



ANNUAL REPORT - 2013

**Postgraduate Institute of Agriculture
University of Peradeniya**



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THE VISION

To be a regional centre of excellence in postgraduate education and research, in agriculture and related fields, to serve the needs of the country, industry and the global community.

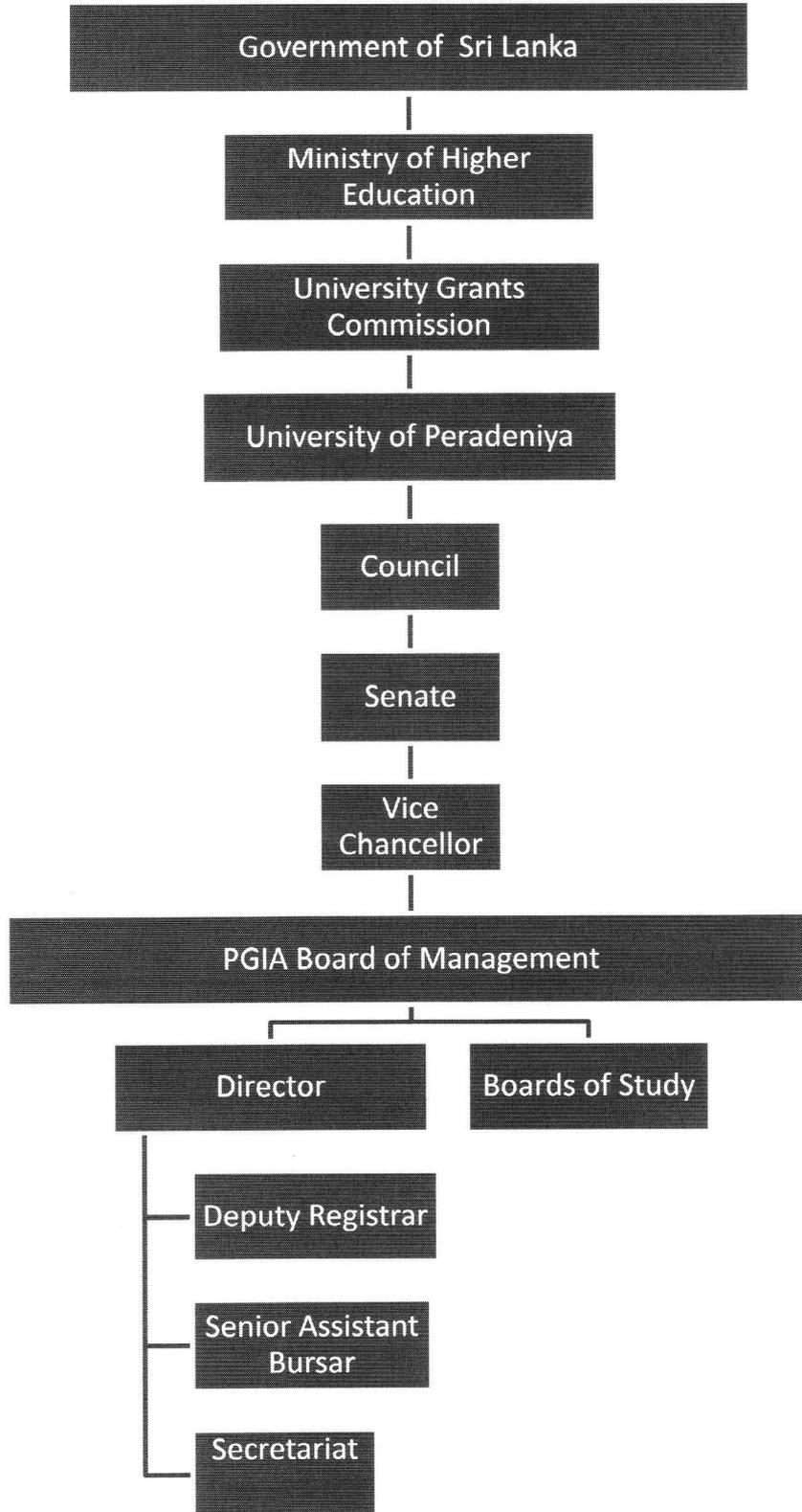
THE MISSION

To serve as a centre for postgraduate education & research and impart an academically sound, practically-oriented training through high-quality teaching and research, and produce competent, innovative and committed professionals who will make a positive contribution to agriculture and allied fields.

GOALS

- 1 Strive to attain excellent academic standards**
- 2 Be recognized at national and international level as a centre of excellence in postgraduate teaching and research**
- 3 Establish a culture of research and innovation**
- 4 Become a financially viable Institute**

ORGANIZATION STRUCTURE OF THE POSTGRADUATE INSTITUTE OF AGRICULTURE



MEMBERS OF THE BOARD OF MANAGEMENT - 2013

1. Prof. Colin N. Peiris, Director, Postgraduate Institute of Agriculture
2. Mr. Douglas Nanayakkara, Addl. Secretary representing Secretary, Ministry of Higher Education
3. Dr. A.J. Satharasinghe, Addl. Director General, Dept. of Census & Statistics representing the Secretary, Ministry of Finance
4. Mr. R.M.D.B. Meegasmulla, Secretary representing the Ministry of Agriculture
5. Mr. H.L. Tissera, Secretary (Livestock Breeding) representing the Secretary, Ministry of Livestock & Development
6. Secretary representing the, Ministry of Plantation Industries (Vacant)
7. Mr. K.A.I.D. Silva, Director/Policies & Planning representing the Secretary, Ministry of Environment & Renewable Energy
8. Mr. Anura Sathurusinghe, Conservator General of Forests representing the Head of the Department of Forests
9. Dr. J.D. Samarasinghe, Chairman, Council for Agricultural Research Policy
10. Dr. Rohan Wijekoon, Director General of Agriculture
11. Dr. D.R.T.G. Ratnayake, Director General, Department of Animal Production & Health
12. Mr. N.K.A. Rupasinghe, Director General, Department of Export Agriculture
13. Dr. H.A.J. Gunathilake, Director, Coconut Research Institute
14. Prof. K. Samarasinghe, Dean, Faculty of Agriculture, University of Peradeniya
15. Dr. M.G.T.S. Amarasekara, Dean, Faculty of Agriculture, Rajarata University
16. Prof. D.P.T.S.G. Attanayake, Dean, Faculty of Agriculture, Wayamba University
17. Dr. A.D. Ampitiyawatte, Dean, Faculty of Agriculture, University of Sabaragamuwa
18. Prof. S. Subasinghe, Dean, Faculty of Agriculture, University of Ruhuna
19. Dr. P. Sivarajah, Dean, Faculty of Agriculture, Eastern University
20. Dr. (Ms.) S. Sivachandran, Dean, Faculty of Agriculture, Jaffna University
21. Prof. H.B.S. Ariyaratne, Dean, Faculty of Vet. Medicine & Animal Science

Elected Members of the Faculty of Agriculture

22. Prof. V.A. Sumanasinghe, Board of Study in Agricultural Biology
23. Prof. (Ms.) H.L.J. Weerahewa, Board of Study in Agricultural Economics
24. Prof. E.R.N. Gunawardena, Board of Study in Agricultural Engineering
25. Dr. H.V.A. Wickramasuriya, Board of Study in Agricultural Extension
26. Prof. H.W. Cyril, Board of Study in Animal Science
27. Dr. B.L. Peiris, Board of Study in Bio-Statistics
28. Dr. Shamala Kumar, Board of Study in Business Administration
29. Prof. H.M.G.S.B. Hitinayake, Board of Study in Crop Science
30. Prof. D.G.N.G. Wijesinghe, Board of Study in Food Sc. & Technology
31. Dr.(Ms.) D.M. de Costa, Board of Study in Plant Protection
32. Prof. A.N. Jayakody, Board of Study in Soil Science

Members Appointed by the University Grants Commission

33. Prof. R.P. de Silva
35. Prof. B.S.B. Karunaratne
36. Prof. S.S.E. Ranawana
34. Dr. D.B.T. Wijeratne
37. Prof. S.K. Pinnawala

1. Director's Statement/Review of the Institute for the year 2013 - Postgraduate Institute of Agriculture (as reported by the Director, Prof. B C N Peiris)

1.1 Introduction

The Postgraduate Institute of Agriculture (PGIA), was established in June 1975 in terms of the Ordinance No. 9 of 1979 as the pioneering institution of postgraduate education of its kind in the country, affiliating to the University of Peradeniya. The governance of the Institution is vested with the Board of Management, comprising academics of various disciplines in agriculture, eminent personalities representing Ministries of Agriculture, Livestock, Environment & Forestry, Plantation, Higher Education, Animal Production & Health etc. Develop an in-country capacity for postgraduate education and to provide appropriately trained scientific personnel to a rapidly expanding agricultural sector of the country are the main objectives that gave rise to establishing the Institution. As expected it has fulfilled the national needs for over a quarter of a century and has been strategizing to encounter new challenges in the agricultural sector of the country that have been surfaced due to environmental pollution, food safety & security, bio diversity and so on.

1.2 Academic & Research Activities:

Teaching in the institute is mostly undertaken by well qualified academic staff members of the Faculty of Agriculture, University of Peradeniya, a few academic staff members from university system, other government, private sector, organisations on visiting basis supported by strong and experienced non-academic work force utilizing the state-of-the art Laboratory, IT, Library & Lecture theatre facilities available at both Faculty and the Institute. More than 300 visiting Lectures are engaged in teaching through 11 Boards of Study, representing wide array of disciplines in Agriculture. Institute offers 31 degree programs presently, including 02 postgraduate diplomas, 26 Masters degree programs, including Business Administration, M.Phil, Ph.D and Doctor of Business Administration degrees. The annual intake of students are stands around 400 - 450 and the annual total student population which is of cosmopolitan nature stands around 2000. Keep in line with the very motto of the University of Peradeniya; *More open than Usual*, the student population comprises of graduates of almost all faculties in the university system. During the year under review 431 students were registered in the 11 Boards of Study, particulars of which are as follows:

- 328 - 23 different M.Sc degree programs offered by 11 Boards of Study
- 45 - MBA degree offered by BS/Business Administration
- 31 and 04 - M.Phil and PhD, respectively

272 students have completed their respective degree programs, particulars of which are indicated below in gender-wise:

- M.Sc. 100/104, MBA - 29/07, M.Phil - 7/15, Ph.D - 03/03 (M/F)

The PGIA has been thriving hard and actively engaged in strengthening its academic and research base, particularly focusing on national needs and requirements of the country. Towards fulfilling this noble commitment, in the year under review, entire curriculum of all Boards of Study have been revised through consultative process and active participation of all stakeholders which made the new Prospectus and the Student Hand Book printed to be issued to new intake to the Institute for the academic year 2013/14. As a result, two new programmes are in the pipeline and many new course units were introduced and modified course units were incorporated to the existing curricular to enrich the existing degree programs to enhance the employability of un employed graduates and to

improve the quality of graduate workforce. The membership of all Boards of Study were re-constituted as the tenure of office of all members had been lapsed by early January 2014

1.3 Annual Congress

The year under review was a special one as it saw the commemoration of a silver jubilee of the Annual Congress of the Institute, which is one of the conspicuous events of the annual calendar of the Institute, which is a platform where researchers of both local and international, and staff & students of the Institute take part to discuss, share and disseminate knowledge that they have gathered through research. The event was celebrated in a grand scale from 20-22nd November 2013 in Kandy under the patronage of Ms. Beth S Crawford, a FAO Representative in Sri Lanka and Maldives. At this event 55 presentations, including 10 posters were made by researchers of the Institute and few international participants from Australia, Canada, India. 12 best presenters were given away awards in 12 themes. Furthermore, all former Directors of the Institute and Coordinators of past Annual Congress were felicitated at this memorable event to honour them for their valued contribution that made both the Institute and the Annual Congress a remarkable entity/event.

1.4 Achievements:

A facelift was given to the main building of the Institute which was constructed in No. 1981. No. of classrooms have been increased to 17 from 13 and have been provided with state-of-the-art facilities. Management Information System was inaugurated facilitating both teachers and students to engage in teaching and learning through web based environment and to facilitate authorities to take timely decision, strengthen the efficiency and the effectiveness of its workforce. Capital grant of the Institute has been productively utilized to improve physical infrastructure. Collection of program fees have been achieved up to 80% which is a tremendous improvement when compared to the history of the Institute due to constant monitoring and strategies employed.

Preparation of Draft Fixed Asset Register has also been nearing completion and many initiatives have also been taken to reduce audit queries raised for more than a decade. 04 vacancies fell vacant were filled by recruiting 01 Clerk (Gr. III) and 03 Labourers. Further, teaching activities of Boards of Study were facilitated with recruitment of full time Tutor and a Senior Professor. A new cadre position for a post of driver was approved.

1.5 Failure & Justifications:

No significant failures were confronted during the year under review. However, compared to the efforts put in, an increase of local intake could not be improved and drop out rates could also not be arrested. Further, even though the scholarship scheme was introduced, intake of foreign students could also not be increased as expected. Failures could be attributed to the facts such as distant positioning of the Institute from the Centre of the Country and lack of residential facilities for foreign students. Two more vacant positions could not be filled due to lack of qualified applicants on account of nature of the procedure to be adopted in filling them.

1.6 Future Plans:

As has been adopted, Quality is the focal point for consideration in the Institute in the future as well. To reach this milestone, initiatives will be deploying to accredit all the programs as per the Sri Lanka

Quality Assurance Framework (SLQF) from 2014 onwards. Arrangements are being taken for off-shore offering of M.Sc degree program in Bio-statistics by the respective Board of Study in Ghana by March 2014 under the MoU signed between Yeshua Institute of Technology and PGIA of the University of Peradeniya. Under this program, it is expected to recruit 20 students initially from Ghana and nearby countries for which academic staff members of the Institute will visit Ghana for teaching according to a given calendar. Institute is further expected to increase course fee of all programs it offers based on the market rates. More importantly, the Institute steps into establishing a central laboratory, especially to carry out food based research and to open up branches of it, 1st being in Colombo and based on the success, another being in Kilinochchi as recommended by the COPE. Further, steps will also be taken to get vested a building from the University of Peradeniya to provide accommodation and to increase No. of foreign students. All these efforts will be targeting achieving one of its main objectives embedded in the Corporate Plan for 2014 - 2017; i.e., **financial viability** in the future.

