



**National Institute of
Occupational Safety and
Health**

**Annual Report
2012**



NIOSH

**National Institute of
Occupational Safety and
Health • Sri Lanka**

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National Institute of Occupational Safety and Health

National Institute of Occupational Safety and Health was established on 28th April 2005 as an entity affiliated to the Ministry of Labour and Labour Relations. Our institute is dedicated to provide each person with better work environment through prevention of occupational accidents and occupational diseases by following better health and protective measures and the observance of correct protective measures and methodologies.

Our institute provides necessary education and training to employees, employers and any person who can get benefits through such a training.

Vision

Providing occupational safety, health and welfare to all

Mission

Strengthening tripartite stake holders through education, training and research to ensure safety and health in work places and increase the productivity for prevention of all kinds of occupational accidents.

Message of the Minister of the Ministry of Labour and Labour Relations and Chairman of the National Institute of Occupational Safety and Health



I feel it as a great privilege to issue this message as the Minister in charge of the subject of labour on account of the report which depicts the progress and the services rendered towards both employee and employer sectors in Sri Lanka by the National Institute of Occupational Safety and Health that comes under my Ministry, at the committee stage of the Budget Debate.

This institute renders an unprecedented service towards both public and private sector small industries for the improvement of their quality and productivity. Hereby, the main objective of mine is to create a healthy work force with consolidated relations between employees and employers by improving the quality of their career to do away with possible physical illnesses arising from the nature of their employment and the environment at the places of their work.

And the second objective of mine is to steer the National Institute of Occupational Safety and Health which comes under my Ministry in the correct path in achieving its objectives, realizing the necessity of the contribution of a healthy work force in order to bring about an economic development.

I am happy that I was able to realize the words I have made to expand the ways and means of protecting social status and security of labour force and thereby protecting the rights of working class through giving effect to labour standards and revision of laws fulfilling the objectives of “Mahinda Chinthana Future Vision.”

The tasks performed by this entity include conducting various training programmes aimed at safeguarding employment and health and obtaining request environmental measurement to keep pace with international standards by observing risk and dangers existing in the environment and creating a suitable working environment for the employees.

I do hereby, express my gratitude to the staff of the Ministry and the Institute that dedicated with team spirit to realize all efforts and also my thanks are due to representatives of employer, employee, public institutions, International Labour Organisation and Non – government Organisations and the Ministers and Members of the Parliament who extended their fullest co-operation and strength in the endeavors.

I would also extend my heartiest gratitude to His Excellency the President Mahinda Rajapakshe for his correct guidance.

Gamini Lokuge
Minister of Labour and Labour Relation

Message of the Secretary to the Ministry of Labour and Labour Relations and Chairman of the National Institute of Occupational Safety and Health



It is my great pleasure to have the opportunity to forward this report prepared to be submitted to the Parliament at the committee stage of the Budget Debate of the Ministry of Labour and Labour Relations for the year 2013, on the progress achieved by the Ministry and the institutions under its purview in the year 2012.

The service rendered during the last year for the working people who provide a great contribution for the economic development and all communities by the Ministry of Labour and Labour Relations and the institutes under its purview.

Among them, the physical progress as well as the financial progress achieved by the National Institute of Occupational Safety and Health within a very short period of time, is excellent. This Institute performed with dedication with a view to creating a healthy labour force and creating a better work environment in the institute. The service rendered by the National Institute of Occupational Safety and Health to create a new culture of occupational safety through education, training and creating awareness on the prevention of all sort of occupational accidents, is laudable. A contribution has been made to improve the productivity in the country through all these activities.

I express my gratitude to Hon.Gamini Lokuge, Minister of Labour and Labour Relations who provided leadership, proper guidance and patronage required for achieving these objectives.

I extend my sincere thanks to the Additional Secretary to the Ministry of Labour and Labour Relations including the heads of the departments and all officers of staffs of those institutes who performed with dedication and co-operation to achieve this success.

Moreover, I extend my sincere gratitude to the Director General including all staff of the National Institute of Occupational Safety and Health who rendered an invaluable service for the development of the National Institute of Occupational Safety and Health.

W.J.L.U. Wijayaweera
Secretary to the Ministry of Labour and Labour Relations
Chairman, the National Institute of Occupational Safety and Health.

