ANNUAL REPORT
2017

OUR VISION

To be a Centre of Excellence in ensuring betterment of Farming Community

OUR MISSION

Producing Agricultural Entrepreneurs and Graduates through skill development and capacity building by transferring knowledge and technology supporting to the 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 degrees of agro-technology 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 to narrow the knowledge gap in the agriculture sector in order to ensure the sustainability of the agriculture sector.

With a view of enhancing farm productivity, the UCIARS provides high quality tissue cultured banana saplings 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 steps 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.

Prof.S.Subasinghe
Director
Institute for Agro-technology and Rural Sciences
University of Colombo
(UCIARS)

GOALS AND OBJECTIVES

1. **Quality and quantity improvement of the Diploma, Higher Diploma and Degree programs in the institute offering for farming community**

   Objective 1.1: To increase total number of students by increasing annual intake
   Objective 1.2: Make popularize the study programmes among the target groups
   Objective 1.3: Introduce the academic program for Tamil and Muslim Farming community
   Objective 1.4 : Develop required Human Resources
   Objective 1.5: Provide required infrastructure facilities
   Objective 1.6 : Link programmes and other co-operate with foreign universities
   Objective 1.7 : Conduct the research for increasing quality and quantity of the academic program

2. **Increase tissue cultured banana plant production and increase the revenue of the Institute and income of the farmers**

   Objective 2.1 : Achieve self-sufficiency the year 2018 by increasing the existing production rate
   Objective 2.2 : Seek global best practices in production, packaging and transportation of plants
   Objective 2.3 : Conducting Research for improvement of Productivity of Tissue Culture Plant Production

3. **Increase the number of agricultural entrepreneurs by the academic program under Rural Entrepreneurship Development program by 2021**

   Objective 3.1 : Increase the number of entrepreneurs created by the institute
   Objective 3.2 : Make productive and skilled entrepreneurs who can give better contribution for national economy

4. **To provide direct academic inputs for the fast-developing areas in Sri Lanka**

   Objective 4.1 : Offer new technological academic programmes
   Objective 4.2 : Make appropriate contributions to the development of Agro Environmental activities
   Objective 4.3 : To become a facilitator in providing community services for the benefit of the people in surrounding areas
   Objective 4.4 : Enhance social responsibility

5. **Achieving Conducive Physical and Social Environment**

   Objective 5.1 : Conducive Physical and Social Environment

Special Events in 2017

1. The degree of Bachelor of Agro-technology was awarded for nine (9) students at the convocation held on 01.08.2017 at the BMICH. This was a historic and momentous occasion and a proud for the institution.

2. Appointment of second permanent Director, Prof.S.Subasinghe on 03.07.2017 for the institute after termination of first permanent Director, Mr.M.D.Piyathilaka's three years period of service.

3. Construction of new Administrative building was completed and handed over by 31.01.2017 by the Contractor, M/s Suhada Enterprises, Wellawaya.

4. The administration building accompanying a board room was ceremonially opened by the Professor Lakshman Dissanayake/Vice Chancellor, Professor Ranjith Mahanama/Dean, Faculty of Science and Professor S. Subasinghe, Director, UCIARS on 22.08.2017.

5. A foundation stone was laid for construction of a new building with lecture hall complex, examination hall and a laboratory by Mr W.M.Karunarathne District Secretary , Hambantota on 02. 08.2017.

6. Construction works of three storied Building for Tissue Culture Laboratories were commenced on June 2017 by the Contractor KSJ Construction (PVT) Ltd, Kalagedihena.

7. Extension and renovation of existing Net House Unit were commenced during the year 2017.

8. Production of bio food wrappers and fabrication of bio plates with cured banana leaves were introduced as a substitute for polyethylene lunch sheets. Many training sessions have been conducted on the production of these wrappers at various outside institutes and organizations. Live radio programmes in "Ruhunu Sevaya", Neth FM ", news paper articles in several news papers and a TV programmes in "Derana TV channel " were too conducted to popularize the technology.

9. Organized a sport meet on 15th , 16th and 17th September 2017 with the involvement of all batches of students of the institute for the improvement of extra-curricular activities of students.

10. Establishment of Mushroom Growers Society in the Institute comprised of 42 members in Hambantota district.

11. Started up scaling the L3F project (Life Long Learning for Farmers) with Common wealth of Learning in Canada and Ministry of Telecommunication and Digital Infrastructure for capacity building, teaching and knowledge transforming for farmers.

12. A Canteen of Welfare Society of the Institute was established and functioning successfully.

13. Establishment of Quality Assurance Cell (QAC) in the institute.

14. Establishment of Research Management committee in the institute.

15. In the process of establishment of Faculty of Commercial Agriculture converting IARS, the stake holders meeting was conducted at the college house on 23rd November 2017.

16. The technology of producing instant Karapincha (*Murraya koenigii*) porridge was disseminated from UCIARS and a youths are following this technology successfully to produce it on commercial scale as a self-employment.

Special Events in Department of Agro-technology (2017)

Student enrolment	• Started 8th intake of Agro-technology Diploma leading to Degree with 108 Agric Entrepreneurs • New intake (9th Intake) for 2017 advertised
Curriculum design and development	• Curriculum revision was done with the support of a team of Wayamba University lead by Prof Udith Jayasinghe at the end of year 2016 and submitted for Senate approval in 2017
Teaching and Learning	• About 10 visiting lectures have been conducted under different modules with the participation of senior lecturers from state universities. • About 13 field visits have successfully been completed under different disciplines. • Practical classes, group presentations, quizzes and assignments have been conducted in each certificate course in appropriate number and weightage as compulsory supplements and integral parts for the classroom teaching.
Learning resources, student support and progression	• A farmland development is in progress for field work under farm practice course. • A paddy field has been leased for practical activities of paddy cultivation under the course of crop husbandry. • Access for supplementary irrigation for field activities has already been initiated and currently in progress. • Establishment of a laboratory, lecture rooms, and a library are partly completed and currently in progress. • Actions have been taken to improve the computer unit with more number of computers aiming an effective and efficient orientation programmes.
Strength and Quality of Staff	• Three academic staff members participated Blended learning training course in UCSC. • Two Senior Lecturers have successfully been completed the Teacher Training Course.
Research	• About 20 researches have been conducted for undergraduate research component.

Contents

1. OVERVIEW

1.1 Introduction

The Institute was first 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. 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 dream 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. All three laboratories contributed produce at about 22,000 tissue cultured banana plants monthly and about 6,500 farming entrepreneurs were facilitated by the Institute. The Institute conducted workshops, seminars to transfer the tissue cultured banana technology to the rural farmers scattered in islandwide. 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 ten (10) times during the year 2017.

The composition of the Board of Management in 2017 is as follows:

Table 01: Composition of the Board of Management in 2017

Ex-officio members (as specified in the Ordinance)		
	Director – Chairman/UCIARS	Prof.K.R.R.Mahanama (Acting Director up to 02.07.2017) Prof.S.Subasinghe (w.e.f.03.07.2017)
	Nominee of the Secretary to the Ministry of Higher Education and Highways	Mrs. A.S.P. Weerasuriya Senior Assistant Secretary
	Nominee of the Secretary to the Ministry of Agriculture	Dr.J.D.H.Wijewardena (up to 09.03.2017) Director (Organic Fertilizer Division)
	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 Professor of Dept. of Plant Science, University of Colombo
		Ms.Krishanthi Weerasinghe (up to 27.07.2017), Chief Executive Officer, Hambantota District Chamber of Commerce Prof.Saman Abeysinghe (w.e.f. 28.07.2017) Department of Botany, University of Ruhuna
	Council Nominees	Prof.Lakshman Rathnayake Director, SLIIT
		Mr.Rajan Asirwatham Chairman, Dankotuwa Porcelain
	District Secretary/Hambantota	Mr. W.H. Karunarathne
Secretary to the Board of Management		
Assistant Registrar/UCIARS		Ms.S.A.S.Priyadarshani

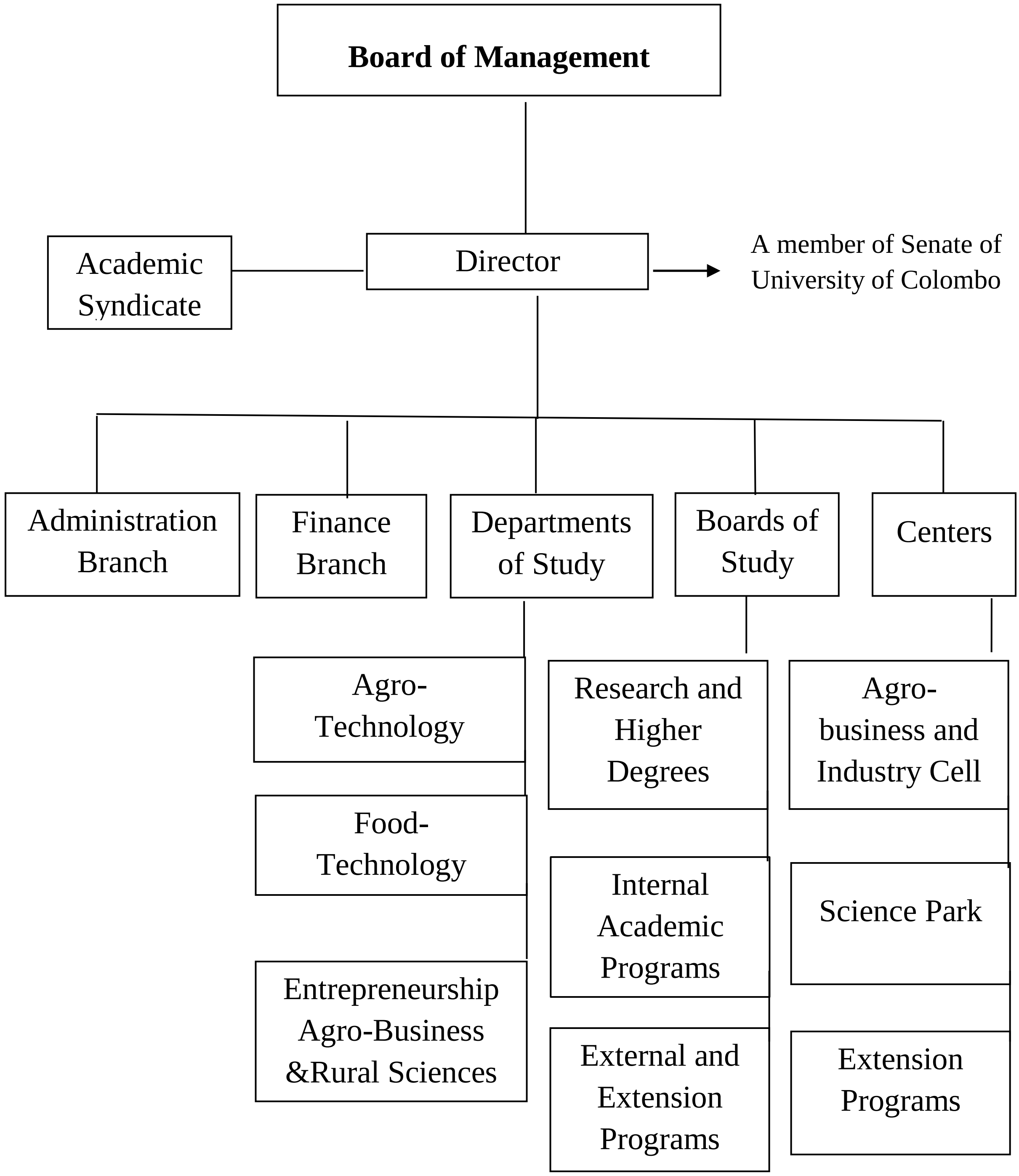
1.4 Audit Committee

The Audit Committee of the institute met quarterly during the year. The Audit Committee has met four (04) times during the year 2017.

The composition of the Audit Committee in 2017 is as follows:

Mr. Rajan Asirwatham	Chairman/Council Nominee
Mr.K.E.W.Jayasiri	Secretary, Senior Asst. Internal Auditor, University of Colombo
Ms.A.S.P.Weerasuriya	Member of Board of Management/UCIARS (member), Senior Assistant Secretary, Representative from Ministry of Higher Education
Prof.K.R.R.Mahanama	Acting Director/UCIARS (up to 02.07.2017) Dean/Faculty of Science, University of Colombo, BOM Nominee (member)
Mr.W.G.N.Abeywickrama	Treasury Representative/Chief Accountant, District Secretariat/Hambantota
Ms.W.A.T.G.Weerakkody	Superintendent of Audit, Government Audit Division, University of Colombo
Mr.M.M.J.R.Bogamuwa	Internal Auditor/University Grants Commission
Ms.KSTS Jayasooriya	Bursar/University of Colombo
Prof.S.Subasinghe	Director/UCIARS (w.e.f. 03.07.2017)
A.A.S.Chinthani	Assistant Bursar/UCIARS (up to 15.08.2017)
Mr.U.L.Abeysooriya	Assistant Bursar (Acting)/UCIARS (after 15.08.2017)
Ms.S.A.S. Priyadarshani	Assistant Registrar/UCIARS

1.5 Organizational Structure



2. OVERALL PERFORMANCE

The Institute is mainly involved with Academic Programmes, Tissue Cultured Banana plant 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 2017, Institute continued its academic activities through the Academic section (Department of Agro-technology) and produced Tissue cultured Banana plants using laboratories and the nurseries.

The Institute worked towards its goals with the assistance of 64 Staff members comprising 5% Administrative, 3% Academic (Permanent), 14% Academic (Assignment/Temporary), 63% Non-academic (Assignment) staff and 16% as daily basis employees (Table 02 and Figure-01).

Table 02: Staff of the UCIARS in 2017

Staff Category	No.of Employees
Administrative	3
Academic (Permanent)	2
Academic (Assignment/temporary)	9
Non-academic (Assignment)	40
Daily Basis Employees	10
Total Staff	**64**

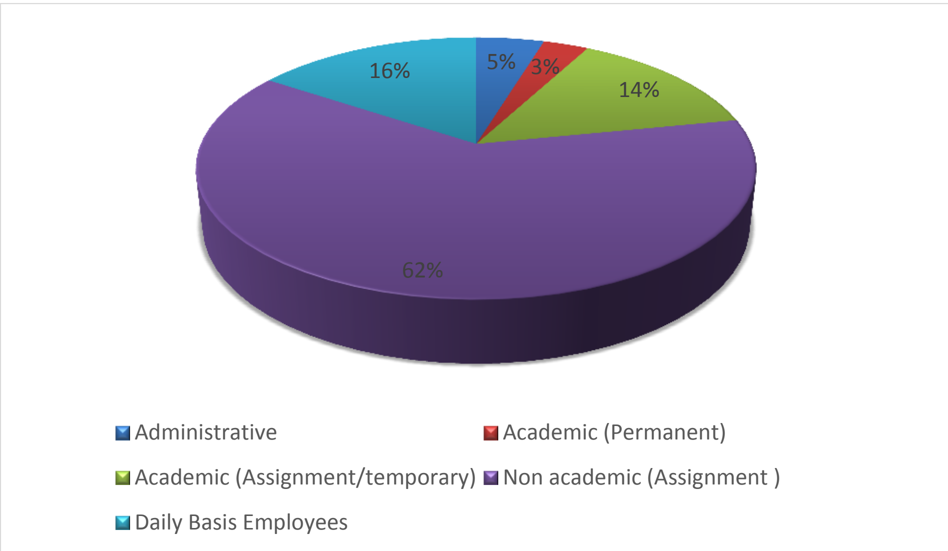


Figure-01: Staff of the UCIARS in 2017

Table 03: Administrative Staff of the Institute as at 31.12.2017

S/n	Name	Designation
1	Prof.K.R.R.Mahanama	Acting Director (up to 02.07.2017)
2	Prof.S.Subasinghe	Director (w.e.f. 03.07.2017)
3	Mrs.S.A.S.Priyadarshani	Assistant Registrar
4	Ms.A.A.S.C. Ubeysinghe	Assistant Bursar (up to 15.08.2017)
5	Ms.R.M.M.H.D.Rajapaksha	Senior Assistant Bursar (Acting) (from 16.08.2017 to 09.10.2017)
6	Mr.U.L.Abeysooriya	Assistant Bursar (Acting) (w.e.f.10.10.2017)

Table 04: Non-Academic Staff (Administrative Support) of the Institute as at 31.12.2017

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	Mr.M.G.J.P.S. Sandaruwan	Management Assistant
7	Ms.W.I.Chathumali	Management Assistant
8	Ms.K.D.C.Ariyasena	Computer Application Assistant ((w.e.f.04.12.2017)

Table 05 Non-Academic Staff (General Administration) as at 31.12.2017

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.M.A.C.Jayalath	Security Officer (Part-time/Night Shifts)
5	Mr.S.V.Upali	Driver

<u>Progress of the Land Acquisition Process in the year 2017</u>

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. 40 acres land out of 50 acres is falling within the Wilmanna Sanctuary under the Department of Wildlife Conservation.

