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இலங்கை ஒத்தியல்பு மதிப்பீட்டிற்கான தராதர அங்கீகார சபை
Sri Lanka Accreditation Board for Conformity Assessment



වෙළෙඳ, වාණිජ හා ආහාර සුරක්ෂිතතා අමාත්‍යාංශය
வர்த்தக, வணிக மற்றும் உணவு பாதுகாப்பு அமைச்சு
Ministry of Trade, Commerce and Food Security

Annual Report
2020



Sri Lanka Accreditation Board
for
Conformity Assessment

Ministry of Trade Commerce and Food Security

A member of



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CHAIRMAN'S MESSAGE

It gives me great pleasure to convey this message to the Sri Lanka Accreditation Board's 2020 Annual Report. The key tasks of conducting assessments and granting accreditation to Conformity Assessment Bodies (CABs), promoting accreditation among the important stakeholders, such as industry, government policy makers, regulatory agencies, universities, research and development organizations, and Conformity Assessment Bodies, which include laboratories, inspection bodies, certification bodies, and validation and verification bodies, were accomplished by SLAB with notable progress during this year. Despite the difficulties caused by the pandemic, a remarkable progress was made with the use of techniques like remote/virtual assessments for CABs, delivery of SLAB training through online courses, and conducting all required meetings online, including those of the governing council, accreditation committee, technical experts, and clients.

In 2020, SLAB began drafting the SLAB Act amendments that would be required to improve its role as the nation's accreditation body. The demand for new accreditation schemes and the requirement for scope expansion of existing accreditation schemes has become urgently necessary due to recent developments in the international trade and other industries. To gather suggestions to be integrated into the Act's revisions, SLAB held virtual meetings with Conformity Assessment Bodies, Regulators, Chambers of Commerce, SLAB assessors, and technical experts.

In line with the SDGs and national policy framework Vistas of Prosperity, SLAB continued to work with key regulators such as National Organic Control Unit of the Export Development Board, Consumer Affairs Authority, Ministry of Agriculture etc to help them identify appropriate models of accredited conformity assessment services to use when implementing technical regulations.

Being the national Accreditation Authority, SLAB is recognized with several international accreditations, helping manufacturers and service providers to get technically valid and accepted certificates at affordable prices and enter international markets. Comparing the accreditation costs of foreign accreditation bodies and SLAB, we find that the total accreditation costs of foreign accreditation bodies are almost five times that of SLAB charges.

I'd like to thank the Governing Council members, the Director/CEO, and the SLAB team for helping the organization achieve its goal of providing internationally renowned accreditation services that enhance Sri Lanka's economic, social, and environmental well-being.

Dr.Sampath Wahala

Chairman

Sri Lanka Accreditation Board for Conformity Assessment

EXECUTIVE SUMMARY BY DIRECTOR/CEO



SLAB could achieve a significant improvement in the year 2020 even with the challenges faced by the Covid 19 pandemic during several months of the year. As soon as the government introduced the lockdown, SLAB introduced working arrangements which most of the SLAB staff can perform their work online. Steps taken to provide uninterrupted internet facility, zoom platform etc to the staff and close monitoring was done by the management in order to maintain the momentum in achieving the results.

SLAB successfully organized and conducted the World Accreditation Day event under the theme “Accreditation; Improving Food Safety” with the participation of limited number of stakeholders. During this event SLAB launched its revamped website, published the promotional booklet, and e newsletter, and conducted a webinar with the participation of key players who are responsible in improving food safety.

We had to face challenges in conducting assessments due to the pandemic therefore steps taken to introduce remote assessments based on the guidelines issued by the APAC. Initial survey conducted in accredited CABs to find out the readiness of facing virtual assessments. Assessors have to adjust to conduct assessment in a virtual environment. SLAB started conducting remote assessments during latter part of the year.

Further steps were taken to provide necessary infrastructure facilities such as video conferencing facility in order to facilitate conducting assessments. The requirements such as smart board were arranged to promote online training. All meetings such as Governing Council meetings, Accreditation Committee meetings, Technical Advisory Committee meetings etc were conducted as online meetings.

With regard to maintaining its international recognition and providing internationally recognized accreditation services to the conformity assessment bodies, all SLAB operations were performed in accordance with ISO/IEC 17011 (Conformity Assessment: General Requirements for Accreditation Bodies accrediting Conformity Assessment Bodies). As a key player in the National Quality Infrastructure (NQI), during 2020 SLAB could assist to promote international trade and to promote health and safety of the users of goods and services by providing internationally recognized accreditation services in the areas of Testing, Calibration, Inspection and Certification.

During 2020 SLAB started working on necessary changes to the SLAB Act in order to further strengthen its services as the national accreditation authority. With the new developments in the international trade and other sectors, demand for new accreditation schemes and demand for scope expansion of existing accreditation schemes has become a timely need. SLAB conducted virtual meetings with Conformity Assessment Bodies, Regulators, Chamber of Commerce, SLAB assessors and technical experts to collect their proposals to be incorporated to the amendments of the Act.

Inline with the SDGs and National Policy Framework, SLAB continued working with key regulatory agencies in order to assist and support them to recognize suitable models of accredited conformity assessment services they can use in implementing technical regulations.

The Institution provided training to committee members, assessors and SLAB staff in order to develop their competencies and skills in relation to accreditation activities. During 2020, two Assistant Directors were promoted as Peer Evaluators by APAC.

During the year 2020 SLAB generated LKR 37.08 million from its activities mainly from accreditation services and training programmes. The income over recurrent expenditure was 72%.

Chandrika Thilakaratne

Director /CEO

Sri Lanka Accreditation Board for Conformity Assessment

1. INTRODUCTION

The Sri Lanka Accreditation Board for Conformity Assessment (SLAB) is the National Accreditation Authority of Sri Lanka established under the Sri Lanka Accreditation Board for Conformity Assessment Act No. 32 of 2005. SLAB functions under the Ministry holding the portfolio of Trade and is governed by a Council of thirteen (13) members appointed in terms of the provisions of Act. The Minister appoints one of the members of the Council as the Chairman. The Director is the Chief Executive Officer of the SLAB and the secretary to the Governing Council.

The Board has the responsibility to promote accreditation activities and provide necessary accreditation services to facilitate conformity assessments in the provision of goods and services for domestic and export markets. The main accreditation services include accreditation of Testing/Medical/Calibration laboratories, System/Product/Persons certification bodies, Inspection bodies, GHG Validation and Verification Bodies, Proficiency Testing Providers and Good Laboratory Practice which provide specific services to the industry, business community, consumers and the Government (regulatory agencies) of Sri Lanka. SLAB commenced its operations in 23rd September 2005 with the ratification of SLAB Act No 32 of 2005. . Being an organization complies with ISO/IEC 17011 (Requirements for Accreditation Bodies to accredit Conformity Assessment Bodies) and being a signatory to International Laboratory Accreditation Cooperation Mutual Recognition Arrangement (ILAC MRA), International Accreditation Forum Multi-Lateral Arrangement (IAF MLA) and Asia Pacific Accreditation Cooperation Mutual Recognition Arrangement (APAC MRA), SLAB offers internationally recognized accreditation services to its clients.

1.1. Quality Policy, Impartiality Policy, Vision, Mission and Values

Quality Policy

The SLAB shall be a service organization which is committed to providing accreditation services to its clients at the highest level of integrity, effectiveness and efficiency.

While responding to the changing needs of clients, other stakeholders and the business environment, the SLAB is committed to providing accreditation services in accordance with ISO/IEC 17011, other relevant international standards and principles. The SLAB is geared to actively and effectively participate in the work of international bodies in order to enhance international recognition and fulfillment of any obligations thereof.

The SLAB shall provide a platform for staff members and assessors to upgrade their competencies continually to enable them to contribute in the activities of SLAB at the highest level of professionalism.

The SLAB as a practice, will continually review its operational performance and the needs and demands in the areas of conformity assessment and accreditation services and effect appropriate changes for improvement.

Impartiality Policy

The prime objectives of the SLAB are to perform duties assigned by the Government of Sri Lanka for the purpose for which it has been established under the SLAB Act No 32 of 2005. The overall policies and strategies in relation to accreditation are established non-discriminatory by the Governing Council of SLAB under which the possibility of participation of all stakeholders in policy and strategy making process is ensured and applied in a non-discriminatory way.

It is ensured that the personnel and the committees of SLAB perform their activities and functions objectively, free from any undue commercial, financial and other pressures that could compromise impartiality and disclose any potential conflict of interest. The decisions related to accreditation are taken by competent personnel or committees different from those who carryout assessments.

Other than accreditation and related activities, the SLAB will not under any circumstances undertake any consultancy work in connection with matters that could affect the decisions that it might take in its capacity as the National Accreditation Authority in Sri Lanka to organizations which intend to apply for accreditation.

Vision

To be globally recognized, dynamic, and innovative accreditation body contributing to the national economy and social wellbeing.

Mission

We promote and provide accreditation services with international recognition to facilitate conformity assessments in the provision of products and services for domestic and international markets.

Values

Serving with integrity and highest ethical conduct

Learning continuously

Acting as a team to provide stakeholder needs in a reliable manner

Being independent and impartial

1.2 Goals, Objectives and Strategies

| | Thrust Area | Goals/Objectives | Strategies | KPI |
|----|--|---|---|---|
| 1. | Promotion of accreditation among different stakeholders | 1. Create Stakeholder awareness on Accreditation and its benefits | 1. In person meetings with policy makers 2. Training workshops/webinars 3. Use of mass media /website/social media | 1. Number of organizations/people made aware 2. Number of Industries/CABs made aware on new Accreditation schemes |
| | | 2. Positioning of SLAB within the NQI | 1. Lobbying on positioning of SLAB & other NQI institutions under the proposed National Quality Council (NQC) | |
| | | 3. Branding of SLAB | 1. Promotion of SLAB brand within and outside the country | 1. Number of branding activities |
| 2. | Expanding accreditation while ensuring impartiality | 1. Increase the number of clients in existing accreditation schemes | 1. Develop market intelligence & advocacy network 2. Market promotion 3. MOUs with National/international scheme owners | 1. Percentage increase of number of clients 2. Number of scope extensions 3. Number of new accreditation schemes introduced |
| | | 2. Increase number of scopes in existing clients | | |
| | | 3. Introduce new accreditation schemes | | |
| 3. | Active engagement of regulators in accreditation | 1. Promote the use of accredited conformity assessment services by regulators 2. Encourage regulators to specify SLAB accredited services in their regulations for the accreditation services which SLAB is internationally recognized | 1. In person custom made sensitization programs for regulators 2. Representation of regulators in decision making committees of SLAB 3. Mapping and align regulators with potential accreditation schemes relevant for their regulations 4. Regulator attachment program | 1. Number of regulators in SLAB network 2. Number of regulators convinced to use accredited conformity assessment services 3. Number of regulations issued specifying accredited conformity assessment services |
| 4. | Strengthening Institutional capacity with special focus on competency development of personnel & conducive working environment | 1. To expand the institution's technical capacity in order to cater to the expanding needs of accreditation | 1. Development of existing human resources and acquisition of new staff 2. Create smart organizational setup with suitable technology, legal, environmental and social improvements | 1. New competencies added 2. New technological, legal and social improvements done |
| | | 2. Creating conducive working environment and staff welfare programs | | |

| | | | | |
|----|---|---|---|---|
| 5. | Ensuring financial and environmental sustainability | 1. Make SLAB financially stable and sustainable | 1. Increase the client base in current accreditation schemes 2. Introduce new Accreditation schemes based on market demand 3. Promote training programs 4. Identify new income earning ventures within the ambit of SLAB's mandate | 1. percentage increase in income through current accreditation schemes 2. percentage increase in income through training programs |
| | | 2. Introduce environmental best practices | 1. Energy efficiency improvement 2. Climate friendly initiatives 3. Material use efficiency 4. Green reporting | 1. Percentage decrease of energy use 2. Percentage decrease of stationary use 3. Percentage decrease of GHG emission |
| 6. | Maintaining and upgrading the international recognition for accreditation through consistency of operations | 1. Ensure international acceptance for Conformity Assessment Reports issued by SLAB accredited CABs | 1. Networking with related organizations (EDB, Dept of Commerce, Exporters Associations, accredited CABs, member ABs) to identify current issues, new requirements and feasible solutions in promoting SLAB accreditation. 2. Represent in relevant forums of International Accreditation organizations, peer evaluations, trainings and promote SLAB accreditation. 3. Improve the current international recognition status of SLAB. | 1. Number of issues on accredited certifications /reports solved with SLAB intervention 2. Applications for new MLA/MRAs 3. New MRA/MLA recognitions earned. 4. Number of meetings/forums attended |
| | | 2. Contribute to accreditation developments in regional and global level | 1. Participate in Peer evaluations 2. Participation in meetings/committees 3. Contribute as Resource person of training programs | 1. Number of peer evaluations, meetings, committees participated |