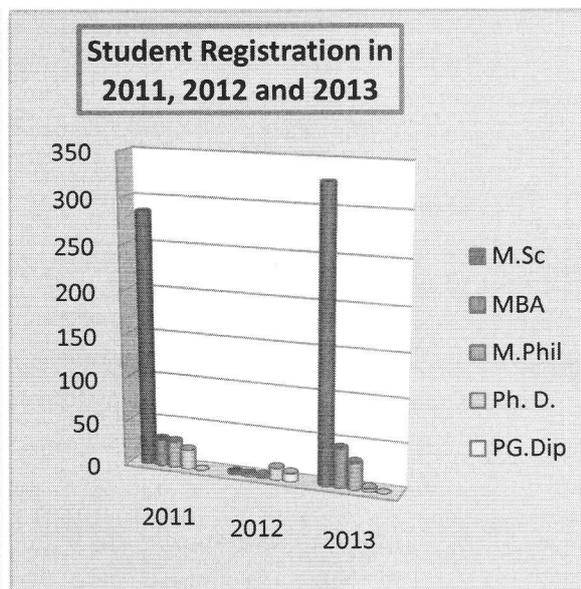
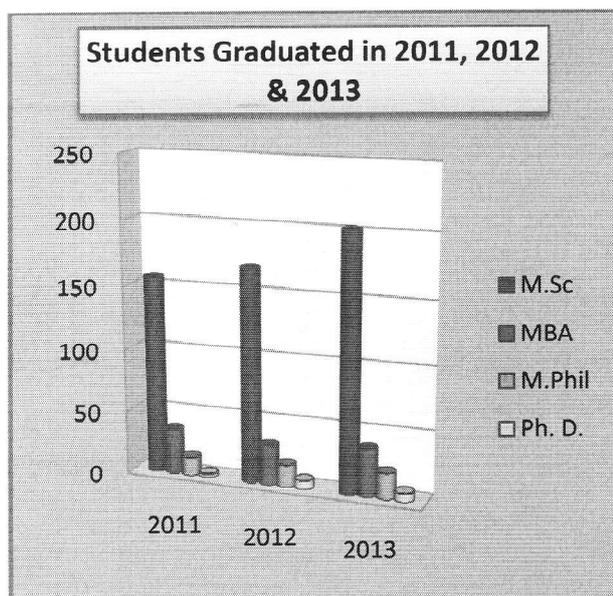
2. DETAILS OF RESOURCES & STUDENTS - 2013

Course	Total No. of Students	Distribution of Staff (Permanent Staff Only)			
		Academic Staff	Non-Academic Staff	Academic Supp. Staff	Total
P.G. Diploma	408	02	43	01	46
M.Sc.					
MBA					
M.Phil					
Ph.D.					
Casual					
Total	408	02	43	01	46

The above Table shows resources and students available as at 31st December 2013. The year under review saw 408 students registered for various postgraduate degrees at the Institution and the permanent staff cadre serving in the Institution. The year 2013 recorded higher number of students as there was no obstacle in registering them as compared to the year preceded before. Of the 08 cadre positions available for academic grades 01 post of a Senior Professor was filled on temporary basis and utilizing the provisions of 01 Senior Lecturer, 01 Tutor was recruited. These positions were given to the Institute on the basis that as and when the necessity arises they should be filled. However, action had been taken to fill the non-academic staff grades which had been fallen vacant during the year under review

Institute	Academic Programme	Intake 2013	Intake 2012	No. Graduated 2013
Postgraduate Institute of Agriculture	1. P.G. Diploma	-	10	04
	2. M.Sc.	328	03	204
	3. MBA	45	03	36
	4. M.Phil.	31	03	22
	5. Ph.D.	04	14	06
	6. Casual	-	02	-
	Total		408	35

The above table shows the student intake and the graduation statistics for year 2013. The year under review saw the increase in the enrolment when compared to the year preceded as the enrolment for the year 2012 severely hampered due to the trade union action of both academic and non-academic staff of the university system, which prevailed more than 04 months from time to time. There is no direct relevance to the no. registered and no. graduated in the year 2013 itself, No. graduated for the year 2013 comprised of those who have registered since 2008, 2006, & 2003 for M.Sc degrees, MBA & M.Phil degrees and Ph.D degrees respectively. There was an increase in both the graduation and student enrolment when compared to the previous 02 years.



Graph 1 – Graduation in 2011, 2012 & 2013

Graph 2 - Enrollment in 2011, 2012 & 2013

Two graphs depict graduation and enrollment statistics for the year under review. There was a slight increase in the number graduated in the year 2013 except for PG diplomas as the year 2013, PG diploma in Bio-statistics was not offered due to lack of required no. of students.

3. DETAILS OF FOREIGN STUDENTS

Academic Programme	Intake 2013	Intake 2012	No. Graduated 2013
P.G. Diploma	-	-	None
2. M.Sc.	01*	-	
3. MBA	-	-	
4. M.Phil	-	-	
5. Ph.D.	02**	01	
6. Casual	-	02	
7.			
Total	03	03	

This table shows the No. of foreign students registered in year 2013. 03 foreign students were registered to follow degrees in the year under review of which a Nigerian national registered for an M.Sc. degree was a recipient of a **100 Scholarship Scheme** of the Ministry of Higher Education

* Nigerian national, ** Thailand nationals

4. DETAILS OF ACADEMIC STAFF AS AT 31ST DECEMBER 2013 (PERMANENT STAFF ONLY):

Subject	Medium	Senior Prof.		Prof.		Associate Prof.		Senior Lecturer		Lecturer		Academic Support Staff		Total		
		M	F	M	F	M	F	M	F	M	F	M	F	M	F	
Not Applicable	English medium															
		1						1*					1		2	1
TOTAL		1							1				1		2	1

M – Male F - Female

* Senior Assistant Librarian

The table above illustrates the academic staff of the Institute which comprises of the Director, Senior Assistant Librarian. In addition one member representing Academic support staff; i.e, Systems Analyst also included in this table. However, based on the requirements of the Institute, one Senior Professor and 01 Tutor were recruited on contract basis utilizing approved cadre positions available at the Institute for which salaries were paid from the generated income. All academic activities were conducted by visiting staff of over 300, mainly from the Faculty of Agriculture, University of Peradeniya.

**5. DETAILS OF NON-ACADEMIC STAFF AS AT 31ST DECEMBER 2013
(PERMANENT STAFF ONLY)**

Branch	Most Senior		Senior Staff		Junior Staff		Minor-Employee	
	M	F	M	F	M	F	M	F
Gen. Admin		03	-	-	04	-	09	01
Student Admission	-	01	-	02	02	01	01	-
Accounts	01	-	-	01	05	-	01	-
Library	-	-	-	02	-	01	04	01
IT Unit					01	-	02	
Total	01	04	-	05	12	02	17	02

Non academic staff

The non academic work force of the Institute constituted as indicated in the Table appearing in left side.

Filling of vacancies created due to retirement of personnel got hampered due to the process stipulated for recruitment

1. Administrative level and Executive Level
2. Senior Staff Grades

3. Clerical and Allied Grades
4. Below the above Grades

The year under review enabled the PGIA to recruit 04 personnel to fill the vacancies of Clerk Gr. III and Labourer Gr. III. Even though the process had been commenced to recruit suitable personnel to fill vacancies of post of Receptionist and the post of Stenographer (English), the Institute was not in a position to fill them due to difficulties that were beyond control of it.

5.1. Recruitments:

Action had been taken to fill the vacancies of Non academic staff, particulars of which are as follows:

1. Mr. P.G L.S. Ratnasiri was recruited as a Clerk - Gr. III w.e.f. 23.09.2013

Following three personnel were recruited as Labourers - Gr. III w.e.f. 04.11.2013

1. Mr. Sanjeewa Seneviratne
2. Mr. HMUK Herath
3. Mr. HMD Jaya Bandara

5.2. Training & Development Activities of the Staff

In the year under review, the Institute has paid its concern over the training of its staff. Every opportunity available was seized by the Institute to train its staff to bring their knowledge up to the desired levels.

5.3. Training Programs & Workshops attended by the PGIA staff

In the year under review, administrative staff and the support staff of the PGIA including Library had undergone the training, particulars of which are as follows;

Ms. S Herath, Deputy Registrar, and the Ms. Kanchana Herath, Assistant Registrar of the Institute had participated in the following training programmes:

- Training programme on Bid Evaluation conducted by the Skills Development Fund Limited of the Ministry of Youth Affairs & Skills Development
- Training programme on Large Scale Procurement conducted by the Sri Lanka Public Accountant's Association in collaboration with Association of Chartered Accountant of Sri Lanka
- 03 training programs conducted by the Staff Development Centre of the University of Peradeniya
 - Presentation Skills
 - Effectively handling internal and external audit queries
 - Public Accountability & Management of Departmental Inventory

In addition Ms. S Herath, Deputy Registrar had participated Human Resource Development & Leadership Training program jointly conducted by the UGC and the HETC Project of the World Bank. She also took part in the series of workshops conducted by the Centre of Gender Studies of the University of Kelaniya on Gender Main Streaming. These programs were jointly organized by the Centre of Gender Studies of the University of Kelaniya and the Association of Commonwealth Universities, CARE International etc.

Mr. Saman Jayakody, Senior Assistant Bursar took part at the following training programs

- New Tax Reforms
- Sri Lanka Accounting Standards
- Public Accountability & Management of Departmental Inventory

Apart from that both Deputy Registrar and the Senior Assistant Bursar attended many workshops conducted by the Ministry of Higher Education on Preparation of Corporate Plan in the year under review.

Ms. Kanchana Herath, Assistant Registrar had taken part in the workshop on effective Vehicle Management together with the subject clerk Mr. HPK Karunarante conducted by Skills Development Fund Ltd., of Ministry of Youth Affairs & Skills Development

Mr. AG Hemajith, Systems Analyst of the Institute had participated in a workshop jointly conducted by the UGC and the HETC Project of the World Bank on Web Development & Management.

Ms. C Dahanayake, Personal Secretary to the Director attended the following workshops/ Training programmes in the year 2013:

- Effective presentation skills conducted by the Staff Development Centre of the University of Peradeniya; and
- Leadership Training Programme

Ms. I. Mudannayake, Senior Asst. Librarian attended a two day workshop held at the Colombo University Library for building up a Sri Lankan consortium for journals, on 13th and 14th August 2013.

Ms. S. Amunugama, Senior Staff Assistant, Ms. N. Tennakoon, Library Assistant and Mr. Chandima Perera, Store Keeper of the Institute attended a one day workshop held at Staff Development Centre, University of Peradeniya for **Public Accountability & Management of Departmental Inventory** on 4th December 2013.

Ms. Hemanthi Samarasinghe and Mr. Anuruddha Herath of the Accounts division had taken part at the workshop entitled “Internal Audit Matters’ conducted by the Staff Development Centre of the University of Peradeniya

Mr. RD Weerasinghe, Senior Labourer and Mr. Jagath Theekshana, Driver of the Institute had participated in workshop entitled “කාර්යාල සහායකයින් සහ ට්‍රයේරන් සඳහා නිපුණතා” conducted by the Skills Development Ltd. of the Ministry of Youth Affairs & Skills Development.

6. DETAILS OF RESEARCH, INNOVATIONS & PUBLICATIONS - 2013

Subject	Published	Commercialized	Presented
Researches	-	-	26
Innovations			
Journals	04	04	04
Books			
Articles	55		55
Other			
Total	59	04	85

The above tables show the details in respect of research, innovations and publications and details of programs, seminars, conferences and workshops conducted by the Institute in the year 2013. Journals and articles are the results of the Annual Congress of the Institute which had been celebrated in a grand scale in view of the 25th anniversary of the same. Of the 55 articles, 10 were posters.

The year under review, 23 degree programmes were offered by 11 Boards of Study. There were 26 presentations of which 05 were related to Ph.D. and M.Phil. Degrees completed by students. The CapNet International, a joint project undertaken by the BS/Agri. Engineering conducted 31 seminars in the year under review.

This year too, the Joachim Memorial Award was given away at the Annual Congress to Mr. S. Srikrishnah who scored the highest GPA at the final examination conducted by the PGIA.

7.a) DETAILS OF PROGRAMS, SEMINARS, CONFERENCES & WORKSHOPS - 2013

Programmes	Attended	Completed	Presented
PG Degrees	-	-	23
PG Diplomas	-	-	-
Degree Program	23	-	-
Diploma Programs	-	-	-
Certificate Programs			
Abstracts			55
Book Chapters			
Presentations			26
Working Papers			
Training Programs	21		
Workshops			08
Seminars -CapNet			31
Total	44		143

7.b) ANNUAL CONGRESS – POSTGRADUATE INSTITUTE OF AGRICULTURE - 2013



Picture: Inauguration of the Annual Congress – 2013

The year under review was a special one for the PGIA as it saw the commemoration of a silver jubilee of the Annual Congress of the Institute, which is one of the conspicuous events of the annual calendar of the Institute. Congress is a platform where researchers of both local and international, and staff & students of the Institute take part to discuss, share and disseminate knowledge that they have gathered through research. The event was celebrated in a grand scale from 20-22nd November 2013 in Kandy under the patronage of Ms. Beth S Crawford, a FAO Representative in Sri Lanka and Maldives.

At this event 55 presentations, including 10 posters were made by researchers of the Institute and few international participants from Australia, Canada, India. Furthermore, all former Directors of the Institute and Coordinators of past Annual Congress were felicitated at this memorable event to honour them for their valued contribution that made both the Institute and the Annual Congress a remarkable event.

The following 12 students were adjudged as best presenters at the 25th Annual Congress of the Institute.

D. Senaratne – Animal Science & Wild Life

UM Aruna Kumara – Plant Pathogens & Interactions

MKN Kumari - Water Quality for Agriculture

AR Gunawardhana – Biological Invasion Biodiversity

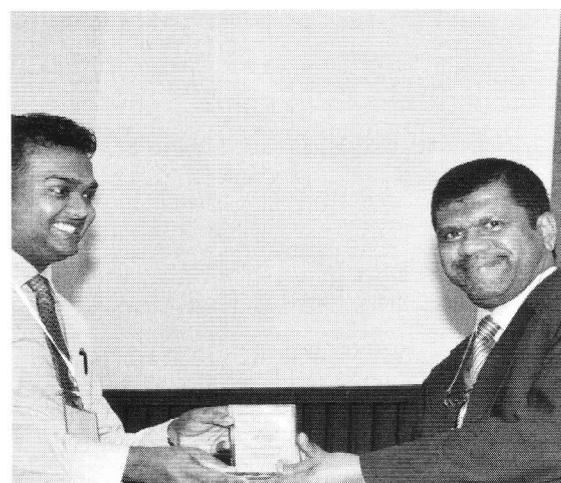
MAPWK Malavianarachchi – Climate & Crop Management

