

# **ANNUAL REPORT**

## **2021**



**ENGINEERING  
COUNCIL, SRI LANKA**

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## VISION

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To ensure the public confidence and trust in the Engineering Practitioners of Sri Lanka and to be an active contributor to the socio-economic development of the country.

## MISSION

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Register different categories of Engineering Practitioners of Sri Lanka as mandated by law while maintaining internationally recognized and locally relevant standards, competence and commitment for the profession towards the development of the country.

# INTRODUCTION

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Engineering Council, Sri Lanka (ECSL) has been established under the Engineering Council, Sri Lanka Act No. 4 of 2017 which was published as a supplement to Part II of the gazette of the Democratic Socialist Republic of Sri Lanka of March 10, 2017.

The Act empowers ECSL for:

- Maintenance of professional standards and conduct of Engineering Practitioners
- Registration of Engineering Practitioners
- To provide for matters connected therewith or incidental thereto

## Registration of Engineering Practitioners

All Engineering Practitioners are required to get registered with the ECSL according to the Act. The categories of Engineering Practitioners, as defined in the Act, are:

- Chartered Engineer
- Associate Engineer
- Affiliate Engineer
- Incorporated Engineer
- Engineering Diplomat
- Engineering Technician

In the case of foreign engineering practitioners in Sri Lanka, the ECSL intends to provide temporary registration for a period of four months. Such registration shall be renewed at the end of that period on application made in that behalf.

**Corporate Information**Name of the Organization

Engineering Council, Sri Lanka

Legal FormGovernment-owned  
Regulatory BodyYear of Establishment

2017 by Act of Parliament, No.04 of 2017

Line Ministry

Ministry of Irrigation

Date of Commencement24<sup>th</sup> August 2018Legal Consultant

Mrs. Ruvani Hapuarachchi

Head Office4th Floor, Irrigation Department Premises,  
230, Bauddhaloka Mawatha,  
Colombo 7Bankers

Bank of Ceylon

Phone : 0112588811

Fax : 0112588010

Email: [registrar@ecsl.gov.lk](mailto:registrar@ecsl.gov.lk)Website: [www.ecsl.gov.lk](http://www.ecsl.gov.lk)Tax Identification No

102769228

Stakeholders as per the Act

The Institution of Engineers, Sri Lanka (IESL)

The Institution of Incorporated Engineers, Sri Lanka (IIESL)

Tertiary and Vocational Education Commission (TVEC)

University Grants Commission (UGC)

# OVERVIEW

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## **ECSL and its National Responsibility**

The establishment of the Engineering Council of Sri Lanka was an unprecedented and remarkable milestone in the cherished profession of engineering for the motherland. It has its proven roots extending to several millennia in pre-historic times. Contemporary organized passion for engineering across the globe has been virtually tapping at the doors of the Sri Lankan engineering profession for quite some time to remind it of the need to establish an organized national regulatory cum representative national body along the same lines practiced by other developed nations. Long-term soft discussions among the stakeholders, with of course the leadership and facilitation gracefully coming from the nation's leadership at different times, eventually rhymed together to produce the essential legal impetus by way of an ACT of Parliament, enacted by the Parliament of Sri Lanka in 2017.

ECSL so established, from the very day it came into being, inherited the huge responsibility of providing the national leadership in becoming the apex organization to regulate the profession of engineering. In a nutshell, it is legally empowered to do the function of registering engineering practitioners holding the accepted qualifications, hold inquiries on any professional misconduct of such professionals and make representations to the government and other relevant bodies on matters relating to the practice of the Engineering profession in Sri Lanka.

## **Functions of ECSL**

The Engineering Council of Sri Lanka is empowered with the function of:

- Maintenance of Professional Standards of Engineering Practitioners.
- Maintenance of Professional Conduct of Engineering Practitioners.
- Registration of Six Categories of Engineering Practitioners.
- Make representations to the Government and relevant bodies on matters relating to the practice of the engineering profession in Sri Lanka.
- Maintain registers of the engineering practitioners.
- Publish from time to time the list of the registered engineering practitioners.
- Hold inquiries on any matter relating to the professional misconduct of engineering practitioners.
- Determine the remuneration payable to the staff of the Council.
- Determine the fees payable in respect of Registration.
- Issuing of Certificates of Registration
- Any other matter required to enhance the quality of engineering practitioners.
- To provide for matters connected therewith or incidental thereto.

## **Categories of Engineering Practitioners**

(Ref: 'SCHEDULE A' of Section 15, Engineering Council, Sri Lanka Act No.4 of 2017.)

### **Chartered Engineer**

Chartered Engineer of the Institution of Engineers, Sri Lanka established by the Institution of Engineers, Sri Lanka Act, No.17 of 1968.

### **Associate Engineer**

Four-year Full-time degree in Engineering recognized by the Institution of Engineers, Sri Lanka established by the Institution of Engineers, Sri Lanka Act, No.17 of 1968 or an Associate Member of the Institution of Engineers, Sri Lanka established by the Institution of Engineers, Sri Lanka Act, No.17 of 1968.

