

**2013
Annual Report**



**Sri Lanka Accreditation Board
For
Conformity Assessment**

Ministry of Technology and Research

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INTRODUCTION

The Sri Lanka Accreditation Board for Conformity Assessment (SLAB) is the Accreditation Authority for Sri Lanka. It facilitates international and domestic trade and removes non-tariff barriers in the provision of goods. It also strengthens the national quality infrastructure in the country. Accreditation is at present a voluntary service. So regulatory bodies have got a significant role to monitor regulations continuously and ensure that conformity assessment procedures are followed in respective operations all the time.

The Sri Lanka Accreditation Board for Conformity Assessment (SLAB) is the Accreditation Authority for Sri Lanka established under Act No. 32 of 2005. SLAB functions under the Ministry of Technology & Research.

An apex body for accreditation for Sri Lanka was necessary even before 2005 to ensure the completeness of the national quality infrastructure (NQI). NQI in a country facilitates international and domestic trade in the provision of goods and services and removes quality related non-tariff barriers arising from conformity assessment activities such as testing, inspection and certification. In the fulfillment of above prime responsibility, SLAB was entrusted with providing accreditation services to conformity assessment bodies (CABs) such as testing and calibration laboratories, inspection bodies and certification bodies. In addition, SLAB is responsible for strengthening the other pillars of the national quality infrastructure dealing with standards, measurements and regulations.

In the NQI, the regulatory bodies hold a greater responsibility as they are nationally responsible for maintaining good practices of public health, occupational safety, environmental protection, fraud prevention, fair trading etc. As accreditation services are provided voluntarily on the demand of interested parties and pressure groups, the regulatory bodies need to continuously monitor the implementation and follow up of regulations. If the above mentioned good practices are to be effective, manufacturers or service providers should comply with relevant standards and conformity assessment procedures, when products and services are delivered. This third party attestation is performed through accreditation by SLAB following applicable national and international standards.

This whole mechanism assures impartiality, competence, integrity, and credibility of conformity assessment procedures. These assessments are conducted by independent and competent assessors against established assessment procedures. When such conformity assessments are conducted in a transparent manner, it will be assured that conformity assessments are performed according to the internationally accepted accreditation principles and procedures. This will create ample market access and fair competition for goods and services. Finally, it delivers trust to customers and other stakeholders.

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QUALITY POLICY

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

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

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

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

SLAB ACT

SLAB is established under the Sri Lanka Accreditation Board for Conformity Assessment Act No.32 of 2005. The Board functions under the Ministry of Technology and Research and is governed by a Council of thirteen (13) members appointed in terms of the SLAB Act. The Director is the Chief Executive Officer (CEO) of the Board and the Secretary to the Governing Council.

VISION

“To be recognized as the leading Accreditation Body in the region and through its services facilitate domestic and International recognition and acceptance of products and services. To be innovative in responding to changing needs of the trade and industry, the State and General Public in providing Accreditation services for conformity Assessments.”

MISSION

“To promote and provide Accreditation Services with International Recognition and to facilitate Conformity Assessments in the provision of Goods and Services for Domestic and Export Markets”

GOALS & OBJECTIVES

The goals of the Board were identified as follows. Objectives are given after each goal, as relevant and applicable.

- Operating SLAB management system in compliance with ISO/IEC 17011
- Promotion of accreditation in the areas of testing and calibration, certification, greenhouse gas (GHG) validation and verification, inspection, proficiency testing (PT) programmes and good laboratory practice (GLP)
 - Conducting training and awareness programmes
 - Creating public awareness
- Providing accreditation in the above areas against international standards.
 - Granting 20 accreditations
- Capacity building of SLAB staff and assessors
 - Training of 100 new assessors
- Good governance of SLAB activities to assure better service to the industry, business community, the Government and the Consumer Public.
- Gaining and maintaining International recognition for SLAB accreditation schemes
 - Gaining IAF MLA for QMS, EMS & Product certification
 - Retaining ILAC MRA for testing, medical testing & calibration
- Attaining self-sufficiency by 2016
 - Reaching 55% of income over recurrent expenditure in 2013

FUNCTIONS & STRATEGIES

In compliance with the Act, SLAB was required to perform the following functions and strategies to achieve goals and objectives.

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

CHAIRMAN'S MESSAGE

Sri Lanka Accreditation Board for Conformity Assessment (SLAB) is the national accreditation authority. It was established by an Act of Parliament, Act no. 32 of 2005. SLAB is the apex body in the National Quality Infrastructure (NQI) which is the institutional framework necessary to regularize and harmonize all the relevant activities required to assure quality of Sri Lankan goods and services. Many programmes were initiated by SLAB during 2013 to promote accreditation as an important concept for facilitating international trade, by reducing non-tariff technical barriers for our exports. SLAB activities also contributed towards protection of public health, safety and environment.

As an Institution functioning under the Ministry of Technology and Research, SLAB plays a key role in supporting the Government's effort in the economic development of Sri Lanka and assurance of public health and safety. I am pleased to report that many targets set for achieving these objectives have been fulfilled during the year under review. SLAB completed its 7th year in operation during 2013. The institution will face many challenges in the future. However, I am confident that the base has been firmly established and SLAB is now in a position to overcome these challenges and move forward.

National priorities

As accreditation is implemented voluntarily, it is necessary to promote this concept amongst the stakeholders in order to draw conformity assessment bodies (CABs) for accreditation. Many awareness programmes were conducted in different disciplines for this purpose. Participation at these programmes was satisfactory but we are not very pleased with the number of applications received for accreditation during the year. Even some of the organizations under the Ministry of Technology and Research are yet to respond positively in this respect. During the year under review SLAB officials met with the heads of number of regulatory authorities responsible for implementation of regulations related to public health and safety. The objective of these meetings was to emphasize the importance of making use of data provided by accredited CABs when taking critical technical decisions during the implementing stage of the regulations.

Regulatory bodies take technical decisions based on laboratory test reports. Therefore, the accuracy and the reliability of test results provided in these reports are critical for making correct decisions. Many regulations related to public health and safety still have not included accreditation in their regulations. Even few of the regulatory bodies who have done so are not taking steps to implement it effectively. I believe further promotion is necessary to draw Conformity Assessment bodies to SLAB for accreditation. Regulatory bodies have a key role to play here. In this regard we intend to carry out more vigorous promotional campaign during 2014.

Based on a concept of the Minister of Technology and Research, Hon. Patali Champika Ranawaka, SLAB initiated the all island school laboratory competition, "Vidhya Praba 2013", as a long term promotional activity. Awareness programmes were conducted on good science laboratory practice, accreditation, quality and measurements for teachers and students in 24 districts, with the collaboration of the Ministry of Education. The response here has been excellent with more than 300 applications being received. Evaluation of these school

laboratories are in progress. National, Provincial and Zonal winners of this competition are to be announced in June, 2014. Winners will be awarded trophies and other prizes in the presence of the Hon. Minister at a function to be organized as part of the World Accreditation Day celebrations in June 2014.

International and regional co-operation

SLAB is a signatory to the Mutual Recognition Arrangement (MRA) of the Asia Pacific Laboratory Accreditation Corporation (APLAC) and International Laboratory Accreditation Corporation (ILAC) since December 2009. In 2013 SLAB was admitted to the signatory status of the Multilateral Recognition Arrangement (MLA) of Pacific Accreditation Corporation (PAC) for accreditation of ISO9001, ISO14001 and product certification. This signatory status is expected to be extended to the MLA of International Accreditation Forum (IAF) in 2014. In 2013 SLAB was also assessed by PAC for admittance to the MLA signatory status for accreditation of ISO 22000 certification. We are confident of being admitted to this MLA signatory status in 2014.

Such international and regional recognition add value to the accreditation certificates issued by Sri Lanka Accreditation Board. SLAB accreditation certificates are accepted internationally excluding the necessity for retesting or recertification of Sri Lankan products overseas. However, to maintain the signatory status SLAB quality management system has to comply with the requirements of the relevant international standards and rules & regulations of the said international/regional organizations. Internal assessment was conducted in 2013 to ensure compliance to relevant standards, rules and regulations. System improvements were carried out based on the non-compliance detected at the assessment.

Active participation at various meetings, seminars and annual sessions of these international organizations is also necessary to continue the signatory status. Mr. Thilak Wickramasinghe, Director/CEO participated at the following meetings and conferences organized by ILAC, APLAC, IAF and PAC during the year 2013.

- ❖ Annual PAC meeting in USA
- ❖ Annual IAF/ILAC meetings in S Korea
- ❖ Mid-year APLAC MRA Council meeting in Singapore
- ❖ APLAC annual meeting in Vietnam

I am also pleased to report that Mr. Wickramasinghe was appointed as Deputy Chair of the Capacity Building Committee of PAC. He also functions as a Member of the PAC MLA committee.

Delivery of services

Recruitment and retention of staff has been a major issue at SLAB. Most part of the year 2013, only 60% of the vacancies had been filled. This affected the productivity and the efficiency of the organization. However, many programmes were successfully completed due to the capability, hard work and the loyalty of the SLAB staff. Around 75% of the targeted activities under accreditation services were completed during the year.

In 2014, the strategy of SLAB will be to focus on maintaining the existing customer base while expanding its activities in the regulatory and mandatory areas in support of government's efforts in economic development and assurance of public health and safety.

Appreciation

The commitment of SLAB's employees, including management, is the main reason to the organization's success. I would like to express my sincere thanks and appreciation to all SLAB staff members. Special word of thanks goes out to my council members, whom I had the privilege to lead during the past three years. Your devotion and dedication to the organization is greatly appreciated. A new Council was appointed by the Hon. Minister for Technology & Research in July 2013 under the chairmanship of Mr. Pasan Priyalal Gunasena. He was able to negotiate with the Industrial Technology Institute to release 80p of land from their Malabe site to build an office for SLAB. Effort of Mr. Gunasena and the new Council in this respect is laudable.

A special thanks also, to Hon. Patali Champika Ranawaka, Minister of Technology & Research, Mrs. Dhara Wijeyatilake, Secretary to the Ministry of Technology and Research and the Ministry Staff who contributed to the activities and success of SLAB during the period under review.

Lastly, I would also like to extend my sincere thanks and appreciation to all the SLAB assessors, as well as the members of the Policy Advisory Committee, Accreditation Committees, Technical Advisory Committees and Expert Committees for their continued support and valued input to the accreditation process in Sri Lanka.

Pasan Gunasena
Chairman

EXECUTIVE SUMMARY BY DIRECTOR/CEO

SLAB commenced its operations in January 2006 and completed seven years of operations in 2013. At the beginning SLAB started slow but recorded a steady progress. As time went on SLAB was able to earn customers for all accreditation schemes, but which were still in low numbers. Although SLAB had earned international recognition for all of its key accreditation schemes, the need for accreditation did not arise as expected due to low response from regulatory bodies. Hence more emphasis and focus was still needed to be given to strengthen the national quality infrastructure (NQI) in the country while improving the accreditation schemes already introduced. The accreditation process will boom in a country only when the NQI is complete and the regulatory support with updated conformity assessment procedures is established as necessary.

Accreditation delivers trust to the market. When there is more demand for quality of products and services in the market, more compliance to technical regulations and/or standards is needed. In a regulatory system, the government authorities as regulatory bodies should implement regulations to approve products and services in terms of quality, health, safety, environmental protection, fraud prevention, market fairness etc. It is sad to say that these good trade practices are still not implemented in many conformity assessments despite acute awareness given to relevant authorities.

Accreditation is usually offered on voluntary basis. In voluntary systems, different sectors of the industry including service sector, could establish conformity assessment procedures aiming at achieving specified standards for products, processes and systems and attain easy market access, comparability. They ensure competition on equal terms and can be applied to trade in the provision of goods and services within the economy and outside.

