

ANNUAL REPORT

2012



**POSTGRADUATE INSTITUTE OF AGRICULTURE
UNIVERSITY OF PERADENIYA**

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ANNUAL REPORT AND ACCOUNTS FOR 2012
POSTGRADUATE INSTITUTE OF AGRICULTURE
UNIVERSITY OF PERADENIYA

1. Vision

To be a Centre of Excellence in Postgraduate Education, Research
and Outreach in Agriculture and Related Fields
to Serve the Needs of Government, Industry and the
Global Community.

2. Mission

To be a National and Regional Centre for Postgraduate Education, Research
and Outreach by Providing a Theoretically Sound and Practically Oriented
Training to Produce Competent, Innovative and Dedicated Persons to
Foster National Development of Agriculture
and Allied Fields.

3) DIRECTOR'S STATEMENT/REVIEW

I) Introduction

The PGIA was established in June 1975, in terms of the Ordinance No. 9 of 1979 as the first institution of postgraduate education of its kind in the country, functions as an Institution within the University of Peradeniya, under the direction of its Board of Management. The main objective of creating the PGIA was to develop an in-country capacity for postgraduate education and to provide appropriately trained scientific personnel to a rapidly expanding agricultural sector of the country. It has served this national need for over a quarter of a century and has blossomed into a Centre of Excellence for postgraduate education of its kind in the country as well as in the region.

The PGIA has been actively engaged in strengthening its academic, research and outreach programmes over the past 37 years in order to provide the human resources as well as research output required for the development of agriculture in Sri Lanka. This has been achieved through a process of regular revision and updating of the curricula, expanding and diversifying the degree programmes and developing linkages with other academia, industry, the farming community and other stake holders. The demand for postgraduate education in agriculture keeps increasing every year and the PGIA is constantly gearing itself to meet this ever increasing demand.

During the past 37 years, the Institute has made considerable progress in student enrollments. In 2011/12, a total of 411 students have enrolled for various programmes of study. In the year 2012 the number was decreased as it was very difficult to the Institute to finalize the new admissions before 2012 which delayed due to the trade union action. Only 35 students have been registered for M.Phil. and Ph.D. degrees.

During the year 2012, 315 students completed their degrees and diplomas. Among them, 216-M.Sc., 40 -MBA, 22-M.Phil. and 10-Ph.D. degrees. 27 postgraduate diplomas also were awarded.

PGIA student population includes graduates from almost all the different faculties including Veterinary Medicine & Animal Science, Arts, Science, Medicine etc. and foreign students as well. The students from Bangladesh, India, Peoples' Republic of China, Nepal, Myanmar and Oman, Ghana have already completed their postgraduate degrees at the PGIA

The Panel of Teachers consists of over 300 outstanding academic staff, with wide teaching and research experience, the majority of whom are from the Faculty of Agriculture, the others coming from other Faculties of the University, from other

universities, government departments, research institutes, corporations, private sector firms, international institutions and non-governmental organizations.

‘Quality’ will be the key word in the future development of the PGIA. It will endeavour to improve the quality of the graduate in terms of practical experience, modern knowledge and exposure to cutting edge technologies combined with classical agricultural techniques using our rich biodiversity with managerial experience - all this for the benefit of the people of our nation. Moreover, in pursuance of this ‘quality’ objective, the PGIA will regularly revise and upgrade the curriculum, form new working partnerships with industries and strengthen its existing linkages with industries and institutes, local as well as regional & international. Industrial training will become a part of the new curricula. The courses of study will be made more participatory in nature and problem-solving in orientation, making the graduates more suitable and useful in national development and to the industry.

An important challenge facing the PGIA is to develop disciplined, dedicated and hard working students who would devote considerable time to their studies and research and get the widest possible exposure in the relevant fields. Through such commitment, the graduates of the institute are expected to develop a strong work ethic, which should become an integral part of their character.

In order to develop a committed hard working faculty and students, institutional, academic and student discipline will be ensured by a code of conduct and ethics for staff and students. Strict observance of lecture schedules, examination dates and early release of examination results will be key objectives of the PGIA in the 21st century. The development of a committed hard working faculty and students are prime objectives of the PGIA.

II) Achievements

i) Grants

- a) PGIA Obtained HETC Project Quality and Innovation Grant (QIG), Window 3 to train 4 Ph.Ds and 4 M.Phil students for the research project titled “Climate resilience of upland cropping systems through adaptive crop and soil management and appropriate integrated pest management”
- b) The CIC agreed to fully fund a research student of the Institute on a research project relevant to the CIC.
- c) Discussions were held with the IDRC to obtain financial support for M.Phil. research degrees.
- d) Ministry of Agriculture too agreed to give scholarships in the areas of Rice Breeding, Hybrid Production and Climate Smart for the students at the PGIA.

ii) MOUs/Agreements

Agreements were signed for a Jointly Awarded Ph.D. Degree with the Melbourne School of Graduate Research and the University of Peradeniya. The Degree will be awarded by the University of Peradeniya.

iii) Facilities

The Institute purchased a New Vehicle to the PGIA to use for field visits of research students.

Initiatives have been taken to Automate all work of the PGIA including all admission work, student information and administration. 85% of the work has been completed at the end of the year 2012. A system has been introduced to obtain a feedback from students on PGIA activities online. Compilation of email address of all ongoing students / teaching panel was completed for easy access. To extend the classroom facilities, multimedia projectors were mounted in all class rooms of the Institute.

Institute changed the programme fee structure for all programmes. A facility of Special Payment Scheme was extended to students to make their programme fee in installments rather than paying full fees at once.

iv) Symposium/Workshops

The following workshops and seminars were held successfully at the Institute during May 2012.

- 1) International Symposium in Urban Lakes Monitoring & Management organized by the Capnet Project in collaboration with Saitama University, Japan, Technical National Uni. of Singapore
- 2) International Training Programmes conducted for 7 Nepal Govt. Executives on the request of Nepal Government.
- 3) A workshop on Current Trends of Soil Nutrient Management in Sri Lanka was held in December in collaboration with the International Plant Nutrition Institute (IPNI).

v) Annual Congress 2012

A well developed activity organized by the Institute which covers all local and some regional university, is the Annual Congress, At this Congress postgraduate students of local universities as well those of the SAARC region present their research findings. Over the past decade it has reached an exceptionally high standard and quality in scientific content and organization. The presentations are

subject to rigorous discussions which have created a sophisticated research culture among postgraduate students.

The 24th Annual Congress was held on 15-16 November. Around 550 persons including local and foreign participants had attended the two days of Congress at which 08 technical sessions were held. Mr. Jeremy Bird, DG, International Water Management Institute (IWMI) attended at his event as the Chief Guest. Of the 58 papers received, 30 papers have been selected for presentations and another 15 papers have been selected for poster presentations.

Dr. Hans Schiere from Netherlands, Dr. S.T.C. Mahawithanage from the Fonterra Brands Lanka Ltd. and Dr. Margaret E Johnston, school of Agriculture and Food Science, University of Queensland, Australia who attended as invited speakers too delivered their speeches at the event. The University Grants Commission (UGC), CIC Agric. Business., Peoples Bank, Peradeniya, Fonterra Brands Ltd., Lanchem Ceylon PLC Ltd., IPMP and International Research Centre, UPDN had sponsored the event in addition to the funds received from the consolidated funds. Mr. BMUD Basnayake, Secretary/ Ministry of Environment, an alumni of the PGIA had made the closing day presentation. Award winners of the Congress 2011 were as follows;

The Overall Best Research Paper - Ms. E. Subalini

Best Research Paper of the Session **Award Winner**

i. Animal Production and Health	-	Ms.E. Subalini
ii. Soil and Water Management	-	Dr. W.S. Dandeniya
iii. Plant Protection and Agronomy	-	Mr. U.G.A.I. Sirisena
iv. Food and Nutrition	-	Ms. W.P.K.M. Abeysekara
v. Economics and Statistics	-	Mr.K. Herath
vi. Extension and Communication	-	Mr. N. Shankaraiah
vii.Crop Characterization and Diversity	-	Mr. K.K. Liyanage
viii.Poster Presentation	-	Ms. W.M.G.D. Wijesundara

Dr. AWR Joachim Memorial Award

Mr. GAP Galgamuwa, an M.SC. Student of the Board of Study in Crop Science has been awarded the Dr. AWR Joachim Memorial Award in the Year 2011 as the Most meritorious student of the Institute.

