



# ANNUAL REPORT - 2015

**Postgraduate Institute of Agriculture  
University of Peradeniya**

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### **VISION**

To be a globally competitive centre of excellence in postgraduate education and research in agriculture and related fields.

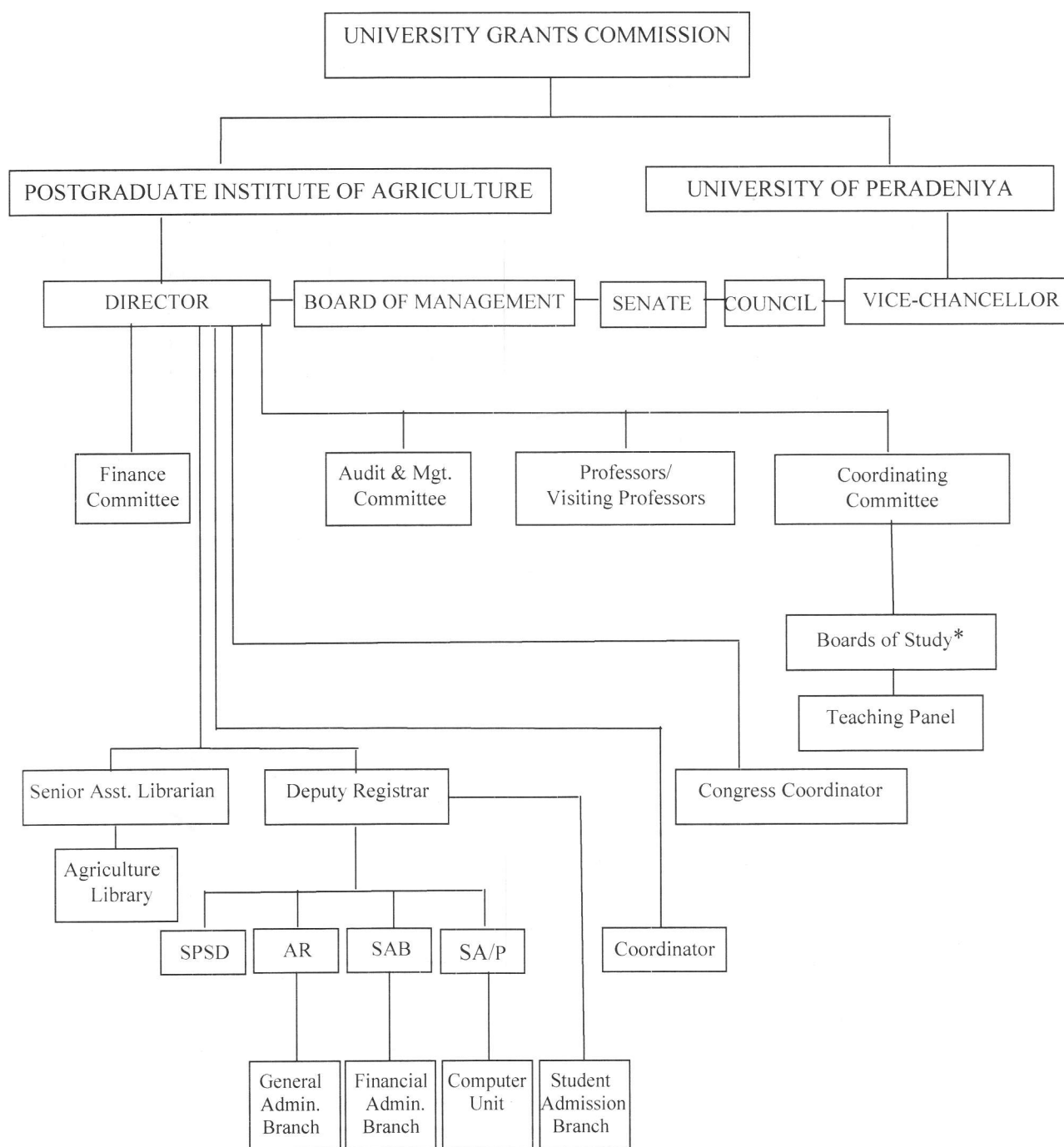
### **MISSION**

To provide high quality postgraduate education and promote pioneering high impact and innovative research to produce competent professionals in agriculture and related fields.

### **GOALS**

1. Strive to attain excellent academic standards
2. Be recognized at national and international level as a centre of excellence in postgraduate teaching and research
3. Establish a culture of research and innovation
4. Improved financial management and viability

## ORGANIZATIONAL STRUCTURE



### Abbreviations:

AR - Asst. Registrar  
 SAB - Senior Asst. Bursar  
 SA/P - Systems Analyst *cum* Programmer  
 SPSP - Senior Personal Secretary to the Director

### \* Boards of Study:

Agricultural Biology  
 Agricultural Economics  
 Agricultural Engineering  
 Agricultural Extension  
 Animal Science  
 Business Administration  
 Bio-Statistics  
 Crop Science  
 Food Science & Technology  
 Plant Protection  
 Soil Science



## MEMBERS OF THE BOARD OF MANAGEMENT - 2015

### *Ex-Officio Members*

1. Prof. S. Samita, Director, PGIA
2. Ms. K.V.S. de Silva Chief Internal Auditor representing Secretary, Ministry of Higher Education
3. Ms. W.G. Chandrika, Director, Dept. of Public Finance, Ministry of Finance
4. Mr. B. Wijayarathne, Secretary, M/Irrigation & Agriculture, Secretary representing M/Agriculture
5. Mr. H.L. Tissera, Secretary (Livestock Breeding) representing the Secretary, M/ Livestock & Dev.
6. Mr. K.A.I.D. Silva, Director (Policy & Planning) representing Secretary, M/Environment
7. Mr. Anura Sathurusinghe, Conservator General of Forests representing the Dept. of Forests
8. Dr. A.R. Ariyaratne, Chairman, Council for Agricultural Research Policy
9. Dr. Rohan Wijekoon, Director General of Agriculture
10. Dr. D.R.T.G. Ratnayake, Director General, Dept. of Animal Production & Health
11. Mr. N.K.A. Rupasinghe, Director General, Department of Export Agriculture
12. Dr. H.A.J. Gunathilake, Director, Coconut Research Institute
13. Prof. K. Samarasinghe, Dean, Faculty of Agriculture, University of Peradeniya
14. Prof. S. Subasinghe, Dean, Faculty of Agriculture, University of Ruhuna
15. Dr. Mohamed Esham, Dean, Faculty of Agriculture, University of Sabaragamuwa
16. Prof. D.P.T.S.G. Attanayake, Dean, Faculty of Agriculture, Wayamba University
17. Dr. M.G.T.S. Amarasekara, Dean, Faculty of Agriculture, Rajarata University
18. Dr. P. Sivarajah, Dean, Faculty of Agriculture, Eastern University
19. Dr.(Ms.) T. Mikunthan, Dean, Faculty of Agriculture, Jaffna University
20. Prof. H.B.S. Ariyaratne, Dean, Faculty of Vet. Medicine & Animal Sc., Univ. of Peradeniya

### *Elected Members of the Faculty of Agriculture*

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

### *Members Appointed by the University Grants Commission*

32. Prof. H.P.M. Gunasena
33. Prof. H.M.D. Namal Priyantha, Director/PGIS
34. Prof. HHDNP Opatha, Dept. of Human Res. & Mgt., Univ. of Sri Jayawardenapura
35. Prof. S.K. Pinnawala, Dept. of Sociology, Univ. of Peradeniya
36. Dr. I.S.B. Abeysinghe, Director, Tea Research Institut

## **ANNUAL REPORT - 2015**

### **POSTGRADUATE INSTITUTE OF AGRICULTURE, UNIVERSITY OF PERADENIYA (As at 31<sup>st</sup> of December 2015)**

#### **A. DIRECTOR'S STATEMENT/REVIEW**

##### **1. INTRODUCTION**

The Postgraduate Institute of Agriculture was established in June 1975 by Statute No. 2 of 1974 under the old University of Ceylon Act No. 1 of 1972 and was attached to the University of Sri Lanka. Under the provisions of the Universities Act No. 16 of 1978, the above Statute was deemed to be an Ordinance and accordingly, the Commission promulgated the Ordinance No. 9 of 1979 which became operative from 1<sup>st</sup> January 1980 and forms the legal basis for the functioning of the Institute. The main objective of creating this unique institution was to develop in-country capacity for postgraduate education and to provide appropriately trained scientific personnel to a rapidly expanding agricultural sector of the country. The Institute is attached to the University of Peradeniya under the directions of the Board of Management.

##### **1.1. Academic Programmes:**

To achieve its goals, the institute has designed a diverse of higher degree programmes which are of current importance to the economy of Sri Lanka. Curricular were also revised to cater to the demand in the country. At present PGIA offers Ph.D., DBA, M.Phil. and 31 M.Sc. degree programmes. In its graduate programmes, the Institute places much emphasis on full-time residential training, which enables the postgraduate students to participate fully in the academic life of the university and its research programmes. 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 ethics, which should become an integral part of their character.

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, Peradeniya and the others from other Faculties of the University

System, Government Departments, Research Institutes, Corporations, Private Sector Firms, International Institutions and Non-governmental Organizations.

The Institute revised the existing M.Sc. degree programme in Agricultural Biology and renamed it as M.Sc. in Plant Biology Conservation and Breeding offered under the Board of Study in Agricultural Biology. During 2015, 395 students were registered under 11 Boards of Study, particulars of which are as follows;

|            |       |           |      |
|------------|-------|-----------|------|
| 1. M.Sc.   | - 316 | 3. Ph.D.  | - 08 |
| 2. MBA     | - 34  | 4. Casual | - 08 |
| 3. M.Phil. | - 29  |           |      |

321 students have been conferred degrees at the General Convocation of 2015, particulars of which are as follows:

|               |       |            |      |
|---------------|-------|------------|------|
| 1. Ph.D.      | - 09  | 4. M.Phil. | - 13 |
| 2. M.Sc.      | - 265 | 5. MBA     | - 23 |
| 3. PG Diploma | - 11  |            |      |

#### **1.1.1. M.Sc. in Applied Statistics in Ghana:**

Offering of M.Sc. degree program in Applied statistics in Ghana was continued in 2015 and courses were taught by the teachers of the Board of Study in Biostatistics under the MoU signed between Yeshua Institute of Technology and PGIA of the University of Peradeniya.

#### **1.1.2. Split degree programmes:**

A student who continued her Ph.D. research at the Melbourne University, Australia completed her Ph.D. Degree. Examiners/Supervisors from Malaysia and Australia appointed by the Melbourne University participated in the Thesis Defence Examination via skype.

A Ph.D. research student under the Boards of Study in Crop Science continues his research at the International Rice Research Institute, Philippines as a scholarship holder.

## **1.2. Research**

### **1.2.1. Research Facilitation Fund:**

In the year 2015 PGIA spent Rs 2.5 m for M.Phil. and Ph.D. research of PGIA students under the Research Facilitation Fund (RFF) which established in the year 2010 aiming at supporting research students who undertake their research on nationally important areas of the country.

### **1.2.2. Annual Congress:**

The 27<sup>th</sup> Annual Congress of the PGIA was held from 19 – 25 November 2015 at the Plant Genetic Resources Centre, Gannoruwa. Prof. (Ms) S. Wimalasiri served as the Coordinator of the Congress. The Review Committee accepted 28 papers as oral presentation and 11 for short communication out of 53 received and will be published in the Journal of Tropical Agricultural Research Vol.27, in a series of four issues. The Congress was enriched with the invited presentations by Dr. Jonas Bergquist, Dept. of Physical and Analytical Chemistry and Biomedical Centre of Uppsala University, Sweden, Dr. Mark Bell, Director, International learning Centre, University of California, USA and Dr. Umakant Mishra, Geospatial Scientist, Environmental Science Division, Argonne National Laboratory, USA. The Chief Guest was Mrs. Joanne Doornewaard, Ambassador of the Kingdom of the Netherlands to Sri Lanka.

## **1.3. Welfare & Recreation Activities of PGIA:**

The Welfare Society of the Institute had arranged a trip to the Thanthirimale Temple for its members and their family members at the end of the year

### **1.3.1. Postgraduate Agriculture Students Association:**

Postgraduate Agriculture Students' Association (PASA) organized a PGIA Day on 28<sup>th</sup> March 2015, a full day programme in which the morning session was held at the University Ground inaugurated by the then Vice Chancellor, Prof. Athula Senaratne. Students, Academics and Non Academic Staff participated the PGIA day. The glamorous evening session with many entertainment events organized by the PASA was held at the PGIA roof top.

PGIA students who follow the M.Sc. degree in Food and Nutrition have formed a Nutrition Club under PASA and carried out various activities for well-being of general public. They have conducted nutrition awareness programmes for parents of primary schools, school children of grades 8-11 of Colombo, Nuwara-eliya, Kilinochchi districts. More than 4000 school children participated in these programmes conducted in Sinhala and Tamil Medium. Inter schools quiz competitions were also organized by the Nutrition Club in the year 2015.

## **2. ACHIEVEMENTS**

### **2.1. Students achievements**

Few students were selected / presented articles of their research at international conferences held abroad and few papers were selected to publish in the Tropical Agricultural Research Journal and iPURSE Journal of the University of Peradeniya.

### **2.2. Agreements:**

The Agreement signed between the Postgraduate Institute of Agriculture, University of Peradeniya and the Universitat Politecnica De Valencia, Spain has been extended for another four years.

## **3. FAILURES:**

No significant failures were confronted in the year 2015. Lack of residential facilities for foreign students accounted for non-registering of foreign students in the year under review at the Institute.

## **4. FUTURE PLANS:**

The Institute has planned to improve its infrastructure aiming at providing more conducive environment for students teachers and staff of the PGIA by improving the present canteen, construction of a Lift to the new building, sanitary facilities, and guest house etc. for the year 2016 amidst greater difficulty in finding out assistance for design, construction and consultancy due to lack of relevant staff at the PGIA.

Further, the Institute plans to enter into an agreement with Yamaguchi University together with Dept. of Agriculture and PGIA to foster research activities of the Institute and for staff and student exchange programs, which will be finalized shortly.

Institute has further ventured into a collaborative link to be established with the Chinese Academy of Science for which negotiations are being carried out now. Few visits have been made by Chinese counterpart in this regard to the PGIA, University of Peradeniya

## B. NEW ENTRANTS & STUDENT ENROLMENT

### B.1 DETAILS OF RESOURCES AND STUDENTS (As AT 31<sup>st</sup> DECEMBER 2015)

| Programme of Study | Total No. of Students | Distribution of Staff (Actual Permanent Staff Only) |                    |                        |           |
|--------------------|-----------------------|---|--------------------|------------------------|-----------|
|                    |                       | Academic Staff                                      | Non-Academic Staff | Academic Support Staff | Total     |
| Casual             | 8                     | 1   | 40                 | 1                      | 42        |
| M.Phil (CR)        | 26                    |   |                    |                        |           |
| M.Phil (R)         | 3                     |   |                    |                        |           |
| M.Sc.              | 316                   |   |                    |                        |           |
| MBA                | 34                    |   |                    |                        |           |
| Ph.D (CR)          | 1                     |   |                    |                        |           |
| Ph.D (R)           | 7                     |   |                    |                        |           |
| <b>Total</b>       | <b>395</b>            | <b>1</b>  | <b>40</b>          | <b>1</b>               | <b>42</b> |

The above table illustrates the actual cadre and the total number of students registered for the year under review. (According to the approved cadre of the Institute, 03 posts fell vacant such as Senior Assistant Librarian, Computer Application Assistant and a Labourer. Arrangements have been in place to fill those vacancies by the Institute with the least possible time.)