D Bopitiya – Food, Nutrition & Post-harvest Technology

Best Presenters at the 25th Congress receiving their awards



One of the best presenters receiving her award from the Director/PGIA



One of the best presenters receiving his award from the Director/PGIA

DP Manawadu – Molecular biology & Biotechnology

HMDAK Herath – Crop Production Systems

K. Herath – Computational Methods for Agriculture

CAK Dissanayake – Economics & Extension

U.K.P.S. Sanjeevani – Soil Resource Management

TABD Sanjeewa – Poster Presentation

8.a) DETAILS OF SEMINARS, WORKSHOPS, TRAINING/AWARENESS PROGRAMS & SHORT COURSES - 2013

Training Program – Teamwork & Leadership

A workshop - “Design & Analysis of Experiments

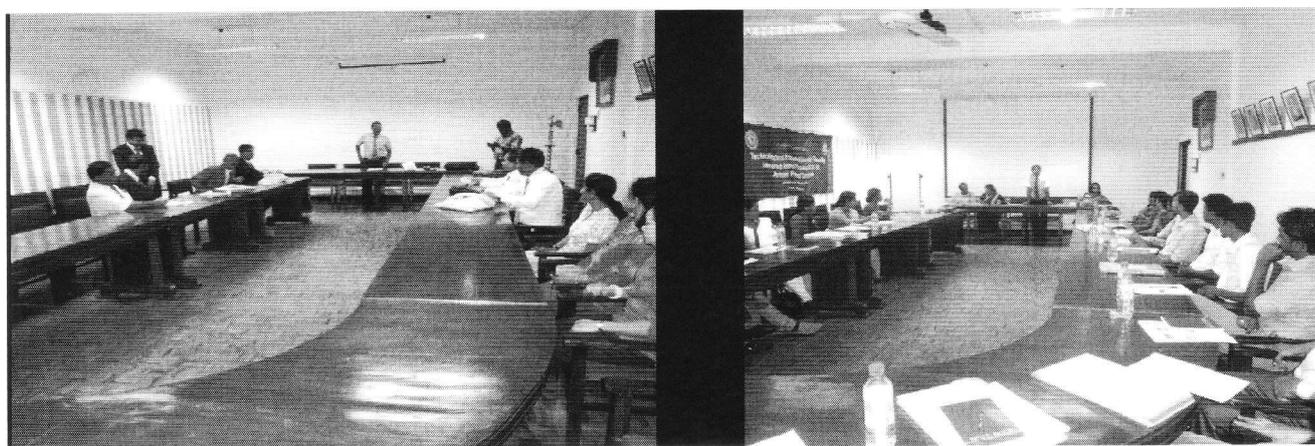


No.	Event/Title	Institute	No. of Participants	Date(s) held
01.	Design & Analysis of Experiments	PGIA/ Bio - Statistics	08	01/05/2013
02.	Water Professional Day	BS/ Agricultural Engineering	150	01/10/2013
03.	Teamwork & Leadership Training Programme	BS/Agricultural Extension	45	22-24/11/2013
04.	Sampling Techniques Design & Analysis of Experiments	PGIA/BS-Bio Statistics	130	04-06/09/2013
05.	Drought Risk management for stakeholders in selected water supply schemes in the Kandy district	PGIA/BS-Agri. Engineering	45	16/05/2013
06.	Gender water dialogues in the Killinochchi district in Northern Province, Sri Lanka	PGIA/BS-Agricultural Engineering	42	24-25/06/2013
07.	Integrated management of Land & Water resources for improving watershed in upcountry of Sri Lanka (02 training sessions)	PGIA/BS-Agricultural Engineering	35 + 40	14-15/03/2013 29-30/07/2013

The year 2013, many Boards of Study conducted workshops/Seminars/Short courses locally as indicated above through which they earned income for the benefit of both the Institute and the respective Boards. This was a great improvement when compared to previous years as many Boards did not take any interests in conducting these types of activities in the past. The highest contribution in this respect was made by the Board of Study in Agricultural Engineering through their international collaborative project namely CapNet Lanaka,

**8.b) DETAILS OF INTERNATIONAL CONFERENCES AND WORKSHOPS
HOSTED BY THE INSTITUTE IN 2013**

No	Event/Title	Institute	No. participated	Date(s) Held
01.	Seed Producing & Marketing (For Napoleon Nationals)	PGIA/BS. Agri. Engineering	11	5-10/05/2013
02.	4 th International conference on Structural Engineering & Construction Management – Urban Water Environment: Monitoring & Management	PGIA/ BS. Agri. Engineering	07	15/12/2013



The Board of Study/Agricultural Engineering of the Postgraduate Institute of Agriculture has conducted two international conferences of which the 2nd conference listed in the table was conducted in collaboration with CapNet Lanaka. The first conference was conducted with the assistance of its faculty members

9. DETAILS OF AWARDS RECEIVED BY BOTH STAFF MEMBERS AND STUDENTS IN THE YEAR 2013

Subject	No. of Awards	No. of Academics	No. of Students
Local Awards	12		12
National Awards	-	-	-
International Awards	-		-
d. Other	-	-	
Total	12		12

This table shows the details of awards received by the PGIA. 12 awards were received by students of the PGIA who were adjudged as best presenters at the Annual Congress – 2013. All these awards were presented locally. Unlike in the year preceded, no teacher has received an award in the year

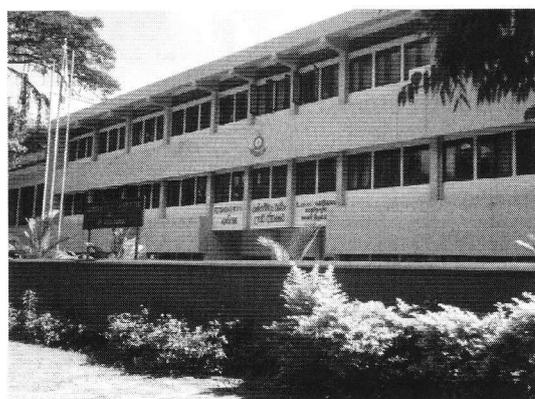
10. DETAILS OF NEW COURSE COMMENCED DURING THE YEAR 2013

Although the Institute has taken efforts to introduce new degree programmes in the year 2013, due to lengthy process it has to go through, the Institute was not in a position to commence them. Of the three new degree programmes proposed, two have been already sent to the UGC for approval. The 3rd Programme was still awaiting approval from the University authorities.

11. GENERAL ADMINISTRATION

11.1 Renovation of Old Building

A facelift was given to the main building of the Institute which was constructed in No. 1981. No. of classrooms have been increased to 17 from 13 and have been provided with state-of-the-art facilities. Management Information System was inaugurated facilitating both teachers and students to engage in teaching and learning through web based environment and to facilitate



PGIA old building after renovation

authorities to take timely decision, strengthen the efficiency and the effectiveness of its workforce. General administration process has been streamlined to minimize audit queries, managerial shortcomings etc., In this direction, a Senior Management Committee has been formed as stipulated in the PED Circular No. 12 of the Dept. of Public Enterprise and which met twice in the year under review. Issues related to operational activities are discussed at this forum and decisions taken were submitted to the Board of Management for approval.

Audit Committee has met four times in the year under review. Preparation of fixed asset register has been completed and reconciliation is being carried out. Preparation of Procurement Plan for the year 2013 has also been attended to.

All possible measures have also been taken to address the issues raised by the Auditor General in its report released for the year 2013. Conduct of meetings of Board of Management, Audit Committee, Boards of Study Committee have been regularly done as stipulated for the year 2013.

A Consultancy work has also been given to a Professor with the approval of the Board of Management to formulate rules and regulations to streamline the administrative process. He has already attended to preparation of Corporate Plan 2014 - 2018 and the preparation of the same has been successfully concluded having a workshop conducted on 29th November 2013. He has also attended to the preparation of the following documents;

1. Manual of Procedure
2. Corporate Plan 2014 – 2018
3. Hand book for teachers, students & staff

11.2. Management Information System at the Institute

Management Information System has been established with the assistance of the World Bank and activated in the latter part of the year under review. Initially all matters relating to the Student Registration & Administration have been administered through the MIS. This has resulted in smooth controlling and supervision of all activities related to student registration, issuance of transcripts to students, communication to students and staff thro' online, monitoring all examination, conduct of classes by teachers etc.,

The MIS supported the speedy action being taken for problems of students and staff which made the life easy for both staff and students of the PGIA.

11.3. Welfare & Leisure

The PGIA recognises the significance of maintaining a steady balance between work and personal life of employees, and to maintain sound physical and mental health since a relaxed mind in a healthy physique always enhances employee performance whilst stimulating innovative ideas. With this noble ideas in mind, it organized recreational activities intended at increasing employee satisfaction and delighting them with opportunities and benefits whilst extending the same to their immediate family members too. This included staff outings and, sporting events intended at sustaining a balanced life.

The year under review saw the establishment of Postgraduate Agriculture Sports & Leisure Society which paved the way for staff members to actively engage in sports and leisure activities throughout the year.

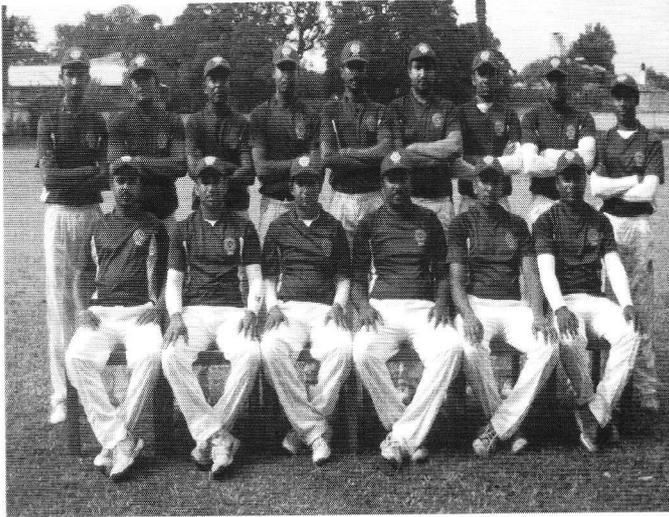
After the establishment of the Association, the Institute has organized a six-a-side cricket tournament in the latter part of the year for Director's Trophy which was concluded in the early January 2014. Many teams including students of the PGIA, students from other Faculties and staff of both the University of Peradeniya and PGIA comprising academic, non academic and academic support staff had taken part at this tournament. This tournament was worked off at the University cricket grounds and as a special feature.

**Runners up in the Six-a-Side Cricket
Tournament – PGIA Students**



**Champions in the Six-a-Side Cricket
Tournament – UoP Team**





Cricket Team of the University of Peradeniya
Seating L to R - 1 - AGRB Jayathilake &
Standing L to R - 7 - Waruna Wijenayake
representing PGIA

Mr. AGRB Jayathilake and Mr. Waruna Wijenayake, two staff members of the PGIA were members of the University Cricket Team which took part in the State Service B Division knock-out tournament. The team reached up to the Semi final level.

Mr. AGRB Jayathilake also took part in all Island State Service League Cricket Tournament representing the University Cricket Team in the year under review. The staff of the Physical Education Unit coached the both teams

11.4 Annual Trip of the Institute

The staff members and their family members of the Institute visited the Temple Mahamewna Uyana and Kitulgala in their Annual welfare trip in February 2014 at which they took part in boat rafting races in Kitulgala river which gave them ample mental satisfaction.

In addition the staff and their family members set off to Wilpattu Sanctuary on a 02 day trip as a part of their recreational activities in the latter part of the year sponsored by the PGIA and their personal contribution. During their en route, they visited the Holcim Cement Factory, Sri Lanka Salt Corporation, Puttlam, and Norochhole Power Station as well which made the trip a value addition, especially to their children.



Members of the PGIA staff and families at Norochchole



Staff members of the PGIA & their families at Mahamewna Temple during their Annual Welfare Trip in February 2013

12. AGRICULTURE LIBRARY

Table 1. Library Allocations received in 2013

PGIA Allocation	Rs.1,000,000.00
Faculty Allocation	928,940.00
Total	Rs.1928,940.00

Acquisitions - Books

During the Year 2013 a total 410 books were added to the Library Collection, which comprised 94 textbooks recommended by teaching staff of both the Faculty of Agriculture and the PGIA to suit the teaching programmes of the two institutions. Out of the 410 books, sixty three books were received as donations under the Alumni Association of University of Peradeniya- Ottawa Chapter CANADA.

Table 2. Details of the books added to the collection

Description	No(s.)	Value (in Rs.)
Number of books purchased by PGIA finances	06	13,831.96
Number of books purchased by Faculty allocation	88 *	1,253,360.10**
Total number of books purchased (PGIA & Faculty)	94	
Number of PGIA theses added to the collection	36	

* Including 01 CD

** Exceeded the Faculty allocation

Table 3. Donations

Description	No(s.)	Value (in Rs.)
Number of books received under Alumni Association of University of Peradeniya – Ottawa Chapter CANADA	63	355,661.72
Number of books received from other donors	217	792,709.87
Total number of books added (Purchases and Donations)	410	1,148,371.59

Periodicals

Fifteen periodicals titles were subscribed in 2013 including 10 foreign periodicals by the PGIA funds. Almost the entire PGIA allocation was utilized for periodicals in 2013.

Table 4. Library User Categories

Description	No(s.)	Value (in Rs.)
Number of periodicals ordered by PGIA finances	14	982576.56
Number of periodicals ordered by Faculty allocation	01	2,000.00
Total number of periodicals ordered (PGIA & Faculty)	15	984,576.56

Table 5. The registered Library users in 2013

Category	No.
Postgraduate Students	1225
Undergraduate Students	912
Academic Staff (Permanent)	226
Academic Staff (Temporary)	18
Clerical and similar services	06
Short term users of the Library	31
Total	2387

A total of 5372 books have been circulated among the students/teachers in 2013.

Inter-Library Loans

In 2013 the number of requests received from students to obtain articles from other Libraries in Sri Lanka were 14. Out of the 14 requests we received 10 articles. Agriculture Library supplied 20 articles to other Libraries out of 23 requests, we received from other libraries.

AGRINET (Agriculture Information Network) Content page service

Journal content pages were circulated among Agriculture Libraries in Sri Lanka for the benefit of scientists and researchers (NARS scientists) in agriculture institutions in Sri Lanka under the AGRINET journal content page service. The agriculture Library has supplied 70 journal content pages to the scientists under this programme.

Literature Searching

CAB CD- ROM database was used for literature searching by research students both in the Faculty and PGIA. Fifty two (52) CAB searches were carried out during the Year 2013.

Sales /Exchanges of Tropical Agricultural Research

Table 6. Sales work of the PGIA Journal on Tropical Agricultural Research

Description	No(s.)
Number of copies sold in 2012 (full volume)	12
Number of copies sold in 2012 (single issues)	15
Number of copies exchanged with other institutions for their publications	10

National Digitization project of NSF

Digitization of the PGIA theses collection was commenced on 30th September 2013, by Sanje Pvt. Ltd. a contractor selected by NSF to undertake scanning of theses and other publications in view of building up the institutional repository.

Posts held:

I. Mudannayake, Senior Asst. Librarian continued to serve as chairperson of AGRINET Advisory Committee of the Council of Agricultural Research Policy (CARP).

Publications:

W.P.T.D. Dilrukshi and **I. Mudannayake** – Information dissemination through extension services of the Department of Agriculture. Proceedings of the RUSL 3rd Annual Research symposium, 7th Feb. 2013 Mihintale, Rajarata University of Sri Lanka.

I. Mudannayake, Senior Asst. Librarian Served in the panel of reviewers for the Journal of the University Librarians Association Sri Lanka, Vol.17, Nos. 1 and 2 2013.

I. Mudannayake, Senior Asst. Librarian supervised two master theses (MLS) at University of Kelaniya, particulars of which are follows:

Titles:

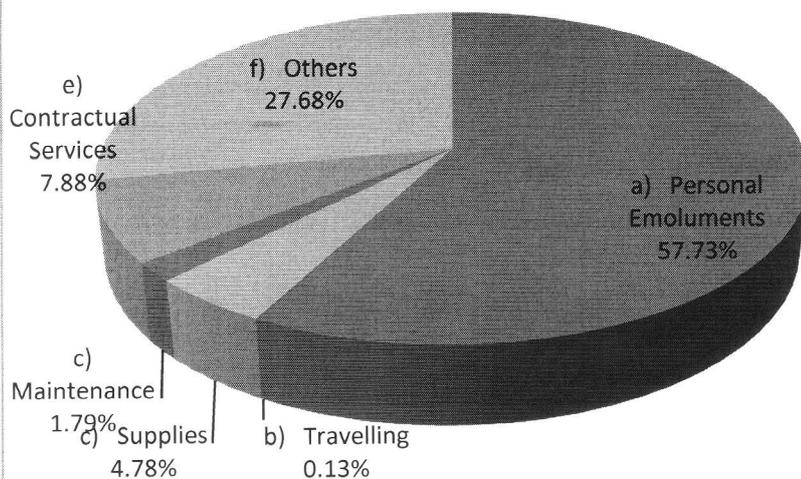
1. Community Information Services in public libraries in the Central Province Sri Lanka
2. Agriculture Information Dissemination to farmers.