Scholar award in 2012 by International Plant Nutrition Institute (IPNI)

Ms. Arathy Mariaselvam has been selected as a recipient of student scholar award in 2012 by International Plant Nutrition Institute (IPNI). A delegation from IPNI visited Sri Lanka and the Institute on December 3rd 2012 to present this award to Ms. Mariaselvam, followed by a workshop on Current Trends of Soil Nutrient Management in Sri Lanka.

vi) Cadre

The UGC has appointed New Senior Assistant Bursar (SAB) and the Asst. Registrar (AR) to the Institute to fill the vacant positions which created due to the transfers /promotions received by the former SAB and AR.

With the recommendations of the Institute, the University appointed a Coordinator on contract full time basis for a one year period. In addition to the above a driver was assigned for 6 months period with possible extensions.

vii) Capital Work

The treasury has granted approval to utilized the generated funds of the PGIA for Capital Expenditure for above Rs. 500,000/- for the Renovation/construction projects which includes extension to the PGIA Guest House, modifications to the PGIA Old Building, furniture and fittings for class rooms, colour washing of New Classroom Complex, for which the work has already been commenced in the year 2012. Accordingly, the Buildings Department services were obtained to design the necessary plans and other technical documents required for construction work and to undertake the consultancy services.

III. Failures and Justifications

Due to the non-academic trade union action the work of the PGIA were severely affected during the first part of the year. The Academics of the Faculty of Agriculture continued their Trade Union Action for 100 days in which duration the PGIA advertised its new programmes. PGIA received over 900 applications but processing was delayed due to non functioning of the Boards of Study. Usually the Institute commences 1st semester of the academic year in the month of September and due to the academics trade union action all admissions work were delayed. Hence the new admission for the PGIA for the year 2012 was 35 students.

Comparing with the previous year the Graduated number was slightly higher but due to the academic staff trade union action most of the scheduled Comprehensive Examinations could not be held.

IV. Future Plans

The Institute plans to expand its research activities further which aims to solving long felt problems of national importance. Therefore the Institute decided to facilitate research of 3 Ph.Ds. and 2 M.Phil students under the Research Facilitation Fund of the PGIA which established in 2010 to addresses the national important issues of the country. Discussions were held at the Institute and University of Peradeniya for split degree programme with the Yeshua Technology Institute of Ghana and the PGIA to outsource the degree programmes internationally. MOU will be signed by the Vice Chancellor, University of Peradeniya with the President of Ghana University on this matter. The Institute requested several organizations, Institutes and Ministries to sponsor research students and the request was discussed at the several ministries/departments and positive responses were received.

4. Resources & Students :

In 2012 the student intake was very few comparing with the previous years. As a result of the non-academic and Academic trade union actions during the year 2012 the academic work of the PGIA were severely affected and hence the admission of new students will commence in the year 2013.

For the research degrees the institute register students at any time of the year.

Table 1. Details of Resources & Students

Institute	Course	Total Students (2012)	Total No. of Academic Staff	Total No. of Non-Academic Staff
Postgraduate Institute of Agriculture	P.G. Diploma	10	02 - permanent staff, and about 300 visiting staff	38
	M.Sc.	03		
	MBA	03		
	M.Phil.	03		
	Ph.D.	14		
	Casual	02		
Total		35		38

5. Local Students :

In 2012 the institute awarded 27 Postgraduate Diplomas and it included the students who directly registered for the PG Diploma and those who were unsuccessful at the Comprehensive Examination and those who opt to obtain postgraduate diplomas
In 2012 Institute admitted 35 students for its degree programmes. 315 students who admitted in past years for different degree programmes were graduated in 2012.

Table 2 . Details of Local Students

Institute	Course	Medium	Intake 2012	1 st Year students	2 nd Year students	3 rd Year students	4 th Year students	No. Graduated
Postgraduate Institute of Agriculture	PG Diploma	English	10					27
	M.Sc.		03					216
	MBA		03					40
	M.Phil.		03					22
	Ph.D.		14					10
	Casual		02					
Total			35					315

6. Foreign Students :

In the Year 2012, the Institute registered one foreign student from Ghana for a Ph.D. (by research) Degree programme. One student from Myanmar completed her Ph.D. degree in 2012. The Institute presently has 3 foreign students for Ph.D. degrees.

Table 3 . Details of Foreign Students

Institute	Course	Medium	Intake 2012	1 st Year students	2 nd Year students	3 rd Year students	4 th Year students	No. Graduated
Postgraduate Institute of Agriculture	PG Diploma	English						
	M.Sc.							
	MBA							
	M.Phil.							
	Ph.D.		01					01
	Casual							
Total			01					01

7. **Academic Staff as at 31 December 2012(Permanent Staff only):**

The Institute does not have its own academic staff except the Director and the Senior Asst. Librarian in the permanent cadre. All courses are conducted by the Visiting Lecturers from the Faculty of Agriculture and other government and private institutions.

Table 4. Details of Permanent Academic Staff as at 31 December 2012

Institute	Subject	Medium	Senior Prof.	Prof.	Senior Lecturer	Lecturer	Asst. Lecturer	Instructor
Postgraduate Institute of Agriculture	Director	English	01					
	Senior Asst. Librarian				01			
		Total	01		01			

8. a) **Academic Support Staff as at 31 December 2012(Permanent Staff only):**

The Computer Programmer of the Institute is the only person coming under the category of Academic Support Staff. As for other universities, the Postgraduate Institute of Agriculture does not have academic support staff in its cadre. The Academic sometimes obtain the services of temporary tutors where over 40 students are enrolled.

Table 5. Details of Permanent Academic Support Staff

Institute	Most Senior ¹	Senior Staff ²	Junior Staff ³	Minor Employees ⁴
Postgraduate Institute of Agriculture	01	--	--	--
Total	01			

- 1 - Administrative Level & Executive Level 3 - Clerical & Allied Grades
2 - Senior Staff Grades 4 - Below the above Grades

8. b) Non-Academic Staff as at 31 December 2012(Permanent Staff only)

The Institute has 42 Non-academic staff in its permanent Cadre. Among them 07 staff work in the Agriculture Library.

Table 6. Details of Permanent Non-Academic Staff

Branch	Most Senior ¹	Senior Staff ²	Junior Staff ³	Minor Employees ⁴
Administration	02	02	04	10
Admission	01	-	04	01
Accounts	01	01	05	01
Congress Unit	-	-	01	-
PGIA Library	-	02	02	03
Computer Unit		-	01	01
Total	04	05	17	16

1 - Administrative Level & Executive Level

3 - Clerical & Allied Grades

2- Senior Staff Grades

4 - Below the above Grades

9. Research, Innovation and Publications

All research students of the Institute should present their research in a public seminar. In the year 2012, 32 students presented their research fundings at a public seminar organized by the Institute in different days.

The Congress Office of the Institute yearly published its papers/articles presented at the Annual Congress in the Journal "Tropical Agricultural Research". In 2012 the Congress Office published 04 Journals which can be purchased on a payment to the Institute.

Publication Unit of the Institute published selected publications of academic staff members with a financial assistance under Publication Fund. This year the Unit published a book on "Bibliography of Soil related Sciences in Sri Lanka" for sale.