To fulfill the requirements of final approval for the 40 acres land from Department of Wildlife Conservation, it was successfully processed the preparation of Master Plan, Landscape plan, Waste water management plan, Drainage plan and building plans for the 40 acres land by the Department of Town and Country planning of University of Moratuwa during the year 2017. Re-location of Electric

fence around 40 acres land was successfully completed to release the land to UCIARS development activities.
Lease documents for the 50 acres land was signed to get the legal ownership to UCIARS at the Land Commissioner department.

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

1. 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.

2. 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: 338th Senate Meeting (29.09.2010)-Syllabus
Council approval: 462nd Council Meeting (15.08.2012)- By Laws
UGC approval: 867th UGC Meeting (07.02.2013)- Degree Program

Duration of the Bachelor of Agro-technology degree programme is four (04) years.

Curriculum - Bachelor of Agro-Technology

The Curriculum of the Degree program revised according to the SLQF guidelines and it has adapted for new intake in year 2017

T: Theory, P: Practical, IL: Individual Leaning through LMS

Subject code	Subject Name	GPA credits	NGPA credits	Total contact hours T:P:IL
Level 3 (Year 1) - Semester I				
AT1101	Principles of Agronomy and Horticulture	3	-	15:60:90
AT1102	Principles of crop biology	2	-	15:30:60
AT1103	Irrigation and water resource engineering	3	-	15:60:60
AT1104	Anatomy and Physiology of Farm Animals	2	-	15:30:60
AT1105	Principles of Agricultural Economics and Extension	2	-	15:30:60
AT1106	Principles of Soil Science	2	-	15:30:60
AT1107	Agricultural meteorology	1	-	00: 30:60
AT1108	English	0	2	15:30:90
Total Credits		**15**	**2**	**105:300:540**
Level 3 (Year 1) - Semester II				
AT1201	Production and Management of Vegetables &Field crops	2	-	15:30:60
AT1202	Pest and disease management	2	-	15:30:90
AT1203	Management of Farm Animals	3	-	15:60:60
AT1204	Farm power and Mechanization	2	-	15:30:60
AT1205	Commercial Floriculture	2	-	15:30:60
AT1206	Soil and plant nutrient Management	2	-	15:30:90
AT1207	Introduction to Food and Nutrition	2	-	15:30:90

AT1208	Information Communication Technology	0	2	00:30:30
Total Credits		**15**	**2**	**105:270:540**
	Total Credits at Level 3	**30**	**4**	**210:570:1080**
Level 4 (Year 2) - Semester I				
AT2101	Production and Management of Plantation crops	3	-	15:60:90
AT2102	Crop improvement and Biotechnology	2	-	15:60:90
AT2103	Production and Management of Fruit crops	2	-	15:30:60
AT2104	Post Harvest Handling and Food technology	2	-	15:30:90
AT2105	Agrostology and Grassland management	2	-	15:30:60
AT2106	Agribusiness Management	2	-	15:30:60
AT2107	Basic statistics	2	-	15:30:60
AT2108	Computer Assisted Language Learning (CALL)	0	2	15:30:90
Total Credits		**15**	**2**	**120:270:600**
Level 4 (Year 2) - Semester II				
AT2201	Production and Management of Export Agricultural Crops	2	-	15:30:90
AT2202	Protected Agriculture	2	-	15:30:60
AT2203	Animal Breeding & Stock Management	3	-	15:60:60
AT2204	Farm planning and designing	2	-	15:45:90
AT2205	Agricultural extension and communication Technology	2	-	15:30:90
AT2206	Aquaculture production technology	2	-	15:30:60
AT2207	Plant tissue culture technology	2	-	15:30:60
AT2208	Life-Skills Development	0	1	00:30:30
Total Credits		**15**	**1**	**105:285:540**
	Total Credits at Level 4	**30**	**3**	**225:555:1140**
Level 5 (Year 3) - Semester I				
AT3101	Landscape horticulture	3	-	30:60:90
AT3102	Agro-ecology	2	-	15:30:60
AT3103	Animal Product Processing Technology	2	-	15:30:60
AT3104	Food Processing & Value Addition	2	-	15:30:90
AT3105	Applications of crop improvements and Bio-technology	2	-	15:30:90
AT3106	Production and Management of Medicinal plants	2	-	15:30:60
AT3107	Agro forestry and silviculture	2	-	15:30:60
AT3108	Principles of Humanities and Social Sciences	0	2	15:30:60

Total Credits		**15**	**2**	**135:270:570**
Level 5 (Year 3) - Semester II				
AT3201	Crop Production Practices	4	-	00:120:90
AT3202	Livestock production practices	3	-	00:90:90
AT3203	Agriculture Engineering practices	2	-	00:60:90
AT3204	E-Commerce for Agriculture	2	-	30:30:60
AT3205	Precision Agriculture	2	-	30:30:60
AT3206	Entrepreneurship & Business Planning	2	-	30:60:90
AT3207	Case study	2	-	30:30:60
AT3208	Presentation Skills	0	1	
Total Credits		**17**	**1**	**120:420:540**
Total Credits at Level 5		**32**	**3**	**255:690:1110**

Level 6 (Year 4) - Semester I				
AT4101	Research Methodology & Proposal Development	2	-	15:30:90
AT4102	Agricultural experimentation and data analysis	3	-	15:60:90
AT4103	Agricultural Project Analysis & Management	2	-	15:30:90
AT4104	Agricultural Waste Management	2	-	15:30:90
AT4105	Renewable Energy Systems	2	-	15:30:60
AT4106	Crop modeling	2	-	15:30:60
AT4107	Applications of e-agriculture	2	-	30:30:60
AT4108	Bio-ethics	1	-	15:00:60
AT4109	English	0	2	15:30:60
Total Credits		**16**	**2**	**150:270:660**
Level 6 (Year 4) - Semester II				
AT4201	Agro-Technology Research Project	12	0	0
Total Credits		**12**	**0**	0
Total Credits at Level 6		**28**	**2**	**150:270:660**

Optional courses

T: Theory, P: Practical, IL: Individual Leaning through LMS

Subject code	**Subject Name**	**GPA credit**	**NGPA credit**	**Total contact hours T:P:IL**
AT1109	Career Guidance and Development	2	-	15:30:60
AT1209	Agro-tourism	2	-	15:30:60
AT2109	Electronics and Instrumentation	2	-	15:30:60

AT2209	Disaster Management	2	-	15:30:60
AT3109	Industrial training	2	-	00:60:60
AT3209	Animal welfare and ethics	2	-	15:30:60
AT4209	Wild life management	2	-	15:30:60

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

Further this Degree programme is 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 have 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.

Table 06 : Total Number of Students in the year 2017 for the 03 level of Bachelor of Agro-technology (Diploma level, Higher Diploma level, Degree level)

Batch	Student No	Remarks
2nd Batch	14	Degree level
3rd Batch	13	Degree level
4th Batch	23	Degree level
5th Batch	25	Higher Diploma level
6th Batch	55	Higher Diploma level
7th Batch	56	Diploma level
8th Batch	80	Diploma level
9th batch	168	Selected students from Entrance examination and selection interview

Staff of the Academic Programme as at 31.12.2017 is given below.

Table 07 : Academic (Permanent) staff description

S/n	Name	Designation
1	Dr Sujatha Weerasinghe	Senior Lecturer Grade I
2	Mrs.N.P.Vidanapathirana	Senior Lecturer Grade II, Head/Department of Agro-technology

Table 08 Academic (Assignment Basis) staff description

S/n	Name	Designation
1	Ms. S.A.P. Nelka	Course Coordinator
2	Ms. S.L. Navarathna	Course Coordinator
3	Mr. H.K.R.S. Kumara	Assistant Course Coordinator
4	Mr. T.G.B. Dhanushka	Assistant Course Coordinator
5	Mr. B.P. Siriwardena	Assistant Course Coordinator
6	Mr H. Rohanadeera	Research Assistant

Table 09 : Non-Academic staff description

S/n	Name	Designation
1	Mr. P.B. Darshana	Computer Application Assistant
2	Mr.S.A.R.Lakmal	Computer Operator cum IT Lab Technician

- Subject Experts were 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 area 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).

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 agri-businesses. 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.

Farmers Trust Fund has agreed to give two million rupees in 1% interest to the Institute in 2014 which was distributed among students. According to this agreement they provided Rs.1,000,000.00 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. 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 Agri-business. 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.

Farmers Trust Fund released another Rs. 600,000.00 in the year 2016 as the second step of 2015 program to cover Rs.2,000,000.00 (Rs.1,400,000.00 offered in 2015 as first step) and these funds were distributed among another selected 03 agricultural entrepreneurs to develop their own agribusinesses on July 2016.

Performance in 2017

Providing financial assistance (issuing loans) for farmers was stopped by the Board of Management since institute has no power to issue loans as per UCIARS Ordinance as well recovery percentage of loans was very slow.

Grace period of 06 months has 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 2017 is given below.

Table 10: Progress of recovery % of Loans

Loan	No. of Farmers, loan offered	Loan amount with Interest (Rs.)	Recoverable % by 31.12.2017	Actual Recovered % as at 31.12.2017
First RED loan	12	1,148,000.00	100%	**92%**
FTF loan – First step	07	1,120,000.00	100%	**97%**
FTF loan – Second step	10	1,120,000.00	100%	**62%**
FTF loan – Third step	07	1,568,000.00	82%	**51%**
Planting Material Lon 2014	03	256,600.00	100%	**52%**
Planting Material Lon 2015	05	511,210.00	91%	**41%**
FTF loan – Fourth step	03	672,000.00	50%	**49%**

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 the 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.

Table 11: Staff of the Plant Nursery and Laboratory as at 31.12.2017 is given below

S/n	Name	Designation
1	Mr. H. Rohanadheera	Research Assistant (Production Incharge)
2	Mr. T.A.K.Y. Indunil	Filed Incharge
3	Mr. H.K.S. Ishara	Field Assistant
4	Mr. P.W.A. Chaminda Jayalath	Technical Assistant
5	Mr. B.G. Susira Kumara	Technical Assistant
6	Mrs. A.N. Abeygunawardhana	Tissue Culture Assistant
7	Mrs. H.K. Samanthi Nilini Kumari	Tissue Culture Assistant
8	Mrs. M.G.C. Sudarshani	Tissue Culture Assistant
9	Mrs. A. Priyanga Sudarshi	Tissue Culture Assistant
10	Miss. U. Anusha Ruwani	Tissue Culture Assistant
11	Mrs. W.H. Disna Sandamali	Tissue Culture Assistant
12	Miss. I.G. Dilini Nirosha Kumari	Tissue Culture Assistant
13	Miss. O.P. Niluka Subashini	Tissue Culture Assistant
14	Miss. D. Ishadi Nimalga	Tissue Culture Assistant
15	Miss. K.P. Udeni Nisansala	Tissue Culture Assistant
16	Miss. R.A. Madhusarani Dilhari	Tissue Culture Assistant
17	Miss. W.G. Dulanjali	Tissue Culture Assistant
18	Miss. W.H. Vichithra Kalpanie	Tissue Culture Assistant
19	Miss. Isanka Chamedani Dodampe	Tissue Culture Assistant
20	Ms.N.S.Perera	Tissue Culture Assistant
21	Ms.H.R.Akeesha Madumali	Tissue Culture Assistant
22	Ms.W.S.Madhushani	Tissue Culture Assistant
23	Miss. K.L.A. Anuradha	Tissue Culture Assistant
24	Ms.W.K.M.Shashikala	Tissue Culture Assistant
25	Ms.P.M. Thusitha	Tissue Culture Assistant
26	Ms.W.H.U.Kaushalya	Tissue Culture Assistant
27	Mr.N.S.Pradeep	Field Assistant

Performance in year 2017

Table 12: Plant Production Records from three Laboratories (Nos.)

Month	Lab 01	Lab 02	Lab 03	Total
January	8,116	8,125	4,145	20,386
February	10,846	5,784	4,897	21,527

March	11,198	9,909	4,043	25,150
April	8,276	7,647	3,780	19,703
May	11,788	8,340	4,223	24,351
June	10,816	9,154	3,290	23,260
July	11,278	9,975	3,931	25,184
August	8,327	8,970	4,854	22,151
September	10,582	10,878	3,960	25,420
October	9,109	8,023	4,600	21,732
November	11,437	7,982	5,062	24,481
December	5,959	7,395	4,826	18,180
Total	**117,732**	**102,182**	**51,611**	**271,525**

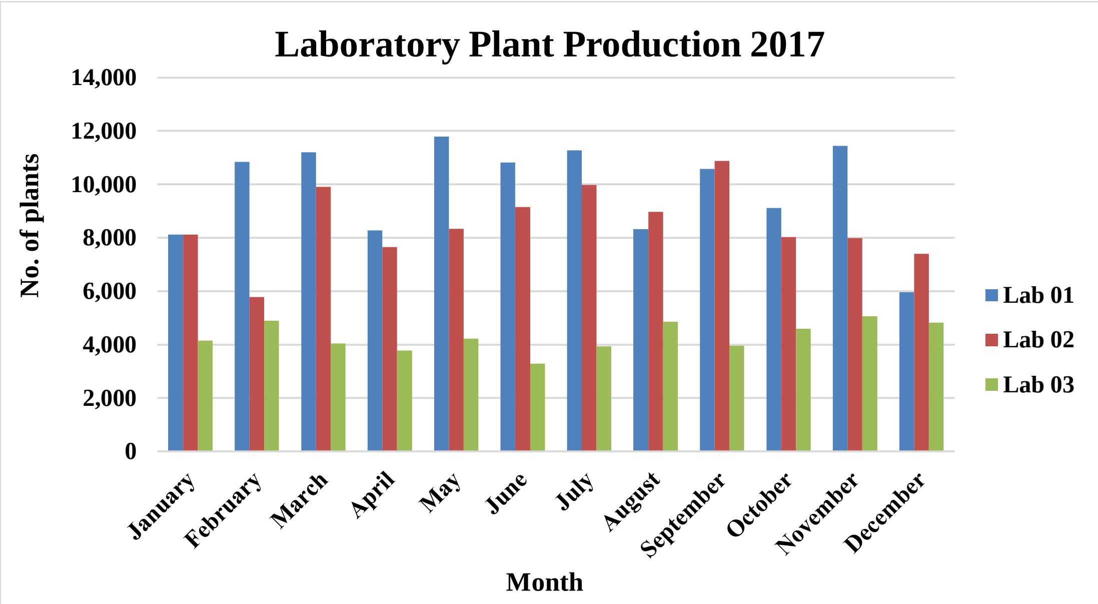


Figure 02: Comparison of plant production from three laboratories

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 122.64 percent of the target and laboratory 02 has achieved 106.44% from their target. Laboratory 03 has achieved 107.52% of their target and when considering all three labs, they have achieved 113.13% of their 2017 target.

