



Annual Report 2023

**National Institute of Occupational
Safety & Health**

ANNUEL REPORT - 2023

Compiled by
Dr. Champika Amarasinghe , Mohan Perera

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Occupational Safety & Health

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2023

ISBN -



The National Institute of Occupational Safety and Health was established by the National Occupational Safety and Health Act, No.38 of 2009 as an institute affiliated to the Ministry of Labour and Labour Relations. The primary function of our institute, which operates as a self-financing institution is to deliver occupational safety and health services of international level.

From the inception, NIOSH has been engaged in activities such as conducting seminars and training officers and creating awareness amongst the general public. NIOSH had served as the premiere platform for Occupational Safety and Health professionals in Sri Lanka, to share and update their occupational safety and health knowledge and skills to meet the dynamic changes in the Sri Lankan working environment. NIOSH is committed to improve, maintain and sustain a safe working environment for all people, through increasing awareness and adherence to proper health and safety measures.

NIOSH always respects all our stakeholders and committed to deliver an unbiased and technical services based on the industrial requirement. We are committed at all times to provide knowledge required for preventing occupational accidents and offer trainings required by the industry. The training provided by us equips the industry with knowhow to identify potential hazards in workplaces and provide solutions thereto.

Since ours is the only government institute to deal nationally and internationally with occupational safety and health, we strive at all times to provide services required to the Sri Lankan people.

Dr. N.C. Amarasinghe
Director General

Board of Directors of National Institute of Occupational Safety and Health

Name	Position	Post held in the Board
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Mr. Gayan Fernando	Chief Occupational Safety Manager, Hayleys Advantis	Board Member

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Chapter One

National Institute of Occupational Safety & Health

National Institute of Occupational Safety and Health

1.1 Introduction

The National Institute of Occupational Safety and Health was established by the National Occupational Safety and Health Act, No.38 of 2009 as an institute affiliated to the Ministry of Labour and Labour Relations with the objective of producing a safe and healthy labour force adhering to decent occupational safety measures and sound health practices.

Our prime goal is to bestow to the country a labour force required to fast track the development process preserving occupational safety and health of the working people who directly contribute to improve the Gross Domestic Product of our country which remains as a developing country. For the creation of a healthy labour force, the National Institute of Occupational Safety and Health, having identified potential occupational risks and accidents in the work environment, offers highly focused training and awareness programmes on occupational safety and health regularly to prevent such accidents. Further, certifications are done through environmental measurements in order to confirm whether the working environment is healthy for workers and is in conformity with the recognized occupational standards.

It is wished to be informed that by functioning as a self-financing Institute without being burden to the government since the year 2023 within a very short period of 12 years, it has contributed to resolve the short-term financial crisis faced by the country.

1.2 Vision, Mission and Objectives

Vision

“Occupational safety, health and welfare to all”

Mission

“To empower through education, trainings, research, and other relevant interventions for preventing and controlling all forms of work- related hazards to ensure safety, health and welfare at work places”

Objectives of the Institute

- a. To advice the Government in the formulation of a national policy on Occupational Safety and Health and on the working environment for both of employers and employees taking into consideration the nature of the occupation and the safety of the employers and employees
- b. To advice the Government on measures required for the prevention of accidents and injuries relating to occupation at work places
- c. To conduct, undertake and assist in investigations, study programmes, surveys and research in the field of occupational safety and health
- d. To provide advisory services to any institution or person on the correct use of equipment, hazardous substances, physical, chemical or biological agents or products or any other hazards

- e. To educate and provide necessary training to employees, occupiers, workers or any other person required of knowledge and training in Occupational Safety and Health and related subjects either in collaboration with any other institution or university in Sri Lanka or abroad, or by the Institute and award certificates or diplomas on completion of such education or training
- f. To provide required services on the correct use of equipment, hazardous substances, physical, chemical, biological agents or product and psychosocial hazards and avoidance of known hazards
- g. (i) To advise the Minister on legislative requirements with regard to standards, codes, practices and guidelines in matters relating to occupational safety and health

