



Ministry of
Labour and
Foreign Employment



NIOOSH
National Institute of
Occupational Safety and
Health - Sri Lanka

Annual Report

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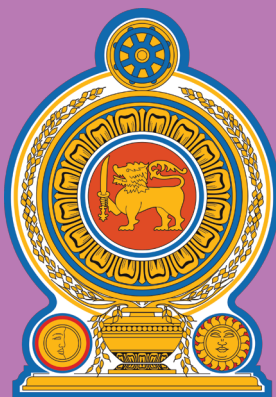
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National Institute of Occupational Safety & Health

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Annuel Report 2022

**National Institute of Occupational
Safety & Health**

Annuel Report - 2022

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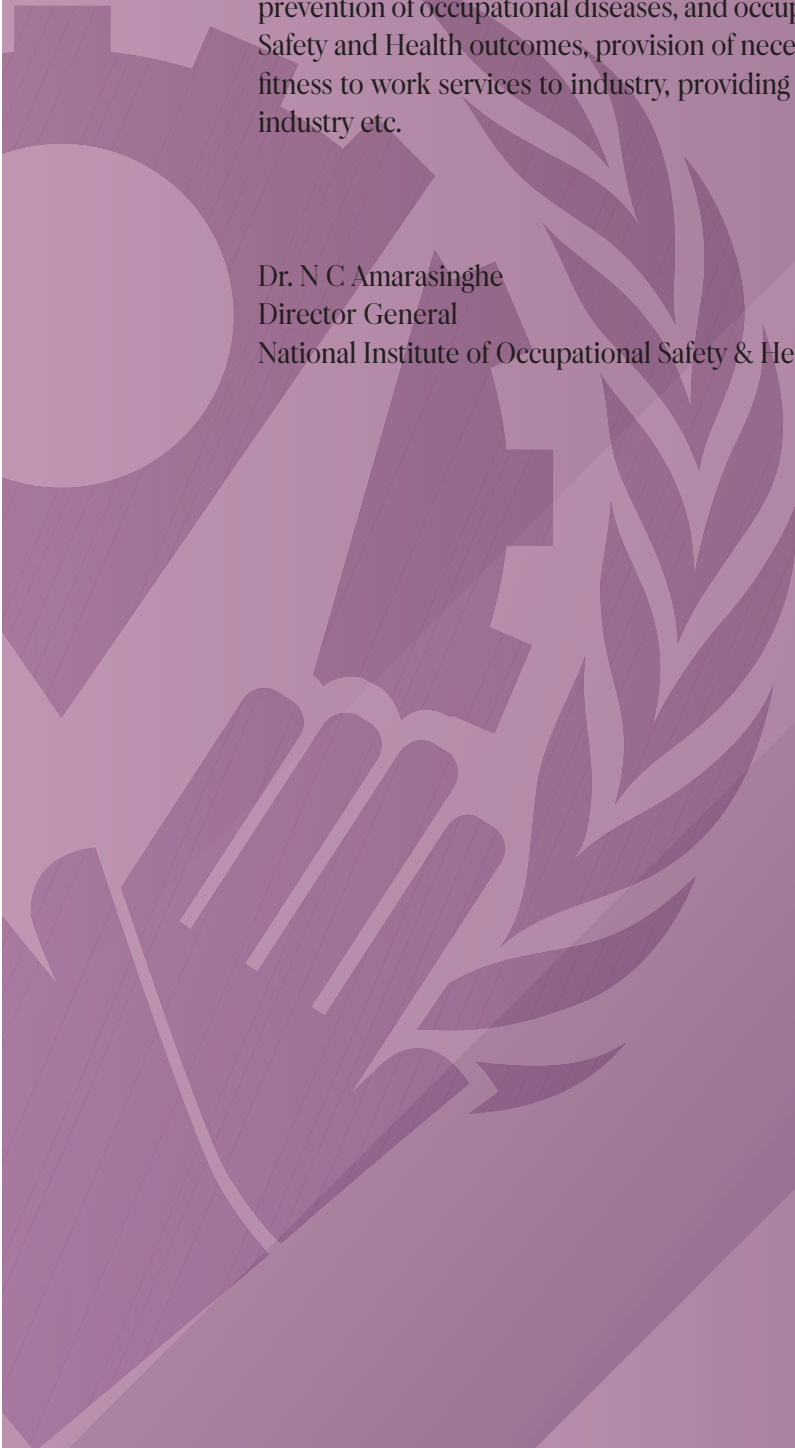
The National Institute of Occupational Safety & Health was established under the Act No 38 of 2009 and started its functions on 2011 year. The goal of the Institute is to provide a world class occupational safety & Health service to the industry while being a self-financing body. NIOSH is the leader in delivering professional safety and health information to all our stakeholders.

NIOSH carries out various activities to increase the awareness on OSH among the industrial and general public. NIOSH is currently conducting many occupational safety and health training and awareness proposal. The training and company building of industrialists has become out of the major conducted by NIOSH as an example the foundation come in OSH. The exceptive training in OSH, the certificate and diploma in OSH and accepted and NVQ level 4 & 5 with the TVEC. NIOSH has imitated NVQ level 6 higher national diplomas in OSH doing the year 2022.

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

NIOSH is committed to improve, maintain and sustain a safe working environment for all employees, through increasing awareness and adherence to proper health and safety measures. NIOSH always respects all our stakeholders and committed to deliver an unbiased and technical services based on the industrial requirement. We provide solutions for any occupational Safety and Health issue arising while in industrial operations, in order to minimize occupational diseases and injuries.