In a mandatory system, the goods and services must conform to relevant technical regulations and in which efficient and credible conformity assessment procedures are necessary against stipulated requirements. The conformity assessment bodies (CABs) such as laboratories, inspection bodies and certification bodies should have necessary competence to carry out relevant tasks, thereby purchasers, regulators or the public will come to know that CABs are competent and they could perform relevant tasks in a transparent and credible manner.

Accreditation as a third party attestation provides CABs due recognition and acceptance nationally and internationally to perform conformity assessment tasks based on internationally accepted principles and standards. As an internationally recognized accreditation body, the main challenge with SLAB was to maintain updated accreditation criteria and procedures acceptable to the international principles. A key task undertaken in this regard was the development, maintenance and improvement of manuals and procedures for the operations of SLAB management system and related accreditation schemes. In this regard, reviewing, understanding, and continuous monitoring of international accreditation needs and updating national guidelines is necessary.

Competence development of staff and assessors is a challenge task when the size and scope of conformity assessments get broaden. In the year 2013 too, SLAB managed to maintain a competent and credible resource base despite physical limitations and financial constraints. Based on the needs for accreditation and trade practices, different aspects of trade applications were assessed in the light of SLAB's purpose and the mission. In the year 2013, SLAB continued to offer accreditation for testing and calibration laboratories, medical laboratories, certification bodies (systems, products & persons) and inspection bodies against relevant International Standards.

The accreditation scheme for testing and calibration laboratories continued to be the main activity area in 2013. This scheme penetrated into many scope sectors such as chemical products, food and agriculture, textile products, soil and fertilizers etc. In the year 2013, more efforts were taken to build and provide metrological and quality assurance support as necessary for smooth functioning of testing laboratories in the country.

Accreditation of medical laboratories was another area of concern in the year 2013. SLAB worked in close co-operation with the Ministry of Health in developing medical laboratory services in the country. The support given by the Ministry of Health in the medical laboratory accreditation scheme is essential as they are the regulatory authority for patient care and public health. Ministry of Health is working on upgrading laboratories, initially in five (05) identified government hospitals. In addition, a phased programme for registration of medical laboratories, both in public and private sector has been proposed and in which SLAB would act as the conformity assessment partner. Competence development of staff of medical laboratories on conformity assessment was another major activity undertaken by SLAB in the year 2013.

As far as exports and imports are concerned, certification of systems and products is the key area in which third party assurance for quality of products and services is sought at the stage of clearance. In Sri Lanka, a more dominant role is still played by foreign accreditation bodies, as buyers at the receiving destination are more concerned on internationally accepted quality certificates.

Another weakness is that local manufacturers still prefer foreign certification affiliated to foreign accreditation bodies. As a result, locally operated certification bodies are compelled to face heavy competition from foreign based certification bodies and to continue with foreign accreditation spending large sums of foreign exchange. Despite the fact, the credibility of foreign based certification bodies with regard to compliance to internationally accepted norms is questionable, as there is continuing criticism over their operations surfaced even at the international forums.

As SLAB has earned international recognition in par with those reputed foreign accreditation bodies in equal terms, reliance on national accreditation for accredited certificates would be a timely need and cost effective measure.

Product certification is another area which can be taken forward under many product and service categories. In addition to Ceylon Tea and SLS mark, this can be applied to Ceylon cinnamon, health tourism, ayurveda products, organic products etc.

The Accreditation scheme for inspection bodies has a wide coverage of applications in the industry but it continued to be of least priority due to low response from regulatory

authorities. In spite of that in the year 2013 too, the potential use of accredited CABs by regulatory authorities as one of the mechanisms for effective implementation of technical regulations was highlighted as key strategy for promotion of accreditation activity in the regulatory functions. In this respect, SLAB worked closely with regulatory authorities. Food safety inspection, Vehicle emission inspection and Inspection of Amusement Rides were new accreditation schemes which were kept ready for delivery. The specific criteria required for the above accreditation services were developed as per ISO/IEC 17020 with the participation of professionals and experts in respective sectors.

Another area of work undertaken during 2013 was developing accreditation criteria for Proficiency Testing (PT) Services. The PT services in an established form acceptable to international norms are required in a country to assure the reliability of test and calibration results produced by laboratories. In the year 2013, SLAB continued to provide financial concessions to local PT service providers and encourage them for accreditation against ISO/IEC 17043. The specific criteria for accreditation of PT service providers were available.

Complying with the Science, Technology and Innovation strategy for upgrading Research and Development (R&D) laboratories in the country and as a readiness project for improving R&D laboratories, an accreditation scheme for Good Laboratory Practice (GLP) was developed and specific criteria for GLP were prepared.

As a measure of saving energy, SLAB developed a new accreditation scheme in 2013 for greenhouse gas (GHG) validation and verification bodies in line with ISO 14065. This will result in energy saving and controlling climatic changes to a certain extent. Across the world, accreditation bodies are taking measures to accredit greenhouse gas (GHG) validation and verification bodies as per the national programmes and targets. Considering the importance of controlling climatic changes, PAC has adapted procedures to award PAC MLA for GHG validation/verification bodies.

Developing energy management systems is a new tool of management introduced through ISO 50001. Complying with ISO 50001 will help industries save energy which will ultimately reduce burden on the national economy as this approach reduces national fuel consumption remarkably.

Since accreditation means demonstrated competence in performing specific tasks, SLAB conducted a number of training programmes and workshops on the subjects related to quality and accreditation. These programmes were aimed at SLAB assessors, staff of laboratories and other target groups. Competence development was essential for creating the basis for carrying out conformity assessments. In addition, awareness and promotional programmes on accreditation for specific target groups were also conducted.

In 2013, SLAB recorded a significant improvement in the delivery of accreditation services while increasing its clientele. At the end of 2013, SLAB had above 80 customers and out of them 03 are foreign based. The resource base was continuing to improve in number, on technical fields as well as service delivery.

SLAB earned a recorded income of LKR 18.0Mn. in 2013. The financial base was further strengthening while limiting the moneys recovered from the General Treasury. SLAB is aimed at being self-financed by the year 2016.

In achieving the above milestones, the assistance given by the Governing Council, SLAB staff, assessors, committee members and other stakeholders was praiseworthy and commendable. Without the support of them, SLAB cannot be thought of the progress so far achieved nationally and internationally. I take this opportunity to thank all of them for their continuing support and the trust delivered to enhance the credibility of SLAB services.

Thilak Wickremasinghe
Director/CEO

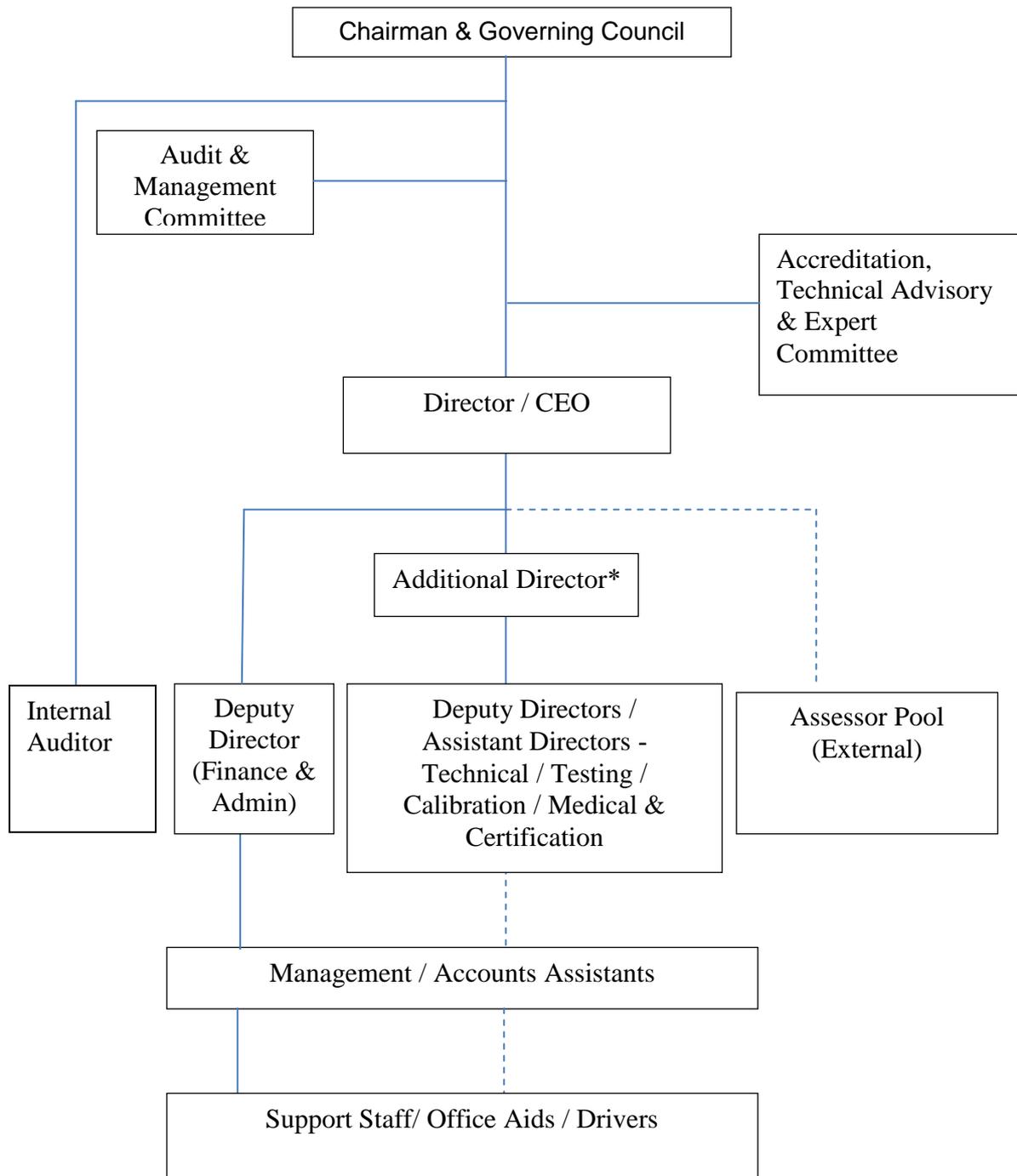
THE GOVERNING COUNCIL

The powers and functions of the Board are vested in the Governing Council that consists of thirteen (13) members appointed by the Hon. Minister under the provision of SLAB Act No 32 of 2005. The Governing Council meets every month.

The constitution of the Governing Council as at 31st Dec. 2013 was as follows.

Mr. Pasan Priyalal Gunasena	– Chairman – Practicing Lawyer
Mr. Madhawa Widiyaratna	– Additional Secretary – Technology Transfer (Representing Ministry of Technology & Research)
Dr. Nirmali De Silva	– Senior Lecture- University of Moratuwa (Representing Ministry of Technology & Research)
Mr. Sunanda Fernando	– Senior Deputy Director (Representing Sri Lanka Standards Institution)
Ms. K A Y R S Samarasinghe	– Assistant Director-Planning (Representing Ministry of Internal Trade)
Mr. Asitha K Seneviratne	– Additional Secretary-Policy Development (Representing Ministry of Industrial Development)
Mr. K P Kumara	– Acting Director (Representing Measurement Units, Standards & Services Department)
Prof. Prof. W Abeywickrama	– Chairman-ITI (Representing Ministry of Technology & Research)
Prof. Nadira Karunaweera	– Prof. in Parasitological (Representing National Academy of Sciences)
Ms. L U N Samarasekara	– Director-Agricultural technology (Representing Ministry of Agriculture)
Mr. K A S Keeragala	– Additional Secretary- Development (Representing Ministry of Health)
Mrs. Hiransa Kaluthanthri	– Director-Trade Tariff & Investment promotion Dept (Representing the General Treasury)
Mr. K Mallimarachchi	– Immediate pass President (Representing FCCISL)
Mr. T Wickremasinghe	– Secretary, Director/CEO, SLAB

ORGANIZATIONAL STRUCTURE – HIERARCHICAL



MANAGEMENT OF OPERATIONS

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

COMMITTEES

To guide and advise the Governing Council and management in the performance of functions and duties, the Governing Council has appointed the following Technical Committees having expertise in relevant fields.

