there is no provision for allocating funds for the training programs free of charge, because this institution has been an incorporated institution since 2001. Accordingly, there is a lack of participation at training programmes. Therefore, we have to make extraordinary efforts to attract more participants for the training.

The above facts have a challenging effect on the performance of the organizational functions

3.2. Expectation

Achieving the above challenges in order to make 2019 a successful year, a request has been made to the Department of Management Services to grant the necessary approval to make new recruitments for a total of 43 vacancies

Also, arrangements are being made to make the necessary provisions for allocating funds to conduct training programs free of charge for employees in the Cooperative Societies.

It is essential to enhance the quality of co-operative courses conducted by the institute and also
The aim of the institute is to obtain NVQ and SLQF levels for conducting Diploma Courses at present.

Also, introduction of an Advanced National Diploma Course related to the Diploma Courses conducted at present and also NICD planning to commence a degree programme in parallel with the Diploma Courses.

Accordingly, taking action to further expand and to conduct current educational and training programs in the year 2019 for the human resources of the cooperative sector is the expectation of the institution

Director General & Chief Executive Officer

NICD
SRI LANKA

FINAL ACCOUNTS

2018

NATIONAL INSTITUTE OF CO-OPERATIVE DEVELOPMENT

POLGOLLA

NATIONAL INSTITUTE OF CO-OPERATIVE DEVELOPMENT

STATEMENT OF FINANCIAL POSITION AS AT 31st DECEMBER 2018

	NOTE	AS AT 31.12.2018	AS AT 31.12.2017 Rs.	
ASSETS				
NON CURRENT ASSETS				
Property, Plant & Equipment	2	832,241,419	609,832,158	
Other non-current financial assets	3.1	2,255,763	1,944,305	
		834,497,182	611,776,463	
Differed expenditure on Transformer	3.2	3,364,520	3,468,415	
Less: Amotisation of differed expenditure		(103,895)	(103,895)	
Balance differed expenditure		3,260,625	3,364,520	
CURRENT ASSETS				
Current Investment	4	20,205,589	8,895,031	
Trade & other Receivable	5	39,341,068	46,511,421	
Stock	6	1,287,770	1,639,811	
Cash at Bank	7	66,591,030	70,192,352	
		-	-	
		127,425,458	**127,238,616**	
TOTAL ASSETS		**965,183,265**	**742,379,599**	
EQUITY & LIABILITIES				
CAPITAL & RESERVES				
Capital	8	233,254,215	233,254,215	
Accumulated Profit / (Loss)	9	(81,212,192)	(83,550,308)	
		152,042,023	**149,703,907**	
RESERVES				
Capital Grant from Treasury	10	417,086,876	427,629,994	
Capital Grant from Ministry	11	14,564,450	15,474,343	
Revaluation Reserve		258,253,098	20,901,444	
Institutional Fund		-	4,884,730	
Publication Fund		6,703,035	6,035,563	
		696,607,459	**474,926,074**	
NON CURRENT LIABILITIES				
Provision for Gratiuty		7,254,295	6,554,435	38
Loan From Co-operative Fund		24,000,000	25,000,000	
		31,254,295	**31,554,435**	
CURRENT LIABILITIES				
Creditors & Accrued Expences	12	58,807,201	60,532,595	
Retention Money		26,472,286	25,662,588	36
		85,279,487	**86,195,183**	
TOTAL EQUITY & LIABILITIES		**965,183,265**	**742,379,599**	

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
Snr. Manager-Finance

Rohana Keerthi Dissanayake
Chairman

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

K.D.Anil
Senior Manager -Finance

NATIONAL INSTITUTE OF CO-OPERATIVE DEVELOPMENT
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2018

	NOTE	ACTUAL 2018	ACTUAL 2017	Budget 2018
Revenue			Rs	Rs
GRANT FOR RECURRENT EXPENDITURE	13	31,134,685	31,145,190	35,000,000
AMOTIZATION ON CAPITAL GRANT		26,453,011	26,260,692	-
INCOME EARNED BY NICD	14	41,750,342	36,184,366	41,912,820
		99,338,037	**93,590,248**	**76,912,820**
LESS : EXPENDITURE				
01. PERSONNEL EMOLUMENTS	15	33,014,927	32,912,050	43,344,389
02. TRAVELLING	16	75,175	347,155	750,000
03. SUPPLIES	17	4,874,160	4,498,298	5,769,580
04. MAINTENANCE	18	2,426,771	981,193	5,697,000
05. CONTRACTUAL SERVICES	19	19,955,190	19,108,120	23,338,000
06. OTHERS	20	2,146,903	1,918,204	2,290,000
07. DEPRECIATION	2	33,826,632	31,212,052	-
08. AMOTIZATION OF DIFFERED EXPENDITURE		*103,895*	*103,895*	-
		96,423,652	**91,080,968**	**81,188,969**
Surplus or (Deficit) over the expenditure from ordinary activity before Taxation		**2,914,386**	**2,509,280**	**(4,276,149)**
Less: Taxation			-	-
Net Surplus or (Deficit) for the period		**2,914,386**	**2,509,280**	**(4,276,149)**
Other Comphrensive Income				
-Gain/(loss) on Revaluation of property ,plant and equipment		237,351,654	0	0
- 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		**240,266,039**	**2,509,280**	**(4,276,149)**