Message of the Director General of the National Institute of Occupational Safety and Health



I have great pleasure to forward this report prepared to be submitted to the Parliament at the committee stage of the Budget Debate of the Ministry of Labour and Labour Relations for the year 2013, on the progress achieved by the National Institute of Occupational Safety and Health in the year 2012.

The service rendered for working people and employers in all over the island by our institute during the period of review to create a healthy labour force while showing the occasions where employment becomes a threat to the life and curbing accidents and diseases caused by employment, is great.

Accordingly, the first and foremost among our objectives is to take action to minimize various exposures in work environment through identification of risks in work environment and taking relevant measurements for them towards creating a healthy labour force through by the National Institute of Occupational Safety and Health.

Moreover, the institute acts with no hesitation to identify and prevent occupational diseases due to various exposures in worksites.

Our institute is dedicated to provide the country with high productivity by minimizing occupational diseases and accidents in worksites through conducting various training courses and meaningful lectures and training Safety Officers for uplifting occupational safety and health.

Moreover, I thank all Heads of institutes including all staff of this Ministry and Department and my staff who made a contribution with no hesitation for the promotion our institute.

I take this opportunity to express my gratitude to Hon. Gamini Lokuge, Minister of Labour and Labour Relations and Mr. W.J. L. U. Wijayaweera, Secretary to the Ministry of Labour and chairman of the National Institute of Occupational Safety and Health for providing necessary leadership, guidance and patronage to perform above mentioned activities.

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

Targets achieved and progress in the year 2012

Targets

- ❖ Training of Safety Officers
 - Conducting a National Diploma Course on Occupational Safety and Health.
 - Conducting two (02) Certificate Courses on Occupational Safety and Health.
 - Conducting a Higher Course on Occupational Safety and Health for the plantation field.

- ❖ Providing Environmental Measurement Services for 90 institutions through site study.

- ❖ Providing biological measurements on Professionals' Health (Providing medical research for institutions.)

- ❖ Providing knowledge on Occupational Safety and Health to various institutes.

Progress

❖ National Diploma Course on Occupational Safety and Health.

National Diploma Course on Occupational Safety and Health has been conducted in February in 2012. The duration of this course is 10 months and having followed the Certificate Course on Occupational Safety and Health of our institute or having a recognized degree or having at least 05 years' experience related to the field is compulsory to follow the course. 24 Executive officers representing various fields have been registered and they have followed this course in 2012. The great contribution has been given through this training to various fields as Occupational Safety Officers.



❖ Conducting the Certificate Courses on Occupational Safety and Health.

Two Certificate Courses on Occupational Safety and Health were conducted in 2012. The duration of each course is 15 weeks. These courses have been successfully completed by 23 students and it has helped to minimize the occupational accidents in work places of these trained officers. Most of them, presently serve as Safety Officers. Any person who is interested in Occupational Safety and Health can follow the Course.



❖ **Advanced Certificate in Occupational Safety and Health Course for the Plantation Sector.**

20 Executive Officers in the field of plantation have been registered and they have successfully completed this course during the training period of 15 days. This Course had been organized including theoretical training as well as practical training. This course has enabled to improve occupational safety and health of persons engaged in the field of plantation in the country and it has been proved in the follow-up action after training that factories have been utilized effectively through occupational safety.



Likewise opportunity has been provided to obtain promotions in the field and proper arrangement of work environment of persons engaged in the field of plantation by following this course. Further, because of the introduction of the post of Occupational Safety Officer, it has been received a higher value in the field. Another progress obtained through this is that it has been possible to develop more productivity in both employers and employees. Action has been taken to provide a Manual on vocational guidance for the persons who followed the course.

❖ **Providing Environmental Measurement Services by studying the work sites.**

National Institute of Occupational Safety and Health has provided services for Environmental Measurements for 90 institutes of various vocational fields as a daily activity. Measuring of sound, light, heat and quantity of chemicals in factories is carried out by these measurements. Hence, recommendations have been given for occupational safety and health of the employees and action has been taken to minimize the impacts on the environment. It has enabled to obtain international orders through this, because of the certificate to the effect that it is in accordance with the relevant standards.



❖ **Providing biological measurements on professionals health (Providing medical examinations for institutes).**

Test of hearing condition, function of lungs and blood test as well as eye test were carried out to scientifically determine the fitness for jobs of the labourers, engaged in various institutes and factories. Arrangements have been made to safeguard occupational safety and health of employees through these things.



