

Annual Report 2014

Sri Lanka standards Institution



SLSI

Vision

To be the premier national organization providing leadership to uplift the quality of life of the nation, through standardization and quality improvement in all sectors of the economy. The organization shall be a model of excellence, having a self-motivating organizational culture fulfilling the aspirations of the beneficiaries of its services as well as its employees



Mission

To undertake, promote and facilitate Standardization, Measurement, Quality Assurance and related activities in all sectors of the national economy in order to;

- Increase productivity and maximize the utilization of resources;
- Facilitate internal and external trade;
- Achieve socio-economic development;
- Enhance international competitiveness of products and services;
- Safeguard the interests of consumers.

whilst improving the quality of work life of employees of the Institution.

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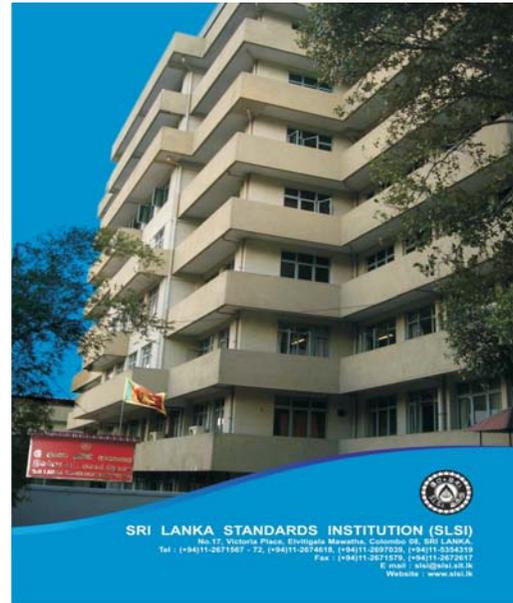
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SRI LANKA STANDARDS INSTITUTION

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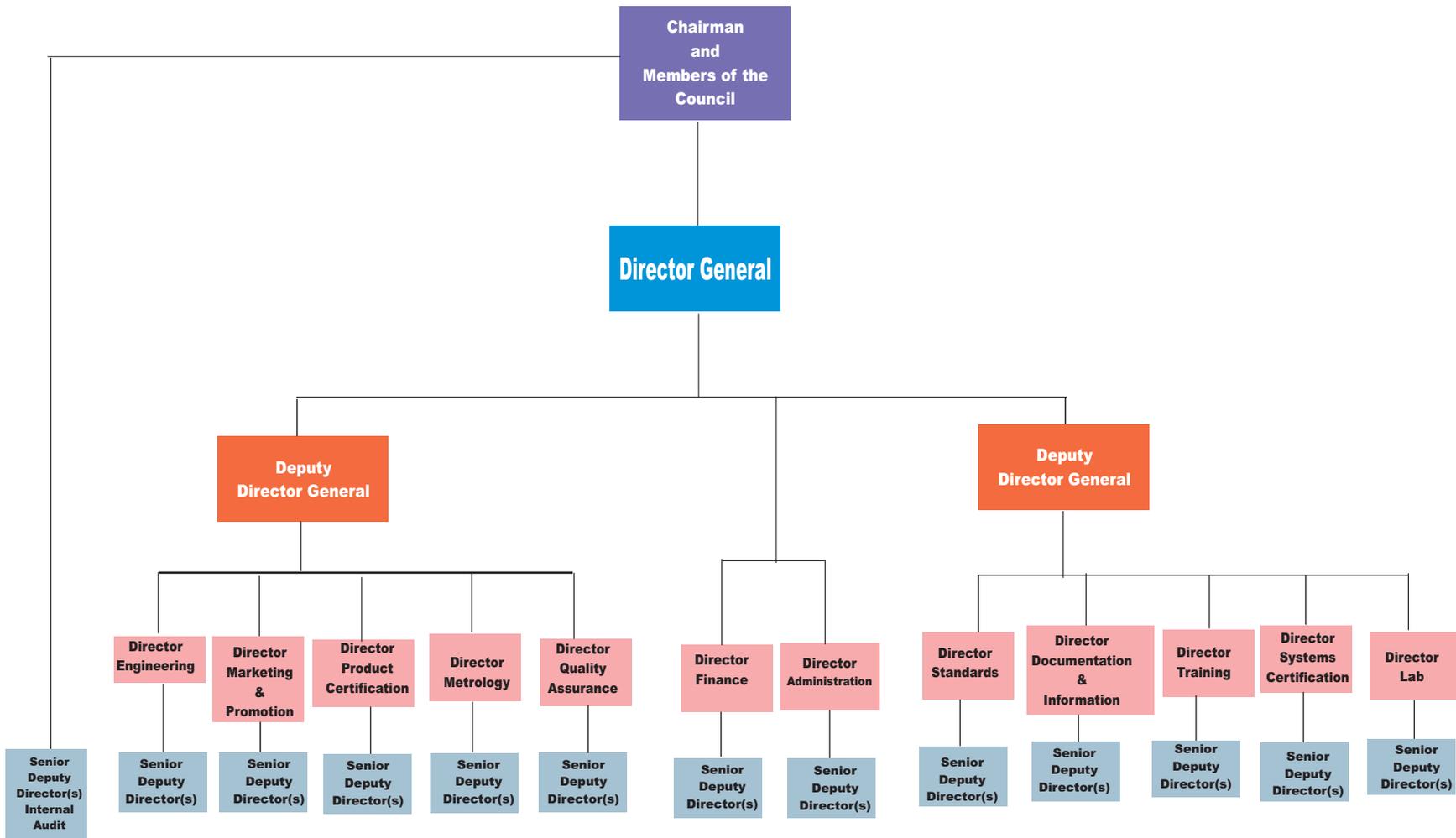
Chairman	2671573
Director General	2671574

DIVISIONS



Scientific Standards Division	2672614
Engineering Standards Division	2672612
Quality Assurance Division	2671578
Laboratory Services Division	2694985
Metrology Division	2674619
Systems Certification Division	2672613
Documentation & Information Division	2672615
Training Division	2685546
Marketing & Promotion Division	2694981
Administration Division	2671576
Finance Division	2671577
Product Certification Division	5626204

Organizational Structure

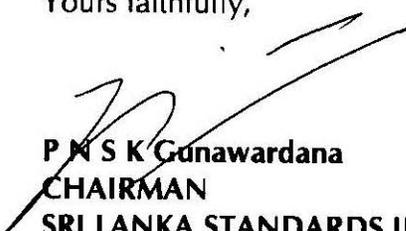


**TO : THE HONOURABLE MINISTER OF
SCIENCE, TECHNOLOGY AND RESEARCH**

Honourable Sir,

In terms of the Section 14 (2) of the Finance Act No. 38 of 1971 I have the honour to submit herewith on behalf of the Members of the Council of the Sri Lanka Standards Institution the Annual Report covering the period of 2014-01-01 to 2014-12-31.

Yours faithfully,



**P N S K Gunawardana
CHAIRMAN
SRI LANKA STANDARDS INSTITUTION**

2016-04-19

Message from the Chairman

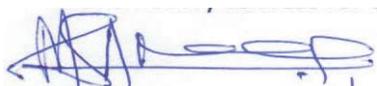
It is my pleasure to issue this message to the Annual Report 2014.

The year 2014 was very successful for the Sri Lanka Standards Institution as it had continued its journey achieving the expected goals and satisfying the needs of the relevant stakeholders.

It is worthy of note that the Institution was able to expand its services to cover different countries and that has helped the Institution to earn foreign exchange whilst creating an environment for staff to obtain a know how on the manner of carrying out activities in different countries.

I also wish to thank Dr. L N Senaweera, Director General, with whom I have enjoyed constructive relations of the highest quality and the members of the Council I have been honoured to chair.

I wish every success for all future endeavors of the Institution.



Dr. M S Anees 2015/05/27.
Chairman

Message from the Director General

I am pleased to send this message to the Annual Report 2014.

It is worthwhile to mention that the Sri Lanka Standards Institution has shown a significant improvement in the year 2014 whilst maintaining its status as a self-financing Institution. The well-balanced strategy adopted by the Institution has enabled it to stand firmly whilst providing an excellent service to its stakeholders.

The Institution has taken steps to develop the infrastructure by taking steps to complete the 8th floor of the main building using SLSI generated funds as the Institution faces difficulties due to lack of space.

I strongly feel that the development of a new laboratory is a dire need for further enhancement of the Institution activities and to provide an expeditious service to our clients.

I take this opportunity to thank Chairman and the Members of the Council and all my staff for their support extended during the year 2014 to achieve the expected results.



Dr. L N Senaweera
Director General/CEO

Corporate Information

Name of the Institution	Sri Lanka Standards Institution	
Statutory Status	A statutory body established under the Act No. 06 of 1984	
Principle Office	No. 17, Victoria Place, Elvltigala Mw. Colombo 08.	
Telephone	011-2671567 72, 2697039, 2674618	
Website	http://www.slsi.lk	
E mail	slsi@slsi.lk	
Fax	011 2687523, 2671579, 2672617, 2672616	
Board of Directors as at 2014-12-31	Dr. L N Senaweera	Vice Chairman/DG/CEO
	Dr. (Mrs) B C L Athapattu	Council Member
	Mrs. G L D Dahanayake	Council Member
	Prof. Sumathipala	Council Member
	Mr. Nishan Mendis	Council Member
	Eng. K S M Silva	Council Member
	Mr. S T S Arulanathan	Council Member
Total No. of Employees as at 2014-12-31	315	
Auditors	Auditor General, Auditor General's Dept. No. 306/72, Polduwa Road, Battaramulla.	
Bankers	Bank of Ceylon Super Grade Branch	

MEMBERS OF THE COUNCIL - SLSI

Dr. D M D O K Dissanayake

Chairman upto 2014-12-17
Ph.D(SNU), PG.Dip(IIRS),
B.Sc.Eng.(Hons), Dip. in Mgt., C.Eng.
MIESL, MGISSL

**APPOINTED IN TERMS OF SLSI ACT
NO. 6 OF 1984 SECTION:6.1 (a) and 7 (1)**

Dr. Lalith Nimal Senaweera

Director General/Vice Chairman
Ph.D(Mgt.), MBA (Col), B.Sc. (Hons.), DIP
QC
(Netherlands), FCQI-CQP(UK), FRSS(UK),
MIMgt(UK), FASQ (USA),Lead QMS/EMS
Auditor IRCA, (UK)

**APPOINTED IN TERMS OF SLSI ACT
NO. 6 OF 1984 SECTION:6.1 (i) and 7 (2)**

Mr. Epa Dayaratne

Council Member upto 2014-10-20
B.A Econ. (Hons.) Peradeniya, Post Graduate Dip. In
Econ. Colombo Campus, Dip. In Industrial and Labour
Management, RVB Netherlands

**APPOINTED IN TERMS OF SLSI ACT NO. 6
OF 1984 SECTION: 6.1.(d)**

Mrs. G L D Dahanayake

Council Member
S L A S Class 1

**APPOINTED IN TERMS OF SLSI ACT NO. 6
OF 1984 SECTION: 6.1.(e)**

Mr. Lakshitha Jayawardhana

Council Member upto 2014-11-21
Attorney-at-Law

**APPOINTED IN TERMS OF SLSI ACT NO. 6
OF 1984 SECTION:6.1 (a)**

Prof. W L Sumathipala

Council Member
B.Sc., M.S., (USA) Ph.D (USA)

**APPOINTED IN TERMS OF SLSI ACT NO. 6
OF 1984 SECTION:6.1 (c)**

Eng. B N I F A Wickremasuriya

Council Member - upto 2014-11-24
B.Sc (Eng.), M.Eng., P.G.Dip. in Business & Financial
Admn.

**APPOINTED IN TERMS OF SLSI ACT NO. 6
OF 1984 SECTION:6.1 (a)**



Mr. Nishan Mendis

Council Member w.e.f. 2014-01-24

SLAS Class 1

**APPOINTED IN TERMS OF SLSI ACT NO. 6
OF 1984 SECTION:6.1 (b)**

Eng. K S M Silva

Council Member

B.Sc. Eng. (Hons), M.Eng. (Structural), C.Eng.,
MIE (SL), MSSE (SL), DIPM (UK) Chartered Eng.,
Green Associated Professional - SLGBC

**APPOINTED IN TERMS OF SLSI ACT NO. 6
OF 1984 SECTION:6.1 (f)**

Mr. S T S Arulananthan

Council Member

**APPOINTED IN TERMS OF SLSI ACT NO. 6
OF 1984 SECTION:6.1 (h)**

Eng. Dr. B C Liyanage Attapattu

Council Member

B.Sc Eng (Moratuwa), M Eng (Osaka),
Ph.D (Osaka), C Eng., MIESL

**APPOINTED IN TERMS OF SLSI ACT NO. 6
OF 1984 SECTION:6.1 (g)**

SENIOR MANAGEMENT TEAM

Dr. D M D O K Dissanayake
Chairman upto 2014-12-17
Ph.D(SNU), PG.Dip(IIRS), B.Sc.Eng.(Hons), Dip. in
Mgt., C.Eng. MIESL, MGISSL
**APPOINTED IN TERMS OF SLSI ACT NO. 6 OF
1984 SECTION:6.1 (a) and 7 (1)**

Dr. Lalith Nimal Senaweera
Director General/Vice Chairman
Ph.D(Mgt.), MBA (Col), B.Sc. (Hons.), DIP QC
(Netherlands), FCQI-CQP(UK), FRSS(UK),
MIMgt(UK), FASQ (USA),Lead QMS/EMS Auditor
IRCA, (UK)

Mr. R G Perera
Deputy Director General upto 2014-02-20
B.Sc., M.Sc.

Mr. T G G Dharmawardena
Deputy Director General
B.Sc (Hons), M.Sc., Post Grad. Dip. In Mgt, Senior
Member
A.S.Q. Registered QMS Lead Auditor, IRCA UK, EMS
Auditor, NQA Examiner, OHSAS Auditor

Mrs. W N N Satharasinghe
Director (Standardization) upto 2014-03-27
Deputy Director General w.e.f. 2014-03-28
B.Sc., M. Sc, ISO 14000 EMS Auditor, OHSAS 18001
Auditor, NQA Examiner

Mr. M C Fernando
Director (Engineering)
PG. Dip. In Mgt., B.Sc.(Special), FIP (SL)

Mrs. Samantha Narangoda
Director (System Certification)
B.Eng., P G Dip Mgt(OUSL), MBA(Sr J-PIM), M
(IET),
QMS Auditor (IRCA UK, EMS Auditor)

Mr. B D Ariyaratne
Director (Marketing & Promotion)
B.Sc.,(Special), M I P (SL)

Mrs. K Hendavitharana
Director (Quality Assurance)
B.Sc (Hons), M.Sc (Food Science & Technology)
Professional
Member of IFT (Illinols) Dip M, MCIM

Mr. A Ekanayake
Director (Training)
B.Sc. (Sp), M.Sc.-Physics, ISO 9000 Lead Auditor,
NQA Examiner

Mrs. S Ganewatte
Director (Documentation & Information)
M.Sc., B.Sc.(Hons.), C.Chem., M.I.Chem.C. (ISO 17025
Assessor, QMS, EMS Auditor)



Mr. M R Ghani
Director (Finance) upto 2014-01-05
FCA, FSCMA, M.Sc. (Mgt.) (USJ)
Mrs. D B M Rajasinghe

Senior Deputy Director (F)
Attending to duties of D (F) w.e.f. 2014-01-07
Licentiate Certificate
The Institute of Chartered Accounts of Sri Lanka,
IPFDA

Mr. K M C B Senaratne
Director (Administration)
MDefS, B Sc (Mgt), EDDB, MISMM

Mr. R A D D Rupasinghe
Senior Deputy Director (Laboratory Services)
Attending to the duties of D (L) upto 2014-03-27
B.Sc., M.Sc., C chem., M R S C

Mr. L P L Chithrage
Director (Laboratory Services) w.e.f. 2014-03-28
B.Sc (sp), M.Sc. C Phys, MIP (SL)

Ms. S Udakara
Attending to the duties of D (M) upto 2014-03-27
Director (Metrology) w.e.f. 2014-03-28
B.Sc., M.Sc., M I P (SL)

Mrs. M I S Jayasekera
Director (Standardization) w.e.f. 2014-03-28
B.Sc. (Hons), M.Sc (Food Sc. & Tech)
Auditor : ISO 9001, QMS, ISO 22000 FSMS,
HACCP, GMP

Mr M S M Aliyar
Senior Deputy Director
Attending to the durites of D(PC) from 2014-01-07
to 2014-03-27
B.Sc (Special),M.Sc.,MIP(SL),SLNQA
Examiner,ISO 9001(QMS) Auditor

Mrs H G S Sooriarachci
Director (Product Certification) w.e.f 2014-03-28
B.Sc(Special),M.Sc

Mr. W G M S Perera
Senior Deputy Director (Internal Audit Unit)
Licentiate Certificate
The Institute of Chartered Accounts of Sri Lanka

Introduction

The Sri Lanka Standards Institution (SLSI) was established as the Bureau of Ceylon Standards under the Bureau of Ceylon Standards Act No. 38 of 1964. This Act was repealed in 1984 by the Act No. 6 of 1984 renaming the organization as Sri Lanka Standards Institution and empowered with the primary responsibility of promoting Standardization and Quality Management practices in Sri Lanka.

The following main objectives have been assigned to the Institution in terms of the provisions of this Act:-

- Preparation of Standards on a national and international basis.
- Promotion of standardization and quality control in industry and commerce.
- Establishment of laboratories, library and other relevant facilities for furthering the practice of standardization and quality control.
- Examination and testing of products, commodities and materials as well as processes and practices used in the manufacture of locally produced products, commodities and materials.
- Making arrangements or providing facilities for the testing and calibration of instruments, and other apparatus in compliance with the required Standards.
- Providing and arranging facilities for undertaking research in Standardization and Quality control.
- Operation of a Certification marks scheme.
- Certification of quality of commodities, materials and other products.
- Promotion of Standardization and Quality control.
- Providing for co-operation with any person, association or organization outside Sri Lanka having objectives similar to the Institution.
- Co-ordination of the efforts of producers and users for improvement of commodities, materials, products, processes and methods.

Human Resources

The total number of staff at the beginning of the year 2014 was 311.

The Institution has provided training to support staff in the Human Resource development area, in order to enrich their knowledge so that they can contribute effectively in carrying out their tasks. Furthermore, Institution has initiated action to develop and enhance the technical competence of the executive staff category of employees by providing them with the necessary technical related training during the year 2014. Considering the importance of developing the language skills of the staff, certain staff was sponsored using Institution funds to enhance their language skills.

Moreover, the Institution was able to achieve an increased income during the year 2014, compared to the year 2013 by offering its services efficiently and effectively to the industry and trade, proving the Institution's steady path of progress in its journey towards a stronger Public Sector Institution. The total income generated during the year 2013 was LKR 484.881 million whereas in the year 2014 the generated income was LKR 558.738 million. This has resulted in an increase of LKR 73.86 million. Further the total expenditure for the year 2014 was LKR 428.52 and accordingly the overall profit was LKR 130.52. Furthermore, this situation had led to an increase per employee income for the year 2013 to 2014 from LKR 1.56 million to LKR 1.77 million which is an approximately LKR 0.21 increase.

Year 2014 was a historic year for the Institution as 50 years service to the nation was completed by the Institution on 11th November 2014. The Institution has celebrated the 50 years anniversary in a very professional and attractive manner by organizing a “Quality 2014” five days industrial & educational exhibition at the BMICH with the participation of over 100 industries by exhibiting their products and having a live Sri Lanka Broad Casting Corporation unit at the exhibition ground to disseminate the information on the importance of standards and quality to citizens of Sri Lanka. The Institution had maintained a separate section covering all divisional services. One of the exciting features of the exhibition was the separate “Pavilion” allocated for SME sector with the assistance of GIZ Germany where 60 different SME entrepreneurs had show case their products and this includes entrepreneurs from north and east region. Furthermore, educational seminars/lectures on finance/ quality/marketing/certification/standards had been conducted for SME entrepreneurs at the exhibition stall to enhance their knowledge. Moreover, GIZ had brought a mobile vehicle to the exhibition site to demonstrate the practical requirements related to SME sector. The Institution observed that a large crowd including school children visited the exhibition and many of them wanted to have the exhibition to be held on yearly basis.

As part of the fifty years anniversary programme, the Institution had organized an island wide quiz programme covering all provinces at school level on Standards and Quality and almost all the schools in the country including Northern and Eastern province were participated and this programme was televised through Sri Lanka Rupavahini and broadcasted through Sri Lanka Broad Casting Corporation and able to educate school children on the importance of Quality and standards.

The Institution had also conducted nine seminars as a part of wider consultation of all stakeholders in the country by having provincial basis seminars to review the “National Quality Policy” with the assistance of “GIZ” and those inputs were being used to review the Policy statement and draft has been completed with the guidance of a German expert provided by the GIZ as part of their assistance.

The Institution had also conducted number of seminars on quality certification covering Good Manufacturing Practices (GMP) and Vidatha Certification focusing northern and eastern region and close to 500 entrepreneurs were participated.

The Institution hosted the 14th Plenary meeting of ISO/TC 217 on Cosmetics from 2014-12-01 to 2014-12-05 in Colombo, taking into consideration of the importance of such meeting for Cosmetics manufacturers in Sri Lanka with the participation of 70 Experts representing 19 countries.

The Institution was actively participated in the South and South East Asian (SESA) Country programme on Standards promotion and Standards development during the year 2014 and as a result of this programme the Institution has started in developing a Bio Gas standard whilst paving the way to provide the inputs to the International Technical Committee on Bio Gas standard. Furthermore, as part of the programme action has been initiated by the Institution during the year to promote this standard within the private sector and to develop two case studies to be used in the International scene.

The Institution with the support of the International Organization for Standardization (ISO) using conformity assessment tests to achieve better regulatory outcomes had organized an international programme on 2014-11-18 to 2014-11-20 and 30 participants

representing from 14 different countries were participated for this programme and two experts from Kenya & Newzeland conducted the programme.

The Institution has developed number of fertilizer standards and published those standards as national standards so that the relevant authorities can consider those standards in order to control the quality of fertilizer in the country whilst farmers can use quality fertilizer which is one of an important activity of Sri Lanka.

A number of standards promotional awareness programmes were conducted with respect to the following standards to educate the industry and other interested parties about the importance of using such standards.

- * SLS 1491 : 2014 Specification of Good Practices for Child Development Centres
- * Draft Sri Lanka Standard Specification for manufacturing of Cosmetics without animal origin
- * Seminar on Benefits of Irradiation for Cosmetics and Cosmetics Devices
- * Draft Sri Lanka Standard for Good Practices for Elderly Care Centres
- * Draft Sri Lanka Standard for Hair and Beauty Care Entities
- * Draft Sri Lanka Standard for Code of Practice on Good Animal Feeding

33 new Standards covering Engineering and Scientific fields have been published during the year 2014 in addition to the number of revisions and amendments made to the existing standards.

A number of awareness building programmes on Food Safety, GMP, ISO 9001 had been conducted in association with the Vidatha Centres to educate the SME Sector Organizations about the application of said Quality Standards

Action was initiated to expand the Compulsory Import Inspection Scheme by adding another 20 items making the total number of products covered under the scheme to be 123.

The Institution celebrated the National Quality Week & World Standards Day activities with the support of both private & public sector organizations by making presentations, publishing articles to educate the industry, trade & general public about the importance of these activities and to propagate the message of Quality & Standardization. The Institution used the theme “Standards level the playing field” published by the International Organization for Standardization (ISO) to commemorate the World Standards day. Moreover, lot of industries hoist the 'Q' Flag during the “Quality Week” within their industrial premises and organized different events to enlighten the employees about the importance of maintaining of quality of the products.

The Institution has designed an electronic newsletter namely “Standards Alert” to communicate the latest information on Standards of other countries and to send it on via e-mail to interested parties.

Highlights of the year 2014

A number of WTO/TBT agreements have been downloaded from internet on a monthly basis & disseminated to the Trade Chambers via e-mail.

A Memorandum of Understanding (MOU) has been signed with the GIZ Germany to obtain financial service to promote SLSI services, especially among the SME Sector.

Vidatha certification scheme has been introduced and promoted to provide a certificate to micro level industries enabling them to enter into international markets.

Sinhala medium Newsletters namely “Pramithiyai Obai” with feature articles had been published and send to Public & Private Sector Organizations and to Schools on free of charge to build the awareness and the importance of Standardization and Quality Management applications not only within the industry sector but also among the school children.

Action has been taken to strengthen the Technical Capability of the Laboratories by providing new testing equipment.

The functions of Metrology Division of SLSI have been further strengthened by maintaining the accreditation from the Sri Lanka Accreditation Board (SLAB).

ISO 9001, ISO 14001 & ISO 22000 Systems Certification Schemes were further strengthen by maintaining the Accreditation from the National Accreditation Board (SLAB) in addition to the existing RvA Accreditation.

The functions of the whole Institution was strengthened by bringing in the Balanced Score Card Management tool to monitor the progress of the whole Institution and the divisions in an integrated manner using four perspectives (Customer, Financial, Internal & Learning and Growth).

The whole Institution was also covered under the principles of ISO 9001 Quality Management Systems requirements to streamline the process of each division whilst enhancing the Institution progress.

SLS marked product based has been further expanded to cover a number of overseas and local manufacturing organizations after conducting the required audits and testing of products whilst assuring the quality of such products to ensure that the consumers can obtain quality products from the markets.

The National Quality Awards Programme was conducted by the Institution independently to promote this programme within the Public & Private Sector Organizations in order to encourage more organizations to apply for the same.

The Institution actively participated in number of Exhibitions organized by the Public & Private Sector organizations & used those opportunities to promote SLSI services.

SLSI services have been promoted by means of media releases, participating in discussions, and interviews in the electronic & print media.

The Director General of the Institution has been serving as a member of the International Committee on Developing Country matters (DEVCO) during the last six years and has been appointed him as the Chairman of the Committee for the period of 2013 to 2014 considering his valued contributions for International Standardization. This is the Committee which develops Policy matters for 162 developing countries on International Standardization and training on such activities. In the history of SLSI this is the first time that a Director General of SLSI is chairing world highest august forum on International Standardization.

The Director General of the Institution has been serving as the Chairman of the TBT committee on proposed Free Trade Agreement with China and most of the relevant work has been completed during this year with regard to that area.



Income Generation Activities

The thrust on income generation of SLSI which was introduced in 2001 was continued during the year 2014 as well, recording a revenue of LKR 558.738 million. This had surpassed the projected income by LKR 83.538 million eliminating the dependence on the government grants as a source of income whilst paving the way to maintain the self-sufficiency status.

The income generated by the Institution (totaling to LKR 558.738 million as against a budgeted LKR 475.20 million for the year) was derived from the following activity areas. They are given in the schedule below with the figures for the year 2013 for comparison.

Activity area	2014 (LKR'000)	2013 (LKR'000)
Import Inspection activities	175.001	141.128
Product Certification, Fishery Inspection and Registration Fee for Bottled Drinking Water	105.919	108.555
Systems Certification Activities	68.595	44.961
Laboratory Testing & Calibration	134.642	141.233
Seminars & Training Programmes	33.663	26.968
Sale of standards and other Information activities	12.524	13.590
Others	28.394	8.446
	558.738	484.881

Like in the previous year 2013, SLSI has not taken any funds from the treasury to cover both capital expenditure and recurrent expenditure for the year 2014.

Details of recurrent and capital expenditure with comparative figures for the year 2013 are given below:

	2014	2013
Recurrent expenditure payments	LKR 428.215 million	LKR 401.150 million
Capital expenditure payments	LKR 56.735 million	LKR 48.098 million

DIVISIONAL ACTIVITIES OF THE INSTITUTION

SCIENTIFIC STANDARDS DIVISION

The activities and the corresponding target for each activity is given in the table below;

Thrust Area	Projects / Programme	Activities	Target for 2014	Achievements 2014
			<u>Scientific and Engineering Standards</u>	<u>Scientific and Engineering Standards</u>
Commercialization & Popularization of Technology (Standardization and Quality Management)	Formulation of National Standards	Formulation of New National Standards based on the needs of the country	39	65 + 39
		Standards Formulation (Adoption / Revision / Re-affirmation)	163	67
		Standards Promotion programmes	11	17
		Draft standards for public comments	29	68

Standards Formulation Activities

The main function of the Scientific Standardization Division is formulation of National Standards in Food, Agriculture, Chemicals, Cosmetics, Polymer, Packaging, Paper, Board, Societal Needs, Textiles, Clothing, Footwear, Leather Sectors and also Management Systems, Test Methods, Terms and Glossaries, Code of Practices. Reviewing and updating the Standards with the advancement in the technology, new development of materials and processes and also changes in the economy and trade are the other functions of the division.

The National Standards formulated by the Division are developed through a participatory, transparent and consultative process with the voluntary involvement and cooperative effort of all interested parties representing consumers, producers, users, public institutions and independent technical organizations etc.

The Council of the SLSI has appointed 06 Sectoral Committees and subsequently with the guidance of the Sectoral committees the division appoints working groups to advice and guide the Division in these activities with the aim of gathering all possible expertise in the best possible way to maximize benefits to the national economy. Comments from the public are also obtained before National Standards are finalized.