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NATIONAL INSTITUTE OF CO-OPERATIVE DEVELOPMENT
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2018

			2018		2017
	Net Surplus /(Deficit) for the period	2,914,386	2,914,386	2,509,280	2,509,280
	Adjustments for				
Add	Depreciation	33,826,632		31,212,052	
	Amortization of differed expenditure	103,895		103,895	
	Prior year Adjustment -Addition	5,068,502	-	-	
	Profit on sale of Fixed Assets	-		-	
	Provision for Bad debtors	461,552		182,373	
	Provision for gratiuty	1,451,312		1,600,339	
Less	Profit on buy back of QB Accts package	-		(23,250)	
	Profit on sale of Fixed Assets	-			
	Amortisation of Capital grant	(26,453,011)		(26,260,692)	
	Interest Income	(1,292,215)		(504,360)	
	Gratuity Payment	(751,452)			
	Retention	54,790			
	Transfer from productivity control A/c	-		-	
	Profit on sale of Fixed Assets			(210,875)	
	Prior year Adjustment -Deduction	(5,644,771)			
	Institutional fund adjustment	(4,884,730)	1,940,504	-	6,099,482
	Operating Profit/(loss) before working capital changes		**4,854,890**		**8,608,762**
	Changes in working capital				
	Decrease/(Increase) in debtors, & Receivables	6,974,724		(6,629,540)	
	(Decrease) /Increase in cred:& accrued expences	(1,725,394)		537,358	
	Decrease/(Increase) in stock	352,041		(505,239)	
	Net cash flow from operating activities		5,601,371		(6,597,421)
	Cash flows from investing activities				
	Retention money	(345,110)		32,778	
	Purchase of - property , plant & equipment	(677,478)		(2,464,990)	
	- Land Development	-		-	
	-Building	(16,568,896)		(29,213,821)	
	- Furniture & Fittings	(314,750)		(2,921,120)	
	- Library books	(2,700)		(112,657)	
	- Other Equipment	(220,398)		-	
	Investment in capital work - in - progress	-		(77,779)	
	Investment in Fixed Deposit	(11,349,446)		(1,144,319)	
	Sale proceeds on Fixed Assets	-		210,875	
	Interest receipt	1,026,292		504,360	
	Net cash flow from investing activities		(28,452,485)		(35,186,673)
	Cash flows from financing activities				
	Capital grant Received from treasury	15,000,000		8,000,000	
	Capital grant Received from Ministry	0		-	
	Distress loan	(272,570)			
	Institutional Fund	-		279,925	
	Publication Fund	667,472		596,266	
	Repayment of Co-op Fund loan	(1,000,000)	-		-
	Net cash flow from financing activities		14,394,902		8,876,191
	Net Increase in cash flows within the Year		(3,601,322)		(24,299,141)
	Cash & cash equivalents at the beginning of the period		70,192,352		94,491,494
	Cash & cash equivalents at the end of the period		66,591,030		70,192,353

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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 01.01.2017	233,254,215	(86,059,589)	445,505,845	20,901,444	15,858,435	10,044,102	639,504,452
Less: Dep. On F/A purchased from Govt. Grant	-	-	(25,875,850)	-	(384,092)		- (26,259,942)
Profit/(Loss) for the period	-	2,509,280	-	-	-	596,266	3,105,546
Adgustments	-	-	-	-		-	- -
Invested within the period		-	8,000,000	-	-	279,925	- 8,279,925
							- -
Balance as at 31.12.2017	**233,254,215**	**(83,550,309)**	**427,629,995**	**20,901,444**	**15,474,343**	**10,920,293**	**624,629,981**
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
Adjustment-Addition		5,068,502	-	-	-	-	5,068,502
Adjustments - Deduction	-	(5,644,771)	-	-		(4,884,730)	(10,529,501)
Invested within the period		-	15,000,000	-	-	-	- 15,000,000
							-
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**

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NOTES TO THE ACCOUNTS AS AT 31ST DECEMBER 2018

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.01.01.2018 .Although when there is no any applicable public sector accounting standards ,LKAS standards are applied for the preparation of the Financial Statement.

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 Balance Sheet date 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.

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.

Asset	Useful Lifetime
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

Depreciation is provided for the fixed assets on periodical bases.

