



ANNUAL REPORT 2019

**NATIONAL INSTITUTE OF
OCCUPATIONAL SAFETY & HEALTH**

ANNUAL REPORT - 2019

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Message of the Director General to the Institute

The National Institute of Occupational Safety and Health was established under the Act No. 38 of 2009 and started its functions since 2011. The goal of the Institute is to provide a world class Occupational Safety and Health (OSH) service to the industry while being a self-financing body. NIOSH is the leader in delivering professional Safety and Health information to all our stakeholders. Within the few years of its inception NIOSH could be able to create occupational Safety and Health awareness among the industry and the general public through carrying out various activities

such as organizing seminars, training sessions and qualifying safety officers etc. Since its inception in 2011, the National Institute of Occupational Safety and Health had served as the premiere platform for Occupational Safety and Health professionals in Sri Lanka, to share and update their OSH knowledge and skills to meet the dynamic changes in the Sri Lankan working environment. NIOSH brings together regulators, practitioners, expert, researchers and suppliers towards a common aspiration which is to achieve a safer and healthier workplace for all.

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 provide solutions for any occupational Safety and Health issue arising while in industrial operations, in order to minimize occupational diseases and injuries. We are the pioneers in providing technical training and creating awareness, provision of top-level occupational healthcare and safety practices in terms of business operators, prevention of occupational diseases, and occupational accidents, impact on occupational Safety and Health outcomes, provision of necessary OSH training for students, providing fitness to work services to industry, providing environmental monitoring services to the industry etc. The trainings offered by our organization will ensure the safety of worker while at work, while ensuring safety of others in the workplace. The trainings enable individuals to identify specific hazards at their workplace and identify places where risk is high.

We utilize only the best scientific practices, the best scientific knowledge and resource to deliver our services. We maintain the best quality of our services by occupying the most qualified experts who has the hands-on experience to deliver the services. We provide the best quality OSH services looking for the future of the Sri Lankan industry.

We are the only government organization representing Ministry of Labour in connecting partnerships with the local industry, employers, employees, International organizations, universities and with professional communities in accordance with the global concepts. Furthermore we work with employers, employees and all other stakeholders and committed to maintain *the relationships with all tripartite constituents*.

Dr. N C Amarasinghe

Director General

National Institute of Occupational Safety and Health

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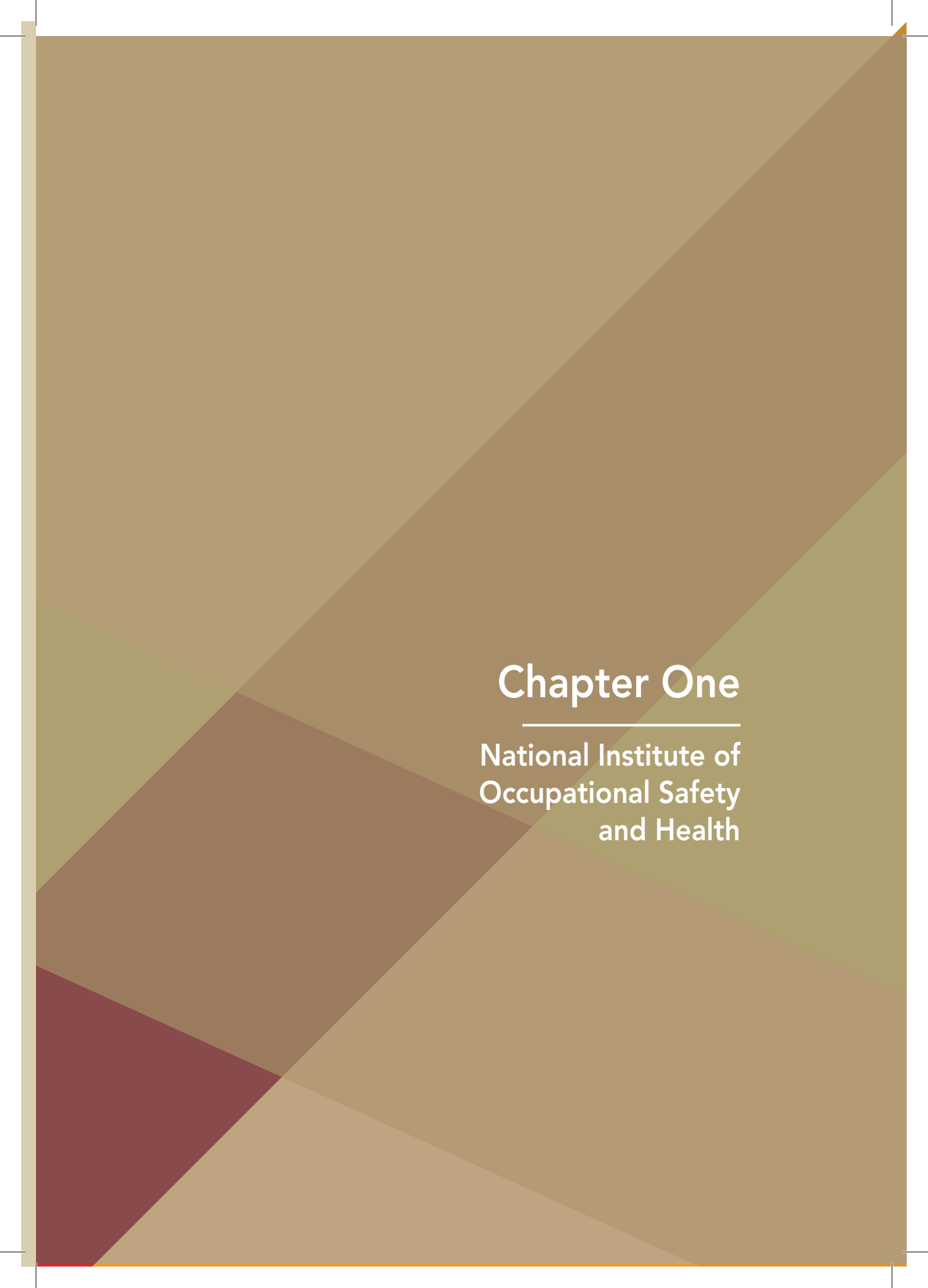
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Chapter One

National Institute of
Occupational Safety
and Health

1.1 Introduction

The National Institute of Occupational Safety and Health was established in April 2005, as a policy making institution in the Ministry of Labour and Labour Relations with the objective of developing Occupational Safety and Health culture in the country. The mandate of the institution is to create awareness on OSH, training and research on occupational safety and health. Currently, functioning as a professional organization, dedicated to the advancement of workplace health and safety. The institute was founded upon the need to promote total physical, mental, and social wellbeing among the Sri Lankan employees, through providing information, training, education research, surveys, solutions, and management systems that ensure Safety and Health in working environments.

Having received the statutory powers in 2009 under the Ministry of Labour and Labour Relations of Sri Lanka, NIOSH empowers employees and employers to raise the awareness, assess the risks and implement world class solutions in improving health, safety and welfare of employees and stakeholders in any organization.

As we all know, healthy workforce is the building block of sustainable economic development of any country and NIOSH is mandated to promote the fundamental human right for individuals to operate from safe and healthy working environment nurturing a safety culture and prevention of work related diseases across Sri Lanka.

It is very important to maintain the work life balance by all employees. But, it is evident that the work pressure gives bad repercussions in person's life and the society as a whole. Due to poor working conditions, poor behaviour practices, unsafe behaviour and unsafe acts among the employees trigger work related accidents and diseases. These factors result in higher levels of absenteeism and turnover among the 8.7 million labour force of Sri Lanka.

The institute encourages and facilitates constant dialogue between organisations and stakeholders on relevant health and safety topics. Individual accountability is encouraged to proactively reduce economic implications due to occupational injuries and improve productivity in the work places, nurturing a healthier and motivated workforce.

NIOSH offers highly focused training programmes conducted by the experts in the field of OSH, to provide information, tools, and skills with resources that helps organizations to address Occupational Safety and Health challenges. These efforts are complemented by liaising with national and international Occupational Safety and Health institutes, and universities and such other organizations, to establish links and networks in order to further develop research work on the subject.

The institute facilitates medical inspections, environmental monitoring safety and health compliance auditing, risk assessments and training on a larger regional scale, forums, conferences, and networking events.

NIOSH as an institution always provide an unbiased, world class OSH service and create a safe and healthy working environment with the objective of minimizing occupational accidents and diseases and focuses to establish and sustain as a self-financing institute.

NIOSH staff is extremely happy to state that we could provide productive service to the consumers to their best satisfaction by performing the above activities in a very

successful manner. It is evident that NIOSH has successfully accomplished the given objectives stated in the NIOSH Act No 38 of 2009 within a very short period with great success which we can be very proud of. The follow-up study has further proved this fact that many institutions have constantly obtained the services of National Institute of Occupational Safety and Health.