The trainings offered by our organization will ensure the safety of worker while at work, while ensuring safety of others in the workplace. The trainings enable individuals to identify specific hazards at their workplace and identify places where risk is high. We utilize only the best scientific practices, the best scientific knowledge and resource to deliver our services. We maintain the best quality of our services by occupying the most qualified experts who has the hands-on experience to deliver the services. We provide the best quality OSH services looking for the future of the Sri Lankan industry. We are the only government organization representing Ministry of Labour in connecting partnerships with the local industry, employers, employees, international organizations, universities and with professional communities in accordance with the global concepts. Furthermore, we work with employers, employees and all other stakeholders and committed to maintain the relationships with all tripartite constituents.



We are the pioneers in providing technical training and creating awareness, provision of top-level occupational healthcare and safety practices in terms of business operators, prevention of occupational diseases, and occupational accidents, impact on occupational Safety and Health outcomes, provision of necessary OSH training for students, providing fitness to work services to industry, providing environmental monitoring services to the industry etc.

Dr. N C Amarasinghe
Director General
National Institute of Occupational Safety & Health

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Director General's message

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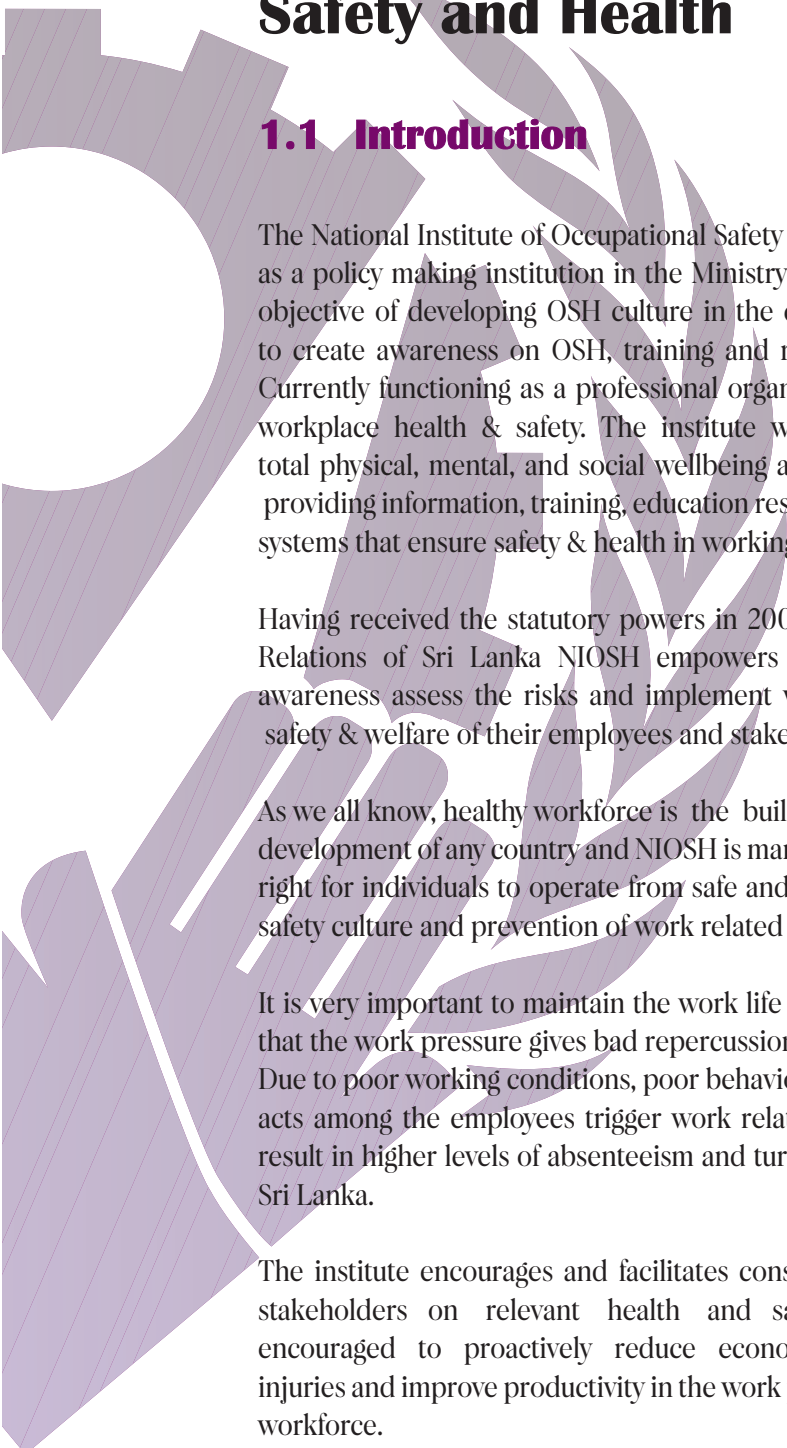
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Chapter One

**National Institute of Occupational
Safety and Health**



National Institute of Occupational Safety and Health

1.1 Introduction

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

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

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

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

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

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

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

NIOSH as an institution always provide an unbiased, world class OSH service and create a safe and healthy working environment with the objective of minimizing occupational accidents and diseases and focuses to establish and sustain as a self-financing institute. NIOSH staff is extremely happy to state that we could provide productive service to the consumers to their best satisfaction by performing the above activities in a very successful manner. It is evident that NIOSH has successfully accomplished the given objectives stated in the NIOSH Act No 38 of 2009 within a very short period with great success which we can be very proud of. The follow up study has further proved this fact that many institutions have constantly obtained the services of National Institute of Occupational Safety and Health.