❖ **Providing knowledge for institutions on occupational safety and health.**

10 one day training programmes which are conducted within the institutions and are prepared according to the requirements of institutions were held at work places.



Lectures, necessary information, instructions and services have been provided free of charge for the students in Colombo Medical Faculty, universities such as Kelaniya, Peradeniya, post graduate degrees and various public institutes, by the National Institute of Occupational Safety and Health.

Special activities in the year 2012

❖ **Creating awareness among people and vocational trainers on occupational safety and health and conducting health clinics – 01**

Seven (07) workshops on waste management for the persons engaged in handling waste have been conducted with the participation of the Western Province Waste Management Authority and the International Labour Organization in seven (07) regions of the Western Province since January 2012.

Three hundred employees, including waste collectors and Public Health Officers successfully completed the training. Further, this has provided a great service for waste management of Western Province successfully as well as the development of co-operation and knowledge on the health of the persons engaged in handling waste and has given support to safeguard health and occupational safety of employees and the public.



Here, health clinics parallel to these workshops, to promote the health condition of the professionals of waste management, were conducted free of charge and those employees were provided with the opportunity for blood test, hearing test and eye test. Also , they were provided with spectacles and personal protection equipment free of charge at the same time.

❖ **Conducting programmes for creating awareness on occupational safety and health benefits among the public and vocational trainers.**

Awareness was created among 4000 waste collectors serving in 18 local government bodies of Western Province on occupational safety and health as another step of waste management from May 2012. It was possible to create a significant change in their health condition and life style through this. Hence, an awareness was created on earning money through waste management which is considered as a severe problem nowadays, and on additional income earning methods through making ornamental items using them.



- ❖ **Conducting tripartite supply workshop for the promotion of occupational safety and health in Sri Lanka.**

Conducting tripartite supply workshops for the development of occupational safety and health in the construction field with ICTAT.



- ❖ **Conducting a workshop to exchange knowledge of the GREEN JOBS which was funded by the International Labour Organization.**

Programme of exchanging knowledge gained from the workshops on waste management was held at Renuka Hotel in Kolpetty under the financial sponsorship of the International Labour Organization as another phase of GREEN JOB project of the International Labour Organization. The officers in local government bodies of Western Province and the Executive Officers of public institutes participated in this workshop.



❖ **Conducting 02 “Three day workshops” in Sinhala and Tamil medium for Vocational Training Consultants on occupational safety and health.**

02 three day workshops on occupational safety and health in Sinhala and Tamil medium were successfully conducted on 18, 19, 20, 25, 26 and 27 of September in 2012 for Vocational Training Consultants with the financial contribution of the World University Association and 20 vocational trainers in Sinhala medium and 20 vocational trainers in Tamil medium participated in the same.



It was possible to gain a thorough knowledge and understanding on occupational safety and health as a result of the participation of trainers representing Northern and Eastern provinces in these workshops and it has enabled to develop the national harmony in the country. As they impart their knowledge gained through the training to the vocational trainees, it will enable the persons joining the profession as amateurs in occupational safety and future productivity.

❖ **Conducting the National Occupational Safety and Health Week under the theme of “Towards a Green World through Occupational Safety and Health”.**

- **Conducting a Media Conference for the National Occupational Safety and Health Week on 05th October 2012**

A media conference to create awareness among working people for National Occupational Safety and Health Week was held under the patronage of Hon. Mr. Gamini Lokuge, Minister of Labour and Labour Relations. Mr. W.J. L. U. Wijayaweera, Secretary to the Ministry of Labour and Labour Relations, Mrs. Pearl Weerasinghe, Commissioner General of Labour, Mrs. Sujatha Wijesundara, Head of the Industrial Safety Division and Dr. N. C. Amarasinghe, Director General of the National Institute of Occupational Safety and Health participated in this event. Director General of the National Institute of Occupational Safety and Health explained the matters relating to the steps taken at present, anticipated programmes to be implemented in the future and the programmes expected to be implemented during the Occupational Safety Week to minimize occupational injuries by the National Institute of Occupational Safety and Health, the Department of Labour and the Ministry of Labour and Labour Relations.

