

Centre for Excellence

National Institute of Plantation Management



Welcome to National Institute of Plantation Management Annual Report 2014

**National Institute of Plantation Management
M. D. H. Jayawardene Mawatha
Athurugiriya**

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OUR VISION

To be the centre of excellence in providing training and
conducting consultancy and research on plantation
management

OUR MISSION

To elevate the professional competence of all human assets
in the plantation industry towards perfection through quality
training

CHAIRMAN'S MESSAGE

I am happy to present the Annual Report of the National Institute of Plantation Management for the year ended by 31st December 2014.

During the course of the year, as it was done in the previous year having identified a much needed service we continued to implement courses to offer our services to a group hitherto left very much on their own, namely the Out Growers who account for over 70% of the major crops, Tea, Rubber and Coconut. During the year under review 355 programmes were conducted for this group over the year. We also covered other plantation crop producers such as Sugarcane and Cashew.

It should be highlighted that total programmes conducted during the year 2014 is increased about 50% with compared to the year 2013. Under the out grower programmes, 25,100 persons at a cost of Rs. 9.98 Mn using government treasury grant.

I would like to express my gratitude and appreciation to our stakeholders who continue to use our services and others who have continued to support us in so many ways to make our operation better and successful.

I would also like to thanks the Honorable Minister, Minister of Plantation Industries for the support, guidance and assistance given to us thus to make the Institute more effectively. I must thanks, Secretary, Ministry of Plantation Industries and all other officials in the Ministry and other organizations within the Ministry, members of the Board of Governors of the Institute which made the task of the Management much easier.

I would like to extend my thank and acknowledge the services rendered by all the employees of the Institute who have served us very well, making all our achievements over the year a possibility. I fervently hope that the name of NIPM would remain in the hearts and minds of all people of Sri Lanka as the Centre of Excellence for training in plantation sector.

Deepthi Ashoka Abeywickrama
CHAIRMAN / NIPM

DIRECTOR / CEO'S REVIEW

The National Institute of Plantation Management (NIPM) is the only government body established for the development of human resources in the plantation sector in Sri Lanka. Since the inception in 1979, the institute accrued resources and facilities to equip the Head Office at Athurugiriya and the Regional Centre in Bogawanthalawa while enhancing the competency of the personnel in the plantation sector, which is mandatory.

Being the sole authorized professional body, the NIPM is responsible to conduct programmes on Academic, Professional Skill Development, Management Development including demand-driven programmes, not only for the plantation sector, but also for any other organization that is willing to upgrade their professional skills and knowledge base.

Until 2011 the NIPM has been conducting formulated programmes targeting mainly the government owned estate sector personnel and the employees of the Regional Plantation Companies. With the transfer of GDP major component of plantation crop production to the hands of small holders, the Institute was continuously conducting further encouraging and product enhancement and management programmes to small holders under the aegis of the government directives and financing.

It is revealed that when the progress of the year 2014 was compared with four consecutive years from 2011, a significant progress has achieved in 2014 successfully conducting 355 capacity development training programmes for smallholders and 32 programmes related to income generation on academic, professional and skill development. Besides, NIPM with its competence resource personnel could manage to steer 11 examinations either to select or to promote employees of the Governmental Departments and other Institutions.

Infrastructure and other resource facilities such as provisionally available lecture halls, auditorium, hostel accommodations and resource personnel at Athurugiriya and Bogawanthalawa of NIPM were offered for both the public and private sectors, in between the institutional programmes at concessional rates in order to their optimum utilization. In 2014, NIPM generated Rs. 14.04 Mn rupees providing such facilities for over 100 outside training programmes.

Nevertheless, the institute still has certain challenges to be faced, which may certainly affect the smooth and healthy functioning essential to achieving a commendable progress. Thirteen vacant carder positions, which is necessary to conduct mandatory management programs at the institutive and outstations is among one of the identified shortcomings.

The unavailability of a Research and Development Unit for the activities related to plantation crop management and other areas of the prime importance of the sector. In accords with the Ministry's directives and administrative coordination, attempts are being made to rectify both shortcomings in near future.

Being the Director / CEO of National Institute of Plantation Management, I thank Honorable Minister of Plantation Industries, Secretary to the Ministry and other officials of the Ministry for the guidance and support extended towards the development of the Institute.

I would like to express my gratitude to the members of the Board of Governors of the Institute, stakeholders and affiliated public and private sector institutions for their contribution for making

the year 2014 a success. I highly appreciate all the staff members of the Institute for their untiring contribution towards reaching the NIPM as the “Centre for Excellence” in plantation management sector.

Dr. Nissanka Iddagoda
Director / CEO

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT

ADMINISTRATIVE REPORT FOR THE YEAR ENDED BY

31ST DECEMBER 2014

The National Institute of Plantation Management (NIPM) Act No. 45 of 1979 was amended in 1981 by Act No. 76, in 1987 by Act No. 05 and in 2003 by Act No. 38 in order to make the NIPM a more effective and viable statutory body of the government. As per these acts, NIPM is the only organization empowered to award certificates for those who successfully complete training programmes / academic courses and confer professional Membership to eligible plantation executives under three (03) major categories. It ensures the maintenance of a high standard of professional competence of those who work in the Plantation Industry including the Smallholding Sector. To achieve these objectives, the NIPM conducts various kinds of seminars, workshops, examinations and provides research and consultancy services to public and private sector organizations. It has also the capacity to conduct training programmes for foreign students as well.



1.0 **OBJECTIVES:**

- a. To provide by itself or in collaboration with other Institutions in Sri Lanka or abroad, required training relevant to Plantation Management to all categories of employees working in the Plantation Sector.
- b. To provide regular, refresher and in-service courses in Plantation Management to the employees in the Plantation Sector.
- c. To offer specialized training courses in Plantation Management to personnel working in the Plantation Industry.
- d. To conduct Diploma Courses related to Plantation Management in association with the Crop Research Institutes such as Tea, Rubber, Coconut and Sugarcane.
- e. To sponsor and hold seminars, workshops and conferences related to Plantation Industry.
- f. To publish journals and magazines related to activities of Plantation Management and Development.

- g. To carry out research and development into relevant areas of Plantation Management and labour relations.
- h. To offer training courses in Plantation Management to those who have the necessary aptitude for Plantation Management having identified that they can be gainfully employed in the Plantation Industry.
- i. To furnish managerial, technical and administrative advice and services to Government Departments, Public Corporations or other Institutions within or outside Sri Lanka in respect of Plantation Industry.
- j. To assess the eligibility of candidates for admission to various grades of membership and to conduct or provide for the conduct of the qualifying examinations for all grades of membership of the Institute and to promote, provide or approve courses of study for such examinations.
- k. To ensure the maintenance of high standards in the professional activities and the general conduct of its members.
- l. To promote investment in Plantation Management.
- m. To undertake the collection and dissemination of data relating to plantations and Plantation Management and to conduct research to ascertain the development potential of Plantations.
- n. To advise the Minister on appropriated policies relating to Plantation Management and to co-ordinate with other relevant agencies.

1.1 **CONSTITUTION OF THE BOARD OF GOVERNORS**

In terms of the section 06 of the National Institute of Plantation Management Act No. 45 of 1979 as amended by Act Nos. 76 of 1981, 05 of 1987 and 38 of 2003 the Board of Governors during the year consisted of the following personnel.

<u>Name</u>	<u>Type of Membership</u>
Mr. Ranjit Samarasinghe Former Chairman / NIPM	Chairman (up to August 2014)
Mr. S. P. Hidellarachchi	Chairman (From September 2014 to November 2014)

Dr. W. M. G. Seneviratne Director Rubber Research Institute	Member (Ex - Officio)
Dr. I. S. B. Abeysinghe Director Tea Research Institute	Member (Ex - Officio)
Dr. Jayantha Gunathilake Director Coconut Research Institute	Member (Ex - Officio)
Dr. D. V. Seevaratnam Representative / The Planters' Association of Ceylon	Member (appointed)
Mrs. E. A. Rathna Edirisinghe Director (Planning) / MPI	Member (appointed)
Mr. Arjun Deraniyagala Representative / Coconut Growers' Association	Member (appointed)
Mrs. J. P. A. Niroshani Asst. Secretary / MPI	Member (appointed)
Mr. Ranjan Walpola Representative/ Sri Lanka Private Tea Factory Owners' Association	Member (appointed)
Mrs. Damayanthi Wijesinghe Senior Asst. Secretary Ministry of Finance & Planning	Member (appointed)
Mr. K. G. B. Obeysekera General Manager Tea Smallholdings Dev. Authority	Member (appointed)
Mr. Malin Goonathilake Secretary General The Planters' Association of Ceylon	Observer Member
Mr. Sarath Sirisena Director / CEO Lanka Commodity Brokers Ltd.	Observer Member

Mr. M. B. Cyril Actg. General Manager TSHDA	Member (appointed)
Mr. R. M. Gunasekara Representative / SLFTSHDS	Observer Member
Mr. D. L. S. A. Jayasinghe Chairman / Thurusaviya	Observer Member
Mr. Raja Premadasa Director / NIPM	Member (Ex-officio)
Mr. G. D. W. Jayawardena Actg. Director / NIPM	Member (appointed)

1.2 **MEETINGS OF THE BOARD OF GOVERNORS**

During the year under review, ten (10) meetings of the Board of Governors were held at NIPM Athurugiriya. At these meetings, the following matters were reviewed / discussed and approvals were granted for the same.

- a) Preparation of Budget Estimates and action plan.
- b) Receivable course fees and methods of recovering them and writing off debts which cannot be recovered under reasonable reasons.
- c) Training activities of the Institute and the other matters relating to accounts and administrative divisions.
- d) Short-term and long term local and foreign scholarships and workshops offered to the employees of the Institute.
- e) The progress of the activities of each division.
- f) Matters recommended by the Audit and Management Committee.
- g) Replies for the Audit queries prepared by the Institute pertaining to the present year.
- h) New recruitments and promotions.
- i) Updated Corporate Plan and Action Plan.
- j) The budget estimate for the following year.
- k) The Administrative Report and Final Accounts related to the previous.
- l) Strategies to improve the quality of work and performance of the Institute.

- m) Procurement matters.
- n) Progress of the academic courses and Professional Programmes.
- o) Appointment of the Boards of Study.
- p) Appointment of the Procurement Committees.

2.0 **MEMBERS OF THE AUDIT AND MANAGEMENT COMMITTEE**

(AMC)

The AMC of the Institute has been formed in compliance with the guide line issued by Finance Ministry and duly empowered by the board of directors to oversee the following;

- Financial Reporting
- Internal control
- Matters relating to Audit Queries and the Audit reports
- Decisions of the procurement committee and usage of capital and recurrent provisions.
- Budget Estimates and the progress of the Actual performance
- Comparison the expenditure relating to Overtime, Fuel, Telephone and Electricity etc. with budget Estimate
- The expenditure incurred on conducting training programmes and their activities.
- Other Financial activities relating to the Institute.

Membership

The following Non Executive directors served as the Audit and Management Committee chaired by representative from Finance Ministry. The Accountant of the Institute acted as the secretary to the AMC. During the year under review, four (4) meeting were held and the above matters were taken into discussion and recommendations were submitted to the Board of Directors.

Mrs. Damayanthi Wijesinghe Senior Assistant Secretary Ministry of Finance and Planning	-	Chairperson
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Dr. Janatha Goonathilake Director / CRI	-	Member
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Mrs. Ratna Edirisinghe (September onwards) Director - Planning Ministry of Plantation Industries	-	Member
Mr. W. A. D. D. M. Priyantha Internal Auditor / MPI	-	Observer Member
Mrs. Lalani Gunathilake Audit Superintendent Department of Auditor Generals	-	Observer Member
Mr. L. D. J. Priyantha Accountant / NIPM	-	Secretary / AMC

3.0 **STAFF OF THE INSTITUTE DURING THE YEAR 2014**

At the end of the year under review total workforce stood at 46 as permanent employees. Our committed and motivated workforce was the key contributory factor to the success of the NIPM.