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

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

1.2 Vision, Mission, Objectives

Vision

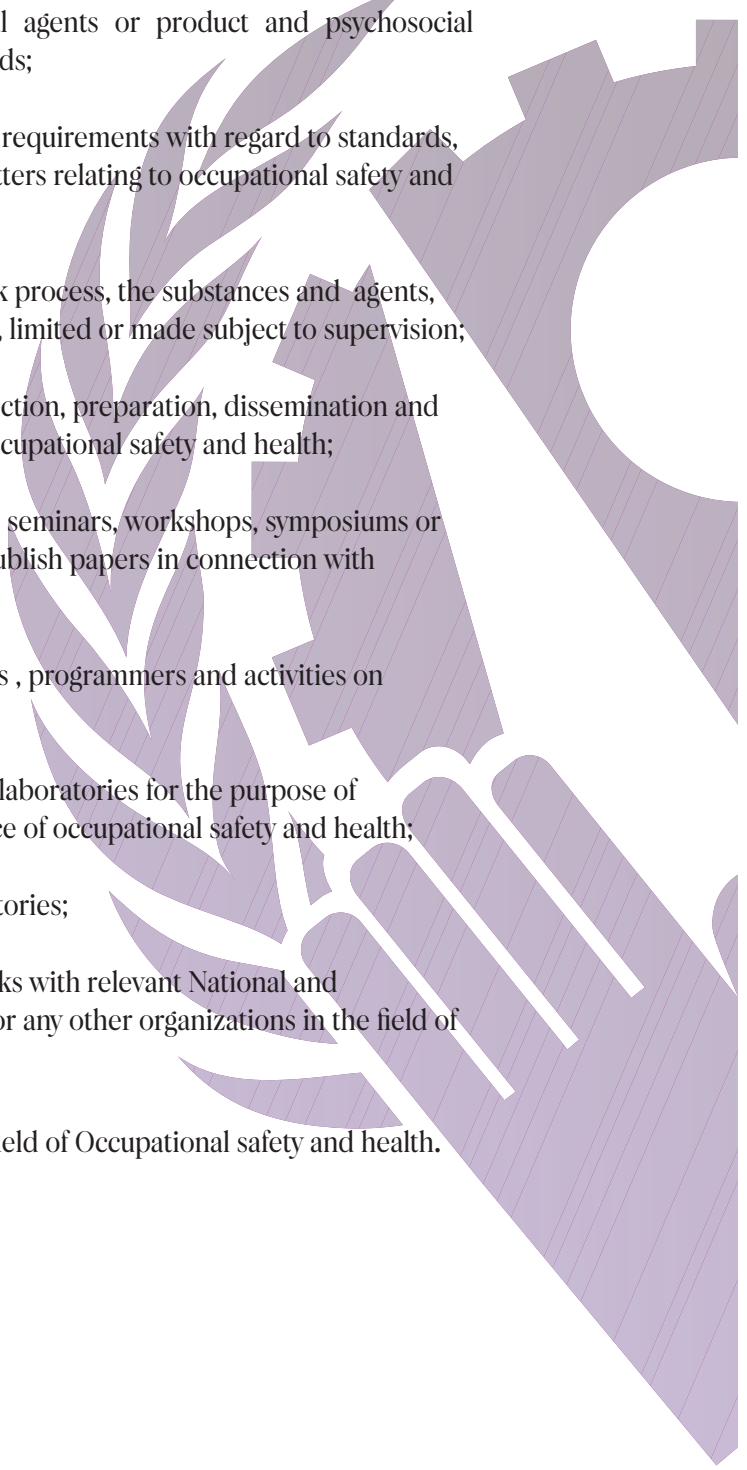
“To provide Occupational Safety, health and welfare to all”

Mission

“Empowering tripartite stakeholders through education, training and research in order to prevent all sorts of employment barriers for the sake of ensuring safety and health of work places and improving productivity”

NIOSH Objectives

- (a) To advice the Government in the formulation of a national policy on Occupational safety & health & on the working environment both of employers & employees taking into consideration the nature of the occupation & safety of the employers & employees.
- (b) To advice the Government on measures required for the prevention of accidents and injuries relating, to Occupation at work places;
- (c) To conduct, undertake and assist in investigations, study programmers, surveys and research in the field of Occupational safety and health
- (d) To provide advisory services to any institution or person on the correct use of equipment, hazardous substances, physical, chemical or biological agents or products or any other hazards;
- (e) to educate and provide necessary training to employees, occupiers, workers or any other person required of knowledge and training in occupational safety and health and related subjects either in collaboration with any other institution or university in Sri Lanka or abroad, or by the Institute and award certificates or diplomas on completion of such education or training;

- 
- (f) to provide required services on the correct use of equipment, hazardous substances, physical, chemical, biological agents or product and psychosocial hazards and avoidance of known hazards;
 - (g)
 - (i) to advise the Minister on legislative requirements with regard to standards, codes, practices and guidelines in matters relating to occupational safety and health
 - (ii) to evaluate and determine the work process, the substances and agents, the exposure to which is prohibited, limited or made subject to supervision;
 - (h) to undertake or collaborate in the collection, preparation, dissemination and publishing of information relating to occupational safety and health;
 - (i) to organize or to sponsor conferences, seminars, workshops, symposiums or such other similar programmes and publish papers in connection with occupational safety and health;
 - (j) to co-ordinate inter-ministerial projects, programmes and activities on occupational safety and health;
 - (k) to establish and maintain libraries and laboratories for the purpose of promoting and furthering of the practice of occupational safety and health;
 - (l) to develop research and special laboratories;
 - (m) to liaise and establish links and networks with relevant National and International Institutions, Universities or any other organizations in the field of occupational safety and health; and
 - (n) to establish national standards in the field of Occupational safety and health.

