



National Institute of Occupational Safety and Health

Annual Report

2015



NIOSH

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

National Institute of Occupational Safety and Health

Hon. W.D.J. Senevirathne

Minister – Ministry of Labour and Trade Union Relations

Hon. Raveendra Samaraweera

Deputy Minister – Ministry of Labour and Trade Union Relations

Mr. S.M.G. Jayarathne

Secretary, Ministry of Labour and Trade Union Relations

Chairman, National Institute of Occupational Safety and Health

Dr. N. C. Amarasinghe

Director General, National Institute of Occupational Safety and Health

Audit Committee

- Dr. N. C. Amarasinghe - Director General, National Institute of Occupational Safety and Health
- M.Hettiarachchi – Chairman Audit & Management committee, Director, Ministry of Finance
- W.D.B.J. Weliwatta – Observer Audit & Management committee, Audit superintend Auditor General Department
- M.R.G.A.B.Muthukude – Internal Auditor, Ministry of Labour and Labour Relations
- P. M. K. Perera – Assistant Director, National Institute of Occupational Safety and Health

Bank

People's Bank – Narahenpita

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National Institute of Occupational Safety and Health

Introduction

National Institute of Occupational Safety and Health was established as an affiliated institution to the Ministry of Labour and Labour Relations by the Act No. 38 of 2009. Our institution is always dedicated to create a better working environment in all work places by introducing appropriate OSH management systems for preventing occupational accidents, diseases and creating conducive working conditions. Safety policies and methodologies will be introduced and employers and employees are given necessary education & training on safety & health.

NIOSH as an institution always provide an unbiased, world class OSH service and supports in creating a safe and healthy working environment with the objective of minimizing occupational accidents and diseases and focuses to establish and sustain as a self-financing institute.

We are extremely happy to state that we could provide productive service to the consumers to their best satisfaction by performing the above activities in a very successful manner. It is evident that NIOSH has achieved a very high goal accomplishing the given objectives which was stated in the NIOSH Act No 38 of 2009 within a very short period. It could achieve a great success which we can be very proud of. This fact is proven by the incremental increase of its cliental and constantly obtained the services of National Institute of Occupational Safety and Health by many intuitions.

During the recent past we have undertaken various programmers and steps to create awareness in terms of protection and Safety of the health of employees in the respective institutions in collaboration with those institutions. During this year, too we have contributed much for the quality improvements of our services and to minimize occupational accidents and diseases among many industries.

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

Vision.....

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

Mission.....

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

Message from the Minister of Labour & Labour Relations.



The National Institute of Occupational Safety and Health (NIOSH) is a statutory cooperative body established on 28th April 2005, but the statutory powers were given by a parliamentary act No. 38 of 2009 during the year 2009, under the Ministry of Labour Relations & Manpower Sri Lanka. NIOSH is committed to improve, maintain and sustain a safe working environment for all in all work places, through increasing awareness and adherence to proper health and safety measures. Our mandate is to create awareness training, research on OSH, dissemination of updated information, advisory and consultancy services. We educate and train employers, employees and all other categories workers on OSH issues.

The activities carried out during the past few years indicates the commitment in creating a healthy and healthy labor force in Sri Lanka. I appreciate the sacrifice made to build a professional safety environment.

I am grateful to all the staff including the Director General of National Institute of Occupational Safety and Health, who has played a tireless role in the advancement of National Institute of Occupational Safety and Health.

Hon. W.D.J. Senevirathne.

Minister of Labour & Labour Relations.

**Message from the Secretary of Labour & Labour Relations
and President of the Institute of Occupational Safety & Health.**



Today I am very pleased to forward this Annual report of NIOSH 2015 which shows the progress of its development and the services provided to the industry. This annual report gives me an impression about the commitment of all staff members towards the commitment of developing a safety culture in Sri Lanka. **According to the global estimates published by the International Labour Organization states** 2.3 million deaths occurred annually across the countries for reasons attributed to work. The biggest mortality burden came from work – related diseases, accounting for 2million deaths whilst the remainders were due to occupational injuries. Economic costs of work - related injury and illness vary between 1.8 – 6 % of GDP in country estimates, averaged at 4 %.

Many factors may contribute towards setting the conditions for an accident or injury to occur, including the worker's own characteristics and family situation, home environment, commuting to work, types of equipment and materials used, and so on. For example, tiredness, stress, poor working conditions such as noisy, dirty, poor lighting, lack of safety equipment, inadequate training in the use of equipment, poor -attention, time of day and many other factors may play a role in an accident. Accordingly all of us should take this situations very seriously and need to commit for the prevention of occupational accidents and diseases.

Occupational injury prevention is a joint responsibility of all three stakeholders, Employers, employees and the state.

The National Institute of Occupational safety & health, Ministry of Labour, trade union relations, which is my Ministry, as a government organization has taken the leadership in creating a safety culture in Sri Lanka.

Last but not least I specially would like to appreciate the committed staff whom contributed immensely to improve and develop new strategies in preventing occupational injuries. Let's joint hands towards creating a safety culture in the country.