During the recent past NIOSH has undertaken various programmes and steps to create awareness in terms of protection and safety of the health of employees in the respective institutions in collaboration with those institutions. During this year, too NIOSH has provided quality services to minimize occupational accidents and diseases among many industries.

NIOSH could establish “NIOSH Brand” among all the industries in all free trade zone industries as well as in all industrial sectors such as manufacturing sector, textile and garment agriculture sector, etc. providing a very successful service based on their requests in improving employee’s safety and health.

1.2 Vision, Mission, 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"

NIOSH Objectives

- a. to advise 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 advise 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 programme 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

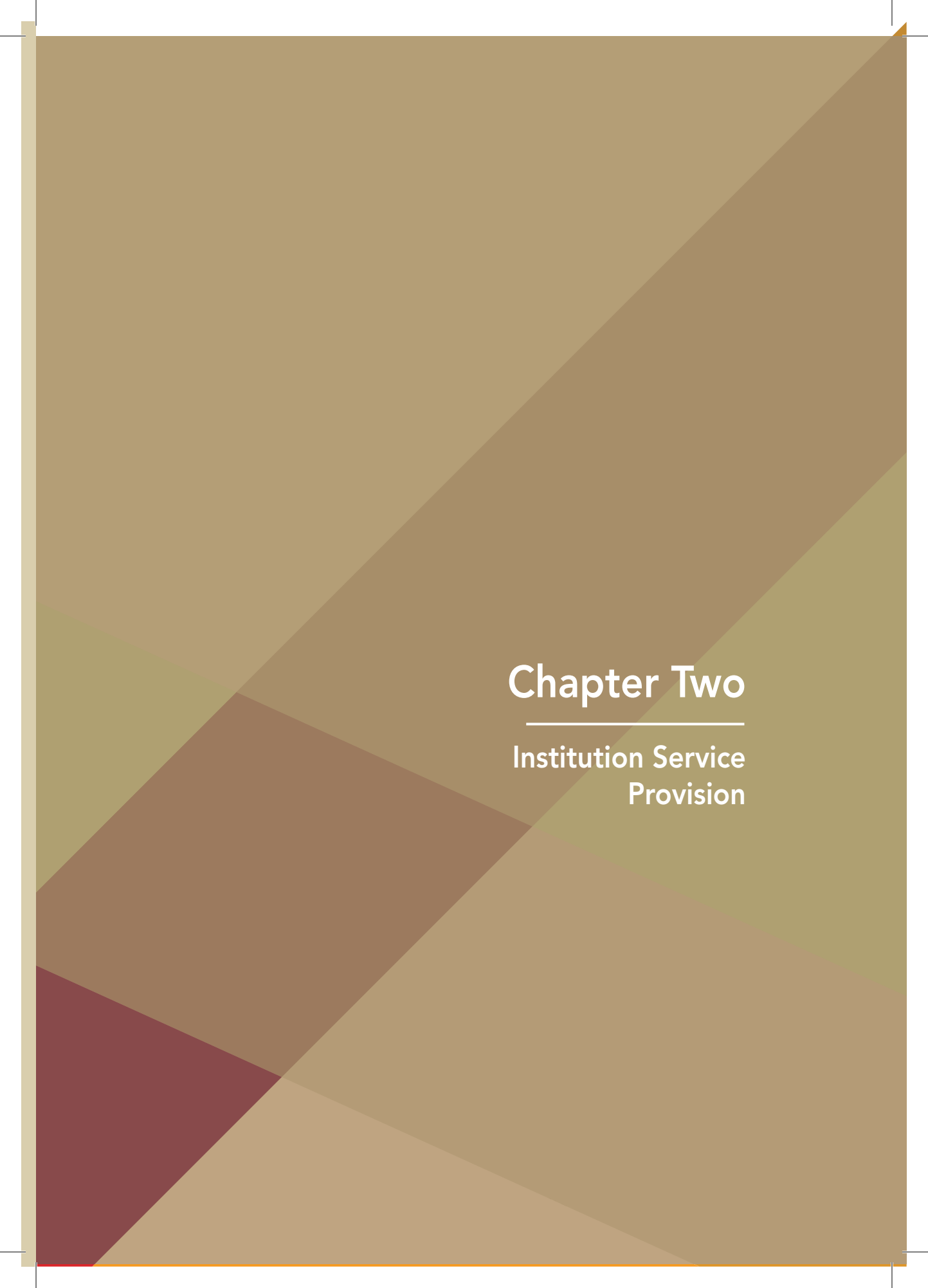
1.3 Special priorities

- Create a safety culture based on the objectives specified by the Act No. 38 of 2009 considering the timely needs and challengers in the country
- Provision of a safe and healthy work place for the employees
- Develop and improve technical competencies among the safety officers, through training and awareness creation of the most updated knowledge sharing
- Find solutions for the timely existing OSH challengers in industry

1.4 Institutional employee hierarchy

Senior level		Tertiary level		Secondary level		Primary level		Total		
Approved number	Number employed	Approved number	Number employed	Approved number	Number employed	Approved number	Number employed	Approved number	Number employed	Percentage of the number of vacancies
07	02	03	03	10	06	05	05	25	16	36%

Table No 1.1 Institutional employee hierarchy



Chapter Two

Institution Service Provision

Activities of the Institution

This institution is mandated to carry out training, research and awareness related to Occupational Safety and Health improve the safety culture in the country. Accordingly, there are two broad categories of activities carried out by the institution which is shown as follows.

2.1 Service Provision

The institutional mandate is to create awareness, training and research related to Safety and Health for in all employers, employees and for all occupational groups in the country. Accordingly, NIOSH is delivering its quality and unbiased services through its routine activities and specific activities with international and national collaborations.

2.1.1 Routine Activities

- Environmental monitoring
- OSH risk assessments
- Fitness to work assessments

a. Environmental monitoring

Objective of this activity is to measure and monitor the working environmental conditions as to ensure the its standards and to provide a conducive and healthy workplace for the workers. Working environmental monitoring has to be conducted by obtaining technical parameters such as noise, temperature, chemical components in the work place, lighting levels, flue gas levels in a given area using very sophisticated equipment by specially qualified officers. According to the obtained results the working environmental improvements should be suggested and the recommendations have to be provided. Following facilities are available for environmental monitoring.

Obtaining measurements for indoor air quality and stack emissions using flue gas analyser. Obtaining dust level measurements using dust pumps in industry. Obtaining noise level measurements using sound level meters. Temprature measurements using heat stress monitor

b. Occupational Safety and Health Risk Assessments

The safety and health risk assessments are carried out in the factory premises by Occupational Safety and Health Officers and the risks are assessed by a walk through survey and reviewing related documents. The identified risks will be summarized, in the closing meeting and a report with risk prioritizations including the improvement recommendations will be provided.

c. Fitness to Work Assessments

All workers in any workplace need to be assessed timely, to avoid and assess the exposure to the working environmental hazards. Accordingly, NIOSH team visits the

factory premises, and monitor the employee exposure levels or they will visit NIOSH premises and get the testing done by competent technicians. A reliable medical report will be generated based on the test reports as to ensure the fitness to their specified job task. Following testing facilities are available at NIOSH.

- Audiometric examination
- Blood testing for different chemical exposures
- Fitness to work certification
- Lung function testing
- Vision testing

2.1.1. Special Activities

NIOSH is conducting special activities such as to support the industry to improve the safety and health status in industry and to minimize occupational injuries in industries such as tailor-made special training, Occupational Safety and Health related projects, safety and health conferences and seminars, Safety and Health Excellence Awards Ceremony etc. Most of these tailor-made programmes and projects are designed based on special requests from the industry and to cater the new challenges faced by the industries due to new technology, processes and human behaviours. Accordingly, special programmes are designed and implemented.

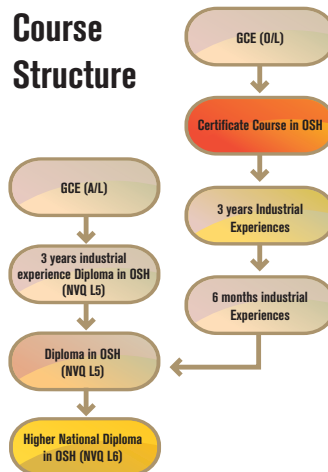
a. Special trainings

NIOSH has designed following levels of special trainings

- Level one
- Level two
- Level three

These trainings are designed considering the educational levels of the trainees. The Higher National Diploma in OSH, National Diploma in OSH (NVQ 5) Certificate Course in OSH (NVQ 4) and special short term trainings are developed specially based on the requests by the industries.

NIOSH training path is as follows:



Diagrams 2.1 Course Structure

■ Level One Trainings

The short term trainings are considered as the level one trainings which the duration of the trainings are one to five days. Following training sessions were organized by the institution during the year 2019

- Waste and environmental management for industrial workers
- Construction safety work shop
- Occupational Safety and Health introductory session
- Occupational Safety and Health for Industrial nurses
- Safety and Health for health care workers
- Occupational Safety and Health for office workers
- Safe chemical handling for laboratory workers
- Food safety for hotel workers
- Safe chemical handling for technical officers
- Stress management

All these trainings carried out in-house premises or outdoor premises based on the industrial requirement considering the time allocation by the industry and a special certificate is given for all the participants.

