



Annual Report – 2021

**National Institute of Co-operative
Development**

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MESSAGE FROM CHAIRMAN

I, as the Chairman of the National Institute of Co-operative Development (NICD), am glad to add a message to the Annual Report of the Institute for the year 2021. The NICD works in collaboration with other parallel institutes as a partner in the co-operative development process, paying special attention to the Co-operative Movement, the focal point of establishing, assisting and supporting viable co-operative enterprises.



We at NICD, had great plans for delivering a productive service to the Co-operative Movement during the year 2021, but were severely hampered in the conducting of many of our programs due to the Covid-19 pandemic prevailing in the country throughout the year. The NICD did manage, nevertheless, to implement several of its programs and to meet the needs of stakeholders, by working together and co-ordinating our efforts as a team. The NICD is always prepared to contribute by strengthening human resources to the optimum level required for the development of the Co-operative Movement.

Jayalath Ravi Dissanayake
Chairman,
National Institute of Co-operative Development,
Polgolla

MESSAGE OF DIRECTOR-GENERAL

The Sri Lankan Co-operative Movement is serving the Sri Lankan community in the socio-economic sphere over a several decades and the NICD as a partner of the movement has taken on the task of building up a knowledgeable and skillful team of human resources personnel.

However, though the NICD had planned to provide a productive service during the year 2021, we experienced considerable difficulty in conducting our academic & training programs due to the Covid-19 pandemic situation prevailing in the country in that year. The NICD did manage to conduct some of the courses online and that could be regarded as a successful achievement of the Institute.



I wish to state here that we greatly value the leadership & co-operation received from the State Ministry of Co-operative Services, Marketing Development & Consumer Protection which has been most helpful to us in our activities. We should also acknowledge with gratitude, the help & co-operation extended to us by the Department of Co-operative Development, the Co-operative Service Commission & the National Co-operative Board of Sri Lanka. I would also like to thank the Chairman and Board of Management of the NICD for their help and support in making decisions regarding the affairs of the Institute.

I wish also to acknowledge the duties discharged by all the Academic and Non-academic staff of the NICD who manage the resources of the Institute and help to develop and enhance the knowledge, skills and attitudes of the entrepreneurs of the Co-operative Movement.

I.M.I. Illangakoon
Director-General & Chief Executive Officer
National Institute of Co-operative Development
Polgolla

1. Introduction

1.1 Institutional Background

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

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

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

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

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

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

1.2 Institutional Role

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

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

1.3 Vision, Mission, Goals and Objectives

1.3.1 Vision

To be a Center for creating productive, inspired and innovative human resources conducive to the development of a vibrant and effective Co-operative Movement

1.3.2 Mission

To Empower the co-operative community by enhancing their knowledge and developing skills and attitudes that will increase creativity and entrepreneurship and an awareness of democratic principles.

1.3.3 Goals

1. Input to create a more productive and efficient Co-operative service
2. Productive Contribution to develop Co-operative policies
3. Functioning as a leading Institute to fulfill requirements of Co-operative development
4. Working collaboratively local as well as global Co-operative Movements to face outward challenges

1.3.4 Objectives

1. Developing services and providing them for external organizations
2. Providing information, research and counselling relating to the Co-operative field
3. Developing the Institutional Capacity

1.4 Divisions and Functions of the Divisions

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

1.4.1 Establishment Division

The duties handled by this Division are as follows:

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

1.4.2 Academic Division

Academic Affairs attended by the Division

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

1.4.3 Accounts Division

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

1.4.4 Accommodation Division

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

1.4.5 Internal Audit Division

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

1.5 Staff and Organizational Chart

1.5.1 Approved Cadre

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

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

Empforcement/ Operations/Extension Officers	MA 5-3	Computer Programmer	01
Extension Officers/Operations	MA 4	Computer Instructor	03
Management Assistant (Technical)	MA 2-1	Audio-visual Technical Assistant	01
		Printing Machine Technical Assistant	01
		Systems Operator	01
Management Assistant (non-technical)	MA 1-1	Management Assistant	
			10
Primary level (skill grade)	PL – 3	Driver	06
Primary level (Semi- skill grade)	PL – 2	Circuit Bungalow Keeper	01
Primary level (Non- skill grade)	PL – 1	Office Assistant	14
Total			71

While the number of approved cadres of the Institute was 71, the actual number of employees has been 50 with 23 vacancies as of 31st December 2021. In addition to the regular staff of the Institute, 07 Development Officers, recruited to the Ministry, have been drafted to the Institute since May 2015. Those officers have also made a significant contribution to the Institute and to the functioning of its activities. 8 employees as Service Assistants/Drivers of Multipurpose Task Force have also been served at the Institution.

1.5.3. Existing Vacancies

The staff cadre of the Institute has been 71. The 23 vacancies as at 31.12.2021 are as follows:

Details of the Approved Cadre and Actual Staff as on 31st December 2021

Serial No.	Post	Approved Cadre	Actual Staff	Vacancies
1.	Director General	01	01	-
2.	Registrar	01	01	-
3.	Director (Academic & Development)	01	01	-
4.	Senior Lecturer	04	03*	03
5.	Senior Librarian/Librarian	01	01	-
6.	Senior Researcher	01	-	01
7.	Lecturer/ Assistant Lecturer	08	07	01
8.	Assistant Librarian	01	01	-
9.	Assistant Researcher	01	01	
10.	Assistant Director (Finance)	01	01	-
11.	Assistant Director (Hostels)	01	01	-
12.	Assistant Registrar	01	01	-
13.	Internal Auditor	01	01	-
14.	Accounts Officer	02	02	-
15.	Administrative Officer (Examinations)	01	01	
16.	Administrative Officer (Admin./Human Resource)	01	01	
17.	Procurement and Maintenance Officer	01	01	
18.	Transport Officer	01	-	01
19.	Administrative Officer (Student Affairs)	01	01	-
20.	Marketing Promotion and Printing Officer	01	01	-
21.	Audio-visual Program Officer	01	-	01
22.	Warden	01	01	-
23.	Computer Programmer	01	-	01
24.	Computer Instructor	03	03	-
25.	System Operator	01	-	01
26.	Audio-visual Technical Assistant	01	01	-
27.	Printing Machine Technical Assistant	01	01	-

28.	Management Assistant	10	07	03
29.	Driver	06	03	03
30.	Bungalow Caretaker	01	01	-
31.	Office Assistant	14	06	08
	Sub Total	71	27	44
	Grand Total	71	50	23

* Two Assistant Lecturers discharge the duties of Senior Lecturer positions

1.6 Resources of the Institute

1.6.1 Human Resources

There are three categories of staff in the Institute namely, Academic Staff, Non-academic Staff and Junior Staff. The approved cadre includes 23 Non-academic staff members, 17 Academic staff members and 10 Junior staff members.

1.6.1.1 Academic Staff

The Academic staff included the following positions and the vacancies during the year have been 05.

Serial No.	Position	Approved Cadre	Actual Staff	Vacancies
1.	Director (Academic and Development)	01	01	-
2.	Senior Lecturer	04	03*	03
3.	Senior Librarian	01	01	-
4.	Senior Researcher	01	-	01
5.	Lecturer / Assistant Lecturer	08	07	01
6.	Assistant Librarian	01	01	-
7.	Research Assistant	01	01	-
8.	Computer Instructor	03	03	-
	Grand Total	20	17	05

* Two Assistant Lecturers discharge the duties of Senior Lecturer positions

The actions have been taken to obtain the service of external resource personnel to conduct professional courses due to the positions of academic staff remained vacant. The details of the external resource persons served in 2021 are given in the table below.

S.No	Name/Position	Subject Area
01	Mrs. B.S Wijerathne	Business English
02	Mr. D.M.T Dissanayake – retired Senior	Human Resource Management, Co-

	Lecturer /NICD	operative Development and Business Environment, Theory and Practical of Management, New Co-operative Development trends, Professional Management Skills Development, Management Principles and Principles of Economic theory
03	Mr. E.M.M Ekanayake – Audit Superintendent	Principles of Management and Economic Theories
04	Mr. K.D.J.P Kumara	Business Mathematics and Statistics
05	Mrs. A.I Vithanage – Senior Teacher/Colombo International School	Marketing Management
06	Mr. S.A.H Neranjan – Manager/Solomon de Silva Company	Management Accountancy, Auditing Principles, Accounting Standards and Usage, Financial Accountancy, Cost and Management Accountancy and Tax
07	E.M.S.A.B Ekanayake - Lawyer	Business Law
08	Mr. S.D.M Jayathunga – Information Technology Manager – Info Mesh Computer System, Kurunegala	Computer Systems
09	Mrs. S. Kodithuwakku – Senior Lecturer, University of Peradeniya	Institutional Finance
10	Mr. D.G.C Kumarasinghe – United Nation Office for Project Services	Planning and two dimensional Approach
11	Mr. R.M.S.K Rathnayake	Web Development – PHP/HTML/CSS
12	Mr. A.U Senanayake – Lecturer/SIBA University	Java
13	Mr. D.K Aluthgedara	Programming /c#net
14	Mr. Senaka Rathnayake – MIS Division Web Development, University of Peradeniya	Web Development
15	Mr. N.N Suwandarathna	Financial Mathematics & Statistics, Accounting Standards and Usage, Project Management
16	Mrs. D.D Kanthi Irangani	Advanced Financial Accountancy, Practical Accounting, Practical Co-operative Accounting
17	Mr. Abhaya B Bulathgama - Retired Director/NCC	Co-operative Law and General Law, Law for Auditing, Banking and Law
18	Mrs. Niluka Kathriarachchi	Fundamentals of Marketing Management and Usage
19	Mr. Vajira Samarakoon – Co-operative Development Officer	Auding Principles, Auditing skills, Auditing Standards and Usage
20	Mrs. Ranjini Perera – Commissioner of Land Disputes	Fundamentals of Office Management