In the formulation of National Standards, the policy of the SLSI is to be in line with the International Standards and practices as far as possible. To this effect International Standards are adopted as Sri Lanka Standards wherever possible. The Division maintains the established Quality Management System as per the requirements of ISO 9001:2008.

During the year 2014, thirty one (31) New National Standards were



formulated, relating to above sectors. Twenty seven (27) out of this were new adoptions of ISO Standards. Thirty Seven (37) standards were reviewed, by following the Standard procedures. As a result twenty seven (27) were revised, Ten (10) amendments were issued. Twenty eight (28) standards were processed up to the stage on Public comments.

The above outcome of the standards formulation activities was a result of forty (40) Working group meetings, Eight (08) Sectoral Committee meetings and Seven (07) additional meetings organized to collect comments.

Regional/ International standardization Work

Most of the staff members hold Participatory or the Observer membership of ISO Technical Committees and participate in the formulation of International Standards while voting and commenting on Draft ISO Standards.

Apart from the above, staff of the division organized the 14th Plenary meeting on ISO/TC/ 217 on Cosmetics & Paralleled Working Groups, over 05 days from 2014-12-01 to 2014-12-05 at the Galadari Hotel, with the participation of foreign delegates (75) including the President and Secretary to the Technical committee.

Two staff members of the Division had participated in the Technical committee meetings organized by SARSO on Food products and Chemicals, held in India. Director attended the SAARC Regional Consultation Workshop on “Implementation of Good Agriculture Practices in SAARC Countries: SAARC GAP Scheme” held in Bangladesh.

Standards Promotional/Awareness programmes/ Seminars

Six (06) Standards promotional /Awareness programmes namely Specification of Good Practices for Child Development Centres, Draft Sri Lanka Standard Specification for Manufacturing of Cosmetics without animal origin, Seminar on Benefits of Irradiation for Cosmetics and Cosmetics Devices, Draft Sri Lanka Standard for Good Practices for Elderly Care Centres, Draft Sri Lanka Standard for Hair and Beauty Care Entities and Draft Sri Lanka Standard for Code of Practice on Good Animal Feeding were organized by the Division during the year with the participation of 50 to 80 for each programme.

Services to other Divisions

To achieve Corporate Goals of the Institution, each staff member supported to other divisions by various ways. They served as Resource persons, Auditors, Assessors and

Examiners . 53 projects under the SLS Marks Scheme and Technical Evaluation of Applicants of Bottled Water under the Registration Scheme of the Products Certification Division were handled.

171 days were spent to carry out audits under the Products Certification Scheme of Products Certification Division, Systems Certification Schemes of the Systems Certification Division and the Manufacturer Registration Scheme of the Quality Assurance Division. Some of the staff members served as the Assessors of Canned Fish samples for Sensory Evaluation under the Import Inspection Scheme of the quality Assurance Division.

66 ½ h man hours of lectures were undertaken for Training Division. Also 02 (two) staff members, conducted an Awareness programme on GAP in Jaffna, 02 days, under LEED Project of ILO of UN. Also arranged a workshop on Export Quality Management funded by International Trade Centre (ITC).

Staff members attended various technical meetings organized by the other Divisions and also services were rendered in the assessment of Organizations for National Quality Award .

Services to outside organizations

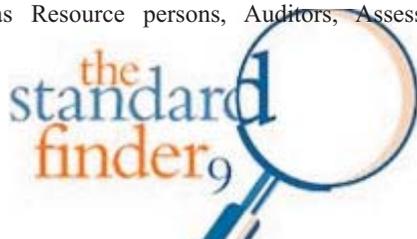
Staff of the Division served in various Technical Advisory Committees of the Export Development Board, Technical Evaluation Committees of the Ministry of Education, National Codex Committees of Ministry of Health, Cosmetic Devices and Drugs Regulatory Authority, National Fertilizer Secretariat, Ceylon Chamber of Commerce as well as other outside organizations such as Ministries, Departments, Authorities, etc.

Some of the staff members served in the National Steering Committee on the WTO/STDF Project 354 on Improving Safety and Quality of Sri Lankan Fruits and Vegetables, coordinated by the Ceylon Chamber of Commerce and actively contributed in the events organized and also attended workshops held ,on Fruits and vegetables & SPS .

50th Anniversary of SLSI and special events

Actively contributed and involved in the organizing and serving to the “Quality 2014” Exhibition held in BMICH from 2014-12-03 to 2014-12-07 to commemorate the 50th Anniversary of the Institution. Most of the staff members contributed in organizing and conducting other special events of the Anniversary Celebrations.

Organized two (02) Special ceremonial meetings. One was in August to appreciate the service rendered by the Chairman of Sectoral Committee on Food . The other program was organized during December for all the members of eleven Sectoral Committees of the institution.



ENGINEERING STANDARDS DIVISION

Thrust Area	Projects / Programme	Activities	Target for 2014	Achievements 2014
			<u>Scientific and Engineering Standards</u>	<u>Scientific and Engineering Standards</u>
Commercialization & popularization of Technology (Standardization and Quality Management)	Formulation of National Standards	Formulation of National Standards based on the needs of the country	39	65 + 39
		Standards Formulation (Adoption / Revision / Re-affirmation)	163	67
		Standards Promotion programmes	11	17
		Draft standards for public comments	29	68

The Engineering Standardization Division is responsible for formulation and updating of National Standards in all engineering disciplines including Information Technology, operation of the Energy Efficiency Labeling Scheme for Electrical Appliances and building maintenance & workshop activities.

During the year under review two (02) new Sri Lanka Standards were developed, one (01) standard was revised and adopted sixty one (61) international standards as national Standards. One (01) amendment was issued to existing standard. Thirty one (31) Sectorial Committee meetings and forty three (43) Working Group meetings were held to finalize these standards. The Engineering Division continued to work in association with other government and non-government institutions and participated in the Technical Advisory Committee meetings for development of standards.

The Engineers in the division also contributed to SLS product certification activities by working on fifty two (52) Post-SLS and twelve (12) Pre-SLS projects. All engineers in the division participated as auditors in the Production Certification activities.

In order to promote the use of energy efficient electrical appliances in household applications,

operation of the Energy Efficiency Labeling scheme was continued. Total of one hundred and fifty five (155) certificates were issued for CFL, including one hundred and thirty five (135) new and twenty (20) renewals.

National Quality Policy

A) Standards Development work with other organizations

Development of the following Standards were continued with the support of the institutions indicated:

Standard Methods of Measurement for Civil Engineering Works Institution of Construction, Training and Development (ICTAD)

Formulation of National Standards for Boilers and other pressures vessels at the request made by the Department of Labour.

Energy efficiency rating standards for Electrical Appliance with Sri Lanka Sustainable Energy Authority.

Formulation of standard for protection against lightning with the sponsorship of OBO Bettrman (Pvt) Ltd.

ISO/IEC JTC1/ SC2 and ISO/IEC JCT1/ SC2/WG 2 plenary meetings have been arranged with the sponsorship of Information & Communication Technology Agency of Sri Lanka (ICTA) for formulation of standard for character code at international level.

In addition to the above main activities, the Division provided advisory services to outside organizations and other divisions of the SLSI. Engineers of the Division served on several Technical Evaluation Committees in order to assist the Government Tendering Process in State Organizations including the SLSI.

Engineers in the Division worked as resource persons for training programmes conducted by the SLSI and also participate as auditors for Quality Management System (ISO 9001), Environmental Management System (ISO 14001), Occupational Health & Safety Management System (OSHAS 18001), Energy Management Systems (ISO 50001) and assessment of organizations for National Quality Award.

b) Building Construction and maintenance activities

During the year under review the Division continued to provide services with the assistance of the Engineers in the division in construction work for improvements and maintenance work, including Work Shop. Further construction of 08th floor of the SLSI Building has been commenced during this year.

c) Vehicle maintenance

Division continued the provision of services for fleet of vehicles maintenance and repairs.



Schemes in operation

Import Inspection

At present the total number of items monitored under this scheme is 123

During this year 14818 consignments were monitored and samples were drawn from 7862 consignments. The total income generated from this activity during the year was **LKR 175 Million** against the target of **LKR 151 Million**.

As a measure of improving the effectiveness and the efficiency of the scheme, the registration of manufacturer was further expanded during the year 2014.

Pre-Export Quality Certification of Cashew kernels

This scheme was operated on a **voluntary basis** for cashew kernels. Under the present scheme no cashew consignments were inspected during the year 2014, since requests were not received during the year 2014.

Inspection Scheme for Fish and Fishery Products Processing

The scheme for inspection of fishery products processing establishments for export purpose was operated under the delegated powers of the Department of Fisheries and Aquatic Resources. During this year, 04 (four) factory inspections were carried out.

The income generated from this scheme was LKR 0.075 Million against the target of LKR 0.3 Million.



Overall income of the Division

The Division recorded an overall income of **LKR 175 Million**, against the target of **LKR 151 Million** which was the main contribution towards the achievement of a 34% positive variance in the targeted income of the SLSI for the year 2014. Division has earned nearly 1/3 of the SLSI income for the year 2014.

A unit of QA Division of SLSI was established at Rank Containers Terminal Yard (RCT) premises in-order to provide a better & efficient services to the importers

Information center was also operated at Customs “One stop shop” enabling potential importers to get information with regard to Import Inspection Scheme procedures.

20 new items (food & non food) were added to Import Inspection Scheme operated by SLSI under the Import Export Control Act.



SYSTEMS CERTIFICATION DIVISION

Thrust Area	Projects / Programme	Activities	Target 2014	Achievement
				2014
Enhancement of Quality Assurance in exports (Manufacturing and service sector)	Provision of System Certification services	<u>Systems Certification</u>		
		Grant Certificates	85	102
		Carry out audits	650	662

The division is responsible for implementation of internationally recognized Management Systems certification schemes to facilitate trade activities, whilst helping to enhance the organization competitiveness

Systems Certification Division of SLSI is currently operating eleven management certification schemes as follows.

- ISO 9001 Quality Management System
- ISO 14001 Environmental Management System
- ISO 22000 Food Safety Management System
- HACCP Food Safety Certification Scheme
- OHSAS 18001 Occupation Health and Safety Management System
- GMP Good Manufacturing Practices Scheme
- Super Market Certification Scheme
- Organic Certification Scheme
- ISO 50001 Energy Management System
- Vegetarian System Certification for Food & Beverage
- Vidatha System Certification Scheme



Systems Development

During the year 2014 System Certification Division was able to maintain accredited status for QMS, FSMS, HACCP & EMS from Sri Lanka Accreditation Board & RvA Netherlands.

ISO 9001: 2008 Quality Systems Certification Scheme

During the year 2014, Fifty six (56) applications were received to obtain ISO 9001 certification, 55 adequacy audits, 41 stage I audits, 38 stage II audits, 195 surveillance audits, 63 reassessments were carried out. 39 New certificates were issued.

Quality Management System Certification Scheme was further strengthened by upgrading two auditors to team leader status and two observers to team member status. During the year it was possible to maintain nineteen scope sectors under the RvA accreditation.

During the year 2014 a number of promotional programmes have been conducted at various organizations including Ministries, Government departments, Chambers etc and was able to certify government sector organization as well as SME sector organizations.

RvA and SLAB carried out the surveillance audits against ISO17021:2011 and accreditation status will be continued till 1st of December 2016.

ISO 14001 Environmental Management Systems Certification Scheme

Under the ISO 14001 scheme, 09 applications were received, 09 adequacy audits, 10 Stage I audits, 09 Stage II audits, 52 surveillance audits and 04 recertification audits were carried out and 05 new certificates were issued during the year 2014

Environmental Management System Certification Scheme was further strengthened by upgrading two team member to team leader status and one observers to team member status.

RvA and SLAB carried out the surveillance audits against ISO17021:2011 and accreditation status will be continued till 1st of December 2016.

Three leading schools in Colombo have been selected to implement ISO 14001 system certification to promote Environmental Management System in the schools.

ISO 22000 Food Safety Environmental Management Systems

During the year 2014, 25 applications were received. 23 adequacy audits, 16 Stage I audits, 16 Stage II audits and 80 surveillance audits and 14 re-assessment audits were carried out. Further 16 New certificates were issued.

Food Safety Management System Certification Scheme was further strengthened by upgrading two members to team leader status and two observers to team member status. RvA and SLAB carried out the surveillance audits against ISO17021:2011 and accreditation status continued till 1st of December 2016.

HACCP Food Safety Management System

During the year under review, 28 applications received. 20 adequacy audits, 07 Stage I audits, 05 Stage II audits and 14 surveillance audits & 03 re-assessment audits were conducted and also 13 new certificates were issued.

HACCP Food Safety Management System Certification Scheme was further strengthened by upgrading two team member to team leader status and two observer to team member status.

RvA and SLAB carried out the surveillance audits against ISO17021:2011 and accreditation status continued till 1st of December 2016.

OHSAS 18001 Certification Scheme

Under this certification 05 application were received during the year 2014 and 05 adequacy audit, 05 Stage I audits, 02 Stage II audits and 10 surveillance audits and 03 re assessment audits were carried out. Two new companies were certified during the year 2014. ring the year 2013.

GMP Good Manufacturing Practices Scheme

During the year 98 applications were received and 80 adequacy audits, 17 preliminary assessments, 21 final assessments, 50 surveillance audits were carried out. 39 new certificates were issued.

To promote GMP scheme among SMEs, systems certification division has conducted several promotional programmes with the financial assistance

of the Ministry of Traditional Industries and Ministry of Youth Affairs and Skills Development. Further financial assistance has been provided by the Ministry of Technology & Research & Ministry of Traditional Industries to the SMEs to develop GMP systems.

Super Market Certification Scheme

Three outlets of Keells supermarket were able to certify during the year 2014. Four preliminary assessments, 03 final assessments, 11 surveillance audits were carried out. 03 new certificates were issued. Another 5 applications are in the pipeline.

Promotional programme has been conducted at the Arpico office to promote super market certification at Arpico Supermarkets.

Organic Certification

Public awareness programme has been conducted in March 2014 to promote organic certification.

Energy Management System Certification Scheme

During the year under review 03 applications were received. 03 adequacy audits, 09 Stage I audits and 08 Stage II audits were carried out. Further 02 New certificates were issued.

Vegetarian System Certification for Food & Beverage Certification Scheme

Four applications have been received & 4 adequacy audits were conducted during the year 2014

Vidatha System Certification Scheme

Twenty three applications have been received and 15 adequacy audits were conducted. Four Stage I audits were carried out.

Income

During the year 2014 System Certification Division has generated the income of LKR 68 595 459/= against the target LKR 48 400 000.

Any other activities

1. System Certification Division has conducted number of training programmes to educate Management System Auditors on various relevant topics.
2. During the year 2014, the officers attached to the division have provided their services to the Product certification division, QA division, Training division, Standard formulation and Marketing division.
3. Several officers attached to the Systems Certification Division providing technical inputs to the ISO Technical Committees by serving as members/voters.
4. The First Quality Symposium organized by Sri Lanka Standards Institution was conducted under the guidance of Director (Systems Certification) during the Quality 2014 exhibition.
5. Informative & attractive stall has been designed and displayed at the Quality 2014 Exhibition with the assistance of all employees at the division under the guidance of D(SC).

Thrust Area	Projects / Programme	Activities	Target 2014	Achievement 2014
Commercialization & popularization of Technology Standardization and Quality Management)	Expansion of training programme for industrial personnel covering - Top management - Middle management - Shop-floor on Quality Management systems. Introduce distance learning programmes.	Training		
		Conduct training programmes	80	128
		Training of industry personnel	1600	3352

Training for Industry/Services

The Institution provides training on standardization and quality management for personnel in the industry, private/government sector organizations and individuals with a view to imparting the knowledge base required for producing good quality products/services. SLSI covers training programmes on standardization, management systems such as ISO 9001 Quality Management Systems, ISO 14001 Environment Management Systems, ISO 22000 Food Safety Management Systems, ISO 50001 Energy Management Systems etc. and other Quality related fields for all grades of personnel; viz top Management, Middle Management, Executives, Supervisors, Technicians and shop floor workers. These programmes are conducted at client premises also on request. During the year 2014 eighty seven (87) programmes were conducted at SLSI and 2014 persons were trained. forty one (41) in house training programmes also conducted and 1338 persons were trained.



During the year 2014 five new training programmes viz. certificate course in quality management for education sector, one day workshop on 5S in Sinhala medium, one day programme on new seven management tools, In house training programme on good agricultural practices and In house training programme on livestock products standards were introduced.

Two Diploma Programmes in Quality Management and one Diploma Programme in Food Quality Assurance each one year duration are conducting for personnel of Industry/Service organizations and people who are looking for carrier development in these fields. One hundred and sixteen participants were attended for two Diploma in Quality Management programmes and thirty nine participants were attended for the Diploma in Food Quality Assurance programme.

Seven certificates courses on quality management were conducted during 2014 and two hundred and thirty three (233) participants were attended for these programmes

SLSI conducted five distance learning training programmes, two programmes on Seven New Management Tools (N7) and three Certificate Courses in Quality Management.

Total revenue earned through training activities for the year 2014 was LKR 34 676 420.00

In 2014 Alumni Association of Quality Management of Sri Lanka Standards Institution was established.

Printing Unit

During the year 2014 fifteen (15) standards were printed and more than 764 058 impressions were printed comprising handouts for training programmes, examination papers, quality system documents, promotional materials on standards, publicity materials, record formats etc.

MARKETING AND PROMOTION DIVISION

Thrust Area	Projects / Programme	Activities	Target 2014	Achievement 2014
Enhancement of Consumer Education and Promotion	Publish leaflets/new items/ press releases on SLSI services. Attend exhibitions / workshops / meetings/awareness programs	Promotion of SLSI Services		
		Disseminate consumer information by utilizing appropriate media	12	27
		Attend exhibition /workshops/meetings/awareness programmes	20	36
		Organize school children educational programmes.	15	18
Encourage the local organizations to achieve excellence in Quality Management		Programme on National Quality Awards		
		Promotion of SLSI activities through exhibitions		
		Promote NQA programs (No of establishments that participated)	30	21
		Number of Awards given	06	09
		New marketing programme to promote SLSI services	-	-
Organize GMP programmes in association with Vidatha Centres to develop SME sector	15	18		

The main function of this Division is to promote the corporate image of SLSI and promote the services of other divisions of SLSI.

The Sri Lanka National Quality Award (SLNQA) Ceremony was organized in the year 2014, to recognize organizations that achieve Performance Excellence.

Twentieth (20th) SLNQA was conducted in December 2014. Three organizations (03) were adjudged the Award Winners of the Sri Lanka National Quality Awards and five (05) were adjudged Merit Award Winners and one (01) as a recipient of commendation certificate

2014 National Quality Award Ceremony was held at BMICH on 2014-12-03



Eleven (11) exhibitions which were organized by Government Ministries were conducted in schools and other organizations in order to promote SLSI Services.

Five (05) seminars were conducted to educate small & medium scale entrepreneurs on SLS/GMP/ISO 9001 and ISO 22000 certification, quality standardization concept etc. through Vidatha Centers .

Four (04) awareness programmes on GMP and SLS Marking Scheme were conducted for entrepreneurs through Ministry of Industry and Commerce, two (02) programmes through Ministry of Youth Affairs, three (03) programmes through IDB, one (01) programme through Chamber of Commerce and one (01) programme on Clay Roofing Tiles for the Tile Association in 2014.

Eleven (11) Awareness Programmes were conducted to educate school teachers and school children on the SLSI activities and the importance of Standardization and Quality Concepts.

More than hundred (100) Advanced Level Students were provided with information on SLSI services for their A/L projects.

During the National Quality Week, various activities were conducted within the SLSI and outside to mark the World Standards Day. The Theme for year 2014 was **“Standards level the playing field”**.

Newspaper supplements were published in the national newspapers to celebrate World Standards Day (WSD) 2014. The WSD poster, message and services provided by the SLSI to the nation were featured in the supplement. Moreover, press releases on the WSD message were sent to Sri Lanka media including press, radio and television to educate the general public.

Actions were taken to disseminate the information to Government Organizations, Industry, Schools and General Public, by organizing seminars, conducting awareness

programmes sending messages and also requesting to display the WSD poster in their WSD celebrations.

WSD message was sent to two hundred (200) schools and hundred (100) companies.

To mark WSD, Q Flag was hoisted in a ceremony at SLSI premises and the staff was addressed by the Chairman and DG. National quality week was celebrated by both private and public sector by implementing various programmes, under the guidance of SLSI. A number of presentations had been organized by various organizations as a part of their celebrations, out of which fourteen (14) guest-lectures were undertaken by SLSI officials.

To mark fiftieth Anniversary of SLSI, inter province quiz programme among school children was organized by SLSI in collaboration with the Ministry of Education. Provincial winners were selected through island wide two written exams and quiz programme was held among the selected participants from each province.

Work related to typesetting and designing of Annual Report of SLSI 2013 (Sinhala and English version) was done.



LABORATORY SERVICES DIVISION

Thrust Area	Projects / Programme	Activities	Target 2014	Achievement
				2014
Commercialization & popularization of Technology (Standardization and Quality Management)	Expansion of Laboratory testing services and obtain Accreditation for Units To provide test services	<u>Laboratory Services</u> To provide test services no for test reports issues New Testing areas	10000	10901

Overview

Provision of an efficient and competent laboratory services is an essential component of the integrated national standardization activity. Sri Lanka Standards Institution Act (No 6 of 1984) provides provisions for the establishment and maintenance of these laboratories. The Laboratory Services Division being one of the major constituents in the organization and as the most prominent testing laboratory in the country assists in this endeavour, offering comprehensive compliance testing services for a wide range of consumer products. This laboratory is also the first national testing laboratory established to assist standardization, quality assurance and other related activities at national level.



Service Stream

The product testing is facilitated by six fully equipped laboratories covering the fields;

- Chemical testing,
- Electrical and electronics testing,
- Food testing,
- Materials testing,
- Microbiological testing and
- Textile testing.



Major Service Provisions of the Laboratory

Laboratory Services Division provides product testing services and technical training to the public as well as private sector organizations to promote activities in Trade and Commerce. The Laboratory Services Division also supports several quality assurance schemes managed by the SLSI with the prime intention to enhance the quality of life of consumers by providing them with quality, safe and health hazard free products.

Testing Services

Providing testing services (product testing and materials testing) to;

Quality assurance schemes managed by SLSI

compulsory Imports Inspection under the regulatory requirement of Imports Control to assure quality and safety of imported goods

- ' SLS' mark certification for products that are coming under compulsory scheme based on gazette notification of Sri Lanka Government and for the products on voluntary basis. (applicable to both local and imported products)

For compulsory energy efficiency labeling scheme

Standard formulation/development work

Private sector organizations (to support their product development, quality assessment of products as well as quality assurance activities in manufacturing processes)

State sector organizations (for legal purposes and to obtain reliable test reports to support their internal procurement processes)

Inter-laboratory tests for validation and competency evaluation

Technical Training

Technical training is provided to staff in industry and technical institutions to upgrade their knowledge in testing and laboratory quality management activities for local and international participants and for foreign funded projects.

Laboratory Accreditation Status

Three unit laboratories are accredited by Sri Lanka Accreditation Board for conformity Assessment (SLAB) as given below.

- * Chemical laboratory,
- * Food laboratory,
- * Microbiology laboratory

Chemical Laboratory

Accreditation Status		Applicable Test Methods/ Standards
Product	No. of tests	
Water Bottled Natural Mineral Water, Bottled Drinking Water, Potable Water, Water used for Lead Acid, batteries, Water used for fishery industries, Waste water, Distilled water	18	SLS 614 :2013 APHA Test Methods
Fertilizer	10	SLS 645:Part 1:2009 Section B SLS 645:Part 1:2009 Section C SLS 645:Part 2:1984 Clause 05 SLS 645:Part 3:2009 Method 2 SLS 645:Part 4:1989 Section 01 SLS 645:Part 5:1985 Clause 7 SLS 645:Part 5:1985 Clause 8 SLS 645:Part 5:1985 Clause 10 SLS 645:Part 6:1990 Section 01
Porcelain ware	02	SLS 1222: Part 2:2001 ISO 6486-1 : 1999

Food Laboratory

Accreditation Status		Applicable Test Methods/ Standards	
Product	No. of Tests		
Black Tea	10	SLS 28: Part 1: 2008 (ISO 1572:1980 (E)) SLS 28: Part 2: 2008 (ISO 1573:1980 (E)) SLS 28: Part 3: 2008 (ISO 1575:1987 (E)) SLS 28: Part 4: 2008 (ISO 1576:1988 (E))	SLS 28: Part 5: 2008 (ISO 1577:1987 (E)) SLS 28: Part 6: 2008 (ISO 1578:1975 (E)) SLS 28: Part 7: 2008 (ISO 9768:1994 (E)) SLS 28: Part 8: 2008 (ISO 15598:1999 (E))
Milk Powder	03	SLS 735 Part 1 :2009 (ISO 1736:2008(E)) SLS 735 Part 2:1987 SLS 735 Part 3 :1987 Clause 4	
Edible oils	08	SLS 313 Part 1: 2009 Section 5 (ISO 6320 : 2000) SLS 313 Part 2 :2009 Section 1 (ISO 3657 : 2002 (E)) SLS 313 Part 2: 2009 Section 2 (ISO 3961 : 2009) SLS 313 Part 2: 2009 Section 6 (ISO 660 : 2009)	SLS 313 Part 3:2009 Section 4 (ISO 663 : 2007) SLS 313 Part 3:2009 Section 5 (ISO 662 : 1998) SLS 313 Part 3:2009 Section 7 (ISO 3960 : 2007) SLS 313 Part 4 :2010 Section 3 (ISO 3596 : 2000 (E))
Sugar	02	SLS 191: 1989 Appendix A SLS 191: 1989 Appendix C	



Microbiology Laboratory

Accreditation Status		Applicable Test Methods/ Standards
Product	No. of Tests	
<u>Beverages</u> Carbonated beverages , R.T.S Fruit drinks, Synthetic artificial cordials, Beer	04	SLS 516 Part 1: 1991, SLS 516 Part 2: 1991 SLS 516 Part 3: 1982
<u>Tea</u> Black and Green	08	SLS 516 Part 1: 1991, SLS 516 Part 2: 1991 SLS 516 Part 3: 1982, SLS 516 Part 5: 1992 ISO 4833: 2003, ISO 4831:2006 ISO 7251:2005, ISO 21527-2-2008 ISO 6579: 2002
<u>Edible Oils and Derived Products</u> Margarine, Butter	05	SLS 516 Part 1: 1991, SLS 516 Part 2: 1991 SLS 516 Part 3: 1982, SLS 516 Part 11: 1999
<u>Poultry and Poultry Products</u> Poultry Meat	03	SLS 516 Part 1: 1991, SLS 516 Part 5: 1992 SLS 516 Part 6: 1992, ISO 6579: 2002
<u>Canned Foods (Canned Fish)</u>	01	SLS 516 Part 10: 1983
<u>Vegetable and Vegetable Products</u> (Tomato & Chili Sauce)	01	SLS 260 :2008, SLS 581:2008
<u>Heat Processed foods in sealed containers</u> (Ready to eat extruded snacks)	04	SLS 516 Part 1: 1991, SLS 516 Part 3: 1982 SLS 516 Part 5: 1992
<u>Meat and meat products</u> (Comminuted meat)	03	SLS 516 Part 3 : 1982, SLS 516 Part 5: 1992 SLS 516 Part 6: 1992
<u>Fish & Fishery Products</u> Quick frozen whole fish, fish fillets, steaks and minced fish, Chilled whole fish, fish fillets, steaks and minced fish, Quick frozen prawns	06	SLS 516 Part I: 1991, SLS 516 Part 3: 1982 SLS 516 Part 5: 1992, SLS 516 Part 6: 1992 SLS 516 Part 7: 1982
<u>Milk & Milk Products</u> Milk Powder	05	SLS 516 Part I: 1991, SLS 516 Part 3: 1982 SLS 516 Part 5: 1992, SLS 516 Part 6: 1992
<u>Ice cream</u>	03	SLS 516 Part I: 1991, SLS 516 Part 3: 1982 SLS 516 Part 5: 1992
<u>Water/ Ice</u> Bottled Natural Mineral Water, Bottled Drinking Water, Process Water, Potable Water, Ice, Ice for Processing	10	SLS 516 Part 1: 1991, SLS 1461 Part 1 Section 3: 2013 ISO 9308-1:2000, ISO 7899-2:2000
<u>Desiccated Coconut</u>	04	SLS 516 Part 1 : 1991, SLS 516 Part 2 : 1991 SLS 516 Part 3 : 1982, SLS 516 Part 5 : 1992 ISO 4831 :2006, ISO 4833 : 2003 ISO 21527-2 :2008, ISO 6579 :2002

• Income generated for the year 2014

Activity	Total income LKR million
Product certification Import inspection Service to external customers Training to technical staff in industry	126

METROLOGY DIVISION

Thrust Area	Projects / Programme	Activities	Target 2014	Achievement
				2014
Commercialization & population of Technology (Stds & Quality Management)	Expansion of calibration services and obtain Accreditation	Calibration Services Carry out calibration for outside clients, such as Ansell Lanka Ltd., Dipped Products Ltd. etc.	3600	3131
	Provide Industrial calibration services	Carryout calibration for SLSI Laboratory.		