(ii) To evaluate and determine the work process, the substances and agents, the exposure to which is be prohibited, limited or made subject to supervision
- h. To undertake or collaborate in the collection, preparation, dissemination and publishing of information relating to Occupational Safety and Health
- i. To organize or to sponsor conferences, seminars, workshops, symposiums or such other similar program and publish papers in connection with Occupational Safety and Health
- j. To co-ordinate inter-ministerial projects, programmes and activities on Occupational Safety and Health
- k. To establish and maintain libraries and laboratories for the purpose of promoting and furthering of the practice of Occupational Safety and Health
- l. To develop research and special laboratories
- m. To liaise and establish links and networks with relevant national and international institutions, universities or any other organizations in the field of Occupational Safety and Health
- n. To establish national standards in the field of Occupational Safety and Health

1.3 Special priorities

1. Taking necessary measures to build occupational safety and health as per timely needs in pursuance of the Occupational Safety & Health Act.
2. Initiating action to enhance manufacturing productivity through awareness and training programmes required to be engaged in work with robust health within a safe working environment.
3. Creating the necessary background for to maintain health and safety measures of high standard in workplaces, improving knowledge of Occupational Safety Officers and giving them understanding on new technological equipment.

1.4 Composite Number employed ion of the staff of the Institute

Senior Level		Tertiary Level		Secondary Leve		Primary Level		Total		
Number approved	Number employed	Number approved	Number employed	Number approved	Number employed	Number approved	Number employed	Number approved	Number employed	Vacancies
07	02	03	03	10	06	05	05	25	16	36%

Chapter Two

Key functions of the Institute

2.1 Key functions of the Institute

The foremost function of the National Institute of Occupational Safety & Health is to create a healthy labour force by establishing occupational protection and safety of employees through awareness on occupational protection and safety.

2.2 Provision of services

The following are the services delivered by NIOSH.

2.3 Services

- 2.3.1 Environmental measurement surveys
- 2.3.2 Risk assessment
- 2.3.3 Conducting medical tests and issuing fitness certificates
- 2.3.4 Conducting occupational safety classes
- 2.3.5 Holding occupational safety awards ceremony and seminar. ’

2.3.1 Environmental Measurement Surveys

Environmental measurement surveys are conducted to assess whether the work environment of workplaces are at a level conducive for workers to engage in work. Working environmental monitoring has to be conducted by obtaining technical parameters such as air quality, stack emissions, dust, sound level and temperature in the work place. In order to ensure that the work environment of factory is at an appropriate level, tests are carried out using state of the art equipment in line with the international standards and recommendations and regulations are provided to employers thus building an environment with occupational safety and health conducive for work. Factors scattered across the country seek these services from NIOSH.

2.3.2 Risk Assessment

Risk assessments are carried out to assess potential occupational risks that may be encountered by workers in the workplace. The officers of NIOSH visit workplace premises to conduct risk assessments. The identified risks will be summarized, in the closing meeting and a report with risk prioritizations including the improvement recommendations will be provided to the management. Institutions can benefit in numerous ways through risk assessments such as employers being able to allocate funds productively, minimizing the possibility of occurring accidents by effectively ensuring safety of workers and ensuring the safety of human and physical resources of the institution.

2.3.3 Medical Testing

These tests are conducted to identify the risk of occupational related diseases of office and factory employees, to change the work environment of employees suffering from other types of diseases as well as to produce a healthy labour force by recommending the required medical treatment.

The medical tests conducted by our institute include audiometric examination, blood testing, lung function testing, vision testing and fitness to work certification. The tests are conducted by a panel of experienced medical professionals with our technical officers and the relevant institutions are notified whether the workers are fit enough to work and of any disease they may have and the tests are carried out at the premises of the relevant workplace.