### **Affiliate Engineer**

Three-year full-time degree in Engineering recognized by the Institution of Engineers, Sri Lanka established by the Institution of Engineers, Sri Lanka Act, No.17 of 1968.

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### **Incorporated Engineer**

Incorporated Engineer of the Institution of Incorporated Engineers, Sri Lanka established by the Institution of Incorporated Engineers of Sri Lanka (Incorporation) Act, No. 64 of 1992.

### **Engineering Diplomat**

Diploma in Engineering from a recognized University or Technical or Technological Institute recognized by the Institution of Incorporated Engineers of Sri Lanka (Incorporation) Act, No. 64 of 1992.

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### **Engineering Technician**

- (i) National Vocational Qualification Level IV of Engineering Technology or equivalent qualification recognized by the Tertiary and Vocational Education Commission established by the Tertiary and Vocational Education Act, No. 20 of 1990.
  - (ii) One year full-time academic course in Engineering Technology and has obtained one-year industrial experience in the relevant field or a holder of a Diploma or Certificate in Technology by a University or a Technical or Technological Institute of the Government of Sri Lanka.
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# CHAIRMAN’S MESSAGE

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**Mr. Tilak De Silva**

*BSc Eng., MSc, CEng(SL), CEng(UK), CITP(UK), FIE(SL), FIET(UK), FBCS(UK), SMIEEE(USA), MCS(SL)*

As Chairman of the Engineering Council, Sri Lanka (ECSL), it is my distinct honour to share with you our Annual Report for the landmark year of 2021. This past year has emerged as a testing crucible of obstacles and victories. As a regulatory body, we successfully navigated the uncertainties of a global pandemic, making significant strides toward advancing our mission amidst challenging times.

Our capacity to adapt to an ever-evolving landscape was vividly demonstrated as we convened twelve Council meetings during the year, seamlessly executing half of them online in strict adherence to crucial COVID-19 health guidelines. Our commitment to governance practices marked by structure and diligence is evident in the comprehensive procedures adopted to conduct these meetings.

Driven by a vision to streamline our operations and curtail administrative delays, we made a significant transition to digital banking mechanisms for salary disbursements, allowances, and statutory contributions such as EPF and ETF. This digital pivot has markedly enhanced our operational efficiency, allowing us to better align our resources toward serving our constituents.

Our sense of accomplishment resonates with the initiation of registrations in the Engineering Technician category, a significant milestone in our registration process. In addition, we facilitated a platform on our web portal for the public to access the services of a qualified Engineering Technician. We also engaged in public awareness campaigns emphasizing the importance of registration, utilizing various communication channels such as dedicated radio programs and multilingual newspaper announcements.

Recognizing the significance of continuous improvement and process enhancements, our commitment to prompt service delivery was largely actualized through the widespread adoption of IT technology, a testament to our resilience as an organization.

An achievement of particular note this year has been the completion of our inaugural Annual Report for 2019, which is currently pending submission to parliament and subsequent publication. We also proudly unveiled our new domain, [www.ecsl.gov.lk](http://www.ecsl.gov.lk), in our ongoing effort to enhance stakeholder interaction and information dissemination.

We take immense pride in the surge in the number of registered practitioners, leaping from 15,758 in 2020 to 17,485 in 2021, despite the challenges presented by the Covid pandemic.

and sporadic nationwide closures. This growth reaffirms our steadfast commitment to upholding the highest standards of professional engineering in Sri Lanka. We continued to issue certificates to all registered engineering practitioners, the veracity of which can be confirmed on our website.

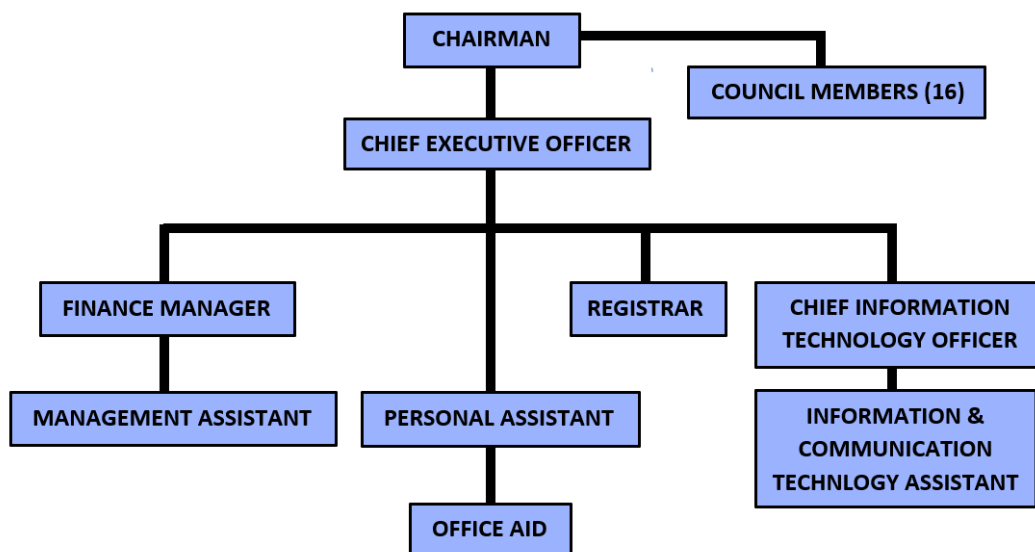
As we cast our gaze on the future, our resolve to further enhance our services and operations remains unwavering. Our focus remains steadfast on leveraging technology to boost our efficiency, maintaining the highest levels of transparency and accountability, and championing professional engineering standards within Sri Lanka.

