

ANNUAL REPORT

2010

**POSTGRADUATE INSTITUTE OF AGRICULTURE
UNIVERSITY OF PERADENIYA**

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ANNUAL REPORT AND ACCOUNTS FOR 2010

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 Review

I. Introduction

The PGIA was established in June 1975 as the first institution of postgraduate education of its kind in the country. 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, in terms of the Ordinance No. 9 of 1979, functions as an organization within the University of Peradeniya, under the direction of its Board of Management. The initiations taken by the Faculty of Agriculture, under the Deanship of Prof. R.R. Appadurai, have to be emphasized at this juncture. It is the Faculty of Agriculture that actually gave 'birth' to the PGIA as the postgraduate 'arm' of the Faculty. Prof. R.R. Appadurai was appointed as the 1st Director of the PGIA on 29th June 1975 who simultaneously held the position of the Dean of the Faculty of Agriculture. The rules and regulations governing the postgraduate degrees to be offered by the Institute were approved by the Council of Management in January 1976. Six Boards of Study were constituted then, namely Crop Science, Animal Science, Agricultural Biology, Agricultural Chemistry, Agricultural Economics and Extension and Agricultural Engineering.

With over 20 postgraduate programmes being offered, in addition to Diploma programmes, and the best possible experts in the country from the public and private sector being engaged as resource persons, the PGIA in the real sense is a 'Postgraduate University'.

II. Achievements

(i) High Quality

The PGIA was identified as one of a few **High Quality Institutes** in Sri Lanka by the Guest Speaker at the Peradeniya University Research Sessions, 2010. The PGIA was ranked 9th among all higher education institutes in Sri Lanka in 2010 by a web-based ranking system.

(ii) External Review

An External Review of the PGIA was carried out in 2010, the report of which is attached.

(iii) Student Enrolment

During the past 35 years the Institute has made considerable progress in student enrollments. During the 1st year, only 19 students registered out of 30 selected applicants. The number of students registering annually increased from 28 in 1978 to 326 in 2000, 468 in 2005 to a record of 505 in 2007 which was targeted in the Corporate Plan of the Institute.

In 2010/11, a total of 478 students have enrolled for various programmes of study. Among them, 342 students have registered for M.Sc. degree programmes, 57 for MBA, 35 for M.Phil. and 10 for Ph.D. degrees and 28 for Postgraduate Diploma in Applied Statistics.

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.

Many foreign students have successfully completed postgraduate programmes at the PGIA. The institute offers concession rates to students from SAARC countries as well as to others who deserve such. Those who have already completed their postgraduate degrees from the PGIA include students from Bangladesh, India, Peoples' Republic of China, Nepal, Myanmar and Oman.

The following two foreign students registered at the PGIA during 2010.

<u>Name</u>	<u>Country</u>	<u>Degree</u>	<u>Board of Study</u>
Ms. Kathy Soe	Myanmar	Ph.D. by Research	Plant Protection
Mr. T. Ahamed	Bangladesh	- do -	Crop Science

The number of registered students at the institute as of 31st December 2010 is 4147.

(iv) Programmes and Courses

There has been a regular upgrading of existing programmes and courses as well as the introduction of new programmes and courses. This is facilitated by the Curriculum Development Committee. The 11 Boards of Study (B/S) of the PGIA offer 23 M.Sc. programmes in addition to M.Phil. DBA and Ph.D. programmes. The M.Phil and Ph.D. degrees could be pursued either by Course Work and Research or by Research only (if they already possess a relevant M.Sc./M.Phil. degree as the case may be).

In most B/S, there are over 30 students registered for postgraduate programmes, with some Boards accepting over 50 students, all being subjected to evaluation through the Aptitude Test and in some cases by a *viva voce*.

Since its establishment in 1975, the PGIA has awarded 2435 degrees. Of this, 1958 have been M.Sc. degrees, 333 M.Phils., 62 Ph.Ds and 82 MBAs. In 2010 a total of 257 students graduated of whom, 209 were M.Sc., 23 MBA, 21 M.Phil. and 04 Ph.D. and in addition, 34 Diplomas were awarded.

New Degree Programmes : In 2010, the Board of Study in Crop Science has initiated work on formulating two new M.Sc. degree programmes, namely, M.Sc. in Horticulture and M.Sc. in Plantation Management.

New Courses : The PGIA regularly reorganizes its academic programmes and courses to include new and more relevant knowledge and skills which reflect advances in research and analysis in various fields of agriculture. New courses also reflect market demands for particular disciplines. The course contents would also be modified to ensure that

students are exposed to related disciplines and skills useful for different working environments.

A new course “Crop Simulation Modeling” from the Board of Study in Crop Science was approved by the Senate. Another 03 crop based courses, especially designed for non-agriculture graduates, namely, Tropical Field Crop Production, Production Horticulture and Plantation Crop Production are being developed.

The Board of Study in Food Science & Technology has introduced a new course titled “Customer Driven Food Product Development”.

(v) New GIS laboratory

The new GIS laboratory with 25 new computers and software was established in 2010.

(vi) Teaching Panel

The PGIA, due to its prestigious status as a **Centre of Excellence in Postgraduate Education in Agriculture**, has been able to attract outstanding experts both from the national university system and outside to its teaching panel. Some of the courses are coordinated by private sector personnel making it possible to blend the skills of real life situations, which in turn provide a special experience to the students and possibilities of employment thereafter.

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. Many of them are international and national award winners, are in international, regional and national committees, and act as consultants to international, national and private sector organizations. They have assisted the institute to regularly monitor the progress of students and revise/upgrade the curriculum through programmes and courses. The knowledge and skills are given through well equipped laboratories providing ‘state of the art’ technologies. In addition, greenhouses and research fields of the Faculty of Agriculture and the Agricultural Biotechnology Centre provide students with ample practical experience.

In order to ensure that both the teachers and students achieve the highest possible standards in teaching, learning and research, the following steps were introduced as evaluation measures.

- a) Recording student attendance at lectures and at examinations.
- b) Conducting course/teachers evaluations at the end of each course.
- c) Selection of external examiners for thesis evaluation by Boards of Study.

(vii) Examination Procedure – New format for Comprehensive Examination

A new format for assessment at the Comprehensive Examinations was introduced by the B/S Crop Science and adopted by all Boards with the objective of making the evaluation process more objective and independent.

(viii) Research, PGIA Congress and Research Facilitation Fund

The main focus on research has been on solving problems of national importance. Most postgraduate research projects are selected in consultation with national policy formulating bodies such as the Sri Lanka Council for Agricultural Research Policy (CARP) and the National Science Foundation (NSF). During the research period, students acquire knowledge and skills to identify their research areas, design appropriate experiments and carry out their research so as to enable them to merge with the main stream research in the agricultural sciences after graduation. Advanced laboratories, greenhouses and research fields of the Faculty of Agriculture offer immense opportunities for acquiring practical experience. Many research programmes are wholly or partly carried out in other institutes as well, both public and private, in a collaborative manner, providing students exposure to different research environments. Many experts serve as external supervisors and/or examiners of research projects.

(a) Annual Congress 2010

In the 22nd Annual Congress of 2010 which was held on 25-26th November. The Coordinator was Dr. W.M.T. Madhujith, Senior Lecturer from the Board of Study in Food Science & Technology. Of the 48 presentations, categorized into nine different sessions, made at this Congress (37 research presentations and 11 poster presentations) eight were from India, Pakistan and Spain.

The presentations and the manuscripts were rigorously evaluated by a panel of judges and on their recommendation, the following awards were presented.

2010: The Overall Best Research Paper

C.K. Beneragama and K. Goto

Chlorophyll *a: b* Ratio Increases Under Low-light in 'Shade-tolerant' *Euglena gracilis*

2010: The Best Research Paper in Session

Session A : Molecular Biology, Microbiology and Plant Physiology

C.K. Beneragama and K. Goto

Chlorophyll *a: b* Ratio Increases Under Low-light in 'Shade-tolerant' *Euglena gracilis*

Session B : Solid Waste Management and Sewage Treatment

I.P.P. Gunawardana, L.W. Galagedara and S. De Silva

Practical Issues of Partial Onsite Sanitation Systems: Two Case Studies from Sri Lanka

Session C : Food and Nutrition

R.S. Sabaragamuwa, D.A.N. Dharmasena, J. Mannaperuma

Optimization of Environmental Parameters for Short-term Storage of Big Onions and Evaluation of the Feasibility of Controlled Environmental Storage

Session D : Production Economics and Marketing

H.M.U.N. Herath and S. De Silva

Strategies for Competitive Advantage in Value Added Tea Marketing

Session E : Animal Science

P.B.A.I.K. Bulumulla, P. Silva and H. Jianlin

Genetic Diversity at Toll Like Receptor 7 (TLR7) Gene of Sri Lankan Indigenous Chicken and Ceylon Jungle Fowl (*Gallus lafayetti*)

Session F: Organizational Behaviour and Social Capital Development

K.W.H.A. Nishadi Somaratne, O.G. Dayaratne and H.V.A. Wickramasuriya

Does Social Capital Matter in the Well-Being of Rural People? : A Study on the Central Province of Sri Lanka

Session G : Entomology and Crop Protection

B.K.M. Lakshmi, P.N. Reddy and R.D. Prasad

Cross-infection Potential of *Colletotrichum gloeosporioides* Penz, Isolates Causing Anthracnose in Subtropical Fruit Crops

Session H : Land and Water Resources Management and Postharvest Engineering

S.S.K. Chandrasekara and E.R.N. Gunawardena

Effectiveness of Existing Laws and Regulations to Prevent Encroachment of Stream Reservations

Session I : Agronomy and Crop Production

D.A.U.D. Devasinghe, K.P. Premarathne and U.R. Sangakkara

Weed Management by Rice Straw Mulching in Direct Seeded Lowland Rice (*Oryza sativa* L.)