Expenditure made on 2 Nos. of Transformer worth of Rs. 4,155,818/= provided by C.E.B. has been differed and written off the cost over a period of 40 years.

1.3 LIABILITIES AND PROVISION

1.3 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 Basic salaries of employees 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 house rent with penalty sum of Rs. 645,122/= . from the Ex-employee who occupied the quarters.

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 Income & Expenditure account as grant for capital expenditure.

1.5 b. Recurrent Grants

These are treated as an Income in the year in which it was received, in the Income & Expenditure Account and unutilized recurrent 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.411,647.26 received as a grant from People's Bank for the Training Programmes in 2016 and which was remained in the account as unutilized grant as at 01.01.2018 and out of that 63,699.60 was spent to conduct the 01 training programme during the year 2018 and it has been mentioned as a revenue grant in the Income & Expenditure Statement. 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 31.12.2018 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 No. of permanent employees and 03 No. of casual employees were there in this institute as at 31st December 2018 . In addition to that, 7 No. 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 Income & Expenditure Account for the year 2018 and Statement of financial Position as at 31.12.2018 are attached herewith.

1.11 During the year 2018, Interest earned from the investment of the Publication Fund is Rs. 584,658.81. This interest has been credited to the same Fund through the statement of financial performance.

1.12 There was sum of Rs.4,181,639.79 will has to pay to the EPF as a contribution of employee & employer areas and sum of Rs.501,796.97 to the ETF areas on the basis of cost of living allowances during the period from 2006 to 2015 and this amount has been already paid in 2018.

1.13.Institutional Fund has been established under the approval of the board of management, according to the proposal made by the Audit & Management Committee.

Main objectives of established of this fund were

01.To pay gratuity the officers who work eligible for the gratuity when he/she retirement or resign of the post.

02.To incur the cost of training programme which will be conducted for co-operative sector by the institute.

For the above purpose the same account has been opened at the People's Bank name as "Institutional Fund" to deposit the money.

The decided percentage amount from the income transferred to the institutional fund against the income & expenditure account, and same amount has been deposited in the above account in cash. Meanwhile, Provision for Gratuity has been made against income & expenditure account annually.

In 2018 ,The board of Management decided to change the name as gratuity fund & to use the money in this fund only for the purpose of paying gratuity.

Accordingly change the name of the Institutional Fund as Gratuity Fund Account.

Provisions has been made to the institutional fund as well as provision for the gratuity account against the income & expenditure account from 2012 to 2017.

Hence, The Board of Management decided to change the name & object of this fund reverse the all transactions made to the Income & Expenditure Account & closed the Instructional Fund.

NOTE:02

PROPERTY,PLANT & EQUIPMENT -2018

Cost / Valuation	Balance As 01.01.2018	Removed Items	Prior Year		Balance After Adjustments	Additions during the year	Adjustments Addition	Adjustments (Deduction)	ACTUAL 31.12.2018 RS	Schedule
			Additions	Deductions						
Land	135,040,306.01	-	-	-	135,040,306.01	-	64,459,694	-	199,500,000.00	
Building & Structures	489,152,838.34	-	-	-	489,152,838.34	17,617,352	567,800,000	(489,152,838)	585,417,351.66	1
Plant,Machenary & Equi:	102,273,686.65	-	-		102,273,686.65	790,568		-	103,064,254.78	2
Vehicles	16,914,588.00	-	-	-	16,914,588.00	-			16,914,588.00	
Furnitures	45,503,969.47	-	-	-	45,503,969.47	331,000			45,834,969.47	3
Library Books	2,497,389.35	-	1,022	(25,000)	2,473,411.35	2,700.00			2,476,111.35	4
Curtain ,Cutlary items & Others	1,879,572.25	-	-		1,879,572.25	220,398.00		-	2,099,970.25	5
Total	**793,262,350.07**	**-**		**(25,000)**	**793,238,372**	**18,962,018**	**632,259,694**	**(489,152,838)**	**955,307,245.51**	
Accumulated Depreciation	**Balance As AT 01.01.2018**	**Removed Items As At (01/07/01)**	**Prior Year Adjustments**		**Balance After Prior Year Adjustments**	**Additions during the year**	**Adjustments Addition**	**Adjustments (Deduction)**	**ACTUAL 31.12.2018 RS**	
			Additions	**Deductions**						
Building & Structures	85,959,342.84	-	-	-	85,959,342.84	16,350,973		(94,244,798.09)	8,065,517.75	6
Plant,Machenary & Equipment	59,338,582.56	-	-	-	59,338,582.56	12,915,416		-	72,253,998.56	7
Vehicles	13,702,087.00	-	-	-	13,702,087.00	650,000			14,352,087.00	8
Furnitures	20,297,950.91	-	-	-	20,297,950.91	3,782,089		-	24,080,039.91	9
Library Books	2,350,130.39	-	1,022	(25,000)	2,326,152.39	58,117			2,384,269.39	10
Cutlary items & Others	1,859,877.00	-	-	-	1,859,877.00	70,037			1,929,914.00	11
Total	**183,507,971**	**-**	**1,022**	**(25,000)**	**183,483,993**	**33,826,632**	**-**	**(94,244,798)**	**123,065,827**	
Gross Book Value	**793,262,350**		**-**	**(25,000)**	**793,238,372**				**955,307,246**	
Accumulated Depreciation	**183,507,971**			**(25,000)**	**183,483,993**				**123,065,827**	
Net Book Value	**609,754,379**			**-**	**609,754,379**				**832,241,419**	
Capital work-in- Progress Contract No:	**Balance As AT 01.01.2018**	**Removed Items As At (01/07/01)**	**Prior Year Adjustments**		**Balance After Prior Year Adjustments**	**Additions during the year**	**Adjustments Addition**	**Adjustments (Deduction)**	**ACTUAL 31.12.2018 RS**	
			Additions	**Deductions**						
		-								
Transfer the WIP to Fixed Assets	-	-	-	-	-	-		-	-	
Work in Progress -Hostel E,H	77,779				77,779.07	-		(77,779)	-	
	77,779	**-**		**-**	**77,779**	**-**	**-**	**-**	**-**	
Carrying Value	**609,832,158**			**-**	**609,832,158**				**832,241,419**	