Table 13: Comparison of plant production for last five years (Nos.)

Months	2013	2014	2015	2016	2017
January	15,388	18,514	20,315	20,594	20,386
February	15,923	18,209	20,127	20,476	21,527
March	15,709	18,960	20,611	16,918	25,150
April	12,015	14,275	12,580	10,815	19,703

May	21,158	10,043	14,852	19,079	24,351
June	12,042	10,550	14,218	19,359	23,260
July	13,370	12,791	12,029	19,750	25,184
August	17,665	7,770	14,021	20,875	22,151
September	15,769	18,831	18,030	24,180	25,420
October	20,617	25,300	22,427	23,481	21,732
November	21,961	23,106	21,557	18,807	24,481
December	10,878	26,409	21,339	18,100	18,180
Total	**1,92,495**	**2,04,758**	**2,12,106**	**2,32,434**	**2,71,525**

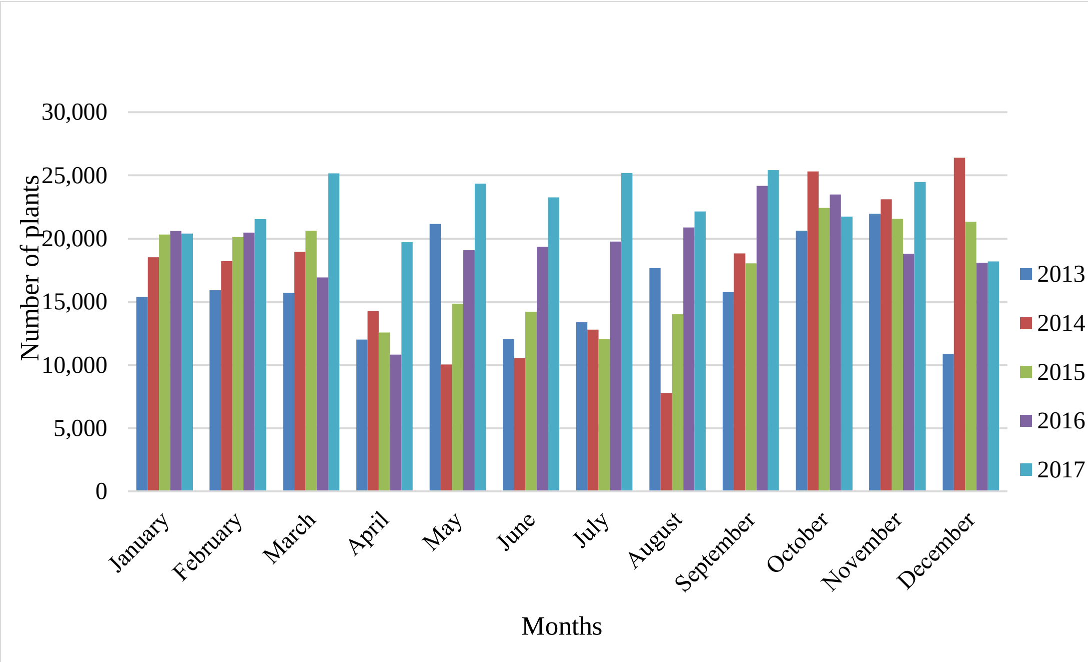


Figure 03 Plant Production Comparison 2013-2017

The data collected during the period of last five years, it showed the pattern of high demanding period during the month of January to April and September to December. But in 2017, the common pattern has deviated. Therefore, production plans has been 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 2017

Proportion of the total production, 96.01% accounts for Embul Banana and only 3.94% for Kolikuttu banana plants were produced during the year 2017.

There is clear evidence that plant production has increased by 39,091 in year 2017 with compared to previous year. 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

Typically, demand for the Tissue Cultured banana is highly depended 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 more tissue cultured banana plants considering these favorable climatic conditions and demand in the market. But in 2017, demand for the banana plantlets has continued in around same rate and demand is stabled due to higher market price throughout the year.

Table 14: Comparison of plant sale for last five years (Nos.)

Months	2013	2014	2015	2016	2017
January	14080	10,823	14,672	21,738	17,980
February	13119	6,816	18,427	17,950	22,141
March	13241	2,715	19,835	14,924	22,536
April	15641	7,697	20,579	13,721	21,467
May	9410	7,113	12,531	12,830	19,652
June	8419	3,381	15,132	13,527	20,780
July	14592	3,680	12,682	11,490	20,576
August	11242	18,404	12,954	19,465	21,097
September	12992	11,766	20,943	18,837	20,877
October	14812	18,498	15,151	22,040	22,302
November	15676	25,705	16,656	17,327	21,137
December	14491	13,369	24,595	20,884	20,530
Total	**1,57,715**	**1,29,967**	**2,04,157**	**2,04,733**	**2,51,075**

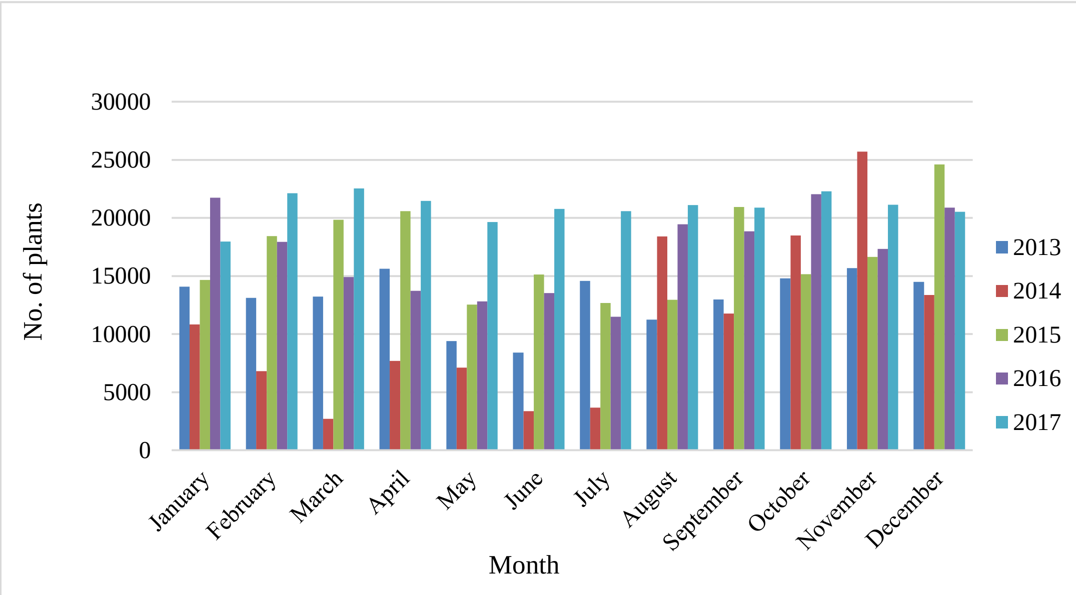


Figure 04 : Plant Sale Comparison 2013-2017

Table 15: Plant sale comparison in no. of plants sale basis – 2017

Description	No. of Plants
Plant sale 100>	13,904
Plant sale 100<	234,868

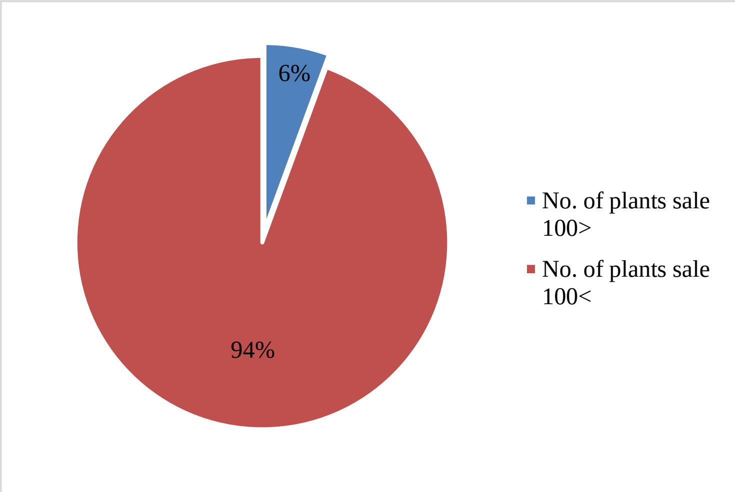


Figure 05: Plants sale - 2017

Table 16: Plant Sale in Variety Basis - 2017

Variety	No. of Plants
Ebul	2,41,669
Kolikuttu	9,287
DC	119

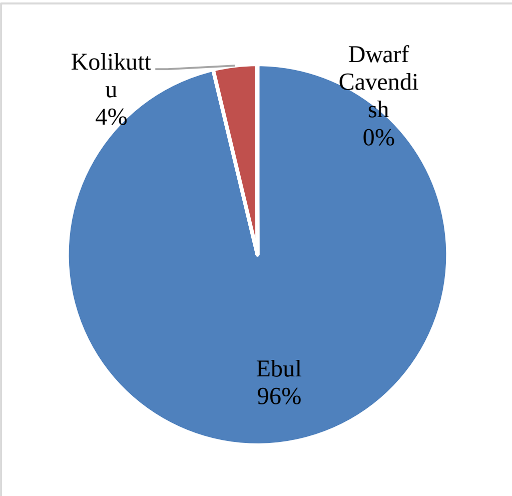


Figure 06 : Plant sale in variety basis

Income generation through Tissue cultured banana sale was 18.8 Mn. in 2017. Embul banana (Sour banana) is the highest demanded variety due to low disease incidence 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. Majority of farmers engaged with the Institute were low purchasing power farmers (62%) while engaged low percentage of high purchasing power farmers (38%).

Table 17: Purchasing power of the farmers - 2017

Purchasing power of the farmers	No. of farmers
No. of farmers purchased less than 100 plants	464
No. of farmers purchased more than 100 plants	288

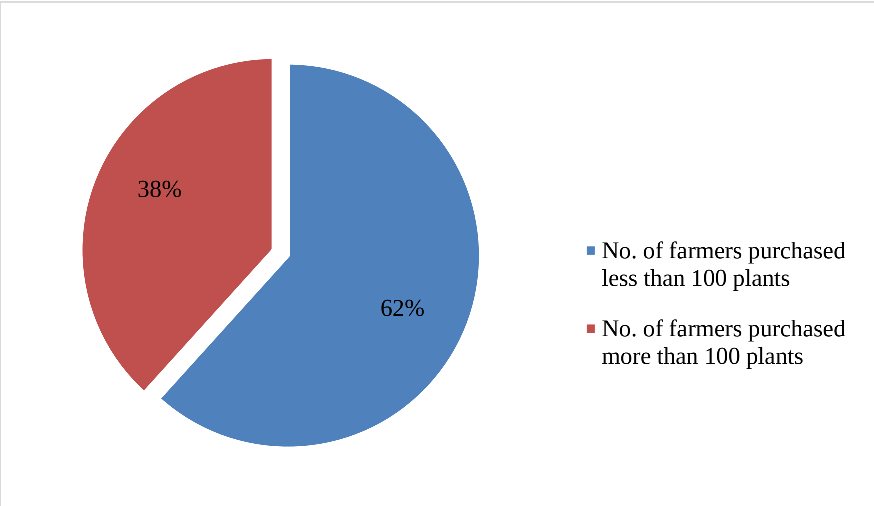


Figure – 07: Purchasing power of the farmers - 2017

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. Field staff regularly monitor their cultivations and provide necessary instructions and guidance they need. Field officers attached to the institute have arranged regular field visits to expand Tissue Culture banana farming community in the country.

Production Process of the Tissue Culture Banana plants

Plant Tissue culture technology is production of virus free samplings using artificial medium under aseptic conditions. So, the technology is specific and it is needed competent and skilled staff for handle all activities from ex-plant establishment to hardening initiation. In generally, Tissue culture plant production process divides in to five stages as Selection of healthy and vigorous mother plant, Establish the ex-plant in artificial medium, Multiplication/proliferation stage, Regeneration/rooting stage and Acclimatization stage. The Institute produces of Tissue cultured banana samplings through meristem culture and utilizes strategies to keep quality of the products and reduce mutations. Highly recognized standards are followed in sterilization process, in handle propagation stage (8-10 subculture stages) and maintain all records to trace back if necessary. Staff of the unit has recruited in every stage of the process according to their suitability and capacity.

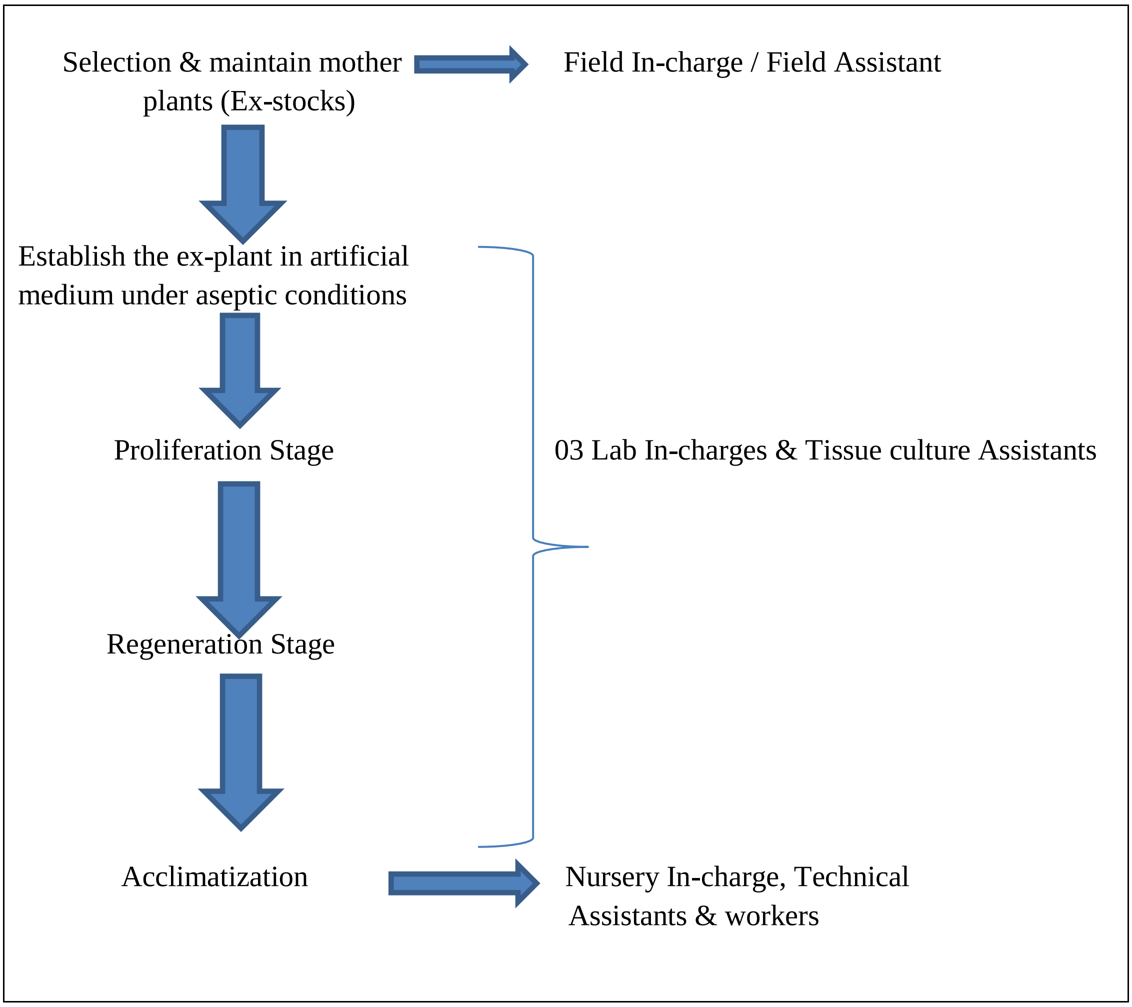


Figure 08 : Production Process of Tissue Culture Banana Plants

Achievements in the Year 2017 (Tissue Culture Production Unit)

1. Represented on Exhibitions to introduce novel technologies,
   i. Haritha Udanaya – Agro technology exhibition 2017 in Galle
   ii. Educational exhibition at Sooriyawewa Central collage, Sooriyawewa
   iii. Ruhunu Rasa Saraniya, Galle

2. The unit has started to produce Spine Gourd plants by stem cuttings, produced 6,260 no. of plants with 0.24 Mn. income generations. Number of farming entrepreneurs engaged with the Institute through Spine Gourd plants purchasing was 217.