Poster Presentation

D.A.S. Gamage, S.S.R.M.D.H.R. Wijesekara, G.W.N.L. Sarathchandra, B.F.A. Basnayake and W.A.J.M. De Costa

Estimation of Nitrate and Phosphate Leaching from Lysimeter Simulation of Rice Straw Landfill Bioreactor and Evaluation of Fertilizer Quality of Resulting Compost

Agricultural research is a major activity of the PGIA and involves both students and staff. The research is of high quality and the volume of research output has been tremendous. This is evident from the quality of research papers presented at the Annual Congress of the Institute (published in the Journal of Tropical Agricultural Research), in addition to those presented at the Annual Research Sessions of the University of Peradeniya (PURSE), and other fora such as ASDA and SLAAS. PGIA students have presented their research findings at international meetings and even won international awards for their research. A significant step forward taken by the PGIA has been the effort to disseminate the research output to the relevant stakeholders, especially the farming community of this country as well as the industries and consumer organizations through the national agricultural extension systems of the Department of Agriculture and other extension services of different institutes.

The Senior Supervisors and members of the supervisory committees of research students ensure that research of high quality and of national importance is carried out. The Annual Congress of the PGIA which is the major scientific event of the

country was inaugurated in 1989, provides an opportunity for the research students to present their research findings and to interact with experts in their relevant fields. The presentations are published in the Journal of Tropical Agricultural Research. The Congress is open to any postgraduate student and special concessions are provided to those from the SAARC countries. This is the main mode of dissemination of postgraduate research. Having conducted this event for the past 22 years, its scope has been expanded to include other activities as well, such as public discussions on topics of national importance which were held for the first time in 2007. This is also an excellent forum for scientific interaction and to develop partnerships with the industry.

(b) Research Facilitation Fund (REF)

The RFF was established to fund projects which are of national importance. This research fund was initiated during 2009 and the following Ph.D. programmes were funded in 2010.

<u>Student</u>	<u>Board of Study</u>	<u>Research Title</u>
1. Ms. R.P. Hettiarachchi	Soil Science	Biofilm biofertilizers for improved plant growth and soil health of rubber nurseries and plantations.
2. Ms. W.M.G.D. Wijesundera	Soil Science	Evaluation of accumulation in surface and shallow ground water, soils and plants by toxic elements and plant nutrients, due to application of fertilizer and land use in the tank cascade systems of dry zone of Sri Lanka.
3. Mr. H.M.M.S. Seneviratne	Plant Protection	Removal of Cadmium iron in drinking and irrigation water using rice hull.
4. Ms. R.S.A. Priyadarshani	Plant Protection	Identification of microbial contribution towards cadmium accumulation and ascertain bioremediation to remove elevated levels of cadmium from contaminated soil and water in North Central Province of Sri Lanka.

(ix) Facilities

(a) Computer Unit : The PGIA has a Computer Unit that is regularly expanded and upgraded. Most of the courses require the students to use computer facilities as a part of their learning process in the modern world. In addition to this, the unit caters to a large number of workshops, short courses and training programmes, all of which require modern computing facilities. It, therefore, also acts as a service centre. The IT facilities which were expanded and upgraded recently included the latest software for teaching and research purposes. The Computer Unit is also initiating the framework for conducting courses on e-Learning. In 2010, twelve LCD computers were purchased and initiatives were taken to purchase a modern virus guard.

Electronic ID card system was introduced for students of the Institute which could be used to get easy access to the Computer Unit and PGIA Library. The expansion of the Computer unit as envisaged is given in the draft Master Plan.

(b) PGIA Agriculture Library: A total of 803 books were added to the Agriculture Library during 2010 as purchases from PGIA funds and donations. Significant donors of publications are IRRI/Philippines, SAARC Agricultural Information Centre/ Bangladesh, IAAS/ Nepal, HORDI/ Gannoruwa, CRI/ Lunuwila, TRI/ Talawakelle, Science Library/ UP and Eastern University/ Chenkalady. Registered users of the Library comprised of 235 academic staff members, 906 PGIA students and 651 Faculty students. The Library has a total collection of 41,964 books and bound volumes of periodicals as of 31st December 2010.

(c) Classroom Complex: In addition to the excellent auditorium, classrooms and cafeteria in the main building, a new Classroom Complex was established and opened in 2006, providing extra classrooms, seminar and conference facilities that give the students and the lecturers a pleasant teaching/learning environment. The expansion of the Auditorium as envisaged is given in the draft Master Plan.

(x) University Industry Community Interaction Cell (UICIC) and Facilities

Through dedicated work and close links established by the UICIC, the PGIA, for the first time, established the following two Facilities at the institute.

a) Facility for Organic Agriculture : This was ceremonially opened by the Hon. Hemakumara Nanayakkara, Minister of Agriculture, in July 2008. It has initiated and implemented many national programmes and trained > 500 farmers.

b) Facility for Renewable Energy Sources : This facility too is now functioning at the PGIA.

(xi) Seminars, Workshops, Trainings and Other Programs held during 2010: During 2010, a total of 28 Seminars were held at the Institute, of which 26 were research seminars conducted by PGIA research students. Also, 04 workshops, 01 conference and 03 short courses were held during 2010.

(xii) Postgraduate Agriculture Students Association (PASA) : All facilities have been provided for PASA to be an active student association of postgraduate students of the university system.

(xiii) Donation of Equipment to the University Health Centre : A donation of equipments worth Rs. 49,971/- was presented to the University Health Centre in 2010. Unutilized accumulated health fees of PGIA students were used to purchase this annual donation.

(xiv) Corporate Plan

The Corporate Plan of the Institute for 2010-2019 was submitted to the Board of Management for approval.

(xv) Senior Visiting Fellow

Dr. S. Illangatilake was appointed on 15th November 2010 as the Senior Visiting Fellow on assignment basis to establish local and international linkages, among other duties.

(xvi) PGIA Master Plan

As indicated in the draft Master Plan, it is envisaged that the PGIA will construct a Hostel for postgraduate students, expand the Auditorium, Computer Unit and the Guest House. The establishment of the Hostel will solve the problem of accommodation, especially for foreign students.

(xvii) COPE Recommendation

As recommended at the COPE meeting in the Parliament, steps have been taken to initiate the establishment of branches of the PGIA in the North and East of the country.

(xviii) MOUs signed with 3 Prestigious Foreign Universities

As a result of activities carried out in 2010, 3 MoUs were signed this year with the following 3 prestigious universities in order to carry out student exchange, staff exchange, collaborative research, co-supervision of students and to establish joint courses/programmes

1. Cornell University, USA
2. University of Florida, USA
3. University of Valencia, Spain

(xix) The PGIA Journal

Steps have been taken to publish the journal “Tropical Agricultural Research” in 4 volumes per year.

III. FUTURE DIRECTIONS

‘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. The UICIC will continue to play a major role in this endeavour.

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.

The corporate Plan 2010 – 2019 is being designed to address many of the current and anticipated future issues in agriculture man power training.. The diversification of degree programmes, improvement of teaching and research capabilities and developing links with reputed local and international educational and research institutes have been envisaged in this Corporate Plan. More emphasis has been placed on industrial links to expose the student to real world situations and to make them more employable. Some infrastructural developments are already in place to accommodate more students and to expand the activities of the Institute. The Corporate Plan of the Institute emphasizes the quality of postgraduate education in the fields of Agriculture and Business Management. It addresses the quality of the learning process and the scholarly standing of the Institute. It specifies the objectives and strategies to achieve the highest academic standards. The Institute will dedicate itself to achieve the goals specified in the Corporate Plan and the Master Plan in the next decade and endeavour to become a renowned center of excellence in agricultural education in the Asian region.

Partnerships will be pillars for further development of the Institute. They are durable strategic alliances to elevate the Institute to a **Centre of Excellence** in higher education in Agriculture and Business Management nationally and in the region.