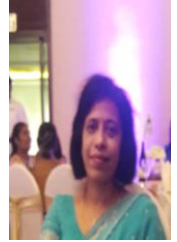
Secretary

Mr. S M Gotabaya Jayaratne

Secretary, Ministry of Labour & Labour Relations

Chairman, Institute of Occupational Safety & Health.

**Message from the Director General of the Institute
of Occupational Safety & Health.**



The National Institute of Occupational Safety and Health (NIOSH) is a statutory body established on 28th April 2005 by a parliamentary act No. 38 of 2009 during the year 2009 and the statutory powers to the institution was obtained only during the year 2009, under the Ministry of Labour Relations & Manpower Sri Lanka. NIOSH is committed to improve, maintain and sustain a safe working environment for all people, through increasing awareness and adherence to proper health and safety measures. Our mandate is to create awareness training, research on OSH, dissemination of updated information, advisory and consultancy services. We educate and train employers, employees and all other categories workers on OSH issues.

The goal of the Institute is to provide a world class occupational safety & Health service to the industry while being a self-financing body. The National Safety and Health institute is taking the lead in delivering professional safety and health information to all our stakeholders.

NIOSH is mandated to undertake responsibility in reducing occupational diseases and injuries by providing technical assistance and creating awareness, providing training on top-level occupational healthcare & safety practices in terms of business operations, prevention of Occupational Diseases, and occupational accidents, impact on occupational safety and health outcomes, provision of necessary OSH training for students, providing fitness to work services to industry, providing environmental monitoring services to the industry etc.

The trainings offered by our organization will ensure the safety of workers while at work, while ensuring safety of others in the workplace. The trainings enable individuals to identify specific hazards at their workplace and identify places where risk is high.

We utilize only the best scientific practices, the best scientific knowledge & resource to deliver our services. We maintain the best quality of our services by occupying the most qualified experts who has the hands-on experience to deliver our service. We provide the best quality OSH services looking for the future of the Sri Lankan industry.

We are the only government organization representing Ministry of Labour & Labour relations in connecting partnerships with the local industry, employers, employees, International organizations, universities and with professional communities in accordance with the global concepts. Furthermore we work with employers employees and all other stakeholders and committed to maintain *the relationships with all tripartite constituents.*

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

NIOSH Administrative Structure

According to the Act No 38 of 2009, the decision-making body of NIOSH is the Governing council board which comprises as a tripartite body. The Structure of the Governing Council Board is specified by the Act No 38 of 2009 comprising with representatives from 14 ministries and chaired by the Sectary to the Ministry of Labor & Trade Union Relations. Currently following members are representing government ministries and employers and employee unions.