2.3.4 Special Programmes

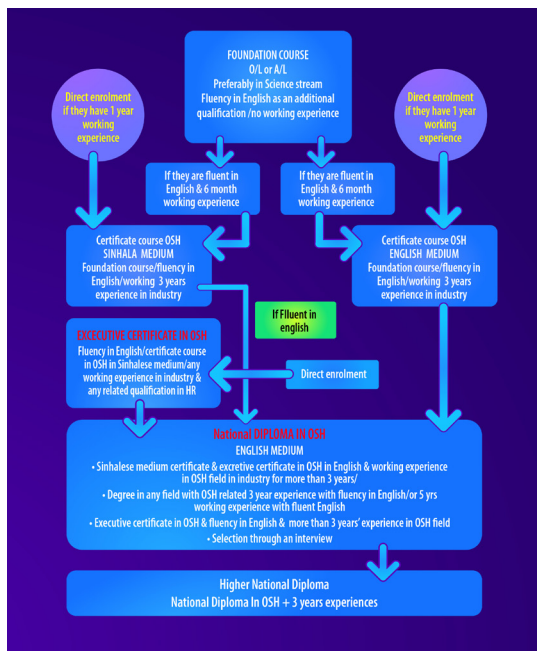
In addition to the provision of routine services, one of the primary functions of our institute is to conduct special programmes. These include training programmes, projects relating to occupational safety and health, conducting the occupational safety and health awards ceremony and conference and engagement in research associated with the field.

2.3.5 Conducting occupational safety courses

More than 5000 students who have completed diploma and certificate courses on occupational safety and health during the past 15 year period are employed at factories and worksites across the country. Their contribution to protect occupational safety and health of their co-workers has been immensely helpful in reducing workplace hazards and accidents and there is an increased tendency of reporting workplace related accidents. This has led to the development of a new occupational safety culture in the country.

These courses and trainings have been designed taking cognizance of the educational levels and service experience of trainees expected to undergo the training. NIOSH conducts Higher National Diploma in Occupational Safety (NCQ 6), National Diploma in Occupational Safety (NVQ 5) and Certificate Course in Occupational Safety (NVQ 4) and special short term trainings are developed specially based on the requests by the industries. NIOSH training course path is as follows:

2.4 Course Structure



2.4.1 Level One

The following are the short-term training workshops conducted by NIOSH.

- Workshops for the construction sector
- Waste management training workshop
- Occupational safety awareness workshops
- Workshops for nurses
- Workshops on occupational safety for health workers
- Workshops on occupational safety for office employees
- Workshops on laboratory safety for laboratory employees
- Workshops on occupational safety for food management
- Safe chemical handling workshops for industrial workers
- Workshops for works on maintaining a sound mental health

These training courses are conducted as one-day and two-day workshops. They are based on industrial requirements. These workshops are Level One trainings and at the end of the relevant training, a special certificate is given for all the participants

2.4.2 Level Two

As the second level training programmes, we primarily conduct the Certificate Course on Occupational Training. The minimum entry criterion for this course is the passing of G.C.E. (Advanced Level) Examination. The course is conducted on weekends as most of the employed participants does not have enough time during week days. . Based on the request by the industries NIOSH has a flexibility to organize these trainings on three consecutive weeks.

2.4.3 Level Three

As the third level, the Diploma Course on Occupational Safety & Health is conducted in English and Sinhala languages fir which NVQ Level 5 competency certificate is awarded. The diploma course has been developed to assist the needs of safety related issues of the industries. The course comprises two modules which should be completed within 6 months and at the end of the each module, the module examination is conducted.

2.5 Implementing projects on Occupational Safety & Health

Local and foreign projects are implemented for the improvement of occupational safety in partnership with nongovernmental organizations and in the year 2023, a survey was conducted in jointly with the International Labour Organization in selected tea, rubber and coconut plantations to assess occupational safety of workers in plantation sector of the South Asian countries and the report was presented to the ILO.

2.6 Organizing National Occupational Safety and Health Awards Ceremony

The basic objective of this awards ceremony is to felicitate employers who are committed to occupational safety and health of employees in their respective workplaces. Whilst constantly making inquiries about occupational safety and health of workers, the measures taken in that regard are evaluated and good practices are replicated elsewhere. This awards ceremony is held biennially. The management of institutions have shown a keen interest to take part in the awards ceremony and be selected for an award wherethrough opportunities have been created to establish safety work culture across the country.

2.7 Organizing the National Occupational Safety and Health Conference

The second week of October of every year has been designated as National Occupational Safety Week and a slew of programmes are organized by NIOSH to mark the week with focus on awareness raising programmes for both the employer and the employee. The conference provides a window of opportunity to impart new technical knowhow on Occupational Safety Officers and create awareness on modern technical equipment. Foreign resource persons too are involved in the conference providing an opportunity to share their knowledge on emerging trends in the occupational safety and health with Sri Lankan counterparts. Practical and theoretical training is provided to Occupational Safety Officers as part of this conference.