1.3. Functions of SLAB

- Carrying out accreditation of CABs in accordance with International and National Standards.
 - Testing laboratories (*ISO/IEC 17025*)
 - Calibration laboratories (*ISO/IEC 17025*)
 - Medical laboratories (*ISO 15189*)
 - Certification bodies for systems (*ISO/IEC 17021*)
 - Certification bodies for products (*ISO/IEC 17065*)
 - Certification bodies for persons (*ISO/IEC 17024*)
 - Greenhouse Gas (GHG) Validation/Verification bodies (*ISO 14065*)
 - Inspection bodies (*ISO/IEC 17020*)
 - Proficiency testing programs (*ISO/IEC 17043*); and
 - Good laboratory practice (GLP).
- Promotion of accreditation activities in conformity with the guidelines laid down in the National Quality Policy.
- Conducting assessor training programs, awareness programs and seminars for the relevant stakeholders
- Acting as the national forum for co-operation and liaison in respect of conformity assessment.
- Establishing competence in accreditation practices and assessment procedures through promotion and dissemination of technical knowledge.
- Supporting and developing national systems for accreditation.
- Concluding agreements on mutual recognition with similar foreign and international bodies.
- Organizing, managing and conducting conformity and surveillance assessments for the purpose of granting, extending, reducing, suspending or withdrawing accreditation.

2. The Governing Council

The powers and functions of the Board are vested in the Governing Council that consists of thirteen (13) members appointed by the hon. minister under the provision of SLAB Act No 32 of 2005. The Governing Council meets every month in order to take necessary policy decisions.

The constitution of the Governing Council as at 31st December 2020 was as follows.

Dr. Sampath Wahala– Chairman
Senior Lecturer, Faculty of Management Studies, Sabaragamuwa
University of Sri Lanka.

Mr. R M S P S Bandara- Member
Director Treasury Operation,
Representing the General Treasury

Mrs. Siddhika Senaratne- Member
Director General,
Sri Lanka Standards Institution

Mr. S N Akuranthilake– Member
Acting DG,
Measurement Units, Standards and Services Department

Mrs. M M G K Meegahakotuwa- Member
Director (Technology and Research)
Ministry of Science Technology and Research

Mr. Niranjana Dissanayake– Member
Country Manager/Vice Chairman, The Import Section of the Ceylon
Chamber of Commerce

Mr. V. Sivagnanasothy- Member
Former Secretary, Ministry of National Policies, Economic Affairs,
Resettlement and Rehabilitation, Northern Province Development and
Youth Affairs.

Mr. J M Saman N Jayasinghe – Member
Additional Secretary, Ministry of Internal Trade, Food Security and
Consumer welfare

Mr. P P S R De Silva – Member
Senior Assistant Secretary, Ministry of Health and indigenous Medical
Services

Mr. Ruwan De Silva – Member
Representative of Federation of Chamber of Commerce and Industry
(FCCI)

3. Statutory Committees

3.1. Audit Committee

The audit committee comprises of 3 non-executive members from the Governing Council and representative of Auditor General, Director/ CEO Secretary to the committee. Deputy Director (Fin. And Admin.) and Internal Auditor of SLAB act as invitee and convener. The treasury representative of the Governing Council is the chairman of the committee.

The main role of the committee is to assist the Governing Council in meeting its responsibilities in order to maintain an effective system of internal control and for meeting its external financial reporting obligations. SLAB has an independent internal audit function which reports to the audit committee. The committee is also responsible for monitoring the effectiveness of the external Audit functions and for making recommendations to the council.

The committee had 01 meeting during the year and reviewed all the reports submitted by the Internal Auditor of SLAB and Auditor General and minutes of all audit committee meetings are tabled at meetings of the Governing Council.

| | | |
|-----------------------------|--------------------------|---|
| Mr. Mr.R.M.S.P.S.Bandara | Chairman/ Council Member | General Treasury |
| Mrs. M.M.G.K. Meegahakotuwa | Member/Council Member | Ministry of Science, Technology and Research |
| Mr. V.Sivagnanasothy | Member/Council Member | Ministry of National Policies, Economic Affairs, Resettlement and Rehabilitation |
| Mr. W. Ananda | Observer | Auditor General's Department |
| Not appointed | Observer | Line Ministry Chief Internal Auditor |
| Mrs. Chandrika Thilakaratne | Secretary | Director/ CEO, SLAB |
| Mrs.Harsha Chandrasiri | Invitee | Assistant Director (Fin & Admin) – Acting. SLAB |
| Mrs. T. Wanigasundara | convener | Internal Auditor, SLAB |

4. MANAGEMENT OF OPERATIONS

The management functions of SLAB are vested with the Director/CEO and the Director is responsible for carrying out all executive functions of the Board with the support of Technical, Finance and Administrative staff as shown in the Organizational Structure given in annex 01.

4.1. Human Resources

The human resource of SLAB is composed of a smaller number of internal staff and a larger assessor pool drawn from academia and various professional bodies. SLAB deals with assuring the competence of conformity assessment bodies. The turnover of staff since the inception of SLAB severely affected the functions of SLAB in the previous years but with complements to the staff, SLAB managed to maintain its accreditation systems in par with other foreign accreditation bodies. Usually, a new officer requires at least three years for being competent in a relevant field prior to appoint for working independently. Details of the Training provided for SLAB staff is given in annex 04.

4.2. SLAB Staff



5. PERFORMANCE HIGHLIGHTS 2020

In the year 2020, SLAB completed 15 years of operations. SLAB continued to provide its services to testing & calibration laboratories, medical laboratories, certification bodies and inspection bodies based on the relevant international standards. These accreditation schemes were managed and operated in compliance with international principles and ISO/IEC 17011 applicable to accreditation bodies.

5.1. Accreditation Services

During 2020 SLAB granted accreditation to the Conformity Assessment Bodies as given below.

| Accreditation scheme | Progress |
|--------------------------------|-----------------------------|
| Testing Laboratories | New-05 |
| Calibration Laboratories | New-01 |
| Certification bodies – systems | Scope Extensions -01 |
| Inspection Bodies | New-02, SE-01 |
| Medical laboratories | New-03, Scope Extensions-01 |

5.2. Training Programs

During 2020, SLAB has conducted 19 training programs covering most of the accreditation schemes and trained 354 participants from different conformity assessment bodies and industries. The details of the programs conducted by SLAB during 2020 is given in annex 05.

5.3. Participation in international events

In order to maintain the international recognition for SLAB accreditation schemes, as member organization there is an obligation for SLAB to participate and contribute for decisions taken up at the midterm and annual meetings of international accreditation organizations. Accordingly, during 2020 SLAB has participated in following international events as online meetings/remote Peer Evaluations due to Covid 19 pandemic prevailing throughout the year.

Ms. Chandrika Thilakaratne, Director/CEO, Mr L.H.D. Bandusoma Deputy Director, Accreditation and Ms Chanditha Ediriweera Deputy Director, Accreditation participated in Annual Meeting of APAC 2020

ILAC and IAF decided to cancel in person joint Midterm meeting and Joint Annual Meeting 2020 due to Covid 19 pandemic. All committee meetings were held online and Ms Chandrika Thilakaratne, Director/CEO, Mr L.H.D. Bandusoma, Deputy Director Accreditation and Ms Chanditha Ediriweera, Deputy Director Accreditation participated for the relevant online meetings.

As the official delegate the Director/CEO Ms. Chandrika Thilakaratne participated in online voting.

6. FINANCIAL INFORMATION 2020

6.1. Financial Highlights

The annual allocation for recurrent expenditure was LKR 72.03 million. The Treasury contribution for recurrent expenditure was LKR 19.63 million. The actual recurrent expenditure was LKR 51.50 million. The shortfall in recurrent expenditure was set off from the income generated.

During the year under review, SLAB generated LKR 37.08 million from its activities mainly from accreditation services and training programmes. The income over recurrent expenditure was 72%.

Allocation received for capital expenditure by the treasury for the year 2020 was LKR 0.5 million. The total capital expenditure was LKR 1.97million.

SLAB has recorded an excess of income over expenditure of LKR 10.28 million from its operations during the year under review.

| Year | Recurrent Expenditure (Rs.Mn) | | | | Capital Expenditure (Rs.Mn) | | |
|------|-------------------------------|--------------------|-----------------|----------|-----------------------------|--------------------|-----------------|
| | Budgeted Expenditure | Actual Expenditure | Treasury Grants | Earnings | Budgeted Expenditure | Actual Expenditure | Treasury Grants |
| 2007 | 14.70 | 11.50 | 8.23 | 2.83 | 1.50 | 1.40 | 1.50 |
| 2008 | 17.29 | 13.98 | 10.56 | 3.27 | 2.74 | 0.41 | 0.50 |
| 2009 | 19.60 | 15.01 | 11.47 | 3.32 | 2.33 | 0.44 | 0.66 |
| 2010 | 21.81 | 15.51 | 8.91 | 5.30 | 3.57 | 0.63 | 0.50 |
| 2011 | 23.30 | 21.33 | 13.28 | 8.12 | 3.08 | 0.63 | 0.80 |
| 2012 | 28.18 | 29.29 | 15.50 | 12.9 | 1.82 | 1.75 | 1.37 |
| 2013 | 33.00 | 36.61 | 14.80 | 18.08 | 2.00 | 1.51 | 1.50 |
| 2014 | 38.00 | 42.85 | 16.09 | 27.58 | 2.00 | 1.71 | 1.73 |
| 2015 | 64.50 | 63.14 | 12.20 | 55.24 | 3.00 | 1.64 | 1.25 |
| 2016 | 56.00 | 49.43 | 15.70 | 31.74 | 5.20 | 4.67 | 2.00 |
| 2017 | 60.5 | 57.91 | 16.16 | 36.03 | 2.00 | 2.05 | 0.91 |
| 2018 | 66.0 | 59.79 | 17.06 | 45.23 | 4.25 | 3.64 | - |
| 2019 | 71.8 | 66.67 | 19.49 | 47.43 | 6.92 | 2.43 | 1.4 |
| 2020 | 72.70 | 51.50 | 19.64 | 37.08 | 3.69 | 1.97 | 0.5 |