Table 7. Details of Research, Innovation and Publications

Subject	Published	Commercialized	Presented
a. No. of Researches			32
b. No. of innovations			
c. No. of Journals	04	04	
d. No. of Books	01	01	

e. No. of Articles			
f. Other			
Total	05	05	32

10. Study Programmes, Seminars and Workshops

The Institute offers 33 degree programmes under its 11 Boards of Study which includes M.Sc., M.Phil and Ph.D. degree programmes. 01 Postgraduate Diploma Programme was also offered under a Board of Study. 32 Research students in different Boards of Study presented their research findings under the research seminars to the general public.

Table 8. Details of Programmes, Seminars and Workshops

Subject	Attended	Completed	Presented
a. No. of PG Degree Programmes			33
b. No. of PG Diploma Programmes			01
c. No. of Degree Programmes			--
d. No. of Diploma Programmes			--
e. No. of Certificate Programmes			--
f. Other – Research Seminars			32
Seminars			02
Workshops			03
Short Courses			--
Total			71

11. Research Awards

In addition to seminars the students have a very good opportunity in presenting research to the Scientific Community in country. Awards were given to the best paper presentation at each session. At the PGIA Congress, 9 National Level Awards were won by 8 students who were selected for presenting best research paper of a Session. One student obtained two awards as for the best paper presenter and the overall best research paper.

A Research Student of the Institute was a recipient of student “scholar award” of the International Plant Nutrient Institute.

An M.Sc. student has been awarded “Dr. AWR Joachim Memorial Award” as the most meritorious student of the Institute, at the Annual Congress 2012.

Table 9. Details of Research Awards

Subject	No. of Awards	No. of Academics	No. of Students
a. Local Awards	01		01
b. National Awards	09		08
c. International Awards	01		01
d. Other	--		--
Total			10

12. New Courses

The Institute did not propose new courses for the year 2012 but initiatives have been taken to revise its existing curricular as per the qualification framework of the QA Council of the UGC.

Table 10. Details of New Courses Started

Institute	Course	Medium	Certificate	Diploma	PG Diploma	Masters	M.Phil.	Ph.D
Postgraduate Inst. of Agriculture	--							
Total	--							

13. Agriculture Library Report

During the Year 2012 a total 449 books were added to the Library Collection which included 211 books received under the HETC Project both for the PGIA and the Faculty of Agriculture.

Details of the books added to the collection

Number of books purchased by PGIA finances	21
Number of books purchased by Faculty allocation	08 (inclusive of DVDs)
Total number of books purchased (PGIA & Faculty)	31
Number of PGIA Theses added to the collection	09

Donations

Number of books received under HETC grant for PGIA	100
Value	Rs.1680754.03
Number of books received under HETC grant for Faculty of Agriculture	111 (inclusive 11 DVDs)
Value	Rs.849321.80
Number of books received from other donors	198

Value

Rs.250721.10

Total number of books added (Purchases and Donations) 449

About 85% of the Faculty of Agriculture Library allocation was spent on ordering of foreign journals. The subscriptions for the CAB CD-ROM - a leading agriculture information database was serviced with a special approval of the Vice-Chancellor. A budget line was not included in the PGIA for the Library for 2012 to purchase books/periodicals.

Library User Categories

The registered Library users in 2012 were 2039. Details are shown below.

Postgraduate Students	1031
Undergraduate Students	762
Academic Staff (Permanent)	226
Academic Staff (Temporary)	14
Clerical and similar services	06
Total	2039

Usage of Library Books

A total of 4155 books have been circulated among the students in 2012.

Inter- Library Loans

In 2012 the number of requests received from students to obtain articles from other Libraries in Sri Lanka was less. Only 04 articles were received from other Libraries for 06 requests we made. Agriculture Library supplied 03 articles to other Libraries out of 05 requests.

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 56 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. Sixty One (61) CAB searches were carried out during the Year 2012.

Sales /Exchanges of Tropical Agricultural Research.

Sales work of the PGIA journal 'Tropical Agriculture Research' is handled by the Library.

The number of copies sold in 2012	-	20
Number of copies exchanged with other institutions for their publications	-	10

National Digitization project of NSF

The Agriculture Library was selected for the NSF project for building up in institutional repositories

Training /Workshops attended by staff

1. I. Mudannayake, Senior Assistant Librarian, PGIA served as resource person for a workshop for public librarians held at Local Government Training Institute Nawayalatenna on 17.02.2012.
2. D.K. Dahanayake, Senior Staff Assistant participated a three day workshop on National Digitization held at SLIDA. Colombo organized by NSF

Publications

I. Mudannayake Assessing journal usage in an Academic Library: A case study at the Agriculture Library, University of Peradeniya

Sri Lanka Library Review Vol.26 June 2012:44-53

N.D. Peiris and B.L. Peiris An assessment of undergraduate students' usage of e-resources to fulfill their information needs : A case study at University of Peradeniya

Sri Lanka Library Review Vol 26 June 2012: 30-43p

14. Research Degrees Completed

The research students who graduated in the year 2012 completed the following research projects.

Table 11. Research Degrees Completed

	Name of the Student	Research Project
	M.Phil. Degree	
1	Ms. S.D.Wickramasinghe	Cartographically enhanced web based tourist information system for Galle district in Sri Lanka
2	Ms. S.N.Dissanayake	Export creation and diversion effects of agricultural trade: implications for the South Asian economies
3	Ms. H.K.S.G.Gunadasa	Assessing the nutrients imbalance and its impact on forest dieback of syzygium rotundifolium in Horton

Plains

- 4 Ms. D.I.M.Amararathna Variability of the antioxidant activity of fruits from Dry Zone home gardens
- 5 Mr. A.Subasinghe Screening of rice varieties for salt tolerance: influence of whole and subsoil salinity on crop performances and agronomic mitigation measures
- 6 Ms. J.K.Ariyawansa Physio-chemical characteristics of water and phytoplankton assemblage in Nuwarawewa, Anuradhapura
- 7 Ms. K.V.N.N.Jayalath Effects of world market prices on the coconut sector in Sri Lanka: An analysis of price transmission elasticities and endogenous trade policy
- 8 Ms. M.M.L.Priyadarshanee Analysis of the performance of Mahaweli system C using socio economic indicators and stakeholder analysis
- 9 Ms. H.P.Henegama Assesment of the impacts of agricultural water pollution in intensive agricultural areas in Nuwara Eliya district
- 10 Ms. S.P.P.N.Gayani Domestic wastewater management through a participatory approach - A case study in Pussallawa
- 11 Ms. D.P.Karunananda Induction of poinsettia (*Euphorbia pulcherrima* Willd. ex Klotzsch) blooming during off season to use as marketable pot plant for indoor decorations
- 12 Ms. W.M.S.K.Wanigasekara Impact of personality traits on business performance of micro trading enterprises - A case study of Kandy district
- 13 Ms. A.A.K.K.Jayawardhana Market orientation, service innovations and business performances of hotel industry (with special reference to ancient cities of Sri Lanka)
- 14 Mr. R.Thivyatharsan Performance Evaluation of Landfill Bioreactor "Test cell" under Dry Zone Conditions of Sri Lanka
- 15 Mr. K.A.J.Dananjaya Characterization of tea (*Camellia sinensis* L.) germplasm in Sri Lanka using growth parameters and biochemical descriptors
- 16 Mr. M.S.Mohamed Nafees A study on Socio-economic status of fishers in