2.8 International Collaborations

NIOSH constantly pays attention to occupational safety standards introduced by international organizations and out of the standards thus introduced, those required for local industries are adopted. Further, by working in tandem with international institutes on occupational safety and health and universities, occupational safety and health in Sri Lanka has been elevated to greater heights.

2.9 Improving service facilities

The National Institute of Occupational Safety and Health is continuously upgrading its service delivery and physical facilities. Accordingly, we ensure that necessary arrangements are in place to suitably build the service environment so as to be conducive for service delivery with the aim of maintaining the standard of the institute.

2.10 Securing certification required for upgrading the standard of the institute

We ensure that our training programmes meet the highest standards and therefore has taken measures to acquire internationally accredited standard certificates.

2.11 Improving physical facilities of the Institute

National Institute of Occupational Safety & Health delivers its services from its premises located at No. 97, Jawatta Road, Colombo-05 and a fully equipped modern auditorium has been constructed with facilities for accommodating 100 participants. Equipment and tools required for environmental measurements have been imported and they are recalibrated periodically by the agents of the relevant foreign companies.

Further, technical equipment required to conducted courses under the Smart Classroom Concept has been acquired enabling students from various locations in Sri Lanka to study occupational safety and health. In addition, a mobile vehicle has been allocated for the provision of transport facilities required to visit factories to conduct medical tests and identify risks at industrial premises.

Chapter Three

Progress of the Institute

Progress of the Institute

3.1 Progress of Service Delivery

Obtaining environmental measurements and issuance of reports is conducted by our Institute representing diverse sectors of the island. The environmental measurement survey was carried out as follows in the year 2023.

Environmental Surveys	No. of survey units
Survey on light	1550
Survey on sound	1100
Survey on heat	960
Survey on dust	1220
Survey on emissions	225
Survey on air	232

Table 3.1: Environmental Measurement Surveys

3.2 Risk Assessment

Having identified potential risks of accidents and diseases for employees in workplaces, NIOSH provides a report with recommendations to be adopted by the relevant institutions.

3.3 Conducting Medical Tests

It is mandatory to have a healthy and wholesome workforce for the improvement of production and in order to contribute to this purpose, NIOSH visits worksites upon requests made by different institutions to assess the health of workers and propound relevant medical recommendations. NIOSH has conducted the following medical tests.

No. of institutions in which tests were conducted	Type of tests conducted	No. of tests conducted
20	Lung functioning	750
	Hearing test	115
	Sight test	45
Total		910

3.1.2 Progress of Special Programmes

3.4 Progress of Special Programmes

One of the key programmes of the Institute is to offer training programmes for Health and Safety Officers. The progress of special programmes conducted in the year 2021 is tabulated below. This invariably leads to the establishment of a safe working environment in the country.

Programme	Duration
Higher Diploma course on National Occupational Safety and Health (English Medium)	January 2023 (Batch No. 01)
Diploma course on National Occupational Safety and Health (English Medium)	19 March 2023 (Batch No. 25)
Diploma course on National Occupational Safety and Health (Sinhala Medium)	13 October 2023 (Batch No.25)

Programme	Duration
Certificate course on National Occupational Safety and Health	12 February 2023 (Batch No. 47) 16 February 2023 (Batch No. 48) 2 June 2023 (Batch No. 49) 23 July 2023 (Batch No. 50) 20 October 2023 (Batch No. 51)
Foundation course on National Occupational Safety and Health	27 April 2023 (Batch No. 08)
Special course for officers of the Executive Grade	16 March 2023 (Batch No. 08)
Environmental Management course for officers of the Executive Grade	13 July 2023 (Batch No. 03)
Professional nurses training course conducted under the financial sponsorship of International Labour Organization & Safe Foundation	01,02 March 2023 28,29 April 2023
Certificate course for nursing students conducted in collaboration with Surado Institute	12 February 2023 30 March 2023 22 April 2023 23 June 2023

The higher diploma course was introduced for improving knowledge on occupational safety and health of students who have successfully completed the Diploma course and for providing expertise in the relevant sector. The course is ongoing and is expected to be completed by March 2024.