	<u>No.</u>
3.1.1 Chairman	01
Director	01
3.1.2 <u>Training Division</u>	
Training Specialist (Acctg. & Fin. Mgt.)	01
Training Specialist (Mgt.)	01
Training Specialist (Agric. Econ.)	01
Training Officer (Mgt.)	01
Training Officer (Agric. Econ.)	01
Staff Assistant (Training)	01
Librarian	01
Management Assistant (Grade I)	01
Management Assistants (Grade II)	02
Management Assistants (Grade III)	02
Office Aides	02

3.1.3 **Administration Division**

Actg. Asst. Director (Admin.)	01
Administrative Officer	01
Hostel Manager	01
Management Assistant (Grade I)	01
Management Assistants (Grade II)	02
Management Assistants (Grade III)	03
Driver	06
Garden Aides	04
Office Aides	03
Hostel Aides	03

3.1.4 **Finance Division**

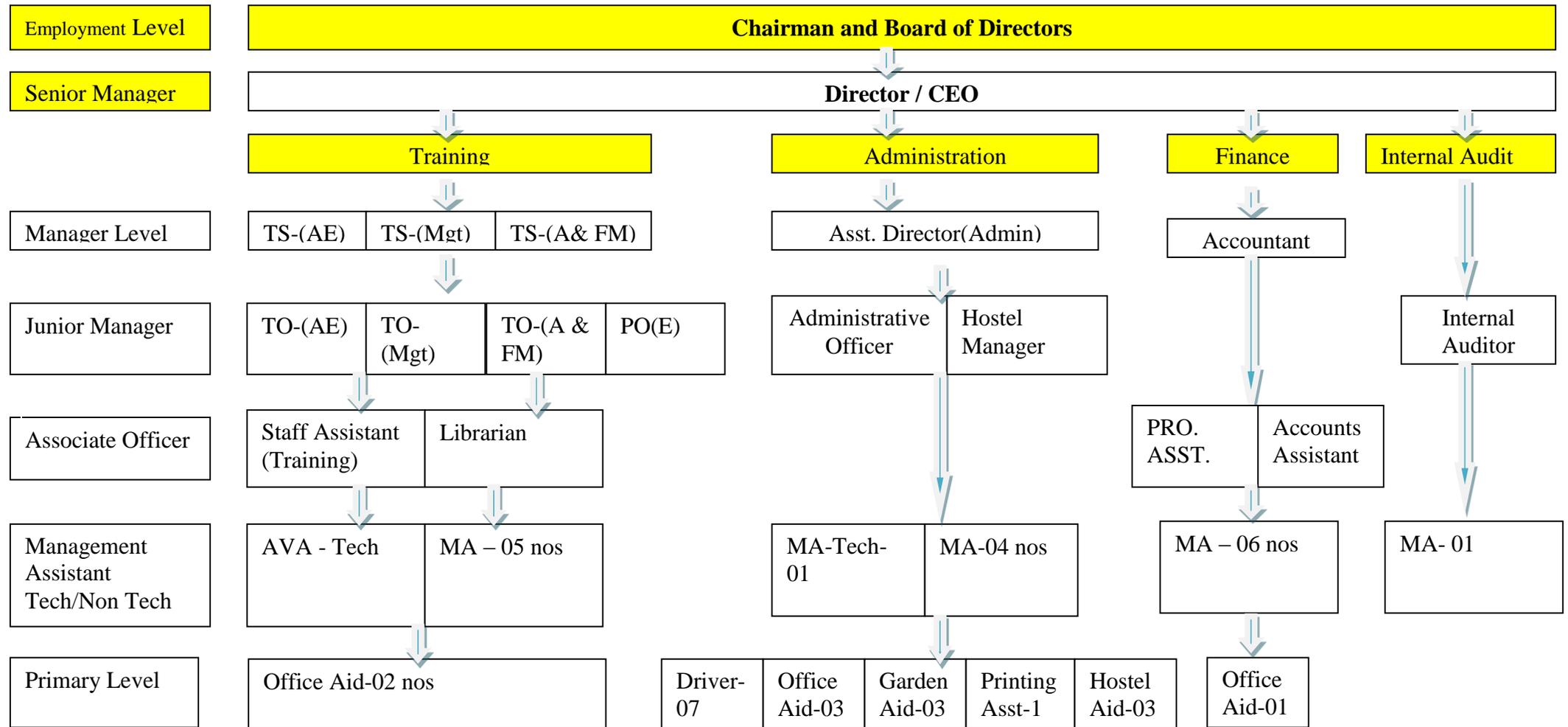
Accountant	01
Management Assistants (Grade I)	02
Management Assistants (Grade II)	02
Management Assistants (Grade III)	02
Office Aide	01

3.2 ***SENIOR MANAGEMENT***

Mr. Ranjit Kumar Samarasinghe	Chairman (up to August 2014)
Mr. S. P. Hidellarachchi	Chairman (From September 2014 to November 2014)
Mr. G. D. W. Jayawardena	Acting Director (upto June)
Mr. Raja Premadasa	Director (From June to December)
Mr. P. H. Jayathilake	Training Specialist(Acctg. & Fin. Mgt.)
Mr. L. D. J. Priyantha	Accountant
Mrs. S. N. Illangantillake	Training Specialist (Agric. Econ.)
Mrs. R. N. Lokuhetti	Training Specialist (Mgt.)

The organization structure is given in page No. 15

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT ORGANIZATION STRUCTURE



- Suppressed
- TS-Training Specialist MA-Management Assistant Mgt-Management Tech-Technical PO-Programme Officer(Exam & Coordinating)
- TO-Training Officer A & FM-Accounting & Financial Management AVA-Audio Visual Assistant AE-Agricultural Economics PRO.ASST-Procurement Assistant

4.0 TRAINING DIVISION

According to the Act No. 45 in 1979 and the amendments made thereafter of the said Act the main objective of the Institute was to provide training and learning opportunities to the Plantation Sector personnel including smallholders. The plantation sector can be defined as perennial crops such as tea, rubber, coconut, sugarcane, oil palm, palmyrah, cashew, kitul and cinnamon etc. The functions of the Institute which are aimed at achieving the objectives of the Institute can be categorized mainly into 07 areas as listed below.

(a) Academic Programmes

Academic Courses are designed to upgrade the educational qualifications of the participants and enhance their competencies. To award the certificates of these courses the participants are required to maintain a satisfactory academic record and meet the obligations of the courses in which they are enrolled.

The following courses are included in the category of Academic programmes.

- B.Sc. Degree in Plantation Management (jointly with the University of Wayamba)
- National Diploma in Plantation Management
- National Diploma in Plantation Extension Management
- Certificate Course in Plantation Accounting and Financial Management
- Certificate Course in Book - Keeping and Plantation Accounting
- Certificate Course in Human Resource Management
- Certificate Course in Business English
- Certificate Course in Tamil Language
- National Certificate Examination in Tea Manufacture and Tea Factory Management
- Induction Course for Planter Trainees
- Advanced Training Course for Planter Trainees

(b) Professional Programmes

Main objective of the Professional courses are to impart theoretical / practical knowledge and skills in different aspects. These courses are designed to assess and enhance the participants career prospects and to increase their value to the organization.

The Professional programmes conducted by this Institute as follows.

- Tea Manufacture and Factory Practices
- Rubber Manufacture and Factory Practices

- Coconut Processing (Technology & Practices)
- Language Proficiency Examination
- Professional Programme in Tea Agronomy
- Professional Programme in Rubber Agronomy

(c) **Competency Development Programmes**

The programmes under this category are specially designed to upgrade the skills and capabilities which are directly relevant to particular jobs. It is also expected to familiarize the participants with modern technologies and improved methods with related to job tasks.

The Institute conducts following competency development programmes.

- Workshops, Seminars and Symposiums
- Skill Development Programmes
- Worker Development Programmes
- Management Development Programmes
- Training Programmes for Smallholders

- (d) Issuing publications related to Plantation Management (Journal in Plantation Management, Newsletter, Student Manuals of training programmes, text books and other periodicals)
- (e) Providing research and consultancy services in Plantation Management to the sector and conduct aptitude tests and examinations (oral and written) for selecting and promoting employees for public / private sector organizations.
- (f) Conferring Professional Membership of the Institute to eligible plantation executives (Hon. Member, Fellow Member, Associate Member and Student Member)
- (g) Providing Institute's facilities (Food, accommodation and lecture hall etc.) to outside organizations to conduct their training programmes and related activities.

4.1 TRAINING ACTIVITIES DURING THE YEAR

Basically, the Institute conducted 02 types of programmes i.e. income earning programmes for the corporate sector and Capacity Development Programmes for smallholders using Treasury funds. These programmes were included in the Prospectus for the year 2014 and details of such programmes conducted are given below.



Training Programmes for Smallholders



Leadership Training Programmes

Table I
INCOME EARNING PROGRAMMES – Year 2014

<i>No</i>	<i>Programme Category</i>	<i>No. of Prog. conducted</i>	<i>Duration of each Programme</i>	<i>No. of Participants</i>
01	B. Sc. degree in Plantation Mgt.	01	03 years	92
02	National Diploma in Plantation Extension Management	01	18 months	17
03	Professional Programme in Tea Manufacture and Factory Practices	01	09 days	34
04	Professional Programme in Rubber Manufacture and Factory Practices	01	07 days	11
05	Certificate Course in Plantation Accounting and Financial Mgt.	01	12 months	17
06	Certificate Course in Book-keeping & Plantation Accounting	01	12 months	19
07	Diploma in Business English	01	12 months	11
08	Skill Development of Rubber Field Officers	01	05 days	40
09	Skill Development of Tea Factory Officers	01	05 days	18
10	Induction Course for Planter Trainees	01	06 months	29
11	Management Development Programmes	14	01 day / 02 days	408

12	Cinnamon Cultivation Programme	01	02 days	49
13	Rubber Extension Officers of Rubber Development	03	05 days	95
14	Special Programmes	04	01 day	153
	Total	32		993

4.2 **PROGRAMMES FOR PLANTATION SECTOR (INCOME EARNING)**

A comparison of the above programmes with the expected number in 2014 is given below. As mentioned in the Prospectus for 2014, the Institute expected to conduct 49 programmes and provide training for 1,030 persons, while a sum of Rs. 17.72 Mn was expected to be earned from the training activities. However, the Institute was able to conduct 32 programmes and train 993 personnel while Rs. 10.036 Mn was earned. The performance in the year in respect of programmes conducted was 65% and personnel trained 96% against the targets. Income generated against target was 59%.

Table II
Income Earning Training Programmes - 2014- Budget and Actual

Name of Programmes	Budgeted			Actual			Progress		
	No. of Progs.	No. of Students	Income (Rs. Mn.)	No. of Progs.	No. of Students	Income (Rs. Mn.)	No. of Progs.	No. of Students	Income (Rs. Mn.)
Academic and Professional Programmes	16	327	11.830	8	230	6.660	50%	70%	56%
Skill Development Programmes	6	90	1.388	2	58	0.718	33%	64%	51%
Special Training Programmes	13	400	1.500	7	248	0.866	53%	62%	57%
Management Development Programmes	12	178	0.979	14	408	1.332	116%	229%	136%
Worker Development programmes	2	35	0.175	01	49	0.050	50%	140%	28%
Out side exams			1.200			0.410			34%
Total	49	1030	17.072	32	993	10.036	65%	96%	59%



Table III

Profit and loss analysis of the Income Earning programmes

Name of Programme	Income (Rs. Mn)	Cost (Rs. Mn)	Profit / Loss
Academic Training Programmes	6.660	2.820	3.840
Skill Development programmes	0.718	0.350	0.368
Management Development Programme	1.332	0.670	0.662
Worker Development Programme	0.050	0.042	0.008
Special Training programmes	0.866	0.409	0.457
Outside Examinations	0.410	0.111	0.299
Total	10.036	4.402	5.634

4.3 SMALLHOLDER PROGRAMMES (USING TREASURY FUND)

On the instructions of Hon. Mahinda Samarasinghe, the Minister of Plantation Industries regarding strengthening the knowledge and skills of smallholders, the Institute started to conduct training programmes for smallholders from 2011. The cost of these programmes are covered using Treasury Funds. No fee was charged from the participants.

Having identified the importance of the role of the smallholders in production of plantation crops, the Treasury granted Rs. 10 Mn to conduct training programmes for smallholders in 2014 and conducted 355 programmes for 25,100 personnel covering tea, rubber, coconut, cashew, sugarcane and cinnamon smallholders.

Smallholder programmes were considered under Capacity Building and expenditure for the same are treated as capital expenditure. The following table shows the actual number of

programmes conducted for smallholders and number of smallholders trained during the year under review.



Training programme for Tea smallholders

Table IV
Capacity Development Programmes for Smallholders – 2014

Type of Programme	No. of Programmes	No. of Participants	Cost (Rs. Mn.)
Rubber	172	14,105	5.203
Tea	102	6,329	2.351
Coconut	54	3270	1.755
Cashew	10	508	0.188
Sugarcane	11	547	0.276
Cinnamon	06	341	0.208
Total achieved	355	25,100	9.981
Total planned	200	8000	10.00

All these programmes were conducted in the respective regions, in the tea, rubber, coconut, cashew, sugarcane and cinnamon fields. This methodology provided more time for practical sessions than classroom lectures. The duration of such programmes was limited to a maximum of 05 hours.

The above details can be summarized and compared with the previous year as follows.

Table VI
SUMMARIZED DETAILS

	2013	2014	Progress %
No. of Programmes (Total)	258	387	50
No. of Participants (total)	11,422	26,093	128
No. of Programmes for Smallholders	236	355	50
No. of Smallholders trained	12,149	25,100	106
Training income	Rs. 11.573 Mn.	Rs. 10.037 Mn	-13
Expenditure incurred on training of Small Holders	Rs. 7.49 Mn.	Rs.9.98 Mn.	33

Total Training programmes had been increased in 2014 due to increase in smallholders programmes. No. of income earning programmes not increased as expected. Therefore, the training income in 2014 had not been increased.



4.4 TRAINING METHODOLOGY

The methodology of conducting academic courses and training programmes have been standardized taking into consideration, the variables connected with the programmes. In deciding on the timetable, duration of each programme, matters such as level of participants, their positions, work places and duty leave granted etc., were also taken into consideration. The long term academic programmes which have been designed for Plantation Executives are conducted on module basis. Such programmes were divided into several modules / components and conducted on a staggered basis. In fixing the dates for lecture/practical sessions, the required days for the presence of participants on estates were avoided. Generally, the lecture sessions of long term courses are scheduled only for 06 days per month, not on a continuous basis and yet mostly on the 1st and 3rd weekends including the Fridays. The main objective of

this approach was to minimize the impact of their absence from the estates. Nevertheless, the programmes such as Skill Development and Professional examinations etc., were conducted on 05 to 07 consecutive dates. But most of Management Development Programmes are conducted as a workshop for duration of one or two days. In case of programmes for Estate Workers and Smallholders, the duration was limited to one day (about 05 - 06 hours) and were conducted in the respective areas / regions.

In conducting programmes, the Institute uses modern advanced training methodologies such as group discussions, group exercises, demonstrations, case studies, field visits, and exchange of experience etc.

More practical sessions are applied in programmes for field and factory workers, whereas more weightage is given for lecture sessions in academic courses. About 80% of the duration of programmes for smallholders and workers were devoted to practical sessions. By applying such methodology, by it was able to motivate participants to concentrate effectively on training activities at each session, as they were reluctant to read, focus their attention, listen attentively or write.