In addition, awareness was created among the people by live programmes through audio visual electronic media as well as by news paper reports during this week. Assistance was given by electronic and printed media such as Sri Lanka Rupawahini Corporation, Independent Television Network, Sirasa and Swarnawahini television as well as Lake House and Vijaya News papers through their full sponsorship.



- **Conducting a workshop to create awareness among employers and employees on health condition in Finlays worksite.**

A workshop to create awareness among employers and employees on occupational and health, was conducted for the National Occupational Safety and Health Week on 06th Saturday of October 2012 from 8.30 a.m. to 1.30 p.m. at Finlace worksite with the participation of the officers of the National Institute of Occupational Safety and Health.



- **Conducting a workshop for the employees of the construction field in collaboration with ICTAD**

An awareness programme for workers on occupational accidents and diseases for improving occupational safety and health in construction field, was conducted on 08th October 2012 at the auditorium of the National Institute of Occupational Safety and Health with ICTAD under the patronage of Hon. Gamini Lokuge, Minister of Labour and Labour Relations. The main theme of this programme was “ OSH in zero ” of the construction field. A programme on the prevention of eye injuries and an eye clinic were conducted for the workers, facing occupational accidents in the construction field. Donations were granted to the workers who had met with accidents in the construction field and had become disabled and scholarships were also granted to their children under the patronage of the Srama Wasana Fund. This programme was carried out by the National Institute of Occupational Safety and Health in collaboration with the ICTAD.



- **Main Conference of the National Occupational Safety and Health Week**

The conference which is considered as the key programme of the National Occupational Safety and Health Week for creating awareness among employers on occupational safety and health was held on 10th October 2012 at Galadari Hotel in Colombo from 9.00 a.m. to 4.00 p.m. under the patronage of Hon. Minister Gamini Lokuge. The Executive Officers, Human Resources Managers and many officers of recognized institutes of Sri Lanka participated in this Conference, which included many meaningful and effective lectures on occupational safety. Mr. Vinaya Pathak and Mr. Dian Gomes participated in the conference as Resource Persons.



The certificates were awarded on the same day to 13 students who completed the Certificate Course on Occupational Safety and Health in 2012, under the patronage of Hon. Minister Gamini Lokuge. Brandix Private Limited is the main sponsor of the ceremony. 3M Private Limited and Sri Lanka Insurance Corporation gave the joint sponsorship and joined hands with the National Institute of Occupational Safety and Health in performing activities of this event.



- **Conducting the Certificate Award Ceremony for persons engaged in the plantation field**

Certificate Awarding Ceremony for Supervisors, Managers and Safety Officers who are engaged in the plantation field and successfully completed the Higher Course on occupational safety and health was held on 12th October 2012 at Galle Face Hotel under the patronage of Hon. Minister Gamini Lokuge. Twenty selected officers of 20 estates belonging to five estate companies participated in this course with the main objective of improving occupational safety and health of the employees engaged in the plantation field under the joint financial contribution of two plantation community projects of Canadian World University Association and the institutions such as Ethical Tea Partnership and completed a course of 15 days successfully. In addition, a Counseling Manual on occupational health was made for the plantation field under this programme.



❖ Greater Colombo Waste Water Management Project

05 day workshop of creating awareness on occupational safety and health among work supervisors and technical officers, working in sewerage systems of the Colombo Municipal Council was held under this project on 05th , 11th , 14th , 17th and 20th of December 2012 at the National Institute of Occupational Safety and Health, 15 officers participated in this event.



One day workshop for employees, working in the sewerage system of the Colombo Municipal Council under this project was held on 10th of December 2012 at National Institute of Occupational Safety and Health. 23 employees working in the sewerage systems of the Colombo Municipal Council participated in this event. In this workshop an awareness was created on the usage of personal protection equipment and their importance, occupational diseases and the way to behave in an accident. Through this, employees could gain a broad understanding of the importance of the knowledge on occupational safety and health for private life.



National Standard Development

Action is being taken to develop a regulation frame for activities relating to Nano Technology of Sri Lanka under the IDRC project with the Sri Lanka Standards Institute to establish ISO 230585 and ISO 130225 standards. Required arrangements for this are being made by now.

Improving guidance for Good Laboratory Practices (GLP) with the assistance of SLAB institute.