During the year 2023, three diploma courses were conducted in English and Sinhala medium. In the year 2023, two courses were conducted in English medium and one in Sinhala medium. The two English medium courses had 74 students and the Sinhala medium course had 16 participants.

In addition, five certificate courses on National Occupational Safety and Health were conducted during the year 2023. Batches 47,48,49 and 50 were commenced during the year. Three out of these five course were completed in 2023 and batches 50 and 51 are scheduled to be completed in January 2024. The number of students completed the course in 2023 was 86 and another 53 students are due to complete the course in January 2024.

Similarly, a foundation courses on National Occupational Safety and Health were conducted by our institution in the year 2023. Those students from batch 8 comprised 14 students and upon the completion of the course, they were referred to institutional training. Arrangements were also made in the year 2022 to offer two special courses for executive grade officers. The 08th batch comprising 19 students successfully completed the course and another batch of 22 students are following the course.

3.5 National Occupational Safety Week

The Cabinet has designated 2nd week of October every year as the National Occupational and Health Week geared towards consolidating and promoting health and safety of employees.

Objectivesq

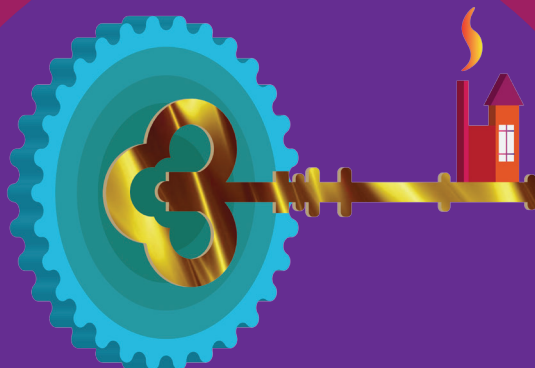
This year's National Occupational Safety and Health Week was conducted in the third week of 2023.

1. National Seminar on Occupational Safety and Health
2. National Occupational Safety Awards Ceremony

3.6.1 National Conference on Occupational Safety and Health -2023

The conference was held for the 12th year on 22nd November 2023 at ShangriLa Hotel under the patronage of Minister of Labour and Foreign Employment Hon. Manusha Nanayakkara and Deputy Minister of Labour and Foreign Employment Hon. Jagath Pushpakumara with the participation of 500 employees, employers and professionals.

The theme of this year's conference was "Creating an occupational culture through the establishment of tripartite committees". Insightful lectures were delivered by local and foreign resource persons. The chief financial sponsorship for the event was extended by Industrial Safety and KARAM institutions and funds for all the remaining expenditure was raised through the sale of tickets.



*Bipartite committees are the
KEY
To drive safety culture*



3.6.2 National Occupational Safety and Health Awards Ceremony 2023

With the objective of felicitating institutions committed to improving workplace environment for the prevention of accidents and diseases in workplaces and mitigating the damage caused such accidents and diseases, NIOSH Excellence in Occupational Safety and Health Awards Ceremony was held in the year 2022 for the fourth time on 22nd November 2023 at ShangriLa Hotel, Colombo under the patronage of Minister of Labour and Foreign Employment Hon. Manusha Nanayakkara and Deputy Minister of Labour and Foreign Employment Hon. Jagath Pushpakumara and a large number of employees and employers representing various industries across the country participated in the event.

Nearly 200 applications had been forwarded by institutions for the awards ceremony for the ceremony held with the prime objective of recognizing industries providing the best occupational safety and health. This was the fourth awards ceremony conducted by NIOSH and an independent panel of experts selected the awardees under three stages.

In the first stage, the selection panel evaluated the applications to assess whether they in conformity with the selection criteria. During the second stage, the institutions selected at the first stage were observed by deploying team of experts and marks were awarded and institutions which received the highest marks were submitted to a board of experts for the selection of award winners. The institutions subjected to evaluation in the year 2022 were as follows.