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NOTE : 03.1	ACTUAL 2018 Rs.	ACTUAL 2017 Rs.	SCHEDULE No.
Other non-current financial assets			
Deposit with Electricity board	813,750	813,750	
Distress Loan -staff	1,442,013	1,130,555	12
	2,255,763	1,944,305	
NOTE: 04			
Current Investment			
Investment in Fixed deposit	19,363,922	8,014,476	13
Distress Loan - staff	841,667	880,555	12
	20,205,589	8,895,031	
NOTE: 05			
Trade and Other Receivable			
3501-3512 Course Fee Rceivable(Schedule:5A)	2,156,442	2,099,723	
3504 Receivable on Programme Fee-Out Side	2,592,787	1,341,995	14
3513 Receivable on Printing Service	11,776	135,223	15
3514 Receivables on Other services	283,624	322,924	16
3402 Advances to Contractors	-	5,007,472	
3403 Security Deposit	75,000	75,000	
3515 Interest Receivable on Investment	542,598	276,676	17
3518 Hostel fee Receivable	13,720	75,000	
3520 House rent receivable	645,122	645,122	
3522 Library Fee & Exam Fee	6,700		
3523 Advance to suppliers	138,800	138,800	
3524 Staff food supply control A/C	6,950	11,910	
3525 Receivable on food supply to Co-op inspctors	-	130,896	
3526 Receivable Fines	-	40	
3527 Festival advance receivable	47,250	31,250	
3532 Advance to staff	-	9,000	
3539 Vat	33,933,319	37,622,839	
3540 WHT payment	45,627	17,505	
3547 Pre-paid insuarance Premium & Other payments	705,141	340,099	35
3548 Receivable bus hire	-	-	
3549 Building & Land rent receivable	118,948	315,500	
3551 Receivable Income from Garden	3,523	20,655	
Publication II Trade & Other Receivables	39,695	25,049	
Less: Provision for bad debts	(2,025,954)	(1,564,803)	
Specific Provision for bad debtor	-	(566,455)	
	39,341,068	**46,511,421**	
NOTE:06			
Inventories			
3301 Stationery stock	**380,560**	**341,582**	
3302 Printing Material stock	**236,585**	**546,379**	
3303 Building Material	**136,417**	**105,415**	
3304 Audio visual	**6,552**	**6,552**	
3305 Sundry stock	**305,392**	**370,842**	
Publication ii - Book Stock	**208,198**	**254,974**	
Publication ii - printing Material Stock	**14,067**	**14,067**	
	1,287,770	**1,639,811**	

NOTE:07

CASH AT BANK (People's Bank katugastota)

Account	Account No.	2018	2017
Publication Account i	0089 1001-92649564	-	259
Training & Education	0089-1001-32648143	13,032,435	16,269,659
Productivity Account	089-1001-38092-967	238,856	238,856
Government	0089-1001-92648140	50,151,634	49,815,997
Service Charge Account	0089-1001-50002158	258,346	437,620
Gratiuty Fund Account	0089-2001-90030993	2,396,338	3,030,555
Publication Account ii	0089-1001-50018442	513,422	399,407
		66,591,030	**70,192,352**