In partnership with the Faculty of Agriculture, the PGIA will dedicate itself to achieve the goals specified in its Corporate Plan in the next decade to become a renowned Center of Excellence in agricultural education in the Asian region.

Prof. A.L.T. Perera
Director
Postgraduate Institute of Agriculture

4. Resources & Students

Institute	Course	Total Students (2010)	Total Academic Staff	Total Non-Academic Staff
Postgraduate Institute of Agriculture	P.G. Diploma	28	02 permanent staff, 01 on assignment basis and about 300 visiting staff	33
	M.Sc.	348		
	MBA	57		
	M.Phil.	35		
	Ph.D.	10		
Total		478		

5. Local Students

Institute	Course	Medium	Intake 2010	1 st Year Students	2 nd Year Students	3 rd Year Students	4 th Year students	No. Graduated
Postgraduate Institute of Agriculture	P.G. Diploma	English	28					34
	M.Sc.		348					209
	MBA		57					23
	M.Phil.		35					21
	Ph.D.		09					04
Total			477					291

6. Foreign Students

Institute	Course	Medium	Intake 2010	1 st Year Students	2 nd Year Students	3 rd Year Students	4 th Year Students	No. Graduated
Postgraduate Institute of Agriculture	P.G. Diploma	English						
	M.Sc.							
	MBA							
	M.Phil.							
	Ph.D.		01					
Total			01					

7. Academic Staff

Institute	Subject	Medium	Senior Prof.	Prof.	Senior Lecturer	Lecturer	Asst. Lecturer	Instructors
Postgraduate Institute of Agriculture	Director	English	01					
	Lecturer (Assignment basis)			01				
	Senior Asst. Librarian						01	
Total			01	01			01	

8. Non-Academic Staff

Branch	Most Senior	Senior Staff	Junior Staff	Minor Employees
Administration	02	02	03	08
Accounts	01	01	04	01
Admission	-	01	03	01
Computer Unit	-	-	01	01
Congress Unit	-	-	01	01
PGIA Library	-	02	01	02
Total	03¹	06²	13³	14⁴

1 - Administrative Level & Executive Level

2 - Senior Staff Grades

3 - Clerical & Allied Grades

4 - Below the above Grades

9. Research, Innovation and Publications

Subject	Published	Commercialized	Presented
a. No. of Researches	25		25
b. No. of Innovations			
c. No. of Journals	04	04	
d. No. of Books			
e. No. of Articles			
f. Other			
Totalp	29	04	25

10. Programmes, Seminars and Workshops

Subject	Attended	Completed	Presented
a. No. of PG Degree Programmes			26
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			26
Seminars			02
Workshops			04
Short Courses			03
Total			62

11. Awards Received

Subject	No. of Awards	No. of Academics	No. of Students
a. Local Awards	01		01
b. National Awards	12		11
c. International Awards	01		01
d. Other			
Total	14		13

12. New Courses Started (Introduced)

Institute	Course	Medium	Certifi- cate	Diploma	PG Diploma	Masters	M.Phil.	Ph.D
Postgraduate Inst. of Agriculture	Crop Simulation Modeling	English				01		
	Customer Driven Food Product Development					01		
Total						02		

13. Recurrent Expenditure

Subject	2009 Rs.	2010 Rs.
a. Personal Emoluments	31,488,503	32,475,048
b. Travelling	150,247	131,134
c. Supplies	2,766,769	2,412,585
c. Maintenance	777,970	703,340
e. Contractual Service	4,741,204	5,001,964
f. Others	6,539,949	11,309,466
Total	46,464,642	52,033,537

14. Capital Expenditure

Subject	2009 Rs.	2010 Rs.
a. Acquisition of Furniture & Office Equipment	6,831,977	2,147,057
b. Acquisition of Machineries		
c. Acquisition of Building & Structures	1,406,060	609,096
c. Others		
Total	8,238,037	2,756,153

15. Projects (Local/Foreign Funded)

Name of Detail	Loan/Grant	Funding Agency	TEC Rs.	RFA Rs.	DF Rs.
CAPNET	Grant	CAPNET South Africa	934,700		
Crossing Boundaries Project	Grant	DGIS Netherlands	75,035,938		
Total	-	-	75,970,638	-	-

16. Project Expenditure (Local/Foreign Funded)

Name	TEC Rs.	Exp. in 2009 Rs.	Exp. in 2010 Rs.	Cumulated Exp. as at 31.12.2010 Rs.	% of Physical Progress
CAPNET	934,700	2,419,482	654,306	3,073,788	100%
Crossing Boundaries Project	75,035,938	19,525,330	18,144,865	37,670,195	87%
Total	75,970,638	21,944,812	18,799,171	40,743,983	187%

17. Financial Progress (Expenditure)

Subject	Provision in 2010 Rs.	Exp in 2010 Rs.	Savings/ Excess Rs.
a. Recurrent except Project	59,300,000	52,033,534	7,266,466
b. Capital except Project	1,750,000	2,756,153	(1,006,153)
c. Project - Local funded	3,535,254	2,289,891	1,245,363
d. Project - Foreign funded	21,134,400	18,799,171	2,335,229
Total	85,719,654	75,878,749	9,840,905

18. Financial Progress (Generated Income)

Source of Revenue	Provision in 2010 Rs.	Collection in 2010 Rs.	Deficit/Surplus Rs.
a. Undergraduate Studies			
b. Postgraduate Studies	46,200,000	63,301,576	17,101,576
c. Consultancies			
d. Others			
Total	46,200,000	63,301,576	17,101,576

19. Financial Performance Analysis - 2010

Subject	Formula	Exp. per Student Rs.
a. Recurrent Expenditure per Student (RE)	RE/No of Student strength	56,192
b. Capital Expenditure per Student (CE)	CE/No of Student strength	2,976
Total	-	59,168

20. Infrastructure Facilities Received in 2010

Infrastructure Details	Expenditure Rs	Physical Progress
NIL		

21. Any Other Details/Performance Relevant to this Report



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கணக்காய்வாளர் தலைமை அறிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



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 Your No. }

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 திகதி } 18 November 2011

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 2010 in terms of Section 108(2) of the Universities Act. No 16 of 1978 and Section 13(7) (a) of the Finance Act. No. 38 of 1971.

The audit of financial statements of the Postgraduate Institute of Agriculture for the year ended 31 December 2010 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 Postgraduate Institute of Agriculture Ordinance No. 09 of 1979 enacted under Section 18 of the Universities Act No. 16 of 1978, Sections 108 and 111 of the Universities Act and Sub-section (1) of Section 13 of the Finance Act. No. 38 of 1971. My comments and observations which I consider should be published with the annual report of the Institute in terms of Section 108(2) of the Universities Act and Section 13(7) (a) of the Finance Act No 38 of 1971 appear in this report.

1.2 Responsibility of the Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Principals. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies and making accounting estimates that are reasonable in the circumstances.

1.3 Scope of Audit and Basis of opinion

My responsibility is to express an opinion on these financial statements based on my audit. Audit opinion, comments and findings in this report are based on review of the financial statements presented to audit and substantive tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me. The audit was carried out in accordance with Sri Lanka Auditing Standards to obtain reasonable assurance as to whether the financial statements are free from material misstatements. The audit includes the examination on a test basis of evidence supporting the amounts and disclosures in financial statements and assessments of accounting policies used and significant estimates made by the management in the preparation of financial statements as well as evaluating their overall presentation. I therefore believe that my audit provides reasonable basis for my opinion. 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.

2. Financial Statements

2.1 Opinion

In view of the comments and observations appearing in this report, I am unable to express an opinion on the financial statements of the Postgraduate Institute of Agriculture presented for audit for the year ended 31 December 2010.

2.2 Comments on Financial Statements

2.2.1. Accounting Policies

The following instances of non compliance were observed.

- (a) An amount equivalent to the annual depreciation had not been identified in the financial statements and debited to the Government grants account as a deferred revenue in accordance with Sri Lanka Accounting Standard 24 in respect of fixed assets totaling Rs.44,775,893 purchased out of Government grants from the year 2005 to 31 December 2010.
- (b) Nine items of fixed assets at a total cost of Rs. 64,561,516 as at 31 December 2010 which had been fully depreciated and shown at zero values but, are being continuously used had not been revalued and brought to account in accordance with Sri Lanka Accounting Standard 18.
- (c) According to Sri Lanka Accounting Standard 18 and University Grants Commission Circular No. 649 of 05 October 1995, an asset should be depreciated within its life time. Nevertheless, the provision for depreciation had not been so made in respect of fixed assets valued at Rs. 4,226,665 purchased during the year under review.

2.2.2. Accounting Deficiencies

The following matters were observed.

- (a) Over statements and under statements during the year under review in the following revenue, expenditure and assets and liability accounts amounted to Rs.3,736,702 and Rs. 1,278,168 respectively.

