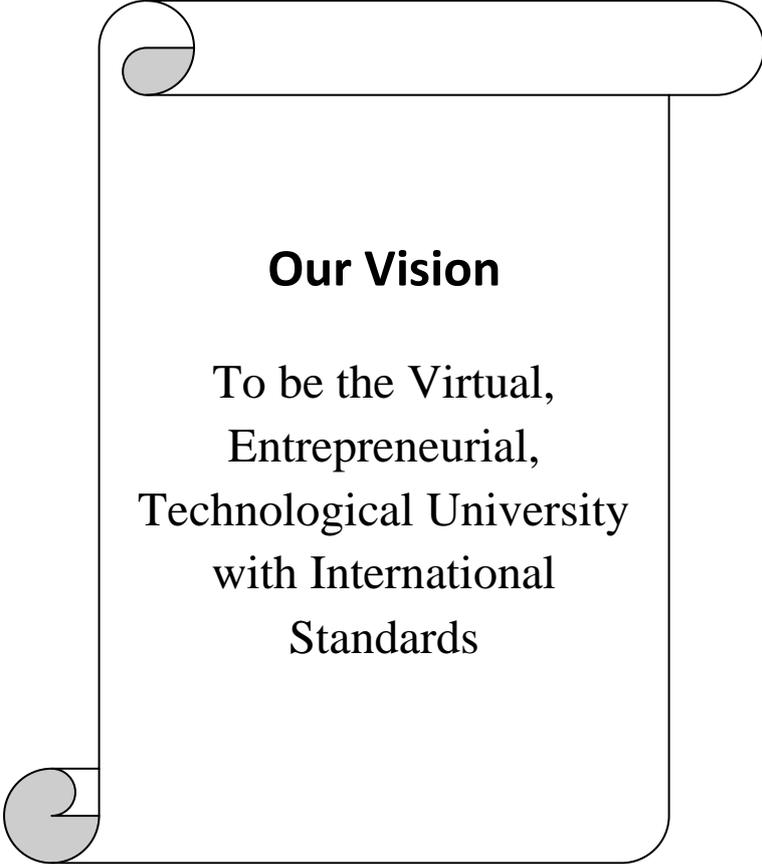
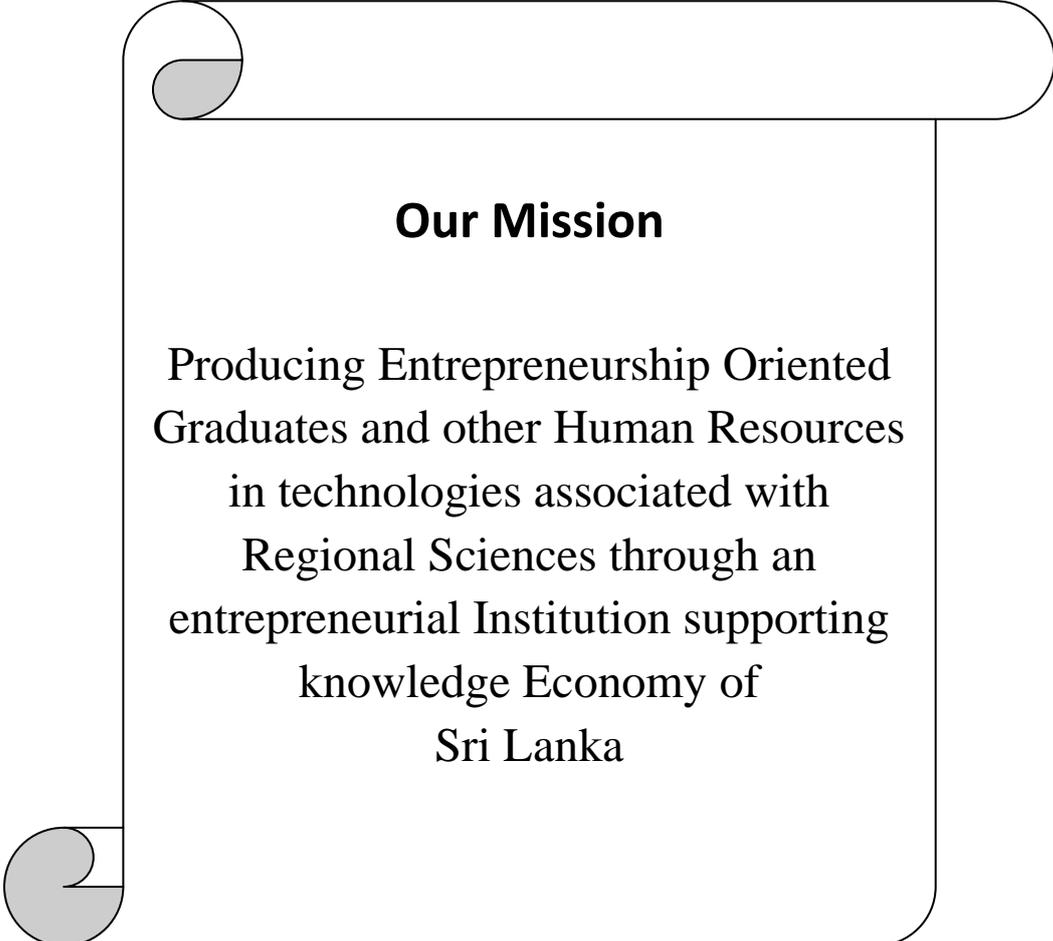


**ANNUAL REPORT
2015**



Our Vision

To be the Virtual,
Entrepreneurial,
Technological University
with International
Standards



Our Mission

Producing Entrepreneurship Oriented
Graduates and other Human Resources
in technologies associated with
Regional Sciences through an
entrepreneurial Institution supporting
knowledge Economy of
Sri Lanka

Director's Review:

Sri Lanka is predominantly an agricultural country and majority of the rural population is engaged in farming for their livelihood. However, because of the low productivity in the agriculture sector, and lack of focus on value added agricultural products at a commercial level, the country still depends on imported food stuff to meet the domestic requirement. One of the main factors attributed to this situation is the knowledge gap existing in the chain of stakeholders, in particular, the farming community.

The vision of the University of Colombo Institute of Agro-technology and Rural Sciences (UCIARS) is to fill this knowledge gap constructively; with a view to fostering farming community through enhancing awareness, education and creating a forum for exchange of know-how that would eventually lead the way for self-sufficiency in agricultural produce.

The UCIARS is the first ever University Institute which thinks out of the box and offers diplomas, higher diplomas and agro-technology degrees for agro-entrepreneurs in the country. The online courses that the UCIARS offers have drawn particular attractions over the traditional education system that exists in the universities in the country, and helps narrow the knowledge gap in the agriculture sector as well as for a sustainable agriculture.

With a view of enhancing farm productivity, the UCIARS provides high quality tissue cultured banana plants and other planting materials to the farming community. Another important milestone of the UCIARS is its technical input in promotion of mango (Tom-EJC) for export purpose, strengthening the Government's drive in poverty eradication.

As the Director of the UCIARS, it is with profound gratitude that I recall the excellent support and guidance extended to us by our Vice Chancellor in every step in our journey keeping the motto 'quality first'. My thanks also go to all those who contributed in whatever the manner possible, towards achieving the objectives of the UCIARS.

M.D.Piyathilaka
Director/UCIARS

Special Events in 2015

- Diploma Awarding Ceremony for 2nd and 3rd Batches who have successfully completed the Agro-technology Diploma was held on 03rd June 2015 at the Grand Balle Room, Magam Ruhunupura International Convention Centre (MRICC) in Hambantota.
- Department of Agro-technology was formed at the institute by appointing Mrs.N.P.Vidanapathirana/Senior Lecturer as the Head of the Department with effect from 10.08.2015.
- Withdrawal of Technology stream from IARS to University of Colombo.
- Installation of Lightning Protection System with Surge Protectors for new hostel (under 60 hostel project) by Venora Telecom (Pvt) Ltd with the consultation of Dr.I.M.K.Fernando, University of Colombo.
- Opening the Four storied new hostel (Under 60 hostel project) on 18th September 2015 to provide hostel facilities to UCIARS students.

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1. OVERVIEW

1.1 Introduction

The Institute was established as the Magampura Agro-Technology and Community Services Center in Weligatta, Hambantota affiliated to the University of Colombo in 2000 by the University Grants Commission. The Centre's history dates back to 1998 through which the University researchers were able to build over the years close collaborative links with the community in order to transfer technology/knowledge and know-how directly to the end-users and improve efficiency in agriculture and agro-industry in the region. The founder of this institute was the former Vice-Chancellor of the University of Colombo and the former Chairperson of the University Grants Commission, Professor Kshanika Hirimburegama.

The University of Colombo Institute for Agro-Technology and Rural Sciences (UCIARS) was established as a Higher Educational Institute affiliated to the University of Colombo, under Section 24A of the Universities Act No.16 of 1978 and the University of Colombo Institute for Agro-Technology and Rural Sciences Ordinance No.02 of 2008. The Order came into operation with effect from 23rd August 2008.

UCIARS conducts Diploma, Higher Diploma courses which are leading to a Bachelor of Agro-Technology Degree which is offered by the University of Colombo. All courses conducted by the UCIARS are blended with distance mode of teaching to provide opportunities of higher education to farming community across barriers of age, space, time and academic background. The Institute has a mandate to provide, promote and develop among persons presently engaged in Agriculture and Agro-Technology, higher education in the discipline of Agro-Technology and Rural Sciences. It will cater to the changing individual and social needs by taking education through a blended learning mode to the doorsteps of the farming community who never dreamt of entering the portals of higher education. They have aspirations and potential to pursue higher education but could not utilize the opportunities due to their personal, family or economic backgrounds. With the flexibility in the entry requirements and choice of courses, the Institute demonstrates that it is possible to impart quality higher education using modern Information Communication Technologies to learners of the farming communities of poor rural sectors to pursue education at a pace and place convenient to them and realize their academic, professional and social aspirations.

In addition to the Academic Programme, the Institute produces tissue cultured banana to the local farming community with very reasonable rates and has generated income for the Institute as well. At the moment 03 tissue culture laboratories are in operation and 03 main net houses have been built at the nursery. Each month all three laboratories produce at about 15,000-20,000 tissue cultured banana plants for its nurseries. The Institute has conducted several workshops, seminars to transfer the tissue cultured banana technology to the rural farmers scattered island wide. Also the Institute has participated at various national level exhibitions using its resources to make aware the people about the new technology affixed to rural sciences.

1.2 The Board of Management

The Board of Management of the Institute is constituted in terms of Section 05 of the University of Colombo Institute for Agro-Technology and Rural Sciences Ordinance No. 02 of 2008. According to Section 10 of the above Ordinance, The Board of Management shall be the academic and executive body of the Institute and shall consist of:

Five ex-officio members, namely:-

- (a) The Director, who shall be the Chairperson;
- (b) The Deputy Director;
- (c) The Secretary to the Ministry of the Minister in charge of the subject of Higher Education or the Secretary to such other Ministry to which the subject of Higher Education may be assigned or his nominee;
- (d) The Secretary to the Ministry of the Minister in charge of the subject of Agriculture or his nominee; and
- (e) The Dean of the Faculty of Science of the University; and

Six other members, namely:-

- (a) Two members appointed by the Commission to represent the Agro-Technology and Agri-business industries;
- (b) Two members appointed by the Council from among its members;
- (c) The District Secretary of the Hambantota District or his nominee; and
- (d) One member appointed by the Academic Syndicate from among its members.

1.3 Meetings of the Board of Management

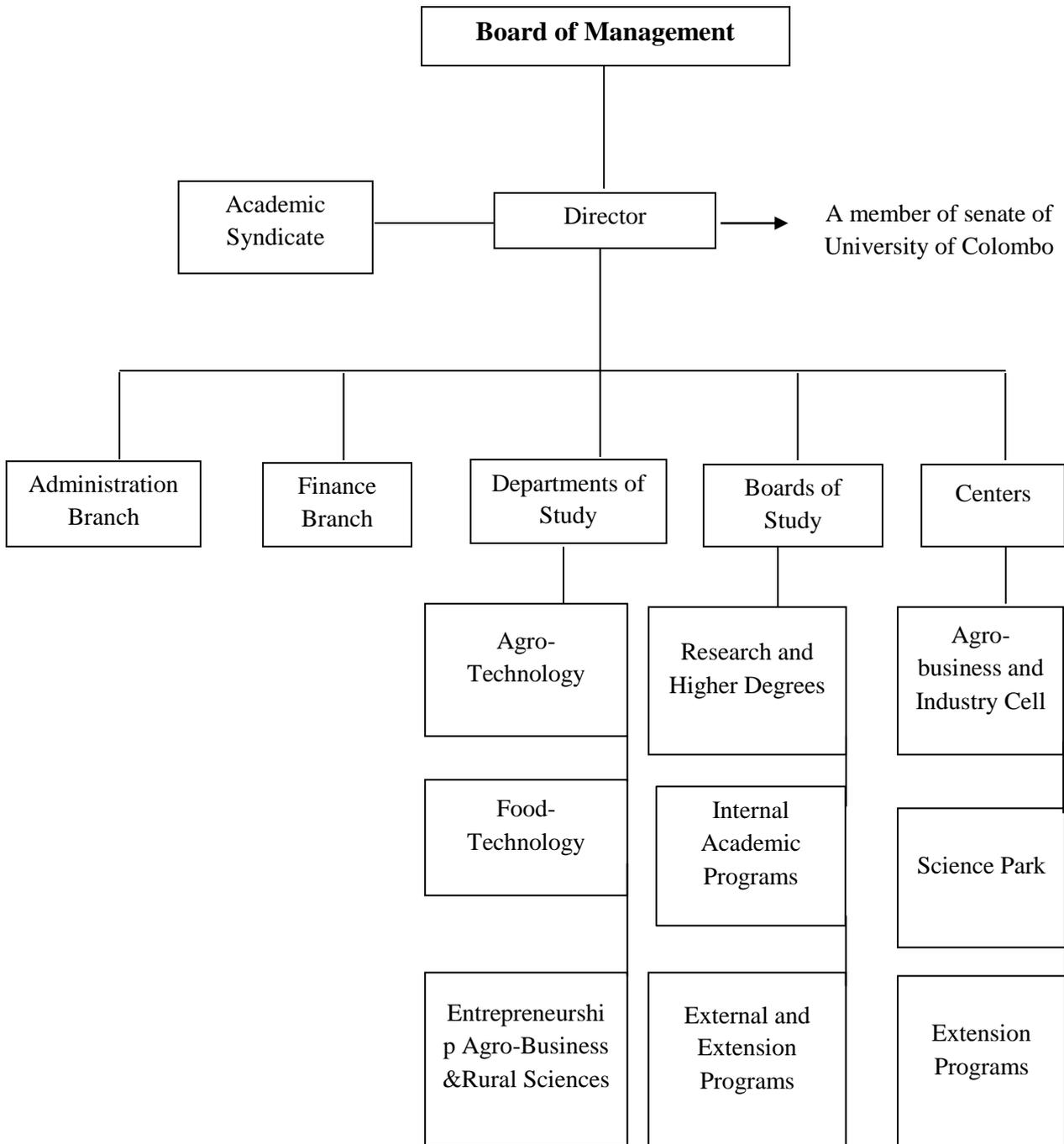
The Board of Management of the institute met regularly during the year to review the academic and administration matters. The Board of management has met six (06) times during the year 2015.