	ACTUAL 2018 Rs.	ACTUAL 2017 Rs.	SCHEDULE No.
NOTE:08			
CAPITAL			
Balance on 01.01.2001	233,254,215	233,254,215	
Add/Less:Adjustments to statement of affairs			
		-	
	233,254,215	**233,254,215**	
NOTE: 09			
ACCUMULATED PROFIT/(LOSS)			
Balance as at 01st of January	(83,550,308)	(86,059,589)	
Add/Less: adjustments			
Others - Addition	5,068,502	-	40
Others - (Deduction)	(5,644,771)	-	40
	(576,270)	-	
Accumulated profit after prior year adjustment	**(84,126,578)**	**(86,059,589)**	
Add: Surplus / (Defecit) for the year	2,914,386	2,509,280	
	2,914,386	**2,509,280**	
Balance as at 31st of December	**(81,212,192)**	**(83,550,308)**	
NOTE: 10			
CAPITAL GRANTS FROM TREASURY			
Balance on 01.01.	427,629,994	445,505,844	
Add:Adjustment	-	-	
	427,629,994	**445,505,844**	
Add:Received for the Year	15,000,000	8,000,000	
	442,629,994	**453,505,844**	
Less:Depreciation of Assets purchased from capital grants	(25,543,118)	(25,875,850)	18
	417,086,876	**427,629,994**	
NOTE: 11			
CAPITAL GRANTS FROM MINISTRY & CO-OPERATIVE FUND & OTHERS			
Balance on 01.01.	29,323,779	29,323,029	
Add:Received for the Year	-	750	
	29,323,779	**29,323,779**	
Less:Depreciation of Assets purchased from capital grants	(14,759,328)	(13,849,435)	18
	14,564,450	**15,474,343**	

NOTE :12	ACTUAL 2018 Rs.	ACTUAL 2017 Rs.	SCHEDULE No.
CREDITORS & ACCRUED EXPENCES			
4001 Telecommunications	67,992	114,330	
4002 Water	-	-	
4003 Electricity	143,042	119,702	
4004 Lecture Fees	318,556	1,009,138	19
4005 Other accrued expences	683,617	664,125	20
4008 Subsistance Control A/c	72,450	72,450	
4015 Govt. Audit Fee payable	1,250,425	844,925	
4016 Payable to Treasury	113,616	275,738	
4018 Advance received for programme - Outside	1,773,050	86,937	21
4019 Security Services	440,200	447,510	
4020 Janitorial Services	691,301	1,195,654	
4021 Laundry services	-	1,150	
4022 Building Constructors -(CECB & Others)	47,374,205	47,374,205	
Received in Advance as per (Schedule:12A)	1,662,676	1,487,715	
4027 Payable to suppliers	50,249	135,364	
4028 Advance Received for bus hire	-	-	
4035 Salary control a/c Casual	98,674	86,733	
4040 Refundable course fee	155,765	75,750	
4041 Productivity Control A/C	238,856	238,856	
4036 Vipula Cateres	-	211,988	
3902 Security Deposit	371,808	637,063	37
4043 VAT Receipt	-	3,046,968	
3903 Refundable Tender Deposit	394,588	192,650	22
4058 Provision for compensation.	-	-	
4048 Payable to food supplier - Ruchira Cateres	1,024,101	9,204	
4049 Fuel bill payable-	112,844	67,490	
Other payable	-	-	
4057 People bank grant received	347,948	440,253	
4059 Payable to aat on publication	-	17,408	
4061 Unutilised Recurrent Grant received for the year	-	543,744	
4062 NBT Payable	164,683	171,643	
4063 Received in advance for Hostel Fee	265,650	794,925	
4065 Payable WHT	196,368	60,635	
4064 Payable Consultancy Fee	701,770		
Publication II Creditors & Accrude Expences	92,770	108,345	
	58,807,201	**60,532,595**	

NOTE: 13

RECURRENT GRANTS (CODE :11)

1021 From Treasuary	31,070,985	30,610,443	35,000,000
1044 From People's Bank - Co-operative fund	63,700	534,747	
	31,134,685	**31,145,190**	**35,000,000**

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NOTE: 14	ACTUAL 2018	ACTUAL 2017	BUDGET 2018	SCHEDULE No.
OTHER INCOME GENERATED FROM (CODE:11)	Rs.	Rs.	Rs.	
1001 -1011 Course Fee - (Shedule 14-A)	17,156,276	16,673,912	18,862,520	
1012 Room Charges	8,340,807	6,777,377	9,149,300	34
1014 Lecture hall Fee	3,214,060	2,100,000	2,500,000	34
1014 Auditorium hall Charges	6,836,957	4,680,009	6,300,000	
1015 House rent	439,450	401,446	420,000	
1017 Sales of Publications	-	7,636	100,000	
1018 Service charges	105,000	128,900	-	
1023 Printing Service	16,015	102,234	50,000	
1024 Library Fees	42,000	55,500	91,000	
1025 Exam .Fees	193,629	151,537	-	
1026 Fixed Deposit,Savings Interest & Security Deposit	1,191,499	504,360	700,000	
1027 Interest on staff Loan	100,716	88,290	80,000	
1035 Non Rufundable Tender Deposit	63,913	188,922	-	
Opportunity cost Interest on concessionary staff	225,947	161,889	-	39
1036 Sales of Fixed Assets	-	234,125	150,000	
Miscellanious income - (Shedule 14-B)	1,681,109	1,922,414	1,950,000	
1043 Commission on food supply	1,366,101	697,696	1,200,000	
1069 Rent Income on Building	378,500	811,500	360,000	
1063 N.B.T	398,362	279,418	-	
1085 Unpaid Conpunsation	-	217,200	-	
	41,750,342	**36,184,366**	**41,912,820**	