Policy Advisory Committee :

The Policy Advisory Committee advises the Governing Council on policy matters related to the development and operation of accreditation schemes of SLAB in different scope sectors.

Accreditation Committees :

The following Accreditation Committees have been appointed to provide advices on matters related to management and operations of relevant accreditation schemes and approve decisions taken in conformity assessments.

1. Accreditation Committee on Testing and Calibration Laboratories
2. Accreditation Committee on Medical Laboratories
3. Accreditation Committee on Certification Bodies
4. Accreditation Committee on Inspection Bodies

Technical Advisory Committees :

The following Technical Advisory Committees are responsible for providing advisory services in matters as determined by respective functions.

1. Technical Advisory Committee on Chemical Testing
2. Technical Advisory Committee on Biological Testing
3. Technical Advisory Committee on Mechanical Testing & Calibration
4. Technical Advisory Committee on Medical Testing
5. Technical Advisory Committee on Organic Certification
6. Technical Advisory Committee on Good Laboratory Practice
7. Technical Advisory Committee on Food Safety Inspection
8. Technical Advisory Committee on Inspection of Vehicle Emission
9. Technical Advisory Committee on Quality Management Systems Certification
10. Technical Advisory Committee on Environmental Management Systems Certification
11. Technical Advisory Committee on Greenhouse Gas (GHG)

Expert Committees :

In addition, expert committees have been appointed to assist respective technical advisory committees in the areas of biochemistry, Hematology, microbiology, histopathology, calibration, method validation, medical reference materials and uncertainty of measurement.

The Constitutions of the Policy Advisory Committee and Technical Committees are given in Annex 1.

HUMAN RESOURCE

The human resource of SLAB is composed of a smaller inner staff and a larger assessor pool drawn from academia and various professional bodies.

SLAB deals with assuring the competence of conformity assessment bodies. The continuing turnover of staff since the inception of SLAB severely affected the functions of SLAB but with complements to the staff, SLAB managed to maintain its accreditation systems in par with other foreign accreditation bodies. Usually, a new officer requires at least three years for being competent in a relevant field.

SLAB STAFF

The staff of the Board in the year as at 31st December 2013 was as follows.

Post	Approved	Present	(Vacant)
Director/CEO	1	1	-
Additional Director	1	--	-1
Deputy Director/ Assistant Director (Accreditation)	9	9	-
Deputy Director (Finance & Administration)	1	1	-
Assistant Director (Internal Audit)	1	1	(Covering up Duty)
Management/Accounts Assistant	4	4	-
Driver	2	2	-
Office Aide	2	2	-

PANEL OF ASSESSORS

In the implementation of Accreditation Schemes in different areas, SLAB uses the services of trained assessors with expertise in relevant fields. For this purpose, an external pool of trained assessors around **190** in number has been established to undertake assessments with SLAB staff.

The trainee assessors are required to be trained and competent before assigning them for the relevant conformity assessment. Depending on the needs of accreditation services, in the year 2013, four (4) assessor training programmes were conducted to enlarge the SLAB assessor pool.

The details of SLAB assessor pool as at 31st Dec. 2013 are given below.

Field of Accreditation	Lead Assessors	Technical Assessors	Trainee Assessors
Testing	--	21	31
Calibration	1	5	6
Medical testing	1	15	36
Certification	3	14	23
Inspection	1	1	33
GHG verification	--	--	25
GLP	--	--	25
SLAB staff	3	2	--
Total	9	58	129

ACTIVITIES

Management and Operation of SLAB Accreditation Activities as per ISO/IEC 17011

A main task of SLAB is to implement accreditation schemes based on the procedures and guidelines developed according to ISO/IEC 17011: 2004 and international accreditation principles. The main accreditation schemes operated by SLAB were as follows.

- 1) Accreditation Scheme for Testing and Calibration Laboratories based on ISO/IEC 17025
- 2) Accreditation Scheme for Medical Laboratories based on ISO 15189
- 3) Accreditation Scheme for Certification Bodies of Systems based on ISO/IEC 17021
- 4) Accreditation Scheme for Certification Bodies of products based on ISO/IEC 17065
- 5) Accreditation Scheme for Certification Bodies of persons based on ISO/IEC 17024
- 6) Accreditation Scheme for Inspection Bodies based on ISO/IEC 17020.

SLAB managed to maintain and improve its management system on the above accreditation schemes in the 2013 too. SLAB was successful to retain APLAC/ILAC MRA for testing including ISO 15189 and calibration. SLAB was admitted to the PAC/IAF MLA for QMS, EMS and product certification in 2013. SLAB was evaluated by PACMLA for FSMS certification in 2013.

Accreditation of Testing Laboratories

Laboratory Accreditation for Testing Laboratories based on ISO/IEC 17025:2005 held a bigger share of accreditation services provided by SLAB. With the need of reliable test reports to remove unnecessary technical barriers and to facilitate the local and foreign trade, a reasonable increase in accredited testing laboratories was seen in 2013 too.

Eleven (11) new accreditations were granted in the year making a total of **Thirty nine (39)** accreditations. Six (6) new applications were received. Twenty one (21) surveillance assessments and ten (10) re-assessments were carried out on planned schedule during the year. The accreditations were offered under the fields of food and agricultural products, soil, cement and concrete, textiles, fertilizers, veterinary testing etc.

Accreditation of Calibration Laboratories

The number of accredited calibration laboratories as per ISO/IEC 17025:2005 was continuing to be very low. A strong metrological infrastructure was required in the country to disseminate reliable measurements and standards and to facilitate testing Laboratories to produce reliable results. In the year 2013, industry targeted promotions were done to enroll more calibration laboratories into the accreditation scheme.

The total number of accredited calibration laboratories was four (4) in number. One (1) new application was received. One (1) renewal and three (3) surveillance assessments were carried out during the year. The areas covered under calibration were mass, temperature, length, time frequency, volume and pressure.

Accreditation of Medical Laboratories

The Accreditation Scheme for Medical Laboratories based on ISO 15189 was implemented with all processes and assessment procedures compliant with internationally accepted procedures and standards. In the year 2013 too, the interest shown by Governmental medical laboratories for developing quality management systems in laboratories was negligible.

Four expert groups appointed in Biochemistry, Hematology, Microbiology and Histopathology developed the qualification criteria of laboratory personnel and categorization of medical tests in the above fields under their basic groups; routine tests, special tests and highly specialized tests.

Accreditation has been granted to thirteen (13) Medical Laboratories based on ISO 15189. Two (2) new applications and two applications for renewal were processed for grant of accreditation. Two (2) pre-assessments, one (1) initial assessment, eleven (11) surveillance assessments, and two (2) reassessments were conducted.

Accreditation of Certification Bodies

Accreditation scheme for Certification Bodies is another strategic area for which SLAB has shown high concern due to the fact that accredited certificates in system and product certification directly facilitate local and foreign trade. In the year, accreditation schemes were operated based on ISO/IEC 17021 for system certification bodies, on ISO/IEC 17065 for product certification bodies and ISO/IEC 17024 for persons certification bodies.

As far as system certification bodies, one (1) new accreditation was granted to a foreign certification body. Three (3) surveillance assessments were conducted. The areas covered were certification of QMS, EMS, and FSMS.

In the area of product certification, one (1) surveillance assessment was conducted and In the area of person certification, one (1) new accreditation was granted.

Accreditation of Inspection Bodies

Accredited Inspection Bodies are expected to provide inspection and conformity assessment services to various authorities in the implementation of regulations. Awareness programmes to promote the use of accredited CAB's by regulatory authorities were held during the year. One (1) accreditation was granted to a foreign inspection body on amusement rides.

Accreditation of Good Laboratory Practice

A new accreditation scheme was developed on Good Laboratory Practice (GLP) for R&D and University laboratories for them to earn recognition for their research and methodology development work. This would help develop and implement mechanisms to benchmark infrastructure facilities and systems for R&D and other laboratories. The technical advisory committee (TAC) continued to develop specific criteria on GLP.

Coordinating Proficiency Testing Programmes

One of the important aspects of accreditation schemes related to testing including medical testing and calibration is to assure quality of test results through external participation in Proficiency Testing (PT) or Inter-laboratory comparison programmes. SLAB recognized PT programmes conducted by Industrial Technology Institute (ITI) and Sri Lanka Association of Testing Laboratories (SLATL). Both organizations continued to offer PT services in the areas of water microbiology, chemical analysis of tea and histamine in fish. In addition, the PT programmes conducted by APLAC member bodies were coordinated among testing laboratories as places were available. Total programmes coordinated were four (4).

Discussions were held with Health professionals and MUSSD for organizing PT or inter-laboratory comparison programmes in the areas of medical testing and calibration respectively.

PERFORMANCE HIGHLIGHTS 2013

In the year 2013, SLAB completed its 7th year of operations. SLAB continued to provide its services to testing & calibration laboratories, medical laboratories, certification bodies and inspection bodies based on the relevant international standards. These accreditation schemes were managed and operated in compliance with international principles and ISO/IEC 17011 applicable to accreditation bodies.

Development of SLAB Management System

SLAB continued to review policies, procedures and guidelines in this year too. Specific criteria for medical testing, GHG verification, food inspection and GLP were developed. 12 meetings of technical advisory and expert committees were held during the year.

Accreditation Services

In the year 2013, eleven (11) accreditations were added to the accredited testing laboratories and two (2) accreditations to medical/clinical laboratories. One (1) new accreditation was added each to system certification, person certification and inspection. Nine (9) accreditation committees were held. Twenty one(21) surveillances in testing laboratories, eleven (11) in medical laboratories, three (3) in calibration laboratories, three (3) in system certification bodies and one (1) in product certification bodies were conducted. The reassessments conducted were ten (10) and one (1) in testing and calibration laboratories respectively.

The total number of testing laboratories, calibration laboratories, medical laboratories, certification bodies and inspection bodies accredited by the end of the year was forty two (42), four (4), thirteen (13), six (6) and one (1) respectively.

International Achievements and Events

INTERNATIONAL ACHIEVEMENT AND EVENTS

SLAB maintained Full Member Status of the Asia Pacific Laboratory Accreditation Cooperation (APLAC) and International Laboratory Accreditation Corporation (ILAC). The MRA signatory status by ILAC for testing including ISO 15189 and calibration was continued.

In addition SLAB obtained full member status of Pacific Accreditation Cooperation (PAC) and International Accreditation Forum (IAF). MLA signatory status of PAC for QMS, EMS and product certification was established in 2013. SLAB became a member of IAF in 2013.

CAPACITY BUILDING & CONDUCTING TRAINING PROGRAMMES

SLAB regularly conducts training programmes and seminars for upgrading awareness and skills of personnel of conformity assessment bodies based on the topics related to quality and accreditation in line with accreditation standards and related principles. In the year 2013, nine (9) training programmes and four (4) seminars have been conducted. The total participation for both programmes was 322 and 354 respectively.