- Thampalakamam Bay, Kinniya, five years after tsunami
- 17 Ms. H.M.K.V.Herath Impact of fertilizer subsidy on paddy production and water quality of Mahaweli and associated water bodies
 - 18 Mr. T.Geretharan Impact of purple nutsedge (*Cyperus rotundus*) population densities on onion *Allium cepa*) as influenced by nitrogen in the Eastern province of Sri Lanka
 - 19 Ms. Y.N.S.Wijewardana Assessment of groundwater contamination by landfill leachate with ground penetrating radar
 - 20 Ms. D.M.C.S.Mimrose Assessment of sustainability and socio-economic and environmental impacts of community water supply schemes in Kandy district
 - 21 Mr. V.G.D.Nayanaka Digital mapping of soil properties using soil landscape relationships
 - 22 Ms. T.Jeyaruba Mapping out gender dynamics of paddy farming : A case study of Pavatkulam major irrigation scheme in Vavuniya district
 - 23 Ms. E.A.A.Dilrukshi Development of a microprocessor based embedded system for solar powered reverse osmosis water filtration system
 - 24 Mr. A.J.Gamage determination of an optimum range of shade for tea (*Cammellia sinensis* L.) in the Low Country Wet Zone of Sri Lanka
 - 25 Mr. Y.B.Iqbal Analysis of combining ability to identify suitable parents for heterotic rice hybrid breeding
 - 26 Ms. B.D.S.K.Ariyawansha Selection of sugarcane genotypes based on genotype - environment interactions

Ph.D. Degrees

- 27 Ms. K.T.Soe Impact of microbial biopesticides on host-pathogen interactions of *Rhizoctonia solani* pathosystem of rice (*Oryza sativa* L.)
- 28 Mr. T.Ganeshan Utilization of maternal death prevention information among estate women in the district of Nuwara Eliya

- | | | |
|----|-------------------------|--|
| 29 | Mr. M.T.M.Mahees | The effect of socio-economic and political factors in solid waste disposal and water pollution in Pinga Oya tributary of Mahaweli, Sri lanka |
| 30 | Mr. M.G.T.S.Amarasekara | Impact of intensified agriculture on stream water quality: an interdisciplinary study in Upper Mahaweli catchment, Sri Lanka |
| 31 | Ms. A.R.F.Zahra | Identification of candidate genes for salt tolerance in the Sri Lankan rice variety AT 354 based on gene expression profiles |
| 32 | Ms. D.A.U.D.Devasinghe | Effect of rice straw mulching on agronomic traits and weed control of direct seeded lowland rice (<i>Oryza sativa</i> L.) |
| 33 | Ms. I.P.P.Gunawardana | Environmental, socio-economic, technological and institutional perspectives of sanitation: Pussella Oya catchment, Sri Lanka |
| 34 | Ms. H.M.I.Herath | Transfer of anther culture response traits from japonica to indica rice |
| 35 | Mr. A.Wijesuriya | Cross prediction for directional breeding of sugarcane (<i>Saccharum Hybrid Spp.</i>) using the analysis of biparental and poly-cross families |

15. Recurrent Expenditure

Subject	2011 Rs.	2012 Rs.
a. Personal Emoluments	32,281,916	39,408,203
b. Travelling	86,548	69,593
c. Supplies	2,130,967	3,061,437
c. Maintenance	713,751	609,596
e. Contractual Service	4,840,840	5,215,501
f. Others	12,240,319	13,441,217
Total	52,294,341	61,805,547

16. Capital Expenditure

Subject	2011 Rs.	2012 Rs.
a. Acquisition of Furniture & Office Equipment	70,826	2,988,881
b. Acquisition of Lab. & Teaching Equipment	66,380	667,520
c. Acquisition of Building & Structures		267,937
c. Others – Books & Periodicals	325,087	8022
Motor Vehicles	-----	8,350,000
Total	462,293	12,282,360

17. Projects (Local/Foreign Funded)

Name of Detail	Loan/Grant	Funding Agency	TEC Rs.	RFA Rs.	DF Rs.
CAPNET	Grant	CAPNET South Africa	US \$ 43702 (Rs.5462,750)		
Crossing Boundaries Project	Grant	DGIS Netherlands	75,035,938		
Total	-	-	80,498,688	-	-

18. Project Expenditure (Local/Foreign Funded)

Name	TEC Rs.	Exp in 2011 Rs.	Exp in 2012 Rs.	Cumulated Exp as at 31.12.2012	% of Physical Progress
CAPNET	(US \$43,702) Rs. 5,462,750	2,266,312	978,046	11,425,366	100%
Crossing Boundaries Project	75,035,938	12,314,322	455,072	67,199,750	100%
Total	80,498,688	14,580,634	1,433,118	78,625,116	

19. Financial Progress (Expenditure)

Subject	Provision in 2012 Rs.	Exp in 2012 Rs.	Savings/ Excess Rs.
a. Recurrent except Project	76,029,000	61,805,556	14,223,444
b. Capital except Project	18,800,000	12,282,360	6,517,640
c. Project - Local funded	---	1,150,244	(1,150,244)
d. Project - Foreign funded	---	1,433,118	(1,433,118)
Total	94,829,000	76,671,278	18,157,722

Treasury approval was taken to utilize Rs. 9000,000 to purchase a vehicle out of generated funds.

20. Financial Progress (Generated Income)

Source of Revenue	Provision in 2012 Rs.	Collection in 2012 Rs.	Deficit/Surplus Rs.
a. Undergraduate Studies			
b. Postgraduate Studies	66,229,000	68,248,122	2,019,122
c. Consultancies	---	---	---
d. Others	---	---	---
Total	66,229,000	68,248,122	2,019,122

21. Financial Performance Analysis - 2012

Subject	Formula	Exp. per Student Rs.
a. Recurrent Expenditure per Student (RE)	RE/No of Student strength	Will be calculated & provided
b. Capital Expenditure per Student (CE)	CE/No of Student strength	Will be calculated & provided
Total	-	

22. Infrastructure Facilities Received in 2012

Infrastructure Details	Expenditure Rs.	Physical Progress
NIL		

23. Any Other Details/Performance Relevant to this Report

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24. Members of the Audit and Management Committee

The following persons were served as members of the Audit and Management Committee of the PGIA.

Mrs. DBPS Vidyaratne – Treasury Representative as Chairperson
Mr. WDL Gunaratne
Dr. DBT Wijeratne
Senior Internal Audit Officer, University of Peradeniya
Govt. Audit Superintendent – as observer
Deputy Registrar / PGIA

25. Chairpersons and Secretaries of the Boards of Study

The following persons were served the Boards of Study as Chairpersons and Secretaries.

Agricultural Biology

Dr.(Ms.) H.A.M. Wickramasinghe (Chairperson)
Dr. H.M.V.G Herath (Secretary)

Agricultural Economics

Prof.(Ms.) H.L.J. Weerahewa (Chairperson)
Prof. L.H.P. Gunaratne (Secretary)

Agricultural Engineering

Dr. D.A.N. Dharmasena (Chairperson)
Dr. (Ms.) N.D.K. Dayawansa (Secretary)

Agricultural Extension

Dr. B.M.K. Perera (Chairperson)
Dr. J.A.S. de Silva (Secretary)

Animal Science

Prof. C.M.B. Dematawewa (Chairperson)
Dr. T.S. Samarakone (Secretary)

Biostatistics

Proff. C.M.B. Dematawewa (Chairperson)
Dr. T. Sivananthawerl (Secretary)

Business Administration

Prof. L.H.P. Gunaratne (Chairperson)
Prof.(Ms.) H.L.J. Weerahewa (Secretary)

Crop Science

Prof. W.A.J.M. de Costa (Chairperson)
Dr. (Ms.) R.M. Fonseka (Secretary)

Food Science and Technology

Prof. D.G.N.G. Wijesinghe (Chairperson)

Dr. W.M.T. Madhujith (Secretary)

Plant Protection

Dr.(Ms.) D.M. de Costa (Chairperson)

Dr. K.S. Hemachandra (Secretary)