3. The unit has produced 2,015 no. of papaya plants by seeds, “Red Royal” an imported hybrid variety. Income generated through the sale was 0.06 Mn. and 43 no. of new farming entrepreneurs engaged with the Institute.

4. Distribution of row materials utilized for mushroom productions is a supportive service conducted by Tissue culture production unit for mushroom entrepreneurs in “Ruhunu Bimmal” mushroom society. At the present, the society is consisting with 55 no. of skilled and competent mushroom growers. The unit was able to distribute row materials for mushroom production among rural mushroom entrepreneurs.

Mushroom seed packets	- 1,123 nos.
$MgSO_4/CaCO_3$	- 202 Kg
Cotton	- 39 Kg
Rubber Bands	- 3 Kg
Poly Propylene	- 23,200 nos.

5. Staff competency development programs participated,

   i. Two days training program on production of tissue cultured Pineapple – Horizon campus in Malambe.
   ii. Edible mushroom cultivation training program at Makandura Mushroom development and Research Centre

6. Training programs conducted,

   i. Industrial training for three students, followed NVQ level 4 course in Department of Agriculture, District Agriculture Training Centre (DATC) at Weeravila.

7. Conducted awareness programmes and workshops for University undergraduates, School students and to the public.

Table 18 : Awareness programmes and workshops conducted during the year 2017

Category (workshops/training programmes/field demonstrations/media programmes)	Title of the Programme	Number Participated	Target group
Conducting workshops	Workshop on Tissue cultured Banana production Technique	80	Undergraduates in University of Sri Jayawardanapura

	Workshop on Tissue cultured Banana production Technique	435	Students, M/Godagama Anagarika Darmapala vidyalaya, G/Richmond collage, R/Dimiyawa maha vidyalaya, G/Neluwa National Collage
	Workshop on Tissue cultured Banana production Technique	304	Students, M/Narandeniya National College, M/Mahamaya Girl's school, Sri Lanka school of Paranthan, Vidumaga Higher Educational center - Avissawella
	Workshop on Tissue cultured Banana production Technique	110	Students, H/Zahira vidyalaya, H/Udamaththala vidyalaya, H/ Primary school – Hamlet 10
	Workshop on Tissue cultured Banana production Technique	53	Students and teachers in Zonal Educational Region - Hambantota
	Workshop on Tissue cultured Banana production Technique	12	Female farmers' society at Meegahajandura
Other (Specify)	Awareness program on introduction of novel technologies	283	Farmers in Irrigation management regions at Rajanganaya. Padaviya, Wahalkada, Rideebandiela
	Awareness program on introduction of novel technologies	133	Farmers in Irrigation management regions at Puttalum. Mahakanadarawa, Girithale

3. RESEARCH AND INNOVATIONS

Researches done by IARS in 2017 (Academic division)

Researches under following topics were conducted by Department of Agro-technology.

i. Development of a tea tablet from broken mix fanning
ii. Development of a management plan for augmentation of the fish production of Kimbulwanna Reservoir in Kurunegala
iii. Evaluation of cutting length & pot size on mass production of betel (piper betel) plants
iv. Impact of potting medium and cutting type for rooting ability of Thumba karawila (Momordica dioica L.) male plants cuttings
v. Impact of Organic soil management for quality of the MI2 chili variety (*Capsicum annuum* L).
vi. Effect of Tissue Cultured banana on livelihood development in Ambalantota Secretariats Divisions
vii. Inducement of seed germination in Thibbatu (*Solanum torvum*)
viii. Evaluate the potential of using different cutting types instead of epical cutting for obtaining quality plants in Betel cultivation.

ix. Impact of rooting hormone for obtaining aerial roots of *Myristica fragrans*
x. Factors affecting abandoned paddy lands in Unnaruwa Yaya in Gampaha District
xi. Identify Better Seed Film Coating dilution rate and its Effect for Germination of Capsicum Seeds
xii. Effect on different colors of light for crop factors of tissue cultured banana at nursery stage.
xiii. Evaluation on effect on liquid fertilizer and light for tissue cultured banana at nursery stage

Publications

i. Nelka, S.A.P., Vidanapathirana, N.P.,Pieris H.M.P., Kulasooriya, P.O.R., (2017). Evaluation of Different Propagation Techniques for Mass Production of Jasmin (Jasminum sambac) Under Dry Zone Conditions In proceedings of 4th International Conference of Agriculture and Forestry, Sri Lanka (pp.25).

ii. Vidanapathirana, N. P., Nelka, S.A.P., Nawarathna, S.L.,(2017). A Model of Farmers E-Learning Systems Adoption in proceedings of International conference on Global Education and E-learning (GLOBED), Sri Lanka (pp. 04).

iii. Vidanapathirana, N. P., Soumi, R., Hirimburegama, K.,Nelka, S.A.P., Nawarathna, S.L. (2017). Evaluation of Farmers E-learning Systems Adoption In *proceedings of BCAS international Research Symposium*, Sri Lanka (pp. 201).

iv. Vidanapathirana, N.P., Hirimburegama, K.,Nelka, S.A.P., Nawarathna, S.L. (2017). Exploring the factors driving e-learning adoption: Farmer satisfaction in e-learning in proceedings of Annual Research Symposium of University of Colombo , Sri Lanka (pp.261).

4. TRAINING, WORKSHOPS AND STAFF DEVELOPMENT

I. Assistant Registrar, Director/UCIARS and Head/Dept. of Agro-technology participated for a workshop on Preparation of Corporate plan/strategic Management plan conducted by University Grants Commission.

II. Ms.A.A.S.Chinthanie/Assistant Bursar and Mrs.S.A.S.Priyadarshani/Assistant Registrar participated for an International Training Programme on Managerial and Administrative Competency development Program (MACDP) organized by The National Human Resources Development Council (NHRDC) at Putra University in Malaysia from 13.02.2017-17.02.2017.

III. One day workshop was organized with the resource contribution of Ayurveda doctor on the topic of “ How to use foods for good health” for UCIARS staff.

IV. Several schools, participants from Agriculture Department and Universities visited the institute to get exposed to Tissue Culture Technology.

V. Annual trip organized to “Academy of Adventure” in Belihuloya for the staff development.

VI. Three academic staff members participated Blended learning training course in UCSC and two staff members participated SDC training and completed successfully.

5. RENOVATIONS AND CONSTRUCTION PROJECTS

Table 19: Renovation and construction projects

No.	Project Name	Remarks
01	Extension and Rehabilitation to the Existing Vidatha Building	Project Cost Rs.26 Million (with VAT) Contractor :Suhada Enterprises Physical Progress : 100% Financial Progress : 96%
02	Completion of Extension work to the Vidatha Building (GOSL Funded)	Project Cost Rs.4.3 Million (with VAT) Contractor :Suhada Enterprises Physical Progress : 100% Financial Progress : 96%
03	Construction of three storied Building for Tissue Culture Laboratories (Design & Build)	Project Cost Rs.150 Million (with VAT) Contractor : KSJ Construction (Pvt) Ltd Physical Progress : 12% Financial Progress : 25%
04	Extension of existing Nursery	Project Cost :2.3 Million (without VAT) Contractor : Vidana Arachchi Builders Physical Progress : 18% Financial Progress :15%
05	Extension and renovation of existing quarters building for constructing lecture halls and elementary lab for Agro-technology degree program	Project Cost :26 Million (without VAT) Contractor : Vidana Arachchi Builders Physical Progress : 40% Financial Progress : 45%

6. FINANCE

Table 20 : Details of Recurrent Expenditure

Subject	2016 (Rs)	2017 (Rs)
Personal emoluments	31,406,148.00	33,191,619.00
Travelling	572,129.00	887,150.00
Supplies	4,362,589.00	4,298,109.00
Maintenance	1,434,472.00	949,250.00
Contractual Services	5,245,664.00	6,807,301.00
Other	5,061,188.00	4,714,783.00
Total	**48,082,190.00**	**50,848,212.00**

Table 21 : Details of Capital Expenditure

Subject	2016 (Rs)		2017 (Rs.)
	Capital Grant	Other Grant	
Acquisition and Improvements of Buildings & Structures	2,114,728.00	-	24,791,520.00
Vehicles	469,998.00	1,729,123.00	-
Lab and Teaching	2,523,411.00	1,570,997.00	252,305.00
Computers	-	-	-
Plant Machinery & Equipment	2,437,584.00	217,670.00	1,103,540.00
Fixtures & Fittings	-	-	-
Furniture & Office Equipment	-	-	-
Hostel Project	-	-	-
House Hold Equipment’s	-	69,784.00	-
Office Equipment’s	410,898.00	2,818,148.00	3,406,700.00
Furniture & Fittings	237,790.00	523,750.00	9,855,174.00
Sport Goods	1,200.00	-	222,000.00
Books	643,068.00	-	430.00
Land Initial Cost	583,715.00	-	2,344,670.00
Work In Progress	19,727,408.00	-	-
Total	**21,604,079.00**	**57,552,182.00**	**79,156,261.00**

Table 22: Details of Project Expenditure (Local/Foreign Funded)

Name	TCE Rs.	Exp in 2017 Rs.	Cumulative Exp as at 31.12.2017	% of Physical Progress (2017)
Extension and Rehabilitation to the Existing Vidatha Building (GOSL Funded)	29,079,639.60	5,064,112.41	24,791,520.41	100%
Completion of Extension work to the Vidatha Building (GOSL Funded)	4,290,181.19	4,068,327.72	4,068,327.72	100%
Extension & Rehabilitation of quarters building for constructing lecture halls and elementary lab (GOSL	29,803,414.53	13,252,287.00	13,252,287.00	40%
Design & construction of building complex for tissue culture laboratories (GOSL Funded)	150,000,000.00	38,227,089.00	38,227,089.00	12.12%
Extension of Existing Net House (GOSL Funded)	2,545,446.38	724,061.85	724,061.85	18%
Total	**215,718,681.70**	**61,335,877.98**	**81,063,285.98**	

Table 23 : Details of Financial Progress (Generated Income)

Source of Revenue	Provision in 2017 Rs.	Collecting in 2017 Rs.	(Deficit)/Surplus Rs.
Certificate Courses-IARS	10,380,000.00	4,978,750.00	(5,401,250.00)
Sales in Tissue Culture Banana Plants	18,200,000.00	19,550,958.00	1,350,958.00
Other Income	2,168,000.00	586,646.00	(1,581,354.00)
Total	**30,748,000.00**	**25,116,354.00**	**(5,631,646.00)**

Table 24 : Financial Performance Analysis-2017

Subject	Formula	Exp.per Student(Rs)
Recurrent Expenditure per Student (RE)	RE/No of Student strength	191,158.69
Capital Expenditure per Student (CE)	CE/No of Student strength	297,579.93
Total		**488,738.62**

Table 25 : Details of Infrastructure Facilities Received in 2017

Infrastructure Details	Expenditure (Rs)	Physical Progress (%)
Building and Structures Extension	Nil	
Other (specify)	Nil	

Final Account 2017

Institute for Agro-technology and Rural Sciences -
University of Colombo

කොළඹ විශ්ව විද්‍යාලයීය කෘෂිතාක්ෂණික හා ග්‍රාමීය විද්‍යා ආයතනය
கொழும்புப் பல்கலைக்கழக கமத்தொழில் தொழில்நுட்பவியல் மற்றும் கிராமிய விஞ்ஞானங்களுக்கான நிறுவனம்
University of Colombo Institute for Agro-Technology and Rural Sciences

23th February 2018

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

Dear Sir,

Financial Statements – 2017

I hereby submit financial statements for University of Colombo, Institute for Agro Technology and Rural Sciences for the year 2017, with following statements.

01. Statement of Financial Position as at 31-12-2017
02. Statement of Production and Trade for the year ended 31-12-2017
03. Statement of Financial Performance for the year ended 31-12-2017
04. Statement of Changes in Equity for the year ended 31-12-2017
05. Cash flow statement for the year ended 31-12-2017
06. Statement of Responsibility
07. Notes to Financial Statements

Thanking you,

Prof. S. Subasinghe
Director
University of Colombo, Institute for Agro Technology and Rural Sciences

Director
Institute for Agro- technology & Rural Sciences
University of Colombo
Weligatta – Hambantota.

වැලිගත්ත නව නගරය, හම්බන්තොට. வெலிகத்தை புதிய நகரம், அம்பாந்தோட்டை. Weligatta New Town, Hambantota.

Academic :	Plant Nursery :	Administrative :	Account :
Tel : +94-47-3620468	Tel : +94-47-3489085	Tel : +94-47-3626615	Tel : +94-47-3624554
Fax : +94-47-3220044	Fax : +94-47-3220044	Fax : +94-47-3220044	Fax : +94-47-3220044
Email : info@uciars.cmb.ac.lk	Email : info@uciars.cmb.ac.lk	Email : sar@uciars.cmb.ac.lk	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 2017

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

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

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	
Prof.Tara D Silva	UGC Nominee	
Mr. RajanAsirwatham	Council Nominee	
Prof. Saman Abeysinghe	UGC Nominee	

CONTENTS

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) (here-in-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 2008[2]. 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 UGC[3]. The Institute is located 250 km away from Colombo very close to the Colombo-Kataragama main road. The Centre's history dates back to 1998[3] 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 2017

(Figures adjusted to the Nearest Rupee)

		2017	2016
		Rs.	Rs.
ASSETS			
CURRENT ASSETS			
Bank Balances	Note - 01	32,815,061	94,634,249
Inventories	Note - 02	4,799,056	4,775,743
Interest Receivable on Investments	Note - 03	1,221,933	2,055,648
Receivable Loan Account	Note - 04	2,111,726	2,732,925
Advance A/C		25,000	127,540
Prepayment A/C		75,000	-
		41,047,776	104,326,105
NON CURRENT ASSETS			
Property Plant And Equipment	Note - 05	300,319,539	273,499,723
Deffered Expenditure	Note - 06	3,463,396	3,990,050
Deposit for Transformer		500,000	500,000
Work in Progress		51,479,376	19,727,408
Investments		-	1,537,339
		355,762,311	299,254,519
TOTAL ASSETS		396,810,087	403,580,624
LIABILITIES			
CURRENT LIABILITIES			
Accrued Expences	Note - 07	3,349,885	1,141,494
		3,349,885	1,141,494
NON CURRENT LIABILITIES			
Non Current Liabilities	Note - 08	6,402,117	6,645,055
		6,402,117	6,645,055
TOTAL LIABILITIES		9,752,002	7,786,549
NET ASSETS/EQUITY		387,058,085	395,794,082
Accumilated Funds			
Capital Grant Spent		152,287,459	61,590,874
Capital Grant Unspent		5,118,024	96,929,775
IT Grant		3,160,390	3,160,390
Other Grant Spent		7,373,365	6,473,365
Other Grant Unspent	Note - 09	769,672	69,672
Accumilated Funds/Reserves		5,072,990	640,383
Special Grant Spent	Note - 10	213,276,184	226,929,623
TOTAL NET ASSETS/ EQUITY		387,058,085	395,794,082

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Certified by
H.P. Hewarathna
Assistant Bursar

Pushpika Hewarathna
Assistant Bursar
Faculty of Agriculture
University of Ruhuna
Mapalana, Kamburupitiya.