SLAB conducted four (4) assessor training programmes in the fields of testing laboratories, system certification bodies, GHG verification bodies and GLP. The intake for the programmes was 110 participants.

All Island School Laboratory Competition

In the year 2013, SLAB introduced “Vidya Prabha” all island school laboratory competition for biology, chemistry and physics laboratories of schools. This competition was open to A/L science laboratories of government owned schools. This was organized in association with the Ministry of Technology and Research and the Ministry of Education through a MOU signed.

The objective of this programme was to upgrade school laboratories to follow good science laboratory practice in their day today learning process. The aim was that students when they leave schools, they are knowledgeable about basic quality and measurement concepts and familiar with good laboratory practice. This competition was launched in June 2013. For the competition, specific criteria were developed by a special advisory committee appointed.

In the year, awareness programmes for teachers and students were conducted in the whole island district-wise and more than 5000 participants attended the programmes. More than 100 evaluators were trained for the competition.

Applications for the competition were called in November 2013 and the on-site evaluations would be conducted in the year 2014. Winners at National, provincial and zonal level will be selected in June 2014.

FINANCIAL HIGHLIGHTS - 2013

The Annual budget for recurrent expenditure was LKR 33.0 million. The Treasury contribution for recurrent expenditure was LKR 20.0 million, but received only 14.8 million. The shortfall in recurrent expenditure was set off from the income generated.

During the year under review, SLAB generated LKR 18.0 million from its activities mainly from accreditation services and training programmes. The earned income as percentage of total recurrent expenditure was 49.4 %.

The Annual allocation for capital expenditure was LKR 2.0 million, granted by the treasury and LKR 1.5 million received during the year.

SLAB has recorded an excess of income over expenditure of LKR 0.6 million from its operations during the year under review.

FINANCIAL INFORMATION FOR LAST SEVEN YEARS

YEAR	RECURRENT EXPENDITURE (million LKR)				CAPITAL EXPENDITURE (million LKR)		
	Budgeted	Actual	Received From Treasury	Earned	Budgeted	Actual	Received From Treasury
2007	14.70	11.50	8.23	2.83	1.50	1.40	1.50
2008	17.29	13.98	10.56	3.27	2.74	0.41	0.50
2009	19.60	15.01	11.47	3.32	2.33	0.44	0.66
2010	21.81	15.51	8.91	5.30	3.57	0.63	0.50
2011	23.30	21.33	13.28	8.12	3.08	0.63	0.80
2012	28.18	29.29	15.50	12.9	1.82	1.75	1.37
2013	33.00	36.61	14.80	18.08	2.00	1.51	1.50

*Total recurrent expenditure included depreciation, gratuity provision and other provisions too.

SRI LANKA ACCREDITATION BOARD FOR CONFORMITY ASSESSMENTS
FINANCIAL POSITION AS AT 31ST DECEMBER 2013

<u>ASSETS</u>	<u>Notes</u>	<u>2013</u>	<u>2012</u>
		Rs.	Rs.
<u>Current Assets</u>			
Cash & Cash Equivalents	20	1,739,535.02	1,152,711.04
Stationery Stock		102,080.90	38,802.20
Receivables	11	1,845,361.59	1,725,528.74
Pre payments	18	529,179.69	292,038.22
Distress Loan	17	648,300.00	585,000.00
Refundable Deposit & Advance	10	1,232,200.00	1,266,000.00
Disposable Assets	24	-	12.00
		<u>6,096,657.20</u>	<u>5,060,092.20</u>
<u>Non Current Assets</u>			
Property Plant & Equipment	26	12,473,778.32	14,783,588.59
<u>Intangible Assets</u>			
Intellectual Property	19	1,995,707.38	2,410,239.77
Investment for Gratuity		700,000.00	-
		<u>15,169,485.70</u>	<u>17,193,828.36</u>
TOTAL ASSETS		<u>21,266,142.90</u>	<u>22,253,920.56</u>
<u>LIABILITIES</u>			
<u>Current Liabilities</u>			
Creditors		14,340.00	4,728.00
Accrued & Other payables	14	1,105,251.62	1,258,430.40
Received in Advance	16	1,221,714.04	3,753.13
		<u>2,341,305.66</u>	<u>1,266,911.53</u>
<u>Non Current Liabilities</u>			
Provision For Gratuity	22	1,213,110.90	687,354.61
TOTAL LIABILITIES		<u>3,554,416.56</u>	<u>1,954,266.14</u>
NET ASSETS		<u>17,711,726.34</u>	<u>20,299,654.42</u>
<u>Net Assets / Equity</u>			
Accumulated Fund	12	5,215,326.13	4,908,178.86
Differed Income-Government Grants	13	10,681,800.21	13,576,875.56
- Other Grants	21	1,814,600.00	1,814,600.00
NET ASSETS / EQUITY		<u>17,711,726.34</u>	<u>20,299,654.42</u>

The Accounting policies on pages 23 to 28 and notes 29 to 39 form an integral part of these Financial Statements. The Governing Council of the Board is responsible for the preparation and presentation of these Financial Statements. These Financial Statements were approved by the Governing Council of the Board and signed on their behalf.

.....
Hiransa Kaluthantri
Council Member
Representing General Treasury

.....
Asitha K. Senevirathne
Council Member
Representing Ministry of Industries Development

.....
Chairman
Sri Lanka Accreditation Board for
Conformity Assessment

.....
Deputy Director (Finance/Admin)
Sri Lanka Accreditation Board for
Conformity Assessment

SRI LANKA ACCREDITATION BOARD FOR CONFORMITY ASSESSMENTS
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2013

	<u>Notes</u>	<u>Actual</u> <u>2013</u> Rs.	<u>Actual</u> <u>2012</u> Rs.	<u>Budget</u> <u>2013</u> Rs.
Income	1	36,672,027.82	30,409,910.63	33,000,000.00
		36,672,027.82	30,409,910.63	33,000,000.00
<u>Administration & Establishment Expenses</u>				
Personal Emoluments	2	9,823,799.18	8,141,321.70	11,018,900.00
Contractual Services	6	14,026,427.02	11,221,189.74	12,739,300.00
Supplies	4	1,054,580.90	814,263.65	1,274,000.00
Subscription & Member fees	7	1,184,318.68	1,254,210.90	1,441,000.00
Travelling Expenses	3	3,174,757.41	3,492,798.71	3,100,000.00
Maintenance Expenditure	5	1,970,607.00	1,400,034.75	1,500,800.00
Others	8	5,363,725.11	2,941,824.29	908,000.00
Financial Cost & Others	9	14,180.00	28,648.00	18,000.00
Contingent liability provision		-	-	1,000,000.00
Total Expenditure		36,612,395.30	29,294,291.74	33,000,000.00
Excess of Income Over Expenditure		59,632.52	1,115,618.89	-

SRI LANKA ACCREDITATION BOARD FOR CONFORMITY ASSESSMENTS
STATEMENT OF CHANGES IN NET ASSETS / EQUITY
FOR THE YEAR ENDED 31ST DECEMBER 2013

	DIFFERED INCOME	OTHER GRANTS	ACCUMULATED FUND	TOTAL
	Rs.	Rs	Rs	Rs
Balance as at 1st January 2012	4,118,898.63	1,814,600.00	3,754,994.11	9,688,492.74
Prior Year Adjustment	-	<u>37,565.86</u>	<u>37,565.86</u>	
Restated Balance as at 1st January 2012	4,118,898.63	1,814,600.00	3,792,559.97	9,726,058.60
Grant Received and Utilized for Capital Assets	11,870,000.00	-	11,870,000.00	
Depreciation Expenses for the Year	-2,275,628.46	-	-2,275,628.46	
Gratuity Provision	-136,394.61	-	-136,394.61	
Surplus / (Deficit) for the year	<u>1,115,618.89</u>	<u>1,115,618.89</u>		
Balance as at 31st December 2012	<u>13,576,875.56</u>	<u>1,814,600.00</u>	<u>4,908,178.86</u>	<u>20,299,654.42</u>
Balance as at 1st January 2013	13,576,875.56	1,814,600.00	4,908,178.86	20,299,654.42
Adjustment-Over Receipt				
Fixed Assets Adjustment	3,753.13	3,753.13	1	1
Pre-payment Adjustment				
VAT Adjustment	245,455.50	245,455.50	-1,694.88	-1,694.88
Restated Balance as at 1st January 2013	13,576,875.56	1,814,600.00	5,155,693.61	20,547,169.17
Grant Received and Utilized for Capital Assets		1,500,000.00	-	1,500,000.00
Depreciation Expenses for the Year	-3,773,842.96	-	-	-3,773,842.96
Amortization of SLAB IT Programme	-343,560.00	-	-343,560.00	
Amortization of Proficiency Testing Programme	-277,672.39	-	-277,672.39	
Surplus / (Deficit) for the year	<u>59,632.52</u>	<u>59,632.52</u>		
Balance as at 31st December 2013	<u>10,681,800.21</u>	<u>1,814,600.00</u>	<u>5,215,326.13</u>	<u>17,711,726.34</u>

**SRI LANKA ACCREDITATION BOARD FOR CONFORMITY ASSESSMENTS
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2013**

Descriptions	2013 Rs.	2012 Rs.
Expenditure Over Income for the year	59,632.52	1,115,618.89
Adjustments for ;		
Capital Grant Amortization	(4,395,075.35)	-
Depreciations on Fixed Assets	3,773,842.96	2,275,628.46
Profit on Disposal of assets	(1,088.00)	(17,499.00)
Gratuity Provision	525,756.29	136,394.61
Amortization of SLAB IT Programme	343,560.00	-
Amortization of Proficiency Testing	277,672.39	-
Accrued expenses over/ under provision	-	(33,169.46)
Operating Surplus before Working Capital change	584,300.81	3,476,973.50
<u>Working Capital Changes</u>		
Decrease /(Increase) in Prepayments	(237,141.47)	(202,982.42)
Decrease /(Increase) in Receivables	(119,832.85)	(1,039,378.09)
Decrease /(Increase) in Distress Loan	(63,300.00)	(267,900.00)
Increase/(Decrease) in Advance Received	1,217,960.91	-
Increase/(Decrease) in Refundable Deposit	800.00	(243,000.00)
Increase/(Decrease) in Creditors	9,612.00	(18,149.93)
Increase/(Decrease) in Accrued Expenses	(427,076.58)	158,460.43
Increase/(Decrease) in Stock & other Item	(63,278.70)	21,646.65
Increase/(Decrease) in Trade Mark	-	(3,360.00)
Increase/(Decrease) in Disposable assets	12.00	-
Increase/(Decrease) in Other payable	273,897.80	-
Net Cash Flows from Operating Activities	1,175,953.92	1,882,310.14
<u>Cash flows from Investing Activities</u>		
Acquisition of Fixed Assets	(1,464,031.69)	(11,850,377.37)
Development Work - Proficiency Testing	(41,700.00)	(254,895.23)
Deferred Income -Government Grant Received	-	9,457,976.93
Investment for Gratuity	(700,000.00)	86,502.70
Sales proceed from Disposal Assets	1,100.00	-
Investment in Accounting package	(132,000.00)	(33,000.00)
Disposal of Assets	(12.00)	-
Prior Year Adjustments	247,513.75	37,565.86

Net cash used in Investing Activities	(2,089,129.94)	(2,556,227.11)
<u>Cash Flow from Financing Activities</u>		
Government Grant Received	1,500,000.00	-
Net Cash Flow from Financing Activities	1,500,000.00	
Net Increase/Decrease in Cash and Cash Equivalents	586,823.98	(673,916.97)
Cash and Cash Equivalents at the beginning of the year	1,152,711.04	1,826,628.01
Cash and Cash Equivalents at the end of the year	1,739,535.02	1,152,711.04

NOTES TO THE FINANCIAL STATEMENT

1.1 Significant Accounting Policies.

General

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

1.2 Basis of Preparation and Accounting Policies.

Financial Statements have been prepared in compliance with the revised SLFRS using Cost method in 2012. However Financial Statement for the year 2013 has been prepared according to Sri Lanka Public Sector Accounting Standard as per the Department of Public Enterprise Circular No 3/2013.