6.2. Statement of Financial Position as at 31st December 2020

SRI LANKA ACCREDITATION BOARD FOR CONFORMITY ASSESSMENT

STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2020

| | <u>Notes</u> | <u>Actual</u> <u>2020</u> Rs. | <u>Actual</u> <u>2019</u> Rs. |
|--|--------------|---|---|
| <u>ASSETS</u> | | | |
| <u>Current Assets</u> | | | |
| Cash & Cash Equivalents | 19 | 30,459,855.03 | 18,913,916.92 |
| Local Purchase Advance | | - | - |
| Receivables | 11 | 4,752,305.03 | 9,782,014.21 |
| Stamps | | 15,000.00 | 15,000.00 |
| Stationery Stock | | 255,680.69 | 230,264.69 |
| Pre payments | 17 | 129,040.80 | 149,137.62 |
| NBT Payable | | 32,557.83 | 32,557.83 |
| Salary control | | 7,622.00 | - |
| Disposable Fixed Assets | | - | - |
| VAT control | | 175,959.01 | 175,959.01 |
| Distress Loan | 16 | 1,224,400.00 | 1,114,700.00 |
| Refundable Deposit & Advance | 10 | 3,520,500.00 | 2,195,700.00 |
| | | <u>40,572,920.39</u> | <u>32,609,250.28</u> |
| <u>Non-Current Assets</u> | | | |
| Property Plant & Equipment | 31 | 9,925,358.63 | 18,409,906.15 |
| Distress Loan | 16 | 1,478,346.12 | 1,076,826.52 |
| <u>Intangible Assets</u> | | | |
| Intellectual Property & Development Activity | 18 | 364,895.01 | 313,693.02 |
| Investment for Gratuity | | <u>3,376,551.64</u> | <u>3,073,218.19</u> |
| | | <u>15,145,151.40</u> | <u>22,873,643.88</u> |
| TOTAL ASSETS | | <u>55,718,071.79</u> | <u>55,482,894.16</u> |
| <u>LIABILITIES</u> | | | |
| <u>Current Liabilities</u> | | | |
| Medical Insurance | | 750.00 | 2,400.00 |
| Creditors | 23 | 683,863.42 | 530,246.53 |
| Accrued & Other payables | 14 | 3,570,621.28 | 5,462,668.29 |
| Provision for Annual Lave | | 603,841.67 | 361,998.07 |
| Received in Advance | 27 | 339,304.35 | 339,304.35 |
| Provision for Gratuity | | - | - |

| | | | |
|---------------------------------------|-----------|----------------------|----------------------|
| | | 5,198,380.72 | 6,696,617.24 |
| <u>Non-Current Liabilities</u> | | | |
| Provision For Gratuity | 24 | 5,311,154.50 | 3,692,078.00 |
| TOTAL LIABILITIES | | 10,509,535.22 | 10,388,695.24 |
| NET ASSETS | | 45,208,536.57 | 45,094,198.92 |
| <u>Net Assets / Equity</u> | | | |
| Accumulated Fund | 12 | 55,628,074.35 | 51,897,167.02 |
| Differed Income-Government Grants | 13 | (12,234,137.78) | (8,617,568.10) |
| - Other Grants | 20 | 1,814,600.00 | 1,814,600.00 |
| NET ASSETS / EQUITY | | 45,208,536.57 | 45,094,198.92 |

The Accounting policies on pages 5 to 8 and Notes on pages 9 to 14 form an integral part of these Financial Statements. The Council Members are responsible for the preparation and presentation of these Financial Statements. These Financial Statements are approved by the Council and signed on their behalf.


 R.M.S.P.S Bandara
 Council Member
 Representing General Treasury


 Dr. Siddhika Senaratne
 Council Member


 Chandrika Thilakarathne
 Director/CEO
 Sri Lanka Accreditation Board for
 Conformity Assessment


 K.H.N Chandrasiri
 Assistant Director (Finance/Admin)-Acting
 Sri Lanka Accreditation Board for
 Conformity Assessment

6.3. Statement of Financial Performance for the year ending 31st December 2020

**SRI LANKA ACCREDITATION BOARD FOR CONFORMITY ASSESSMENT
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2020**

| | <u>Notes</u> | <u>Actual</u> <u>2020</u> Rs. | <u>Restated</u> <u>Actual</u> <u>2019</u> Rs. | <u>Budget</u> |
|---|--------------|-------------------------------------|--|----------------------|
| Revenue | 1 | 61,760,518.61 | 73,108,659.80 | 72,703,700.00 |
| Total Revenue | | 61,760,518.61 | 73,108,659.80 | 72,703,700.00 |
| <u>Administration & Establishment Expenses</u> | | | | |
| Personal Emoluments | 2 | 22,991,533.86 | 23,196,340.54 | 30,753,400.00 |
| Contractual Services | 6 | 17,489,168.26 | 24,669,498.05 | 28,431,400.00 |
| Supplies | 4 | 1,711,047.38 | 1,644,877.60 | 1,850,000.00 |
| Subscription & Member fees | 7 | 1,772,429.82 | 1,716,318.18 | 2,059,500.00 |
| Travelling Expenses | 3 | 324,110.94 | 2,402,511.50 | 2,728,450.00 |
| Maintenance Expenditure | 5 | 2,047,728.91 | 2,651,430.67 | 3,979,600.00 |
| Others | 8 | 5,136,494.76 | 10,132,611.24 | 1,871,350.00 |
| Financial Cost & Others | 9 | 5,000.00 | 21,950.00 | 30,000.00 |
| Contingent liability provision | | - | - | 1,000,000.00 |
| Total Expenditure | | 51,477,513.93 | 66,675,007.16 | 72,703,700.00 |
| Surplus | | 10,283,004.68 | 6,433,652.64 | - |

6.4. Statement of Changes in Net Assets / Equity

| STATEMENT OF CHANGES IN NET ASSETS / EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2020 | | | | |
|--|----------------------------|---------------------|-----------------------------|----------------------|
| | DIFFERED INCOME | OTHER GRANTS | ACCUMULATED FUND | TOTAL |
| Balance as at 1st January 2019 | 9,940,521.20 | 1,814,600.00 | 30,862,107.48 | 42,617,228.68 |
| Prior Year Adjustment | - | - | - | - |
| Balance as at 1st January 2019 | 9,940,521.20 | 1,814,600.00 | 30,862,107.48 | 42,617,228.68 |
| Grant Received and Utilized for Capital Assets | 1,400,000.00 | - | - | 1,400,000.00 |
| Depreciation Expenses for the Year | (5,185,517.88) | - | - | (5,185,517.88) |
| Depreciation Adjustment-Over | 5,431.51 | - | - | 5,431.51 |
| Amortization of SLAB IT Programme | - | - | - | - |
| Amortization of Proficiency Testing Programme | (176,596.03) | - | - | (176,596.03) |
| Amortization of Accounting package of SLAB | - | - | 6,433,652.64 | 6,433,652.64 |
| Surplus / (Deficit) for the year | | | | |
| Balance as at 31st December 2019 | 5,983,838.80 | 1,814,600.00 | 37,295,760.12 | 45,094,198.92 |
| Balance as at 1st January 2020 | 5,983,838.80 | 1,814,600.00 | 37,295,760.12 | 45,094,198.92 |
| Grant Received and utilized for Capital Assets | 500,000.00 | - | - | 500,000.00 |
| Depreciation Expenses for the Year | (4,028,271.67) | - | - | (4,028,271.67) |
| Asset taken to fixed assets | - | - | - | (108,832.61) |
| Adjust receivable from testing | | | | 259,200.00 |
| Amortization Of Proficiency Testing Programmes | (88,298.01) | - | - | (88,298.01) |
| Adjust receivable from training | | | | (42,244.89) |
| Adjust Depreciation to the motor car | | | | 8,683,333.34 |
| Adjust depreciation | | | | (14,825,153.19) |
| Surplus / (Deficit) for the year | | | 10,283,440.68 | 10,283,440.68 |
| Balance as at 31st December 2020 | 2,367,269.12 | 1,814,600.00 | 47,578,764.80 | 45,208,536.57 |

6.5. Cash flow statement for the year ending 31st December 2020

SRI LANKA ACCREDITATION BOARD FOR CONFORMITY ASSESSMENT **CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2020**

| Descriptions | 2020 Rs. | 2019 Rs. |
|---|----------------------|---------------------|
| Surplus for the year | 10,283,004.68 | 6,433,652.64 |
| <u>Adjustments for:</u> | | |
| Capital Grant Amortization | (6,642,821.30) | (6,971,582.32) |
| Depreciations on Fixed Assets | 4,028,271.67 | 5,185,517.88 |
| Gratuity Provision | 1,619,076.50 | 949,167.00 |
| Loss/profit from Disposal of Fixed Assets | - | 30,480.10 |
| Amortization of SLAB IT programme | - | - |
| Disposable Fixed Assets | - | (35,980.10) |
| Annual Leave Provision | 603,841.67 | 361,998.07 |
| Payment for gratuity | - | 484,390.00 |
| Interest from Investment of Gratuity | 303,333.45 | 298,303.34 |
| Amortization of Proficiency Testing | 88,298.01 | 176,596.03 |
| Amortization of Accounting Package | - | - |
| Operating Surplus before Working Capital changes | 10,283,004.68 | 6,912,542.64 |
| <u>Working Capital Changes</u> | | |
| Decrease /(Increase) in Received in Advance | - | (226,000.00) |
| Decrease /(Increase) in Prepayments | 20,096.82 | 86,916.91 |
| Increase/(Decrease) in LP Advance | - | - |
| Increase/(Decrease) in Medical Insurance | (1,650.00) | (2,400.00) |
| Decrease /(Increase) in Receivables | (4,728,264.28) | (4,196,395.63) |
| Increase/(Decrease) in Gratuity provision | - | (385,987.50) |
| Increase/(Decrease) in Refundable Deposit | (1,324,800.00) | 929,016.00 |
| Increase/(Decrease) in Creditors | 153,616.89 | 108,184.76 |
| Increase/(Decrease) in Annual Leave Provision | 241,843.60 | 165,852.34 |
| Increase/(Decrease) in Salary Control | (7,622.00) | - |
| Increase/(Decrease) in Disposable Fixed Assets | - | 35,980.10 |
| Increase/(Decrease) in Accrued Expenses | (1,199,781.26) | 1,100,491.13 |
| Increase/(Decrease) in NBT payable | - | (32,435.38) |
| Increase/(Decrease) in VAT Control | - | (74,492.72) |
| Increase/(Decrease) in Stock & other Item | (25,416.00) | (62,507.18) |
| Increase/(Decrease) in Stamps | - | - |
| Increase/(Decrease) in Other payable | (692,265.75) | (568,756.79) |
| Net Cash Flows from Operating Activities | 12,175,291.26 | 3,794,808.68 |
| <u>Cash flows from Investing Activities</u> | | |
| Acquisition of Fixed Assets | (1,794,376.60) | (2,432,752.64) |
| Accounting Package of SLAB | (139,500.00) | - |

| | | |
|---|-----------------------|-----------------------|
| Income from selling Disposal Items | - | 5,500.00 |
| Grant Distress Loan During the Year | (1,950,000.00) | (1,400,000.00) |
| Distress loan recoveries during the year | 1,438,780.40 | 1,217,550.00 |
| Payment for Gratuity | - | (484,390.00) |
| Provision for Gratuity | 1,619,076.50 | 850,764.50 |
| Interest from investment of Gratuity | (303,333.45) | (298,303.34) |
| Net cash used in Investing Activities | (1,129,353.15) | (2,541,631.48) |
| <u>Cash flows from Financing Activities</u> | | |
| Government Grant Received | 500,000.00 | 1,400,000.00 |
| Net cash used in Financing Activities | 500,000.00 | 1,400,000.00 |
| Net Increase/Decrease in Cash and Cash Equivalents | 11,545,938.11 | 2,653,177.20 |
| Cash and Cash Equivalents at the beginning of the year | 18,913,916.92 | 16,260,739.72 |
| Cash and Cash Equivalents at the end of the year | 30,459,855.03 | 18,913,916.92 |

6.6. Notes to the Financial Statements

Sri Lanka Accreditation Board for Conformity Assessment

Notes to the Financial Statements

1.1 Significant Accounting Policies.

General

Sri Lanka Accreditation Board for Conformity Assessment (SLAB) is the National Accreditation Authority for Sri Lanka under the Sri Lanka Accreditation Board for Conformity Assessment Act No.32 of 2005.

The registered office and the principal place of business of the SLAB is located at 104/A, Kithulwatta Road, Borella, Sri Lanka.