■ Level Two Training

The second level trainings are considered as long-term training which were designed to provide a competence to manage Occupational Safety and Health in any industry. These types of trainings are important for the employees who are working in the safety and health section in industries as to conduct safety committees, or to manage safety and health management systems of for the executives who would involve with decision making. This training is designed to complete within 15 days completing 750 notional hours and a special consideration was given for the industrial employees. Accordingly, a special consideration was given for the training location and weekend schedules 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 15 consecutive days. The session ends with an exam conducted by NIOSH and a certificate will be given only for the participants who successfully complete the exam. The entry criteria for the course are the G.C.E (A/L) qualification.

■ Level Three Training

Safe workplace is the building block in occupational injury preventing strategy. In order to do so, qualified Safety Officers play a key role in industry. The Safety Officers should be qualified with the National Diploma in OSH which is the top most qualification accredited as NVQ 5 in Sri Lanka. This diploma curriculum was developed to assist the needs of safety related issues of the industries. There are three modules which should be completed within 1500 notional hours as to qualify as a Safety Officer and there are module exams to be completed successfully. Furthermore, the students have to submit

a project report as a partial fulfillment to get the required marks in order to get the certificate. The employability assessment will be carried out prior to the convocation.

The next development of NIOSH training will be the Higher National Diploma in OSH, which will commence in the year 2020.

b. Occupational Safety and Health Projects

NIOSH in collaboration with the International Labour Organization and many other national and international organizations carries out OSH related projects with the objective of improving safety culture in industry. Mostly these projects are implemented focusing for selected burning OSH issues in the country.

c. National Safety and Health Excellence Awards Competition

National Safety and Health Excellence Awards Competition was initiated by NIOSH during the year 2014 and currently we have completed three competitions. The best Occupational Safety and Health practicing industries were selected through a step wise process, including a desk review, filed verification, expert review. The award ceremony for the year 2018 was held at Nelum Pokuna Theater with the participation of the Hon. Prime Minister of the country.

d. The National Occupational Safety and Health Conference

The National Occupational Safety and Health Conference is one of the major events organized by NIOSH annually. Objective of this conference is to disseminate most updated international and national OSH related information among Sri Lankan industries as to benchmark with the international arena. More than 500 employers and top management participate in this conference. Most of the OSH related products displays also will be one of the key activities in this conference. The conference organizers create a national OSH network among the participants which provide a platform to share the knowledge.

e. Occupational Safety and Health Research

The National Institute of Occupational Safety and Health carried out research projects in collaboration with universities, industry or any other organization which needs assistance to make critical decisions based on evidence.

f. National Occupational Safety and Health Professional Association

This was initiated by NIOSH to develop a strong network with our students and industrial stakeholders. All NIOSH students are qualified to join as a student member and with the upliftment of their qualifications and the support to the national arena they will be awarded associate membership, technical membership, graduate membership and chartered membership respectively. The pinnacle of this ladder will be fellow membership which will be awarded after assessing their achievements in the career development.

g. CSR Projects

NIOSH is always supporting the needy groups in national disasters such as floods, droughts etc. NIOSH assess the situation based on evidence and try to uplift the OSH

status while supporting to overcome the disastrous situation.

2.1.3 International Collaborations

According to the given objectives, NIOSH is collaborating with many international partners to develop Safety and Health status in Sri Lankan industries. The international agencies such as the National Institute of Occupational Safety and Health in Malaysia, Singapore, and Asia Occupational Safety and Health Research Institutes in India, Brunei, Indonesia, China, Japan, Korea etc are collaborating with NIOSH Sri Lanka and sharing most updated knowledge.

2.2 Service Quality Improvements

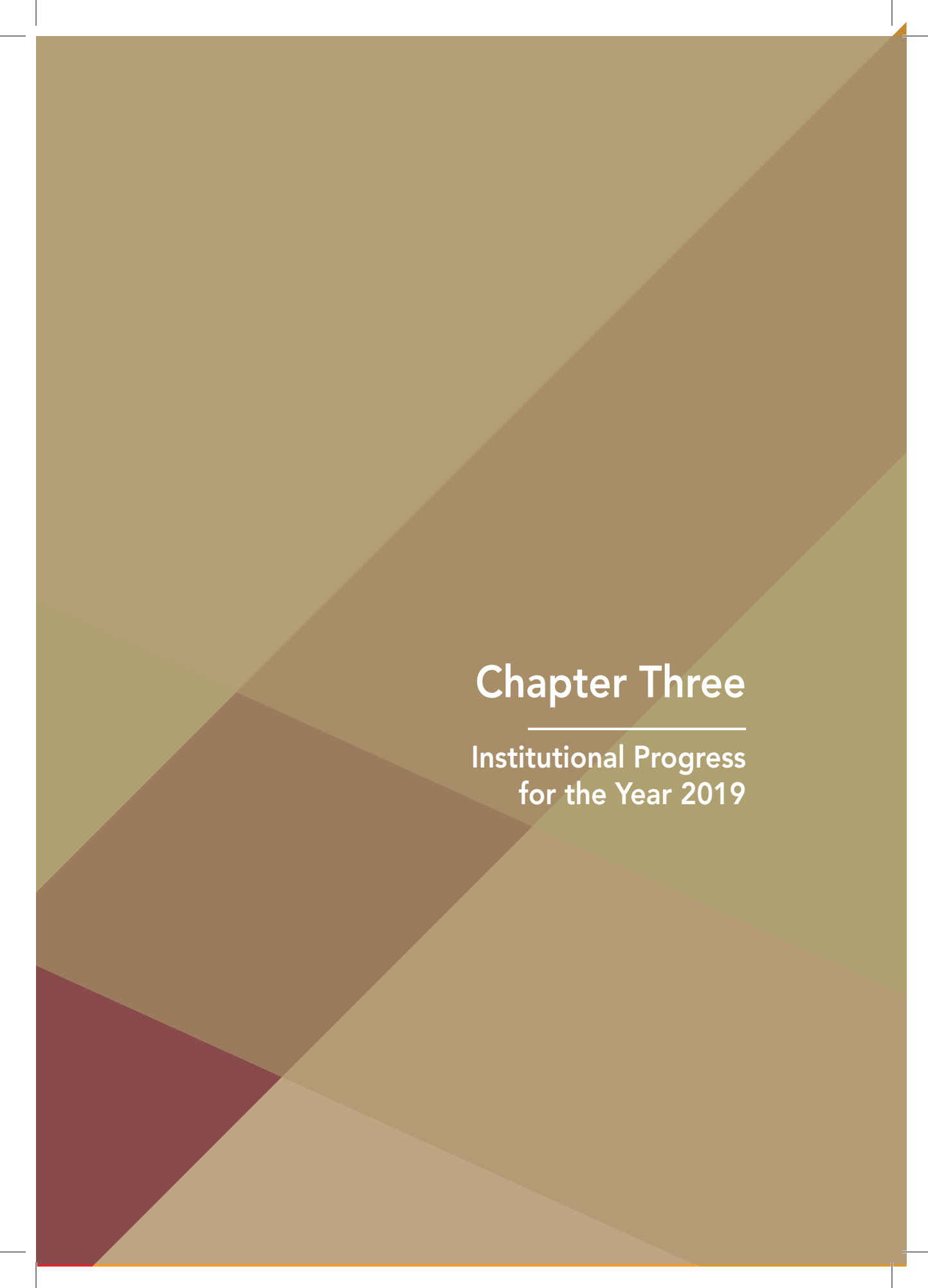
The National Institute of Occupational Safety and Health is continuously upgrading its service delivery. NIOSH always believes that all our customers should have user friendly working environment and easily accessible systems. Accordingly, two strategies are taken into consideration in relation to service quality improvements such as; infrastructure developments and quality management system certification developments.

2.2.1 Quality Management System Certification

NIOSH believes that the service quality improvements can be achieved through systemizing the service delivery. In order to do so NIOSH has obtained the ISO 9001 quality management system certification and the NVQ standards for all our trainings.

2.2.2 Infrastructure Developments at NIOSH

Customers are our asset. Therefore, NIOSH has taken all the steps to develop its infrastructure to provide a happy and comfortable environment to our customers. Furthermore, NIOSH believes that the highest efficacy of the employees could be obtained by providing a conducive working environment for its employees. To fulfill these requirements, NIOSH is devoted to develop its infrastructure as the institution is functioning in an old building. NIOSH has taken initial steps such as, the new laboratory development, and the new auditorium and library development for the institution.