The composition of the Board of Management in 2015 is as follows:

Ex-officio members (as specified in the Ordinance)	
Director – Chairman	Mr. M.D.Piyathilaka
Nominee of the Secretary to the Ministry of Higher Education	Mrs. A.S.P. Weerasuriya
Nominee of the Secretary to the Ministry of Agriculture	Dr.J.D.H.Wijewardena
Dean of the Faculty of Science/University of Colombo	Prof. K.R.R.Mahanama
Other members (as specified in the Ordinance)	
UGC Nominees	Prof. Tara D Silva
	Ms.Krishanthi Weerasinghe
Council Nominees	Mr. Rajan Asirwatham
	Prof. Lakshman Rathnayaka
District Secretary/Hambantota	Mr. R.C. De Soysa
On Invitation/In Attendance	
Head of the Department of Agro-Technology	Mrs.N.P.Vidanapathirana
Assistant Bursar	Mrs. A.A.S.C. Ubeyasinghe
In charge Plant Nursery	Mr.H.Rohanadheera
In charge Plant Laboratory	Ms. S.V.G.N. Priyadarshani
Secretary	
Assistant Registrar	Mrs.S.A.S.Priyadarshani

Table 01

1.4 Organizational Structure



2. OVERALL PERFORMANCE

The institute is mainly involved with Academic Programmes, Tissue Cultured Banana Production and Rural Entrepreneur Development (RED) Programme. In addition to that, several workshops and awareness programmes were conducted to make aware of rural farmers on new technology of farming and value added products of banana cultivation as outreach activities of the Institute by identifying their social needs.

In the year 2015, Institute continued its academic activities through the Academic section (Department of Agro-technology) and produced tissue cultured banana using laboratories and the nurseries. The RED Programme provided financial assistance to the selected, talented farmer students to start new agribusinesses or upgrade their existing agribusinesses to uplift their livelihood.

The Institute worked towards its goals with the assistance of 58 Staff members comprising 5% Administrative, 11% Administrative/support, 2% Academic, 12% Academic/support, 60% Non-academic staff and 10% as Daily basis employees (Table 02 and Figure-01). Among those staff, Assistant Registrar and Assistant Bursar were appointed by the University Grants Commission in the middle of the year 2012 as permanent cadre and other all the staff members except 01 Senior Lecturer are working on assignment basis (annually renewable). Permanent Director was appointed to the institute with effect from 20th May 2013 by University of Colombo until that Mr.Lal Silva (former Acting Registrar of UOC) acted as Acting Director.

Staff Category	No.of Employees
Administrative	3
Administrative Support (Assignment Basis)	6
Academic	1
Academic Support (Assignment Basis)	7
Non Academic (Assignment Basis)	35
Daily Basis Employees	6
Total Staff	58

Table 02

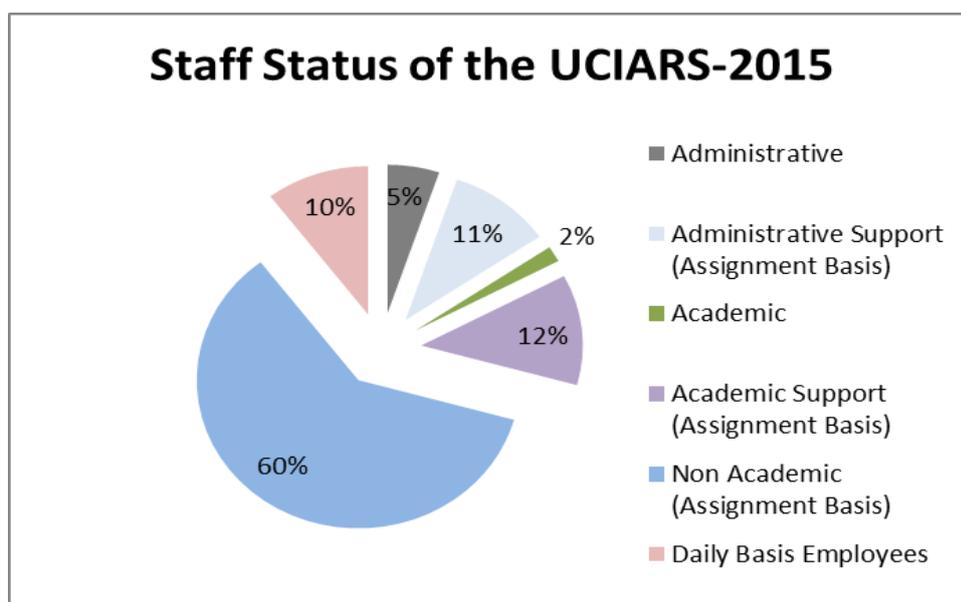


Figure-01

Administrative Staff of the Institute as at 31.12.2015 illustrated in Table - 03.

S/n	Name	Designation
1	Mr. M.D.Piyathilaka	Director
2	Mrs.S.A.S.Priyadarshani	Assistant Registrar
3	Mrs.A.A.S.C. Ubeysinghe	Assistant Bursar

Table – 03

Administrative/Support Staff of the Institute as at 31.12.2015 illustrated in Table - 04.

S/n	Name	Designation
1	Ms.W.K.K.Rajika Nilangani	Management Assistant
2	Mr.R. V.P.N.P.Kumara	Management Assistant
3	Ms.A.G.U.Wasanthi	Management Assistant
4	Ms.U.M.A.A.M. De Silva	Management Assistant
5	Mr.J.A.U.Srinath	Store Keeper
6	Ms.W.I.Chathumali	Management Assistant

Table – 04

Non-Academic Staff (General Administration) as at 31.12.2015 illustrated in Table – 05.

S/n	Name	Designation
1	Mr. K.S.R.Sampath	Security Officer
2	Mr. W.M.Chaminda	Security Officer
3	Mr. K.P. Gunadasa	Security Officer (Part-time/Night Shifts)
4	Mr.J.K.Sugathadasa	Security Officer (Part-time/Night Shifts)
5	Mr.S.V.Upali	Driver

Table – 05

Progress of the Land Acquisition Process

Hambantota District Land Use Committee has agreed to transfer the ownership legally for 50 acres of Land to the institute on 11.10.2013 and 10 acres are already occupied by the institute. However, 40 acres land area is falling within the Wilmanna Sanctuary which is administered by the Department of Wildlife Conservation. Hence, Central Environmental Authority recommended to conduct Environmental Impact Assessment (EIA) before the acquisition of land to find out the impact happened due to development activities within the area.

Accordingly, Environmental Impact Assessment was conducted with the assistance of Faculty of Architecture Research Unit, University of Moratuwa and final report was submitted to the Department of Wildlife Conservation. After evaluating the report, Department of Wildlife Conservation will consider to issue its approval for the land clearance. In the year 2015, foundation for land clearance process was successfully done by the institute.

2.1 Academic Programme Performance

The UCIARS introduced its academic programs in the year 2008 and has a mandate to provide, promote and develop among persons presently engaged in Agriculture and Agro-technology, higher education in the disciplines of Agro-technology and Rural sciences. It will cater to the changing individual and social needs by taking education through a blended learning mode to the doorsteps of the farming community who never dreamt of entering the portals of higher education. However, they have aspirations and potential to pursue higher education but could not utilize the opportunities for personal, family or economic reasons. With the flexibility in the entry requirements and choice of courses the institute demonstrates that it is possible to impart quality higher education using modern information communication technologies to learners of the farming communities of poor rural sectors to pursue education at a pace and place convenient to them and realize their academic, professional and social aspirations.

This is a novel educational venture for Agriculture entrepreneurs and this is the first opportunity for rural farming community to upgrade their knowledge using local language in Sri Lanka. Farming community of Sri Lanka is mostly concentrated in rural areas and their contribution to the agriculture is very high. But the rural farming community has low facilities to pursue their education, personal and professional development. Hence, for the first time, Institute of Agro technology and Rural Sciences which was affiliated to the University of Colombo (UCIARS) at Weligatta offered a Certificate/Diploma programme for farmers who were presently engaged in agriculture. The significant feature of this programme is that it operates through online and distance e-learning method which is a novel experience in Sri Lanka.

Objectives of the Academic Program

- ❖ To democratize higher education underpinned by principles of lifelong learning, flexibility and learner centeredness and widen the access to masses, in particular to the farming community, through the provision of blended learning.
- ❖ Farming community /Agriculturists to be involved in knowledge based agriculture and thereby enhancing the quality and quantity of agricultural products.

Special features of the program

- These activities change individual and social needs by taking education through online learning mode for the farming community who has never dreamt of entering the portals of higher education.
- Providing opportunities for the farming community to pursue higher education while being in cultivation of crops.
- Introduction of new agro-technologies and Introduction of ICT for Sri Lankan farming community
- First ever University academic program for the farming community in Sri Lanka
- Currently the Institute has introduced three levels of study programs with the UGC approval; Diploma level, Higher Diploma level and Degree level in Agro-technology

Bachelor of Agro-technology (BAGtec) Course approval details

Senate approval:	338 th Senate Meeting (29.09.2010)-Syllabus
Council approval:	462 nd Council Meeting (15.08.2012)- By Laws
UGC approval:	867 th UGC Meeting (07.02.2013)- Degree Program

Bachelor of Agro-technology course outline

Bachelor of Agro-technology (4 years)

Diploma in Agro-technology- (02 years and 03 months) consists of 09 Certificate courses (3 months per course), Higher Diploma in Agro-technology (1 year) and another one year to complete the Degree

Duration for each certificate course is three months. Those who pass 09 courses of study are made eligible to receive the diploma in Agro-technology. Diploma is extended to the Higher Diploma in Agro-technology followed by Degree by adding 7 certificate courses and a six month research project. Each course has a fixed credit value as defined adopted by the Open University of Sri Lanka.

Schedule of Courses offered

Year 1

- * English Course to be given as continuing education course (0 credit)
- * IT Course to be given as continuing education course (0 credit)

Subject Courses

	Course	Module	Credit Value	Sessions	Study time (h)
1	Crop Husbandry CH 03 Modules 03 months	CH01. Crop Science and Agronomy CH02. Soil Science CH03. Cultivation of economically important crops	08	Study sessions Lab practicals Field work Day schools / Seminars Assessments Total	120 60 90 24 6 300
2	Horticulture 03 Modules 03 months	HO01. Nursery Management and Home gardening HO02. Fruit and vegetable cultivation HO03. New techniques in agriculture	08	Study sessions Lab practicals Field work Day schools / Seminars Assessments Total	120 50 100 24 6 300
3	Crop Protection 03 Modules 03 months	CP01. Principles of pest and disease management CP02. Pest management of important crops CP03. Disease management of important crops	08	Study sessions Lab practicals Field work Day schools / Seminars Assessments Total	120 75 75 24 6 300
4	Irrigation Technology 03 Modules 03 months	IR01. Introduction to irrigation and drainage IR02. Crop water management IR03. Micro irrigation and fertigation	08	Study sessions Lab practicals Field work Day schools / Seminars Assessments Total	120 50 100 24 6 300

Table 06

Year 2

- * English continuing education course (0 credit)
- * IT continuing education course (0 credit)

Subject Courses

	Course	Module	Credit Value	Sessions	Study time (h)
5	Food Technology 03 Modules 03 months	FT01. Introduction to food technology FT02. Food preservation, packaging and value addition FT03. Production of important food products	08	Study sessions Lab practicals Field work Day schools / Seminars Assessments Total	120 75 75 24 6 300
6	Post - Harvest Technology 03 Modules 03 months	PHT01. Introduction to post harvest technology PHT02. Post- Harvest handling of grains, fruits and vegetables PHT03. Post harvest diseases	08	Study sessions Lab practicals Field work Day schools / Seminars Assessments Total	120 60 90 24 6 300
7	Floriculture 02 Modules 03 months	FL01. Introduction to floriculture FL02. Cut flower and foliage	08	Study sessions Lab practicals Field work Day schools / Seminars Assessments Total	120 50 100 24 6 300
8	Agro-business Management 03 Modules 03 months	ABM01. Agro-business management ABM02. Marketing ABM03. Entrepreneurship	08	Study sessions Mini project Case study Day schools / Seminars Assessments Total	100 100 50 24 6 300
9	Fundamentals of Animal Husbandry 03 Modules 03 months	FAH01: Introduction to Animal Husbandry FAH02: Anatomy and Physiology FAH03: Basic principles of animal rearing and animal production	08	Study sessions Field work Lab practicals Day schools/ Seminars Assessments Total	120 90 50 30 10 300

Table 07

After completing above 9 certificate courses, Diploma in Agro-technology will be awarded. Students who complete Diploma in Agro-technology with at least C for all eight (9) courses and with minimum of 2.75 GPA can pursue the Higher Diploma in Agro-technology followed by Bachelor of Agro-technology.

Following courses should be followed for the **Higher Diploma in Agro-technology**.

	Course	Module	Credit Value	Sessions	Study time (h)
9	Organic farming and seed production 03 Modules 03 months	OF01. Organic Farming OF02. Organic seed production and ecological agriculture OF03. Beekeeping	08	Study sessions Lab practicals Field work Day schools / Seminars Assessments Total	120 50 100 24 6 300
10	Agricultural farm machinery 03 Modules 03 months	FM01. Introduction to farm machinery FM02. Components of farm machinery FM03. Maintenance of farm machines	08	Study sessions Field work Day schools / Seminars Assessments Total	90 180 24 6 300
11	Aquaculture and Fisheries/ Entrepreneurship Management 03 Modules 03 months	AF01. Aquaculture AF02. Fisheries AF03. Ornamental fish culture	08	Study sessions Lab practicals Field work Day schools / Seminars Assessments Total	120 75 75 24 6 300
12	Dairy and animal science 03 Modules 03 months	DA01. Ruminant management DA02. Dairy and agrostology DA03. Poultry and swine production		Study sessions Mini project Case study Day schools / Seminars Assessments Total	120 75 75 24 6 300

Table 08

Following courses should be followed for completing Bachelor of Agro-technology after qualifying Diploma and Higher Diploma.

	Course	Module	Credit Value	Sessions	Study time (h)
13	Genetics, Breeding and Biotechnology 03 Modules 03 months	BT01. Genetics BT02. Animal and plant breeding BT03. Biotechnology	08	Study sessions Lab practicals Field work Day schools / Seminars Assessments Total	120 75 75 24 6 300
14	Biostatistics 03 Modules 03 months	BS01. Biostatistics BS02. Experimental designing BS03. Proposal formulation and seminar		Study sessions Computer practical Day schools / Seminars Assessments Total	200 60 30 10 300
15	Farm practice course 04 months				
16	Research Project** 06 months				

** (can start at the 4th year of studies) **Table 09**

All the components of this programme such as, practical, assignments, theoretical contribution as well as the learner support services have highly contributed towards the personal and professional development of rural farming community to develop as agricultural entrepreneurs.

Further this online Diploma/Higher Diploma and Degree programmes are providing motivational opportunity to the young generation to remain in agriculture having gained social recognition in the society.

Admission Requirement to the Academic Programme

Admission is done by calling applications from interested parties through newspaper advertisements published in the national newspapers in Sri Lanka.

- Enrolment is open to any person engaged in the field of Agriculture/Agro-business at least for a period of 05 years and who have successfully passed the GCE A-Level Examination;
- Or**
- Any person engaged in the field of Agriculture/Agro-business at least for a period of 07 years and who has successfully passed the GCE O-Level Examination.

Eligible applicants will be summoned for an aptitude test for selection. According to the results of the aptitude test, registration is done after having an interview.

After introducing the Diploma in Agro-Technology in the year 2008, the Institute was able to increase gradually its annual intake of students.

Total Number of Students in the year 2015 is given below (Table - 10).