1.2 Basis of Preparation and Accounting Policies.

Financial Statements have been prepared in compliance with Sri Lanka Public Sector Accounting Standard as per the Department of Public Enterprise Circular No 3/2013.

1.2.1 Sri Lanka Public Sector Accounting Standards (SLPSAS 1)

Financial Statements for the year ended 31st December 2020 are carrying with Sri Lanka Public Sector Accounting Standards.

1.2.2 Going Concern

The Governing Council has made an assessment of the SLAB's ability to continue as a going concern and they do not intend either to liquidate or to cease operations.

1.2.3 Define Contribution Plans

Employees Provident Fund and Employees Trust Fund

Employees are eligible for the Employees Provident Fund and Employees Trust Fund in accordance with respective status and regulations. The SLAB contributes 15% & 3% of gross emoluments for EPF and ETF respectively. All the remittances to EPF and ETF have been made in time without any arrears.

1.3. Assets and Basis of their Valuation

Assets classified as current assets on the balance sheet date are bank balances and those which are expected to be realized in cash during the normal operating cycle or within one year from the balance sheet date whichever is shorter. Assets other than current assets are those which the Board intends to hold beyond one year period from the Balance Sheet date are Non-Current Assets.

Proficiency testing programme expenses shown under the development activity is amortized 50% of its carried forward balance beginning of the year.

1.3.1 Property Plant & Equipment

Property plant & equipment are stated at cost method. Depreciation has been provided on straight line method at the following rates per annum in order to write off cost of such assets over their estimated useful lives.

| Asset | Rate |
|--|-------------|
| Motor Vehicle | 12.5% |
| Furniture | 20% |
| Office Equipment, Telephone & Fax Machine | 20% |
| Air conditioners & Refrigerator units | 12.5% |
| Computer, Printer, Multimedia Projector & Photo Copier | 25% |
| Building & Structure | 33.33% |

Depreciation of an asset commences when the asset is available for use and cease at the end of year which are identified for the disposal. Any Asset which are identified to dispose at the year end, those items are depreciated up to that point. Items valued at more than Rs 5,000 are considered as fixed assets and others are consider as consumable items.

1.3.2 Intangible Assets

Hosting of SLAB Website and Software for SLAB IT System has been received as grant from Swedish government, under Quality Infrastructure Development Project in Sri Lanka. This project has been completed at the end of year 2010. This capital cost has been recognized as Non-Current Assets and it has been decided to Amortized within 5 years commence from 2013 onwards as some modifications were made.

1.4 Inventories

Only the inventory item of consumable stores have been valued at the lower of cost or net realizable value.

1.5 Receivables

Receivables are stated at the amount estimated to be realized.

1.6. Liabilities & Provisions

1.6.1 Current liabilities

Current liabilities are those which fall due for payments on demand or within one year from the balance sheet date. All known liabilities have been accounted for in preparing the Financial Statements.

1.7 Income and Expenditure

1.7.1 Revenue Recognition

Income from training program and Accreditation schemes are accounted on accrual basis. However, the Annual Accreditation fee is charge for three years period after granting Accreditation and re assessment to be done before 03 years. Annual fee for the 1st year is charged when granting Accreditation Certificate and fully consider as income for the year of granting and continue the same practice for 2nd and 3rd renewal.

Grants have been recognized in the income statement on receipt basis.

1.7.2 Treasury Grants

Grant received from General Treasury has been recognized as income in the period in which the related cost are recognized. Capital grants utilized to acquire assets are recognized as deferred Income.

1.7.3 Expenditure recognition

All the expenditure incurred in running of the Board and maintaining the Property, Plant and Equipment in a state of efficiency has been charged to the income statement.

1.8 Taxation

No provision has been made for income Tax as there is not taxable profit.

1.9 Events after the balance sheet date

There were no events that occurred after the Balance Sheet date, that require disclosure or adjustment in the Financial Statements.

1.10 Comparative figures

Where necessary comparative figures have been reclassified in conform to the current year's presentation.

1.11 Cash flow statement

Cash flow statement has been prepared using indirect method.

Government grants received which are related to purchase of Property Plant and Equipment are classified as investing cash flows.

1.12 Foreign Exchange Earning

Income earned from foreign Accreditation services during the year is USD 5,901.55 by Product Certification. The rupee value of the income is LKR 1,107,716.07

1.13 Accounting for Foreign Exchange Earning

Separate FEEA Account is maintained for foreign transaction. A Proforma Invoice is send for collecting earning to the FEEA in Dollar or Euro form. Those deposits are collecting FEEA A/C and transferred to the Current Account according to the cash flow requirement. Gain or

loss from foreign exchange transactions are recognized at the time of withdrawals from FEEA A/C to Current A/C.

1.14 Gratuity provision

Gratuity provision had been made as per the formula introduced by the Chartered Accountants of Sri Lanka and as it is not recommended to use now we calculated the provision considering the total number of years completed by each and every employees. Funds are invested in fixed deposits in a public Bank or Treasury bills according to expecting requirements and availability of Funds. All the employees who are entitled for receiving gratuity are fully covered by the investment.

1.15 Technical Instruments

Following is the list of all technical equipment received as donation and the foreign price of the equipment as follows.

| | |
|---------------------------|-------------|
| 1. Standard Thermo couple | EURO 3,860 |
| 2. Standard Weights | EURO 46,360 |
| 3. F1 Weight Set | EURO 42,245 |

SRI LANKA ACCREDITITION BOARD FOR CONFORMITY ASSESSMENT
NOTES TO THE ACCOUNTS

| | Actual 2020 (Rs.) | Restated Actual 2019 (Rs.) | Budget 2020 (Rs.) |
|--|-------------------------|-------------------------------------|-------------------------|
| <u>Income</u> | | | |
| 1) Treasury Grant Received (Note No- 15) | 23,753,340.68 | 24,860,762.91 | 17,203,700.00 |
| <u>Accreditation Income</u> | | | |
| Income from Accreditation - Testing | 18,974,511.22 | 24,385,225.00 | 25,000,000.00 |
| Income from Accreditation - Calibration Labs | 2,364,853.00 | 3,703,500.00 | 4,000,000.00 |
| Income from Accreditation - Medical Labs | 5,183,340.00 | 5,825,000.00 | 7,000,000.00 |
| Income from Accreditation of Certification Bodies (Systems) | 3,732,100.00 | 3,926,792.25 | 6,000,000.00 |
| Income from Accreditation of Personnel Certification | 229,000.00 | 80,000.00 | 1,000,000.00 |
| Income from Accreditation Product Certification | 1,973,578.47 | 1,254,447.58 | 2,000,000.00 |
| Income from Accreditation- GHG | 827,000.00 | 829,000.00 | 1,750,000.00 |
| Income from Accreditation-GLP | - | - | - |
| Income from Accreditation of Inspection Bodies | 1,115,000.00 | 1,087,975.00 | 1,000,000.00 |
| Income from Accreditation of PT | 366,000.00 | 579,000.00 | 250,000.00 |
| <u>Training Programmes Income</u> | | | |
| Income from Training Programmes - Assessor | - | 1,079,000.00 | 1,500,000.00 |
| Income from Training Programmes -other | 2,215,475.00 | 3,523,910.51 | 4,500,000.00 |
| Income from Special Training Programme Recoveries- Refer No 21,22 & 28 | - | 1,155,000.00 | 1,500,000.00 |
| <u>Other Income</u> | | | |
| Distress Loan Interest | 81,972.12 | 74,494.09 | - |
| Sundry Income (Note.29) | 503,473.96 | 430,506.24 | - |
| Sponsorships | 30,000.00 | 127,207.00 | |
| Exchange Gain/Losses | 192,709.35 | 4,144.05 | |
| Employee loan interest benefit adjustment | 218,164.81 | 182,695.17 | - |
| Total Income | 61,760,518.61 | 73,108,659.80 | 72,703,700.00 |
| <u>Personal Emoluments</u> | | | |
| 2) Salaries & wages | 17,248,717.67 | 16,556,309.96 | 21,702,400.00 |
| E.P.F. | 2,525,775.86 | 2,511,761.28 | 3,255,400.00 |
| E.T.F. | 505,155.17 | 502,352.22 | 651,000.00 |
| Chairman's Allowances | - | 747,875.05 | 1,125,000.00 |
| Overtime & Holiday Payments | 175,479.98 | 179,429.41 | 400,000.00 |
| Gratuity Expenses | 1,619,076.50 | 949,167.00 | - |
| Leave Encashment | - | - | 1,500,000.00 |
| Bonus and Performance Incentive | - | 125,000.00 | 500,000.00 |

| | | | |
|--|----------------------|----------------------|----------------------|
| Staff Training and Development | - | 331,007.56 | 360,000.00 |
| Staff Training and Development-Foreign | - | 526,046.27 | 800,000.00 |
| Medical Insurance-Agrahara | 198,150.00 | 112,480.00 | 100,000.00 |
| Staff Welfare | 115,337.01 | 221,107.56 | 359,500.00 |
| Annual Leave Expenses | 603,841.67 | 361,998.07 | - |
| | 22,991,533.86 | 23,196,340.54 | 30,753,400.00 |
| <u>Traveling Expenses</u> | | | |
| Domestic-Travelling & Subsistence | 324,110.94 | 340,142.86 | 350,000.00 |
| 3) Foreign (Note 22) (Note -1.18) | - | 2,062,368.64 | 2,378,450.00 |
| | 324,110.94 | 2,402,511.50 | 2,728,450.00 |
| <u>Supplies</u> | | | |
| Stationery and office requisites | 617,272.38 | 781,887.65 | 750,000.00 |
| 4) Fuel and transport Allowance | 1,093,775.00 | 862,989.95 | 1,100,000.00 |
| | 1,711,047.38 | 1,644,877.60 | 1,850,000.00 |
| <u>Maintenance Expenditure</u> | | | |
| Maintenance -Vehicles | 804,556.15 | 829,673.50 | 1,914,000.00 |
| Maintenance -Plant. Machinery & Equipment | 690,875.68 | 1,131,825.51 | 1,002,100.00 |
| 5) Maintenance -Buildings & Structures | 31,662.70 | 70,345.00 | 236,900.00 |
| Maintenance -Administration | 520,634.38 | 619,586.66 | 826,600.00 |
| | 2,047,728.91 | 2,651,430.67 | 3,979,600.00 |
| <u>Contractual Services</u> | | | |
| Transport -Fuel for the office Van | 382,774.78 | 389,383.76 | 591,600.00 |
| Telecommunication | 988,585.04 | 1,138,391.81 | 1,133,300.00 |
| Postal Charges | 111,120.00 | 225,929.00 | 269,100.00 |
| 6) SLAB Events | - | 60,221.99 | 500,000.00 |
| World Accreditation Expenses | 333,241.89 | - | 1,500,000.00 |
| Electricity | 740,109.84 | 1,088,961.00 | 1,051,000.00 |
| Water | 78,704.46 | 200,188.18 | 269,300.00 |
| Rent and Local Taxes | 9,504,000.00 | 9,504,000.00 | 9,504,000.00 |
| Council and Audit Committee Meeting | 340,318.00 | 685,985.70 | 900,000.00 |
| Security Expenses | 900,240.00 | 913,031.42 | 1,018,600.00 |
| Janitorial Service | 464,450.00 | 418,074.91 | 500,000.00 |
| Technical Advisory Committee Expenses | 272,725.29 | 382,884.57 | 477,000.00 |
| Professional Charge | 24,500.00 | - | 100,000.00 |
| Audit Fee | 416,000.00 | 416,000.00 | 914,400.00 |
| Advertising & News Papers | 11,250.00 | 947,960.00 | 320,000.00 |
| Printing Activities | 4,312.50 | 324,353.25 | 360,000.00 |
| Other Accreditation Expenses | - | - | - |
| <u>Training Programme Expenses</u> | | | |
| Training Programme Expenditure-Assessor Training (Note-30) | - | 321,245.51 | 800,000.00 |
| Training Programme Expenditure-Other Training (Note-28) | 718,719.64 | 1,063,097.96 | 1,243,100.00 |
| Special Training Programme | 97,630.00 | 407,610.30 | - |