....
Prof. S. Subasingha
Director (IARS)
For and on behalf of the Board of Management

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 2017

(Figures adjusted to the Nearest Rupee)

		2017	2016
		Rs.	Rs.
Raw Material as at 01.01.2017		**1,516,942**	1,202,782
ADD: Purchases		1,782,798	1,815,483
		3,299,740	3,018,265
Raw Material as at 31.12.2017		960,586	**1,516,942**
Raw Material Consumption During The year		2,339,144	1,501,323
Direct Cost			
Personnel Emoluments	**Note - 11**	12,250,775	11,485,590
Prime Cost		**14,589,919**	12,986,913
Add: Work In Progress as at 01.01.2017		**801,245**	724,279
Culture Bottles 26399			
Less : Work In Progress as at 31.12.2017		835,070	**801,245**
Culture Bottles 18180			
		14,556,094	12,909,947
OVERHEADS	**Note - 12**	2,243,311	1,948,775
Cost Of Production		2,243,311	1,948,775
Number of Plants Produced during the year 2017	**Note - 23**	279,800	207,872
Unit Cost	**Note - 24**		71.48
Cost of production Transferred to Income And Expenditure Account		**16,799,405**	14,858,722

Income from Sale of Plants		**19,550,958**	**15,865,488**
Cost of Sales			
Banana Plants as at 01.01.2017, 20450@71.48		**1,433,545**	2,348,630
Papaya Plant s as at 01.01.2017, 641@22.74		14,576	
Spine guard as at 01.01.2017 1966@9.38		18,441	
Add: Cost Of Production		16,799,405	14,858,722
		18,265,967	17,207,352
Banana plants as at 31.12.2017 20169 unit cost of Rs. 73.47		1,510,073	**1,433,545**
Papaya plants as at 31.12.2017 549 unit cost of Rs. 22.74		12,484	
Spine guard plants as at 31.12.2017 1178 unit cost of Rs. 9.38		11,050	
		16,732,360	15,773,807
Gross Profit		**2,818,598**	**91,681**

INSTITUTE FOR AGRO - TECHNOLOGY AND RURAL SCIENCES
UNIVERSITY OF COLOMBO
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED DECEMBER 31ST 2017

(Figures adjusted to the Nearest Rupee)

		2017	2016
		Rs.	Rs.
INCOME			
Gross Profit		2,818,598	91,681
Govt. Grant for Recurrent Expenditure		28,100,000	30,000,000
Generated Income	**Note - 13**	5,565,396	3,994,035
Interest Income	**Note - 14**	3,968,763	4,163,583
Amortization		18,936,312	5,771,372
		59,389,068	**44,020,671**
Less : EXPENDITURE			
Personal Emoluments	**Note - 15**	20,940,844	19,920,558
Travelling	**Note - 16**	887,150	482,029
Supplies	**Note - 17**	2,515,311	2,547,106
Maintenance Expenditure	**Note - 18**	949,250	1,434,472
Contractual Services	**Note - 19**	6,807,301	4,282,098
Other Recurrent Expenses	**Note - 20**	4,714,783	5,061,188
Human Capital Development	**Note - 21**	382,978	528,705
Gratuity		798,729	2,032,120
Write Off Amount Of Defferd Expenditure		526,653	526,653
Depreciation		19,664,783	18,034,236
		58,187,782	**54,849,165**
Excess of Income over Expenditure		**1,201,286**	**(10,828,494)**

INSTITUTE OF FOR AGRO - TECHNOLOGY AND RURAL SCIENCES
UNIVERSITY OF COLOMBO
STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2017

(Figures adjusted to the Nearest Rupee)

	Capital grant spent	Capital grant unspent	IT grant	Other grant spent	Other grant Unspent	Accumilated Surplus	Special grant	TOTAL
Balance as at 01.01.2017	61,590,874	96,929,775	3,160,390	6,473,365	69,672	640,383	226,929,623	395,794,082
Prior Year Adjustment debit						(213,589)		(213,589)
Prior Year Adjustment credit						3,444,910	(2,532,293)	912,617
Restated Balance	61,590,874	96,929,775	3,160,390	6,473,365	69,672	3,871,704	224,397,330	396,493,110
Changes in Equity for Year 2017								
Deficit/Surplus For the period						1,201,286		1,201,286
Capital grant received during the year		6,700,000			1,600,000			8,300,000
Capital expenditure during the year	98,511,751	(98,511,751)		900,000	(900,000)			-
Amortization	(7,815,166)						(11,121,146)	(18,936,312)
								-
31.12.2017 Balance carried Forward	**152,287,459**	**5,118,024**	**3,160,390**	**7,373,365**	**769,672**	**5,072,990**	**213,276,184**	**387,058,085**

INSTITUTE OF FOR AGRO - TECHNOLOGY AND RURAL SCIENCES
UNIVERSITY OF COLOMBO
CASH FLOW STATEMENT
FOR THE YEAR ENDED 31ST DECEMBER 2017

(Figures adjusted to the Nearest Rupee)

	2017	2016
	Rs.	Rs.
Surpluses/(Defisit) for the year	**1,201,286**	**(10,828,494)**
Adjustments for items not involving movement of Funds		
Adjustment for		
Prior year adjustments	699,028	509,766
Depreciation	20,212,536	18,527,989
Write Off Amount of Deffered expenditure	526,653	526,653
Amortization	(18,936,312)	(5,771,372)
Interest Income	(3,958,365)	(4,163,583)
Provission for Gratuity	798,729	2,032,120
Operating excess before working capital changes	**543,555**	**11,661,573**
CASH FLOWS FROM OPERATING ACTIVITIES		
Increase/Decrease in Inventories	(23,313)	915,305
Increase/Decrease in Receivables	833,715	62,440
Increase/Decrease in Loan Receivable	621,199	(12,533)
Increase/Decrease in Payables	2,208,391	-
Increase/Decrease in Advance A/C	102,540	-
Increase/Decrease in Prepayment A/C	(75,000)	-
Net cash flow from operating activities	**4,211,095**	**965,212**
CASH FLOWS FROM INVESTING ACTIVITIES		
Increase/Decrease of Deffered Expenditure		(157,650)
Working Progress	(31,751,968)	-
Increase/Decrease in Loans		(588,327)
Acquisition of Fixed Assets	(47,032,352)	(29,148,599)
Interest Income For The Year	3,958,365	2,169,816
Net cash flow from Investing activities	**(74,825,955)**	**(27,724,760)**
CASH FLOWS FROM FINANCING ACTIVITIES		
Gratuity Payments	-	(94,725)
Government Grant for Capital Expenditure	6,700,000	10,000,000
Net Cash Flows from other Grants	1,600,000	-
Increase/Decrease of Borrowings	(1,041,667)	(150,000)
Withdrawal of Investment	1,537,339	15,000,000
Net cash flow from Financing activities	**8,795,672**	**25,004,830**
NET INCREASE/DECREASE IN CASH EQUIVALENTS	**(61,819,188)**	**(921,639)**
Cash & cash equivalents at the beginning of the period	**94,634,249**	**95,555,887**
Cash & cash equivalents at the end of the period	**32,815,061**	**94,634,249**

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 Weligaththa New Town, Hambanthota. The Financial Statement of the IARS is prepared for the year ending 31/12/2017.

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 Charted 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 Equipment's 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 31.12.2017 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 Equipment's on the straight line basis over their estimated useful lives.

Description		Estimated useful Life
• Building & Structures	-	20 years
• Hostel Projects	-	20 Years
• Fixtures & Fittings	-	10 years
• Vehicles	-	5 Years
• Laboratory & Teaching Equipment's	-	5 years
• Electrical Equipment's	-	5 Years
• House Hold Equipment's	-	10 Years
• Office Equipment's	-	10 Years
• Furniture & Fittings	-	10 Years
• Plant Machinery And Equipment's	-	10 Years
• Books	-	10 years
• Sports Goods	-	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.6.7Mn. The Recurrent Grants that have been used for the operational activities for the year was Rs.28.1Mn 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 - 2017(Contd..)

Note - 01
Bank Balances

	2017	2016
	Rs.	
007-1001-4-6432005 - Plant Sale Collection Account PB Hambanthota	-	
007-1001-3-0005888 - Cetificate Course Collection Account PB Hambanthota	4,842,393	1,039,718
Avurudu Ganudenu	0	120,239
007-1001-2-0005006 - Gov. Grant Current Account PB Hambanthota	9,202,828	692,720
007100130012515 Farmers Trust Fund	82,640	382,860
007100326432005 Salary Current Account	803,980	5,472,365
3 months Short Term Investments	-	25,781,681
Call Deposits	10,120,895	58,120,895
007100236432005Generated Income Current Account	7,762,324	3,023,771
	32,815,061	**94,634,249**

Note - 02
Stocks

	2017	2016
	Rs.	
Raw material	960,586	1,516,942
Work In Progress	835,070	801,245
Banana Plants	1,510,073	1,433,545
Papaya Plant	12,484	
Spine Guard Plant	11,050	
Consumable Stock Stationery	326,338	419,291
Consumable Stock Electric & Hardawre itmes	839,096	433,636
Consumable Stock Consumable & glassware	304,359	171,084
	4,799,056	**4,775,743**

Note - 03
Interest Receivable

	2017	2016
	Rs.	
RED	2,410	2,676
Farmers Trust Fund	201,500	53,500
12 months investment interest	-	59,388
3 months investment interest	-	155,750
call deposit	1,018,023	1,890,836
	1,221,933	**2,162,149**

Institute for Agro Technology and Rural Sciences University of Colombo
Notes to the Financial Statements - 2017 (Contd..)

Note - 05

Non Current Assets - Table I

Description	Electrical Equipments	Hostel Project	Building & Structures	Building & Structures Rehabilitation	Vehicles	Lab and Teaching Equipment	Plant Machinery & Equipment	Total
Non Current Assets								
Balance as at 01/01/2017	83,863	222,422,928	54,066,137	-	10,439,921	9,545,465	3,820,917	300,379,231
Additions/ Improvements	53,958		24,791,520	5,002,077		252,305	1,103,540	31,203,400
Capital Grant								-
Other Grant								-
Disposals								-
Total	**137,821**	**222,422,928**	**78,857,657**	**5,002,077**	**10,439,921**	**9,797,770**	**4,924,457**	**331,582,631**
Provision for Depreciation								
Rate of Depreciation	**20%**	**5%**	**5%**	**5%**	**20%**	**20%**	**10%**	
Balance as at 01/01/2017	36,341	22,538,865	5,306,014	-	7,438,564	2,879,536	547,491	38,746,811
Adjusted Opening Balance								-
Depreciation for the year	24,963	11,121,146	3,616,857	28,970	1,276,224	792,989	453,734	17,314,884
Balance as at 31/12/2017	**61,304**	**33,660,011**	**8,922,871**	**28,970**	**8,714,788**	**3,672,525**	**1,001,225**	**56,061,695**
Net Book Value- 31/12/2017	**76,517**	**188,762,917**	**69,934,786**	**4,973,107**	**1,725,133**	**6,125,245**	**3,923,232**	**275,520,937**

Institute for Agro Technology and Rural Sciences University of Colombo
Notes to the Financial Statements - 2017 (Contd..)

Note - 05

Non Current Assets

Description	House Hold Equipments	Office Equipment	Furnitures And Fittings	Sport Goods	Books	Land Initial Cost	Total From Table II	Total from Table I	Total
Non Current Assets									
Balance as at 01/01/2017	372,184	8,341,872.00	6,935,047	1,200	643,068	583,715	16,877,086	300,379,231	317,256,317
Additions/ Improvements		3,406,700	9,855,174	222,000	430	2,344,670	15,828,974	31,203,400	47,032,375
Capital Grants							-	-	-
Other Grants							-	-	-
Disposals							-	-	-
Total	**372,184**	**11,748,572**	**16,790,221**	**223,200**	**643,498**	**2,928,385**	**32,706,060**	**331,582,631**	**364,288,692**
Provision for Depreciation						-			
Rate of Depreciation	**20%**	**5%**	**5%**	**10%**	**10%**	-			
Balance as at 01/01/2017	112,176.98	3,078,754.00	1,793,056.00	600.00	25,194	-	5,009,781	38,746,811	43,756,592
Adjusted Opening Balance							-	-	-
Depreciation for the year	37,218.35	1,406,106.50	1,389,690.12	302.47	64,335		2,897,653	17,314,884	20,212,536
Acc dep for Disposals							-		
Balance as at 31/12/2017	**149,395**	**4,484,861**	**3,182,746**	**902**	**89,529**	-	**7,907,434**	**56,061,695**	**63,969,128**
Net Book Value- 31/12/2017	**222,789**	**7,263,712**	**13,607,475**	**222,298**	**553,969**	**2,928,385**	**24,798,627**	**275,520,937**	**300,319,564**

Institute for Agro Technology and Rural Sciences University of Colombo
Notes to the Financial Statements - 2017(Contd..)

Note - 04
Loan Account

	2017	2016
	Rs.	
RED Loan	84,416	99,150
Farmers Trust Fund Loan	1,769,385	2,416,135
Distress Loan	257,925	217,640
	2,111,726	**2,732,925**

Note - 06
Deffered Expenditure

	2017	2016
	Rs.	
Transformer - Ceylon Electricity Board	1,559,160	1,819,020
Electrical Equipments	1,778,116	2,171,030
	105,696	
	20,424	
	3,463,396	**3,990,050**

Note - 07
Accrued Expences

	2017	2016
	Rs.	
Electricity	161,529	134,006
Water	11,026	10,762
Postal And Telecommunication	141,959	156,972
Salaries	194,575	175,000
EPF	344,450	338,058
ETF	64,013	61,260
Extra Working Day Payments	39,867	
Domestic Travelling	7,200	500
Fuel & Lubricant	-	49,251
Maintenance - Buildings	-	
UPF Loan	2,470	
UPF	-	59,789
Over Time	29,067	
Transport	6,500	
Organic Products Project	-	24,000
Professional Fee	135,661	70,000
Staf Development	-	13,000
Examination fee	3,700	
Stamp Duty	4,880	
Other Services	2,238	25,200
Over Deduction Salary	-	12,816
Other Contractual Services	2,176,400	-
Staff union fee	2,250	-
Visiting Lectures Fee	10,800	-
Welfare	11,300	8,250
PAYEE TAX	-	2,630
	3,349,885	**1,141,494**

Institute for Agro Technology and Rural Sciences University of Colombo
Notes to the Financial Statements - 2017(Contd..)