Soil Science

Dr. (Ms.) S.P. Indraratne (Chairperson)

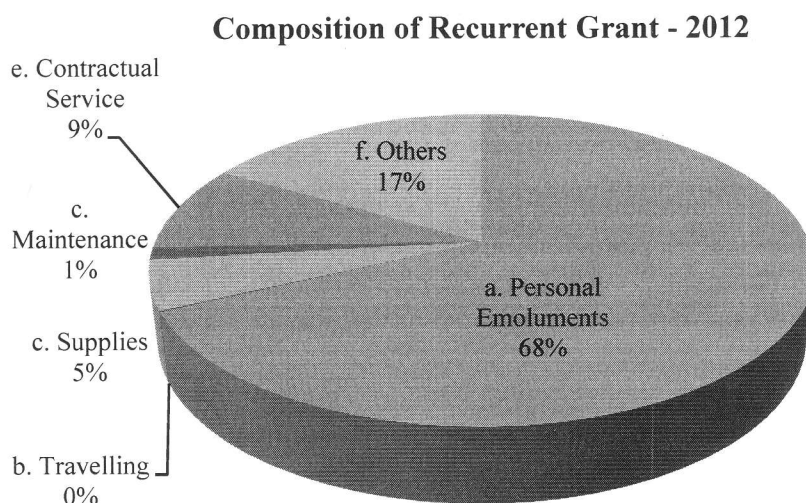
Dr. W.A.U.Vitharana (Secretary)

Financial Performance

Details of Recurrent Expenditure

Subject	2010 (Rs.)		2011 (Rs.)		2012 (Rs.)	
	Allocation	Actual	Allocation	Actual	Allocation	Actual
a) Personal Emoluments	39,000,000	32,475,048	40,718,000	32,281,916	44,764,000	39,408,203
b) Travelling	200,000	131,134	350,000	86,548	255,000	69,593
c) Supplies	3,265,000	2,412,585	3,365,000	2,130,967	3,173,000	2,992,028
d) Maintenance	4,400,000	703,340	950,000	713,751	1,451,000	737,389
e) Contractual Services	3,850,000	5,001,964	6,055,000	4,840,840	6,076,000	5,158,518
f) Others	8,585,000	11,309,466	17,920,000	12,240,319	19,910,000	9,598,707
Total	59,300,000	52,033,537	69,358,000	52,294,341	75,629,000	57,964,438
Financed By:						
Government Grant	18,000,000		22,585,072		15,400,000	
As a %	30%		33%		20%	
Generated Funds	41,300,000		46,772,928		60,229,000	
As a %	70%		67%		80%	

Figure: 2.1: Composition of Recurrent Expenditure

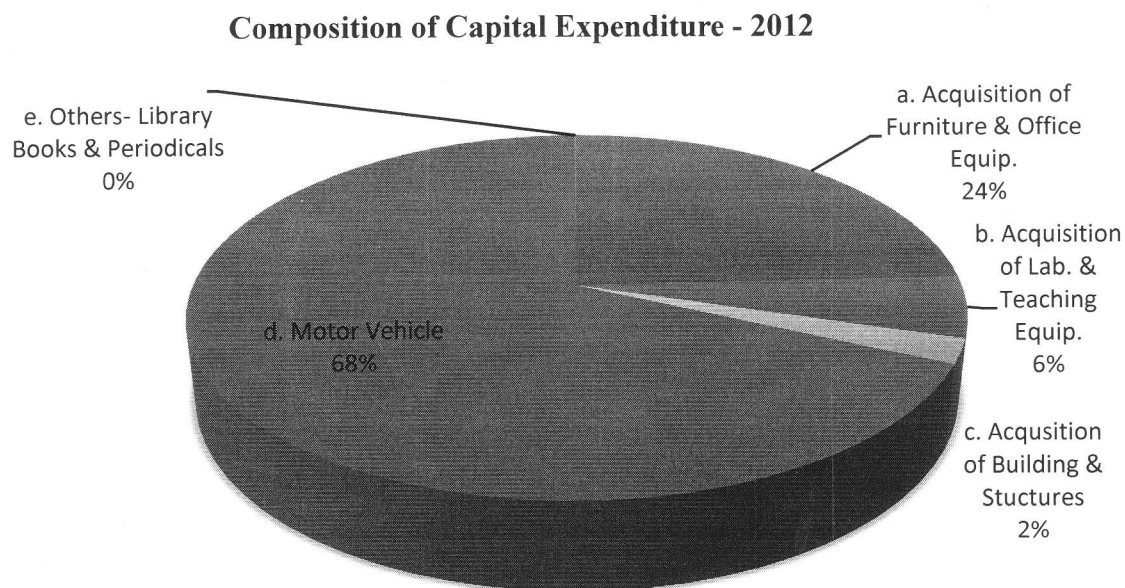


The treasury allocation for the recurrent expenditure of the Institute in the year 2012 is Rs. 15.4 million and allocation for capital expenditure was 9.8 million. It was about Rs.7 million and 1.7 million decrease respectively compared to the last year allocation. Total actual recurrent and the capital expenditure for this year is Rs.57.96 million and Rs.12.28 million respectively. The total recurrent expenditure was financed primarily by the generated funds (80 %) and the remainder by consolidated fund (20%). About 68% percent 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 17 % of total recurrent expenditure of the year under review. The composition of the recurrent expenditure is given in the figure 2.1.

Details of Capital Expenditure

Subject	2010 (Rs.)		2011 (Rs.)		2012 (Rs.)	
	Allocation	Actual	Allocation	Actual	Allocation	Actual
a) Acquisition of Furniture & Office Equipments	3,350,000	2,147,057	4,000,000	70,826	2,000,000	2,988,881
b) Acquisition of Lab. & Teaching Equipments	-	-	-	-	-	667,520
c) Rehabilitation and improvement of Building & Structures	800,000	609,096	6,000,000	-	7,800,000	267,937
d) Motor Vehicle	-	-	-	-	-	8,350,000
e) Others- Library Books & Periodicals	1,650,000	-	1,500,000	325,087	-	8,023
Total	5,800,000	2,756,153	11,500,000	395,913	9,800,000	12,282,361

Figure: 2.1: Composition of Capital Expenditure



About 68% of the capital investment budget of nearly Rs. 8.35 million was for acquisition of a 15 seater passenger vehicle to be used for research activities of the PGIA and 24% of the capital budget was set aside for acquisition of furniture and office equipments upgrading the facilities in the class rooms and computer laboratories. In this budget, Rs.1.6 billion was specially allocated for development of infrastructure of newly established universities. The capital investment for capacity building of the university community was 16.7 percent. The composition details of capital expenditure are given in the figure 2.2.

AUDIT COMMITTEE REPORT -2012

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 at the Audit committee by members are as follows:

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

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 4 times a year. During the year under review, the committee met 03 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 –

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

4. ACTIVITIES UNDERTAKEN BY THE AUDIT COMMITTEE DURING THE YEAR

The Committee carried out the following activities during the year under review.

a. Approving & Monitoring Internal Audit Plan and Programme.

The Committee having noted that the audit plan and the internal audit programme for 2012 had been established by the Council of the University of Peradeniya.

instructed the Senior Assistant Internal Auditor to submit a separate audit plan for the Institute at the Audit Committee for approval from next year onwards. However, the Audit Committee monitored the status of planned activities embedded in the audit plan approved by the Audit Committee of the UoP throughout the year. 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.

b. 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 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. As a result, the audit queries which had not been answered for years 2009, 2010 & 2011 were answered and reports of then had been sent to the relevant authorities.

c. Review and strengthening internal control systems

The committee also reviewed the effectiveness of the Institute's internal controls over 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., and provided the necessary guidance to overcome the unsettled matters and made necessary recommendations to strengthen the internal control systems.