In Management Development Programmes for Plantation Executives, greater emphasis was on role plays, case studies, management games and brainstorming sessions etc.



Group Discussion in NDPM

As it was a case during the past, the Institute depended more on visiting resource personnel and it is considered a viable alternative, as it was difficult to recruit adequate number of training personnel to cover all the subjects and also meet the cost of emoluments. In the year under review, the Institute had only 05 resource personnel up to October 2014 and out of that one resource personnel resigned from the post. The Institute was compelled to get the services of external resource personnel from Research Institutes of tea, rubber, coconut and sugarcane etc. and Lecturers and Professors from Universities and also eminent planters who had the experience and exposure in subjects related to Plantation Management. However, in selecting resource personnel for the academic courses and other training programmes, their educational background, experience in the sector and teaching / training abilities were taken into consideration.

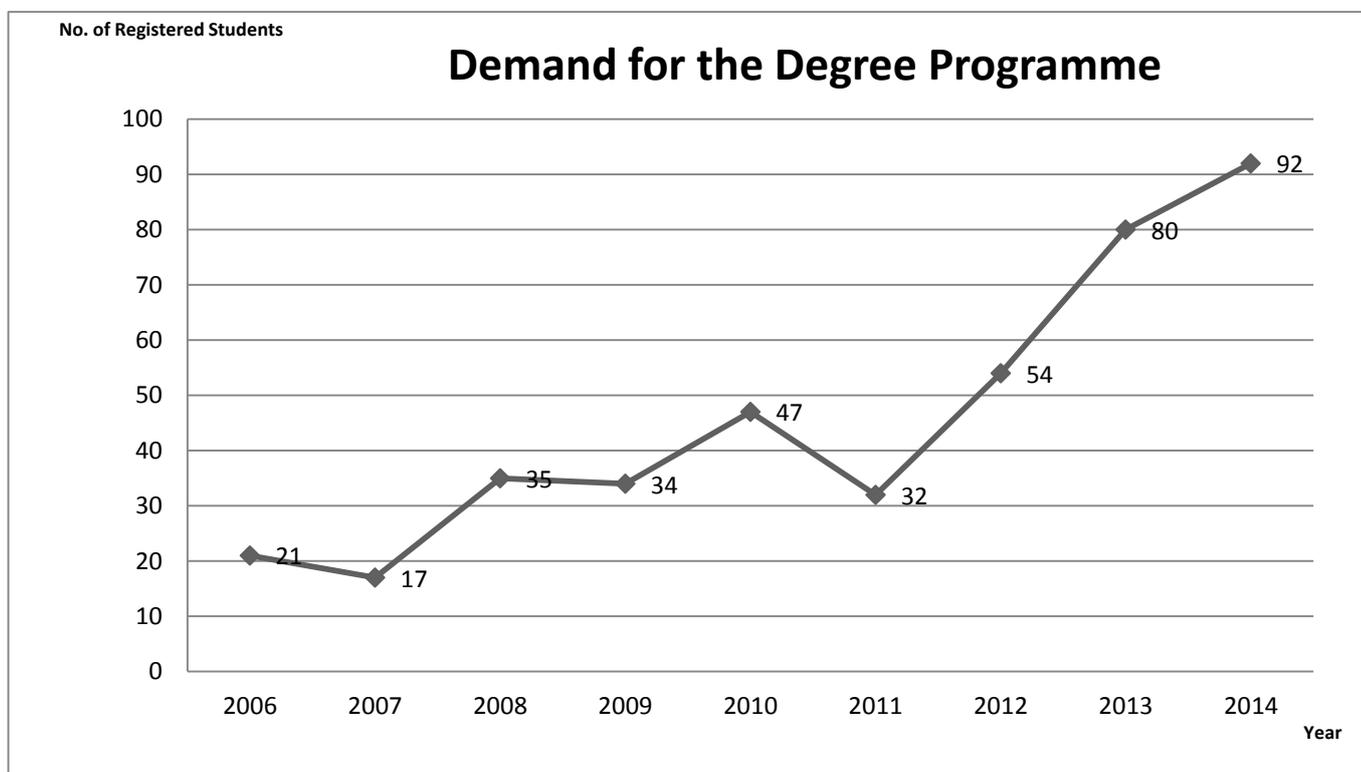
4.5 **B. Sc. DEGREE IN PLANTATION MANAGEMENT**

The B. Sc. Degree in Plantation Management lent a new dimension to managerial and technology development, specially designed for senior and middle level executives attached to the plantation sector.

Until 2006 there was no opportunity for the plantation sector personnel for higher education in the field of plantation management. There was a need in the plantation sector to explore ways and means for the advancement of individuals in the sector to achieve greater competence, develop management skills and professionalism at a level higher than the diploma level. The demand for qualifications in the plantation sector at this level had to be met. The Managers had to be developed to face the challenges of the future, and had to be prepared to face them professionally. In order to ensure productivity and profitability of the industry and its sustainability, it was necessary to bridge this need gap and provide a high degree of scientific, theoretical and managerial competence at both micro and macro levels for the senior and middle level executives in the plantation sector. For this purpose, a comprehensive academic programme had to be designed. Accordingly with much effort, the B. Sc. Degree in Plantation Management launched in 2006, and was offered jointly by the University of Wayamba and NIPM filling a vacuum that existed. This was a 03 year programme and was conducted as a distance learning course. Initially, 21 Plantation Executives registered for the course and 17 passed out in 2008. The details of the number of students registered each year and number who successfully completed the programme are given below.



<i>Batch</i>	<i>Year</i>	<i>No. of Registered Students</i>	<i>No. of Passed out Students</i>
1	2006	21	17
2	2007	17	11
3	2008	35	21
4	2009	34	13
5	2010	47	21
6	2011	32	
7	2012	54	} yet to be completed
8	2013	80	
9	2014	92	



The results of the 2011 and 2013 batches yet to be finalized. Out of 165 students who faced the interview 92 have been selected to follow the degree course in 2014. The above graph shows that the demand for the B.Sc. Degree in Plantation Management has been increasing considerably and it is a very positive trend. The certificate is awarded jointly by NIPM & Wayamba University.

It is indeed prestigious for the Institute to jointly offer the Degree programme along with the University of Wayamba.

4.6 CONDUCTED OUTSIDE EXAMINATION

One of the objectives of the NIPM is to conduct an examination in different subjects in relation to plantation management. It has been providing such services for different public / private sector organization since 1987. In the year under review, the Institute conducted 11 examinations to select and promote employees in different organizations as detailed below.

Organization	No. of Examinations	No. of Candidates	Income Generated (Rs.)
Sri Lanka Tea Board	06	127	199,158
Tea Small Holdings Development Authority	01	54	81,285
Coconut Research Institute	03	50	68,283
Tea Research Institute	01	04	43,368
Total	11	235	392,094

4.7 LIBRARY FACILITIES

The library of the Institute has a collection of more than 6000 books covering various subject areas relating to Plantation Sector such as tea, rubber, coconut, sugarcane, cashew, accountancy, general management, human resource management, marketing management, strategic management,



positive thinking, time management, productivity, industrial safety & hygiene and quality management etc. It has both lending and reference sections. The participants of the long - term programmes and the staff of the Institute are eligible to use the books in the lending section, while the participants of short - term programmes, staff of the Institute, external resource personnel of the Institute, school children of the area and outside resource personnel can use the reference section.

4.8 PROFESSIONAL MEMBERSHIP OF THE INSTITUTE

The Institute continued with conferring Professional Membership of the Institute to eligible Plantation Executives based on the criteria and conditions mentioned in the Act of Parliament No. 5 of 1987. The total number of membership granted under each category are as follows.

Honorary membership	-	20
Fellow membership	-	198
Associate membership	-	18
Student membership	-	<u>02</u>
Total	-	<u>238</u>

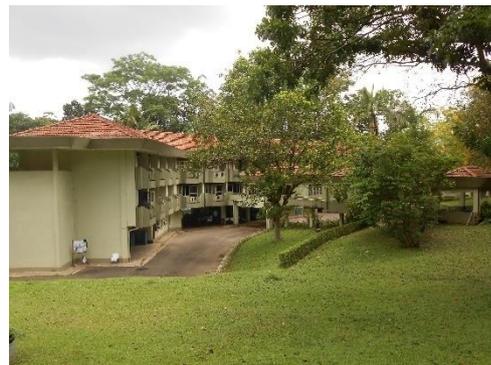
4.9 PUBLICATIONS

The Institute normally published two issues of the Journal in Plantation Management and 04 issues of the Newsletter. The Journal consisted of various articles written by scientists of the Crop Research Institutes, lecturers of the Universities and professional planters. The Journal was presented with changes in presentation through insertion of colour photographs of authors and other relevant pictures. The Editorial Committee comprised Prof. S. J. B. A. Jayasekere, Vice Chancellor, University of Wayamba, Prof. K. B. M. Fonseka, Dept. of Accountancy, University of Sri Jayewardenepura, Dr. Gamini Seneviratne, Director, Rubber Research Institute, Dr. (Mrs.) S. Ranasinghe, Head, Dept. of Plant Physiology, Coconut Research Institute and Mr. B. A. D. Samansiri, Head, Advisory Division, Tea Research Institute, The Chief Editor was Dr. N. Yogaratnam, former Deputy Director (Research), Rubber Research Institute. Because of the improved quality of the Journal, there was a high demand for the same from Plantation Executives and other Executives attached to Plantation related Organizations.



4.10 FACILITIES AVAILABLE WITHIN THE PREMISES

The Institute has almost all the infrastructure facilities that are required for an educational and training Institute but the upgrading and modernization in keeping with the trend in the market with respect to local and international education and training have to be met. The facilities at Athurugiriya center consists of three Lecture Halls with air-conditioning, an Auditorium which can accommodate 200 persons at a time, a Library with more than 6,000 collections of books, a hostel which can provide accommodation for 60 persons.



There are six residential quarters including the Director's Bungalow within the premises. There are 08 vehicles available in the Institute. However, the fleet of vehicles available is not adequate to meet the transport requirements, as most of them are used for training programmes conducted in outstations. The two vehicles which are more than 20 years old, were repaired in 2014.



The office buildings including Chairman, Director and Training Division have been renewed recently. But the administrative building which is 50 years old needs to be repaired.

Therefore, there is an urgent need to put up a set of new environment friendly buildings immediately to house the above offices. There are no vacant unused buildings within the premises of the Institute. All available buildings apart from the building used for training activities and administration purpose are fully utilized to serve the Korean training programmes conducted by the Sri Lanka Bureau Foreign Employment.

The other Regional Training Centre located in There is an Estate, Bogawantalawa also has the necessary facilities required for a training center, but it should be certainly improved to provide modern training facilities. The Auditorium has a capacity for nearly 60 persons and two medium size Lecture halls are available which can be accommodated around 100 participants.

The hostel at Bogawanthalawa can provide accommodation facilities for nearly 70 people at a time. This has a fairly big dining hall, 3 office rooms and a mini library having more than 600 books. There is a bungalow for the Centre Manager and also a Guest House which can provide accommodation for nearly 10 persons at a time. Apart from the Hostel Manager and a peon, there are no other permanent workers at this center and therefore, necessary workers are employed on contractual basis during training sessions with the prior approval from the Director. There are three workers and one watcher on casual basis and at present all the facilities for the Training programmes of the institute and Korean programmes of the Sri Lanka Bureau of Foreign Employment are being provided by this staff; under supervision of Hostel Manager.



4.11 THE PROSPECTUS FOR THE YEAR 2015

The Prospectus for the year 2015 has been prepared based on the comments and suggestions of the stakeholders, internal and external resource personnel and participants who followed the programmes in the previous years. In addition to that a meeting was held at the Institute with the participation of the stakeholders to ascertain the training needs of the sector. At this meeting, many of the participants highlighted the necessity of conducting more programmes for the smallholders of Tea, Rubber and Coconut. Further, there were some meeting with the Human Resource Managers attached to plantation companies to identify new training requirements and to promote the existing training programmes of NIPM for better performance. As a result of the above process, the following training programmes have been included in the 2015 Prospectus.

Academic / Professional Programmes	-	17
Management Development Programmes	-	07
Skill Development Programmes	-	06
Induction Courses	-	06

The following programmes are also being included in the prospectus as demand driven programmes

Technical Development Programmes	-	04
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In addition to the above income generated programmes, it has been planned to conduct the following programmes for smallholders with the aid of Treasury funds (No fee basis)

Tea	-	60
Rubber	-	50
Coconut	-	50
Sugarcane	-	10
Cashew	-	10
Palmyra	-	10
Cinnamon	-	<u>10</u>
Total	-	<u>200</u>

4.12 **NEW DIMENSIONS OF TRAINING ACTIVITIES**

Apart from the programmes listed in the Prospectus for 2015, arrangements will be made in early 2015 to design and develop following new programmes for different categories of personnel attached to the plantation sector.

- (a) Customized training programmes for plantation executives especially focusing on leadership and communication.
- (b) Customized training programmes for plantation non-executives in attitude Development.
- (c) Need based computer programmes for plantation sector personnel.
- (d) Tailor made programmes on plantation management to be conducted in respective regions.

5.0 **ADMINISTRATION DIVISION**

The Admin Division is headed by the Asst. Director (Admin.) who is responsible for General Administration of the Institute. The total approved cadre for the Institute in the year was 57. However, there were several vacancies and it was difficult to fill some of those posts due to reasons such as our requirements in respect of qualifications being high while salaries offered were not competitive. (eg. Although applications were called for the post of Training Officer (Acct. & Fin. Mgt.), response was very poor even those who applied did not fulfill the required qualifications and experience.)

