

**2014  
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 established under Act No. 32 of 2005. In 2014 SLAB functioned under the Ministry of Technology & Research.

SLAB as the apex body for accreditation for Sri Lanka has taken numerous initiatives to ensure the completeness of the national quality infrastructure (NQI) in the country. NQI has been strengthened in many aspects to remove quality related non-tariff barriers arising from testing, inspection and certification activities and to facilitate international and domestic trade in the provision of goods and services. Completeness of NQI in a country leads to provide accreditation services to conformity assessment bodies (CABs) such as testing and calibration laboratories, inspection bodies and certification bodies in a smooth manner by removing obstacles in quality related issues. SLAB takes measures to strengthen other pillars of NQI which are dealing with standards, measurements and regulations.

In the NQI, the regulators with a national commitment should play a key role to safeguard and maintain good trade practice in a country in terms of public health, occupational safety, environmental protection, fraud prevention, fair trading etc. As accreditation services are provided voluntarily on the demand of stakeholders, the regulatory bodies have got a national obligation to continuously monitor the compliance of regulations and take necessary follow ups against established criteria. The above mentioned good practices will be effective, if the manufacturers or service providers comply with relevant standards and conformity assessment procedures, when products and services are delivered. This third party attestation is assured through accreditation made on relevant national and international standards.

The whole mechanism of accreditation assures the main principles of conformity assessment such as impartiality, competence, integrity, and credibility. 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 all 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 & KPIS**

The goals of the Board were identified as follows. Key performance indicators (KPIs) are given after each goal, as relevant and applicable.

- Promote the concept of accreditation  
KPI – Customer perception on SLAB accreditation improved by 10%
- Create public awareness  
KPI – Expansion of Customers by 20
- Providing Accreditation Services  
KPI - Increase accreditations by 25
- Good Governance  
KPI – Update quality management system 100%
- International recognition  
KPI – Maintain international recognition for accreditation schemes
- Capacity Building of Human Resource  
KPI – Strengthen competence by 25%
- Reach self-sufficiency  
KPI – Reach 75% self-sufficiency by 2014

## FUNCTIONS & STRATEGIES

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

- Carrying out accreditation of CABs in accordance with International and National Standards.
  - Testing laboratories (*ISO/IEC 17025*)
  - Calibration laboratories (*ISO/IEC 17025*)
  - Medical laboratories (*ISO 15189*)
  - Certification bodies for systems (*ISO/IEC 17021*)
  - Certification bodies for products (*ISO/IEC 17065*)
  - Certification bodies for persons (*ISO/IEC 17024*)
  - Greenhouse gas (GHG) validation 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

The Sri Lanka Accreditation Board for Conformity Assessment (SLAB) was established by Act No. 32 of 2005. SLAB is the national accreditation authority set up in the National Quality Infrastructure (NQI) to regularize and harmonize relevant activities required to assure quality of Sri Lankan products and services. Many programmes were initiated by SLAB during 2014 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 the protection of public health, safety and environment.

As an institution under the Ministry of Technology and Research, SLAB continued to play a key role in supporting the Government's effort in the national economic development and assurance of public health and safety. I am pleased to report that many targets set for achieving these objectives were fulfilled during the year under review. SLAB completed its 9<sup>th</sup> year in operation in 2014. I am confident that the base for conformity assessment has been firmly established and SLAB is now in a position to overcome these challenges and move forward.

As accreditation is implemented voluntarily, it is necessary to promote this concept amongst the stakeholders in order to draw organizations (CABs) for accreditation. Many awareness programmes and seminars were conducted under different disciplines for this purpose but the progress was not so conducive as the number of applications received for accreditation during the year was continually low due to lack of influence from regulators. 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 implementation of regulations.

As accuracy and reliability of test reports are critical for making correct decisions, this lethargic approach of regulators is not suitable to a country like Sri Lanka as it is confronted today with issues related to food safety, environmental pollution, public health and especially chronic kidney diseases. Many regulations related to public health and safety have still not updated to include accreditation as a means of third party attestation for day-to-day quality issues. The regulatory bodies who have even included accreditation in regulations are not taking steps to monitor their operations effectively. I strongly believe that further promotion from regulators is necessary to draw more CABs for accreditation. In this regard we intend to carry out more vigorous promotional campaign during 2015.

Based on a concept of the Minister of Technology and Research, Hon. Patali Champika Ranawaka, SLAB initiated an all island school laboratory competition, "Vidhya Praba". 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. About 300 applications were received for the competition. At the end of the competition, 5 national winners, 7 provincial winners and 33 zonal winners were selected and announced on 09 June 2014.

SLAB has been a signatory to the Mutual Recognition Arrangement (MRA) of the Asia Pacific Laboratory Accreditation Corporation (APLAC) and International Laboratory Accreditation Corporation (ILAC) since 2009 for testing including medical testing and since

2012 for calibration. In 2014, SLAB was admitted to the signatory status of the Multilateral Recognition Arrangement (MLA) of Pacific Accreditation Corporation (PAC) and International Accreditation Forum (IAF) for accreditation of ISO 9001, ISO 14001 and product certification. SLAB was also admitted as signatory to PAC MLA for FSMS certification. SLAB has applied for APLAC MRA for accreditation of inspection in 2014.

Such international and regional recognition will add value to the accreditation certificates issued by SLAB. 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 be complied with the requirements of relevant international standards and rules of the said international/regional organizations. Routine internal assessments in different accreditation schemes were conducted in 2014 to ensure compliance to relevant standards, rules and regulations. System improvements were carried out based on the non-compliances detected at the assessments.

Active participation at various meetings, seminars and annual sessions of these international organizations was also necessary to continue the signatory status. The SLAB officials participated at the annual and mid-year meetings and conferences organized by ILAC, APLAC, IAF, PAC and SAARC during the year 2014.

Recruitment and retention of staff has been a major issue since inception of SLAB. However in 2014, almost the full cadre reported to work, except some who were on maternity leave and as such the volume of work was not so effected. Many programmes were successfully completed due to the capability, hard work and the loyalty of the SLAB staff. Above 95% of the targeted activities set under Balanced Score Card were completed during the year.

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 year. Their devotion and dedication to the organization is greatly appreciated.

A special thanks must always be conveyed 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 the 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 inputs provided to the accreditation process in Sri Lanka.

In 2015, 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 the economic development and assurance of public health and safety.

Pasan Priyalal Gunasena  
Chairman

## EXECUTIVE SUMMARY BY DIRECTOR/CEO

SLAB commenced its operations in January 2006 and has completed nine (09) years of operations at the end of 2014. Although at the initial phase, SLAB experienced a slow progress later it recorded a steady growth. SLAB was able to start accreditation schemes in all trade driven conformity assessment areas such as testing including medical testing laboratories, calibration laboratories, certification bodies for systems, products & persons, and inspection bodies. In addition SLAB has started new accreditation schemes for greenhouse gas (GHG) validation and verification bodies, proficiency testing (PT) programmes and good laboratory practice (GLP).

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 and 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 the relevant technical regulations and in which efficient and credible conformity assessment procedures are necessary against stipulated requirements. When there is more demand for quality of products and services, more compliance to technical regulations and/or standards is needed. The government authorities as regulatory bodies can implement regulations to approve products and services in terms of quality, health, safety, environmental protection, fraud prevention, and market fairness etc.

Due to low response from regulators, SLAB had to work hard during the year with existing and potential clients to bring accreditation schemes forward to meet the needs of the country. This progressive growth could have been stamped if the support from regulators was received as necessary. In such a low regulatory monitoring environment, more emphasis should be exercised on strengthening the national quality infrastructure (NQI) in the country while improving accreditation schemes. An accreditation process in a country will really progress only when conformity assessment procedures which meet the current trade practices are implemented in a complete NQI.

Accreditation as a third party attestation provides conformity assessment bodies due recognition and acceptance nationally and internationally to perform conformity assessment tasks based on internationally accepted principles and standards. In 2014, SLAB earned IAF MLA international recognition for QMS, EMS and product certification and PAC MLA for FSMS certification. SLAB has been maintaining ILAC & APLAC MRA for testing and medical testing since 2009 and for calibration since 2012. In 2014, SLAB applied for admittance to APLAC MRA for inspection.

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 challenged task when the size and scope of conformity assessments get broadened. In the year 2014 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 2014, 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 2014. This scheme penetrated into many scope sectors such as chemical products, food and agriculture, textile products, electrical products, soil and fertilizers etc. In the year 2014, 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 2014. 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 in 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 2014.

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 end are more concerned on internationally accepted quality certificates. Another weakness is that local manufacturers still prefer to foreign certification which is affiliated to foreign accreditation bodies, without any justifiable basis. As a result, locally operated certification bodies are compelled to face heavy competition from foreign based certification bodies despite large sums of foreign expenses. 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 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, the use of accredited CABs by regulatory authorities 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. Inspection of food safety, vehicle emission, NDT and 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 continued during 2014 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 2014, 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 offered a new accreditation scheme 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 offered a MLA programme for GHG validation/verification bodies.

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

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. Some seminars were organized on eradication of CKDu and National Research & Development Investment Framework 2015-20.

In 2014, SLAB recorded a significant improvement in the delivery of accreditation services while increasing its clientele. At the end of 2014, SLAB registered nearly 80 customers and out of them 05 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 27.3 Mn. in 2014. The financial base was further strengthening while curtailing 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 record such a progress which was

admired 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.