NOTE:15

PERSONNEL EMOLUMENTS (CODE:01)				
101 Salaries & Wages	20,613,196	20,919,231	29,564,313	
151 Lecture Fees	4,858,838	4,070,849	5,017,690	
103 Over Time	206,047	181,807	450,000	
104 Allowance	586,741	1,395,048	300,000	
105 E.P.F.(Institution Contribution)	2,618,727	2,448,617	4,019,097	
106 E.T.F.Contribution	523,745	489,723	803,819	
153 Exam Supervision Fees	166,097	119,800	173,250	
154 Course Cordinating Fee	404,118	299,004	737,200	
110 Sitting allowance for Board of Directors	204,000	120,000	480,000	
112 Holiday pay & Others	229,194	61,278	150,000	
114 Acting pay	69,574		-	
115 Allowance for Audit Committee	114,000	72,000	96,000	
155 Question Paper preparing fee	133,720	135,670	182,000	
156 Paper Marking Fee	337,420	414,200	515,600	
118 Gratiuty	1,451,312	1,600,338	600,000	
119 Pension fund	161,909	212,271	82,620	
158 Instructing fee	78,000	129,360	172,800	
159 Course Administrative fee	32,344	80,965	-	
Employement benefit on concessionary staff Loan	225,947	161,889	-	39
	33,014,927	**32,912,050**	**43,344,389**	

NOTE-16

TRAVELLING EXPENCES (CODE:02)			
201 Domestic	75,175	112,491	250,000
202 Foreign	-	234,664	500,000
	75,175	**347,155**	**750,000**

NOTE-17	ACTUAL 2018	ACTUAL 2017	BUDGET 2018	SCHEDULE No.
SUPPLIES (CODE:03)	Rs.	Rs.	Rs.	
301 Stationary & Office Requisition	601,973	480,719	857,000	
302 Fuel & Lubricants	1,591,638	1,392,715	1,983,760	
303 Printing Materials	572,898	461,889	400,000	
304 Newspapers & Periodicales	45,250	39,260	70,000	
306 Diets	1,624,114	1,315,834	1,508,820	
307 Mechanical & Electrical goods	184,292	104,712	400,000	
310 Others	100,003	622,350	400,000	
313 Cost of water bottle	153,992	80,820	150,000	
	4,874,160	**4,498,298**	**5,769,580**	
NOTE 18				
MAINTENANCE EXPENCES (CODE:04)				
401 Vehicle	731,972	437,197	1,114,000	
402 Plant ,Machinary & Equipment	732,817	263,484	2,033,000	
403 Building & Structures	919,398	160,752	2,200,000	
404 Furniture	4,000	43,295	-	
405 Computer Item	-	1,210	-	
406 Motor Vehicle License & Insurance	38,583	75,255	350,000	
	2,426,771	**981,193**	**5,697,000**	
NOTE-19				
CONTRACTUAL SERVICES (CODE:05)				
501 Transpotation	1,131,448	1,622,544	1,475,000	
502 Telecommunications	930,682	1,035,512	1,100,000	
503 Postal Charges	200,035	228,730	300,000	
504 Electricity	3,108,332	2,840,133	4,376,000	
505 Water	1,075,922	638,027	1,046,000	
511 Rent & tax charges	44,734	22,649	45,000	
508 Audit Fee	575,000	294,925	200,000	
510 Advertisement/Publicity	881,118	922,963	1,500,000	
512 Security Services	5,204,470	4,768,250	5,160,000	
513 Janitorial Services	5,498,513	4,395,188	4,836,000	
514 Laundry Services & Linen	297,838	295,010	400,000	
515 Gardening	20,875	39,477	200,000	
516 Insuarance	545,232	695,791	665,000	
517 Translations fee	-	44,031	100,000	
520 Staff Training (Local / Foreign)	100,000	65,000	300,000	
521 Subcription & Membership fees	6,500	556,968	525,000	
523 Other Expenses (miscellanious)	154,635	228,235	500,000	
524 Printing - Printing Section	90,255	251,587	450,000	
525 Charges -Audio Visual	26,100	24,000	-	
526 Stamp charges	-	-	-	
530 Hall charges	26,000	-	60,000	
531 Accomadation charges	37,500	139,100	100,000	
	19,955,190	**19,108,120**	**23,338,000**	
NOTE-20				
OTHER EXPENCES (CODE:06)				
601 Legal fees	10,500	63,000	200,000	
605 Compensation	-	-		
607 Entertainment - Staff & Visitors	596,863	444,562	900,000	
703 Bank Charges	51,188	34,169	30,000	
705 Loan interest of Staff	25,827	-	60,000	
707 N.B.T	996,131	914,961	400,000	
709 Provision for bad debts	461,552	182,373	-	
710 Contribution to Institutional Fund	-	279,138	700,000	
write off of book stokcs	-	-	-	
713 Exchange Losses	4,841	-	-	
	2,146,903	**1,918,204**	**2,290,000**	