Chapter Three

Institutional Progress
for the Year 2019

3.1 Service Provision Progress

3.1.1 Progress of the Routine Work

The National Institute of Occupational Safety and Health has deployed two teams for this special technical operation of environmental monitoring. NIOSH has utilized most sophisticated and reliable equipments and well-trained technical officers for this special task. Accordingly, it takes one long day to collect the respective measurements from one factory and technical report with further improvement recommendations also provided by out teams. Accordingly, NIOSH has supported 206 factories to improve their working environmental conditions during the year 2019 which exceeded the expected number of 150 by 56 number of factories. Following summary shows the annual progress of environmental monitoring activities related to specific parameters. The specific number of measurements obtained is shown in the table No 3.1.

Environmental monitoring parameters	Number of factories covered
Working environmental monitoring of sound levels	185
Working environmental monitoring of light levels	175
Working environmental monitoring of temperature levels	175
Working environmental monitoring of dust levels	187
Working environmental monitoring of air quality levels	170
Working environmental monitoring of emission levels	172

Table No 3.1 - Environmental Monitoring

As a routine activity of NIOSH, fitness to work testing was carried out among the employees, as to ensure the medical fitness related to different hazardous exposures in the work places. Accordingly, 679 fitness to work assessments were carried out by the institutional staff during the year 2019. Furthermore, the working environmental hazardous exposures and the risk assessments were carried out with the objective of improving working environmental conditions as to ensure the healthy working environments.

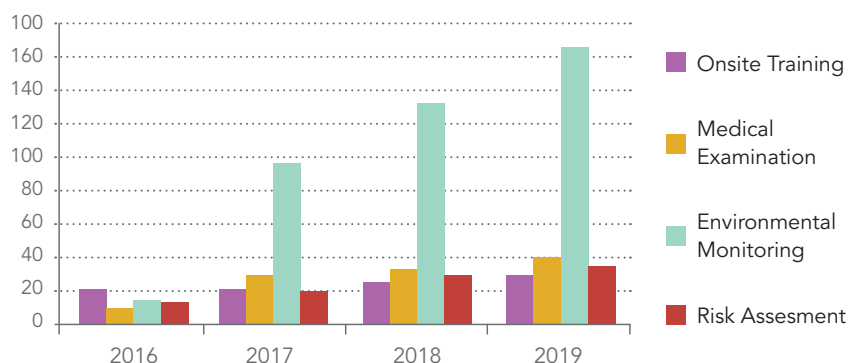


Figure 3.1 - Routine Activities 2016 - 2019

3.1.2 Progress of the Special Work Conducted by NIOSH

Training of Occupational Safety and Health officers is one of the special activities of NIOSH. Accordingly, table 3.2 shows the progress of the special activities carried out by NIOSH during the year 2019.

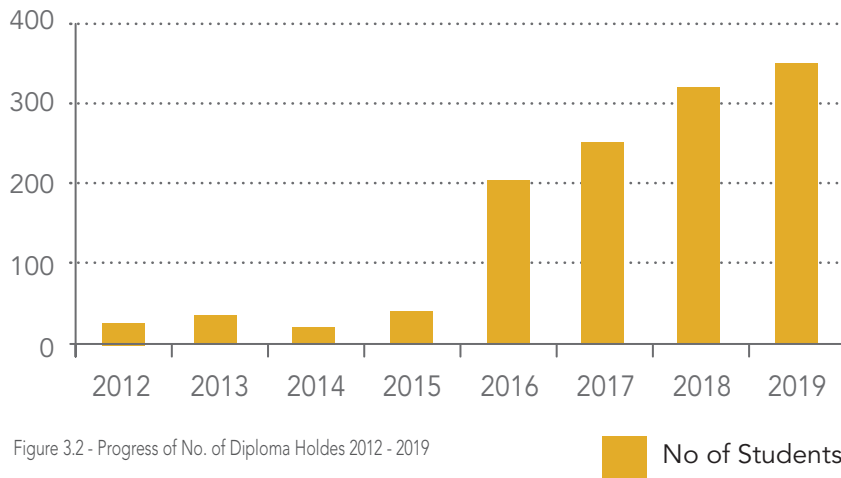
NIOSH training calendar is as follows:

Level of training	Type of training	Commencement Dates
Level 3	National Diploma in Occupational Safety and Health	2019 Feb 23 2019 Sep 22
Level 2	National Certificate in Occupational Safety and Health	2019 Jan 19 2019 Mar 07 2019 Aug 03 2019 Aug 07 2019 Nov 22
Level 1	Construction Safety one day work shop	2019 Feb 27 2019 Nov 27- 29
	Environmental Safety one day work shop	2019 Jun 12 2019 Jul 12
	Safety and Health Training for Abans Group	2019 Nov 21
	Occupational Safety and Health for healthcare workers	2019 Jul 19
	Safety and Health for textile workers	2019 Mar 31
	Electrical Safety two-day training	2019 Apr 02 2019 Oct 30
	Occupational Safety and Health for supervisors	2019 Mar 28
	Working at Height one day work shop	2019 Jun 12
	Occupational First Aid	2019 Nov 28
	Occupational Safety and Health for teachers	2019 Dec 28

Table No 3.2 - Progress of Special Activities

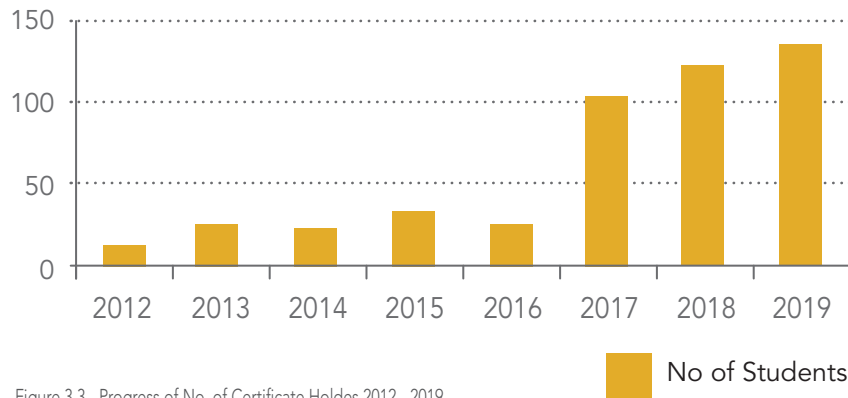
During the year 2019 two batches have completed the National Diploma in Occupational Safety and Health and the below bar chart shows the progress of the number of diploma holders produced by NIOSH from 2012 to 2019 respectively.

National Diploma in Occupational Safety and Health



The National Institute of Occupational Safety and Health has successfully completed 6 batches of certificate courses depending on the high demand from the factories.

National Certificate in Occupational Safety and Health



Based on the experience, NIOSH identified the gap, related to the need of providing basic knowledge on Safety and Health for school leavers and initiated a new training of the Foundation Course for the first time during the year 2019 and opened the path for the youth to follow professional Safety and Health training with NIOSH. The first foundation training was started on the 10th June 2019 and certificate was provided after the successful completion of an examination and Access Engineering Pvt. Ltd has

offered job opportunities as Junior Safety Officers and to work with this prestigious construction company. This training will be continued with improvements in the future.

Furthermore, more than 15 short term trainings were conducted in every month specially based on the requests by industries.

3.1.3 Progress of the Projects

Current working population estimated as 8.7 mn in Sri Lankan context and more than 60% of them are employed in small scale industries where they do not have much knowledge and their employers also face many financial and other constraints to implement proper Safety and Health standards where the employees in these industries expose to various occupational hazards but they provide a greater contribution to the National GDP. But this industry covers versatile industrial categories starting from food, agriculture, horticulture, fisheries, coir industry, brick making, etc.

Most of the SME's are run by small business holders and the employer employee agreements are not to be seen in these sectors. Accordingly, most of the SME's face different issues due to mismanagement of finances and they do not pay much attention towards employee/employer health issues which in turn comes such as absenteeism, accident increase etc. In order to minimize occupational diseases and accidents in small scale and informal economies, there is a huge need to support them by creating awareness, training and other services related to safety and health. Therefore, it is a timely need to improve Safety and Health in these industries.

Objective of the Project

To improve Safety and Health status in selected SME during the year 2019-2020

Strategies

- Conduct a Safety and Health audit among the selected industries
- Identify the OSH hazards and risks in said industries
- Provide recommendations for improvements
- Monitor the sustainability of the improvements in OSH

The project implementation was carried out in two steps such as:

NIOSH, was identified as a project partner to the LEED project financed and managed by ILO at the Northern Province. Accordingly, NIOSH was given a task to implement a business development plan through OSH development in the SME's in Northern Province.

At the initial stage NIOSH conducted a risk assessment in 10 selected SME's and based on the findings it was identified that a training of trainers is required for the stakeholders whom involved with the SME's as to improve the Occupational Safety and Health status of them and to minimize occupational accidents, diseases and to minimize the lost working hours.

Accordingly, a three-day program was organized by ILO and NIOSH provided resources for the training as resource person.