Profile of the Governing council members



Chairman

Mr. Gotabaya Jayarathne

Sectary ,

Ministry of Labor & Trade Union Relations

Board members



Mrs. Chandani Amarathunga

Commissioner General

Department of Labour



Dr. Champika Amarasinghe
Director General
NIOSH

Mr. Rohitha Fernando
Chief Factories engineer
Department of Labour



Professor of Chemical Process Engineering
University of Moratuwa



Dr. Inoka Suraweera
Consultant Community Physician
Ministry of Health



Dr. W.B. Wijerathne
Ministry of food and agriculture



Mr. P.M.K. Hettiarachchi
Director
Ministry of finance

Mr.H.N.P.Hettikandage

Mr.W.D.P.B. Wanniarachchi

Mr.D.M.G.B. Disanayaka

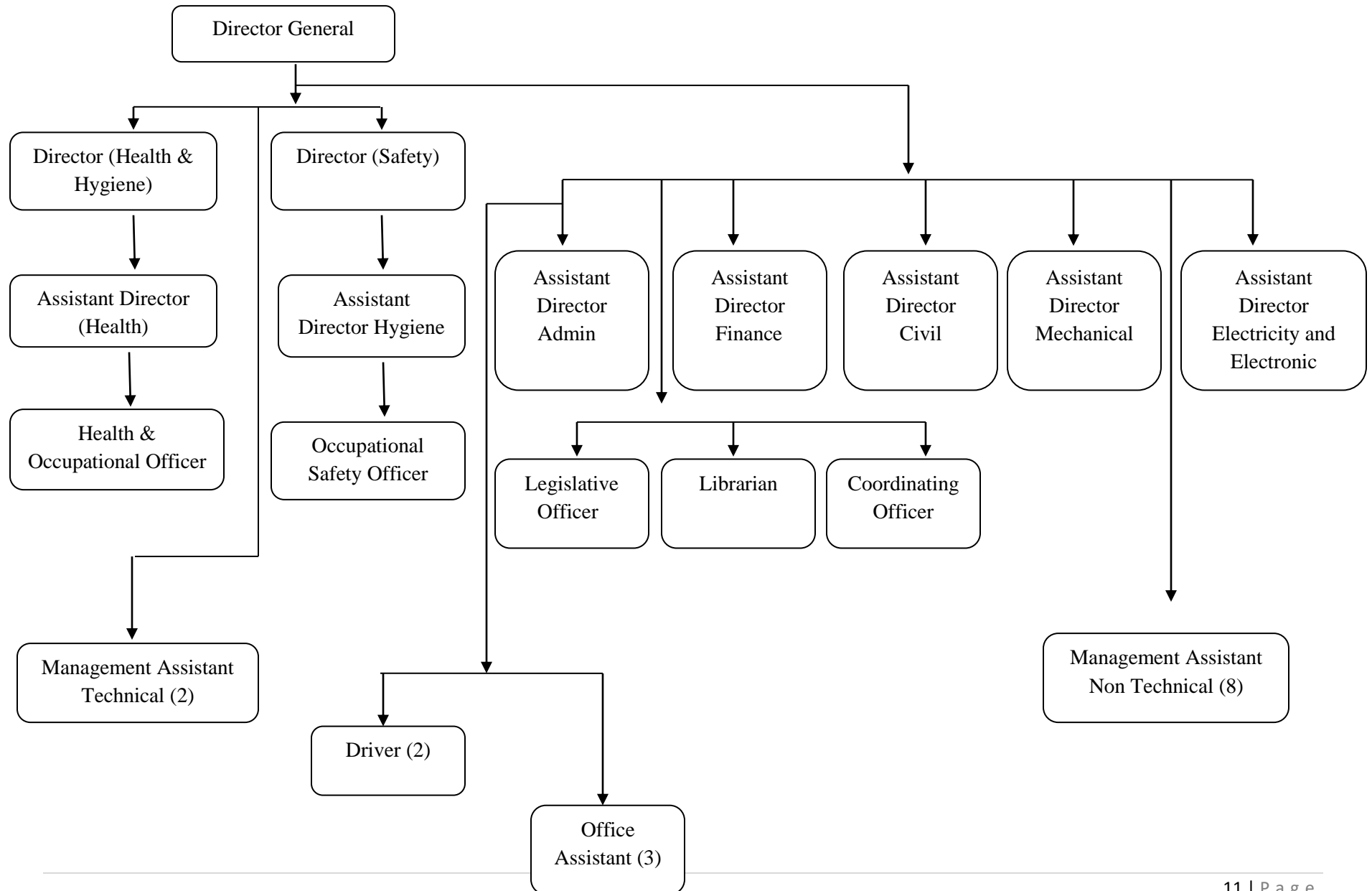
Mr.A.D.V.Kumara Weerasinghe

Mr.H.I.Rupasinghe

Mr.D.D.S.K.Dasanayake

Mr.P.B.Mallawaarachchi

Organization Chart



Programmes and Activities of the National Institute of Occupational Safety and Health

TRAININGS

- Diploma in Occupational Safety and Health
- Certificate in Occupational Safety and Health
- Advance Certificate in Occupational Safety and Health in the Plantation Sector
- Safe Boiler operations for boiler operators
- Safety & Health for health care workers
- Occupational Safety and Health for office staff
- Occupational Safety and Health in laboratories
- Safe chemical handling
- Safety and Health for food handlers
- Occupational Stress Management

ENVIRONMENTAL MONITORING SERVICES

- Indoor Air Quality monitoring
- Emission testing
- Testing the dust level in the industry
- Noise level monitoring
- Extreme temperature testing

FITNESS TO WORK SERVICE

- Audiometric examination
- Blood Analysis for chemical exposures
- Lung function testing
- Vision testing

ADVISORY SERVICES

SAFETY WEEK ACTIVITIES

OCCUPATIONAL SAFETY & HEALTH POLICY DEVELOPMENT

Trainings conducted during the year 2015

🚦 Diploma in Occupational Safety and Health (one year)

Two Diploma batches were recruited for the National diploma in Occupational Safety and Health during the year 2015 and there were 36 and 22 participated respectively. These participants were Executive Officers representing various fields based on the qualifications required to follow the training for one year. Also, one of the significant features of participation was that majority of participants consisted of executive officers in the Defense sector. The training comprised with a theoretical knowledge component and a practical knowledge component which comprised with two field visits. Accordingly, students were sent to Colombo Doc Yards and Seeduwa Lord Star on such field tours in the month of February of this year and they had to carry out a risk assessment and an audit which could be useful for the continues improvements of the said industry.

They have successfully completed the course and the convocation was held at Galadari hotel as a glamorous event during the month of October. We believe our diploma holders would be able to create a more protective working environment in their work places after the completion of the training and it would be of much importance for the safety of workers.

On the other hand, those who seek employment abroad would be much benefitted since it is an added qualification to them. Presently there are a number of students serving in foreign countries after having completed this course of study.



✚ Certificate Course on Occupational Safety and Health

During the year 2015 two certificate courses on Occupational Safety and Health were conducted. Duration of each training was 15 weeks. Seventeen and twenty five students were participated in the trainings respectively. All these participants successfully completed the course. The successful completion of the course by the said participants has resulted in minimizing occupational accidents at work places of those who underwent the above course. Majority of them are employed as safety officers. Anyone interested in Occupational Safety and Health with Advanced Level qualifications can follow this course.