Thilak Wickremasinghe  
Director/CEO

## THE GOVERNING COUNCIL

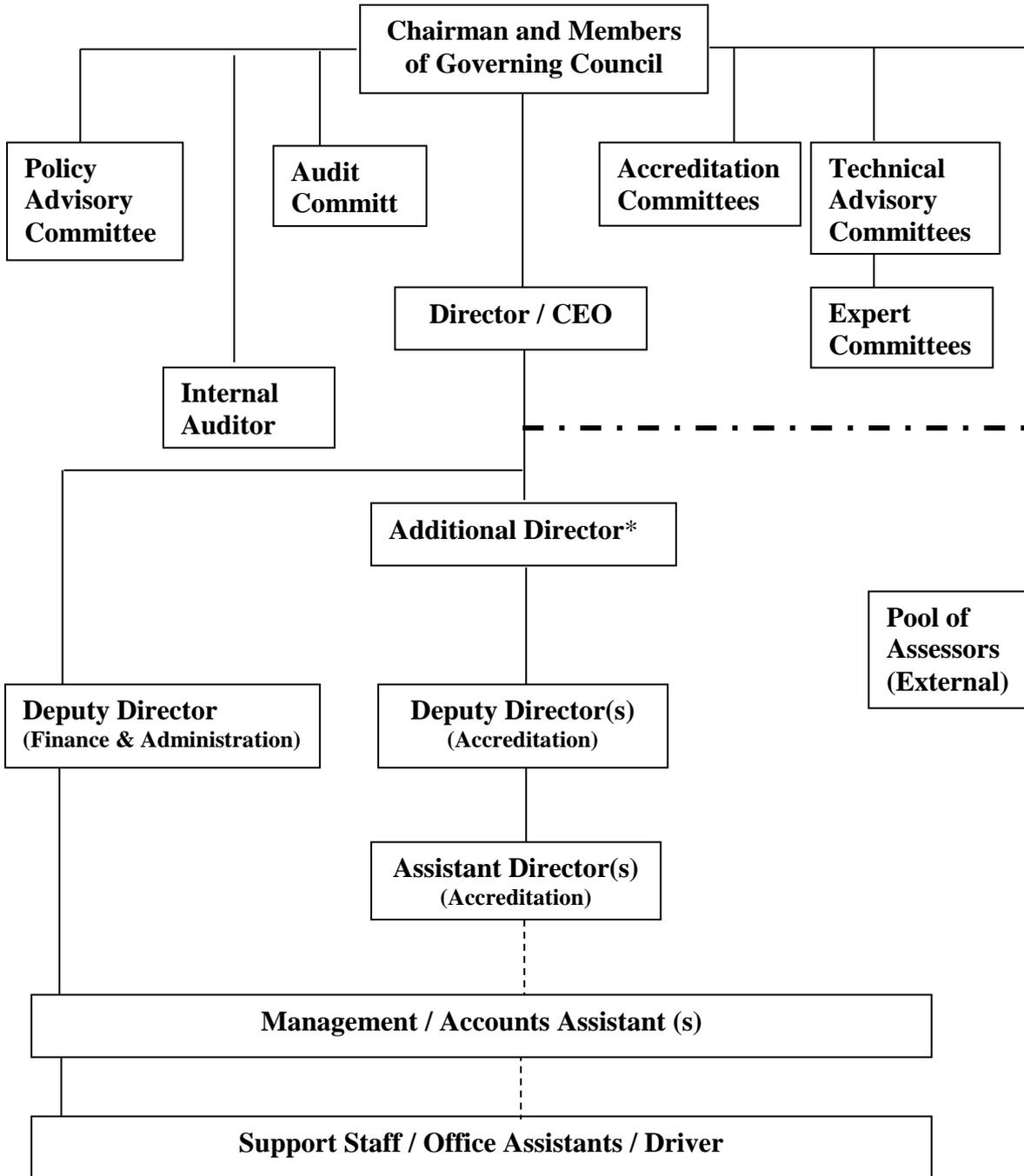
The powers and functions of the Board are vested in the Governing Council that consists of thirteen (13) members appointed by the Hon. Minister under the provision of SLAB Act No 32 of 2005. The Governing Council meets every month.

The constitution of the Governing Council as at 31<sup>st</sup> Dec. 2014 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 OF SLAB

## Organizational Structure of SLAB



\* Position Vacant

## 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 Certification & Inspection
8. Technical Advisory Committee on Vehicle Emission Inspection
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) verification

#### **Expert Committees :**

In addition, expert committees have been appointed to assist respective technical advisory committees in the areas of biochemistry, heamatology, microbiology, histopathology, medical reference materials, product certification, NDT inspection & testing.

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 in the previous years but with complements to the staff, SLAB managed to maintain its accreditation systems in par with other foreign accreditation bodies. Usually, a new officer requires at least three years for being competent in a relevant field.

## SLAB STAFF

The staff of the Board in the year as at 31<sup>st</sup> December 2014 was as follows.

Post	Approved	Present	(Vacant)
Director/CEO	01	01	-
Additional Director	01	--	(01)
Deputy Director/ Assistant Director (Accreditation)	10	08	(02)
Deputy Director (Finance & Administration)	01	01	-
Junior Manager (Finance & Administration)	02	-	(02)
Management/Accounts Assistant	04	04	-
Driver	02	02	-
Office Aide	02	02	-

## 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 2014, four (4) assessor training programmes were conducted to enlarge the SLAB assessor pool.

The details of SLAB assessor pool as at 31<sup>st</sup> Dec. 2014 are given below.

<b>Field of Accreditation</b>	Lead Assessors	Technical Assessors	Trainee Assessors
Testing	03	25	38
Calibration	01	05	06
Medical testing	01	17	40
Certification - Systems	03	08	18
Certification - Products		04	27
Certification - Persons		02	02
Inspection	01	01	42
GHG verification	--	--	22
GLP	--	--	23
Total	09	62	218

## 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 Laboratories based on ISO/IEC 17025
- 2) Accreditation Scheme for Calibration Laboratories based on ISO/IEC 17025
- 3) Accreditation Scheme for Medical Laboratories based on ISO 15189
- 4) Accreditation Scheme for Certification Bodies of Systems based on ISO/IEC 17021
- 5) Accreditation Scheme for Certification Bodies of products based on ISO/IEC 17065
- 6) Accreditation Scheme for Certification Bodies of persons based on ISO/IEC 17024
- 7) 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 2014 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 and PAC MLA for FSMS certification in 2014. SLAB applied for APLAC MRA for inspection.

### **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 2014.

None (09) new accreditations were granted in the year making a total of forty five (45) accreditations. Six (6) new applications were received. Twenty one (21) surveillance assessments and six (06) 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 2014, 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) initial assessment, one (01) 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 2014 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, Histopathology and medical reference materials developed criteria for medical laboratory accreditation

Accreditation has been granted to thirteen (14) Medical Laboratories based on ISO 15189. One (01) new applications and two (02) renewals were granted. Two (2) pre-assessments, two (02) initial assessments, 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 person certification bodies.

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

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. One (01) application was received.

### **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 MUSSD for organizing PT or inter-laboratory comparison programmes in the areas of calibration.

### **PERFORMANCE HIGHLIGHTS 2014**

In the year 2014, SLAB completed 09 years of operations. SLAB continued to provide its services to testing & calibration laboratories, medical laboratories, certification bodies and inspection bodies based on the relevant international standards. These accreditation schemes were managed and operated in compliance with international principles and ISO/IEC 17011 applicable to accreditation bodies.

#### **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. 16 meetings of technical advisory and expert committees were held during the year.

#### **Accreditation Services**

In the year 2014, nine (09) accreditations were added to the accredited testing laboratories, one (01) each accreditation to calibration and medical/clinical laboratories respectively. One (1) new accreditation was added each to system certification and person certification. Eleven (11) accreditation committees were held. Twenty one (21) surveillances in testing laboratories, three (03) in calibration laboratories, eleven (11) in medical laboratories, three (3) in system certification bodies, one (1) in product certification bodies and one (01) in inspection bodies were conducted. Reassessments were conducted in six (06) testing laboratories, one (01) calibration laboratories, two (02) medical laboratories and three (3) system certification bodies.

#### **International Achievements and Events**

SLAB maintained Full Member Status of the Asia Pacific Laboratory Accreditation Co-operation (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 granted in 2014.

### **Capacity Building & 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 2014, twelve (12) training programmes and ten (10) seminars were conducted. The total participation for both programmes was 345 and 475 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 89 participants.

### **All Island School Laboratory Competition**

In the year 2014, SLAB conducted “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, on-site evaluations were conducted 05 national winners, 07 provincial winners and 33 zonal winners were selected.

## FINANCIAL HIGHLIGHTS 2014

The annual allocation for recurrent expenditure was LKR 38.0 million. The Treasury contribution for recurrent expenditure was LKR 16.69 million. The actual recurrent expenditure was LKR 37.45 million. The shortfall in recurrent expenditure was set off from the income generated.

During the year under review, SLAB generated LKR 27.3 million from its activities mainly from accreditation services and training programmes. The income over recurrent expenditure was 73.3%.

The annual allocation for capital expenditure was LKR 3.0 million granted by the treasury and LKR 1.78 million was received during the year.