21	Mr. H.N Samarathunga	Financial Accounting and Analysis, Auditing Skills
22	Mr. Eranda Ekanayake - Lawyer	Principles of Auditing, Auditing Standards and Usage, Reporting on Auditing
23	Mr. Sugath Hettiarachchi – Co-operative Development Officer	Auding of Computer accounting systems
24	Mr. Mohan de Silva	Management of Strategic Planning
25	Mr. Palitha Thilakasiri	Principles of Auditing
26	Mr. T. Ranathunga – retired SLAS Officer	Establishment Code and Financial Regulations
27	Mr. T.F Rashed – Senior Lecturer	Tamil Language
28	Mr. Rohan Welikumbura	English Language
29	Mrs. L.I Priyadarshini	Co-operative Development and Business Environment
30	P.U Pathirana – retired Bank Manager/Peoples Bank	Professional Management Skill Development
31	Mr. U.G.C Anuruddha Gamage	Bank Operating Management

1.6.1.2 Non-academic Staff

The cadre of non-academic staff has been 30 positions and 07 vacant posts are given in the table below.

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

11.	Procurement and Maintenance Officer	01	01	-
12.	Transport Officer	01	-	01
13.	Marketing Promotion and Press Officer	01	01	-
14.	Audio-visual Program Officer	01	-	01
15.	Warden	01	01	-
16.	Computer Programmer	01	-	01
17.	System Operator	01	-	01
18.	Audio-visual Technical Assistant	01	01	-
19.	Printing Machine Technical Assistant	01	01	-
20.	Management Assistant	10	07	03
	Grand Total	30	23	07

1.6.1.3 Junior Staff

The approved cadre for the Junior Staff stood at 21 as at 31 December 2021. The staff positions and vacancies as on the above date are as follows:

Serial No.	Position	Approved Cadre	Actual Staff	Vacancies
1.	Driver	06	03	03
2.	Circuit Bungalow Keeper	01	01	-
3.	Office Assistant	14	06	08
	Total	21	10	11

1.6.2 Physical Resources in the Institute

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

1.6.2.1 The Mahinda Rajapaksha Auditorium

The Mahinda Rajapaksha Auditorium is suitable for use when organizing workshops, conferences, (local as well as international) and special events. The facilities of this hall consist of a modern audio system and a lighting system which have been computerized. It also provides a seating capacity of 1118 with air conditioning. The Mahinda Rajapaksha Auditorium possesses two conference halls with 80 seats.



cafeteria with modern furniture and a car park which can accommodate 250 vehicles at a time, add color to the place. The income generated during the year 2021 was Rs 480,000.00/-.

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

1.6.2.2 Main Hall (Vincent Subasinghe Hall)

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

1.6.2.3 Lecture Halls

Air-conditioned Lecture Halls

Ratnayake Hall

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



Rochdale Hall

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



C 1 Hall

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

C2 Hall

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

C3 Hall

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

Multipurpose Building – Lecture Hall No.04

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

Multipurpose Building – Lecture Hall No. 05

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

Lecture Halls without air conditioning**New Rochdale Hall**

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

B Hall

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

Multipurpose Building – Lecture Hall No. 01

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

Multipurpose Building – Lecture Hall No. 2

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

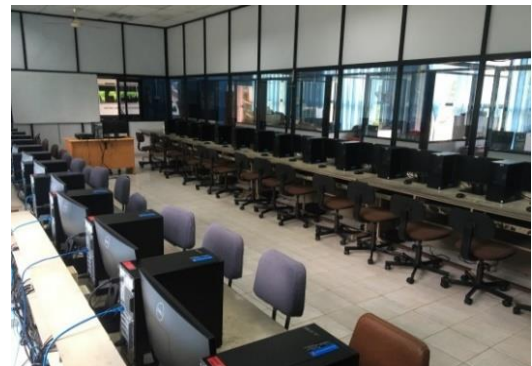
Multipurpose Building – Lecture Hall No. 3

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

1.6.2.4 Computer Laboratory

NICD Information Technology Centre located in the Central Province is a better computer training center of government and private sectors. The information Technology Centre which operates under two sections and which is located in the main premises contains 24 computers and related facilities for courses targeting scholars in Co-operative sector.

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



1.6.2.5 Library

The Library is considered as the most advanced Library with modern facilities in the Co-operative sector in this country. There is a collection of about twenty-one thousand books, journals written on different subjects on national and international importance. There is a separate collection of books written on the Co-operative sector, and there are also newspaper articles in magazines and the catalogue is being computerized as at present. Readers can also use the internet facilities in the library.



1.6.2.6 Student Hostels

There are 7 Halls of Residence, that can accommodate 222 occupants at a time. Some single or double rooms have air conditioning and some have not. In addition, the fully equipped Holiday Resort of the Institute provides accommodation for persons in the Co-operative Sector, the Government and in the Private sector as well.

Ratnayake Hostel

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

New Ratnayake Hostel

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

Ratnayake Home

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

D/E/F/G/Hostels

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

H Hostel

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

1.6.2.7 Cafeteria



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

1.6.2.8 Tourist Bungalow



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

1.6.2.9 Press and Audio-visual Facilities



This unit is equipped with a modern offset printing machine and a Duplo printing machine and this unit satisfies the printing needs of the Institute and the scholars. The necessity to extend this unit as a Government, Co-operative and Private sector printing unit has been identified. It provides facilities for courses conducted by the NICD and the programs conducted by outside organizations. It has projectors, multimedia facilities and other audio-visual methods for lectures. In addition, the unit has facilities for micro teaching system using videography and screening video films. Another service in this Unit is the collection of photographs of special occasions and different programs held at the National Institute of Co-operative Development.

1.6.2.10 Staff Quarters

The Institute possesses 19 official quarters to provide housing facilities for officers and other staff serving in the Institute. The houses have been categorized according to their size and other related matters. 04 houses have been renovated or modified using Capital Fund of the Institute during the years of 2020 and 2021.

1.6.2.11 Parking Facilities

Parking facilities are available in the premises of the Mahinda Rajapaksha auditorium where 250 vehicles could be accommodated. The 03 entrances to the car park are equipped with security personnel. The premises around the Central Office provide parking facilities for about 100 vehicles of visitors who come to the Institute for official purposes. An ATM machine established by the Peoples Bank facilitates the accounts transactions of those around.

1.7 Courses of Studies

The following 20 courses have been conducted during the year:

Higher National Diploma Courses	00
Diploma Courses	08
Certificate Courses	03
Professional Courses	00
Short term Courses	09
Total	20

The brief account of the courses is as follows,

1.7.1. Diploma Courses

A Co-operative Development Diploma Course for the Regional Co-operative Development Officers in the provinces of Western, Sabaragamuwa, Uva, Central, North Central, Southern and the Central Government and 7 Courses for Co-operative Officers were conducted during the year 2021.

- 1 Diploma in Business Management
- 2 Diploma in Auditing
- 3 Diploma in Management and Accounting

- 4 Diploma in Bank Management
- 5 Diploma in Micro Finance Management
- 6 Diploma in Business Management (District Co-operative Board (Chilaw/Pththalam))
- 7 Diploma in Business Management – Kuliypitiya

1.7.2.1 Diploma in Business Management

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

1.7.2.2 Diploma in Auditing

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

1.7.2.3 Diploma in Management and Accounting

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

1.7.2.4 Diploma Course in Bank Management

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

1.7.2.5 Diploma in Micro Finance Management

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

1.7.2.6 Diploma in Business Management - Kuliyaipitiya

The diploma course has been designed to manage co-operative organizations efficiently and effectively by the Managers served on the Top level, middle level and operational levels. And also, this course aims at developing knowledge and skills of them to direct the affairs and take decisions at organizational levels. On the request of Kuliyaipitiya District Sanasa Society Association this course was designed for the Managers of Sanasa Societies and Multipurpose Co-operative Societies in the North Central Province to develop their professional standards as a week end- distance educational program. The course created with 12 modules have been conducted at the Auditorium of Sanasa Society of Kuliyaipitiya during the week – ends.

1.7.2 Certificate Courses

A certificate course in Co-operative Development for the Development Officers in North Central, Western, Southern, North Western, Uva and Central Provinces have been conducted, in addition to the Certificate Course in Computer Application Assistance.