Account -----	Over statements -----	Under statements -----
	Rs.	Rs.
Property, Plant and Machinery (Buildings)	2,658,180	-
Provision for Gratuity	319,732	-
Vehicle Licenses and Insurance Charges	49,443	-
Other Covenant Services	21,103	-
Electricity	13,697	-
Other Recurrent Expenditure	60,000	119,403
Cleaning Service Expenditure	-	55,509
Security Service Expenditure	-	11,001
Fixed Assets	216,092	-
Other Allowances	6,500	-
Stamp Fees	-	5,625
Railway Warrant Charges	9,460	4,290
Library Books	-	13,625
Property, Plant and Machinery (Vehicle)	339,277	-
Depreciation	43,218	-
Overhead Fund	-	459,620
Property, Plant and Machinery	-	609,095
	----- 3,736,702 =====	----- 1,278,168 =====

(b) The value of 167 units of goods which had been recommended as unusable at the verification of goods had not been written-off from the fixed asset accounts.

(c) According to Section 99(1) of the Universities Act, all the receipts of the Institute should be credited to the General Fund. Nevertheless, a sum of Rs.2,974,615 received during the year under review had been credited to 03 various Fund accounts and a sum of Rs. 2,352,659 had been spent there from. These transactions had not been shown in the financial statements and only the balances of those accounts as at the end of the year under review had been shown in the balance sheet as other grants.

Nature of Fund	Balance as at 01.01.2010	Receipts	Payments	Balance as at 31.12.2010
	Rs.	Rs.	Rs.	Rs.
Annual Congress Account	3,268,656	2,449,084	1,417,445	4,300,295
Scholarship Account	7,174,411	318,996	228,200	7,265,207
Publication Account	500,479	206,535	707,014	-
Total	10,943,546	2,974,615	2,352,659	11,565,502

(d) Action had not been taken to eliminate from the stock accounts one item of goods valued at Rs.3,150, 1200 obsolete students hand books valued at Rs.123,264 and 260 books valued at Rs.92,500 aggregating Rs.218,914 which had been recommended as unusable by the board of survey of the year 2010.

(e) Action had not been taken to compute and pay the ground rent payable to the University of Peradeniya for the period November 2009 to the end of the year under review in respect of private photo copying unit conducted by the Institute. Adjustments in this regard had also not been made in the financial statements.

(f) Even though expenditure of Rs.54,404 incurred in conducting short term courses and overhead expenses of Rs.67,050 had been adjusted to other recurrent and overhead accounts through the journal entry No.109, adjustments had not been made in the short term courses account.

- (g) It had been decided to recover the consultancy fees of Rs.75,000 paid in the year 2009 to a research coordinator in respect of research works and advances of Rs.50,000 paid due to non performing the activities. Adjustments for the recoverable consultancy fee of Rs.75,000 had not been made. Even though the cash account should have been debited and credited the advance account in settling advances, project account had been debited instead of being debited to the cash account.
- (h) Living allowance of Rs.400,284 sent by a foreign Institute for a student of the Institute had been brought to account under other expenditure of the year and this amount had also been brought to account as revenue.

2.2.3 Unexplained Differences

According to the financial statements, a sum of Rs.166,131 receivable from the University of Peradeniya prior to the year 2000, had been written-off against the profit of the year under review without being identified and got it back.

2.2.4 Accounts Receivable

The following matters were observed.

- (a) Ad-hoc sub-imprest of Rs.5,000 remaining since the year 1993 had not been settled even up to the end of the year under review.
- (b) Action had not been taken in terms of Financial Regulation 188 in respect of 06 cheques valued at Rs.10,230 deposited but not realized and remained in the Bank of Ceylon current account Peradeniya for a period from 2003 to month of July 2010 and 02 cheques and 12 money orders valued at Rs. 6,240 deposited but not realized as per the bank reconciliation for the month of August 2010 and remained in the Peoples Bank current account Peradeniya.

(c) Action had not been taken to recover the salary advance of Rs. 1,500 paid in January 2010 and distress loan balance of Rs. 10,580 due from an officer transferred out even by May 2011.

2.2.5 Lack of Evidence for Audit

 The following items of accounts could not be satisfactorily vouched or accepted in audit due to non-availability of evidence indicated against each item.

Item	Value	Evidence not made available
-----	-----	-----
	Rs.	
Fixed Assets	122,081,134	Register of fixed assets and schedules
Science deposits	4,710,982	} Deposit Registers
Library deposits	8,879,849	
Tender deposits	139,795	

2.2.6 Non-compliance with Laws, Rules, Regulations and Management Decisions.

 The following non-compliances were observed.

Reference to Laws, Rules, Regulations etc.	Non-compliance
-----	-----
(a) Universities Act No. 16 of 1978	
----- Section 45	A sum of Rs. 120,000 had been paid at Rs.20,000 per mensem to the Information Technology Centre without the approval of the Vice Chancellor.

(b) Financial Regulations (FR)

-
- (i) FR 115
- A sum of Rs. 169,450 had been paid in 06 instances relating to the previous year's payment without obtaining proper authority.
- (ii) F.R.135, 136 and 137
- Financial authorities had not been delegated to 21 officers of the Institute annually.
- (iii) F.R. 371
- (i) Although the maximum amount payable as ad-hoc sub-impresst is Rs. 20,000 it was observed that there had been 10 instances where advances ranging from Rs. 25,000 to Rs.95,200 had been granted.
- (ii) Although ad-hoc sub-impressts could be granted only for specific purposes, advances of Rs. 33,987 given in 06 instances had been settled after retains in hand for 04 to 30 days.
- (iv) F.R. 756
- Board of survey reports had not been submitted in respect of library books valued at Rs.32,709,466.
- (v) F.R. 1645
- Even though all the details of vehicles should be stated in the vehicle log books, such details had not been included in vehicle log books of 02 vehicles.
- (vi) F.R. 1646
- Daily running charts along with the monthly summaries of 04 vehicles of the Institute had not been forwarded to the Auditor General up to the year 2010.

- (c) Treasury Circular No. IAI/2002/02 Dated 28 November 2002
A register of Fixed Assets had not been maintained in respect of computers.
- (d) Paragraph 5.4.12 of Circular No. 10 dated 25 January 2006 of the Chairman of the Procurement Agency
Even though details of Value Added Tax should be informed to the Commissioner General of Inland Revenue with a copy to the Auditor General, action had not been taken accordingly in respect of Tax amounting to Rs. 97,502 paid in 12 instances.
- (e) Establishments Code of the Democratic Socialist Republic of Sri Lanka

- (i) Section 8.1.2 of Chapter XIV
Even though the prior approval of the Head of the Institute should be obtained for motor car mileage, action had not been taken in respect of motor car mileage of Rs. 189,057 obtained in 20 instances.
- (ii) Section 28.6
If traveling claims are not submitted within 30 days after the completion of the journey, penalty should be charged. Nevertheless demurrage fees of Rs.19,311 in respect of travelling claims submitted for Rs. 155,995 in 13 instances had not been recovered.
- (f) Circular No.422 of the University Grants Commission
Allowances of Rs.199,772 had been paid to the 4 lecturers in the faculty of Agriculture of the University of Peradeniya without the approval of the Vice-chancellor and the Council.

- (g) Public Administration Circular No. 41/90 of
10.10.1990

Even though the fuel combustion of vehicles should be tested once in every 06 month, this requirement had not been complied with in regard to 04 vehicles belonging to the Institute. As a result, running charts had been balanced indicating the number of kilo meters performed per liter ranging from 5.26 km to 25.12 km.

2.2.7 Transactions not supported by Adequate Authority

The following observations are made.

- (a) The second and the third language proficiency allowances amounting to Rs.1,118,472 had been paid since the year 1996 to the end of the year under review on the circular instructions issued by the University Grants Commission, contrary to the provisions in the Public Enterprises Circular No. PE/1/774/11 (B) dated 10 March 1978.
- (b) According to the Circular Letter No. PD/I/NS/DL/GS/A 078 dated 18 July 2003 of the Director General of Budgets, the academic allowance should not be taken in to consideration in computing contributions to the Employees Provident Fund and the Employees Trust Fund. Contrary to this, contributions amounting to Rs. 466,147 had been paid to two officers in respect of academic allowances amounting to Rs.2,589,719 from the year 2001 to 2010.
- (c) Bonus amounting to Rs. 216,050 at 10% had been paid during the year under review to visiting lectures for releasing early results on a decision No. 150.2.1 dated 24 November 2004 taken by the Board of Management by overriding the University Grants Commission Circular No.837 dated 29 November 2003.

3. Financial and Operating Review

3.1 Financial Review

3.1.1 Financial Results

According to the financial statements presented, the working of the Institute for the year ended 31 December 2010 had resulted in a surplus of Rs.1,770,860 before taking into account the Government grants for recurrent expenditure and after taking into account the Government grant of Rs.18,000,000 for recurrent expenditure, the surplus had increased to Rs.19,770,860. The deficit for the preceding year amounted to Rs.6,514,710 before taking into account the Government grant for recurrent expenditure and after taking into account the Government grants of Rs.14,200,000 for recurrent expenditure, it had converted in to a surplus of Rs.7,685,290.