In closing, I extend my deepest gratitude to all our stakeholders for their unwavering support and trust in us. I also wish to commend our committed team, whose dedication and relentless efforts have empowered us to meet our objectives, even during the most challenging times.

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## ORGANIZATION STRUCTURE

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## The Council

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The Council consists of seventeen members, out of which four are ex-officio members (three Deans of Faculties of Engineering not below the rank of Professor and the Director General of Tertiary and Vocational Education Commission) and thirteen other members are appointed by the minister in charge of the line ministry under which ECSL is established.

The “appointed members” consist of seven Chartered Engineers representing different engineering disciplines in rotation for every two years, nominated by the IESL, four members representing different engineering disciplines in rotation for every two years, nominated by the IIESL, one Chartered Engineer nominated by the Sri Lanka Engineering Service and one representative from the Engineering Technicians nominated by the Tertiary and Vocational Education Commission.

The Minister is to appoint one of the Chartered Engineers from among the appointed members to be the Chairman of the ECSL.

### The Council Members

Mr. Tilak De Silva, Chairman

*BSc Eng., MSc, CEng(SL), CEng(UK), CITP(UK), FIE(SL), FIET(UK), FBCS(UK), SMIEEE(USA), MCS(SL)*

Prof. N.K. Wickramarachchi, Member (Ex-officio)

*BSc Eng., MSc, PhD, DIC, CEng, MIE(SL)*

Prof. G.B.B. Herath, Member, (Ex-officio) until October 2021

*BSc Eng., MEng, PhD*

Prof. A. Atputharajah, Member, (Ex-officio) until 26 June 2021

*BSc Eng.(Hons), PhD, CEng, MIE(SL)*

Mr. B.K.U.A. Wickramasinghe, Member, (Ex-officio) since 12 July 2021

*BSc Eng, M.Ed (Manchester), MSc (Moratuwa), MIE (SL), CEng, MITD (UK)*

Dr. K. Pirapaharan, Member, (Ex-officio) since 26 November 2021

*BSc.Eng, MEng, DEng, CEng, MIEEE, MIET*

Dr. Ananda Ranasinghe, Member since February 2021

*BSc, MTech, MEng, LLM (Colombo) LLM (Wales), PhD, CEng, FStructE (UK), FICE (UK), FIE (SL), FSSE, FCI Arb, Attorney at Law*

Mr. J. Meegoda, Member

*BSc Eng.(Hons), PGD, MBA, CEng, FIE(SL), Int PE(SL), MIEEE(USA)*

Mr. K.P.I.U. Dharmapala, Member

*BSc Eng, CEng, FIE(SL), FICE(UK), FIE(Aust.), MASCE(USA), MSSE(SL), MACE(SL), IntPE(SL), PEng(Aust)*

Mr. A. Manamperi, Member

*BSc Eng, MS Eng, MBA, CEng, FIE(SL)*

Mr. J.A.G.R. Jayalath, Member

*BSc Eng., MSc Eng. , MEcon, PG(Dip)IT, PG(Dip) Const Mgt. FIE(SL), FCIHT(UK), LM(IRC), CMILT, MSSE(SL)*

Mr. Kosala Kamburadeniya, Member

*BSc Eng, PG Dip(Ind. Eng), MBA, Dip(Com. Arb), Attorney-at-Law, CEng, FIE(SL), IntPE(SL), MIET, MIEEE*

Dr. T.A.G. Gunasekara, Member

*M Eng, MSc Eng (Hons), PhD, CEng, IEng, MIE(SL), FIIE(SL)*

Mr. D.S. Senarath, Member

*MCGI(UK), IEng, MEG(SL), DTM(USA), FIIE(SL)*

Mr. K. Ariyawansa, Member

*GCGI(UK), MCGI(UK), IEng, MASCE(USA), MEG(SL), FIIE(SL)*

Mr. U.P.P. Kavikeshawa, Member until 12 February 2021

*BSc (Hons), MCGI (UK), IEng, TEng. AIE(SL), MEG(SL), MIAENG, FIIE(SL)*

Mr. P.A.D.R. Chandrasiri, Member since 18 October 2021

*GCGI(UK), FIIESL, IEng*

Mr. D. Abeyesiriwardena, Member

*BSc Eng, CEng, MIE(SL)*

Mr. S.U.K. Rubasinghe, Member

*PGDBM, PGCTM, AMIE(SL)*

## **Council Meetings**

The Council meetings were held on the following dates:

15 January 2021	08 July 2021
11 February 2021	12 August 2021
12 March 2021	09 September 2021
08 April 2021	14 October 2021
12 May 2021	11 November 2021
10 June 2021	09 December 2021

## **Staff Cadre**

1. Chief Executive Officer	- 01 No
2. Registrar	- 01 No
3. Chief Information Technology Officer	- 01 No
4. Accountant (Part Time)	- 01 No
5. ICT Assistant	- 01 No
6. Management Assistant	- 01 No
7. Personal Assistant	- 01 No
8. Office Aid	- 01 No

# ACTIVITIES COMPLETED AND IN PROGRESS

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## ACTIVITIES COMPLETED

### 1) Registration of Engineering Practitioners

Details of registered practitioners for 2021 are given below.