National Occupational Safety and Health Excellence Award Ceremony 2019

Objective of this event is to reward the best occupational Safety and Health practicing industries in Sri Lanka. This is the third time the National Institute of Occupational Safety and Health is organizing this ceremony. Award winners were selected through a tedious and unbiased selection process in 2019. The selection process had three steps, firstly the document was reviewed based on the set criteria, and looked at the filled application with supportive documents. After the document review the selected industries were visited by team of experts and the real practical implementation was observed and the marks were given using a software package. The final selection was done through an expert panel by presenting the best most remarkable best practices to an expert panel. All industrial sectors such as manufacturing, hotel, food and beverages, textile transport, hospital sectors were given equal opportunities to participate in this competition and get selected as winners. Furthermore, the multinationals and the local large, medium and small scale industries also were given opportunities to show their competencies in this competition. More than 58 industries were selected as winners from different sectors among 200 competitors.

National Occupational Safety and Health Excellence Award Conference 2019

The Annual National Safety and Health conference is organized by NIOSH during the 2nd week of October every year based on a Cabinet Decision taken with the objective of improving Safety and Health in industry as to minimize occupational accidents and diseases.

Objectives of the conference,

To create awareness and provide most updated OSH related knowledge for the employers and to create and disseminate updated knowledge related to Safety and Health among the interested parties.



Image 3.1 - National Safety and Health Excellence Award 2019

National Occupational Safety and Health Week 2019

1. Organized the National Safety and Health conference on the 14th October 2019 with the participation of more than 400 industrialists.
2. The convocation for the National Diploma holders was held on the 14th October 2019.
3. The certificate awarding ceremony for the National OSH certificate holders also was held on the same day at 6.00 pm.
4. A Safety and Health congress was held on the 16th to 19th at NIOSH premises with the participation of 200 participants and there were 34 open sessions

The National Safety and Health conference was held with adhering to all safety precautions with the participation of more than 400 industrialists and international experts. This is the most prestigious opportunity for the Sri Lankan industrialists to share their experiences and the international experts' experiences and to implement new strategies to prevent occupational injuries.



Image 3.2 - National Safety and Health Conference 2019

National Occupational Safety and Health Convocation 2019

The participants who have successfully completed the National Safety and Health Diploma batch 14, 15 and the participants who have completed the Certificate Course in Occupational Safety and Health were awarded the certificates on the 14th October 2019. More than 135 students and their family members were presented at the official convocation.



Image 3.3 - Safety and Health Convocation 2019

National Occupational Safety and Health Congress 2019

This was a new concept which was introduced by NIOSH with the objective of sharing updated OSH knowledge among the interested parties. This congress was held at NIOSH training premises. One-hour parallel sessions were held by different subject experts and opportunities were given to our members and the industrialists to participate any of these sessions. It was a free of charge session to which they couldn't participate in the national conference was given priority for the participation. A special session was organized for the Prison Officers to teach Safety and Health which was a timely need as they conduct vocational trainings for prisoners.

OHS TECHNICAL CONGRESS

Dates: 16th to 18th October 2019
Location: NIOSH, Jawatta Road, Colombo 05
Congress Structure: 3 Parallel session on Hall A, B and C*
This is **Free of charge session** and lunch/ refreshments providing

34 SESSIONS ON OHS IN 3 DAYS PERIOD

AGENDA

Time	Hall A	Hall B	Hall C
16th October 2019			
10am - 10.30am	Keynote Speech: Mr. Dhanjitha Malinganayake (Super Cor Rana Champika)	Welcome and Inauguration by NIOSH	
10.30am - 10.45am		Keynote Speech: Mr. Dhanjitha Malinganayake (Super Cor Rana Champika)	
10.45am - 11am	National Occupational Safety and Health Management System (NOSH MS) by Eng. Gayan Fernando	Challenges on Occupational Health by Dr. Champika Amarasinghe	Key focus areas on Factories Ordinance by Mr. Charith De Silva
11am - 12pm	ISO 45001 implementation by Eng. Chandani Kulasekera	Occupational Stress in modern world by Dr. Inuka Gunawardena	Workman Compensation and Shop and Office Act by Chand Perera (Employees Federation of Ceylon)
12pm - 1.15 pm	Refreshment (Serve at Ground Floor)		
1.15pm - 4.15pm	How to engage employees to develop the safety culture by Mr. Indira Gunasinghe	Hazard and Operability Study (HAZOP) by Mr. Nimal Jayasinghe	Case study on Contractor Safety by Mr. Wasantha Karunadasa
17th October 2019			
10am - 11am	Case Study on Petroleum incident by Prof. Ajith De Alwis	How Safety is Driven in Aftair Project by Mr. Adambawa Halseemdeen	Road Safety - Case Study of Ceylon Oxygen by Eng. Sanjeevi Jayathilaka
11am - 12pm	Working at Height by Z.A. Mohd (Chief Technical Officer - Karam Industries)	Lunch (Serve at Ground Floor)	
12pm - 1pm	Confine Space risk in Rehabilitation project at Kandy drain system by Mr. Sarath Chandrasiri	Best practices in Occupational Hygiene by Ms. Ramya Jamburegoda	
1pm - 2pm	Life with Heavy Lifting by Mr. Martin Hamilton	Behavioral Based safety approach by Mr. Randika Moses	
2pm - 3.15 pm	Refreshment (Serve at Ground Floor)		
3.15pm - 4.15pm	Best OSH for Lean Business Environment (Virtual Reality) by Mr. Menon Jayarathne	Case Study in Process Safety by Eng. Chamika Welihanga	
18th October 2019			
10am - 11am	Machine Safety best practices by Mr. Devinda Weerasinghe	Seasonal Health issues and Dengue Prevention at work places by Dr. Ruwan Wijayaratne	Case Study on First Aid by Ms. Pushpa Ramgiri
11am - 12pm	MAS Case study by Eng. Eranga Dilhan	Fire Safety regulations by Mr. M. N. P. Harshachandra	Food Safety for industries by Mr. Primal Pinnaduwu
12pm - 1pm	Lunch (Serve at Ground Floor)		
1pm - 3pm	Presentations of Award Winners (Nortake/MAS Kreeda Intimo/Unilever/Scijitz/Nugadanaru/Ubro)		
3pm - 3.15 pm	Refreshment (Serve at Ground Floor)		
3.15pm - 4.15pm	Panel discussion by Major General Nandana Udawatta (RSP)		

Hall A- 2nd Floor Main Auditorium(90 seating), Hall B- Ground Floor Auditorium (100 seating), Hall C- 2nd Floor Class room (50 Seating)

THE BIGGEST SAFETY EVENT OF THE COUNTRY

Safety and Health Congress Agenda

National safety professionals Association

OSH TECHNICAL CONGRESS - DAY 1

RESOURCE PANEL



MR. Dilantha Malagamuwa
Super car race champion and proud Sri Lanka



MR. Dilantha Malagamuwa
Factory Manager – Unilever



Dr. Champika Amarasinghe
Director General – NIOSH



Eng. Gayan Fernando
GM OHS. Hayleys Advantis



Mr. Wasantha Arambewela
OHS Expert



Eng. Chandani Kahandhawela
MD, International safety Consultants



Mr. Namal Premaratne
OHS Expert



Eng. Gayan Fernando
GM OHS. Hayleys Advantis



Mr. Chamil Perera
Employers Federation of Ceylon



Mr. Thilina Hiripitiya
OHS Expert



Mr. Charith De Silva
Safety Officer – NIOSH







OSH TECHNICAL CONGRESS

At NIOSH Auditoriums by NSPA SAFETALK subcommittee

Speaker:
Prof. Ajith De Alwis

on 17th October 2019
at 1000 hrs

Case Study on
Petroleum incidents

STRICTLY ADVISE TO RESERVE
YOUR SEAT. SESSION
CALENDAR WILL RELEASE IN
NEXT WEEK.
LIMITED PARKING AVAILABLE







Image 3.4 - Safety and Health Congress 2019

National Safety Professional Association

The National Institute of Occupational Safety and Health organized the National Safety Professional Association with the objective of networking all NIOSH students and the industrial OSH experts introducing the objectives and future progressive drives. All our students were invited and a “WhatsApp” group was formulated as to network and link each other and to share the individual experiences among each other.

3.1.4 International Collaborations

NIOSH is continuously collaborating with the similar Occupational Safety and Health service partners.