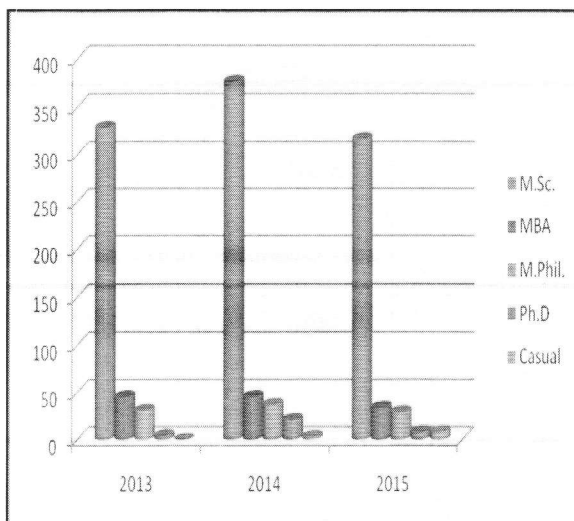
### B.2 DETAILS OF LOCAL STUDENTS IN POSTGRADUATE DEGREE PROGRAMMES -2015

| Program of Study | Full Time (F)<br>Part Time (P) | New Entrants (Jan-Dec 2015) |            |            | Student Enrolment (Total No. of Registered Students as at 31 <sup>st</sup> December 2015) |            |            | Grand Total as at 31.12.15 | No. graduated* |            | Grand Total |
|------------------|--------------------------------|-----------------------------|------------|------------|---|------------|------------|----------------------------|----------------|------------|-------------|
|                  |                                | M                           | F          | Total      | M   | F          | Total      |                            | M              | F          |             |
| M.Sc.            | F                              | 121                         | 195        | 316        | 178   | 165        | 343        | 659                        | 118            | 147        | 265         |
| MBA              | F                              | 19                          | 15         | 34         | 126   | 57         | 183        | 217                        | 17             | 06         | 23          |
| M.Phil CR)       | F                              | 10                          | 16         | 26         | 36  | 34         | 70         | 96                         | 02             | 09         | 11          |
| M.Phil (R)       | F                              | 2                           | 1          | 3          | 11  | 6          | 17         | 20                         | 02             | 00         | 02          |
| Ph.D (CR)        | F                              | 0                           | 1          | 1          | 24  | 13         | 37         | 38                         | 00             | 00         | 00          |
| Ph.D(R)          | F                              | 4                           | 3          | 7          | 45  | 31         | 76         | 83                         | 04             | 05         | 09          |
| PG. Dip          | F                              | 0                           | 0          | 0          | 0   | 0          | 0          | 0                          | 04             | 07         | 11          |
| Casual           |                                | 4                           | 4          | 8          | 0   | 0          | 0          | 8                          | 0              | 00         | 00          |
| <b>Total</b>     |                                | <b>160</b>                  | <b>235</b> | <b>395</b> | <b>420</b>  | <b>306</b> | <b>726</b> | <b>1121</b>                | <b>147</b>     | <b>174</b> | <b>321</b>  |

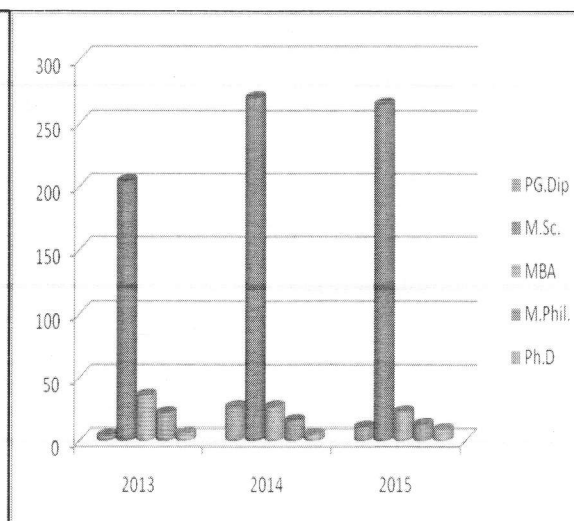
\* Output of Postgraduate Students at final University examinations held during the year 2015.

The year under review saw the slight decrease in the graduation and student registration for various Postgraduate programmes at the PGIA. Except for Ph.D degrees, number of students graduated in all other programmes were decreased slightly. Number graduated the year under

review includes students registered in the years of 2013, 2014 and 2015 for M.Sc., MBA and M.Phil., and Ph.D. degrees respectively.



**Fig. 1: Student Registration in 2013, 2014 & 2015**



**Fig. 2: Graduation of Students in 2013, 2014 & 2015**

### **B.3 DETAILS OF FOREIGN STUDENTS IN POSTGRADUATE DEGREE PROGRAMMES - 2015 – None**

| Programme of Study | Full Time/Part Time | New Entrants (Jan-Dec 2015) |        |       | Student Enrolment (Total No. of Registered Students as at 31 <sup>st</sup> December 2015) |        |       | No. Graduated* |
|--------------------|---------------------|-----------------------------|--------|-------|---|--------|-------|----------------|
|                    |                     | Male                        | Female | Total | Male  | Female | Total |                |
| Ph. D              | Full Time           | 01                          | -      | 01    | 01  | 02     | 03    | 02             |
| M.Sc.              | Full Time           | 01                          | -      | 01    | 01  | -      | 01    |                |

\* Output of foreign Postgraduate Students at final examinations held during the year 2015

Compared to the last year, registration of foreign students for postgraduate degrees was not successful. Only 01 student each registered for Ph.D and M.Sc., degree under the Board of Study/Crop Science in the year 2015. However, the student registered for the M.Sc., degree abandoned the study programme and studies are continued by the Ph.D student currently. However, during the current year, 02 students read for Ph.D. degrees were graduated under the Board of Study/Bio Statistics.

## C. STAFF DETAILS

### C.1 DETAILS OF ACADEMIC STAFF (AS AT 31<sup>ST</sup> DECEMBER 2015) (PERMANENT STAFF ONLY):

| Department/<br>Unit/<br>Division | Senior Prof. |   | Prof. |   | Associate Prof. |   | Senior Lecturer Gr. I |   | Senior Lecturer Gr. II |   | Lecturer |   | Lecturer Probationary |   | Academic Support Staff |   | Total |   |
|----------------------------------|--------------|---|-------|---|-----------------|---|-----------------------|---|------------------------|---|----------|---|-----------------------|---|------------------------|---|-------|---|
|                                  | M            | F | M     | F | M               | F | M                     | F | M                      | F | M        | F | M                     | F | M                      | F | M     | F |
| Administration                   |              |   | 1     |   |                 |   |                       |   |                        |   |          |   |                       |   |                        |   | 1     |   |

M – Male

F – Female

Even though the Institute possesses 02 permanent academic cadres, the post of Senior Assistant Librarian was fell vacant throughout the year as the Institute failed to recruit a suitable candidate to fill the vacancy in the year under review on account of the unsuitability of the applicant applied for the post. Based on the policy decision taken by the University of Peradeniya to fill the vacancies of the whole university, recruitment for the post would be done by the University in the near future.

### C.2 DETAILS OF NON-ACADEMIC STAFF (AS AT 31<sup>ST</sup> DECEMBER 2015) (PERMENENT STAFF ONLY):

| Faculty/Department/<br>Branch | No. of Staff Members     |   |                           |   |                           |   |                 |   |       |   |
|-------------------------------|--------------------------|---|---------------------------|---|---------------------------|---|-----------------|---|-------|---|
|                               | Most Senior <sup>1</sup> |   | Senior Staff <sup>2</sup> |   | Junior Staff <sup>3</sup> |   | Minor Employees |   | Total |   |
|                               | M                        | F | M                         | F | M                         | F | M               | F | M     | F |
| Administration                | -                        | 2 | -                         | 1 | 3                         | 2 | 9               | 1 | 12    | 6 |
| Registration                  | -                        | - | -                         | 1 | 3                         | - | 1               | - | 4     | 1 |
| Account                       |                          | 1 | -                         | 1 | 5                         | - | 1               | - | 7     | 1 |
| Computer Unit                 | 1                        | - | -                         | - | 1                         | - | 1               | - | 3     | - |
| Library                       | -                        | - | -                         | - | -                         | 3 | 3               | - | 3     | 3 |

1- Administrative level and Executive Level

2- Senior Staff Grades

3- Clerical and Allied Grades

4- Below the above Grades

In respect of the non-academic cadre, a vacancy was created for the post of labourer in the vey latter part of the year. The process has already begun to fill the vacancy shortly. The process had also begun to recruit Computer Application Assistant (CAA) to fill the vacancy created owing to the promotion of a CAA working in the General Administration Division. However, due to the trade union action of non-academic staff members of the University system delayed the process of recruitment which rendered the vacancy being non-filled during the year under review.



**D. RESEARCH OUTPUT DATA****D.1 PUBLICATION OUTPUT IN 2015****D.1 (a) NUMBER OF PUBLICATIONS DONE BY THE ACADEMIC STAFF IN 2015**

| Faculty | Publication Category  | Number                                       |                     | Remarks |
|---------|---|--|---------------------|---------|
|         |   | Published (Local)                            | Published (Foreign) |         |
|         | No. of Full Papers published in indexed journals*                           | 03   | 01+01*              | -       |
|         | No. of Full Papers published in non-indexed refereed journals               | -  | -                   | -       |
|         | No. of Full Papers published in non-refereed Journals                       | -  | -                   | -       |
|         | No. of conference Papers published as full papers in Conference Proceedings | 28 papers<br>12 posters +<br>05 papers<br>++ | -                   | -       |
|         | No. of Abstract Publications  | 28   | -                   | -       |
|         | No. of Book Chapters published  | 4  | -                   | -       |
|         | No. of Books Published  | By a publisher                               | -                   | -       |
|         |   | By the Author                                | -                   | -       |

\*A poster presentation made at the SAARC International Food Data Conference (IFDA) organized by SAARC Food Regional Centre, National Institute of Nutrition of India

+ Papers presented at the Annual Congress of the Institute

++ Papers presented at the Peradeniya, University Research Session (iPURSE)

**D.1 (b) LIST OF FULL PAPERS PUBLISHED IN INDEXED JOURNALS IN 2015**

| Title of the paper  | Name of the Main Author | Names of the Co-authors   | Name of the Journal  |
|---|-------------------------|---|--|
| Accumulation & partitioning of biomass, M,P, and K among different tissues during the life cycle of rice grown under different water management regimes | Somaweera, KATN.        | Suriyagoda, LDB<br>Sirisena, DN<br>De Costa, DM<br>De Costa WAJM  | Plant & Soil<br>401:169-183                                      |
| Screening commonly cultivated rice cultivars in Sri Lanka with special reference to Jaffna for salt tolerance at seedling stage under hydroponics       | Pradheeban, L.          | Nissanka, SP<br>Suriyagoda, LDB   | Int. Journal of<br>Agronomy<br>and Agric.<br>Research<br>7: 1-13 |
| Variable date of planting increases crop and water productivity of rice ( <i>Oryza sativa</i> L)  | Amarasinghe, PPRK.      | Suriyagoda, LDB<br>Marambe, B<br>Gaydon, DS,<br>Galagedera, LW<br>Punyawardena, R<br>Silva, GLLP<br>Naidumolu, U<br>Howden, M | Agricultural<br>Water<br>Management<br>160:132-143               |
| Response of mung bean ( <i>Vigna radiate</i> (L.) R.Wilczek) to increasing natural temperature gradient under different crop management systems         | Malaviarachchi, MAPWK   | De Costa WJM,<br>Kumara JBDAP,<br>Suriyagoda, LDB<br>Fonseka, RM  | Journal of<br>Agronomy<br>and Crop<br>Science,<br>202:1, 51-68   |

**D.2 DETAILS OF THE SCIENCE AND TECHNOLOGY DEVELOPMENT OUTPUT IN 2015 – None****D.3 DETAILS OF PATENTS IN 2015 - None****D.4 DETAILS OF KNOWLEDGE DISSEMINATION TO THE GENERAL PUBLIC DURING THE YEAR 2015**

The year under review, 09 programmes in the form of workshops, short courses and training programmes were held of which Board of Study/Bio Statistics contributed for 03.

The details of the programmes conducted are given in the following table.

| <b>Organizer</b> | <b>Category</b>    | <b>Title of the Program</b>                        | <b>Date held/<br/>Duration</b> | <b>No. partici-<br/>pated</b> | <b>Target group (eg. Mushroom Farmers, School Children, Teachers)</b>      |
|------------------|--------------------|--|--------------------------------|-------------------------------|--|
| PGIA             | Training programme | Outbound Training                                  | 20-22 February                 | 60                            | Postgraduate students of the PGIA  |
|                  | Short course       | Multivariate Data Analysis                         | 23-25 March                    | 59                            | Government and Private Sector Officials                                    |
|                  | Short course       | PCR Based DNA Fingerprinting Data Analysis         | 08 May                         | 20                            |  |
|                  | Short course       | Sample Techniques Design & Analysis of Experiments | 21-23 September                | 50                            | Postgraduate students of the PGIA, public and private sector officials.    |
|                  | Workshop           | Water Professional Day                             | 01 October                     | 40                            | Researchers, Professionals and students in the water sector                |
|                  | Short course       | Integrated Water Resources Management              | 09-12 November                 | 28                            | Engineers, Divisional Secretaries in the professionals in the water sector |
|                  | Short course       | R-Software   | 11-13 November                 |                               | PG students of the PGIA, officers of Govt. & private Sector Institutes     |
|                  | Short course       | Communication for Leadership & Professionalism     | 21-22 November                 | 53                            | Postgraduate students of the PGIA  |
|                  | Workshop           | Building Workplace Integrity                       | 03 December                    | 34                            | PGIA Staff   |

The Institute had organized a one day training programme for its staff under the theme of “Building Workplace Integrity” at the Upper Hanthana Training Centre of the University of Peradeniya which was conducted by the Skills Development Fund Ltd.

Apart from that many staff members of the Institute took part at various training programmes conducted by the outside training institutes to upgrade their knowledge.

## ANNUAL CONGRESS OF THE INSTITUTE

In the year under review, as has been done before, the 27<sup>th</sup> Annual Congress of the Institute was held from 19-20 November 2015 at the Plant Genetic Resources Centre, Gannoruwa under the patronage of Mrs. Joanne Doornewaard, Ambassador of the Kingdom of the Netherlands to Sri Lanka.



INAUGURAL CEREMONY OF THE 27<sup>th</sup> ANNUAL CONGRESS

Prof. (Ms) S. Wimalasiri served as the Coordinator of the Congress. The 27<sup>th</sup> Annual Congress was enriched with the invited presentations by Dr. N Bergquist, Dept. of Physical and Analytical Chemistry and Biomedical Centre of Uppsala University, Sweden, Dr. Mark Bell, Director, International Learning Centre, University of California, USA and Dr. Umakant Mishra, Geospatial Scientist, Environmental Science Division, Argonne National Laboratory, USA. Dr. Vishaka Hidellage, Assistant Country Director, UNDP distinguished Alumni of the Institute delivered her speech at the closing ceremony of the Congress.

### Joachim Memorial Award

Ms. P G Cynthia and Ms. K D De Silva Jayasekera of Boards of Study in Soil Science and Agricultural Economics respectively won the Joachim Memorial Award as being the best students who earned the highest GPA selected from among 321 students who graduated in the year under review.