➤ Chartered Engineer	- 5,140
➤ Associate Engineer	- 10,915
➤ Affiliate Engineer	- 117
➤ Incorporated Engineer	- 464
➤ Engineering Diplomat	- 792
➤ Engineering Technicians	- 57
Total Registrations	- 17,485

- 2) There were 12 Council meetings held during the period from 01 January 2021 to 31 December 2021. Six out of the twelve meetings were held online in compliance with the Health Guidelines issued due to the COVID-19 pandemic.
- 3) Commenced bank online transactions for the payment of salaries, allowances, EPF, ETF and the settlement of other payments as much as possible to minimize delays.
- 4) A process has been finalized and started registration in the Engineering Technician category.
- 5) The Audit Committee has been established for ECSL in accordance with the Public Enterprise Circular PED 55 of 14 December 2012 and commenced functioning.
- 6) ECSL Financial Statements have been prepared in compliance with the Public Service Accounting Standards (PSAS).
- 7) A procedure for conducting Council meetings was adopted.
- 8) The first Annual Report of ECSL (for the year 2019) has been completed. It is in the process of submitting to the parliament and publishing the report.
- 9) ECSL has accomplished its obligations during the pandemic time without a delay as a result of the application of IT technology as much as possible for office work.

- 10) As a follow-up measure, reminders have been sent to all engineering practitioners who were registered in the previous year but failed to register in time for the year 2021.
- 11) Action has been taken to further streamline the registration process with IESL.
- 12) Published a notice in the newspapers in all three languages to make aware the general public the importance of registration of Chartered Engineers and how it is helpful to the people and organizations in identifying genuine engineering practitioners.
- 13) A circular has been issued informing all engineering organizations to consider ECSL registration in the event of recruitment and promotion of engineering practitioners as a measure of implementation of the provisions of ECSL Act.
- 14) Introduced [www.ecsl.gov.lk](http://www.ecsl.gov.lk) domain name for ECSL.
- 15) Started gathering information on:
  - a. Engineering degree courses conducted in Sri Lanka
  - b. Engineering diploma courses conducted in Sri Lanka
  - c. Engineering disciplines practicing in Sri Lanka
- 16) Discussions were in progress on the following:
  - a. Roles, Responsibilities and Competencies
  - b. Disciplinary process
  - c. Registration of Foreign Engineering Practitioners
  - d. Placement of “technologists” in the industry.
  - e. Allowances and welfare benefits for employees.
- 17) Continued issuing Electronic Certificates for all engineering practitioners registered. The authenticity of the certificate is available for verification on the website [www.ecsl.gov.lk](http://www.ecsl.gov.lk).

#### ACTIVITIES IN PROGRESS

- 1) Preparation of remaining Rules & Regulations
- 2) Preparation of process for Registration of Foreign Engineering Practitioners

# FINANCIAL STATEMENTS

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## Statement of Financial Performance

For the year ended 31 December 2021	NOTE NO	2021 Rs'000	2020 Rs'000	2019 Rs'000
Revenue from Operating Activities	01	18,127	15,757	17,033
Treasury Grants- Recurrent		3,495	800	3,548
Interest Income	02	1,260	1,008	
<b>Total Revenue</b>		<b>22,882</b>	<b>17,565</b>	<b>20,581</b>
Administrative Costs	3.1	(8,611)	(5,938)	(2,805)
Contractual Services & Maintenance expenses	3.2	(746)	(659)	(454)
Other Operational Expenses	3.3	(1,137)	(633)	(2,625)
Depreciation		(182)	(52)	
<b>Total Expenses</b>		<b>(10,676)</b>	<b>(7,282)</b>	<b>(5,884)</b>
<b>Surplus / (Deficit) from Operations</b>		<b>12,206</b>	<b>10,283</b>	<b>14,697</b>
Tax		(1,656)	(1,329)	(1,086)
<b>Surplus / (Deficit) for the period</b>		<b>10,550</b>	<b>8,954</b>	<b>13,611</b>