✚ Occupational safety & Health for health care workers

This training was initiated in 2015 and the first batch was successfully completed this course during the month of May and the second batch was enrolled in month of September 2015. This course was commenced on 03rd May 2015 and it was attended by 07 nurses. This course lasted for 05 weeks and the participants successfully completed the course during the period.

Occupational Safety and Health for office staff

This was a one day training and large number of participants were participated in this training. Main focus of this training was ergonomics and occupational stress management which was considered as key issues in office working environment.

Safe chemical handling

This training was held for the chemical handlers in different industry and more than 45 participants were participated in the training. This was a one day training and main focus of the training was safe chemical handling practices including behaviour based safety. Proper use of personal protective equipment was one of the other concerns of the training. According to the evaluations of the training by the participants it was revealed that the training was very useful to minimize occupational injuries.

➤ **Safety and Health for food handlers**

This training was conducted in the NIOSH auditorium and more than 115 participants were participated in the training. It was very interested by all the food handlers in hotel sector. Food handlers safety was one of the concerns in the HACCP certification system.

Work shops

NIOSH initiated the 1st National OSH Excellency awards in the year 2014 and identified many new initiatives and good OSH practices which are practicing in different industries. Accordingly NIOSH as a responsible government organization initiated the benchmarking of the best OSH practices practiced in different industry and organized a **“Best Practice sharing Workshop”** with the participation of more than 50 Human resource managers.

Activities as the preparation for the *National OSH week*

NIOSH is organizing the National OSH week on the 2nd week of October annually as the cabinet of Ministers have declared the 2nd week of October as the “National OSH week”. In order to commemorate this week , NIOSH organizes series of activities with all our stakeholders.



Theme **FOSTERING OSH CULTURE IN WORK PLACES**

Ministry of Labour

National Institute of Occupational Safety and Health (NIOSH) in collaboration with Ministry of Labour

Fostering OSH Culture at Workplace

National Occupational Safety & Health Conference - 2015
Colombo, Sri Lanka

14th October 2015
9am onwards – Grand Ballroom, Galadari Hotel

Rs. 3500/-

Fostering OSH Culture at Workplace

National Occupational Safety & Health Conference - 2015
14th October, Colombo

NATIONAL OCCUPATIONAL SAFETY & HEALTH CONFERENCE - 2015
14th October 2015, 9am onwards – Grand Ballroom, Galadari Hotel

Rs. 3500/-

Dress Code: Formal Attire

E flier

Ministry of Labour & Labour Relations

National Institute of Occupational Safety and Health (NIOSH)

Fostering OSH Culture at Workplace

National Occupational Safety & Health Week - 2015
12th - 16th October, Sri Lanka

NATIONAL OCCUPATIONAL SAFETY & HEALTH CONFERENCE - 2015
"Fostering OSH Culture at Workplace"

14th October 2015 | Galadari Hotel (Grand Ballroom) | 9AM Onwards

INTRODUCTION

The second week of October is designated as the "National Occupational Safety & Health Week" by the cabinet of ministers in the year 2009. The National Institute of Occupational Safety and Health, Ministry of Labour is commemorating this week with the participation and equitable contributions with the objective of developing a safety culture in all work places island wide annually. Further we emphasize on identifying occupational accidents and incidents in all work places and reduce the abnormalities as a direct measure in improving productivity. Furthermore the theme of the week is aligned with the concept of "Fostering OSH Culture at Workplace" where it highlights the importance of Occupational Safety & Health, Occupational injury prevention, Material developments, OSH based innovations and to improve productivity in the economic development drive.

Guest Speakers of NATIONAL OCCUPATIONAL SAFETY & HEALTH CONFERENCE - 2015

| | |
|--|---|
| <p>Mr. Nataska HONGWATKULYAN Lifestyle Guru</p> <p><i>B.Sc. Engineering degree in Electrical Engineering from University of Moratuwa and a MBA from Postgraduate Institute of Management, University of Sri Jayawardenapura</i></p> | <p>Mr. Rosomy Md. Zein Head / Ergonomics Consultant</p> <p><i>Ergonomics Excellence Centre, NIOSH Southern Regional Office, NIOSH Malaysia</i></p> |
| <p>Mr. Shamsul Rizal Shamsudin Country HSE Manager - Malaysia</p> <p><i>Avary Products - Asia Pacific</i></p> | <p>Mr. Oh-Taek Son APAC Application Engineer</p> <p><i>SAF Personal Safety Division - Korea</i></p> |

HIGHLIGHTS OF 2014

For more information and reservation:
Director General
National Institute of Occupational Safety & Health,
C/James Road,
Colombo 03
Tel: 011 2 581 420 • 011 2 588 872

Especially for students only
LKR 3500/-
Buy 10 tickets & get 1 free

Dr. N. C. Anuranga - 0774857088
Raman Jayasinghe - 0774857158
Manoj Perera - 0776660388
Uthara - 0778288147

E-mail: info@niosh.gov.lk • Official website: www.niosh.gov.lk

Commencement of the week

Employee awareness at the Lobby Majestic City – 10th October 2015

The Majestic city lobby was selected as the best place to address the general public and create awareness on Occupational safety in a very informal manner on the 10th October 2015 during 10am to 2.00pm. Few activities were designed to capture different population categories such as kind under 9 years, students, adolescents, working females and males and elderly population.