The year under review saw the cash presentation made by the Alumni Association of the PGIA to the following students recognizing their outstanding presentations made at the Congress:

1. Mr. N M N Nambapana, Board of Study in Animal Science
2. Ms. J A S Chathurika, Board of Study in Soil Science
3. Mr. A R Gunawardena, Board of Study in Agricultural Engineering

In the year under review, 32 students of the Institute had published their findings in the proceedings of the Annual Congress 2015, which is mandatory for research students of the Institute. 04 book chapters have also been electronically published embedding those papers presented at the Annual Congress. Apart from that 05 papers were presented by PGIA students and their extended abstracts have been published in the proceedings of the iPURSE 2015, Peradeniya University Research Sessions – 2015. This year too following students have been adjudged as the best presenters at the Annual Congress – 2015.

#### Best presenters at the Annual Congress – 2015

| <b>Award<br/>(Name and the purpose<br/>of the Award)</b>                        | <b>Local/<br/>National/<br/>International<br/>or other</b> | <b>Name/s of recipients</b> | <b>Designation</b> | <b>Faculty/<br/>Department/<br/>Institute</b> |
|---|--|-----------------------------|--------------------|---|
| <b>Session I</b><br>Agricultural<br>Engineering & Water<br>Resources Management | Local  | Mr. AR Gunawardena          | Student            | PGIA  |
| <b>Session II</b><br>Animal Science   | Local  | Ms. NMN Nambapana           | Student            | PGIA  |
| <b>Session III</b><br>Biotechnology   | Local  | Mr. NMC Nayanakantha        | Student            | PGIA  |
| <b>Session IV</b><br>Crop Production  | Local  | Ms. WMRSK<br>Warnasooriya   | Student            | PGIA  |
| <b>Session V</b><br>Entomology  | Local  | Ms. TDC Priyadarshani       | Student            | PGIA  |
| <b>Session VI</b><br>Soil Science   | Local  | Ms. JAS Chathurika          | Student            | PGIA  |
| <b>Session VII</b><br>Food Science  | Local  | Ms. MPMSH Perera            | Student            | PGIA  |
| <b>Session VIII</b><br>Poster Presentation                                      | Local  | Ms. K. Veronika             | Student            | PGIA  |
| <b>Overall Best Paper</b>   | <b>Local</b>   | <b>Ms. NMN Nambapana</b>    | <b>Student</b>     | <b>PGIA</b>                                   |



Best Presenters receiving their awards from the Director/PGIA at the 27<sup>th</sup> Congress



Mr. A.R. Gunawardena



Ms. J.A.S. Chathurika



Ms. K. Veronika



Ms. M.P.M.S.H. Perera



Mr. N.M.C. Nayanakantha



Ms. N.M.N. Nambapana



Ms. T.D.C. Priyadarshani



Ms. W.M.R.S.K. Warnasooriya

**D.5 NATIONAL & INTERNATIONAL AWARDS RECEIVED IN 2015**

**Ms. NMN Nambapana** had been awarded as the best presenter under all the themes selected for the Congress – 2015. 09 International researchers also participated at this event from USA, Sweden, Spain, Netherlands.

**D.6 SCHOLARSHIPS, FELLOWSHIPS & TRAINING PROGRAMMES (BOTH LOCAL & FOREIGN) RECEIVED BY THE INSTITUTE (AS AT 31<sup>st</sup> DECEMBER 2015) -**

| Name of the recipient | Department | Designation | Type of the Program<br>(PhD/M.Phil<br>./Master/PG<br>D/<br>Dip/Short<br>term<br>Training | Duration of the Program | No. of Staff received | Country |
|-----------------------|------------|-------------|--|-------------------------|-----------------------|---------|
| None                  |            |             |  |                         |                       |         |

**E. INTERNATIONALISM****E.1 DETAILS OF INTERNATIONAL CONFERENCES AND WORKSHOPS CONDUCTED BY THE INSTITUTE – 2015**

| No | Theme                                   | Organized by<br>(Faculty/Dept./Centre/Unit) | Date held/<br>Duration   | Target Group        | No. of Participants |
|----|---|---|--|---------------------|---------------------|
| 1  | IDRC-SAWA Fellowship Training Programme | Board of Study<br>Agricultural Engineering  | 28 <sup>th</sup><br>November -<br>03 <sup>rd</sup><br>December | Water Professionals | 50                  |

**E.2 DETAILS OF INTERNATIONAL AGREEMENTS /MOU'S SIGNED IN 2015**

| No | Programme/Theme                             | Whether MoU signed or not<br>(Yes/No) | Department/<br>Faculty involved | Collaborative Agency   | Date signed |
|----|---|---------------------------------------|---------------------------------|------------------------|-------------|
| 01 | Offering M.Sc./PG Diploma in Bio-Statistics | Yes                                   | Board of Study<br>In Statistics | Yeshua Ins. Technology |             |

**E.3 INFORMATION OF INTERNATIONAL STAFF VISITED FOR UNDERGRADUATE TEACHING/POSTGRADUATE TEACHING/ SYMPOSIUM/WORKSHOP IN THE YEAR 2015**

| Institute | Name of the Programme | Country     | No. of Staff |
|-----------|-----------------------|-------------|--------------|
| PGIA      | Annual Congress       | Spain       | 5            |
|           |                       | Sweden      | 1            |
|           |                       | Netherlands | 1            |
|           |                       | USA         | 2            |

**F. DETAILS OF NEW COURSE COMMENCED DURING THE YEAR 2015:**

| Department | Course | Course Code | Medium | Undergraduate Course | Certificate | Diploma | PG Diploma | Master | M.Phil | PhD | Other |
|------------|--------|-------------|--------|----------------------|-------------|---------|------------|--------|--------|-----|-------|
|            |        |             | Eng.   |                      |             |         |            | 02     |        |     |       |

1. Masters degree in Horticulture
2. Master degree in Plantation Crop Management

Further, the Board of Study/Agricultural Biology has renamed its existing Masters degree programme in Agricultural Biology as M.Sc. in Plant Biology Conservation and Breeding by enriching the course contents to suit the current demand by all stakeholders and the needs of the country for which students will be enrolled by year 2016.



## Agriculture Library-Annual Report 2015

### Library Allocations received in 2015

|                    |                  |
|--------------------|------------------|
| PGIA Allocation    | - Rs. 750000.00  |
| Faculty Allocation | - Rs. 675767.21  |
| Total              | - Rs. 1425767.21 |

### Acquisitions - Books

During the Year 2015, 342 books were added to the Library Collection, which comprised textbooks recommended by teaching staff of both the Faculty of Agriculture and the PGIA to suit the teaching programmes of the two institutions .

### Details of the books added to the collection

|  |              |
|--|--------------|
| Number of books purchased by PGIA finances | 40           |
| Value                                      | Rs.449153.36 |

|   |              |
|---|--------------|
| Number of books purchased by Faculty allocation | 49           |
| Value   | Rs.712127.69 |

|  |    |
|--|----|
| Total number of books purchased (PGIA & Faculty) | 89 |
|--|----|

|   |    |
|---|----|
| Number of PGIA theses added to the collection | 21 |
|---|----|

### Donations

|  |              |
|--|--------------|
| Number of books received from other donors | 232          |
| Value                                      | Rs.328656.78 |

|   |     |
|---|-----|
| Total number of books added (Purchases and Donations) | 342 |
|---|-----|

### Periodicals

Five periodicals titles were subscribed in 2015 including 01 foreign periodicals by the PGIA funds.

|  |             |
|--|-------------|
| Number of periodicals ordered by PGIA finances | 05          |
| Value  | Rs.29358.49 |

|   |             |
|---|-------------|
| Number of periodicals ordered by Faculty allocation | 00          |
| Total number of periodicals ordered (PGIA)          | 05          |
| Total Value   | Rs.29358.49 |

## Library User Categories

The registered Library users in 2015 were 2669. Details are shown below.

|                                  |      |
|----------------------------------|------|
| Postgraduate Students            | 1266 |
| Undergraduate Students           | 1239 |
| Academic Staff (Permanent)       | 159  |
| Academic Staff (Temporary)       | 04   |
| Permanent Academic support Staff | 01   |
| Total                            | 2669 |

In addition 25 users registered as short term users of the Library.

## Usage of Library Books

A total of 3056 books have been circulated among the students/teachers in 2015.

## Inter- Library Loans

We supplied 03 articles out of 04 requests received from other libraries.

## *AGRINET (Agriculture Information Network) Content page service*

Journal content pages were circulated among Agriculture Libraries in Sri Lanka for the benefit of scientists and researchers (NARS scientists) in agriculture institutions in Sri Lanka under the AGRINET journal content page service. The agriculture Library has supplied 22 journal content pages to the scientists under this programme.

## Literature Searching

CAB CD- ROM database was used for literature searching by research students both in the Faculty and PGIA. Fifty nine (59) CAB searches were carried out during the Year 2015.

## 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 2015 (full volume )  | - | 13 |
| The number of copies sold in 2015 (single issues) | - | -- |

|   |   |    |
|---|---|----|
| Number of copies exchanged with other institutions<br>for their publications ( Single Issues) | - | 30 |
|---|---|----|

**Other library cooperation activities:**

Mrs. K.P.K. Dambawinna SAL /Agriculture is on sabbatical leave w.e.f 3<sup>rd</sup> August 2015.

Mrs. D.K. Abeyrathne /AL was assigned to the Agriculture Library w.e.f. 3<sup>rd</sup> August 2015.

Library Labourer Mr. Ranil Avantha Bandara promoted as Library Attendant and transferred to Main Library w.e.f. 15.06.2015

The PGIA staff members of the Agriculture Library attended the workshop on "Building workplace integrity" on 03<sup>rd</sup> December 2015, conducted by Skills Development Fund Ltd. Ministry of Youth Affairs & Skills Development.

**Ms. D.K. Abeyrathne**

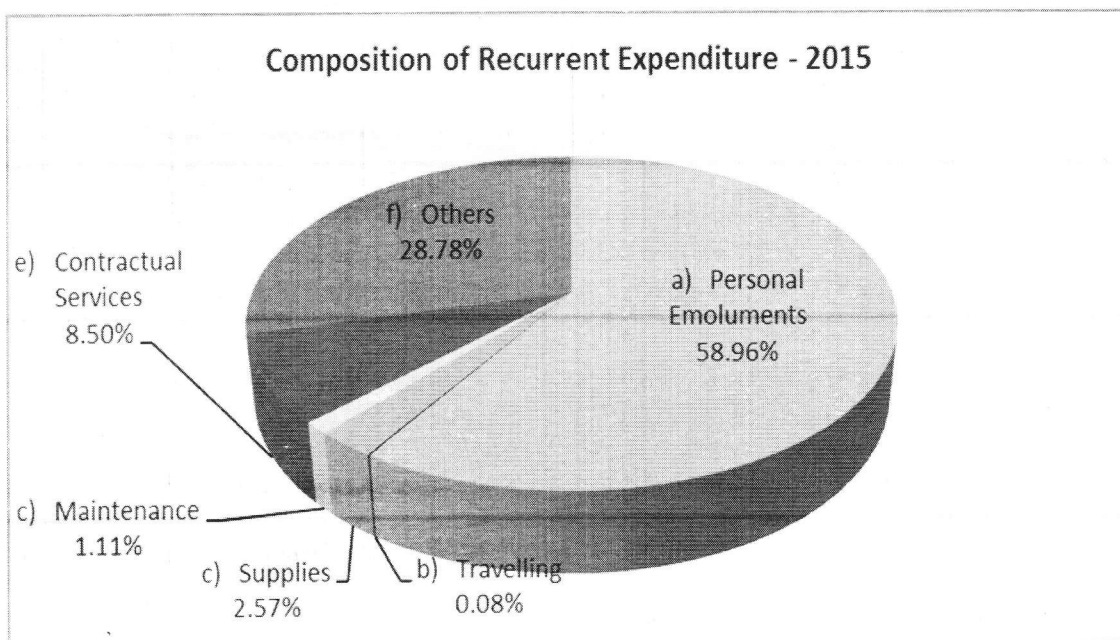
Asst. Librarian/Agriculture

22.01.2016

## Financial Performance

### Details of Recurrent Expenditure

| Subject                 | 2013 (Rs.)        |                   | 2014 (Rs.)        |                   | 2015 (Rs.)        |                   |
|-------------------------|-------------------|-------------------|-------------------|-------------------|-------------------|-------------------|
|                         | Allocation        | Actual            | Allocation        | Actual            | Allocation        | Actual            |
| a) Personal Emoluments  | 41,203,000        | 39,907,916        | 50,445,000        | 42,291,801        | 58,924,000        | 57,714,664        |
| b) Travelling           | 100,000           | 90,183            | 900,000           | 92,045            | 100,000           | 75,692            |
| c) Supplies             | 3,625,000         | 3,303,068         | 3,990,000         | 3,691,345         | 4,560,000         | 2,519,653         |
| d) Maintenance          | 985,000           | 1,239,819         | 1,400,000         | 1,019,196         | 1,010,000         | 1,083,394         |
| e) Contractual Services | 5,635,000         | 5,448,947         | 8,840,000         | 6,756,642         | 9,260,000         | 8,322,628         |
| f) Others               | 18,290,000        | 20,036,458        | 22,480,000        | 36,257,738        | 16,610,000        | 28,170,302        |
| <b>Total</b>            | <b>69,838,000</b> | <b>78,026,391</b> | <b>88,055,000</b> | <b>90,108,767</b> | <b>90,464,000</b> | <b>97,886,332</b> |
| <b>Financed By:</b>     |                   |                   |                   |                   |                   |                   |
| Government Grant        | 19,000,000        |                   | 16,080,000        |                   | 19,000,000        |                   |
| As a %                  | 27%               |                   | 18%               |                   | 21%               |                   |
| Generated Funds         | 50,838,000        |                   | 71,975,000        |                   | 71,464,000        |                   |
| As a %                  | 73%               |                   | 82%               |                   | 79%               |                   |

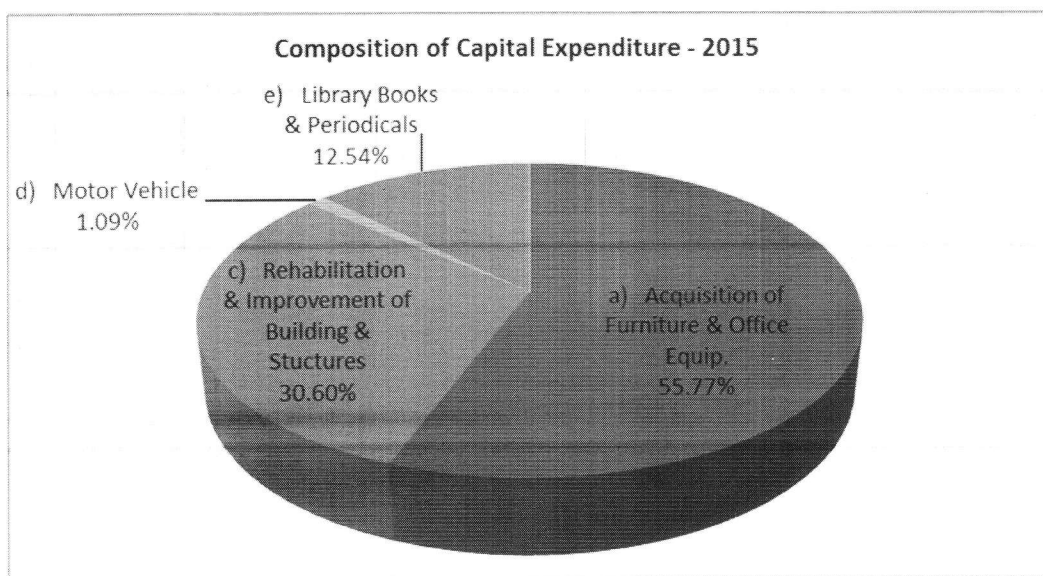


The Treasury allocation for the Recurrent and Capital expenditure of the Institute in the year 2015 was Rs. 19.0 million and 10.0 million respectively. It was about Rs.3.0 million and 0.1 million increase compared to the last year allocations received for both these votes respectively. Total actual recurrent and the capital expenditure for the year under review was year is Rs.97.87 million and Rs.8.22 million respectively. The total recurrent expenditure was financed primarily by the generated funds (79%) and the remainder was met with the consolidated fund (21%).