Note - 08
Non Current Liabilities

	2017	2016
	Rs.	
Farmers Trust fund	1,458,333	2,500,000
Provision for gratuity	4,933,784	4,135,055
Refundable Deposit	10,000	10,000
	6,402,117	**6,645,055**

Note - 09
Other Grants Unspent

	2017	2016
	Rs.	
Livelihood Development Grant	69,672	69,672
Grant for Sports Activity	700,000	
	769,672	**69,672**

Note - 10

	2017	2016
	Rs.	
MOHE Grant	206,346,713	220,000,152
HETC Grant	5,440,221	5,440,221
NAC Grant	1,489,250	1,489,250
	213,276,184	**226,929,623**

Note - 11

Personal Emoluments - production unit

	2017	2016
	Rs.	
Salaries & Wages	10,657,335	9,987,701
E.P.F	1,274,752	1,198,311
E.T.F.	318,688	299,578
	12,250,775	**11,485,590**

Note - 12

Over Heads

	2017	2016
	Rs.	
Telephone	41,554	33,749
Water	264,990	106,337
Depreciation for Lab Equipment	547,753	493,753
Electricity	1,308,955	807,645
Expenditure On Plant Production	80,059	507,291
	2,243,311	**1,948,775**

Note - 13
Generated Income

	2017	2016
	Rs.	
Certificate Course - IARS	4,978,750	3,402,538
Other Income	73,096	434,797
Non Recognised Income Course Fee	5,750	-
Tender Fee	152,000	-
Hostel Fee	355,800	156,700
	5,565,396	**3,994,035**

Note - 14
Interest Income

	2017	2016
	Rs.	
Distress Loan Interest	10,398	11,996
Interest in investment	3,958,365	4,151,586
	3,968,763	**4,163,583**

Note - 15
Personal Emoluments

	2017	2016
	Rs.	
Salaries & Wages	17,899,258	17,378,679
E.P.F	1,603,684	1,338,900
UPF	377,629	222,707
Pension	182,642	167,172
E.T.F.	493,519	412,703
Extra Working Day Payments	241,600	205,031
Over Time	142,513	195,366
	20,940,844	**19,920,558**

Note - 16
Travelling

	2017	2016
	Rs.	
Foriegn	350,000	255,666
Domestic	537,150	226,363
	887,150	**482,029**

Note - 17
Supplies

	2017	2016
	Rs.	
Mechanical and Electrical Goods	100,711	367,628
Stationery & Office Requisites	428,382	291,515
Medical Suplies	-	3,573
Uniform	48,750	46,850
Fuel and Lubricant	1,077,796	812,069
Other	665,640	711,552
Consumable And Glass ware	194,032	313,920
	2,515,311	**2,547,106**

Institute for Agro Technology and Rural Sciences University of Colombo
Notes to the Financial Statements - 2017(Contd..)

Note - 18
Maintenance Expenditure

	2017	2016
	Rs.	
Plant, Machinery Equipment	113,733	273,214
Furniture	-	9,000
Vehicles	479,153	804,292
Buildings & Structures	33,535	190,375
Other	322,830	157,591
	949,250	**1,434,472**

Note - 19
Contractual Services

	2017	2016
	Rs.	
Transport	504,056	729,943
Postal & Telecommunication	1,896,741	1,452,875
Electicity	546,413	165,421
Water	264,988	248,120
Cleaning Service	-	9,500
Rates. Taxes & Local Authorities	-	-
Other Contractual Services	2,933,500	1,231,377
Printing, Advertising etc.	661,602	444,862
	6,807,301	**4,282,098**

Note - 20
Other Recurrent Expenditure

	2017	2016
	Rs.	
Visiting Lectues Fee	178,650	177,683
Special Services - Board Meeting & Committees	605,167	518,645
Workshops, Seminars	201,575	246,915
Bank Charges	1,000	9,129
Expenditure on Certifictre Courses IARS	432,600	749,785
Entertainment Expenditure	366,469	362,953
Staff Development	558,125	372,168
Expenditure on RED	-	19,500
Director Entertainment Expenditure	-	-
Proffesional Fee	974,845	855,209
Organic Farming Project	33,000	276,700
Expenditure On Mushroom Sales	241,090	403,480
Examination Expenditure	281,610	294,340
Field Visit Expenditure	17,400	25,050
Animal Husbandry	163,520	170,280
Other	638,899	564,352
Interest Paid	20,833	15,000
	4,714,783	**5,061,188**

Institute for Agro Technology and Rural Sciences University of Colombo
Notes to the Financial Statements - 2017(Contd..)

Note - 21

Human Capital Development

	2017	2016
	Rs.	
Strenghthing Research	382,978	278,405
Postgraduate Dcoctoral Project	-	250,300
	382,978	**528,705**

Note - 22

Nomber of Production of plant year 2017

	2017	2016
Banana Plant	271,525	-
Papaya Plant	2,015	-
Spine Guard	6,260	-
	279,800	-

Note - 23

Cost Calculation of Spine Guard

	2017	2016
Purchase of Polythene (10.8kg)	2,376	-
Purchase of Chemicals	950	-
Labour Charges (36 days per year 1400.00 x 36)	50,400	-
Water Charges	5,000	-
Total Cost	58,726	-
Production of during the year	6,260	-
Cost per plant	**9.38**	-

Cost Calculation of Papaya Plants

	2017	2016
Purchase of papaya seeds	26,799.00	-
Purchase of pellets (3328 x 5.00)	14,640.00	-
Labour hours (5 hours Rs.1400.00 x 5)	875.00	-
Water charges	1,500.00	-
Production during the year	2,015.00	-
Cost per plants	**22.74**	-

Institute for Agro Technology and Rural Sciences University of Colombo
Unsettle Advance Schedule as at 31.12.2017

DATE	V/NO	DESCRIPTION	AMOUNT
12/28/2017	816A	Assistant registrar	15,000.00
6/30/2017	373A	Chief Valuer	10,000.00
Total			**25,000.00**

Institute for Agro Technology &Rural Science - University of Colombo
Gratuity expenditure As at 2017.12.31

	Employee's Name	Appointment Date	Year of working	Basic salary	2017/12/31 Gratuity	Total Gratuity
1	H K S N KUMARI	2003-01-01	14	35,172.00	246,204.00	246,204.00
2	T A K Y INDUNIL	2003-01-01	14	35,058.00	245,406.00	245,406.00
3	M G C SUDARSHANI	2003-01-01	14	32,258.00	225,806.00	225,806.00
4	A N ABEYGUNAWARDENA	2003-01-01	14	35,172.00	246,204.00	246,204.00
5	A P SUDARSHI	2004-01-03	13	32,062.00	208,403.00	208,403.00
6	U A RUWINI	2005-06-10	12	31,670.00	190,020.00	190,020.00
7	W H D SANDAMALI	2007-08-01	10	31,278.00	156,390.00	156,390.00
8	H ROHANADEERA	2007-10-01	10	59,394.00	296,970.00	296,970.00
9	I G D NIROSHA	2008-01-08	9	31,082.00	139,869.00	139,869.00
10	R V P N PUSHPAKUMARA	2008-11-19	9	32,468.00	146,106.00	146,106.00
11	K P U NISANSALA	2010-02-08	7	30,690.00	107,415.00	107,415.00
12	D I NIMALGA	2010-02-08	7	30,690.00	107,415.00	107,415.00
13	S A P NELKA	2010-11-22	7	59,394.00	207,879.00	207,879.00
14	P.W.A.C. JAYALATH	2011-10-01	6	31,817.00	95,451.00	95,451.00
15	H K S ISHARA	2011-10-13	6	31,817.00	95,451.00	95,451.00
16	S L NAWARATHNA	2012-03-01	5	59,394.00	148,485.00	148,485.00
17	N.P.VIDANAPATHIRANA	2007-06-01	10	68,350.00	341,750.00	341,750.00
18	W H VICHITHRA KALPANI	2012-02-27	5	30,298.00	75,745.00	75,745.00
19	I C DODAMPE	2011-05-15	6	30,298.00	90,894.00	90,894.00
20	B.G.S.KUMARA	2012-08-01	5	31,600.00	79,000.00	79,000.00
21	W.M.CHAMINDA	2012-12-03	5	30,494.00	76,235.00	76,235.00
22	K.S.R.SAMPATH	2012-12-03	5	30,494.00	76,235.00	76,235.00
23	S.V. UPALI	2013-02-15	4	32,321.00	64,642.00	64,642.00
24	W.K.K. RAJIKA NILANGANI	2013-06-01	4	31,383.00	62,766.00	62,766.00
25	N. SANDAMALI PERERA	2013-06-17	4	30,102.00	60,204.00	60,204.00
26	H.R. AKEESHA MADUMALI	2013-06-18	4	30,102.00	60,204.00	60,204.00
27	O.P.N. SUBASHINI	2013-09-02	4	30,102.00	60,204.00	60,204.00
28	H.K.R.S. KUMARA	2013-12-09	4	54,228.00	108,456.00	108,456.00
29	W.S.M. WEERASURIYA	2014-01-29	3	29,906.00	44,859.00	44,859.00
30	W.K.M.S. SEWWANDI	2014-01-28	3	29,906.00	44,859.00	44,859.00
31	T.G.B.DHANUSHKA	2014-03-10	3	54,228.00	81,342.00	81,342.00
32	B.P.SIRIWARDENA	2014-05-02	3	54,228.00	81,342.00	81,342.00
33	W.H.UDARI KAUSHALYA	2014-05-02	3	29,906.00	44,859.00	44,859.00
34	A.G.U.WASANTHI	2014-06-21	3	31,166.00	46,749.00	46,749.00
35	U.M.A.A.M. De SILVA	2014-06-21	3	31,166.00	46,749.00	46,749.00
36	P.B.DARSHANA	2014-08-01	3	30,298.00	45,447.00	45,447.00
37	S.A.S.PRIYADARSHANI	2014-07-15	3	60,441.75	90,662.63	90,662.63
38	N.S.PRADEEP	2015-10-12	2	30,949.00	30,949.00	30,949.00
39	R.A.M DILHARI	2015-12-21	2	29,710.00	29,710.00	29,710.00
40	J.A.U.SRINATH	2015-06-01	2	30,298.00	30,298.00	30,298.00
41	W.I.CHATHUMALI	2015-09-01	2	30,949.00	30,949.00	30,949.00
42	K.D.C.ARIYASENA	2009-01-15	8	45,963.50	183,854.00	183,854.00
43	S.S.WEERASINGHE	2016-04-01	1	73,714.00	36,857.00	36,857.00
44	M.G.J.P.S.SADHARUWAN	2016-06-01	1	23,149.00	11,574.50	11,574.50
45	P.M.T.PIYUMALI	2016-01-01	1	21,910.00	10,955.00	10,955.00
46	W.G.D.KANCHANA	2016-04-01	1	21,910.00	10,955.00	10,955.00
47	K.L.A.A.THATHSARANI	2016-05-16	1	21,910.00	10,955.00	10,955.00
	Total			**1,710,896.25**	**4,933,734.13**	**4,933,734.13**

Institute for Agro Technology and Rural Sciences University of Colombo
Depreciation for Furniture & Fittings Schedule as at 31.12.2017

Depreciation Furniture & Fittings					
Date of Capitalized	Item Name	Amount	Depreciation Period (Date)	Depreciation Rate	Depreciation Amount
	Opening balance	6,935,047.00			
	2017 Depreciation				693,504.69
18-Apr-17	Wooden banker Beds	5,850,000.00	275.00	10%	440,753.42
18-Apr-17	Hostel Table	1,788,000.00	275.00	10%	134,712.33
18-Apr-17	Hostel Chair	1,140,000.00	275.00	10%	85,890.41
29-Jun-17	Executive Chair (mid back)	50,400.00	184.00	10%	2,540.71
29-Jun-17	Library cupboard	75,000.00	184.00	10%	3,780.82
29-Jun-17	cupboard 4 Drawers	32,400.00	184.00	10%	1,633.32
29-Jun-17	Writing Table	24,750.00	184.00	10%	1,247.67
29-Jun-17	L shape Drawers	57,500.00	184.00	10%	2,898.63
29-Jun-17	Lobby Chair	69,000.00	184.00	10%	3,478.36
26-Jul-17	File rack	11,750.00	158.00	10%	508.63
26-Jul-17	L shape Drawers	11,500.00	158.00	10%	497.81
28-Jul-17	Lobby Chair	103,500.00	160.00	10%	4,536.99
10-Aug-17	Writing Table	8,250.00	143.00	10%	323.22
10-Aug-17	Executive Chair (mid back)	6,300.00	143.00	10%	246.82
11-Aug-17	Cloth cupboards	40,230.00	142.00	10%	1,565.11
19-Oct-17	Mettress	586,594.30	72.00	10%	11,571.18
Total		**16,790,221.30**			**1,389,690.12**

Institute for Agro Technology and Rural Sciences University of Colombo
Depreciation for Plant And Machinery Schedule as at 31.12.2017

Depreciation Plant And Machinery					
Date of Capitalized	Item Name	Amount	Depreciation Period (Date)	Depreciation Rate	Depreciation Amount
	Opening balance	3,820,918.00			
	2017 Depreciation				381,953.48
27-Apr-17	Air Conditioner	831,565.00	249.00	10%	56,728.68
12-Jun-17	Air Conditioner	271,975.00	202.00	10%	15,051.77
Total		**4,924,458.00**			**453,733.93**

Institute for Agro Technology and Rural Sciences University of Colombo
Depreciation for Office Equipment Schedule as at 31.12.2017

Depreciation Office Equipment					
Date of Capitalized	Item Name	Amount	Depreciation Period (Date)	Depreciation Rate	Depreciation Amount
	Opening balance	8,341,872.00			
	2017 Depreciation				1,314,031.87
31-Mar-17	Wall Fan	12,200.00	275	10%	919.18
16-Jun-17	Multifunctionl prrinter HP Leser	58,300.00	198	10%	3,162.58
21-Jun-17	Leser Color Printer	11,400.00	193	10%	602.79
27-Jun-17	Desktop computer	203,700.00	187	20%	20,872.27
24-Aug-17	Network Equipment	876,400.00	129	20%	61,948.27
2017-02-22	Emboss seal	25,000.00	312	10%	2,136.99
29-Dec-17	Desktop computer	2,186,800.00	2	20%	2,396.49
29-Dec-17	Cheque Printer	32,900.00	2	20%	36.05
Total		**11,748,572.00**			**1,406,106.50**

Institute for Agro Technology and Rural Sciences University of Colombo
Depreciation for Lab & Teaching Equipments Schedule as at 31.12.2017

Depreciation Lab & Teaching Equipments					
Date of Capitalized	Item Name	Amount	Depreciation Period (Date)	Depreciation Rate	Depreciation Amount
	Opening balance	9,545,464.63			
	2017 Depreciation				769,782.49
1/1/2017	Water Distillation Unit	219,880.00	365	10%	21,988.00
6/19/2017	Ladder	5,000.00	195	10%	266.39
7/3/2017	Ladder	5,000.00	150	10%	204.92
8/31/2017	Plantform Trolley	22,425.00	122	10%	747.50
Total		**9,797,769.63**			**792,989.31**

Institute for Agro Technology and Rural Sciences University of Colombo
Depreciation for Sports Goods Schedule as at 31.12.2017