Kids activities – drawing competition illustrating home based safety issues and small tokens were given

Students and adolescents activities – they were given few questions based on the quizzes we developed addressing the general day today unsafe activities where the students are experiencing. They were requested to identify unsafe conditions related to home based and road based safety and were asked to propose simple suggestions to protect them from dangers. Few entertaining items were introduced coupling the activity to safety issues.

Working with elderly population

Our team designed many activities related to unsafe conditions and work-related activities. Some of the activities were designed based on a simple soft wear installed into laptops and i-pads. The comments from the audience and from the flow were the day was very interactive and interesting and it was an eye opener to the crowd.

Press conference & socializing the occupationally disabled employees -11th October 2015

The press conference was organized to publish the Hon. Ministers safety week message to the country. The Hon. Minister Mr. W.D.J. Senevirathne the minister labour & Trade Union Relations declared his commitment and ensured the Ministries commitment to upgrade the safety & health in the country.

Socializing the occupationally disabled employees – 12th October 2015

NIOSH wanted expand its services to a wider spectrum. NIOSH identified 8 employees through the Workman's Compensation Department who have become disabled due to work during the year 2015. Their social status was very poor and their earning capacities were unbearably minimized due to the disability. Therefore NIOSH thought differently and wanted to strengthen their families by mobilizing them for employment.

The first step for their strategy was rehabilitating these employees by providing them with an artificial limb. NIOSH was able to identify the best “Artificial Limb producer” in the country with accreditations. NIOSH linked all the seven disabled employees and within three weeks the limb producer was able to get the measurements and produce the limbs according to their stature and structure. They were rehabilitated for 6 weeks and the “Ceremonial limb awarding” carried out by the Hon. Minister Mr. W.D.J.Senevirathne. A close monitoring was

carried out by NIOSH and it was identified that two of them were able to employ in there previous workplaces and they were very happily stated that “now we are employed”.



Collaboration with the Universities during the safety week

NIOSH collaborated with the Faculty of Colombo, Department of Human Resource Management and conducted a training session on the 13th October 2015.

NIOSH was able to link with the Faculty of Moratuwa, Department of Mechanical Engineers and carried out a full day session and it was highly appreciated by the Vice Chanslar of the University and gave his fullest commitment to improve OSH status and create a safety culture in the country.



National OSH Conference – 2015

This was one of our annual events organized by NIOSH with the objective of addressing the Human Resource managers and top management in industry. It was very impressive that NIOSH see the increasing the numbers of participants annually and more than 450 participants were participated in this conference. It showed the commitment of the industry towards the safety culture.

NIOSH always tries to address the new emerging and reemerging OSH issues. In order to address the new concepts and thoughts on global OSH issues, NIOSH was able to get down the best speakers from Malaysia, Singapore and Korea to share the OSH knowledge among our industrial community.



NIOSH Annual Convocation

This is another annual event NIOSH organizes to award the certificates to our Diploma Holders. There were more than 70 diploma and certificate holders and NIOSH organized this event very colorfully.



OSH Capacity Building among the Japanese Migrant Trainees to Industry

NIOSH started a new venture to training on capacity building on occupational safety & health among the Japanese Migrant Trainees as pre requisite for Japanese visa.

The training module was developed in three segments such as;

- OSH for identified industry
- Japanese language training
- Physical fitness and ensuring fitness to work

NIOSH introduced a new strategy to minimize work related accidents and diseases among the employees who are expected to migrate to a foreign country.



Surveys and research in the field of Occupational safety and health

NIOSH recruited 3 undergraduate students to undertake Occupational Safety & Health related research as a partial fulfillment of their BSc in industrial statistics, in Faculty of Science Colombo. The research topics are as follows;

1. Assess the causes for non reporting the occupational injuries among the manufacturing and construction industry workers in Sri Lanka
2. Identify the work relatedness among the cancer hospital attendees
3. To assess the work relatedness among the patients attending to the chest clinic Colombo

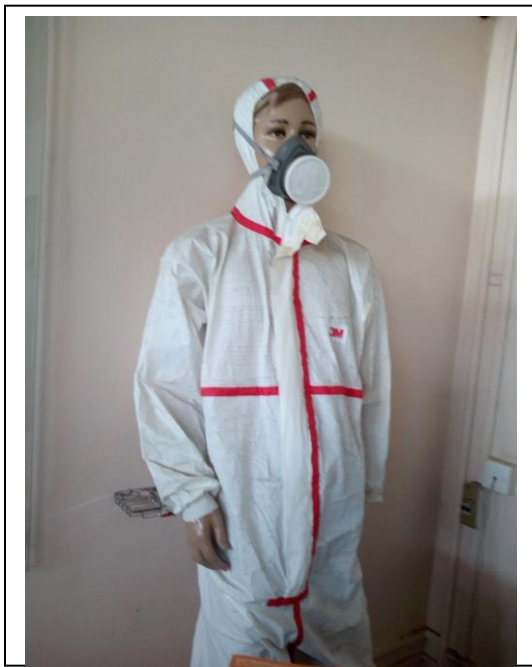
The research findings can be downloaded through our web.