1.2.1 Sri Lanka Public Sector Accounting Standards (SLPSAS 1)

Financial Statements for the year ended 31st December 2013 are carrying with Sri Lanka Public Sector Accounting Standards.

1.3. Assets and Basis of their Valuation

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

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

1.3.1 Property Plant & Equipment

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

Asset	Rate
Motor Vehicle	20%
Furniture	20%
Office Equipment, Air conditioners, Telephone & Fax Machine	20%
Computer, Printer, Multimedia Projector & PhotoCopier	25%
Building & Structure	33.33%

Depreciation of an asset commences when the asset is available for use and ceases in the month of disposal.

1.3.2 Intangible Assets

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

1.4 Inventories

No inventory items available and only the stationery stocks have been valued at the lower of cost or net realizable value.

1.5 Receivables

Receivables are stated at the amount estimated to be realized.

1.5. Liabilities & Provisions

1.5.1 Current liabilities

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

1.6 Income and Expenditure

1.6.1 Revenue Recognition

Income from training program and Accreditation of laboratories are accounted on accrual basis.

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

1.6.2 Treasury Grants

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

1.6.3 Expenditure recognition

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

1.6.4

A sum of US \$ 1,674.00 has been paid as application fees to International Accreditation Forum to obtain Membership of the forum in the year 2012. The IAF has been decided to set

off the Application fees US \$ 1,293.00 for the member fee for the year 2014 and the balance US \$ 381.00 carried forward for the year 2015.

1.7 Taxation

No provision has been made for income Tax.

1.8 Events after the balance sheet date

There were no events that occurred after the balance sheet date, that require disclosure or adjustment in financial statements.

1.9 Comparative figures

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

1.10 Cash flow statement

Cash flow statement has been prepared using indirect method.

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

1.11 Effect of Changes in Foreign Exchange Rate

A Foreign Exchange Earning Account (FEEA) is open in Bank of Ceylon for the purpose of foreign earning deposit. A Proforma Invoice is send for collecting earnings to the FEEA. Those deposits are transferred to the Bank current Account according to the cash flow requirement. Exchange rate effect of the following transaction processed during the year has not been taken to the Accounts.

Date	Type of transaction	Currency Value
2013.04.23	Reimbursement of Assessor training Programme Expenses	Euro 6,304.00
2013.06.19	Reimbursement of Air Ticket fees	US \$ 717.66
2013.07.30	Proforma Invoice for Accreditation of Initial Assessment- I M Veritas (pvt) ltd	US \$ 3,632.65
2013.09.11	Proforma Invoice for Accreditation of Application Fees- AUT Lamp Testing Laboratory	US \$ 313.01
2013.12.03	Proforma Invoice for Accreditation of Application Fees- International Quality & Safety Company Ltd	US \$ 102.04

The effect of exchange rate of the foreign transaction will be considered from the year 2014

SRI LANKA ACCREDITATION BOARD FOR CONFORMITY ASSESSMENTS
NOTES TO THE FINANCIAL STATEMENTS

	Actual 2013 Rs.	Actual 2012 Rs.	Budget 2013 Rs.
1) <u>Income</u>			
Treasury Grant Received (Note No- 14)	19,198,075.35	17,922,023.07	20,000,000.00
<u>Accreditation Income</u>			
Income from Accreditation - Testing	5,858,258.38	6,705,992.00	4,500,000.00
Income from Accreditation - Calibration Labs	549,600.00	-	500,000.00
Income from Accreditation - Medical Labs	3,713,720.00	2,524,400.00	2,500,000.00
Income From Certification Bodies	2,700,446.48	1,280,248.05	2,000,000.00
Income from Accreditation of Inspection Bodies	938,766.59	351,764.72	500,000.00
<u>Training Programmes Income</u>			
Income from Training Programmes – Assessor	2,507,353.00	-	3,000,000.00
Income from Training Programmes -other	1,814,750.00	2,008,965.14	
<u>Other Income</u>			
Distress Loan Interest	19,220.33	30,827.66	-
Sundry Income Others	40,137.63	841	-
Surplus/(Deficit) from WAD Activities (note No 23)	-750,979.75	-874,456.61	-
Accrued Expenses Over / Under Provision	-	33,169.46	-
SAARC PTB Training Programme	-	408,637.14	-
Disposal of fixed assets	1,088.00	17,499.00	-
IFRS Adjustment -Loan Interest	81,591.81	-	-
Total Income	36,672,027.82	30,409,910.63	33,000,000.00
Note: Revenue from exchange Transaction			
A sum of Rs. 473,182.66 (US \$ 3,632.65) earn from Accreditation of Certification Bodies, Rs.40,585.00. (US \$ 313.01) earn from Accreditation of Testing laboratories and Rs.12,925.00. (US \$ 102.04) earn from Inspection Bodies are included in above revenue.			
2) <u>Personal Emoluments</u>			
Salaries & wages	4,551,850.00	4,135,176.67	5,702,700.00
E.P.F.	961,339.77	833,170.51	1,197,400.00
E.T.F.	192,268.04	164,335.28	239,500.00
Allowances (COL)	2,528,080.64	2,083,938.50	2,898,700.00
Overtime & Holiday Payments	269,092.34	214,275.83	240,000.00
Gratuity Expenses	525,756.29	136,394.61	-
Leave Encashment	447,090.60	378,936.30	440,600.00
Annual incentive on progress	114,000.00	-	-
Staff Training and Development	154,186.00	128,840.00	240,000.00
Staff Welfare	80,135.50	66,254.00	60,000.00
	9,823,799.18	8,141,321.70	11,018,900.00

3) <u>Traveling Expenses</u>			
Domestic	67,806.70	85,610.20	100,000.00
Foreign	3,106,950.71	3,407,188.51	3,000,000.00
	3,174,757.41	3,492,798.71	3,100,000.00
4) <u>Supplies</u>			
Stationery and office requisites	257,570.90	269,908.65	300,000.00
Fuel and Lubricants	797,010.00	521,535.00	969,000.00
Others	-	22,820.00	5,000.00
	1,054,580.90	814,263.65	1,274,000.00
5) <u>Maintenance Expenditure</u>			
Maintenance -Vehicles	492,390.08	161,069.74	450,000.00
Maintenance -Plant. Machinery & Equipment	1,047,952.12	1,022,706.01	708,800.00
Maintenance -Buildings & Structures	185,584.80	5,555.00	100,000.00
Maintenance -Cleaning Items	-	710	-
Maintenance -Administration	23,460.00	43,824.00	20,000.00
Maintenance-Janitorial Services	221,220.00	166,170.00	222,000.00
	1,970,607.00	1,400,034.75	1,500,800.00
6) <u>Contractual Services</u>			
Transport & Hire Charges	460,159.30	1,030,010.00	240,000.00
Telecommunication	399,026.20	385,012.54	400,000.00
Postal Charges	320,955.00	234,249.50	250,000.00
Other Accreditation Expenses	57,392.00	-	56,000.00
PAC Evaluation Expenses	1,355,116.31	-	1,200,000.00
Electricity	664,745.72	576,466.35	700,000.00
Water	59,408.20	30,562.40	65,000.00
Rent and Local Taxes	3,672,000.00	3,128,000.00	3,672,000.00
Building Rent-UDA Charges	-	-	-
Board Members Fees	464,843.00	365,330.50	500,000.00
Security Expenses	335,045.00	335,988.00	348,000.00
Technical Advisory Committee Expenses	439,146.58	532,809.00	600,000.00
Audit Fee	80,000.00	80,000.00	200,000.00
Advertising & News Papers	225,685.00	279,745.50	800,000.00
Printing Activities	167,817.55	113,970.50	-
<u>Training Programme Expenses</u>			
Training Programme Expenditure-Assessor Training	1,389,389.12	1,007,594.10	555,400.00
Training Programme Expenditure - Other Training	746,084.50	-	500,000.00

<u>Assessment Expenses</u>			
Assessment Expenses-Testing	1,293,958.72	3,121,451.35	662,900.00
Assessment Expenses-Calibration	358,078.51	-	400,000.00
Assessment Expenses-Medical	940,058.43	-	320,000.00
Assessment Expenses-Certification	338,123.90	-	170,000.00
Assessment Expenses-Inspection Bodies	259,393.98	-	300,000.00
World Accreditation Day Expenses (Refer Note 23)	-	-	800,000.00
	14,026,427.02	11,221,189.74	12,739,300.00
7) <u>Subscription & Member Fees</u>			
International Laboratory Accreditation Corporation	269,404.13	256,793.37	275,000.00
Asia Pacific Laboratory Accreditation Corporation	481,036.75	411,853.00	482,000.00
Pacific Accreditation Corporation	433,877.80	340,109.03	434,000.00
International Accreditation Forum	-	245,455.50	250,000.00
	1,184,318.68	1,254,210.90	1,441,000.00
8) <u>Others</u>			
Professional Charges	-	-	100,000.00
Medical Insurance Premium	156,852.95	140,299.06	50,000.00
Depreciations	3,773,842.96	2,275,628.46	-
Stamp Duty	41,350.00	27,175.00	8,000.00
Exhibition Expenses	406,055.00	135,077.00	450,000.00
Trainee's A/C (NAITA)	282,750.00	213,420.00	300,000.00
APLAC Assessment A/C	-	-	-
SAARC PTB Training Programme Exp:	-	-	-
Over/Under Provision	50.00	-	-
Pre Paid Staff Expenses	81,591.81	-	-
Amortization of SLAB IT Programmes	343,560.00	-	-
Amortization Of Proficiency Testing Programmes	277,672.39	150,224.77	-
	5,363,725.11	2,941,824.29	908,000.00
9) <u>Financial cost & others</u>			
Bank Charges	14,180.00	18,790.00	18,000.00
Loss on cancellation Air ticket	-	4,150.00	-
Exchange Losses A/C	-	5,708.00	-
	14,180.00	28,648.00	18,000.00
10) <u>Refundable Deposit and Advance</u>			
Festival Advance	6,000.00	9,000.00	-
Refundable Deposit	1,226,200.00	1,224,000.00	-
Rent Advance	-	-	-
Advanced for SLAB Accounting Package	-	33,000.00	-
	1,232,200.00	1,266,000.00	-