The Metrology Division of Sri Lanka Standards is an integral part of the National Measurement System of Sri Lanka. Its primary objective is to disseminate valid measurement practices among the industry, commerce, testing and calibration laboratories operating measurement systems. It holds internationally recognized ISI/IEC 17025 accreditation for Mechanical and Thermal Calibrations.

A summary of the activities and the value of services provided by the division in year 2014 are given below.



Activity	Number of reports issued	Value of work LKR
01 Calibration & measurement services		
• Internal customers (other divisions of SLSI)	120	578,750.00
• External customer	2,999	17,631,842.00
Total	3,119	18,210,592.00

DOCUMENTATION & INFORMATION DIVISION

Thrust Area	Projects / Programme	Activities	Target 2014	Achievement
				2014
Commercialization & popularization of Technology (Standardization and Quality Management)	Expansion of Documentation and Information Services.	<p><u>Documentation & Information</u></p> <p>To promote sale of Sri Lanka Standards to the general public.</p> <p>Sale of foreign and Sri Lanka standards.</p>	3900	5000

As the National Standards Body in Sri Lanka, Documentation & Information Division has the responsibility to provide an information service on standardization to the general public, industry, trade and the internal staff of other Technical Division of SLSI.

This Division is the only resource centre in Sri Lanka which holds a comprehensive collection of National (SLSI), International (ISO, IEC, and Codex) and Foreign National Standards (British, Indian, Malaysian etc.) and ASTM Standards. These resources form the base to provide an efficient information service to the trade and industrial sectors in the country. It further accommodates a wide range of books mainly on Standardization and Quality Management. 168 books on various topics of relevance to SLSI were purchased to the Library.

Literature searches using the library resources and the Internet were done and full text Information bulletins on current topics were compiled. An electronic newsletter, "Standards Alert" which gives current information on Standards of other countries was prepared and disseminated to SLSI staff and various Institutions via e-mail. Another news bulletin, "WSSN News" was initiated to include news of other standards organizations and was disseminated to SLSI staff and various Institutions via e-mail.

Electronic bulletins to provide information on Library resources were prepared and sent to SLSI staff, library members and other clients via e-mail. A news clipping service has been provided by scanning the news items relevant to SLSI and disseminates them via e-mail to SLSI staff.

The collection of Sri Lanka Standards has been digitalized and this assignment has been very useful when dispatching Sri Lanka standards to other countries. The number of outside clients who availed themselves of the services of the D & I Division was 2072.

Queries received via the telephone, e-mail and by the normal post were attended to promptly.

D & I Division possesses a number of databases (Sri Lanka Standards Catalogue, Book Catalogue) developed using a library systems software. The website was updated as and when required.

A total of 4467 Sri Lanka Standards and 533 Foreign and International standards were sold during the period under review. Online ordering and online downloading of Foreign and International Standards was done to minimize the time taken to supply the standards. Memorandums of understanding have been signed with British Standards Institution (BSI) and the International Electro technical Commission (IEC) to download the standards and a quarterly payment of royalty fee is being made to these Institutions.

Income generation

Income from sale of Sri Lanka Standards	LKR 3,915,980.00
Income from sale of Foreign Standards	LKR 8,290,470.00
Income from Membership Services	LKR 37,000.00
Income from other Services	LKR 90,420.50
Total Income generated	LKR 12,333,870.50

ISO standards are also available for downloading and a quarterly royalty fee is paid.

The individual membership of the Library is 12 whereas the corporate membership is 05 by the year 2014.

The Information needs of the officers of the SLSI in relation to standards information and technical information were catered to satisfactorily.

WTO/TBT Enquiry Point in Sri Lanka

The Division continues to function as the WTO Inquiry Point in Sri Lanka for Standards and Conformity Assessment under the WTO/TBT Agreement of the World Trade Organization. WTO/TBT Notification of other countries were downloaded from the Internet on a monthly basis & disseminated to the Trade Chambers via e-mail. Information on new Sri Lanka Standards and ISO Standards published were also sent to the Trade Chambers, Universities and other libraries to make them aware of the current publications.

PRODUCT CERTIFICATION DIVISION

Thrust Area	Projects / Programme	Activities	Target 2014	Achievement
				2014
Enhancement of Quality Assurance in local and imported products	Provision of product certification services	Product Certification		
		a) Grant licence (SLS mark)	100	100
		b) Recommendation on Bottled Drinking water to Ministry of Health.	20	32
		c) Carry out factory Inspections [of (a) & (b)]	450	286
		SLSI/SLTB Tea product certification scheme	—	—
Grant Certification	12	-		

The Product Certification Division, operates two schemes namely the SLS Marks Scheme and the Technical evaluation of applicants under the Bottled Water Registration Scheme on behalf of the Ministry of Health. The SLS Marks Scheme is operated for local as well as for overseas manufacturers.

SLS Marks Scheme

During this year, 145 applications from local manufacturers and 32 applications from overseas manufacturers were received.

1967 samples were got tested under the Scheme to ascertain product conformity. This includes samples drawn for product quality evaluation for the purpose of granting permits as well as samples drawn as monitoring of product quality from manufacturers who bear Permits under the Scheme.

100 new permits were issued and 191 permits were renewed during the year.

Following new product entered the Product Certification Scheme during the year.

-Aluminium Extrusions and Sanitary Towels

The income generated from the SLS Marks Scheme was LKR 104.0 million as against the target of LKR 74.2 million.

During the year Consumer Affairs Authority through a Direction issued under the Consumer Affairs Authority Act made the SLS mark compulsory for locally manufactured Safety Matches.



Technical evaluation of applicants under the Bottled Water Registration Scheme

Under a MoU signed between the Ministry of Health and SLSI, technical evaluation of applicants under the Bottled Water Registration Scheme which is operated as per Food (Bottled or Packaged Water) Regulation 2005 by the Ministry of Health is carried out by SLSI and recommendations are forwarded to the Ministry for registration purposes.

Under this Scheme 25 applications were processed during the year. Necessary sampling and audits were carried out and recommendations on 32 applications were made during the year.

The income generated through this Scheme was LKR 283,650.00 as against the target of LKR 119,000.00.

Income generated

The overall income of the Division was LKR 105.5 million as against the target of LKR 74.3 million.

ADMINISTRATION DIVISION

Administration Division of the Sri Lanka Standards Institution (SLSI) carries out work related to SLSI employee's Personnel and Human resource development work including employee recruitment, handling of all employee personal files, attending to increments, leave matters, transfers, medical work, incentive matters, training and development work, transportation work, foreign visits secretariat work for Council matters, preparation of annual reports, attending to all purchasing matters (equipments for laboratory) and other work such as legal matters, security, housekeeping and canteen work. Administration division has given top priority to fill the vacancies during the year under review especially in the management assistant category.

The details are as follows;

MA(Tech)	-	02
MA(Non-Tech)	-	11
KKS	-	07
Messenger	-	03

Since employees have made representations about the Salary anomalies, with the approval of the Council an outsourced individual (Retired Additional Secretary of Ministry of Public Administration) has been appointed to investigate this matter and to submit a report including recommendations. The recommendations have been submitted to the Council of the SLSI during the year under review.



In 2014 foreign traveling facilitation has been arranged for fifty six (56) foreign audits and twenty eight (28) training sessions by this division in addition to the processing of foreign fellowships received to the Institution.

During the year under review, Administration Division purchased LKR. 34.972 million Worth of Capital items by following the relevant procurement guidelines to enhance the Institution performance without any interruption. Furthermore, in the year 2014, the medical insurance premium has been increased up to LKR 16000.00 from LKR 14230.00 on the recommendations of the Director General and the approval of the council, granting benefits within the range of LKR 30,000.00 to LKR 200,000.00.

During the year under review the Administration Division has attended to all administrative matters related to 50th Anniversary and as a result SLSI staff was able work as a team to complete the 50th Anniversary Celebrations effectively.

FINANCE DIVISION

This division is responsible for following Financial Administration in line with governing financial rules, regulations, circulars, policies and decisions in order to safeguard the assets of the Institution. The division carries out all financial management work including collections of revenue, payments to suppliers and employees, budgetary control, annual board of survey, preparation and submission of annual accounts and other management information and all other day to day financial activities.

Internal Audit is responsible for arranging out internal audits of all operations of SLSI and to prepare reports accordingly to streamline the institutional work

INTERNAL AUDIT

The main activities of the Internal Audit are as follows

- Monitoring on internal controls
- Examining of financial and operating information
(Eg. Reviewing the accounting systems and carrying out tests of details on transactions and balances in the same way as External Auditor does)
- Review of compliance with laws, regulations and other external requirements
- Special investigations, for instances into suspected fraud
- Prepare relevant internal audit queries and reports
- Compiling of replies to audit queries and reports issued time to time by the Auditor General
- Compiling of replies to COPE reports issued time to time by the Parliament



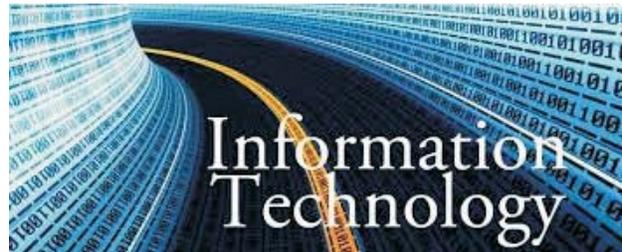
In addition to above internal audit is played key roles in relation to institutional risk management.



UNIT

01 Monitoring and Maintenance of Software Packages

- Financial System Packages
 - * General Ledger System (GL)
 - * Creditors System (CS)
 - * Debtors System (DS)
 - Payroll System
 - Inventory Control System
 - Import Inspection Scheme Software System (IIS)
 - Overseas Audit Management System (OAMS)
 - IT Inventory and Maintenance System
 - Certificate Printing Software System



02 Trouble shooting of Personal Computers (PC), Monitors, Printers, Servers, Laptops and Network

Item	No. of Issues attended
Personal Computers	450
Servers	10
Monitor	35
Laptop	50
Printer	230
N/W Instruments (Firewall/Routers Switchers/Access Points/Patch panel)	25
Scanner	10

03 Monitoring and Maintenance of Server Software

Feature	No. of issues attended
e-mail	80
Internet	65
Antivirus & Network Thread Protection	20

- 04 Integrated Management Information Software (IMIS) development project for SLSI activities. System study is completed. Verification of the requirement is in the process.



SLS No.	Title
SLS 1387 : Part 50 : 2014	Sri Lanka Standard Methods of Test for Colour Fastness of Textiles Part 50 : Colour Fastness to Artificial Light : Xenon Arc Fading Lamp Test (ISO 105-B 02 : 2013)
SLS 1388 : Part 22 : 2014	Sri Lanka Standard Method of Test for Quantitative Chemical Analysis of Textiles Part 22 Mixtures of viscose or certain types of cupro or modal or lyocell and flax fibres (Method using formic acid and zinc chloride) (ISO1833 -22 : 2013)
SLS 1388 : Part 24 : 2014	Sri Lanka Standard Method of Test for Quantitative Chemical Analysis of Textiles Part 24 - Mixtures of polyester and certain other fibres (Method using phenol and tetrachloroethane) (ISO 1833 -24: 2010)
SLS 1388 : Part 26 : 2014	Sri Lanka Standard Method of Test for Quantitative Chemical Analysis of Textiles Part 26 - Mixtures of melamine and cotton or aramide fibres (Method using hot formic acid) (ISO 1833-26: 2013)
SLS 1458: 2014	Sri Lanka Standard Specification for Self ballasted LED lamps for general lighting services with supply voltages >50 V. Part 2: Performance requirements
SLS 1461 : Part 2 : Section 1: 2014	Sri Lanka Standard Microbiological methods for water Part 2 - Enumeration of culturable micro-organisms Section 1 - Colony count by inoculation in a nutrient agar culture medium (ISO 6222 : 1999)
SLS 1473: 2014	Sri Lanka Standard for low voltage surge protective device Part 1 Surge Protection Device connected to low voltage power systems - Requirements and Test Method
SLS 1478 : 2014	Sri Lanka Standard Method on Selection and Cutting of Specimens for Physical Test of Machine - Made Textile Floor Coverings (ISO 1957 : 2000)
SLS 1479 : 2014	Sri lanka Standard Method of Test for Determination of Thickness of Pile above th Substrate of Textile Floor Coverings (ISO 1766 : 1999)
SLS 1480 : 2014	Sri Lanka Standard Methods of Test for Determination of Thickness of Machine-Made Textile Floor Coverings (ISO 1765 : 1986)
SLS 1481 : 2014	Sri Lanka Standard Methods of Test for Determination of Certain Physical and Mechanical Properties of Fibre Ropes (ISO 2307 : 2010)
SLS 1482 : 2014	Sri Lanka Standard Generic Names for Man-Made Fibres for Textiles (ISO 2076 : 2010)
SLS 1483 : 2014	Sri Lanka Standard Generic Names and Definitions for Natural Textile Fibres (ISO 6938 : 2012)
SLS 1484 : Part 1:2014	Sri Lanka Standard for Sensory analysis of food Part 1 Method of investigating sensitivity of taste (ISO 3972 : 2011)
SLS 1484 : Part 2:2014	Sri Lanka Standard for Sensory analysis of food Part 2 Method of initiation and training of assessors in the detection and recognition of Odours (ISO 5496 : 2006)
SLS 1484 : Part 3 2014	Sri Lanka Standard for Sensory analysis of food Part 3 General guidelines for the selection, training and monitoring of selected assessors and expert sensory assessors (ISO 8586 : 2012)

LIST OF STANDARDS APPROVED IN 2014

SLS No.	Title
SLS 1484 : Part 4:2014	Sri Lanka Standard for Sensory analysis of food Part 4 General guidance for the design of test rooms (ISO 8589 : 2007)
SLS 1485 : 2014	Sri Lanka Standard Specification for Woven mattress covers
SLS 1486 : Part 1:2014	Sri Lanka Standard Specification for Woven cotton towels and Towelling Part 1 : Terry Towels
SLS 1487:2014	Sri Lanka Standard Specification for Good manufacturing practice (GMP) for coir Fibre pith substrate
SLS 1488:2014	Sri Lanka Standard Method for the Detection of <i>Candida albicans</i> in cosmetics (ISO 18416 : 2007)
SLS 1489:2014	Sri Lanka Standard Method for the Detection of <i>Escherichia coli</i> in cosmetics (ISO 21150 : 2006)
SLS 1490 : Part:2014	Sri Lanka Standard Methods for Determination of the slippage resistance of yarns at seam in woven fabrics- Part 1 : Fixed seam opening method (ISO 13936 -1 : 2004)
SLS 1490 : Part 2:2014	Sri Lanka Standard Methods for Determination of the slippage resistance of yarns at seam in woven fabrics - Part 2 : Fixed load method (ISO 13936 -2 : 2004)
SLS 1490 : Part 3:2014	Sri Lanka Standard Methods for Determination of the slippage resistance of yarns at seam in woven fabrics - Part 3 : Needle clamp method (ISO 13936 -3 : 2005)
SLS 1491:2014	Sri Lanka Standard Specification for Good practices for child development centres (CDC)/Orphanages
SLS 1492:2014	Sri Lanka Standard Specification for multiwall paper sacks for bulk packaging of tea
SLS 1493:2014	Sri Lanka Standard Code of good manufacturing practices for fibre extraction in the coir industry
SLS 1494:Part 1:2014	Sri Lanka Standard method of analysis for construction of woven fabrics of textiles Part I : Method for the presentation of a weave diagram and plans for drafting, denting and lifting (ISO 7211 -1 : 1984)
SLS 1495:Part 1:2014	Sri Lanka Standard Specification for household and similar electrical appliances - Safety Particular requirements for grills, toasters and similar portable cooking appliances. (IEC 60335-2-9:2012)
SLS ISO/TS 22002-1:2014	Sri Lanka Standard - Prerequisite Programmes on Food Safety Part 1 : Food Manufacturing (ISO ISO/TS 22002-1 : 2009)
SLS ISO/TS 22002-2:2014	Sri Lanka Standard - Prerequisite Programmes on Food Safety Part 2 : Catering (ISO ISO/TS 22002-2 : 2013)
SLS ISO/TS 22002-3:2014	Sri Lanka Standard - Prerequisite Programmes on Food Safety Part 3 : Farming (ISO/TS 22002-3 : 2011)
SLS ISO/TS 22002-4:2014	Sri Lanka Standard - Prerequisite Programmes on Food Safety Part 4 : Food Packaging Manufacturing (ISO/TS 22002-4 : 2013)
SLS ISO/TS 22003:2014	Sri Lanka Standard - Food Safety Management Systems Requirements for Bodies Providing Audit and Certification of Food Safety Managements Systems (ISO/TS 22003 : 2013)
SLS ISO/TS 22004:2014	Sri Lanka Standard - Food Safety Management Systems- Guidance on the Application of ISO 22000 : 2005 (ISO/TS 22004 : 2005)
SLS ISO/TS 22005:2014	Sri Lanka Standard -Traceability in the Feed and Food Chain General Principles and Basic Requirements for System Design and Implementation (ISO/TS 22005 : 2007)

Revision (Including ISO Adoption)

SLS No.	Title
SLS 43 :Part 1 : 2014	Sri Lanka Standard Methods for the determination of tensile properties of fabrics Part 1: Determination of maximum force using the strip method (Second Revision) (ISO 13934 -1 : 2013)
SLS 43:Part 2 : 2014	Sri Lanka Standard Methods for the determination of tensile properties of fabrics Part 2 : Determination of maximum force using the grab method (Second Revision) (ISO 13934 -2 : 2014)
SLS 79 : 2014	Sri Lanka Standard Specification for Food Grade Salt (Granular Form) (Second Revision)
SLS 80 : 2014	Sri Lanka Standard Specification for Food Grade Salt (Powdered Form) (First Revision)
SLS 287 : Part 1:2014	Sri Lanka Standard Method for Determination of Water Repellency and Resistance to Water Penetration of Fabrics Part 1: Resistance to surface wetting (spray test) (First Revision) (ISO 4920 : 2012)
SLS 297 : Part 2 :2014	Sri Lanka Standard Method of testing vulcanized rubber Part 2 : Determination of tensile stress stain properties (Third Revision) (ISO 37 : 2011)
SLS 313 : Part 2 : Section 1 : 2014	Sri Lanka Standard Method for analysis of animal and vegetable fats and oils Part 2 : Determination of Chemical characteristics Section 1- Determination of saponification value (Third Revision) (ISO 3657 : 2013)
SLS 313 : Part 2 : Section 2 : 2014	Sri Lanka Standard Method for analysis of animal and vegetable fats and oils Part 2 : Determination of Chemical characteristics Section 2- Determination of iodine value -(Third Revision) (ISO 3961 : 2013)
SLS 389 : 2014	Sri Lanka Standard Specification for skin powders (Second Revision)
SLS 404 : Part 9:2014	Sri Lanka Standard Methods for Physical and Mechanical test of Leather Part 9 Sample Preparation and Conditioning (First Revision) (ISO 2419 : 2012)
SLS 484 : Part 9: 2014	Sri Lanka Standard Method of test for raw natural rubber Part 9 : Determination of volatile matter content by thermo gravimetric method using as automatic analyzer with an infrared drying method. (Third Revision) (ISO 248 : Part 2 : 2012)
SLS 484 : Part 10 : 2014	Sri Lanka Standard Method of test for raw natural rubber Part 10 : Determination of volatile matter content by hot-mill method and oven method (Third Revision) (ISO 248 : Part 1: 2011)
SLS 591 : 2014	Sri Lanka Standard Specification for Canned fish (First Revision)
SLS 579:2014	Sri Lanka Standard Specification for household and similar electrical appliances (Fourth Revision) Part I : General Requirements
SLS 618 :2014	Sri Lanka Standard Specification for Urea (Fertilizer Grade) (First Revision)
SLS 620 :2014	Sri Lanka Standard Specification for Ammonium Sulphate (Fertilizer Grade) (First Revision)
SLS 644 : 2014	Sri Lanka Standard Specification for Potassium Chloride (Fertilizer Grade) (First Revision)

Revision (Including ISO Adoption)

SLS No.	Title
SLS 678 : 2014	Sri Lanka Standard Method for testing of Paper for Bursting Strength (Second Revision)
SLS 742 : 2014	Sri Lanka Standard Specification for skin creams and lotions for babies (First Revision)
SLS 743 : 2014	Sri Lanka Standard Specification for skin creams and lotions (First Revision)
SLS 748 : 2014	Sri Lanka Standard Specification for Ground Rock - Phosphate (Fertilizer Grade) (First Revision)
SLS 761 : Part 7: Section 1:2014	Sri Lanka Standard Methods of Test for of Rubber or Plastic Coated Fabrics Part 7 Determination of Bursting Strength Section 1 : Steel Ball Method (Second Revision) (ISO 3303-1 : 2012)
SLS 761 : Part 7 : Section 2 : 2014	Sri Lanka Standard Methods of Test for of Rubber or Plastic Coated Fabrics Part 7 Determination of Bursting Strength Section 2 : Hydraulic Method (Second Revision) (ISO 3303-2 : 2012)
SLS 812 : 2014	Sri Lanka Standard Specification for Triple Super Phosphate (Fertilizer Grade) (First Revision)
SLS 823 : 2014	Sri Lanka Standard Specification for Dolomite (Fertilizer Grade) (First Revision)
SLS 890: 2014	Sri Lanka Standard Specification for Pneumatic Tyres for Motorcycles and Scooter (First Revision)
SLS 1104 : 2014	Sri Lanka Standard Specification for Magnesium Sulphate - Mono Hydrate (Fertilizer Grade) (First Revision)
SLS 1360 : 2014	Sri Lanka Standard Definitions for Non Wovens (First Revision) (ISO 9092 : 2011)
SLS ISO 15189 : 2014	Sri Lanka Standard Medical Laboratories - Requirements for quality and competence (First Revision) (ISO 15189 : 2012)
	Sri Lanka Standard for Morter cycle tyers Test method for verifing tyers capabilities -(SLS ISO 10231: 2003)
Sri Lanka Standard Eurocode 1:	Actions on structures Part 1-3: General actions - Snow loads (SLS EN 1991-1-3: 2014)
Sri Lanka Standard Eurocode 1:	Actions on structures - Part 1-4: General actions -Wind actions (SLS EN 1991-1-4: 2014)
Sri Lanka Standard Eurocode 1:	Actions on structures - Part 1-5: General actions - Thermal action (SLS EN 1991-1-5: 2014)
Sri Lanka Standard Eurocode 1 -	Actions on structures Part 1-6: General actions - Actions during execution (SLS EN 1991-1-6: 2014)
Sri Lanka Standard Eurocode 1 -	Actions on structures - Part 1-7: General actions - Accidental actions (SLS EN 1991-1-7: 2014)
Sri Lanka Standard Eurocode 1:	Actions on structures - Part 2: Traffic loads on bridges (SLS EN 1991-2: 2014)

Revision (Including ISO Adoption)

SLS No.	Title
Sri Lanka Standard Eurocode 2 -	Design of concrete structures - Concrete bridges - Design and detailing rules (SLS EN 1992-2: 2014)
Sri Lanka Standard Eurocode 3:	Design of steel structures - Part 1-1: General rules and rules for buildings (SLS EN 1993-1-1: 2014)
Sri Lanka Standard Eurocode 3:	Design of steel structures - Part 1-8: Design of joints (SLS EN 1993-1-8: 2014)
Sri Lanka Standard Eurocode 3:	Design of steel structures - Part 1-9: Fatigue (SLS EN 1993-1-9: 2014)
Sri Lanka Standard Eurocode 3 -	Design of steel structures - Part 2: Steel Bridges (SLS EN 1993-2 : 2014)
Sri Lanka Standard Eurocode 3 -	Design of steel structures - Part 3-1: Towers, masts and chimneys - Towers and masts (SLS EN 1993-3-1: 2014)
Sri Lanka Standard Eurocode 3 -	Design of steel structures - Part 3-2: Towers, masts and chimneys - chimneys (SLS EN 1993-3-2:2014)
Sri Lanka Standard Eurocode 6 -	Design of masonry structures - Part 1-1: General rules for reinforced and unreinforced masonry structures (SLS EN 1996-1-1+A1:2014)
Sri Lanka Standard Eurocode 6 -	Design of masonry structures - Part 2: Design considerations, selection of materials and execution of masonry (SLS EN 1996-2: 2014)
Sri Lanka Standard Eurocode 6 -	Design of masonry structures - Part 3: Simplified calculation methods for unreinforced masonry structures (SLS EN 1996-3: 2014)
Sri Lanka Standard Eurocode 7:	Geotechnical design - Part 1: General rules - (SLS EN 1997-1: 2014)
Sri Lanka Standard Eurocode 7 -	Geotechnical design - Part 2: Ground investigation and testing - (SLS EN 1997-2: 2014)
Sri Lanka Standard Eurocode 8:	Design of structures for earthquake resistance Part 3: Assessment and retrofitting of buildings - (SLS EN 1998-3: 2014)
Sri Lanka Standard Eurocode 8 -	Design of structures for earthquake resistance - Part 4: Silos, tanks and pipelines (SLS EN 1998-4:2014)
Sri Lanka Standard Eurocode 8:	Design of structures for earthquake resistance -Part 5: Foundations, retaining structures and geotechnical aspects (SLS EN 1998-5:2014)
Sri Lanka Standard Eurocode 8:	Design of structures for earthquake resistance -Part 6: Towers, masts and chimneys (SLS EN 1998-6:2014)
SLS IEC 60811	Electric and optical fiber cables-Test methods for nonmetallic materials Part 100: 2014 General
SLS IEC 60811 : Part 201: 2014	General tests Measurement of insulation thickness
SLS IEC 60811: Part 202: 2014	General tests Measurement of thickness of non metallic sheath
SLS IEC 60811: Part 203: 2014	General tests Measurement of overall dimensions

Revision (Including ISO Adoption)

SLS No.	Title
SLS IEC 60811 : Part 301: 2014	Electrical tests Measurement of the permittivity at 23° of filling compounds
SLS IEC 60811: Part 302: 2014	Electrical tests Measurement of the d.c. resistivity at 23°C and 100 °C of filling compounds
SLS IEC 60811: Part 401: 2014	Miscellaneous tests Thermal ageing methods. Ageing in an air oven
SLS IEC 60811: Part 402: 2014	Miscellaneous tests Water absorption tests
SLS IEC 60811: Part 403: 2014	Miscellaneous tests Ozone resistance test on cross linked compounds
SLS IEC 60811: Part 404: 2014	Miscellaneous tests Mineral oil immersion tests for sheaths
SLS IEC 60811: Part 405: 2014	Miscellaneous tests Thermal stability test for PVC insulations and PVC Sheaths
SLS IEC 60811: Part 406: 2014	Miscellaneous tests Resistance to stress cracking of polyethylene and polypropylene compounds
SLS IEC 60811: Part 407: 2014	Miscellaneous tests Measurement of mass increase of polyethylene and polypropylene SLS IEC 60811: compounds
SLS IEC 60811: Part 408: 2014	Miscellaneous tests Long term stability test of polyethylene and polypropylene compounds
SLS IEC 60811: Part 409: 2014	Miscellaneous tests Loss of mass test for thermoplastic insulations and sheaths
SLS IEC 60811Part 410: 2014	Miscellaneous tests Test methods for copper catalyzed oxidative degradation of polyolefin insulated conductors
SLS IEC 60811: Part 411: 2014	Miscellaneous tests Low temperature brittleness of filling compounds
SLS IEC 60811: Part 412: 2014	Miscellaneous tests Thermal ageing methods Ageing in an air bomb
SLS IEC 60811: Part 501: 2014	Mechanical tests Test for determine the mechanical properties of insulating and sheathing compounds
SLS IEC 60811: Part 502: 2014	Mechanical tests Shrinkage test for insulations
SLS IEC 60811: Part 503: 2014	Mechanical tests Shrinkage test for sheaths
SLS IEC 60811: Part 504: 2014	Mechanical tests Bending test at low temperature for insulation and sheaths
SLS IEC 60811: Part 505: 2014	Mechanical tests Elongation at low temperature for insulation and sheaths
SLS IEC 60811: Part 506: 2014	Mechanical tests Impact test at low temperature for insulation and sheaths
SLS IEC 60811: Part 507: 2014	Mechanical tests Hot set test for cross linked materials
SLS IEC 60811: Part 508: 2014	Mechanical tests Pressure test at high temperature for insulation and sheaths
SLS IEC 60811: Part 509: 2014	Mechanical tests Test for resistance of insulation and sheaths to cracking (heat shock test)
SLS IEC 60811: Part 510: 2014	Mechanical tests Methods specific to polyethylene and polypropylene compounds Wrapping test after thermal ageing in air
SLS IEC 60811: Part 511: 2014	Mechanical tests Measurement of the melt flow index of polyethylene Compound
SLS IEC 60811: Part 512: 2014	Mechanical tests Methods specific to polyethylene and polypropylene compounds Tensile strength and elongation at break after conditioning at elevated temperature
SLS IEC 60811: Part 513: 2014	Mechanical tests Methods specific to polyethylene and polypropylene compounds wrapping test after conditioning

Revision (Including ISO Adoption)

SLS No.	Title
SLS IEC 60811: Part 601: 2014	Physical tests Measurement of the drop- point of filling compounds
SLS IEC 60811: Part 602: 2014	Physical tests Separation of oil filling compounds
SLS IEC 60811: rt 603: 2014	Physical tests Measurement of total acid number of filling compounds
SLS IEC 60811: Part 604: 2014	Physical tests Measurement of absence of corrosive components in filling compounds
SLS IEC 60811: Part 605: 2014	Physical tests Measurement of carbon black and/or mineral filler in polyethylene compounds
SLS IEC 60811: Part 606: 2014	Physical tests Methods for determining the density
SLS IEC 60811: Part 607: 2014	Physical tests Test for the assessment of carbon black dispersion in polyethylene and polypropylene

Amendment

AMD 461 : 2014	Amendment No.04 to SLS 1231 : 200 Sri Lanka Standards Specification for Self Ballasted Lampe and Modular type compact Fluorescent Lamps for General Lighting Services. Part 1:2002 Performance and Requirements
AMD 462 : 2014 -	Amendment No.01 to SLS 853 : 1989 Sri Lanka Standard Specification for Dried Whole Chillies
AMD 463 : 2014 -	Amendment No.01 to SLS 117 : 1988 Sri Lanka Standard Specification for Ground Chillies (First Revision)
AMD 464 : 2014 -	Amendment No.02 to SLS 534 : 1981 Sri Lanka Standard Specification for Cologne
AMD 465 : 2014 -	Amendment No.01 to SLS 1439 : 2012 Sri Lanka Standard Specification for liquid, gel and cream oxidative hair colour
AMD 466 : 2014	Amendment No.01 to SLS 1440 : 2012 Sri Lanka Standard Specification for hair colour powder
AMD 467 : 2014	Amendment No.02 to SLS 457 : Part 1 : 2003 Sri Lanka Standard Classification of cosmetic raw materials and adjuncts Part 1 : Colouring agents, pigments and colour additives generally recognized as safe
AMD 468 : 2014	Amendment No.02 to SLS 457 : Part 2 : 2008 Sri Lanka Standard Classification of cosmetic raw materials and adjuncts Part 2 : Raw materials and adjuncts other than dyes, pigments and colour additives, generally not recognized as safe (Second Revision)
AMD 469 : 2014	Amendment No.02 to SLS 533 : 2009 Sri Lanka Standard Specification for Emulsion paints for interior use
AMD 470 : 2014	Amendment No.02 to SLS 557 : 2009 Sri Lanka Standard Specification for Emulsion paints for exterior use
AMD 471 : 2014	Amendment No.02 to SLS 1339 : 2008 Sri Lanka Standard Specification for Paper Serviettes

Superseding

SLS 1068: 1995 Sri Lanka Standard Specification for multiwall paper sacks for packaging of tea

Rupasinghe RADD (Mr.)