13. FINANCIAL PERFORMANCE OF THE INSTITUTE IN 2013

13.1. Details of Recurrent Expenditure

Subject	2011 (Rs.)		2012 (Rs.)		2013 (Rs.)	
	Allocation	Actual	Allocation	Actual	Allocation	Actual
a) Personal Emoluments	40,718,000	32,281,916	44,764,000	39,408,203	41,203,000	39,907,916
b) Travelling	350,000	86,548	255,000	69,593	100,000	90,183
c) Supplies	3,365,000	2,530,910	3,173,000	2,992,028	3,625,000	3,303,068
d) Maintenance	950,000	713,751	1,451,000	737,389	985,000	1,239,819
e) Contractual Services	6,055,000	4,840,840	6,076,000	5,158,518	5,635,000	5,448,947
f) Others	17,920,000	12,240,319	19,910,000	9,598,707	18,290,000	19,137,868
Total	69,358,000	52,694,284	75,629,000	57,964,438	69,838,000	69,127,802
Financed By:						
Government Grant	22,585,072		15,400,000		19,000,000	
As a %	33%		20%		27%	
Generated Funds	46,772,928		60,229,000		50,838,000	
As a %	67%		80%		73%	

Composition of Recurrent Expenditure - 2013

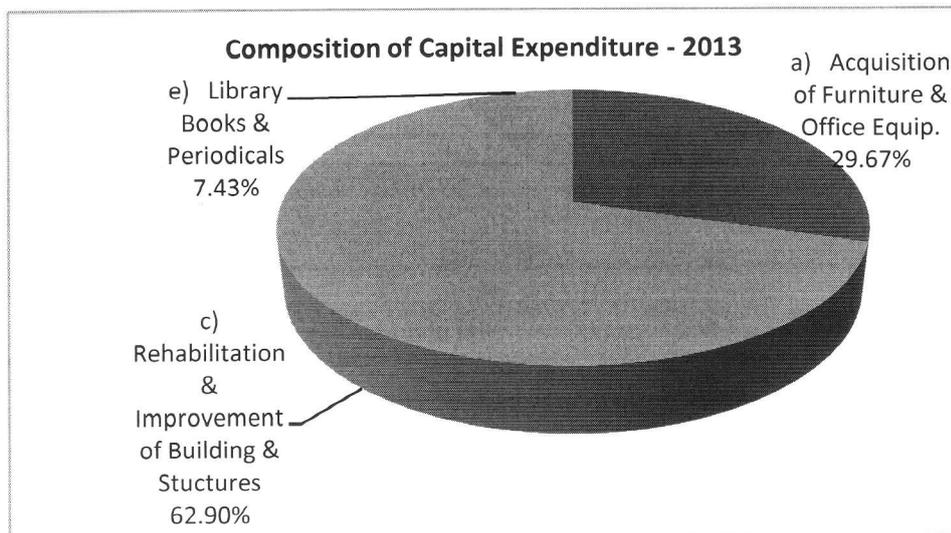


The treasury allocation for the recurrent expenditure of the Institute in the year 2013 is Rs. 19.0 ml. and allocation for capital expenditure was 9.2 million. It was about Rs.3.6 million increase and 0.6 million decrease respectively compared to the last year allocation. Total actual recurrent and the capital expenditure for this year is Rs.69.08 ml. and Rs.13.04 ml. respectively

The total recurrent expenditure was financed primarily by the generated funds (73%) and the remainder by consolidated fund (27%). About 58% of recurrent expenditure is for the personal emoluments including salaries & wages of the permanent staff and the visiting lecture fees. Other recurrent expenditure including course materials, special services, travel grants to university teachers, annual congress...etc is about 27 % of total recurrent expenditure of the year under review. The composition of the recurrent expenditure is given in the above figure.

13.2. Details of Capital Expenditure

Subject	2011 (Rs.)		2012 (Rs.)		2013 (Rs.)	
	Allocation	Actual	Allocation	Actual	Allocation	Actual
a) Acquisition of Furniture & Office Equipments	4,000,000	70,826	2,000,000	2,988,881	2,500,000	3,976,203
b) Acquisition of Lab. & Teaching Equipments	-	-	-	667,520	-	-
c) Rehabilitation and improvement of Building & Structures	6,000,000	-	7,800,000	267,937	6,706,000	8,430,449
d) Motor Vehicle	-	-	-	8,350,000	-	-
e) Others- Library Books & Periodicals	1,500,000	325,087	1,500,000	8,023	-	996,409
Total	11,500,000	395,913	9,800,000	12,282,361	9,206,000	13,403,061



About 63% of the capital investment budget of nearly Rs. 8.43 million was for the Rehabilitation of Building No 01 of the institute and 30% of the capital budget of nearly 3.98 million was set aside for acquisition of furniture and office equipments upgrading the facilities in the class rooms and computer laboratories. Further an amount of nearly 1.0 million was spent for acquisition of books and periodicals for the Agriculture library of the Institute. The composition of capital expenditure are given in the above figure.

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**STATUTORY REPORT AND DISCLOSURE OF SIGNIFICANT ACCOUNTING POLICIES
FOLLOWED IN PREPARING THE FINANCIAL STATEMENTS OF THE
POSTGRADUATE INSTITUTE OF AGRICULTURE, UNIVERSITY OF PERADENIYA
FOR THE YEAR ENDED 31ST DECEMBER 2013**

1. General

The Financial Statements of the Postgraduate Institute of Agriculture for the year ended 31st December 2012 have been prepared in terms of section 12 (3) (e) and 19 (1) of the Postgraduate Institute of Agriculture Ordinance No. 9 of 1979, 106 (1) and 107 (b) of the Universities Act No.16 of 1978 and as amended by the subsequent legislation and in pursuance of the Finance Act. No 38 of 1971.

2. Accounting Policies

2.1 Basis of Accounting

The Financial Statements are prepared under the historical cost convention in accordance with generally accepted Accounting Principles and Accounting Standards laid down by the Institute of Chartered Accountants of Sri Lanka. No adjustment has been made for inflationary factors affecting the Accounts.

2.1.1. The Presentation of Financial Statements have been made in accordance with Public Enterprise Circulars No. 19 and Sri Lanka Public Sector Accounting Standards (SLPSAS) Volume I & II.

3. Property, Plant & Equipment

3.1. Property, Plant and Equipment are stated at cost and the depreciation is provided in terms of the UGC Circulars No. 649 of 5th October 1995 and LKAS 16. The rates of depreciation for PPE are decided in accordance with the instructions of UGC circular.

<u>Property, Land and Equipment</u>	<u>Rate of Depreciation</u> <u>per annum (%)</u>
Building & Structure	05
Office Equipment	20
Housing Projects Equipment	20
Furniture and Fittings	10
Laboratory, Teaching & Office Equipment	20
Motor Vehicles	20
Library Books and Periodicals	20
Housing Projects	10

Depreciation of an asset begins when it is available for use and ceases at the earlier of the dates on which the asset is classified as held for sale or is derecognised.

3.2 The ownership of the land in which the PGIA buildings are not legally vested to the PGIA. Hence, the value of the land is not considered in the Accounts.

4. Current Assets

Assets classified as current assets on the balance sheet are cash and bank balances and those which are expected to be realised in cash during the normal operating cycle or within one year from the reporting date, whichever is shorter.

4.1 Inventories/ Stocks

Inventories/ Stocks are valued at actual cost. The method adopted in determining the cost is first-in first out basis (FIFO). The stock balance appearing in accounts has been physically verified.

4.2 Trade & Other Receivables

Trade and other receivables are stated at their estimated realisable amount.

Actual loan balances to be recovered from the staff as at 31st December 2013 are considered as loans receivable.

Course fees and student registration fees receivable from students registered at this Institute from 2008 to 2013 have been calculated taking into consideration the number of students who have actively continued their studies during the stipulated time period. Students who have not progressively continued their studies and who have voluntarily withdrawn from their respective study programme were not considered in calculating receivable as per LKAS 37 since the uncertainty involving in receiving those payments.

The revenue from course fees is recognized during the stipulated programme duration as follows;

M.Sc Degrees	-	1 1/2 years
M.Phil Degrees	-	2 years
MBA Degrees	-	2 1/2 years
PhD Degrees	-	3 Years

4.3 Cash and Cash Equivalents

Cash and cash equivalents comprise cash balances and call deposits.

5. Liabilities & Provisions

Liabilities classified as current liabilities on the Balance Sheet are those which fall due for payment on demand or within one year from the reporting sheet date. Non-current liabilities are those balances that fall due for payment later than one year from the reporting sheet date.

All known liabilities have been accounted for in preparing the Financial Statements.

5.1 Employee Benefits

5.1.1 Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to Employee Provident and Employee Trust Funds covering all employees are recognised as an expense in profit and loss as incurred.

The PGIA contributes 15% and 3% of gross emoluments to employees as Provident Fund and Trust Fund contributions respectively.

5.1.2 Defined Benefit Plans

A defined benefit plan is a post –employment benefit plan other than a defined contribution plan.

Provision has been made for retirement gratuities from the first year of service for all employees, in conformity with LKAS 19 on employee benefit. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

5.2 Provisions

A provision is recognised if, as a result of a past event, the PGIA has present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation.

5.3 Trade and Other Payables

Trade and other payables are stated at their cost.

6. Contingent Liabilities and Assets

No contingent assets or liabilities have been recognised by the Postgraduate Institute of Agriculture as at 31.12.2013

7. Statements of financial Performance

7.1 All the Expenditure incurred in the running of the business and maintaining the Capital Asset in state of efficiency has been charged to revenue in arriving at the surplus for the year.

7.2 Expenditure incurred for the purpose of acquiring, extending and improving assets of a permanent nature by means of which is to carry on the business for the purpose of increasing the earning capacity of the business has been treated as Capital Expenditure.

8. Taxation

PGIA is exempted from paying income tax under the section 7 (b) (v) of Inland Revenue Act No. 10 of 2006.

9. Government Grant

Government grant for capital is treated in the accounts based on capital approach according to LKAS - 20

Description	Amount Allocated Rs.	Amount Released Rs.	Balance Rs.
Recurrent Grant	19,028,000	19,000,000	-
Rehabilitation & Improvement			
01. Buildings	6,800,000	6,706,000	-
02. Vehicles	-	-	-
03. Equipment	-	-	-
04. Others	-	-	-
Acquisition of Assets			
01. Books & Periodicals	-	-	-
02. Office & Lab Equipment	-	-	-
03. Office Equipment	2,406,000	2,500,000	-
Total	9,206,000	9,206,000	-

POSTGRADUATE INSTITUTE OF AGRICULTURE
UNIVERSITY OF PERADENIYA
STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2013

	Note	As at 31/12/2013		As at 31/12/2012	
		Rs.	Rs.	Rs.	Rs.
ASSETS					
Current Assets					
(a) Cash & cash equivalents	01	2,737,775		87,708,619	
(b) Short Term Investment	02	7,000,000		6,500,000	
(c) Trade & other receivables	03	35,002,255		1,860,057	
(d) Inventories/Stocks		1,190,287		1,414,655	
(e) Text Books & PGIA Publication		1,754,552		1,961,995	
(f) Prepayments	04	1,050,692		535,660	
(g) Loans & advances	05	4,993,288		5,408,313	
(h) Other financial assets		157,800	53,886,648	157,800	105,547,099
Non-current Assets					
(a) Investment	06	201,537,854		83,863,421	
(b) Property, plant & equipment	07	58,809,240	260,347,094	54,988,284	138,851,705
Total Assets			314,233,742		244,398,804
LIABILITIES					
Current Liabilities					
(a) Advance Income	08	2,597,950		-	
(b) Deferred Income	09	18,245,711		-	
(c) Payables	10	14,522,988		15,803,224	
(d) Accrued expenses/provisions	11	24,374,080	59,740,730	24,740,967	40,544,190
Non-current Liabilities					
(a) Deferred Income	09	2,585,967		-	
(b) Provision for gratuity	12	9,788,833	12,374,799	9,558,573	9,558,573
Total Liabilities			72,115,529		50,102,763
Total Net Assets			242,118,213		194,296,041
NET ASSETS/EQUITY					
Deferred Staff Loan Benefit		2,139,229		2,253,046	
IFRS Adjustment A/C on Staff Loan		(2,139,229)	-	(2,253,046)	
Accumulated fund	13	45,840,216		39,122,706	
Surplus/(Deficit) - B/ B/F	14	184,767,513		143,388,207	
Restricted funds	15	11,510,484	242,118,213	11,785,128	194,296,041
Total Net Assets/Equity			242,118,213		194,296,041


Prof. D.A.N. Dharmasena
 Acting Director/Accounting Officer


B.G.S.P. Jayakody
 Senior Assistant Bursar

**POSTGRADUATE INSTITUTE OF AGRICULTURE
UNIVERSITY OF PERADENIYA**

STATEMENTS OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31ST DECEMBER 2013

	Note	As at 31/12/2013	As at 31/12/2012
		Rs.	Rs.
Operating Revenue			
Recurrent Grant		19,000,000	15,400,000
Internal Income	16	87,288,434	65,974,956
Amotization of Govt. Grant		5,988,490	6,631,963
		112,276,923	88,006,919
Operating Expenses			
Personal emoluments	17	39,907,916	39,408,203
Travelling	18	90,183	69,593
Supplies and consumables	19	3,303,068	2,992,028
Maintenance	20	1,239,819	737,389
Contractual services	21	5,448,947	5,158,518
Research and development			-
Depreciation	22	8,898,590	8,771,214
Other operating expenses	23	19,137,868	9,598,707
Total operating expenses		78,026,391	66,735,651
Net surplus/(deficit) for the period		34,250,532	21,271,268
Other Comprehensive Income			
Exchange gain / loss in translating foreign operations			
Revaluation Surplus			
Gain/loss on fair value re-measurement of available for sale financial assets			
Actuarial gain / loss on pension plans			
Other Comprehensive Income		34,250,532	21,271,268
Total Comprehensive Income		34,250,532	21,271,268


Prof. D.A.N. Dharmasena
Acting Director/Accounting Officer


B.G.S.P. Jayakody
Senior Assistant Bursar

POSTGRADUATE INSTITUTE OF AGRICULTURE

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2013

(in thousands of currency units)