❖ Library for the Study of Occupational Safety and Health

Library possesses a large number of useful books on occupational Safety and it is located on the ground floor of the premises of the National Institute of Occupational Safety and Health. Further, it is open on weekdays for students' reference , studying the following subject related books, periodicals, handouts, reports , modules , re-print, training modules, chemical protection data entry notes and data based newsletters.

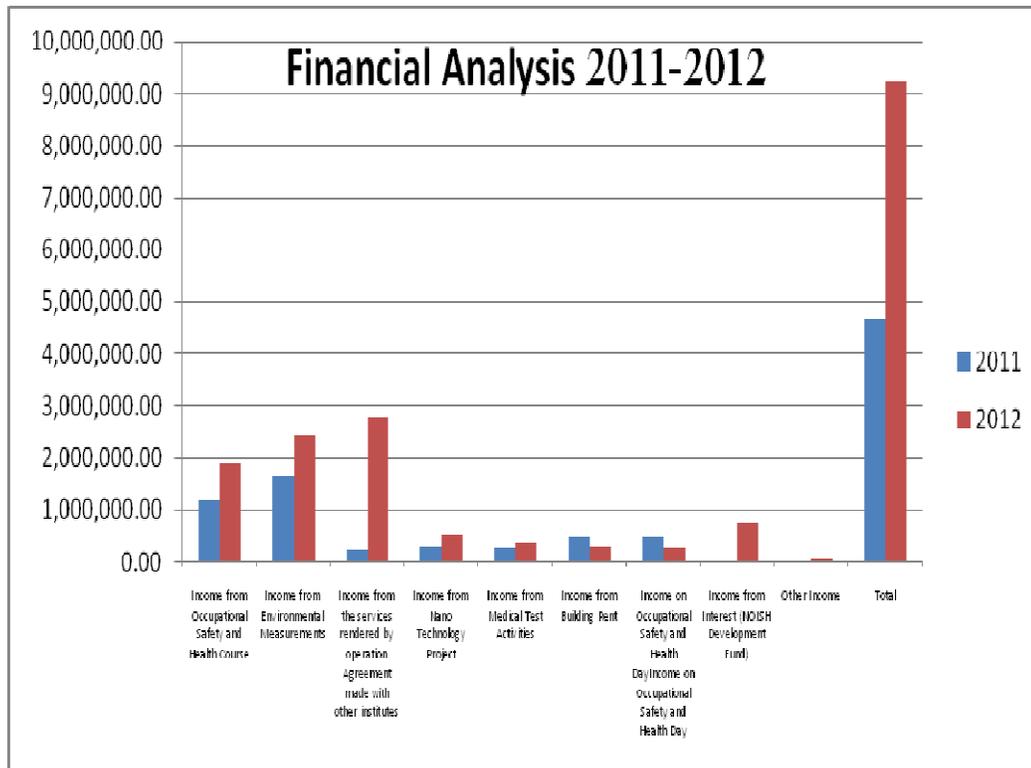
Occupational Health
Industrial Health
Environmental Health
Public Health
Suitable work Environment
Industrial safety
Chemical Safety
Occupational Diseases
Formulation of Industrial Laws.
Toxicology
Water and Sanitation

Board of Directors of the National Institute of Occupational Safety and Health

	Name	Designation	Official Address
01	Mr. W.J.L.U. Wijayaweera	Secretary	Ministry of Labour and Labour Relations
02	Mrs. P. Weerasinghe	Commissioner General of Labour	Labour Secretariat, Department of Labour
03	Mr. Ravi Peries	Director General	Employers' Society
04	Mr. W.H. Piyadasa	Chairman	Public Employees Free Trade Union
05	Mr. Lesli Devendra	Chairman	Public Employees Free Trade Union
06	Dr. Narmi Wickramasingje	Specialist for Occupational Diseases	Asiri Hospital, Kirula Road, Narahenpita
07	Professor Subangee Herath	Divisional Head of Social Science	Faculty of Social Science, University of Colombo
08	Mr. H.K. Balachandra	Director General	Institute of Construction Training and Development
09	Mrs. W.L.S. Wijesundara	Commissioner of Labour	Industrial Safety Division, Department of Labour
10	Mrs. C. Senanayake	Deputy Director	National Planning Department
11	Dr. A. Jayalal	Deputy Director General	Community Health Service Division, Ministry of Health Protection and Nutrition
12	Mr. S.A.S. Ruchira Vithana	Senior Assistant Secretary	Industrial Division, Ministry of Industrial Development
13	Dr. D.B.T. Wijerathna	Director of Agriculture and Agricultural Development	Ministry of Agricultural Industries and Agricultural Development
14	Dr. N. C. Amarasinghe	Director General	National Institute of Occupational Safety and Health