Of the allocation received for the recurrent expenditure, 58.96% was spent on personal emoluments including salaries & wages of the permanent staff and the visiting lecturers. Of the remainder, 28.78 % was utilized for preparation of course materials, special services, travel grants to university teachers, annual congress etc., in the year under review. The composition of the recurrent expenditure is given in the above figure.

#### Details of Capital Expenditure

| Subject  | 2013 (Rs.)       |                   | 2014 (Rs.)       |                   | 2015 (Rs.)        |                  |
|--|------------------|-------------------|------------------|-------------------|-------------------|------------------|
|  | Allocation       | Actual            | Allocation       | Actual            | Allocation        | Actual           |
| a) Acquisition of Furniture & Office Equipment             | 2,500,000        | 3,976,203         | 6,050,000        | 7,623,417         | 6,732,000         | 4,587,026        |
| b) Acquisition of Lab. & Teaching Equipment                | -                | -                 | 1,600,000        | 1,340,392         | -                 | -                |
| c) Rehabilitation and improvement of Building & Structures | 6,706,000        | 8,430,449         | -                | 4,929,799         | 7,060,000         | 2,516,299        |
| d) Motor Vehicle   | -                | -                 | 350,000          | 389,831           | -                 | 89,664           |
| e) Others- Library Books & Periodicals                     | -                | 996,409           | 500,000          | 1,058,161         | 750,000           | 1,031,458        |
| f) Sports Goods  |                  |                   | 500,000          | -                 | -                 | -                |
| g) Telephone Systems                                       |                  |                   | -                | 426,328           | -                 | -                |
| <b>Total</b>   | <b>9,206,000</b> | <b>13,403,062</b> | <b>9,000,000</b> | <b>15,767,929</b> | <b>14,542,000</b> | <b>8,224,447</b> |



About 30.6% of the Capital investment budget of nearly Rs. 2.51 million was the Rehabilitation of Building of the institute and 55.77% of the capital budget of nearly 4.58 million was set aside for acquisition of furniture and office equipment, upgrading the facilities in the class rooms and computer laboratories. Further an amount of nearly 1.09 million was spent for acquisition of books and periodicals for the Agriculture library of the Institute. The composition of capital expenditure are given in the above figure.

STATUTORY REPORT AND DISCLOSURE OF SIGNIFICANT ACCOUNTING POLICIES  
FOLLOWED IN PREPARING THE FINANCIAL STATEMENTS OF THE POSTGRADUATE  
INSTITUTE OF AGRICULTURE (PGIA), UNIVERSITY OF PERADENIYA FOR THE YEAR  
ENDED 31<sup>ST</sup> DECEMBER 2015

1. General

The Financial Statements of the Postgraduate Institute of Agriculture for the year ended 31<sup>st</sup> December 2015 have been prepared in terms of section 12 (3) (e) and 19 (1) of the Postgraduate Institute of Agriculture Ordinance No. 9 of 1979, 106 (1) and 107 (b) of the Universities Act No.16 of 1978 and as amended by the subsequent legislation and in pursuance of the Finance Act. No 38 of 1971.

2. Significant Accounting Policies

2.1 Basis of Accounting

Statement of Financial Position, Statements of financial Performance, Statement of Changes in Equity and Cash Flow Statement together with the Accounting Policies and Notes ("Financial Statements") are a general-purpose financial report which have been prepared on an accrual basis and in accordance with generally accepted accounting principles, applicable Sri Lanka Public Sector Accounting Standards (SLPSAS) – Volume I published in 2009 & Volume –II published in 2012, in terms of the Universities Act No. 16 of 1978 and Finance Act No. 38 of 1971 and Department of Public Enterprises guidelines for the preparation and presentation of financial statements.

All accounting policies adopted by the Institute are applied consistently with those of the previous year. Where necessary, comparative figures have been adjusted to conform to the changes in presentation of the current year. No adjustment has been made for inflationary factors affecting the Accounts.

3. Property, Plant & Equipment (PPE)

- 3.1. Property, Plant and Equipment are stated at Revaluation and the depreciation is provided in terms of the UGC Circulars No. 649 of 5<sup>th</sup> October 1995. Depreciation is charged to the statement of comprehensive income, on a straight line basis.

The rates of depreciation for PPE are decided in accordance with the instructions of UGC circular.

| <u>Property, Land and Equipment</u> | <u>Rate of Depreciation</u><br><u>per annum (%)</u> |
|-------------------------------------|---|
| Building & Structure                | 05  |
| Office Equipment                    | 20  |
| Housing Projects Equipment          | 20  |

iii

|   |   |    |
|---|---|----|
| Furniture and Fittings                  | - | 10 |
| Laboratory, Teaching & Office Equipment | - | 20 |
| Motor Vehicles                          | - | 20 |
| Library Books and Periodicals           | - | 20 |

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

The process of revaluation of fixed assets amounting to Rs.90,740,443.79 shown at zero values after depreciation as at 31st December 2014 was commenced in December, 2014 by the Department of Valuation and the report was received by the PGIA in July 2015. The revalued amounts have been adjusted to the respective ledger balances and depreciation has been provided for the full year based on the revalued amounts.

A Fixed Assets Register tallied with the ledger balances and physical inventory was prepared by the PGIA in the year under review. During the process of reconciliation, assets purchased for Boards of Study amounting to Rs 1,499,060.58 which had been inventoried in the respective departments was removed from the ledger balances with the approval of the Board of Management. The cost of furniture and equipment amounting to Rs. 5,186,455.11 included in the inventory registers of the PGIA and transferred to the departments on on-loan basis were permanently transferred to the respective departments with the approval of the Board of Management and were removed from the ledger balances and inventory registers. Further, value of Furniture and Fittings amounting to Rs. 5,912,879.55 which had been categorized under lab & teaching equipment were transferred to the furniture & fittings account along with applicable accumulated depreciation as at date. The value of Lab & Teaching Equipment amounting to Rs.4,353,011.47 accounted as donations which had not been taken in to the inventory registers were also removed from ledger balances.

The Physical Verification of Library Material which had a book value of Rs. 35,059,653.74 was conducted by a committee appointed by the Vice-chancellor and a preliminary report of the same was submitted by the committee in November 2014. Action has been taken to appoint a subcommittee by the Board of Management to recommend the actions to be taken with respect of library materials declared lost/misplaced. Accounting adjustments with respect to the lost/misplaced materials will be brought to the accounts following the proper procedure as laid down in the Financial Regulations in future.

- 3.2 The ownership of the land in which the buildings of the Institute are constructed is not legally vested to the PGIA as the Institute operates as an affiliated Institute to the University of Peradeniya. Hence, the value of the land is not considered in preparation of financial statements of the Institute. Buildings value of Rs. 103,656,058.37 shown only in the financial statements.



#### 4. Current Assets

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

##### 4.1 Inventories/ Stocks

Inventories/ Stocks are valued at actual cost. The cost of the inventories are arrived at by using the First-In, First -Out basis. The stock balance appearing in Accounts has been physically verified.

##### 4.2 Trade & Other Receivables

Trade and other receivables are stated at the amounts estimated to be realised, and where necessary, provision is made in the financial statements, for bad & doubtful debts.

Revenue from tuition fees is recognized over the period of instruction. Accordingly, income from PG Diploma, M.Sc, M.Phil, MBA and Ph.D. programmes are recognized over a period of 01 Year, 1 ½ Years, 2 Years, 2 ½ Years and 03 Years respectively.

Actual Loan Balances to be recovered from the staff as at 31<sup>st</sup> December 2015 are considered as loans receivable.

##### 4.3 Cash and Cash Equivalents

Cash in hand, in banks and short-term deposits which are held to maturity are carried at cost. For the purpose of the Cash Flow Statement, cash & cash equivalents consist of cash in hand and deposits in banks, net of outstanding bank overdrafts.

#### 5. Liabilities & Provisions

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

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

##### 5.1 Employee Benefits

###### 5.1.1 Defined Contribution Plans

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into a separate entity and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to Employees Provident and Employees

Trust Fund covering all employees are recognised as an expense in profit and loss as incurred.

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

#### 5.1.2 Defined Benefit Plans

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. Provision has been made for retirement gratuities from the first year of service for all employees. However, under the Payment of Gratuity Act No. 12 of 1983, the liability to an employee arises only on completion of 5 years of continued service.

#### 5.2 Provisions

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

##### Provision for Bad & Doubtful Debts

The statistics shows that approximately 10% of the total tuition fees and registration fees in each year were not collected due to various reasons beyond the control of the Institution. However, 10% of total tuition fees and registration fees income had been made for dropouts in the budgets prepared for each degree programme.

Therefore an equivalent percentage of 10% on tuition fees and registration fees receivable as at 31/12/2015 has been made in the financial statements as provision for bad & doubtful debts starting from this year which will be adjusted based on the actual dropouts in each year.

#### 5.3 Trade and Other Payables

Liabilities for Accounts Payable are carried at the amount of cash & cash equivalents expected to be paid.

#### 6. Capital Expenditure on other Capital Activities

The expenditure for other capital activities introduced by the University Grants Commission has been accounted as recurrent expenditure.

#### 7. Contingent Liabilities and Assets

##### 7.1 Contingent Liabilities

No contingent liabilities have been recognised by the Postgraduate Institute of Agriculture as at 31.12.2015.

##### 7.2 Contingent Assets

No contingent assets have been recognised by the Postgraduate Institute of Agriculture as at 31.12.2015.

#### 8. Statements of financial Performance

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

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

#### 9. Taxation

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

#### 10. Government Grants

Grants received from the General Treasury of the Government of Sri Lanka are recognised as income in the period in the period in which the related costs are recognised.

Government grants utilized to acquire assets that will be expensed in subsequent periods are recognised as Deferred Income. Government Grants represented by other assets including cash and cash equivalents, less liabilities (other than liabilities on account of the Grants received) are recognised as liabilities.

Summary of the allocated, released and the balance of the treasury grant is as follows:


| Description                                     | 2015<br>Amount<br>Allocated<br>(Rs.) | 2015<br>Amount<br>Released<br>(Rs.) | Balance<br>(Rs.) |
|---|--------------------------------------|-------------------------------------|------------------|
| <b>Recurrent Grant</b>                          | 19,000,000                           | 19,000,000                          | -                |
| <b><u>Rehabilitation &amp; Improvements</u></b> |                                      |                                     |                  |
| 1. Buildings                                    | 6,000,000                            | 6,000,000                           | -                |
| 2. Vehicles                                     | -                                    | -                                   | -                |
| 3. Equipment                                    | -                                    | -                                   | -                |
| 4. Others                                       | -                                    | -                                   | -                |
| <b><u>Acquisition of Assets</u></b>             |                                      |                                     |                  |
| 1. Books & Periodicals                          | 750,000                              | 750,000                             | -                |
| 2. Lab & Teaching Equipment                     | -                                    | -                                   | -                |
| 3. Office Equipment                             | 3,250,000                            | 3,250,000                           | -                |
| 4. Furniture & Fittings                         | -                                    | -                                   | -                |
| 5. Sports Goods                                 | -                                    | -                                   | -                |
| <b>Total</b>                                    | <b>29,000,000</b>                    | <b>29,000,000</b>                   | <b>-</b>         |

**POSTGRADUATE INSTITUTE OF AGRICULTURE  
UNIVERSITY OF PERADENIYA**

**STATEMENT OF FINANCIAL POSITION AS AT 31<sup>ST</sup> DECEMBER 2015**

|                                   | Note | As at 31/12/2015 |             | As at 31/12/2014 |             |
|-----------------------------------|------|------------------|-------------|------------------|-------------|
| ASSETS                            |      | Rs.              | Rs.         | Rs.              | Rs.         |
| <b>Current Assets</b>             |      |                  |             |                  |             |
| (a) Cash & cash equivalents       | 01   | 1,954,332        |             | 4,729,978        |             |
| (b) Trade & other receivables     | 02   | 44,117,214       |             | 36,913,091       |             |
| (c) Inventories/Stocks            | 03a  | 1,088,729        |             | 1,242,049        |             |
| (d) Text Books & PGIA Publication | 03b  | 1,454,279        |             | 1,510,019        |             |
| (e) Prepayments / Periodicals     | 04   | 112,251          |             | 413,547          |             |
| (f) Loans & advances              | 05.1 | 3,381,240        |             | 925,640          |             |
| (g) Security and Other Deposits   |      | 157,800          | 52,265,845  | 157,800          | 45,892,123  |
| <b>Non-current Assets</b>         |      |                  |             |                  |             |
| (a) Staff Loans & advances        | 05.1 | 3,523,097        |             | 4,628,198        |             |
| (b) Investment                    | 06   | 300,449,966      |             | 250,378,997      |             |
| (c) Property, plant & equipment   | 07   | 123,254,353      | 427,227,416 | 64,629,771       | 319,636,966 |
| <b>Total Assets</b>               |      |                  | 479,493,261 |                  | 365,529,089 |
| <b>LIABILITIES</b>                |      |                  |             |                  |             |
| <b>Current Liabilities</b>        |      |                  |             |                  |             |
| (a) Deferred Income               | 08.1 | 24,612,500       |             | 21,864,499       |             |
| (b) Payables                      | 09   | 16,836,679       |             | 17,423,751       |             |
| (c) Accrued expenses/provisions   | 10   | 11,636,738       | 53,085,917  | 28,704,032       | 67,992,282  |
| <b>Non-current Liabilities</b>    |      |                  |             |                  |             |
| (a) Deferred Income               | 08.1 | 2,341,667        |             | 2,250,000        |             |
| (b) Provision for gratuity        | 11   | 9,866,520        | 12,208,187  | 9,284,028        | 11,534,028  |
| <b>Total Liabilities</b>          |      |                  | 65,294,103  |                  | 79,526,310  |
| <b>Total Net Assets</b>           |      |                  | 414,199,158 |                  | 286,002,779 |
| <b>NET ASSETS/EQUITY</b>          |      |                  |             |                  |             |
| Accumulated fund                  | 12   | 38,520,974       |             | 46,518,087       |             |
| Revaluation Surplus               |      | 61,989,905       |             | -                |             |
| Surplus/(Deficit) - B/ B/F        | 13   | 299,746,747      |             | 227,122,461      |             |
| Restricted funds                  | 14   | 13,941,532       | 414,199,158 | 12,362,232       | 286,002,779 |
| <b>Total Net Assets/Equity</b>    |      |                  | 414,199,158 |                  | 286,002,779 |

"The Accounting policies on pages II to VI and Notes on pages 11 to 20 form an integral part of these Financial Statements. The Board of Management is responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved by the Board of Management and signed on their behalf,"