**Statement of Financial Position****As at 31 December 2021**

	NOTE	2021	2020	2019
	NO.	Rs'000	Rs'000	Rs'000
<b>ASSETS</b>				
<b>Current assets</b>				
Cash and cash equivalents	04	2,310	2,235	2,038
Cash and cash equivalents - Short-Term Investments	05	30,926	20,008	14,000
Trade & Other Receivables	06	567	1,194	3,731
Prepayments	07	81	23	30
		33,883	23,460	19,799
<b>Non-current assets</b>				
Property, Plant & Equipment	08	2,541	3036	2,541
<b>TOTAL ASSETS</b>		<b>36,424</b>	<b>26,496</b>	<b>22,340</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Other Provisions & Payables	09	1,528	1,523	6,188
<b>Non-current liabilities</b>				
Deferred Income (For Government Grants)	10	1,779	2,408	3,036
<b>TOTAL LIABILITIES</b>		<b>3,307</b>	<b>3,931</b>	<b>9,224</b>
<b>NET ASSETS</b>		<b>33,117</b>	<b>22,565</b>	<b>13,116</b>
<b>NET ASSETS / EQUITY CAPITAL &amp; RESERVES</b>				
Contributed Capital	11			-
Accumulated Profit/(Deficit)	12	33,117	22,565	13,611
<b>TOTAL NET ASSETS / EQUITY</b>		<b>33,117</b>	<b>22,565</b>	<b>13,611</b>

**The Accounting Policies and the Notes from pages 05 To 13 form an integral part of these Financial Statements.**

I certify that the above Financial Statements are true and correct as per the records available from the Engineering Council.

Signed by P.A.P. Silva  
Accountant (Acting)

The Council members are responsible for the preparation & presentation of the Financial Statements. Approved and Signed on behalf of the Engineering Council.

Signed by Eng. Thilak De Silva  
Chairman  
The Engineering Council, Sri Lanka  
10TH FEBRUARY 2022

Signed by Eng. D.S. Senarath  
Council Member

**Statement of Changes in Net Assets/ Equity****As of 31st DECEMBER****NOTE : 12**

	<b>Contributed Capital Rs'000</b>	<b>Accumulated Profit/Deficit Rs'000</b>	<b>Total Rs'000</b>
<b>Balance as at 31st December 2018 B/F</b>	-	-	-
Surplus / (Deficit) for the period		13,611	13,611
<b>Balance as at 31st December 2019</b>	-	<b>13,611</b>	<b>13,611</b>
<b>Balance as at 31st December 2019 B/F</b>		13,611	13,611
Surplus / (Deficit) for the period		<b>8,954</b>	<b>8,954</b>
<b>Balance as at 31st December 2020</b>	-	<b>22,565</b>	<b>22,565</b>
<b>Balance as at 31st December 2020 B/F</b>		22,565	22,565
Surplus / (Deficit) for the period		<b>10,552</b>	<b>10,552</b>
<b>Balance as at 31st December 2021</b>	-	<b>33,117</b>	<b>33,117</b>

**CASH FLOW STATEMENT**

	<b><u>2021</u></b> <b>Rs'000</b>	<b><u>2020</u></b> <b>Rs'000</b>	<b><u>2019</u></b> <b>Rs'000</b>
<b>Cash Flows from Operating activities</b>			
Surplus / [Deficit] for the year before Treasury Grants (Recurrent)	7,055	8,154	11,149
Add: Treasury Grants received (Recurrent)	3,495	800	3,548
Add: Depreciation	<u>182</u>	<u>52</u>	-
Surplus / [Deficit] before Tax for the year	<b>10,732</b>	<b>9,006</b>	<b>14,697</b>
<b>Non Cash Movements</b>			
Increased in payables	5	(4665)	5,102
Decrease in Other Current Assets	571	2,545	(3,761)
<b>Net cash flows from operating activities</b>	<b>11,308</b>	<b>6,886</b>	<b>16,038</b>
<b>Cash Flows from Investing activities</b>			
Purchase of Property Plant & Equipment	(315)	(681)	(3,140)
<b>Net cash flows from Investing activities</b>	<b>(315)</b>	<b>(681)</b>	<b>(3,140)</b>
<b>Cash Flows from Financing</b>			
Government Grants [Capital for Property Plant & Equipment]	-	-	3,140
<b>Net cash flows from financing activities</b>	<b>-</b>	<b>-</b>	<b>3,140</b>
<b>Net Increase/[decrease] in cash &amp; cash Equivalents</b>	<b>10,993</b>	<b>6,205</b>	<b>16,038</b>
Cash & Cash Equivalents at the Beginning of Period	<b>22,243</b>	<b>16,038</b>	<b>-</b>

**NOTES TO THE CASH FLOW STATEMENT**

Cash and cash equivalents consist of balances with banks. Cash and Cash equivalents included in the Cash Flow Statement comprise the following Statement of Financial Position amounts.

	<b><u>2021</u></b> <b>Rs'000</b>	<b><u>2020</u></b> <b>Rs'000</b>	<b><u>2019</u></b> <b>Rs'000</b>
Current Account Balances with Banks (Note No.04)	<b>2,310</b>	<b>2,235</b>	<b>2,038</b>
Investments - Fixed Deposit (Short Term) (Note No.05)	<b>30,926</b>	<b>20,008</b>	<b>14,000</b>
	<b>33,236</b>	<b>22,243</b>	<b>16,038</b>