SLAB has recorded an excess of income over expenditure of LKR 4.93 million from its operations during the year under review.

### Expenditure analysis

Year	Recurrent Expenditure (Rs.Mn)				Capital Expenditure (Rs.Mn)		
	Budgeted Expenditure	Actual Expenditure	Treasury Grants	Earnings	Budgeted Expenditure	Actual Expenditure	Treasury Grants
2007	14.70	11.50	8.23	2.83	1.50	1.40	1.50
2008	17.29	13.98	10.56	3.27	2.74	0.41	0.50
2009	19.60	15.01	11.47	3.32	2.33	0.44	0.66
2010	21.81	15.51	8.91	5.30	3.57	0.63	0.50
2011	23.30	21.33	13.28	8.12	3.08	0.63	0.80
2012	28.18	29.29	15.50	12.9	1.82	1.75	1.37
2013	33.00	36.61	14.80	18.08	2.00	1.51	1.50
2014	38.00	42.85	16.09	27.58	2.00	1.71	1.73

Total recurrent expenditure included depreciation and gratuity provision of Rs.6.0 Mn.

**SRI LANKA ACCREDITATION BOARD FOR CONFORMITY ASSESSMENTS**  
**FINANCIAL POSITION AS AT 31ST DECEMBER 2014**

<b><u>ASSETS</u></b>	<b><u>Notes</u></b>	<b><u>2014</u></b> Rs.	<b><u>2013</u></b> Rs.
<b><u>Current Assets</u></b>			
Cash & Cash Equivalents	<b>20</b>	2,956,141.06	1,739,535.02
Stationery Stock		60,988.00	102,080.90
Receivables	<b>11</b>	6,551,941.55	1,845,361.59
Pre payments	<b>18</b>	274,456.57	529,179.69
Distress Loan	<b>17</b>	504,200.00	648,300.00
Refundable Deposit & Advance	<b>10</b>	1,288,700.00	1,232,200.00
		<u>11,636,427.18</u>	<u>6,096,657.20</u>
<b><u>Non Current Assets</u></b>			
Property Plant & Equipment	<b>26</b>	16,918,153.41	12,473,778.32
<b><u>Intangible Assets</u></b>			
Intellectual Property	<b>19</b>	1,569,561.19	1,995,707.38
Investment for Gratuity		1,261,180.00	700,000.00
		<u>19,748,894.60</u>	<u>15,169,485.70</u>
<b>TOTAL ASSETS</b>		<b><u>31,385,321.78</u></b>	<b><u>21,266,142.90</u></b>
<b><u>LIABILITIES</u></b>			
<b><u>Current Liabilities</u></b>			
Creditors		24,622.17	14,340.00
Accrued & Other payables	<b>14</b>	2,506,611.20	1,105,251.62
Received in Advance	<b>16</b>	-	1,221,714.04
		<u>2,531,233.37</u>	<u>2,341,305.66</u>
<b><u>Non Current Liabilities</u></b>			
Provision For Gratuity		2,191,109.16	1,213,110.90
<b>TOTAL LIABILITIES</b>		<b><u>4,722,342.53</u></b>	<b><u>3,554,416.56</u></b>
<b>NET ASSETS</b>		<b><u>26,662,979.25</u></b>	<b><u>17,711,726.34</u></b>
<b><u>Net Assets / Equity</u></b>			
Accumulated Fund	<b>12</b>	10,151,975.14	5,215,326.13
Differed Income-Government Grants	<b>13</b>	14,696,404.11	10,681,800.21
- Other Grants	<b>21</b>	1,814,600.00	1,814,600.00
<b>NET ASSETS / EQUITY</b>		<b><u>26,662,979.25</u></b>	<b><u>17,711,726.34</u></b>

The Accounting policies on pages 5 to 7 and notes 8 to 12 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 are subject to approval by the new Council (to be appointed) and signed on their behalf.

.....  
Asitha K. Senevirathne  
Council Member  
Representing Ministry of Industry and Commerce

.....  
T.Wickramasinghe  
Director/CEO  
Sri Lanka Accreditation Board for Conformity Assessment

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

The Financial Statements are submitted by

.....  
S.S Miyanawala  
Secretary/ Chief Accounting Officer  
Ministry of Industry and Commerce

**SRI LANKA ACCREDITATION BOARD FOR CONFORMITY ASSESSMENTS**  
**STATEMENT OF FINANCIAL PERFORMANCE**  
**FOR THE YEAR ENDED 31ST DECEMBER 2014**

	<u>Notes</u>	<u>Actual</u> <u>2014</u> Rs.	<u>Actual</u> <u>2013</u> Rs.	<u>Budget</u> <u>2014</u> Rs.
<b>Income</b>	<b>1</b>	<b>47,781,909.03</b>	<b>36,672,027.82</b>	<b>38,000,000.00</b>
		<b>47,781,909.03</b>	<b>36,672,027.82</b>	<b>38,000,000.00</b>
<b><u>Administration &amp; Establishment Expenses</u></b>				
Personal Emoluments	<b>2</b>	13,374,167.61	9,823,799.18	12,762,600.00
Contractual Services	<b>6</b>	14,021,028.89	14,026,427.02	12,708,900.00
Supplies	<b>4</b>	1,015,336.02	1,054,580.90	1,032,300.00
Subscription & Member fees	<b>7</b>	1,293,332.92	1,184,318.68	1,312,000.00
Travelling Expenses	<b>3</b>	4,133,449.03	3,174,757.41	3,420,000.00
Maintenance Expenditure	<b>5</b>	2,310,866.67	1,970,607.00	2,344,200.00
Others	<b>8</b>	6,674,366.02	5,363,725.11	3,400,000.00
Financial Cost & Others	<b>9</b>	22,712.86	14,180.00	20,000.00
Contingent liability provision		-	-	1,000,000.00
<b>Total Expenditure</b>		<b>42,845,260.02</b>	<b>36,612,395.30</b>	<b>38,000,000.00</b>
<b>Excess of Income Over Expenditure</b>		<b>4,936,649.01</b>	<b>59,632.52</b>	<b>-</b>

**SRI LANKA ACCREDITATION BOARD FOR CONFORMITY ASSESSMENTS**  
**STATEMENT OF CHANGES IN NET ASSETS / EQUITY**  
**FOR THE YEAR ENDED 31ST DECEMBER 2014**

	DIFFERED INCOME Rs.	OTHER GRANTS Rs	ACCUMULATED FUND Rs	TOTAL Rs
Balance as at 1st January 2013	13,576,875.56	1,814,600.00	4,908,178.86	20,299,654.42
Prior Year Adjustment	-	-	-	-
Restated 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			3,753.13	3,753.13
Fixed Assets Adjustment			1.00	1.00
Pre payment Adjustment			245,455.50	245,455.50
VAT Adjustment			(1,694.88)	(1,694.88)
			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)
Gratuity Provision	(343,560.00)	-	-	(343,560.00)
Amortization of Proficiency Testing	(277,672.39)	-	-	(277,672.39)
Surplus / (Deficit) for the year	-	-	59,632.52	59,632.52
Balance as at 31st December 2013	<b>10,681,800.21</b>	<b>1,814,600.00</b>	<b>5,215,326.13</b>	<b>17,711,726.34</b>
Restated Balance as at 1st January 2014	10,681,800.21	1,814,600.00	5,215,326.13	17,711,726.34
Grant Received and Utilized for Capital Assets	9,860,558.45	-	-	9,860,558.45
Depreciation Expenses for the Year	(5,309,708.36)	-	-	(5,309,708.36)
Amortization of SLAB IT Programme	(343,560.00)	-	-	(343,560.00)
Amortization of Proficiency Testing Programme	(159,686.19)	-	-	(159,686.19)
Amortization of Accounting Package of SLAB	(33,000.00)	-	-	(33,000.00)
Surplus / (Deficit) for the year			4,936,649.01	4,936,649.01
Balance as at 31st December 2014	<b>14,696,404.11</b>	<b>1,814,600.00</b>	<b>10,151,975.14</b>	<b>26,662,979.25</b>

**SRI LANKA ACCREDITATION BOARD FOR CONFORMITY ASSESSMENTS  
CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2014**

<b>Descriptions</b>	<b>2014</b>	<b>2013</b>
	Rs.	Rs.
Expenditure Over Income for the year	4,936,649.01	59,632.52
<b>Adjustments for ;</b>		
Capital Grant Amortization	(5,845,954.55)	(4,395,075.35)
Depreciations on Fixed Assets	5,309,708.36	3,773,842.96
Profit on Disposal of assets	-	(1,088.00)
Gratuity Provision	977,998.26	525,756.29
Amortization of SLAB IT Programme	343,560.00	343,560.00
Amortization of Proficiency Testing	159,686.19	277,672.39
Amortization of Accounting Package	33,000.00	-
Accrued expenses over/ under provision	-	-
<b>Operating Surplus before Working Capital change</b>	<b>5,914,647.27</b>	<b>584,300.81</b>
<b><u>Working Capital Changes</u></b>		
Decrease /(Increase) in Prepayments	254,723.12	(237,141.47)
Decrease /(Increase) in Receivables	(4,706,579.96)	(119,832.85)
Decrease /(Increase) in Distress Loan	144,100.00	(63,300.00)
Increase/(Decrease) in Advance Received	(1,221,714.04)	1,217,960.91
Increase/(Decrease )in Refundable Deposit	(56,500.00)	800.00
Increase/(Decrease) in Creditors	10,282.17	9,612.00
Increase/(Decrease) in Accrued Expenses	1,486,682.18	(427,076.58)
Increase/(Decrease) in Stock & other Item	41,092.90	(63,278.70)
Increase/(Decrease) in Disposable assets	-	12.00
Increase/(Decrease) in Other payable	(85,322.60)	273,897.80
Prior year Adjustment	-	247,513.75
<b>Net Cash Flows from Operating Activities</b>	<b>1,781,411.04</b>	<b>1,423,467.67</b>