  
 Prof. S. Samita  
 Director/Accounting Officer

  
 K.A.I.S. Ranasinghe  
 Senior Assistant Bursar

**POSTGRADUATE INSTITUTE OF AGRICULTURE  
UNIVERSITY OF PERADENIYA**

**STATEMENTS OF FINANCIAL PERFORMANCE FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2015**

|                                       |      | As at 31/12/2015         | As at 31/12/2014         |
|---------------------------------------|------|--------------------------|--------------------------|
|                                       | Note | Rs.                      | Rs.                      |
| <b>Operating Revenue</b>              |      |                          |                          |
| Recurrent Grant                       |      | 19,000,000               | 16,000,000               |
| Internal Income                       | 15   | 103,967,144              | 111,237,960              |
| Amotization of Govt. Grant            | 7    | 12,119,263               | 8,322,129                |
| Amotization of Other Capital Assets   |      | 5,877,850                |                          |
| Amotization of Research Grant         | F    | 15,824,891               | 12,719,012               |
|                                       |      | <u>156,789,148</u>       | <u>148,279,101</u>       |
| <b>Operating Expenses</b>             |      |                          |                          |
| Personal emoluments                   | 16   | 53,634,864               | 46,896,435               |
| Travelling                            | 17   | 75,692                   | 92,045                   |
| Supplies and consumables              | 18   | 2,519,653                | 3,851,235                |
| Maintenance                           | 19   | 1,083,394                | 1,019,205                |
| Contractual services                  | 20   | 8,322,628                | 6,766,142                |
| Research and development              |      |                          |                          |
| Depreciation                          | 21   | 12,378,752               | 9,602,896                |
| Other Recurrent expenses              | 22   | 15,436,080               | 21,625,924               |
| Bad Debts                             |      | 1,154,822                | 950,914                  |
| Provisions for Bad and Doubtful Debts |      |                          | 2,872,912                |
| Financial expenses                    |      |                          | 17,070                   |
| Research Grant Expenditure            | F    | 15,824,891               | 12,719,012               |
| Total operating expenses              |      | <u>110,430,776</u>       | <u>106,413,788</u>       |
| <b>Net surplus for the period</b>     |      | <u><u>46,358,372</u></u> | <u><u>41,865,313</u></u> |

  
**Prof. S. Samita**  
 Director/Accounting Officer

  
**K.A.I.S. Ranasinghe**  
 Senior Assistant Bursar

# POSTGRADUATE INSTITUTE OF AGRICULTURE

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2015

(in thousands of currency units)

|   | Accumulated<br>Fund | Revaluation<br>Reserve | Translation<br>Reserve | Total       |
|---|---------------------|------------------------|------------------------|-------------|
| Balance as at 31 December 2013  | 242,118,213         | -                      | -                      | 242,118,213 |
| Changes in accounting policy  | -                   |                        |                        |             |
| Restated balance  | 242,118,213         | -                      | -                      | 242,118,213 |
| Capital Grant spent & unspent during the year                                     | 677,871             | -                      |                        | 677,871     |
| Increase in Specific Internal Funds   | 851,748             | -                      | -                      | 851,748     |
| Prior Year Adjustments  | 489,635             |                        |                        | 489,635     |
| Net gains and losses not recognised in the<br>statements of financial performance | -                   |                        |                        | -           |
| Surplus/(deficit) for the period  | 41,865,313          | -                      | -                      | 41,865,313  |
| Balance as at 31st December 2014  | 286,002,779         | -                      | -                      | 286,002,779 |
| Capital Grant spent & unspent during the year                                     | (7,997,113)         |                        |                        | (7,997,113) |
| Increase in Specific Internal Funds   | 1,579,300           |                        | -                      | 1,579,300   |
| Prior Year Adjustments  | 25,442,569          |                        |                        | 25,442,569  |
| Gain on Property revaluation  |                     | 62,813,250             |                        | 62,813,250  |
| Net gains and losses not recognised in the<br>statements of financial performance |                     | -                      | -                      | -           |
| Amotization of Revaluation Assets   | 823,345             | (823,345)              |                        | -           |
| Surplus/(deficit) for the period  | 46,358,372          | -                      | -                      | 46,358,372  |
| Balance as at 31 December 2015  | 352,209,253         | 61,989,905             | -                      | 414,199,158 |

Prof. S. Samita  
Director/Accounting Officer

K.A.I.S. Ranasinghe  
Senior Assistant Bursar

## INDIRECT METHOD CASH FLOW STATEMENT

## POSTGRADUATE INSTITUTE OF AGRICULTURE

## CASH FLOW STATEMENT FOR YEAR ENDED 31 ST DECEMBER 2015

|   | Note /<br>Schedule | 2015<br>Actual<br>Rs. | Rupees "000"<br>2014<br>Actual<br>Rs. |
|---|--------------------|-----------------------|---------------------------------------|
| <b>Cash Flows from Operating Activities</b>                 |                    |                       |                                       |
| Surplus/(deficit) from ordinary activities                  | 13                 | 46,358                | 41,865                                |
| <b>Non -cash movements</b>                                  |                    | <b>46,358</b>         | <b>41,865</b>                         |
| Depreciation on property, plant and equipment               | 21                 | 12,379                | 9,603                                 |
| Provision for gratuity                                      | 16                 | 582                   | 1,058                                 |
| Provision for Bad and Doubtful Debts                        | 2                  | 1,155                 | 3,824                                 |
| Provision for Audit Fee                                     | 10                 | 225                   | 714                                   |
| Interest from loans   | 15                 | (227)                 | (218)                                 |
| Interest on Investments                                     | 15                 | (16,566)              | (21,131)                              |
| Prior Year Adjustments                                      |                    | 26,346                | 614                                   |
| Amotization of Govt. Grant                                  | 07                 | (12,119)              | (8,322)                               |
| Amotization of Other Capital Assets                         |                    | (5,878)               | -                                     |
| Amotization of Revaluation Assets                           |                    | (823)                 | -                                     |
| Gain on sale of property, plant and equipment               | 15                 | (796)                 | (601)                                 |
| Payment of Gratuity   |                    | (80)                  | (1,563)                               |
| <b>Increase/Decrease in working capital</b>                 |                    |                       |                                       |
| Increase/(decrease) in inventories                          | 03                 | 209                   | 193                                   |
| Increase/(decrease) in Deferred Tuition Fees Income         | 08                 | 2,840                 | 685                                   |
| Increase/(decrease) in payables                             | 09                 | (587)                 | 2,901                                 |
| Increase/(decrease) in Accrued expenses/provisions          | 10                 | (17,292)              | 3,825                                 |
| Increase/(decrease) in other current assets                 | 05                 | (1,350)               | (561)                                 |
| Increase/(decrease) in trade & other receivables            | 02                 | (8,359)               | (4,784)                               |
| Increase/(decrease) in Pre-payments                         | 04                 | 301                   | 637                                   |
| <b>Net cash flows from operating activities</b>             |                    | <b>26,317</b>         | <b>28,738</b>                         |
| <b>CASH FLOW FROM INVESTING ACTIVITIES</b>                  |                    |                       |                                       |
| Purchase of property, plant and equipment                   | E                  | (5,618)               | (7,648)                               |
| Rehabilitation expenses                                     | E                  | (2,606)               | (5,320)                               |
| - Sale of property, plant and equipment                     | 15                 | 796                   | 601                                   |
| Prior Year Adjustments                                      |                    | 34                    |                                       |
| Increase in Investments                                     | 06                 | (50,071)              | (41,841)                              |
| Interest on investments                                     | 15                 | 16,793                | 21,350                                |
| <b>Net cash flows from investing activities</b>             |                    | <b>(40,672)</b>       | <b>(32,858)</b>                       |
| <b>CASH FLOW FROM FINANCING ACTIVITIES</b>                  |                    |                       |                                       |
| Govt grant: Capital   |                    | 10,000                | 9,000                                 |
| Payment of Audit fee  |                    |                       | (939)                                 |
| Research Grant Received                                     | F                  | 17,404                |                                       |
| Research Grant Payments                                     | F                  | (15,825)              | (1,948)                               |
| <b>Net cash flows from financing activities</b>             |                    | <b>11,579</b>         | <b>6,113</b>                          |
| <b>NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS</b> |                    | <b>(2,776)</b>        | <b>1,992</b>                          |
| Cash & Cash Equivalents at the beginning of the Period      |                    | 4,730                 | 2,738                                 |
| Cash & Cash Equivalents at the end of the Period            |                    | 1,954                 | 4,730                                 |
| <b>Net Increase in Cash and Cash Equivalents</b>            |                    | <b>(2,776)</b>        | <b>1,992</b>                          |


 Prof. S. Samita

Director/Accounting Officer


 K.A.I.S. Ranasinghe

Senior Assistant Bursar

**POSTGRADUATE INSTITUTE OF AGRICULTURE**  
**APPROPRIATION ACCOUNT FOR THE YEAR ENDED 31<sup>ST</sup> DECEMBER 2015**

|  | 2015<br>Rs.        | 2014<br>Rs.        |
|--|--------------------|--------------------|
| B/F Excess of Income over expenditure                    | 46,358,372         | 41,865,313         |
| Balance B/F from previous year                           | 227,122,461        | 184,767,513        |
|  | <b>273,480,833</b> | <b>226,632,826</b> |
| <b>ADD :</b>   |                    |                    |
| 01. Income in respect of past year                       | 26,904,709         | 2,023,645          |
| 02. Other adjustments - Credits                          | -                  | -                  |
|  | <b>300,385,542</b> | <b>228,656,471</b> |
| <b>LESS :</b>  |                    |                    |
| 01. Adjustment- Accumulated Depreciation                 |                    | -                  |
| 02. Payments in respect of past year                     | 638,795            | 1,534,010          |
| 03. Adjustments - Debits                                 |                    |                    |
| 04. Capital expenditure from Income &<br>General Reserve | -                  | -                  |
|  | <b>638,795</b>     | <b>1,534,010</b>   |
|  | <b>299,746,747</b> | <b>227,122,461</b> |

  
**Prof. S. Samita**

**Director/Accounting Officer**

  
**K.A.I.S. Ranasinghe**

**Senior Assistant Bursar**



## AUDIT COMMITTEE REPORT - 2015

### 1. COMPOSITION OF THE AUDIT COMMITTEE

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

| Name of the Member  | No.<br>attended |
|---|-----------------|
| Ms. W.G. Chandrika, Chairman<br>Director Procurement, Dept. of Public Finance             | 04/04           |
| Prof. K Samarasinghe, Member<br>Dean/ Faculty of Agriculture, UoP (up to October 2015)    | 03/03           |
| Prof. DKNR Pushpakumara, Member<br>Dean/ Faculty of Agriculture, UoP (from November 2015) | 01/01           |
| Mr. MMJR Bogamuwa, Internal Auditor, UGC  | 03/04           |
| Samudrika Herath, Deputy Registrar, Secretary   | 04/04           |

In addition to the above members, members of the Auditor General's Department, Deputy Internal Auditor of the University of Peadeniya, Director and the Senior Assistant Bursar of the Institute were invited to attend as observers. Furthermore, Assistant Registrar of the Institute had also taken part as and when necessity arises to brief the committee.

### 2. MAIN RESPONSIBILITIES

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

- a. Determination of responsibilities of the Internal Audit and Review the Annual Internal Audit Plan;
- b. Review and evaluation of the internal control systems of the all activities of the entity;
- c. Compliance with Laws and Regulations and Review financial statements to ensure compliances with Accounting Standards;
- d. Review and monitor on internal and external audit reports and management letters for follow-up action; and
- e. Liaise with external auditors and follow up on Auditor General's /external & internal auditors management reports, letters, and review of implementation of recommendations/directives of the COPE.

**2 a. Determination of responsibilities of the Internal Audit and Review the Annual Internal Audit Plan.**

The committee approved the annual audit plan for the year 2015 submitted by the Deputy Internal Auditor (DIA) of the University of Peradeniya (UoP), who has been entrusted this task. However, Committee noted that single report has not been submitted by the DIA/UoP covering the planned activities embedded of the Audit Plan for the year 2015 due to heavy work load entrusted to them except report of Internal Audit query on internal control system of the Agriculture Library. Therefore, based on the recommendation of the AC, a request has been made to the UoP, requesting to assign an Internal Auditor dedicated to the audit matters of Institute affiliated to the University which is been in progress now.

The Committee reviewed and monitored the effectiveness and inspection functions of the Internal Audit Division and provided the guidance to improve the status of the Institute. The Committee insisted the importance of the conducting activities laid down in the Audit Plan and submits quarterly reports for consideration of the AC.

**b. Review and evaluation of the internal control systems of the all activities of the entity.**

The Audit Committee also reviewed the effectiveness of the Institute's internal controls systems 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, collection of over-dues student receivables, preparation of Fixed Asset Register, and provided the necessary guidance to overcome the unsettled matters and made necessary recommendations to strengthen the internal control systems. Towards this direction, the committee noted that the finance division has adopted the accounting policies to cut down the Audit Queries raised to great extent.

**c. Compliance with Laws, Rules and Regulations and Review financial statements to ensure compliances with Accounting Standards.**

The Committee took keen interest on non compliance with laws, rules and regulation by the Institute and monitored all the activities related to the queries raised by the Auditor General in this respect. The Committee noted that the Institute had taken steps to streamline payment and settlement of advances. It is also noted that the Institute had taken action to invest the surplus funds having followed procurement procedure to improve the financial states of the Institute.

**d. Review and monitor on internal auditors reports and Auditor General's reports, management reports, and letters for follow-up action, and follow up:**

All reports submitted by Internal and External Auditors were tabled at the Audit Committees with replies and all possible measures have been taken to address the issues raised therein by the Institute as recommended by the Audit Committee. Towards this direction, the Committee noted that the Institute had almost completed

attending to the preparation of fixed asset register. The Committee also noted that the institute had completed the verification of library articles and is in the process of clearing issues relating to the lost/missed placed library articles which had not been done by the Institute from its inception. The Committee also noted that action has already been taken to streamline the internal control system of the Agriculture Library based on the recommendation of the AC for which guidelines have been formulated.

**e. Liaise with External Auditors, and review of implementation of recommendations/directives of the COPE.**


The Committee noted that as per the recommendation given by the COPE, action has been taken to prepare a Fixed Assets Register and to transfer other assets which are of no use to the PGIA to respective Departments of the Faculty of Agriculture having obtained the approval of the Board of Management. The Institute had also streamlined the activities related to the asset management.

Further, based on the directives of the COPE, the institute had increased allocation for research up to 6 million in the year under review for conducting research in the absence of government funds and also established a Publication Funds to assist students of the PGIA for their academic publication and participation for national and international conferences by having allocated Rs. two million initially. The Committee also noted that the PGIA has already informed the recommendation made by the COPE to recover surcharge from the officers responsible for delaying payment of gratuity of a one Labourer retired from the Agriculture Library.

The committee also noted that disclosure has been made under accounting policies and procedures followed in the preparation of financial statements of the Institute regarding the ownership of the lands where the buildings of the institute have been constructed are vested with the UoP as this matter had been raised by the Auditor General since year 2000 onwards consecutively.

### **3. CONCLUSION**

The Audit Committee is satisfied with the initiatives taken by the Institute as per the directives given, the progress achieved, the effectiveness of the internal control systems of the Institute and the follow up actions taken on the recommendation given by the committee such as preparation of fixed asset register, receivable from course fees, settlement of refundable library deposits. The Committee also noted that the Institute had followed up with some issues raised in the Auditor General's report such as payment of consideration of academic allowance for computation of provident fund and vesting of ownership of the land where the PGIA buildings had been built etc. with the University Grants Commission and UoP for a needy action. As a result, the Committee noted that the PGIA has received subject to opinion for the final accounts of the Institute for the year ended 31.12.2014.