Schedule:5-A	ACTUAL 2018 Rs	ACTUAL 2017 Rs		SCHEDULE No.
Course Fee Rceivable				
3501 Diploma in Co-Operative	212,105	563,645		23
3502 Coopative Certificate course	-	31,056		
3503 Workshop	482,510	178,450		24
3505 Short term IT Training programme	-	32,475		
3506 Short term Others Courses	965,152	1,145,898		25
3507 Professional courses	166,450	61,030		26
3508 NICD IT Diploma	114,500	49,000		27
3509 Diploma in business management	173,600	-		28
3511 Course fee receivable for English course	42,125	26,320		29
3522 Library fees & exam fees	-	11,850		
	2,156,442	**2,099,723**		
Schedule:12-A				
Course Fee Received in Advance				
4023 Diploma Courses in Co-Operative	1,534,815	1,381,280		30
4024 Work shop	84,486	-		31
4025 Others Courses	43,375	106,435		32
4042 Professional courses	-	-		
	1,662,676	**1,487,715**		
Shedule: 14-A				
Course Fee Income				
1001-1 Diploma - Co-operatives	3,864,504	4,069,254	5,243,175	33
1001- 2 Diploma - Professsional	705,600	485,000	781,067	
1002 NICD IT Diploma	498,250	493,825	814,000	
1003 Certificate course - Computer	551,000	924,750	2,727,500	
1004 Certificate in English	419,640	438,060	648,000	
1005 Professsional Course	-	-	-	
1005-01 Course fee for AAT	606,075	859,725	952,500	
1005-02 Chartered Course fee	2,875,835	1,710,345	2,040,000	
1007 Certificate Courses - Co-operative	1,075,716	2,121,228	928,778	
1008 Short Term Courses - Workshop	2,564,800	3,356,410	4,615,000	
1009 Short Term Courses - IT	1,618,368	598,170	112,500	
1010 Short Term Courses -	2,376,488	1,617,146	-	
	17,156,276	16,673,912	18,862,520	
Shedule: 14-B				
Miscellanious Income				
1016 Income from Garden	102,637	88,800	-	
1034 Hostel Manager fee	59,350	45,300	-	
1038 Photocopy charges	5,894	-	-	
1040 Hire of Equipment	735,685	212,801	650,000	
1044 Water bottle	320,735	140,285	300,000	
1045 Registration of suppliers	119,130	101,304	-	
1046 Photograph Income	-	-	-	
1047 Fines/Fanalty	128,774	1,109,024	-	
1048 Book Binding	900	100	-	
1051 Miscelanious Income	41,300	10,379	600,000	
1056 Income from bus	67,180	84,065	400,000	
1061 Additional income	15,568	8,990	-	
1062 Unclaim due payment	-	53,750	-	
1080 Commission on aat publications	10,456	11,320	-	
1071 Sale of News papers & other unserviseable Item	500	-	-	
1086 Recoveries for damage Item	14,500	-	-	
1087 Unrecognised Deposit	58,500	-	-	
1082 Retention Money	-	56,297	-	
	1,681,109	1,922,414	1,950,000	

5. AUDIT REPORT - 2018

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 2018 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 2018 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 2018 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) Since the useful life of the motor vehicles belonging to the Institute had not been reviewed annually in terms of Sri Lanka Public Sector Accounting Standard 07, assets costing Rs.10,447,500 were further in use despite being fully depreciated. Accordingly, action had not been taken to revise the error in estimation in accordance with the Sri Lanka Public Sector Accounting Standard 03.

(b) The loan balance of Rs.24,000,000 payable to the Cooperative Fund had not been separately recognized and presented as non-current and current liabilities in accordance with Sri Lanka Public Sector Accounting Standard 01.

(c) In the depreciation of buildings, the accumulated depreciation value of the buildings had been overstated by Rs.1,151,977 in the account. As such, the revaluation reserve had been overstated by that amount.