1.3 Special priorities

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

1.4 Institutional employee hierarchy

<i>Senior management</i>		<i>Tertiary level</i>		<i>Secondary level</i>		<i>Primary Level</i>		<i>Total</i>		
Approved Number	Number Employed	Approved Number	Number Employed	Approved Number	Number Employed	Approved Number	Number Employed	Approved Number	Number Employed	Percentage of the number of vacancies
07	02	03	03	10	06	05	05	25	16	36%

Table No 1.1 Institutional employee hierarchy

Chapter Two

Institution Service Provisional

Activities of the institution

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

2.1 Service provision

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

2.1.1 Routine activities

Following activities are considered as our routine activities;

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

a. Environmental monitoring

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

- obtaining measurements for indood air quality and stack emmissions using flue gas analyser
- Obtaining dust level measurements using dust pumps in industry
- Obtaining noise level measurements using sound level meaters
- Temprature measurements using heat stress monitor

B.Occupational safety & Health risk assessments

The safety & health risk assessments are carried out in the factory premises by occupational safety & health officers and the safety & health related risks are assessed

through a walk through survey and reviewing related documents. The identified risks will be summarized, in the closing meeting, and a report with risk prioritizations including the improvement recommendations will be provided.

c. Fitness to work assessments

All workers in any work place need to be assessed timely, to avoid and assess the exposure to the working environmental hazards. Accordingly, NIOSH team visits the factory premises, and monitor the employee exposure levels or they will visit NIOSH premises and get the testing done by competent technicians. A reliable medical report will be generated based on the test reports as to ensure the fitness to their specified job task. Following testing facilities are available at NIOSH;

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

2.2.1. Special activities

NIOSH is conducting special activities such as to support the industry to improve the safety & health status in industry and to minimize occupational injuries in industries such as tailor made special training, occupational safety & health related projects, safety & health conferences and seminars, safety & health excellence awards ceremony etc. Most of these tailor-made programs and projects are designed based on special requests from the industry and to cater the new challenges faced by the industries due to new technology, processes and human behaviors. Accordingly special programs are designed and implemented.

a. Special trainings

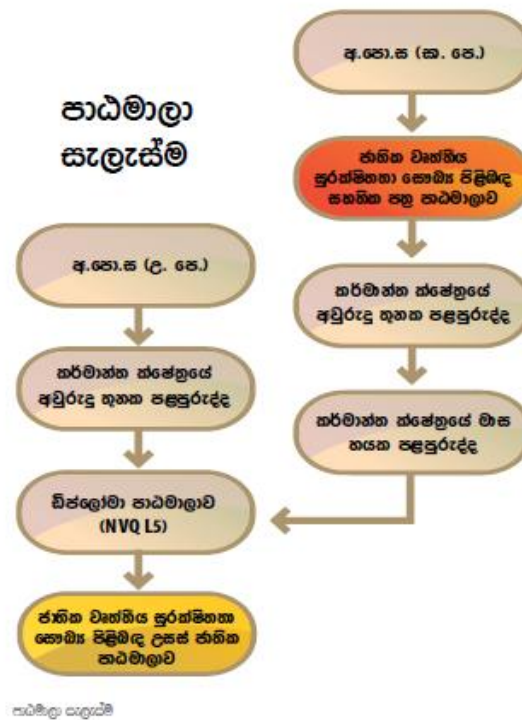
NIOSH has designed following levels of special trainings such as;

- Level one
- Level two
- Level three

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

Training structure of the institute is as follows;

NIOSH training path is as follows;



• LEVEL ONE TRAININGS

The short term trainings are considered as the level one trainings which the duration of the trainings are one to five days. Following training sessions were organized by the institution during the year 2018;

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

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

- **LEVEL TWO TRAINING**

The second level trainings are considered as long-term training which was designed to provide a competence to manage occupational safety & health in any industry. These types of trainings are important for the employees who are working in the safety & health section in industries as to conduct safety committees, or to manage safety & health management systems of for the executives who would involve with decision making. This training is designed to complete within 15 days competing 750 notional hours and a special consideration was given for the industrial employees. Accordingly, a special consideration was given for the training location and weekend schedules as most of the employed participants does not have free participation time during their workdays. Based on the request by the industries NIOSH has a flexibility to organize these trainings on consecutive 15 days. The session ends with an exam conducted by NIOSH and a certificate will be given only for the participants who successfully complete the exam. The entry criteria for the course are the Advanced level qualification.

- **LEVEL THREE TRAINING**

Safe work place is the building block in occupational injury preventing strategy. In-order to do so qualified safety officers plays a key role in industry. The safety officers should be qualified with the National Diploma in OSH which is the top most qualification accredited as NVQ 5 in Sri Lanka. This diploma curriculum was developed assisting the needs of safety related issues the industry. There are three modules which should be completed within 1500 notional hours as to qualify as a safety officer and there are module exams to be completed successfully. Furthermore, the studentshaveto submit a project report as a partial fulfillment to get the required marks as to get the certificate. The employability assessment will be carried out prior to the convocation.