3.2 Infrastructure Development Progress

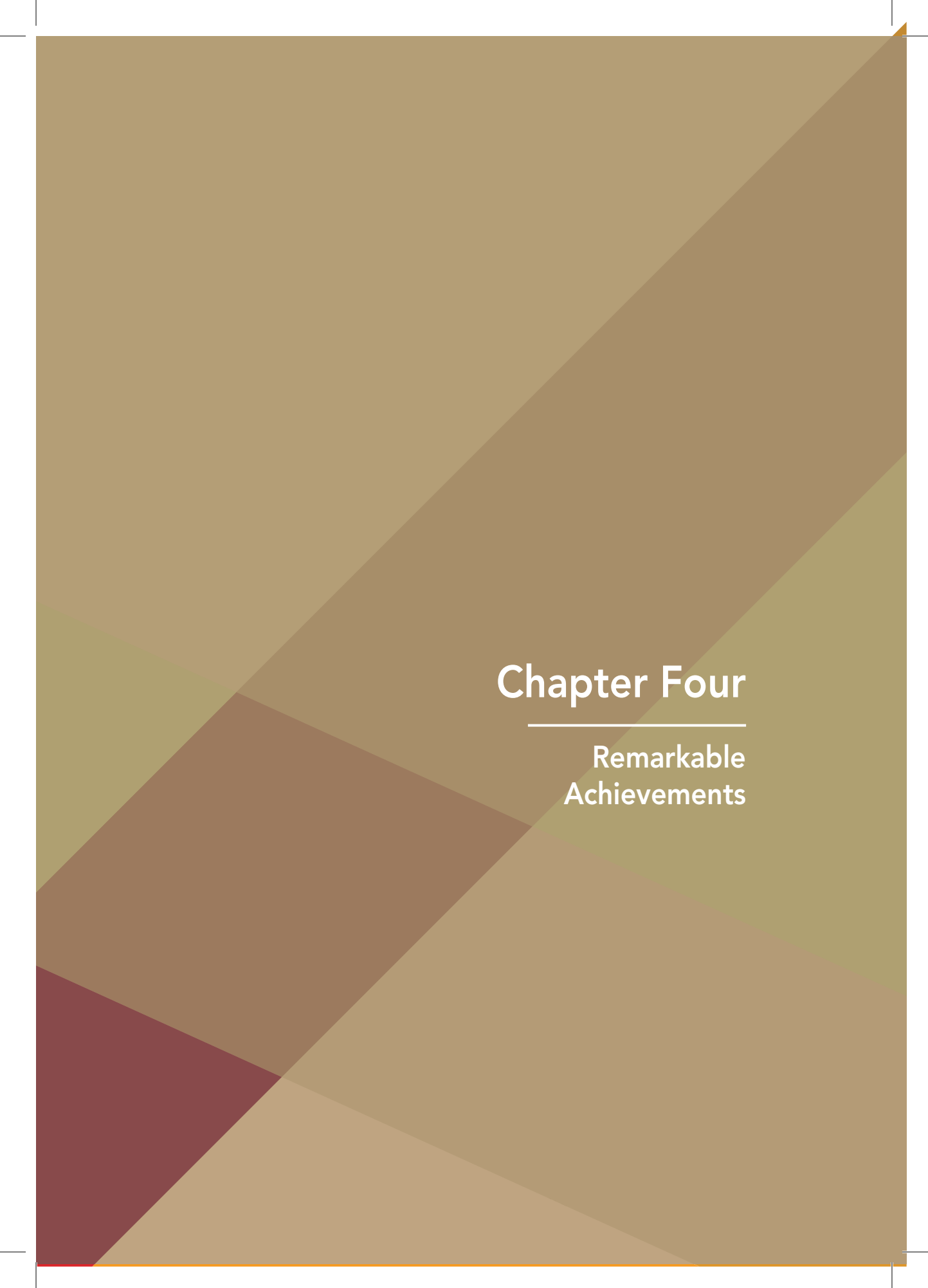
NIOSH was able to develop its infrastructure after conducting needs assessment. Accordingly, NIOSH was able to develop audiometric laboratories, environmental monitoring laboratory, office infrastructure, library infrastructure, class room facilities and auditorium. There was a opening ceremony as to get the blessing of the triple gem.

ISO and NVQ Level 5 Standard

The national institute of occupational safety and health was able to obtain the ISO 9001-2015 and the NVQ level 5 for the training courses. Furthermore, NIOSH prepared for the productivity competition 2020.



Image 3.5 - NIOSH Office and Auditorium

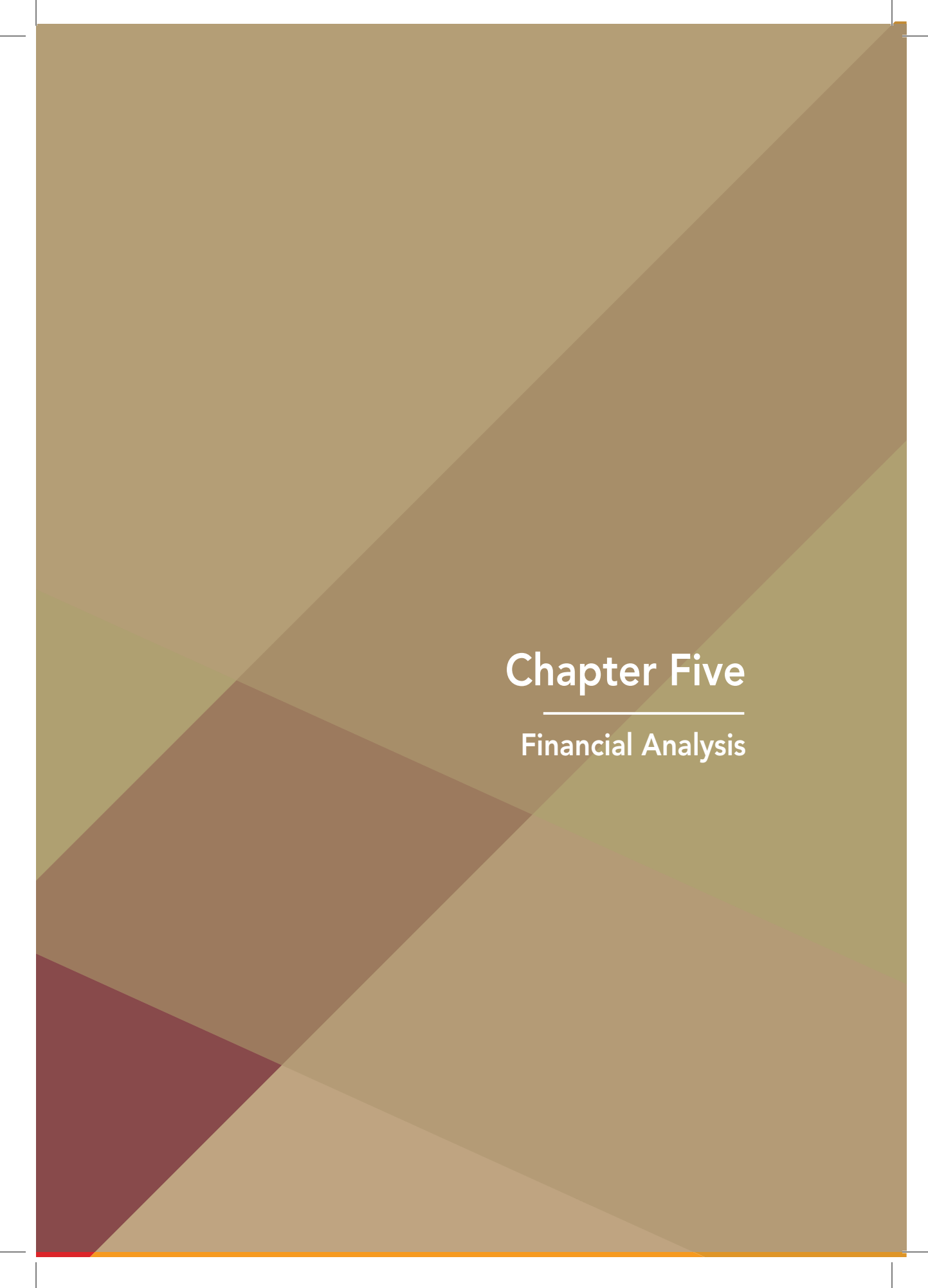


Chapter Four

Remarkable
Achievements

Remarkable Achievements

1. NIOSH was able to expand the working environmental monitoring by 170% and ensured its service provision to 200 industries which lead by two teams.
2. Could exceed the expected number of participants in both Diplomas in Occupational Safety and Health batches.
3. One of the largest projects implemented by NIOSH was able to complete successfully during the year 2019.
4. The National Occupational Safety and Health Conference was successfully completed with the participation of more than 450 participants in collaboration with our sponsors.
5. A mobile vehicle was purchased with the objective of expanding the medical services.



Chapter Five

Financial Analysis

Financial Analysis 2018 – 2019

	2019 (Rs)	2018 (Rs)
Income from Occupational Safety and Health Course	24,399,651.00	20,036,775.00
Income from Environmental Measurements	13,797,050.00	12,338,240.00
Income from the Services Rendered by co-operative agreement made with other institutes	3,831,351.00	6,923,981.00
Income from medical test activities	2,220,710.00	2,891,360.00
Income on Occupational Safety and Health Day	13,317,793.00	3,798,680.00
Income from Interest (NOISH Development Fund)	11,628,062.00	10,404,473.00
Income from NIOSH Membership	62,250.00	77,250.00
Other Income	468,260.00	260,302.00
Total	69,725,171.00	56,731,061.00

Table 5.1 Financial Analysis 2018 - 2019

Chairman
National Institute of Occupational Safety and Health

Summary Report of the Auditor General on the Financial Statements of the National Institute of Occupational Safety and Health for the year ended 31 December 2019 in terms of Section 11(1) of the National Audit Act No. 19 of 2018.