3.1.2 Transactions of Contentious Nature

Although payments had been made to the lecturers of the academic staff of the University of Peradeniya for conducting visiting lecturers at this Institute, there was no evidence to ensure whether the prior approval of the authorities of the University of Peradeniya had been obtained in terms of Section 1.2 and 1.3 of Chapter XIX of the Establishments Code for Universities in that connection. The royalty of Rs.138,840 payable on visiting lecture fees had also not been recovered in terms of Section 2.3 of Chapter IX of the Establishments Code.

3.2 Operating Review

3.2.1 Performance

The following observations are made.

- (a) 1651 post graduate students were studying during the year under review and the cost per student as compared with the expenditure incurred during the year amounted to Rs. 31,402 and it was Rs. 25,709 during the preceding year.

- (b) Even though the main objective of the Institute was to conduct research works, any expenditure whatsoever had not been incurred in respect of research works during the past 5 years.

- (c) Although the final progress report should be sent by 16 October 2009 in respect of grants amounting to Rs.7,977,611 given for a research work under the United Nations Organization during the year 2008, the research work had not been completed even by May 2011 though a sum of Rs.7,715,300 had been spent by December 2010.

- (d) A news paper advertisement had been published by spending a sum of Rs.34,776 for the establishment of a Student Digital Identity card system in respect of 4000 students. An agreement had been entered into in this regard on 18 May 2009 with a private Institution for Rs.1,080,460 by agreeeyins to supply identity cards within 03 months. Identity cards had been issued only to 1064 students by May 2011. Action had not been taken to recover penalties amounting to Rs. 1,515,525 for the delayed period in terms of the said agreement.

- (e) Floor area of 1,358 square feet of the main building of the Institute had been given to an outside individual from the year 2001 to run a canteen on rent basis without an agreement. Out of the monthly rent income, a sum of Rs.3,000 had been given to the officers' welfare society and a monthly rental of Rs. 1,000 only had been recovered by the Institute. Similarly, any charges for the supply of water and electricity for the canteen had not been recovered and 37 items of fixed assets had been provided for its use and equipment valued at Rs.126,450 had also been supplied during the year under review.
- (f) 2824 students had been registered by the Institute for Post Graduate Courses during the period from 2005 to 2010 and number of students who had not completed the course during that period was 56 % or 1584 of the registered students.

3.2.2 Underutilization of Funds

The following matters were observed.

- (a) The expenditure not incurred relating to 20 research projects which are being carried forward from several years but not completed as at 31 December 2010 amounted to Rs.1,654,669.
- (b) Sums of Rs. 20,000 and Rs.581,593 relating to 02 projects for which any expenditure had not been incurred in the year 2005 and 2006 respectively in respect of external researches and a sum of Rs.300,000 received under other grants in the year 2005 had not been utilized even as at the end of the year under review.
- (c) The lap top computer valued at Rs.196,000 supplied to the Institute in the year 2006 through the National Centre for Organic Agriculture (NCOA) under Post Graduate Institute of Agriculture was not in working condition and this asset was lying idle even as at the date of audit.

3.2.3 Uneconomic Transactions

- (a) According to the Universities Act No.16 of 1978 and the Post Graduate Institute of Agriculture Ordinance No. 09 of 1979, there are no provisions to establish any type of Center under the Postgraduate Institute of Agriculture. Nevertheless, 02 Centers in the name of the National Centre for Organic Agriculture (NCOA) and the Centre for Renewable Energy sources (CRES) had been established since the year 2008 to carryout project activities.
- (b) A sum of Rs. 800,000 had been spent for two lecturers of the University of Peradeniya in respect of visiting lecture fees of the Centre for Renewable Energy sources without the approval of the council and Board of Management. Further, two lecturers of the University of Peradeniya had been appointed as Directors of the above centre and paid a sum of Rs. 1,126,000 as Director's Allowance.
- (c) An outside person had been recruited for coordinating the activities of Crossing Boundaries Project conducted by a foreign grant when relevant authority is not delegated to the Director of the Post Graduate Institute of Agriculture by the Board of Management and a sum of Rs.720,000 had been paid at a monthly rate of Rs.80,000 as salaries for the period April to December 2010 in terms of Section 1.2.8 of Chapter iii of the Establishments Code of University.

3.2.4 Identified Losses

According to Section 7(iii) of the Agreement for Research Projects of the Council for Agricultural Research Policy of Sri Lanka, the fixed assets belong to the project should be vested in the relevant Institute after the completion of the research work. Nevertheless, fixed assets valued at Rs.1,415,374 relating to 04 projects of which research work had been completed had not been vested in the Institute even by December 2010.

3.2.5 Cadre

Number of vacant posts in the academic staff was 09. Visiting lecture fees of Rs.13,883,972 had been paid during the year under review without taking action to fill those vacant posts.

3.2.6 Corporate Plan and Action Plan

A Corporate Plan and an Annual Action Plan had not been prepared and got the approval of the Board of Management. Even though an updated corporate plan should be prepared at least 15 days before beginning of every financial year in accordance with the Circular No. PED/47 dated 18 December 2007 of the Director General of Public Enterprises, such plans had not been prepared for the year under review.

3.2.7 Budgetary Control

The following matters were observed in the examination of income and expenditure shown in the budget and the actual income and expenditure.

- (a) Increase of estimated revenue relating to 15 revenue items amounted to Rs.18,490,001 and its percentage ranged from 12% to 275%. The estimated revenue deficit relating to 02 revenue items was Rs.133,995 and the percentage thereon ranged from 21 % to 64 %. As such, it was observed that the budget had not been made use of as an effective instrument of financial management control.
- (b) It is the responsibility of the Accounting Officers to prepare as far as possible the accurate and complete annual budgets in terms of Financial Regulation 50(ii). Nevertheless, there had been a saving of Rs. 20,963,328 representing 16% to 100% relating to 24 expenditure items while there had been a sum of Rs. 1,328,687 exceeding the budget relating to 07 expenditure items which represented 16% to 129%.

4. 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. Special attention is needed in respect of the following areas of control.

- (a) Accounting
- (b) Fixed Assets
- (c) Settlement of Advances
- (d) Purchases
- (e) Researches and Grants activities
- (f) Conduct of Boards of Survey
- (g) Conducting Short-term Courses
- (h) Budgetary Control

H.A.S.Samaraweera
Auditor General

02.**2.1.1**

- a. The capitalized method had been followed in Accounts keeping in SLAS 24 for budgetary allocations and it had been revealed in accounts policies.
- b. Accepted. A board was appointed in 2008 to identify the relevant assets and their reports have already been completed. Also the task of disposal of unusable, items according to those reports, has already been completed. Further actions are being taken to identify the bought cost of the most of the assets. Accordingly action will be taken to re-evaluate the goods in the institute and include in the accounts of this year. (disposed and donated goods) However, action will be taken within this year to correct this shortcoming.
- c. Reconciling of Depreciation was totally carried out for the year Fixed Assets were taken as a policy from the inception of this institute but reconciling of depreciation does not carry out in the written off year. That method has continuously been followed in terms of SLAS No.03 for the maintenance of the consistency of Depreciation Policies. This has been revealed in the Annual Financial Statements.

2.2.2**Properties, Plant and Equipments :**

Has been corrected by reconciling to the accounts in the year 2011

Gratuity Allocation :

Has been corrected by reconciling to the accounts in the year 2011

Vehicle license and insurance charges :

Has been corrected by reconciling to the accounts in the year 2011

Other Agreement Services :

Has been corrected by reconciling to the accounts in the year 2011

Electricity :

Cannot be accepted. A sum of Rs.1032736/- as electricity expenditure of the year has correctly been accounted.

Other Recurrent Expenditure :

Has been corrected by reconciling to the accounts in the year 2011

Other recurrent Expenditure:

It is a value that was paid for testing samples of one of the researches, out of several research projects maintained by the institute. By mistake it has been included in other recurrent expenditure. Action has been taken to correct this error. Also these researches are carried out efficiently and their preliminary progress reviews were also carried out.

Expenses for Cleaning Services:

Can not be accepted. The expenditure for cleaning services relevant to the year 2010 was Rs. 745,394/-. The VAT amount of Rs. 55509/- relevant to the cleaning services has been debited to the VAT Account, and the respective total expenditure has been reconciled against the total expenditure.

Expenses for Security Services:

Cannot be accepted. A sum of Rs 173071/- for the security services relevant to the year 2010 has been debited to the VAT account and the respective total expenditure has been reconciled against the profit.