**NOTES TO THE FINANCIAL STATEMENTS****REVENUE FROM OPERATING ACTIVITIES**

		<b>2021</b>	<b>2020</b>	<b>2019</b>
		<b>Rs'000</b>	<b>Rs'000</b>	<b>Rs'000</b>
<b>NOTE NO:01</b>				
<b>Registration</b>				
<b>Registration 2021</b>	No of Members			
Chartered Engineers	5,140	5,140	4906	5,409
Associate Engineers	10,915	10,915	9716	10,491
Affiliate Engineers	117	117	91	129
Incorporated Engineers	464	464	446	410
Engineering Diplomates	792	792	598	594
Engineering Technicians	57	57		
<b>Sub Total -Registration 2021</b>	17,485	17,485	15,757	17,033
<b>Registration - Arrears</b>				
Chartered Engineers		147	-	-
Associate Engineers		459	-	-
Affiliate Engineers		5	-	-
Incorporated Engineers		11	-	-
Engineering Diplomates		20	-	-
		642		
<b>Sub Total -Registration -Arrears</b>				
<b>TOTAL</b>		<b>18,127</b>	<b>15,757</b>	<b>17,033</b>
<b>NOTE NO:02</b>				
<b>Interest Income</b>				
Interest Income: A/C No BOC 85326186		180	224	-
Interest Income: A/C No BOC 86301038		250	63	-
Interest Income: A/C No BOC 85326167		511	721	-
Interest Income: A/C No BOC 87555504		297	-	-
Interest Income: Savings Account		22	-	-
<b>TOTAL</b>		<b>1,260</b>	<b>1,008</b>	

	2021	2020	2019
	Rs'000	Rs'000	Rs'000
<b>EXPENSES</b>			
<b>NOTE NO: 3.1</b>			
<b>ADMINISTRATIVE COSTS</b>			
Salaries & Wages	5,302	2466	918
Council Members Allowances	3,309	3472	1,887
<b>TOTAL</b>	<b>8,611</b>	<b>5938</b>	<b>2,805</b>
<b>NOTE NO: 3.2</b>			
<b>CONTRACTUAL SERVICES &amp; MAINTENANCE EXPENSES</b>			
Postage & Telephone Charges	335	289	18
IT Expenses	136	114	165
Entertainment	108	92	68
Audit Fees	-	75	75
Printing	168	10	34
Consultancy Charges	-	52	49
Sundry Expenses	-	-	33
Maintenance of Office Equipment	-	27	12
<b>TOTAL</b>	<b>746</b>	<b>659</b>	<b>454</b>
<b>NOTE NO: 3.3</b>			
<b>OTHER OPERATING EXPENSES</b>			
Stationery & Office Requisites	172	30	3
Periodicals & Newspapers	224	286	600
Bank Charges	18	13	3
Interest Paid	-	-	3
Other Operating Expenses	89	88	2,016
Advertisement Expenses	197	-	-
Awareness program	108	-	-
Traveling & Transport	49	22	-
Water	13	24	-
WEB Development	27	170	-
Legal Fees	210	-	-
Membership Fees Reimbursement	24	-	-
Translation Expenses	4	-	-
<b>TOTAL</b>	<b>1,137</b>	<b>633</b>	<b>2,625</b>
Depreciation	182	52	
<b>GRAND TOTAL</b>	<b>10,676</b>	<b>7,282</b>	<b>5,884</b>

**NOTES TO THE FINANCIAL STATEMENTS CONTD.**

	<b>2021 Rs'000</b>	<b>2020 Rs'000</b>	<b>2019 Rs'000</b>
<b>NOTE NO:04</b>			
<b>CASH &amp; CASH EQUIVALENTS</b>			
(1) Bank of Ceylon (Independence Square) (C/A No. 83585687)	146	(1,871)	1,570
(2) Bank of Ceylon (Independence Square) (C/A No. 83591633)	3	4,091	453
(3) Petty Cash	-	15	15
(4) Savings Account	2,161		
<b>GRAND TOTAL</b>	<b>2,310</b>	<b>2,235</b>	<b>2,038</b>

**NOTE NO:05****CASH & CASH EQUIVALENTS - INVESTMENTS (SHORT TERMS)**

(1) Fixed Deposits - Bank of Ceylon (Ind. Square) (83326167)	11,232	10,721	10,000
(2) Fixed Deposits - Bank of Ceylon (Ind. Square) (83301038)	5,299	5,063	4,000
(3) Fixed Deposits - Bank of Ceylon (Ind. Square) (85326186)	4,395	4,224	-
(4) Fixed Deposits - Bank of Ceylon (Ind. Square) (87555504)	10,000	-	-
<b>GRAND TOTAL</b>	<b>30,926</b>	<b>20,008</b>	<b>14,000</b>

**NOTES TO THE FINANCIAL STATEMENTS CONTD;**

	<b>2021</b>	<b>2020</b>	<b>2019</b>
	<b>Rs'000</b>	<b>Rs'000</b>	<b>Rs'000</b>
<b>NOTE NO:06</b>			
<b>TRADE AND OTHER RECEIVABLES</b>			
Members Fees Receivables	-	943	3,731
VAT receivable (Overpaid)	250	250	-
IESL	237	-	-
FD Interest Receivable	79	-	-
	<b>567</b>	<b>1,194</b>	<b>3,731</b>