Assessment Expenses

| | | | |
|---|----------------------|----------------------|----------------------|
| Assessment Expenses-Testing | 1,127,035.94 | 3,698,699.60 | 3,500,000.00 |
| Assessment Expenses-Calibration | 112,843.28 | 386,839.59 | 500,000.00 |
| Assessment Expenses-Medical | 294,494.72 | 1,289,447.09 | 1,300,000.00 |
| Assessment Expenses-Certification | 243,759.75 | 367,239.08 | 500,000.00 |
| Assessment Expenses-Inspection Bodies | 45,085.02 | 158,988.97 | 200,000.00 |
| Assessment Expenses-GHG | 25,809.73 | 55,108.44 | 100,000.00 |
| Assessment Expenses-GLP | - | - | - |
| Assessment Expenses-Body of Persons | 33,406.80 | 29,007.00 | 100,000.00 |
| Assessment Expenses-Product Certification | 48,250.00 | 49,330.00 | 200,000.00 |
| Assessment Expense-PT | 50,225.51 | 67,665.00 | 100,000.00 |
| Other Accreditation Expenses | 119,576.07 | 319,323.30 | 480,000.00 |
| | 17,489,168.26 | 24,908,967.43 | 28,431,400.00 |

Subscription & Member Fees

| | | | |
|--|---------------------|---------------------|---------------------|
| International Laboratory Accreditation Corporation | 449,226.54 | 443,666.02 | 532,400.00 |
| Asia Pacific Laboratory Accreditation Corporation | 1,0009,949.28 | 974,633.10 | 1,169,500.00 |
| International Accreditation Forum | 313,254.00 | 298,019.06 | 357,600.00 |
| | 1,772,429.82 | 1,716,318.18 | 2,059,500.00 |

7) Others

| | | | |
|---------------------------|--------------|--------------|------------|
| Insurance-Fire & Burglary | 156,915.17 | 147,483.99 | 265,000.00 |
| Depreciations | 4,028,271.67 | 5,185,517.88 | - |
| Stamp Duty | 206,484.00 | 104,190.00 | 200,000.00 |
| Exhibition Expenses | 334,018.86 | 567,153.04 | 926,350.00 |
| 8) Trainee's A/C (NAITA) | 318,500.00 | 341,000.00 | 480,000.00 |

Loss/Profit on Disposal of Assets -

Note 26

| | | | |
|--|---------------------|----------------------|---------------------|
| National School Programme | - | - | - |
| APAC Peer Evaluation | - | 3,286,128.34 | - |
| Over/Under Provision | - | 26,166.95 | - |
| Other Expenses | (214,157.76) | 10,549.74 | - |
| CSR Projects | - | 74,650.00 | - |
| Staff loan benefits adjustment | 218,164.81 | 182,695.17 | - |
| Amortization Of Proficiency Testing Programmes | 88,298.01 | 176,596.03 | - |
| Amortization of Accounting Package of SLAB | - | - | - |
| | 5,136,494.76 | 10,132,611.24 | 1,871,350.00 |

Financial cost & others

| | | | |
|---------------------|-----------------|------------------|------------------|
| Bank Charges | 5,000.00 | 21,950.00 | 30,000.00 |
| Exchange Losses A/C | - | - | - |
| | 5,000.00 | 21,950.00 | 30,000.00 |

9) Refundable Deposit and Advance

| | | | | |
|------------------------|-----------|--------------|--------------|---|
| 10) Refundable Deposit | 18,000.00 | 3,520,500.00 | 2,195,700.00 | - |
| - Mobitel | 7,700.00 | | | |

| | |
|-------------------------|--------------|
| -Mount spring | 10,000.00 |
| -Post master (Courier) | 3,484,800.00 |
| - Rent for new Building | |

| | | |
|--------------|--------------|---|
| 3,520,500.00 | 2,195,700.00 | - |
|--------------|--------------|---|

Receivables

11) Trade Receivables

| | | | |
|--|--------------|--------------|---|
| Receivables from Testing | 1,988,758.87 | 5,606,716.53 | - |
| Receivables from Calibration labs | 431,000.00 | 834,840.00 | - |
| Receivables from medical labs | 1,116,800.00 | 705,240.00 | - |
| Receivables from Certification bodies | - | 518,689.60 | - |
| Receivable from Inspection Bodies | 42,000.00 | 108,000.00 | |
| Receivable from Body of Persons | 25,000.00 | - | |
| Receivable from GHG | 475,000.00 | - | |
| Receivable from Others | - | 227,939.30 | |
| Receivables from PT Programme | 240,000.00 | - | |
| Receivable from Product Certification | 306,214.40 | 612,443.28 | |
| Receivable from Assessor Training Programmes | - | 203,155.47 | |
| Receivable from Training Programme | 127,531.76 | 964,990.03 | |
| | 4,752,305.03 | 9,782,014.21 | - |

12) Accumulated Fund

| | | | |
|---|-----------------|---------------|---|
| Balance at the Beginning of the Year | 51,897,167.02 | 45,458,082.87 | - |
| Adjust-Prior year | - | - | |
| Assets taken to fixed assets | (108,832.61) | - | |
| Adjust over depreciation of Photocopier | - | 5,431.51 | |
| Adjust receivable from testing | (259,200.00) | - | |
| Adjust receivable from training | (42,244.89) | - | |
| Adjust Depreciation to the motor car | 8,683,333.34 | | |
| Depreciation adjusts based on audit query | (14,825,153.19) | - | |
| Excess of Expenditure Over Income | 10,283,004.68 | 6,433,652.64 | - |
| Balance at the end of the Year | 55,628,074.35 | 51,897,167.02 | - |

13) Differed Income-Government Grants

| | | | |
|--|----------------|----------------|---|
| Balance at the Beginning of the Year | (8,617,568.10) | (4,655,454.19) | - |
| Grant Received and Utilized for Capital Assets | 500,000.00 | 1,400,000.00 | - |
| Depreciation Expenses for the Year | (4,028,271.67) | (5,185,517.88) | - |
| Amortization Of Proficiency Testing Programmes | (88,298.01) | (176,596.03) | |
| Amortization of SLAB Accounting Package | - | - | |
| Balance at the end of the Year | 12,234,137.78 | (8,617,568.10) | - |

14) Accrued Expenses & Other Payables

| | | | |
|----------------------------|------------|------------|---|
| Staff Welfare | 6,220.80 | 10,320.00 | - |
| Assessment Expenses | 220,018.00 | 685,488.01 | - |
| Subsistence | 6,000.00 | 18,000.00 | |
| Special Training Programme | | 72,870.00 | |
| Security service | 77,440.00 | 77,440.00 | - |

| | | | |
|--|---------------------|---------------------|---|
| Laptop Computer | 770,369.60 | | |
| Account Package of SLAB | 104,750.00 | 63,050.00 | |
| Fax machine | | | |
| Multimedia Projector | - | - | |
| Ceylinco Insurance | - | 1,563.00 | |
| Training programme – Assessor | - | - | |
| Travelling-Domestic | 30,052.15 | 36,277.34 | |
| Water | 4,083.32 | 10,284.82 | - |
| Electricity | 41,284.00 | 153,218.00 | - |
| Telecommunication expenses | 175,029.30 | 128,067.10 | - |
| Over Time Payable | 10,555.51 | 11,127.59 | - |
| Maintenance of Plant, Machinery & Equipment | 39,000.00 | 214,474.34 | - |
| Maintenance of Administration | 17,500.00 | 54,102.89 | |
| Maintenance of Building & Structure | | | |
| Maintanance of SLAB vehicle | 11,126.00 | 132,978.95 | |
| Technical Advisory Committee Meeting | - | 8,825.27 | |
| World Accreditation Ex | - | - | |
| Printing Activities | | | |
| Maintenance Expenditure-Janitorial expenditure | 35,000.00 | 49,975.00 | |
| Travelling-Foreign | - | 1,521.90 | |
| Medical Insurance Expense | - | 9,840.00 | |
| Other Office Equipment | - | 45,782.61 | |
| Audit Fee | 1,503,000.00 | 1,087,000.00 | - |
| Exhibition Fee | - | - | |
| Postal Charges | | 30,545.00 | - |
| Medical Insurance Agrahara | - | 14,760.00 | |
| Other Training Programme Expense | - | 153,708.06 | |
| NAITA Allowance | - | 17,500.00 | |
| Staff Training Expenses | - | 41,256.06 | |
| Council & Audit Committee Expense | 65,000.00 | - | |
| Other Accreditation Expenses | - | 2,868.00 | |
| stationery | 25,300.00 | 56,263.00 | |
| Staff Training-Foreign | - | 9,460.00 | |
| Gratuity Expense | - | 484,390.00 | |
| Photocopy Machine | - | 528,000.00 | |
| Advertising & promotion | - | 2,660.00 | |
| Annual Bonus & Incentive | - | 125,000.00 | |
| Assessor Training Programme Exp | - | 2,893.00 | |
| Maintenance of Building & Structure | 6,100.00 | 6,100.00 | - |
| Other Payables | 3,147,828.68 | 4,347,609.94 | |
| E P F Control A/C | 360,417.50 | 352,208.76 | - |
| E T F Control A/C | 43,250.10 | 42,265.05 | - |
| PAYEE Payable | - | 3,775.44 | - |
| Stamp Duty | 4,850.00 | 5,600.00 | - |
| VAT Payable | - | 703,759.10 | - |

| | | | |
|---|---------------------------------|---------------------|---|
| NBT Payable | | | - |
| Staff Welfare fund | 14,275.00 | 7,450.00 | - |
| Withholding Tax | - | - | - |
| | 422,792.60 | 1,115,058.35 | - |
| Total | 3,570,621.28 | 5,462,668.29 | |
| 15) <u>Government Grants</u> | | | |
| Government Grant Received during the Year | 19,636,771.00 | 19,498,649.00 | - |
| Depreciation Expenses | 4,028,271.67 | 5,185,517.88 | - |
| Amortization of SLAB IT System | - | - | - |
| Amortization Of Proficiency Testing Programmes | 88,298.01 | 176,596.03 | - |
| Amortization of Accounting Package | - | - | - |
| Government Grants shown in Income Statement | 23,753,340.68 | 24,860,762.91 | - |
| 16) <u>Distress Loans</u> | | | |
| Balance C/F | 2,191,526.52 | 2,009,076.52 | - |
| Distress Loan Granted during the year | 1,950,000.00 | 1,400,000.00 | - |
| Less : Loan Settlement in Installments | (1,438,780.40) | (1,217,550.00) | - |
| | 2,702,746.12 | 2,191,526.52 | - |
| Less than One Year | 1,224,400.00 | 1,114,700.00 | - |
| More than one Year | 1,478,346.12 | 1,076,826.52 | - |
| 17) <u>Pre-Payments</u> | | | |
| Balance C/F | 149,137.62 | 236,054.53 | - |
| Adjustment to Expenses | (149,137.62) | (236,054.53) | - |
| SLAB Vehicle, Chairman & Director Vehicle Maintenance | 126,732.15 | 135,936.83 | - |
| Maintenance Expenditure of plants & machinery | 2,308.66 | 13,200.79 | - |
| Telephone Expenses | - | - | - |
| Payment for January 1 st Celebration | - | - | - |
| | 129,040.80 | 149,137.62 | - |
| 18) <u>Intellectual Property</u> | | | |
| Trade Mark | 16,254.20 | 16,254.20 | - |
| MRA Logo | 24,040.80 | 24,040.80 | - |
| Web Site of SLAB | 96,800.00 | 96,800.00 | - |
| SLAB Accounting package | 139,501.00 | 1.00 | - |
| Software for SLAB IT Programme | 1.00 | 1.00 | - |
| <u>Development activity</u> | (Note -25) | | - |
| Proficiency Testing Programme | 176,596.02 | 176,596.02 | - |
| | 364,895.01 | 313,693.02 | - |
| 19) <u>Cash & Cash Equivalent</u> | | | |
| Cash at bank | Recurrent Capital 20,061,692.76 | 10,963,213.46 | - |