Senior Deputy Director

Co-operation Between Sri Lanka and Iraq Sri Lanken
Delegation of Standards , Quality Control Census ,
Statistics and other related Matters
Iraq
2014-01-25 to 2014-01-31

Senaweera LN (Dr.)

Director General

Co-operation Between Sri Lanka and Iraq Sri Lanken
Delegation of Standards , Quality Control Census ,
Statistics and other related Matters
Iraq
2014-01-25 to 2014-01-31

Sooriyarachchi H G S (Ms)

Director

Co-operation Between Sri Lanka and Iraq Sri Lanken
Delegation of Standards , Quality Control Census ,
Statistics and other related Matters
Iraq
2014-01-25 to 2014-01-31

Munaweera R D (Ms)

Senior Deputy Director

First Session of the Codex Committee on Spices and
Culinary Herbs
Kochin , India
2014-02-11 to 2014-02-14

Sirikumara K J (Mr.)

Asst. Director

ISO “Sustainability Criteria for Bio-energy” Standards
prese minar and ISO /PC 248 WG 3 Meeting , within the
SIS and Partners Programme “Trade Promotion Through
Standardization”
Germany
2014-02-14 to 2014-02-21

Senaweera LN (Dr.)

Director General

DEVCO Chair's Advisory Group (DEXCO CAG)
Meeting
Switzerland
2014-03-17 to 2014-03-21

Sanjeewa K B K (Mr.)

Asst. Director

Training Programme on Quality System Certification
(ISO 9001) and Six Sigma Practices of Organization
Laboratories (Testing & Calibration)
India
2014-02-03 to 2014-03-31

De Silva K S N M (Ms.)

Asst. Director

Training Programme on Quality System Certification
(ISO 9001) and Six Sigma Practices of Organization
Laboratories (Testing & Calibration)
India
2014-02-03 to 2014-03-31

Konara M S C K (Mr.)

Asst. Director

Regional Consultation Workshop Implementation of
GMP/HACCP in Asia a Status review
Thailand
2014-05-23 to 2014-05-25

Senaweera LN (Dr.)

Director General

KEMCO Conference on SEDE
Korea
2014-07-21 to 2014-07-25

Senaweera LN (Dr.)

Director General

ISO General Assembly
Brazil
2014-09-08 to 2014-09-12

Dissanayake D M D O K (Dr.)

Chairman

ISO General Assembly
Brazil
2014-09-08 to 2014-09-12

Perera P L A P (Mr.)

Asst. Director

4th Meeting of Sectoral Technical Committee on
Committee on Food & Agricultural Products
India
2014-09-22 to 2014-09-23

Satharasighe W N N (Ms) Deputy Director General

4th Meeting of Sectoral Technical Committee on Food and
Agricultural Products

1st Meeting of Sectoral Technical Committee on
Chemical & Chemical Products

India
2014-09-22 to 2014-09-23
2014-09-24 to 2014-09-25

Jayasekera M I S (Ms)

Director

Regional Consultation Workshop on Implementation of
Good Agriculture Practices in SAARC Counties, SAARC
GAP Scheme
Bangladesh
2014-09-22 to 2014-09-24

FOREIGN TRAINING 2014

Senaratne T S (Ms)

Senior Deputy Director

1st Meeting of Sectoral Technical Committee on Chemical and Chemical Products
India
2014-09-23 to 2014-09-24

Konara S C K (Mr.)

Asst. Director

International Training Programme on Management Systems (ISO 9001, ISO 14001, ISO 22000, ISO 27000, ISO 17025, OHSAS 1800)
India
2014-09-01 to 2014-09-26

Uthayakumar T (Mr.)

Senior Deputy Director

4th Meeting of Sectoral Technical Committee on Electrical = & Electronics Telecoms & IT
India
2014-09-25 to 2014-09-26

Senaweera LN (Dr.)

Director General

SESA Steering Committee Meeting for the SESA Programme Trade Promotion through standardization in the South and South East Asia Regions
Thailand
2014-09-29 to 2014-09-30

Yapa D N D (Ms.)

Senior Deputy Director

Seminar on Food Safety Management for Developing Countries
China
2014-10-09 to 2014-11-07

Thirimanna D C H (Ms.)

Asst. Director

1st Meeting of ISO/CASCO working Group (WG) 42 to Revise ISO/IEC 17011 : 2004 Conformity Assessment General Requirements for Accreditation Bodies Accrediting Conformity Assessment Bodies
Switzerland
2014-11-11 to 2014-11-13

Jayasuriya P T A (Ms)

Asst. Director

International Training Programme on "Household Food Security for Nutrition Well being"
Thailand
2014-11-03 to 2014-11-14

Kularatne K K A (Ms)

Senior Deputy Director

International Training Programme on "Household Food Security for Nutrition Well being"
Thailand
2014-11-03 to 2014-11-14

Munaweera R D (Ms)

Senior Deputy Director

28th Meeting of ISO /TC 34/SC 7 Culinary Herbs and condiments - Spain
2014-11-18 to 2014-11-20

Dharmawardena T G G (Mr.)

Deputy Director General

ISO/TC 176 Meeting on Conformity Assessment
Ireland
2014-11-17 to 2014-11-21

Senaweera LN (Dr.)

Director General

The Second Round of Negotiations of the Proposed China
2014-11-26 to 2014-11-29

Asoka G H (Mr.)

Asst. Director

International Training Programme on Standardization & Quality Assurance
India
2014-10-13 to 2014-12-01

Wahalathanthri A (Ms.)

Asst. Director

International Training Programme on Standardization & Quality Assurance
India
2014-10-13 to 2014-12-01



LOCAL TRAINING 2014

Mr. T D Wijeyananda
Asst. Director

Ms. C J Ranasinghe
Asst. Director

Ms. Champika Thirimanna
Asst. Director

Ms. D W Dhanusekara
Asst. Director

Ms. Hasinika Piyasena

Ms. K A D P Kariapperuma
Asst. Director

Ms. K A D Rathnayake
Asst. Director

Ms. K Kodippili
Asst. Director

Ms. Nadeeka de Silva
Asst. Director

Ms. Nilupa Palliyaguru
Asst. Director

Ms. Nirjala de Soyza
Asst. Director

Ms. Niroshini Silva
Asst. Director

Ms. T U Silva
Asst. Director

Ms. W A J Anurangi
Asst. Director

Ms. W A S M Sovis
Asst. Director

Mr. S C K Konara
Asst. Director

Ms. Ayesha Salwathura
Asst. Director

Ms. M A C N Mallowasekera
Asst. Director

Ms. Nilupa Kekulandera
Asst. Director

Mr. M S de Costa
Asst. Director

**Training Cum Workshop on Electrochemical Technology
Institute of Chemistry Ceylon
2014-01-09**

Mr. B N P Kularathna
KKS

Ms. K W S Kankanamage
KKS

**Training Programme on
5S Applications in Productivity
& Quality Improvement
Sri Lanka Standards Institution
2014-04-08**

Mr. A J G M Bogahawatte
Asst. Director

Mr. C J Ranasinghe
Asst. Director

Mr. G N de Zoysa
Asst. Director

Mr. M P G N M Palliyaguru
Asst. Director

Mr. M S Liyanage
Asst. Director

Mr. S V N de Silva
Asst. Director

Mr. U L A Majeed
Asst. Director

Ms. A W A J Anurangi
Asst. Director

Ms. Champika Thirimanna
Asst. Director

Ms. Hasinika Piyasena
Asst. Director

Ms. K A D Rathnayake
Asst. Director

Ms. K Kodippili
Asst. Director

Ms. N Goonathilake
Asst. Director

Ms. Nilakshi de Silva
Asst. Director

Ms. Niroshani Silva
Asst. Director

Ms. Prashani Sandanayake
Asst. Director

Ms. T U Silva
Asst. Director

Ms. V Srilalitha
Asst. Director

Ms. W A S M Sovis
Asst. Director

**Certificate Course
In
Quality Management
Sri Lanka Standards
Institution
2014-01-27 to 2014-02-10**

**Auditor / Lead Auditor
Course
on OHSAS 18001
Sri Lanka Standards
Institution
2014-03-10 to 2014-03-14**

**Training Programme
on the Procedures to be
Followed to obtain the
SLS Marks for Product
Sri Lanka Standards
Institution
2014-07-03**

LOCAL TRAINING 2014

Ms. T Wijesuriya
Senior Deputy Director

Ms. Nilanga de Silva
Asst. Director

Workshop on Haritha Lanka Programme 2014-2020
Ministry of Environment and Renewable Energy
2014-03-25

Ms. M M G A Manchanayake
Asst. Director

Seminar on Coconut Revival : New Opportunities for the "Tree of Life"
Institute of Chemistry
2014-02-13

Ms. W N N Satharasinghe
Director (Standardization)

The Essential Skills for New Mangers
Mc Quire Rens and Jones (Pvt) Ltd.,
2014-04-02

Mr. S P J Ranathunga
KKS

Workshop on book binding & Preservation
National Library and Documentation Services

Ms. B J Perera
Technical Officer

Ms. P Abeyratne
Technical Officer

Mr. N S de Silva
Administrative Officer

Ms. W D S Mangalika
Administrative Officer

Workshop on Balanced Scorecard National Productivity Welfare Society
2014-08-09

Ms. M Tennakoon
Senior Deputy Director

Ms. Nayana Gunatilaka
Asst. Director

Lecture on "World Economic Forum and its Role for Scientist
National Science Foundation
2014-04-28

Mr. L W Gunawardena
Asst. Director

Ms. N Ranasinghe
Technical Officer

MR. K B K Sanjeewa
Asst. Director

Ms. S D C de Silva
Asst. Director

Technical Seminar on Accreditation Delivering Confidence in the Provision of Energy
Sri Lanka Accreditation Board for Conformity Assessment
2014-06-09

Mr. L S Govinna
Management Assistant
Diploma in Sinhala
University of Colombo
2014/2015

Mr. K B K Sanjeewa
Asst. Director

Training on ISO/IEC 17025 : 2005 Internal Auditing of Laboratory Management Systems
Sri Lanka Accreditation Board for Conformity Assessment
2014-06-19 to 2014-06-20

Ms. S D C de Silva
Asst. Director

Training on ISO/IEC 17043:2010 Proficiency testing/Inter Laboratory comparisons SLAB
2014/08/28 to 2014/08/29

Ms. Priyanga Pieris
Asst. Director

Mr. Hasitha Karunaratne
Asst. Director

Ms. G A Indranilatha
Asst. Director

Ms. JAC Perera
Management Assistant

Inventor Investor Forum with Lankan Angel Network
Sri Lanka Inventors Commission
2014-03-18

Seminar on Taxation
Sri Lanka Institute of taxation
2014-04-30

Ms. M L S D Jayasinghe
Management Assistant

Certificate Course in Graphic Design
Sri Lanka Institute of Printing
2014-03-01 to 2014-08-16 (½ day 23 Saturday)

Mr. R A G Siriwardena
Technical Officer

Ms. K W A W Padmaseeli
Sampling Officer / Technical Assistant

Mr. G R G Perera
Sampling Officer / Technical Assistant

Mr. P G Dias Silva
Micro, Media Assistant

Mr. W L A P Perera
KKS

Mr. A Premashantha
Senior Deputy Director

Programmable Logic Controller Course (PLC)
Arthur C Clarke Institute for Modern Technologies
2014-07-24,25,31, 2014-08-06,07,08

Mr. U L Abdul Majeed
Asst. Director

Ms. V Srilalitha
Asst. Director

Certificate Course in Quality Management
Sri Lanka Standards Institution
2014-07-07 to 2014-07-18

Ms. W G N D Gunatilaka
Asst. Director

ISO 22000 Auditor / Lead Auditor Course
Sri Lanka Standards Institution
2014-11-17 to 2014-11-21

36 Officers of Senior Directors and above took part in the Eagle Izer Outbound Training Programme conducted by Sri Lanka Army Special Force Training Centre at Maduruoya from 2014-06-06 to 2014-06-08

STAFF NEWS

	Staff as at 2013-12-31	New Recruitments	Resignations	Retirements	Dismissed	Vacation of Post	Termination of Post	Expired	Staff as at 2014-12-31
Executive Staff	133	04	06	02	--	--	--	--	127
Non-Executive Staff	178	22	01	11	--	--	--	--	188

New Appointments

	Name	Designation	Date of Appointment
1	Mr C J Ranasinghe	Asst Director (Technical)	2014/01/01
2	Mr M Ruwan Harishchandra	Asst Director (Non-Technical)	2014/01/01
3	Miss D S Rumeshika Mendis	Management Assistant	2014/02/06
4	Miss N P Nanayakkara	Management Assistant	2014/02/06
5	Miss S A D S N Suraweera	Management Assistant	2014/02/06
6	Miss H R A S S Karunathilake	Management Assistant	2014/02/06
7	Miss D S N Silva	Karyala Karya Sahayaka	2014/02/06
8	Miss Y A P Yatapana	Karyala Karya Sahayaka	2014/02/06
9	Mr W A S Amila Silva	Karyala Karya Sahayaka	2014/02/06
10	Mr H P K H Halahakoon	Karyala Karya Sahayaka	2014/02/06
11	Mr G W R Lakmal Silva	Karyala Karya Sahayaka	2014/02/06
12	Mrs K P Yuresha Rupasinghe	Karyala Karya Sahayaka	2014/02/06
13	Mr P D A Withanage	Management Assistant	2014/02/06 (contract) 2014/10/24 (permanent)
14	Mrs D S Edirirathne	Management Assistant	2014/02/06 (contract) 2014/10/24 (permanent)
15	Miss M A Lakma Iroshani	Management Assistant	2014/02/06 (contract) 2014/10/24 (permanent)
16	Miss J S K Thibbotumunuwe	Management Assistant	2014/02/06 (contract) 2014/10/24 (permanent)
17	Miss N G C H Senevirathne	Management Assistant	2014/03/03
18	Mr P P G Medha Darsha	Messenger	2014/07/15
19	Mr T P Godawela	Messenger	2014/07/15
20	Mr T Priyantha Perera	Messenger	2014/07/15
21	Mrs K B M W S de Costa	Asst Director (Technical)	2014/10/27
22	Miss N A Edirisinghe	Asst Director (Technical)	2014/10/30
23	Mr A C Mudannayake	Management Assistant	2014/11/04
24	Mr H M J Thumbullegama	Management Assistant	2014/11/04
25	Miss R P Gamage	Management Assistant (Technical)	2014/12/17
26	Mr T A A B Niroshan Siripala	Management Assistant (Technical)	2014/12/17

Retirements, Resignations, Details

	Name	Designation	Date	Reason
1	Mr M R Ghani	Director (Finance)	2014-01-05	Resignation
2	Mr T W Perera	Management Assistant	2014-01-12	Retirement
3	Mr R G Perera	Deputy Director General	2014-02-21	Retirement
4	Mr W A N Rathnasiri	Messenger	2014-02-22	Retirement
5	Mrs S E Abeygoonasekera	Management Assistant	2014-03-03	Retirement
6	Mrs B M G K Balasooriya	Assistant Director (Technical)	2014-03-11	Resignation
7	Mr G G Jayananda	Management Assistant	2014-05-23	Retirement
8	Mr D P A A Premarathne	Management Assistant	2014-05-26	Retirement
9	Mrs W P D Priyadarshani	Assistant Director (Technical)	2014-07-04	Resignation
10	Mr R Angunawela	Technical Officer	2014-08-12	Retirement
11	Mr M D Siripala	Draughtsman	2014-08-19	Retirement
12	Mr W M W Rathnayake	Assistant Director (Technical)	2014-08-22	Resignation
13	Mrs I S Perera	Management Assistant	2014-09-12	Retirement
14	Mrs D C W Abeywardena	Assistant Director (Technical)	2014-09-13	Retirement
15	Mrs P D T N Yasarithne	Deputy Director	2014-10-01	Resignation
16	Mrs Indrani Senerath	Management Assistant	2014-10-08	Retirement
17	Mr U L Abdul Majeed	Assistant Director (Technical)	2014-10-31	Resignation
18	Mr H T N I Kumara	Driver	2014-11-01	Resignation
19	Mrs G C Meewaddana	Technical Officer	2014-11-03	Retirement
20	Mr Premadasa Ranaweera	Management Assistant	2014-11-04	Retirement

SCIENTIFIC STANDARDS

SECTORAL COMMITTEE ON FOOD PRODUCTS

Mr. T. Kandasamy (Chairman) 2/4 30, Nelson Place Colombo 06	Prof. K B Palipane Head/Faculty of Food Science Sabaragamuwa University of Sri Lanka Belihuloya	Ms. M. Mallawarachchi (Personal Capacity - Former Senior Research Officer, Industrial Technology Institute) 84, 5 th Lane Colombo 03
Prof. H W Cyril Department of Animal Science Faculty of Agriculture University of Peradeniya Peradeniya	Prof. K K D S Ranaweera Head - Dept. of Food Science & Technology University of Sri Jayawardenapura Nugegoda	Mr. K. Sivarajah (Personal Capacity Former Government, Analyst) 70/21 2/3, Peterson Lane Colombo 06.
Dr. (Ms) Renuka Jayatissa Head - Dept. of Nutrition Medical Research Institute Colombo 08.	Mr. T R N M Liyanarachchie Govt. Analyst Govt. Analyst's Department Torrington Square Colombo 07	Dr. A M T Amarakoon Senior Lecturer Dept. of Chemistry University of Kelaniya, Kelaniya
Dr. (Miss) Jaanaki Gooneratne Head /Food Technology Division ITI, 363, Baudhaloka Mw., Colombo 07.	Mr. E G Somapala (Personal Capacity -Former Government Analyst) 93/40. Gemunupura Palanwatte, Pannipitiya.	Prof. T S G Fonseka Head - Dept. of Food Science Faculty of Livestock, Fisheries and Nutrition University of Wayamba, Makandura Gonawila (NWP)
Dr. (Ms.) N Ediriweera (Personal Capacity - Former Head/Food Technology Division Industrial Technology Institute) No.34, Wimala Vihara Road Nawala.	Mr. W D L Gunarathne Director General Department of Export Agriculture Peradeniya.	Mr. D A M Arsecularatne Q/A/R & D Manager Ceylong Cold Stores PLC Samaderagahawatte, anala.

SECTORAL COMMITTEE ON AGRICULTURE

Dr. Rohan Wijekoon (Chairman) Director General Department of Agriculture P.O. Box 1 Peradeniya.	Dr. Chandana Abeyesinghe Senior Lecturer University of Wayamba Makandura Gonawila.	Mr. Waruna Madawana Arachchi Director CIC Agri Businesses 205, D.R.Wijewardena Mw Colombo 10.	Dr. (Ms.) Aruni Thiskumara Registrar (Animal Production and Health) Dept. of Animal Production and Health Getambe Peradeniya.
Mr. Wicky Wickramatunga Managing Director Agri World (Pvt) Ltd 90, Cotta Road Colombo 08.	Dr. Nimal Dissanayake Additional Secretary Ministry of Agriculture 80/5, Rajamalwatta Road Battaramulla.	Mr. Onesh Subasinghe Managing Director, Opex Holdings (Pvt) Ltd, 127, W A D Ramanayake Mawatha Colombo 10.	Mr. Bandula Thilakasiri Director General Sri Lanka Samurdi Authority 4 th floor, Sethsiripaya, Battaramulla.
Prof. Buddhi Marambe Professor of Crop Science Faculty of Agriculture University of Peradeniya Peradeniya.	Mr. Jayantha Edirisinghe Tea Commissioner Sri Lanka Tea Board Galle Road Colombo 03.	Dr. Lionel Gunaratna Director General (Export Agriculture) Dept. of Export Agriculture Peradeniya.	Dr. Hemantha Wijayawardane Director, Organic Fertilizer Bureau Ministry of Agriculture 80/5, Rajamalwatta Road Battaramulla.

SECTORAL COMMITTEE ON SOCIETAL NEEDS

Ms. Yamuna Perera (Chairperson) Commissioner Child Probation Department 69, S de S Jayasinghe Mawatha Kohuwala Nugegoda.	Dr. Shiromi Maduwage Consultant Community Physician Youth, Elderly & Disable Unit Ministry of Health Deans Road Colombo 10.	Mr. Sugath Sisira Kumara Commissioner Department of Probation & Childcare Services (WP) 204, Denzil Kobbekaduwa Mawatha Battaramulla.
Ms. B P Withanage Director (Education for all) Ministry of Education Isurupaya, Battaramulla.	Mr. S N Gunasinghe Social Service Officer Department of Social Services (Western Province) 229/A, Borella Road Depanama, Pannipitiya.	Ms. Sujatha Wijesundara Director Labour Department Narahenpita.
Mr. Rohana Ranasinghe Programme Manager National Child Protection Authority Madiwela, Kotte.		

SECTORAL COMMITTEE ON CHEMICAL & POLYMER TECHNOLOGY

Prof. J N O Fernando (Chairman)
(Personal Capacity)
No.341/22, Kotte Road
Welikada
Rajagiriya.

Dr. (Ms.) Dilhara Edirisinghe
Head (Rubber Technology &
Development Dept.)
Rubber Research Institute
Telewela Road
Ratmalana.

Prof. M D P de Costa
Senior Lecturer
Department of Chemistry
University of Colombo
Colombo 3.

Dr Jagath Premachandra
Senior Lecturer
Dept. of Chemical Processing Engineering
University of Moratuwa
Katubedde, Moratuwa.

Ms Yoga Milani
Research Officer
Industrial Technology Institute
363, Bauddhaloka Mawatha
Colombo 07.

Mrs Sarojini Jayasekara
Director (Hazardous materials Section)
Central Environmental Authority
Parisara Piyasa
Gen. Densil Kobbekaduwa Mawatha
Battaramulla.

Mr L Warakagoda
Chief Pharmacist
Cosmetics Devices and Drugs Authority
120, Norris Canal Road
Colombo 10.

Prof. Tuley de Silva
(Personal Capacity)
University of Sri Jayawardenapura)
451/75, Thimbirigasyaya Road
Colombo 05.

SECTORAL COMMITTEE ON PACKAGING, PAPER & BOARD

Mr. V Abeysinghe (Chairman)
(Personal Capacity -
Former General Manager
National Paper Company Ltd.)
No. 5, 2nd Lane
Jambugasmulla Lane
Nugegoda.

Mr. Rohan Jayathilake
Assistant Director
Packaging Development Sector
Ministry of Industrial Development
73/1, Galle Road
Colombo 03.

Mr. P S W Surendra
(Personal Capacity - Former Deputy
Government Printer
Department of Government Printing)
118, Dr Danister De Silva Mawatha
Colombo 08.

Mr. Ajith Fernando
Director
St. Redis Packaging (Pvt) Ltd
#33-34, Lanka Industrial Estate
Sapugaskanda.

Mr. J Nimalan
(Personal Capacity - Former Quality
Assurance Manager
National Paper Corporation, Valaichchenai)
54/2, Ediriweera Avenue, Dehiwala.

Mr. Roshan Ratwatte
Group Sales Manager
St. Redis Packaging (Pvt) Ltd
#33-34, Lanka Industrial Estate
Sapugaskanda.

Mr. A B S S Wijethilake
(Personal Capacity - Former Technical Officer
Industrial Technology Institute
Material Section)
139, Duwa Rd Baddagana Kotte.

Mr. E Abesiriwardana
District Factory Inspection Engineer
Department of Labour
97, Jawatta Rd, Colombo 05.

Mr. Asoka Nanayakkara
Director of Studies
Sri Lanka Institute of Printing
118, Dr Danister De Silva Mawatha
Colombo 08.

Mr. J M S Jayathilake
Head- Material Laboratory
Industrial Technology Institute
363, Bauddhaloka Mawatha, Colombo 07.

Mr. S R Indrakeerthi
Deputy Director
National Packaging Centre
Sri Lanka Export Development Board
12, Nawam Mawatha
Colombo 02.

SECTORAL COMMITTEE ON TEXTILE, CLOTHING & LEATHER

Prof. L D Fernando
(Personal Capacity - Former Head
Dept. of Textile & Clothing Technology
University of Moratuwa)
279/6, Thalawathugoda Road
Kotte.

Prof. W A Wimalaweera
Senior Lecturer
Department of Textile and Apparel Technology
Open University of Sri Lanka
Nawala, Nugegoda.

Dr. (Ms.) Nirmali De silva
Senior Lecturer
Department of Textile and Clothing Technology
University of Moratuwa
Moratuwa.

Dr. W D G Lanarolle
Senior Lecturer
Department of Textile and Clothing Technology
University of Moratuwa
Moratuwa.

Mr. S N Niles
Senior Lecturer
Department of Textile and Clothing
Technology
University of Moratuwa
Moratuwa.

Dr. P Ovitigala
(Personal Capacity - Former Academic
Consultant
Open University of Sri Lanka)
No:63/5, 5th lane
Edirisingha Road
Mirihana
Nugegoda.

Mr. J T S Motha
(Personal Capacity -Former Head
Material Technology
Industrial Technology Institute)
No:79/2, Hathbodhiya Road
Kalubowila, Dehiwala.

Mr. D N S Kurupmullage
Director General Sri Lanka Institute of Textile and
Apparel
Kandawala Estate No:02
Sir John Kothalawa Road
Rathmalana.

Mr. J L Daya de Silva
(Personal Capacity - Former Laboratory
Manager - Bata Shoe Company)
No.165, 'Swarnagiri'
Galahitiyawa, Ganemulla.

Mr. R H Tennakoon
(Personal Capacity - Former Director
Sri Lanka Institute of Textile & Apparel)
94/11, "Senani" Borella Road
Depanama, Pannipitiya.

Mr. Rathnapala Wijesingha
(Personal Capacity Former Footwear Technologist
Ceylon Leather Products Corporation)
2/3, Kothalawala Mawatha
Imbulgoda.

COMPOSITION OF SECTORAL COMMITTEES - 2014

SECTORAL COMMITTEE ON ELECTRIC CABLES AND CONDUCTORS

Mr.D L Taldena,
No. 5, Grenier Road,
Borella,
Colombo 08

Mr.Quintus Seimon
143 Campus Road
Rattanapitiya
Boralesgamuwa

Eng. B. Bernard Perera
295/B.1. ; Nedagomuwa(West)
Kotugoda. (11390)

Professor J R Lucas
Electrical Engineering Dept.
University of Moratuwa
Moratuwa

Mr. R H R Lokubalasooriya
36 Kotalawala Avenue
Colombo 04

Mr. G N A SenarathYapa
53, JambugasMullaMawatha
Nugegoda

Mr. SamanPerera
407/1/B
Makola North
Makola

Dr. K A C Udayakumar
103-D, Pathaduwana
Minuwangoda

Mr. W P K Priyadarshana
39/1/A Galwarusa Road
Korathota, Kaduwela

Mrs. N Thewarapperuma.
DGM, CECB
415, Bauddaloka Mawtha
Colombo 07

Mr. Datta Gunasekara
Chief Engineer (Electrical)
Sri Lanka Post Authority
45, Leydin Bestian Road
Colombo 01

S P K Gamage
D G M (Plam & Dev) DDI
Ceylon Electricity board
P O Box. 540,
Clombo 02.