Batch	Female	Male	Total	Remarks
1 st Batch	04	13	17	Following the Degree - Research project
2 nd Batch	01	17	18	30 completed the Diploma and 20 were selected for the Degree
3 rd Batch	04	13	17	24 completed the Diploma and 17 are following Higher Diploma
4 th Batch	08	30	38	Following Diploma
5 th Batch	06	40	46	Following Diploma
6 th Batch	30	56	86	Diploma level

Table – 10

- Diploma Awarding Ceremony for 2nd and 3rd Batches who have successfully completed the Agro-technology Diploma was held on 03rd June 2015 at the Grand

Balle Room, Magam Ruhunupura International Convention Centre (MRICC) in Hambantota. Accordingly, 53 diplomats awarded the Diploma at the Ceremony.

- Department of Agro-technology was formed at the institute by appointing Mrs.N.P.Vidanapathirana/Senior Lecturer as the Head of the Department with effect from 10.08.2015.

Staff of the Academic Programme as at 31.12.2015 is given below.

Academic (Permanent)

S/n	Name	Designation
1	Mrs.N.P.Vidanapathirana	Senior Lecturer Grade II

Table 11

Academic (Temporary)

S/n	Name	Designation
2	Ms. S.A.P. Nelka	Course Coordinator
3	Ms. S.L. Navarathna	Assistant Course Coordinator
4	Mr. H.R. Chamara	Assistant Course Coordinator
5	Mr. H.K.R.S. Kumara	Assistant Course Coordinator
6	Mr. J.L.H. Nishantha	Assistant Course Coordinator
7	Mr. T.G.B. Dhanushka	Assistant Course Coordinator
8	Mr. B.P. Siriwardena	Assistant Course Coordinator

Table - 12

Non-Academic

S/n	Name	Designation
1	Mr. P.B. Darshana	Computer Application Assistant

Table – 13

- Subject Experts are appointed by the Senate of University of Colombo with the recommendation of Board of Management/UCIARS for each course of the academic programme to get the expertise knowledge in each subject areas as well to maintain the standard of each course.

2.2 RED Programme Performance

University of Colombo Institute for Agro Technology and Rural Sciences (UCIARS) commenced a novel programme as “Rural Entrepreneurship Development (RED)” Programme in 2011, to provide initial financial assistance to its’ farmer students to start new agribusinesses or upgrade their existing agribusinesses with the intention of further strengthening their economy and livelihood. The RED programme was designed and

implemented with the technical advices of Prof. Kim, Jae-Ho, an Emeritus Professor in Agronomy and the founder of venture agriculture concept in Korea. Prof. Kim is the world's Friend Advisor to UCIARS dispatched by KOICA (Korean International Cooperation Agency).

Performance in 2012 – 2013

As an initiation to the RED Program, the Institute offered financial assistance to selected talented farmer students to commence their new agribusinesses or upgrade their existing agribusinesses. In January 2012, the Institute offered the financial assistance to selected recipients amounting to Rs.100, 000.00 with very flexible conditions under the agreements signed in between each student and the Institute. The progress of the RED program was significant at the end of December 2013 in terms of its expected results. The achievements in additional value creation by end of December 2013 were in approximately 3 million and the 12 new job opportunities have been generated by 12 entrepreneurs during this period.

Performance in 2014

Farmers Trust Fund has agreed to give two million rupees in 1% interest to the Institute at 2014 which was distributed among students. According to this agreement they provide to Rs.10, 00,000.00 to the Institute. Seven entrepreneurs were selected to provide the financial support to start or improve their own agribusiness and funds were distributed among them on 7th March 2014.

Farmers Trust Fund released another Rs.1,000,000.00 as the second step of this program and this money was distributed among another selected 10 agricultural entrepreneurs to develop their own agribusinesses on November 2014.

Moreover, Institute provided planting materials among three farmer students under HETC project on December 2014. Under this, Institute provided “Gerbera” plants valued at Rs.256,600.00 and “TJC” mango plants for farmer students.

Performance in 2015

Farmer's Trust Fund provided Rs. 1,400,000.00 for the year of 2015. Sixteen farmer students have applied to join this program. However, institute was able to distribute Rs.1,400,000.00 fund among 07 farmer students for the development or the initiation of their own Agribusiness.

Under this programme, Rs.135,960.00 valued Banana plants were distributed to the two farmer students in July 2015 and Rs.375,250.00 valued “Rose” and “Gerbera” planting materials were distributed among 3 farmer students as a loan without interest under HETC project funds.

Grace period of 06 months is given to the farmers before starting the recovering of loan (for both Farmers Trust Fund (FTF) Loan and Planting Material Loan). Recover percentage of each loan in the year 2015 is given below.

Loan	No.of Farmers, loan offered	Total Amount (Rs.)	Recover % as at 31.12.2015
First RED Loan	12	1,200,000.00	74%
FTF Loan –First Step	07	1,000,000.00	53%
FTF Loan –Second Step	10	1,000,000.00	17%
FTF Loan –Third Step	07	1,400,000.00	Grace period
Planting Material Loan-2014	03	256,600.00	22%
Planting Material Loan-2015	05	511,210.00	3%

Table 14

Under the RED program, Institute has conducted training programs on mushroom cultivation, mango cultivation, productivity development, awareness on Vermin Composting and TJC Mango.

Details of Training Programs held are mentioned below.

1. Agro Productivity Training Program for the Agro Entrepreneurs who has joined with the institute (Farmers in Banana, Mushroom and Mango Cultivation) held on 20.02.2015 and 22.02.2015 at UCIARS, Weligatta, Resource Contribution by the National Productivity Secretariat.
2. Agro Productivity Development Certificate Course for the Agro entrepreneurs and staff of the institute held on 28.02.2015, 01.03.2015, 20.03.2015, 21.03.2015 and 22.03.2015 at UCIARS, Weligatta Resource Contribution by the National Productivity Secretariat.
3. TJC Mango Training Program at Resident Project Manager Office, Lunugamwehera for the TJC Mango Farmers in Weerawila, Lunugamwehera and Thissamaharama held on 14.07.2015, Resource Contribution by Farm Manager, Ellawala Horticultural Pvt Ltd and Staff of UCIARS.
4. Awareness program to introduce Vermin Compost production among students in Babarawana Kanitu Vidyalaya, Babarawana held on 21.07.2015 at UCIARS.
5. E-marketing Business Training Program for farmer students of UCIARS held on 31.07.2015.
6. Mushroom Training Programme for farmer students of UCIARS held on 23.09.2015.

TJC mango cultivation project is continued during the year 2015 which was started collaboration with UCIARS, Ministry of Irrigation and Agriculture and Ellawala Horticulture Pvt/Ltd for increase the income level of farmers who engaged in Kiridi Oya Project by TJC mango cultivation in business level. Institute is providing the technical knowledge for the farmers by organizing training programs and doing on time field visits.

Staff of the RED Programme as at 31.12.2015 is given below.

S/n	Name	Designation
1	Mr. J.L.H. Nishantha	Assistant Course Coordinator/ Academic and Coordinator/RED Programme
2	Ms.W.I.Chathumali	Management Assistant/RED Programme

Table – 15

2.3 Plant Nursery/Laboratories Performance

Although the Institute for Agro-technology and Rural Sciences was established in 2008 according to the Ordinance, the Tissue Culture Unit was started in 1998 as a project of a University of Colombo by aiming poor and rural farming community to encourage developing their socioeconomic status. In 2001 department of Plant Sciences, Faculty of Science introduced Tissue Cultured banana and yam plantlets at the Institute as demonstration. Since 2003 the Institute was able to carry out its own production under the guidance and supervision of the University of Colombo. On the job training is conducted by the institute to train newly appointed laboratory staffs.

Staff of the Plant Nursery and Laboratory as at 31.12.2015 is given below.

S/n	Name	Designation
1	Miss. S.V.G.N. Priyadarshani	Research Assistant (In Charge/Laboratories)
2	Mr. H. Rohanadheera	Research Assistant (In Charge/Plant Nursery)
3	Mr. T.A.K.Y. Indunil	Filed In Charge
4	Mr. H.K.S. Ishara	Field Assistant
5	Mr. P.W.A. Chaminda Jayalath	Technical Assistant
6	Mr. B.G. Susira Kumara	Technical Assistant
7	Mrs. A.N. Abeygunawardhana	Tissue Culture Assistant
8	Mrs. H.K. Samanthi Nilini Kumari	Tissue Culture Assistant
9	Mrs. M.G.C. Sudarshani	Tissue Culture Assistant
10	Mrs. A. Priyanga Sudarshi	Tissue Culture Assistant
11	Miss. U. Anusha Ruwani	Tissue Culture Assistant
12	Mrs. W.H. Disna Sandamali	Tissue Culture Assistant
13	Miss. I.G. Dilini Nirosha Kumari	Tissue Culture Assistant
14	Miss. O.P. Niluka Subashini	Tissue Culture Assistant
15	Miss. D. Ishadi Nimalga	Tissue Culture Assistant
16	Miss. K.P. Udeni Nisansala	Tissue Culture Assistant
17	Mrs. P. S. Sarasika Abeywickrama	Tissue Culture Assistant
18	Mrs. W.H. Nelum Surangi Wasana	Tissue Culture Assistant

19	Miss. W.H. Vichithra Kalpanie	Tissue Culture Assistant
20	Miss. Isanka Chamedani Dodampe	Tissue Culture Assistant
21	Ms.N.S.Perera	Tissue Culture Assistant
22	Ms.H.R.Akeesha Madumali	Tissue Culture Assistant
23	Ms.W.S.Madhushani	Tissue Culture Assistant
24	Ms.R.H.B.Bhashini	Tissue Culture Assistant
25	Ms.W.K.M.Shashikala	Tissue Culture Assistant
26	Ms.K.G.Dilrukshi	Tissue Culture Assistant
27	Ms.G.A.Wimukthi Shalika	Tissue Culture Assistant
28	Ms.W.H.U.Kaushalya	Tissue Culture Assistant
29	Ms.K.G.D.Prasadi	Tissue Culture Assistant
30	Mr.N.S.Pradeep	Field Assistant

Table 16

Performance in year 2015

Plant Production Records from three Laboratories (Nos)

	Lab 01	Lab 02	Lab 03	Total 2015
January	10283	6020	4012	20315
February	7873	8157	4097	20127
March	8181	8229	4201	20611
April	6058	4020	2502	12580
May	5410	5478	3964	14852
June	5991	6722	1505	14218
July	6033	3989	2007	12029
August	8039	2007	3975	14021
September	8068	7961	2001	18030
October	9430	8995	4002	22427
November	9558	7993	4006	21557
December	9499	7846	3994	21339
Total	94423	77417	40266	212106

Table 17

Comparison of plant production from three laboratories

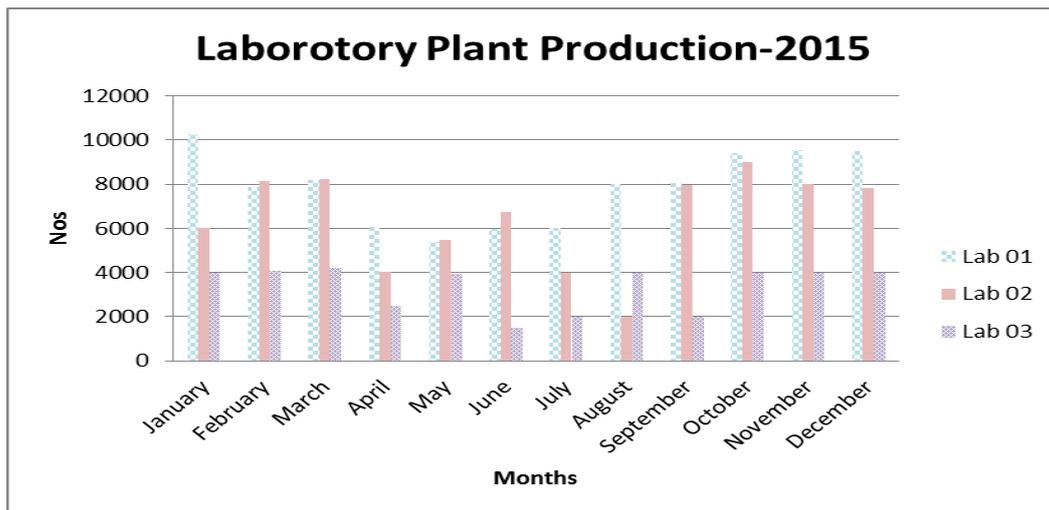


Figure 02

Laboratory 01 and 02 carried out work to produce 8000 plants per month and in laboratory 03 is targeting to produce 4000 plants per month. Laboratory 01 has achieved 98.36 percent of the target and laboratory 02 has achieved 80.64% from their target. Laboratory 03 has achieved 83.89% of their target and when considering all three labs, they have achieved 88.38% of their 2015 target.

Comparison of plant production for last five years

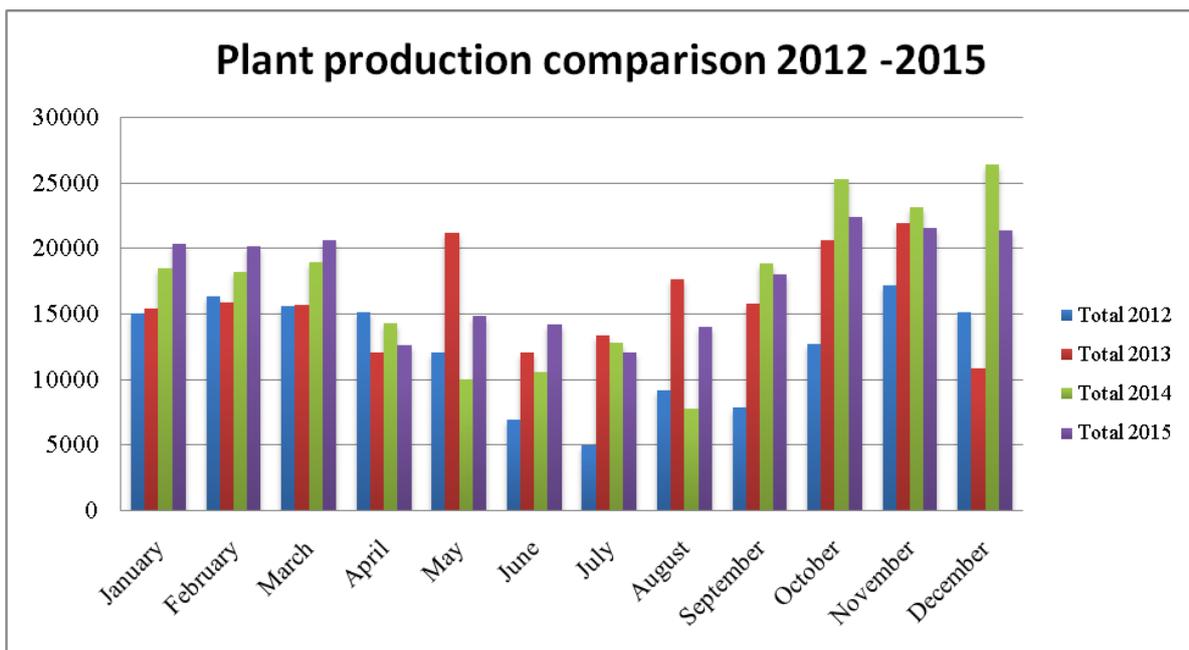


Figure 03

Throughout the data collected from last four years it showed the pattern of high demanding period during the month of January to April and September to December. Therefore,

production plans changed to maximize the plant issues to the nursery during the high demanding period. Plant issues from the lab varies according to the plant sales throughout the year and it depends on environmental factors such as rain and drought, market price of the banana fruit and other factors such as community perception.

Banana Production Comparison in the year 2015

From the total production, 100% accounts for Embul Banana and only 356 Koli banana plants were produced during the year 2015.