The next development of NIOSH training will be the higher National Diploma in OSH, which will be commenced during the year 2020.

b. Occupational safety & health projects

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

c. National safety & health excellence awards competition

National safety and health excellence awards competition was initiated by NIOSH during the year 2014 and currently we have completed three continuously during 2014, 2016, 2018 repertory. The best occupational safety and health practicing industries were selected through a tedious step wise process, including a desk review, field verification, expert review. The 2018 certificate award ceremony was held at Nelum Pokuna Theater with the participation of the Hon. Prime minister of the country.

d. The National Occupational Safety & Health conference

The National Occupational Safety & health conference is one of the major events organized by NIOSH annually. This objective of this conference is to disseminate most updated international and national OSH related information among Sri Lankan industries as to benchmark with the international arena. More than 500 employers and top management participate in this conference. Most of the OSH related product displays also will be one of the key activities in this conference.

The conference organizers create a national OSH network among the participants which provide a platform to share the knowledge.

e. Occupational safety & health research

The National Institute of occupational safety & health carried out research projects in collaboration with universities, industry or any other organization which needs our assistant to make critical decisions based on evidence.

f. National Occupational safety & health professional association

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

g. CSR projects

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

2.1.3 International collaborations

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

2.2 Service quality improvements

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

2.2.1 Quality management system certification

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

2.2.2 Infrastructure developments at NIOSH

Customers are our asset. Therefore, NIOSH has taken all the steps to develop its infrastructure to provide a happy and comfortable environment to our customers.

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

Third Chapter

Progress of the Institute

Progress of the Institute

3.1 Progress of Service Delivery

In the year 2022, our institute conducted 182 environmental measurement surveys as a routine activity of the Institute. Table 3.1 given below provides an overview of the services rendered by our institute.

Environmental survey	No of institutions
Sound	2100
Light	1680
Heat	750
Dust	1200
Emission	285
Air survey	360

Table 3.1 Environmental Measurement surveys

Medical tests are conducted by the Institute to ascertain whether the level of health of employees is at the desired level. In the year 2022, medical tests were conducted for five institutions.

Risk Assessment

Risk assessment is another routine activity conducted by our institute. Based on risk assessment, NIOSH provides recommendations for the creation of a safe and healthy working environment and further improvement of industries' Accordingly, our institute conducted more than 38 risk assessments during the year 2022.

Assessment of fitness for work

Fitness for work was assessed with the objective of evaluating the health impact of hazardous exposure of employees. Workers of any place of work should be assessed periodically to assess their exposure to dangers and hazards and take preventive measures accordingly. Our team visit factory premises to assess workers' exposure level. Alternately, workers visit our institute to have their fitness for work tested. On the basis of reports of medical tests, a confidential medical report is issued by our institute certifying the worker's fitness for the specific employment. The following facilities are available at NIOSH.

- Hearing test
- Blood test to assess exposure to various chemicals
- Certifying fitness for employment
- Lung functions test
- Sight test

The following tests were conducted to assess the impact of dangerous exposure on employees.

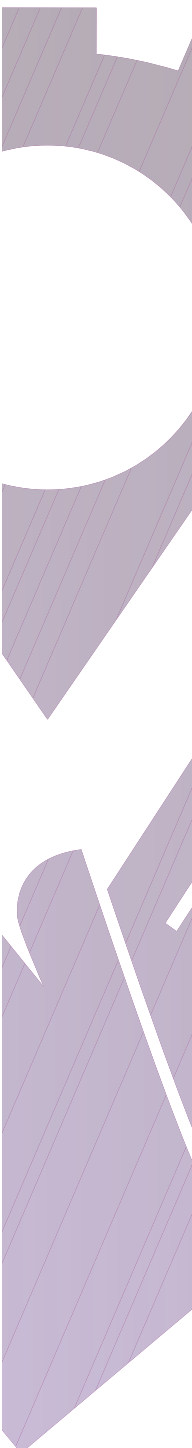
No. of institutions studied	Type of tests conducted	No. of tests conducted
12	Lung functioning	380
	Hearing test	275
	Sight test	165
Total		820

3.1.2 Progress of Special Programmes

3.1.2 Progress of Special Programmes

One of the key programmes of the Institute is to offer training programmes for Health and Safety Officers. The progress of special programmes conducted in the year 2021 is tabulated below.

Level	Programme	Duration
First level	Higher Diploma course on National Occupational Safety and Health (English Medium)	26 March 2022- 01st batch (No. of students 10)
	Diploma course on National Occupational Safety and Health (English Medium)	29 May 2022 – 23rd batch (No. of students 20)
	Diploma course on National Occupational Safety and Health (Sinhala Medium)	05 November 2022 -24th batch (No. of students 42)
	Diploma course on National Occupational Safety and Health (Sinhala Medium)	10 May 2022 - 02nd batch (No. of students 10)



Second level	Certificate course on National Occupational Safety and Health	28 January 2022 – 43rd batch (No. of students 17)
		21 March 2022 -44th batch (No. of students 27)
		28 July 2022 -45th batch (No. of students 19)
		04 August 2022- 46th batch (No. of students 17)
Tertiary level	Foundation course on National Occupational Safety and Health	21 May 2022 -06th batch (No. of students 11)
		20 October 2022 -07th batch (No. of students 15)
	Special course for officers of the Executive Grade	08 January 2022-05th batch (No. of students 15)
		10 August 2022 – Batch 06 (No. of students 12)
		19 December 2022 -07th batch (No. of students 19)
	Certificate course for workers of Free Trade Zone in collaboration with Industrial development Board	10 October 2022 (No. of students 59)
	Certificate course for nursing students conducted in collaboration with Surado Institute	10 September 2022 (No. of students 58) 08 October 2022 (No. of students 49) 11 November 2022 (No. of students 139)

Table 3.2 Progress of special programmes

The higher diploma course was introduced as an extension to the Diploma course for imparting higher knowledge and providing expertise to those employed in the industrial sector. The inaugural course was commenced in March 2022 with the first batch comprising of 10 students.