**Cash flows from Investing Activities**

Acquisition of Fixed Assets	(9,754,083.45)	(1,464,031.69)
Development Work - Proficiency Testing	(110,100.00)	(41,700.00)
Deferred Income -Government Grant Received	-	-
Investment for Gratuity	(561,180.00)	(700,000.00)
Sales proceed from Disposal Assets	-	1,100.00
Investment in Accounting package	-	(132,000.00)
Disposal of Assets	-	(12.00)
<b>Net cash used in Investing Activities</b>	<b>(10,425,363.45)</b>	<b>(2,336,643.69)</b>

**Cash flows from Financing Activities**

Government Grant Received	9,860,558.45	1,500,000.00
<b>Net cash used in Financing Activities</b>	<b>9,860,558.45</b>	<b>1,500,000.00</b>
Net Increase/Decrease in Cash and Cash Equivalents	1,216,606.04	586,823.98
Cash and Cash Equivalents at the beginning of the year	1,739,535.02	1,152,711.04
<b>Cash and Cash Equivalents at the end of the year</b>	<b>2,956,141.06</b>	<b>1,739,535.02</b>

## **Sri Lanka Accreditation Board for Conformity Assessment**

### **Notes to the Financial Statements**

#### 1.1 Significant Accounting Policies.

##### General

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

#### 1.2 Basis of Preparation and Accounting Policies.

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

##### 1.2.1 Sri Lanka Public Sector Accounting Standards (SLPSAS 1)

Financial Statements for the year ended 31<sup>st</sup> December 2014 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.

<b>Asset</b>	<b>Rate</b>
Motor Vehicle	20%
Furniture	20%
Office Equipment, Air conditioners, units, 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.

### **1.6. Liabilities & Provisions**

#### **1.6.1 Current liabilities**

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

### **1.7 Income and Expenditure**

#### **1.7.1 Revenue Recognition**

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

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

### **1.7.2 Treasury Grants**

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

### **1.7.3 Expenditure recognition**

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

### **1.8 Taxation**

No provision has been made for income Tax.

### **1.9 Events after the balance sheet date**

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

### **1.10 Comparative figures**

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

### **1.11 Cash flow statement**

Cash flow statement has been prepared using indirect method.

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

### **1.12 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 in Dollar or Euro form. Those deposits are collecting o FEEA A/C and transferred to the Bank current Account according to the cash flow requirement. Gain or loss on foreign exchange transactions are detected at the time of withdrawals from FEEA A/C to Current A/C.

### **1.13 Council Members interest**

Council member Dr.(Ms) Nirmali De Silva is serving as an Assessor of the Board and Accreditation Committee of Certification Bodies, Testing and Calibration Laboratories and Expert Committee on Organic Textile. She is also being paid normal approved allowance which is paid other members.

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

	<b>Actual 2014 Rs.</b>	<b>Actual 2013 Rs.</b>	<b>Budget 2014 Rs.</b>
<b>1) <u>Income</u></b>			
Treasury Grant Received ( <b>Note No- 15</b> )	21,958,396.10	19,198,075.35	22,000,000.00
<b><u>Accreditation Income</u></b>			
Income from Accreditation - Testing	11,448,631.21	5,858,258.38	5,000,000.00
Income from Accreditation - Calibration Labs	677,000.00	549,600.00	500,000.00
Income from Accreditation - Medical Labs	4,014,930.00	3,713,720.00	2,500,000.00
Income From Certification Bodies	4,763,745.29	2,700,446.48	2,000,000.00
Income from Accreditation of Inspection Bodies	1,016,174.57	938,766.59	1,000,000.00
<b><u>Training Programmes Income</u></b>			
Income from Training Programmes – Assessor	2,702,334.51	2,507,353.00	3,000,000.00
Income from Training Programmes -other	2,969,125.00	1,814,750.00	2,000,000.00
<b><u>Other Income</u></b>			
Distress Loan Interest	24,448.70	19,220.33	-
Sundry Income – (FEEA interest - 61,180.0, Other-7,065.14)	68,245.14	40,137.63	-
Surplus/(Deficit) from WAD Activities ( <b>note No 22</b> )	(483,439.88)	(750,979.75)	-
Surplus/(Deficit) from National School Pro. ( <b>Note 23</b> )	(1,450,209.35)	-	-
Disposal of fixed assets	-	1,088.00	-
Employee loan interest adjustment	72,527.74	81,591.81	-
<b>Total Income</b>	<b>47,781,909.03</b>	<b>36,672,027.82</b>	<b>38,000,000.00</b>
<b>2) <u>Personal Emoluments</u></b>			
Salaries & wages	8,760,509.86	6,504,930.64	9,380,900.00
E.P.F.	1,300,876.58	961,339.77	1,407,100.00
E.T.F.	260,175.53	192,268.04	281,400.00
Allowances (COL)	600,000.00	575,000.00	600,000.00
Overtime & Holiday Payments	370,904.58	269,092.34	360,000.00
Gratuity Expenses	977,998.26	525,756.29	-
Leave Encashment	576,814.78	447,090.60	461,200.00
Annual incentive on progress	255,000.00	114,000.00	-
Staff Training and Development	191,315.14	154,186.00	200,000.00
Staff Welfare	80,572.88	80,135.50	72,000.00
	<b>13,374,167.61</b>	<b>9,823,799.18</b>	<b>12,762,600.00</b>

**3) Traveling Expenses**

Domestic	125,052.86	67,806.70	120,000.00
Foreign	4,008,396.17	3,106,950.71	3,300,000.00
	<b>4,133,449.03</b>	<b>3,174,757.41</b>	<b>3,420,000.00</b>

**4) Supplies**

Stationery and office requisites	421,066.02	257,570.90	420,000.00
Fuel and Lubricants	594,270.00	797,010.00	612,300.00
	<b>1,015,336.02</b>	<b>1,054,580.90</b>	<b>1,032,300.00</b>

**5) Maintenance Expenditure**

Maintenance -Vehicles	621,056.43	492,390.08	680,200.00
Maintenance -Plant. Machinery & Equipment	1,279,376.44	1,047,952.12	1,209,100.00
Maintenance -Buildings & Structures	80,341.54	185,584.80	80,900.00
Maintenance -Administration	62,059.80	23,460.00	50,000.00
Maintenance-Janitorial Services	268,032.46	221,220.00	324,000.00
	<b>2,310,866.67</b>	<b>1,970,607.00</b>	<b>2,344,200.00</b>

**6) Contractual Services**

Transport & Hire Charges	395,726.10	460,159.30	398,700.00
Telecommunication	446,725.51	399,026.20	424,000.00
Postal Charges	283,243.00	320,955.00	250,000.00
Other Accreditation Expenses	271,971.38	57,392.00	185,000.00
PAC Evaluation Expenses	-	1,355,116.31	-
Electricity	673,246.91	664,745.72	720,000.00
Water	72,653.02	59,408.20	72,000.00
Rent and Local Taxes	3,672,000.00	3,672,000.00	3,672,000.00
Building Rent-UDA Charges	-	-	-
Board Members Fees	746,996.50	464,843.00	688,000.00
Security Expenses	393,349.81	335,045.00	375,600.00
Technical Advisory Committee Expenses	473,272.14	439,146.58	559,700.00
Audit Fee	100,000.00	80,000.00	200,000.00
Advertising & News Papers	336,751.00	225,685.00	600,000.00
Printing Activities	126,420.50	167,817.55	-

**Training Programme Expenses**

Training Programme Expenditure-Assessor Training (Note 25)	1,162,528.00	1,389,389.12	1,025,000.00
Training Programme Expenditure - Other Training (Note 26)	1,620,869.04	746,084.50	1,564,900.00

**Assessment Expenses**

Assessment Expenses-Testing	2,202,593.27	1,293,958.72	1,099,000.00
Assessment Expenses-Calibration	77,714.70	358,078.51	50,000.00
Assessment Expenses-Medical	580,891.01	940,058.43	500,000.00
Assessment Expenses-Certification	373,237.00	338,123.90	300,000.00
Assessment Expenses-Inspection Bodies	10,840.00	259,393.98	25,000.00
	<b>14,021,028.89</b>	<b>14,026,427.02</b>	<b>12,708,900.00</b>

**7) Subscription & Member Fees**

International Laboratory Accreditation Corporation	261,263.33	269,404.13	296,000.00
Asia Pacific Laboratory Accreditation Corporation	445,545.45	481,036.75	449,000.00
Pacific Accreditation Corporation	396,933.96	433,877.80	397,000.00
International Accreditation Forum	189,590.18	-	170,000.00
	<b>1,293,332.92</b>	<b>1,184,318.68</b>	<b>1,312,000.00</b>