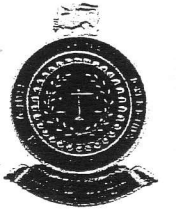
  
Ms. W. G. Chandrika  
Chairperson/Audit Committee  
31<sup>st</sup> December 2015



# විගණකාධිපති දෙපාර්තමේන්තුව

## கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்

### AUDITOR GENERAL'S DEPARTMENT



35

මගේ අංකය  
எனது இல.  
My No.

සිඑල්පී-2/කේටී/ජේ/පීඒඅයිපී/  
01/2015/19

ඔබේ අංකය  
உமது இல.  
Your No.

දිනය  
திகதி  
Date

2017 අප්‍රේල් 14 දින



අධ්‍යක්ෂ,

කෘෂිකර්ම විද්‍යා පශ්චාත් උපාධි ආයතනය

කෘෂිකර්ම විද්‍යා පශ්චාත් උපාධි ආයතනයේ 2015 දෙසැම්බර් 31 දිනෙන් අවසන් වර්ෂය සඳහා වූ මූල්‍ය ප්‍රකාශන පිළිබඳව 1978 අංක 16 දරන විශ්වවිද්‍යාල පනතේ 108(1) උපවගන්තිය ප්‍රකාරව විගණකාධිපති වාර්තාව

මාගේ සමාංක හා 2017 මාර්තු 03 දිනැති ලිපියට යොමුවේ.

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

ඩබ්ලිව්.ප්‍රේමනන්ද

නියෝජ්‍ය විගණකාධිපති

විගණකාධිපති වෙනුවට.

DR/SAB  
12/06/2017

- පිටපත් :
1. ලේකම් - විශ්වවිද්‍යාල උසස් අධ්‍යාපන හා මහාමාර්ග අමාත්‍යාංශය
  3. සභාපති - විශ්වවිද්‍යාල ප්‍රතිපාදන කොමිෂන් සභාව



# විගණකාධිපති දෙපාර්තමේන්තුව

## கணக்காய்வாளர் தலைமை அதிபதி திணைக்களம்

### AUDITOR GENERAL'S DEPARTMENT



36

මගේ අංකය  
எனது இல.  
My No.

CLP-2/KD/J/PGIA/01/2015/19

ඔබේ අංකය  
உமது இல.  
Your No.

දිනය  
திகதி  
Date

03 March 2017

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 2015 in terms of Sub-section 108(1) of the Universities Act, No. 16 of 1978

The audit of the statement of financial position as at 31 December 2015 and the financial statements of the Postgraduate Institute of Agriculture for the year ended 31 December 2015 comprising the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 20 of the Ordinance published in the Gazette Extraordinary No. 68/11 of 26 December 1979 and Sub-section 107(5) 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 Section 108(2) of the Universities Act was issued to the Director of the Institute on 14 September 2016.

#### 1.2 Management's Responsibility for the Financial Statements

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

### 1.3 Auditor's Responsibility

---

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Auditing Standards of Supreme Audit Institutions (ISSAI 1000-1810). Those Standards require that, I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Institute's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements. Section 111 of the Universities Act, No.16 of 1978 gives discretionary powers to the Auditor General to determine the scope and extent of the audit.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

### 1.4 Basis for Qualified Opinion

---

My opinion is qualified based on the matters described in paragraph 2.2 of this report.

## 2. Financial Statements

### 2.1 Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 2.2 of this report, the financial statements give a true and fair view of the financial position of the Postgraduate Institute of Agriculture as at 31 December 2015 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

### 2.2 Comments on Financial Statements

#### 2.2.1 Sri Lanka Public Sector Accounting Standards

The following non-compliances were observed.

(a) Sri Lanka Public Sector Accounting Standard 03

Even though an entity shall correct material prior period errors retrospectively in the first set of financial statements authorized for issue after the discovery, adjustments totalling Rs.24, 723,016 and Rs.21,816,514 in the statement of financial position and the statement of financial performance respectively audited in the year 2014 had been revised in the presentation of financial statements of the year under review.

(b) Sri Lanka Public Sector Accounting Standard 07

Even though 06 items of assets costing Rs.42,134,565 had been fully depreciated as the useful life of non-current assets had not been reviewed annually, they had still been in use. Accordingly, action had not been taken to revise the estimated error in terms of Standard 03.

## 2.2.2 Lack of Evidence for Audit

Even though a payment of Rs.682,359 had been made as Research Allowances in the year under review, the approval for research proposals and the progress reports had not been made available to Audit.

## 2.3 Accounts Receivable and Payable

Laboratory and library deposits totalling Rs.241,510 of 67 students had been shown as deposits in the financial statements over a period exceeding 10 years without being settled.

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

The following non-compliances were observed.

Reference to Laws, Rules, Regulations, etc.      Non-compliance

- |  |   |
|--|---|
| <p>(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka<br/>Financial Regulation 156</p>  | <p>Even though the survey of library books carried out in the years 1987,1995,2004 and 2014 had revealed that 11,624 books were misplaced, action had not been taken even by the end of the year under review to recover the loss suffered by the Institute from the parties responsible.</p> |
| <p>(b) Establishments Code for the University Grants Commission and Institutions of Higher Education<br/>Section 6.2 (ii) and (iii) of Chapter VIII of Part II</p> | <p>Even though 10 per cent of the earnings generated through a service performed in addition to one's duty should be paid to the Institution of Higher Education to which he belongs, a sum of Rs. 1,780,591 out of the sum of Rs. 17,805,918 paid as fees for visiting</p>                   |



lecturers during the year under review of the Postgraduate Institute of Agriculture, had not been abated at the instance of payment and credited to the Universities' Fund.

- (c) Public Enterprises Circular No. A budget on human resources had not been prepared.  
PED /12 of 02 June 2003  
Section 9.2

### 3. Financial Review

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#### 3.1 Financial Results

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According to the financial statements presented, the financial result of the year under review had been a surplus of Rs.47,077,925 as compared with the corresponding surplus of Rs.45,415,823 for the preceding year, thus indicating an improvement of Rs.1,662,102 in the financial result for the year under review. The increase in the income by Rs.8,545,547 despite the increase in the expenditure by Rs.6,883,444 had been the main reason for the above improvement.

An analysis of the financial results of the year under review and 04 preceding years had revealed a surplus from the year 2011 up to the year 2015 and in considering the employees remuneration and depreciation on non-current assets, the contribution of the Institute amounting to Rs.58,259,174 for the year 2011 had continuously improved to Rs.113,171,141 in the year 2015.

### 4. Operating Review

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#### 4.1 Performance

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The following observations are made.

- (a) According to the Postgraduate Institute of Agriculture Ordinance No.9 of 1979, the objectives of the Institute are given below.

- Achieve and maintain high academic standards of postgraduate degrees

- Instill high professional and leadership qualities among postgraduates
- Inculcate high ethical and moral values in postgraduates
- Produce postgraduates capable of adapting to the rapidly changing global developments
- Promote basic and applied research of high standards and build capacity for innovative research among students
- Ensure a cadre of competent and committed academic staff and an effective administrative, technical and support staff to organize and implement the academic progress
- Dissemination of knowledge
- To develop the library to be the leading agriculture information resources library
- Strengthen institutional capacity
- Achieve excellence as a center for postgraduate education and research in the Asian region and beyond

(b) According to the information on performance, the decrease in the registration of students for the Master of Philosophy and Doctorate of the Postgraduate Institute of Agriculture in the years 2014 and 2015 had been 27 per cent and 62 per cent respectively as compared to the preceding year.

#### 4.2 Transactions of Contentious Nature

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According to the decision No.433.3.3.10 made by the Board of Governors of the University of Peradeniya, a retired officer could be employed on assignment basis for a maximum period of 12 months. Contrary to that, an officer had been employed for a period of 18 months and paid a sum of Rs.300, 000 for the additional period of 06 months.

### 4.3 Underutilization of Funds

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The following observations are made.

- (a) A sum of Rs.832,678 pertaining to 03 Research Aid Project Accounts shown under the "Limited Funds" in the statement of financial position of the year under review had remained idle.
- (b) Sums amounting to Rs.289,428,611 and Rs.11,016,356 from the General Fund and the Research Fund of the Institute respectively had been invested in time and fixed deposits instead of utilizing the excess funds of the Institute for the achievement of objectives and goals of the Institute.

### 4.4 Staff Administration

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The following observations are made.

- (a) Instead of recruiting permanent Lecturers for 06 posts of Professors and 04 posts of Senior Lecturers which had been vacant since the inception of the Institute, all academic purposes had been fulfilled by engaging 162 visiting Lecturers. As such, a sum of Rs.21,115,750 had been paid as lecture fees during the year under review.
- (b) Even though the Senior Assistant Librarian of the Institute had retired on 15 November 2014, action had not been taken to appoint a permanent officer for that post even as at the end of the year under review.

## 5. Accountability and Good Governance

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### 5.1 Internal Audit

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Even though every Internal Audit Unit of each institution should prepare an Internal Audit Report quarterly in terms of the Audit Guidelines Circular No. DMA /2009 (1) of 09 June 2009 issued by the Secretary to the Ministry of Finance, those reports had not been furnished to the Audit Committee on due dates.

## 5.2 Audit Committee

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The Audit Committee had not presented its observations and recommendations to the Board of Directors of the Institute in terms of Section 7.4.1 of the Public Enterprises Circular No. PED/ 12 of 02 June 2003 and further it was observed that the following activities had not been carried out by the Audit Committee.

- (a) Presentation of Committee Reports containing the observations to be included in the Annual Report.
- (b) Review on the proposals / guidelines presented to the Committee of Public Enterprises.
- (c) Review and taking future action on the reports and management letters on the internal / external audit.

## 5.3 Procurement Plan

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Even though a Master Procurement Plan had been prepared for the year under review in terms of the provisions in the Government Procurement Guidelines, procurement activities expected for a minimum period of 03 years had not been included therein. Further, the procurement activities for the ensuing year had not been prepared in detail and the Master Procurement Plan had not been properly updated at intervals not exceeding 06 months.

## 5.4 Budgetary Control

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Variances ranging between 6 per cent and 100 per cent were observed between the budgeted income and expenditure and the actual income and expenditure in respect of 56 Items, thus it was observed that the budget had not been made use of as an effective instrument of financial control.



6. **Systems and Controls**

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

| Areas of Systems and Controls          | Observations  |
|--|---|
| (a) Utilization of Funds               | Non-utilization of grants so as to achieve the relevant objectives              |
| (b) Maintenance of Books and Registers | Failure to take action in terms of Financial Regulations and relevant Circulars |

W.P.C. Wickramaratne  
Acting Auditor General

**Postgraduate Institute of Agriculture, University of Peradeniya**  
**Replies made to the Report of the Auditor General - 2015**

Your Ref : CLP-2/KD/J/PGIA/DF/01/2015/19

Date: 207.04.06

Our Ref : Auditor General, Office of the Auditor General

Subject : Audit Report - 2015

**2. Financial Statements**

**2.2. Expression of Observation on Financial Statements:**

**2.2.1. a) Sri Lanka Public Sector Accounting Standard No. 3**

Complying with the Sri Lanka Public Sector Accounting Standard No.03, deficiencies in accounting and changes in estimates included in the 2014 financial statements which have been identified in the year 2016 were corrected relevant to the year 2014 and deficiencies in accounting and changes in estimates prior to the year 2014 were adjusted to the General Reserve in submitting the revised financial statements for the year 2015 for auditing with the approval of Board of Management. The revised financial statements of the year 2015 with those corrections had been approved by the Board of Management at its 226<sup>th</sup> meeting held on 27.11.2016.

**b) No. 07 of the Sri Lanka Public Sector Accounting Standards**

A committee had been appointed by the Director/PGIA pending approval of the Board of meeting Management (BoM) meeting schedule for July 2016 to revalue the Library books and periodicals valued at Rs. 31,885,518.00. Accordingly action would be taken to take the values of the re-valued library articles to the PGIA Account after revaluation is completed.

Motor vehicles have been revalued and action had already been taken to adjust the values in the Financial Statements for the year 2016.

A Committee comprising an expert on revaluation of software, furniture, office equipment and laboratory and teaching equipment has been appointed by the Director/PGIA pending recommendation and the approval of the Audit Committee and the Board of Management respectively to revalue them. The Committee had already commenced its work and once the revaluation is completed values of revalued items would be adjusted in the PGIA Accounts.

**2.2.2. Lack of evidence for auditing**

Our observations in respect of the above audit query is given below:

Research Allowance has been paid to the following staff members of the University System.

1. All permanent academic staff members
2. Senior Level Executive Officers

Research Allowance for academic staff is paid based on the recommendation made by the respective Research Committees of the Faculties and approved by the Senate Research Committee of the University of Peradeniya. Faculty Research Committees are required to evaluate the research proposals submitted by academic staff members of their respective faculties before making their recommendations. With regard research proposals submitted by the senior level executive officers, a sub committee appointed by the Senate Research Committee evaluate the research proposals and make their recommendations to the Senate Research Committees for approval. Research allowance for Senior level executive officers are paid once the recommendation of sub-committee is approved by the Senate Research Committee.

According to the Circular No. 02/2014 dated 11.02.2014 issued by the Secretary of the Ministry of Finance, bi-annual progress reports on research carried out by these members are required to be submitted. However, University Grants Commission having adopted the Treasury Circular under reference, had issued 02 circulars; viz 01/2011 and 02/2011(i) which nullify the requirement of submission of bi-annual reports as stipulated by the Treasury. Therefore, the research allowance paid for the period from September to December 2015 has been done according to the circular instructions issued by the UGC prevailing in the university system and submission of progress reports in 06 months intervals from the commencement of research is redundant or not required as per the provisions of the above mentioned UGC circulars.

Furthermore, research proposals submitted as per the above 02 UGC circulars under reference which have been and recommended and approved by the Senate Research Committee and the Senate of the University of Peradeniya are available in the Academic and Council Division of the University

### **2.3. Receivable and Payable Accounts:**

Letters have been posted to 67 students requesting them to claim for science and library deposits valued at Rs. 241,510.00 paid by them producing the relevant receipts/documents etc. (Annex II). Based on the responses received, action would be taken by the Institute either to refund the relevant deposits to students who comply with the instructions given by the Institute or to take them to the PGIA Account, if they haven't done so.

### **2.4. Non compliance to rules, regulations and management decisions:**

- a. In response to the repeated audit queries raised by the Auditor General regarding non-conduct of verification of library material at the Agriculture Library, physical verification of library materials have been commenced in July 2014 as the incumbent Senior Asst. Librarian were due to retire in November 2014. Conduct of physical verification of library materials in an annual basis is difficult due to the following reasons:
  - i. It is essential to close down the Library when conducting the verifications; and
  - ii. Since the Agriculture Library caters for 02 entities, i.e. Faculty of Agriculture and the Postgraduate Institute of Agriculture, and the fact that the two Institutes have different academic calendars for their academic activities, closing down of the Library cannot be possible at a specific time.

The Vice-chancellor of the University of Peradeniya (UoP) had granted approval to conduct Physical Verification of Library materials by the Committee appointed comprising entirely outside members to the PGIA, under the patronage of the Librarian of the University of Peradeniya. The first report of the committee had been submitted to the Director/PGIA on 05.09.2014.

The SAL/PGIA vide her letter dated 05.03.2015 had submitted her observations regarding this report as per the request made by the PGIA vide their letter dated 09.09.2014.