SECTORAL COMMITTEE ON MATERIALS, MECHANICAL SYSTEMS AND MANUFACTURING ENGINEERING

Mr ANP Wickramasuriya (Chairman)
Director/CEO
Central Industries Ltd.,
312, Nawala Road,
Rajagiriya.

Mr. D L D K Wijewardena
125/67, Peterson Lane
Colombo 06.

Mr. N N I R Fernando
Senior Manager Technical Services
Petroleum Refinery
P.O. Box 11
Kelaniya

Mr. J M Ranasinghe Banda
No. 14, Uyankelle Road
Panadura

Dr P A B A R Perera
Senior Lecturer
Department of Mechanical Eng.
University of Moratuwa
Moratuwa

Mr. W I C D R Fernando
Deputy Commissioner of Labour
Department of Labour
97, Jawatta Road
Narahenpita.

Mr. Nihal Cooray
63, Vihara Mw
Kolonnawa.

Mr. D N J Ferdinando
9/10 Darmavathna Avenue
Moratuwa.

Mr J M L M Peiris
Mahaiunupitiya
Negombo

Mr. V S C Weragoda
Senior Lecturer
Dept. of Materials Engineering
University of Moratuwa

SECTORAL COMMITTEE ON ELECTRONICS ENGINEERING

Eng Dharmasiri de Alwis
Director (Project) TRCSL'
276 Elvitigala Mawatha
Colombo 08

Dr C Mahesh Edirisinghe
No. 155 Salawa Road
Udahamulla
Nugegoda

Mr K P W A Indika
Telecom training Centre
Moratuwa

Dr A Pasqual
Head of Electronic Engineer
Electronic & Telecommunicaiton
University of Moratuwa

Mrs J Dewasurendra
90/1/24 Ragama Road
Kadawatha

Mr Rohan Perera
DDG (Eng)
Sri Lanka Ru[avahini Corporation
Independence Square
Colombo 07

Mrs Janak Athuraliya
Arther C Clarke Institute
Katubedda
Moratuwa

Mr D R Pulleperuma
NERD Centre Sri Lanka
Industrial Estate
Ekala Jaela

Mr G B Wimalarathne
No. 1 ½
Nywala Road
Pethiyagoda, Gampaha

SECTORAL COMMITTEE ON ELECTRICAL APPLIANCES AND ACCESSORIES

Mr. A J M Victoria (Chairman)
No. 155/14, Castle Street,
Colombo 08

Mr. A D T Gunasekara,
Director Technical
Sri Lanka Ports Authority
No. 45, Leyden Bastian Road,
Colombo 01.

Mr. H P N J Gunasekera,
(Former Head, Calibration & Measurement Unit,
Industrial Technological Institute)
23/2, Mahamegawatte
Maharagama

Mr. N A Weerasekera,
No. 47, Gajaba Road,
Gampaha.

Mr. G B Wimalaratne,
(Former Deputy General Manager
NERD Centre)
No 11/2, Nywala Road,
Petiyagoda
Gampaha.

Mr G M Prasantha
Dy Chief Mech. Engineer (Electrical)
Chief Mechanical Engineer's office
Sri Lanka Railways
Ratmalana.

Mr Bernad B Perera
(Former Training Consultant
Lanka Electricity Company)
295/B.1, Nedagamuwa (West)
Kotugoda (11390)

Mrs J Dewasurendra
Former Director Engineering
Kadawatha
Sri Lanka Standards Institution
90/1/24, Ragama road
kadawatha

Mr S R Munasinghe
13/3, Elhers Estate,
Warapalana
Udathuthiripitiya
Gampaha

SECTORAL COMMITTEE ON BUILDING AND CONSTRUCTION MATERIALS

Prof. S M A Nanayakkara,
Prof. Of Civil Engineer
Univercity of Moratuwa, Moratuwa.

Mr. K L S Sahabandu,
General Manager,
Central Engineering ConsaltancyBureau,
415, BauddalokaMw,Colombo 07.

Mr. N B M Ranathunga,
No.11/1,
DiyawannawaRoad,Ethulkott.

S Amarasekara
Director (Development)
Institute of Construction Training & Development,
'Savsiripaya'
123, Wijerama Road,
Colombo 07

Dr. HLDMA Judith
Deputy Director
Research & Development Division,
Road Development Authority, Borupana Road ,
Rathmalana.

Mr. Sarath Jayathilaka
ITI,
Head/Technical Material Laboratory
363, Bauddhaloka Mawatha,
Colombo 07

Mr. H Abesirigunawardana
393/8, Old Kesbewa Road,
Udahamulla
Nugegoda

Mr. N M A Matheen
CE(Sewerage)
National Water Supply & DB
26/2,
Aththidiya Road,
Rathmalana.

Mr. W R Meewange
Assistant Director,
Consumer Affiars Authority,
No. 27,
Vouxhall Street
Colombo.

2017/18

**STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2014**

As at		2014	2013
ASSETS	Note	Rs. Cts.	Rs. Cts.
Non Current Assets			
Property, Plant and Equipment	03	1,162,681,893.12	251,456,341.70
Other Financial Assets			
Staff Loans	04.A	29,021,663.95	13,930,105.33
Fixed Deposit	06	2,160,000.00	
Work-In-progress		14,226,154.29	
Fabrication of Lab Testing Equipment		210,490.00	
		<u>1,208,300,201.36</u>	<u>265,386,447.03</u>
Current Assets			
Inventories	05	15,596,910.24	15,428,187.41
Other Financial Assets			
Staff Loans	04.B	19,430,494.18	14,836,057.80
Investments	06	375,000,000.00	335,000,000.00
Security Deposits		38,253.18	45,262.72
Trade & Other Receivables	07	116,990,158.48	48,547,945.43
Prepayments	08	1,951,531.97	3,589,441.93
Cash & Cash Equivalents	09	7,418,075.51	29,983,914.72
		<u>536,425,423.56</u>	<u>447,430,810.01</u>
Total Assets		<u><u>1,744,725,624.92</u></u>	<u><u>712,817,257.04</u></u>
FUNDS, RESERVES & LIABILITIES			
Funds & Reserves			
Accumulated Fund	10	-	-
Donations	11	1,957,882.27	2,179,779.37
Revaluation Surplus		935,604,474.85	
Other Reserves		(15,264,901.00)	(13,019,230.00)
		<u>922,297,456.12</u>	<u>(10,839,450.63)</u>
Accumulated Profit / (Loss)		566,581,595.30	475,187,066.51
		<u>1,488,879,051.42</u>	<u>464,347,615.88</u>
Non-Current Liabilities			
Deferred Income	12	115,853,807.80	142,363,883.80
Employee Benefits	13	76,489,531.00	73,989,491.00
		<u>192,343,338.80</u>	<u>216,353,374.80</u>
Current Liabilities			
Payables	14	38,546,005.07	19,903,596.56
Accrued Expenses	15	24,957,229.63	12,212,669.80
		<u>63,503,234.70</u>	<u>32,116,266.36</u>
Total Funds, Reserves & Liabilities		<u>1,744,725,624.92</u>	<u>712,817,257.04</u>

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31ST DECEMBER 2014**

	Note	2014 Rs. Cts.	2013 Rs. Cts.
OPERATING INCOME			
Revenue	16	516,019,604.41	478,864,660.61
OPERATING EXPENSES			
Personnel Cost	17	222,186,086.09	212,799,415.06
Travelling	18	11,764,391.75	14,497,315.83
Supplies & Consumables	19	25,910,699.22	26,238,834.33
Maintenance	20	23,254,991.48	22,519,096.49
Contractual Services	21	40,008,971.63	35,171,547.04
Depreciation	22	59,296,921.35	39,381,372.64
Other Operating Expenses	23	98,810,683.21	85,880,630.26
Total Operating Expenses		481,232,744.73	436,488,211.65
Surplus from Operating Activities		34,786,859.68	42,376,448.96
Net Financial Income / (Expense)	24	27,486,362.74	26,511,438.22
		62,273,222.42	68,887,887.18
NON OPERATING INCOME			
Deferred Income		26,510,076.00	27,677,625.00
Deferred Donation		361,577.50	
Profit on Disposal of PPE	25	2,086,380.00	-
Royalties-National Electro Technical Committee of SL		163,272.87	186,038.31
Net Surplus for the Period		91,394,528.79	96,751,550.49
OTHER COMPREHENSIVE INCOME FOR THE YEAR			
Defined benefit plan actuarial Gains/ (Losses)		(2,245,671.00)	(7,453,531.00)
Total Other Comprehensive Income for the year		(2,245,671.00)	(7,453,531.00)
Total Comprehensive Income for the year		89,148,857.79	89,298,019.49

The Significant Accounting Policies and Notes form an Integral part of these Financial Statement
Figures in brackets indicate deductions.

SRI LANKA STANDARDS INSTITUTION

STATEMENT OF CHANGES IN FUNDS

FOR THE YEAR ENDED 31ST DECEMBER 2014

	Accumulated Fund		Donations		Other Reserves		Accumulated Profit / (Loss)		Total	
	Rs.	Cts.	Rs.	Cts.	Rs.	Cts.	Rs.	Cts.	Rs.	Cts.
Balance as at 01.01.2013	142,574,417.86		302,035,419.00		(5,565,699.00)		(64,325,163.72)		374,718,974.14	
Prior year adjustments (Note A)										
Prior year error		-		-		-	330,622.25		330,622.25	
Prior Year Adjustment	(142,574,417.86)		(299,855,639.63)			-	442,430,057.49			-
Total Other Comprehensive Income		-		-		(7,453,531.00)		-		(7,453,531.00)
Net Surplus for the year							96,751,550.49		96,751,550.49	
										-
Restated Balance as at 31.12.2013	-		2,179,779.37		(13,019,230.00)		475,187,066.51		464,347,615.88	
Balance as at 01.01.2014	-		2,179,779.37		(13,019,230.00)		475,187,066.51		464,347,615.88	
Net Surplus for the year		-		-		-	91,394,528.79		91,394,528.79	
Received during the year(Note B)			139,680.40						139,680.40	
Deferred Donation			(361,577.50)						(361,577.50)	
Surplus of revaluation of Land & Building					935,604,474.85				935,604,474.85	
Total Other Comprehensive Income		-		-	(2,245,671.00)			-	(2,245,671.00)	
Balance as at 31.12.2014	-		1,957,882.27		920,339,573.85		566,581,595.30		1,488,879,051.42	

Note A - Donations

	Rs.	Cts.
Swedish Standards Institution	115,000.00	
National Science Foundation	24,680.40	
Lap Top Computer		115,000.00
Library Books		24,680.40
		139,680.40

SRI LANKA STANDARDS INSTITUTION

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31ST DECEMBER 2014.**

	2014	2013
	Rs. Cts.	Rs. Cts.
Cash Flow from Operating Activities		
Net Surplus for the year	89,148,857.79	89,298,019.49
Adjustments for		
Depreciation	59,296,921.35	39,381,372.64
Amount Transferred from Deferred Income	(26,871,653.60)	(27,677,625.00)
Retirement benefit obligations - Actuarial (Gains)/Losses	2,245,671.00	7,453,531.00
Retirement benefit obligations-Provision for Gratuity	10,137,111.00	9,105,241.00
Interest Income	27,532,558.20	(26,636,280.56)
Disposal Profit	(2,086,380.00)	-
Write off-Fabrication of Lab Testing Equipment		115,253.25
	159,403,085.74	91,039,511.82
Operating Profit before Working Capital Changes		
(Increase) / Decrease Other Financial Assets	(19,685,995.00)	102,545.00
(Increase) / Decrease Inventories	(168,722.83)	(1,879,662.87)
(Increase) / Decrease Security Deposits	7,009.54	9,266.58
(Increase) / Decrease Debtors & Other Receivables	(68,442,213.05)	6,096,985.52
(Increase) / Decrease Prepayments	1,637,909.96	(702,086.88)
Increase / (Decrease) Creditors & Other Payables	18,642,408.51	3,316,268.48
Increase / (Decrease) Accrued Expenses	12,744,559.83	882,916.22
	104,138,042.70	98,865,743.87
Less: Gratuity Paid	(9,882,742.00)	(8,478,454.75)
Net Cash flows from Operating Activities	94,255,300.70	90,387,289.12
Cash Flows from Investing Activities		
Purchase of Property, Plant & Equipment	(34,972,431.77)	(51,204,440.72)
Work In Progress & Fabrication of Equipment	(14,436,644.29)	-
Sales Proceeds Received from Disposals	2,140,813.95	-
Investment in REPOS & Fixed Deposits	(42,160,000.00)	(85,000,000.00)
Interest Received	(27,532,558.20)	26,636,280.56
Net Cash used in Investing Activities	(116,960,820.31)	(109,568,160.16)
Cash Flows from Financing Activities		
Donations Received	139,680.40	-
Net Cash Flows from Financing Activities	139,680.40	-
Net Increase / (Decrease) in Cash & Cash Equivalents	(22,565,839.21)	(19,180,871.04)
Cash & Cash Equivalent at beginning of the year	29,983,914.72	49,164,785.76
Cash & Cash Equivalent at end of the year (Note A)	7,418,075.51	29,983,914.72
Note A - Cash & Cash Equivalent at End of the year	As at	As at
	2014.12.31	2013.12.31
	Rs. Cts.	Rs. Cts.
B O C Borella-193675	7,418,075.51	29,983,914.72
	7,418,075.51	29,983,914.72

The Significant Accounting Policies and Notes form an Integral part of these Financial Statements.
Figures in brackets indicate deductions.

**SRI LANKA STANDARDS INSTITUTION
NO 17, VICTORIA PLACE, ELVITIGALA MAWATHA, COLOMBO 08.**

1. GENERAL INFORMATION

Sri Lanka Standards Institution is a Statutory Board, incorporated under Act No 06 of 1984 and domiciled in Sri Lanka. The registered office of the Institution is located at No. 17, Victoria Place, Elvitigala Mawatha, Colombo 08.

Principal Activities and Nature of Operations

During the period, the principal activity of the Institution was to carry on activities of preparing standards on national & international basis relating to Structures, Commodities, Products and Operations & from times to times revise, alter & amend the same & promote the general adoption of such standards & facilitating the examination & testing of products, commodities & materials.

The staff strength of the SLSI as at 31st December 2014 is **316**. (2012-309)

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES.

2.1 Basis of Preparation

2.1.1 Statement of Compliance

The financial statements have been prepared in accordance with new Sri Lanka Accounting Standards (SLFRS / LKAS) as laid down by the Institute of Chartered Accountants of Sri Lanka (ICASL) and the requirements of the Financial Regulation formulated by Sri Lankan Government.

For all periods up to and including the year ended 31 December 2012, SLSI prepared its financial statements in accordance with Sri Lanka Accounting Standards (SLAS).

2.1.2 Basis of measurement

The Financial Statements have been prepared on the historical cost basis except for the following material items in the statement of financial position:

- (a) Defined benefit obligations are measured at its present value, based on the Projected Unit Credit method prescribed in LKAS 19.
- (b) Derivative financial instruments measured at fair value.
- (c) Non derivative financial instruments measured at fair value.
- (d) The value of Land & Building carried at a revalued amount.

The Council of SLSI have made an assessment of the SLSI's ability to continue as a going concern in the foreseeable future and they do not foresee a need for liquidation or cessation of institution's activities.

2.1.3 Comparative Information

The previous year figures and phrases have been reclassified whenever necessary to conform to current year presentation.

2.1.4 Use of estimates and judgments

The preparation of the financial statements in conformity with SLFRS / LKAS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected.

Information about significant areas of estimation, uncertainty and judgments in applying accounting policies that have the most significant effect on the amounts recognised in the financial statements is included in notes;

Note 13 - measurement of defined benefit obligations

No adjustments are made for inflationary factors affecting these Financial Statements.

Appropriate significant policies are explained in succeeding notes.

2.1.5 Foreign Currency Translation

(a) Functional and presentation currency

Items included in these financial statements of the institutions are measured using the currency of the primary economic environment in which the entity operates (the functional currency). The financial statements are presented in Sri Lanka Rupees (LKR), which is the Institution's functional and presentation currency.

(b) Transactions and balances

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the dates of the transactions.

2.2 Assets and the bases of their valuation

2.2.1 Property, plant and equipment

2.2.2 Recognition and Measurement

(a) Land and Buildings

Land & Buildings have been revalued as at 2013.12.31 and stated at revaluation amount less Depreciation from 2014.01.01. The revaluation was done by Valuation Department and the revaluation surplus is recognized in other comprehensive income.

(b) Plant and Equipment

The cost of an item of plant and equipment comprises its purchase price and any directly attributable costs of bringing the asset to working condition for its intended use.

The cost of self-constructed assets includes the cost of materials, direct labour, and any other costs directly attributable to bringing the asset to the working condition for its intended use. This also includes cost of dismantling and removing the items and restoring the site on which they are located and borrowing costs on qualifying assets.

When parts of an item of plant and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant and equipment.

Carrying amounts of property plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Property, Plant and equipment are stated at cost less accumulated depreciation and any accumulated impairment loss.

2.2.3 Subsequent Costs

The cost of replacing part of an item of property, plant and equipment is recognised in the carrying amount of the item if it is probable that the future economic benefits embodied within the part will flow to the Institution and its cost can be measured reliably. The carrying amount of the replaced part is derecognised.

The costs of the day to day servicing of property, plant and equipment are recognised in profit or loss as incurred.

2.2.4 Derecognition

The carrying amount of an item of property, plant and equipment is derecognised on disposal or when no future economic benefits are expected from its use or disposal. Gains or losses on derecognition are recognised within other income in profit & loss.

2.2.5 Depreciation

Depreciation is calculated over the depreciable amount, which is the cost of an asset, or other amount substituted for cost, less its residual value.

Depreciation is recognised in profit or loss on a straight line basis over the estimated useful lives of each part of an item of property, plant and equipment, since this most closely reflects the expected pattern of consumption of the future economic benefits embodied in the asset. Leased assets are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Institution will obtain ownership by the end of the lease term. Land is not depreciated. There are no leased assets relating to this institution.

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

Building	5%
Office furniture & fittings	10%
Office Equipments	10%
Laboratory Equipments	10%
Laboratory Furniture	10%
Motor Vehicles	20%
Library Books	5%
CD ROM	20%

Depreciation method, useful lives and residual values are reviewed at each financial year end and adjusted if appropriate.

2.2.6 Capital work in progress

Capital expenses incurred during the year which are not completed as at the reporting date are shown as Capital Work In Progress whilst, the capital assets which have been completed during the year and put to use have been transferred to Property, Plant and Equipment.

2.2.7 Financial assets- classification

The Institution classifies its financial assets in the following categories; at fair value through profit or loss, loans and receivables, available for sale and held to maturity. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition. During the reporting period and as at the reporting date the Institution did not have financial asset classified as fair value through profit or loss, available for sale and held to maturity. All financial assets are initially recognised at fair value plus transaction cost.

2.2.8 Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are included in current assets, except for maturities greater than 12 months after the end of the reporting period. These are classified as non-current assets. The Institution's loans and receivables comprises of 'trade and other receivables' in the statements of financial position. Assets in this category are classified as current assets if expected to be settled within 12 months; otherwise, they are classified as non-current. Loans and receivables are subsequently carried at amortized cost using the effective interest method.

2.2.9 Impairment of financial assets

Assets carried at amortized cost

The Institution assesses at the end of each reporting period whether there is objective evidence that a financial asset or group of financial assets is impaired. A financial asset or a group of financial assets is impaired and impairment losses are incurred only if there is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the asset (a 'loss event') and that loss event (or events) has an impact on the estimated future cash flows of the financial asset or group of financial assets that can be reliably estimated.

Evidence of impairment may include indications that the debtors or a group of debtors is experiencing significant financial difficulty, the probability that they will enter bankruptcy or other financial reorganization, and where observable data indicate that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults. For loans and receivables category, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future credit losses that have not been incurred) discounted at the financial asset's original effective interest rate.

The carrying amount of the asset is reduced and the amount of the loss is recognised in the statement of comprehensive income.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognised (such as an improvement in the debtor's credit rating), the reversal of the previously recognized impairment loss is recognised in the statement of comprehensive income.

2.2.10 Impairment of non-financial assets

Assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment. Assets that are subject to amortization are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash flows (cash generating units).

2.2.11 Inventories

Inventories are measured at the lower of cost and net realizable value. The cost of inventories is based on the FIFO principle, and includes expenditure incurred in acquiring the inventories, production or conversion cost and other costs incurred in bringing them to their existing location and condition.

2.2.12 Trade Receivables

The Institution recognizes trade receivables as financial assets in its statement of financial position when, and only when, the Institution has a contractual right to receive cash or another financial asset.

Trade receivables are amounts due from customers for commodities sold or services performed in the ordinary course of business. If collection is expected in one year or less (or in the normal operating cycle of the business) they are classified as current assets. If not, they are presented as non-current assets.

Trade receivable is carried at anticipated realizable value and estimates are made for doubtful receivable based on a review of all outstanding amounts at the year end. Bad debts are written off during the year in which they are identified.

A provision for impairment of trade receivables is established when there is objective evidence that the Institution will not be able to collect all amounts due according to the original terms of the contractual right.

2.2.13 Investments

(a) Long Term Investments

Investment held on long term basis is clarified as non-current investment and are measured at cost. The cost of investment is the cost of acquisitions inclusive of brokerage and cost of transaction.

(b) Short Term Investments

Short term investments are recognized at market value. Any gain or loss is recognized in the statement of comprehensive income.

2.2.14 Cash & Cash Equivalents

Cash & Cash Equivalent are defined as cash in hand, demand deposits and short term highly liquid investments. For the purpose of Cash Flow Statement, Cash & Cash Equivalent consist of Cash in hand, deposits in banks & net of outstanding bank overdrafts.

2.2.15 Government Grants & Donation

Grant is recognised if there is reasonable assurance that the Institution will comply with the conditions attaching to it, and that the grant will be received.

Government grants related to assets including non monetary grants at fair value shall be presented in the statement of financial position either by setting up the grant as differed income or by deducting the grant in arriving at the carrying amount of the asset.

The institution recognizes the grant as deferred income & recognized in statement of comprehensive income on a systematic basis over the useful life of the asset.

The institution recognizes the donation received directly to the institution in statement of comprehensive income on a systematic basis over the useful life of the asset.

2.2.16 Trade Payables

The Institution recognises trade payables as financial liabilities in its statement of financial position when, and only when, the Institution has a contractual obligation to deliver cash or another financial asset.

Trade payables are obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. Accounts payable are classified as current liabilities if payment is due within one year or less (or in the normal operating cycle of the business) if longer, they are presented as non-current liabilities.

Trade payables are recognised initially at fair value.

2.2.17 Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred. Borrowings are subsequently carried at amortised cost; any difference between the proceeds (net of transaction costs) and the redemption value is recognised in the statement of comprehensive income over the period of the borrowings using the effective interest method. However no borrowings as at the reporting date.

2.2.18 Income Tax

There is no liability to pay Income Tax under Sec .No 42 of Sri Lanka Standards Institution Act No.06 of 1984. Hence No adjustments require for Differed Taxation as well.

2.2.19 Post-Employment Benefits

(a) Defined Benefit Plan

A defined benefit plan is a post employment benefit plan other than a defined contribution plan. The liability recognized in the statement of financial position in respect of defined benefit plan is the future value of the defined benefit obligation at the reporting date.

Any gain and loss of the defined benefit obligation are charged or credited to statement of comprehensive income in the period in which they arise.

According to the payment of Gratuity Act No. 12 of 1983, the liability for the gratuity payment to an employee arises only on the completion of 05 years of continued service with the Institution.

Projected unit credit method prescribed in Sri Lanka Accounting Standard 19; Employee Benefits has been used to identify Deficit or Charge for the year and assumptions used are disclosed in the Note No 13.

(b) Defined Contribution Plan – EPF & ETF

All employees who are eligible for the Employee Provident Fund (EPF) and Employees Trust Fund (ETF) contribution are covered by relevant contribution fund in line with respective statutes and Regulation.

EPF & ETF covering the employees are recognized as expenses in the statement of comprehensive income in the period in which it is incurred.

2.2.20 Revenue Recognition

Revenue recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Institution and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes. The following specific recognition criteria must also be met before revenue is recognized.

- (a) Sale of goods**
Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods.
- (b) Rendering of Services**
Revenue of the rendering of services are recognized in the accounting period in which the services are rendered or performed.
- (c) Interest Income**
Interest income is recognized on an accrual basis.
- (d) Royalty Income**
Royalties shall be recognized on an accrual basis in accordance with the substance of the relevant agreement.
- (e) Other Income**
Other income is recognized on an accrual basis.
- (f) Disposal of property, plant and equipments**
Profit / (loss) from sale of property, plant and equipment is recognised in the period in which the sale occurs and the delivery order is issued.

2.2.21 Expenditure Recognition

- (a) Revenue Expenditure**
Expenses are recognized in the statement of comprehensive income on the basis of a direct association between the cost incurred and the earning of specific items of income. All expenditure incurred in the running of the business and the maintaining the capital assets in the state of efficiency, has been charged to revenue in arriving at the profit or loss for the year.
- (b) Capital Expenditure**
Expenditure incurred for the purpose of squaring, extending or improving Assets of a permanent nature by means of which to carry on the business or for the purpose of increasing capacity of the business has been treated as capital expenditure.
- (c) Net Finance Income / Expenses**
Finance income comprises interest income on funds invested and staff loans, and changes in the fair value of financial assets at fair value through profit or loss. Interest income is recognised as it accrues in profit or loss, using the effective interest method.
Finance costs comprise interest expense on borrowings, changes in the fair value of financial assets at fair value through profit or loss, impairment losses recognised on financial assets, borrowing costs that are not directly attributable to the acquisition, construction or production of a qualifying asset are recognised in profit or loss using the effective interest method.

2.2.22 Related Party Transactions

Disclosure has been made in respect of the transactions in which one party has the ability to control or exercise significant influence over the financial and operating policies/decisions of the other, irrespective of whether a price is being charged or not.

Transactions with related entities

There are no any related entities of Sri Lanka Standards Institution.

2.2.23 Statement of Cash Flows

Statement of cash flows has been prepared using “Indirect Method”

2.2.24 Events after the Reporting Date

Events after the reporting date are events, favorable and unfavorable, that occur between the end of the reporting period and the date the financial statements were authorized for issue.

Those events have been considered and where necessary appropriate adjustments or disclosures have been made in the financial statements. There are no any events occurring after the reporting date that require adjustments to or disclosure in the Financial Statements.

2.2.25 Contingent Liabilities

Contingent Liabilities is a possible obligation that arise from past events and whose existence will confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity.

Relevant details are disclosed in the Note No. 26 to the Financial Statements

2.2.26 Responsibility for the Financial Statements

The Council of the SLSI is responsible for the preparation and fair presentation of these Financial Statements in accordance with Sri Lanka Accounting Standards. This responsibility includes: designing, implementing and maintaining internal controls relevant to the presentation of financial statements that are free from material misstatements, whether due to fraud or error, selecting and applying appropriate accounting policies and marking accounting estimates that are reasonable in the circumstances.