(d) Although the provisions of Rs.30,530,000 had been received from the Treasury for the recurrent expenditure during the year under review, since a sum of Rs.543,744 saved from the Treasury Grants received in the preceding year and Rs.31,134,685 adjusted as the income of the year had been stated in the Performance Statement, the Treasury Grants of the year under review had been overstated by Rs.604,685.

(e) Depreciation value of the buildings for the year under review had been overstated by Rs.1,269,014 in the accounts.

(f) The registers of assets and schedules on the machines, equipment and furniture valued at Rs.147,777,656 had not been furnished to Audit.

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
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(a)	Section 47 of the Employees Provident Fund Act, No.15 of 1958.	Although in the computation of contribution to the Provident Fund**,** the Cost of Living Allowance should be taken into consideration, without doing so, only the basic salary had been taken into consideration in the computation contribution to the Provident Fund from the year 2006 to 2015 and as such, the contributions of the employees amounting to Rs.1,673,929 had been paid from the Academic and Training Account of the Institute during the year under review.
(b)	Section 3.3.3 of Chapter IV of the Establishments Code of the Democratic Socialist Republic of Sri Lanka.	Even though the vacant posts of the permanent cadre for which recruitments have been made on casual basis should be filled within 03 months, three employees of this Institute had been employed on casual basis for a period of 03 years.
	Financial Regulations of the Democratic Socialist Republic of Sri Lanka.	
(c)	(i) Financial Regulations from 103 to 105.	The Sandalwood tree stood at the Institution premises and its root had been stolen by thieves on 02 occasions. Nevertheless, action had not been taken to furnished a preliminary report or a

		full report thereon despite lapse of 7 months from being stolen the root of the Sandalwood tree. Steps had also not been taken to recover the loss. However, a sum of Rs.5,204,470 had been spent on the security of the Institute during the year under review.
	(ii) Financial Regulation 104 (4)	A motor vehicle which had met with accident on 01 June 2014 remained idle in the Institute premises whilst exposing to the elements without being used over a period of 4 years. A full report thereon had not been submitted.
(d)	Section 8.2.3 of the Public Enterprises Circular No.PED/12 dated 02 June 2003.	Without being obtained approval of the Minister of Finance and the Minister in charge of the subject, a sum of Rs.5 million and Rs.10 million had been invested in the fixed deposits in the years 2013 and 2014, and the year under review respectively.

- 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.

Powers, functions and duties	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 centre 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	The functions stated in the Act had not been adequately discharged.

provide professional advice to co-operative enterprises and to establish model co-operative villages and model co-operative centres 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.

3. Other Audit Observations

(a) The auditorium consisting of two lobbies and facilities for 1127 spectators constructed at a cost of Rs.257 million with the objective of earning income by renting out to external parties had been used only 29 instances during the year 2018. The two conference halls with 160 imported seating capacity which is situated in this auditorium and capable of holding conferences at international level had remained idle from the year 2014.

(b) The Circuit bungalow of the Institute renovated at luxuries level at a cost of Rs.16,000,000 in the year 2014 had been used only in 29 instances during the year under review.

(c) The value of 06 accounts balances receivable as at 31 December of the year under review totaled Rs.5,939,694 and it included the balances totaled Rs.1,730,268 continued to exist over a period from 01 year to 5 years and Rs.879,859 remained unsettled for more than a period of 05 years.

(d) The balance of Value Added Tax of Rs.33,933,319 receivable from the Inland Revenue Department and continuously brought forward from the year 2005 had not been settled even in the year under review.

(e) The value of 05 accounts balances payable as at 31 December of the year under review totaled Rs.98,001,141 and it included the unsettled balances totaled Rs.62,480,490 continued over a period from 01 year to 5 years and the balances totalling Rs.34,365,853 that remained unsettled for more than a period of 05 years.

(f) The old office building of the Institute situated in a block of land of commercial value belonging to the Institute had remained idle from the year 2008 and attention of the Management had not been drawn on renovating the above building or used the land by carrying out a new construction. Further, a building of the Institute known as Mahaweli Building Premises had remained idle from the year 2001 without being used for any purpose.

(g) According to the Board of Management decision, although the total number of lecture hours required to be conducted by 04 lecturers during the year 2018 was 2880 at minimum of 60 hours per lecturer for a month, the total number of lecture hours conducted during the year was 1904. Accordingly, 976 lecture hours had not been conducted during the year.

(h) The Cope-city model shop containing 2979 square feet situated in the ground floor of the multipurpose building of the Institute had been returned to the Institute on 25 August 2017. Since that premises had not been used for effective purpose, an income of Rs.720,000 had been deprived only in the year under review as per the estimate.

(i) A sum of Rs.2,623,316 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.29,755,000 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 sum of Rs.17,773,317 out of the amount received for the capital expenditure during the year under review and the preceding year had been retained in the bank current account.

W.P.C.Wickramarathne
Auditor General.