The Librarian of the University of Peradeniya vide her letter dated 25.11.2014 had submitted the final report of the verification board, having deducted values of books/materials found by the SAL/PGIA and her staff which had been declared as lost/misplaced by the verification board.

The Board of Management of the PGIA at its 201 and 211 meetings held on 27.11.2014 and 30.01.2015 respectively appointed a committee comprising members of the Board of Management and financial officers of the UoP. The Committee commenced its proceedings on 02.02.2015 and having noted that values of lost/misplaced library materials have not been submitted with the verification report, a request had been made to the Librarian of the UoP. On receipt of the values of lost/misplaced library articles by the Librarian/UoP on 05.03.2015, the Committee, met on 12.03.2015 to study the report.

However, on account of the lapse of the term of membership of 02 members of the BoM who served on this Committee by 17.03.2015 (on the directive received from the UGC), another committee was reconstituted by the Director/PGIA pending approval of the BoM in April 2015.

This committee had met on 13.05.2015 and 12.06.2015 and made their interim recommendations regarding the final report of the verification of library materials to the Institute.

Based on the recommendation of the Sub-committee; i.e. that the Senior Asst. Librarian of the /PGIA cannot solely be made responsible for the lost/misplaced library articles, the BoM at its meeting held on 29.05.2015 having accepted the recommendations made by the sub-committee decided to release her provident fund. In pursuant to the decision made by the BoM, the PGIA authorities had taken action to release her provident fund.

The sub-committee had arrived at this decision on account of the following reason/s

From the period from 1975 to 2014 even though 04 verifications had been carried out, no proper action had been taken by the BoM regarding the lost/misplaced library articles during the period that these losses had been reported.

Since the value of lost/misplaced library articles had been amounted to over Rs. 5 lakhs, the Deputy Internal Auditor of the UoP vide his letter dated



10.07.2015 returned the personal file of the SAL/PGIA indicating that until the final decision is taken on the value of lost/misplaced library articles, matter cannot be proceeded.

The sub-committee had forwarded their final recommendation on 07.08.2015 to the Director/PGIA which had been tabled at the special meeting of the Audit Committee held on same day (07.08.2015). The revised report of the sub-committee had been tabled at the meeting of the BoM held on 27.09.2015. During this period the sub-committee was re-constituted due the fact that the Librarian of the UoP served as a member of it. Furthermore, since the value of lost/misplaced library articles were over Rs. 5 lakhs, Committee had been appointed by the Secretary of the Ministry of Higher Education on 22.07.2015. Moreover, the PGIA had taken steps to revalue the lost/misplaced library articles by an expertise during this period to obtain present value of them which was received by the PGIA on 20.06.2016. This report and the final recommendations of the sub-committee had been tabled at the BoM meeting held on 30.09.2016.

During this period, the BoM had taken a decision to release the provident fund to the SAL/PGIA having retained the amount equivalent to the value of lost/misplaced library articles. However, the former SAL/PGIA had refused to the decision made by the PGIA. This decision was endorsed by the Asst. Commissioner of the Department of Labour at a meeting held with all the parties concerned to this matter, however, the SAL/PGIA did not change her decision and indicated her unwillingness to accept the balance fund due to her.

At the same time many library articles found to have been lost/misplaced were found later on and as such, the value of library articles lost/misplaced were reported to be decreased to Rs. 464,144.66. Having considered the new developments reported, the sub-committee again made their recommendation to the BoM/PGIA; i.e., former SAL/PGIA cannot be made responsible for the lost/misplaced library articles solely, the BoM at its 226<sup>th</sup> meeting held on 25.11.2016 approved the recommendation made by the sub-committee. This recommendation had been submitted to the 459<sup>th</sup> meeting of the Council of the UoP held on 28.01.2017. The Council had made a decision to write off Rs. 464,144.86, the value of lost/misplaced library articles. Accordingly, action had already been taken to write off Rs. 464,144.86, from the books of accounts by passing a journal entry.

#### **b. University Establishment Code**

Visiting lectures of the Postgraduate Institute of Agriculture (PGIA) is undertaken by the permanent staff members of the Academic staff members of the University of Peradeniya (UoP). Most of the lectures are conducted during week-ends and public holidays except for a few lectures conducted during week-days depending on requirements. According to the provisions of the UGC Circular No.04/2016 dated 01.03.2016, if a payee tax is levied on payments made to university staff members, through income generated activities, it is not required to deduct 10% royalty from their lecture fees which had been considered as their second employment. Since Payee tax is deducted from visiting lecture payment as being

second employment of academic staff members of the UoP who served as visiting lecturers at the PGIA as they belong to permanent academic cadre of University of Peradeniya deduction of 10% royalty would not arise. More over provisions embedded in the UGC Circular No. 291 quash the requirement of payment of 10% royalty from earnings of staff members of the University system derived from generated income as indicated in the Section 2 and 3 of Chapter 62 of Part II of the University Establishment Code.

- c. Recruitment of staff to the PGIA had earlier been attended by the University of Peradeniya as it is affiliated to the University itself. However, in order to cut down the delays in recruitment and to expedite the process, based on the provision in the Ordinance of the PGIA and the UGC Circular No. 233 dated 30.06.1983, early phase of the recruitment process, such as calling applications, conducting examination where necessary and conducting interviews etc. have been attended to by the PGIA based on the approval granted by the BoM.

Recommendations made by selection committees appointed by the BoM are recommended by the BoM and they are placed before the Council of the University of Peradeniya for approval. Once the approval of the Council of UoP is received for recruitment of staff to the PGIA, Vice-chancellor of the UoP issues appointment letters to them. Based on this process, the appointing authority for members of the PGIA belonged to the University of Peradeniya and as such, personal files of all staff members appointed to the PGIA are maintained by the Non-academic Establishment Division of the UoP. Accordingly, Human Resource Inventory for the staff of the PGIA is prepared and maintained by the UoP. However, based on the information available at the PGIA, a copy of the Human Resource Inventory for the PGIA staff is currently being prepared by the PGIA for Institutional reference.

### **3. Financial Analysis:**

#### **3.2. Structural Financial Review:**

- a&b. The financial stability of the Institute is ensured by the fixed deposits with high liquidity worth at Rs. 300,449,966 which are maintained in Banks even though the current ratio being 0.98:1 and financial ratio being 0.37:1 at lower level. Further, although funds generated by the Institute is utilized to cover the expenses of the Institute, owing to the very meager financial allocation is received from the Treasury, the Institute has the capacity and the potential to build up reserves for its future plans and activities. Accordingly, the level of liquidity is maintained at a higher value based on the nature of the Institute.

### **4. Operational Review:**

#### **4.1. Performance:**

- 4.1.a. All expenses incurred for conducting PG programmes should be met by the generated funds which have been collected from students who have registered for various postgraduate degrees at the PGIA as no government funds have been received by the Institute for conduct of PG Programmes to students. So

that, course fees for PG programmes have to be increased to face the price fluctuation in the market from time to time. Personal factors, burdens at both workplaces, and home-fronts, obtaining leave from workplaces, in case of employed students, financial encumbrances and factors unique to each and every adult students are determinant factors in selecting and registering for courses and Institute at which these PG Programmes are conducted by students to follow PG programmes.. Furthermore, the PGIA has to confront a great competition due to establishment of higher educational institutions/universities elsewhere in the country. Owing to these reasons, students are divided among all higher educational institutions established in the country which lead to decrease in student registered at the PGIA to follow PG degree programmes in the year under review.

In order to curb this unhealthy situation, the Institution has strategized to increase the student intake by way of conducting promotional campaign to increase students for research degrees. Sending leaflets to Universities, public and private sector organizations, conducting promotional programmes among targeting prospective student population, especially in local Universities about PGIA programmes and benefits accrued from following PG programmes at PGIA, providing updated information about PG programmes and Institute through Management Information System are among them. Providing facilities through banks to obtain loan for needy students and making on-line payment through Internet payment gateway have also been introduced to increase the student intake of the PGIA.

#### 4.2. **Transactions leading to conflict:**

The Assistant Registrar working in the PGIA had been granted two years no-pay leave by the University of Peradeniya based on the recommendation made by the Board of Management of the Institute effective from 15.09.2015 to 14.09.2017. Since all the administrative activities of the Institute is shared by 02 officers, the Institute decided to recruit a person to cover the duties of the permanent Assistant Registrar for the whole period as no covering arrangement can be made for a two years period as per the provisions laid down in the UGC Establishment Code. Further, since all the work of a University has to be performed by the Institutes, and the fact that 02 officers available cannot cope up with their assigned work, without a one officer, smooth functioning of the Institute hampers. The UGC has granted approval for this purpose vide Senior Assistant Secretary's letter No. UGC/HR/1/2/380 dated 15.07.2015 in pursuant to the provisions in the Chapter 6 of the UGC Establishment Code. Accordingly, a person had been recruited for 18 months period, giving 03 fresh assignments with a service break at the end of each assignment. After the lapse of the first year, applications have been called expecting a new person to be recruited for which 02 persons applied including Mr. D Rambukwella. The other person who applied had not performed up to the standard expected by the Selection Committee, as such Mr. D Rambukwella had been given the third fresh assignment to cover the duties of permanent Assistant Registrar, effecting from 04.10.2016 (Annex VI, VIII). Accordingly, it is emphasized here that the PGIA has not taken action to recruit a retired person to a permanent post, but only an assignment was given to cover the duties of the

Assistant Registrar of the Institute. However, with effect from 04.04.2017, his assignment was terminated by the Board of Management.

#### 4.3. Under utilization of Funds:

##### a) A Sugeetharan, J Nimalan, L Pradeepan:

The above named 03 students who have been registered at the PGIA to read for PhD degrees have been granted scholarships from the World Bank Project known as "Higher Education for Twentieth Century" (HETC) and funds have been transferred by the HETC project on behalf of these 03 students for their research related expenses to the PGIA, particulars of which are as follows:

| Name of the Student | Amount granted (Rs.) | Expenses Incurred (Rs.) | Balance (Rs.) |
|---------------------|----------------------|-------------------------|---------------|
| A Sugeertharan      | 152,000.00           | -                       | 152,000.00    |
| J Nimalan           | 1,980,000.00         | 1,605,977.66            | 374,022.34    |
| L Pradeepan         | 1,525,000.00         | 1,218,343.70            | 306,656.30    |

Since funds have been lying against their accounts as shown in the table, letters have been posted to these three students to submit any bills incurred for activities related to their research as soon as possible, indicating that if no response is received, action would be taken to transfer the balances lying in their respective accounts to the Project office of their respective University/ies.

##### b) The following tables shows the funds allocated from the annual budget for capital and recurrent votes for the last three years.

|                                   | 2013   | 2014   | 2015   |
|-----------------------------------|--------|--------|--------|
| Original annual Budget            | 61,527 | 85,205 | 85,250 |
| Govt. Funds                       | 19,000 | 16,000 | 19,000 |
| Generated Funds                   | 59,444 | 89,505 | 87,401 |
| % covering by Govt. funds)        | 30%    | 18.8%  | 22.29% |
| Income generated through Interest | 27,511 | 21,131 | 16,566 |

According to the above table, a Total fund requirement of the Institute is covered by the government funds only by 18.8% - 30%. In order to meet the all other requirements of the Institute an interest income is also essential in addition to the course fees and other fees collected from students and other stakeholders.

Furthermore, expenses have been incurred by the Institute for the last 03 years for main activities identified in the Corporate Plan of the Institute in the following manner.

|                            | 2013      | 2014 | 2015       |           |
|----------------------------|-----------|------|------------|-----------|
| Conduct of Examinations    | 1,002,000 |      | 28,000     | 103,000   |
| Research & Publications    | 93,000    |      | 191,000    | 193,000   |
| Capacity building projects | 8,623,000 |      | 10,305,000 | 5,878,000 |

Moreover, that since government is not funding for the establishment of a state-of-the art laboratory and a Hostel for students as identified in the Corporate Plan of the Institute, it is expected to raise funds required for these purposes. Therefore, by way of investing its fixed deposits on short term nature in a transparent manner is aimed at to cover the expenses of all planned activities and the accomplishment of objectives identified in the Corporate Plan.

#### 4.4. Administration of Institutional Staff:

- a. UGC vide its letter No. UGC/H/R/09/01/59 dated 19.03.2008 granted approval to fill the approved academic cadre of Professors and Senior Lecturers (08 posts), utilizing the earnings of the Institute. Accordingly, based on the recommendations of Boards of Study, academic staff members had been recruited for short term assignments. Further, utilizing provisions in 01 Senior Lecturer Post, 02 Tutors had been recruited and they had been assigned to Board of Study/Business Administration and Board of Study/Agricultural Extension. In future action would be taken to fill these posts.

Moreover, since these cadre positions had been approved on the basis that no government funds are given to recruit academic staff members, it is difficult to pay their salaries with the earnings of the Institute. Further, funds required to pay their salaries outweighed the payments required to be paid to all visiting lecturers serving in the Institute. Since 11 Boards of Study conduct nearly 31 M.Sc. programmes consisting over 600 course units/year of different expertise areas in the broad-based discipline of agriculture, it is difficult to cater to the requirements of 11 Boards of Study with this few academic staff members. Even though if recruited, which requires Institute to hire visiting staff members with expertise knowledge in a different fields of study in Agricultural discipline come under the purview of 11 Boards of Study as this 08 academic staff members cannot cover the large number of course units of varied nature in knowledge and skills.

- b. The post of Senior Assistant Librarian of the Institute retired on 14.11.2014 and to fill this post, an advertisement had been published on 24.10.2014. Although 03 prospective applicants have applied for the post only 01 applicant possessed the required qualifications as per the scheme of recruitment applicable for the post. The selection committee approved by the Board of Management at its meeting held on 28.11.2014, met on 22.01.2015, and having interviewed the only candidate qualified and present for the interview, found that she did not possess the required skills, ability, experience and the

knowledge etc. to hold the post. Therefore, the selection committee recommended that the post be re-advertised, which was approved by the Board of Management at its 211<sup>th</sup> meeting held on 30.01.2015.

When the Institute was following the procedure to re-advertise the post, as per the decision made by the Council, University of Peradeniya to advertise all the posts of Library staff together, Institute had also made a request to recruit a suitably qualified person to fill the post of Senior Asst. Librarian at the PGIA. Accordingly, the UoP having followed the procedure advertise the post/s of Library staff. The current situation is that the Senate of the UoP had already appointed a selection committee to conduct interviews. Furthermore, the Council of the UoP at its meeting held on 25.06.2016, granted approval to conduct interviews to fill all these vacancies in the Library network of the UoP. As per the approval granted, interviews had been scheduled for 05.09.2016, however, since the Vice-chancellor had to attend to an important official duty, the interviews scheduled were cancelled and it had been rescheduled for 28.10.2016. Even though the post could not be filled as at 31.12.2015, the UoP having conducted the interviews properly, selected a person to fill the post of Librarian in the PGIA, and obtained the Council approval, an appointment letter had already been posted to the selected applicant by 2017.02.01, requesting her to accept the post. However, newly recruited Asst. Librarian assumed duties at the Agriculture Library w.e.f. 15.03.2017.

## **5. Accountability and Good Governance:**

### **5.1. Internal Auditing:**

All Audit functions of the Institute has been carried out by the Audit Division of the University of Peradeniya as the Institute does not have a separate Audit Division. Although the Audit Division of the UoP utilized its full resources and prepare an audit plan for the Institute, they could not carry out the planned activities of the audit plan as scheduled as they are entrusted with audit functions of the whole University and other PG Institutes affiliated to the UoP as well. However, the activities which had been missed in the year under review would be completed in the following year and guidance have been given to the Institute to rectify the lapses and shortcomings by strengthening the internal control system.