SRI LANKA STANDARDS INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS - 2014

NOTE 03 - PROPERTY, PLANT & EQUIPMENT

	Land	Buildings	Furniture & Fittings	Office Equipment	Laboratory & Technical Equipment	Laboratory Furniture	Bicycles	Motor Vehicles	Library Books	CD ROM	Total
	Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. Cts.	Rs. Cts.
Cost											
Balance as at 01 st January 2013	2,910,030.00	188,474,579.08	12,276,999.32	66,667,543.06	565,802,856.09	3,942,686.73	3,342.50	43,394,004.23	15,599,255.87	245,546.52	899,316,843.40
Additions (Sub Notes 3.1 - 3.5)	-	352,575.00	1,933,101.84	6,418,400.97	26,032,892.19	-	-	16,196,428.57	271,042.15	-	51,204,440.72
Disposals	-	-	-	-	-	-	-	-	-	-	-
Balance as at 01 st January 2014	2,910,030.00	188,827,154.08	14,210,101.16	73,085,944.03	591,835,748.28	3,942,686.73	3,342.50	59,590,432.80	15,870,298.02	245,546.52	950,521,284.12
Additions (Sub Notes 3.1 - 3.5)	537,089,970.00	293,422,845.92	1,173,676.11	8,352,530.60	25,015,853.91	-	-	271,103.57	159,267.58	-	865,485,247.69
Disposals	-	-	(129,059.00)	(854,988.00)	(184,000.00)	-	-	(3,444,391.52)	(52,833.85)	-	(4,665,272.37)
Balance as at 31 st December 2014	540,000,000.00	482,250,000.00	15,254,718.27	80,583,486.63	616,667,602.19	3,942,686.73	3,342.50	56,417,144.85	15,976,731.75	245,546.52	1,811,341,259.44
Accumulated Depreciation											
Balance as at 01 st January 2013	-	95,653,884.97	7,447,659.27	40,850,085.48	477,938,469.48	3,075,859.09	2,344.50	23,219,828.17	11,249,892.30	245,546.52	659,683,569.78
Charge for the Year	-	9,437,773.96	911,099.09	4,432,463.68	16,962,712.45	199,733.17	-	6,895,222.92	542,367.37	-	39,381,372.64
Dep for the Disposal	-	-	-	-	-	-	-	-	-	-	-
Balance as at 01 st January 2014	-	105,091,658.93	8,358,758.36	45,282,549.16	494,901,181.93	3,275,592.26	2,344.50	30,115,051.09	11,792,259.67	245,546.52	699,064,942.42
Charge for the Year	-	24,112,500.00	1,025,561.53	5,078,276.91	19,294,744.64	196,601.17	-	9,075,663.23	513,573.87	-	59,296,921.35
Other Reserve	-	(105,091,658.93)	-	-	-	-	-	-	-	-	(105,091,658.93)
Dep for the Disposal	-	-	(127,459.00)	(854,988.00)	(184,000.00)	-	-	(3,444,391.52)	-	-	(4,610,838.52)
Balance as at 31 st December 2014	-	24,112,500.00	9,256,860.89	49,505,838.07	514,011,926.57	3,472,193.43	2,344.50	35,746,322.80	12,305,833.54	245,546.52	648,659,366.32
Carrying Value As at											
01 st January 2013	2,910,030.00	92,820,694.11	4,829,340.05	25,817,457.58	87,864,386.61	866,827.64	998.00	20,174,176.06	4,349,363.57	-	239,633,273.62
31 st December 2013	2,910,030.00	83,735,495.15	5,851,342.80	27,803,394.87	96,934,566.35	667,094.47	998.00	29,475,381.71	4,078,038.35	-	251,456,341.70
31 st December 2014	540,000,000.00	458,137,500.00	5,997,857.38	31,077,648.56	102,655,675.62	470,493.30	998.00	20,670,822.05	3,670,898.21	-	1,162,681,893.12

SRI LANKA STANDARDS INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS - 2014

NOTE 04 - OTHER FINANCIAL ASSETS

As at	2014 Rs. Cts.	2013 Rs. Cts.
04.1 - Loans given to employees		
Balance at the beginning of the year	28,766,163.13	28,868,708.13
Loans granted during the year	39,530,700.00	17,379,520.00
Loans recovered during year	<u>(19,844,705.00)</u>	<u>(17,482,065.00)</u>
	48,452,158.13	28,766,163.13
Transfer to prepaid staff benefits	(7,589,452.47)	(3,143,736.58)
Balance at the end of the year	<u><u>40,862,705.66</u></u>	<u><u>25,622,426.55</u></u>
04.2 - Prepaid staff benefits		
	Rs. Cts.	Rs. Cts.
Balance at the beginning of the year	3,143,736.58	3,385,555.96
Additions during the year	7,743,095.31	2,510,766.65
Amortization	<u>(3,297,379.42)</u>	<u>(2,752,586.03)</u>
Balance at the end of the year	<u><u>7,589,452.47</u></u>	<u><u>3,143,736.58</u></u>
04-A - Non Current		
	Rs. Cts.	Rs. Cts.
Loans given to employees	24,780,986.43	12,781,657.82
Prepaid staff benefits	<u>4,240,677.52</u>	<u>1,148,447.51</u>
	<u><u>29,021,663.95</u></u>	<u><u>13,930,105.33</u></u>
04-B - Current		
	Rs. Cts.	Rs. Cts.
Loans given to employees	16,081,719.23	12,840,768.73
Prepaid staff benefits	<u>3,348,774.95</u>	<u>1,995,289.07</u>
	<u><u>19,430,494.18</u></u>	<u><u>14,836,057.80</u></u>
Total	<u><u>48,452,158.13</u></u>	<u><u>28,766,163.13</u></u>

The Institution provides loans to employees at concessionary rates. The fair value of the employee loans are determined by discounting expected future cash flows using market related rates for the similar loans. The difference between the cost and fair value of employee loans are recognized as prepaid staff benefits. The employee loans are classified as loans and receivables and subsequently measured at amortized cost.

The loans given to employees are secured and interest is charged at the following rates.

	Distress Loans	Bicycle Loans
Sri Lanka Standards Institution	4.2%	4.2%
Market Interest Rate	15%	15%

SRI LANKA STANDARDS INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS - 2014

As at	2014	2013
NOTE 05 - INVENTORIES		
	Rs. Cts.	Rs. Cts.
Tools & Implements	1,204,246.48	1,201,656.48
Stationery & Office Requisites	2,974,318.27	3,608,202.46
Lab Chemicals & Glassware	10,478,543.71	10,236,081.38
Unserviceable / Non Moving Stocks	939,801.78	382,247.09
	<u>15,596,910.24</u>	<u>15,428,187.41</u>

NOTE 06 - INVESTMENTS

	Rs. Cts.	Rs. Cts.
REPOS - BOC Borella	375,000,000.00	335,000,000.00
	<u>375,000,000.00</u>	<u>335,000,000.00</u>
Fixed Deposit- BOC Borella	2,160,000.00	

NOTE 07 - TRADE & OTHER RECEIVABLES

	Note	Rs. Cts.	Rs. Cts.
Debtors	07.1	34,856,785.28	36,273,897.55
Short Term Loans & Advances	07.2	5,083,461.22	5,117,428.66
Advances For Letters of Credit		101,416.47	127,073.25
Returned Cheques	07.3	497,092.56	648,706.73
Interest Receivables		1,026,382.00	1,079,580.24
Receivables for 50th Anniversary		1,067,567.35	
Mobilization Advance		9,766,809.60	
Sundry Deposits	07.4	59,623,759.00	3,673,759.00
GIZ-Vidatha/NQP		3,339,385.00	
Treasury Deposits		1,127,500.00	1,127,500.00
Treasury Surplus Fund Account		500,000.00	500,000.00
		<u>116,990,158.48</u>	<u>48,547,945.43</u>

NOTE 07.1- DEBTORS

Trade Debtors	34,387,116.47	35,917,115.70
Other Debtors		
APO	144,700.00	-
ISO	121,457.38	123,201.38
Ministry of Science & Technology	188,674.50	188,674.50
Consumer Affairs Authority	14,836.93	14,836.93
Commissioner of Election		13,714.04
Asiri Motors		16,355.00
	<u>34,856,785.28</u>	<u>36,273,897.55</u>

NOTE 07.2- SHORT TERM LOANS & ADVANCES

	Rs. Cts.	Rs. Cts.
Salary Advance Mr A Premaratne	750.00	
Vehicle Loans	-	-
Motor Cycle Loans	-	-
Festival Advances	207,450.99	191,250.99
Special Advances	8,845.95	11,845.95
Firm Order Advances	4,772,711.11	4,765,900.14
Advances for Local Purchases	82,200.00	83,410.00
Medical Insurance		27,860.38
Salary Abatement		
Death Donation		9,624.00
Welfare		27,537.20
Sundry	10,503.17	
Remittance to Bank	1,000.00	-
	<u>5,083,461.22</u>	<u>5,117,428.66</u>

NOTES TO THE FINANCIAL STATEMENTS - 2014

As at	2014	2013
NOTE 12- DEFERRED INCOME	Rs. Cts.	Rs. Cts.
Balance B/F	142,363,883.80	170,041,508.80
Amortization	(26,510,076.00)	(27,677,625.00)
Prior Year Adjustment for 2010	-	-
Balance C/F	115,853,807.80	142,363,883.80

An amount of Rs.26,510,076/- was credited to the Statement of Comprehensive to match the depreciation expenses incurred during the year which are relating to the acquired fixed assets by using Government Grant

NOTE 13 - EMPLOYEE BENEFITS

The amounts recognized in the statement of financial position are determined as follows:

	Rs. Cts.	Rs. Cts.
Balance at the beginning	73,989,491.00	65,909,173.75
Provision for the year	12,382,782.00	16,558,772.00
Payment made during the year	(9,882,742.00)	(8,478,454.75)
Liability in the Statement of Financial Position	76,489,531.00	73,989,491.00

An actuarial valuation of the retirement benefit obligation was carried out as at 31.12.2014 by the Actuarial Management Consultant (Pvt) Ltd.

The valuation method used by the actuaries to value the defined benefit obligation is the "Projected Unit Credit method recommended by the Sri Lanka Accounting Standard No. 19 "Employee Benefits"

The movement in the defined benefit obligation over the year is as follows:

13.1

	2014	2013
	Rs. Cts.	Rs. Cts.
Balance at the beginning of the year	73,989,491.00	65,909,173.75
Current service cost	6,659,054.00	3,173,415.00
Interest cost	3,478,057.00	5,931,826.00
Actuarial Loss /(Gain)	2,245,671.00	7,453,531.00
	86,372,273.00	82,467,945.75
Payments made during the year	(9,882,742.00)	(8,478,454.75)
Balance as at the end of the year	76,489,531.00	73,989,491.00

13.2

The amounts recognized in the statement of comprehensive income are as follows:

Current service cost	6,659,054.00	3,173,415.00
Interest cost	3,478,057.00	5,931,826.00
Total Included in the staff cost	10,137,111.00	9,105,241.00
Actuarial loss /(gain)	2,245,671.00	7,453,531.00
Total recognized in Statement of Comprehensive Income	12,382,782.00	16,558,772.00

The key assumptions used by the actuary are as follows.

	2014	2013
Financial Assumptions		
Rate of interest (net of tax)	9%	9%
Expected Salary Increment %	2%	3%
Demographic Assumptions		
Staff Turnover Factor %	0%	0%
Retirement age	60 Years	60 Years
The Institution will continue as a going concern.		

SRI LANKA STANDARDS INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS - 2014

As at		2014	2013
NOTE 14 - PAYABLES	Notes	Rs. Cts.	Rs. Cts.
Creditors	14.1	9,571,269.08	9,394,292.96
Retentions	14.2	4,193,157.77	1,532,674.34
Refundable Deposits	14.3	497,500.00	558,000.00
S M E Project		4,126,759.83	4,079,759.83
Security Deposits	14.4	38,253.18	45,262.72
Project from GMP with CDA		238,020.00	947,790.00
Ministry Funded Project		758,541.00	758,541.00
Economic Benefit of Standards Project		297,127.71	297,127.71
Over Recovery of Distress Loans			17,605.00
GIZ Certification Activities		1,400,000.00	
Income Received in Advance		17,425,376.50	2,272,543.00
		38,546,005.07	19,903,596.56
NOTE 14.1- CREDITORS		Rs. Cts.	Rs. Cts.
Trade Creditors		144,148.62	662,330.87
Salary Payables		50,956.00	82,479.65
Unclaimed Salaries			-
Unclaimed Gratuity			-
ETF		444,811.08	434,721.19
EPF		3,281,654.10	3,399,703.58
VAT Payable		4,372,199.23	2,901,165.03
Salary Abatement			
Medical Insurance		5,500.00	
Death Donation		2,880.00	
Workers Bank			-
Unions		10.00	34,564.00
Remittances to Bank			35,029.34
Welfare		6,464.40	19,381.11
PAYE Tax		889.00	8,294.50
Advances Received from Customers & Other Creditors			
NBRO			360.00
Alpha Industries			5,000.00
Central Industries			2,558.99
Kelani Cables			12,035.00
Sundry Debtors			18,156.76
Mr. L A P Silva			25,571.40
Mr. Iddawela			26,088.00
Unclaimed benefits -Mr I P Siripala		302,315.17	
National Science Foundation			527,986.00
Research Institute Ltd		899,000.00	899,000.00
Swedish Standard Institution		60,441.48	299,867.54
		9,571,269.08	9,394,292.96

SRI LANKA STANDARDS INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS - 2014

	2014	2013
NOTE 16 - REVENUE	Rs. Cts.	Rs. Cts.
Inspection fees - Import	166,999,820.98	141,498,192.00
Testing Fees	121,137,577.35	118,015,789.08
Calibration	18,816,912.44	19,967,424.47
Income from Certification Marking	99,154,270.06	104,636,573.22
Sale of Standards	12,505,624.45	13,546,580.15
Proceeds from Training Programmes	34,809,673.92	27,038,802.36
Fisheries Inspection	75,000.00	292,000.00
Institutional Membership Fees	36,464.29	39,150.00
Income from System Certification	58,028,502.53	45,265,004.50
National Quality Award	226,723.00	1,518,465.00
Income from Energy Labeling	1,448,852.94	3,488,516.32
Income from Std. Formulation	214,085.72	775,793.00
Bottled Water Registration	266,682.00	312,937.25
Income From Tea Certification	1,197,900.00	811,370.00
Sundry Income	1,101,514.73	1,658,063.26
	<u>516,019,604.41</u>	<u>478,864,660.61</u>
	Rs. Cts.	Rs. Cts.
NOTE 17 - PERSONNEL COST		
Salaries & Wages	186,432,963.18	181,096,305.95
Employee Provident Fund	22,278,714.99	19,613,342.80
Employee Trust Fund	4,493,814.49	3,922,668.48
Over Time	4,182,929.98	4,926,514.55
Special Allowances	1,500,284.03	487,997.25
Un-winding of Pre-paid Staff benefits	3,297,379.42	2,752,586.03
	<u>222,186,086.09</u>	<u>212,799,415.06</u>
	Rs. Cts.	Rs. Cts.
NOTE 18 - TRAVELLING EXPENSES		
Domestic	1,113,189.32	1,479,044.00
Foreign	7,844,553.27	10,106,248.04
Factory visits-Standard	3,925.00	3,650.00
Factory visits-Engineering	985.00	350.00
Factory visits-Quality Assurance	35,074.50	35,955.00
Factory visits-Product Certification	252,295.91	194,413.63
Factory visits-Tea Product Certification	66,985.00	32,485.00
Factory visits-Laboratory	18,500.00	10,175.00
Factory visits-Metrology	92,620.00	616,235.50
Surveillance visits	2,336,263.75	2,018,759.66
	<u>11,764,391.75</u>	<u>14,497,315.83</u>

SRI LANKA STANDARDS INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS - 2014

	2014	2013
NOTE 19- SUPPLIES & CONSUMABLES	Rs. Cts.	Rs. Cts.
Stationery & Office Requisites	4,295,306.72	3,807,690.25
Stationery for Computers	161,809.17	136,815.90
Newspapers & Gazettes	198,856.00	182,896.00
Uniforms to H/O Staff	4,407,106.50	4,283,986.00
Uniforms to Lab/Metrology Staff	151,118.29	428,982.55
Fuel Expenses	5,196,454.72	4,563,234.68
Computer Software & Consultancy	246,850.75	267,632.37
Purchase of Samples- Std/Eng	14,360.00	30,154.50
Purchase of Samples for CMS	106,831.50	257,579.00
Sampling Material (QA)	168,691.84	154,131.87
Sealing Material & Security Tags	123,299.60	69,240.40
Chemical, Gas & Glassware	7,298,996.27	6,872,304.37
Periodicals & Journals	215,314.59	43,259.82
Purchase of Standards for Sale	3,299,618.47	5,136,966.62
Tools & Implements	26,084.80	3,960.00
	<u>25,910,699.22</u>	<u>26,238,834.33</u>
NOTE 20- MAINTENANCE	Rs. Cts.	Rs. Cts.
Building-Head office	5,312,201.65	6,278,673.42
Building-Laboratory	3,542,238.10	2,940,882.32
Building-Metrology	196,170.33	78,214.00
Computers	6,238,091.20	5,028,698.04
Office Equipment & Furniture	1,648,058.42	2,486,623.91
Office Vehicles	3,046,314.73	4,556,429.25
Printing Machine	697,720.30	579,999.10
Lab Equipment-Lab division	2,446,673.50	390,729.62
Lab Equipment- Metrology division	127,523.25	178,846.83
	<u>23,254,991.48</u>	<u>22,519,096.49</u>
NOTE 21 - CONTRACTUAL SERVICES	Rs. Cts.	Rs. Cts.
Transport	14,429,109.73	13,311,397.63
Office Rent & Rates	3,130,999.00	1,499,825.49
Electricity	11,933,957.68	11,553,595.84
Insurance	714,590.82	781,376.21
Insurance-Vehicles	1,034,276.99	825,143.35
Water Expenses	1,368,464.62	1,217,791.95
Security Services	3,065,737.50	2,584,772.25
Telephone Charges	1,731,684.11	1,541,150.00
Audit fees	1,119,400.00	200,000.00
Legal fees	522,250.00	838,850.00
Postage & Telegram Services	958,501.18	817,644.32
	<u>40,008,971.63</u>	<u>35,171,547.04</u>

SRI LANKA STANDARDS INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS - 2014

	2014	2013
NOTE 22 - DEPRECIATION		
	Rs. Cts.	Rs. Cts.
Buildings	24,112,500.00	9,437,773.96
Office Furniture & Fittings	1,025,561.53	911,099.09
Office Equipment	5,078,276.91	4,432,463.68
Lab & Technical Equipment	19,294,744.64	16,962,712.45
Motor Vehicles	9,075,663.23	6,895,222.92
Library Books	513,573.87	542,367.37
Lab Furniture	196,601.17	199,733.17
	59,296,921.35	39,381,372.64
NOTE 23 - OTHER OPERATING EXPENSES		
	Rs. Cts.	Rs. Cts.
Employee Benefits - Provision for Gratuity	10,137,111.00	9,105,241.00
Staff Welfare	6,982,991.24	5,535,409.72
Medical Expenses	5,276,118.94	4,954,193.33
Advertisement	1,058,290.00	712,500.00
Payments to Council Members	731,532.00	546,945.90
Payments to Council Sub Committees	470,302.67	274,108.57
Seminars & Conferences	1,259,899.15	2,156,449.73
Professional Subscriptions	293,363.84	252,018.77
Medical Leave Incentives	9,947,124.59	10,321,328.30
Govt. Taxes (ESC/VAT/NBT/FSL)	1,691,848.62	1,790,754.71
Incentive Payments to Staff	19,097,219.11	12,059,771.95
Vacation & Casual Leave Incentive	2,943,806.21	2,444,911.93
Group Term Life Insurance	895,391.02	997,999.24
Circulation of Draft Standards - Std	562,960.00	437,800.00
Circulation of Draft Standards - Eng	500,300.00	526,100.00
Working Group Sectorial Committee Exp - Std	177,678.22	122,316.00
Working Group Sectorial Committee Exp - Eng	87,724.50	70,406.00
Honoraria - Working Group & Sectorial Com. Members		
- Std	474,000.00	427,462.00
- Eng	914,886.60	924,000.00
Standards Developments- Std	15,549.29	192,348.41
Standards Developments- Eng	18,987.16	26,135.46
Permit Committee Expenses	189,216.35	94,575.00
Testing fees- Quality Assurance	119,051.51	196,195.30
Testing fees- Laboratory	95,507.20	114,324.70
Testing fees- Std	1,029,622.44	161,696.43
Testing fees- Product Certification		13,785.63
Certification Marking Expenses	803.00	-
Payments to Technical Experts	2,500.00	46,000.00
Accreditation Fees - System Certification	3,554,175.48	4,796,739.01
Accreditation Fees - Laboratory	1,087,974.10	1,003,981.41
Accreditation Fees - Tea Product Certification	236,734.68	54,800.00
Accreditation Fees - Metrology	71,376.94	153,313.33
Assessor Registration	52,297.79	55,556.92
Quality System Certification Expenses	164,580.00	93,321.00
Training Programmes	7,197,845.68	5,633,974.28
Lecture Fees	1,277,000.00	1,438,625.00
Sundry Expenses -H/O	693,598.98	838,381.65
Sundry Expenses -Lab	466,345.54	227,292.91
Sundry Expenses -Metrology	75,129.93	122,104.97
Sundry Expenses - Documentation & Information	27,875.12	38,817.69
Sundry Expenses - Product Certification	77,007.37	151,918.43
Sundry Expenses - Quality Assurance	37,437.48	183,890.49
Surveys & Pilot Projects	5,548.80	
Lab Workshop Expenses	68,856.64	116,617.15
Calibration of Equipment	2,027,879.72	656,514.42
Membership fees to Standard Bodies	7,136,445.70	6,748,150.51
Translation of Standards, Reports etc	52,654.50	23,460.00
National Quality Awards	1,239,975.82	6,048,478.86
Consumer Education	5,591.00	-
Standards Promotions	15,025.00	40,000.00
Publicity - Marketing & Promotion	6,682,331.41	2,119,327.93
Publicity - Quality Assurance	32,143.59	-
Publicity - Documentation & Information	137,040.00	-
Publicity - Product Certification	1,188,058.47	9,500.00
Publicity - System Certification	214,544.88	199,589.73
Tea Product Certification Expenses	11,423.93	-
Losses & Write off (Note 23.1)	-	621,496.49
	98,810,683.21	85,880,630.26

SRI LANKA STANDARDS INSTITUTION

NOTES TO THE FINANCIAL STATEMENTS - 2014

As at

2014

2013

NOTE 23.1 - LOSSES AND WRITE OFF

	Rs. Cts.	Rs. Cts.
Disposal of Unserviceable Chemical & Glassware		39,644.63
Outstanding Vehicle Loans		-
Outstanding Motor Cycle Loans		-
Outstanding Distress Loan balances		3,478.00
Outstanding Balance in Kollupitiya Cash Accounts		-
GST Payable		113,371.47
Fabrication of Lab Testing Equipment		115,253.25
Disposal Non Moving Stock Items		349,749.14
	<u>-</u>	<u>621,496.49</u>

NOTE 24 - NET FINANCIAL INCOME / (EXPENSES)

	Rs. Cts.	Rs. Cts.
Financial Income		
Interest Income	24,364,746.89	23,883,694.53
Stock Surpluses	4,369.88	32,576.07
Un-winding of Pre-paid Staff benefits	3,297,379.42	2,752,586.03
	<u>27,666,496.19</u>	<u>26,668,856.63</u>
Financial Expenses		
Bank Charges	178,450.00	151,861.00
Stock Shortages	1,683.45	5,557.41
	<u>180,133.45</u>	<u>157,418.41</u>
	<u>27,486,362.74</u>	<u>26,511,438.22</u>

NOTE 25 - GAIN / (LOSS) ON DISPOSAL OF PROPERTY, PLANT & EQUIPMENT

	Rs. Cts.	Rs. Cts.
Cost of the Assets	4,665,272.37	-
Less: Acc. depreciation	4,610,838.52	-
Written down value	54,433.85	-
Sales proceed received	2,140,813.85	-
Gain/(Loss) on disposal	<u>2,086,380.00</u>	<u>-</u>

NOTE 26 - CONTINGENT LIABILITIES

Contingent liability is a possible obligation that arises from past events and whose existence will confirm only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the entity.

SLSI has a contingent liability regarding legal case filed by Mr.K.V.R.Gunawardhana, an employee of the SLSI in the Provincial High Court under case number HCA LT-87-202012.



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கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



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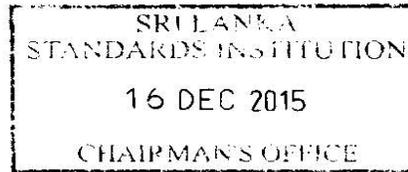
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Date }

31 August 2015

The Chairman.

Sri Lanka Standards Institution



Report of the Auditor General on the Financial Statements of the Sri Lanka Standards Institution 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 Standards Institution for the year ended 31 December 2014 comprising the Statement of financial position as at 31 December 2014 and the comprehensive statement of income, statement of changes in funds and the 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 37(3) of Sri Lanka Standards Institution Act, No. 06 of 1984. My comments and observations which I consider should be published with the Annual Report of the Institution 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 Institute on 29 May 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 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International 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 assessments of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Institution'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 Institution'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 the financial statements. Sub-sections (3) and (4) of the 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

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



2. Financial Statements

2.1 Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 2.2 of this report, the financial statements give a true and fair view of the financial position of the Sri Lanka Standards Institution as at 31 December 2014 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

2.2 Comments on Financial Statements

2.2.1 Sri Lanka Accounting Standards

The following non-compliances with Sri Lanka Accounting Standards were observed.

- (a) According to Sri Lanka Accounting Standard 01, revenue, expenses and assets and liabilities should be brought to account without being set off except for a particular instance. Nevertheless, the revenue had been brought to account after deducting expenses in posting revenue, in the statement of comprehensive income.
- (b) Even though the effective lifespan of the asset should be taken into consideration for the determination of the percentage of depreciation according to the Sri Lanka Accounting Standard 16, it had not been so taken into consideration in depreciating the computers and accessories of the Institution. Computers and accessories had been classified under the office equipment and rate of depreciation thereof was 10 per cent. The value of computers and accessories purchased only from the year 2012 to the year 2014 amounted to Rs.15,539,897.
- (c) Even though the cash flow statement should be prepared so as to reflect the cash inflow and cash outflow during the year according to the Sri Lanka Accounting Standard 07, the following weaknesses were observed in the cash flow statement prepared.



2.4 Non-compliances with Laws, Rules, Regulations and Management Decisions

Non-compliances with the following laws, rules, regulations and management decisions were observed.

Reference to Laws, Rules, Regulations and Management Decisions

Non-compliance

- | | |
|--|--|
| (a) Circular No. 2001/03 of 02 July 2001 of the Ministry of Finance and Planning | Even though reports on the training should be submitted within 02 weeks from the date of return to the island on the completion of the training by officers who proceed abroad, two officers proceeded abroad had not taken action to submit those reports. |
| (b) Paragraph 3 of Chapter XV of the Establishments Code of the Democratic Socialist Republic of Sri Lanka | An officer on probation should not be sent abroad for study or training except to obtain a qualification required for the confirmation in terms of his appointment. Contrary to that, an Assistant Directress who was not confirmed in the service had been made to participate in a foreign conference. |
| (c) Public Finance Circular No.353 (5) of 31 August 2004. | In obtaining hired motor vehicles, the payments should be made within the monthly limit of Rs.40,000. Nevertheless, a sum of Rs.2,890,403 had been paid exceeding that limit to 04 vans of the Institution in the year under review. |



3. Financial Review

3.1 Financial Results

According to the Financial Statements presented, the operation of the Institution for the year ended 31 December 2014 had resulted in a surplus of Rs.91,394,529 as compared with the corresponding surplus of Rs.96,751,550 for the preceding year, thus indicating a deterioration of Rs.5,357,021 in the financial results of the year under review. Increase in the operating expenditure by Rs.44,744,533 had mainly attributed to this deterioration.

3.2 Analytical Financial Review

According to the statement of financial position presented, the working capital ratios of the Institution are given below.

Ratio	Year 2014	Year 2013
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Current	8:4	13:9
Quick Assets	8:2	13:5

Out of the current assets, 70 per cent represented the investments made in the Repurchase Market due for maturity in March and May 2015. A large amount of funds of the Institution had been retained in the liquid assets.

4. Operating Review

4.1 Performance

In the comparison of the Action Plan with the performance of the Sri Lanka Standards Institution during the period from January to December 2014, the matters observed are given below.



- (a) Action had not been taken even in the year under review to obtain the ISO-9001 Standards Certificate to the Institution.
- (b) Even though the Sri Lanka Standards Institution together with the Tea Board had intended to issue Sri Lanka Standards Certificates (SLS) for tea and 12 certificates for packing institutions under an estimated expenditure of Rs.1.2 million, not even one certificate had been issued.
- (c) Even though it had been planned to hold 80 trainings for the entire staff and 110 individual trainings of the Institution under an estimated expenditure of Rs.12.5 million, only 30 trainings for the staff and 57 individual trainings had been conducted.

4.2 Management Inefficiencies

The following observations are made.

(a) **GIZ Project for the Development of Small and Medium Scale Industrialists**

The Sri Lanka Standards Institution together with the Federal Republic of German had commenced 2 projects for the development of small and medium scale industrialists. Even though all foreign aid received to the State Corporations should be forwarded through the Ministry in Charge of the Corporation according to Financial Regulation 623, an amount totalling Rs.7,969,250 had been credited directly to the account of the Institution.

(i) **Project with the Agreement No. FA 83180813 -2014**

- Even though the Draft National Quality Policy of this project of which the main objective was the preparation of National Quality Policy, had been prepared, out of the project amount of Rs.11,538,500, a sum of Rs.4,969,250 could not be obtained as at 31 December of the year under review due to failure in declaration of the Quality Policy and submission of accounting reports.



- A sum of Rs.4,320,000 had been obtained as the 5th activity of this project for 54 exhibition stalls of products of small and medium scale industrialists of the exhibition held for the golden jubilee of the Institution and particulars in respect of small and medium scale industrialists actually arrived had not been presented to audit.

(ii) Project with the Agreement No. FA 83166673 -2014

- The objective of this project is the issue of Standards System Certification to improve the quality of products of the small and medium scale industrialists in North, East and Uva Provinces. However, the activities which should be performed under this project as at 31 December 2014 had not been completed and as a result, a sum of Rs.3,500,000 receivable on that date could not be obtained.

(b) Testing of Imported Cement

- (i) According to the Sri Lanka Standards Specifications 107:2008, 12,060,000 kg of cement imported under two trade names by two private institutions, which did not conform to the prescribed compressive strength specifications that is, the compressive strength class was not in the range of 42.5 to 62.5, had been released to the market.
- (ii) Permits of two trade names which did not conform to the relevant standards had been extended to 06 months and one year.
- (iii) According to paragraph 5.1(h) of the Sri Lanka Standards Specification 107:2008 applicable to cement, the lifespan of cement should be mentioned on the package. Accordingly, approximately 90 days had been taken to mention and approve as “cement stock can be released” on the package containing 336,500 kg of cement in which the validity period was marked as 90 days from the date of packing by the manufacturer.