During the year 2021, three diploma courses were conducted in English and Sinhala medium. In the year 2022, two courses were conducted in English medium and one in Sinhala medium. The two English medium courses had 62 participants and the Sinhala medium course had 10 participants.

In addition, four certificate courses on National Occupational Safety and Health were conducted during the year 2022. Batches 43,44,45 and 46 completed their courses in the year 2022. The total participation in the four courses was 80.

Similarly, three foundation courses on National Occupational Safety and Health were conducted by our institution in the year 2022. Those students from batch 6 and batch 7 who completed the foundation course have been referred to institutional training. Arrangements were also made in the year 2022 to offer three special courses for executive grade officers.

In partnership with the Industrial Development Board, several certificate courses on occupational safety and health were conducted with the participation of 59 workers of the export processing zone. Three batches of the course for nursing trainees conducted in collaboration with Surado Institute completed the course in the year 2022.

In addition to the general courses conducted by the Institute, a 6-day certificate course was conducted for 600 minor employees, a 15-day programme for 10 Technical Officers and a 1-day certificate course for 30 Engineering Officers of the Colombo Municipal Council were conducted during the year under review.

We were able to successfully complete the National Occupational Safety and Health Conference of the year 2022. The National Occupational Safety and Health Awards Ceremony was held on 17.11.2022 under the patronage of the Minister of Labour and the Secretary of the Ministry and the Occupational Safety and Health Diploma and Certificate Ceremony 2022 was held that night.

National Occupational Safety Week

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

Objectives

This year's National Occupational Safety and Health Week was conducted from 22 November to 26 October 2021 and the following activities were conducted during this period.

1. National Seminar on Occupational Safety and Health – 17th November
2. Diploma awarding ceremony for Occupational Safety Officers – 17th November
3. Certificate awarding ceremony for Occupational Safety Officers – 17th November
4. National Conference on Occupational Safety – A three-day programme was conducted from 24 to 26 November 2022

National Seminar on Occupational Safety and Health

The seminar was inaugurated at 9.00 a.m. on 17 November 2022 and was held with the participation of local and foreign resource persons. This year's National Occupational Safety and Health seminar was based on the theme 'Win safety through occupational safety and health management system'. More than 350 participants representing both employers and employees participated in the seminar. The seminar offered the opportunity for Sri Lankan factory employees to share the knowledge and experiences of foreign resource persons.

National OSH Conference 2022



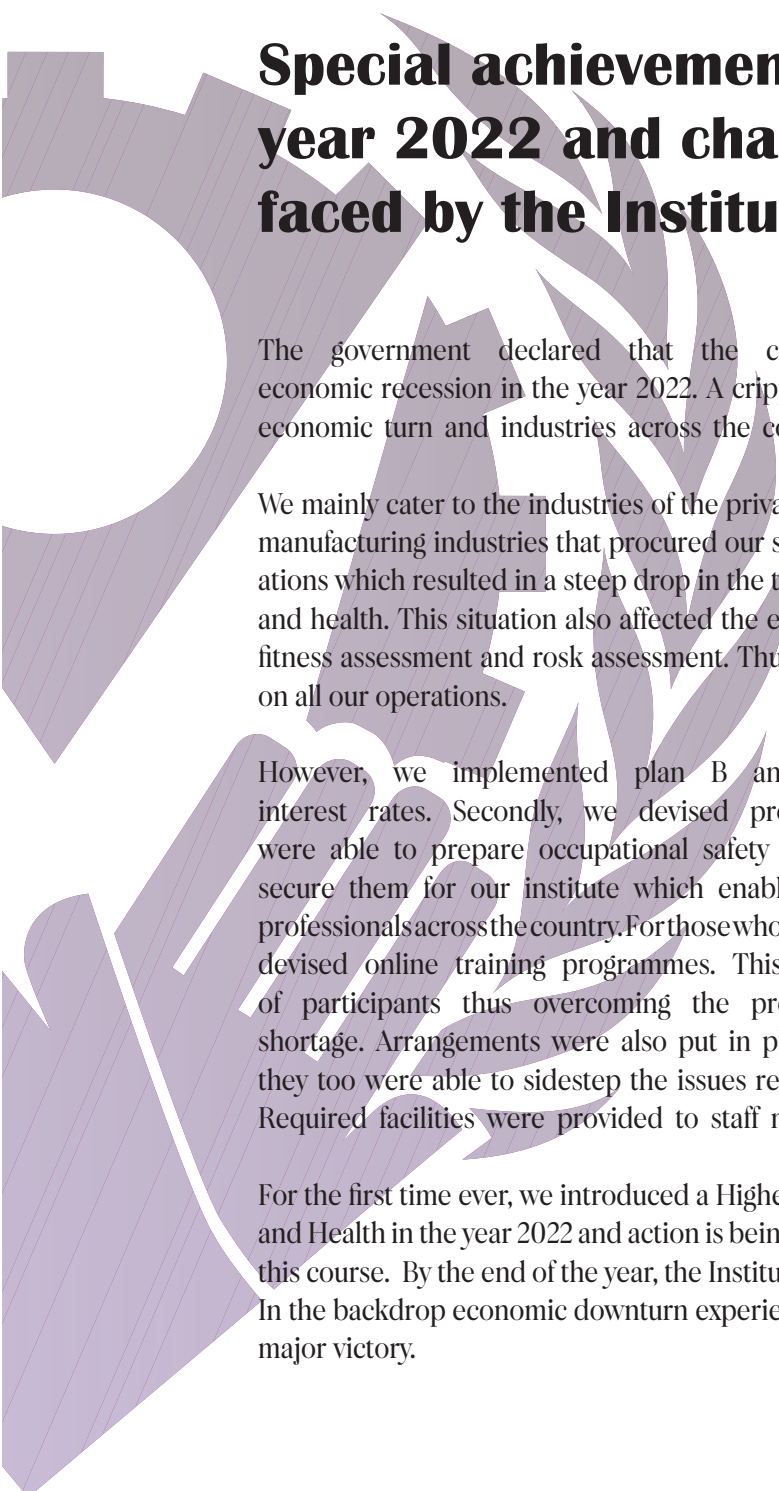
Diploma and Certificates Awards Ceremony for Occupational Safety and Health Officers