Although the quarterly reports due for the year 2015 had not been submitted, audit plan for year 2015 had been tabled at the 48<sup>th</sup> meeting of Audit Committee held on 31.12.2014. In addition, a report had been submitted to the Institute on 13.05.2015 regarding the internal control system of the Agriculture Library highlighting the lapses and shortcomings etc.

### **5.2. Audit Committee:**

- a) The Audit Report for the year 2015 including auditing observations had been tabled at the 52<sup>nd</sup> meeting of the Audit Committee held on 14.01.2016, which had been embedded in the Annual Report for the year 2015.



- b.&c) Reports on Physical verification of inventory articles Verification of library materials, and Fixed Asset Register, Annual Audit Plan, Appointment of an Audit Officer to the Institute, Auditor General's Report, Internal Control Systems, Review of COPE recommendations, Report on proposed corrective action to be taken on COPE recommendation etc. were discussed at the Audit Committee as and they have been received by the Institute and recommendations made for those matters had been forwarded to the Board of Management and the Council of the University of Peradeniya where necessary for implementation. Based on the recommendations received from the BoM and the Council, action had been taken to implement Internal Control System for the Agriculture Library and Fixed Asset Register for the Institute had already been prepared for the Institute.

### 5.3. **Procurement Plan (PP):**

Annual budget and the Annual Action Plan for the Institute had been prepared based on the Treasury allocation received on an annual basis. Since the financial provisions received from the Government cannot be prepared with certainty, preparation of a 03 year long term procurement plan is difficult to be prepared and impracticable as well due to following reasons

- i. Receipt of Treasury Funds to the Institute is uncertain;
- ii. Requirements of the Institutes and 11 Boards of Study vary annually as all requirements are depend on no. of students registered for PG programmes and no. of short courses conducted etc for a particular year; and
- iii. Income collected from students registered for various PG Programmes, seminars, workshops and short courses are also vary from time to time due to fluctuation of registration of students annually.

Owing to above reasons, procurement plan for the Institute is prepared in an annual basis. The deficit is met with the funds generated by the Institute annually.

All procurement requirements have been included in the Procurement Plan prepared for the year 2015 with time schedules for completion of each such activity. The procurements made outside the Procurement Plan based on the urgent requirements of the Institute and 11 Boards of Study have also been included in the Procurement Plan – 2015 and the revised PP approved by the BoM had also been submitted to the relevant authority for approval.

### 5.4. **Budgetary Control**

#### a.1 **Academic Allowance:**

The increase of academic allowance from 90% to 135% as per the UGC Circular No. 2014/14 dated 21.12.2014 after preparation of estimated budget lead to increase in the actual expenses.

**Visiting Lecture Payments:**

Budget for the year 2015 had been prepared in the latter part of year 2014. However, based on the no. of students registered in each Board of Study, individual budget for each Board of Study have been prepared in the mid of year 2015 after the estimated budget for the respective year has been prepared. Therefore, increase in the registered No. of students and course fee lead to increase in the lecture fee to be paid to visiting lecturers of the Institute for the year 2015. Therefore, the Institute had to incur extra cost for lecture fees more than the budgeted cost.

**Expenses for Stationary:**

Increase in the No. of students lead to increase in stationary requirements for which Institute had to spent little over 6% more than the estimated cost for the same.

**Other Services:**

Due to increase in the student No. services had to be obtained more than the expected for which extra cost had to be incurred by the Institute

**Maintenance of Vehicles:**

Extra costs had to be incurred than expected due to increase in travelling for academic and research activities for the year 2015 due to increased in No. of students.

**Maintenance of Equipment:**

The increase in the payments required to be paid for service agreement, entered into with by the Institute lead to this increase than expected and budgeted.

**Advertisement and Publications:**

Extensive promotional activities carried out in the year under review in relations to the previous year's lead to higher costs incurred for the same than estimated, which was only 6% increase compared to the last year.

**Entertainment Allowance:**

Increase in the conduct of examinations and meetings in relation to previous years can be attributed for the increase in Entertainment allowance as extra cost had to be borne by the Institute for refreshments and meals provided for members of the examination panels, and members of committees who took part at examinations and meetings.



**II. Salaries and Emoluments, Payment of UPF 15%, University Pension Fund, Contribution for ETF 3%, Payment of Special Allowance of 20%, CoL, Additional Allowances etc:**

Even though action had been taken to allocate financial provisions for vacancies of posts of Asst. Librarian, 01 Computer Application Assistant, 02 Labourers, Post of Coordinator (for first 06 months) with the aim of filling them in the year under review, recruitments had not been made as planned, which lead to non-utilization of allocation made.

**Overtime:**

Owing to the mobilization of staff for overtime with a carefully drawn plan lead to restrict in payment of overtime in the year under review against the estimated cost. This was possible based on the guidance received from the Board of Management and the Audit Committee of the Institute.

**Entertainment Allowance:**

Owing to a mistake in preparation of budget estimates, entertainment allowance was calculated on a wrong basic salary which lead to over estimation for the entertainment allowance.

**Gratuity Payment:**

The allocation made for the gratuity for the year 2015 was Rs. 600,000/-. However, according to the revised final accounts statement, actual expenditure was Rs. 582,492/-. Accordingly, the overestimation for the gratuity payment was only Rs. 17,507, which is only a 3% variation from the estimated cost.

**Expenses for Local Transport:**

Due to a vacancy existed in the Driver Cadre approved for the Institute, travelling were managed properly by coupling many trips together with the exiting drivers of the Institute which lead to decrease in the travelling incurred for official duties of the Institute. As a result, payments given to Drivers were reduced which is the reason for an overestimation in the budget prepared for the year 2015.

**Fuel and Lubricants :**

Over allocation for the Fuel & Lubricants vote was due to following reasons:

- a) Prices of fuel had gone down in the year 2015
- b) Payment of fuel allowance had been paid from allocation made in the fuel allowance included in the Salaries and Emoluments vote as per the provisions of the UGC Circular No. 2/2011 of 10.03.2011

**Uniforms and tailoring**

Years before 2015, an annual payment had been made for employees who are entitled for this privilege and based on the expenses incurred for last year, budget estimates had been prepared for this vote. However, on account of the payment made for employees for uniforms based on clothing material and tailoring charges as has been done before, the costs had been decreased than expected.

**Chemicals & Glassware:**

Rs. 1,950,000.00 had been allocated to purchase Chemical & Glassware for Boards of Study in Agricultural Biology, Food Science & Technology, and Plant Protection in the 2015 budget. Since the Institute did not possess expertise in preparation of specifications, bids, and evaluation of bids received etc. considering the request made by those three Boards of Study, the Board of Management at its 214<sup>th</sup> meeting held 29.05.2015, approved to transfer the this allocation to the Faculty of Agriculture with a provision that at the end of the year Bursar of the Faculty of Agriculture should submit a statement of expenses to the Institute for approval. As per the decision taken by the Board of Management, Rs. 1,713,568.71 had been transferred to the Faculty of Agriculture on 18.06.2015. However, as at 31.12.2015, since the Faculty had spent only Rs. 13,519.39, the actual expenses incurred had been decreased than as planned in the year under review.

**Maintenance of Buildings:**

Actual expenses had been decreased due to the fact that the Institute could not be able to carry out the planned activities in the year under review due to lack of expected support from the Department of Buildings, Kandy.

**Transport Services:**

Completion of few Research Projects in the year under review, executed by the Institute which had been carried out for last few years lead to decrease in actual expenses incurred for transport and hiring of vehicles as with the closure of such projects, research activities carried out under these projects by students had also been decreased.

**Electricity:**

Even though the allocation for Electricity for the year under review had been prepared based on the consumption of electricity in the year 2014, less consumption of electricity in the year 2015 lead to the decrease in actual expenses incurred for electricity.

**Cleaning Service:**

Allocation for the cleaning services for the year 2015 was done having considered the maximum amount to be paid for the service as indicated in the

agreement signed between the Company to whom the services had been awarded. However, the actual payment for services had been made based on the evaluation of quality of services rendered and No. of employees deployed to provide cleaning service as per the agreement signed, which was less than the estimated budget (deductions have been made for poor quality and short of staff deployed for cleaning etc). This resulted in over allocation for the vote concerned.

#### **Water Bills:**

Funds have been allocated for the respective vote based on the expenses incurred for the previous year as the University of Peradeniya used to charge same amount for water consumption based on readings of previous year. However, with the introduction of a new system for meter reading in the year under review by the University, actual consumption had been reported lesser than the University expected. Less consumption of water in the year under review was the reason for decrease in payment made for water consumption by the Institute in 2015.

#### **Payment for Travelling for Lecturers:**

Few Lecturers who had been claiming for travelling had not been serving in few Boards of Study in the year under review. As such, the actual expenses incurred for travelling had been decreased against budgeted expenses.

#### **Special Services/Council & Committees:**

Even though the allocation had been made to this vote expecting to conduct the final meeting of the Board of Management outside the Institute, it had not been materialized as planned which lead to the over allocation for the vote concerned.

#### **Special services/Professional and other fees:**

Actual expenses incurred for above services had been decreased although allocation had been made on expenses incurred for the last year.

#### **Consultancy Service/Professional & other fees:**

Actual expenses had been decreased even though estimates had been made based on the last year expenses.

#### **Academic Research & Publications:**

Allocation for this vote had been made, to financially support students who wish to present/publish their research findings at internationally recognized conferences/seminars etc. Even though the allocation had been made, guidelines governing these awards had been approved by the Board of Management at its 218<sup>th</sup> meeting held on 27.11.2015 which lead to non-utilization of funds allocated.

**Staff Development Fund:**

Over allocation had been resulted in failure to conduct 01 workshop planned out of 02 for staff members of the Institute for the year under review.

**Postgraduate Research & Scholarships:**

Although funds have been allocated for research activities of the students (research) of the Institute, no requests had been made by students as planned in the year under review, which lead to the over allocation for this vote.

**Railway Warrants:**

Even though the allocation had been made based on actual expenses incurred for the last year, utilization of no warrants had not been by the staff as expected which lead to over allocation for the vote concerned in the year under review.

**Bank charges:**

Even though the allocation had been made based on the last year actual expenses, bank charges were lower than expected which was the reason for over allocation for the vote concerned in the year under review.

**Prizes and Awards:**

Recommendation for Long service awards have been done by the University of Peradeniya based on the period of service. However, although staff members are eligible to receive long service award for the year under review, delay in receiving such awards lead to the variation.

**Workshops & Seminars:**

Even though the allocation had been made based on the last year actual costs, workshops and seminars had not been conducted as planned which was the reason for over allocation for the vote concerned in the year under review.

**Stamp Duty:**

Even though the allocation had been made based on the last year actual expenses, costs had not been incurred as planned which was the reason for over allocation for the vote concerned in the year under review.

**Expenses for Orientation:**

On account of the decrease in the student intake for the year under review as compared to previous years, was the reason for over allocation for the vote concerned.

### **Other Recurrent Expenses:**

Even though the allocation had been made based on the last year actual expenses, costs had not been incurred as planned which was the reason for over allocation for the vote concerned in the year under review.

#### **b) Expenditure for Maintenance of Furniture:**

Allocation had been made for repairing of broken, unattended furniture and rattan chairs. However, Institute was unable to obtain the services of person/agency to do these tasks in the year under review. As such, no expenses had been incurred for this purpose.

### **Rental Charges:**

Although financial provisions had been made for rental and other charges for photo copy centre in the Library for the year 2015, the contract for providing photo copy services had been terminated and it was given to the Student welfare society of the Faculty of Agriculture without levying a fee. As such, no income had been received by the Institute as before as the Student Welfare society directly paid the rental to the University of Peradeniya. This resulted in non-payment of rental by the Institute.

### **Project Expenses:**

Even though the allocation had been made expecting to incur expenses for degree programme in the year under review, as per the agreement signed between the Yeshua Institute of Technology, Ghana and this Institute, actual expenses incurred by Yeshua Institute for the year 2015 had not been received by the Institute. As such those expenses had not been accounted and taken into books.

### **Corporate Plan and Government Expenses:**

Expenses had not been incurred as planned in respect of preparation and printing of the Corporate Plan of the Institute for period of 2015-2019 due to non finalization of preparation of Corporate Plan in the year under review.

### **Language Allowance:**

Provisions for this vote had been included in the Cost-of-Living vote as directed by the UGC. Therefore, financial provisions for this vote had been included in the Cost of Living vote. In addition, it is submitted as a foot note.

### **Acting Allowance:**

The post of Senior Asst. Librarian which fell vacant due to retirement of the incumbent person on 30.11.2014. Although action had been taken to fill the vacancy in the year under review, due to lack of qualified and suitable persons applied for post, it was not filled during the year under review. As such, a

Senior Asst. librarian who had been serving for the Faculty of Agriculture, had been given an appointment to cover the duties of the said post and she had been paid an allowance of 25% as she had been covering duties while attending to the duties of her substantive post as per the provisions laid down in the UGC Circular No. 720 for a maximum period of six months.

**Fuel Allowance:**

Even though the allocation had been made for this vote as per the provisions laid down in the UGC Circular No. 02/2011 dated 10.03.2011, expecting to make payments, as per the directive received by the UGC vide their Circular No. 09/2015 dated 25.07.2015, this payment was made as an allowance payable to the salary. As such, no financial provisions had been made for this purpose.

**Other Contractual services:**

Although no allocation had been made, Institute had to incur some expenses for this vote. As such, action will be taken to control this situation in future.

**Property Loan Interest:**

No allocation had been made for this vote as the reimbursement costs incurred for property loan interest by the government had been paid by the UGC for last few years. However, since the UGC had stopped reimbursing funds required for this purpose from the year 2015, it has been indicated as an expenditure of the Institute.

**Bench Fee:**

Even though no allocation had been made for this vote based on the statistics of previous years, some expenses had to be borne by the Institute for this vote in the year under review.

**Other Capital Expenditure:**

As per the provisions of the UGC Circular No. 2014/05 dated 30.06.2014, Rs. 5,877,850/- incurred for expenditure votes estimated as being capital expenditure under the vote of Human Capital Development and strengthening Research in the year under review had been indicated under the other capital expenditure vote heading as a expenditure in the Performance Statement of the Institute in the year under review as per the declaration made in accordance with the Accounting Policies of the Institute.

**c) Semester fees:**

Increase in the registration fee for the year under review is accounted for collection of lapsed registration fees paid by students (M.Sc.) who have

completed their respective M.Sc. degrees who have registered before year 2008.

**Course fee of Postgraduate Degrees:**

An increased Income had been collected than expected due to increase in the course fee of some of the PG programmes offered by some Boards of Study.

**Examination fee of Postgraduate degrees:**

An increased income had been generated on account of the increase in the application to sit for final examinations and receipt of increased examination fees in relations to No. Of applications received by the Institute in the year under review.

**Services rendered to outsiders:**

Extra income had been generated more than expected by providing the vehicles of the Institute on fee levying basis for Project activities of some Boards of Study managed by the Institute.

**5.5. Systems & Controls:**

Action will be taken to minimize the shortcomings/lapses of the two administrative areas which had been cited in the Audit Query under reference in future.

**Prof. S Samita**  
**Director/Postgraduate Institute of Agriculture**

Copies to: Secretary, Ministry of Higher Education  
Chairman, University Grants Commission  
Audit Superintendant, Government Audit Department,  
Deputy Internal Auditor of the University of Peradeniya