9,797,769.63

Depreciation Sports Goods					
Date of Capitalized	Item Name	Amount	Depreciation Period (Date)	Depreciation Rate	Depreciation Amount
	Opening balance	1,200.00			
	2017 Depreciation				120.00
12/28/2017	Caram Board	32,000.00	3	10%	26.30
12/28/2017	Table Tennis Board	190,000.00	3	10%	156.16
Total		**1,200.00**			**302.47**

Institute for Agro Technology and Rural Sciences University of Colombo
Depreciation for House Hold Equipments Schedule as at 31.12.2017

Depreciation House Hold Equipments					
Date of Capitalized	Item Name	Amount	Depreciation Period (Date)	Depreciation Rate	Depreciation Amount
	Opening balance	372,184.00			
	2017 Depreciation				37,218.35
Total		**372,184.00**		-	**37,218.35**

Institute for Agro Technology and Rural Sciences University of Colombo
Depreciation for Books Schedule as at 31.12.2017

Depreciation Books					
Date of Capitalized	Item Name	Amount	Depreciation Period (Date)	Depreciation Rate	Depreciation Amount
	Opening balance	643,068.00			
	2017 Depreciation				64,306.80
5/4/2017	මුදල් රෙගුලාසි සංග්‍රහය	430.00	241	10%	28.39
Total		**430.00**			**64,335.19**

Institute for Agro Technology and Rural Sciences University of Colombo
Depreciation for Vehicals Schedule as at 31.12.2017

Depreciation Vehicals					
Date of Capitalized	Item Name	Amount	Depreciation Period (Date)	Depreciation Rate	Depreciation Amount
	Opening balance	10,439,921.00		20%	
	2017 Depreciation				1,276,224.15
Total		**10,439,921.00**			**1,276,224.15**

Institute for Agro Technology and Rural Sciences University of Colombo
Depreciation for Electrical Equipment Schedule as at 31.12.2017

Depreciation Electrical Equipment					
Date of Capitalized	Item Name	Amount	Depreciation Period (Date)	Depreciation Rate	Depreciation Amount
	Opening balance	83,865.00			
	2017 Depreciation				16,773.00
3/28/2017	ABC OVERHEAD	53,958.00	277	20%	8,189.79
Total		**137,823.00**			**24,962.79**

Institute for Agro Technology and Rural Sciences University of Colombo
Depreciation for Building Schedule as at 31.12.2017

Depreciation Building					
Date of Capitalized	Item Name	Amount	Depreciation Period (Date)	Depreciation Rate	Depreciation Amount
	Opening balance	54,066,137.00			
	2017 Depreciation				2,703,306.85
2017-04-06	Vidatha New Building	24,791,520.41	269	5%	913,550.55
Total		**78,857,657.41**			**3,616,857.40**

Institute for Agro Technology and Rural Sciences University of Colombo
Depreciation for hostel Schedule as at 31.12.2017

Depreciation hostel					
Date of Capitalized	Item Name	Amount	Depreciation Period (Date)	Depreciation Rate	Depreciation Amount
	Opening balance	222,422,928.00			
	2017 Depreciation				11,121,146.40
Total		**222,422,928.00**			**11,121,146.40**

Institute for Agro Technology and Rural Sciences University of Colombo

Depreciation for Building Stucture rehabilitation Schedule as at 31.12.2017

Depreciation Building Stucture rehabilitation					
Date of Capitalized	Item Name	Amount	Depreciation Period (Date)	Depreciation Rate	Depreciation Amount
2017-02-20	Building Stucture	209,687.00	314	5%	9,019.41
2017-12-13	Building Stucture	4,068,327.72	18	5%	10,031.49
2017-09-22	Building Stucture	724,061.85	100	5%	9,918.66
Total		**5,002,076.57**			**28,969.56**

මගේ අංකය / எனது இல. / My No. HED/B/IARS/6/17/06 ඔබේ අංකය / உமது இல. / Your No. දිනය / திகதி / Date 09 November 2018

Director
Institute for 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 2017 in terms of Section 27 of the Institute for Agro-Technology and Rural Science Ordinance No. 02 of 2008 and Sub-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 2017 comprising the statement of financial position as at 31 December 2017 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 under Section 18 and Sub-section 107(5) of the Universities Act, No. 16 of 1978 and in terms of Sub-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.

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 gives 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 2017 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 Accounting Policies

Eventhough according to the accounting policy for the useful lifetime of the laboratory and teaching equipment had been identified as a five years, depreciation had been calculated at the rate of 10 per cent considering the useful lifetime is 10 years and, as such depreciation had been understated by Rs.792,989 in the year under review.

2.2.2 Accounting Deficiencies

The following observations are made.

(a) A sum of Rs.222,000 spent for the purchase of capital goods relevant to the Unspent Other Capital Account had been debited to the Spent Capital Account instead of debiting to the Spent Other Capital Account.

(b) Out of Rs.1,600,000 received as Other Capital Grants during the year under review, a sum of Rs.678,000 had been used for Recurrent Expenditure.

(c) Eventhough a sum of Rs.1,235,052 spent for recurrent nature expenditure from the Capital Grants had been shown under the Recurrent Expenditure in the financial statements, but equal amount of income had not been identified and therefore, income of the year under review had been understated by that amount.

(d) Eventhough the interest income on a demand deposit receivable in the year under review amounted to Rs.1,067,546, had been identified as Rs.1,018,023 in the Financial Statements. As such, receivable interest had been understated by Rs.49,523.

(e) Eventhough the interest income in investments in the year under review amounted to Rs.3,852,691, had been shown as Rs.3,958,365 in the financial statements as such overstated by Rs.105,674.

(f) The following deficiencies in cash flow statement were observed in the audit tests.

(i) Eventhough fixed deposits withdrawn amounted to Rs.75,324,949 in the year 2017, adjusted as Rs.1,537,339 in the cash flow statement, as such cash inflow under financial activities had been understated by Rs.73,787,610.

(ii) Eventhough the interest income of the year, as per the statement of financial performance, amounted to Rs.3,968,763 had been adjusted as Rs.3,958,365 in the cash flow statement.

(iii) A loan had been received from the Famers' Trust Fund to give loans to the farmers in 2017 but the portion collected from the farmers on that loan, amounted to Rs.730,250 had not been shown in the cash flow statement as a receipt.

(iv) Eventhough a sum of Rs.1,105,000 remitted to the Farmers' Trust Fund, had been shown as Rs.1,041,666 in the cash flow statement thus understated by Rs.63,334.

(g) Eventhough a sum of Rs.614,319 paid in 2018 for expenditure relevant to the year 2017, the liability had not been identified as an accrued expenditure as at 31 December 2017.

(h) The banana plants stock balance as on 31 December 2017 was 20,178 and the unit cost was 61.89 and then the value of the final stock should be Rs.1,248,816. But the value of final stock in the statement of Financial Position was shown as Rs.1,510,073 thus over stated by Rs.261,257.

2.2.3 Un-Reconciled Control Accounts

A difference of Rs.1,209,385 observed between the ledger balance of five ledger accounts and the balance shown in the financial statements.

2.2.4 Unexplained Differences

While checking the sales income of papaya plants, eventhough as per the monthly summary report the total income was Rs.19,435,025 but shown as Rs.19,367,245in the financial statement thus observed difference of Rs.67,780 as at 31 December 2017.

2.3 Accounts Receivables and Payables

The following observations are made.

(a) A sum of Rs.1,000,000 given as loans to 06 farmers by the Farmers' Trust Fund and it was observed that out of that a sum of Rs.908,280 had not been recovered since year 2015.

(b) A sum of Rs. 208,000 given as loans by the Rural Entrepreneur Development Programme to two persons in 2012 and it was observed that, out of that a sum of Rs.35,860 had not been recovered since year 2015.

2.4 Non Compliance with Laws, Rules Regulations and Management Decisions

In terms of University Grant Commission circular No. 636 of 14 July 1995, even though the results of the examinations should be issued within 03 months since the date of conducting of those examinations, but observed that a period from 05 months to 10 months had elapsed for the issuance of results of 13 examinations conducted by the institute.

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the financial result of the Institute for the year under review had been a surplus of Rs.1,201,286 as against the deficit of Rs.10,828,494 for the preceding year, thus indicating a improvement of Rs.12,029,780 in the financial result of the year under review as compared with the preceding year. The increase in the amortization of capital assets purchased from the capital grants during the year under review compared to preceding year by Rs.13,164,946 had been the main reason for the above improvement.

An analysis of financial results of the year under review and 04 preceding years revealed that the mixture of surplus and backward and the surplus of Rs.6,301,901 in 2013 had decreased to a surplus of Rs.1,201,286 in 2017. However, in readjusting the employees' remuneration and the depreciation for the non-current assets to the financial result, the contribution which was Rs14,477,841 of the year 2013 had increased with variations to Rs.41,806,913 in the year 2017.

4. Operating Review

4.1 Performance

4.1.1 Performance and Review

The following observations are made.

(a) The number of students completed the Agro Technology Degree Programme Compared with the number of students registered for the degree course, 60 students 67 students in the first and second batch had registered in 2009 and 2010 respectively, but only 09 and 11 students had completed the degree course respectively. Thus it was observed that out of registered students 15 per cent and 16 per cent students only had completed the degree respectively.

(b) While comparing the number of students completed the Diploma level in percentage wise, the number of students registered in each group in six batches in last six years it was observed that, percentage of students completed the diploma had been in low level such as 21 per cent to 56 per cent.

(c) While checking the Action Plan and performance indicators of its progress it was observed that out of 37 performance indicators eight indicators had not make any progress. As such, expected activities had not performed.

(d) Comparatively no enough sales with compared to the monthly production of papaya plants. As such, more plants had remained in the monthly production. The monthly sales had low value such as 4 per cent to 62 per cent all over the year and balance stock remained from 26.4 per cent to 95 per cent.

4.2 Management Activities

The following observations are made.

(a) Two loan programmes had been conducted by the institute under the Farmers' Trust Fund and the Rural Entrepreneurship Development Programme and had not been entered to a proper agreement at the loan granting by the Trust Fund and farmers. Due lack of specific methodology for recovering those loans, and it was observed that recovery of loans were complicated.

(b) A sum of Rs.10,120,895 had been invested in demand deposit on 26 December 2014 and remained as it is by the date of audit and the receivable investment income since the date of investment to 31 December 2017 was Rs.1,067,546. If this money had invested in fixed deposit a sum of Rs.2,159,874 would have been received as interest income. As such, it was observed that, approximately income of Rs.1,092,328 had loss to the institute.

4.3 Staff Administration

The following observations are made.

(a) The approved cadre of the Institute stood at 26 while the actual cadre stood at 08. As such, 18 vacancies existed in the entire staff, including one in the post of Senior Lecture, two in the post of Lectures and one in the post of Temporary Demonstrator in the academic staff.

(b) The Institute had recruited 55 employees on assignment basis in the year 2017 and it was observed that those employees' had 01 year to 18 years service in the institute. Eventhough the ministry of Higher Education had received in this regard, without amending the cadre requirement 41 excess employees had been engaged in the service.

4.4 Idle and Underutilized Assets

The Ministry of Higher Education had constructed a hostel with 100 rooms which can accommodate up to 400 students in the year 2014 in the Institute by spending a sum of Rs.220,096,952 under the 60 Hostels Project and handed over to the institute in 2014. At the checking of usage of rooms, observed that maximum number of rooms used was 32 in each month in the year 2017. It was observed that, no students are boarded in full time in this hostel and the daily maximum number boarded were 77. The institute was unable to use this hostel in efficiently even up to the date of audit.

5. Sustainable Development

5.1 Achievement of Sustainable Development Goals and Objectives

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Every public institution should act in compliance with the circular No. NP/SP/SDG/17 of 14th August 2017 issued by the secretary to the Ministry of National Policies and Economic Affairs on the '2030 agenda' of the United Nations for Sustainable Development. However, the Institute for Agro – Technology and

Rural Science had not aware as to how to function with respect to the duties under preview of their scope.

6. Accountability and Good Governance

6.1 Procurement

The following observations are made.

(a) Eventhough the Master Procurement Plan had been prepared for the year under review, a comprehensive procurement plan including the time period for the completion of procurement activities had not been prepared. As such, procurements could not definitely be identified and could not be reconciled with the plan and completion within the time period could not be verified to the audit.

(b) In the test checks it was observed that, 125 days spent for the procurement process from the date of the request made by the relevant division till the goods ordered from the supplier for the purchase of 75 lecture halls chairs valued Rs.638,250 and 202 days spent for this same process for the purchase of printing machine valued Rs.58,300. As such, it was observed that, delays of procurement process were remained.

6.2 Budgetary Control

It was observed that, in the reconciliation of budgeted and actual income and expenditure the internal income compared to the estimated income had decreased by 81.9 per cent and the 06 items of expenditure had exceeded the estimates by 44 per cent to 433 per cent.

7. 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 Systems and Controls	**Observations**
(a) Plants production and sales	Plant produce without forecasting the sales, not planning productions and sales, not prepare production accounts for other productions.
(b) Staff Administration	(i) Failure to revise the approved cadre according to the requirements of the staff and to take action to fill vacancies. (ii) Failure to maintain personal files of the officers of the Institute including accurate information.
(c) Stock Valuation	Stock not valued according to the plants stock valuation policy.
(d) Debt Control	Failure in taking action for the recovery of loans.

Sgd./ H.M. GAMINI WIJESINGHE
Auditor General

H. M. Gamini Wijesinghe

Auditor General

ANSWERS FOR REPORT OF THE AUDITOR GENERAL – 2017

UNIVERSITY OF COLOMBO INSTITUTE FOR AGRO-TECHNOLOGY AND RURAL SCIENCES

Para No. in Audit Report	Audit Queries	Answers for Audit Queries
2.2	**Comments on Financial Statements**	
2.2.1	**Accounting Policies** Even though according to the accounting policy for the useful lifetime of the laboratory and teaching equipment had been identified as a five years, depreciation had been calculated at the rate of 10 per cent considering the useful lifetime is 10 years and, as such depreciation had been understated by Rs.792,989 in the year under review.	We agree with your observations. Correct adjustments will be made in the year 2018.
2.2.2	**Accounting Deficiencies** The following observations are made. (a) A sum of Rs.222,000 spent for the purchase of capital goods relevant to the Unspent Other Capital Account had been debited to the Spent Capital Account instead of debiting to the Spent Other Capital Account.	We agree with your observations. As you have pointed out, the difference in the Capital Grant spent is Rs. 222,000 should be shown under Other Grant Spent, but the difference is not disclosed because our entire fund is in the same capital fund account. This should be shown under Other Grant Spent but shown under the Capital Grant Spent account. That's because maintaining a single Capital funds account. This will be corrected in 2018.
	(b) Out of Rs. 1,600,000 received as Other Capital Grants during the year underreview, a sum of Rs.678,000 had been used for Recurrent Expenditure.	We agree with your observations. The information given under (a) above applies also to this. This has arisen due to the fact that having only one capital grant for all capital funds. This account in the year 2018 will be corrected.
	(c) Even though a sum of Rs. 1,235,052 spent for recurrent nature expenditure from the Capital Grants had been shown under the Recurrent Expenditure in the financial statements, but equal amount of income had not been identified and therefore, income of the year under review had been understated by that amount.	We agree with your observations. And in 2018 corrected vote code will be used.