There is clear evidence that plant production has increased in year 2015 with compared to previous years. Also, a new methodology (Increasing the seasonal production) was introduced to reduce waiting list of the farmers to purchase Tissue Cultured Banana.

Plant Sale Comparison

Demand for the Tissue Cultured banana highly depend on the climatic conditions while highest demand is recorded in the rainy season (September to April) and low demand in the dry season (May to August). Raining pattern directly influence on cultivation; farmers cultivate bulk quantity of Tissue Cultured banana plants on rainy season. High demand for banana bunches occurs in this season especially targeting December and April festivals. Therefore farmers purchase tissue cultured banana plants considering these favorable climatic conditions and demand in the market.

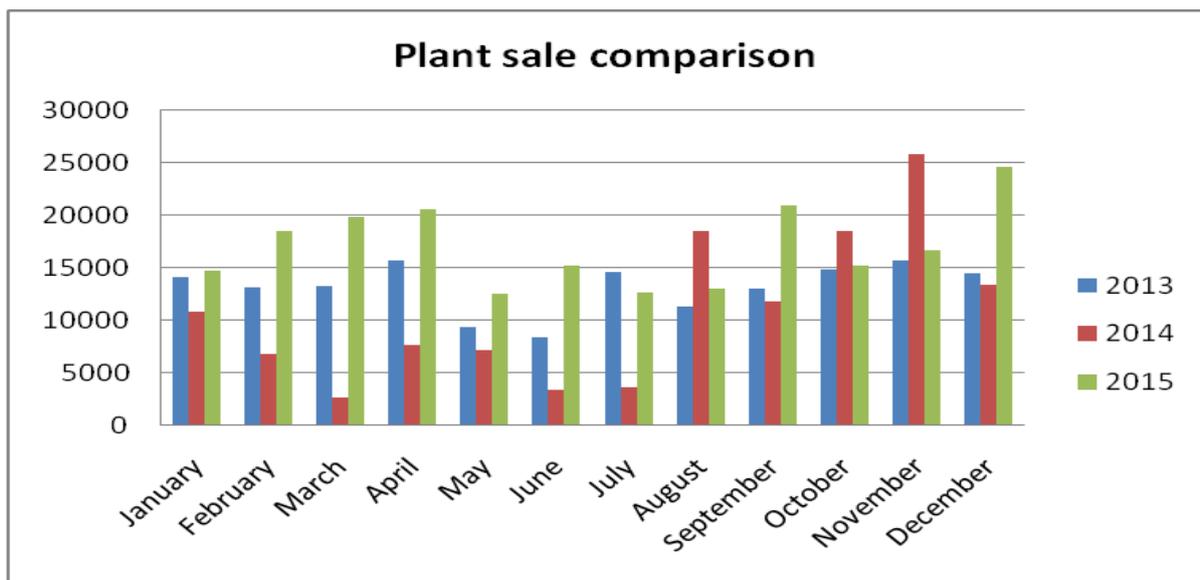


Figure 04

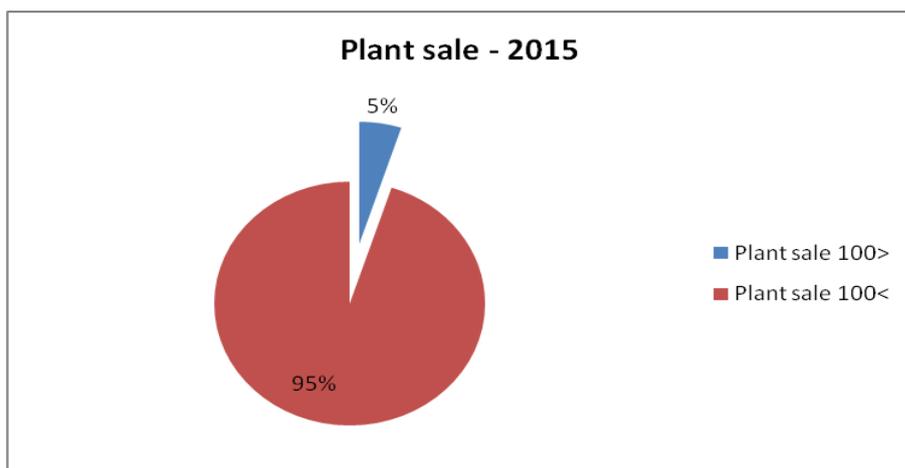


Figure 05

Plant Sale in Variety Basis

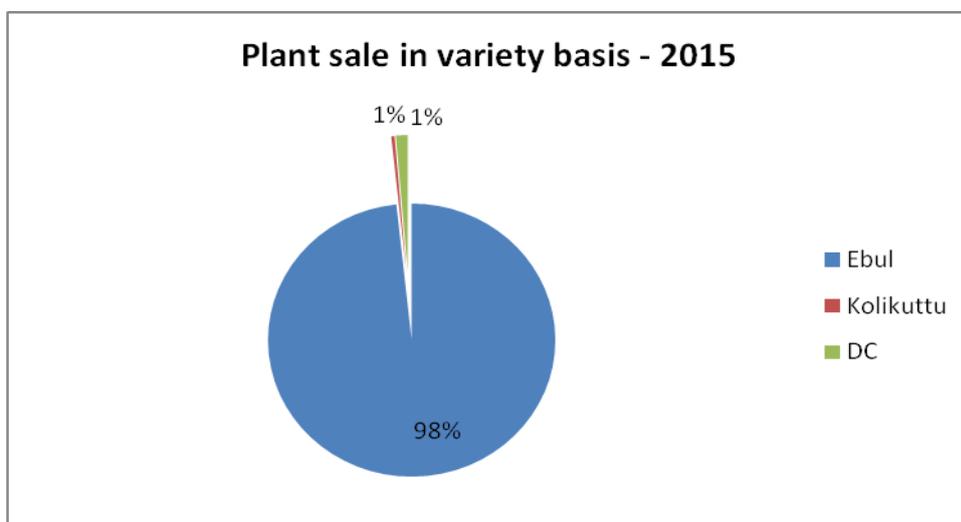


Figure 06

Embul banana (Sour banana) is the highest demanded variety due to low disease incidents in the field level and continues high yielding capacity up to five years. Farmers cultivate Kolikuttu banana in single plant management system due to severe *Fusarium* wilt disease conditions in second generation. Draft Cavendish banana has recommended only for wet zone shows low demands with limited number of wet zone farmers facilitate by the Institute.

Demand for the tissue cultured banana is higher than conventional plant productions and farmer's major requirement was Embul banana (Sour Banana) due to higher long term profitability and less disease susceptibility.

The Institute provides banana plants to the local farmers with low cost and farmers are engaged with the institution representing remote areas in Sri Lanka. The Institute previously conducted workshops in *Northern Province* to make farmers aware of this technology and encourage them to cultivate banana in their areas and issued sour banana plantlets for their

cultivations. Our field staff regularly monitors their cultivations and provides necessary instructions and guidance they need. These farmers were categorized according to their purchases.

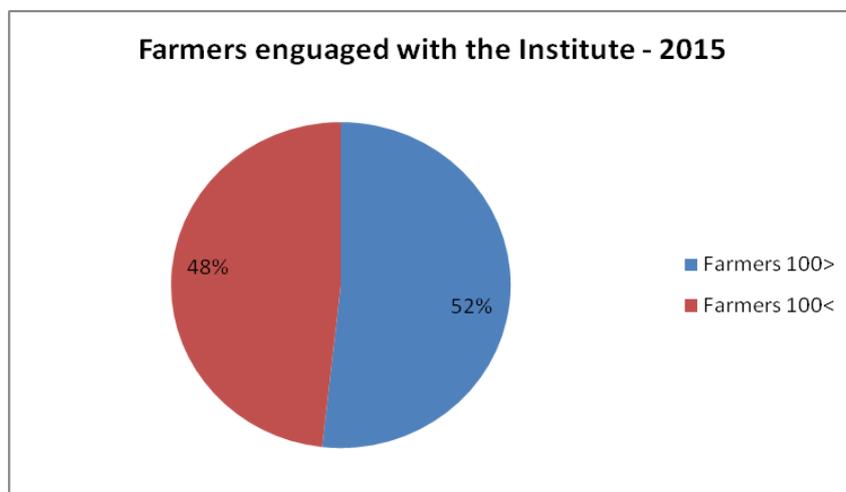


Figure - 07

Field officers attached to the institute have arranged regular field visits to expand Tissue Culture banana farming community in all around the country.

Achievements in the Year (Tissue Cultured Lab and Nursery)

1. Introduced Tissue Cultured Banana for the farmers in Puthukudairappu (50), Horowpathana (47), Batticaloa (34).

Contribution of HETC Project Annual Disbursement

	Activity	Year 1 (2013)	Year 2 (2014)	Year 3 (2015)
1	ICT based farmer education and Rural Entrepreneurship program	564,875.60	2,881,336.40	2,779,245.78
2	Socio- Economic development via knowledge and novel technology transfer of tissue cultured banana to farming community in Sri Lanka	191,239.92	1,796,925.00	1,090,198.30
Total		756,115.52	4,678,261.40	3,869,444.08

Table 18

Under HETC Project, Institute was granted Rs. 10 million and the funds are utilizing efficiently and effectively for the development of three programs (Agriculture courses, Tissue Culture Lab & Nursery and RED program) at the institute. Also the funds were utilized to

purchase some equipment which are very important for the institute and also to transfer technology to Northern and Eastern provinces of the country. At the end of year the institute was able to spend 93% of the allocated money for improvement of the above activities. Under HETC project several workshops conducted for farmer groups and students of the Diploma Programme under both activities.

Equipment purchased from HETC Grant

- Digital Duplicating Machine (Rizo)- 01 Nos
- Air Conditioner - 02 Nos
- Multimedia Projector - 01 Nos
- Autoclave - 01 Nos
- Steel Cupboards - 07 Nos
- Filling Cabinets - 08 Nos
- Spiral Book Binding Machine - 01 Nos
- Stationary
- Paper Cutter - 01 Nos
- Tripod Screen - 01 Nos
- Gerbera Plants (RED Programme)
- GI box Bar, Insect proof net
- Scanner - 01 Nos
- Four wheel tractor 01 Nos., Mud wheel 01 Nos., Disc plough 01 Nos., Tine tiller 01 Nos., Trailer 01 Nos.
- Laptops -04 Nos.
- Bead sterilization Units – 02 Nos.
- Troleys – 04 Nos.
- Photocopier – 01 Nos.
- FM sound system – 01 Nos.
- Digital Camera – 01 Nos.
- Analytical Balance – 02 Nos.
- EC meter set – 01 Nos.

3. RESEARCH AND INNOVATIONS

Research done by IARS in 2015 (Academic Section)

1. Vidanapathirana, N.P., Hirimburegama, K., Hirimburegama, W.K., Nelka, S.A.P. (2015) EXPLORING FARMERS ACCEPTANCE OF E-LEARNING USING TECHNOLOGY ACCEPTANCE MODEL - CASE STUDY IN SRI LANKA, EDULEARN15 Proceedings (7th International Conference on Education and New Learning Technologies), ISBN: 978-84-606-8243-1, ISSN: 2340-1117, pp. 4287-4294

2. Vidanapathirana, N.P., Hirimburegama, K., Hirimburegama, W.K., Nelka, S.A.P., Kim, J.H. (2015) SOCIO ECONOMIC DEVELOPMENT OF FARMERS THROUGH ICT-BASED EDUCATION AND RURAL ENTREPRENEURSHIP DEVELOPMENT: CASE STUDY IN SRI LANKA, EDULEARN15 Proceedings (7th International Conference on Education and New Learning Technologies), ISBN: 978-84-606-8243-1, ISSN: 2340-1117, pp. 4327-4333.

4. TRAINING, WORKSHOPS AND STAFF DEVELOPMENT

- I. Director and the other staff members participated the workshop on Lean Management conducted by the National Productivity Secretariat.

- II. Agro Productivity Development Certificate Course for the Agro entrepreneurs and staff of the institute held on 28.02.2015, 01.03.2015, 20.03.2015, 21.03.2015 and 22.03.2015 at UCIARS, Weligatta Resource Contribution by the National Productivity Secretariat.

- III. Conducted Leadership Development programme for the UCIARS staff on the theme of “How to be an effective Personality in the Workplace” on 14.11.2015, resource contribution by Mr.Daminda Ranasinghe.

- IV. Assistant Bursar participated for a 5 days Training Programme on Sri Lanka Public Sector Accounting Standards (SLPSAS) to improve the quality of financial reporting by Government Entities in compliance with SLPSAS conducted by the Association of Public Finance Accountants of Sri Lanka under the Financial Assistance Program of the Asian Development Bank.

- V. Director/UCIARS participated a Training Course on e-Marketing of Agricultural and Food Products in Taipei, Republic of China organized by National Productivity Secretariat of Sri Lanka to increase the productivity in Agriculture Sector.

- VI. Two Management Assistants in the Administrative and Accounts division participated the MS Access Advanced Database Management Certificate Course and MS Excel Advanced Certificate Course conducted by National Centre for Advanced Studies.
- VII. Several schools, participants from Agriculture Department and Universities visited the institute to get exposed to Tissue Culture Technology.
- VIII. One day Workshop was organized for the Academic and Administrative Staff on Academic Writing with the Resource Contribution of Prof. Ivon de Silva, University of Peradeniya.