Fixed Assets :

Has been corrected by reconciling to the accounts in the year 2011

Other allowances :

Has been corrected by reconciling to the accounts in the year 2011

Stamp Charges :

Do not accept. An amount of Rs.18475/- is the stamp charge value that should be paid in conformity to the receiving student fees and it has been reconciled to the respective accounts and was transferred to postmaster General . Furthermore, an amount of Rs. 5625/- is a value that should be paid by employees who earn more than Rs. 25000/- of the Institute and it has been deducted from the employees' salary and paid.

Railway Tickets Charges

Has been corrected by reconciling to the accounts in the year 2011

Library Books

Has been corrected by reconciling to the accounts in the year 2011

Properties, Plants and equipments

The value of Rs. 2589277/- is the basic value of the respective Accounts of Assets. However, action will be taken to reconcile the matters in relation to other fixed assets shown in your report with these assets.

Depreciation

Has been corrected by reconciling to the accounts in the year 2011.

Common Fund

According to the budget estimate, an amount of 15% is decided as the institutional charge. However, the 15% charge is calculated at the end of the work according to the actual budget and has been corrected by reconciling to the accounts.

Properties, Plant and Equipments

Has been corrected by reconciling to the accounts in the year 2011

- b. As the information of these goods could not be taken correctly through the relevant reports, it was not able to reconcile with accounts. However, all the information has already been received and action will be taken to write off from the accounts.
- c. The Statement Fund maintained by the institute and Annual Conference and scholarship Fund have been rescinded and reconciled with accounts in 2010 and 2011 respectively according to the decision taken by the audit committee held in March 2010.
- d. Accepted. Instruction has been given to take action to remove these items under due authority by October.
- e. Accepted. Attention will be paid to take action on the land rent after calculating it.
- f. Accepted. Actions have been taken to reconcile the relevant Journal Accounts.
- g. Action will be taken to put account notes after doing the relevant reconciling
- h. Accepted. Action was taken to account correctly

2.2.3

Action has been taken to remove this amount of Rs. 166131/- from the accounts which should be received from the University of Peradeniya according to the decision 2.2.3.(a) of 23rd Audit committee. This value has been existing since the year 1979 and it is a balance of an annual grant allocated by the treasury. At that time it was possible to bring forward the balances of grants for the coming years. Also those grants were received to this institute through the university of Peradeniya and it is a balance after setting off of Receiving and Paying Accounts between two institutions, which was not issued by the university from the received amount. (Annexure No. 01). However this amount that should be paid has been

written off from their accounts by the University of Peradeniya. Also the secretary of the ministry too has been informed by including details in relation to this matter.

2.2.4.

- a. The Bursar of the university of Peradeniya has been informed to deduct the amount Rs.5,000/- which had been paid to Mr. N. Jayasinghe when releasing his employee's Provident Fund. Accordingly, you are informed that as his Provident Fund still has not been released, action has not been taken in relation to that matter.
- b. Accepted. Action has been taken to make aware the relevant people on this matter. Accordingly, instructions were given to act in terms of the financial regulations.
- c. The salary advance amount Rs. 1500/- shown in the audit quarry has been recovered this year. You are informed that the loan amount of Rs. 10580/- that should be recovered from an officer who has been transferred to University Grants Commission has presently been repaid.

2.2.5

Fixed Assets Register : Accepted. The Fixed Assets Register is being updated at present.

Tender deposits : The Register has been prepared

Science and Library Deposits : The Deposit Register is being prepared at present.

2.2.6

- a. Mr. R.A.T.M.S. Ranaweera who was employed in the permanent post of System Analyst in the Computer Unit resigned from the service. Afterwards, even though necessary actions were taken by following the recruitment procedure to appoint a permanent System Analyst for the vacated post it could not be done due to none of the applicants had fulfilled the required qualifications. Therefore, efforts were taken to appoint an acting officer within the university and it was also failed. However, the service of the Information Technology Centre of the university was obtained and payments were made to maintain the Computer Unit as the service of it is essential for the studies of the students of the institute. Currently the payment has been stopped as the vacant post has been filled.
- b.(i) Action will be taken to follow the instructions of Financial Regulation 115 for future payments
- (ii) As a small institute Post Graduate Institute of Agriculture it has not been required to authorize its financial authority in terms of the Financial Regulations like the university. Granting approval for different tasks from the annual budget is done by the Board of Management and the Director. Approval for expenditure is given only by the director and the relevant payment is recommended by Deputy registrar and the Senior Assistant

Bursar only certify it. But, financial authority has been vested according to the decision of the Audit Committee and Financial Regulation 135.

(iii)

(i) Assistant Registrar - Sinhala New Year Festival

This New Year festival is held every year with the objective of creating a dedicated staff to the institute by improving the welfare and mutual relationship of the employees. The granting of advance exceeding the limit of Rs. 20000/ is accepted and as that amount is not adequate for that task an amount of Rs. 30000/ has been paid to the Deputy Registrar after having prepared the estimate.

An estimate of Rs. 60000/ was prepared for the expenses of inception of this New Year Festival. But an advance of Rs.30000/- was given by considering the essential basic activities. However, at present action has been taken not to exceed the advance limit of Rs. 20000/-

Training Program

Accepted. This is an approved program to improve the leadership and management skills of the students of the Organizational Management (OM) Programme. The estimate prepared for this program is Rs. 241500/-. The internal transportation expenses of this program had to be incurred by the institute. So this advance was granted on the basis of the estimate.

This Workshop was held at Randenigala area on 21.05.2010 on the recommendation of Board of Study of Agric Extension for three days. 40 students and academic and non academic staffs members participated for this workshop. The estimate for this workshop was Rs.241500/-. This advance was granted on the basis of estimate approved by the Director as this workshop was held at such a distant area. The Rs. 20000/ advance limit is not sufficient for the activities of some workshops and research activities. So such occasion's estimates were prepared by considering the needs and obtained the approval of the director. Advances have been paid thereafter. The amount of the advance has been decided on the basis of the decision of the Audit Committee.

Swiss Trading Company

Accepted. This expense was for replacing of two burnt bulbs of multimedia. This multimedia and burnt out bulbs were directly purchased from the Swiss Trading Company. This company had requested to pay the whole price of the service at the time of delivering the goods and if not the service could not be obtained. Hence, the whole amount was paid at the time of receiving the goods after the inspection of a due Technical Officer.

These bulbs were purchased from an authorized dealer according to the Tender Procedure by preparing an indent as required for the lectures of the students. An amount of advance was paid on the basis of necessity as this institute does not purchase goods on loan facilities.

Workshops - Dr. S. Samita, Voucher No. 650

This workshop called "Social Research Process" was held from 28.06.2010 to 03.07.2010 with the participation of about 35 members. For that the estimate of Rs. 433676.50 was approved by the Board of Management on the recommendation of the finance committee. And also an amount of Rs.25000/- has been granted on the approval of the Director for basic requirement of the days the workshop was held. Further, this workshop was received within a short period.

Committee Meeting Allowances

The regular number of members of the Board of Management of our institute is 40. Rs.40000/- amount of advance is granted to the in-charge of money with the expectation of attendance of every member and the balance of the advanced amount is paid back on the very next day to the meeting.

The Caretaker of Gal bungalow – Food for Workshops

A sum of Rs. 35000/- has been paid to the basic provisions for supplying of three meals of the day to around 30 members who took part at the workshop named Bio Safety which was held from 07.09.2010 to 09.09.2010.

Workshops Dr. S. Samita, Voucher No. 1011

This amount of advance had been paid for the workshop called categorical Data Analysis for the officers of the Dept. of Census & Statistics which was held from 13-09-2010 to 17-09-2010. As this workshop had to be organized and implemented in a short time and as it was held for several days, an amount of rs. 25000/- advance was granted on the approval of the director and under the estimate for basic needs of the this workshop was approved at the 183 management session on the basis of the recommendations of Finance committee of 30 -07-2010.

Committee Meeting Allowances

A special Board of Management Committee meeting was held on this day to issue the results of the students of our Institute, and an advance of Rs. 25000,00 was granted to the in charge of money, expecting (at least 2/3) attendance of committee members. And then this amount of advance Rs. 25000/- with the balance amount was settled on the very next day to the meeting was held.

Workshops – Dr. S. Samita, Voucher No. 1193

This amount of advance had been paid for the workshop called Multivariate Methods for the employees of the World Vision Institute which was held from 11-10-2010 to 15-10-2010. As this workshop had to be organized and implemented in a short time and as it was held for several days, an amount of Rs. 25000/- advance was granted on the approval of the Director.

Committee Meeting Allowances

The regular numbers of members of Board of Management of our Institute is 35 and an amount of Rs.40000/- was granted to the in charge of finance with the expectation of attendance of every member. The advance amount was settled with the balance on the very next day to the meeting was held.

Further, the advance was granted on the estimate required for granting of advance over Rs.20000/-. However, actions have been taken not to grant advance over Rs. 20000/- and if advances over Rs.20000/- are required, then the approval of the Department of Treasury has to be obtained.