1.7.2.1 Certificate Course in Co-operative Development

The Certificate Course in Co-operative Development is for the officers newly recruited to the Department of Co-Operative Development. It spans over two terms, each of four and half month duration and practical training for 03 months. The course provides knowledge about Co-operative enterprises. It also helps to develop knowledge, skills and attitudes associated with Co-operative enterprises that need to be socialized.

1.7.2.2 Certificate Course in Computer Application Assistance

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

1.7.3 Short Term Courses

Nine out of 12 Short Term courses have been conducted during the year 2021.

1.7.3.1 Workshop on Introducing Bank Monitoring

The target group for this workshop are the staff members dealing with microfinance, in Co-Operative Sanasa Societies. The aim of this program is to educate the rural community on banking transactions. It is important to make aware customers of a bank the security of their finance. The withdrawal of money should be readily available to customers. The officers of Co-operative societies should be given proper guidelines about the banking procedures and the system of monitoring. It has been noticed that the officers of these societies have only a little knowledge of banking procedures. Therefore, it is important to train them regularly, to expand and update their knowledge of the changes that take place in a micro-financial environment. A some of Rs. 161,160.00 has been earned from this course in which 26 participants were engaged.

1.7.3.2 Introductory Workshop on Preparation of a Research Theses

It is compulsory to prepare a research theses of not less than 5000 words on a selected topic from the areas of Co-operative Act, History of Co-operative Movement and Usage of Co-operatives and new trends, as per the 8.1 of the recruitment procedure of the efficiency bar related to the Co-operative Development Officers Gr.1. The Research Division of the NICD directs the officers who needs to succeed the efficiency bar requirement. A three-day workshop provides an opportunity to give an understanding to each and every researcher to prepare the theses on a research topic selected. The Co-operative Development Officers, after successfully complete their theses on the directions of supervisors provided by the NICD, hand them over to the NICD.

1.7.3.3 Training Workshop on Skill Development of Using Auditing Standards

The Officers who serve in the Co-operative Development Department attend to the auditing matters in the Sector. This short workshop has been prepared to develop the qualitative aspect of auditing affairs who cover such duties in the Co-operative Movement.

1.7.3.4 Training Workshop on Loan Management

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

1.7.3.5 Training Workshop on Decision Making Skill Development

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

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

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

1.7.3.7 Training of General Managers – Multi-purpose Co-operative Societies

General Manager, who being the Chief Executive Officer of Multi-purpose Cooperative Society is responsible for managing and guiding overall staff of the entity in an efficient and effective manner for the purpose of maintaining a successful operation of the same and is also accountable for the Board of Management for all their operational activities.

As such, short term training programs have been arranged aiming at improving their knowledge, skills and attitudes that are required to manage MPCCs successfully confronting the current challenges emanating from both internal and external environment to reach to new heights.

1.7.3.8 Training Workshop on Audit Training for Co-operative Development Officers

Statutory external auditing activities of all registered MPCs are carried out by Independent Auditors who have been assigned to the Cooperative Development Department. They are required to provide services of certification as to whether Accounting and Financial statements relevant to operational activities of their clientele (MPCs) have been prepared in accordance with the accepted accounting and auditing standards in a true and fair manner by adhering to accepted auditing standards with due professional ethics and supervision. This 02-day workshop has been organized aiming at developing knowledge, skills, attitudes and proficiency relevant to auditing duties of Co-operative Development Officers who have been assigned to carry out their duties independently at Line and Provincial Cooperative Development Departments.

1.8 Future Expectations and Challenges

1.8.1 Future Expectations

Though the NICD plays a significant role towards the advancement of the Co-operative Movement, it is necessary to expand the institutional capacity to succeed the challenges faced by the Co-operative Sector.

Future expectations of the Institute are as follows;

1. Enhancing the quality of study courses and introducing degree programs in Co-operative field

There are 11 several Diploma and Certificate Courses are conducted by the NICD as at present. The status of NVQ and SLQF will be gained for the courses and they will be developed into Degree level courses.

2. Development of Research conducted in Cooperative Sector effectively

The future expectation of the of National Cooperative Development Institute is to bringing in qualitative research to cooperative movement by developing research undertaken in the cooperative sector in an effective manner.

3. Implementing a self - funding method

The NICD functions as an income generated Institute. But it is essential to obtain Treasury Grants as well, to bear the recurrent and capital expenditure of the Institute. The Treasury Grants quota stands at 50% of the cost and the NICD expects to minimize obtaining Treasury funds and intends to become a self-income generated - Institute.

4. Increasing of training percentage

A minimum percentage of the service providers for the Co-operative Movement have been undergone training annually. The reason for such a situation was due to the lack of funds in the Institute to run the training programs free of charge and no funds received from government sources for this purpose. The NICD expects to expand the number of participants in its training programs during the years to come.

5. Development of Soft Skills of Trainees

Preparation of diversified training programs for advancing of soft skills of trainees of Co-operative sector.

1.8.2 Challenges

1. The Sri Lanka Co-operative School operated under the Co-operative Development Department, and later (2021) converted as the National Institute Co-operative Development. Thereafter, the training of Co-operative Inspectors and Co-operative Society workers was carried out by the National Institute of Co-operative Development with the financial assistance of the Government. After the establishment of the National Institute Co-operative Development under the Act No.01 of 2001, provisions have been made to accomplish 10 significant tasks, in addition to the training of officers. Those terms come under 1.2 of this report. The NICD is required to spend a large sum of money to perform those functions and the annual Treasury Allocations is about Rs. 60 million. The Treasury Allocation is sufficient only to meet the expenses of staff salaries and utility services. The Co-operative entrepreneurs expect to obtain training and other courses free of charge from the National Institute of Co-operative Development. Hence, it is noticeable that the participation for training programs is minimal.
2. Challenges confronted in provision of training, consultation and collaboration of other activities unique to Sri Lankan context as a result of the Cooperative movement being activated as a decentralized subject under the 13th amendment.
3. The difficulty existed in building up proper collaboration in identifying training opportunities of Cooperative Development Departments in timely manner and referring them to the Institute.
4. The difficulty confronted in referring its service community in a positive manner for training programs on account of benefits accrued to them by the Institute were at a low level.
5. Poor attitudes of management and higher authorities of Cooperative Societies of SL Co-operative movement towards training and their dislike in provisioning of substantial amount of funds for training.

2. Institutional Administration and Progress of Affairs

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

2.1 Board of Management

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

2.1.1 Composition of the Board of Management

The Board of Management consists of the following members;

- (a) Ex-officio Members
 - i. The Secretary of the Ministry or his/her nominee of the Ministry in – charge of the Subject
 - ii. The Commissioner/Co-operative Development in the Department of Co-operative Development
 - iii. The Chairman of the National Co-operative Development Board of Sri Lanka
 - iv. The Chairman of the Co-operative Management Institute of Sri Lanka (This Institution is not functioning now)
 - v. The Director General of the Institute appointed in accordance with Section 16 of the Act
- (b) The Members appointed by the Minister
 - i. Three persons competent in the field of the Co-operative Movement and Management, nominated by the Minister in – charge of the Subject
 - ii. One person attached to the Ministry of Higher Education, nominated by the Minister in-charge of the Subject
 - iii. One person attached to the Treasury, nominated by the Secretary of the Finance Ministry

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

2.1.2 Details of the Chairman and the Board of Management in 2021

Name	Position	Position in the Board	Nature of the Appointment
1. J.R.W Dissanayake	Chairman/National Institute of Co-operative Development	Chairman	Appointed member
2. Mr.G.H.M.A Premasinghe	Director General/ National Institute of Co-operative Development	Member	Ex- officio member
3. Mr.L.A.G.N Liyanaarachchi	Director (Development) State Ministry of Co- operative Services, Marketing Development and Consumer Protection	Member	Ex-officio member
4. Mr.Suvinda S. Singappuli	Commissioner/Co- operative Development and Society Registrar	Member	Ex-officio member
5. Mr.J.M. Herath Banda	Director/National Budget Department	Member	Ex-officio member
6. Mr.G.R.K.S. Ganegoda	Accountant/ Higher Education Ministry	Member	Ex-officio member
7. G.D.S Weerasinghe	Chairman/National Co- operative Board	Member	Appointed member
8. Mr. K.D. Peris	Board of Management member		Appointed member

2.1.3 Affairs of the Board of Management - 2021

The details of holding of meetings and decisions arrived at by the Board of Management in 2021 are as follows:

Date of the Meeting	No. of Members Participated	Number of Papers tabled	Number of Decisions made
05.02.2021	7 Members including the Chairman	03	03
23.02.2021	6 Members including the Chairman	09	16
24.04.2021	5 Members including the Chairman	19	31
25.06.2021	5 Members including the Chairman	19	35

24.08.2021	8 Members including the Chairman	19	33
29.10.2021	8 Members including the Chairman	15	28
15.12.2021	6 Members including the Chairman	29	37

2.2. Affairs of the Academic Board - 2021

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

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

2.2.1 Composition of the Academic Board

The composition of the Academic Board is as follows as per the Section 12 (1), Act No.01 of 2001 of the National Institute Co-operative Development.