As the post of Hostel Manager at the Head Office at Athurugiriya was vacant, the related activities were covered up by the Works Supervisor. Purchasing of food items was done by a Food Committee consisting of Management Assistants. The committee is changed once in 06 months. This system of purchasing food items ensures transparency of purchasing activities. The Hostels both at Bogawantalawa and Athurugiriya provide food and accommodation facilities for the participants of the programmes. A sum of Rs. 1,120/- was charged for food and refreshments per day from a participant while accommodation charge was Rs. 300/-. These rates were merely to recover the cost of the respective services and facilities. The participants who have used these services and facilities have expressed their appreciation. The Institute has made arrangements to improve further the quality of these services.

During the year under review, the Institute continued with providing training facilities to Korean job seekers. Therefore, the Institute had to recruit some employees on contractual basis. The Board approval was granted for these recruitments and the related salaries were paid by the income generated from Korean programmes.

6.0 FINANCE DIVISION

The Finance Division is headed by the Accountant. This Division consists of five Management Assistants (05) to play supporting role to the Accountant. It is a responsibility for the Finance Management of the Institute to prepare Annual Budgets; Action Plan Etc. Finance division should provide timely financial information to the Board of Governors as well as the other required authorities. Currently, Institute is running without an Internal Auditor and, however the cadre provision for Internal Auditor has approved in the latter part of the year 2014. Therefore, the Institute had to get the service of Chief Internal Auditor of the Ministry of Plantation Industries. The Accountant had to represent ministerial level Audit and Management Committees (AMC) and he has been acting as the Secretary to the Institutes' AMC.

As experienced in the previous years, there was no separate officer or a section for procurement activities. Therefore, the procurement activities are also handled by the Administration division while the activities such as awarding contracts, preparing of agreements, making payments and monitoring the process have been done by the Finance Division.

7.0 FINANCIAL AND PHYSICAL PERFORMANCE

Summarized budgeted and actual performance of the year 2014 (Rs. Mn)

	<i>Budgeted</i>	<i>Actual</i>	Progress
Recurrent Expenditure including Depreciation	82.88	69.91	84.00%
Capital Expenditure	30.20	26.47	87.00%
Total Expenditure	113.08	96.38	85.00%
Total Generated Income	33.650	25.32	75.00%
Grants - Recurrent	30.50	24.79	81.00%
Grants - Capital	25.00	21.50	86.00%
Total Revenue	86.48	70.84	82.00%
No of Income Generated Programmes	49 Nos.	32 Nos.	65%
No of Trainees (income generated)	1030 Trainees	993 Trainees	96%
No of Capacity Development Programmes	200 Nos.	355 Nos.	177.5%
No of Participants	8000 Nos	25,100 Nos	313.5%

During the year under review, a sum of Rs. 69.91 Mn was spent for total recurrent expenditure and reported an 84% progress over the budgeted amount. This amount includes Rs. 15.828 Mn on depreciation and amortization of capital assets.

The Institute has incurred a sum of Rs. 26.47 Mn for capital expenditure in the budgeted amount of Rs. 30.2 Mn. It was reported 87% Progress over the budget.

The Treasury has granted a sum of Rs. 24.79 Mn on recurrent expenditure and Rs. 21.5 Mn for capital expenditure. The Institute has incurred a sum of Rs. 9.98 Mn to develop the capacities of the plantation smallholders. This amount has been funded by the General treasury under the Capital Budget.

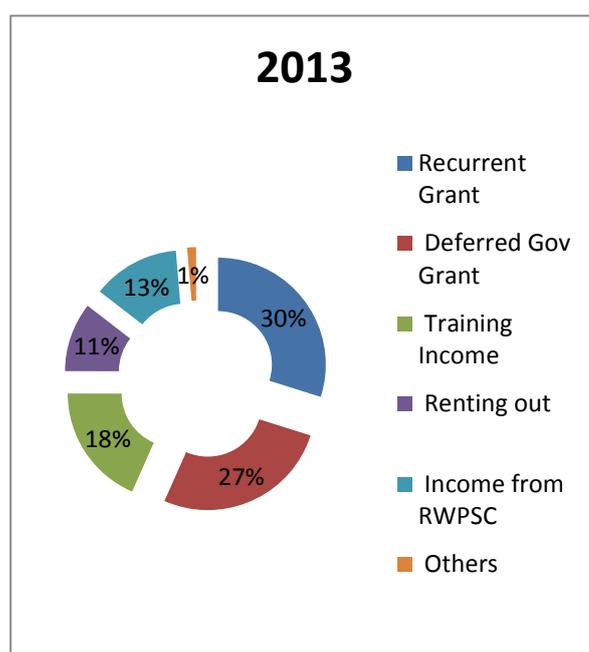
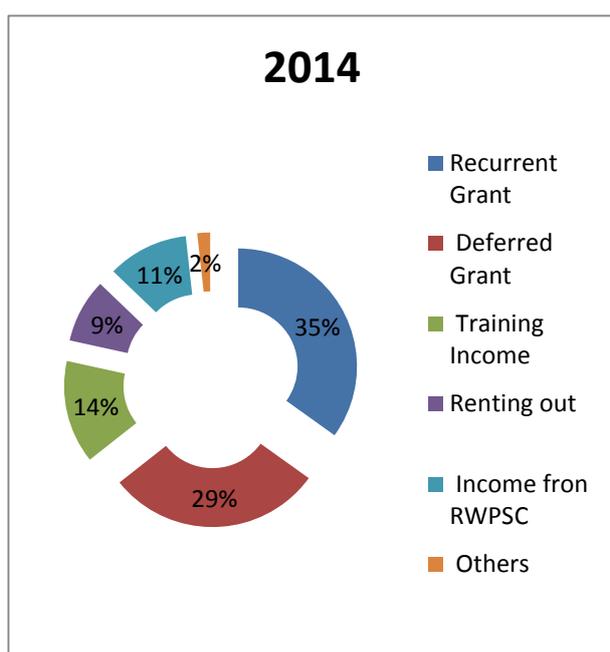
The Institute has conducted 32 income generated training programmes for plantation staff generating Rs. 10.36 Mn for the institute. Further it was noted that 355 capacity building

programmes were conducted to plantation Smallholder in free of charge with the financing from General Treasury. The Institute has trained 993 plantation staff personal that was 96% progress over the estimated amount. In concern with plantation smallholders, 25,100 participants have been trained in the year 2014. That was 313% over the estimated amount.

Categories of income (Rs. Mn)

Revenue source	2014	2013	Change
Recurrent Grant	24.792	18.744	32.2%
Income from Deferred Government Grant	20.837	16.751	23.7%
Training Income	10.037	11.572	(13.2%)
Renting out of residential facilities	6.219	6.569	(5.3%)
Income from Bogawanthalawa Regional Centre	7.823	8.247	(7.8%)
Other Income	1.237	0.837	47.7%
Total Income	70.946	62.722	12.9%

As per the above charts, 14% from the total revenue was earned by training income in 2014; it was dropped when compared with year 2013. Major portion of the income was raised from the government grant, that was 57% in 2013 and it was gone up to 64% in the year 2014.



Capital Expenditure for 2014 (Rs. Mn)

Capital Expenditure	Budget	Actual	Progress
Renovation and rehabilitation of Capital assets	6.80	6.63	97.5%
Acquisition of capital assets	11.90	9.93	83.4%
Development of distance learning Modules	1.50	-	-
Capacity Development Programmes	10.00	9.98	99.8%
Total	30.20	26.54	87.8%

The Institute has spent a sum of Rs. 26.54 Mn for Capital Expenditure, which was 87.8% progress over the budget. Major activities of the year are listed below.

- Renovation and improvement of Training Building
- Purchasing of Chairs and Tables for hostel
- Installation of AC Units for Auditorium.
- Conducted 355 No. of capacity development training programmes for smallholders

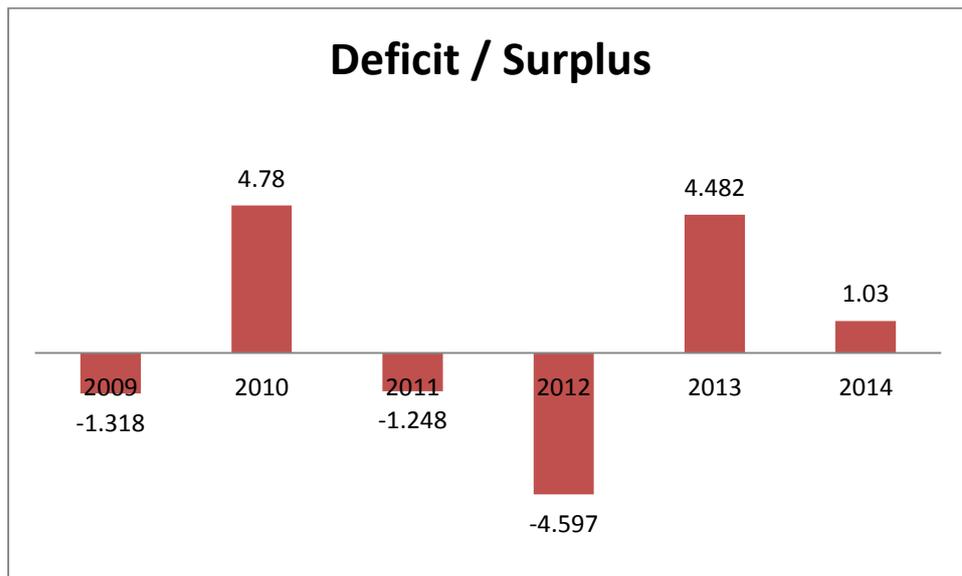
Capacity Development programmes for smallholders (Rs. Mn)

Capacity Development Programmes	No. of Progs.	No. of Participants	Cost/ Income of the Progs.
Rubber Related	172	14,105	5.203
Tea Related	102	6,329	2.351
Coconut Related	54	3,270	1.755
Sugarcane	11	547	0.276
Cashew	10	508	0.188
Cinnamon	6	341	0.208
Total	355	25,100	9.985

Deficit / Surplus

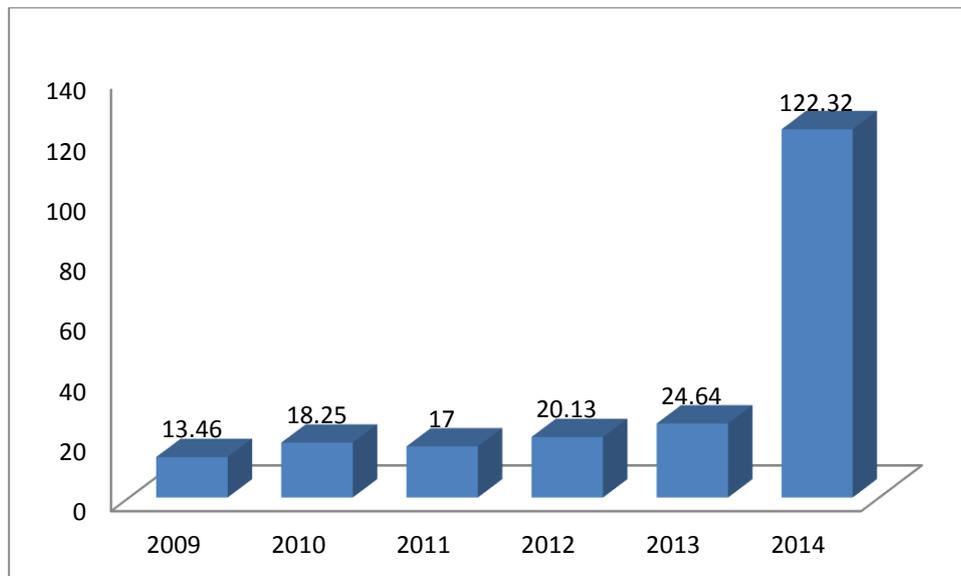
In the year under review, the Institute gain a surplus of Rs. 1,030,263/-. It was declined by Rs.3.452 Mn. when compared with 2013. The reason for the reduction was the depreciation cost as per the new revaluation of assets

Year	Deficit / Surplus
2009	(1.318)
2010	4.780
2011	(1.248)
2012	(4.597)
2013	4.482
2014	1.030



The Net asset value of the Institute has increased up to Rs. 122.218 Mn in the year 2014; it was Rs. 24.619 Mn in the year 2013. The main impact of the increase of the net assets was the revaluation of capital assets reporting a net revaluation surplus of Rs. 96.657 Mn.

Net Assets (2009 to 2014)



8.0 PROGRESS AGAINST THE PREVIOUS YEAR

The Institute achieved total revenue of Rs. 70.94 Mn compared to the previous year's figure of Rs. 62.7 Mn. The main contributory factor towards this revenue was recurrent grant from the General Treasury.

The Institute has incurred a sum of Rs. 69.915 Mn as recurrent expenditure in 2014 reporting 20% increase when compared with the previous year amount of Rs. 58.24 Mn.

General Treasury granted a sum of Rs. 18.744 Mn for recurrent and Rs. 23.10 Mn for capital expenditure in 2013. It was increased to Rs. 24.792 Mn in 2014 reporting a 32.26% progress over recurrent grant. The capital grant has been reduced to Rs. 21.5 Mn and the progress dropped to 7.4%.

No of income generated programmes have been increased to 32 from 22 and capacity development programmes increased to 355 from 236. Therefore, No of participants increased up to 26,093. It was 12,921 in the year 2013.

The total Professional Membership of the Institute increased up to 238 in the year 2014.

The Institute is available 6000 and 600 books respectively at Athurugiriya library and the mini-library at Bogawantalawa Training Centre related to various subjects in Plantation Management.

The Net Assets of the Institute has increased up to Rs. 122.32 Mn in 2014. It shows 396 % increase against the previous year. Institute has revalued the assets in the year 2014. Therefore, it was resulted a net gain of Rs. 96.675 Mn in the year under review.