(ii) Dr. H.A.M. Wickramasinghe – Purchasing for Practical Training

This amount of advance had been received according to the estimate of about Rs. 2000/- for each student to buy the needed materials for the practical Training relevant to this course. As training classes were held during the period of both months, February and March, it was delayed to settle this amount of advance during that period.

Registrar – Essential purchasing

This amount of advance was received to renovate the bathrooms and toilets of the Institute. Normally actions are taken to get the service of the employees of the maintenance Division of the university of Peradeniya and tools and materials needed for the task is bought from the market. When this task was started by obtaining a list of materials from them, the employees of the Maintenance Division were busy due to the General Convocation of the University. Therefore, our Institute was not able to engage continuously on this task. Thus, it took time to settle this amount as required tools and materials have to be bought while works are underway.

Workshops – Dr. S. Samita

Although the period of delay to settle this amount of advance that received for these workshops was 4-5 days, it includes weekends too. These two advances 735-1041 had been paid to Dr. Wickramasinghe, the coordinator, for the workshop on Bio safety. The approval of the 184th Board of Management has been received for the estimate of this workshop. Accordingly, an amount of advance has been granted for basic activities.

Dr. S. Samita – This advance has been settled within (4) four days.

However, when granting these advances, the officers have been instructed to grant only for the required matter through the supplies unit of the institute by calculating correctly the necessity of the advance. Further approval of the treasury has been sought for estimates up to Rs. 1000,000/- for research and workshops in accordance with the decision of 34th Audit committee. And also action has been taken to issue guidelines to all the officers of the institute for the management of payment of advances.

All the officers of the institute have been made aware to follow strictly the financial regulations in relation to all these advances.

- iv. Agriculture Library consists with the books bought from the Postgraduate Institute of Agriculture and the Main Library of the University of Peradeniya. A project of automation of the library commenced from the month of September 2009, each book is pasted with a column Code Label, enabling the identification of books of Postgraduate Institute of Agriculture and the Main Library easily. Accordingly, a survey is currently underway.
- (v) Action was taken to enter that information on the Log Note Books of the vehicles bearing numbers 60-5134 and CP KI 1342.
- (vi) Action was taken to complete and send the 268 (a) Common Form on travelling with monthly Running charts from January 2011 with copies to Auditor General.
- c. You are informed that a separate Register for computers is being prepared and it will be present within a very short time period.
- d. Not accepted. Details of payment of tax on VAT have been sent to Local Revenue Commissioner at the end of every month. Details of payment of Tax and VAT shown in the audit quarry have also been sent to Inland Revenue Commissioner and their photocopies are present herewith. (Annexure 02)
- e (i) Accepted. All paid vehicles are belonging to them. However, actions are being taken to make payments by getting ensured the identity of those vehicles which are hired on payment for miles.
- (ii) External Lecturers who come for the lectures of this institute are paid after the respective results is ended and even results are issued. Accordingly, travelling charges are also paid with lecture fees. Therefore as this happens normally, payments are delayed, but delayed payments have not been levied.

(iii)

- f. This payment is not clear. Hence, our opinions in relation to this payment will be forwarded immediately after receiving the relevant information.
- g. Action will be taken to maintain running charts after conducting a survey on fuel consumption of all vehicles of the institute.

There is an unusual difference when divided the number of kilo meters and quantity of burnt fuel relevant to that month shown according to the log notes, that is due to when the fuel tank is filled fully at the end of that month, the number of kilo meter for that fuel is run in the next month. If the number of kilo meters is calculated without filling the fuel tank at the end of the month, the computation of previous month is less and the next month is more, Thus computation of such a way shows an abnormal difference.

Further, the four vehicles belong to the institute are older more than 20 years. Hence, it does not show a maximum efficiency of fuel consumption. However, you are informed that action will be taken to maintain running charts by conducting a survey immediately on fuel consumption as pointed out in the audit.

2.2.7.

- (a) You are informed that payment of Language Proficiency Allowance for university employees has been made according to the circular letters issued by the UGC and letters issued by the Non Academic Establishment Branch of the University of Peradeniya. However, as shown in the circulars this allowance has not been granted to those employees who were recruited after 01-01-2003.
- (b) Addition of Academic Allowance to EPF and ETF has been stopped since May 2011 in terms of the circular No. 955 dated 22.04.2011 issued by the University Grants Commission.(Annexure 03)
- (c) This has been paid as an encouragement for early release of results on the basis of the proposal of Director and the agreement of Board of Management, and it has been forwarded for the approval of the ministry and treasury in accordance with the decision 178-2-6 of the Board of Management. However, this payment has been stopped until it is implemented with proper grants according to the decision taken by the Board of Management held in March this year.

3.

3.1.1

Admitted.

3.1.2

You are informed that the Government half that should be paid for external lectures of the institute has not been levied in terms of the Circulars No. 219 dated 20.04.1983 and No.291 dated 1985.01.04 issued by the University Grants commission. (Annexure 04)

3.2.1

- (a) . Admitted. Student per capita cost has been increased in the year 2010 in parallel to the year 2009 due to the cost that took place during the year under review than the previous year, as a result of the recruitment of several employees to the staff, research expenditure, laboratory materials, glass items, field trips etc.
- (b) Only a small amount of grant had been allocated from the normal annual estimate of the institute for research works before the year 2010. A huge number of researches were carried out by building partnerships with research institutes such as National Science Foundation, Agriculture Research and Policy Council with the objective of increasing researches to give it priority, to carry out research works in different fields targeting the requirement of the country. Further, a large contribution was given for research works by receiving funds through research projects, received from local and foreign institutes such as Crossing Boundaries, Capnet . Not only that but a large number of important researches done by the students has also been launched annually through the annual seminar. The relevant reports are in the institute for your examination.

Preliminary action has been taken to open a Research Account to the extent the contribution of the institute in relation to the national requirement and national issues of the country with the purpose of carrying out researches in important fields through our institute in the year 2010, and for that a mechanism has been recreated with the approval of the Board of Management of the institute. Accordingly publicity was given to forward research proposals. Then after evaluating the received research proposals 04 researches have been carrying out successfully.

- (c) This grant was awarded to CRESS which was existed at that time to,

1. Design 06 sustainable landfills in Ampara.
2. Research and development of test cell in Ampara

It was delayed for some extend to start this project in terms of the agreement due to the delay of receiving grants that needed that collect the required basic information of the Ampara District, delay of receiving research maps etc of the land that should be received from the UNOPS and the delay of receiving approval of the board of Management. Later

permission was granted by UNOPS. The first task of that project was completed in the year 2009. The reports of that task have been sent to the institute. The second phase of the project was completed as at 31.11.2010 due to various types of difficulties. The progress reports of that have directly been sent to UNOPS. The Director of CRESS and UNOPS were asked to send copies of the progress reports to us as the said reports have directly been sent to UNOPS. Accordingly, action will be taken to send their copies to Auditor general immediately after receiving those reports.

- (d) According to the agreement signed with the E.W. Information system on Digital ID card Systems with Access Controllers was to be ended on 18.08.2009. However that duration was extended up to 08.09.2009 on the request of that institute due to taking a long time to create and fix the door that required for that system. Whatsoever, that institute was informed continuously through the letters dated 24.08.2009, 20.04.2010, 18.05.2010, 04.08.2010 and 08.12.2010 to complete this project as quickly as possible. Currently, the establishment of the project and Test run/Parallel run relevant to that system has been completed and the Technical Evaluation Committee was informed to forward recommendation after examining the system. Then an agreement was signed with the above institute on 18.08.2009 and according to that agreement it was agreed to charge Rs. 3025/- for a delayed day and the maximum delayed charge should not be exceeded over 5% of the total contract amount. Accordingly, you are informed that action will be taken to levy the maximum delayed charges and to make other payments immediately after receiving the recommendations of Technical Evaluation committee
- (e) Most of the study programs of the Post graduate Institute of Agriculture are carried out at weekends due to the fact that about 75% of students who follow degree courses at the institute are employees of government and private sector. The main objective of initiating the canteen of PGIA was to provide quality food at a concessionary price for students since they are unable to go to outside food centers during the short time period they are given between two lectures. And also most of the outside canteens are closed during weekends.

The canteen is located within the main building of the institute. So by considering the safety of students and properties of the institute, the canteen is not rented for outside people and it is allocated only for the members of welfare society. They are informed to send applications for each year by the welfare society and the selected member is allocated the canteen through an agreement after the recommendations taken at committee meeting and general meeting. The canteen is maintained by an outsider under the supervision of that member as he is not able to work in the canteen during the duty time.

As canteen is maintained only for the student and staff of the institute, outsiders are not allowed. And also this canteen is not maintained as a business center and as food should be provided for concessionary prices, only an amount of Rs.4000/- is charged.

f. Admitted

The most students shown here are employed. Normally, they complete their courses while taking long period to complete their research thesis. The attention of the institute is paid on this matter and a special program is being prepared.