The Diploma and Certificates Awards Ceremony for Occupational Safety and Health Officers was held under the patronage of the Secretary of the Ministry of Labour from 6.00 p.m. onwards on 17th November 2022. Certificates were awarded to 135 who successfully completed the Diploma Course.



Chapter Four

**Special achievements in the
year 2022 and challenges
faced by the Institute**



Special achievements in the year 2022 and challenges faced by the Institute

The government declared that the country was going through an acute economic recession in the year 2022. A crippling fuel shortage was precipitated by the economic turn and industries across the country faced a debilitating financial crisis.

We mainly cater to the industries of the private sector and most of the construction and manufacturing industries that procured our services were forced to suspend their operations which resulted in a steep drop in the training programmes on occupational safety and health. This situation also affected the environmental monitoring, work evaluation, fitness assessment and risk assessment. Thus the economic crisis had a spillover effect on all our operations.

However, we implemented plan B and reinvested our deposits at higher interest rates. Secondly, we devised proposals for benefactor institutions and were able to prepare occupational safety projects for other industrial sectors and secure them for our institute which enabled us to make available our services to professionals across the country. For those who were unable to connect with us physically, we devised online training programmes. This helped in reducing the transport cost of participants thus overcoming the problems stemming from the acute fuel shortage. Arrangements were also put in place for the staff to work from home and they too were able to sidestep the issues relating to transport costs and fuel shortage. Required facilities were provided to staff members who opted to work from home.

For the first time ever, we introduced a Higher National Diploma on Occupational Safety and Health in the year 2022 and action is being pursued to obtain NVQ 6 accreditation for this course. By the end of the year, the Institute was able to post a profit of Rs. 48 million. In the backdrop economic downturn experienced by Sri Lanka, this can be termed as a major victory.

Chapter Five

Financial Progress of the Institute

Statement of Financial Position

National Institute of Occupational Safety and Health As at 31 December 2022 Balance sheet

		2022	2021
Assets			
Current assets			
Cash and cash equivalents		6,421,557	2,341,266
Receipts	Note 1	31,265,546	9,278,889
Development Fund	Note 2	202,543,847	171,759,456
		<u>240,230,950</u>	<u>183,379,611</u>
Fixed assets			
Treasury deposits			
Property, plant and equipment	Note 3	58,913,977	55,329,469
Total reserves		<u>299,144,927</u>	<u>238,709,080</u>
Liabilities			
Current liabilities			
Payments	Note 5	4,384,599	3,552,398
Total liabilities			
Net assets		<u>294,760,327</u>	<u>235,156,682</u>
Surplus income	Note 4	294,760,327	235,156,682
Total net assets		<u>294,760,327</u>	<u>235,156,682</u>

Revenue Statement

National Institute of Occupational Safety and Health For the year ended 31 December 2022 Revenue Statement

Revenue	2022	2021
Treasury receipts	6,268,890	6,471,700
Operational income	49,323,571	40,651,724
Interest income	29,242,289	9,315,013
Occupational safety seminar	4,945,500	2,852,000
	<u>89,780,250</u>	<u>59,293,417</u>
Expenditure		
Institutional administrative expenditure	29,948,337	26,288,262
Financial expenditure	4,646,774	1,784,377
Depreciation	7,068,521	6,098,545
Total expenditure	<u>41,663,632</u>	<u>34,171,184</u>
Surplus of the year	<u>48,116,618</u>	<u>25,122,253</u>

Chairman

National Institute of Occupational Safety and Health

Report of the Auditor General on the Financial Statements and other legal and regulatory requirements of the National Institute of Occupational Safety and Health for the year ended 31 December 2022 in terms of Section 12 of the National Audit Act No. 19 of 2018.

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the National Institute of Occupational Safety and Health for the year ended 31 December 2022 comprising the statement of financial position as at 31 December 2022 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018 and Finance Act No. 38 of 1971. In terms of Article 154(6) of the Constitution, my report will be tabled in Parliament in due course.