	Accumulated Fund	Revaluation Reserve	Translation Reserve	Total
Balance as at 31 December 2011	190,079,109	-	-	190,079,109
Changes in accounting policy	-			
Restated balance	<u>190,079,109</u>	<u>-</u>	<u>-</u>	<u>190,079,109</u>
Surplus on revaluation of properties	-	-		-
Deficit on revaluation of investments		-		-
Currency translation differences		-	-	-
Amotization of Govt. Grant on Value of Fixed Assets	(6,631,963)			
Net gains and losses not recognised in the statement of financial performance	(10,422,373)			(10,422,373)
Surplus/(deficit) for the period	21,271,268	-	-	21,271,268
Balance as at 31st December 2012	<u>194,296,041</u>	<u>-</u>	<u>-</u>	<u>194,296,041</u>
Deficit on revaluation of properties		-		-
Surplus on revaluation of investments		-		-
Currency translation differences			-	-
Amotization of Govt. Grant on Value of Fixed Assets	(5,988,490)			
Net gains and losses not recognised in the statements of financial performance	19,560,129	-	-	19,560,129
Surplus/(deficit) for the period	34,250,532	-	-	34,250,532
Balance as at 31 December 2013	<u><u>242,118,213</u></u>	<u><u>-</u></u>	<u><u>-</u></u>	<u><u>242,118,213</u></u>


Prof. D.A.N. Dharmasena
Acting Director/Accounting Officer


B.G.S.P. Jayakody
Senior Assistant Bursar

POSTGRADUATE INSTITUTE OF AGRICULTURE
APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31ST DECEMBER 2013

		2013	2012
		Rs.	Rs.
B/F	Excess of Income over expenditure	34,250,532	21,271,268
	Balance B/F from previous year	143,388,207	146,662,940
		177,638,740	167,934,208
ADD :			
	01. Income in respect of past year	25,281,815	95,450,621
	02. Other adjustments - Credits	-	-
		202,920,554	263,384,829
LESS :			
	01. Adjustment- Accumulated Depreciation	-	-
	02. Payments in respect of past year	14,653,041	111,818,349
	03. Adjustments - Debits	-	-
	04. Capital expenditure from Income & General Reserve	3,500,000	8,178,273
		18,153,041	119,996,621
		184,767,513	143,388,207


Prof. D.A.N. Dharmasena
 Acting Director/Accounting Officer


B.G.S.P. Jayakody
 Senior Assistant Bursar

INDIRECT METHOD CASH FLOW STATEMENT

POSTGRADUATE INSTITUTE OF AGRICULTURE
CASH FLOW STATEMENT FOR YEAR ENDED 31 ST DECEMBER 2013

	2013	Rupees "000"
	Actual	2012
	Rs.	Actual
		Rs.
Cash Flows from Operating Activities		
Surplus/(deficit) from ordinary activities	34,250.53	21,271
Non -cash movements	34,250.53	21,271
Depreciation on property, plant and equipment	8,898.59	8,771
Provision for gratuity	1,001.12	1,254
Interest on Investments	(27,731.92)	(16,698)
Prior Year Adjustments	9,577.05	(16,421)
Increase/Decrease in working capital		
Increase/(decrease) in inventories	431.81	(1,415)
Increase/(decrease) in provision relating to employee costs	-	-
Increase/(decrease) in payables	22,746.93	22,949
Gain/ (loss) on sale of property, plant and equipment	-	-
Gain/(loss) on sale of investments	(118,174.43)	(47,050)
Increase/(decrease) in other current assets	415.00	(280)
Increase/(decrease) in trade & other receivables	(33,657.23)	(1,266)
Amotization of Govt. Grant	(5,988.48)	(6,632)
Net cash flows from operating activities	(108,231.03)	(35,516)
CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(4,972.59)	(12,013)
Class room complex	-	-
Rehabilitation expenses	(8,430.49)	(268)
Other financial assets	-	(75)
Interest on investments	27,731.92	16,698
Net cash flows from investing activities	14,328.84	4,342
CASH FLOW FROM FINANCING ACTIVITIES		
Govt grant: Capital	9,206.00	4,000
Withdrawals of investment	-	-
Payment of Gratuity	-	-
Self funding projects (net value)	(274.65)	2,033
Net cash flows from financing activities	8,931.35	6,033
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS	(84,970.84)	(25,140)
Cash & Cash Equivalents at the beginning of the Period	87,708.61	112,849
Cash & Cash Equivalents at the end of the Period	2,737.77	87,709
Net increase in Cash and Cash Equivalents	(84,970.84)	(25,140)


Prof. D.A.N. Dharmasena
 Acting Director/Accounting Officer


B.G.S.P. Jayakody
 Senior Assistant Bursar

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	2013 Rs.	2012 Rs.
01. CASH & CASH EQUIVALENTS		
Bank balances		
People's Bank A/C No. 057100131338027	(156,574.70)	8,855,012.26
People's Bank A/C No. 057100131338032	1,504,552.56	273,496.08
Bank of Ceylon A/C No. 0001273337	1,278,119.39	3,424,433.51
People's Bank A/C No. 057-1-002-20000258	111,677.48	155,677.48
Transfer of funds to Research Account		75,000,000.00
Total	2,737,774.73	87,708,619.33

Closing balances of above bank accounts as at 31st December 2013 were reconciled with respective cash books.

02.SHORT TERM INVESTMENT

Call deposits-Recurrent (No 257600100010403-0)	2,000,000.00	2,000,000.00
Call deposits-Research Account (73272662)	5,000,000.00	2,500,000.00
Call deposits-Capital Account	-	2,000,000.00
Total	7,000,000.00	6,500,000.00
Total	9,737,774.73	94,208,619.33

03. TRADE & OTHER RECEIVABLES (Schedule A)

Interest Receivable	15,490,370.25	1,860,037.00
Tuition Fees Receivable	11,784,638.09	-
Registration & Other Fees Receivable	7,586,386.74	
Cheques/M.O. returned by Bank	20.00	20.00
Interest Receivable on Property Loan	60,839.46	
Income Receivable	80,000.00	
Total	35,002,254.54	1,860,057.00

04 . PREPAYMENTS/ PERIODICALS

Books in transit (Book advance)	943,825.60	260,310.21
Pre-payments	106,866.25	275,349.67
Total	1,050,691.85	535,659.88

	2013 Rs.	2012 Rs.
05. LOANS AND ADVANCES (Schedule B)		
Staff loans & Advances		
1. Staff loans	66,810.00	80,750.00
2. Distress loans	4,124,061.99	4,514,447.99
3. Transport loans	418,416.00	569,240.00
4. Festival advances	8,500.00	6,750.00
5. Computer loans	375,500.00	237,125.00
6. Salary advances	-	-
Total	4,993,287.99	5,408,312.99
Miscellaneous Advances		
1. Research grants advances	-	-
2. General advances	-	-
3. Capital advances	-	-
Total	4,993,287.99	5,408,312.99
06 - INVESTMENT - SHORT-TERM		
SAVING DEPOSITS		
1. Bank of Ceylon Savings Accounts:		
PGIA research fund savings A/C No. 1280803	147,644.79	141,865.04
World wildlife fund savings A/C No. 1282692	-	-
2. People's bank savings accounts:		
PGIA deposits savings A/C No. 057-2-001-3-1360625	184,064.67	175,137.69
Student scholarships savings A/C No. 057-2-001-7-1360628	-	-
Rehabilitation savings A/C No. 057-2-001-3-1993699	280,750.16	267,133.99
Total	612,459.62	584,136.72
FIXED DEPOSITS (Schedule C)		
Deposits Number & Bank		
1. FD Peoples Bank No. 346483 (57600100003911-0)	13,404,038.43	11,757,928.45
2. FD Peoples Bank No. 783532 (057600100003001-1)	1,000,000.00	1,000,000.00
3. FD Peoples Bank No. 567898 (05760010000230209)	300,000.00	300,000.00
4. FD Peoples Bank No. 964239 (057-60-01-00010606-5)	5,000,000.00	-
5. FD Peoples Bank No. 057-60-01-00010954-3	3,000,000.00	-
6. FD Bank of Ceylon No. 773545(2-001585-1)	1,416,355.69	1,416,355.69
7. FD Bank of Ceylon No. 8826295	6,600,000.00	6,600,000.00
8. FD Peoples Bank No. 57600100009281-9	10,000,000.00	10,000,000.00
9. FD Peoples Bank No. 57600100009545-1	29,700,000.00	29,700,000.00
10. FD Peoples Bank No. 57600100008453-3	5,000,000.00	5,000,000.00
11. FD Peoples Bank No. 57600100010019-6	12,500,000.00	12,500,000.00
12. FD Peoples Bank No. 57600100010401-2	-	5,000,000.00
13. FD Peoples Bank No. 057600100011492-0	8,000,000.00	-
14. FD Peoples Bank No. 57600100010436-1 Stoer Keeper	5,000.00	5,000.00
15. FD Bank of Ceylon No. 74187080	75,000,000.00	-
16. FD Peoples Bank No. 57600100010799.2	25,000,000.00	-
17. FD Peoples Bank No. 57600100011561-6	5,000,000.00	-
Total	200,925,394.12	83,279,284.14
Total	201,537,853.74	83,863,420.86

NOTES TO THE FINANCIAL STATEMENTS

07. PROPERTY, PLANT & EQUIPMENT	Land & Buildings	Furniture & Fittings	Office Equipment	Motor Vehicle	Telephone	Library Books & Periodicals	Housing Project Equipment	Laboratory & Teaching Equipment	Total
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
Cost									
As at 1st January 2013	65,308,306.90	1,580,327.80	7,262,330.75	14,495,000.00	34,915.17	33,688,599.27	490,748.65	44,488,868.94	167,349,097.48
Less/Add: Adjustment									
Additions	8,430,449.45	74,707.49	3,901,496.00			312,893.22			12,719,546.16
Cost as at 31st December 2013	73,738,756.35	1,655,035.29	11,163,826.75	14,495,000.00	34,915.17	34,001,492.49	490,748.65	44,488,868.94	180,068,643.64
Less: Depreciation									
Accumulated Depreciation as at 1st January 2013	26,216,974.46	1,183,577.80	4,482,707.38	6,438,267.76	34,915.17	31,777,392.55	490,748.66	41,736,229.72	112,360,813.50
Previous Year Adjustment			154,505.05					(154,505.05)	
Charged to Income & Expenditure Account	3,229,789.20	136,243.55	931,918.29	2,449,000.00		903,000.87		1,248,637.79	8,898,589.70
Accumulated Depreciation as at 31st December 2013	29,446,763.66	1,319,821.35	5,569,130.72	8,887,267.76	34,915.17	32,680,393.42	490,748.66	42,830,362.46	121,259,403.20
Net Book Value as at 31st December 2013	44,291,992.69	335,213.94	5,594,696.03	5,607,732.24	-	1,321,099.07	-	1,658,506.48	58,809,240.44
									54,988,283.98

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	2013 Rs.	2012 Rs.
08. ADVANCE INCOME		
1. Advance Course Income Account	2,597,950.00	-
	<u>2,597,950.00</u>	<u>-</u>
09. DEFERRED INCOME		
1. Deferred Registration & Other Fees Income	481,911.40	
2. Deferred Tuition Fees Income	20,349,766.67	
	<u>20,831,678.07</u>	<u>-</u>
10. PAYABLES (Schedule D)		
Deposits		
1. Science deposits	3,327,566.78	4,722,866.78
2. Library deposits	10,091,307.00	9,835,591.00
3. Tender deposits	44,492.00	44,492.00
4. Retention Payable	711,653.63	235,848.10
	<u>14,175,019.41</u>	<u>14,838,797.88</u>
5. Cancelled cheques	100,853.00	152,888.00
6. Foreign Student Research Fund	83,340.01	83,340.01
7. Others (Security deposits)	1,668.00	1,668.00
8. Creditor's A/c Heladiwa Glass Palace	-	721,530.00
9. Other deposit - DGNC Perera (store keeper)	5,700.00	5,000.00
10. Creditor's A/c State Trading Corporation	156,408.00	
	<u>14,522,988.42</u>	<u>15,803,223.89</u>
Total	<u><u>37,952,616.49</u></u>	<u><u>14,838,797.88</u></u>

	2013 Rs.	2012 Rs.
11. ACCRUED EXPENSES		
1. Visiting lecture fees	19,036,813.00	20,987,698.00
2. Special services council	134,600.00	192,500.00
3. Examination expenses	629,467.54	185,153.50
4. Fuel supplies	20,521.92	15,711.80
5. Communication expenses	134,160.40	105,894.77
6. Holiday pay	9,054.00	11,493.50
7. Chemical Supplies	-	513,814.14
8. Electricity charges	293,726.14	88,281.60
9. Uniform cloth supplies	52,082.30	-
10. Travelling expenses	5,700.00	3,250.00
11. Overtime	172,943.00	188,782.00
12. Equipment Repairs	3,998.40	-
13. Travel grants to teachers	145,464.00	53,128.00
14. Stationery Supplies	6,978.50	34,188.00
15. Cleaning Service	122,795.68	70,560.00
16. Congress Expenses	452,196.78	-
17. Vehicle Repairs	-	12,540.00
18. Stamp Duty	4,850.00	10,750.00
19. Salaries & Wages	396,810.00	33,625.00
20. Provident Fund	8,100.00	-
21. Employees Trust Fund	972.00	-
22. Holiday Warrant	10,830.00	11,480.00
23. Other supplies	9,460.00	2,875.00
24. Rental & Higher Charges	3,120.00	780.00
25. Transport Expenses	-	16,463.21
26. Security charges	85,400.00	128,800.00
27. Water charges	305,118.00	278,190.00
28. Course Materials	-	626,758.00
29. Printing & Advertisement	30,199.54	-
30. Research Facilitate Fund	392,970.41	-
31. Corporate Planning	150,000.00	-
32. Workshop & Seminars	48,748.00	-
33. CAP NET Project	182,000.00	-
34. NSF Grant Dr. D.A.N. Dharmasena	5,160.00	-
35. HETC Projects - J. Nimalan	15,000.00	-
	22,869,239.61	23,572,716.52
Total	34,162,912.86	34,299,539.02

12. PROVISIONS

1. Special services professional & others (Audit fees)	1,504,840.75	1,168,250.00
2. Provisions for Gratuity	9,788,832.50	9,558,572.50
	11,293,673.25	10,726,822.50

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	2013 Rs.	2012 Rs.
13. ACCUMULATED FUND (Schedule E)		
Capital grant spent	48,131,386.43	40,638,034.58
Unspent capital grant	(2,308,628.28)	(1,336,016.18)
Unspent capital grant-rehabilitation	17,457.88	(258,092.67)
Contribution to capital outlay from Income & general reserve	-	78,780.00
Total	45,840,216.03	39,122,705.73
 14. SURPLUS/(DEFICIT) BALANCE A/C		
Balance as at 31st December 2012	143,388,207.38	146,662,939.85
	143,388,207.38	146,662,939.85
Less: Adjustment during the year		
(a). Previous year capital outlay from income	3,500,000.00	8,178,272.50
(b). Cancellation of welfare fund	-	-
(c). Cancellation of computer fund	-	-
(d). Cancellation of medical fund		
(e). Previous year adjustment	10,628,773.54	(16,367,728.01)
	7,128,773.54	(24,546,000.51)
	150,516,980.92	122,116,939.34
Add: Net surplus/(deficit) for the period	34,250,532.44	21,271,268.04
Surplus/(Deficit) - balance B/F	184,767,513.36	143,388,207.38
 15. RESTRICTED FUNDS		
(c) Research grants (Schedule F)	5,159,987.06	5,434,631.68
(d) Gifts & donations (Schedule G)	6,050,496.54	6,050,496.54
(e) Others (Schedule H)	300,000.00	300,000.00
Total	11,510,483.60	11,785,128.22