Financial Analysis 2011 - 2012

	2011	2012
Income from Occupational Safety and Health Course	1,194,127.00	1,881,785.93
Income from Environmental Measurements	1,661,500.00	2,418,363.00
Income from the services rendered by co-operative Agreement made with other institutes	262,280.72	2,765,096.66
Income from Nano Technology Project	325,000.00	490,000.00
Income from Medical Test Activities	269,100.00	350,176.00
Income from Building Rent	474,750.00	296,597.59
Income on Occupational Safety and Health Day	490,610.40	252,819.83
Income from Interest (NOISH Development Fund)		719,390.41
Other Income	19,607.00	35,658.00
Total	4,696,975.12	9,209,887.42



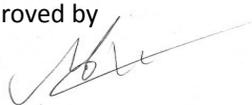
Financial Statement

National Institute of Occupational Safety and Health

Balance Sheet as at 31st December 2012

<u>Fixed Assets</u>	Rs
Fixed Assets	11,925,028.67
Accumulated Depreciation	<u>3,424,811.35</u>
	8,500,217.32
Capital Expenditure from Head Office	1,171,423.33
 <u>Current Assets</u>	
Development Fund of NOISH	10,000,000.00
Festival Advance	4,000.00
Accrued Receipts	719,390.91
Cash Deposit - People's Bank	3,472,695.31
Petty Cash (Cash in Hand)	<u>10,000.00</u>
Total of all Assets	<u>23,877,726.87</u>
 Opening Reserve	8,414,095.92
Previous Year Adjustments	(639,048.00)
Net Assets Value Retained	3,163,919.80
Net Income earned during the year (31/12/2012)	<u>11,001,879.70</u>
Total Reserve	21,940,847.42
 <u>Current Liabilities</u>	
Creditors end Accrued Expenses	1,894,981.15
E.P.F. payable	19,042.00
E.T.F. payable	2,856.30
Receivable for the next year	<u>20,000.00</u>
	1,936,879.45
 Total	<u>23,877,726.87</u>

Approved by


W.J.L.U. Wijayaweera
Chairman
NIOSH

Certified by


Dr.N.C.Amarasinghe
Director General
NIOSH

prepared by


P.M.K. Perera
A.D. Finance
NIOSH

National Institute of Occupational Safety and Health

For the year ended 31st December 2011

Income Statement

Treasury Receipts

127-2-3-32201	5,148,455.21
127-2-3-31503	2,200,168.16

Income from Courses on Occupational Safety

Certificate Course	731,485.83
Diploma Course	992,600.10
Nursing Training Course	-
Industrial Training Course	157,700.00
Income from Environmental Measurements	2,418,363.00
Income from Other Activities	2,765,096.66
Income from Projects	490,000.00
Income from Medical Tests	350,176.00
Income from Lecture Halls	296,597.59
Income from Interest	719,390.41
Income from the NOS week	252,819.83
Other	<u>35,658.00</u>
	16,558,510.79

Institutional Administrative Expenses	2,199,170.59
Office Expenses	3,028,581.41
Travelling and Vehicle Expenses	239,628.99
Financial Expenses	-
Other Expenses	<u>89,250.10</u>
	5,556,631.09

Excess Income 11,001,879.70

Notes to the financial Statements

1. Significant accounting policies

1.1. Reporting entity

The National Institute of Occupational Safety and Health was established on 28th April 2005, under the Ministry of Labour Relations & Manpower Sri Lanka. NIOSH is committed to better working conditions for all people, through increasing awareness of and adherence to proper health and safety measures. The institute is located No.97, Jawatta Road, Colombo-05

1.2. Principal activities and nature of operations

NIOSH is committed to better working conditions for all people, through increasing awareness of and adherence to appropriate health and safety legislation. There activities include the dissemination of updated information and advisory and consultancy services. They educate and train employers, employees and all other categories of people who will benefit from such training as well as co-operate in investigations studies surveys and research in the field of Occupational Safety and Health (OSH).