	(d) Even though the interest income on a demand deposit receivable in the year under review amounted to Rs. 1,067,546, had been identified as Rs. 1,018,023 in the Financial Statements. As such, receivable interest had been understated by Rs.49,523.	We agree with your observations. Interest receivable is understated by Rs. 49,523.45 is due to error in calculation and this will be corrected in 2018.
	(e) Even though the interest income in investments in the year under review amounted to Rs. 3,852,691 had been shown as Rs.3,958,365 in the financial statements as such overstated by Rs. 105,674.	We agree with your observations. 2017 a defective error occurred during the account preparation process. This will be corrected in the accounts of the year 2018.
	(f) The following deficiencies in cash flow statement were observed in the audit tests (i) Even though fixed deposits withdrawn amounted to Rs. 75,324,949 in the year 2017, adjusted as Rs. 1,537,339 in the cash flow statement, as such cash inflow under financial activities had been understated by Rs.73,787,610.	We agree with your observations. When the balance sheet is finalized, the balance sheet has been included fixed deposit balances under the cash balance. Therefore, this difference is not reported as money received through investing activities. Actions will be taken to correct this in the final accounts of the year 2018.
	(ii) Eventhough the interest income of the year, as per the statement of financial performance, amounted to Rs.3,968,763 had been adjusted as Rs.3,958,365 in the cash flow statement.	We agree with your observation and that will be corrected in the final accounts of the year 2018.
	(iii) A loan had been received from the Famers' Trust Fund to give loans to the farmers in 2017 but the portion collected from the farmers on that loan, amounted to Rs.730,250 had not been shown in the cash flow statement as a receipt.	We agree with your observations. This money has been incorrectly written in the proceeds from the operations, and it will take action to take it under cash flow from investment activities in final accounts in the year 2018.
	(iv) Eventhough a sum of Rs. 1,105,000 remitted to the Farmers' Trust Fund, had been shown as Rs. 1,041,666 in the cash flow statement thus understated by Rs.63,334.	We agree with your observations. When preparing the final accounts, this Rs. 63,334 have not been included in the accounts as interest income. This will be in the final accounts of the year 2018
	(g) Even though a sum of Rs.614,319 paid in 2018 for expenditure relevant to the year 2017, the liability had not been identified as an accrued expenditure as at 31 December 2017.	We agree with your observations. The payments made in the year 2018 for year 2017 have been made in cash. Therefore, these expenses are not accounted for as accruals but are accounted for as expenses in the year 2018.

	(h) The banana plants stock balance as on 31 December 2017 was 20,178 and the unit cost was 61.89 and then the value of the final stock should be Rs. 1,248,816. But the value of final stock in the statement of Financial Position was shown as Rs. 1,510,073 thus over stated by Rs.261,257.	Do not agree with your observations. Stock as at December 31, 2017 was taken into account using reports under survey on goods for 2017. And unit cost per banana plant was calculated based on the manufacturing account.
2.2.3	**Un-Reconciled Control Accounts** A difference of Rs. 1,209,385 observed between the ledger balance of five ledger accounts and the balance shovm in the financial statements.	We agree with your observation. These ledger accounts have now been balanced.
2.2.4	**Unexplained Differences** While checking the sales income of papaya plants, eventhough as per the monthly summary report the total income was Rs. 19,435,025 but shown as Rs.l9,367,245in the financial statement thus observed difference of Rs.67,780 as at 31 December 2017	Do not agree with your observations. It is most reliable to depend on receipts issued by Accounts department and checking physically received cash amount through bank statements 007100146432005 (Peoples Bank Account) more than the monthly reports. And bank statement supports for Rs.19,367,245 for the income for the year of 2017.
2.3	**Accounts Receivables and Payables** The following observations are made. (a)A sum of Rs. 1,000,000 given as loans to 06 farmers by the Farmers' Trust Fund and it was observed that out of that a sum of Rs.908,280 had not been recovered since year 2015.	We agree with your observation. Currently, the institute takes legal action in this regard.
	(b)A sum of Rs. 208,000 given as loans by the Rural Entrepreneur Development Programme to two persons in 2012 and it was observed that, out of that a sum of Rs. 35,860 had not been recovered since year 2015.	We agree with your observation. Currently, the institute takes legal action in this regard.
2.4	**Non-Compliance with Laws, Rules Regulations and Management Decisions** In terms of University Grant Commission circular No. 636 of 14 July 1995, eventhough the results of the examinations should be issued within 03 months since the date of conducting of those	According to old syllabus, there are 17 certificate courses for Bachelor of Agro-technology and each course duration is 03 months. End of the course examination will be held. There are 9 batches in this institute and we need to

	examinations, but observed that a period from 05 months to 10 months had elapsed for the issuance of results of 13 examinations conducted bythe institute.	conduct the examination for these all batches. It is very complex and also altogether 8 academic staffs (Permanent – 2, Temporary – 6) are only there to conduct and handle this examinations. But it is not enough. We are taking necessary actions to increase the number of academic staffs of this institute. And also Board of Management is responsible for the issuing of examination results. But the dates fixed by the board of management regarding the release of exam result were postponed few months and missed to conduct the board meetings within the particular time period because of the strike of non-academic staffs. So, it is an interruption to release the results on time. We have already established an examination board within the institute to involve in the releasing of results on time. By this we can able to release the results on time without any delay. During this period of time, course curriculum revision was take placed and course structure was change into the semester system. And also group of old students are following old curriculum according to the earlier system and new students were enrolled for this new semester system. So, at a time we handled both course systems. It caused a delay in results releasing. Lack of academic staff is the major issue which affected this. But in future, the results will be released as semester system. Therefore, we will able to held the results board for all the subjects and release the results on time.
4.	**Operating Review**	
4.1	**Performance**	

4.1.1	**Performance and Review** The following observations are made. (a) The number of students completed the Agro Technology Degree Programme Compared with the number of students registered for the degree course, 60 students 67 students in the first and second batch had registered in 2009 and 2010 respectively, but only 09 and 11 students had completed the degree course respectively. Thus it was observed that out of registered students 15 per cent and 16 per cent students only had completed the degree respectively.	Agro-technology degree programme (under old curriculum) contains three phases (exit points) of study programme. Registered students can be exited after completing the diploma level and others can exited after completing the higher diploma level according to the eligibility requirements and their preference. Therefore, some of students were exited in above exit points of the program. According to the current Bylaws, while moving from one phase to another phase (diploma to higher diploma, higher diploma to degree) students need to achieve the GPA value of 2.75. Those who unable to reach this level cannot move from one phase to another phase. So, most of the students were not eligible for next phase and had to exit from the program. To avoid this issue, we took necessary actions to amending the Bylaws.
	(b) While comparing the number of students completed the Diploma level in percentage wise, the number of students registered in each group in six batches in last six years it was observed that, percentage of students completed the diploma had been in low level such as 21 per cent to 56 per cent.	There was a survey conducted by academic staffs to find out the reasons for the students failing to continue the course until the end and the reasons were found that, • Lack of human resource and infrastructure facilities to conduct academic courses within the institute. • Failed to pay the course fee. • Failed to attend the practical classes • Due to some of personal matters. Those were major reasons. Currently, infrastructure facilities are developing. The revised curriculum and changes made of course conducting method (semester system) will be help to avoid this issue in future.

	(c) While checking the Action Plan and performance indicators of its progress it was observed that out of 37 performance indicators eight indicators had not make any progress. As such, expected activities had not performed.	4 of the 8 performance indicators that were not affected by the Strategic Plan have failed to achieve due to the fact that the capital funds are not adequately approved to the institution. Also, since the providing financial assistance to agriculture entrepreneurs under the goal 3 of the strategic plan has been suspended from year 2017 with the approval of the Board of Management, the two performance indicators for this purpose have not been progress and these indicators have been removed from the strategic plan for the year 2018. Other two Performance Indicators which showed no progress (introducing short courses and crop clinics) are expected to be achieved in the coming year.
	(d) Comparatively no enough sales with compared to the monthly production of papaya plants. As such, more plants had remained in the monthly production. The monthly sales had low value such as 4 per cent to 62 per cent all over the year and balance stock remained from 26.4 per cent to 95 per cent.	• After the establishment of papaya seeds in plant nurseries, it takes more than one month to reach to get sale quality and so, the next month of nursery establishment is considered as the month that plants ready to be sold. So, it should be compared both month of establishment and the next coming month. • This method was utilized when considering monthly sale during the whole year and the monthly sale was varied from 23% to 100% accordingly.
4.2	**Management Activities** The following observations are made. (a) Two loan programmes had been conducted by the institute under the Farmers' Trust Fund and the Rural Entrepreneurship Development Programme and had not been entered to a proper agreement at the loan granting by the Trust Fund and farmers. Due lack of specific methodology for recovering those loans, and it was observed that recovery of loans were complicated.	 Although they had been briefed on a number of occasions, no clear response received from them, and legal action is being taken to do so.
	(b) A sum of Rs.l0,120,895 had been invested in demand deposit on 26 December 2014 and remained as it is by the date of audit and the receivable investment income since the date of investment to 31 December 2017 was Rs.l,067,546. If this money had invested in	We agree with your observations. In the year 2018 it was informed that all such funds had been invested in fixed deposits.

	fixed deposit a sum of Rs.2,159,874 would have been received as interest income. As such, it was observed that, approximately income of Rs.l,092,328 had loss to the institute.	
4.3	**Staff Administration** The following observations are made. (a) The approved cadre of the Institute stood at 26 while the actual cadre stood at 08. As such, 18 vacancies existed in the entire staff, including one in the post of Senior Lecture, two in the post of Lectures and one in the post of Temporary Demonstrator in the academic staff.	 Selection interview was held in year 2017 to recruit 03 lecturers and 01 lecturer was recruited while recruitment of other two lecturers were delayed until getting approval of the University Grants Commission. Vacant 1 post of Temporary Demonstrator was filled during the month of January 2018.
	(b) The Institute had recruited 55 employees on assignment basis in the year 2017and it was observed that those employees' had 01 year to 18years service in the institute. Eventhough the ministry of Higher Education had received in this regard, without amending the cadre requirement 41 excess employees had been engaged in the service.	Cadre revision was done in year 2015 by the Department of Management Services however; cadre review report was not received to institute until the end of year 2017. Approved cadre is not adequate at all for a higher educational institute. Therefore, institute has recruited employees on assignment basis with the approval of Board of Management for functioning institute activities. It has taken actions to permanent 47 employees who are working on assignment basis via cabinet memorandum.
4.4	**Idle and Underutilized Assets** The Ministry of Higher Education had constructed a hostel with 100 rooms which can accommodate up to 400 students in the year 2014 in the Institute by spending a sum of Rs.220,096,952 under the 60 Hostels Project and handed over to the institute in 2014. At the checking of usage of rooms, observed that maximum number of rooms used was 32 in each month in the year 2017. It was observed that, no students are boarded in full time in this hostel and the daily maximum number boarded were 77. The institute was unable to use this hostel in efficiently even up to the date of audit.	 The purpose of constructing this hostel under the 60 hostel project by the Ministry of Higher Education is to admit students for the technical stream. However, technical stream was taken to University of Colombo and therefore, it was failed to achieve the purpose of constructing this hostel. At present, Institute has students who are following Agro-technology degree programme and the specialty of this course is to conduct the course through distance learning mode. Therefore, these students are accommodating in hostels to attend their practical classes, visiting lectures, farm management courses and examinations, mostly in weekends and holidays. Currently, there are 9 student batches, and on many weekends, the hostel's rooms are not adequate and therefore, students are confronting lot of difficulties. Since, around 300 students are planning to admit on November 6, 2018, institute

		will have to face lot of difficulties in providing accommodation facilities in near future. If the hostel had not been built in the institution, the students would be able to go for strikes requesting accommodation facilities. Because of the fact that the students come to study from very remote areas such as Jaffna and most of them are from very remote areas.
5.	**Sustainable Development**	
5.1	**Achievement of Sustainable Development Goals and Objectives**	
	Every public institution should act in compliance with the circular No. NP/SP/SDG/17 of 14th August 2017 issued by the secretary to the Ministry of National Policies and Economic Affairs on the '2030 agenda' of the United Nations for Sustainable Development. However, the Institute for Agro - Technology and Rural Science had not aware as to how to function with respect to the duties under preview of their scope.	In the year 2017, institute has performed well related to the functions under the scope of the institution according to the '2030 agenda' of the United Nations for Sustainable Development. In the follow-up, it has been identified that although it has not been identified theoretically, institute has worked to achieve sustainable development goals as an institute in the field of agriculture.
6.	**Accountability and Good Governance**	
6.1	**Procurement** The following observations are made. (a) Eventhough the Master Procurement Plan had been prepared for the year under review, a comprehensive procurement plan including the time period for the completion of procurement activities had not been prepared. As such, procurements could not definitely be identified and could not be reconciled with the plan and completion within the time period could not be verified to the audit.	We agree with your observation. A detailed procurement plan including the time frame for the year 2018 has been prepared and accordingly purchases are made.
	(b) In the test checks it was observed that, 125 days spent for the procurement process from the date of the request made by the relevant division till the goods ordered from the supplier for the purchase of 75 lecture halls chairs valued Rs.638,250 and 202 days	We agree with your observation. A detailed procurement plan including the time frame for the year 2018 has been prepared and accordingly purchases are made.

	spent for this same process for the purchase of printing machine valued Rs.58,300. As such, it was observed that, delays of procurement process were remained.	
6.2	**Budgetary Control** It was observed that in the reconciliation of budgeted and actual income and expenditure the internal income compared to the estimated income had decreased by 81.9 per cent and the 06 items of expenditure had exceeded the estimates by 44 per cent to 433 per cent.	It has been agreed with the statement that the spending budget has exceeded the budgeted thresholds of six, and this has to be done in order to pave the way for the development of the institution. At the same time, it is difficult to act on budgetary commitments. However, the following year, Steps will be taken to pay more attention in the process of preparation.
7.	**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.	
	(a) Plants production and sales Plant produce without forecasting the sales, not planning productions and sales, not prepare production accounts for other productions.	• Possibility of forming mutations in Tissue culture technology is 1-10%. In 2017, the mutation percentage was 3%, as well as percentage of casualties maintained was 4.59. • Year-end plant stock in 2017 is divided into two major categories as finished good plant stock and work in progress plant stock. Plants received from the laboratories (18,180 nos.) in December 2017 are considered as work in progress plant stock and those plants ready to be sold on January 2018. Amount of 20,178 nos. plants in finished good stock was remained in nurseries and one part of them maintained until plants get sale quality and another amount was retained to be checked for mutations. Rest amount was retained and maintained due to buyers failed to collect their plants in scheduled days (Plant issuing was conducted only in regular order basis and it is allowed farmers to collect their plants who were eligible for December). When developing the production account, monthly account reports / progress reports were submitted to financial unit and annual report for 2017 was also submitted.

	(b) Staff Administration (i) Failure to revise the approved cadre according to the requirements of the staff and to take action to fill vacancies	Cadre revision was done in year 2015 by the Department of Management Services however; cadre review report was not received to institute until the end of year 2017. Approved cadre is not adequate at all as a higher educational institute. Institute has taken actions to permanent 47 employees who are on assignment basis of the institute via cabinet memorandum and after getting approval for cabinet memo, all the vacancies will be filled.
	(ii) Failure to maintain personal files of the officers of the Institute including accurate information.	At present, personal files are maintaining with all the necessary information.
	(c) Stock Valuation Stock not valued according to the plants stock valuation policy.	The stocks are valued at pre-emptive pre-issue methods and are notified to the audit officers by the warehouse.
	(d) Debt Control Failure in taking action for the recovery of loans.	Action is underway to begin legal action.