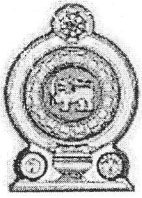
d. Meetings of Audit Committee

03 Audit Committee meetings were held during the year ended 31st December 2012. 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 authorities 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 during the year 2012.

Chairman/Audit Committee
Postgraduate Institute of Agriculture
University of Peradeniya



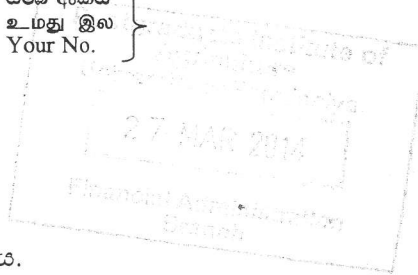
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கணக்காய்வாளர் தலைமை அறிப்பி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



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


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


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- පිටපත් :-
1. ලේකම් - උසස් අධ්‍යාපන අමාත්‍යාංශය
 2. ලේකම් - මුදල් හා ක්‍රමසම්පාදන අමාත්‍යාංශය
 3. සභාපති - විශ්වවිද්‍යාල ප්‍රතිපාදන කොමිෂන් සභාව
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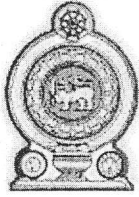
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 Battaramulla, Sri Lanka

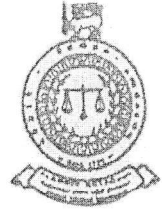
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 E-mail. }



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கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



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எனது இல
My No.

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2013/18

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உமது இல
Your No.

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திகதி
Date } 05 December 2013

The 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 2012 in terms of 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 2012 comprising statement of the financial position as at 31 December 2012 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 information was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 20 of the Ordinance appearing in the Gazette Extraordinary No.68/11 of 26 December 1979 and 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 Institute in terms of Sub-section 108(1) of the Universities Act, appear in this report. A detailed report in terms of Sub-section 108(2) of the University Act was furnished to the Director of the Institute on 18 June 2013.

1.2 Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka 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.

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இல. 306/72, பொல்துவ வீதி,
புத்தரமுல்லை இலங்கை

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✉- மெயில்
E-mail: } oaggov@slt.net.lk

1.3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on conducting the audit in accordance with Sri Lanka Auditing Standards. Because of the matters described in the Basis for Disclaimer of Opinion paragraph, however, I was not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion.

1.4 Basis for Disclaimer of Opinion

As a result of the matters described in paragraph 2.2.4 of this report, I am unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded items and the elements making up the income statement, statement of changes in equity and cash flow statement.

2. Financial Statements

2.1 Disclaimer of Opinion

Because of the significance of the matters described in paragraph 2.2.4 of this report, I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion. Accordingly, I do not express an opinion on these financial statements.

2.2 Comments on Financial Statements

2.2.1 Sri Lanka Accounting Standards

Action had not been taken to revalue and include in the financial statements 05 items of fixed assets costing Rs.73,532,817 which had been reduced to zero value after deducting depreciation in terms of Sri Lanka Accounting Standard No. 16 and being used.

2.2.2 Accounting Deficiencies

The following observations are made.

- (a) Prior to accounting for the value of modernization of a building the advance of Rs.267,937 paid for consultancy service thereon had been brought to account as fixed assets in the financial statements.
- (b) A sum of Rs.175,000 paid in the year under review for name boards had been brought to account in the financial statements as other expenditure instead of being brought to account under the capital expenditure.
- (c) Even though the course fees receivable according to the number of students registered in the year 2012 amounted to Rs.31,364,000, it had been shown in the financial statements as Rs.30,758,250. Accordingly the course fees for the year had been understated by a sum of Rs.605,750.
- (d) The motor vehicles costing Rs.2,589,277 as at 03 March 2008 had been revalued as Rs.2,250,000 and the difference between the two values amounting to Rs.339,277 had been adjusted to the Motor Vehicles Account in the year 2011. Nevertheless, action had not been taken to eliminate from accounts the accumulated depreciation on the motor vehicles as at that date amounting to Rs.2,429,548.
- (e) The course fees and registration fees receivable from the year 2007 to the year 2011 amounting to Rs.57,343,541 had been omitted in the accounts.

2.2.3 Unexplained Differences

Even though the value of fixed assets purchased in the year under review amounted to Rs.12,013,000, the value of fixed assets purchased in the year as shown in the schedule furnished with the financial statements amounted to Rs.12,589,380, thus revealing a difference of Rs.576,380.

2.2.4 Lack of Evidence for Audit

The evidence indicated against the following items of account shown in the financial statements had not been furnished to audit.

Item	Value	Evidence not made available
	Rs.	
Lands and Buildings	65,308,307	Register of Fixed Assets, Schedules and Board of Survey Reports.
Furniture and Fittings	1,580,328	- do -
Office Equipment	7,262,331	- do -
Motor Vehicles	14,495,000	- do -
Library Books and Periodicals	33,702,296	- do -
Laboratory and Teaching Equipment	44,488,869	- do -
Total	166,837,131	

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

The following non-compliances were observed.

Reference to Laws, Rules, Regulations etc.	Non-compliance
(a) Section 11 of the Finance Act, No. 38 of 1971.	Even though money should be invested with the approval of the relevant Minister given with the concurrence of the Minister of Finance, action accordingly had not been taken in connection with the investment of Rs.62,200,000 made by the end of the year under review.
(b) Financial Regulation 188 of the Democratic Socialist Republic of Sri Lanka.	Action in terms of the Financial Regulation had not been on 14 cheques valued at Rs.17,070 deposited but remaining unrealized as appearing in the Bank Reconciliation prepared as at 31 December 2012.

- | | | |
|---------------|---|--|
| (c) | Establishments Code of the Democratic Socialist Republic of Sri Lanka Chapter xiv Sections 28.5 and 28.6 | Penalty for delay amounting to Rs.16,856 had not been recovered from 14 travelling claims submitted after delay over 30 days. |
| (d) Circulars | | |
| ----- | | |
| (i) | Public Enterprises Circular No. PED/12 of 02 June 2003 Section 7.4.2 | A Senior Management Committee had not been established. |
| (ii) | Public Administration Circular No. 41/90 of 10 October 1990/ Establishment Code for Universities Chapter XXVII Section 8 | Even though the fuel consumption of motor vehicles should be tested once in every 06 months, such tests had not been done on 04 motor vehicles of the Institute over periods ranging from 03 years to 16 years. |
| (iii) | Public Enterprises Circular No. 95(02) of 14 June 1994 and Ministry of Finance Circular No. PE1/174/ 1-2003 of 29 January 2003. | Payment of allowances for working in the Institutions under the University should be made with the approval obtained from the Cabinet of Ministers or the Ministry of Public Administration or the Treasury. Nevertheless, the Short Term Courses Co-ordination Allowance and Lecture and Practical Test fees in respect of year 2012 amounting to Rs.417,000 had been paid in 13 instances without obtaining such approval. |

2.2.6 Transactions not Supported by Adequate Authority

The following observations are made.

- (a) A sum of Rs.1,275,179 had been paid as second and third languages proficiency allowances since the year 1996 on the instructions of a circular issued by the University Grants Commission contrary to the provisions of the Public Enterprises Circular No. PE 1/174/11(b) of 10 March 1978.

- (b) According to the provisions in paragraph 02 of the Public Enterprises Circular No.PED/58(2) of 15 September 2011, a sum of Rs.1,000 can be paid to the members other than the Executive Director who participate in the meetings of the Board of Management. Contrary to those provisions, 09 Secretaries of Academic Board had been paid a sum of Rs.324,000 at the rate of Rs.1,000 per month since the year 2010 up to the end of the year under review for 09 Academic Boards.