As per Statement of Financial Position, the current asset increased by 16.7 % and the payable within one year also increased by 27%. The Institute has provided a provision of Employee benefits for Rs. 7.21 Mn in the accounts.

9.0 CONSTRAINTS FACED BY THE INSTITUTE

As experienced in the previous years after restructuring process took place in 2004, the Institute had to face several constraints in the year 2014 as well. Shortage of staff in the training faculty was one of the main constraints. There were only 06 members in the training faculty; namely Training Specialist (Mgt.), Training Specialist (Acctg. & Fin. Mgt.), Training Specialist (Agri. Econ), Training Officer (Mgt.), Training Officer (Agri. Econ.) and one Staff Assistant (Training). There were number of staff vacancies which were not possible to fill in 2014 too.

Many of the plantation companies were reluctant to release their executives to participate in our long-term academic programmes. This was another major constraint that the Institute had to face. The reason for this situation was that releasing executives on regular basis for the lecture sessions of the programmes might affect the production and administrative activities of the estates. Because of these reasons, the Institute has to change very often the pattern of conducting academic courses. Therefore, the Institute had to change training pattern and conducting most of the programmes in weekends. As this was a major constraint that the Institute has to face, the arrangements are now being made to conduct the Diploma programme as a distance learning course.

Office building complex is more than 60 years old buildings converted into office in 1980s. Therefore, it is beyond the repairing stage. A new office complex has to be constructed to develop infrastructure facilities.

Out of the 08 vehicles that the Institute has at present, 06 are over 15 years old. The age of the Pajero jeep is more than 25 years. As previously mentioned, the programmes for smallholders are conducted in different regions in the country. To travel such distances, the existing vehicles are thoroughly unsuitable. In order to ensure a more effective service to the clients all these vehicles have to be replaced with new vehicles.

Further, in conducting programmes in the regions, the audio visual equipment get damage if they are not properly packed and transported. But, the existing vehicles are not suitable for transportation of audio visual equipment safely. Hence, there is a need to buy a suitable vehicle to prepare as a mobile training unit.

10.0 CONCLUSION

Although the Institute had to face various constraints and impediments, with some stakeholders already having established in house training during the period of low or next to no activity of the Institute, in the past after restructuring process took place in the end of 2004, the Institute has made gains, both financially and physically in the year under review when compared with the previous year 2013. The Institute was able to increase the number of programmes conducted in that year up to 387 eventhough the number of programmes expected to be conducted in the year was 249. It is equal to 55.4% progress when compared with the expected number. It is a matter of satisfaction that the total number of programmes for workers and smallholders was increased by 50.4% against the previous year. This figure shows that there is a big demand for such programmes from smallholders and workers. Although there was a possibility of conducting more programmes for smallholders and estate workers, it was not possible to do so as the Institute was short of training staff.

A Surplus of Rs. 1.030 Mn. was seen between the income and expenditure in the year and the Net assets of the Institute has increased up to Rs.122.32 Mn. from Rs. 24.619 Mn. in 2013.

Further, the Institute conducted 355 programmes for the smallholders of Tea, Rubber, Coconut, Sugarcane and Cashew by incurring a sum of Rs. 9.98 Mn. using the funds granted by the Treasury. The greater emphasis will be paid to programmes for smallholders and estate workers in the next year too. Based on this information, it can be satisfied with the physical and financial progress in the year under review and it is the expectation of the Institute to achieve the planned targets in the year 2015 under the effort and commitment of the staff and the proper guidance and advices of the Board of Governors.

The Chairman and the Board of Directors and the Management of the Institute take this opportunity to convey its sincere thanks and gratitude to each and every person who extended their fullest co - operation to achieve the gains made in the activities of the Institute during the year 2014.

Deepthi Ashoka Abeywickrama
Chairman

2014

**FINANCIAL
STATEMENTS**

Financial Report

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NATIONAL INSTITUTE OF PLANTATION MANAGEMENT

ACCOUNTING POLICIES AND THE NOTE TO THE FINANCIAL ACCOUNTS FOR THE YEAR 2014

1) ***FUNDAMENTAL ACCOUNTING CONCEPTS***

The accounts have been prepared under the ***Going Concern Concept*** since it is the advice of the Board of Governors of the Institute. Sufficient funds are available from Government grants and generated from training programmes, academic courses, undertaking of consultancy assignments, Professional membership subscriptions and sales of publications and such funds enable the Institute to meet all its liabilities as and when necessary.

2) ***SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES***

The principal accounting policies applied in the preparation of financial statements are set out below. These policies have been consistently applied in all the years presented unless otherwise stated.

2.1 ***BASIS OF PREPARATION***

The Financial Statements are prepared in accordance with ***Sri Lanka Public Sector Accounting Standards*** on the accrual basis of accounting. The measurement base applied is historical cost adjusted for revaluation of assets.

The financial statements have been prepared on a ***Going Concern Basis*** and the Account policy has been applied consistently throughout the period.

2.1 ***WORK, SERVICES AND SUPPLIES***

Procurement procedures are followed for procuring works, services and supplies in accordance with procurement guideline.

2.2 ***INTANGIBLE ASSETS***

Intangible assets acquired separately are reported at cost less accumulated amortization and accumulated impairment losses. Amortization is charged on a ***straight line basis*** over their estimated useful lives. The estimated useful lives and amortization method are reviewed at the end of each annual reporting period and the effect of any changes for estimate are accounted for on a prospected basis.

Computer software

Computer software which has been developed for Accounting, Payroll, Training statistics, and Resource Management are recognized as intangible Assets to the Institute since it is not part of the operational system of the computer. These assets are written off from the Account over 4 years.

The Development cost of Distance learning modules.

The Development cost of the distance learning course for National Diploma in Plantation Management has been recognized as Intangible assets and the useful life of the prepared modules (written) is four years.

The estimated useful lives of intangible Assets are as follows.

<i>Description</i>	<i>Computer software</i>	<i>Development cost of Distance learning course</i>
Useful life	4 years	4 years

2.3 *The Capacity Development Programmes for out growers*

The Capacity Development Programmes for out growers are considered as a capital investment and the Development cost of the entity. These programmes whilst enabling the Institute to enhance the goodwill of the Institute, Capacity as well as the knowledge of the out growers are developed through these programmes. It is meeting an urgent need to determinate knowledge amongst out growers to meet expected levels of agricultural practices with a view to producing higher quality end product in the hand of the consumer. This is a very important aspect in assisting the exporters to make gains in the export market.

It is assumed that the impact of such programmes would be realized within one year. Therefore the value of investment for such programmes would be written off in the year itself.

The Institute incurred Rs9.98 million to enhance the knowledge of the plantation out growers and ground level workers in 2014 financed by the National Budgets.

2.4 *PROPERTY PLANT AND EQUIPMENTS*

Property plant and equipment are stated at historical cost less accumulated depreciation.

This historical cost includes all cost directly attributable to bringing an asset to working condition for its intended use and significant renovations.

2.4.1 *Depreciation*

Depreciation is calculated using straight line method based on rates estimated to write off the assets over the term of its useful life living a residual value for accounting purpose.

The depreciation rates generally used are as follows.

Free holding buildings	5%
Office furniture	10%
Office Equipment	20%
Motor Vehicles	20%
Plant and machinery	20%
Road water supply, Electricity and Telephone (Infrastructure Assets)	10%
Library Books	10%
Misc. Equipment	25%
Land improvements	10%

As per Sri Lanka Public Sector Accounting Standard, the following Assets are considered as Infrastructure Assets.

- The cost Road improvement,
- Water and power supply
- Electricity supply

The Institute has transferred the value of software package to Intangible asset from infrastructure to Intangible account. The cost of the asset was Rs 160,000/-, therefore the rate of depreciation of this item has been changed from 10% to 25% in the year 2014. Amortization amount has been increased by Rs 24,000/- on this transaction and it was indicated in the note for intangible assets

Basis of measurement

All Fixed Assets except Vehicles and Land are depreciated as per cost method and the vehicles are accounted in accordance with the revaluation method. The depreciation is not charged for Land of the Institute.

2.4.2 Disposal

The gains or losses on disposal are determined by comparing proceeds with carrying amount. These are included in the income statement.

2.4.3 Revaluation

(a) Motor Vehicles

Motor vehicles of the Institute, except newly brought two vehicles, were revalued on 23rd August 2012 by a professional **Automobile Engineer**. The gain on the revaluation has been included in the revaluation reserves account. The Revaluation gain of the vehicle was Rs. 7,833,012.66. then the total revaluation reserve on vehicle has increased up to Rs10,584,233.03. The Details are given bellow.

Name of the Valuer	Mr. D. B. De Siva	
Qualification	Professional Automobiles Engineer.	
Date of Valuation	23 rd August 2012	
Revalued amount	32-4086 Jeep	Rs. 1,450,000/-
	61-2361 Bus	Rs. 950,000/-
	250-3161 Cab	Rs. 1,700,000/-
	58-3717 Cab	Rs. 1,700,000/-
	250-2603 Cab	Rs. 1,550,000/-
	250-2604 Van	Rs. 1,950,000/-

(b) Furniture, Office equipment, Plant and Machineries and Miscellaneous Equipment

During the year under review, the above assets held at Athurugiriya office as at 01/01/2014 have been revalued by Valuation Departments. The details of the Property Plant and Equipment including the adjustment entries of the revaluation are set out in page No. 55 to the financial statement. The net gain on the revaluation is included in the revaluation reserve account.

Valuation of the Properties of the Group with the necessary details are given bellow

Name of the valuer	Mr. K A D N J Nanayakkara
Qualification	Regional valuer
Effective Date of Valuation	01 st January 2014
Location	Athurugiriya

Category of Assets	Carrying Value as at 1/01/2014 (LKR 000')	Revalued Amount (LKR 000')	Revaluation Surplus/(Deficit) (LKR 000')
Office equipment	17,611	3,438	(2,635)
Furniture and fittings	5,129	5,669	3,604
Plant and machineries	1,004	335	32
Miscellaneous equipment	2,893	859	(228)

(c) Buildings

All buildings of the Institute excepts building at Bogawantalawa regional center and three staff quarters which the ownership to be transferred to seventh Engineers

regiment of the Sri Lanka Army have been revalued by Valuation Department as at 01/01/2014.

Name of the Valuer Mr. K A D N J Nanayakkara
 Qualification Regional Valuer
 Date of Valuation 01st January 2014

Category of Assets	Gross Carrying Value as at 1/01/2014 (LKR 000')	Revalued Amount (LKR 000')	Revaluation Surplus/(Deficit) (LKR 000')
Buildings	74,424	134,074	95,902

Revaluation surplus has increased by Rs 96,675,557.18. Therefore the net asset of the Institute has increased to Rs.123, 085,110.31

(d) The Assets which were not revalued

The following assets have not been revalued in the year 2014,

	Gross Carrying Value 31/12/2014 (LKR 000')	Net carrying value as at 31/12/2014 (LKR 000')
<i>Land and land improvements</i>	1,727	1,727
<i>Building(Bogawanthalawa and three staff quarters at Athurugiriya</i>	14,855	4,969
<i>Equipment(Bogawanthalawa</i>	937	262
<i>Furniture (Bogawanthalawa)</i>	512	45
<i>Infrastructure asset</i>	14,855	12,272
<i>Books</i>	2247	588
<i>Misc. Equipment (Hostel items)</i>	919	97.
Total	31,037	19,960

2.4.4 *Annual board of survey*

The institute conducts an annual board of survey at the end of the year and recommended to dispose the item which are uneconomical to used

2.4.5 Present status of the land acquired by Sri Lanka Army

The land extends of 1.9499 hectares and three staff quarters had been transferred to Sri Lanka Army. The ownership of the above properties had been acquired under section 38(A) of Land Acquisition Act. The gazette declaration under section five of

the above acquirement has to be published. The compensation of Rs. 55.00 Mn has to be received to the Institute.

3.0 *DEPOSITS FOR INFRASTRUCTURE FACILITIES*

This includes security deposits that were made against the Infrastructure facilities for the service providing organizations.

4.0 *INVENTORIES*

Inventories consist of institute's publication, printing materials, Stationary and office requisites, tires, and other consumables. They are valued at the material cost on the basis of First in first out Principle. The Publication stocks comprise the donated publication books from Tea Development Project.

5.0 *CASH AND CASH EQUIVALENTS*

Cash and cash equivalents include cash in hand, current accounts balance at Bank of Ceylon Athurugiriya Branch.

6.0 *SHORT TERM INVESTMENTS*

The Institute has invested generated excess income in short term time deposits, fixed deposits and membership savings account at Bank of Ceylon, Athurugiriya branch in order to utilize for the future development activities of the Institute as well as to finance future commitments

7.0 *RESERVES*

7.1 *Revaluation Reserve*

Reserves include revaluation surplus of the Institute's vehicles in 2012. The building and other equipment have been revalued accepts the assets mentioned in Para No.2.4.3. (d) Of the page No.42 of this report. The Net gain of the Revaluation reserve as at 31st December 2014 amounted to Rs. 107,259,790/- Movements of the reserve are given in the statement of changes in Equity.

8.0 *EMPLOYEE RETIREMENT BENEFIT*

The gratuity provision has been provided to the Accounts for all employees of the Institute to meet the cost of retirement benefits as and when they retire from the services. The amount fall due for payments with one year is included in the current liabilities. The Institute has invested to Fixed Deposit for the equal amount of gratuity provision as at the end of the year.

9.0 *DEFERRED INCOME*

9.1 *Donated Publication stocks*

Value of donated publication stock from Tea Development Project has been transferred to the differed income account. Income will be taken into account when it is realized.