1.3. Basis of preparation

(a) Statement of compliance

The financial statements of the institute comprise the balance sheet, income statement, statement of changes in equity, cash flow statement, and note to the financial statement. These statements are prepared in accordance with Sri Lanka accounting standard for smaller enterprise (SLASSE) laid down by the institute of chartered accountants of Sri Lanka (“ICASL”).

(b) Basis of measurement

The financial statements have been prepared on the historical cost basis. No adjustments have been made for inflationary factors in the financial statements.

(c) Functional and presentation currency

These financial statements are presented in Sri Lankan rupees, which is the company’s functional currency.

(2) Property, plant and equipment

i. recognition and measurement

Items property, plant and equipment are measured at cost less accumulated depreciation and accumulated depreciation and accumulated impairment losses.

The cost of an item of plant and equipment comprise its purchase price and any directly attributable cost of bringing the assets to working conditions for its intended use

Expenditures incurred to replace a component of an item of property, plant and equipment that is accounted for separately, is capitalized with the carrying amount of the component being written off. Other subsequent expenditure is capitalized only when it increases the future economic benefits embodied in the item property, plant and equipment. All other expenses as incurred.

ii. Depreciation

Depreciation is recognized in the income statement on a straight-line basis over the estimated useful lives of the asset.

The estimated useful lives for the current and comparative periods are as follows:

	year
Plant & Machinery	10
Computer equipment	5
Furniture and fitting	10
Sound system items	5
Medical equipment	10
Other Assets	10

Depreciation policy is no depreciation for purchase year & fully depreciation in disposal year.

iii. Fixed assets

The institute has some assets which is transfer from ministry & department of Labour in time to time when beginning the institute. In 2012 some assets are capitalized & depreciated under the prior year adjustment in balance sheet.

iv. New Medical equipment purchase

The National foundation Institute transferred the fund to purchased Rs.1,650,000 for purchase new Nano technology medical equipment which amount already received & accrued under the balance sheet due to the not purchased as at 31/12/2012.

Report of Auditor General 2012



විගණකාධිපති දෙපාර්තමේන්තුව கணக்காய்வாளர் தலைமை அறிபதி திணைக்களம் AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය }
எனது இல } LS/C/NIOSH/FA/2012
My No }

ඔබේ අංකය }
உமது இல } Your No. }

දිනය }
திகதி } 09 October 2013
Date }

The Director General
National Institute of Occupational Safety and Health

Report of the Auditor General on the Financial Statements of the National Institute of Occupational Safety and Health for the year ended 31 December 2012 in terms of Section 14(2)(c) of the Finance Act. No. 38 of 1971.

The audit of financial statements of the National Institute of Occupational Safety and Health for the year ended 31 December 2012 comprising the balance sheet as at 31 December 2012 and the income statement and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Finance Act, No. 38 of 1971 and Section 17(3) of the National Occupational Safety and Health Act, No. 38 of 2009. My comments and observations which I consider should be published with the Annual Report of the Institute in terms of Section 14(2)(c) of the Finance Act, appear in this report. A detailed report in terms of Section 13(7)(a) of the Finance Act, was furnished to the Director General of the Institute on 23 July 2013.

1:2 Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Principles and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

අංක 306/72 පොල්දූව පාර,
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1:3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Institute's preparation and fair presentation of the financial statements 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. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements. Sub - sections (3) and (4) of Section 13 of the Finance Act, No. 38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the audit.

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

1:4 Basis for Qualified Audit Opinion

My opinion is qualified based on the matters described in paragraph 2.2 of this report.



2. Financial Statements

2:1 Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 2:2 of this report, the financial statements give a true and fair view of the financial position of the National Institute of Occupational Safety and Health as at 31 December 2012 and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

2:2 Comments on Financial Statements

2:2:1 Non-compliance with Laws, Rules, Regulations and Management Decisions

The following non-compliances were observed.

Reference to Laws, Rules, Regulations, etc.	Non-compliance
(a) Finance Act, No. 38 of 1971	
(i) Section 10(5)	Even though all sums remaining out of the net surplus revenue in any year should be paid to the Consolidated Fund, the balance out of the net surplus of Rs.11,001,880 for the current year had not been credited to the Consolidated Fund.
(ii) Section 11	A sum of Rs. 10 million had been invested in fixed deposits in the year under review without the approval of the Minister of Labour and Labour Relations granted with the concurrence of the Minister of Finance.