Main awards of excellence – multiple

Gold Award	Unilever Limited (Agarapathana)
Silver Award	Unilever Sri Lanka (Horana)
Bronze Award	Finlay Limited, Colombo

Local Awards of Excellence

Gold Award	MAS - Active Kreedha Vanavil
Silver Award	Lion Brewery (Ceylon) PLC
Bronze Award	Brandix Apparel Solutions Ltd - Mirigama

Awards for manufacturing companies

Brandix Apparel Solutions Ltd - Mirigama
Litro Gas Lanka Small/Medium

Awards for food and beverage sector

Cocacola Beverages Srilanka
Condiments Ltd

Large
Small/medium

Awards for tourism sector

Cinnamon Citadel

Small/medium

Awards for the construction sector

Hyundai Engineering Construction
Access Eng-Central Equipment Division

Large
Small/medium

Awards for the apparel sector

MAS Active (pvt) Ltd - MAS - KREEDA

Awards for the transport and supplies sector

SAGT (Pvt)LTD
GAC Shipping Limited

Large
Small/medium

For other sectors

Lakvijaya Power Plant - Norochcholai
Litro Gas Terminal Lanka(Pvt)Ltd, Wattala





3.7 Conducting a seminar concurrent to World Sight Day

An awareness programme on the importance of prioritizing and promoting eye health at workplace was conducted on 0 October 2023 at the NIOSH auditorium with the participation of 100 factory employees. With resource person contribution of the coordinator of Vision 2030 Insight Programme Dr. Kapila Banduthilaka, the Chairman of the College of Ophthalmologists of Sri Lanka Dr. A.R.M. Thowfee, Dr. Samitha Siritunga, a Community Consultant and the participation of the Ministry of Health, the staff of the National Eye Hospital and the staff of Vision Care, the workshop was conducted successfully.

3.8 Conducting an eye clinic for workers of Biyagama Export Processing Zone

The Ministry of Health in partnership with the National Eye Hospital, conducted eye tests for more than 500 workers of the Biyagama Export Processing Zone. Workers who were in need of treatment for various eye disorders were referred to the Eye Hospital.



World Sight Day 2023



Chapter Four

Special achievements in the year 2023 and challenges faced by the Institute

4.1 Special achievements in the year 2023 and challenges faced by the Institute

Up to the year 2023, financial provisions were allocated for meeting capital and recurrent expenditure of our institution by the Treasury and from this year onwards we function as a self-financing institute without being charged to the General Treasury and expects to release a certain percentage of the income generated to the Treasury. This success could be achieved during a relatively short period of 12 years through a robust business plan, sound management and the unwavering commitment of the staff. This was the greatest victory achieved by us in the year 2023.

Further, we were successful in entering into an agreement with the Changsin University, South Korea enabling Sri Lanka students to pursue Safety Engineering degree in that university. As the preliminary stage thereof, plans were drawn up in the year 2023 to select 13 students to follow the Diploma Course on National Occupational Safety and Health of our institute and refer them to the Changsin University for the degree course. Thereunder, Sri Lankan students will be able to engage in employment under E-7 visa category and following successful negotiations between the management of NIOSH and the University management, it has been agreed to allow Sri Lankan students to complete the degree with a discount of 50%. This will enable the easily find employment opportunities in South Korea. This was an outstanding success achieved by und in the year 2023.



Chapter Five

Financial Progress of the Institute

5.1 Financial Progress of the Institute

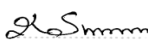
	2022	2023
Income from occupational safety courses	16,907,600	20,411,014
Income from environmental Measurements	12,923,195	15,630,975
Income generated from the services supplied as per memoranda of cooperation entered into with institutions	18,385,561	18,467,444
Income from conducting medical tests	960,265	1,406,970
Income from the Occupational health and safety week	4,945,500	13,833,665
Interest Income	29,242,289	43,981,585
Other Income	146,950	170,000
Total	83,511,360	113,901,713

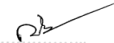
Statement of Financial Position As at 31 st December 2023		
Assets	2023	2022
Current Assets		
Cash and cash equivalents	9,076,033.00	6,421,557.00
Receivables	31,192,902.00	31,265,546.00
Development Fund (Investment)	<u>268,964,862.00</u>	<u>202,543,847.00</u>
	<u>309,233,797.00</u>	<u>240,230,950.00</u>
Non Current Assets		
Plant Machinery & Equipment	<u>50,691,587.00</u>	<u>58,913,977.00</u>
	<u>50,691,587.00</u>	<u>58,913,977.00</u>
Total Assets	<u>359,925,383.00</u>	<u>299,144,927.00</u>
LIABILITIES		
Current Liabilities		
Payables	<u>8,722,039.00</u>	<u>4,384,599.00</u>
Total Liabilities	<u>8,722,039.00</u>	<u>4,384,599.00</u>
NET ASSETS	<u>351,203,344.00</u>	<u>294,760,327.00</u>
Accumulated Surplus	<u>351,203,344.00</u>	<u>294,760,327.00</u>
Total Net Assets	<u>351,203,344.00</u>	<u>294,760,327.00</u>