5. RENOVATIONS AND CONSTRUCTION PROJECTS

No	Project Name	Remarks
01	Installation of Lightning Protection System with Surge Protectors for new hostel (under 60 hostel project)	Cost:2,604,355.00+VAT Constructed by Venora Telecom (Pvt) Ltd
02	Furnishing 20 rooms of the new hostel	
03	Renovation of NODES Access Center (Computer Lab of the Institute)	Done by Metro Computer Technologies
04	Renovation of Old Roof of Quarters Building	
05	Renovation of outside of the Transformer Cubicles	
06	Renovation of the Old Ceiling of the Tissue Culture Laboratory	
07	Extension and Rehabilitation to the Existing Vidatha Building	Bids were invited and referred to Technical Evaluation Committee to start the work in the first month of year 2016

Table 19

6. FINANCE

a. Details of Recurrent Expenditure

Subject	2014 (Rs)	2015 (Rs)
Personal emoluments	15,519,591.00	19,633,992.00
Travelling	1,623,394.00	300,346.00
Supplies	2,567,231.00	2,308,578.00
Maintenance	1,366,274.00	1,490,869.00
Contractual Services	2,463,327.00	3,161,097.00
Other	2,297,892.00	4,597,346.00
Total	25,837,709.00	31,492,228.00

Table 20

b. Details of Capital Expenditure

Subject	2014 (Rs)	2015 (Rs)
Acquisition and Improvements of Buildings & Structures	3,580,894.00	29,948,298.00
Vehicles	319,500.00	-
Lab and Teaching	-	1,269,674.00
Computers	2,849,700.00	307,000.00
Plant Machinery & Equipment	337,859.00	29,900.00
Fixtures & Fittings	2,682,465.00	633,883.00
Furniture & Office Equipment	805,747.00	3,759,348.00
Total	10,576,165.00	35,948,103.00

Table 20

c. Details of Project Expenditure (Local/Foreign Funded)

Name	TCE Rs.	Exp in 2013 Rs.	Exp in 2014 Rs.	Exp in 2015 Rs.	Cumulative Exp as at 31.12.2015	% of Physical Progress (2015)
HET	10,000,000.0	756,115.5	4,678,261.4	3,869,444.0	9,303,821.0	93%
Total	10,000,000.0	756,115.5	4,678,261.4	3,869,444.0	9,303,821.0	-

Table 21

*HETC Project coordination works operate in IARS since 2013 for 3 years (2013-2015)

d. Details of Financial Progress (Generated Income)

Source of Revenue	Provision in 2014 Rs.	Collecting in 2015 Rs.	(Deficit)/Surplus Rs.
Certificate Courses-IARS	5,550,000.00	3,692,192.00	(1,857,808.00)
Sales in Tissue Culture Banana Plants	12,904,000.00	12,780,512.00	(123,488.00)
Other Income	-	103,930.00	103,930.00
Total	18,454,000.00	16,576,634.00	(1,877,366.00)

Table 22

e. Financial Performance Analysis-2015

Subject	Formula	Exp.per Student(Rs)
Recurrent Expenditure per Student (RE)	RE/No of Student strength	141,856.90
Capital Expenditure per Student (CE)	CE/No of Student strength	161,928.00
Total		303,784.90

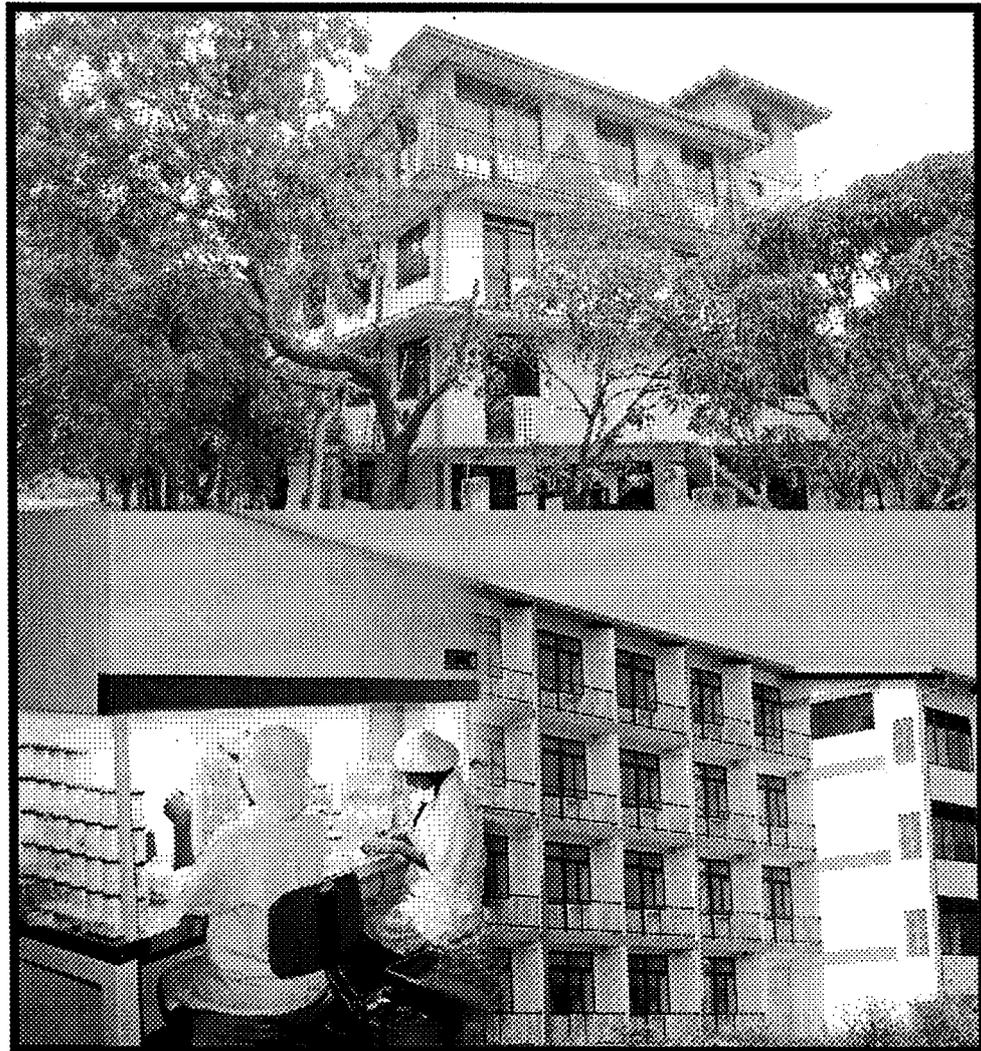
Table 23

f. Details of Infrastructure Facilities Received in 2015

Infrastructure Details	Expenditure (Rs)	Physical Progress (%)
Building and Structures Extension	136,858.00	80%
Other (specify)	335,366.00	85%

Table 24

Final Accounts - 2015



Institute for Agro - Technology and Rural Sciences
University of Colombo



කොළඹ විශ්ව විද්‍යාලයේ කෘෂිතාක්ෂණික හා ග්‍රාමීය විද්‍යා ආයතනය
ශාස්ත්‍රාංශ පාලකවරයාගේ කාර්යාලය, පොල්දොර, පොල්දොර, පොල්දොර, පොල්දොර, පොල්දොර, පොල්දොර, පොල්දොර, පොල්දොර, පොල්දොර, පොල්දොර
University of Colombo Institute for Agro-Technology and Rural Sciences

29th June 2016

Deputy Auditor General,
Auditor General's Department,
No: 306/72, Polduwa Rd,
Baththaramulla.

Dear Sir,

Revised Final Accounts – 2015

I hereby submit Revised Final Accounts for University of Colombo, Institute for Agro Technology And Rural Sciences for the year 2015, with following statements.

01. Revised Statement of Financial Position as at 31-12-2015
02. Revised Statement of Production and Trade for the year ended 31-12-2015
03. Revised Statement of Financial Performance for the year ended 31-12-2015
04. Revised Statement of Changes in Equity for the year ended 31-12-2015
05. Revised Cash flow statement for the year ended 31-12-2015
06. Revised Statement of Responsibility
07. Revised Notes to Financial Statements

Thanking you,


N.P. Vidanapathirana

Acting Director

University of Colombo, Institute for Agro Technology And Rural Sciences

Acting Director
Institute for Agro - Technology & Rural Sciences
University of Colombo
Weligatta - Hambantota.

වැලිගත්ත නව නගරය, හම්බන්තොට. වෙලිගත්ත පதிய நகரம், அம்பாந்தொட்டை. Weligatta New Town, Hambantota.

Academic :

Tel : +94-47-3620468

Fax : +94-47-3220044

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Fax : +94-47-3220044

Email : sar@uciars.cmb.ac.lk

Account :

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Fax : +94-47-3220044

Email : sab@uciars.cmb.ac.lk

INSTITUTE OF FOR AGRO - TECHNOLOGY AND RURAL SCIENCES

UNIVERSITY OF COLOMBO

STATEMENT OF RESPONSIBILITY

FOR THE YEAR ENDED 31ST DECEMBER 2015

The Accounting policies on pages 06 To 09 and notes on pages 10 to 15 Form and integral part of these Financial Statements. The Board of Directors is responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved by the Board of Directors and signed on their behalf.

Director

**University Of Colombo
Institute For Agro Technology And Rural Sciences**

Members of Board Of Management

Name		Signature
Prof.K.R.R.Mahanama	Dean/Faculty of Science University of Colombo	
Ms.A.S.P.Weerasuriya	Nominee of the Secretary to the Ministry of Higher Education	
Dr.J.D.H.Wijewardena	Nominee of the secretary to the Ministry of Agriculture	
Prof.Tara D Silva	UGC Nominee	
Ms.KrishanthiWeerasinghe	UGC Nominee	
Mr. RajanAsirwatham	Council Nominee	
Prof. LakshmanRathnayake	Council Nominee	

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1. Introduction	i - ii
2. Financial Statements –Statement of Financial Position	01
3. Financial Statements – Production, Trade ,Statement of Financial Performance	02-03
4. Statement of Changes in Equity	04
5. Financial Statements – Cash Flow Statement	05
6. Notes to the Financial Statements	06-15
7. Schedule 01- Investments	16
8. Schedule 02 - Unsettled Advance As At 31.12.2015	17

Introduction

The establishment of the Institute for Agro-technology and Rural Sciences heralded an era of affirmative action on the part of the Government of Sri Lanka to “uplift agro industry in Sri Lanka as a prestigious occupation through arming the rural community with modern knowledge on agro-technology with information technology”¹.

The University of Colombo Institute of Agro-Technology and Rural Sciences (UCIARS) (herein-referred to as the Institute) was established as an Institute with blended distance mode of teaching to provide opportunities of higher education to agricultural/farming community across barriers of age, space, time and academic background, under Section 24 A and Section 18 of the Universities Act no 16 of 1978 and the University of Colombo Institute of Agro technology and Rural Sciences Ordinance No. 02 of 2008². The Order under Section 24 A came into operation with effect from 23rd August 2008.

The Institute incorporated within its system the Magampura Agro-Technology and Community Services Center in Weligatta, Hambantota affiliated to the University of Colombo in 2000 by the UGC³. The Institute is located 250 km away from Colombo very close to the Colombo-Kataragama main road. The Centre’s history dates back to 1998³ through which the university and researchers were able to build over the years close collaborative links with the community in order to transfer technology / knowledge and know-how directly to the end-users and thereby improve efficiency in agriculture and agro-industry in the region.

The Institute has a mandate to “providing, promoting and developing among persons presently engaged in Agriculture and Agro-Technology, higher education in the discipline of Agro-Technology and Rural Sciences”². It will cater to the changing individual and social needs by taking higher education through a blended learning mode to the doorsteps of the rural agricultural community who never dreamt of entering the portals of higher education. However they have aspiration and potential to pursue higher education but could not utilize the opportunities for personal, family or economic reasons. With the flexibility in the entry requirements and choice of courses the Institute demonstrates that it is possible to impart quality higher education using modern information communication technologies to learners of the agricultural communities of poor rural sectors to pursue education at a pace and place convenient to them and realize their academic, professional and social aspirations.

The will and commitment of the Institute to engage with society is evidenced by clear statements in institutional objectives, strategic planning and, teaching and learning processes.

Organization and management

As the education system moves from elite to mass systems and from emphasis on teaching to a focus on learning, students become more important actors – as primary clients, consumers, and learners. This shift will require the establishment of appropriate organizational and management mechanisms to handle those new roles and the new challenges that they represent. The Organogram illustrates the organizational structure of the Institute.

Administrative Organization

The Institute is headed by the Director who is the Principal Executive Officer and the principal academic officer and accounting officer of the Institute. The Director is also an ex-officio member of the Board of Management, the Academic Syndicate and all Boards of Study of the Institute, and presides at all meetings of the Board. The Director is also a member of the Senate and brief the Senate on the academic performance of the Institute. The Board of Management is the academic and executive body of the Institute. The Institution has the financial autonomy from the University and the Board of Management is responsible for finances. Under the Director is the Deputy Director. Director and Deputy Director are officers of the Institute.

It is the duty of the Director on behalf of the Board of Management to ensure that provisions of the Act, the ordinance or any other instrument, are duly observed. It is also the duty of the Director to give effect to the decisions of the Board and responsible for the maintenance of discipline within the institute.

Academic Organization

The Academic Syndicate chaired by the Director has the control and general direction over instruction, training, research and examinations of the Institute.

There are three Boards of Study chaired by the Director in respect of Research Higher Degrees; Internal Academic Programs; External and Extension Programs. The Boards of Study have control and general direction over instruction, training, research and examinations of the Institute.

There are three Departments of Study in respect of the disciplines of (i) Agro-Technology; (ii) Food Technology; and (iii) Entrepreneurship, Agro-business and Rural Sciences. Each Department of study is led by a Head.

The three Centers, Agribusiness and industry cell; the Science Park; Extension programs, are led by a Coordinator.

Faculty and support staff of the Institute and from collaborating partner institutions and universities assists the development of learning material, delivering and support of academic courses / program.

INSTITUTE FOR AGRO - TECHNOLOGY AND RURAL SCIENCES
UNIVERSITY OF COLOMBO
STATEMENT OF FINANCIAL POSITION AS AT DECEMBER 31ST 2015
(Figures adjusted to the Nearest Rupee)

		2015	2014
		Rs.	Rs.
		N.B.V	N.B.V
<u>ASSETS</u>			
<u>CURRENT ASSETS</u>			
Bank Balances	Note - 01	95,555,887	36,679,541
Stock	Note - 02	5,691,048	5,631,340
Interest Receivable on Investments		333,626	83,403
Receivable Loan Account	Note - 03	2,144,598	2,231,898
Advance A/C		189,980	649,004
		103,915,138	45,275,186
<u>NON CURRENT ASSETS</u>			
Property Plant And Equipment	Note - 04	277,779,549	253,422,401
Deffered Expenditure	Note - 05	2,078,880	2,338,740
Deposit for Transformer		500,000	500,000
Investments		16,692,825	15,661,407
		297,051,254	271,922,548
Total Assets		400,966,392	317,197,734
<u>LIABILITIES</u>			
<u>CURRENT LIABILITIES</u>			
Deffered Income		1,500	500
Accrued Expences	Note - 06	1,152,527	738,563
		1,154,027	739,063
<u>NON CURRENT LIABILITIES</u>			
Non Current Liabilities	Note - 07	4,857,660	3,473,928
		4,857,660	3,473,928
Total Liabilities		6,011,687	4,212,991
NET ASSETS		394,954,710	312,984,749
<u>EQUITY</u>			
Capital Grant Spent		58,411,053	32,508,904
Capital Grant Unspent		95,880,968	45,318,622
IT Grant		3,160,390	3,160,390
Other Grant Spent		6,473,365	6,473,365
Other Grant Unspent	Note - 08	69,672	69,672
Accumilated Funds		10,959,111	5,453,644
MOHE Grant Spent		220,000,152	220,000,152
Total Equity		394,954,710	312,984,749

.....
Certified by
Assistant Bursar (IARS)

Assistant Bursar
Institute for Agro - Technology & Rural Sciences
University of Colombo
Weligatta - Hambantota.

.....
Director (IARS)

For and on behalf of the Board of Management

Acting Director
Institute for Agro - Technology & Rural Sciences
University of Colombo
Weligatta - Hambantota.