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

2.2.2. Representatives of the Academic Board

Se. No.	Name	Position	Nature of the Appointment
1.	Mr. G.H.M.A. Premasinghe	Director General and Chief Executive Officer of the National Institute of Co-operative Development	Chairman of the Board of Management/Director General of the Institute
2.	Prof. M.B Ranathilaka	Professor of Economics University of Peradeniya	Nominee of the UGC as per the ACT

3.	Mrs. K.G.M Abeygunasekera	Commissioner of Examinations (Research/ Development and Assessment) Department of Examinations	Member of the Board of Management – for Commissioner General of Examinations
4.	Mr. Suvinda S Singappuli	Commissioner/ Co-operative Development (Central Government) and Society Registrar, Department of Co-operative Development	Nominee of the Commissioner of Co-operative Development
5.	L.A.G.N Liyanarachchi	Registrar/ Co-operative Development (Central Government) and Society Registrar, Department of Co-operative Development (Member of the Board of Management)	
6.	Mr. G.A. Nimal	Member of the Academic Board	Minister's Nominee as per his consent

2.2.3 Affairs of the Academic Board

Date	No.of Members Participated	No of Affairs considered	Number of Decisions taken
07.01.2021	05	05	12
14.06.2021 (online)	04	-	-
07.12.2021	04	09	12

2.3 Audit and Management Committee and its Affairs

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

2.3.1 Composition of the Audit Management Committee

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

2.3.2 Representatives of the Audit Management Committee

Name	Position
Mr. J.M. Herath Banda	Director/ National Budget Department
Mr. Suvinda S Singappuli	Commissioner of Co-operative Development / Society Registrar, Department of Co-operative Development
Mrs. L.G.N Liyanaarachchi	Director, (Development) Co-operative Services, Marketing Development, Consumer Protection State Ministry
Mr. G.R.K.S. Ganegoda	Accountant/ Ministry of Higher Education and High Ways
Mr. T.G.S. Nilakshika	Audit Superintendent/National Auditing Office
Mr. Millath Mahir	Chief Internal Auditor/State Ministry of Co-operative Services, Marketing Development and Consumer Protection
Mrs. S.M. Rajapaksha	Chief Internal Auditor/State Ministry of Co-operative Services, Marketing Development and Consumer Protection
Ms.R.A.A.H. Premachandra	Internal Auditor/National Co-operative Development institute

2.3.3 Affairs of Audit Management Committee - 2021

Date	No. Participated	Decisions Taken
19.02.2021	05	13
09.07.2021	05	21
15.10.2021	06	11
27.12.2021	06	15
Total		60

3. Institutional Progress - 2021

Even though the NICD has planned its activities for the year 2021, the objectives could not be achieved due to the reason that the NICD has been allocated as a quarantine center. The COVID 19 situation hampered the programs of the Institute in numerous ways.

1. All-in house-training programs had to be suspended due to the hostels, cafeteria and other premises have been utilized for quarantine purposes
2. The programs organized by outside organizations were also not held and income was minimal
3. Provision of facilities for outside parties had not been a success and income generated was not significant
4. Although the auditorium and the main hall of the Institute have been rented out for outsiders for many programs and seminars conducted with a participation of large scale of mass, on account of restrictions imposed for mass gathering during the pandemic, it was not possible to generate funds through such activities as has been expected. Moreover, prevailing transport restrictions imposed in those days, has limited renting out of facilities of guest houses owned by the movement for entertainment purposes.
5. Short term training programs and workshops for Co-operative Sector workers were limited
6. The study courses were held on line whereas physical resources of the Institution were not utilized
7. Recruitment of 28 personnel for 17 positions out of 44 vacant posts available in the Institute was a great impetus for development of its human resources during the year 2021.
8. Employees of the Institute have been resolved by having conducted efficiency bar examinations for staff members which have long been overdue for years and by having paid their salary increments.

In the midst of these circumstances, the Divisions of the Institute delivered their services to their maximum satisfaction during the year 2021.

3.1 Establishment and Administrative Division

The approved cadre of the Division is 27 including the position of the Registrar. The recruitments for the vacant posts of Administrative Officer (Examination), Procurement Officer, Marketing Promotion Officer, Audio-visual Program Officer, Audio-visual Technical Assistant, in addition to the 06 posts of Management Assistant were done during the year 2021. The total cadre of the Division is 17 and 10 posts remained vacant as on 31 December 2021. The duties such as the affairs of establishment, restructuring, procurement, examinations, vehicle matters,

human resource management, Meetings of the Board of Management, and updating of website of the Institution are attended by the Division.

3.1.1 Human Resource Development

Approved Carder	73
Actual Staff as on 31.12.2021	50
Vacancies as on 31.12.2021	23

The approval has been received from the Management Services Department to fill 28 cadres for 14 vacant posts and 26 personnel were recruited out of 44 vacancies, as at 31.12.2022.

Promotions during the year 00

Confirmation of Services 00

Retirement 00

Training underwent 15

Staff Meeting held 06

3.1.2 Physical Resource Development

Purchasing of machinery and office equipment – Rs. 07 million

3.1.3 Procurement Matters

	Decisions arrived at	Value Rs. (in million)
Departmental Procurement	10	22.11
Minor Procurement	44	03.702
Total	54	25.812

3.1.4. Conducting Examinations and Issuing Results

	Internal	External	Total
Number of Examinations Conducted	27	06	33
Number of Candidates	358	530	888
Passes	261	-	-
Failures	13	-	-
Weak Passes	29	-	-
Others	22	-	-

The Details of the Examination Results During the Year Under Review are as follows:

	Number Sat	Passes	Weak Passes	Failures	Other
Office Automation 2019/20	10	07	03	-	-
E-Kids Computer Learning 2019/20	11	11	-	-	-
Certificate Course in Co-operative Development – 2019 North Central Province	30	21	-	07	02
Diploma in Bank Management	32	24	04	-	04
Diploma in Business Management	24	20	01	-	03
Diploma in Auditing 2019/20	31	27	02	-	02
Diploma in Accountancy 2019/20	16	08	04	-	04
Diploma in Information Technology 2019/20	18	08	06	-	04
Diploma in Business Management and Development 2019/20 – first semester	22	-	-	-	-
Higher National Diploma in Management 2020 – first semester	11	-	-	-	-
Diploma in Co-Operative Development 2019/20 – North West and Western Provinces	66	62	02	-	02
Certificate Course in Co-operative Development 2019/20 – Sabaragamuwa and Western Provinces	44	36	03	04	01
Diploma in Human Resource Management - 2019	15	10	03	02	-
Total	330	234	28	11	22

Repeat Examination Results

Course	Number Sat	Passes	Weak Passes	Failures	Other
Diploma in Business Management 2011/12	01	01	-	-	-
Diploma in Bank Management 2014/14	01	01	-	-	-
Office Automation 2019/20	03	03	-	-	-
Diploma in Co-operative Development 2019/20 – Uva, Southern and Central Provinces	01	01	-	-	-

Certificate Course in Co-operative Development 2018 – Central Government and Central Province	01	01	-	-	-
Diploma in Information Technology 2018/19	01	01	-	-	-
Diploma in Business Management and Development 2018/19	03	02	01	-	-
Certificate Course in Co-operative Development 2019 - North Central Province	03	03	-	-	-
Diploma in Bank Management 2019/20	04	04	-	-	-
Diploma in Business Management 2019/20	01	01	-	-	-
Diploma in Auditing 2019/20	02	02	-	-	-
Diploma in Accountancy 2019/20	04	04	-	-	-
Diploma in Information Technology 2019/20	02	02	-	-	-
Diploma in Information Technology 2018/19	01	01	-	-	-
Total	28	27	01		

3.2 Academic Division

The duties of the Division include designing courses and conducting, research activities, Counselling affairs, Library work and student affairs.

The staff of the Academic Division headed by the Director (Academic and Development) consists of academic and non-academic members. Even though the approved cadre was 28 which included Administrative Officer (Student Affairs), 10 Lecturers and 2 Researchers, actual staff was 25. Therefore, the NICD had to use visiting staff to conduct courses.