3. Financial Review

----- Financial Results -----

According to the financial statements presented, the working of the Institute during the year ended 31 December 2012 had resulted in a surplus of Rs.5,871,268 before taking into account the Government grant for recurrent expenditure and after taking into account the Government grant of Rs.15,400,000 received for recurrent expenditure, that had improved to a surplus of Rs.21,271,268. The deficit for the preceding year before taking into account the Government grant for recurrent expenditure amounted to Rs.5,369,318 and after taking into account the Government grant of Rs.22,585,072 received for recurrent expenditure, that had improved to a surplus of Rs.17,215,754. The financial results for the year under review after taking into account the Government grants for recurrent expenditure as compared with the preceding year indicated an increase of Rs.4,055,514 in the surplus.

4. Operating Review

----- 4.1 Management Inefficiencies -----

The title to the land on which the Postgraduate Institute of Agriculture established in the year 1975 is situated belongs to the University of Peradeniya. Even though buildings costing Rs.65,308,307 had been constructed on that land by 31 December 2012, action had not been taken to effect legal transfer of the title of the land.

4.2 Operating Inefficiencies

According to the recommendation made by the Technical Evaluation Committee appointed on 13 March 2012 for the purchase of motor vehicles, a decision had been taken for the purchase of a van for Rs.7,950,000 from a private institution. That van had been purchased for Rs.8,350,000 in accordance with another recommendation of the Technical Evaluation Committee obtained before the expiry of the validity period of quotation of the supplier. In consequence of such purchase a sum of Rs.400,000 exceeding the agreed price had been paid.

4.3 Transactions of Contentious Nature

A sum of Rs.29,643 had been obtained by approving 02 vouchers for the reimbursement of the monthly fuel expenses of the motor vehicle used by the Director of the Institute.

4.4 Underutilisation of Funds

A sum of Rs.653,318 received by the Institute by 01 January 2010 for 03 external researches remained idle without being used.

4.5 Delayed Projects

Even though a sum of Rs.542,911 comprising an advance of Rs.216,092 paid on 07 June 2010 and a part payment thereon amounting to Rs.326,819 made on 31 December 2012 had been paid for the installation of an electronic identify card system for the identification of the students entering the Computer Training Centre of the Institute and for recording the times of arrival and departure of the staff of the Institute, that system had not been installed even by April 2013.

4.6 Staff Administration

The following observations are made.

- (a) The number of vacancies in academic staff had been 08 and a sum of Rs.15,246,638 had been paid in the year under review to the External Lecturers recruited without taking action for filling those vacancies.
- (b) A human resources budget had not been prepared in terms of Section 9 of the Public Enterprises circular No. PED/12 of 02 June 2003.

5. Accountability and Good Governance

5.1 Procurement Plan

Even though fixed assets valued at Rs.12,589,380 had been purchased in the year under review, a Procurement Plan had not been prepared in terms of the Guideline 4.2 of the Government Procurement Guidelines.

5.2 Academic Committees

In terms of Sub-section 14(7) of the Postgraduate Institute of Agriculture Ordinance at least 06 meetings of the Academic Committees should be held in each year. Nevertheless, 07 Academic Committees functioning in the Institute had held only 03 to 05 meetings.

5.3 Internal Audit

An internal audit had not been done in the year under review.

5.4 Audit Committee

The Audit Committee had not submitted its decisions to the Board of Directors in terms of Section 7.4.1 of the Public Enterprises Circular No. PED/12 of 02 June 2003. The following matters had not been included in its scope by the Audit Committee.

- (a) Determining the responsibilities of the Internal Audit Unit and review of the Annual Audit Plan.
- (b) Review and evaluation of the internal control systems relating to all activities in operation in the Institute.
- (c) Report on observations for inclusion in the Annual Report.
- (d) Review of the proposals/ guidance submitted to the Committee on Public Enterprises.
- (e) Review and follow up action on Internal/ External Audit Reports and Management Letters.

5.5 Budgetary Control

The following observations are made.

- (a) According to Section 5.2.4 of the Public Enterprises Circular No. PED/12 of 02 June 2003, the approval of the Board of Management for the draft budget should be obtained 03 months before the commencement of the financial year. Nevertheless, the approval the draft budget for the year under review had been obtained only on 30 March 2012.
- (b) The expenditure incurred under 12 objects had exceeded the provision made under those 12 Objects in the Expenditure Estimate of the budget prepared for the year under review by a sum of Rs.2,294,209. In addition a sum of Rs.395,858 had been spent on 02 Objects not included in the budget. The provision of Rs.950,000 made under 02 Objects had been saved, without incurring expenditure. A reconciliation of the budgeted income and the actual income revealed that the income of 12 items had fallen short by Rs.9,252,404. Income exceeding the budgeted income of 09 items by Rs.13,390,089 had been collected. Accordingly, the budget prepared by the Institute had not been made use of as an effective instrument of financial control.

6. Systems and Controls

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

- (a) Accounting
- (b) Fixed Assets Control
- (c) Payments and Advances Control
- (d) Use of Library Books

H.A.S. Samaraweera
Auditor General

2.2 Comments on financial statements

2.2.1 Sri Lanka Accounting Standards

Preparation of fixed assets register for the Postgraduate Institute of Agriculture had not been completed and there was a difficulty in identifying the book value of the revalued assets. However preparation of fixed assets register is being completed by now and action will be taken to include the revalued amounts of assets shown at zero values after depreciation in the financial statements in future.

2.2.2 Accounting Deficiencies

- (a) Deficiency of accounting the consultancy fees payment of Rs. 267,937.00 paid for renovation of buildings as capital expenditure has been corrected in the financial statements prepared for the year 2013.
- (b) Approval was granted by the treasury by their letter dated 03rd January 2012 to incur the capital expenditure out of generated funds as the allocation given by the treasury through the annual budget was not adequate to incur the capital expenditure of the Institute during the year under review. Amount so spent out of generated funds had been deducted from the surplus of the year and adjusted as capital expenditure. However action will be taken to transfer money to the capital account for the expenditure incurred out of generated funds in future.
- (c) Even though the tuition fees income receivable from the students registered for the year 2010 & 2011 should also be considered when calculating the tuition fees income for the year 2012, the accurate amount had not been accounted due to the non-availability of such information for the respective years. However action will be taken to account accurate income for the year when preparing final accounts for the future years.
- (d) Adjustments related to the revaluation of motor vehicles for Rs. 2,250,000 which had a book value of Rs. 2,589,277 had been made as follows;
 - ✓ Accumulated depreciation of Rs.2,429,548.33 through the journal voucher No JV/128/2011
 - ✓ Revaluation amount of Rs.2,250,000 through the journal voucher no JV/129/2011 and
 - ✓ Revaluation surplus of Rs. 2,090,271.32 through journal voucher no JV/130/2011.
- (e) Course fees & registration fees receivable should be accounted by taking in to account the number of students who have legally extended the programme

duration & withdrawn the programme out of the total number of students who have registered at the Postgraduate Institute of Agriculture to pursue different degree programmes from the year 2007 to 2011 as shown in the audit report. However due to the difficulty in obtaining accurate information for the respective years, the receivable amounts have not been accounted. All such information is now being entered in a computer software and action will be taken to account these receivable balances in the financial statements in future.

2.2.3 Unexplained Differences

The value of the fixed assets purchased during the year under review as Rs. 12,013,000 in the audit report should be corrected as Rs.12,282,360.72 and the value shown as Rs.12,629,380 in the schedule should be corrected as Rs.12,575,683.22. Accordingly, the reason for the difference between the two values is the adjustment of Rs.293,322.50 made for goods in transit.

2.2.4 Lack of Evidence for Audit

Preliminary works of the preparation of fixed assets register of the Institute has already been completed and a draft copy was submitted for audit on 29th November 2013.