**NOTE NO:07****PRE-PAYMENTS**

IT Expenses	78	-	30
Water deposit	3	3	-
EPF	-	17	-
ETF	-	3	-
<b>GRAND TOTAL</b>	<b>81</b>	<b>23</b>	<b>30</b>

**NOTE NO:08**

Property, Plant &amp; Equipment

**Please see page No.10****NOTE NO: 09****OTHER PROVISIONS & PAYABLES**

(1) Provision for Audit Fees	106	150	75
(2) PAYE Tax Payable	-	18	17
(3) Other Payables	54	26	7
(4) Income Tax Payable	1,255	1,329	1,086
(5) VAT Payable	-	-	1,549
(6) Members Renewal Advance	-	-	3,454
(5) EPF Payable	81	-	-
(6) ETF Payable	12	-	-
(7) Registration Fee rec in Adv: Engineering Technicians	20		
<b>GRAND TOTAL</b>	<b>1,528</b>	<b>1,523</b>	<b>6,188</b>

## NOTES TO THE FINANCIAL STATEMENTS CONTD.

## PROPERTY, PLANT &amp; EQUIPMENT

## NOTE: 08

Cost	Balance as at 01.01.2021 <u>Rs'000</u>	Additions <u>Rs'000</u>	Disposal / Adjustments <u>Rs'000</u>	Balance as at 31.12.2021 <u>Rs'000</u>
Furniture Fittings	3,041	-	-	3,041
Office Equipment	107.69	47	-	155
Computers & Accessories	673	268	-	941
<b>GRAND TOTAL</b>	<b>3,822</b>	<b>315</b>	<b>-</b>	<b>4,137</b>

Depreciation	Balance as at 01.01.2021 <u>Rs'000</u>	Charges for the Year <u>Rs'000</u>	Disposal / Adjustments <u>Rs'000</u>	Balance as at 31.12.2021 <u>Rs'000</u>
Furniture Fittings & Office Equipment	709	609	-	1,318
Office Equipment	5	23	-	28
Computers & Accessories	71	179	-	250
<b>GRAND TOTAL</b>	<b>785</b>	<b>811</b>	<b>-</b>	<b>1,596</b>
<b>NET BOOK VALUE</b>	<b>3,037</b>			<b>2,541</b>

## NOTE: 10

## Deferred Income

	Balance as at 01.01.2021 <u>Rs'000</u>	Additions During the Year <u>Rs'000</u>	Charges for the Year Depreciation <u>Rs'000</u>	Revaluation Adjustments / Disposal <u>Rs'000</u>	Balance as at 31.12.2021 <u>Rs'000</u>
Furniture Fittings & Office Equipment	2,331		608		1,723
Computers & Accessories	76		20		56
<b>GRAND TOTAL</b>	<b>2,407</b>	<b>-</b>	<b>628</b>	<b>-</b>	<b>1,779</b>



# AUDITOR'S REPORT

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The Chairman,  
Engineering Council, Sri Lanka

**Report of the Auditor General on the Financial Statements and the Other Legal and Regulatory Requirements of the Engineering Council, Sri Lanka for the year ended 31<sup>st</sup> December 2021 in terms of Section 12 of the National Audit Act, No.19 of 2018**

The above mentioned report is sent herewith.

W.P.C. Wickramarathne  
Auditor General

Copies.to 1. The Secretary Ministry of Irrigation  
2. Secretary – Ministry of Finance, Economic Stabilization and National Policies.

# NATIONAL AUDIT OFFICE

**The Chairman,  
Engineering Council, Sri Lanka**

**Report of the Auditor General on the Financial Statements and the Other Legal and Regulatory Requirements of the Engineering Council, Sri Lanka for the year ended 31<sup>st</sup> December 2021 in terms of Section 12 of the National Audit Act, No.19 of 2018.**

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## **1. Financial Statements**

### **1.1 Qualified Opinion**

The audit of the financial statements of the Engineering Council, Sri Lanka for the year ended 31 December 2021 comprising the statement of financial position as at 31 December 2021 and the statement of financial performance, statement of changes in equity and cash flow statement for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018 and Financial Act No.38 of 1971. In accordance with Article 154(6) my report will be tabled in Parliament in due course.

In my opinion, except for the effects from the matters described in Basis for Qualified Opinion in my report, the financial statements of the Council give a true and fair view of the financial position as at 31 December 2021, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

### **1.2 Basis for Qualified Opinion**

- a) Including Rs. 401,257 paid as income tax in the preceding year, a sum of Rs. 1,656,196 of income tax of the year under review had been mentioned in the financial statements as the total tax liability in the year under review.
- b) Even though a registration fee of Rs.18, 127,000 had been mentioned in financial statements as income including a receivable registration fee of Rs.642, 000, name list of members upon which such registration fees calculated had not been submitted to the audit. Therefore, the accuracy of registration fee income could not be verified at the audit.

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

### **1.3 Other information included in the Annual Report - 2021 of the Council**

The other information means the information in the Annual Report-2021 of the Council which I obtained prior to the date of the audit report but does not include in the financial statements and the information not included in my auditor's report in this regard. Management is responsible for such other information.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance or opinion whatsoever in that respect.