1. Financial Statements

1.1 Qualified Opinion

The audit of financial statements of the National Institute of Occupational Safety and Health for the year ended 31 December 2020 comprising the statement of Financial Position as at 31 December 2019 and the statement of financial performance, statement of changes in equity and statement of cash flows for the year then ended and the 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 12 of the National Audit Act No. 19 of 2018 and the provisions of the Finance Act No.38 of 1971. My report will be tabled in the Parliament in due course, in terms of sub section 154 (6) of the Constitution.

In my opinion, except for the effects of the matters described in the basis for 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 2019, and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

1.2 Basis for the Qualified Opinion

- (a) The Institute is currently being maintained in a building on a 0.1840 hectare extent of land belonging to the Department of Labour at Jawatta area and the Institute had spent Rs. 21,140,552 for the modernization activities of the building up to 31 December 2019. Though the ownership of the asset had not been acquired to the Institute even by 05 August 2020, disclosures had not been made in the financial statements in terms of paragraph 87(9) of Sri Lanka Public Sector Accounting 07 with regard to the non-ownership of the land and building in which the Institute is located.
- (b) Even though assets should be depreciated only over its useful life in terms of Sri Lanka Public Sector Accounting Standard 07, the Institute had depreciated the assets on the basis of being fully depreciated in the year of purchase and the year of sale of assets. As such, expenditure on depreciation amounting to Rs.374,104 had been overstated in the financial statements pertaining to 15 items of assets purchased at a cost of Rs.6,692,704 during the current year.
- (c) As a result of not reviewing the useful life of fixed assets annually according to Sri Lanka Public Sector Accounting Standard 07, assets amounting to Rs. 7,132,880 which had been fully

depreciated by the end of the year were still being used. No action had been taken to correct the estimation error thus occurred in accordance with the SLPSAS 03.

- (d) Though Rs. 7,623,444 was indicated as the amount receivable from the Ministry of Labour, according to the financial statements of the Ministry of Labour as of that date, that liability had been shown as Rs. 4,074,197. However no action had been taken to identify reasons for this discrepancy and make necessary adjustments.
- (e) Contrary to SLPSAS 02, the net cash flows under operational activities, financial activities and investment activities had been overstated by respectively by Rs. 165,000, Rs. 6,800,844 and Rs. 11,963,481.
- (f) Even though errors amounting to Rs.3,021,272 revealed in the audit of financial statements pertaining to the year ended 31 December 2018 had been corrected, those corrections had not been adjusted retrospectively and restated the comparative figures in the financial statements as per the provisions in 47,48 and 50 of the Sri Lanka Public Sector Accounting Standard 03.

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 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 Sub-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.

1.3 Auditor's Responsibility for the Audit of 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 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 have communicated 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.

2.2 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 qualified 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.
- 2.1.3 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.

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.

- 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.
- In terms of the requirement of section 12 (d) of the National Audit Act No. 19 of 2018, 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	Description
(a) Sections I(b) and II of the Circular No.03/2018 dated 18 July 2018 of the Department of Management Services.	i. Even though the allowances paid to the employees of the Institute should be increased on the prior approval and recommendations of the General Treasury, a payment of Rs.369,894 had been made by obtaining only the approval of the Board of Directors without the said approvals. ii. When making payments for the resource persons participated in the courses conducted by the Institute, allowances for resource persons amounting to Rs.1,022, 750 had been paid during the year under review exceeding the limits approved by the Department of Management Services.

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

- 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 Authority had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

3. Other audit observations

- (a) The debtor balance of the Institute as at 31 December of the year under review amounted to Rs.9,265,761 and according to the age analysis of debtors, debtor balance of Rs.3,348,710 out of the above was older than 90 days. Nevertheless, no action had been taken to recover the said money.
- (b) According to a decision of the Board of Directors in the year 2015, a private institution had been selected to perform the blood sample test. Even though repeat orders may be authorized provided that not more than a 06 month period has lapsed from the date of award of the original contract in terms of 3.6.1 of the Procurement Guidelines, blood tests had been performed only through the said institution for 05 years continuously from the year 2014 to 2019. In the meantime, approval of the Board of Directors had also been granted to increase the charges for 3 types of tests by Rs.300 each.

W.P.C. Wickremaratne
Auditor General

1.4 Financial Statements

1.4.1 Internal Control over the preparation of financial statements.

Entities are required to “devise and maintain” a system of internal accounting controls sufficient to provide reasonable assurance that , transactions are executed in accordance with management’s general or specific authorization, transactions are recorded as necessary to permit preparation of financial statements in conformity with the applicable reporting standards , and to maintain accountability for assets, access to assets is permitted only in accordance with management’s general or specific authorization, and the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

1.4.2 Non-Compliance with Sri Lanka Public Sector Accounting Standards

Non Compliance with the reference to particular Standard	Whether a new observation/ Existing observation	Governance risk disclosure	Comments of the Management	Recommendation
(a) SLPSAS 01 According to the detailed schedule for fixed assets in the financial statements Rs. 544,580 had been indicated as written off/ deducted value (Disposal) under buildings. Within Rs. 21,610,143 included under the buildings. In the year 2018, Rs. 554,480 spent on furniture and equipment had been included and in the current year that amount had been removed from the buildings and transferred under the equipment. It was observed that indicating this as building write offs (disposal) in financial statements was not correct.	A new observation	The system should introduced	Dummies purchased inn the year 2018 had inadvertently been shown in the building accounts as Rs. 554,580. In the year 2019, it was removed from he buildings account and transferred to furniture and equipment account under journal No: 911. In the Excel format where account statements are presented, it has been indicted as removals. Since this was an error in presenting account statements and not an error in the accounting system, instructions were given to the accountant to ensure no recurrence of same.	That the transfer of assets should be correctly represented in accounts.
(b) SLPSAS 02 (i) As a result of including the value of medical equipment costing Rs. 7,010,000 transferred by the Department of Labour as purchases of assets under investment activities in the Cash Flow Statement, the cash flows under investment activities had been overstated by that amount.	A new observation	The system should be introduced.	The accountant was instructed to pay due attention to errors that had occurred in the preparation of cash flow statements as mentioned in the audit and to ensure compliance with the standards.	That the institution should take measures to prepared the cash flow as per the standard.
(ii) It was indicated in the Capital Reimbursement Account that a sum of Rs. 3,829,489 had been granted by the Ministry of Skills Development, Employment and Labour Relations.	A new observation	The system should be introduced.	What was taken as Rs. 15,792,790 in the Cash Flow Statement was the difference between the receipts from	That the Institute should take measures to prepare the cash

However as this amount being shown as Rs. 15,792,970 under investment activities in the cash flow statement, the cash flow under investment activities had been overstated by Rs. 11,963,481.			Treasury of Rs. 5,682,291 in 2018 and the receipts from Treasury of Rs. 21,454, 998.	flow as per the standard.
(iii) Even though interest income received actually in cash in the year under review should be indicated as the inflow of cash, as a result of the Institute showing the interest income as cash inflow as per the statement of financial performance for the year, the cash flow under investment activities had been overstated by Rs. 209,156,	A new observation	The system should be introduced.	The accountant was instructed to pay due attention to errors that had occurred in the preparation of cash flow statements as mentioned in the audit and to ensure compliance with the standards	That the Institute should take measures to prepare the cash flow as per the standard.
(iv) Though the annual depreciation expenditure was Rs.4,918,487 according to the income statement, as a result of Rs. 5,083,486 being added to the profit, the cash flow under operational activities had been over-represented by Rs. 165,000.	A new observation	The system should be introduced.	The accountant was instructed to pay due attention to errors that had occurred in the preparation of cash flow statements as mentioned in the audit and to ensure compliance with the standards	That the Institute should take measures to prepare the cash flow as per the standard.
(c) SLPSAS 03 Even though errors amounting to Rs.3,021,272 revealed in the audit of financial statements pertaining to the year ended 31 December 2018 had been corrected, those corrections had not been adjusted retrospectively and restated the comparative figures in the financial statements as per the provisions in 46,47 and 50 of the Sri Lanka Public Sector Accounting Standard 03.	A new observation	The system should be introduced.	Noted down to present the accounting records in future subject to the relevant Accounting Standards as pointed out by Audit.	That the institution should take action to make necessary submissions in correcting errors as per the standard
(d) SLPSAS 07 (i) Since useful life of the fixed assets had not been reviewed annually, assets costing Rs.7,132,880 were further in use despite being fully depreciated as at the end of the year under review. However, action in terms of Sri Lanka Public Sector Accounting Standard 03, had not been taken to revise the estimated error occurred.	A new observation	The system should be introduced.	Some of the items mentioned in the audit have been removed on 30 June 2020 following the Board of survey held in the year 2019 as they are no longer being used. Further, the Accounts Division was instructed to carry out a revaluation in the year 2020 on items that can be used and bring them into accounts.	That the institution should take action to make necessary submissions in correcting errors as per the standard
(ii) Even though assets should be depreciated only over its useful life in terms of Sri Lanka Public Sector Accounting Standard 07, the Institute had depreciated the assets on the basis of being fully depreciated in the year of purchase and the year of sale	A new observation	The system should be introduced.	Even though the depreciations pointed out in audit had been computed on the basis of the date of purchase in the year 2019, the depreciation in the preparation of accounts had been done by the Institute on	In accordance with the instructions stipulated in the Standard, assets should be depreciated over