INSTITUTE FOR AGRO - TECHNOLOGY AND RURAL SCIENCES
UNIVERSITY OF COLOMBO
PRODUCTION , TRADE , STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2015

		2015	2014
		Rs.	Rs.
Raw Material as at 01.01.2015		1,244,090	1,324,444
ADD: Purchases		472,166	593,903
		1,716,256	1,918,347
Raw Material as at 31.12.2015		1,202,782	1,244,090
Raw Material Consumption During The year		513,474	674,257
Direct Cost			
Personnel Emoluments	Note - 09	6,861,155	6,181,300
Prime Cost		7,374,630	6,855,557
Add: Work In Progress as at 01.01.2015		786,978	871,674
Culture Bottles 31804			
Less : Work In Progress as at 31.12.2015		724,279	786,978
Culture Bottles 26399			
		7,437,329	6,940,254
OVERHEADS			
Administrative Expences	Note - 10	1,153,280	
Telephone		54,743	51,212
Water		123,184	50,671
Depreciation for Lab Equipment		491,173	
Electricity		563,064	823,360
Expenditure On Plant Production		1,421,360	1,312,387
Cost Of Production		11,244,132	9,177,883
Number of Plants Produced during the year 2015		185038	204758
Unit Cost		60.77	44.82
Cost of production Transferred to Income And Expenditure Account		11,244,132	9,177,883
Income from Sale of Plants		12,780,512	7,783,800
<u>Cost of Sales</u>			
Banana Plants As At 31.12.2015 61552 @ 44.82		2,767,725	779,865
Add: Cost Of Production		11,244,132	9,177,883
		14,011,857	9,957,748
Banana plants as at 31.12.2015 38650 unit cost of Rs.		2,348,630	2,767,725
		11,663,227	7,190,024
Gross Profit		1,117,285	593,776

INSTITUTE FOR AGRO - TECHNOLOGY AND RURAL SCIENCES
UNIVERSITY OF COLOMBO
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED DECEMBER 31ST 2015

(Figures adjusted to the Nearest Rupee)

		2015	2014
		Rs.	Rs.
INCOME			
Gross Profit		1,117,285	593,776
Govt. Grant for Recurrent Expenditure		25,000,000	13,000,000
Generated Income	Note - 11	3,796,122	2,229,914
Interest Income	Note - 12	1,929,374	2,972,500
Amortization		14,785,505	2,557,086
		46,628,286	21,353,276
Less : EXPENDITURE			
Personal Emoluments	Note - 13	12,772,837	9,338,291
Travelling	Note - 14	300,346	1,623,394
Supplies	Note - 15	1,836,412	1,973,328
Maintenance Expenditure	Note - 16	1,490,869	1,366,274
Contractual Services	Note - 17	2,983,170	2,361,444
Other Recurrent Expenses	Note - 18	4,597,346	2,297,892
Strengthening Research		-	107,285
Gratuity		557,065	367,868
Write Off Amount Of Defferd Expenditure		259,860	259,860
Depreciation		15,839,332	4,446,642
		40,637,238	24,142,277
Excess of Income over Expenditure		5,991,049	(2,789,001)

INSTITUTE OF FOR AGRO - TECHNOLOGY AND RURAL SCIENCES
UNIVERSITY OF COLOMBO
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2015

	Attributable to owners of the controlling entity			Total Equity
	Contributed Capital	Other Reserves	Accumilated Surplus	
Balance at 01.01.2015	80,987,916	226,543,189	5,453,644	312,984,749
Prior Year Adjustment Note 19			(485,581)	
Restated Balance	80,987,916	226,543,189	4,968,062	312,499,167
<u>Changes in Equity for Year 2015</u>				
Deficit/Surplus For the period	76,464,495	(0)	5,991,049	82,455,543
Balance at 31.12.2015 carried Forward	157,452,411	226,543,189	10,959,111	394,954,710

**INSTITUTE OF FOR AGRO - TECHNOLOGY AND RURAL SCIENCES
UNIVERSITY OF COLOMBO
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2015**

		2015	
		Rs.	Rs.
Excess for the year			5,991,049
Add :	Adjustments for items not involving movement of Funds		
	Prior year adjustments	(457,582)	
	Depreciation	16,330,505	
	Gratuity	557,065	
	Write Off Amount of Deffered expenditure	259,860	
	Amortization	(14,785,505)	
	Interest Income	(1,929,374)	(25,032)
Operating excess before working capital changes			5,966,017
	Increase in Stock	(59,708)	
	Increase in Receivables	459,024	
	Increase in Payables	414,964	814,280
Net cash flow from operating activities			6,780,297
CASH FLOWS FROM INVESTING ACTIVITIES			
	Increase in Loans	87,300	
	Acquisition of Fixed Assets	(14,437,654)	
	Interest Income For The Year	619,734	(13,730,620)
CASH FLOWS FROM FINANCING ACTIVITIES			
	Increase of Borrowings	826,667	
	Government Grant for Capital Expenditure	65,000,000	
	Other Grants		65,826,667
NET INCREASE IN CASH EQUIVALENTS			58,876,346
	Cash & cash equivalents at the beginning of the period		36,679,541
	Cash & cash equivalents at the end of the period		95,555,887
Net Increase in Cash Equivalents			58,876,346

Notes to the Financial Statement

Institute for Agro- Technology and Rural Sciences (IARS)

University Of Colombo

1. Significant Accounting Policies

1.1 Reporting Entity

IARS has been incorporated under the Ordinance No:02 of 2008 and gazette on 16th October 2008. The main administration is at Weligaththe New Town, Hambanthota. The Financial Statement of the IARS is prepared for the year ending 31/12/2015.

1.2 Basis of Preparation

The Financial Statements are prepared on the historical basis of accounting. Whereby the transactions are recorded at values prevailing at the dated when the assets were acquired, the liabilities were incurred and funds obtained in accordance with **Sri Lanka Public Sector Accounting Standards** laid down by the Institute of Chartered Accountants of Sri Lanka.

The financial statements are prepared in Sri Lanka Rupees, which is the functional and presentation currency. Figures and phrases relating to the previous year have been restated where necessary, for comparison with the current year presentation.

1.3 Assets and the bases of their valuation

1.3.1 Property Plant and Equipment (PPE)

Land is occupied to The Divisional Secretariat ,Lunugamwehera. It is rented out by the Institute since 1998,for 30 years lease basis. Value of Buildings And Structures are shown based on the valuation is given by Department of Valuation.

Property Plant and Equipment and Lab & Teaching Equipments include the items purchased out of government grant, research grants and internally generated funds.

Property Plant and Equipment are recorded at cost of purchase together with any incidental expenses thereon. The assets are shown at cost less accumulated depreciation.

Subsequent Cost.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the items will flow to the institute and the cost of items can be measured reliably. All other repairs and maintenance are charged to income statement during the financial period in which they are incurred.

Stocks

Stock of Raw Materials And Consumables , Stock of Work in Progress , Stock of Tissue Culture Banana Plats as at 31.12.2015 are measured at the lower of cost and Net Realizable value. Net Realizable value is the estimated cost of completion and selling expenses. Stock Valuation method is First In First Out (FIFO) method.

1.3.2 Depreciation

Depreciation has been charged to the Statement of Financial performance on all Property Plant & Equipment and Lab & Teaching Equipments on the straight line basis over their estimated useful lives.

<u>Description</u>	<u>Estimated useful Life</u>
• Building & Structures	- 20 years
• Hostel Building	- 20 Years
• Fixtures & Fittings	- 10 years
• Laboratory & Teaching Equipment	- 5 years
• Computers	- 5 Years
• Electrical Equipments	- 5 Years
• Furniture And Office Equipments	- 10 Years
• Plant Machinery And Equipments	- 10 Years

Depreciation is provided from the year of purchased and up to the year of sale based on the period used, with full depreciation being provided in the month of purchase and no depreciation being provided in the month of sale.

1.3.3 Amortization

Amortization has being provided for Depreciation for Capital Assets which purchased by using government capital grants.

1.3.4 Deferred Expenditure

Expenditure incurred for plant Transformer from Ceylon Electricity Board has being identified as Deferred Expenditure, Which will be written off to Statement of Financial Performance equally.

1.3.5 Gratuity

Provision is made in the accounts for retirement of gratuities at rates applicable under the payment of gratuity act No 12 of 1983 although employees should complete a minimum period 05 years of continued employment to qualify for Gratuity payment under the act. Provision is made at the complete one year of employment on the assumption that all employees indent to continue in employment to act last 05 years.

1.4 Income and Expenditure

1.4.1 Government Grant

The total Capital Grant received for the year was Rs.65Mn. The Recurrent Grants that have been used for the operational activities for the year was Rs.25 Mn and have been recognized as revenue in the Income Statement.

1.4.2 Revenue Recognition

(a) Government Grants (Recurrent)

The Government Recurrent grants are recognized in the period in which they are received.

(b) Course Fees

Course fees are recognized over the period of instruction. Where adequate information is not available to make such allocation to different financial periods, fees are recognized as income on a cash basis.

(c) Investment Income

Interest income received out of Investment is accounted on accrued basis.

1.5 Receivables

Receivables are stated at the amounts that they are estimated to realize.

1.6 Cash and Cash Equivalents

Cash and Cash equivalents comprise bank balances.

1.7 Current Assets

Current Assets classified in the balance sheet are those which will be recovered within one year after the Balance Sheet date.

1.8 Current Liabilities

Liabilities classified as current liabilities in the balance sheet are those that fall due for payment within one year from the Balance Sheet date. All known liabilities have been accounted for in preparing the final statements.

1.9 Cash Flow Statement

The Cash flow statements have been prepared using the “Indirect Method” for the purpose of the statement of Cash flow. Cash & Cash equivalents are comprised bank balances.

Institute for Agro Technology and Rural Sciences University of Colombo
Notes to the Financial Statements - 2015 (Contd..)

Note - 01	2015	2014
Bank Balances	Rs.	
007-1001-4-6432005 - Plant Sale Collection Account PB Hambanthota	121,760	-
007-1001-3-0005888 - Cetificate Course Collection A	2,566,662	1,345,319
007-2-017-9-0005272 Avurudu Ganudenu Ithurumpath	53,454	53,454
007-2-018-9-0005272 Avurudu Ganudenu Ithurumpath	53,454	53,454
007-1001-2-0005006 - Gov. Grant Current Account PB Hambanthota	63,435,786	14,945,009
007100130012515 Farmers Trust Fund	1,107,075	124,210
Salary Current Account	10,000	10,000
3 months Short Term Investments	10,310,050	9,761,967
Call Deposits	17,120,895	10,120,895
007100236432005Generated Income Current Account	776,751	265,233
	95,555,887	36,679,541

Note - 02	2015	2014
Stocks	Rs.	
Raw material	1,202,782	1,244,090
Work In Progress	724,279	786,978
Banana Plants	2,348,630	2,767,725
Consumable stock	1,415,357	832,548
	5,691,048	5,631,340

Note - 03	2015	2014
	Rs.	
RED Loan	127,950	212,468
Farmers Trust Fund Loan	1,646,695	1,745,790
Distress Loan	369,953	273,640
	2,144,598	2,231,898

Note - 05	2015	2014
Deffered Expenditure	Rs.	
Transformer - Ceylon Electricity Board	2,078,880	2,338,740
	2,078,880	2,338,740

Institute for Agro Technology and Rural Sciences University of Colombo
Notes to the Financial Statements - 2015 (Contd..)

Note - 04

Non Current Assets

Description	Electrical Equipments	Hostel Project	Building & Structures	Vehicles	Lab and Teaching Equipment	Computers And Computer Accessories	Plant Machinery & Equipment	Fixtures and fittings	Furniture and Office Equipment	Total
Non Current Assets										
Balance as at 01/01/2015	83,865	220,096,952	22,099,816	8,240,800	1,176,834	3,925,080	3,921,346	361,665	2,882,141	262,788,500
Additions/ Improvements	2,510,280	2,229,271	29,948,298	-	1,269,674	307,000	29,900	633,883	3,759,348	40,687,654
Disposals										
Total	2,594,145	222,326,223	52,048,114	8,240,800	2,446,508	4,232,080	3,951,246	995,548	6,641,489	303,476,153
Provision for Depreciation										
Rate of Depreciation	20%	5%	5%	20%	20%	20%	10%	10%	10%	
Balance as at 01/01/2015	2,796	332,717	1,452,494	4,028,205	771,064	953,407	1,085,724	119,072	620,620	9,366,099
Depreciation for the year	476,991	11,086,088	1,172,371	1,648,160	176,002	740,360	392,134	56,800	581,599	16,330,505
Acc dep for Disposals										-
Balance as at 31/12/2015	479,787	11,418,805	2,624,865	5,676,365	947,067	1,693,768	1,477,858	175,872	1,202,219	25,696,604
Net Book Value- 31/12/2015	2,114,359	210,907,418	49,423,249	2,564,435	1,499,441	2,538,312	2,473,388	819,676	5,439,270	277,779,549

Institute for Agro Technology and Rural Sciences University of Colombo
Notes to the Financial Statements - 2015 (Contd..)

Note - 06

Accrued Expences

Electricity	11,758	107,100
Water	9,680	10,124
Postal And Telecommunication	99,177	87,737
Salaries	186,153	126,225
EPF	383,933.40	166,848
ETF	35,770	30,300
Extra Working Day Payments	2,750	5,078
Domestic Travelling	16,423	
Maintenance - Plant Machinery		8,950
Fuel & Lubricant	58,341	2,772
Maintenance - Buildings	60,400	5,981
Maintenance - Vehicles		12,840
UPF	36,956	35,958
Pension	9,518	9,356
Other Supplies	40,560	
Over Time	18,331	
Transport	1,200	
Printing And Advertising		
Organic Products Project	39,600	
Council And Committees		19,800
Project Manager Fee		75,000
Organic Products Project		12,100
Examination fee	17,820	
Other Services		14,255
Other Maintenance	77,725	
Visiting Lectures Fee	16,935	
Course Fee Installments		2,500
University Executive officers Association		200
PAYEE TAX	29,497	5,440

2015	2014
Rs.	
11,758	107,100
9,680	10,124
99,177	87,737
186,153	126,225
383,933.40	166,848
35,770	30,300
2,750	5,078
16,423	
	8,950
58,341	2,772
60,400	5,981
	12,840
36,956	35,958
9,518	9,356
40,560	
18,331	
1,200	
39,600	
	19,800
	75,000
	12,100
17,820	
	14,255
77,725	
16,935	
	2,500
	200
29,497	5,440
1,152,527	738,563

Note - 07

Non Current Liabilities

Farmers Trust fund	2,650,000	1,833,333
Gratuity	2,197,660	1,640,595
Refundable Deposit	10,000	
	4,857,660	3,473,928

2015	2014
Rs.	
2,650,000	1,833,333
2,197,660	1,640,595
10,000	
4,857,660	3,473,928

Note - 08

Other Grants Unspent

Livelihood Development Grant	69,672	69,672
	69,672	69,672

2015	2014
Rs.	
69,672	69,672
69,672	69,672

Institute for Agro Technology and Rural Sciences University of Colombo
Notes to the Financial Statements - 2015 (Contd..)

Note - 09

Personal Emoluments - production account

Salaries & Wages

E.P.F

E.T.F.

2015	2014
Rs.	
6,159,711	5,054,623
561,738	979,900
139,707	146,778
6,861,155	6,181,300

Note - 10

Administrative Expences

Salaries & Wages

E.P.F

E.T.F.

2015	2014
Rs.	
1,017,200	
108,864	
27,216	
1,153,280	-

Note - 11

Generated Income

Certificate Course - IARS

Non Recognized Income

Other Income

2015	2014
Rs.	
3,692,192	2,227,500
-	
103,930	2,414
3,796,122	2,229,914

Note - 12

Interest Income

Distress Loan Interest

Interest in investment

2015	2014
Rs.	
12,002.02	
1,917,372	2,972,500
1,929,374	2,972,500

Institute for Agro Technology and Rural Sciences University of Colombo
Notes to the Financial Statements - 2015 (Contd..)

Note - 13

Personal Emoluments

Salaries & Wages
E.P.F
UPF
Pension
E.T.F.
Extra Working Day Payments
Extra Working Day Payments

2015	2014
Rs.	
11,302,530	8,406,894
607,907	148,853
219,993	189,605
113,298	84,406
219,808	193,941
203,464	188,888
105,838	125,703
12,772,837	9,338,291

Note - 14

Travelling

Foreign
Domestic

2015	2014
Rs.	
55,281	1,380,725
245,066	242,669
300,346	1,623,394

Note - 15

Supplies

Mechanical and Electrical Goods
Stationery & Office Requisites
Medical Supplies
Uniform
Fuel and Lubricant
Other

2015	2014
Rs.	
67,152	627,809
291,227	200,843
2,803	
54,000	
696,760	778,748
724,471	365,928
1,836,412	1,973,328

Note - 16

Maintenance Expenditure

Plant, Machinery Equipment
Furniture
Vehicles
Buildings & Structures
Other

2015	2014
Rs.	
270,631	158,597
748,014	556,861
136,858	470,412
335,366	180,404
1,490,869	1,366,274

Institute for Agro Technology and Rural Sciences University of Colombo
Notes to the Financial Statements - 2015(Contd..)