| | | | | |
|------------|--|----------------------|----------------------|----------|
| | | Nil | Nil | |
| | FEEA (Foreign exchange earning A/C) | 7,930,939.54 | 5,591,611.76 | - |
| | Fixed Deposit – FEEA | 2,467,222.73 | 2,359,091.70 | |
| | | 30,459,855.03 | 18,913,916.92 | - |
| 20) | <u>Other Grants</u> | | | |
| | Web site of SLAB | 96,800.00 | 96,800.00 | - |
| | Software for SLAB IT System | 1,717,800.00 | 1,717,800.00 | - |
| | | 1,814,600.00 | 1,814,600.00 | - |
| 21) | <u>World Accreditation Day Activities</u> | | | |
| | Total Collections | | | |
| | From Sponsorships | - | | |
| | By holding Seminars / Training Programmes | | - | |
| | Less :- | | | |
| | Total Expenses | 333,241.89 | 793,885.02 | |
| | | 333,241.89 | 793,885.02 | - |
| 22 | <u>Foreign Travel</u> | | | |
| | Total Expenses | - | 2,689,677.86 | |
| | Recoveries | - | (627,309.22) | |
| | | - | 2,062,368.64 | |
| 23 | <u>Creditors</u> | 683,863.42 | 530,246.53 | |
| | Sundry Creditors | - | - | |
| | | 683,863.42 | 530,246.53 | |
| 24 | Provision for Gratuity | 3,692,078.00 | 3,227,301.00 | |
| | Provision for 2018 | 1,619,076.50 | 949,167.00 | |
| | (-) Over/Under provision | - | - | |
| | (-) Gratuity Payment | - | (484,390.00) | |
| | | 5,311,154.50 | 3,692,078.00 | |
| | Current Liability | - | | |
| | Non-current Liability | 5,311,154.50 | | |
| 25 | <u>Proficiency Testing Programme</u> | | | |
| | Opening Balance | 176,596.02 | 353,192.05 | |
| | Paid during the year | - | - | |
| | (-) Amortization of PT Programme | (88,298.01) | (176,596.03) | |
| | | 88,298.01 | 176,596.02 | |
| 26 | <u>Disposal of Assets</u> | | | |
| | Cost of the Disposal Assets | - | 35,980.10 | |

| | | | |
|------------|---|----------------------------|---------------------|
| | (Less) Accumulated Depreciation of Disposal Assets | | - |
| | (Less) Sales Value | - | (5,500.00) |
| | Loss from disposal | | 30,480.10 |
| 27 | Received in Advance | | |
| | Dept.of Motor Traffic-For Assessor Tr | 315,304.35 | 315,304.35 |
| | Ansell Lanka-Jan 16,17 Training | 24,000.00 | 24,000.00 |
| | Food & Agriculture organisation | - | - |
| | Road Development Authority | - | - |
| | | 339,304.35 | 339,304.35 |
| 28. | Training Programme Expense | | |
| | Other Training | | |
| | Training programme Expense-Other Training | 773,664.64 | 1,836,803.10 |
| | (Less Recoveries from UNIDO | (54,945.00) | (773,705.14) |
| | | 718,719.64 | 1,063,097.96 |
| 29. | Sundry Income | | |
| | Interest from FEEA Savings Account | 50,631.34 | 48,764.45 |
| | Interest from Fixed Deposits of BOC (Gratuity Fund) | 303,333.45 | 298,303.34 |
| | Interest from Dollor Fixed Deposit | 49,509.17 | 38,756.95 |
| | Other | 100,000.0 | 44,681.50 |
| | | 503,473.96 | 430,506.24 |
| 30. | Training Programme Assessor | - | |
| | Total expenditure | - | 524,400.98 |
| | | - | (203,155.47) |
| | | - | 321,245.51 |
| 31. | Income from Assessment Income | | |
| | Onsite Assessment | 4,698,793.00 | |
| | Online Assessment | <u>3,422,982.12</u> | |
| | | <u>8,121,775.12</u> | |

30 Property, Plant and Equipment

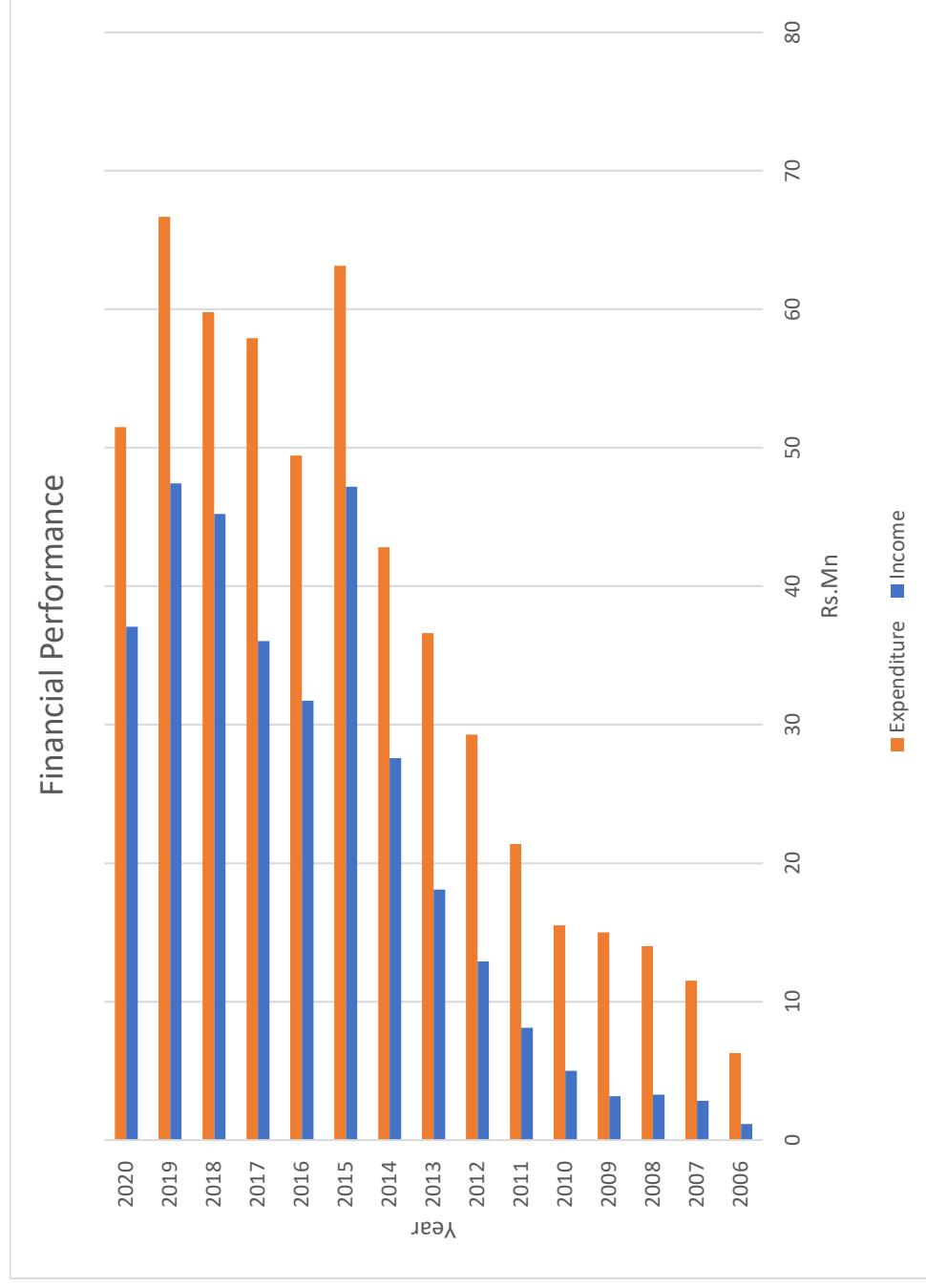
| Item | Balance as at 01.01.2020at Cost | Additions during the Year | Adjustment | Balance as at 31.12.2020 | Accumulated Depreciation as at 01.01.2020 | Depreciation for the Year | Adjustment | Accumulated Depreciation as at 31.12.2020 | Written Down Value as at 31.12.2020 | Written Down Value as at 31.12.2019 |
|--|---------------------------------------|---------------------------------|-------------|-----------------------------|--|------------------------------|--------------|--|--|--|
| Motor Vehicle | 23,050,000.00 | - | - | 23,050,000.00 | 11,393,749.00 | 1,784,374.00 | 6,034,999.00 | 19,213,122.00 | 3,836,878.00 | 11,656,251.00 |
| Building & Structure | 1,936,283.00 | - | - | 1,936,283.00 | 1,878,087.39 | 25,680.14 | | 1,903,767.53 | 32,514.47 | 58,195.61 |
| Office Equipment | - | - | - | - | | - | | | - | - |
| 01) Air conditioners & Refrigerator | 1,940,775.62 | - | - | 1,940,775.62 | 758,379.98 | 229,120.54 | 102,989.46 | 1,090,489.98 | 850,285.64 | 1,182,395.64 |
| 02) Multimedia Projector | 450,000.00 | - | - | 450,000.00 | 184,411.70 | 90,000.00 | | 274,411.70 | 175,588.30 | 265,588.30 |
| 03) Photocopier | 1,012,000.00 | - | - | 1,012,000.00 | 300,693.49 | 252,999.00 | | 553,692.49 | 458,307.51 | 711,306.51 |
| 04) Telephone System | 242,787.30 | 75,000.00 | - | 317,787.30 | 241,573.37 | 20,934.56 | | 262,507.93 | 55,279.37 | 1,213.93 |
| 05) Fax Machines | 68,580.00 | - | - | 68,580.00 | 50,514.99 | 4,516.00 | | 55,030.98 | 13,549.02 | 18,065.01 |
| 06) Other Office Equipment | 374,885.87 | 65,490.00 | (45,782.61) | 394,593.26 | 205,639.09 | 39,462.50 | | 245,101.59 | 149,491.67 | 169,246.78 |
| 07) Sound System | 317,680.00 | - | - | 317,680.00 | 317,679.00 | - | | 317,679.00 | 1.00 | 1.00 |
| 08) CCTV System | 515,410.00 | - | - | 515,410.00 | 205,231.28 | 103,082.00 | | 308,313.28 | 207,096.72 | 310,178.72 |

| | | | | | | | | | | |
|---|----------------------|---------------------|---------------------|----------------------|----------------------|---------------------|---------------------|----------------------|---------------------|----------------------|
| 09) Technical Instrument | 156,688.82 | 9,400.00 | - | 166,088.82 | 50,233.10 | 40,202.34 | | 90,435.44 | 75,653.38 | 106,455.72 |
| 10) TV Screen | | 415,670.00 | - | 415,670.00 | | 569.41 | | 569.41 | 415,100.59 | |
| 11) Video Conferen ce Unit | | 424,847.00 | - | 424,847.00 | | 538.90 | | 538.90 | 1,152,516.02 | |
| Office Furniture | 3,913,813.95 | 20,200.00 | - | 3,934,013.95 | 2,323,681.74 | 453,984.80 | 3,831.39 | 2,781,497.93 | - | 1,590,132.21 |
| Computers | | | | | | | | | - | - |
| 01) Desktop Computers | 3,547,085.50 | - | - | 3,547,085.50 | 2,853,451.08 | 314,864.54 | | 3,168,315.62 | 378,769.88 | 693,634.42 |
| 02) Laptop Computers | 2,363,990.00 | 770,369.60 | - | 3,134,359.60 | 1,022,253.34 | 556,539.38 | | 1,578,792.72 | 1,555,566.88 | 1,341,736.66 |
| 03) Scanner | 206,550.00 | - | (63,050.00) | 143,500.00 | 83,499.00 | 30,000.00 | | 113,499.00 | 30,001.00 | 123,051.00 |
| 04) Printers | 795,440.00 | - | - | 795,440.00 | 635,928.93 | 71,914.67 | | 707,843.60 | 87,596.40 | 159,511.07 |
| 05) Other Computer Related Items | 152,026.75 | - | - | 152,026.75 | 129,236.18 | 8,090.67 | | 137,326.85 | 14,699.90 | 22,790.57 |
| General | - | - | | - | | | | | - | - |
| WIFI | 135,620.00 | 13,400.00 | | 149,020.00 | 135,468.00 | 1,398.22 | | 136,866.22 | 12,153.78 | 152.00 |
| 31st December 2020 | 41,179,616.81 | 1,794,376.60 | (108,832.61) | 42,865,160.80 | 22,769,710.66 | 4,028,271.67 | 6,141,819.86 | 32,939,802.17 | 9,925,358.63 | 18,409,906.15 |