**8) Others**

Medical Insurance Premium	-	156,852.95	-
Depreciations	5,309,708.36	3,773,842.96	-
Stamp Duty	42,200.00	41,350.00	-
Exhibition Expenses	455,408.42	406,055.00	450,000.00
Trainee's A/C (NAITA)	258,250.00	282,750.00	230,000.00
Over/Under Provision	25.31	50.00	-
Staff loan Benefit Adjustment	72,527.74	81,591.81	-
Amortization of SLAB IT Programmes	343,560.00	343,560.00	-
Amortization Of Proficiency Testing Programmes	159,686.19	277,672.39	-
Amortization of Accounting package of SLAB	33,000.00	-	-
	<b>6,674,366.02</b>	<b>5,363,725.11</b>	<b>680,000.00</b>

**9) Financial cost & others**

Bank Charges	18,750.00	14,180.00	20,000.00
Loss on cancellation Air ticket	-	-	-
Exchange Losses A/C	3,962.86	-	-
	<b>22,712.86</b>	<b>14,180.00</b>	<b>20,000.00</b>

**10) Refundable Deposit and Advance**

Festival Advance	12,500.00	6,000.00	-
Advance Payment	50,000.00	-	-
Refundable Deposit	1,226,200.00	1,226,200.00	-
Deposit for Building- 1,200,000.00			
Mobitel - 12,000.00			
Mountspring - 4,200.00			
Post master (Courier) 10,000.00			
	<b>1,288,700.00</b>	<b>1,232,200.00</b>	<b>-</b>

<b>11) Receivables</b>			
<b><u>Trade Receivables</u></b>			
Receivables from testing	3,434,383.77	1,502,840.00	-
Receivables from Calibration labs	104,000.00	42,000.00	-
Receivables from medical labs	563,880.00	60,000.00	-
Receivables from Certification bodies	2,379,186.89	240,521.59	-
Receivables from others	70,490.89	-	-
	<b>6,551,941.55</b>	<b>1,845,361.59</b>	<b>-</b>
<b>12) Accumulated Fund</b>			
Balance at the Beginning of the Year	5,215,326.13	4,908,178.86	-
<b><u>Prior Year Adjustment</u></b>			
Over receipt Adjustment	-	3,753.13	-
Fixed Assets Adjustment	-	1.00	-
Pre payment adjustment	-	245,455.50	-
Vat Adjustment	-	(1,694.88)	-
Excess of Expenditure Over Income	4,936,649.01	59,632.52	-
Balance at the end of the Year	<b>10,151,975.14</b>	<b>5,215,326.13</b>	<b>-</b>
<b>13) Differed Income-Government Grants</b>			
Balance at the Beginning of the Year	10,681,800.21	13,576,875.56	-
Grant Received and Utilized for Capital Assets	9,860,558.45	1,500,000.00	-
	(5,309,708.36)		
Depreciation Expenses for the Year	)	(3,773,842.96)	-
Amortization of SLAB IT system	(343,560.00)	(343,560.00)	-
Amortization of Proficiency Testing Programme	(159,686.19)	(277,672.39)	-
Amortization of SLAB Accounting Package	(33,000.00)	-	-
Balance at the end of the Year	<b>14,696,404.11</b>	<b>10,681,800.21</b>	<b>-</b>
<b>14) Accrued Expenses &amp; Others</b>			
Staff Welfare	3,682.20	4,457.40	-
Assessment Expenses	254,940.78	57,247.00	-
Travelling	5,974.00	-	-
Advertising & Promotion	-	2,050.00	-
Accounting Package SLAB	-	7,500.00	-
Security service	33,382.79	28,433.00	-
Printing Activities	-	11,970.00	-
Water	14,903.42	6,916.00	-
Electricity	39,246.84	52,051.26	-
Telecommunication expenses	39,874.76	26,297.90	-
Annual incentive on progress	255,000.00	114,000.00	-
Exhibition expenses	2,000.00	2,000.00	-
Over Time Payable	25,015.70	27,410.21	-
Maintenance of Plant, Machinery & Equipments	63,369.28	46,290.96	-

Maintenance expenses - Janitorial Service	22,458.86	18,360.00	-
Proficiency Testing Programme	31,800.00	-	-
Audit Fee	172,700.00	233,500.00	-
Leave Encashment	576,814.78	9,276.00	-
Postal Charges	31,015.00	14,140.00	-
Multimedia Projector	90,000.00	-	-
Laptop Computer	145,600.00	-	-
Sound System	317,680.00	-	-
Other Accreditation Expenses	9,373.50	-	-
Stationery	13,750.00	-	-
<b><u>Other Payables</u></b>	<b>2,148,581.91</b>	<b>661,899.73</b>	
E P F Control A/C	185,765.05	169,785.00	-
E T F Control A/C	22,291.71	20,374.20	-
PAYE Payable	2,746.56	1,817.22	-
Stamp Duty	3,475.00	2,975.00	-
VAT Payable	106,157.33	200,145.48	-
NBT Payable	30,918.64	47,179.99	-
Staff Welfare fund	6,675.00	1,075.00	-
<b>Total</b>	<b>2,506,611.20</b>	<b>1,105,251.62</b>	<b>-</b>
<b><u>Government Grants</u></b>			
Government Grant Received during the Year	17,823,000.00	16,303,000.00	-
Grant used for Capital Expenditure	(1,710,558.45)	(1,500,000.00)	-
Depreciation Expenses	5,309,708.36	3,773,842.96	-
Amortization of SLAB IT System	343,560.00	343,560.00	-
Amortization of Proficiency Testing Programme	159,686.19	277,672.39	-
Amortization of Accounting Package	33,000.00	-	-
Government Grants shown in Income Statement	<b>21,958,396.10</b>	<b>19,198,075.35</b>	<b>-</b>
<b><u>Received in Advance</u></b>			
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	-
		<b>1,221,714.04</b>	<b>-</b>
<b><u>Distress Loans</u></b>			
Balance C/F	648,300.00	585,000.00	-
Distress Loan Granted during the year	175,000.00	510,000.00	-
Less : Loan Settlement in Installments	(319,100.00)	(446,700.00)	-
	<b>504,200.00</b>	<b>648,300.00</b>	<b>-</b>
<b><u>Pre-Payments</u></b>			
Balance C/F	529,179.69	292,038.22	-

Adjustment to Expenses	(529,179.69)	(244,038.22)	-
SLAB Vehicle & Director Vehicle			
Maintanance	151,739.09	145,606.78	-
Maintenance Expenditure of plants & Machinery	51,345.31	25,204.41	-
Stamp duty for rental agreement	12,000.00	-	-
Service Agreement For A/C	3,506.85	3,000.00	-
IAF Member fees for 2014,2015	55,865.32	245,455.50	-
Training Programme Expenses-Assessor	-	61,913.00	-
	<b>274,456.57</b>	<b>529,179.69</b>	<b>-</b>
<b>19) Intellectual Property</b>			
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	165,000.00	-
Less:Amortization of Accounting Package	(33,000.00)	-	-
Software for SLAB IT Programme	1,374,240.00	1,717,800.00	-
Less : Amortization Of SLAB IT Programmes	(343,560.00)	(343,560.00)	-
<b>Development activity</b>			
Proficiency Testing Programme	429,472.38	597,044.77	-
Less : Amortization Of Proficiency Testing Programmes	(159,686.19)	(277,672.39)	-
	<b>1,569,561.19</b>	<b>1,995,707.38</b>	<b>-</b>
<b>20) Cash &amp; Cash Equivalent</b>			
Cash at bank, Bank of Ceylon-Kollupitiya 2nd branch(A/C No 3000203)	2,311,968.33	1,739,436.65	-
FEEA (Foreign exchange earning A/C)	644,172.73	98.37	-
	<b>2,956,141.06</b>	<b>1,739,535.02</b>	<b>-</b>
<b>21) Other Grants</b>			
Web site of SLAB	96,800.00	96,800.00	-
Software for SLAB IT System	1,717,800.00	1,717,800.00	-
	<b>1,814,600.00</b>	<b>1,814,600.00</b>	<b>-</b>
<b>22) World Accreditation Day Activities</b>			
<b>Total Collections</b>	791,309.30	1,197,796.00	
From Sponsorships	657,654.80		
By holding Seminars /TP	<u>133,654.50</u>		
<b>Less :-</b>			
<b>Total Expenses</b>			
Advertising & Printing	476,705.00	1,274,749.18	1,300,000.00
Hotel & Meal Charges	734,035.18		
Travelling	29,709.00		
Others	34,300.00		
Net Surplus /(deficit) Transferred to SLAB Profit (Refer Note No-01)		<b>(483,439.88)</b>	<b>1,300,000.00</b>

**23) National School Laboratory Programme**

Sponsorship from National Science Foundation	2,609,700.09	2,000,000.00	
Less: Expenses for School Programme	(4,059,909.44)	(1,309,299.91)	1,420,000.00
Received in advanced (Refer Note 16)	<u>(1,450,209.35)</u>	<u>609,700.09</u>	<u>1,420,000.00</u>