Action has been taken to forward the copies of boards of survey report submitted by the appointed committee for the verification of fixed assets to the relevant authorities on 25th July 2013 and a committee has been appointed to carry out the survey on library books & periodicals and the report will be submitted for audit immediately.

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

- (a) Temporary surplus money generated through course fees received from students and research grants received from various Institutions had been invested only in government banks as short-term fixed deposits & call deposits as per the treasury circular No: TO/DCF/30 dated 3rd March 2008.

However action will be taken to strictly follow the provisions given in the Finance Act when investing additional money of the Institute in future.

- (b) Action has already been taken to obtain clarifications on the unrealized cheques from respective banks and necessary actions will be taken on the recommendation of the Finance committee and the approval of the Board of Management.

- (c) It is stated as a condition of recruiting visiting lecturers for this Institute that they are entitled for payment of lecture fees and travelling claims only after conducting lectures, examinations and submission of marks. Accordingly no delay charges had been levied as the date considered for the calculation of delay charges is the date of submission of marks and not the actual date of travel.
- (d)
 - (i) Action will be taken to appoint a senior management committee with the approval of Board of Management and discuss the matters referred to in the para 7.4.2. of the PED/12 circular & submit a report to the Board of Management in future.
 - (ii) Even though a formal fuel test had not been carried out for the vehicles owned by this Institute during the year under review, action has been taken to carry out a fuel test for all vehicles with effect from 2013 and balancing the running charts accordingly.
 - (iii) University lecturers who serve as the resource persons of the workshops/short courses conducted by this Institute are rendering their services in addition to their normal duties in the University. Accordingly, payment of coordination fees, lecture fees and practical fees had been made based on a budget recommended by the Finance Committee and approved by the Board of Management.

2.2.6 Transactions not supported by Adequate Authority

- (a) Payment of second and third language proficiency allowance has been done based on the instructions given in the commission circular No: 05/2003 and the 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 instructions given by the University Grants Commission by their Establishment Letter No: UGC/FR/6/3/4 (1). 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 as per 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. Accordingly, a request has already been sent to the University Grants Commission for approval. Further no additional payment is made for the coordination of programmes offered under Boards of study.

3. Financial Review

Financial Results

Agreed with the financial results presented in the audit report after analyzing the financial statements of the Institute.

4. Operating Review

4.1 Management Inefficiencies

Action has not been taken to effect legal transfer of the title of the land on which the buildings of the Institute has been constructed since the Postgraduate Institute of Agriculture is operated as an affiliated Institute of the University of Peradeniya. However action will be taken to discuss this matter with the University and take necessary actions in future.

4.2 Operating Inefficiencies

An order had been placed on 22nd March 2012 to purchase a van to be used by the research students with the recommendation of the Technical Evaluation Committee (TEC) dated 13th March 2012 and the approval of the Department Procurement Committee (Major). But the supplier had made a request to the procurement committee on 09th April 2012 stating that tax on import vehicles had been increased by 111.73% with effect from 01st April 2012 which resulted the cost of the vehicle be increased by Rs. 461,946.00 beyond the control of the supplier. Having considered the request made by the supplier it had been

decided to purchase the vehicle at a price of Rs. 8,350,000 with the agreement that supplier should bear Rs. 61,496 out of the increased price with the recommendation of the TEC dated 09th April 2012 and the approval of the Procurement Committee (Major) dated 10th April 2012. Also this price is less than Rs. 550,000 than the next supplier who fulfilled technical specifications & other conditions and the purchase had been done by considering the additional cost and time taken for calling fresh bids.

4.3 Transactions of Contentious Nature

Action will be taken to effect payments by avoiding these types of lapses in future.

4.4 Underutilization of Funds

Action has been taken to settle the balances remained idle in the external research grants without being utilized as shown in the audit report by taking to the Research Facilitation Fund (RFF) of the Institute with the recommendation of the 21st Finance Committee held on 12th November 2012 & the approval of the 187th Board of Management.

4.5 Delayed Projects

Payment has been made only for the completed works of the Access control system after deducting the advance payment and maximum delay charges as per the agreement. Personalized identity cards to be issued for all the students registered at the Institute have been printed and handed over to the Institute and the activation of the system is at its final stage. Also it has been started to record arrival and departure of the staff of the Institute from November 2013 on the finger machine which is a part of this project.

4.6 Staff Administration

- (a) Approval has been granted by the University Grants Commission by their letter number UGC/H/R/09/01/59 dated 19th March 2008 to fill 03 Professor posts and 02 visiting professor posts on need basis out of the generated funds of the Institute.

Accordingly action has been taken to recruit a professor to the Board of Study in Agriculture Extension who is well knowledge in the subject area with the approval granted by the Board of Management at its 200th meeting held on 31st May 2013 and approval granted by the council at its 422nd meeting held on 01st July 2013. Also

action has been taken to recruit a tutor to the Board of study in Business Administration with effect from 15th June 2013 with the recommendation of the Board of Management and the approval of the Council by utilizing the allocation for 03 senior lecturer posts.

However the payment of Rs. 15,246,638 as stated in the audit report has been paid for conducting 514 courses pertaining to 32 degree programmes under 11 boards of study.

Further, action will be taken to allocate funds only for the vacancies planned to be filled during a particular year when preparing budgets in future.

- (b) Action is being taken to prepare a human resources budget as shown in the audit report and copies of the same will be sent to relevant authorities in future.

5. Accountability and Good Governance

5.1 Procurement Plan

Even though a procurement plan had not been prepared for the year under review, action has been taken to prepare a procurement plan for the year 2013 and send copies to the relevant authorities.

5.1 Academic Committees

Academic and general activities of the Institute were disturbed due to the union actions of the academic and non-academic staff continued during the year under review and it was unable to conduct the minimum number of meetings during the year even though a special attention was paid to conduct the minimum number meetings to be held during the year, However it is planned to cover those meetings in future.

5.3 Internal Audit

No separate internal audit division is functioned in the Postgraduate Institute of Agriculture and currently those activities are covered by the internal audit division of the University of Peradeniya.

Accordingly the approval of the Director of the Institute has been obtained for the audit plan prepared for the Institute as per the recommendation of the Audit committee of the University of Peradeniya at its 52nd meeting held on 05th December 2011. Also the following activities have been carried out by the internal audit division during the year under review.

- (i). Pre auditing the final contract bills paid during the year 2012.

- (ii). Pre auditing the University provident fund and gratuity payments of the staff members retired during the year and calculation schedules of University provident fund and Employees Trust Fund on cost of living allowance from 2006 to 2011 April.
- (iii). Attended all audit committees held during the year under review.

5.4 Audit Committee

Out of the matters stated in the audit report as had not been included in the scope of the Audit Committee, review and follow up action on Internal/External audit reports & management letters stated under matter (e) had been reviewed in the Audit Committees and forwarded the recommendations to the Board of Management along with the minutes.

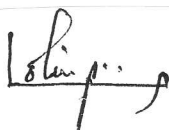
Further, other matters stated in the audit report as had not been included in the scope of the audit committee will be included in the scope of the audit committee and necessary recommendations will be forwarded to the Board of Management.

5.5 Budgetary Control

- (a) Approval for the draft budget estimates had been obtained from the Board of Management at its 196th meeting held on 30th November 2012 and the budget forwarded to the Board of Management on 30th March 2013 is the final budget approved by the treasury.

Most of the activities planned to be conducted during the year were not conducted as expected due to the academic and non-academic union actions which continued more than 03 months during the year under review. Therefore differences have been reported between budget estimates prepared for a full year and the actual income & expenditure. However special attention will be drawn in order to prepare budget estimates with least deviations in a more realistic manner in future.

- 6. Noted. Responsible officers have been advised to pay further attention on this.



Prof. B.C.N. Peiris
Director
Postgraduate Institute of Agriculture