11) Receivables			
VAT Refundable	-	111,813.58	-
<u>Trade Receivables</u>			
Receivables from testing	1,502,840.00	1,466,530.00	-
Receivables from Calibration labs	42,000.00	-	-
Receivables from medical labs	60,000.00	-	-
Receivables from Certification bodies	240,521.59	147,185.16	-
Receivables from Inspection Bodies	-	-	-
Receivables from others	-	-	-
	1,845,361.59	1,725,528.74	-
12) Accumulated Fund			
Balance at the Beginning of the Year	4,908,178.86	3,754,994.11	-
<u>Prior Year Adjustment</u>			
Over receipt Adjustment	3,753.13	-	-
Prior Year Adjustment	-	37,565.86	-
Fixed Assets Adjustment	1	-	-
Pre payment adjustment	245,455.50	-	-
Vat Adjustment	-1,694.88	-	-
Inventories Items	-	-	-
Excess of Expenditure Over Income	59,632.39	1,115,618.89	-
Balance at the end of the Year	5,215,326.13	4,908,178.86	-
13) Differed Income-Government Grants			
Balance at the Beginning of the Year	13,576,875.56	4,118,898.63	-
Grant Received and Utilized for Capital Assets	1,500,000.00	11,870,000.00	-
Depreciation Expenses for the Year	-3,773,842.96	-2,275,628.46	-
Amortization of SLAB IT system	-343,560.00	-	-
Amortization of Proficiency Testing Programme	-277,672.39	-	-
Gratuity provision	-	-136,394.61	-
Balance at the end of the Year	10,681,800.21	13,576,875.56	-
14) Accrued Expenses & Others			
Staff Welfare	4,457.40	-	-
Assessment Expenses	57,247.00	40,294.98	-
Travelling	-	8,209.50	-
Advertising & Promotion	2,050.00	-	-
Accounting Package SLAB	7,500.00	-	-
Security service	28,433.00	28,433.00	-
Printing Activities	11,970.00	-	-
Water	6,916.00	2,256.80	-
Electricity	52,051.26	31,018.13	-
Telecommunication expenses	26,297.90	29,979.33	-
Annual incentive on progress	114,000.00	-	-
Exhibition expenses	2,000.00	29,000.00	-

Over Time Payable	27,410.21	15,773.67	-
Maintenance of Plant, Machinery & Equipments	46,290.96	35,907.08	-
Maintenance expenses - Janitorial service	18,360.00	18,060.00	-
Proficiency Testing Programme	-	309,120.00	-
Audit Fee	233,500.00	153,500.00	-
Leave Encashment	9,276.00	377,353.82	-
Postal Charges	14,140.00	10,070.00	-
<u>Other Payables</u>			
E P F Control A/C	169,785.00	134,800.44	-
E T F Control A/C	20,374.20	16,176.05	-
PAYE Payable	1,817.22	2,955.67	-
Stamp Duty	2,975.00	2,450.00	-
VAT Payable	200,145.48	-	-
NBT Payable	47,179.99	12,296.93	-
Staff Welfare fund	1,075.00	775	-
	1,105,251.62	1,258,430.40	-
15) <u>Government Grants</u>			
Government Grant Received during the Year	16,303,000.00	27,380,000.00	-
Grant used for Capital Expenditure	-1,500,000.00	-11,870,000.00	-
Depreciation Expenses	3,773,842.96	2,275,628.46	-
Gratuity Provision	-	136,394.61	-
Amortization of SLAB IT System	343,560.00	-	-
Amortization of Proficiency Testing Programme	277,672.39	-	-
Government Grants shown in Income Statement	19,198,075.35	17,922,023.07	-
16) <u>Received in Advance</u>			
National school Laboratory competition Programme	609,700.09	-	-
Assessor Training Programme (Department Of Motor traffic)	571,428.00	-	-
AUT Lamp Testing Laboratory	40,585.95	-	-
Over Receipts	-	3,753.13	-
	1,221,714.04	3,753.13	-
17) <u>Distress Loans</u>			
Balance C/F	585,000.00	317,100.00	-
Distress Loan Granted during the year	510,000.00	870,000.00	-
Less : Loan Settlement in Installments	-446,700.00	-602,100.00	-
	648,300.00	585,000.00	-
18) <u>Pre-Payments</u>			
Balance C/F	292,038.22	89,055.80	-
Adjustment to Expenses	-244,038.22	-89,055.80	-
SLAB Vehicle & Director Vehicle Maintenance	145,606.78	151,425.98	-
Health Insurance Premium	-	54,612.24	-

Maintenance Expenditure of plants & machinery	25,204.41	-	-
Stamp duty for rental agreement	-	84,000.00	-
Service Agreement For A/C	3,000.00	2,000.00	-
IAF Member fees for 2014,2015	245,455.50	-	-
Training Programme Expenses-Assessor Insurance for Vehicle (2012.01.01-2012.07.08)	61,913.00	-	-
	-	-	-
	529,179.69	292,038.22	-
<u>Intellectual Property</u>			
Trade Mark	16,254.20	16,254.20	-
MRA Logo Registration in Process	24,040.80	24,040.80	-
Web Site of SLAB	96,800.00	96,800.00	-
SLAB Accounting package	165,000.00	-	-
Software for SLAB IT Programme	1,717,800.00	1,717,800.00	-
Less : Amortization Of SLAB IT Programmes	-343,560.00	-	-
<u>Development activity</u>			
Proficiency Testing Programme	597,044.77	705,569.54	-
Recovery from Proficiency Testing Programme	-	-	-
Less : Amortization Of Proficiency Testing Programmes	-277,672.39	-150,224.77	-
	1,995,707.38	2,410,239.77	-
20) <u>Cash & Cash Equivalent</u>			
Cash at bank, Bank of Ceylon-Kollupitiya 2nd branch(A/C No 3000203)	1,739,436.65	1,152,711.04	-
FEEA (Foreign exchange earning A/C)	98.37	-	-
	1,739,535.02	1,152,711.04	-
21) <u>Other Grants</u>			
Web site of SLAB	96,800.00	96,800.00	-
Software for SLAB IT System	1,717,800.00	1,717,800.00	-
	1,814,600.00	1,814,600.00	-
22) <u>Long Term Provision</u>			
Provision for gratuity	1,213,110.90	687,354.61	-
	1,213,110.90	687,354.61	-

23) World Accreditation Day Activities

Total Collections		1,197,796.00	769,000.00	
From Sponsorships	670,000.00			
By holding Seminars / Training Programmes	527,796.00			
Less :-				
Total Expenses				
Advertising & Printing	840,410.00	1,948,775.75	1,643,456.61	800,000.00
Hotel & Meal Charges	840,177.78			
Travelling	245,815.47			
Others	22,372.50			
Net Surplus /(deficit) Transferred to SLAB Profit (Refer Note No-01)		-750,979.75	-874,456.61	800,000.00

24) Disposable Assets

Mouse	1			
Mouse	1			
Mouse	1			
Pen Drive	1			
Pen Drive	1			
Pen Drive	1			
Printer	1			
Table	1			
Telephone System	1			
Electric Kettle	1			
Name Board	1			
Calculator	1			
		-	12.00	-

25) National School Laboratory Competition Programme

Sponsorship from National Science Foundation	2,000,000.00			
Less: Expenses for School Programme	-1,390,299.91			
Received in advanced (Refer Note 16)	609,700.09	-	-	

26) Property, Plant and Equipments									
Description	Balance as at 01.01.2013	Additions	Disposal	Balance as at 31.12.2013	Accumulated Depreciation			Written Down Value	
					Balance as at 01.01.2013	Charge for the Year	Balance as at 31.12.2013	As at 31.12.2013	As at 31.12.2012
							-	-	
Motor Vehicles	14,900,000.00			14,900,000.00	2,121,666.67	2,980,000.00	5,101,666.67	9,798,333.33	12,778,333.33
Building & Structure	144,800.00	33,660.00		178,460.00	19,910.00	52,941.67	72,851.67	105,608.33	124,889.00
Office Equipments							-	-	
01) Air conditioners	697,070.00			697,070.00	235,618.83	84,762.00	320,380.83	376,689.17	461,451.17
02) Multimedia Projector	255,200.00			255,200.00	234,989.84	12,125.00	247,114.84	8,085.16	20,210.16
03) Photocopier	308,250.00			308,250.00	158,999.00	49,750.00	208,749.00	99,501.00	149,251.00
04) Telephone System	202,912.30	46,300.00		249,212.30	77,370.93	35,770.43	113,141.36	136,070.94	125,541.37
05) Fax Machines	57,385.00			57,385.00	57,383.00		57,383.00	2	2
06) Other Office Equipment	167,650.11	3,625.00		171,275.11	84,770.46	31,087.24	115,857.70	55,417.41	82,879.65
Office Furniture	1,469,392.78	371,831.69	-	1,819,805.72	1,016,052.74	143,533.44	1,138,167.43	681,638.29	453,340.04
Computers							-	-	
01) Desktop Computers	1,382,520.00	694,865.00		2,077,385.00	1,088,470.32	224,178.33	1,312,648.65	764,736.35	294,049.68
02) Laptop Computers	894,230.00			894,230.00	773,234.49	72,764.83	845,999.32	48,230.68	120,995.51
03) Scanner	23,500.00			23,500.00	23,499.00		23,499.00	1	1
04) Printers	437,952.00	267,500.00	-	667,990.00	422,821.96	44,026.67	429,386.63	238,603.37	15,130.04
05) Other Computer Related Items	101,899.85	46,250.00		148,149.85	74,775.21	16,383.35	91,158.56	56,991.29	27,124.64
General							-	-	
WIFI	132,600.00			132,600.00	2,210.00	26,520.00	28,730.00	103,870.00	130,390.00
TOTAL	21,175,362.04	1,464,031.69		22,580,512.98	6,391,772.45	3,773,842.96	10,106,734.66	12,473,778.32	14,783,588.59



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கணக்காய்வாளர் தலைமை அறிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය }
துலைவா }
My No }

ඔබේ අංකය }
உமது இல }
Your No. }

දිනය }
திகதி }
Date }

LS/02/E/SLAB1/13/25

09 October 2014

The Chairman

Sri Lanka Accreditation Board for Conformity Assessment

Report of the Auditor General on the Financial Statements of the Sri Lanka Accreditation Board for Conformity Assessment for the year ended 31 December 2013 in terms of Section 14(2)(c) of the Finance Act. No. 38 of 1971

The audit of financial statements of the Sri Lanka Accreditation Board for Conformity Assessment for the year ended 31 December 2013 comprising the statement of financial position as at 31 December 2013 and the statement of income, statement of changes in equity 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 29(3) of Part IV of Sri Lanka Accreditation Board for Conformity Assessment Act No. 32 of 2005. My comments and observations which I consider should be published with the Annual Report of the Board 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 issued to the Chairman of the Board on 26 June 2014.

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 Sri Lanka Public Sector Accounting Standards and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

1:3 Auditors' 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 of Supreme Audit Institutions (ISSAI-1000-1810). 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 judgment, 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 Board'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 Board'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 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 Sri Lanka Accreditation Board for Conformity Assessment as at 31 December 2013 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

2:2 Comments on Financial Statements

2:2:1 Non-compliance with Sri Lanka Public Sector Accounting Standards

Income and expenditure should not be set off against each other in terms of Section 48 of Sri Lanka Public Sector Accounting Standards No. 01. However, income received from sponsors of annual commemoration of World Accreditation Day and training programmes had been set off against expenses borne without disclosing separately and a net loss 750,980 had been stated in the accounts.

2:2:2 Accounting Policies

The Board Performs foreign exchange transaction and a foreign exchange loss of 5,708 had been identified and accounted in 2012. However, the set of financial statements prepared in 2013 stated that the effect of the changes in foreign exchange had not been accounted under accounting policy 1.11 and it would be accounted from 2014. Hence, it was observed that the Board had not adhered to a consistent policy in accounting for foreign exchange.

2::3 Non-compliance with Laws, Rules, Regulations and Management Decisions

The following non compliances were observed in audit.

**Referance to Laws, Rules,
Regulations, etc.**

Non-Compliance

(a). Section 14(1) of the in Finance Act.
No. 38 of 1971.

Draft annual Report for the year 2013 had not been presented to the Auditor General within 60 days after the close of accounting year.