**24) Foreign Travel**

Total Expenses	4,265,521.42
Recoveries	<u>(257,125.25)</u>
	<u>4,008,396.17</u>

**25) Assessor Training Programme**

Total Expenses	1,266,096.00
Recoveries	<u>(103,568.00)</u>
	<u>1,162,528.00</u>

**26) Other Training Programme Expenditure**

Total Expenses	1,730,869.04
Recoveries	<u>(110,000.00)</u>
	<u>1,620,869.04</u>

27) **Property, Plant and Equipments**

Description	Balance as at 01.01.2014	Additions	Accumulated Depreciation				Written Down Value	
			Balance as at 31.12.2014	Balance as at 01.01.2014	Charge for the Year	Balance as at 31.12.2014	As at 31.12.2014	As at 31.12.2013
						-	-	
Motor Vehicles	14,900,000.00	8,150,000.00	23,050,000.00	5,101,666.67	4,338,333.33	9,440,000.00	13,610,000.00	9,798,333.33
Building & Structure	178,460.00	16,830.00	195,290.00	72,851.67	59,486.67	132,338.34	62,951.66	105,608.33
Office Equipments						-	-	
01) Air conditioners	697,070.00	-	697,070.00	320,380.83	91,511.18	411,892.01	285,177.99	376,689.17
02) Multimedia Projector	255,200.00	90,000.00	345,200.00	247,114.84	12,125.00	259,239.84	85,960.16	8,085.16
03) Photocopier	308,250.00	-	308,250.00	208,749.00	49,750.00	258,499.00	49,751.00	99,501.00
04) Telephone System	249,212.30	10,970.00	260,182.30	113,141.36	37,161.24	150,302.60	109,879.70	136,070.94
05) Fax Machines	57,385.00		57,385.00	57,383.00	-	57,383.00	2.00	2.00
06) Other Office Equipment	171,275.11	19,808.00	191,083.11	115,857.70	28,585.48	144,443.18	46,639.93	55,417.41
07) Sound System	-	317,680.00	317,680.00	-	-	-	317,680.00	-
Office Furniture	1,819,805.72	221,595.45	2,041,401.17	1,138,167.43	186,847.37	1,325,014.80	716,386.37	681,638.29
Computers						-	-	
01) Desktop Computers	2,077,385.00	446,200.00	2,523,585.00	1,312,648.65	313,780.29	1,626,428.94	897,156.06	764,736.35
02) Laptop Computers	894,230.00	364,000.00	1,258,230.00	845,999.32	57,323.68	903,323.00	354,907.00	48,230.68
03) Scanner	23,500.00	-	23,500.00	23,499.00	-	23,499.00	1.00	1.00
04) Printers	667,990.00	109,500.00	777,490.00	429,386.63	80,867.42	510,254.05	267,235.95	238,603.37
05) Other Computer Related Items	148,149.85	7,500.00	155,649.85	91,158.56	27,416.70	118,575.26	37,074.59	56,991.29
General						-	-	
WIFI	132,600.00	-	132,600.00	28,730.00	26,520.00	55,250.00	77,350.00	103,870.00
<b>TOTAL</b>	<b>22,580,512.98</b>	<b>9,754,083.45</b>	<b>32,334,596.43</b>	<b>10,106,734.6</b>	<b>5,309,708.36</b>	<b>15,416,443.02</b>	<b>16,918,153.41</b>	<b>12,473,778.32</b>



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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/SLAB/1/14

24 July 2015

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 2014 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 2014 comprising the statement of financial position as at 31 December 2014 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 09 April 2015.

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

2. Financial Statements  
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2:1 Qualified Opinion  
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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 2014 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

2:2 Review on Financial Statements  
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2:2:1 Sri Lanka Public Sector Accounting Standards  
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(a) Sri Lanka Public Sector Accounting Standard No 02

Although Cash Flow Statement should be prepared showing cash inflows and outflows during the year in accordance with Sri Lanka Public Sector Accounting Standard No.02, action contrary to that had been taken in the following instances

(i) The value of the Motor Vehicle received during the year from the Treasury as grants amounting to Rs. 8,150,000 had been accounted as a cash outflow by considering it receipt of cash, and a purchase.

(ii) A sum of Rs. 175,000 granted to employees of the Board as distress loans in the year 2014, and Rs. 319,100 of recovered distress loans, had not been separately stated under the investments of the cash flow statement in accordance with Section 25(e) and (f) of the Standard.

(b) Sri Lanka Public Sector Accounting Standard No 07

Action had not been taken to revalue the fully depreciated assets valued at Rs. 3,710,570 shown in the financial statements which are being used by the Board at present.

2:2:2 Accounting Policies

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The policy adhered to by the Board in allocating gratuities, had not been disclosed together with the accounts.

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

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The following instances of non compliances were observed in audit.

<b>Reference to Laws, Rules, Regulations, etc.</b>	<b>Non-Compliance</b>
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(a). Sri Lanka Accreditation Body for  
Conformity Assessment Act,. No. 32  
of 2005

(i) Section 3(d)

Out of the income of Rs.427,500 earned by training the Assessors, a function of the Board, only 10 percent had been charged as royalty, while the rest had been paid to the officers.

(ii) Section 7(b)

Pursuant to an agreement entered into on behalf of the Board, a person either holding a certain right, or receives a benefit, is disqualified in being a member of the Board of Control.

However, a person receiving a sum of Rs.24,000 as an assessment allowance, had been appointed as a member of the Board.

(b).Establishment Code of Democratic Socialist republic of Sri Lanka

(i) Section 10.2 of Chapter XV and Section 2(1) of Finance and Planning Circular No MOFP 01/2010/01 dated 11 October 2010

Instances of officers of the Board, proceeding abroad without obtaining the approval of the Prime Minister, were observed. A sum of Rs. 109,691 had been spent from the fund of the Board on private tours undertaken after the relevant official foreign tour.

(ii) Paragraph 3 of Chapter XV

Three probationary officers had been allowed to participate in foreign trips without entering into bond whatsoever.

(c). Public Enterprises Circular No. PED/12/ of 02 June 2003

(i) Section 4.2.2

The Performance Report had not been prepared in a manner to facilitate comparison of the Action Plan and the financial results of Performance Reports.

(ii) Section 8.3.3(d)

Instead of payment of performance-based incentives for the year 2014, provisions amounting to Rs. 255,000 had been allocated for 17 employees at Rs. 15,000 each without obtaining Treasury approval.

(iii) Section 9.14.2

An Office Handbook on human resource management of the Board under the approval of the Board Management, had been issued on 01 July 2013 without obtaining the approval of the Secretary to the Treasury.

(d) Public Enterprises Circular No 01/2013 of 15 January 2013

In spite of being stated that it is the responsibility of the Board of Control to prepare the plans for successors to be appointed for the vacancies created when the officers of the top level management of the Public Enterprises are retired, action had not been taken in such a manner in connection with Additional Director-II of the Sri Lanka Accreditation Board for Conformity Assessment, and the post of Chairman that became vacant in June 2015.

(e) Finance and Planning Circular No MOFP 01/2010/01 of 11 October 2010

A sum of Rs. 172,628 had been paid erroneously despite foreign institutions had provided certain facilities when officers of the Board proceeded abroad for study/training programs.

### 3 Financial Review

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#### 3.1. Financial Results

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According to the financial statements presented, the financial result of the Board for the year ended as at 31 December 2014 had been a surplus of Rs. 4,936,649 as compared with a surplus of Rs. 59,632 for the previous year, showing an improvement of Rs. 4,877,017 in the financial result. The improvement had mainly been contributed by the increases in the income generated through accreditation and training programs by 59 per cent and 31 per cent respectively.

### 4. Operating Review

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#### 4.1. Performance

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(a) Promotion of Accreditation

The following observations are made.

- (i) Even though it had been planned during the year under review to obtain new applications for 16 laboratories, enter into new agreements with a proficiency service provider, renew accreditation of 08 medical laboratories, and award new accreditations on 06 laboratories, for the promotion of accreditation, obtaining applications for 07 laboratories, renewal of accreditations of 03 medical laboratories, and obtaining new application for a laboratory, had only been done.
- (ii) Although it had been planned in the year under review as in the preceding year to make 02 presentations to the electronic media, and 02 discussions with the print media in order to make people aware of the accreditation, only 01 discussion had been held with the print media for the entire 02 years.

(b) Supply of Accreditation Services

The following observations are made.

(i) The targets in respect of the year under review for the grant of accreditations, which is the main function, had been to accredit 13 laboratories, 04 medical centers, and one each under the groups such as calibration institutions and certification institutions (manufacturing systems and persons). Out of those, 09 laboratories and 03 medical centres only had been subjected to accreditation.

(ii) Even though the training of 100 assessors under capacity development, had been planned only 70 had been trained.

(iii) Although there had been 04 targets for investigation on performance during the year under review, only 50 percent of that had been achieved.

(iv) Although activities related to 04 international institutes had been planned under international recognition, those target had not been achieved.

(v) Although it had been targeted to generate an income of Rs. 8 million from the Head Office of the Board, only 68 percent had been generated.

## 4.2 Management Inefficiencies

The following observations are made.

- (a) No application had been received up to March 2015 for the online computer system introduced by the Board to facilitate the application for accreditation. A service charge amounting to Rs. 1,557,751 had been paid during the period from 10 March 2011 to December 2014 in that regard. Despite an officer had been appointed for six months from a private institution on the assignment basis for a monthly allowance of Rs. 30,000 for debugging this software, the relevant purpose had not been achieved.
- (b) The Visa fee amounting to Rs. 11,345 of an external person who had participated in a foreign program held in Canada, had been paid by the Board.
- (c ) A sum of Rs.1,000,000 provisioned under the reserve for covering contingent liabilities of the Recurrent Object, had not been utilized.