3.2.1 Conducting Courses

The number of Workshops and Courses held at the Institute was 23 and number of participants was 971 during the year 2021. The details are as follows:

3.2.1.1 Courses Conducted (over 3 months)

Courses commenced in 2020 and concluded in 2021

Serial No.	Title of the Course	No. of Times held	Number Participated	Income Generated Rs.
1.	Higher National Diploma in Management	01	15	934,000.00
2.	Diploma in Accountancy	01	36	944,000.00
3.	Diploma in Information Technology	01	12	530,000.00
	Total	03	63	2,408,000.00

Courses Commenced in 2021

Se. No	Title of the Course	No. of Occasions	No. of Participants	Income (Rs.)
Diploma Courses				
1	Diploma in Business Management 2021/22	01	33	1,032,000.00
2	Diploma in Auditing 2021/22	01	23	680,000.00
3	Diploma in Accounting and Management 2021/22	01	07	320,000.00
4	Diploma in Bank Management 2021/22	01	39	1,168,000.00
5	Diploma in Micro Finance Management 2021/22	01	32	264,000.00
6	Diploma in Business Management 2021 Co-operative Boards – Chillaw and Puthlam	01	27	448,000.00
7	Diploma in Business Management 2021 Kuliyapitiya	01	38	1,037,000.00
8	Diploma in Co-operative Development - Western, Sabaragamuwa, Uva, Central, North Central and Southern Provinces and Central Government	01	68	231,040.00
Certificate Courses				
9	Certificate Course in Co-operative Development 2021 – (Western,	01	60	968,403.00

	Southern, Uva and North Central Provinces)			
10	Certificate Course in Computer Application Assistance	01	23	615,000.00
11	Certificate Course in Co-operative Development (North Western and Central Provinces)	01	43	393,618.00
	Total	11	393	7,157,061.00

3.2.1.2 Short Courses Conducted

Se. No.	Title of the Course	No. of Times held	No. of Participants	Income Generated
01	Training Workshop on Loan Management	02	196	175,000.00
02	Training Workshop on Preparation of a Research Theses	01	67	382,024.00
03	Workshop on introducing Bank Regulations	01	26	161,160.00
04	Training Workshop on Loan Management (on the request of external people)	01	50	5,200.00
05	Skill Development Program on Decision Making	01	38	38,000.00
06	Managing of Investment cluster for Co-operative Rural Banks and Financial Institute	01	35	11,400.00
07	Workshop on Using Auditing Standards	01	39	50,700.00
08	Training of Managers of Multi-purpose Co-operative Societies	01	20	12,000.00
09	Workshop on Audit Training for Co-operative Development Officers	01	44	129,323.00
	Total	09	515	1,017,807.00

3.2.2. Research Activities

- As planned the NICD to carry out research activities with the support of University students, an undergraduate from the Sabaragamuwa University joined the NICD to carry out a research program for the preparation of Student's dissertation, in the field of Co-operative Rural Bank Sector. A fee of Rs.25,000.00 was granted to the student from the NICD fund and the Library facilities was also provided to the student.
- Further, initiatives have been taken to carry out a research program on Co-operative Sector in collaboration with the Department of Sociology at the University of Peradeniya.

3.2.3 Counselling Affairs

The actions are in progress to provide free of charge counselling services for the Co-operative Societies. Thus 125 Co-operative Societies, have been identified for the purpose and 43 Counsellors have been nominated. Accordingly, counselling service is being processed in 21 Multi-purpose Co-operative Societies, 14 Sanasa Societies, 12 Production Societies, 02 Society Associations, 01 Co-operative Bank and 10 other Societies.

3.2.4 Library Facilities

The NICD has a Library specially designed for studies. In addition to the collection of books belonging to the area of the Co-operative Movement, the special collection includes, books on Commerce, Accountancy, Economics, Banking, Management, Marketing, Research Methodology, Law, Sociology, Social Work, Counselling, Positive Thinking, Professional Education, and Social Welfare.

The Library Automation program commenced in the year 2021. Further, "KADIYA" software package to examine the stock of books has been installed and books are being computed by using this software.

The total collection of books stood at 22875 in 2021 including 195 books were purchased during the year 2021. 02 books are issued on lending for a maximum period of 14 days for the alumni (160) who have registered as members in the library.

The Library also possesses periodicals published locally as well as globally in all three media, (Sinhala, Tamil and English) Newspapers, Dissertations, Research Reports and Electronic Publications. It also has a reserve collection of the following; Dictionaries, Encyclopedias, Ordinances (relating to the subject of the Co-operative Movement), Acts, Bills, Records of the Commissions, Sessional Papers, Annual Reports and rare books.

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

Library Membership;

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

Other Services

- Awareness programs about using Library are organized at the beginning of each course

3.3 Accommodation Division

The activities of this division are being supervised by the Assistant Director (Hostel). The services rendered by this division include providing accommodation and food for participants attending educational and training programs organized by the NICD as well as Seminars and Workshops organized by other Institutes. The affairs of the Mahinda Rajapaksha Auditorium comprising 1118 seats and modern facilities are also attended to by the Accommodation Division.

3.3.1 Providing Hostel and Auditorium Facilities (income generated)

	Income (Rs.)
Providing Accommodation	3, 264,690.00
Lecture Hall facilities	1,075,075.00
Commission for providing food	608,667.48
Tourist Bungalow	254,000.00
Auditorium (with tax)	480,000.00
Providing audio visual facilities	207,715.90
Others	211,580.00
Total	6,052,581.38

3.3.2 Providing Services for Other Organizations

The NICD provides facilities for conducting Workshops and Seminars organized by Government and Private Organizations and the details are as follows (including the workshops conducted in the Auditorium):

Seminar/Workshops – 101

No. of Participants – 4790

3.4 Progress in Finance Division

The Finance Division functions under the supervision of the Director/Finance. The staff carder of the Division has been 07 and the duties had been attended by 05 staff members due to the reason that 02 positions of the Division had remained vacant. A summary of the financial position that includes Treasury grants received and the expenditure incurred during the year 2021 is given below.

Financial Performances as at 31.12.2021

Income	Rs.
Treasury Grants Received - recurrent	45,729,500.00
Co-operative Funds Granted	150,000.00
Institutional Earnings	20,223,200.00
All income	66,102,700.00
Expenditure	
Salaries and Wages	39,542,702.00
Travelling	136,459.00
Supplying Stationery and Office Requirements	3,839,580.00
Maintenance Cost	3,159,966.00
Cost on Agreement Services	16,541,409.00
Other Expenditure	1,153,276.00
All Expenditure	64,373,392.00
Surplus/Deficit	1,729,308.00

Assets	Rs.
Non - current Assets	
Property, Plant and Equipment	794,405,302.00
Other Finance and non -finance Assets	3,845,561.00
Current Assets	
Moneys at Banks	32,758,571.00

Short term Investments	28,824,371.00
Other Current Assets	39,326,638.00
Total Assets	899,160,443.00

Equity and Liabilities	
Capital	136,193,780.00
Reserves	658,450,906.00
Non-current Debits	9,803, 922.00
Current Debits	94,711,835.00
Total Equity and Liabilities	899,160,443.00

Financial Position as at 31.12.2021

Summary of Capital Grants and Capital Expenditure (Rs.)

Treasury Grants for Capital	-	2020	5,000,000.00
	-	2021	11,500,000.00
			16,500,000.00

Capital Expenditure – due Construction and Renovation work under Treasury grants (Rs.)

Renovation of N7 and N8 Staff Quarters	2,774,862.00
Construction of the Car Park	922,188.00
Fence around the premises of the NICD	899,859.00
Renovation of N1 and N3 Staff Quarters	994,457.00
Total	5,625,996.00

Purchasing of Capital Goods and other expenditure (Rs.)

1. Purchasing of Computers and other tools	6,152,700.00
a. Purchasing of Smart Board	375,000.00

Total capital cost incurred from the Government Grants of the Institute 12,119,076.00

An agreed amount has been mentioned of the vouchers that have not been settled.

Capital Expenditure incurred from Institutional Funds

Purchasing of Capital Goods (Rs.)

Office Equipment and furniture	398,394.00	
Library Books	100,199.00	
Total Capital Expenditure from the funds of the Institute		534,443.00

3.5 Progress in Internal Audit Division

Internal Auditor and the Management Assistant are the two positions in the Internal Audit Division. The post of Management Assistant had remained vacant and the affairs of the Division have been carried out by the Internal Auditor during the year 2021.

According to the Internal Audit Plan of the year 2021, auditing of the Divisions including Establishment and Administration, Academic, Finance, Accommodation, Press, Examinations, Library and Computer Division were carried out in the year 2021. The audit queries and the answers attended by the Division are as follows.