9.2 Government grant for Capital Expenditures

A significant amount of fund for capital Development expenditure was granted by the Department of National Budget. This amount has been included in the deferred income which is recognized as income on a systematic and rational basis over the useful life of the assets. The useful life of the assets is given bellow.

Free holding buildings	20 years
Office furniture	10 years
Office Equipments	5 years
Motor Vehicles	5 years
Plant and machinery	5 years
Road water supply, Electricity and Telephone (Infrastructure Assets)	10 years
Library Book	10 years
Misc. Equipments	4 years
Land Improvements	10 years

10.0 SHORT TERM PROVISIONS AND CONTINGENCIES

10.1 CONTINGENT LIABILITY

Mr. A. K. C. Atthanagoda who worked as the Audio Visual Officer of the Institute has filed a case against the Institute challenging termination of his employment on disciplinary grounds. The contingent liability of Rs. 608,901/- has been provided to cover the payment of his salary and other emolument up to the end of the year. The Labour Tribunal is at present hearing the case. We have concluded the accounts for this year with provision for liability of Rs 3,084,934/60 for the year 2014.

10.2 PROVISION FOR DOUBTFUL DEBTORS

The Institute has provided a provision for Bad debt at 2% on the year end Debtors Account balance

11.0 *TRAINING INCOME*

11.1 *Short term programmes*

If the course period is less than six months, it would be considered as a short term course. The entire income of the short term courses is taken to the statement of financial performance if the Training programmes commenced during the Accounting period.

11.2 *Long term training programmes (ongoing training Programmes)*

If the course period is more than six months, it would be considered as long term programme (ongoing training Programme). The revenue of these training courses would be applied a pro- rata basis to the statement of financial performance considering the commencing month of such training programme and the duration of the programme.

12. *BOGAWANTHALAWA REGIONAL CENTRE*

The Income and Expenditure in relation to Bogawanthalawa Regional Centre are reported separately in the Statement of Financial Performance. A net surplus of Rs. 4, 060,763/- was reported in the year 2014.

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT
STATEMENT OF FINANCIAL POSITION

As at December 31

	Notes	31/12/2014	31/12/2013
ASSETS		LKR	LKR
Current assets			
Cash and cash equivalents	1	2,191	326
Receivables	2	4,354	6,606
Inventories	3	935	842
Prepayments	4	529	548
Other Current Assets	5	22,937	18,185
		30,946	26,507
Non-Current assets			
Receivables	6	921	919
Property plant and Equipment	7	181,165	84,368
Intangible Assets	8	1,021	406
Other Non-Current Assets	9	612	612
		183,719	86,305
TOTAL ASSETS		214,665	112,812
LIABILITIES			
Current Liabilities			
Payables	10	14,612	12,509
Short - term Provisions	11	3,085	2,477
Employee Benefits	12	1,663	254
		19,360	15,240
Non- current liabilities			
Long term provisions	13	67,433	66,770
Employee Benefits	14	5,547	6,183
		72,980	72,953
TOTAL LIABILITIES		92,340	88,193
NET ASSETS		122,325	24,619
NET ASSETS/EQUITY			
Capital contributed by Government & other Government Entities	15	38,386	38,386
Reserves	16	107,260	10,584
Accumulated surpluses/(Deficits)	17	(23,321)	(24,351)
TOTAL NET ASSETS/EQUITY		122,325	24,619

The Accounting policies and Notes on pages. 41 to 48 and Notes on pages to 67 from 51 an integral part of these financial statements.

I certify that the financial statements have been prepared in compliance with the requirement of Public sector Accounting Standards

L. D. J. Priyantha
Accountant

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.

Dr. Nissanka Iddagoda
Director/ CEO
Colombo
15/07/2015

A. A. M. Amarasinghe
Chairman

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT

STATEMENT OF FINANCIAL PERFORMANCE (LKR '000')

For the year ended December 31,

REVENUE	Note	31/12/2014 LKR	31/12/2013 LKR
Government Recurrent grants	18	24,792	18,744
Income from Deferred Government capital grant	19	20,837	16,751
Training income	20	10,037	11,573
Renting out of residential facilities	21	6,219	6,570
Income from Bogawanthalawa Regional centre	22	7,824	8,247
Interest income	23	1,038	526
Other income	24	199	311
TOTAL REVENUE		70,946	62,722
EXPENSES			
Wages, Salaries and employee benefits	25	19,452	17,304
Supplies and consumable used	26	2,910	3,510
Repairs and Maintenance	27	3,670	2,716
Communication and utility services	28	7,117	5,994
Training Expenses including capacity building Progs.	29	14,375	11,755
Expenses in Relation to Renting out facilities	30	1,923	2,159
Expenses for Bogawanthalawa Regional Centre	31	3,763	2,937
Depreciation and Amortization expenses	32	15,833	10,495
Other Expenses	33	873	1,372
TOTAL EXPENSES		69,916	58,242
Surplus / (Deficit) for the period Attributable to		1,030	4,480
Owners of controlling entity		1,030	4,480

**NATIONAL INSTITUTE OF PLANTATION MANAGEMENT
STATEMENT OF CHANGES IN NET ASSETS/EQUITY**

for the year ended December 31, 2014

Statement of changes in Equity					Total Net Assets /Equity
Descriptions	Contributed Capital	Revaluation Reserves	Accumulated Surpluses/ (deficits)	Total	
Balance as at January 01, 2013	38,386	10,584	(28,834)	20,136	20,136
Surplus / (Deficit) for the year 2013			4,483	4,483	4,483
Balance as at December 31, 2013	38,386	10,584	(24,351)	24,619	24,619
					-
Revaluation Surplus	-	96,676	-	96,676	96,676
Surplus for the year 2014	-	-	1,030	1,030	1,030
Balance as at December 31, 2014	38,386	107,260	(23,321)	122,325	122,325

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT		
CASH FLOW STATEMENTS		
<i>for the year ended</i>		
<u>CASH FLOW FROM OPERATING ACTIVITIES</u>	31/12/2014	31/12/2013
	LKR '000'	LKR '000'
Surplus (Deficit) for the year	1,030	4,482
<i>less-Interest income</i>	1,038	526
<u>Net cash inflow/(outflow) from operating Activities</u>	(8)	3,956
<u>NON CASH MOVEMENTS</u>		
<i>Depreciation (Note 2)</i>	15,552	10,312
<i>Amortization</i>	277	183
<i>Provision of retiring Gratuity</i>	773	(4)
<i>Profit / (Loss) on sale of fixed Assets</i>	-	161
<i>Deferred income</i>	(20,837)	(16,751)
<i>Increase of Provision of doubtful debtors</i>	67	-
<i>(Increase) / Decrease in Trade and other receivable</i>	1,729	(1,493)
<i>(Increase) / Decrease in Inventories</i>	(93)	41
<i>(Increase) / Decrease in Prepayments</i>	19	(101)
<i>(Increase) / Decrease in Other Current Assets</i>	(167)	(11)
<i>Increase / (Decrease) in trade and other payables</i>	2,103	5,882
<i>Increase / (Decrease)in short term provision</i>	608	575
<u>NET CASHFLOW FROM OPERATING ACTIVITIES</u>	23	2,750
<u>INVESTING ACTIVITIES</u>		
<i>Acquisition of Property plant and equipments</i>	(16,067)	(16,759)
<i>Payment for Infrastructure Assets - Electricity</i>		(220)
<i>Acquisition of Intangible Assets</i>	(500)	
<i>Investment in fixed/call deposits</i>	(6,272)	(13,437)
<i>Encashment of Fixed/call deposits</i>	2,000	3,250
<i>Payment of loan and advances</i>	(1,166)	(1,549)
<i>Cash recoveries from loan and advances</i>	1,620	2,037
<i>Interest received</i>	727	130
<i>Cash received from sale of Fixed Assets</i>		138
<u>Net cash out flow in investing activities</u>	(19,658)	(26,410)
<u>FINANCING ACTIVITIES</u>		
<i>Government Grant for capital expenditure</i>	21,500	23,100
<u>Net cash inflow in financing activities</u>	21,500	23,100
<u>Net (Decrease) /Increase in cash and cash equivalents</u>	1,865	(560)
<u>Cash and cash equivalent at beginning of the year</u>	326	886
<u>Balance of cash and cash equivalents at the end of the year</u>	2,191	326

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT
Budgeted and Actual Performance
For the year ended December 31, 2014 (LKR 000')

REVENUE		ACTUALS	BUDGETED	Progress
<i>Government grants</i>	18	24,792	30,500	81%
<i>Income from Deferred Government capital grant</i>	19	10,937	12,330	89%
<i>Capacity Building Programmes</i>	19	9,900	10,000	99%
<i>Training income</i>	20	10,037	17,072	59%
<i>Renting out of residential facilities</i>	21	6,219	7,200	86%
<i>Income from Bogawabthalawa Regional centre</i>	22	7,824	7,500	104%
<i>Interest income</i>	23	1,038	1,578	65%
<i>Other income</i>	24	199	300	66%
TOTAL REVENUE		70,946	86,480	82%
RECURRNT EXPENSES				
<i>Wages, Salaries and employee benefits</i>	25	19,453	24,388	80%
<i>Supplies and consumable used</i>	26	2,910	5,090	57%
<i>Repairs and Maintenance</i>	27	3,670	3,075	119%
<i>Communication and utility services</i>	28	7,116	11,440	62%
<i>Training Expenses</i>	29	14,375	18,500	78%
<i>Expenses in relation to renting out facilities</i>	30	1,923	3,276	59%
<i>Expenses for Bogawathalawa Regional Centre</i>	31	3,763	2,966	127%
<i>Depreciation and amortization expenses</i>	32	15,833	12,330	128%
<i>Other Expenses</i>	33	873	1,815	48%
TOTAL EXPENSES		69,916	82,880	84%
CAPITAL EXPENDITURE				
<i>Fixed Assets</i>		16,067	18,200	88%
<i>Intangible assets</i>		500	2,000	25%
<i>Capacity Development Programmes</i>		9,900	10,000	99%
TOTAL CAPITAL EXPENDITURE		26,467	30,200	88%
TOTAL EXPENDITURE		96,383	113,080	85%
<i>Treasury Grants</i>				
<i>Recurrent expenditure</i>		24,792	30,500	81%
<i>Capital Expenditure</i>		21,500	25,000	86%
TOTAL GRANT		46,292	55,500	83%

SCHEDULE OF PROPERTY, PLANT AND EQUIPMENTS										
Description	Land Including improvements	Buildings	Plant and Machinery	Equipment	Furniture	Motor Vehicles	Infrastructure Assets	Library Books	Misc Equipment	Total
Cost										
As at 01/01/2013	3,400	80,164	1,004	19,716	5,599	24,850	974	2,129	3,497	141,333
Additions		4,099	-	1,172	137	739	10,257	39	316	16,759
Disposals	-	-	-	(2,339)	(95)	-	-	-	-	(2,434)
Adjustments	-	-	-	-	-	-	-	-	-	-
As at 31/12/2013	3,400	84,263	1,004	18,549	5,641	25,589	11,231	2,168	3,813	155,658
Additions	104	6,179	1,818	2,663	1,880	455	2,246	79	643	16,067
Transfers	(1,777)		-	-	-	-	1,377	-	-	(400)
Revaluations		134,074	335	3,438	5,669				859	144,375
Revaluation Adjustments		(74,424)	(1,004)	(17,612)	(5,129)	-		-	(2,893)	(101,062)
As at 31/12/2014	1,727	150,092	2,153	7,038	8,061	26,044	14,854	2,247	2,422	214,638
Depreciations										
Accumulated as at 01/01/2013	382	38,660	601	12,348	3,366	3,772	767	1,518	1,700	63,114
Depreciation Charge	154	2,201	101	1,846	248	5,026	31	68	637	10,312
Disposals	-	-	-	(2,047)	(86)	-	-	-	-	(2,133)
Depreciation Adjustments	-		-	-	-	-	-	-	-	-
Accumulated as at 01/01/2014	536	40,861	702	12,147	3,528	8,798	798	1,586	2,337	71,293
Depreciation charge	-	7,009	67	965	585	5,159	1,257	73	437	15,552
Revaluation Adjustment	-	(36,252)	(702)	(11,538)	(3,065)				(1,807)	(53,364)
Transfers	(536)	-	-			-	528	-	-	(8)
Accumulated as at 31/12/2014	-	11,618	67	1,574	1,048	13,957	2,583	1,659	967	33,473
Net Book Value as at 2013/12/31	2,864	43,402	302	6,402	2,113	16,791	10,433	582	1,476	84,365
Net Book Value as at 2014/12/31	1,727	138,474	2,086	5,464	7,013	12,087	12,271	588	1,455	181,165

INTANGIBLE ASSETS (LKR 000')					
Type of Assets	Cost as at 1/1/2013	Addition - 2013	Adjustments	Impairment	Cost as at 31/12/2013
Computer soft wears-Accounting	50	-		-	50
Development cost -Training Modules	683		-	-	683
Total intangible assets	733			-	733
Type of Assets	Cost as at 1/1/2014	Addition - 2014	Adjustments	Impairment	Cost as at 31/12/2014
Computer soft wears	50	-		-	50
Development cost -Training Modules	683	-	-	-	683
Computer Cheque writing soft wear	-	-	160	-	160
Computer Data Base - Training Stasitics	-	-	240	-	240
Resourse and store Mgt softwear		500	-	-	500
Total intangible assets	733	500	400	-	1,633