(b) Financial Regulations

(i) Financial Regulations 103
and 104

Even though a laptop computer belonging to the Institute had been misplaced since 23 April 2012, a preliminary inquiry or a full inquiry in that connection had not been conducted in terms of the Financial Regulations.

(ii) Financial Regulation 756

A Board of Survey of goods and library books had not been conducted from the year 2009.

(c) Establishments Code

Chapter ix Section 2.2

Even though a sum of Rs.9,675 representing 10 per cent of the sum of Rs.96,750 paid for the delivery of lectures during the current year to the lecturers who are public officers, should have credited to the Consolidated Funds as the royalty, it had not been so done.

3. Financial Review

3:1 Financial Results

According to the financial statements presented, the operations of the National Institute of Occupational Safety and Health for the year ended 31 December 2012 had resulted in a surplus of Rs.11,001,880 as compared with the corresponding surplus of Rs.4,721,416 for the preceding year, thus indicating a progress of Rs.6,280,464 in the financial result as compared with the preceding year. This had been due to the increase of 112 per cent in the income for the year under review. The major reason for the increase in the income had been the increase of the Government grant by 137 per cent and the increase of income from courses by 96 per cent.



4. Operating Review

4:1 Performance

An evaluation of the physical performance of the activities carried out was not possible due to the unavailability of the Action Plan and the Performance Reports.

4:2 Transactions of Contentious Nature

The following observations are made.

- 4:2:1 (a) It was observed that the receipts in acknowledgement of income amounting to Rs.267,500 received from private institutions in the years 2009 and 2010 had been issued after about 02 years in the year 2011.
- (b) Even though 08 cheques valued at Rs.267,500 had been shown as unrealized cheques of the Current Account with the Narahenpita Branch of the People's Bank, those cheques had been credited to another Bank Current Account. Even though the observation was made in the audit report for the preceding year, action in that connection had not been taken even up to August 2013.
- 4:2:2 Even though the Secretary to the Ministry had decided to make payments to a retired Research Assistant based on the letter No. DMS/E3/39/7/047/1, of the Department of Management Services the said letter of the Department of Managements Services had granted the approval for the payment of lecture fees to the lecturers and not for Research Assistants. As such a sum of Rs.171,000 had been paid to the Research Assistant in the year under review by erroneously interpreting the letter of the Director General of Management Services.

The Director General informed the audit that the said officer is paid for a maximum of 03 hours at the rate of Rs. 500 per hour in any part of the Island he visits and that the officer is an experience lecturer.

4:3 Staff Administration

An officer had been employed in the services of the post of Research Officer not approved by the Department of Management Services.

5. Accountability and Good Governance

5:1 Presentation of Financial Statements

According to Section 6.5.1 of the Public Enterprises Circular No. PED/12 of 02 June 2003, the financial statements should be presented within 60 days after the close of the financial year. Nevertheless, the financial statements for the year under review had been presented only on 24 April 2013. As such the presentation of financial statements had been delayed by one month and 24 days.

5:2 Corporate Plan

A Corporate Plan for a period not less than 03 years had not been prepared in terms of Section 5 of the Public Enterprises Circular No. PED/12 of 02 June 2003.

5:3 Action Plan

An Action Plan for the year under review had not been prepared.

5:4 Internal Audit

An Internal Audit Division had not been established since the establishment of the Institute and an internal audit had not been carried out even by the line Ministry of Labour and Labour Relations.



5:5 Audit Committee

An Audit Committee for the current year had not been established and the Audit and the Management Meetings had not been held, in terms of Section 7.4.1 of the Public Enterprises Circular No. PED/12 of 02 June 2003.

5:6 Procurement Plan

A Procurement Plan for the current year had not been prepared in terms of the National Budget Circular No. 128 of 24 March 2006.

6. Systems and Controls

Deficiencies in systems and controls observed during the course of audit were brought to the notice of the Director General from time to time. Special attention is needed in respect of the following areas of control.

- (a) Planning
- (b) Internal Audit
- (c) Staff Administration
- (d) Budgetary Control


H.A.S. Samaraweera
Auditor General

-/dk