## 4.3 Staff Administration

- (a) A comparison of the actual and approved staff revealed vacancies in 04 staff grade posts as at 31 December 2014.
- (b) The post of Additional Director of the Board had remained vacant since the date the cadre had been approved. A sum of Rs. 123,536 had been spent on news paper advertisements published from time to time from the year 2012 to 31 December 2014 to appoint an Officer. However, action had not been taken for recruitment.
- (c ) The post of Internal Auditor approved in November 2012 had remained vacant up to the date of audit. An officer had been appointed on the basis of covering up duties from the year 2008 to November 2014, paying a monthly allowance of Rs. 8,000.
- (d) Although the Department of Management Services had approved 02 posts of Junior Management category on 17 February 2014, the objectives of the Board could not be achieved during the year under review as recruitment had been made only in February 2015.

## 5. Accountability and Good Governance

### 5.1 Budgetary Control

The recurrent budget estimate for the year 2014 amounted to Rs. 38 million, whereas the actual expenditure of the Board amounted to Rs.43 million as at 31 December. As expenditure exceeding the approved budget estimate by 13 percent had been incurred, the budget of the Board had not been made use of as an effective instrument of management control.

#### 6. Systems and 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 systems and control.

- a) Budgetary control
- b) Staff Administration
- c) Accounting

**W.P.C Wickramaratne**

Acting 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.

2015May 14

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 31<sup>st</sup> December 2014 as per the statement 14 (2) (c) of the Finance Act No 38 of 1971.**

2.2 Review on the Financial Statements

2.2.1 Sri Lanka Public Sector Accounting Standards

(a) Sri Lanka Public Sector Accounting Standard No 02

(i) Noted

(ii) Noted

(b) Computer and related equipments Rs. 2,208,829, furniture Rs. 999,011, Air conditioner machine Rs. 239,510, Telephone, Photocopy machine and other equipment Rs. 263,220 were under depreciated Assets. Though these items are repaired and use, there is no economic life time. Therefore revalue these small items and take in to books of Accounts may create confusing of maintaining the fixed Assets Register. As the Furniture are made up of MDF Board revaluation value may be negligible. Old computers to be replays soon. Therefore this standard could be used for the items having a fair value. However action will be taken to remove the item which could not be use and not worth of repairing and use.

2.2.2 Accounting Policies

Gratuity provision is made as per the formula recommended by the Institute of Chartered Accountants of Sri Lanka for payment of gratuity. A fund is established in Bank of Ceylon investing in a Fixed Deposit. Investing amount will be decided as per the provision and the fund availability.

2.3 (a) (i) Training of Assessors is a 5 days special program

Finding resource personal for this program is other difficulty. Therefore SLAB officers are conducting this program with additional effort. As this is a special task this payment is made with the approval of the Governing Council. Otherwise resource people service could be obtained from abroad.

(ii) One member of the Council is also a member of Assessor pool. She is an expert in textile subject. Due to lack of expertise in textile field, her service was obtained. This has been declared by a note in the financial.

- (b) (i) Approval have been obtained for the foreign visits of SLAB staff. One officer had gone to Australia to see her brother after the training programme. This Australian tour has been mentioned in the letter sent for approval but no objection or explanation called.

Meal expenses are paid to the trainees who are going for foreign training when they are not provided dinner and lunch which are not covered by the training programme. This payment made on Governing Council approval.

(ii) Board have been sign by the probationary employees who went for foreign training.

- (c) (i) Financial Progress of capital expenditure is prepared separately on quarterly basis. Accreditation activities are reported on physical form.

(ii) Employees were informed to expedite the generation of income to avoid obtaining recurrent expenditure from the General Treasury. To achieve this target employees were aware of granting Rs. 15,000 Annual Bonus. In addition the Circular No..05/2014 was issued by Management Service Department. Though a request was made to approve a bonus considering the circular, it was informed that the Circular No. 05/2014 is not relevant to SLAB and agreed to consider incentive scheme. Due to government and officers were changed action were delayed. A meeting was held to discuss the matter on 2015.05.21 at Finance Ministry. Provision was made for payment after obtaining approval.

(iii) The Office Manual of SLAB had been sent to the Public Enterprise Department by the Ministry of Technology and Research. Approval is delayed so far. A meeting was held on 27.08.2015 with the Director of Public Enterprise Department to review the Manual. Action will be taken to approve it soon.

- (d) In addition to the newspaper advertisements action had been taken to find a suitable officer from the institutions under the Ministry as per the decision taken by the Audit

Committee meeting held in the Ministry. However there was no response for that effort also due to lack of quality accreditation related experience personnel.

SLAB has obtained membership of ILAC, APLAC and PAC. Therefore SLAB accreditation is recognized in the world. To maintain the membership, qualified officers in accreditation subject is required. Therefore reducing the qualification and experience may not be a solution for this issue. A letter had been sent to secretary of the Ministry of Technology and Research to take necessary action as the Director/CEO retirement would affect from mid of the year. A cabinet paper is being prepared by the Ministry of Industry and Commerce in this regard.

3. Financial Review.

3.1 Financial Result

Noted

4. Operating Review

4.1 Performance

(a) Promotion of Accreditation

(i) Receiving application for the Accreditation may depend on quality infrastructure development of the country. As the Accreditation is not compulsory will be effect to receive applications.

(ii) Specific no of participants could not be estimated for this type of training programme.

(b) Supply of Accreditation Services

(i) As the Accreditation is a voluntary process and the demand depends on requirement of the society, target may not achieve.

(ii) Forecasted number of participated for a training program may be not specified.

(iii) Noted

(iv) Noted

(v) Estimated major income of SLAB exceeded 100%.

4.2 Management Inefficiencies

(a) Online system to facilitate the application for Accreditation had been received from Sweden Government as a grant. Due to some shortcomings and the applicant has not been used the system, it is not operated. However this online system to be continued as the SLAB provides foreign accreditation services also.

SLAB does not have competent officer to analyze and update the program. An effort was made to find a suitable person from computer division of Colombo University also failed. Then a person was found with the commitment of Governing Council and opinion of the organization that provide the system. Now the system is run successfully. This is not a permanent or contract basis appointment.

(b) Visa fees Rs.45,382.02. for Canada tour was paid by the Officer for 02 persons. The officer was reimbursed only the his portion of Rs. 22,691.01.

(c) This requirement was pointed by APLAC- PAC when they perform their Audit of SLAB.

#### 4.3 Staff Administration

(a) Action is being taken to fill the vacancies.

(b) In addition to the newspaper advertisement, action had been taken to find a suitable officer from the Institutions under the Ministry as per the decision taken by Audit Committee meeting held in the Ministry. No response for that effort also due to lack of quality and Accreditation related experience personnel. Reducing the qualification and experience may not be the solution for the issue. SLAB accreditation is globally recognized as SLAB has obtained ILAC, APLAC and PAC membership. According to the requirement of these institutions experienced top rank officials should be in the organization. Since the Director/CEO will be retire from the post in mid of the year. It was informed to the secretary of the Ministry of Technology and research to take suitable action. The secretary of the present Ministry of Industry and Commerce has taken an action to prepare a Cabinet Paper to extent the service of the Director/CEO.

(c) Even though the post of Internal Auditor was approved in 2008, the opening of the Governing Council was to get the service on cover up duty basis as there is not a sufficient work load for a permanent post. However the COPE committee held on 2014.08.22 recommended to recruit an Auditor on permanent basis. In addition the approval for the SOR to recruit Junior Manager Account and Administration were obtained from Management Service Department. When we ready for advertise the vacancies, the presidential election was declared. Then the approval for advertise the post was obtained from the Commissioner of Election on 2014.12.27. After publish newspaper advertisement the Governing Council was dissolved. New Governing Council was appointed at the end of March 2015.

(d) Explanation given under note “c”

#### 5. Accountability and Good Governance

##### 5.1 Budgetary Control

Total expenditure had not been exceeded Rs. 38 million.

Total expenditure as per the Final Account, is Rs. 43 million on accrued basis. However depreciation and amortization of Rs. 6 million is included under that 43 million.

#### 6. System and Control

Noted for future reference.