Se. No.	Division	Audit queries		
		No. of Queries	No. of Matters	Answers Given
1.	Institutional Administrative Division	03	13	All the audit queries have been given replies
2.	Academic Division	04	15	
3.	Finance Division	01	06	
4.	Accommodation Division	01	05	
	Total	09	39	

Final Accounts as at 31.12.2021

NATIONAL INSTITUTE OF CO-OPERATIVE DEVELOPMENT

STATEMENT OF FINANCIAL POSITION AS AT 31st DECEMBER 2021

	NOTE	AS AT 31.12.2021 Rs.	AS AT 31.12.2020 Rs.
ASSETS			
NON CURRENT ASSETS			
Property, Plant & Equipment	2	793,591,552	813,352,218
Other non-current financial assets	3	2,154,375	2,076,250
		795,745,927	815,428,468
Other Receivable	3.1	896,621	893,676
Differed expenditure on Transformer		3,052,835	3,156,730
Less: Amotisation of differed expenditure		(103,895)	(103,895)
Balance differed expenditure	3.2	2,948,940	3,052,835
CURRENT ASSETS			
Current Investment	4	27,483,746	16,262,045
Trade & other Receivable	5	38,150,991	38,025,870
Stock	6	1,175,647	1,889,458
Cash at Bank	7	32,758,571	37,458,774
		99,568,955	93,636,147
TOTAL ASSETS		899,160,444	913,011,126
EQUITY & LIABILITIES			
CAPITAL & RESERVES			
Capital	8	233,254,215	233,254,215
Accumulated Profit / (Loss)	9	(97,060,435)	(95,719,950)
		136,193,780	137,534,265
RESERVES			
Capital Grant from Treasury	10	366,540,789	381,844,312
Capital Grant from Ministry	11	12,380,629	13,016,458
Revaluation Reserve		271,358,932	271,358,932
Publication Fund		8,170,556	7,745,092
		658,450,906	673,964,795
NON CURRENT LIABILITIES			
Provision for Gratuity		9,803,922	8,766,883
Loan From Co-operative Fund		-	19,000,000
		9,803,922	27,766,883
CURRENT LIABILITIES			
Creditors & Accrued Expenses	12	59,044,653	54,010,381
Loan From Co-operative Fund		19,000,000	-
Retention Money		16,667,182	19,734,804
		94,711,835	73,745,184
TOTAL EQUITY & LIABILITIES		899,160,444	913,011,126

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

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

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

J.R.W. Dissanayake
Chairman

I.M.I. Illangakoon
Director General/CEO

K.D. Anil
Asst. Director - Finance



NATIONAL INSTITUTE OF CO-OPERATIVE DEVELOPMENT

STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2021

	NOTE	ACTUAL 2021 Rs	ACTUAL 2020 Rs	Revised Budget 2021 Rs
Revenue				
GRANT FOR RECURRENT EXPENDITURE	13	45,879,500	30,420,055	49,440,000
AMOTIZATION ON CAPITAL GRANT		27,442,152	27,553,432	-
INCOME EARNED BY NICD	14	20,331,685	18,063,793	20,397,414
		93,653,337	76,037,280	69,837,414
LESS : EXPENDITURE				
01. PERSONNEL EMOLUMENTS	15	39,651,187	31,695,597	45,335,752
02. TRAVELLING	16	136,459	113,725	500,000
03. SUPPLIES	17	3,839,580	2,684,933	4,216,220
04. MAINTENANCE	18	3,159,966	1,611,279	3,159,000
05. CONTRACTUAL SERVICES	19	16,541,409	18,398,395	17,809,880
06. OTHERS	20	1,153,276	722,994	1,234,600
07. DEPRECIATION	2	30,009,129	30,944,287	-
08. AMOTIZATION OF DIFFERED EXPENDITURE		103,895	103,895	-
		94,594,901	86,275,104	72,255,452
Surplus or (Deficit) over the expenditure from ordinary activity before Taxation		(941,564)	(10,237,824)	(2,418,038)
Less: Taxation		-	-	-
Net Surplus or (Deficit) for the period		(941,564)	(10,237,824)	(2,418,038)
Other Comprehensive Income				
-Gain/(loss) on Revaluation of property ,plant and equipment		-	-	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		(941,564)	(10,237,824)	(2,418,038)



NATIONAL INSTITUTE OF CO-OPERATIVE DEVELOPMENT
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31 DECEMBER 2021

		<u>2021</u>	<u>2020</u>
Net Surplus /(Deficit) for the period		(941,564)	(10,237,824)
<u>Adjustments for</u>			
Add:			
Depreciation	30,009,129	30,944,287	
Amortization of differed expenditure	103,895	103,895	
Prior year Adjustment -Addition	182,327	1,481,009	
Profit on sale of Fixed Assets	-	-	
Provision for Bad debtors	29,690	-	
Depreciation -prior year adjustment	-	35,000	
Provision for gratuity	1,037,039	1,494,534	
Less:			
Profit on sale of Fixed Assets	-	-	
Amortisation of Capital grant	(27,442,152)	(27,553,432)	
Interest Income	(643,056)	-	
Gratuity Payment	-	(670,000)	
Retention	-	-	
Profit on sale of Fixed Assets	(221,055)	-	
Prior year Adjustment -Deduction	(581,247)	(111,927)	
Over Provision for doubtful debts	-	(139,328)	
		<u>2,474,570</u>	<u>5,584,037</u>
Operating Profit/(loss) before working capital changes		1,533,006	(4,653,787)
<u>Changes in working capital</u>			
Decrease/(Increase) in debtors, & Receivables	(92,054)	2,199,028	
(Decrease) /Increase in cred.& accrued expences	5,034,272	(3,856,924)	
Decrease/(Increase) in stock	713,811	(820,731)	(2,478,627)
Net cash flow from operating activities		7,189,035	(7,132,414)
<u>Cash flows from investing activities</u>			
Retention money	(3,922,110)	(2,330,409)	
Purchase of - property , plant & equipment	(6,096,394)	(3,091,020)	
- Land Development	(871,964)	-	
-Building	(893,610)	(161,243)	
- Furniture & Fittings	(161,181)	-	
- Vehicle Addition	(34,500)	-	
- Library books	(110,200)	(119,806)	
- Other Equipment	(34,450)	-	
Investment in capital work - in - progress	(1,188,875)	-	
(Investment)/ withdrawal - Fixed Deposit	(11,106,075)	5,674,153	
Sale proceeds on Fixed Assets	221,055	-	
Recovery of E.P.F Receivable	(2,948)	-	
Interest receipt	580,300	(23,620,953)	(28,325)
Net cash flow from investing activities			
<u>Cash flows from financing activities</u>			
Capital grant Received from treasury	11,500,000	5,000,000	
Capital grant Received from Ministry	-	-	
Distress loan	(193,750)	415,278	
Publication Fund	425,464	419,485	
Repayment of Co-op Fund loan	-	(3,119,454)	
Net cash flow from financing activities		11,731,714	2,715,309
Net Increase in cash flows within the Year		(4,700,204)	(4,445,430)
Cash & cash equivalents at the beginning of the period		37,458,775	41,904,205
Cash & cash equivalents at the end of the period		32,758,571	37,458,775



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 01.01.2020	233,254,215	(86,851,208)	403,759,116	271,357,432	13,654,557	7,325,607	842,499,719
Less: Dep. On F/A purchased from Govt. Grant	-	-	(26,914,803)	-	(638,629)	-	(27,553,432)
Profit/(Loss) for the period	-	(10,237,824)	-	-	-	419,278	(9,818,546)
Adjustments-addition	-	1,481,009	-	1,500	530	206	1,483,245
Adjustments -Deduction	-	(111,927)	-	-	-	-	(111,927)
Invested within the period	-	-	5,000,000	-	-	-	5,000,000
Balance as at 31.12.2020	233,254,215	(95,719,950)	381,844,313	271,358,932	13,016,458	7,745,091	811,499,059
Balance as at 01.01.2021	233,254,215	(95,719,950)	381,844,313	271,358,932	13,016,458	7,745,091	811,499,059
Less: Expenses made & Dep. on F/A purchased from Govt. Grant	-	-	(26,803,523)	-	(638,629)	-	(27,442,152)
Profit/(Loss) for the period	-	(941,564)	-	-	-	384,423	(557,141)
Adjustment-Addition	-	182,327	-	-	2,800	41,041	226,167
Adjustments - Deduction	-	(581,247)	-	-	-	-	(581,247)
Invested within the period	-	-	11,500,000	-	-	-	11,500,000
Balance as at 31.12.2021	233,254,215	(97,060,435)	366,540,790	271,358,932	12,380,629	8,170,555	794,644,686

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NOTES TO THE ACCOUNTS AS AT 31ST DECEMBER 2021**NOTE : 01****ACCOUNTING POLICIES****1.1 GENERAL ACCOUNTING POLICIES****1.1 a. Accounting Conventions**

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

1.1. b. Format of Accounts

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

1.1. c. Post Balance Sheet Events

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

1.2 ASSETS AND BASES OF THEIR VALUATION**1.2 a. Property, Plant & Equipment**

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

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



All the values of Revalued Assets have been taken into the Accounts. Furniture and Fittings Library books, Cutlery items are not revalued and their values have been shown in the Account at their cost. .

1.2 b. Depreciation

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

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

Depreciation is provided for the fixed assets on periodical bases.

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

1.3 LIABILITIES AND PROVISION

1.2 a. Provision for Gratuity

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

Employees are eligible for Employee's Provident Fund contributions and Employee's Trust Fund contributions in line with the respective statutes and regulations. The Institute contributes 15% for the employees who engaged before 01.01.2020 and 12% for employed after 2020.01.01 and 3% on their basic salary, cost of living allowance and holiday payment to EPF and ETF respectively.



1.3 b. Provisions for Bad Debtors

5% provision has been made for Bad Debtors.

1.3 c. Other Liabilities

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

1.4 INCOME & EXPENDITURE ACCOUNT**1.4 a. Revenue Recognition**

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

1.4 b. Expenses

All expenses except premium of Insurance and motor vehicle license fee and Maintenance agreement charges are accounted on accrual basis and those expenses are accounted on periodical basis.