| SRI LANKA ACCREDITATION BOARD FOR CONFORMITY ASSESSMENT INFORMATION ABOUT SEGMENTS (Rs.Mn) | | | | | | | | | | | | | | | | | | | | |
|---|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|--------|
| | 2011 | | 2012 | | 2013 | | 2014 | | 2015 | | 2016 | | 2017 | | 2018 | | 2019 | | 2020 | |
| | Actual | Bu'ted | Actual | Bu'ted | Actual | Bu'ted | Actual | Bu'ted | Actual | Bu'ted | Actual | Bu'ted | Actual | Bu'ted | Actual | Bu'ted | Actual | Bu'ted | Actual | Bu'ted |
| Segment Revenue | | | | | | | | | | | | | | | | | | | | |
| Earnings | 8.12 | | 12.90 | | 18.08 | | 27.58 | | 67.43 | | 54.05 | | 59.59 | | 69.93 | | 47.43 | | 37.08 | 55.50 |
| Treasury Grant | 14.08 | | 16.87 | | 16.30 | | 17.82 | | 12.21 | | 15.70 | | 16.16 | | 17.06 | | 19.49 | | | 19.64 |
| Total Segment Revenue | 22.20 | | 29.77 | | 34.38 | | 45.40 | | 79.64 | | 69.75 | | 75.75 | | 86.99 | | | | | |
| Segment Expense | | | | | | | | | | | | | | | | | | | | |
| Recurrent Expenditure | 21.33 | 23.30 | 29.29 | 28.18 | 36.61 | 33.00 | 42.85 | 38.00 | 12.20 | 64.50 | 15.70 | 56.00 | 16.16 | 60.50 | 59.79 | 66.00 | 66.67 | 71.80 | 51.50 | 66.67 |
| Capital Expenditure | 0.63 | 3.08 | 1.75 | 1.82 | 1.51 | 2.00 | 1.71 | 2.00 | 1.25 | 3.00 | 2.00 | 5.20 | 2.05 | 2.00 | 3.64 | 3.69 | 2.43 | 6.00 | 1.97 | 3.69 |
| Total Segment Expense | 21.96 | 26.38 | 31.04 | 30.00 | 38.12 | 35.00 | 44.56 | 40.00 | 13.45 | 67.50 | 17.70 | 61.20 | 18.21 | 62.50 | 63.43 | 69.69 | 69.10 | 77.80 | 53.47 | 70.36 |
| | | | | | | | | | | | | | | | | | | | | |
| Surplus for the period | 0.24 | | -1.27 | | -3.74 | | 0.84 | | 66.19 | | 52.05 | | 57.54 | | | | 6.44 | | 10.36 | |
| Segment Assets | Actual | Bu'ted | Actual | Bu'ted | Actual | Bu'ted | Actual | Bu'ted | Actual | Bu'ted | Actual | Bu'ted | Actual | Bu'ted | Actual | Bu'ted | Actual | Bu'ted | Actual | Bu'ted |
| Current Assets | 3.97 | | 5.06 | | 6.07 | | 11.64 | | 15.09 | | 18.09 | | 17.91 | | 26.59 | | 32.61 | | 40.65 | |
| Non-Current Assets | 7.35 | | 17.18 | | 15.17 | | 19.75 | | 16.63 | | 15.49 | | 27.42 | | 25.36 | | 22.87 | | 15.13 | |
| Total Segment Assets | 11.32 | | 22.24 | | 21.24 | | 31.39 | | 31.72 | | 33.58 | | 45.33 | | 51.96 | | 55.48 | | 55.77 | |
| Segment Liabilities | | | | | | | | | | | | | | | | | | | | |
| Current Liabilities | 1.09 | | 1.27 | | 2.34 | | 2.52 | | 3.09 | | 4.05 | | 3.66 | | 6.50 | | 6.69 | | 5.17 | |
| Non-Current Liabilities | 0.55 | | 0.69 | | 1.21 | | 2.19 | | 2.76 | | 2.76 | | 3.40 | | 2.84 | | 3.69 | | 5.31 | |
| Total Segment Liabilities | 1.64 | | 1.95 | | 3.55 | | 4.71 | | 5.85 | | 6.81 | | 7.06 | | 9.34 | | 10.38 | | 10.48 | |
| Segment Equity | 9.68 | | 20.29 | | 17.69 | | 26.68 | | 25.87 | | 26.77 | | 38.25 | | 42.62 | | 45.09 | | 45.29 | |

Financial Performance

| Indicator | 2006 | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | 2019 | 2020 |
|--|------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|-------|
| Financial performance – Income LKR Mn. | 1.17 | 2.83 | 3.27 | 3.17 | 5 | 8.12 | 12.9 | 18.08 | 27.59 | 47.18 | 31.74 | 36.03 | 45.23 | 47.43 | 37.08 |
| Government grants | 6 | 8.23 | 10.56 | 11.47 | 8.91 | 13.28 | 15.51 | 14.8 | 16.11 | 12.21 | 15.7 | 16.16 | 17.06 | 19.49 | 19.64 |
| Expenditure- LKR Mn. | 6.29 | 11.52 | 14 | 15.01 | 15.51 | 21.37 | 29.29 | 36.61 | 42.82 | 63.14 | 49.43 | 57.91 | 59.79 | 66.67 | 51.50 |
| Income /recurrent expenditure (%) | 18.6 | 24.56 | 23.35 | 21.11 | 32.23 | 38 | 44.04 | 49.38 | 64.43 | 74.72 | 64.21 | 62.22 | 75.64 | 71.14 | 72% |



Chairman
Sri Lanka Accreditation Board for Conformity Assessment

Report of the Auditor General on the Financial Statements and other legal and regulatory requirements of the Sri Lanka Accreditation Board for Conformity Assessment for the year ended 31 December 2020 in terms of Section 12 of the National Audit Act No. 19 of 2018.

1. Financial Statements

1.1 Qualified Opinion

The audit of financial statements of the Sri Lanka Accreditation Board for Conformity Assessment for the year ended 31 December 2020 comprising the statement of Financial Position as at 31 December 2020 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 Board as at 31 December 2020, 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) Action had not been taken in terms of Sri Lanka Public Sector Accounting Standard 03 to review the useful lifetime of assets costing Rs. 12,037,850 belonging to the institution of which the carrying value had become zero as at 01 January 2020 but were being used for operating activities and readjust the changes of estimates in financial statements.
- (b) The Board had purchased non-current assets using government grants and earned income and due to the Board not having clear information required to separately identify the assets thus purchased, the depreciation relevant to all assets had been amortized to government grants. As a result, the surplus for the year had been overstated.

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 opinion.

1.3 Other information contained in the Annual Report 2020 of the Board

Other information means information, though included in the Annual Report 2020 of the Board 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 on it.

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

In reading the annual report 2020 of the Board, 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 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 Responsibility of the management and governing partners for 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 the management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Board'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 Board or to cease operations, or has no realistic alternative but to do so.

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

As per section 16 (1) of the National Audit Act No. 19 of 2018, the Board 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 Board.

1.5 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 misstatements, 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 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.

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 Board'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 Board'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 Board 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

2.1 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 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 Board 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 Board 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.

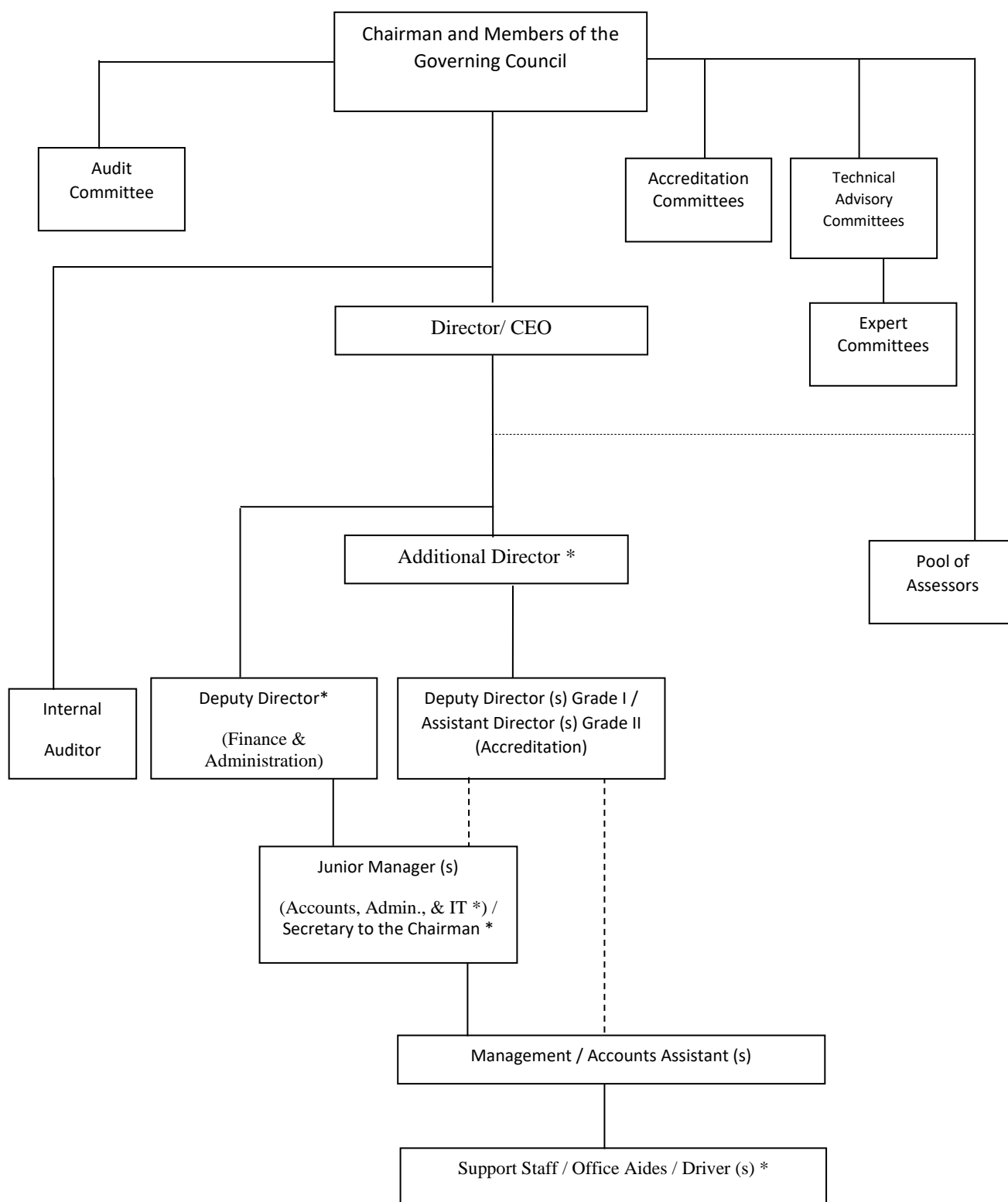
2.2 On the basis of the procedures followed and evidence obtained and being restricted within the material matters, nothing that warrants the making of the following statements did not come to my attention.