Object	2013			2012
	Budgeted	Actual	Variations	Actual
16. OTHER INCOME				
Interest from loans	225,000	221,028	3,972	216,868
Interest from investments	13,000,000	27,510,894	(14,510,894)	16,481,087
IFRS Adjustment A/C on Staff Loan	-	356,538	(356,538)	375,508
Interest				
Rent from properties	500,000	578,240	(78,240)	546,360
Library subscription	550,000	749,407	(199,407)	557,945
Sale of produce	-	-	-	-
Re-imburements	-	-	-	-
Miscellaneous receipts	500,000	2,670,269	(2,170,269)	2,356,943
Registration fees (Postgraduate)	8,000,000	10,589,942	(2,589,942)	6,981,793
Tuition fees (Postgraduate)	32,000,000	34,619,133	(2,619,133)	30,758,250
Examination fees (Postgraduate)	600,000	1,890,500	(1,290,500)	604,128
Sale of publications	1,000,000	1,007,430	(7,430)	1,073,072
Sale of Old Stores	20,000	-	20,000	31,200
Library fines	25,000	29,689	(4,689)	16,702
Medical fees	50,000	-	50,000	332,329
Student welfare fees	50,000	23,000	27,000	389,289
Supervision fees	-	-	-	693,815
Services rendered to outsiders	207,000	880,474	(673,474)	240,531
Internet charges	-	-	-	3,322,337
Workshops & Seminar	2,500,000	2,497,586	2,414	1,169,886
Bench / practicum fees expenses				190,000
Annual Congress Fees	2,000,000	3,244,430	(1,244,430)	1,867,823
Overhead charges	150,000	419,874	(269,874)	42,256
Others Receipts	150,000	-	150,000	
Total	61,527,000	87,288,434	(25,761,434)	68,248,122

Object	2013			2012
	Budgeted	Actual	Variations	Actual
17. PERSONAL EMOLUMENTS				
Salaries & wages	13,032,000	13,046,273	(14,273)	12,583,520
U.P.F. 15% (Non pensioners)	1,843,000	1,994,756	(151,756)	1,157,378
E.T.F. 3%	478,000	486,557	(8,557)	469,061
University pension	557,000	507,122	49,878	321,357
Acting Allowance	-	-	-	-
Academic allowance	943,000	1,175,705	(232,705)	869,529
Research Allowance (Academic)	379,000	529,213	(150,213)	348,989
Special Allowance 15%	1,890,000	2,052,095	(162,095)	1,754,275
Visiting lecture fees	15,000,000	13,024,478	1,975,522	15,246,638
Cost of living allowance	3,564,000	3,247,420	316,580	3,078,642
Overtime	2,100,000	2,165,672	(65,672)	1,664,775
Holiday pay	200,000	193,272	6,728	115,564
Other allowances	95,000	95,078	(78)	86,805
Language proficiency allowance	72,000	32,615	39,385	81,748
Gratuity	1,050,000	1,001,123	48,878	1,254,415
Employee Benefit on Staff Loan		356,538	(356,538)	375,508
Total	41,203,000	39,907,916	1,295,084	39,408,203
18. TRAVELING EXPENSES				
Travelling expenses (Domestic)	100,000	90,183	9,817	69,593
Travelling expenses (Foreign)	-	-	-	-
Total	100,000	90,183	9,817	69,593
19. SUPPLIES				
Stationery & office requisites	1,200,000	1,192,349	7,651	1,092,341
Fuel & lubricant	1,250,000	1,287,521	(37,521)	786,378
Uniforms including tailoring charges	75,000	64,611	10,389	26,875
Chemicals & Glassware	550,000	132,399	417,601	898,983
Medical Supplie	-	-	-	-
Mechanical & electrical goods	-	-	-	-
Others	550,000	626,188	(76,188)	256,861
Total	3,625,000	3,303,068	321,932	3,061,437
20. MAINTENANCE EXPENSES				
Vehicles	610,000	770,116	(160,116)	213,183
Plant, machinery & equipment	250,000	356,396	(106,396)	225,183
Buildings	100,000	109,307	(9,307)	101,600
Furniture	25,000	4,000	21,000	69,630
Others	-	-	-	-
Total	985,000	1,239,819	(254,819)	609,596

Object	2013			2012
	Budgeted	Actual	Variations	Actual
21. CONTRACTUAL SERVICES				
Transport	225,000	134,327	90,673	151,212
Security service	600,000	511,000	89,000	508,620
Rental & hire charges	10,000	9,360	640	9,360
Telecommunication	1,300,000	1,283,014	16,986	1,195,809
Postal charges	150,000	330,545	(180,545)	195,210
Electricity	1,200,000	1,198,046	1,954	1,072,361
Cleaning services	950,000	969,880	(19,880)	823,971
Rates & taxes to local authorities(VAT)	-	-	-	-
Water charges	200,000	78,840	121,160	98,286
Printing advertising	900,000	893,378	6,622	963,921
Others	100,000	40,557	59,443	196,751
Total	5,635,000	5,448,947	186,053	5,215,501
22. DEPRECIATION OF FIXED ASSETS				
Buildings (Including structures)		3,229,789		2,913,173
Office equipment		931,918		209,257
Laboratory & Teaching equipment		1,248,638		2,370,536
Library books & periodicals		903,001		844,729
Furniture & fittings		136,244		132,250
Motor vehicles		2,449,000		2,301,268
Total		8,898,590		8,771,214
23. OTHER RECURRENT EXPENDITURE				
Travel grant to university teachers	1,000,000	640,693	359,307	540,270
Special services - council & committees	1,400,000	1,126,198	273,802	835,486
Special services - professional & other fees	1,000,000	1,170,147	(170,147)	761,467
Academic research & publications	150,000	93,042	56,958	152,138
Staff development	250,000	82,750	167,250	53,250
Postgraduate research & scholarships	150,000	1,001,873	(851,873)	639,682
Course materials for students	5,000,000	3,962,926	1,037,075	1,784,543
Students welfare, employee welfare	150,000	92,500	57,500	41,958
Holiday warrants	15,000	17,050	(2,050)	36,020
Entertainment expenses	250,000	253,199	(3,199)	87,523
Sports Activities	100,000	-	100,000	6,250
Bank charges	45,000	42,855	2,145	25,178
Awards & indemnities	25,000	12,500	12,500	17,500
Convocation/annual congress	2,000,000	3,391,741	(1,391,741)	1,795,936
Contributions & membership fees	5,000	-	5,000	-
Examination fees	3,100,000	3,636,106	(536,106)	1,955,679
Workshops & Seminar	1,900,000	2,131,994	(231,994)	1,058,432
Research Facilitate Fund	1,400,000	1,185,050	214,950	
Co-operate Planning, Governance & Outreach	200,000	150,000	50,000	
Stamp dues	50,000	13,875	36,125	20,350
Other recurrent expenses	100,000	133,370	(33,370)	171,143
Total	18,290,000	19,137,868	(847,868)	9,982,804

14. AUDIT COMMITTEE REPORT - 2013

1. COMPOSITION OF THE AUDIT COMMITTEE

The Audit Committee of the Institute is formally constituted as a sub-committee of the Board of Management, to which it is accountable and it is wholly consisted of three Non-Executive members of the Board of Management and an internal member of the Board of Management. The attendance of the members at the Audit committee are as follows:

Name of the Member	No. attended
Dr. A.J. Satharasinghe, Chairman Director General, Dept. of Census & Statistics	03/04
Mr. W.D.L. Gunarathna, Member Director General, Dept. of Export Agriculture	04/04
Dr. D B T Wijeratne, Member Addl. Secretary, Ministry of Agriculture	01/04
Prof. K Samarasinghe, Member Dean/ Faculty of Agriculture, UoP	02/04

In addition to the above members, members of the Auditor General's Department and the Director of the Institute were invited to attend as observers.

2. MEETINGS

As per the Public Enterprise Circular No. PED/31, the committee is required to meet at least four (04) times a year. During the year under review, the committee was able to meet 04 times and reports of internal and the government auditor's were discussed at these meetings. The minutes of the committee were made available to the Governing Authority of the Institute for information and necessary action.

3. MAIN RESPONSIBILITIES

The main objective of the Audit committee is to assist the Board of Management to effectively carry out its responsibilities relating to financial and other connected affairs of the Institute. The main responsibilities of the Audit Committee comprises –

- a. Reviewing and monitoring the integrity of the financial statements, financial reporting and audit process.
- b. Examining any matters relating to financial and other connected affairs of the Institute.
- c. Monitor internal audit plan & programmes.
- d. Review and take action on internal and external audit reports and follow-up on the recommendations.
- e. Review and monitor the effective operation of internal control systems.
- f. Approving the annual internal audit plans and programmes.

4. ACTIVITIES OVERSEEN BY THE AUDIT COMMITTEE DURING THE YEAR

a. The following activities have been attended to during the year under review;

- Monitoring and preparation of Fixed Asset Register for the Institute until the task is completed by giving instructions to the Institute;
- Rectification of accounting errors which could be done in the year itself and monitoring of activities of the Accounts Division to ensure that same errors have not been repeating in future;
- Monitoring and streamlining of vehicle maintenance activities and preparation of fuel consumption;
- Overseen conduct of annual verification for the year 2013 on time;
- Streamlining conduct of Audit Committee and answering to audit queries;
- Overseen the COPE recommendations are attended to;
- Continuously monitored preparation of Corporate Plan for 2013-2016 and the Action Plan for the year 2013;
- Monitoring systems adopted in the Institute, in respect of project activities that were undertaken by the Institute to ensure the compliance of rules, regulations and circular instructions and reports of same had been brought to the notice of the Board of Management for implementation and for compliance.

b. Approving & Monitoring Internal Audit Plan and Programme

The Audit Committee approved the internal audit programme for the year 2013 submitted by the Senior Assistant Internal Auditor of the University of Peradeniya, who has been assigned to the PGIA by the University itself. At all 04 meeting held, the Audit Committee considered the quarterly progress reports submitted by the Senior Asst. Internal Auditor as against the planned activities embedded in the audit plan approved by the Audit Committee. The Committee reviewed and monitored the effectiveness of the Internal Audit and inspection functions of the Internal Audit Division and provided the guidance to improve the status of the Institute with good practices.

c. Compliance with Laws and Regulations

The Audit Committee reviewed the reports submitted by the External Auditors, Internal Auditors and COPE recommendations etc. on the state of compliance with applicable laws and regulations. The institute also established the Senior Management Committee as per the circular issued by the Dept. of Public Enterprises in the latter part of the year and had a couple of meetings at which decisions were taken to streamline the process of the Institute keeping in line with the directives given by the Audit Committee.

The Audit Committee continuously reviewed the process of replying to audit queries and instructed the authorities to answer audit queries raised by the Auditor General on time. The Committee had satisfied with the answers provided, especially to the queries by the Auditor General and had a useful discussions with the Government Auditors to rectify

the lapses and shortcomings in the administrative process of the institution, which would result in the satisfactory outcome in the year ended as at 31st December 2013.

d. Review and strengthening internal control systems

The Audit Committee also reviewed the effectiveness of the Institute's internal controls over the financial reporting and other related core areas such as vehicle administration, contract administration, control of overtime payments, purchasing of capital goods, conducting annual stores verification/ Inventory verification/ Library material verification, recovery of unsettled student payments etc., preparation of Fixed Asset Register, settlement of matters relating to the Electronic Identity Card System etc., and provided the necessary guidance to overcome the unsettled matters and made necessary recommendations to strengthen the internal control systems.

e. Meetings of Audit Committee

Four (04) Audit Committee meetings were held during the year ended as at 31st December 2013. The Audit Superintendent of the Government Audit Department and the Director of the Institute were also present at all Audit Committee meetings as observers on invitation. In addition, Dean, Faculty of Agriculture, University of Peradeniya had also been appointed as a member of the Audit Committee.

5. CONCLUSION

The Audit Committee is satisfied with the initiatives taken by the Institute as per the directives given by them, the progress achieved, the effectiveness of the internal controls systems of the Institute and the follow up actions taken on the recommendations given by the Committee on outstanding matters such as preparation of Fixed Assets Register, matters relating to Electronic ID Card System operating in the Institute during the year 2013. As a result, the Committee noted that the PGIA would be receiving subject opinion for the final accounts of the Institute for year ended as at 31.12.2013.

Sgd./-

Dr. A.J. Satharasinghe, Chairman/Audit Committee
Postgraduate Institute of Agriculture (PGIA)
Addl. Director General, Dept. of Census & Statistics



විගණකාධිපති දෙපාර්තමේන්තුව
கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය } සිප්ල්/කේට්/ජේ/පීඒඅයිඒ/ } ඔබේ අංකය } 2015 මාර්තු 23 දින
 எனது இல. } 1/13/10 } உமது இல. } Date }



අධ්‍යක්ෂ,
 කෘෂිකර්ම විද්‍යා පශ්චාත් උපාධි ආයතනය

කෘෂිකර්ම විද්‍යා පශ්චාත් උපාධි ආයතනයේ 2013 දෙසැම්බර් 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන පිළිබඳව 1978 අංක 16 දරන විශ්වවිද්‍යාල පනතේ 108(1) උපවගන්තිය ප්‍රකාර විගණකාධිපති වාර්තාව

මාගේ සමාංක හා 2014 දෙසැම්බර් 11 දිනැති ලිපියට යොමුවේ.

02. ඉහත සඳහන් ලිපිය සමඟ එවන ලද මාගේ වාර්තාවේ ඉංග්‍රීසි අනුවාදය මේ සමඟ එවා ඇත.

Chunary
 ඩබ්ලිව්.පී.සී. චිත්‍රමරත්න
 විගණකාධිපති (වැඩබලන)

- පිටපත් :
1. ලේකම් - මහාමාර්ග, උසස් අධ්‍යාපන හා ආයෝජන ප්‍රවර්ධන අමාත්‍යාංශය
 2. ලේකම් - මුදල් අමාත්‍යාංශය
 3. සභාපති - විශ්වවිද්‍යාල ප්‍රතිපාදන කොමිෂන් සභාව
 4. උපකුලපති - ජේරාදෙණිය විශ්වවිද්‍යාලය



විගණකාධිපති දෙපාර්තමේන්තුව
கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இல.
My No. }

CLI/KD/J/PGIA/
1/13/10

ඔබේ අංකය
உமது இல.
Your No. }

දිනය
திகதி
Date }

11 December 2014

Director,
Postgraduate Institute of Agriculture

Report of the Auditor General on the Financial Statements of the Postgraduate Institute of Agriculture for the year ended 31 December 2013 in terms of Sub-section 108(1) of the Universities Act, No. 16 of 1978

The audit of financial statements of the Postgraduate Institute of Agriculture for the year ended 31 December 2013 comprising the statement of financial position as at 31 December 2013 and the comprehensive income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory notes was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 20 of the Ordinance published in the Gazette Extraordinary No. 68/11 of 26 December 1979 and in terms of Sub-section 107(5) and Sections 108 and 111 of the Universities Act, No. 16 of 1978. My comments and observations which I consider should be published with the Annual Report of the University in terms of Sub-section 108(1) of the Universities Act appear in this report. A detailed report in terms of Section 108(2) of the Universities Act, was issued to the Director of the Institute on 03 June 2014.