Type of Assets	Accumulated Amortization at 01/01/2013	Amortization for 2013	Adjustments	Impairment	Accumulated Amortization 31/12/2013
Computer soft wears	31	12	-	-	43
Development cost of the modules	113	171	-	-	284
Total intangible Assets	144	183	-	-	327
Type of Assets	Accumulated Amortization at 01/01/2014	Amortization for 2014	Adjustments	Impairment	Accumulated Amortization 31/12/2014
Computer software	43	6	-	-	49
Development cost of the modules	284	171	-	-	455
Cheque writing soft wear	-	40	8		48
Computer Data Base - Training Statistics	-	60	-	-	60
Resource and store Mgt software	-	-	-	-	-
	327	277	8	-	612

Type of Assets	Carrying value at 31/12/2013	Carrying value at 31/12/2014
Computer software	7	1
Development cost of the modules	399	228
Computer Cheque writing soft wear		112
Computer Data Base - Training Statistics		180
Resource and store Mgt software		500
Total intangible assets	406	1,021

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT
NOTE TO THE ACCOUNTS FOR THE YEAR ENDED DECEMBER 31, 2014

	2014	2013
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1	CASH AND CASH EQUIVANTS	LKR 000'	LKR 000'
	Bank of Ceylon Athurugiriya- 3697566	2,191	326
		2,191	326

2	RECEVABLES- (SHORT TERM)
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2 (a)	Debtors		
	Kelanivally Plantation Plc	40	7
	Elkaduwa plantation Plc	75	75
	Plantation Housing Development Trust	165	165
	Wayamba University (B.Sc. Degree)	2	109
	Mrs. H A P Anusha	29	-
	Sri Lanka Bureau of Foreign Employment	1,477	3,192
	National Paper corporation	23	-
	Sri Lanka Tea Board	79	27
	Kotagala Plantation Plc	6	-
	Coconut Research Institute	204	-
	Department of Labour Relation	-	68
	Sri Lanka postal Department	186	-
	Tea Small holder Development Authority	70	30
	National Livestock Development Boards	-	109
	Central Environment Authority	107	547
	Course fees from students	444	473
	Department of Registration of Persons	43	

	Irrigation Department	420	-
	Mr. N. D. S. B. Tennakoon	-	11
	University of Moratuwa - NDT Camp	-	278
	Total Debtors	3,370	5,091
	Less - Provision for Bad debts	67	-
	Net Total Debtors	3,303	5,091

2(b)	Loans and Advances to Employees		
	Distress Loan-	1,009	1,465
	Festival Loan	42	39
	Receivable Water bills form Employees		11
	Total Loan and advance	1,051	1,515

	TOTAL SHORT TERM RECEIVABLES	4,354	6,606
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3	INVENTORIES		
	Stationary and office Requisites	156	104
	Printing materials	411	235
	Maintenance materials	36	21
	Tires and tubes	100	231
	Welfare items	14	11
	Consumables	11	16
	Students ties	6	6
	Institute' s publication	196	207
	Dry food items	5	11
	TOTAL INVENTORIES	935	842

4	PREPAYMENTS		
	Motor Traffic Department (Revenue License)	32	31
	CBA (Pvt) Ltd - service agreement	3	10
	Money in transit	5	-
	Sri lanka Insurance Co PLC- Fire Insurance	70	218
	Gestetner Ceylon Ltd- Service agreement	-	15
	Business Machine Ltd- Service agreement	-	2
	National Insurance Trust	212	112
	John Keels office automation service agreement	3	-
	Liyakta office System (Pvt) Ltd	-	66
	Metropolitan Communication Ltd- Service agreement	-	-
	Receivables from IRD(excess input tax and WHT)	204	94
	Total Prepayments	529	548

5	OTHER CURRENTS ASSETS		
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5 (a)	Short Term investments		
	Call Deposit Bank of Ceylon- AC No. 8693502	1,715	1,715

Call Deposit Bank of Ceylon-AC No.	5,000	-
Call Deposit Bank of Ceylon- AC No.74689528	5,000	5,000
Deposit for Gratuity Provision- BOC	7,558	6,437
Call Deposit Bank Of Ceylon- Ac No. 74341134	-	2,000
Membership Deposit Account- Fixed Deposit- AC No. 74175590	894	763
Membership Deposit Account - Saving Accounts	152	131
Interest Receivables- Bank of Ceylon	1,498	1,187
Total short term investments	21,817	17,233

5 (b)	Security Deposits		
	Mr. N. D. S. B. Tennakoon A/C No 1 - 0053-03-1521-4	11	11
	Mr. P. N. Perera A/C No 1 - 0053-03-0542-1	28	25
	Mrs. C. S. Liyanage A/C No 1 - 0053-03-0314-3	3	3
	Mrs. G. Rajapakshe A/C No 1 - 0053-03-0319-4	3	3
	Mrs. W. D. S. Hettiarachchi A/C No 1 - 0053-03-0617-7	2	2
	Mr. L. D. J. Priyantha A/C No- 8634723	41	34
	Mrs Nishamani Illanganthilake- Ac No 74046706	14	7
	Medical Contribution Deposit account- NSB- Athurugiriya	1,018	867
	Total Security Deposits	1,120	952

	TOTAL OTHER CURRENT ASSETS	22,937	18,185
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6	RECEVABLE - LONG TERM		
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	Distress loan-(over one year)	921	919
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7	PROPERTY PLANT AND EQUIPMENTS	181,165	84,368
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8	INTANGIBLE ASSETS	1,021	406
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9	OTHER NON-CURRENT ASSETS		
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9 (a)	Deposit for infrastructure facilities		
	Post Master General	14	14
	Ceylon Gas Company	13	13
	Ceylon Electricity Board	577	577
	Sri Lanka Telecom - (Head Office)	6	6
	Sri Lanka Telecom - (Regional Centre at Bogawantalawa)	2	2
	TOTAL OTHER NON CURRENT ASSETS	612	612

10	PAYABLES		
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10 (a)	Creditors		
	John keels Office automations (Pvt) Ltd	-	372
	Road Development Authority	4,921	4,921

Horana plantation Plc	10	10
Ruwan Trade Centre	175	175
The open university of Sri Lanka	-	50
Science Land information Technology	25	-
PYS Soft wear	-	144
Dulitha advertising	1	1
Sri Lanka Army 7th Regiment	373	373
Housing Development Finance Corporation	-	6
Bogawanthalawa Sought Rural Development Society	1,367	10
Korathota Rural Development society	2,486	-
Total Creditors	9,358	6,062

10 (b)	Accrued Expenses		
	Telephone	84	38
	Electricity bill -	235	136
	Fuel and Lubricant W. A. Premanath	141	234
	Vehicle Maintenance	125	56
	Salaries Casual & contract employees (December)	127	135
	Stamp Duty - (Internal Revenue Department)	3	-
	Traveling subsistence	7	17
	Overtime - December	57	101
	Periodicals & newspapers - Mr. Upali Laxman	3	1
	Employees' Trust Fund - December	43	29
	Employees' Provident fund	319	211
	Security Bill (Dec.)	187	186
	Allowances	107	6
	Salaries - Madulsiman Plantations Ltd.	31	50
	Holiday pay (December)	25	4
	NIPM staff lecture fee	-	2
	Medical Contribution (National Savings Bank)	106	88
	Lecture Fee fot out side resources	118	461
	Printing payments	18	44
	Publication _ Dr. Yogarathna	-	33
	Payable to Trade union	-	
	Capacity Development Programmes	481	512
	Outside exam fees	54	122
	Building Materials	-	14
	Consumables	-	4
	water bills	53	-
	Department of IRD - VAT Control	-	505
	Department of IRD - N B T	47	91
	Department of IRD - Payee	2	4
	Daily Paid wages	25	51
	Water supply materials	-	1
	Other Sundry Training Expenses	80	-

	Vehicle hireling	2	11
	Equipment Maintenance	12	8
	Other Accrued Expenses	5	-
	Wijaya newspaper	-	61
	Auditors Generals Departments- Audit fee	336	341
	Total Accrued Expenses	2,833	3,557

10 (c)	Forward course fees	2014	2013
	Total Forward course fees	1,112	1,885

10 (d)	Refundable Deposits		
	Refundable course loan	8	7
	Refundable security Deposits- employee	102	86
	Refundable Tender Deposits	182	45
	Refundable Medical Deposits	1,017	867
	TOTAL	1,309	1,005

	TOTAL SHORT TERM PAYBLES	14,612	12,509
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11	SHORT-TERM PROVISIONS		
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11 (a)	Deferred income- Short Term		
	Tea Development Project Publication	28	28
	TOTAL	28	28

11(b)	Contingent Liability		
	Balance as at 1/01	2,449	1,874
	Charged to Income statement	608	575
	Balance as at 31/12	3,057	2,449

	TOTAL SHORT TERM PROVISION	3,085	2,477
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12	EMPLOYEE BENEFITS		
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	Gratuity Payables- Within one year	1,663	254
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13	LONG TERM PROVISIONS		
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	Deferred government grant for capital		
	Balance as at 01/01	66,770	60,421
	Government Grant for capital Expenditure	21,500	23,100
	Less- Transfer to income statement (Note 01)	(20,837)	(16,751)
	Balance as at 31/12	67,433	66,770
Note 01	Transfer from Government Grant to income statement From Capital Expenditure	10,937	9,253

	Capacity building Progs.	9,900	7,498
		20,837	16,751

14	EMPLOYEE BENEFITS		
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	Gratuity payments -over one year	5,547	6,183
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15	CAPITAL CONTRIBUTED BY GOVERNMENT & OTHER GOVERNMENT ENTITIES		
	Capital Grant from Sri Lanka Tea Board	1,900	1,900
	Bogowanthalawa Regional Centre (SLSPC)	4,206	4,206
	Capital Grant from consolidated fund	32,281	32,281
	TOTAL	38,387	38,387

16	RESERVES		
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	Revaluation reserve	107,260	10,584
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17	ACCUMILATED SERPLUS/(DEFICITS)		
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	Retained Earnings	(23,321)	(24,351)
		(23,321)	(24,351)

18	GOVERNMENT GRANT FOR RECURRENT EXPENDITURE	24,792	18,744
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19	INCOME FROM DEFERRED GOVERNMENT CAPITAL GRANT		
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	Capital expenditure Before 2010	5,214	5,214
	Capital expenditure 2010	567	567
	Capital expenditure 2011	2,902	2,902
	Capital expenditure 2012	369	369
	Capital expenditure 2013	1,586	201
	Capital expenditure 2014	299	-
	Capacity building programmes	9,900	7,498
		20,837	16,751

20	TRAINING INCOME		
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20 (a)	ACADEMIC,AND PROFESSIONAL PROGRAMMES		
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	National Diploma in Plantation Management	868	1,363
	National Diploma in Plantation-Extension Management	768	1,014
	Diploma in Business communication	280	194
	Certificate course in Accounting and Financial Management	591	755
	Certificate course in Book-Keeping and Plantation Accounting	535	722
	Professional Programme in Tea Manufacture and Factory Practices	837	700
	National Certificate Examination in Tea Manufacture	-	162

	Language Proficiency Examination	-	245
	Certificate course in Business English (Executive and None Executive)	69	283
	Income from B sc In plantation Mgt	-	89
	Professional programme in Rubber Manufacture	248	-
		4,196	5,527

20 (b)	MANAGEMENT AND BUSINESS DEVELOPMENT PROGRAMMES		
	Management Development programmes	1,332	242
		1,332	242

20 (c)	SKILL DEVELOPMENT PROGRAMMES		
	Skill Development of Tea Factory Officer	350	750
	Skill Development of Tea Field Officer	368	345
	Skill Development of Rubber Field Officer	-	360
	Skill Development of Rubber Factory Officer	-	255
	Skill Development for Oil Palm cultivation and Management	-	25
		718	1,735

20 (d)	INDUCTION COURSE FOR PLANTER TRAINEES	2,465	2,720
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20 (e)	WOKER DEVELOPMENT AND PROJECT PROGRAMMES		
	Cinnamon cultivation	50	-
		50	-

20 (f)	SPECIAL PROGRAMMES		
	Special Programme For Rubber Development Department	866	734
		866	734

20 (g)	INCOME FROM EXTERNAL EXAM ACTIVITIES	410	615
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	TOTAL TRAINING INCOME	10,037	11,573
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21	INCOME FROM RENTING OUT THE FACILITIES		
	Renting out residential facilities to out side programmes	691	1,731
	Income from Accommodation internal training students	48	60
	Korean Training programme	5,480	4,779
		6,219	6,570

22	BOGAWANTHALAWA REGENAL CENTRE		
	Income from renting out training Facilities	2,558	1,467
	Korean training programmes	5,266	6,780
		7,824	8,247

23	INTEREST INCOME		
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	Staff Loan interest- Distress Loan	87	98
	Interest income from Membership Account	6	5
	Interest income from Bank Deposits	944	422
	Income From Special Loan	1	1
		1,038	526

24	OTHER INCOME		
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24(a)	SUNDRY INCOME		
	Income - Pass papers and applications	7	9
	House Rent income	90	92
	Transport income	6	30
	Printing Income	-	27
	Non refundable deposits / course loan	-	11
	Publications	23	84
	Telephone charges	2	3
	Membership subscriptions	15	5
	Sundry income	16	7
	Subscription	40	43
		199	311

25	WAGES, SALARIES AND EMPLOYEE BENEFITS		
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25 (a)	PERSONAL EMMOLUMENTS	2014	2013
-	Salaries and wages	7,853	7,566
	Cost of Living and other Allowances	5,142	3,905
	Over Time	896	742
	Holiday Pay	133	80
	Lecture Fees for Institute's Staff	139	160
	Daily Paid Wages	63	344
	Contribution for E.T.F.	342	316
	Contribution for E.P.F.	1,356	1,261
	Chairman's Remuneration	600	600
	Contributions for Medical Aid Scheme	820	842
		17,344	15,816