Note - 17	2015	2014
Contractual Services	Rs.	
Transport	308,638	43,287
Postal & Telecommunication	1,275,111	1,259,645
Electricity	115,480	315,224
Water	261,163	315,640
Cleaning Service		70,000
Rates, Taxes & Local Authorities	42,000	643
Other Contractual Services	474,600	28,254
Printing, Advertising etc.	506,178	328,752
	2,983,170	2,361,444

Note - 18	2015	2014
Other Recurrent Expenditure	Rs.	
Visiting Lectures Fee	159,645	118,875
Special Services - Board Meeting & Committee	701,500	275,723
Workshops, Seminars	434,199	642,130
Bank Charges	10,316	11,500
Expenditure on Extension Courses		14,240
Expenditure on Certificate Courses IARS	1,831,404	322,861
Entertainment Expenditure		29,255
Staff Development	269,569	32,484
Expenditure on RED	12,079	144,543
Director Entertainment Expenditure	81,995	81,367
Project Manager Fee	320,000	225,000
Organic Farming Project	387,210	235,758
Expenditure On Mushroom Sales	124,913	28,694
Examination Expenditure	141,940	103,260
Field Visit Expenditure	22,630	13,200
Other	88,280	15,668
Interest Paid	11,667	3,333
	4,597,346	2,297,892

Note - 19	2015	2014
Prior Year Adjustment		
1. Depreciation Error for Computers		13,047.00
2. Error of Calculating EPF Accrued Amount	1,096	(47,060.00)
3. Over Recognition of plant Sale Income		(237,480.00)
4. Prior Year Gratuity Adjustment		(1,053,091.50)
5. RED Loan Repayment Adjustment		(73,825.00)
6. Prior Year Advance Settlement	(457,279)	
7. ADJUSTMENT FOR PROFIT	(30,387)	
7. Prior Year Accrued Adjustment	989	
	(485,581)	(1,398,410)

Institute for Agro Technology and Rural Sciences University of Colombo
Short Term Investment Schedule (12 Months) As At 31.12.2015

INVESTMENT INSTITUTE	DEPOSIT NO	DATE OF INVESTMENT	DATE OF MATURITY	PERIOD	RATE OF INTEREST	AMOUNT	During the year investment	NO OF DATE	INTEREST RECEIVED FOR 2015	INTEREST RECEIVABLE 2014	NET INTEREST RECEIVED FOR 2015	INTEREST RECEIVABLE FOR 2015	REMARKS/WITHDRAWALS	INVESTMENTS AS AT 31.12.2015 RS
	076-6001-00002440-3	8/11/2015	8/11/2016	12 MONTHS	6.50%	1,342,575		141	100,693	39,174	61,519	36,240	-	1,443,268
	086-6001-00006474-7	12/22/2015	12/22/2016	12 MONTHS	6.50%	2,826,282		8	183,708	4,530	179,178	4,783	-	3,009,990
	086-6001-00006475-6	12/22/2015	12/22/2016	12 MONTHS	6.50%	2,826,282		8	183,708	4,530	179,179	4,783	-	3,009,990
	086-6001-00006476-5	12/22/2015	12/22/2016	12 MONTHS	6.50%	2,826,282		8	183,708	4,530	179,178	4,783	-	3,009,990
	086-6001-00006477-4	12/22/2015	12/22/2016	12 MONTHS	6.50%	4,239,423		8	275,562	6,795	268,767	7,174	-	4,514,985
	086-6001-00006484-5	27.12.2015	12/27/2016	12 MONTHS	6.50%	1,600,563		3	104,037	1,140	102,897	1,016	-	1,704,600
						15,661,407	-		1,031,417	60,699	970,718	58,779.12	-	16,692,825

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Short Term 03 Months Investments as at 12-31-15

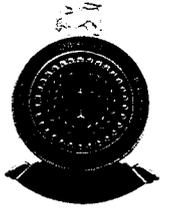
INVESTMENT INSTITUTE	DEPOSIT NO	DATE OF INVESTMENT	DATE OF MATURITY	PERIOD	RATE OF INTEREST	AMOUNT	During the year investment	NO OF DATE	INTEREST RECEIVED FOR 2015	INTEREST RECEIVABLE 2014	NET INTEREST RECEIVED FOR 2015	INTEREST RECEIVABLE FOR 2015	REMARKS/WITHDRAWALS	INVESTMENTS AS AT 31.12.2015 RS
	086-6001-00006309-8	12/20/2015	3/20/2016	3 MONTHS	5.50%	2,789,133		11	156,595	4,623	151,972	5,992	-	2,945,729
	086-6001-00006310-5	12/20/2015	3/20/2016	3 MONTHS	5.50%	2,789,133		11	156,595	4,623	151,972	5,992	-	2,945,729
	086-6001-00006311-4	12/21/2015	3/20/2016	3 MONTHS	5.50%	2,789,133		11	156,595	4,623	151,972	5,992	-	2,945,729
	086-6001-00006312-3	12/20/2015	3/20/2016	3 MONTHS	5.50%	1,394,567		11	78,297	2,312	75,985	2,996	-	1,472,864
						9,761,967	-		548,083	16,181	531,902	20,973.18	-	10,310,050

Institute for Agro Technology and Rural Sciences University of Colombo
Unsettled Advance Schedule As At 31.12.2015

Date	V/No	Derscription	Amount (Rs)
		Fuel -	90,000.00
2015/12/22	851 A	H.Rohanadheera	35,000.00
2015/12/28	852 A	H.Rohanadheera	45,000.00
2015/12/28	853 A	W.K.K.Rajika Nilangani	20,000.00
Total			190,000.00



විගණකාධිපති දෙපාර්තමේන්තුව
கணக்காய்வாளர் தலைமை அதிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இல.
My No.

HED/B/IARS/6/15/4

මගේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date

30 November 2016

The Director,

Institute of Agro-Technology and Rural Science

Report of the Auditor General on the Financial Statements of the Institute for Agro-Technology and Rural Science affiliated to the University of Colombo for the year ended 31 December 2015 in terms of Section 27 of the Institute for Agro-Technology and Rural Science Ordinance No.02 of 2008 and Section 108(1) of the Universities Act, No 16 of 1978.

The audit of financial statements of the Institute for Agro-Technology and Rural Science affiliated to the University of Colombo for the year ended 31 December 2015 comprising the statement of financial position as at 31 December 2015 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 27 of the Institute for Agro-Technology and Rural Science Ordinance No. 02 of 2008 enacted in terms of Sub-section 107(5) and Section 18 of the Universities Act, No. 16 of 1978 and the Section 108 (1) of the Universities Act. My comments and observations which I consider should be published with the Annual Report of the Institute in terms of Sub-section 108(1) of the Universities Act appear in this report. A detailed report in terms of Section 108 (2) of the Universities Act will be issued to the Director of the Institute in due course.

1.2 Management's Responsibility for the Financial Statements

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



1.3 Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgements, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Institute's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements. Section 111 of the Universities Act, No. 16 of 1978 give discretionary powers to the Auditor General to determine the scope and the extent of the audit.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

1.4 Basis for Qualified Opinion

My opinion is qualified based on the matters described in paragraph 2.2 of this report.

2. Financial Statements

2.1 Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 2:2 of this report, the financial statements give a true and fair view of the financial position of the Institute for Agro-Technology and Rural Science Affiliated to the University of Colombo as at 31 December 2015 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

2.2 Comments on Financial Statements

2.2.1 Sri Lanka Public Sector Accounting Standards

The following observations are made.

(a) Sri Lanka Public Sector Accounting Standard 01

Although all the assets and liabilities of the Institute should be stated at the fair value in the financial statements, 26 items of non-current assets valued at Rs.6,102,110 further being used by the Institute and received under the Higher Education for the Twenty-first Century Project (HETC) in the years 2014 and 2015 had not been brought to account. Those items had not been included even in the Register of Fixed Assets.

(b) Sri Lanka Public Sector Accounting Standard 07

As the useful life of the non-current assets had not been reviewed annually, assets costing Rs.693,065 were further being used despite being fully depreciated. Accordingly, action had not been taken to revise the estimated error in terms of the Sri Lanka Public Sector Accounting Standard 03.

2.2.2 Accounting Policies

In the supply of electricity to the Institute, a sum of Rs.2,598,600 had been paid to the Ceylon Electricity Board for the installation of a transformer on 19 August 2014 and expenditure amounting to Rs.2,594,145 had been incurred for transmitting electricity from the transformer to the hostel and the administrative buildings on 05 February 2015. Although the amount paid to the Electricity Board out of the two segments of expenditure incurred for the same purpose had been decided to be identified as a deferred revenue expenditure and written off against the profit within 10 years, the transmission expenditure had been identified as a non-current assets and depreciation had been made at 20 per cent. Accordingly, it was observed that the expenditure incurred on the same purpose had been brought to account by using 2 accounting policies.

2.2.3 Accounting Deficiencies

The following observations are made

- (a) According to the depreciation policy adopted on the computers and accessories valued at Rs.240,520 purchased in the years 2008,2009 and 2010, those should be zero in value as at 31 December 2015. Nevertheless, the net value had been stated as Rs.21,759 in the financial statements due to the erroneous computation.

- (b) Course fees totalling Rs.187,500 remained receivable from 25 students who were following the 17th and 16th stages of the Agro Technology Degree Course had not been brought to account.

2.2.4 Unexplained Differences

According to the stock register maintained by the Institute, although the remaining balance of the plantain plants was 39,650, but it was 38,650 according to the physical

(ii) Although advances should be settled immediately after the completion of the purpose for which it is granted, a delay from 47 days to 237 days had occurred for the settlement of advances totalling Rs.1,853,487 obtained in 44 instances.

(b) Public Finance Circular No.03/2015 dated 14 July 2015. Although the maximum advance that could be granted at a time was Rs.100,000, contrary to the provisions in the Circular, advances ranging from Rs.110,000 to Rs.170,637 had been granted in two instances.

2.5 Transactions not Supported by an Adequate Authority

Although a paddy field 2 ½ acres in extent of an outside person had been utilized for the Farmers Training Programme of the 16th stage of the course from April to September 2015, approval of the Board of Management had not been obtained both to obtain the paddy field and to incur the expenditure.

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the operations of the Institute for the year ended 31 December 2015 had resulted in a surplus of Rs.5,991,049 as against the deficit of Rs.2,789,001 for the preceding year, thus indicating an improvement of Rs.8,780,050 in the financial results in the year under review as compared with the preceding year. The increase in the Government Grants by Rs.12,000,000 had mainly attributed to the above improvement in the financial results.

An analysis the financial results of the year under review and 04 preceding years revealed that, an increase in the financial results had taken place from the year 2011 to the year 2013 and a deficit and a surplus of the financial results had occurred in the year 2014 and 2015 respectively. However, when taking into consideration the employees' remuneration and the depreciation for the non-current assets, the contribution of the Institute had gradually increased from the year 2011 to the year 2013 and it had been Rs.14,477,841, Rs.10,995,932 and Rs.34,603,218 respectively. The contribution had decreased in the year 2014. However, it had been Rs.34,603,218 in the year 2015 representing an increase of 215 per cent.

3.2 Analytical Review

According to the statement of financial position presented, the current ratio of the Institute in the year 2015 was 90:1 and it was 61.3:1 in the preceding year. Although the current ratio show a higher value in this manner, 92 per cent of the assets represented the bank balance. Accordingly, a large amount of assets had been retained in the liquid assets.

4. Operating Review

4.1 Performance

According to the Institute for Agro-Technology and Rural Science Ordinance No. 02 of 2008, the main objective is to provide, promote and develop the higher education opportunities for the persons presently engaged in the higher education on the elements of the agriculture, agro technology and the rural sciences.

The following observations are made on the achievement of the above objectives. .

- (a) The degree course consist of the three stages of Diploma, Higher Diploma and the Degree and 44 per cent to 75 per cent of the total number of students registered for the course had dropped out the course without completing the Diploma stage. Further, it was observed that the number of students who

continue the studies up to final project of the Degree stage had been as nominal percentage as 17 per cent to 23 per cent of the initially enrolled students.

- (b) Although the academic period of the Agro Technology Degree Course conducted by the Institute is 4 years and 6 months, the course had not been completed despite the lapse of 7 ^{1/2} years from the enrollment of the first batch for the degree course in the year 2009.
- (c) Although a paddy field is necessarily needed for the Institute for the Farm Practice Programme which is an indispensable feature of the Degree course, attention had not been drawn in obtaining a paddy field to the Institute on permanent basis and a small paddy field of 1 to 2 perches had been obtained for the Farm Practice Programme of the year 2016 on the payment of Rs.6000 for a cultivation season.
- (d) While there were orders for more than 41,000 tissue culture banana plants, which could not be fulfilled as at the date of audit and building the reputation of the Institute, appropriate action had not been taken to increase the production of banana plants and to reduce the cost of production of a banana plant.

4.2 **Operating Activities**

The expired stock of chemicals valued at Rs.109,662 which had been purchased several years ago , had been destroyed in the year 2015 without a formal investigation.

4.3 **Transactions of Contentious Nature**

While graduate courses had not been commenced under the Technology stream, a Project Manager had been recruited on assignment basis from 18 October 2014 and allowances amounting to Rs.225,000 and Rs.320,000 had been paid in the years 2014 and 2015 respectively.

4.4 Apparent Irregularities

Neither harvest nor any income had been received by the Institute from the paddy cultivation of 2 ½ acres cultivated under the Framers Practice Programme.

4.5 Underutilization of Funds

Despite the balance of Rs.45,318,622 existed in the Unutilized Capital Grants Account at the beginning of the year of account, a capital grant of Rs.65,000,000 had been obtained from the Treasury without correctly predicting the capital expenditure of the year and a sum of Rs.14,437,654 only had been spent during the year. Accordingly, a sum of Rs.95,880,968 had been retained underutilized in a bank current account.

4.6 Idle and Underutilized Assets

The following observations are made.

- (a) Under the 60 Hostels Project implemented under the provisions of the Ministry of Higher Education, a hostel with 100 rooms had been constructed in the year 2014 by spending a sum of Rs.220,096,952 and the rooms between 4 and 8 had been utilized only in the period during which the examinations were conducted in 2014-2016.
- (b) As goods had been purchased without making proper prediction on the requirement of the Institute and the required period, 11 toners valued at Rs.84,214 used for the photocopy machines had been retained in the stores for more than a period of one year.

4.7 Uneconomical Transactions

Despite the possibility of using the auditorium of the Institute for the award of certificates for 53 students of the second and third batches who had qualified the Diploma stage, the first stage of the course, a sum of Rs.350,000 had been spent for the utilization of Hambantota International Conference Hall for that purpose.

4.8 Personnel Administration

Out of the 12 posts included in the approved cadre of the Institute 8 posts had been in vacant even by the end of the year of account. Nevertheless, without taking necessary action to fill those vacancies, 28 employees had been recruited on duty assigning basis without the approval of the Ministry of Higher Education.

05. Accountability and Good Governance

5.1 Corporate Plan

According to the Corporate Plan, plans had been drawn to enroll 175 students to the Agro Technology Diploma Course during the year 2015 and to produce 240,000 tissue culture banana plants of good condition. Nevertheless, the number of students enrolled was 118 and the banana plants produced was 185038.

6. Systems and Controls

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



Area of System and Control

Observations

(a) Operating Control

Failure to introduce a methodology to retain the students enrolled until the end of the course.

(b) Fixed Assets Control

Failure to update the registers.

(c) Stock Control

Failure to make purchase on recognizing the requirement.

(d) Financial Control

Failure to comply with the circulars.