In my opinion, except for the effects of the matters described in section on qualified opinion of my report, the accompanying financial statements give a true and fair view of the financial position of the Institute as at 31 December 2022, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

1.2 Basis for Qualified Opinion

(a) Plant and equipment costing Rs. 3,096,741 which had been fully depreciated had been revalued at Rs. 965,000 and depreciation of 20 percent relevant to these revalued assets amounting to Rs. 193,000 in respect of the year had not been brought to account.

(b) As a result of computer accessories revalued at Rs. 500,000 being depreciated as Rs. 10,000 with 20 percent per year having deemed the revaluation amount of computer accessories as Rs. 50,000 in computing the depreciation, the surplus and the value of plant, property and equipment of the year under review had been overstated by Rs. 90,000.

(c) Medical equipment worth Rs. 600,000 had been revalued and as a result of being depreciated having taken the revalued amount as Rs. 500,000 in the computation of depreciation, the surplus and the value of plant, property and equipment of the year under review had been overstated by Rs. 10,000.

(d) By revaluing assets costing Rs. 13,553,678 at Rs. 9,077,000, the revaluation profit as per the audit was Rs. 9,039,528, but due to Rs. 9,476,327 being indicated as the revaluation profit in the statement of changes in equity, the revaluation profit had been overstated by Rs. 436,800.

(e) According to the asset revaluation schedule, though it had been stated that assets costing Rs. 14,058,605 that were fully depreciated had been revalued at Rs. 9,077,000 as at 31 December 2022, the cost of those assets was indicated as Rs. 13,553,679 in financial statements. Accordingly, a difference of Rs. 504,926 was observed between the schedule and financial statements.

(f) The following shortcomings were observed in the Statement of Cash Flow submitted by the Director General together with the answers for the draft audit report.

(i) Though there is an increase of Rs. 196,675 as compared to previous year in the other trade and other payables except for gratuity and provisions of the current year, the same was shown as a decline of Rs. 454,328 in preparing the Statement of Cash Flow.

(ii) In computing the net cash flow generated from operational activities, though the surplus of plant, property and equipment should have been entered as Rs. 436,801 as adjustments, it was stated as Rs. 454,328 in the statement of cash flow.

(iii) Though the annual fixed deposit interest receipt was Rs. 6,418,005, it was stated as Rs. 4,406,623 in the statement of cash flow.

(iv) Though the annual capital grant receipt was Rs. 3,569,880, it was stated as Rs. 4,406,623 in the statement of cash flow under investment activities.

(g) Though the financial statements should be prepared in accrual basis accounting in terms of Sri Lank Public Sector Accounting Standard No. 1, the audit fees of the Institute for the year 2022 had not been entered on accrual basis.

(h) Though the aggregate of equity of trial balance and the opening balance of retained earnings as at 31 December 2022 was stated as Rs. 233,597,501, a difference of Rs. 1,559,179 was observed as it was stated as Rs. 235,156,680 in the statement of changes in equity'

(i) Membership fees of Rs. 65,000 of the Employees' Welfare Society, built by deducting from the salaries of employees was shown as payable expenditure.

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

Other information means information, though included in the Annual Report 2022 of the Institute which is expected to be handed over to me after the date of this audit but not included in the financial statements and in my audit report thereon. Those charged with management shall be responsible for other information.

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

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

In reading the annual report 2022 of the Institute, if I concluded that there are material misstatements, such matters shall be communicated to those charged with management. If there still are misstatements which have still not been corrected, they will be included in the report to be tabled in Parliament by me in due course in terms of Article 154(6) of the Constitution.

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

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

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

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

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

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

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

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

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

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

2. Report on other legal and regulatory requirements

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

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

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

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

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

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

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

Reference to laws, rules, regulations etc	Observations
Public Finance Circular 2/2020 dated 28 August 2020	The Performance Report of the year 2022 submitted to the audit had not been prepared as per the instructions of the relevant circular.

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

Reference to laws, rules, regulations etc	Observations
i. National Institute of Occupational Safety and Health Act, No. 38 of 2009. Subsection 9(8)	Though the Governing Council may make rules Subject to the provisions of the Act , determining the procedure to be followed at meetings of the Council., rules had not been made.
ii. Subsection 20(1)	Though the Minister may make regulations in respect of matters which are required to be prescribed or in respect of which regulations are authorized to be made or where it is necessary for giving effect to the principles of this Act, such regulations had not been made.
iii. Section 11	Though there shall be appointed by the Council such number of persons to be Directors of the Institute, as shall be necessary for the efficient administration of the Institute, they had not been so appointed.

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

No action had been taken to revalue assets amounting to Rs. 11,176,630 out of assets costing Rs. 24,730,308 which had been fully depreciated as at 31 December 2021 but were still being used.

2.3 Other Matters

The approved cadre of the Institute is 25 and the actual cadre is 16. It was observed that the services of the post of Director General which is the post of the Chief Executive Officer who is engaged in discharging duties assigned by Acts and regulations in directing the functions of the Institute and management functions assigned by the Board of Directors are procured on contract basis. Similarly, though the services of a permanent officer is required for the post of Director (Health & Hygiene) who has been entrusted with a critical role for the sustenance of the Institute, a permanent officer has not been appointed and instead the service of a resource person has been obtained as and when necessary.

W.P.C. Wickremaratne
Auditor General

NOTE





Ministry of
Labour and
Foreign Employment



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