- 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 Board has any interest, direct or otherwise, outside normal business status in any contract entered into by the Board.
- 2.2.2 In terms of the requirement of section 12 (d) of the National Audit Act No. 19 of 2018, except for the following observations, whether the Board has not complied with any applicable written law, or other general or special directions issued by the governing body of the Board;

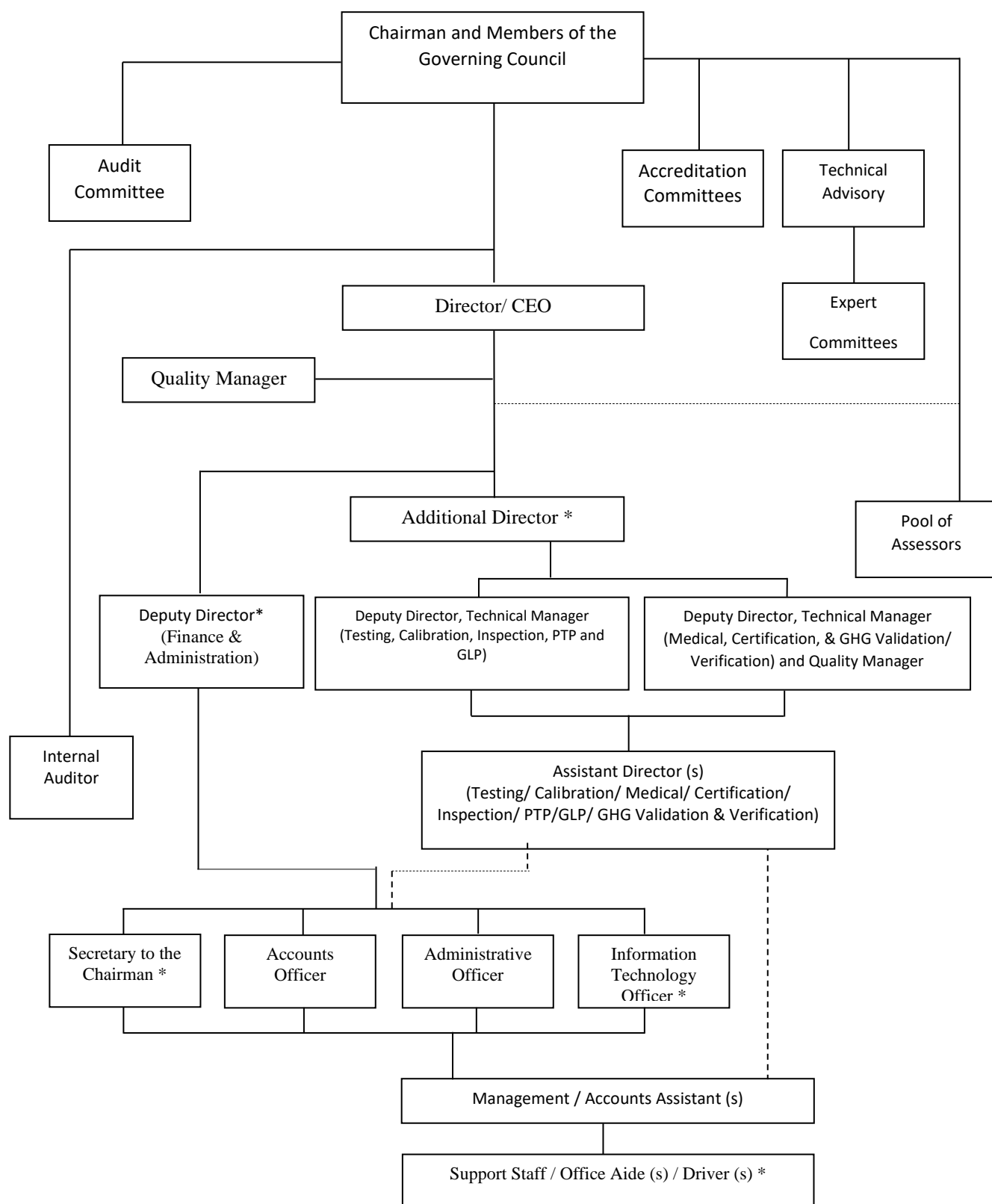
Though the institution should duly maintain a cheque register in terms of Financial Regulation 384 (3), it had not been so done.

- 2.2.3 In terms of the requirement of Section 12(f) of the National Audit Act No. 19 of 2018, whether the Board has not performed according to its powers, functions and duties, except for the following observations.
- 2.2.4 In terms of the requirement of Section 12(f) of the National Audit Act No. 19 of 2018, whether the resources of the Board had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

.....
W.P.C. Wickremaratne
Auditor General

ORGANIZATIONAL STRUCTURE OF SLAB

* Vacant Positions

Operational Structure of SLAB in 2019

* Vacant positions

CADRE DETAILS

Cadre Details of Sri Lanka Accreditation Board as at 31st December 2020

| Designation | Grade | Service Level | Approved Cadre | | | Existing Cadre | | |
|------------------------------------|-------|-----------------|----------------|-----------|--------|----------------|----------|--------|
| | | | Perman-ent | Con-tract | Casual | Perman-ent | Contract | Casual |
| Director/CEO | I | Senior Level | 1 | | | 1 | | |
| Additional Director | I | Senior Level | | 1 | | | - | |
| Deputy Director (Finance/Admin) | I | Senior Level | 1 | | | - | | |
| Deputy Director (Accreditation) | I | Senior Level | 2 | | | 2 | | |
| Assistant Director (Accreditation) | II | Senior Level | 9 | | | 9 | | |
| Internal Auditor | II | Senior Level | 1 | | | 1 | | |
| Administrative Officer | II | Tertiary Level | 1 | | | - | | |
| Accounts Officer | II | Tertiary Level | 1 | | | 1 | | |
| IT Officer | II | Tertiary Level | 1 | | | 1 | | |
| Secretary (Contract) | II | Tertiary Level | | 1 | | | - | |
| Management Assistant | III | Secondary Level | 4 | | | 3 | | |
| Office Aide | II | Primary Level | 1 | | | 1 | | |
| Office Aide | III | Primary Level | 1 | | | 1 | | |
| Driver | II | Primary Level | 1 | | | 1 | | |
| Driver | III | Primary Level | 2 | | | 2 | | |

| Service Level | Approved Cadre | Existing Cadre |
|---------------|----------------|----------------|
| Senior | 15 | 13 |
| Tertiary | 4 | 2 |
| Secondary | 4 | 3 |
| Primary | 5 | 5 |
| Total | 28 | 23 |

STAFF TRAINING

Details of Staff Training Undergone – 2020 (Local and Foreign)

| No | Titles of Training Programs | Duration | For whom | Number Participated |
|----|---|--|---------------------|---------------------|
| 1 | Workshop on Environment Matters for Aeroplane Operators (related to ICO-CORSIA Scheme) | 25-28/02/2020 | Accreditation Staff | 1 |
| 2 | The International Network on Quality Infrastructure (INetQI) | 15/04/2020 | Accreditation Staff | 1 |
| 3 | E-Learning course “Introduction to Measurement and Metrology” | 40 hrs training, 2020.04.27 | Accreditation Staff | 1 |
| 4 | Remote auditing- AIB-APAC | 4/29/2020 | Accreditation Staff | 1 |
| 5 | The Impact of COVID-19 on Quality Infrastructures | 23/06/2020 | Accreditation Staff | 2 |
| 6 | Webinar series on Countering the impacts of COVID-19 with international standards: Conformity assessment and accreditation activities in a virtual world | 25/06/2020 | Accreditation Staff | 1 |
| 7 | Online Introductory Training on use & verification of Digital Thermometers | 30/06/2020 | Accreditation Staff | 1 |
| 8 | Introduction to Digitization in QI | 25/09/2020 | Accreditation Staff | 1 |
| 9 | CORSIA capacity building for accreditation and verification bodies Online Organized by EU-SA APP CORSIA bilateral support - CAASL, SLAB & verifiers (Sri Lanka) - | 15-18/09/ 2020 | Accreditation Staff | 10 |
| 10 | Digital Calibration Certificate 2020 Certificate | 20-21/10/ 2020 | Accreditation Staff | 2 |
| 11 | SLAB/PTB Online Training on “Method Validation and Reference Material Knowledge on Residue Analysis for SLAB Assessors” | 11/11/2020 11/25/2020 & 09/12/2020 | Accreditation Staff | 1 |
| 12 | Accrediting ISO/IEC 17025:2017 Calibration Laboratories and Measurement Uncertainty | 19,11,16,17/11/2020 | Accreditation Staff | 1 |

| | | | | |
|----|---|------------------|---------------------|----|
| 13 | SLAB/PTB Online Training on “Method Validation and Reference Material Knowledge on Residue Analysis for SLAB Assessors” | 25/11/2020 | Accreditation Staff | 10 |
| 14 | EA Virtual Conference on Accreditation in light of Cybersecurity, Artificial Intelligence and Digitalization | 26/11/2020 | Accreditation Staff | 4 |
| 15 | FSMS, ISO 22000 training | 15,16,17/12/2020 | Accreditation Staff | 1 |
| 16 | Online training on Accreditation of Energy Management System (EnMS) Certification Bodies (ISO 50003) | 14 to 18/12/2020 | Accreditation Staff | 1 |
| 17 | APAC Webinar: Stakeholder Engagement for Accreditation Bodies | 9/12/2020 | Accreditation Staff | 4 |

Training programmes –**Medical, Certification, Testing, Calibration & Inspection (January- December 2020)**

| Month &Date/ | Title of The Training Program | Number of Participants |
|-------------------------|---|-------------------------------|
| January | | |
| 16-17 | Documentation of Laboratory Quality Management System as per ISO/IEC 17025:2017 | 28 |
| 23 & 24 | Basic Training on Quality Management, Calibration and Measurement uncertainty based on ISO 15189: 2012 | 15 |
| February | | |
| | | |
| 18-20 | Internal Auditing of Laboratory Management System As per ISO/IEC 17025:2017 | 16 |
| 26 - 28 | Awareness Workshop on ISO 45001:2018 | 24 |
| June | | |
| 9 | Webinar on Ensuring Food Safety through standards, testing and Calibration | 70 |
| 30 | Introductory Training on use & verification of Digital Thermometers | 65 |
| July | | |
| 02-03 | General Training on ISO/IEC 17020:2012 | Cancelled* |
| August | | |
| 19 | Webinar on PCR testing for COVID 19 | 30 |
| 24-28 | Assessor Training on ISO/IEC 17025: 2017 | Cancelled* |
| September | | |
| 17-18 | Documentation of Laboratory Quality Management System as per ISO/IEC 17025:2017 | Re-scheduled 16-18 |
| 16-18 | Internal Auditing of Laboratory Management System As per ISO/IEC 17025:2017 | 42 |
| 24 & 25 | Training on ISO 15189: 2012 Internal Auditing of Laboratory Management Systems | 12 |
| October | | |
| 12-14 | Internal Auditing of Laboratory Management System As per ISO/IEC 17025:2017 | Rescheduled to November |
| November | | |
| 04-06 | Internal Auditing of Laboratory Management System As per ISO/IEC 17020:2012 | Cancelled* |
| 11, 25 & 09 Dec | Method Validation and Reference Material Knowledge on Residue Analysis for SLAB Assessors -free of charge | 52 |
| | | |

| December | | |
|----------|--|------------|
| 07-08 | General Training on Laboratory Quality Management system to ISO/IEC 17025:2017 | Cancelled* |
| 14 to 18 | Energy Management System (EnMS) Certification (ISO 50003) Accreditation Training – Online (APAC) | 49 |

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