- (iv) It was observed that 13,944,000 kg of cement imported by the Attock Cement Company in the years 2013 and 2014 had been released to the market before receiving the test reports.

(c) Testing of Imported Canned Fish

- (i) According to the Sri Lanka Standard 591-1982, all the imported stocks of unregistered manufacturers should be tested compulsorily by all testing methods (visibly, chemically, physically, microbiologically and hygienically). Nevertheless, only random tests had been carried out for the 3rd, 4th and 5th stocks according to the instruction leaflet No. GL-11-04-01-12 introduced on 24 October 2011 and 472,862 kg had been released to the market during the year 2014.
- (ii) There were instances where the officers who obtained samples for tests had themselves acted as members of the same testing committee as well.

(d) Testing of Imported Noodles

- (i) Stocks had been released from November 2012 to July 2014 without testing all requirements according to Section 5:3:3 of the Sri Lanka Standard 420:1989.
- (ii) Even though testing of peroxide level of instant noodles was one of the essential parameters, the Management had not taken action to make manufacturers aware of it.

(e) Testing of Imported Electric Lamps

- (i) Action had not been taken to obtain test reports of 220 samples which were sent to external institutions in the years 2011 and 2012 to check whether the fluorescent bulbs imported to Sri Lanka are in conformity with Part 1 and 11 of Sri Lanka Standard 1231:2002, to the Institution even by January 2015, the date of audit. As such, importers were unable to release stocks.
- (ii) Action had been taken to release the stocks of 234,640 kg of imported florescent electric lamps valued at US\$ 2,951,574 without fulfilling the requirements of Harmonic Current Limits and SDCM Value cited in Sri Lanka Standard 1231:2002.

(f) Testing of Imported Gas Cylinders

- (i) The gas cylinders imported to Sri Lanka should be in conformity with Sri Lanka Standard 1178:2013 and a portable X-ray equipment had been purchased in the year 2013 to carry out the radiation test of those gas cylinders. However, that equipment could not be operated due to failure in arranging the environment required to operate (a room with facilities to prevent the leakage of radiation, alarm equipment, anti-radiation protection covers) and purchasing 3 sub units at an estimated value of Rs.6,102,000 up to September 2014, the date of audit.
- (ii) A number of 543,966 gas cylinders had been imported in 43 instances by two importers during a period of one year from 21 June 2013 to 25 July 2014 and the X-ray test for those gas cylinders had been carried out only in 5 instances. Out of those 5 tests, 2 had failed.



- (iii) X-ray tests for gas cylinders should be carried out in renewing the permit of the manufacturer of gas cylinders and 11 X-ray tests had been carried out for a period 03 years from the year 2010 to year 2013. Out of that, 03 reports had failed and 2 had not been received even by the date of audit. Under that circumstance, permits had been renewed.

(g) Management System Test on Food Safety

Even though the certificate holder is liable to pay charges for every year for the certified period of 2009-2013 in terms of paragraph 06 of the Standards Management Systems Agreement, payments totalling Rs.626,668 had been defaulted by 06 institutions.

4.3 Idle and Underutilized Assets

The following observations are made.

- (a) The following matters were observed during the test check carried out in respect of the stationery stores belonging to the Institution.
 - (i) Twenty stock items valued at Rs.238,301 older than 10 years had remained in the stores without being issued.
 - (ii) A space approximately 50 per cent of the entire premises of the stores had been utilized for storing samples received from time to time for test check of the Institution not belonging to the stores and goods owned by the Religious Society and Welfare Society of the Institution.
- (b) The following matters were observed during the physical verification of chemical and glassware stores.
 - (i) A quantity of 749 items valued at Rs.1,695,654 had remained in the chemical stores since 10 years without being utilized.



(ii) It was observed during the physical verification of chemical stores on 12 September 2014 that a large quantity of expired chemicals had been stored in the shelves of the stores. The dates of expiry had not been mentioned on most chemicals and as such, they could not be observed in audit.

4.4 Transactions of Contentious Nature

The following observations are made.

- (a) There were instances where the expired chemicals had been issued for testing activities of the Standards Institution. The accuracy of the results obtained from such tests was problematic.
- (b) Gold sovereigns totalling Rs.7,374,906 and gift vouchers as well valued at Rs.47,500 at a rate of Rs.5,000 and Rs.2,500 had been granted to 227 officers who serve in the Institution based on their service period for the 50th Anniversary of the Institution without an approval of the Treasury.

4.5 Deficiencies in Contract Administration

An engineering estimate at a value of Rs.96,062,608 (including VAT) had been submitted for the construction of the 8th floor of the Sri Lanka Standards Institution. The following observations are made thereon.

- (a) The development permit obtained on 27 August 2012 for constructions from Colombo Municipal Council had expired on 27 August 2014. Moreover, the date of completion of constructions had been 13 July 2015 and the permit had not been renewed for the year 2014/2015.



(b) Calling Quotations and Awarding Bids

(i) Quotations of a private company by which the minimum quotation was submitted, had been rejected in evaluation of bids due to a arithmetical error of Rs.13,813,211 in those quotations. However, according to the ICTAD Classification, this contractor had belonged to the C-1 category which is the highest Grade for constructions and it had been rejected without written inquiring from the relevant company in respect of the above error.

(ii) The contract had been awarded to a value of Rs.74,109,282 for the company by which the second minimum quotation had been submitted and submission of photocopies relating to the value of Rs.7,293,680 and deletion of page numbers of the Bill of Quantity of the contractor had been made and this contractor was a level C 3 contractor.

(iii) Quotations of the selected contractor had been received on 26 November 2013. Further, in examination of the Bill of Quantity of the second copy which was not opened, of the bidding document submitted by the bidder, it had been confirmed in audit that Bills of Quantity valued at Rs.2,069,150 among those quotations had been obtained by Fax on 25 November 2013 which was the day before receiving the bidding document.

(c) The State Engineering Corporation had been selected for consultancy services of these constructions on 10 October 2010 and it had been agreed to pay a charge of 8 per cent representing Rs.7,685,000 of the contract cost for activities carried out from the process of creating models up to constructions and maintenance stage. A sum of Rs.5,476,049 had been paid by 31 March 2015 and in addition, another Project Manager had been recruited, subject to the payment of Rs.125,000 per month from 31 March 2014 and a maximum of 20 inspections and a sum of Rs.155,000 had been paid as at 31 March 2015.



(d) According to the Letter of awarding the contract of constructions issued on 30 June 2014, the date of commencement of constructions was 14 July 2014. Nevertheless, signing the agreements had been delayed for 2 months from 25 September 2014.

4.6 Personnel Administration

Fifty one vacancies in the staff of the Institution existed as at 31 December 2014 and out of that, 4 vacancies in the post of Management Assistant (Non-technology) existed. Seven persons had been recruited for the posts of Management Assistant on contract basis in the year under review.

5. Accountability and Good Governance

5.1 Procurement Plan

According to the Procurement Plan for the year under review, action had not been taken even by May 2015 to purchase 25 laboratory equipment at an estimated value of Rs.94.4 million.

5.2 Deviation from the Procurement Guidelines

A Horizontal Thermocouple Calibration Machine valued at Rs.4,229,715 for standards calibration activities and a portable X-ray equipment valued at Rs.11,993,960 for radiation testing of gas cylinders of the Mithi Laboratory had been purchased and the following non-compliances with the Procurement Guidelines had been observed in the procurement process.



- (a) According to Guideline 5.4.10, a performance security of 10 per cent of the contract value should be submitted and it should be valid till 28 days after providing goods. However, a performance security had not been submitted for the calibration machine.
- (b) According to Guideline 8.9.1, a formal agreement should be written and signed after the acceptance of the bid. However, the Institution had not taken action to sign such an agreement.
- (c) According to Guidelines 5.4.13 (a), provisions had not been made in the contract mentioning the basis for computation of liquidated damages, subject to a maximum, for delays in the delivery of goods and delay charges had not been recovered for the period of delay of receiving and fixing of goods.

5.3 Budgetary Control

Variations ranging from 10 per cent to 91 per cent were observed between the estimated and the actual income and expenditure of the budget for the year under review, thus indicating that the budget had not been made use of as an effective instrument of management control.

6. Systems and Controls

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

- (a) Debtors Control
- (b) Standards Testing of Imported Goods
- (c) Stock Control
- (d) Contract Administration

W.P.C. Wickramaratne
Acting Auditor General

CHAIRMAN'S COMMENTS ON THE REPORT OF THE AUDITOR GENERAL ON THE ACCOUNTS OF THE SRI LANKA STANDARDS INSTITUTION FOR THE YEAR ENDED 31 DECEMBER 2014 IN TERMS OF SECTION 14 (2) (C) OF THE FINANCE ACT NO. 38 OF 1971

2. Financial Statements

2.2 Comments on the Financial Statements

2.2.1 Sri Lanka Accounting Standards

(a) SLAS - 01

Income and Expenditure of the SLSI are accounted separately in terms of SLFRS 01 except for the specific issues.

Since the inception of the SLSI, it is a practice that certain direct expenses relating to the Product Certification audits, System Certification audits, Laboratory testing and Calibration etc are calculated and recovered from respective clients along with the fees and these expenses are directly credited to the relevant income accounts which contains the such portion of the reimbursable expenses. Some of these expenses are outside Lab testing charges, charges for week end testing work, airfare and incidental expenses for foreign audits.

Therefore, this is not a setting-off of the income against the expenditure but only a recovery of expenditure and as such accounting system is maintained correctly.

(b) SLAS -16

According to the past experience, computers and its accessories are used approximately for a period of 08-10 years. However, as per the approval of the Council action has already been taken to depreciate these items at the rate of 20% with effect from 2015/01/01 considering the changes in new technology.

(c) SLAS - 07

(i) & (ii)

Noted in order to rectify in the annual accounts for the year 2015 with comparative information.

2.3 Accounts Receivables and Payables

(a) Receivables – LKR 1,627,500/00

Treasury Deposits – LKR 1,127,500/00

Deposit A/C No. 6000/0/0/4/0/36

Treasury Surplus Fund – LKR 500,000/00

Deposit A/C No. - 6000/0/7/0/1

Department of State Accounts has confirmed the appearance of the above two balances in their records to Auditor General on 2013/04/02 as per their letter bearing No. SA/AS/MS/5/3.

However, action is being taken to clear these balances from the accounts. A fresh letter bearing No. SLSI/FI/FI/C/18 dated 2015/09/15 has been submitted to the Director General of Department of State Accounts asking them either to settle the said balances or sought advises regarding the action to be taken in order to clear these from the accounts of SLSI.

Payables

S.M.E Project - LKR 4,126,759/00

This is the balance remaining of the fund received for SME Project as at 31/12/2014.

This project was due to be completed at the end of the year 2010 but due to the reasons beyond the control of SLSI, for instance relevant improvement to be done by the respective companies to proceed in granting Quality Certificates but the companies progress were not as expected. Therefore, the approval for an extension has been requested from the Treasury to complete the project. The approval is still pending. Once the approval is received, the project can be re-commenced. Until such time the funds has been deposited in the Treasury Bonds along with the other investments of the Institution. Therefore the closing of this account is not at our end as without a decision from treasury SLSI cannot do anything. However, SLSI has decided to personally visit the treasury officials and to meet and discuss this matter.

Economics Benefit of Standards Project – LKR 297,541/00

As per the Final Accounts the balance of the above project as at 2014/12/31 was LKR 297,127/71. Out of that a sum of LKR 118,340/00 has been spent so far during the year 2015. (Please refer the J/E No. G 15071 dated 2015/07/30). Therefore, the current balance of the project is LKR 178,787/71.

This project has not yet been completed. Once the project is completed the action will be taken to clear the remaining balance.

(b) Debtors as at 2014/12/31

Balance of the debtors Outstanding between 02 - 05 years

A sum of LKR 12,797,426/00 had been recovered/settled during the year 2015 up to 2015/06/30. Legal action has been initiated to recover the remaining outstanding trade debts.

Over 05 years

A sum of LKR 304,401/00 had been recovered/settled during the year 2015 up to 2015/06/30. Here also legal action has been initiated to recover the remaining outstanding trade debts.

(c) Short Term Loans and Advances – LKR 219,460/=

(i) Outstanding for more than one year – LKR 219,460/=

(A) Fashion Disk Advertising – LKR 187,500/=

This job has not yet been completed and once it is completed only that arrangements an be made to settle the advance.

(B) Broach & Garner (Pvt) Ltd – LKR 10,010/= (Printing of Stickers for vehicles)

(C) Priyanthi Motor Stores – LKR 21,950/= (Spare Parts for Vehicle No. PB 7518)

Action has been taken to settle the above two advances early.

(ii) Firm Order Advances – LKR 1,340,410/=

Out of the above balance a sum of LKR 705,810/= has been settled up to 2015/09/22. Action is also being taken to settle the remaining balance of LKR 634,600/= soon.

(d) Unidentified Credit Balances – LKR 1,060,447/=

Out of the above sum, a balance of LKR 638,327/12 has been reconciled up to now. Approval has been requested from the Council to clear the remaining un reconciled balance of LKR 422,119/88.

2.4 Non-Compliance with Laws, Rules, Regulations and Management Decisions

(a) Ministry of Finance and Plan Implementation circular bearing No. M/N/GA/2001/03 dated 2001/07/02.

The (02) two officers referred in the audit report have now been submitted their reports.

After observing delays in submitting reports for foreign training obtained, Institution has assigned this task to Deputy Director's General to follow it and therefore such delays would not be occurred in the future as the follow up actions are carried out.

(b) Section 3 of the paragraph XV of the Establishment Code of the Democratic Socialist Republic of Sri Lanka.

The said Assistant Director has been deployed to proceed with the accreditation activities of the SLSI.

She has a number of years experience on this, subject when she was attached to Industrial Training Institute. Moreover, there was no other officer was available to take over the subject at that time due to the challenging nature of this project and it was an issue to SLSI as SLSI labs are accredited. Since the programme is on Accreditation, it has add value to her and to the Institution to Strengthen the lab Accreditation programme. Because of this training she has done lot of developments to the Accreditation activities of the Institution and that itself indicates the selection was correct and proper because the after return the contribution of the employee is essential for the development of Institution activities.

Considering those she was given this training and the necessary approvals from the Ministry of Technology & Research and the Governing Council of SLSI had been obtained in this regard.

(c) Public Finance Circular No. 353 (5) dated 2004/08/31.

It is essential to obtain transport facilities for Institute's day to day income earning activities, for instance under compulsory Import Inspection Scheme to conduct inspections & obtaining of samples, SLS Audits, System Audits, Standards Formulation related visits. To meet these day to day transport needs the vehicle fleet owned by SLSI is really inadequate and to fill the vacuum of needs after having thorough analysis (04) four vehicles have been hired on monthly basis as to provide our services at satisfactory manner.

SLSI is maintained its activities using its generated income whilst competing with other Institutions (private/public) and therefore it is very necessary to ensure that clients are received our services on time without any interruptions.

As such hired vehicles are used for very essential needs but it is inevitable to maintain below the level of LKR 40,000/= a month due to heavy workload. Please also note that a certain portion of these expenses are reimbursed from the respective clients and therefore it is incorrect to state that the total spent amount during the year 2014 was LKR 2,890,403/=

Moreover, on 2011/10/21 the approval in this regard had been requested from the treasury but despite several verbal inquiries it is still pending. SLSI is of the view that without obtaining this service the whole income will get affected and the Industry and Trade will make many complaints about the delay of services especially with regard to the delivery of mandatory services as now also they are making issues even with the providing of our service with the support of this additional transport service.

However, action is being taken to submit a fresh approval to go beyond the limit.

3. Finance Review

3.1 Financial Results

Surplus for the year 2014 had been decreased by LKR 5,357,021/00 as compared to the previous year (2013) which was mainly due to the increase of operating expenses by LKR 44,744,533/00 during the year 2014.

However, Non current Assets as at 31/12/2014 had been increased by LKR 942,913,754/00 during the year under review as compared to the same figure as at 31/12/2013. This was mainly due to revaluation of property (Land & Building)

Current Assets as at 31/12/2014 had been increased by LKR 88,994,614 as compared to the same figure as 31/12/2013.

These results indicate that the Institution has been maintained a positive growth during the year 2014 as in the previous four years.

Moreover, the operating income had been increased by LKR 38,054,944 during the year 2014.

Furthermore, the Recurrent and Capital grants had not been obtained from the Treasury during the past four years 2011, 2012, 2013 & 2014.

Therefore, it is evident that the Institution has now been attained the self-sufficient status.

3.2. Analysis of Financial Review

Analysis of Working Capital Ratio s are as follows.

<u>Ratio</u>	<u>2014</u>	<u>2013</u>
Current	8:4	13:9
Quick Asset	8:2	13:5

With the approval of the Treasury, the excess money available in the bank account is invested in REPOs as short term deposits and disclosed in the Financial Statements under Current Assets.

Please note that the Treasury has not granted approval to SLSI to deposit the excess money in long term investments. Therefore a high liquidity ratio is reflected.

The above two ratios clearly indicate the strength of the liquidity position of the Institution. The investments in REPOs represents 69.9% portion of the current assets and the same had earned a sum of LKR 22,828,005 during the year under review.

Institution intends to further increase the investments out of its day to day operations whilst investing of funds needed to plan infrastructure development including the newly acquired land in the near future.

One such plan is now being implemented which is the construction of 08th floor of the Institute's owned building with a view to find extra space hardly needed at present, using the invested funds.

Operational Review

Physical Performances

Obtaining of ISO 9001 Certificate

All the divisions were informed of obtaining ISO 9001 quality Certificate and all the operational procedures, work procedures and preparation of other related records relevant to their divisions. Such works have been almost completed.

However, it was decided by the management Committee after having discussions not to proceed in obtaining ISO 9001 certification status as it incur an additional funding requirement to SLSI. Therefore to use the operational procedures, work procedures developed as per ISO 9001 requirements in performing Institutional activities as it would help to streamline the Institution work.

SLSI/SLTB Tea Product Certification

It has been decided at a meeting of the Sri Lanka Tea Product Certification (STPCC) that tea product certification to be implemented after completing of tea factory activities at least up to two star mark of the Ceylon Quality Certificate (CQC).

Therefore, SLSI/SLTB Tea Certification project has been temporary become a standstill till such work is completed, at the tea factories.

(c) Staff Training

Though planned, implementation of staff training should be done only after;

- Perusal of actual needs of training
- Identification of staff
- Identification of training Institution and resources
- Identification return form the staff after training.

In order to maintain efficiency & effectiveness of training.

Therefore, at the year end there will be deviations as far as the training Plan is concerned and it is inevitable, as the training has to be provided based on the needs of the Institution.

4.2 Management Inefficiencies

(a) Development of Small & Medium Entrepreneurs - GIZ Project

This project was started under the bilateral memorandum of understanding between Sri Lanka and Germany and the SLSI was informed by the Ministry of Technology and Research to participate the meetings conducted by Ministry regarding this project. After conducting several meetings the project proposals were requested and the proposal submitted were accepted by the Ministry and referred the same to the GIZ.

This is totally a Ministry got project, where not only SLSI all other relevant Institutions having a relationship related to the project were participated in all discussions with GIZ and then materialize the work. The Project proposals were reviewed by GIZ and approved depending on the Importance and SLSI was also informed that GIZ was in agreement to fund for SLSI proposal. Therefore requested to enter into an agreement. SLSI at that instance, informed the Secretary of the Ministry as advised during the discussions held at the Ministry. Ministry instructed the relevant Institutions to proceed individually after informing them about the signing of agreements, as the projects have to be handled by the Institution providing the progress at the Monthly progress review meetings.

Therefore SLSI **has no role to play in obtaining approval from** the Treasury as the total project was **handled** by the Ministry and one small component of that was given to the SLSI considering the relevancy of SLSI activities.

Therefore every progress meeting held on monthly basis at the Ministry, Chaired by the Hon. Minister and attended by the Secretary and all heads of Institutions had to provide the status of the progress with regard to the project that they handled under this main project. These were reviewed and possible recommendations were given by the Hon. Minister and the Secretary.

Therefore it is pertinent to mention that the relevant approvals for the project may be obtained by the Ministry from the treasury. As only one project component was handled by the SLSI from the total project with the blessings of the Ministry, SLSI firmly believes that the necessary approvals were available for this project.

Obtaining of funds of the project

Since the full authority to manage the projects were given to the relevant Institution, the Ministry instructed to handle the funds related to the relevant project with the relevant Institution directly. In view of that, the funds for this project was managed by SLSI and credited and maintain such funds in a very transparent manner at the Bank of Ceylon Account No.193675.

(i) Agreement No. FA-83183813 - 2014 – Small and Medium Scale Projects

- Most of the correspondences have already been submitted to GIZ in order to obtain first and second interim payments which are LKR 3,461,550/00 and LKR 2,307,700/00 respectively. Therefore, there was no issue in receiving such funds. The “Quality Policy” document had to be reviewed several times with different stakeholders in view of its importance and therefore SLSI was not able to meet the given deadline. However, the final document has now been completed and will submit to the GIZ to claim the balance funds.
- **Activity 05: Organizing of Vidatha Pavilion for small and medium scale entrepreneurs**

GIZ has taken the entire C area of the Exhibition to show case the SME products and Services, as they informed that the relevant entrepreneurs are selected by them giving due consideration to Northern and Eastern Area. The list of entrepreneurs selected by them was sent to SLSI and a copy of that list is appended below as evidence. Therefore the non-availability of the list of SME entrepreneurs quoted in the query was incorrect. Furthermore, the designing and all other connected work related to the entire C area was handled by the GIZ. The entire C area was converted to a Vidatha Pavilion by GIZ attending to all required work.

List of Participants for the VIDATHA PAVILION During the Exhibition at BMICH -DECEMBER – 2014

Mr. A Kohilathevy	Kobithan Garments
Mr. M Muththukkumar	Organic Farming
Ms. V Vijayamanchula	Sivasakthy Garments
Ms. A Thayalini	Candle Production
Ms. L Thamilchelvi	Batik making and Tailoring
Ms. M Sarathathevy	Saratha Tailoring
Mr. M Sugenthan	Body Fitness Centre
Ms. T Mythili	Mythily Garments
Mr. K Mayooran	Mayooran Shop
Ms. S Thivyandini	Thirumakal Mixture
Ms. B Thillainayaki	Vertinary Pharmacy
Mr. S Yasikanth	Yasikanth Sea Shell Products
Mr. P Raman	YBSL Staff
Sisira sweets	Mrs.P R Subashini Jayantha
Sashi Products	Mrs. M A Ashoka Sriyani
Kawshlya Products	Mrs. A Nelum kanthi
Raji Farm Production	Mrs. Rajeshwary
Hawk Baker's Shop	Mr. Krishnakumar
Sweet Production	Mrs. D Renuka Nishanthini
Mala Products	Mrs. R. Saraswathy
Vismitha Products	Ms. A G D Kumari Godaliyadda
Maysland Hotel Trinco (P) Ltd	Mr. K Rajeshwaran
Shorts eats Providers	Ms. Menon Berenger
Pragath Yought & Lakma Food	Ms. G A Lalitha Shayamalee
Hana Ice Cream	Mr. T M Hazan
Mukthar Bake House	Mr. M H Haja Mohideen
Varan Enterprises	Mr. K Kulatheepan
Sweet Production	Ms. A B Sujeewa Malkanthi
Raja Bake House	Mr. R Nishantharaja
Chamber of Commerce & Industry of Trincomalee	Mr. V Kalaichelvan
Parunathu Umasuthan	Umasuthan
Amalathas Lavanya	Lavanhya
Neekilan Nirosh	Nirosh
Krinavadivel Vestin	Vestin
Pinpilila Harpis	Harpis
Vijayakumar Yajeenthiran	Jageenthiran
Jeyakumar Anuya	Anuja
Yareth	Yareeth
Viyakumar Jeyarani	Jeyarani
Ganaseelan Dilani	Dilani
Tharmarasasa Thushra	Thushara
Andru Christina Roche	Pavithira
Santhoyogu Masilla Roche	Masilla
Stepan Roshanthini	Roshanthini

Gnanapiragasam Charl Roy	Roy
Maoya Dairy	Chaminda Siriwardena
Rasoda Dairy Pvt Ltd	D N S N Dissanayake
Green Vally Resort	Stanly Perera
Cold beverages	J M C J Jayasundara
Bright Bravo Hotel	Samantha K Wasala
Nature Harvest Mushroom	D S Jayaweera
Chathurika Bakers - Katupotha	S M Rajarathna

(ii) **Agreement No. FA 83166673/2014**

According to the Project Memorandum of understanding agreement with GIZ the last installment of the project is released only after the completion of relevant segment of the project. The unstable political environment prevailed in the country during the latter months of the year 2014 has forced to carry forward this programme and therefore the first month of the year 2015, regional seminars scheduled to be conducted for SME entrepreneurs in Northern, Eastern and Uva provinces during the said period had been conducted only in the months of February and March of the year 2015. However, up to now more than 30 SME entrepreneurs have been selected under the project and certification activities are now being done.

A further payment of LKR 1,400,000/00 had been received from the GIZ on 2015/09/14 pertaining to above certification activities in this regard.

(b) **Checking of Imported Cement**

(i) **"Lanka" Cement**

Permit No. 1158 had been granted for the period 2013/08/02 to 2014/06/30 to Lanka Cement Company to import 50 kgs bags of Ordinary Portland Cement under the brand "Lanka Cement" but it was not the brand stated in the Audit Report as "Lanka" cement.

It has been compulsory to obtain "SLS" Certificate under SLS 107:2008 to manufacture and distribution of Ordinary Portland Cement as per the Gazette bearing No. 1521/29 dated 2007/11/02 of the Democratic Socialist Republic of Sri Lanka and Consumer Affairs Authority regulation bearing No. 18 – CAA. As such, the Ordinary Portland Cement stocks of 6,300,000 kgs imported by Lanka Cement Company from the Attock Cement Ltd – Pakistan during the period 2013/08/22 to 2014/06/25 had been released because the "SLS" permit granted to Attock Cement – Pakistan for import and distribution of Ordinary Portland Cement (Strength Class 42.5) was valid during the said period, as "SLS" mark was granted after following all rules & procedures to assure quality of cements.

“Ajantha” Cement

Ordinary Portland Cement 5,760,000 kgs imported in 09 instances from “Attock Cement” – Pakistan under the trade name “Ajantha” during the period 2014/03/28 to 2014/07/07 had been approved for sale according to the Import inspection methodologies because “Ajantha Steels” had obtained a valid permit for import and distribute Ordinary Portland Cement (strength class 42.5) from “Attock Cement” under the trade name “Ajantha”.

Therefore, the reported Ordinary Portland Cement consignments had been released considering the same reasons explained in above “Lanka Cement”.

However, in every instance a non-conformity was reported, action had been taken to inform the same in writing to the importer with a view to improve the quality of the stocks imported and the testing frequency had also been increased.

Though, certain imported Ordinary Portland Cement stocks had not been conformed to the parameter of compressive strength tests as per the Laboratory tests of SLSI but the same samples tested in ITI had been conformed in certain instances. This was also considered in deciding the releasing of stocks, as these samples were tested in another Institution coming under the purview of the same Ministry of Technology & Research.

(ii) Permit Extensions

“Lanka Cement”

At the 122nd Permit Committee meeting, the validity of the permit (“Lanka Cement” brand Ordinary Portland Cement – P/No. 1158) has been extended for a period of six months up to 2014/12/31, as the criteria for renewing the SLS mark was met. However, in the meantime the Permit Committee advised Quality Assurance Division of SLSI to conduct 100% sampling through Import Inspection scheme in order to monitor the quality of the cement throughout the said period and to report the status.

However, it has been observed that the cement exported to Sri Lanka by Attock Cement Pakistan do not conform to the quality requirements specified in the SLS 107:2008, specifically the Standard Strength parameter set out therein. These were brought to the notice of the importer & the manufacturer.

The inconsistency of the quality of the product imported to Sri Lanka after the revalidation of the said permit and during the period from 2014/07/06 to 2014/08/14 has been carefully considered.

Therefore, because of the violations of the agreed conditions due to inconsistent quality of the product and in terms of powers vested under the section (24) of the Sri Lanka Standards Institution Act No. 6 of 1984 and to the terms stipulated under the general and specific permit conditions one month notice has been given to cancel the said permit No. 1158 (Notice of cancellation) due to non compliance with effect from 2014/11/13. (In terms of the general permit conditions and specific permit conditions the manufacturer and importer have agreed to comply with the SLS 107:2008 in respect of all parameters).

Moreover, the manufacturer submitted a strong action plan detailing out the corrective actions. These were studied by the Institution and found to be sufficient to improve the quality of cement. Moreover, continuous monitoring is taken place by evaluating the product quality under the Import Inspection Scheme.

“Ajantha” Cement

At the 122nd Permit Committee meeting, the validity of the permit (“Ajantha” brand ordinary Portland Cement - P/No. 1130) has been extended for a period of one year up to 2015/06/30, as the criteria for reviewing the “SLS” mark was met. However, in the meantime the Permit Committee advised to monitor the quality of the Imported cement through the Import Inspection Scheme covering the said period.