**Namal Rajapaksha**

Chairman

Sri Lanka Accreditation Board

SLAB ORGANIZATION LOGO



SLAB ACCREDITATION MARK



## ACCREDITATION COMMITTEES

### **Accreditation Committee – Certification Bodies**

Mr. T Wickremasinghe – Director/CEO, SLAB  
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

### **Accreditation Committee – Testing & Calibration Laboratories**

Mr. T Wickramasinghe – Director/CEO, SLAB  
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.) Indika Abeygunawardene – Senior Lecturer, University of Kelaniya  
Prof. S.C Wijeratne – Retired professor, University of Sri Jayawardenapura  
Mr. L.H.D Bandusoma – Deputy Director, SLAB

### **Accreditation Committee – Medical/Clinical Laboratories**

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  
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  
Dr. (Ms) Saroja Siriwardena – Retired Consultant Chemical Pathologist, National Hospital,  
Colombo  
Mr. T Wickramasinghe – Director/CEO, SLAB

### **Accreditation Committee – Inspection Bodies**

Mr. T Wickramasinghe – Director/CEO, SLAB  
Dr. A G T Sugathapala – Director, Sri Lanka Sustainable Energy Authority  
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. 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.A.M.Mubarak –Former Director, Industrial Technology Institute

Dr. L M K Thilakaratne – Free-lance Consultant

Dr. S S Skandarajah- Department of Chemistry, University of Kelaniya

Ms.H Kumarathunga- Assistant Director, SLAB

#### **Technical Advisory Committee on Biological Testing**

Prof. (Mrs.) Chandrani Wijeratne – Senior Lecturer in Botany, Uni. of Sri Jayewardenepura

Dr. C M Nanayakkara – Dept of Botany, Uni. of Sri Jayewardenepura

Dr. (Mrs.) S I Abeygunawardene, Senior Lecturer, University of Kelaniya

Mrs. H G G Sooriarachchi-Director, Product Certification, SLSI

Ms.M Wickramasinghe- Assistant Director, SLAB

#### **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

Ms.H Kumarathunga- Assistant Director, SLAB

#### **Technical Advisory Committee on Medical/Clinical Testing**

Prof.Lal G Chandrasena –Member, Private Health Services regulatory Council

Dr. (Ms) Kanthi Ariyaratne- Secretary, Private Health Services regulatory Council

Dr (Ms) Sriyani Nanayakkara- Consultant Histopatologist, College of Pathologists of Sri Lanka

Dr (Ms) Jayanthi P Elvitigala- Consultant Microbiologist, Sri Lanka College of Microbiologist

Dr Roshan Jayasuriya- Consultant Microbiologist, Sri Lanka College of Microbiologist

Dr (Ms) Nishadya Ranasinghe- Consultant Hematologist, Sri Lanka College of Hematologists

Dr (Ms) R C Meegama-Consultant Chemical pathologist, College of Pathologists of Sri Lanka

Mr. T Wickramasinghe – Director/CEO, SLAB  
Ms Chanditha Ediriweera-Deputy Director, SLAB

**Technical Advisory Committee on Quality Management systems & Product Certification**

Dr. L N Senaweera – Director General, Sri Lanka Standards Institution  
Prof. P Mahawatta – Professor, Dept. of Nuclear Science, Sri Lanka Standards Institution  
Mr. D M A Kulasoorya, Productivity & Management Development, NIBM  
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**

Dr. L N Senaweera – Director General, Sri Lanka Standards Institution  
Mr. R W S M N Manoratne – Deputy Director, Central Environmental Authority  
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**

Prof. R A Attalage – Professor, Department of Mechanical Engineering, University of 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)**

Prof. H D Gunawardena, Professor Of Chemistry, University of Colombo  
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  
Kwelandiya  
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

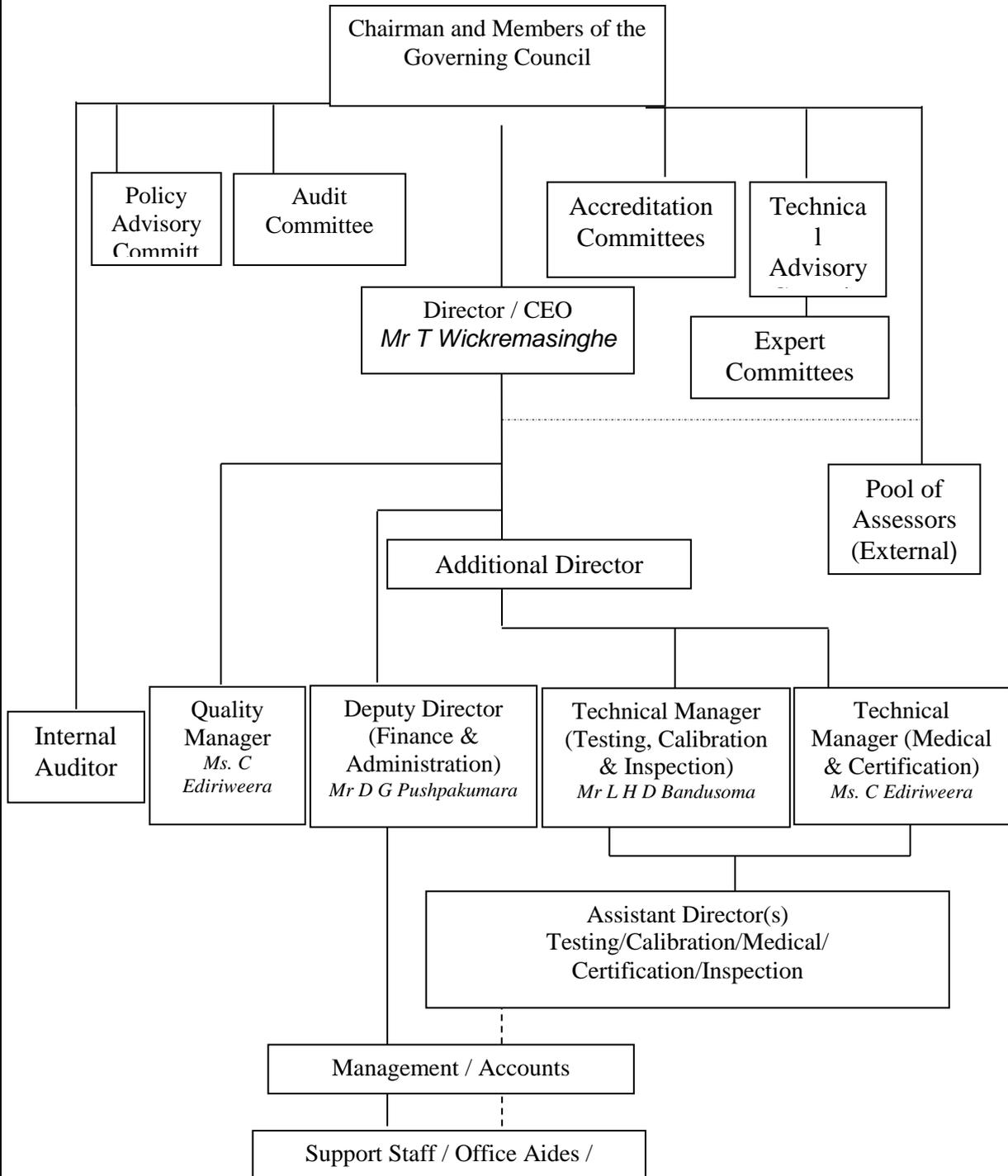
**Technical Advisory Committee on Food Safety Certification and Inspection**

Mr. B S P Mendis – Former Director/CEO, SLAB  
Dr.(Mrs )P Talgawatte, Former Deputy Director General, SLSI  
Mr.E.G.Somapala, Former Government Analyst  
Dr T B Ananda Jayalal- Director, Environmental and Occupational Health Unit, Ministry of  
Health  
Mr.Vithanage Sahan Thejaka- Hygiene Manager, Colombo Hilton  
Ms Sajeewika Perera- Principal Research Scientist, ITI  
Ms. F Weerawardene- Manager,Ind-Expo Certification (pvt)ltd

**Technical Advisory Committee on Vehicle Emission Inspection**

Prof.R.A Aththalage(Chairman) –Department of Mechanical Engineering, University of  
Moratuwa  
Mr.A.W.Dissanayake –Director,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.T Wickramasinghe- Director/CEO  
Mr.L.H.D Bandusoma – Deputy Director, Sri Lanka Accreditation Board

**SLAB ORGANIZATIONAL STRUCTURE-OPERATIONAL**



**ACCREDITED CONFORMITY ASSESSMENT BODIES - 2014**

## Accredited Testing Laboratories

<b>Name of the Laboratory</b>	<b>Scope</b>
Jefferjee Brothers Tea Laboratory Jefferjee Brothers Group of Companies	Chemical Testing (Tea)
Chemical Laboratory International Laboratories (Pvt) Ltd	Chemical Testing (Tea)
Analytical Laboratory Sri Lanka Tea Board	Chemical & Biological Testing (Tea)
Personnel Monitoring Laboratory Sri Lanka Atomic Energy Board	Measurement of Radiation
Ruhunu Analytical Laboratory Holcim Lanka Ltd	Mechanical Testing (Cement)
AUT Lamp Testing Laboratory Advanced Universal Technology Limited, China	Electrical & Mechanical Testing
Regional Laboratory- Western Production (Ambatale), National Water Supply and Drainage Board	Chemical Testing (Alum and Lime)

## Accredited Medical Testing Laboratories

<b>Name of the Laboratory</b>	<b>Scope</b>
Ohlums Clinic & Laboratories (pvt) ltd	Clinical Biochemistry, Clinical Pathology, Hematology and Serology
Ceymed Healthcare Services (pvt) ltd	Clinical Biochemistry/Chemical Pathology Hematology and Serology
Wayamba Diagnostic Medical Laboratory	Clinical Biochemistry/Chemical Pathology Hematology and Serology
The Medispot (pvt) ltd	Medical Testing

**Accredited Certification Bodies**

<b>Name of the Laboratory</b>	<b>Scope</b>
Ind Expo Certification Ltd	Occupational Health & Safety Management System (OHSAS)
Ind Expo Certification Ltd	Environmental Management System (EMS)
Control Union Inspections (pvt) Ltd Critical Location 1 Maysia	Quality Management System (QMS)