The Board of Directors are responsible for the preparation and presentation of these financial statements in accordance with the sri lanka public sector Accounting standards (SLPSAS). These Financial statements were approved by the board of directors and signed on their behalf.


R.P.A.Wimalaweera
Chairman


Dr. N.C.Amarasinghe
Director General


Dr. Inoka Suraweera
Board of Director


P.M.K.Perera
Accountant

Statement of Financial Performance As at 31 st December 2023

Revenue	2023	2022
Treasury Grant		6,268,890.00
Operational Income	56,086,463.00	49,323,571.00
Non Operational Income		
Interest Income	43,981,585.00	29,242,289.00
National Safety Events	<u>13,833,665.00</u>	<u>4,945,500.00</u>
	<u>113,901,713.00</u>	<u>89,780,250.00</u>
Less		
Expenses		
Administrative expenses	45,272,939.00	29,948,337.00
National Safety Events Expense	14,365,231.00	4,646,774.00
Depreciation	<u>7,059,714.00</u>	<u>7,068,521.00</u>
Total Expenses	<u>66,697,884.00</u>	<u>41,663,632.00</u>
Surplus for the year	<u>47,203,829.00</u>	<u>48,116,618.00</u>

Audit Report

Chairman

National Institute of Occupational Safety and Health

Report of the Auditor General on the Financial Statements and other legal and regulatory requirements of the National Institute of Occupational Safety and Health for the year ended 31 December 2023 in terms of Section 12 of the National Audit Act No. 19 of 2018.

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the National Institute of Occupational Safety and Health for the year ended 31 December 2023 comprising the statement of financial position as at 31 December 2023 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, 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 provisions of the National Audit Act No. 19 of 2018 and Finance Act No. 38 of 1971. In terms of Article 154(6) of the Constitution, my report will be tabled in Parliament in due course.

In my opinion, except for the effects of the matters described in section on qualified opinion of my report, the accompanying financial statements give a true and fair view of the financial position of the Institute as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

1.2 Basis for Qualified Opinion

(a) Plant, property and equipment costing Rs. 1,468,598 and furniture costing Rs. 1,376,969 which had been fully depreciated in the year 2022 In terms of Sri Lanka Accounting Standard No. 7 had not been revalued.

(b) By adjusting errors made in the receivable interest income account of the previous year as corrected errors, both the investment account and the opening reserves account had been overstated by Rs. 10,355,671.

(c) The gratuity expenditure of Rs. 467,090 relevant to the year 2023 which had been considered in calculating the profit before tax of the year had not been taken into consideration in preparing the cash flow statement.

(d) Though Rs. 55,421,025 had been shown as reinvestments of fixed deposit interest received upon the maturity of fixed deposits, there were a sum of Rs. 10,355,671 relevant to the incorrect accounting of correction of errors of the previous year, a sum of Rs. 66,455 generated from the erroneous calculations, and a fixed deposit of Rs. 10,000,000 invested in Bank of Ceylon during the year within that balance.

(e) During the year under review, Rs. 372,043 had been granted to two officers as distress loan and in the cash flow statement Rs. 672,480 had been indicated as payment of employee loans.

(f) During the year, Rs. 156,995 overpaid salaries to 4 employees of the institute had been recovered and the said amount had not been included in the cash flow statement and action had not been taken to show the remainder of the thus overpaid salary of Rs. 835,716 under the working capital movements in the cash flow statement.

(g) Even though Rs. 4,337,440 had been added to the cash flow statement as the working capital movement of the year of current liabilities, the changes in gratuity had not been included therein.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

1.3 Other information contained in the Annual Report 2023 of the Institute

Other information means information, though included in the Annual Report 2023 of the Institute which is expected to be handed over to me after the date of this audit but not included in the financial statements and in my audit report thereon. Those charged with management shall be responsible for other information.