It has been observed that the cement exported to Sri Lanka by Attock Cement Pakistan do not conform to the quality requirements specified in the SLS 107:2008, specifically the Standard Strength parameter setout therein. The inconsistency of the quality of the product imported to Sri Lanka after the revalidation of the said permit and during the period from 2014/07/06 to 2014/08/14 has been carefully considered and one month notice has been given to cancel the said permit no. 1130 due to non-compliance with effect from 2014/11/13.

The manufacturer submitted a concrete corrective action plan and found to be sufficient to improve the quality of cement.

However, it was found that subsequently the quality of cement imported from Attock Cement - Pakistan from whom the “Ajantha” cement imports cement has been improved.

- (iii) It has not been mentioned in the paragraph 5.1 (h) of the SLS 107:2008 that the shelf life of the cement as 90 days. As per the said paragraph manufacturer should mention the period as “best before/...../.....” on the packing of the cement. It is not correct to be stated that more than 90 days had been taken to release cement consignments. The seal containing the words “The consignment may be release to the importer’s warehouse for sampling. These goods may be offered for sale after samples are drawn by SLSI” is affixed within 24 working hours after submitting the Notification Form - (FM-II-01) to the Quality Assurance Division.

The seal containing the approval “Approved consignment may be released” is affixed “as and when” the importer handover the copy of the Notification Form back to Quality Assurance Division for the purpose of the requirements of the Sri Lanka Customs in order to release their “Guarantee Bond”

Please also note that obtaining of the final approval with the importer and once the said copy of the said Notification Form forwarded to Quality Assurance Division of the SLSI is bound to approve the same.

- (iv) “SLS” mark is compulsory for import and distribute of Ordinary Portland Cement in Sri Lanka and if manufacturers have “SLS” permit, the approval for sale of such Ordinary Portland Cement consignments are granted. Samples are randomly tested of the aforesaid consignments imported and the test results are conveyed to the relevant sections for required decision making.

According to the methodologies of Quality Assurance Division the goods for which “SLS” mark is compulsory, random sampling is taken and due to holding of valid certification mark and it is possible to release the goods to the market. As such considering the validity of the product certification mark the consignments imported from the Attock Cement - Pakistan had been approved according to the GL II 04 of Import Inspection scheme.

However, to see whether the imported cement is conformed to the standard random samples are obtained and sample testing is carried out as decided by the higher officers. But the products are already having the “SLS” mark have to be released to the market prior to such test results received by the Quality Assurance Division. Therefore, according to the prevailed methodologies Ordinary Portland Cement 13,944,000 kgs imported from “Attock Cement” Pakistan valued US\$ 851,506 had been released before the test results are issued. But based on the test results, Institution takes actions to send warning letters and to request Improvement Plans and if not to cancel the permit.

(c) **Checking of Imported Canned Fish**

- (i) Considering the huge stocks (consignments) of canned fish imported daily it is impractical to carryout all the tests mentioned in the standard for all the consignments because it takes a considerable time span (03 weeks) and finally a shortage would be created in the market.

Therefore as per the GL-I1-04-01-12, a decision has been taken to release the consignments after carrying out the spot tests for the 03rd , 04th and 05th consignments imported as these tests are sufficient to determine the quality of the product. As such according to these instructions the consignments imported from manufacturers who are not registered have also been released after carrying out the spot tests and in certain instances after carrying out the relevant chemical test.

Spot tests provide an insight about the status of the consignment in relation to National Standard that is how these tests are identified for decision make process, therefore these tests are used to monitor the quality of consignments.

However, the consignments listed under the entry nos. 906038, 906492 and 903953 as mentioned in the Annex 01 of the query, had been imported from an approved manufacturer. The respective audit had been carried out for this manufacturer in January 2014 and the certificate had been awarded, to this Institution on October 2014.

After re-evaluation of the manufacturers details, it was found this fact and therefore, the samples had not been obtained from the said (03) three consignments since the certificate of registration has been awarded to this manufacturer though earlier instructions had been issued to obtain the samples from the said consignments, by an oversight.

- (ii) Officers attached to test committees do not know in any way that the sample was obtained by them because;
- Samples are issued for the tests only after removing the labels of the tins so that the chances are minimized for the identification.
 - Numbers for the test samples are allocated only by the SDD (Quality Assurance) who is in charge of the Food unit of the Quality Assurance Division.
 - Such number is allocated by SDD (Quality Assurance) in charge at the moment of carrying out of the test.
 - Test allocation register is kept only in the custody of the said SDD (Quality Assurance)
 - Officers of the test committee are nominated daily by the Duty Officer who is on duty on the same day based on a roster.

Therefore SLSI has taken every effort to minimize the opportunities so that the testing officers are not in a position to identify the samples tested by themselves.

(d) **Checking of Imported Noodles**

(i) **Releasing of Imported Noodles Stocks without testing for “Total Protein and Acid Insoluble Ash”**

There are two types of tests carried out in releasing of a consignment of imported goods under the Import Inspection Scheme. These are;

a) **Spot tests**

Testing for specific requirements essential for health & safety selected from the total requirements of the standard included in the standard/s.

b) **Detailed Tests**

Testing for all the requirements included in the standard/s.

According to above, the decision of whether to carryout spot tests or detailed tests is taken considering the manufacturer’s past performance, size of the imported consignment which is linked with the financial value (FOB value) of the consignment. As such the parameters tested for Noodles under SLS 420:1989 are as follows.

- **Spot tests**
 - i. General requirements
 - ii. Cooking time
 - iii. Form & Dimension
 - iv. Cooking test
 - v. Moisture

- **Detailed test**
 - i. Total ash
 - ii. Acid Insoluble ash
 - iii. Total Protein
 - iv. Free Fatty Acids as Olic Acid
 - v. Peroxide Value of extracted oil

These tests are applicable only to “Instant Noodles”. Therefore, Total protein and Acid insoluble ash are not tested in case of a decision taken to carryout spot tests only.

Out of the queried 29 instances of releasing of Noodles consignments, 11 had been subjected only to spot tests considering the previously explained requirements and also based on the past performance of the Importer. Following are the reasons for releasing such consignments and current status of the queried 29 noodles consignments.

Considering the financial value, size of the consignment and the past performances of the importer since August 2014 65% of the imported consignments were tested for detail and the remaining 35% were tested for spot.

S/ No	Entry No.	Value (USD)	Qty (kg)	Product & relevant Standards	Decision	Date of Stock released	Comments
01.	876181	3260	5040	Noodles	Detailed Test	2012/11/08	Please refer the attached note 01 below.
02.	879982	494/87	-	- As above -	- do -	2013/03/01	- As above -
03.	880892	658/50	566	- As above -	- do -	2013/04/01	- As above -
04.	885466	711/12	960	- As above -	- do -	2013/10/10	- As above -
05.	894190	1501/38	1600	- As above -	- do -	2014/05/05	- As above -
06.	895154	4039/36	10687	- As above -	- do -	2014/06/16	- As above -
07.	896537	5614/74	10761	- As above -	- do -	2014/07/15	- As above -
08.	895199	4880/00	4600	- As above -	- do -	2014/07/15	- As above -
09.	89176	2823/47	3150	- As above -	- do -	2014/05/29	- As above -
10.	891107	1370	1500	- As above -	- do -	2014/05/29	- As above -
11.	894399	10950/61	21420	- As above -	- do -	2014/05/02	- As above -
12.	892647	7696	12480	- As above -	- do -	2014/02/26	- As above -
13.	885519	1368/40	1920	- As above -	-do-	2014/01/07	- As above

S/ No	Entry No.	Value (USD)	Qty (kg)	Product & relevant Standards	Decision	Date of Stock released	Comments
14.	884991	2176	2280	-As above-	-do-	2013/10/07	-As above-
15.	878555	2412/94	3720	Rice Vermicelli SLS 858:1989	Detailed test	2013/04/03	Please refer the attached note (02) below.
16.	885353	9203/35	12108	-As above-	-do-	2013-10-08	-As above-
17.	881061	9828	12480	-As above-	-do-	2013-08-29	-As above-
18.	880857	9863	13080	-As above-	-do-	-	-As above-
19.	878177	744/85	1200	Noodles SLS 420:1989	Spot test	2013/11/05	-As above-
20.	892226	709	800	-As above-	-do-	2014/05/05	-As above-
21.	897486	878	1223	-As above-	-do-	2012/10/07	-As above-
22.	878151	1176	1438	-As above-	-do-	2012/12/31	-As above-
23.	877242	377	876	-As above-	-do-	-	-As above-
24.	880162	665/50	879	-As above-	-do-	2013/03/01	-As above-
25.	887747	979	1036	Noodles SLS 420:1989	Spot test	-	-As above-
26.	886785	571	938	-As above-	-do-	-	-As above-
27.	896213	9863/50	13080	-As above-	-do-	2014/03/30	-As above-
28.	888967	8648/71	16440	Noodles SLS 420:1989	Not covered	2013/10/24	Please refer the attached note (03) below
29.	82941	827	709	-As above-	-do-	2013/05/06	-As above-

Note (01)

Item No. 01 to 14 mentioned above

For all the above (14) fourteen consignments, it has been decided to carryout detail tests. However the above 14 consignments had been released based on the spot test results as those conformed to the standard. Part 02 of the test reports are still pending and once those are received and if there are any non conformities observed the importers/Manufacturers would be informed to rectify the non conformity. Moreover, in such a situation next consignments are not released based on the spot tests until the Importer/Manufacturer ensures that the non conformities observed are rectified and it is proved through our laboratory tests.

Note (02)

i. Entry Nos. - 878555, 885353, 881061 & 880857

These (04) four consignments are not relevant to the “Noodles because the same are products of rice flour and the applicable standard is SLS 858:1989 - Sri Lanka Standards specification for Rice Vermicelli- Please note that the test for total protein has not been included as a parameter in the SLS 858:1989.

ii. Item No. 19 to 27

All these consignments were relevant to “Noodles” and the applicable standard was SLS 420:1989. As explained above it was decided carryout spot tests and on such Laboratory reports the consignments were released.

Note (03)

i. Item No. 28

Entry No. - 888967

This consignment had been checked by relevant Sampling Officers and identified the same as “Pasta”. Therefore, this consignment had been released as this item is not covered by the Import Inspection scheme.

Please note that “Pasta” products have been included under the Import Inspection scheme with effect from 2014/05/01 as per the Gazette No. 1844/49 and it was issued on 2014/01/08.

ii. **Item No. 29**
Entry No. 882941

It has been identified and reported by the relevant sampling officer that the Noodles imported in that consignment was a production of a “Potato Starch” but only the Noodles produced from “wheat flour” is covered by the SLS 420:1989. Therefore, the said consignment had been released as an item which is not covered under the Import Inspection scheme on 2013/10/24.

(ii) **Testing of “Peroxide” level of Instant Noodles**

In instances, where “Peroxide Value” were not conformed to the standard specifications, it has been duly informed to the relevant companies and the companies informed their corrective actions to the Institution also.

Moreover, when a non-conformity was observed the frequency of tests are increased up to the situation until the matter is rectified.

Therefore, the Institution has taken every step to maintain the quality of the instant noodles by way of testing and using of all other available internationally recognized controlling methodologies.

(e) **Checking of Imported Compact Fluorescent Lamps (CFLs)**

- (i) The decision of SLSI regarding the approval of any consignment of Compact Fluorescent Lamps (CFLs) is based on the conformance of the test results of a representative sample drawn from the particular consignment in respect of the safety as well as performance parameters and therefore, the SLSI is not in a position to take such decision without the test results of the representative sample unless the consignment is supported with an acceptable Quality Certificate or Product Certification mark, compatible with the SLS Standard.

The safety parameters of CFLs are assessed by the SLSI Laboratory whereas the performance parameters are assessed by the RCL Laboratory or NERD Centre of Sri Lanka or by any other ISO/IEC 17025 accredited laboratory. However, ISO/IEC 18025 accredited laboratories are currently not available for this purpose in Sri Lanka, and the cost to be incurred by the importer to get such service done in an overseas laboratory is extremely high when compared with the charges of the two local laboratories identified by the SLSI.

Assessment of the safety parameters is not time consuming when compared with the performance parameters.

Due to the limited facilities available with the two local laboratories, the process of assessment of the conformity of samples gets undesirably delayed and this situation could be curtailed or avoided if the two existing local laboratories are strengthened with more facilities or if few more laboratories are set up with the required facilities. However, the best option is to equip the SLSI laboratory with facilities to assess the compliance of the sample in respect of the performance parameters as well.

To meet the above requirement the Institution has ordered a CFL testing equipment and once it is installed in our laboratory the above mentioned delays could be minimized in future.

(ii) Harmonic Current Limits and SDCM Value

The nature and significance of the deviation of any parameter of a representative sample is evaluated against the SLSI Doc. No. GL-II-03, prior to making any decision regarding the approval or rejection of a consignment. The Doc. No. PR-II-05 is then followed for the approval or rejection.

The deviation on Harmonic current limits and SDCM value observed on the representative samples of the consignments identified in the audit query had been classified as minor-conformities, according to SLSI Doc. No. GL-II-03. The procedure in SLSI Doc. No. PR-II-05 had been followed for approval of the consignments identified. That indicates those deviations are not having any effect for the performance of the product, therefore it is possible to make a decision on such occasions.

(f) Checking of Imported Gas Cylinders

(i) Material Laboratory of the Laboratory Division has an X-Ray chamber since 1980's and it has a suitable environment for laboratory tests using X-Rays which has been proved as follows;

- Prevailing X-Ray chamber had been built after passing the Atomic Energy Act No. 19 of 1969 and as such the requirements of the act had been considered in planning and constructing the chamber.
- X-Ray equipment had been used since 1980 to 2010 until it went out of order beyond repairs.
- Required officers have been well trained for using of X-Ray equipments and analysis of X-Ray film reels and they were engaged in testing activities using X-Rays since the decade of 1980.

Purchase of Laboratory Equipment worth LKR 6,102,000/=

Digital Thermometer

This is not an equipment used for X-Ray testing but an equipment used for measuring of temperature. Quotations had been called and an equipment had been supplied by a supplier but it was not agreed with the specifications and returned payment has not been made in this regard. Fresh quotations have been called but since only one quotation has been received TEC has decided to reject it also and call fresh quotations. As such fresh quotations have been called.

Optional Densitometer

This is also not an equipment used for X-Ray testing but it is used to measure light intensity. Once the quotations were called only one quotation has been received the TEC has rejected the same. Fresh quotations have been called.

Laser Film Digitizer

Because of the estimated price of the laser film Digitizer is around LKR 06 million, a competent Technical Evaluation Committee had to be appointed representing the various relevant fields and the approvals had to be duly obtained.

Up to now "Technical Evaluation" has been completed and the approval of Tender Board has to be obtained. Therefore, this equipment will be purchased soon.

- (ii) According to the records maintained by the Institution the queried figures are to be corrected as follows;
- Total No. of consignments imported by Litro Gas (Pvt) Ltd, and subjected for sampling during the period 2013/06/21 to 2014/07/25 was (12) twelve.
 - Total No. of consignments imported by Laughs Gas PLC, and subjected for sampling during the period 2013/06/21 to 2014/07/25 was (12) twelve.

Both the Litro & Laughs have imported consignments from manufacturers who are "SLS" Mark holders and therefore such consignments are subjected for random sampling (not for decision making) and it shall be approved for sale as per the operational procedure PR-II-04.

If any failures were reported in SLSI test results for random samples, it is directed to the Product Certification Division for further action with respect to their "SLS" permit.

The parameter "Radiographic Examination" was not a mandatory requirement in SLS 1178:1998 and not applicable for cylinders of all thicknesses, until it was revised in 2013. (This has been explained above also).

The frequency of sampling from LPG consignments is determined based on the following facts.

- (i) In case of “SLS” mark holders, the frequency of sampling is kept at a minimum (under II scheme)) as they are subjected to audits carried out by team of experts from SLSI and it is evident that they are capable of supplying goods comply with Sri Lanka Standard.
- (ii) As required by the Sri Lanka Standard for LPG cylinders, a representative from an accredited inspecting authority (SGS) is stationed at this manufacturing plant and each and every batch of cylinders manufactured are inspected and certified for all the in-process stages of manufacture and the final product compliance.
- (iii) Sampling at the Entry Point is not always required whenever other alternative methodologies are available for the assessment of conformity, especially with regard to this item which is designated as “compulsory” and therefore long delays could result in shortage in the local market.

(iii) Sahamitra Pressure Container Public Co. Ltd
Gas Cylinders -Permit No. 710 SMPC
Validity Period -014/04/01 to 2015/03/31

According to the Sri Lanka Standard 1178:1998 “Radiographic Examination” should have been carried out for cylinder thicknesses of 06 m.m or above. But the thickness of the cylinders imported during the years 2010 to 2013 were below 06 m.m as such this was not applicable.

However, according to the amended Sri Lanka Standard 1178:2013 “Radiographic Examination” should be carried out for all thicknesses of gas cylinders.

Hence, in the year 2014 according to the amended standard an audit had been conducted by an independent group of auditors and thereby the manufacturing process along with the carrying out of radiographic examination had been thoroughly observed. Following observations had been made by the auditors.

- Tight monitoring system is in operation.
- Manufactured products are tested at more frequent basis.
- A representative of an accredited inspecting authority (SGS) is stationed at the manufacturing plant in order to inspect and certify each and every batch of cylinders manufactured.

Samples obtained at the audit have been forwarded for radiographic examinations and at that time the results were pending.

Considering all the aforesaid facts extension of permit has been approved by the Permit Committee, even though the results of radiographic examinations are pending because these were checked in-house by an accredited Independent body as to meet the regulatory requirements.

(g) Checking of System Certification of Food Safety - ISO 22000

Defaulted fees by (06) six companies

	Name of the Company	Outstanding amount (LKR)	Current Status
01.	Lions Management (Pvt) Ltd	160,000/00	SLSI sent letters and several reminders but the company has not responded. Legal action has been initiated and letter of demand has been sent.
02.	Galahitiya Tea Factory	160,000/00	-As above-
03.	Pearl Dots Aqua (Pvt) Ltd	160,000/00	-As above-
04.	Michael White &Co. (Pvt) Ltd	80,000/00	(05) Five installments of LKR 13,333/= each has already been paid. Hence, the outstanding sum as at 2015/10/02 is only LKR 13,385/00. Letter of Demand has already been sent.

Therefore, all other companies have settled their dues except above (04) four and the total outstanding amount as at 2015/10/12 was LKR 493,335/00.

4.3 Idling and Less Usable Assets

(a) Stationary Stores

(i) Non-Moving (20) twenty items of stocks for last (10) ten years

Out of the 14 items mentioned in the annex 01 of the Audit Query, only (05) five items have been identified as non moving items. Following are the items identified as non moving.

	<u>Item No</u>	<u>Details</u>	<u>No. of Items</u>
I.	01/03/00094	Books Certification	172
II.	01/02/00066	Load Seals	15,000
III.	03/02/00072	Ribbon - T/W (RP AP Rb 21)	23
IV.	02/03/00050	Paper Roll - Fax Machine	02
V.	01/03/00030	Paper Roll - Small 1 ¼	04

The Nos. I & II above had been purchased long time ago are not now being used. For other three items the relevant machines are not in the possession of the Institution. Therefore, Institution has initiated actions to dispose only these 05 items.

* **Non Moving Items**

Out of the items mentioned in the Audit Report several items are occasionally being used by the Printing Unit for printing. Therefore such items are moving very slowly.

However, action has been taken to identify the items not required at all for the printing work and to dispose these.

(ii) **Items which have not been included in the stock records**

Action has been taken to check whether these items are still in good working condition and if so to issue to the officers on based their requirements or to dispose if these items are out of order.

Due to lack of storage facilities the following items are also kept in the main stores.

- i. Unserviceable inventory items returned by the various divisions till those are disposed.
- ii. Used spare parts of motor vehicles till it is disposed.
- iii. Several items belong to various societies are also kept (eg: Buddhist Society and Christian Society).
- iv. Sample items are checked till those are disposed.

These items have been stored in the same stores but separately instead of mixing up with the stationery stocks, as due to space constraints.

However, due attention has been drawn by the Institution in this regard and the aforesaid items will be separated from the stationery stocks once the adequate storage facilities are developed.

(b) **Glassware and Chemical Stores**

(i) **Non-Moving Items – (Items which are not used)**

Chemicals brought for various test methods, remain unused in the stores once the said test methods are outdated.

Since, the expiry dates are not mentioned in the labels of the certain chemical bottles/containers, there is no methodology is currently available for disposing the same. Therefore it is necessary to obtain the views of a Competent Committee after assessing the situation to make an appropriate decisions.

(d) **Checking of Imported Noodles**

(i) **Releasing of Imported Noodles Stocks without testing for “Total Protein and Acid Insoluble Ash”**

There are two types of tests carried out in releasing of a consignment of imported goods under the Import Inspection Scheme. These are;

a) **Spot tests**

Testing for specific requirements essential for health & safety selected from the total requirements of the standard included in the standard/s.

b) **Detailed Tests**

Testing for all the requirements included in the standard/s.

According to above, the decision of whether to carryout spot tests or detailed tests is taken considering the manufacturer’s past performance, size of the imported consignment which is linked with the financial value (FOB value) of the consignment. As such the parameters tested for Noodles under SLS 420:1989 are as follows.

- **Spot tests**

- i. General requirements
- ii. Cooking time
- iii. Form & Dimension
- iv. Cooking test
- v. Moisture

- **Detailed test**

- i. Total ash
- ii. Acid Insoluble ash
- iii. Total Protein
- iv. Free Fatty Acids as Olic Acid
- v. Peroxide Value of extracted oil

These tests are applicable only to “Instant Noodles”. Therefore, Total protein and Acid insoluble ash are not tested in case of a decision taken to carryout spot tests only.

4.5 Short Comings of Contract Administration
Construction of the 8th floor of the SLSI Building

- (a) Colombo Municipal Council (CMS) has requested SLSI to demolish some temporary structures (including the single storied building) when their first approval was granted for one year period. Subsequently for the renewal they have not granted approval due to non-full-fulfillment of the above requirement.

But SLSI was not in a position of demolishing the said building because there is no space to accommodate the current day to day activities operated in the same. Therefore, once the 08th floor constructions are completed, SLSI will consider of demolishing such building based on the availability of space.

- (b) (i) Ministerial Tender Board (MPC) had examined the report of the Technical Evaluation Committee dated 2014/10/21 and had observed the following.

- i. The lowest bidder, M/S Kandy Constructions had not been recommended by the TEC since the quotation forwarded is signed by only one party even though there are two managing partners.

As per the decision made by the 01st Tender Board meeting, the copy of the power of Attorney submitted by their letter dated 2014/05/13 was examined and found acceptable even though the date of attestation had been 2014/04/28 which is approximately five months from the date of submission of the tender.

- ii. Second lowest bid, from M/S Link Engineering found to be heavily front loaded.
- iii. The quoted value for water proofing by M/S Kandy Constructions is more realistic when compared with all other bidders. (Which is a very critical item in this project).
- iv. There is approximately LKR Four million saving to SLSI as well as to the Government, if the contract is awarded to M/S Kandy Constructions.

Considering the above reasons MPC (TB) had decided to award the contract to the lowest bidder M/S Kandy Constructions for an amount of LKR 74,109,282/00.

However, up to that time the contract prices had been exposed and providing an opportunity in writing to rectify the error in the bid prices forwarded by M/S Link Engineering could be interpreted as an attempt to award the contract to them. Therefore, it had not been done.

According to the specifications of this contract the ICTAD C3 registration is adequate C1 registration is not compulsory. Please note that ICTAD registrations are graded accordingly to financial capabilities of the contractors but not according to quality of the contractors.

- (ii) Forwarding of a photocopy along with the basic tender (bid) document was not observed and an idea could not be expressed now, regarding the period of erasing the page Nos. (Before forwarding or after forwarding).
- (iii) Second copy of the tender document (bid document) was not given or exposed to a third party or any other party till it is opened by the Government Auditors. Till then it was kept sealed and locked at the Administration Division. Therefore, the responsibility for the documents contained in it should be borne by the contractor himself.

However, it is pertinent to state that forwarding a document obtained day before the date of tender opening is not an offence according to the procurement policies.

- (c) State Engineering Corporation (SEC) has been appointed as the Project Consultant and therefore its duty is to consult the on going project by giving professional ideas along with the instructions whereas Mr. H Abeygunawardena has been appointed to look after the day to day activities of the on going project.

Hence the duties of the Project Consultant and Project Manager are completely different, Mr. H Abeygunawardena has been duly appointed as per the approval of the Governing Council decision No. 4057.2 dated 2014/02/26.

- (d) Due to the Delays on submitting of relevant guarantees (Bond, Insurance and Advance bond etc) the signing of agreement was delayed by two months. However, construction work has been commenced as per the schedule. The first progress meeting was held on 2014/07/24.

4.6 Administration of Staff

- (a) The no. of contract appointments of Management Assistants (Non-Tech) should be corrected as (04) four. These (04) four had been recruited on contract basis in place of the (07) seven M/S' s (Non-Tech) attached to the Ministry of Power and Energy at that time.

Verbal approval of the Secretary to the Ministry of Technology and Research and the approval of the Governing Council was obtained for these (04) four contract appointments.

At the end of the year 2014 these (04) four contract employees have been included into the permanent cadre as per the instruction of the Government.

5. Accountability and Good Governance

5.1 Procurement Plan

Following steps have been taken for the equipments which were unable to purchase in the year 2014.

Procurement of (25) items have been

- Postponed to the year 2015 and included in the Procurement Plan for the year 2015.
- Purchase of the remaining (11) eleven items have been abandoned due to various technical reasons.
- Action is being taken to procure the remaining items.

5.2 Deviation from the Procurement Guidelines

(a) Performance Bond

(i) Horizontal Thermocouple Calibration Furnace

The DPC noted that Silverline Scientific Supplies has submitted their offer as an accredited agent for “Fluke” Brand in Sri Lanka on behalf of the principal Fluke south East Asia Pte Ltd - Singapore. However, the DPC noted that they have not agreed with the three conditions stipulated in the tender documents. Those are as follows.

1. Terms of Payment
2. Clearing of Goods
3. Performance Bond

The DPC was of the view, that the supplier should be the approved agent of the principal organization, so then there is a reliability of the equipment with an acceptable after sales service. Since, Silverline is the only supplier having acceptable credentials the DPC then looked at the past performance of the supplier and found that results were satisfactory. Moreover the Department Procurement Committee also noted that one year warranty is also given by the manufacturer to cover the manufacturing defects instead of the performance bond. These were considered in making the relevant decisions.

(ii) **X-Ray Machine**

A performance bond covering the period 2013/07/23 to 2013/11/30 had been given and the equipment had also been supplied within the period of the performance bond. However, after receiving the equipment a defect had been observed in one of the parts and it had been returned to the manufacturer. Subsequently on 2013/12/10 the manufacturer had supplied the part.

Please note that the payments had been made only after the entire delivery.

- (b) Action has now been taken to include a new paragraph to the agreements in consideration with the section 5:14:13(b) of the Procurement Guidelines dated 2006/01/25. This is now being practiced for major contracts.
- (c) As mentioned above new section has been included as per the section 5:14:13 (b) and liquidated damages are now being deducted as a practice for major contracts.

5.3 **Budgetary Control**
Income

Most of the SLSI Services are tied up with the economic situation of the country. Therefore it is not possible to make a specific prediction as it is a variable. The only yards-tick that the Institution can use the previous value a baseline but that also is not a correct basis. However, Institution uses it to make the budgets of income generating divisions.

The income from Import Inspection scheme always depends on the imports to the country and the state of the economy those are beyond the control of the Institution. Income from Laboratory testing always depends on other three major schemes namely Import Inspection, Product Certification and System Certification and as the value of such schemes increase the income from laboratory always increases, income from Product certifications and System Certification mainly due to;

- Increase of value
- Positive drive of the income from the newly introduced Up-Front payment scheme for the recovery of fees

Therefore, an overall positive Annual variance of 18% had been achieved for the year 2014 due to the reasons mentioned above, and it does not mean that SLSI has not considered any productive management concepts but it is because of the nature of the competitive services which are linked up with the economic factors.

Expenditure

The Institution had been able to maintain an overall positive variance of 10% as far as the recurrent expenditure budget for the year 2014 is concerned.

SLSI always prepare Annual Budget taking into consideration of past records and the foreseeable future expectations. However, as explained early it is very important to note that all SLSI income generating schemes are tied up with the market and the results are varied based on the market fluctuations. In such situations, the institution has to consider those factors and can use only inferences in making a budget to ensure that it is an acceptable realistic one. In that regard, Institution always utilize acceptable budgetary principles whilst taking into consideration of market variable factors to ensure that the budget is acceptable and implementable to achieve the organizational goals.

Therefore, the SLSI wishes to indicate that always “the Budget has been used as the main useful management control tool” and therefore every monthly management meeting this was discussed to ensure that the Institution has a focused approach.

6. Systems & Control

All the observations made by the Auditors regarding the systems and controls are noted in a very positive manner and initiated actions for future compliance.



Dr M S Anees

Chairman

SRI LANKA STANDARDS INSTITUTION