H.M. Gamini Wijesinghe

Auditor General

Replies for the Audit Queries 2015

University of Colombo Institute for Agro-technology and Rural Sciences

Para No. in Audit Report	Comments of Auditor General	Reply given by the Institute
2.2.1	<p style="text-align: center;">Sri Lanka Public Sector Accounting Standards</p> <p>(a) Although All the assets and liabilities of the institute should be stated at the fair value in the financial statements , 26 items of non-current assets valued at Rs.6,102,110 further being used by the institute and received under the Higher Education for the Twenty-first Century Project (HETC) in the years 2014 and 2015 had not been brought to account. Those items had not been included even in the Register of Fixed Assets.</p>	These assets are entered now in to the relevant books of the Institute.
	<p>(b) As the useful life of the non- current assets had not been reviewed annually, assets costing Rs.693,065 where further being used despite being fully depreciated. Accordingly, action had not been taken to revise the estimated error in terms of the Sri Lanka Public sector Accounting Standard 03.</p>	Those items had been identified and valued properly and have taken to the Fixed Asset Register for year 2016.
2.2.2	Accounting Policies	
	<p>In the supply of electricity to the Institute, a sum of Rs.2,598,600 had been paid to the Ceylon Electricity Board for the Installation of a Transformer on 19th August 2014 and expenditure amounting to Rs.2,594,145 had been incurred for transmitting electricity from the transformer to the hostel and the administrative buildings on 05th February 2015. Although the amount paid to the Electricity Board out of the two segments of expenditure incurred for the same purpose had been decided to the identified as deferred revenue expenditure and written off against the profit within 10 years, the transmission expenditure had been identified as a non-current assets and depreciation had been made at 20 percent. Accordingly, it was observed that the expenditure incurred on the same purpose had been brought to account by using 2 accounting policies.</p>	This error has been corrected in 2016 Final Accounts.
2.2.3.	Accounting Deficiencies	

	(a) According to the depreciation policy adopted on the computers and accessories valued at Rs.240,520 purchased in the years 2008,2009 and 2010, those should be zero in value as at 31 December 2015. Nevertheless, the net value had been stated as Rs. 21,759 in the financial statements due to the erroneous computation.	This error has been corrected in Final Accounts 2016.
	(b) Course fees totaling Rs.187,500 remained receivable from 25 students who were following the 17 th and 16 th stages of the Agro Technology Degree Course had not been brought to account.	This will be corrected in 2016 Revised Accounts.
2.2.4	Accounting Differences	
	According to the stock register maintained by the Institute, although the remaining balance of the plantain plants was 39,650, but it was 38,650 according to the physical stock verification. Accordingly, a difference of 1000 plantain plants valued at Rs.60,760 was observed.	When considering books of Tissue Culture Banana stocks, this difference cannot be found. For further clarification a report which has prepared by Research Assistant of Tissue culture Banana Division has submitted to the Superintendent of Audit.
2.3	Receivable Balances	
	The institute had not taken necessary steps to recover the loan installments in arrears amounting to Rs.83,800 out of the loan granted to three farmers by the Rural Entrepreneurship Development Program in the year 2012.	Actions had been taken to recover these arrears in loan installments.
2.4	Non-compliance with Laws, Rules, Regulations and Management Decisions	
	(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka	
	Financial Regulations 138 and 139	
	In the certification of a voucher and payments, it should be ensured that the relevant vouchers are completed in every respect and the payment is made by a formal receipt. Nevertheless, vouchers for the settlement of advances totaling Rs.207,654 relating to the publication of a newspaper advertisement and an international workshop had been certified without bills.	These bills were collected by the relevant firms and submitted to the superintendent of Audit.
	Financial Regulations 371	
	(i) The grant of advances should be solely limited to the Staff officers. Nevertheless, advances totaling Rs.2,487,240 had been paid to 14 officers who were not in the Staff Grade in 69 instances.	In this institute there are only two staff officers that can be treated as staff officer level. As Cashier is not available, no any cash in hand other than petty cash. Advances had been given for workshops for academic division, field trips and farm practices. After having discussions with Superintendent of Audit, it has minimized issuing advances and as well issued only for staff officers and

		Senior Lecturer.
	(ii) Although advances should be settled immediately after the completion of the purpose for which it is granted, a delay from 47 days to 237 days had occurred for the settlement of advances totaling Rs.1,853,487 obtained in 44 instances.	After checking the advance register it is observed that maximum of 160 days had taken to settle advances. Reason for the unsettled advance is constructing a temporary poultry shed. However, actions will be taken to give only 14 working days to settle the advances.
	(b)Public Finance Circular No.03/2015 dated 14 July 2015	
	Although the maximum advance that could be granted at a time was Rs.100,000, contrary to the provisions in the Circular, advances ranging from Rs.110,000 to Rs.170,637 had been granted in two instances.	These advances have been granted with Director's approval to smoothly function the institutional day today activities.
2.5	Transactions not supported by an adequate authority	
	Although a paddy field 2 ½ acres in extent of an outside person had been utilized for the farmers Training Program of the 16 th stage of the course from April to September 2015, approval of the Board of Management had not been obtained both to obtain the paddy field and to incur the expenditure.	Consent letter from Farmer to obtain a paddy field had been forwarded to Directors approval. However, It's needed to prepare deed of lease to obtain a paddy field and it would take lengthier period and without lease document it would not be able to make payments for paddy field. Farm Practice course should be done within the assigned period for students and water availability and find out a paddy field for student practical were the crucial factors to find out a paddy field. Due to above, it was decided to cancel the low land farming and Director decided to hire a paddy field from a farmer to carry out low land farming. With his oral approval, found out a paddy land. Director had granted approval to purchase inputs and cash advance.
4	Operating Review	
4.1	Performance	
	(a) The degree course consists of the 3 stages of Diploma, Higher diploma and The Degree and 44 percent to 75 percent of the total number of student registered for the course had dropped out the course without completing the Diploma stage. Further, it was observed that the number of students who continue the studies up to final project of the Degree stage had been as nominal percentage as 17 percent to 23 percent of the initially enrolled students.	It has identified that there are many reasons for student drop out before completing the Diploma. It includes unable to pay course fee, difficulties for attending practical classes and some other personal reasons. Also it includes lack of facilities of the institute for students to follow the course. The students are filtered by two levels before coming to the degree. They have to score 2.75 GPA from Diploma and Higher Diploma levels for enter the degree. Then

		number of students for degree program is decreasing.
	<p>(b) Although the academic period of the Agro-technology Degree course conducted by the institute is 4 years and six months, the course had not been completed despite the lapse of 7 ½ years from the enrollment of the first batch for the degree course in the year 2009.</p>	<p>The target group of the degree program is different from normal university students. The students of this degree program are people who are involving in agriculture and agro-based industries. It was taken much time for giving knowledge and technology for them since they are in different educational background. If it has completed the courses in given time period they may not getting what they required by us. Also when starting the degree program there were very limited facilities in the institute and there was only one lecturer for handling all works. After that also the program has conducted by very limited staff. Up to 2014 there were no permanent lecturer for the degree program and program was conducted by temporary staff members. This batch is the first batch who followed the degree program and we had to face lot of challenges for conducting the course since this course is first ever university degree program for farming community in Sri Lanka. Students were unable to complete their research component in 2015 because most of them not acquired the required level of progress in research. They completed the research component in 2016. It has planned to complete all by 10-09-2016.</p> <p>According to the present curriculum the time reserved for completing the courses is not enough for successfully completing it. Hence curriculum revision had been done for overcome this problem.</p>
	<p>(c) Although a paddy field is necessarily needed for the institute for the Farm Practice Program which is an indispensable feature of the Degree course, attention had not been drawn in obtaining a paddy field to the institute on permanent basis and a small paddy field of 1 to 2 perches had been obtained for the farm practice program of the 2016 on the payment of Rs.6000/- for a cultivation season.</p>	<p>Although, 50 acres land is legally owned by the institute, 40 acres out of 50 is located within the boundary of Department of Wild Life Conservation and process of release the land is already started. Soon after releasing the land, it has planned to develop a paddy field on a permanent basis. As per course structure, farm practice course starts after the regular paddy cultivating season; it was difficult to obtain a paddy field on lease basis. Hence, small paddy field of 1 to 2 perches had to obtain for the farm</p>

		practice program for 2016 on the payment of Rs.6000/- for a cultivation season.
	(d) While there were orders for more than 41,000 tissue culture banana plants, which could not be fulfilled as at the date of audit and building the reputation of the institute, appropriate action had not been taken to increase the production of banana plants and to reduce the cost of production of a banana plant.	When producing tissue culture banana plants, to reduce the cost of production, volume of production should be increased. For that, major limiting factor is not having adequate laboratory facilities. As a remedy for that estimated cost of Rs.150 Million new laboratory has been proposed to construct (Procurement process is on-going).
4.2	Operating Activities	
	The expired stock of chemicals valued at Rs.109,662 which had been purchased several years ago, had been destroyed in the year 2015 without a formal investigation.	These chemicals had been purchased prior to 2012 and officers who had involved in this regard are not employed at present. Hence, formal investigation could not be done. However, as per instructions given by Superintendent of Audit since last year's final account auditing, chemicals have been destroyed by three member committee. At present, chemicals are purchasing by following proper way.
4.3	Transactions of Contentious Nature	
	While graduate courses had not been commenced under the Technology stream, a Project Manager had been recruited on assignment basis from 18 October 2014 and allowances amounting to Rs.225,000 and Rs.320,000 had been paid in the years 2014 and 2015 respectively.	<p>To initiate the technology stream soon, as per recommendation of the UGC former Chairman and approval of the Board of Management, Director has appointed a Project Manager for six months with effect from 2014.10.18. Institute had paid allowances for following tasks done by him;</p> <ul style="list-style-type: none"> • Preparation of Project proposal (Project cost Rs.517 million) for constructing Building complex (including lecture halls and laboratories), Canteen for Technology stream. • Preparation of Bidding document and supervision of bidding process for construction of semi-permanent buildings to initiate the degree program soon by 2016 under technology stream. However, Technology stream was withdrawn from University of Colombo, although successful bidder was selected, it was cancelled. • Preparation of Project proposal (Project cost Rs.150 million) for constructing Building complex for Tissue culture

		<p>Laboratories.</p> <ul style="list-style-type: none"> • Having discussions with University of Moratuwa to prepare Master Plan for the institute and monitoring the process. • Preparation of estimates and bidding document for the extension of existing Vidatha building to construct an administrative building, supervision of bidding process and selection of successful bidder and engineering supervision.
4.4	Apparent Irregularities	
	<p>Neither harvest no any income had been received by the institute from the paddy cultivation of 2 ½ acres cultivated under the Farmers Practice program.</p>	<p>No any intention to receive profits from farm practice course as it's a student practical. Income from harvest has been used to set off expenses incurred (including payment for Paddy land owner). Investigation was done by independent party as recommended by Audit Superintendent and investigation report was submitted to the Board of Management. According to that report, no any irregularities happened regarding harvest. Harvest obtained had been utilized to pay for relevant expenses of the farm practice activities.</p>
4.5	Underutilization of Funds	
	<p>Despite the balance of Rs. 45,318,622 existed in the Unutilized Capital grant account at the beginning of the year of account, a capital grant of Rs.65,000,000 had been obtained from the Treasury without correctly predicting the capital expenditure of the year and a sum of Rs.14,437,654 only had been spent during the year. Accordingly, a sum of Rs. 95, 880, 968 had been retained underutilized in a bank current account.</p>	<p>As University Grants Commission and Ministry of Higher Education were working on Technology Stream with the expectation to start in 2016, parallel to that program, institute had planned to initiate for the construction of new buildings, rehabilitation and re-construction of existing buildings to start technology stream by 2016. To start above activities, funds were requested from Treasury. However, at the beginning of year 2016, Technology stream was withdrawn from UCIARS to University of Colombo. Hence, Planned activities were unable to start.</p> <p>In 2016 and 2017, capital allocation was limited to Rs.10 million</p>
4.6	Idle and Underutilized Assets	

	<p>(a) Under the 60 hostels project implemented under the provisions of the Ministry of Higher Education, a hostel with 100 rooms had been constructed in the year 2014 by spending a sum of Rs. 220,096,952 and the rooms between 4 and 8 had been utilized only in the period during which the examination were conducted in 2014 -2016.</p>	<p>Under the 60 hostels project, one hostel had been constructed by aiming Technology stream degree program which was planned to implement in 2016 in this institute. However, at the beginning of year 2016, it was withdrawn and transferred to University of Colombo. Hence, hostel could not be utilized for the aimed task.</p> <p>However, 19 rooms of the hostel have already been furnished and 76 students can be accommodated at a time. Other rooms can be utilized after furnishing. As present Agro-technology degree program is conducting via on-line method, students use hostel facilities during the period of having practical, visiting lectures and examinations. At present utilization of hostel by students has been increased with the increase of student intake.</p>
	<p>(b) As goods had been purchased without making proper prediction on the requirement of the institute and the required period, 11 toners valued at Rs.84,214 used for the photocopy machines had been retained in the stores for more than a period of one year.</p>	<p>Few examinations are conducting once in every 03 months and Farmers awareness programs are conducting by the institute once a month. It is necessary to print Examination papers and awareness leaflets and other documents. In that period Supply from toner suppliers was inefficient due to the distance of the city from Colombo. To avoid the interruption of work, these toners have been purchased in year 2014 and before that. However, in 2015 and 2016 it has been limited.</p>
4.7	Uneconomical Transactions	
	<p>Despite the possibility of using the auditorium of the institute for the award of certificates for 53 students of the second and third batches who had qualified the diploma stage , the first stage of the course, a sum of Rs.350,000 had been spent for the utilization of Hambanthota International Conference Hall for that purpose .</p>	<p>Diploma awarding to qualified diplomats should be done as a ceremonial activity. For that, institute auditorium could not be used as it has very poor facilities. To protect the quality of the Diploma course and to give special publicity, Hambanthota International Conference Hall was utilized.</p>
4.8	Personnel Administration	
	<p>Out of the 12 posts included in the approved cadre of the institute 8 posts had been in vacant even by the end of the year of account. Nevertheless, without taking necessary action to fill those vacancies, 28 employees had been recruited on duty assigning basis without the approval of the</p>	<p>Among 08 vacant positions out of the approved 12 posts, one Lecturer post has been filled at the beginning of year 2016. Among other approved 07 posts, 05 posts are Contract basis (03-Labourer, 01-Farm Manager, 01-Fultime Coordinator) hence; it has requested</p>

	Ministry of Higher Education.	permanent 5 positions from Department of Management Services instead of Contract posts. 02 Computer Application Assistant posts will be taken actions to fill in this year.
5	Accountability and Good Governance	
5.1	Corporate Plan	
	According to the Corporate Plan, plans had been drawn to enroll 175 students to the Agro-Technology Diploma course during the year 2015 and to produce 240,000 tissue culture banana plants of good condition. Nevertheless, the number of students enrolled was 118 and the banana plants produced was 185038.	During the year 2016 and 2017, achievable targets would set by amending Corporate plan. Institute will perform with maximum efficiency to achieve set targets.
5.2	Systems and Controls	
	Deficiencies in systems and controls observed during the course of audit were brought to the notice of the Director of the Institute from time to time. Special attention is needed in respect of the following areas of control.	
	Areas of System and Control	Observations
	(a)Operating Control	Failure to introduce a methodology to retain the students enrolled until the end of the course
	(b)Fixed Assets Control	Failure to update the registers
	(c)Stock Control	Failure to make purchase on recognizing the requirement
	(d)Financial Control	Failure to comply with the circulars
		Noted for future compliance.