25 (b)	TRAVELING EXPENSES		
	Traveling and Subsistence (Local)	214	165
		214	165

25 (c)	RETIREMENT BENEFITS		
	Increased Provisions for Gratuity	1,480	967
		1,480	967

25 (d)	CONTRIBUTIONS, SUBSIDIES AND WELFARE		
	In-service Training	110	97
	Staff Welfare (liquid tea and medical treatment)	302	259
	Subscriptions	2	-
		414	356

Total Salaries wages and Employee benefits		19,452	17,304
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26	SUPPLIES AND CONSUMABLE USED		
	Printing Materials and papers	376	630
	Stationery & Office Requisites	330	271
	Consumables	111	35
	Fuel	1,708	2,054
	Periodicals & News Papers	14	14
	Uniforms	56	83
	Institute's Publications	315	423
	Total Supplies and consumable used	2,910	3,510

27	REPAIRS & MAINTENANCE OF FIXED ASSETS	2014	2013
	Plant and Machinery	44	174
	Buildings	585	487
	Equipment	598	400
	Water telephone and Electricity	180	16
	Motor Vehicles	2,263	1,639
	Total Repairs and Maintenance	3,670	2,716

28	COMMUNICATION, UTILITY AND OTHER CONTRACTUAL SERVICES		
	Telephone and internet	612	506
	Postage	163	164
	Electricity	1,924	1,655
	Water supply	51	-
	Insurance (Buildings, Vehicles, Cash etc)	398	590
	Security Service	1,797	1,437
	Audit Fees (External)	150	200
	Vehicle hire charges	73	243
	Cleaning and Janitorial works	236	-
	Legal Fees	-	6
	Bank Charges	36	34
	Stamp Duty , rate and tax	79	73
		5,519	4,908

28 (b)	MEDIA, ADVERTISING AND PUBLICITY		
	Advertising Expenses	1,570	1,031
	Entertainments	28	55
		1,598	1,086

	Total Communication utility services and media expenses	7,117	5,994
29	TRAINING EXPENSES		
	Lecture Fees for Visiting Staff and transport	2,097	1,801
	Training programmes for small Holders	9,936	7,498
	Fees to the Committees relating to Training Activities	68	90
	Meals & Accommodations for Trainees	1,498	1,312
	Laundering Linen	199	221
	Under provision for Bad debtors	67	-
	External exam expenditure	111	368
	Award Ceremony & Academic Functions	-	265
	Education materials	86	121
	Sundry Training Expenses	313	79
	Total Training Expenditure	14,375	11,755
30	EXPENSES IN REALATION TO RENTING OUT FACILITIES -		
	Meal expenses	389	571
	Salaries and wages and cost of living allowance	949	706
	Allowances	429	723
	E P F	127	127
	E T F	29	32
	Total Expenditure for Renting out facilities	1,923	2,159
31	BOGAWANTHALAWA OPARATIONAL EXPENSES		
	Electricity	621	556
	Telephone and postage	50	46
	Maintenance	28	43
	Meal and accommodation	1,466	837
	Salaries and Wages	550	531
	Allowances	132	207
	Employee Benefits	73	31
	Daily Wages	738	561
	E T F	15	18
	E P F	59	73
	Consumables	10	22
	Others miscellaneous	21	12
	Total Bogawanthalawa Expenses	3,763	2,937
32	DEPRECIATION AND AMORTISATION OF ASSETS		
	Depreciation	15,556	10,312
	Amortization	277	183
		15,833	10,495
33	MISCELLANEOUS EXPENDITURE		
	Allowances for the Board of Governors	273	388

Allowances for Other Committees and professional Charges	77	223
Allowances for the Committee of Medical Aid Scheme	6	6
loss on Disposal old equipments	-	161
Garden up keep	262	321
Others	255	273
	873	1,372

NATIONAL INSTITUTE OF PLANTATION MANAGEMENT

FINANCIAL HIGHLIGHTS

Descriptions	2009	2010	2011	2012	2013	2014
Income	LKR 000					
Treasury grant for Recurrent Expenditure	13,100	10,505	8,500	8,480	18,744	24,792
Deferred Government Grant write back to Income statement		3,368	3,934	9,415	9,253	10,937
Government Grant for Capacity Building Progs.				4,865	7,498	9,900
Training income	1,233	10,397	9,648	13,731	11,573	10,037
Income from Bogawantalawa Regional centre	735	2,318	3,970	3,796	8,247	7,824
Other income	5,097	10,565	10,746	8,935	7,407	7,456
Total income	20,165	37,153	36,798	49,222	62,722	70,946
Expenditure						
Total Personnel emoluments	11,123	13,352	14,623	20,907	18,794	19,452
Training Expenditure	748	4,132	4,348	6,425	4,256	4,439
Small holder training expenses (FOC)			1,790	4,865	7,498	9,936
Other expenditure	6,737	11,515	13,339	12,472	17,198	20,256
Total operating Expenses	18,608	28,999	34,100	44,669	47,746	54,083
Government Recurrent Grant as a percentage of the Total Operating Expenditure	70%	36%	25%	19%	39%	46%
Surplus / (Deficit) before Depreciation	1,557	8,154	2,698	4,553	14,976	16,863
Depreciation / Amortization	2,875	3,374	3,946	9,150	10,495	15,833
Net (Deficit) / Surplus after Depreciation	(1,318)	4,780	(1,248)	(4,597)	4,481	1,030
No of Training Programme- (Income Generated)	5	45	30	61	22	32
No of Participants	346	1449	976	2135	772	993
No of Training programmes for Out growers (FOC)	-	-	74	188	236	355
Total Expenditure for capacity Development programmes for Out growers -	-	-	1,790	4,865	7,498	9,936
No of trained out growers	-	-	3292	8196	12,149	25,100
Total Number of trained	346	1449	4268	10331	12921	26093
Total Training programmes for the year	5	45	104	249	258	387
No of Employees	33	33	44	46	41	52
Generated Income per Employee (Rs 000)	214	705	554	575	664	487
Training cost per small holder (Rs 000)	N/A	N/A	0.54	0.59	0.62	0.40
Net Assets of the Institute	13.46	18.25	17.00	20.13	24.64	122.32



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கணக்காய்வாளர் தலைமை அறிபதி திணைக்களம்

AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இல.
My No. }

LP/K/NIPM/1/14/01

உமது இல.
Your No. }

දිනය
திகதி
Date }

24 July 2015

The Chairman

National Institute of Plantation Management

Report of the Auditor General on the Financial Statements of the National Institute of Plantation Management for the year ended 31 December 2014 in terms of Section 14(2)(c) of the Finance Act, No. 38 of 1971

The audit of financial statements of the National Institute of Plantation Management for the year ended 31 December 2014 comprising the statement of financial position as at 31 December 2014 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 the Section 13(1) of the Finance Act, No. 38 of 1971 and Section 23 of the National Institute of Plantation Management Act, No 45 of 1979. My comments and observations which I consider should be published with the Annual Report of the Institute in terms of Section 14(2)(c) of the Finance Act appear in this report. A detailed Report in terms of Section 13(7) (a) of the Finance Act will be furnished to the Chairman of the Institute in due course.

1.2 Management's Responsibility for the Financial Statements

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 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 judgments, including the assessment of the risks of material misstatement 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 the financial statements. Sub-sections (3) and (4) of Section 13 of the Finance Act, No.38 of 1971 give discretionary powers to the Auditor General to determine the scope and 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 National Institute of Plantation Management as at 31 December 2014 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

2.2 Comments on Financial Statements

2.2.1 Sri Lanka Public Sector Accounting Standards

Standard 07

The following observations are made.

- (i) Even though in revaluation of property, plant and equipment in terms of the Standard, the entire class of that asset to which it belongs should be revalued, buildings, office equipment, furniture and other equipment costing Rs.12,209,746 of the assets existed at the commencement of the year under review had not been revalued.
- (ii) The loss of Rs.2,863,841 arisen as a result of a revaluation of office equipment and various equipment had been set off against the loss incurred due to revaluation of other assets without being adjusted in the statement of financial performance.



2.2.2 Lack of Evidence for Audit

Even though a sum of Rs.373,700 had been shown in the accounts from the year 2013 as labour charges payable for the Seventh Engineering Regiment of the Army, for repairs of other buildings of the Institute including the building of the Training Division, the evidence required to establish the accuracy of making provisions was not made available for audit.

2.3 Accounts Receivable and Payable

The following observations are made.

- (a) Out of the total value of debtors amounting to Rs.3,370,621, sums of Rs.82,500 and Rs.225,265 had been outstanding over a period of two years and one year respectively.
- (b) Out of the total value of Rs.9,358,168 payable for creditors, sums of Rs.4,291,000 and Rs.185,645 had exceeded over a period of one year and two years respectively.

2.4 Non-compliance with Laws, Rules, Regulations and Management Decisions

Non-compliance with the following laws, rules and regulations were observed.

Reference to Laws, Rules, Regulations, etc.	Non-compliance
(a) Section 6 of the National Institute of Plantation Management Act, No. 45 of 1979 as amended by the Act, No 38 of 2003.	(a) Even though two representatives from the Ministry should be appointed to the Board of Directors, only one representative had been appointed. (b) The two members representing the Trade Unions had not been appointed to the Board of Directors by the Minister in charge of the subject.



3.2 Analytical Financial Review

The following observations are made.

- (a) The income generated through operating activities amounted to Rs.25,317,075 and that was adequate to cover only 47 per cent of the entire operating expenditure amounting to Rs.54,082,637.

- (b) Out of the overall income of the Institute, 36 per cent had been covered by the income generated through operating activities and 35 per cent had been from Government Grants. The balance 29 per cent had been covered by write offs the Capital Grants against the income.

3.3 Legal Actions against the Institute

An employee of the Institute had filed a case against the Institute for dismissal from service based on disciplinary grounds asking for reinstatement in service. The Institute had made provisions amounting to Rs.3,057,379 as Contingent Liabilities in the accounts for this purpose.

4. Operating Review

4.1 Performance

Out of the 237 Courses and Programmes planned according to the Action Plan for the year under review, 386 had been actually conducted, thus representing 163 per cent.



4.2 Management Inefficiencies

The following observations are made.

- (a) A Memorandum of Understanding had not been entered into between the Wayamba University of Sri Lanka and the National Institute of Plantation Management in connection with the External Degree Course on Bachelor of Science (Plantation Management) commenced in the year 2005 under the Distant Education System for the Executive Officers and the Planters connected with the Joint Plantation Management Sector.
- (b) Even though an applicant had been selected based on the results of the interview held for the recruitment for the post of Training Officer (Accounts and Financial Management) which had been vacant in the Institute since 17 August 2009 and a letter of appointment sent on 08 July 2014, that post had been vacant even up to 15 June 2015 as the applicant had not reported for duty.
- (c) The post of Assistant Director Administration had been vacant since 13 November 2013 and applications had been called by publishing advertisements in newspapers in the month of June 2014. Even though interviews had been held up to 31 May 2015 by selecting 3 applications out of the applications received, action had not been taken to fill this vacancy. The expert Training Instructor (Accounts and Financial Management) was further acting in this post and a monthly allowance of Rs.6,410 was being paid to him.
- (d) The Tea Small Holdings Development Authority had conducted a competitive examination in the year 2013 for the recruitment of the post of Administrative Officer and the Sri Lanka Institute of Development Administration had conducted a competitive examination again, disregarding the above examination due to objections arisen within the Institute.



An advertisement had been published in newspapers again due to failure of the two applicants who sat for the competitive examination conducted by the Sri Lanka Institute of Development Administration and according to the applications received, 07 applicants had been called for the examination. Even though the officers who passed this examination had been interviewed and one person had been appointed, the methodology of giving marks at the interview was uncertain. Further, the Institute had paid a sum of Rs.111,337 for the examinations conducted by external institutions for filling this vacancy.

4.3 Operating Inefficiencies

The following observations are made.

- (a) According to the estimate of materials amounting to Rs.1,034,707 submitted to carry out the repairs of the building of the Training Division with the contribution of labour of the Engineering Regiment of the Army, repairs had been commenced in the year 2012 and the plan had been changed in two instances. The amended estimate had been Rs.3,210,594 and the approval of the Board of Directors had not been obtained thereon. A sum of Rs.3,596,122 had been spent for building materials in the years 2013 and 2014 to complete this purpose. The amount exceeding the estimate was Rs.385,528. No supervision whatsoever had been carried out in the completion of these repairs.

- (b) An institution had been selected in the year 2013 to establish a Management Information System for the Training Division of the Institute and a sum of Rs.276,000 had been paid for this purpose. In the examination of this, it was revealed that despite not having developed this system to enable to achieve the objectives expected by the Institute, the retention amount of Rs.24,000 had been paid to this institution on 24 June 2014. Another sum of Rs.36,000 had been paid as annual service charge of the Information System in the month of March 2015.



4.4 Delayed Projects

A workshop had been conducted at the Open University of Sri Lanka in the year 2011 and a sum of Rs.450,000 had been paid for the Resource Persons selected for the preparation of the Modules for the National Diploma on Plantation Management conducted by the Institute under the Distant Education System and a transport allowance of Rs.232,500 had been paid to them in the year 2012 for the participation in the workshop. Even though out of 10 Modules of the Diploma, editing work of the Module prepared for Accountancy and Financial Management had been handed over to an outside person without assigning it in writing, the editing work of this Module had not been finalized even up to May 2015.

4.5 Personnel Administration

The approved cadre of the Institute had been 56 and the actual cadre had been 45. Vacancies in 01 post in the Senior Level relating to the operating activities, 05 posts in the tertiary level, 04 posts in the secondary level and 01 post in the primary level had existed.

5. Systems and Controls

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

- (a) Accounting
- (b) Personnel Administration
- (c) Operating Control

W.P.C.Wickramaratne

Acting Auditor General