My opinion on the financial statements does not cover other information and I do not provide an assurance of any manner or express an opinion thereon.

My responsibility in relation to my audit regarding financial statements is to read other information whenever available and consider whether there are material inconsistencies between the financial statements or my knowledge gained otherwise and other information.

In reading the annual report 2023 of the Institute, if I concluded that there are material misstatements, such matters shall be communicated to those charged with management. If there still are misstatements which have still not been

corrected, they will be included in the report to be tabled in Parliament by me in due course in terms of Article 154(6) of the Constitution.

1.4 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Public Sector Accounting Standards, and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Institute's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Institute or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Institute's financial reporting process.

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Institute is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Institute.

1.5 Audit Auditor's responsibilities in connection with the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Institute's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Institute to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I will communicate with those charged with governance regarding the significant audit findings, including any significant deficiencies in internal control that I have identified during the audit.

2. Report on other legal and regulatory requirements

2.1 Special provisions are included in respect of the following requirements in the National Audit Act No. 19 of 2018.

2.1.1 In terms of the requirements of section 12 (a) of the National Audit Act No. 19 of 2018, except for the effects of the matters described in the section on the 'Basis for the Audit Opinion' of this report, I obtained all information and explanations required for the audit and as far as it appears from my inspection, the Institute had maintained proper financial reports.

2.1.2 In terms of the requirement indicated in Section 6(1)(d) (iii) of the National Audit Act No. 19 of 2018, the financial statements presented by the Institute are consistent with the preceding year.

2.1.1 The recommendations made by me in the previous year have been included in the financial statements as per the requirement of Section 6(1)(d) (iv) of the National Audit Act No. 19 of 2018.

2.2 On the basis of the procedures followed and evidence obtained and being restricted within the material matters, nothing that warrants the making of the following statements did not come to my attention.

2.2.1 In terms of the requirement of section 12 (d) of the National Audit Act No. 19 of 2018, whether any member of the governing body of the Institute has any interest, direct or otherwise, outside normal business status in any contract entered into by the Institute.

2.2.2 In terms of the requirement of section 12 (f) of the National Audit Act No. 19 of 2018, except for the following observations, whether the Institute has not complied with any applicable written law, or other general or special directions issued by the governing body of the Institute;

Reference to laws, rules, regulations etc	Non-compliance
Inland revenue Act No.24 of 2017. Section 83 Paragraph (a) Inland Revenue (Amendment) Act, No. 45 of 2022 and Circular PED 01/2023	Even though the Advance Personal Income Tax should be calculated with all allowances obtained when discharging duties of the post other than the salary and allowances entitled to the post, the Advance Personal Income Tax had been calculated disregarding lecture fees, resource person fees and annual bonuses.

2.2.3 In terms of the requirement of Section 12(f) of the National Audit Act No. 19 of 2018, whether the Institute has not performed according to its powers, functions and duties, except for the following observations.

Powers, functions & duties	Non-compliance
(a)National Institute of Occupational Safety and Health Act, No. 38 of 2009.	
(i)Subsection 20 (1)	Though the Minister may make regulations in respect of matters which are required to be prescribed or in respect of which regulations are authorized to be made or where it is necessary for giving effect to the principles of this Act, such regulations had not been made.
(ii)Subsection 11	Though there shall be appointed by the Council such number of persons to be Directors of the Institute, as shall be necessary for the efficient administration of the Institute, they had not been so appointed.

2.2.4 In terms of the requirement of Section 12(f) of the National Audit Act No. 19 of 2018, other than the following observations, whether the resources of the Institute had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

2.3 Other Matters

The approved cadre of the Institute is 25 and the actual cadre as at 31 December 2023 was 15. Out of 7 approved posts of the senior level, 5 remained vacant and for the post of Director General which is the post of the Chief Executive Officer who is engaged in discharging duties assigned by Acts and regulations in directing the functions of the Institute and management functions assigned by the Board of Directors, the services of an officer who had been recruited on contract basis had been procured.

W.P.C. Wickremaratne
Auditor General