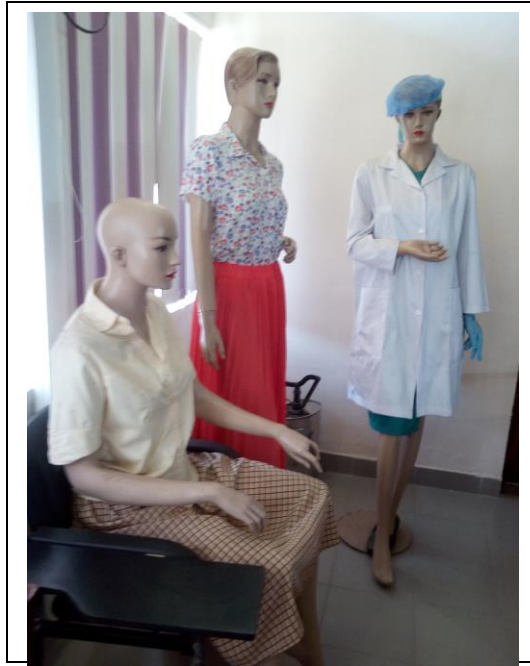
Advisory services to industry on OSH management systems

Developed a safety & health management system and published among the required companies as to establish a safety management system in the said industry after conducting a risk assessment.

Provision of required services on the correct use of equipment,

Developed necessary dummies to demonstrate the proper use of personal protective equipment according to the job specifications and conducted trainings and awareness sessions for the employees on proper use of these personal protective equipment.





NIOSH Routine work

The National Institute of Occupational Safety and Health is conducting its routine work with the objective of enhancing health and ensuring safety of the workers in all work places. In order to accomplish these tasks NIOSH is carrying out following activities;

Environmental Monitoring – NIOSH take the responsibility to measure the working environmental hazards such as temperature, light, noise, flu gasses, indoor air quality to ensure the working environmental standards in industry. Currently NIOSH has delivered more than 150 workplace environmental monitoring services during the year 2015.

Biological monitoring – NIOSH is undertaking the fitness to work assessment service which is one of the needs of the industry. Accordingly NIOSH is carrying on physical examination, calculation on BMI, checking blood pressure and plus rates, vision testing, series of blood testing, audiometric examination and lung function testing depending on the hazardous exposures among the employees.

Risk assessments and Auditing – NIOSH is conducting risk assessments and industrial OSH audits and assisting the industry by identification and provision of recommendations of mitigating the occupational hazards in industry. Currently NIOSH has introduced a new soft- wear to maintain the uniformity of the risk assessments and audits.

Institutional stability & its growth

The National Institute of OSH is now established its name as a main service provider to the industry.

In 2015 NIOSH wanted to make a step forward of its progress and decided to apply for the productivity awards 2015. The productivity project proposal was developed and a special logo was developed and started a crash project to achieve the productivity awards achievement strategy.

Preparation for the Productivity Awards – 2015

NIOSH is always looking forward to provide the best service which the industry expects. In order to do so NIOSH need to update and upgrade its internal capacities. Therefore following activities were carried out to upgrade the institutional outlook.

- We introduced the 5S concept to the Institution



Anything which is related

NIOSH changed its communication strategies which was able to deliver our services more effectively.



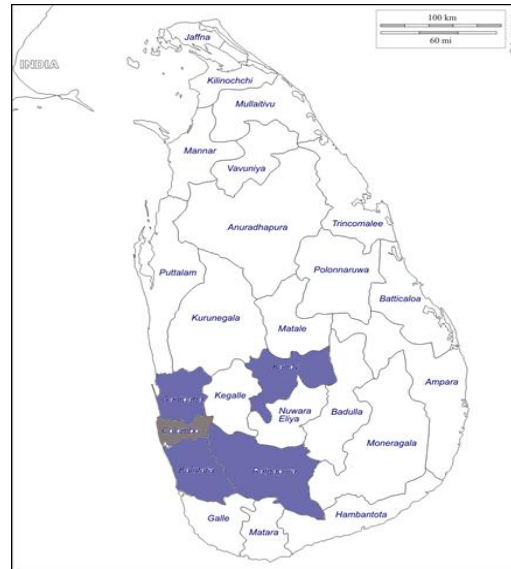
NIOSH web site was developed and was able to communicate with the industrial community more efficiently .