1.2 Management's Responsibility for Financial Statements

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

1.3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards, consistent with International 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.



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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 judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Institute's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements. 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 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 Postgraduate Institute of Agriculture as at 31 December 2013 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**

Action in terms of Sri Lanka Public Sector Accounting Standard No. 07 had not been taken to revalue and account for 08 items of assets purchased for Rs.81,659,309 depreciated up to zero value but being further used.



2.2.2 Accounting Deficiencies

The annual salary totalling Rs.255,642 paid to a Driver recruited on assignment basis in the year 2013 had been shown under the Special Services Programme instead of being shown under the Salaries and Wages Object.

2.2.3 Lack of Evidence for Audit

The evidence indicated against the following 13 items of account of the year under review totalling Rs.204,367,725 had not been presented to audit.

Item	Value	Evidence not made available
	Rs.	
Lands and Buildings	73,738,756	Board of Survey Reports and Registers of Fixed Assets
Furniture and Fittings	1,655,035	- Do -
Office Equipment	11,163,827	- Do -
Motor Vehicles	14,495,000	- Do -
Library Books and Periodicals	34,001,492	- Do -
Laboratory and Teaching Equipment	44,488,869	- Do -
Telephones	34,915	- Do -
Equipment of Housing Project	490,749	- Do -
Retention Money	711,654	Letters of Confirmation of Balances
Other Deposits	157,800	- Do -
Prepayment of Registration and Other Charges	481,911	- Do -
Course Fee Income received in advance	20,349,767	- Do -
Income received in Advance	2,597,950	- Do -
Total	204,367,725	



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

The following non-compliances were observed.

Reference to Laws, Rules, Regulations, etc.	Non-compliance
<p>(a) Finance Act, No. 38 of 1971</p> <p>Section 11</p>	<p>Even though the surplus money of an institution can be invested with the approval of the appropriate Minister and concurrence of the Minister of Finance, a sum of Rs.121,000,000 had been invested in the year under review without such approval.</p>
<p>(b) Establishments Code of the Democratic Socialist Republic of Sri Lanka</p> <p>(i) Sections 3.7 and 3.8 of Chapter XXIV of the Establishments Code</p> <p>(ii) Sections 28.5 and 28.6 of Chapter XIV</p>	<p>After the grant of a loan, the recovery of the loan installments should commence from the month following. Nevertheless, the loan installments totalling Rs.214,535 in respect of April and December relating to the loans granted in the year under review to 27 officers had not been recovered.</p> <p>Penalties totalling Rs.58,523 recoverable from the officers who did not submit travelling claims within 30 days after the completion of the journeys had not been recovered.</p>
<p>(c) Financial Regulations of the Democratic Socialist Republic of Sri Lanka</p> <p>(i) Financial Regulation 371(4)</p>	<p>Even though the Accounting Officer himself should not obtain ad hoc imprests for expenditure on inappropriate activities, 39 per cent or Rs.23,488 out of advances amounting to Rs.60,000 obtained in 03 instances had been settled without being utilized for the intended purpose.</p>



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- (ii) Financial Regulation 751
- Even though all goods received should be recorded immediately in the stock book, test checks revealed that goods received valued at Rs.41,000 had not been recorded in the stock books.
- (d) Public Administration Circulars No. 41/90 of 10 October 1990/ Section 08 of Chapter XXVII of the Establishments Code of the Universities.
- Even though the fuel consumption of every motor vehicle should be properly tested by a competent Engineer once in every 06 months, such tests had not been so done in connection with 04 motor vehicles of the Institute..
- (e) Circular No. 1A1/2002/02 dated 28 November 2002 of the Secretary to the Treasury
- A separate register for the computers had not been maintained in terms of the Circular.
- (f) Public Finance Circular No. 446 of 01 September 2010.
- A sum of Rs.42,097 had been overpaid in the year under review due to the reimbursement of expenditure on telephones of the Director of the Postgraduate Institute of Agriculture exceeding the maximum limit applicable to him. The telephone expenditure of a Personal Assistant amounting to Rs.24,219 as well had been reimbursed without obtaining the approval of the Secretary to the Ministry.
- (g) Public Enterprises Circular No. 95(2) of 14 June 1994 and the Ministry of Finance Circular No. PE1/174/1-2003 of 29 January 2003
- Even though fees, incentives and allowance cannot be paid without the approval of the Treasury, allowances for the co-ordination of short term courses and co-ordination allowance for the annual conference totalling Rs.120,000 had been paid in the year under review.
- (h) University Grants Commission Circulars No. UGC/HR/6/1/13(1) of 29 May 2003 and Circular No 837 of 29 December 2003.
- Lecture fees and the practical test fees for short term courses amounting to Rs.253,850 exceeding the approved limit had been paid contrary to the circular.



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- (i) Public Administration Circular No. 13/2008(IV) of 29 February 2011. Even though the approved quantity of fuel per month for the Heads of Department or officers of equal status is 140 litres, payment contrary to the Circular had been made to the Director by treating 170 litres as the limit applicable to him. As such a sum of Rs.58,212 had been overpaid from January to December 2013.
- (j) No. IRD/PAYE/REG/01- dated 07 March 2011 of the Commissioner General of Inland Revenue – Tax Tables 07 and 01 on the amendments to the Inland Revenue Act in accordance with the Budget Proposals for the year 2011. Pay As You Earn Tax amounting to Rs.125,523 relating to 30 instances had not been recovered and remitted to the Commissioner General of Inland Revenue.

2.4 Transactions not supported by Adequate Authority

The following observations are made.

- (a) Even though the Director General of the Department of Public Enterprises had, by his letter No. PF/1/174/11 dated 06 March 1996, informed the Chairman of the University Grants Commission that the second and third languages proficiency allowance and salary increments can be paid only to the officers in the public service, contrary to that language proficiency allowance totalling Rs.1,307,794 had been paid from the year 1996 to May 2013.
- (b) Contrary to the provisions in paragraph 02 of the Circular No. PED/58(2) dated 15 September 2011 of the Director General of Public Enterprises, the Secretaries of the Academic Committees of the Institute had been paid Rs.162,500 in the year under review in respect of the preceding year.
- (c) According to Chapter II of Part IX of the Establishments Code of the Universities, overtime or holiday pay can be paid only if the stock verification work is done outside the duty hours. Contrary to that honorariums totalling Rs.127,303 had been paid to 05 officers for the year 2012 and 06 officers for the year 2013.



3. Financial Review

3.1 Financial Results

According to the financial statements presented, the surplus for the year ended 31 December 2013 amounted to Rs.34,250,532 as compared with the corresponding surplus of Rs.21,271,268 for the preceding year, thus indicating an increase of Rs.12,979,264 in the financial result for the year under review.

4. Operating Review

4.1 Management Inefficiencies

The Virginian University of the Netherlands had made available a sum of Rs.67,192,332 to the Institute for the implementation of the Crossing Boundaries Research Project and a sum of Rs.111,677 out of that remained without being spent. Action had not been taken even up to 31 March 2014, the date of audit to refund or settle the amount.

4.2 Underutilization of Funds

The following observations are made.

- (a) Three Research Fund balances totalling Rs.1,214,716 as at 31 December 2013 remained idle over periods ranging from 01 year to 04 years without being utilized.
- (b) Out of the sum of Rs.1,108,090 made available by the National Science Foundation in April 2013 for the Project on the Design and Development of a multi pass vibro fluidized-bed drier for tea and desiccated coconut sum of Rs.840,822 or 76 per cent remained without being spent.

4.3 Idle and Underutilized Assets

A stock of 180 Course Handbooks printed at a cost of Rs.88,200 for the Postgraduate Courses of the years 2010/12 had been identified as non-selling stocks.



4.4 Lands not Acquired Formally

Even though the Postgraduate Institute of Agriculture had been established in the year 1975 action had not been taken even up to 31 March 2014 to effect the legal transfer of the land. Buildings valued at Rs.73,738,756 had been constructed as at 31 December 2013 on lands not transferred legally.

4.5 Personnel Administration

The following observations are made.

- (a) A Human Resources Budget had not been prepared in terms of Section 09 of the Public Enterprises Circular No. PED/12 of 02 June 2003.
- (b) Three Officers/ employees for 03 posts had been recruited in the year under review without the prior approval of the Department of Management Services of the General Treasury as specified in the Circular No. 26/2010 dated 31 December 2010 of the Secretary to the Ministry of Public Administration and Home Affairs and had paid a sum of Rs.677,431 as salaries.

5. Accountability and Good Governance

5.1 Corporate Plan

According to Section 5.1.3 of the Public Enterprises Circular No. PED/12 of 02 June 2003, the Corporate Plan for a period of not less than 03 years should be prepared and the updated plan approved by the Board of Management should be furnished to the Auditor General, the Treasury, the line Ministry and the Department of Public Enterprises at least 15 days prior to the commencement of each year. But it had not been so done. The approval of the Board of Management for the Corporate Plan for the year 2013 had been obtained only on 26 July 2013.



5.2 Action Plan

Even though an Action Plan had been prepared for the achievement of the objectives included in the Corporate Plan, the approval of the Board of Management for that had been obtained only on 22 March 2013. The Institute had not formulated a methodology for the timely review of the progress according to the Action Plan.

5.3 Internal Audit

The following observations are made.

- (a) According to paragraph 07 of the Management Audit Circular No. DMA/2009(1) dated 09 June 2009 on "Guidelines on Internal Audit", the Internal Audit Programmes of the Institute should be prepared by paying special attention to the Financial Regulations 133 and 134. Nevertheless, Internal Audit Programmes covering all the Divisions had not been prepared while those programmes had not been developed annually to be in compliance with the changes in the Management and Financial processes in operation in the Institute.
- (b) According to paragraph 09 of the above circular, every Internal Audit Unit should prepare a quarterly Internal Audit Report for the Institute and submit that for discussions by the Management and Audit Committee and further submit an annual report. But those reports had not been furnished to the relevant Divisions.

5.4 Budgetary Control

The Annual Budget had not been made use of as an instrument for the achievement of the targets set for itself in the year ahead with a view to achieving the long term goals in terms of Section 5.2 of the Public Enterprises Circular No. PED/12 of 02 June 2003 of the Director General of Public Enterprises.



6. Systems and Controls

Weaknesses in the systems and controls observed during the course of audit were brought to the notice of the Director from time to time through my reports. Special attention is needed in respect of the following areas of control.

- (a) Research and Grants
- (b) Accounting
- (c) Maintenance of Registers
- (d) Stock Control
- (e) Staff Loan Administration

W.P.C. Wickramaratne
Acting Auditor General

Query No : CLI/KD/J/PGIA/1/13/10
File Reference : Auditor General (Acting), Auditor General's Department
Subject : Report of the Auditor General – 2013

2.2 Comments on Financial Statements

2.2.1 Sri Lanka Public Sector Accounting Standards

The Fixed Assets Register of the Postgraduate Institute of Agriculture has already been prepared and the approval had been granted by the Audit committee of the Institute at its 45th meeting held on 01st August 2014 to obtain services of the Government Department of Valuation for the revaluation of fixed assets shown at zero values after depreciation. Accordingly a request was made to the Divisional office of the Department of Valuation on 02nd December 2014 and the process of revaluation has already been started after submission of necessary schedules requested by them.

2.2.2 Accounting Deficiencies

There was no approved cadre with regard to the driver recruited on assignment basis in the year 2013 and funds for this activity had been estimated under Special Services Programme and expenditure also had been reported under Special Services Programme instead of being shown under the Salaries and Wages Object.

2.2.3 Lack of Evidence for Audit

<u>Item</u>	<u>Value (Rs.)</u>	<u>Explanation</u>
Land & Buildings	73,738,756	No assets register was available to the Institute up to the year under review and action had been taken to prepare a Fixed Assets Register as at 31 st December 2012 based on the inventory registers and physical verification details and submitted for audit. Also this register was revised based on the recommendations made by the Audit Committee of the Institute at its meeting held on 30 th December 2013 and submitted for audit along with the final accounts for the year 2013. Further, revaluation of fixed assets shown at zero

		values after depreciation has been commenced by the Department of Valuation based on a request made by the Institute as recommended by the Audit Committee at its meeting held on 01 st August 2014.
Furniture and Fittings	1,655,035	- Do -
Office Equipment	11,163,827	- Do -
Motor Vehicles	14,495,000	- Do -
Laboratory and Teaching Equipment	44,488,869	- Do -
Telephones	34,915	- Do -
Equipment of Housing Project	490,749	- Do -
Library Books	34,001,492	A committee appointed as per the provisions available in the Establishments Code have conducted the Board of Survey from 24 th July – 11 th August, 2014. The preliminary report was submitted to the Director of the Institute on 15 th November 2014 and explanations for the difference between the book balances and physically verified stock were obtained from the Senior Assistant Librarian. Action will be taken to forward a copy of the final report to the relevant authorities once received by the Institute.
Other Deposits	157,800	Balance Confirmation letters had been sent as at 31 st December 2013.
Retention Money	711,654	- Do -
Prepayment of Registration and Other Charges	481,911	- Do -
Course Fee Income received in advance	20,349,767	- Do -
Income received in advance	2,597,950	- Do -

2.3 Non-Compliance with Laws, Rules, Regulations and Management Decisions

(a) Section II of the Finance Act, No. 38 of 1971

Temporary surplus money generated through course fees received from students and research grants received from various organizations had been invested only in government banks as short-term fixed deposits and on-call deposits as per the Treasury Circular No: TO/DCF/30 dated 03rd March 2008. Further, a letter has been sent to the Secretary, Ministry of Finance on 05th December 2014 requesting to delegate the authority of investing temporary surplus money to the Board of Management of the Institute as recommended by the Finance Committee at its 27th meeting held on 26th September 2014 and approved by the Board of Management at its 210th meeting held on 28th November 2014.

(b) Establishments Code of the Democratic Socialist Republic of Sri Lanka

(i). Sections 3.7 and 3.8 of Chapter XXIV of the Establishments Code

According to the provisions of the Supplies and Finance Circular No.88 dated 03rd March 1978, loan installments are not deducted from April & December month salaries and only interest component is deducted. However loan installments including interest component have been deducted from the salaries of employees who have not expected this concession.

(ii). Sections 28.5 and 28.6 of Chapter XIV

Lecture claims and travelling claims of the lecturers who serve as visiting lecturers of the Institute are paid only after conducting lectures, examinations and submission of marks. Accordingly the date considered for the calculation of penalties is the date of submission of marks and not the date the journey had been completed. However these conditions have been removed after discussing this matter at the Coordinating Committee of the Institute held on 30th May 2014. Accordingly action will be taken to deduct penalties from the claims submitted by the visiting lecturers based on the date that the journey is completed.

(c) Establishments Code of the Democratic Socialist Republic of Sri Lanka

(i). Financial Regulation 371 (4)

Even though advances had been granted in 03 occasions based on the estimates submitted by the requesters; no expenditure had been incurred as expected. Action

will be taken to inform relevant officers to consider this issue when granting advances in future.