1.5 GOVERNMENT GRANTS**1.5. a. Capital Grants**

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

1.5 b. Recurrent Grants

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

No grant received during the year under review from People's Bank. But Rs.150,608/= received as a grant from People's Bank for the Training Programmes in previous year



was remained in the account as unutilized grant as at 31.12.2021 and Unutilized grant has been mentioned under creditors.

- 1.6 Preparation and submission of financial Statements is the responsibility of the Management of the institute.
- 1.7 Balances of goods in the stores as at 31.12.2021 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 45 Nos of permanent employees were there in this institute as at 31st December 2021 in addition to that 7 Nos of Development officers from Line Ministry had been assigned to the NICD. And 20 Nos of Graduate trainees have been assigned to NICD the Ministry of Internal affairs & Public Administration.
- 1.10 Line Ministry has given a grant sum of Rs. 3.4 Mn. Initially to form a fund for publishing the publications related to the Co-operative subject.
And formulated this fund is to be published the publications on Co-operative subject. Line Ministry has been given the advise to maintain the separate set of books to carry out this works. Accordingly kept the records separately for this purpose and Financial Performance for the year 2021 and **Statement** of financial Position as at 31.12.2021 are attached herewith.
- 1.11 During the year 2021, Interest earned from the investment of the Publication Fund is Rs.335,439/19, These interest has been credited to the same Funds through the Financial Performance.
- 1.12 Compensation has been paid during the year to one employee who has died in attending the duty in the year 2019.





NOTE:02
PROPERTY, PLANT & EQUIPMENT -2021

Cost / Valuation	Balance As 01.01.2021	Removed Items As At (01/07/01)	Prior Year		Balance After Adjustments	Additions during the year	Adjustments Addition	Adjustments (Deduction)	ACTUAL 31.12.2021 RS	Schedule
			Additions	Deductions						
Land	200,620,019.43	-	-	-	200,620,019.43	916,957	-	-	201,536,976.69	1
Building & Structures	613,753,383.92	-	-	-	613,753,383.92	939,720	-	-	614,693,104.12	2
Plant, Machinery & Equip.	89,337,006.72	-	-	-	89,337,006.72	6,730,414	-	-	96,067,420.72	3
Vehicles	10,166,338.00	-	-	-	10,166,338.00	34,500	-	-	10,200,838.00	4
Furnitures	46,046,345.47	-	-	-	46,046,345.47	161,181	-	-	46,207,526.27	5
Library Books	2,630,365.10	-	-	-	2,630,365.10	112,989.75	-	-	2,743,354.85	6
Curtain, Cullary items & Others	2,099,970.25	-	-	-	2,099,970.25	34,450.00	-	-	2,134,420.25	7
Total	964,653,428.89	-	-	-	964,653,429	8,930,222	-	-	973,583,650.90	
Accumulated Depreciation										
	Balance As AT 01.01.2021	Removed Items As At (01/07/01)	Prior Year		Balance After Prior Year	Additions during the year	Adjustments Addition	Adjustments (Deduction)	ACTUAL 31.12.2021 RS	
			Additions	Deductions	Adjustments					
Building & Structures	49,862,641.75	-	-	-	49,862,641.75	21,079,531	-	-	70,942,172.75	8
Plant, Machinery & Equipment	63,812,662.56	-	-	-	63,812,662.56	4,460,020	-	-	68,272,682.56	9
Vehicles	1,498,310.00	-	-	-	1,498,310.00	913,821	-	-	2,412,131.00	10
Furnitures	31,560,677.91	-	-	-	31,560,677.91	3,502,312	-	-	35,062,989.91	11
Library Books	2,490,072.39	-	-	-	2,490,072.39	50,016	-	-	2,540,088.39	12
Cullary items & Others	2,076,846.00	-	-	-	2,076,846.00	3,429	-	-	2,080,275.00	13
Total	151,301,211	-	-	-	151,301,211	30,009,129	-	-	181,310,340	
Gross Book Value	964,653,429	-	-	-	964,653,429				973,583,651	
Accumulated Depreciation	151,301,211	-	-	-	151,301,211				181,310,340	
Net Book Value	813,352,218	-	-	-	813,352,218				792,273,311	
Capital work-in- Progress										
	Balance As AT 01.01.2021	Removed Items As At (01/07/01)	Prior Year		Balance After Prior Year	Additions during the year	Adjustments Addition	Adjustments (Deduction)	ACTUAL 31.12.2021 RS	
			Additions	Deductions	Adjustments					
Contract No:	-	-	-	-	-	-	-	-	-	
Transfer the WIP to Fixed Assets	-	-	-	-	-	1,318,241	-	-	1,318,241	
Work in Progress - Quarters	-	-	-	-	-	1,318,241	-	-	1,318,241	
Carrying Value	813,352,218	-	-	-	813,352,218				793,691,562	

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Note 3.2 Deferred Expenditure for the year 2021

Year	Description	Deferred Expenditure (Opening)	Amount of amortised upto the year 31.12.2020	B/F balance deferred Exp. As at 01.01.2021	Amount of amortization for 2021	Accumulated amortized amount as at 31.12.2021	C/F Balance deferred Exp as at 31.12.2021
2013	Payment for expansion of Transformer	758,000	132,650	625,350	18,950	151,600	606,400
2009	Tow Nos. of transformer	3,397,818	970,333	2,427,485	84,945	1,055,278	2,342,540
	Total	3,397,818	970,333	2,427,485	103,895	1,055,278	2,948,940

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NOTE : 03.
Other non-current financial assets

Deposit with Electricity board
Distress Loan -staff

ACTUAL 2021 Rs.	ACTUAL 2020 Rs.	SCHEDULE No.
813,750	813,750	14
1,340,625	1,262,500	15
2,154,375	2,076,250	

NOTE : 03.1
Other Receivable

E.P.F Receivable from Employees

896,621	893,676	16
896,621	893,676	

NOTE: 04
Current Investment

Investment in Fixed deposit
Distress Loan - staff

26,693,121	15,587,045	17
790,625	675,000	15
27,483,746	16,262,045	

NOTE: 05
Trade and Other Receivable

3501-3512 Course Fee Receivable(Schedule:5A)
3504 Receivable on Programme Fee-Out Side
3513 Receivable on Printing Service
3514 Receivables on Other services
3402 Advances to Contractors
3403 Security Deposit
3515 Interest Receivable on Investment
3518 Hostel fee Receivable
3520 House rent receivable
3522 Library Fee & Exam Fee
3523 Advance to suppliers
3524 Staff food supply control A/C
3526 Receivable Fine
3527 Festival advance receivable
3532 Advance to staff
3539 Vat
3540 WHT payment
3545 Cheque Return Control A/C
3547 Pre-paid insurance Premium & Other payments
3548 Receivable bus hire
3549 Building & Land rent receivable
3551 Receivable Income from Garden
3552 Receivable of election duty payment
3553 E.P.F Receivable from employees
3554 Research evaluation fee receivable
Publication II Trade & Other Receivables
Less: Provision for bad debts
Specific Provision for bad debtor

2,371,162	1,647,801	18
604,446	1,103,091	19
-	-	
59,917	290,444	20
15,400	-	21
75,000	75,000	22
302,534	239,778	23
179,340	72,240	24
684,642	666,039	25
101,785	17,316	26
12,032	9,352	27
8,630	3,040	28
80	-	29
36,000	46,250	30
-	-	
35,086,223	35,085,244	
-	-	
518,875	373,386	31
23,225	89,048	32
22,470	-	33
-	-	
-	230,272	
-	-	
1,350	-	34
(1,952,120)	(1,922,431)	35
38,150,991	38,025,870	

NOTE:06
Inventories

3301 Stationery stock
3302 Printing Material stock
3303 Building Material
3304 Audio visual
3305 Sundry stock
Publication ii - Book Stock
Publication ii - printing Material Stock

534,416	644,101	
62,807	277,227	
224,821	240,347	
6,552	6,552	
222,242	564,941	
124,810	156,289	
-	-	
1,175,647	1,889,458	

NOTE:07
CASH AT BANK (People's Bank katugastota).

Training & Education 0089-1001-32648143
Productivity Account 089-1001-38092-967
Government 0089-1001-92648140
Service Charge Account 0089-1001-50002158
Gratuity Fund Account 0089-2001-90030993
Publication Account ii 0089-1001-50018442

1,334,262	3,461,069	
-	-	
29,842,567	28,938,020	
561,481	673,034	
316,299	3,731,101	
703,962	655,549	
32,758,571	37,458,774	



5.

Auditor General's Report

1. **Financial Statements**

1.1. **Quality Assessed Opinion**

The Financial Statement of the National Institute of Co-operative Development for the year ending 31st December 2021, declaration of change of title and Cash Flow Statement for the same year consisting of notes relating to financial statements and summarizing important accounting policies are to be read in conjunction with Article 15 of Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka, Ordinance No. 19 of 2018 No. 191 audited under my direction in accordance with the provisions of the Act. My report will be tabled in Parliament in due course in accordance with Article 154 (6) of the Constitution.