With regard to my audit of the financial statements, my responsibility is to read the other information identified above when it becomes available and, in doing so, to consider whether the other information is materially inconsistent with the financial statements or with my knowledge obtained during the audit or otherwise appears to be materially misstated.

Based on the information I have obtained prior to the date of this audit report and based on actions taken by me, if I conclude that other information is materially mis-stated, I am required to report that matter. In this regard, I have nothing to report.

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

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards and for such internal control as the management determine 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, it is the responsibility of the management to assess the ability for continuous existence of the council and maintain accounts on the basis of a continuous process of existence and to disclose matters relevant to the continuous existence of the council, unless management either intend to liquidate the Council or in the absence of alternatives, to cease operations.

Those charged with governance are responsible for overseeing the Council's Financial reporting process.

In terms of sub - Section 16 (1) of the National Audit Act No. 19 of 2018, the Council is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable the preparation of annual and periodic financial statements of the Council.

### **1.5 Auditor's Responsibility on the Audit of the Financial Statements**

My objective is to issue my Audit Report which includes my opinion and provides an equitable confirmation that overall financial statements are free from material misstatements resulting from fraudulent and inaccurate information. 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 such financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain practitioner skepticism 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 Council'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 Council'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 Council 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 communicate with those charged with governance regarding among other matters, significant audit findings including any significant deficiencies in internal control that I identified during my audit.

## **2. Report on Other Legal and Regulatory Requirements**

2.1 National Audit Act No.19 of 2018 specifies provisions for the following requirements.

- 2.1.1 Except for the effects of the matters described in the Basis for Qualified Opinion section of my report, I have obtained all the information and explanation that required for the audit and as far as appears from my examination, proper accounting records have been kept as per the requirement of the section 12(a) of the National Audit Act No. 19 of 2018
- 2.1.2 The financial statements presented is consistent with the preceding year as per the requirement of section 6(1) (d) (iii) of the National Audit Act, No.19 of 2018.

- 2.1.3 The financial statements presented includes all the recommendations made by me in the previous year as per the requirement of section 6(1) (d) (iv) of the National Audit Act No.19 of 2018.
- 2.2 Based on the procedures performed and evidence obtained were limited to matters that are material, nothing has come to my attention.
- 2.2.1 To state that the any member of the governing body of the Council has any direct or indirect interest in any contract entered into, by the Council which are out of the normal cause of the business as per the requirement of section 12(d) of the National Audit Act, No.19 of 2018.
- 2.2.2 to state that the Council has not complied with any applicable written law, general and special directions issued by the governing body of the Council as per the requirement of section 12(f) of the National Audit Act No.19 of 2018.

**Reference to Laws/ Rules and Regulations**

**Observations**

- |  |   |
|--|---|
| <p>a) National Audit Act No 19 of 2018</p> <p style="padding-left: 40px;">(i) Section 39.2 of the Act</p>  | <p>Although it should have been reported to the Auditor General within 03 months regarding the implementation of recommendations shown in the Detailed Annual Management Audit Report submitted in respect of the year 2020, the Council had not done so.</p>   |
| <p>(b) Engineering Council Act No 04 of 2017.</p> <p style="padding-left: 40px;">.....</p> <p style="padding-left: 40px;">(i) Chapter12 of the Act</p> | <p>Although inquiries should have been conducted regarding certain matters related to the instances of Professional misconducts of engineering practitioners, no measure had so far been taken for the regulation of wrongs done by the practitioners involved with engineering practice.</p>   |
| <p style="padding-left: 40px;">(ii) Sections 15 and 18 of Chapter14 of the Act</p>   | <p>An engineering practitioner should not be engaged in the practice of Engineering provided he has not been registered as an engineering practitioner. However, at the end of the year under review, the number of practitioners of the Institution of Engineers, Sri Lanka and the Institution of Incorporated Engineers, Sri Lanka stood at 20,248 and 8,000 respectively, and only 18,127 practitioners had been registered with the Engineering Council and no</p> <p>Mechanism had been prepared and implemented to make the affiliated party aware in that regard and identify the persons who are engaged in engineering profession without being registered.</p> |
| <p style="padding-left: 40px;">(iii) Powers of Act(E)</p>  | <p>Although a procedure for conducting disciplinary inquiries on the professional misconduct of engineering practitioners should be determined by the Engineers Council, such</p>   |

( c) 395 (b0 and (c ) of the Financial Regulations of the Democratic Socialist Republic of Sri Lanka

procedures had not been specified.

Even though a Bank Reconciliation Statement should be prepared and submitted to the Auditor General as at the end of each month before the 15th of the following month, as the date of preparing the Bank Reconciliation Statement had not been mentioned, it was not confirmed that the Bank Reconciliation Statement had been prepared within the stipulated period.

2.2.3 to state that, the Council has not performed according to its powers, functions and duties as per the requirement of section 12(g) of the National Audit Act No.19 of 2018

2.2.4 to state that, the resources of the Council had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws and as per the requirement of section 12(h) of the National Audit Act No.19 of 2018.

W.P.C. Wickramaratne  
Auditor General