3.2.2

a. The balance amounts of money of those projects have been taken into the income of the institute under the recommendations of the finance committee of the institute according to the approval of the Board of Management.

b. The shown amount of Rs. 581,593/- had been approved for the research works of the students relevant to the research project of Dr. D.K.N.G. Pushpakumara. The research works were temporally stopped due to various reasons. But this money will be utilized in future as these research works are currently being carried out in connection with the Information Technology Center.

Although an amount of Rs. 20,000/- aid had been received for the Tsunami Fund, this money could not be used for that purpose. Responsibility will be taken to take action in future on this matter by forwarding to its coordinator and Board of Management.

c. It is accepted that this computer is currently out of order and actions are being taken to repair it

3.2.3.

a,b. The NCOA and CRESS Centers were established with the tertiary objective of PGIA i.e. “What is the role of this institute for the national requirement’. Attention was paid to find solutions to the fuel crisis and problems of agriculture, two main problems prevail in Sri Lanka, through improving the Renewable Energy Source and Organic Agriculture when engaging in achieving the objectives of UICIC Center established under a project of the University Grants Commission. It was identified that these researches should be studied independently when work on these two tasks. The CRESS and NCOA were established with that objective. As a Post graduate Institute an enormous contribution has been carried out for the social welfare and nation requirement by engaging in researches and collecting data to solve those problems through these centers. Since these two centers work on two different objectives, two expertise Professors were appointed to achieve its objectives. These two centers were established under the approval of the Board of Management of the institute.

c.

3.2.4

Fixed assets relevant to the projects that research works had been completed were used at different places during those research works (places where research works were carried out). A three member committee was appointed to conduct a survey on Goods and to enter them into the main inventory Register of the institute. And then a physical survey has been conducted by implementing reports of above survey. Action has been taken to enter them into the Inventory Register.

3.2.5

These posts have been created with the objectives of recruiting foreign resource personnel and lecturers who are skilful in the relevant sections according to the calendar of this institute. A several lecturers out of vacant academic staff posts have been recruited on an assignment basis according to the approved Staff Register of the institute. But, as these lecturers serve only for a short period due to prevailing difficulties, it is difficult to fill these posts permanently. However, the principal lecturers of this institute are from the faculty of agriculture of the University. Accordingly, it has to have obtained the service of external lecturers continuously.

3.2.6.

Corporate Plan and action Plan have been prepared and forwarded.

3.2.7.

(a)

Income

Reasons for Variation

Loan Interest

The increase of the number of newly recruited employees, renewal of loan installment of old employees and issuing of loan by exceeding the estimated grants, were the reasons for increase of income of loan interest.

Investment Interest

A huge variation has taken place in the income of investment interest due to investing on the basis of the requirement of daily expenses, the income and money received from other projects to the institute during the year.

Income from Renting

An over income was received than the estimate due to over using of the Rest House as expected by the people who come to the institute for different purposes.

Other Income

The estimated income has been exceeded due to the inclusion of dependent allowance of a foreign girl student under this Income vote.

Registration fees	This income has been increased due to the demand of more applicants than expected, taking action to levy full course fees in two installments which previously had levied through several installments.
Class Fees	This income too has been increased due to the demand of more applicants than expected, taking action to levy full course fees in two installments which previously had levied through several installments
Examination Fees	Increasing of the number of examinations conducted for students
Sales of Publications	This income has been increased due to the cancellation of the Publication Fund which existed separately and reconciling of that money into the fund of the institute.
Medical Charges	This income has been increase due to the payment of dues by students with the introduction of Digital ID card system.
Welfare	This income has been increase due to the payment of dues by students with the introduction of Digital ID card system.
Supervision	This income has been increased due to the demand of more applicants than expected, taking action to levy full course fees in two installments which previously had levied through several installments and the payment of dues by students with the introduction of Digital ID card system
Internet	This income has been increase due to the payment of dues by students with the introduction of Digital ID card system.
Workshops & seminars	This income has been increased due to reconciling of money which was under the fund of workshops and seminar to the fund of the institute
Practical Fees	This income has been increased due to the demand of more applicants than expected, taking action to levy full course fees in two installments which previously had levied through several installments and the payment of dues by students with the introduction of Digital ID card system.

Common Role Fees	This income has been increased due to reconciling of money which was under common Income Vote of the institute
Library dues	The library dues were not collected as estimated due to the proper management of the library.
External Services	Not happening of the expected seminar, workshops and tasks relevant to them.
<u>Expenditure</u>	
Salaries and emoluments	Not filling of vacant posts i.e. Professor, senior Lecturer and also Deputy Registrar and Coordinator has been the reason for variation between estimated grants and actual expense of this Expense Vote.
EPF	Not filling of vacant posts i.e. Professor, senior Lecturer and also Deputy Registrar and Coordinator has been the reason for variation between estimated grants and actual expense of this Expense Vote.
ETF	Not filling of vacant posts i.e. Professor, senior Lecturer and also Deputy Registrar and Coordinator has been the reason for variation between estimated grants and actual expense of this Expense Vote.
Cost of Living	Not filling of vacant posts i.e. Professor, senior Lecturer and also deputy Registrar and Coordinator has been the reason for variation between estimated grants and actual expense of this Expense Vote.
Other Allowances	Not filling of vacant posts i.e. Professor, senior Lecturer and also Deputy Registrar and Coordinator has been the reason for variation between estimated grants and actual expense of this Expense Vote.
Gratuity	The remaining of estimated money to allocated to pay arrears in addition to the allocations needed for the employees to be retired, was reason for this variation.
Foreign Travel Expenses	Expected foreign tours of the institute did not take place.

Fuel and Leas Oil	Low running of the vehicles of the institute due to a lot of repairing during this year.
Uniform Allowances	Uniforms are received from the University of Peradeniya and Bills relevant for that were not forwarded
Buildings	Lot of repairing did not take place as expected.
House Equipment	Unable to repair as expected
Other Repairing Electricity	Here grants are allocated for both water and electricity. The balance amount of this has been reserved to pay arrears that should be paid to the university.
Assessment Tax and Value Added Tax	Estimates are made with the value added tax and not levying tax from suppliers who should be freed from tax when payments are made and purchasing small size items from those who have not registered for tax
Other Allowances	Other all recurrent expenses have been included into the other allowances as per the data of the audit quarry. Therefore, a huge variation had not been taken place.
Special Services	Although the audit fees of the year has been estimated, bills for that has not been forwarded
Academic Research and Publications	Number of applications were low for the research thesis of lecturers and students
Post graduate research and Scholarship	As it took more time for research activities of students, the number was low than the estimated number.
Student Welfare	Student get together meeting and sport festival of this year were not held.
Sports	Goods could not be bought as expected
Gifts	Although this amount of money had been reserved to award gifts for skillful lecturers and invited lecturers who are not paid, foreign lecturers non attendance as expected, was the reason for this.

Membership Fees	Not receiving of bills for membership fees that should be paid for the reference of books from the British Council Library
Seminars	Although the estimated amount for this was Rs. 800,000/- due to the reconciling of those money to the fund of the institute by rescinding the fund of the Workshop and Seminar of this year, that amount was also spent.
Work Supervising Allowance	The Deputy Registrar appointed for this institute was not released due to the General Convocation of the University of Peradeniya held at that time, the work supervising allowance had to be paid for another few months for the Acting Registrar.
Overtime	Since more lectures had to be conducted during that year, Lecture Halls had to be kept open every day of the week.
Medical supply	More laboratory equipment had to be given for the research activities of the students
Examination Fees	Conducting more verbal and written researches of students
Others	Even though approval was obtained to start a research account in that year, expenses had to be incurred from this expense Vote due to the delay to implement that account.

However, action will be taken to follow an efficient program in relation to the Budgetary Control as pointed out in the Audit Report.

4. Admitted.

Action will be taken to pay special attention on the fields pointed out in your report.

PGIA/ACC/20

Postgraduate Institute of Agriculture
University of Peradeniya
P.O. Box 55, Old Galaha Road
Peradeniya.

10.05.2012

Audit Superintendent
Government Audit Division
University of Peradeniya
Peradeniya.

Report of the Auditor General on the Financial Statements of the Postgraduate Institute of Agriculture for the year ended 31December 2010 in terms of Section 108(2) of the Universities Act No. 16 of 1978 and Section 13(7)(a) of the Finance Act No. 38 of 1971

This is with reference to the Auditor General's Report No.CL/KD/J/04/PGIA dated 18.11.2011, addressed to the Director, Postgraduate Institute of Agriculture.

The revised report of the answers is attached herewith.

***Sgd./-* Prof. B.C.N. Peiris**
Director

CC : Chairman/UGC
Vice Chairman/UGC
Secretary, M/ Higher Education
Secretary, M/ Finance

6042 words