- | | |
|---|--|
| (b). Section 3,4,3 of procurement Guide lines 2006 | A sum of Rs. 1,007,325 had been paid during the year under review for food obtained from the same institution for training programmes without registering the suppliers. |
| (c). Public Enterprises Circular No. PED/12 dated 02 June 2003 | Sums of Rs.114,000 and Rs.447,091 had been paid for incentives based on performance and medical leave not availed of respectively during the year under review without obtaining approval of the Treasury. |
| (i). Paragraph (c) of Section 8.3.3. | |
| (ii). Section 9.14.2 | A manual on Human Resource Management had been issued on 01 July 2013 on the approval of the board of management without obtaining the approval of the secretary to the Treasury. |
| (d). Finance and planning circular No. MOFP01/2010/01 dated 11 October 2010 | Instead of the incidental expenses and combined allowance payable for foreign travel, the board of management had, on 16 November 2012, approved travelling expenses amounting to Rs. 7,500.00 and Rs. 12,000.00 and Rs. 18,000.00 for SAARC countries and other countries respectively as assessed charges per day per officer for each day spent abroad. As such a sum of Rs. 363,000 had been over paid during the year under review for foreign travel contrary to the circular. |

3 Financial Review

3.1. Financial Results

According to the financial statements presented, the operations of the board for the year ended 31 December 2013 had resulted in a surplus of Rs. 59,633 as compared with the surplus of Rs. 1,115,619 for the previous year. Accordingly, a decrease of Rs. 1,055,986 as compared with the previous year was observed.

4. Operating Review

4.1. Performance

The following observations are made.

(a). Even though the conduct of two presentations in the electronic media and two discussions with the print media for the awareness of the accreditation among the general public for the year under review been included in the annual action plan non of the presentations or discussions had been conducted.

(b). Although a sum of Rs. 350,924 had been spent on the online system for receiving applications for accreditation, the board had not received at least a single application through the online system as of the date of audit. This had resulted due to the failure to state clearly in the web site the availability of the facility for making applications for accreditation through the online system.

4.2. Transactions of contentious nature

The following observations are made.

(a). Officers of the board had been deployed as a resource persons for two programmes to train assessors without the approval of the Secretary to the ministry and sum of Rs. 240,000 and Rs. 31,900 had been paid to lectures and assisting officers respectively without recovering royalty for the government.

(b). Even though the combined allowance payable in the terms of the management services circular No. 34(1) dated 1 June 2009 and the paragraph 12.5 of the manual prepared by the board amounted to Rs. 500 an over payment of Rs. 35,600 had been made during the year under review as 8 officers had been paid at Rs. 2,000.00 each. Even though the board had made transport arrangement for participation in the workshops, the board has spent a sum of Rs. 229,952 for motor vehicles procured on hire during the year under review.

4.3. Staff Administration

A post of internal auditor had been approved for the board of the first time through the letter of the director general of management services 19 November 2012. Nevertheless, an officer appointed in the covering up duties basis since 30 October 2008, had officiated in that post even by 30 April 2014, the date of Audit.

5. Accountability and Good governance

5.1. Budgetary Control

A reconciliation of the budgeted and the actual income and expenditure for the year under revealed variances ranging from 2% to 149%, thus indicating that the budget had not been made use of as an effective instrument of management control.

5.2. Tabling of Annual Reports

Even though the Annual Report should be tabled at Parliament within 150 days after the close of financial year in terms of section 6.5.3. of Public Enterprises Circular No. PED/12 dated 02 June 2003, the Annual Report for the year 2012 had not so far been tabled. The Annual Report for the Year 2011 had been tabled on 23 July 2013.

6. System Control

Deficiencies observed during the course of audit were brought to the notice of the chairman from time to time. Special attention is needed in respect of the following areas of control.

- (a). Budgetary Control
- (b). Staff Administration
- (c). Accounting
- (d). Procurement Process

H.A.S. Samaraweera

Auditor General



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

නො. 546/4, ගාලු පාර,
කොළඹ 03, ශ්‍රී ලංකාව.

இல 546/4, காலி வீதி,
கொழும்பு 03, இலங்கை.

No. 546/4, Galle Road,
Colombo 03, Sri Lanka.

2013 October 21

Auditor General,
Auditor General Department
306/72, Polduwa Road,
Battaramulla.

Chairman's comments on the report of Auditor General on the Accounts of Sri Lanka Accreditation Board for Conformity Assessment for the year ended 31st December 2013 as per the statement 14 (2) (c) of the Finance Act No 38 of 1971.

2.2 Comments on Financial Statements

2.2.1 Non compliance with public sector Accounting standards

Income earned from sponsorship and training activity of World Accreditation Day celebration in 2013 was Rs.1,197,796.00 and total expenditure incurred for the ceremony was Rs.1,948,776.00. The net expenditure was 750,980.00. Total income and the expenditure was shown under Note No 23. The World Accreditation Day is celebrated annually by Sri Lanka Accreditation Board.

2.2.2 Accounting Policies

Foreign Currency savings account has been open on 4th July 2013 for collecting Dollar, Euro and other foreign Currency. A proforma Invoice is issued to collect income to the Foreign currency Account. When receiving foreign currency it is converted rupee value and debited to Foreign Currency Savings Account and credited to relevant Income Accounts. Foreign currency are withdrawn when the fund are required for the cash flow. Foreign currency profit or gain is identified on that stage. It has been Decided to change the policy from 2014 onwards.

Foreign currency loss rs.4,991.00 for the year 2013 is shown under Note 1.11

2.3 Noncompliance with lows rules regulations & Management decisions

(a) Accounts have been prepared as per IFRS standard in the year 2012 .Accounts for the year 2013 also prepared on same method and submitted to the Auditor General within sixty days. However thirty more days have been taken for re-preparation & submitted the Accounts according to Public sector Accounting Standard.

(b) Though suppliers were not registered through paper advertisement, a group of selected suppliers have been identified and taken in to a register. Orders are sent to the selected suppliers by way of evaluation quotations.

When quotations were called, Russel's pvt Ltd has sent lowest price for supplying food items. Therefore service has been taken from Russel's pvt ltd.

(c) (i) This payment has been made continuously from the inception of the Board. As the SLAB is working for reach to self sufficient level without having fund from the General Treasury, payment was made with the approval of Governing Council to having staff satisfaction to achieve the target.

(ii) Necessary arrangements have been made to send the Manual of the human resource management of the Board for approval of the secretary to the Treasury.

(d) Assessors who are participating foreign assessments are paid Rs.7,500/= travelling allowance per day and assessment charges Rs.12,000/= per day for SAARC countries and Rs. 18,000/= for other countries with the approval of the Governing Council. These charges are added to the invoice issued to the client.

3. Financial Review.

3.1 Financial Result Noted

4. Operating Review

4.1 Performance

(a) Although 2 electronic and printed media discussions were planned to be held during the year. These programmes have been stopped to carry out Island wide School Laboratory competition programme executed collaborated with Ministry of education and Hospital Accreditation programme with Ministry of Health.

(b) It is required to have an online system for application process as we are providing accreditation service local and foreign. However local or foreign customers have not been used the online system for application process. However online facility should be available for future requirement.

4.2 (a) Transaction of Contentious nature

Assessor training programme is a special programme continuously going on 5 days. The Assessors are selected through this training and added to SLAB Assessor pool. This payment has been made with the approval of the Governing Council as the resource persons are making special effort to this programme.

(b) This subsistence was made to the officers who were participating to evaluating the Island wide school laboratory competition with the approval of the Governing Council.

4.3 Staff Administration

The appointment of Internal Auditor of SLAB has been made by the Director/CEO with the approval of Governing Council on cover-up duty basis. According to the SLAB Act and the SOR, the appointments are made by the Director/CEO with the approval of the Governing Council. Only the Director/CEO is appointed by the secretary of the ministry. Approval has been received for a permanent post of Internal Auditor on 2012.11.22. When this has been brought to the notice of the Governing Council their view was to continue the service on cover up duty basis considering the turnover and the Number of SLAB staff. Necessary step have been taken to appointing an Internal Auditor on permanent basis.

5. Accountability & Good Governance

5.1 Budgetary Control

Depreciation and gratuity provision Rs. 4,299,599.00 has been included under other expenses. After removing this amount the variance between actual and budget would be within the allocation.

5.2 Tabling the Annual report in the Parliament

Even though the Annual report to be sent to the Parliament within 150 days, the Auditor General's report also not receiving within 150 days. Annual report for 2012 has been sent to the Parliament on 20th August 2014.

6. Procedure & Control

- a) Budgetary control
- b) Staff control
- c) Accounting
- d) Procurement

Note for the special attention regarding the shortcoming are mentioned.

Pasan Gunasena

Chairman

Sri Lanka Accreditation Board

SLAB ORGANIZATION LOGO



SLAB ACCREDITATION MARK



ACCREDITATION COMMITTEES

Accreditation Committee – Certification Bodies

Dr. Nirmali De Silva – Council Member, Senior Lecturer, Dept. of Textiles,
University of Moratuwa
Dr. Sarath Abeywardena – Director, National Science Foundation
Mr. D Gunasekera – President, Food Processors Association
Mr. K H Muthukudaarachchi – Deputy Director General, Central Environmental Authority
Mr. N K A Rupasinghe – Deputy Director, Technical, Department of Export Agriculture
Mr. Vajira Perera – Director (NVQ), Tertiary & Vocational Education Commission
Mr. T Wickremasinghe – Director/CEO, SLAB

Accreditation Committee – Testing & Calibration Laboratories

Prof. Sirimali Fernando – Council Member, Prof. of Microbiology, Uni. of Sri Jayawardenapura,
Dr. Nirmali De Silva – Council Member, Senior Lecturer, Dept. of Textiles,
University of Moratuwa
Mr. E G Somapala – Former Government Analyst
Prof. D A Tantrigoda – Dept. of Physics, University of Sri Jayawardenapura
Prof. H D Gunawardhana – Professor of Chemistry, University of Colombo
Mr. H L R W Madanayake – Former Director, MUSSD
Dr. (Mrs.) S I Abeygunawardene, Senior Lecturer, University of Kelaniya
Mr. T Wickramasinghe – Director/CEO, SLAB

Accreditation Committee – Medical/Clinical Laboratories

Prof. Sirimali Fernando – Council Member, Prof. of Microbiology, Uni. of Sri Jayawardenapura,
Dr. A. M. Mubarak – Council Member, Director, Industrial Technology Institute
Dr. (Ms) Sujatha Mananwatta – Consultant Microbiologist, National STD/AIDS Control Prog.
Dr. (Ms) M M Jayathilaka – Consultant Haematologist, National Cancer Hospital
Prof. (Ms) Jennifer Perera – Professor of Microbiology, University of Colombo
Prof. (Ms) M I Thabrew, Visiting Professor, University of Colombo
Dr. (Ms) M M Gunathilaka, Consultant Chemical Pathologist, Medical Research Institute
Dr. (Ms) K C K Wasalarachchi, Consultant Histopathologist, Colombo South Teaching Hospital
Dr. (Ms) M N Tudawe - Consultant Haematologist, Durdans Hospital, Colombo
Mr. T Wickramasinghe – Director/CEO, SLAB

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Prof. S M A Nanayakkara – Dept. of Mech. Engineering, University of Moratuwa
Dr. L D J F Nanayakkara, Senior Lecturer, Department of Industrial Eng., University of Kelaniya
Mr. T S Amarawansa, Former Deputy Director General, Sri Lanka Standards Institution
Dr. G A S Premakumara, Director General, Industrial Technology Institute
Mr. T Wickramasinghe – Director/CEO, SLAB
Mr. L H D Bandusoma – Deputy Director, SLAB (Secretary)