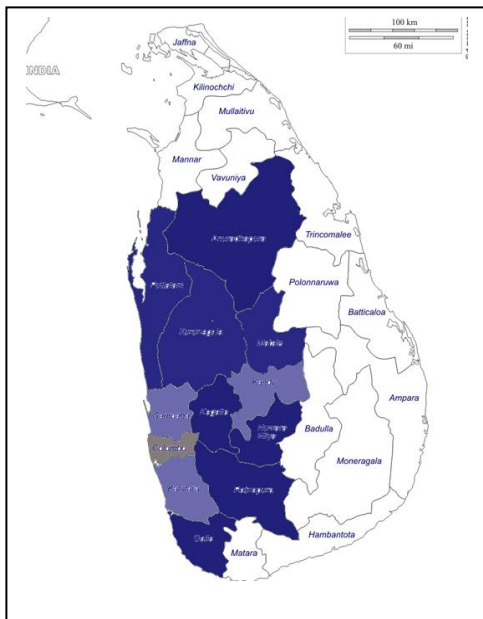
Spectrum of NIOSH service provision since 2011 to 2015



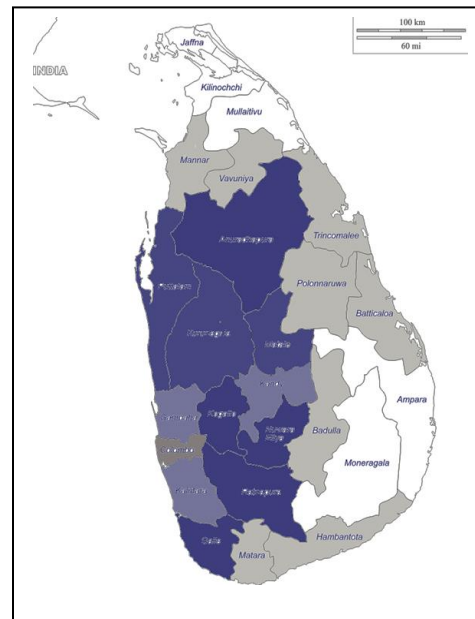
The service provision was only limited to western province covering only 33 industries in 2011



The service provision was limited to western province and central provinces covering only 60 industries in 2012



In 2013 services covered 90 factory in western , Central, Southern North western, North provinces



In 2014-2015 we can distributed our services to cover about 135 factories

Occupational Safety and Health Study Library

The Library which housed on the Ground Floor of the National Institute of Occupational Safety and Health consists of useful books, periodicals, leaflets, bulleting, thesis, reproductions, modules, chemical Safety data notes and articles on data for the use of students on week-days.

- Occupational Health
- Industry
- Environment
- Public
- Suitable environment for work
- Technical Safety
- Protection from Chemicals
- Occupational Diseases
- Legislation of Industrial Laws
- Toxicology
- Water and Sanitation

Financial Analysis 2014 – 2015

| | 2014 | 2015 |
|--|----------------------|----------------------|
| Income from Occupational Safety and Health Course | 5,309,172.86 | 8,407,400.00 |
| Income from Environmental Measurements | 7,147,741.87 | 8,919,300.00 |
| Income from the services rendered by co-operative Agreement made with other institutes | 4,058,228.94 | 2,077,484.00 |
| Income from Medical Test Activities | 1,206,607.26 | 3,017,700.00 |
| Income from Building Rent | 28,625.00 | |
| Income from Interest (NOISH Development Fund) | 2,571,234.60 | 2,992,408.91 |
| Other Income | 61,574.00 | 61,022.00 |
| total | <u>20,383,184.00</u> | <u>25,475,314.91</u> |

Statement of Financial position

National Institute of Occupational Safety and Health

Balance Sheet as at 31st December 2015

| | | 2015 | 2014 |
|--|--------|----------------------|----------------------|
| | | Rs | RS |
| <u>Assets</u> | | | |
| Current Assets | | | |
| Cash and cash equivalents | Note 1 | 753,803.60 | 3,042,876.75 |
| Receivables | Note 2 | 9,574,102.02 | 3,673,866.94 |
| Development Fund | | <u>46,252,823.65</u> | <u>31,781,095.52</u> |
| | | <u>56,580,729.27</u> | <u>38,497,839.21</u> |
| Non Current Assets | | | |
| Treasury Accounts | | 267,500.00 | 267,500.00 |
| Plant Machinery & Equipment | Note 3 | 21,890,542.61 | 17,610,593.52 |
| Capital Expenses Done by Ministry | | - | - |
| | | <u>22,158,042.61</u> | <u>17,878,093.52</u> |
| Total Assets | | <u>78,738,771.88</u> | <u>56,375,932.73</u> |
| LIABILITIES | | | |
| Current Liabilities | | | |
| Payables | Note 5 | 1,819,228.15 | 3,641,442.14 |
| | | <u>1,819,228.15</u> | <u>3,641,442.14</u> |
| Total Liabilities | | | |
| Net Assets | | <u>76,919,543.73</u> | <u>52,734,490.59</u> |
| NET ASSETS | | | |
| Accumulated surplus | Note 4 | 59,862,816.71 | 52,734,490.59 |
| Treasury gain | Note 6 | 15,406,726.97 | |
| Donation medical equipment – National Science Foundation | | <u>1,650,000.00</u> | |
| | | <u>76,919,543.73</u> | <u>52,734,490.59</u> |