(ii). Financial Regulation 751

Receipt of 04 toners to the general stores valued at Rs. 41,000.00 on 14th March 2013 had not been entered in the stock book by an oversight. However, this receipt had been entered as a receipt under Goods Received Note No: 11497 and had been issued to the Printing Unit under Goods Issued Note Nos. 19 and 192. Therefore no effect had been made to the year-end stock balance and action has been taken to correct this issue in the records now.

(d) Public Administration Circulars No. 41/90 of October 1990 and Section 08 of Chapter XXVII of the Establishments Code of the Universities

Having considered the difficulty in obtaining the services of a competent engineer to test the fuel consumption of the vehicles of the Institute, the Audit Committee at its 40th Meeting held on 31st December 2013 granted permission to conduct this test under the supervision of 03 Executive officers of the Institute. Accordingly, fuel consumption for all vehicles except the vehicle assigned to the Director, had been tested in 02 occasions during the year under review and running charts had been balanced accordingly.

(e) Circular No. IAI/2002/02 dated 28 November 2002 of the Secretary to the Treasury

Action has already been taken to prepare a separate register for computers in terms of the Treasury Circular as pointed out in the audit report.

(f) Public Finance Circular No. 446 of 01 September 2010

When adopting the Public Finance Circular No. 446 of 01 September 2010 issued by the General Treasury on the payment of communication allowances to the government officers by the University Grants Commission, it is stated that communication expenses of the Middle/Junior level executive officers categorized under Category 1 can be reimbursed up to a limit of Rs. 4,000.00. Accordingly action has been taken to reimburse the telephone bills of the Senior Personal Secretary to the Director who is categorized under Level Executive as per the Commission Circular No: 922 subject to a limit of Rs.4,000.00 per month. Also payment of this allowance has been effected on the recommendation of the Finance Committee made at its 21st meeting held on 12th November 2012 and the approval of the Board of Management made at its 197th meeting held on 12th November 2012.

(g) Public Enterprises Circular No. 95 (2) of 14 June 1994 and Ministry of Finance Circular No. PE1/174/ 1 - 2003 of 29 January 2003

D.A.N. Dharmasena, Rs. 75,000.00

This allowance has been paid for coordinating an International Workshop conducted by the Postgraduate Institute of Agriculture from 05.05.2013 to 11.05.2013 for 11 Administrative Officers of the Nepal Government on the recommendation made by the Finance Committee at its 23st meeting held on 20.06.2013 and the approval of the Board of Management made at its 202nd meeting held on 27.09.2013.

B.L. Peiris, Rs. 10,000.00

This allowance has been paid on the recommendation the Finance Committee at its 23st meeting held on 20.06.2013 and the approval granted by the Board of Management at its 202nd meeting held on 27.09.2013 for coordinating a short course conducted by the Postgraduate Institute of Agriculture from 04.09.2013 to 06.09.2013 with the participation of 130 members.

R.M. Fonseka, Rs. 35,000.00

This payment has been made to the Coordinator of the Annual Congress which is a cadre position in the approved cadre of the Institute as per the recommendation made by the finance committee at its 23rd meeting held on 20th June 2013 and the approval granted by the Board of Management at its 202nd meeting held on 27th September 2013.

(h) University Grants Commission Circulars No. UGC/HR/6/1/13 (i) of 29 May 2003 and 837 of 29 December 2003

Provisions are given in the Commission Circular No. UGC/HR/6/1/13 (i) of 29 May 2003 and Circular No. 837 of 29 December 2003 for making payments to visiting lecturers for conducting lectures and practicals. However payment referred to in the audit report has been made for conducting lectures and practicals of an International Workshop and a short course conducted by the Institute. Therefore provisions given in the above circular is not applicable for these payments.

Further, the commission circular referred to in the audit report has been superseded by the new Circular No: UGC/HR/6/1/13 (I) dated 10.02.2014 and the upper limit referred to in the audit report has been removed.

Budgets prepared for these workshops have also been recommended by the Finance Committee and approved by the Board of Management and there a reasonably higher rate has been approved considering the time taken for preparing lectures, practicals and

expertise required in conducting these type of programmes compared to the normal lectures and practicals.

(i) Public Administration Circular No. 13/2008 (IV) of 29 February 2011

The officers who are entitled to assigned vehicles have not been categorized properly when adopting the Public Administration Circular No: 13/2008 (IV) of 29 February 2011 by the UGC Finance Circular No: 1/2011 dated 10.03.2011. Accordingly, when enquired from the UGC verbally, it was revealed that Secretary/University Grants Commission is paid within a limit of 170 litres. Also an equal amount of fuel allowance has been paid to the Secretary and the Director of Institutes according to the circulars issued earlier. Accordingly, payment of fuel allowance to the Director of the Institute has been done considering the limit as 170 litres. However, a letter has been sent to UGC on 06 November 2013 to clarify this matter further and a copy of the request is attached for your reference.

(j) No : IRD/PAYE//REG/01 – dated 07 March 2011 of the Commissioner General of Inland Revenue - Tax Tables 07 and 01 on the amendments to the Inland Revenue Act in accordance with the Budget Proposals for the year 2011

Out of the list given in the audit report as the relevant PAYE tax had not been deducted, the relevant tax component had been deducted from the below mentioned vouchers.

<u>Voucher No</u>	<u>Name</u>	<u>Paid Amount</u>	<u>Amount of Tax Deducted</u>
269	H.M.V.G. Herath	Rs. 13,500.00	Rs. 1,350.00
289	H.W. Cyril	Rs. 22,050.00	Rs. 2,205.00

(k) Other Visiting lecturers pertaining to the payments mentioned in the audit report have not been employed by more than one employer (already retired from the University Service) and thus are not subjected to the PAYE Tax according to the tax tables 07 and 01 on the amendments to the Inland Revenue Act in accordance with the Budget Proposals for the year 2011.

2.4 Transactions not supported by Adequate Authority

(a) Payment of second and third language proficiency allowance has been made based on the instructions given in the Establishments Circular Nos: 1996/14 & 1997/24 issued by the University Grants Commission and the appointment and promotion letters issued by the University in this regard.

Further, this allowance has not been paid for the employees recruited after 01.01.2003 as per the Commission Circular 2003/05. A letter has been forwarded to further clarify this matter and a copy of the replying letter no UGC/HR/6/3/4/ (1) is attached.

Further, the payment of this allowance has entirely been stopped with effect from May, 2013 as per the UGC Circular No.08/2013 dated 23.05.2013.

- (b) Having considered the service rendered by the University lecturers who serve as the secretaries to the Board of study in addition to their normal duties as visiting lecturers such as coordination of academic activities of students from the registration to the graduation, appointment of teaching panel, attending meetings of the Boards of study...etc, a payment of Rs. 1,000.00 per month has been made based on the recommendation of the Finance Committee and the approval of the Board of Management. However according to the provisions of the Ordinance of the Postgraduate Institute of Agriculture, the amount of allowance determined by the Board of Management should be approved by the Commission. Therefore a request has already been sent to the University Grants Commission for approval.
- (c) The generally approved procedure of holiday payments cannot be made for staff officers who serve in the Annual Stores Verification Committee as this activity is conducted mainly in the evening after normal office hours. Therefore considering the time taken for this activity, an honorarium allowance had been made to all the staff involved in this activity on the approval of the 203rd meeting of the Board of Management held on 29.11.2013.

3. Financial Review

3.1 Financial Results

Agree with the financial results presented in the audit report by analyzing the financial statements of the Institute. Adjustments to the General Reserve pertaining to the previous years have been explained under the relevant journal entries.

4. Operating Review

4.1 Management Inefficiencies

Action has been taken to transfer the balance amount of Rs. 111,677.00 in the Crossing Boundaries Project as at 31.12.2013 to the Research Facilitation Fund (RFF) of the Institute on the recommendation made by the Finance Committee at its 27th meeting held on 20 September 2013 and the approval granted by the Board of Management at its 210th meeting held on 28 November 2014.

4.2 Underutilization of Funds

- (a) Action has been taken to inform the relevant donor organizations to transfer the balance funds of Rs. 1,214,716 as at 31.12.2013 in the completed research grants to the Research Facilitation Fund (RFF) of the Institute or to return the money back to the relevant organizations as recommended by the Finance Committee at its 25th meeting held on 19.03.2014. Accordingly action has been taken to transfer these balances to the Research Facilitation Fund (RFF) as per the recommendation granted by the Finance Committee at its 28th meeting held on 26 September 2014 and the approval granted by the Board of Management at its 210th meeting held on 28 November 2014.
- (b) The amount of balance stated in the audit report as Rs. 914,982.00 which had been remained in the grant out of the money received from National Science Foundation should be corrected as Rs. 845,982.00. The reason for less financial progress of this grant during the year under review is that even though tenders had been called from the registered suppliers of the University, the required materials to assemble the equipment were not available to those suppliers. However based on the recommendation of the Technical Evaluation Committee, tenders had been called from other suppliers and items had been purchased. The balance remained in the grant as at 07.07.2014 is only Rs. 292,294.00.

4.3 Idle and Underutilized Assets

180 Nos. of prospectus referred to in the audit report have been identified as a non moving item in the report of the Board of Survey conducted in 13.01.2013 and action is being taken to take suitable actions on the items identified as non-moving items in the report including these prospectus.

4.4 Lands not Acquired Formally

This Institute has been established as an affiliated Institute to the University of Peradeniya according to the Ordinance No 09 of 1979. Also the approval of the Land and Building Maintenance Committee (LBMC) of the University of Peradeniya has been obtained for construction of buildings of the Institute. However a request has been made to the Registrar of the University by the Director of the Institute to take necessary actions on this matter. Further, it has been disclosed that the ownership of the land is vested to the University under accounting policies no 3.2 to the financial statements of the Institute as recommended by the Committee on Public Enterprises (COPE).

4.5 Personal Administration

- (a) Action is being taken to prepare a Human Resources Plan as shown in the audit report and action will be sent copies to the relevant organizations in future.

(b) Mr. A.R.A. Meddegama – Coordinator (Contract Basis, Ms. K.P. Gunasekara - Tutor (Contract Basis), Mr. K. Weerasooriya- Driver (Assignment Basis)

Mr. A.R.A. Meddegama – Coordinator (Contract Basis)

The coordinator post of the Institute is a cadre position included in the approved cadre by the Department of Management Services (DMS) and the recruitment procedure for this post has been approved by the University Grants Commission. Accordingly open applications had been called and shortlisted candidates had been called for an interview and the recommendations of the selection committee were forwarded to the Board of Management for recommendation. The recommendations of the Board of Management were forwarded to the Council of the University of Peradeniya and based on the approval of the council Mr. A.R.A. Meddegama had been recruited to the above post with effect from 13.05.2013. Also the extension of contract period of this post by another one year period has been done as per the recommendations made by the Board of Management at its 200th meeting held on 31.05.2013 and the approval granted by the Council of University at its meeting held on 29.06.2013.

Ms. K.P. Gunasekara – Tutor (Contract Basis)

Approval of the University Grants Commission had been obtained to recruit a Tutor on contract basis using the money allocated for recruiting a Senior Lecturer in the approved cadre by the Department of Management Services (DMS). Accordingly open applications had been called and shortlisted candidates had been called for an interview and the recommendations of the selection committee were forwarded to the Board of Management for recommendation and based on the recommendation of the Board of Management and the approval of the Council of the University of Peradeniya Ms. K.P. Gunasekara had been recruited to the above post with effect from 13.05.2012.

Mr. K. Weerasooriya - Driver (Assignment Basis)

A request had been made to the Department of Management Services by the Institute to create a new cadre post for a Driver stating that the existing 02 cadre posts for Drivers is not sufficient as the Institute is having 04 vehicles in running condition. Accordingly, approval had been granted by the Ministry of Higher Education to recruit a driver on assignment basis based on the recommendation of the Department of Management Services and the University Grants Commission until the cadre position is formally approved by the Department of Management Services. Accordingly action has been taken to recruit Mr. K. Weerasooriya on assignment basis w.e.f. 16.09.2012.

Approval for this cadre post has been obtained from the Department of Management Services (DMS) and this recruitment has been made w.e.f. 04.01.2013 based on the

approval of the Board of Management and the Council until the vacancy is filled following the proper procedure.

5. Accountability and Good Governance

5.1 Corporate Plan

The Corporate Plan of the Institute for the year under review had been prepared at the beginning of the year. However, the Ministry of Higher Education conducted series of workshops on preparing Corporate Plans several times during the year to the whole University system and introduced various changes to be effected to the existing corporate plans of the Universities. Therefore the final Corporate Plan was tabled at the Board of Management conducted in the month July, 2013 and the final Corporate Plan was sent to the relevant authorities.

5.2 Action Plan

The objectives and the Strategies to achieve the Objectives in the Corporate Plan were discussed in the meetings of the Board of Management conducted during the year under review. The matters such as purchasing of text books, admission of foreign students, introduction of new degree programmes, improvement of infrastructure facilities of the Institute, introduction of new examination procedures, improvement of the library of the Institute, dissemination of knowledge and research findings of the lecturers and students...etc were continuously discussed and the decisions taken were implemented accordingly. The matters pertaining to this procedure were included in the agenda of these meetings and decisions taken were implemented accordingly. The summary of the activities so implemented is given below:

1. Preparation of the revised prospectus for the period of 2012-2015 according to the academic programmes of the Institute.
2. Achieving high academic standards by appointing new examination committees for research degrees.
3. Preparation of new standards for the monitoring of research degrees by entire revision of existing process.
4. Introduction of a new fee structure to uplift the financial status of the Institute.
5. Generation of more income by strengthening the process of charging programme fees.
6. Actions taken for improving the physical and infrastructure facilities – Renovation of the old building.
7. Improving facilities in the lecture rooms.
8. Building a good relationship between the students and lecturers.

The decisions taken after discussing these matters at the above committees were implemented throughout the year 2013.

Commencement of 03 new degree programmes could not be achieved as expected during the year under review due to the long time taken for obtaining necessary approvals.

According most of the activities of the Institute had been conducted according to the action plan of the Institute and considerable progress has been achieved in implementing those activities. Further action will be taken to discuss the goals and objectives in the action plan and present a progress report in future.

5.3 Internal Audit

(a) The internal audit activities of the University, Postgraduate Institute of Agriculture and Postgraduate Institute of Science are carried out by the Internal Audit Division of the University of Peradeniya according to a plan prepared for these 03 Institutes.

(b) The internal audit plan of the Institute for the year 2013 and the quarterly progress reports including the activities carried out during the year has been prepared.

5.4 Budgetary Control

Salaries & wages and examination fees have been increased according to the circulars issued during the year under review after the preparation of the annual budget. The programme fees and other fees have also been increased by the Institute during the year under review and the income collected from those income heads have been increased than budgeted. However special attention will be drawn in order to prepare budget estimates with least deviations in a more realistic manner in future.

6. Systems and Controls

Noted. Responsible officers have been advised to pay further attention on the areas shown in the audit report.

“I hold myself personally responsible for the above explanations submitted in reply to your query”

Sgd./-

Prof. S. Samita

Director

Postgraduate Institute of Agriculture

Copies: 1. Secretary, Ministry of Higher Education
2. Secretary, Ministry of Finance and Planning
3. Chairman, University Grants Commission
4. Vice-Chancellor, University of Peradeniya