of assets. As such, expenditure on depreciation amounting to Rs.374,104 had been overstated in the financial statements pertaining to 15 items of assets purchased at a cost of Rs.6,692,704 during the current year.			the policy of depreciation for the entire year of purchase. It has been disclosed in the financial statements under Disclosure Note 02.	its useful life and accordingly, the depreciation policy of the Institute should be changed.
(iii) At present, the Institute is housed at a building constructed on a land of 0.1840 hectares in extent in Jawaththa which is owned by the Department of Labour and a sum of Rs.21,140,552 had been spent on the renovation work of the building up to 31 December 2019. Even though the ownership of asset had not been transferred to the Institute even by 05 August 2020, lack of ownership of the land and buildings where the Institute is located, had not been disclosed in the financial statements in terms of paragraph 87(9) of Sri Lanka Public Sector Accounting Standard 07.	A new observation	The system should be introduced.	This building had been given to the Institute from its inception by the Department of Labour without a monthly rental basis. The maintenance work, proper renovation of assets and also the improvements to the building are being carried out by our Institute and thereby, an income is being generated and services are being rendered to the general public This was noted down to be disclosed in the financial statements in future as per the Standard 07.	That adequate disclosures should be made in the financial statements as per the guidance in the standard.

1.4.3 Accounting Deficiencies

Audit observation	Whether a new observation/ Existing observation	Governance risk disclosure	Comments of the Management	Recommendation
The interest income from fixed deposits of the previous year had been accounted less of Rs.103,054 and instead of being depicted as previous year adjustments, it had been accounted as fixed deposit interest income. As a result, the current operational profit had been over-computed by that amount.	A new observation	The system should be introduced.	Agree with this audit observation and though this had been inadvertently recorded as a previous year adjustment in updating information into the computer system, it had been accounted as revenue in the year 2019. Instructions were given to the Accounts Division to prevent recurrence of same in adjusting accounts in the coming years.	The fixed deposit interest should correctly computed and shown in financial statements.

1.5 Accounts Receivable and Payable

1.5.1 Accounts Receivable

Audit observation	Whether a new observation/ Existing observation	Governance risk disclosure	Comments of the Management	Recommendation
(a) The debtor balance of the	A new	The system	This error has occurred due	Action should be

Institute as at 31 December of the year under review amounted to Rs.9,265,761 and according to the age analysis of debtors, debtor balance of Rs.3,348,710 out of the above was older than 90 days. Nevertheless, no action had been taken to recover the said money.	observation	should be introduced.	to an inadvertent interchange between debtors of Rs. 155,957/= and the accounts receivable from the Ministry in preparing the financial statements in Excel software using debtor analysis report and a trial balance report through the accounting software (Quick Books) of the Institute.	taken to correctly indicate the debtors' balance and the money receivable from the Ministry.
(b) Even though a sum of Rs.7,623,444 had been shown in the financial statements as receivables from the Ministry of Labour as at 31 December 2019, the said liability had been shown as Rs.4,074,197 in the financial statements of the Ministry of Labour as at that date. As such, the receipt of balance amounting to Rs.3,549,247 was doubtful.	A new observation	The system should be introduced.	Even though the Institute had submitted bills for a sum of Rs.7,623,444, the Accounts Division of the Ministry had stated that a sum of Rs.4,074,197 has been shown in the financial statements as liabilities of bills payable to the Institute. It is kindly informed that NIOSH does not report to the Treasury.	The correct value of the receivables should be shown in financial statements. Having reached agreement with the other related party, receivable accounts should be included in the accounts or otherwise the differences should be disclosed.

1.6 Laws, Rules and Regulations

Reference to laws, rules and regulations etc	Non-compliance	Whether a new observation/ Existing observation	Governance risk disclosure	Comments of the Management	Recommendation
(a) Sections I(b) and II of the Circular No.03/2018 dated 18 July 2018 of the Department of Management Services.	(i) Even though the allowances paid to the employees of the Institute should be increased on the prior approval and recommendations of the General Treasury, a payment of Rs.369,894 had been made by obtaining only the approval of the Board of Directors without the said approvals.			Through the diploma and certificate courses conducted by the Institute during weekends, Rs 19 million was earned as annual income in the year 2019. In earning this income, the staff had worked with commitment going beyond their normal line of duties. With the objective of motivating the staff for the additional work performed, the matter was referred to the Board of Directors and approval was granted having considered the net income. Approval for the said allowance has been sought by the Institute from the Department of	The approval of the Department of Management Services should be obtained for the payment of allowances.

				Management Services through the Ministry of Labour and it is expected that approval would be received after submitting the observations of the Ministry within the next few days. You are informed that that all allowances had been suspended from the date of the audit as per the audit observation.	
	(ii) When making payments for the resource persons participated in the courses conducted by the Institute, allowances for resource persons amounting to Rs.1,022, 750 had been paid during the year under review exceeding the limits approved by the Department of Management Services.			The primary reason for the ever increasing income and the number of students of diplomas and certificate courses conducted by NIOSH is the engagement of professionals of occupational safety and health sector (such as medical officers, engineers) as the lecturers of those courses. Further, the payments made by NIOSH is less than other institutions and the income generated from the courses of study was Rs. 17 million (Year 2018) The Department of Management Services has already considered requests made in this connection and it had sought observations from the Department of Labour by letter No. DMS/1568. .	The approval of the Department of Management Services should be obtained for the payment of allowances.

2. Financial Review

2.1 Financial Results

The operating result of the year under review had been a surplus of Rs. 28,130,642 and the corresponding surplus in the preceding year amounted to Rs. 21,506,251. Thus, an improvement of Rs. 6,624,391 was observed in the financial result. The main reason for this improvement had been the increase in the operating income by Rs. 12,994,110.

3 Operational Review

3.1 Procurement Management

Audit observation	Whether a new observation/ Existing observation	Governance risk disclosure	Comments of the Management	Recommendation
According to a decision of the Board of Directors in the year 2015, a private institution had been selected to perform the blood sample test. Even though repeat orders may be authorized provided that not more than a 06 month period has lapsed from the date of award of the original contract in terms of 3.6.1 of the Procurement Guidelines, blood tests had been performed only through the said institution for 05 years continuously from the year 2014 to 2019. In the meantime, approval of the Board of Directors had also been granted to increase the charges for 3 types of tests by Rs.300 each.	A new observation	The system should be introduced.	It is agreed that the service of the said institution had been obtained since the year 2014. However, this institution charges a very low price as compared to the prices offered by other institutions. Moreover, the price has been increased only by Rs.300 over the past few years. Furthermore, an expert of this institution visits the relevant factories with the Institute to perform a blood test and no additional price therefor is charged as well. Due to the aforementioned reasons, services from the said institution had obtained continuously	In case of procurement activities, instructions and guidelines specified in Procurement Guidelines should be complied with, as much as possible.

3.2 Human Resource Management

Audit observation	Whether a new observation/ Existing observation	Governance risk disclosure	Comments of the Management	Recommendation
The Institute had not taken action to prepare a Human Resource Development Plan in terms of the Public Administration Circular No.02/2018 of 24 January 2018 under the heading of Development of Human Resources in Public Service.	A new observation	The system should be introduced.	Training opportunities have been provided after identifying the training requirements of various sectors pertaining to the human resource development of the Institute. Further, it was noted down to include the matters in the Development Plan as prescribed in the Circular	That a plan should be formulated for the management of human resource in terms of the Public Administration Circular.
In terms of Section 9 (ii) of the National Institute of Occupational Safety and Health Act, No.38 of 2009, there shall be appointed such number of persons to be Directors of the Institute, as shall be necessary for the efficient administration of the Institute and the Council shall appoint a Director of the Institute as the Secretary in terms of Section 06. Nevertheless, vacancies existed in 6 posts of Directors pertaining to the high ranking 7 posts of the Institute.	A new observation	The system should be introduced.	The Directors of National Institute of Occupational Safety and Health have approved the number specified in audit and action will be taken in future to make recruitments for the said posts based on the requirement of Institute.	That officers required for the efficient and productive functioning of Institute, should be employed.