The financial position of the National Institute of Co-operative Development as at 31 December 2021 and its financial performance and cash flow for the year ending 31 December 2021, in addition to the implications of the facts described in the basis for the Assessed Opinion in my Report, shall be, in fact, and is fair and consistent with the Accounting Standards of the Public Sector of Sri Lanka. That is my opinion.

1.2. **The basis for the conditioned Audit Opinion:**

- a. The relevant documents and adjustments made to prove Rs. 35,086,223, being balance money received from the Auditor General Department which has been indicated as with balance of VAT in the Financial statements have not been made available for auditing purposes.
- b. Even though interest income that the NICD could raise should be identified based on actual income generated by the institute and effective interest income in accordance with the SL Accounting Standard No. 10, it has not been done so. The difference of interest of Rs. 108,485.00, generated from distress loan was added to the actual interest as earnings and expenditure respectively in the performance audit report in the year under review, Thus, interest income of the NICD was indicated more in proportion to the above value in Financial Report of the year under review. However had the equivalent part of distress loan given to NICD staff had been deposited in proportionate to the interest income generated by former, more interest could have been generated in the year under review.

I have carried out this audit in accordance with SL Auditing Standards. Further, the responsibility vested in me under these standards have clearly been explained in the section “Responsibility of an Auditor” relating to auditing of financial statements. I believe that I have obtained substantial amount of quantitative and suitable auditing evidences to arrive at my audit opinion.

1.3 Other Information included in the Annual Report 2021 of the NICD

The other information included here is reckoned as those that were included in the Annual report 2021 of the NICD, but not included in their financial statements presented to me for auditing and information not included in my audit report either. The NICD should totally be responsible for them. The audit opinion expressed by me does not cover other information and neither I could give an assurance or certification regarding them.

According to the auditing carried out on Financial Statements 2021 of the NICD, It is my responsibility to consider these other information, read them and to ascertain whether they were quantitatively mismatch with both financial statements of the Institute or the knowledge that I have gathered through auditing or other alternative ways.

In my opinion, if I come to a conclusion that there would be substantial misrepresentations which have not been included in the Annual report 2021 of the NICD, I am bound to communicate them to the authorities for corrective purposes. If there would be further misrepresentations, which have not been corrected by the authorities, in terms of provisions of the statute 6 of 154 of the Constitution of Sri Lanka, I will include them in the audit report to be placed before the parliament in future.

1.4. The responsibility of the Management and the Managing stakeholders on Financial Statements NICD:

It is the responsibility of the Management of the NICD to determine internal control systems in accordance with the SL Accounting standards enabling the Institution to prepare, financial statements, present them in a justifiable manner without quantitative misrepresentations arising out of fraud or errors.

In preparing financial statements, it is the responsibility of management to determine the viability of the organization. Except if the management intends to liquidate the company or stop operations when there is no other option apart from that, it is also the responsibility of the management to keep accounts on a sustainable basis and to disclose matters pertaining to the continued existence of the institution.

Responsibility of the institution's financial reporting process rests with the governing parties.

Sub-section 16 (1) of the National Audit Act No. 19 of 2018, NICD shall maintain proper books and records on its own income, expenditure, assets and liabilities so as to be able to prepare the annual and current financial statements of the institution.

1.4 Auditor's Responsibility for Financial Statements

My aim is to provide a fair confirmation that there are no quantitative misrepresentations due to financial statements, frauds and errors as a whole, and to issue an auditor's report containing my opinion. Fair certification is a high level guarantee, but when audited in accordance with Sri Lanka Audit Standards, it is not always a guarantee that it will detect quantitative misrepresentations. Fraud and misconduct, individually or collectively, can lead to quantitative misrepresentations and are expected to influence the economic decisions made by users based on these financial statements.

I conducted the audit in accordance with the Sri Lanka Audit Standards with professional judgment and professional skepticism. Furthermore,

- Obtaining adequate and appropriate audit evidence to avoid risks posed by fraud or error by designing appropriate audit procedures from time to time to identify and assess the risk of quantitative misrepresentations in financial statements due to fraud or error. The effects of fraud are far greater than the effects of quantitative misrepresentations, which can lead to fraud, misrepresentation, forgery, intentional evasion, or evasion of internal controls.
- Gain an understanding of the internal governance of the organization in order to plan appropriate audit procedures, but does not intend to express an opinion on the effectiveness of internal control.
- The fairness of the accounting policies and accounting estimates used and the appropriateness of the relevant disclosures made by management were recognized and appreciated.

- The relevance of using the basis of the continuity of the institution for accounting was determined based on the audit evidence obtained as to whether there is quantitative uncertainty about the continuity of the institution due to events or circumstances. If I conclude that there is sufficient uncertainty, my audit report should focus on the disclosures made in the financial statements, and if those disclosures are not sufficient, my opinion should be modified. However, continued existence may end on future events or circumstances.
- The overall presentation of financial statements inclusive of disclosures, its structure and inclusion of reasonable and appropriate incidents and transactions based on which it was prepared has been appreciated.
- The governing parties were briefed on important audit findings identified during my audit, regarding the key internal governance weaknesses and other issues.

2. **Report on other Legal and Regulatory Requirements**

- 2.1 Special provisions are included in the No. 19 of the 2018 of the National Audit Act in respect of the following requirements.
- 2.1.1. In accordance with the requirements of Section 12 (a) of the National Audit Act No. 19 of 2018, I have obtained all the information and clarifications required for the audit, except for the effect of the facts described in the Basis for the Assessed Opinion in my Report from my investigation. Apparently, the Institute has maintained proper financial records in the year under review.
- 2.1.2. In terms of the sentence No 6(I)©(iv) of the No. 19 of 2018 National Audit Act, Financial Statements 2021 of the Institute is in consistent with the previous year report.
- 2.1.3. In terms of the requirements of the sentence No 6(I)©(iv) of the No. 19 of 2018 National Audit Act, the recommendations which I made in the last year were embedded in the financial statements in the year under review.
- 2.2. Based on evidences obtained, procedures followed and they being limited to quantitative facts, none of the following statements came to my notice:
- 2.2.1. As per requirement of the sentence No 12 © of the No. 19 of 2018 of the National Audit Act, no member of the Board of Directors may directly or indirectly involved in any agreement going beyond the nature of business of the Institute
- 2.2.2. As per requirement of the sentence No 12 © of the No. 19 of 2018 of the National Audit Act, except for the following observation, NICD has not functioned in contrary to the relevant written laws or general or special directives issued by the Institute

In terms of the provisions of the FR No. 371(2)(b), which was revised in terms of Financial Circular No.03/2015 dated 14.07.2015, settlement of advance of Rs. 340,055/- given to 06 of its officers were delayed from 13 to 70 days in 16 occasions.

- 2.2.3. Except for the following observation, NICD has not functioned in contrary to its powers, and functions vested in it in terms of sentence 12(g) of National Audit Act No. 19 of 2018.

Powers, Duties, and Functions	Observation
As per sentence 4 of the National Cooperative Development Institute Act No. 1 of 2001, objective of the Institute is to promote and coordinate activities relating to cooperative development, provision of training of staff using modern techniques, promote research on cooperative development, management of cooperative societies which lacks management skills, provision of career guidance and establishment of model cooperative villages and sales centres etc.	Objectives embedded in the Act has not considerably been accomplished in the year under review

- 2.2.4. Except for the following observation, NICD utilized and procured its resources carefully, efficiently and effectively in accordance with the existing rules and regulations as required by the sentence 12(g) of the National Audit Act of No. 19 of 2018 during the year under review.

- The ground floor of the multi-purpose building valued at Rs. 60,000/- per month as per the Govt. Valuation Department belonging to the NICD has not been rented out since 23.03.2018 to 31.12.2021 and its being unutilized for the period referred to. Further, computers and related components of units 462 valued at Rs. 6,020,415.00 had not been utilize for a year in the year under review.
- Two storied Mahaweli building complex constructed spending Rs. 2,368,359.00 in the year 1999 and its guard check point had not been utilized for a useful cause since year 2002.

2.3. Other Reasons

- As at 31.12.21, the total balance of Rs. 5,016,888.00 were lying to the credit of 22 No. of Account heads from which balance of Rs.70,241.00 have been lying for 1-5 years and balance of Rs. 1,209,780.00 has been lying more than 05 years.

- b) A car valued at Rs. 2,000,000.00 and jeep valued at Rs. 8,000,000.00 given by the Ministry of Trade and Food Safety in the year 20215 has not been properly acquired.
- c) No action has so fare been taken in terms of the provision of Financial Regulation No. 571 in respect of the following:
 - a. The cumulative value of 45 Nos. Account Balances of the NICD as at 31.12.2021 was Rs.17,303,469.00 from which Rs. 2,963,375.00 of 18 account balances has been lying for 02-05 years. Cumulative value of Rs. 13t,145,565.00 of 04 account balances has been lying for more than 05 years.

Signed By:

W.P.C. Wickramarathna
Auditor General