Technical Advisory Committee on Chemical Testing

Mr.E.G.Somapala – Former Government Analyst, Government Analyst’s Department
Mr.R.M.G.B.Rajanayake – City Analyst, Colombo Municipal Council
Prof. R D Wijesekara – Prof. of Chemistry, Dept. of Chemistry, University of Peradeniya
Dr. Saranga Wickramaarachchi, Senior lecturer, Dept. of Chemistry, University of Colombo
Dr.A.M.Mubarak –Former Director, Industrial Technology Institute
Dr. L M K Thilakaratne – Free-lance Consultant

Technical Advisory Committee on Biological Testing

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Prof. (Mrs.) C P Kodikara – Associate Professor, Uni. of Kelaniya
Dr. Kavan Cooray – Consultant Microbiologist, Medical Research Institute
Dr. C M Nanayakkara – Dept of Botany, Uni. of Sri Jayewardenepura
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Technical Advisory Committee on Mechanical Testing, Measurement and Calibration

Prof. D.A.Tantrigoda – Professor of Physics, University of Sri Jayewardenepura,
Dr. S.M.A.Nanayakkara – Department of Civil Engineering, University of Moratuwa
Mr. H L R W Madanayake – Former Director, MUSSD
Mr. H P N J Gunasekara – Former Deputy Director (Technical Services), ITI
Mr. S N Niles – Senior Lecturer, University of Moratuwa
Mrs. N D G Wijesiriwardane - Head, Dept. of Electrical & Electronics, NERD Center Sri Lanka
Mrs. C Janashanthi – Electronic Engineer, Arthur C Clarke Institute for Modern Technologies

Technical Advisory Committee on Medical/Clinical Testing

Prof (Ms) Sirimali Fernando – Council Member, Prof. of Microbiology, Uni. of Sri Jayewardenepura, Chairperson National Science Foundation
Prof (Ms) Vasanthi Thevanesam – Professor of Microbiology, Uni. of Peradeniya
Dr (Ms) M M Gunathilaka – Consultant Chemical Pathologist, Medical Research Institute

Dr. (Ms) M N Tudawe – Consultant Haematologist, National Hospital, Colombo
Prof. (Ms) Preethika Angunawela – Professor in Pathology, Uni. of Colombo
Dr. (Ms) A Samarasekera – Consultant Histopathologist, Eye Hospital, Colombo
Dr (Ms) D G N N Ranasinghe – Consultant Haematologist, Member, Sri Lanka College of
Haematologists
Dr. Kushlani Jayathilleke – Consultant Microbiologist, Member, Sri Lanka College of
Microbiologists

Dr. (Ms) Saroja Siriwardena, Consultant Chemical Pathologist, National Hospital, Colombo
Prof. (Ms) Nelun De Silva - Consultant Microbiologist, Faculty of Medicine, University of
Ruhuna

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Prof. P Mahawatta – Professor, Dept. of Nuclear Science, Sri Lanka Standards Institution
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Mr. W A Jayasundara, Senior Consultant
Prof. (Ms) R Shanthini – Professor of Chemistry & Process Engineering, University of
Peradeniya
Mr. D N S Kuruppumullage – Director/CEO, Ind-expo Certification Pvt. Ltd.

Technical Advisory Committee on Environmental Management Systems Certification

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Mr. W B Jayantha Padmasiri – Manager, PDK Lanka (Pvt.) Ltd
Ms. Dushanthi Ranpathige – Engineering Researcher, Industrial Technology Institute
Dr. G B B Herath – Senior Lecturer, University of Peradeniya
Prof. (Ms) Nilanthi Bandara – Professor (Wild & Environmental Science), University of Sri
Jayawardenapura
Mr. Sanjaya Pathirage – Managing Director, Control Union Inspections (Pvt.) Ltd.

Technical Advisory Committee on GHG Validation & Verification Bodies

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Moratuwa
Mr. Samantha Kumarasena – Deputy Director, National Cleaner Production Center
Dr. (MS) M Y Gunasekara - Senior Lecturer, Department of Chemical Process Engineering,
University of Moratuwa
Dr. Suren Batagoda, Managing Director, Sri Lanka Carbon Fund (Pvt.) Ltd
Mr. Ruwan Weerasuriya, Environmental Officer, Air Resources Management & International
Relations Division,
Ministry of Environment
Ms. Hiranthi Jansz – Assistant Director, Air Quality Monitoring Unit, Central Environmental
Authority
Dr. R D S Jayatunga – Director, Climate Change Secretariat, Ministry of Environment

Mr. Thilak Gunasekara – Research Engineer, Industrial Technology Institute
Mr. Ravi De Silva – Environment Consultant, Aitken & Spence Ltd.
Dr. W M P S B Wahala, Lecturer, University of Sabaragamuwa

Technical Advisory Committee on Good Laboratory Practice (GLP)

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Prof. (Ms) N S Kumar, Institute of Fundamental Studies
Mr. S Somasiri - Former Senior Quality Assurance Manager, ITI
Dr. (Ms) M K B Weerasooriya, Senior Lecturer, Dept. Of chemistry, University Of
Kwelaniya
Mrs. P M G Pathiraja, Research Scientist, NERD Center
Dr. Nilwala Kottegoda, Research Scientist, SLINTEC
Dr. Malindra Juan-Badaturage, Head of Research, Dipped Products Ltd.
Mr. M D C Perera, Deputy Director, NBRO

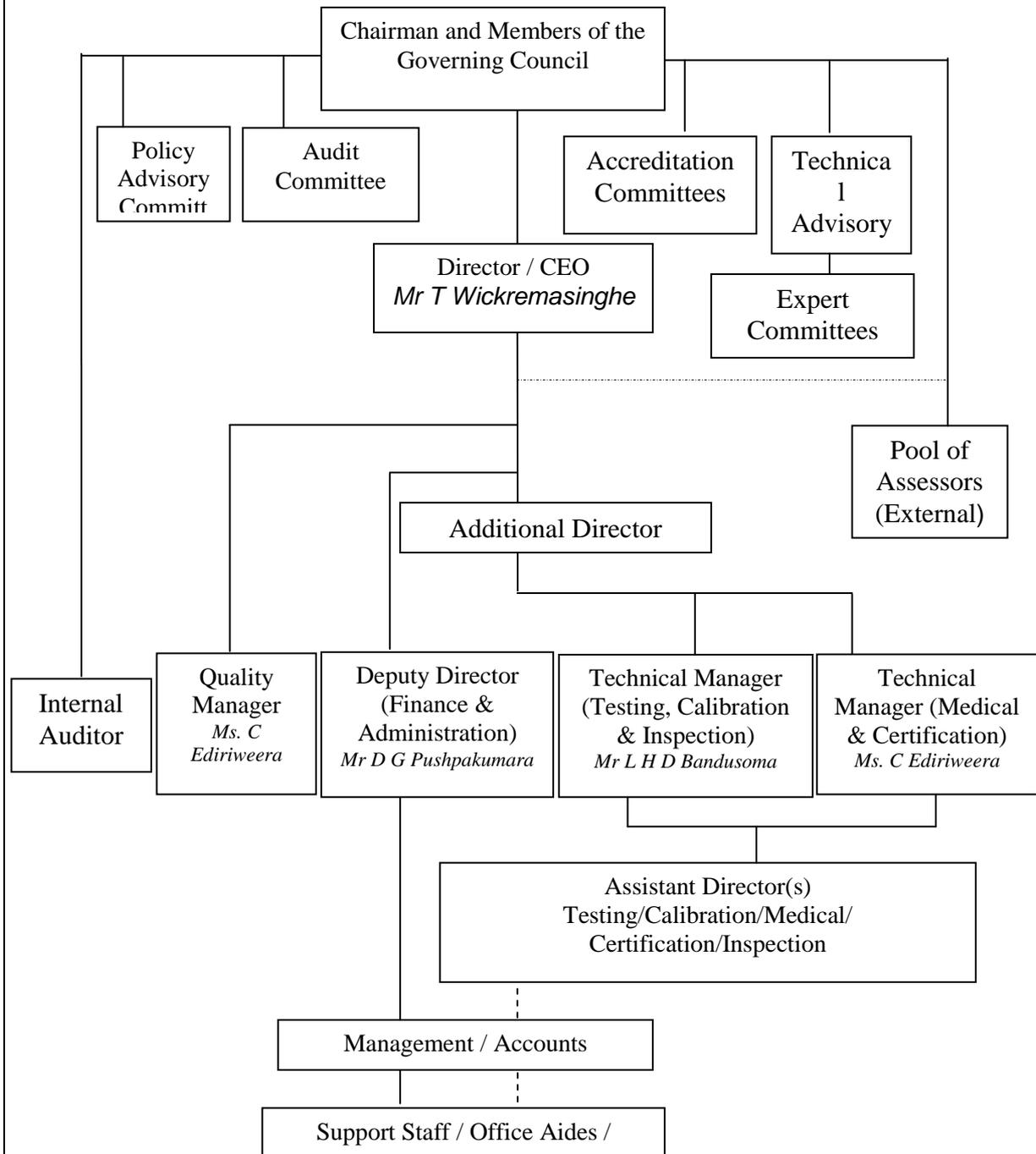
Technical Advisory Committee on Food Safety Certification and Inspection

Mr. B S P Mendis – Former Director/CEO, SLAB
Dr. Pradeep Kariyawasam - Chief Medical Officer, Colombo Municipal Council
Dr. T. B Ananda Jayalal - Director, Environmental and Occupational Health Unit), Ministry
of Health
Mr. Sahan Thejaka, Hygiene Manager, Colombo Hilton
Dr.(Mrs)P Talgaswatte, Former Deputy Director General, SLSI
Mr.Dhammika Gunasekara, Sri Lanka Food Processors Organization
Mr.E.G.Somapala, Former Government Analyst
Ms.Chandima Chithangani, Ind-Expo Certification Ltd
Ms Chamila Wijeyasinghe, Research officer, Industrial Technology Institute

Technical Advisory Committee on Vehicle Emission Inspection

Prof.R.A Aththalage(Chairman) –Department of Mechanical Engineering, University of
Moratuwa
Mr.A.W.Dissanayake –Derector,WET Programme, Department of Motor Traffic
Mr.R.G.S.A Perera – Assistant Director,MUSSD
Mr.J.A.K.B Wijegunasekara- Chemical And Microbiology Laboratory,ITI
Mr.R.M Kulasena – Deputy Director,Air Quality Monitoring Unit, Central Environment
Authority
Dr.D.S Jayaweera – Director General, Department of Public Finance, Ministry Of Finance
Mr.R.V.K.Karavita – Standard Engineer, Engineering Standard Division,SLSI
Mr.R.M.R.D Weerasooriya – Environmental Management Officer, Air Resource
Management Officer
Mr.L.H.D Bandusoma – Deputy Director, Sri Lanka Accreditation Board

SLAB ORGANIZATIONAL STRUCTURE - OPERATIONAL



ACCREDITED CONFORMITY ASSESSMENT BODIES - 2013

Name of Medical Laboratory	Field of Testing
Nawaloka Metropolis Laboratories, Colombo 02.	Medical
Royal Hospitals (Pvt) Lts, Colombo 06.	Medical

Name of Certification Body	Field of Testing
IM Veritas Certification Services (Pvt) Ltd,	QMS & AEA for Personnel Certification

Name of The Laboratory	Field of Testing
Fertilizer Testing Laboratory Ceylon Fertilizers Company Ltd.	Chemical Testing
Soil & Plant Analysis Laboratory CIC Agri Business	Chemical Testing
Tokyo Cement Company (Lanka) PLC	Chemical & Mechanical Testing
Holcim Palavi Analytical Laboratory Holcim Lanka Ltd	Mechanical Testing
Geotechnical & Laboratory Services Division Access Engineering PLC	Mechanical Testing

Name of Inspection Body	Field of Inspection
International Quality & Safety Co Ltd	Amusement Rides & Devices