W.J.L.U. Wijayaweera
Chairman
NIOSH



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

Statement of Financial Performance

National Institute of Occupational Safety And Health

As At 31st December 2015

| <u>Revenue</u> | 2015 | 2014 |
|-----------------------------|----------------------|----------------------|
| Treasury Grant | - | 10,973,676.59 |
| Operational income | <u>29,523,539.91</u> | <u>20,383,184.53</u> |
| | <u>29,523,539.91</u> | <u>31,356,861.12</u> |
| Less: | | |
| <u>Expenses</u> | | |
| Administration expenses | 20,031,368.05 | 9,901,151.84 |
| Financial charges | 45,192.03 | 19,690.00 |
| Depreciation | <u>2,360,194.80</u> | <u>1,994,242.33</u> |
| Total expenses | <u>22,436,754.88</u> | <u>11,915,084.17</u> |
| | | |
| Surplus for the year | 7,086,785.03 | 19,441,776.95 |

Notes to the financial Statements

1. Significant accounting policies

1.1. Reporting entity

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

1.2. Principal activities and nature of operations

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

1.3. Basis of preparation

(a) Statement of compliance

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

(b) Basis of measurement

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

(c) Functional and presentation currency

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

(2) Property, plant and equipment

i. Recognition And Measurement

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

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

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

Cost property, plant and equipment are recorded at cost less accumulated depreciation and less any impairment in value.

ii. Depreciation

The provision for depreciation is calculated by using a straight – line method on the cost of all property, plant and equipment in order to write off such amounts over the following estimated useful lives. Depreciation policy is no depreciation for purchasing year & fully depreciation in disposal year.

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



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கணக்காய்வாளர் தலைமை அதிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இல.
My No.

} LEW/A/NIOSH/FA/2015

මගේ අංකය
உமது இல.
Your No.

දිනය
திகதி
Date

} 18 October 2016

The Chairman,

National Institute of Occupational Safety and Health.

Report of the Auditor General on the Financial Statements of the National Institute of
Occupational Safety and Health for the year ended 31 December 2015 in terms of Section
14(2) (c) of the Finance Act, No. 38 of 1971.

The audit of financial statements of the National Institute of Occupational Safety and Health for the year ended 31 December 2015 comprising the statement of financial position as at 31 December 2015 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Finance Act, No. 38 of 1971 and Section 17(3) of the National Institute of Occupational Safety and Health Act, No. 38 of 2009. My comments and observations which I consider should be published with the Annual Report of the Institute in terms of Section 14(2) (c) of the Finance Act appear in this report. A detailed report in terms of Section 13 (7) (a) of the Finance Act, was issued to the Chairman of the Institute on 26 May 2016.

1.2 Management's Responsibility for the Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Public Sector Accounting Standards and for such internal control as the management determines is necessary to enable the preparation

අංක 306/72, පොල්දූව පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව. - இல. 306/72, பொல்தூவ வீதி, பத்தரமுல்லை, இலங்கை. - No. 306/72, Polduwa Road, Battaramulla, Sri Lanka



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1.3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Auditing Standards of Supreme Audit Institutions (ISSAI 1000-1810). Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Institute's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Institute's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements. Sub-sections (3) and (4) of Section 13 of the Finance Act, No. 38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the audit.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my 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 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 National Institute of Occupational Safety and Health as at 31 December 2015 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

2.2 Comments on Financial Statements.

2.2.1 Sri Lanka Public Sector Accounting Standard 01

Assets and liabilities should not be set off against each other unless otherwise permitted or required by an Accounting Standard. However, a sum of Rs. 166,000 received for the ensuing year with respect to the Japanese Training Programme had been shown after being deducted from the balance of the accounts receivable.

2.2.2 Accounting Deficiencies

The following observations are made.

- (a.) The accounting policy being followed by the Institute for recognizing the course income had not been disclosed in the financial statements. Course income amounting to Rs. 2,000,000 received for the preceding and the ensuing year had been included in the income of the Diploma courses of the year under review.
- (b.) The accounting policy on accounting the Government grants had not been disclosed in the financial statements. All recurrent and capital grants received



by the Institute through the Ministry of Labour and Labour Relations up to the preceding year, had been accounted as revenue income, whereas it had been accounted as equity in the statement of financial position of the year under review.

- (c.) Recurrent and capital grants reimbursed by the Ministry for the preceding year amounting to Rs. 610,677 and Rs. 4,913,270 respectively, and recurrent and capital grants to be reimbursed for the year under review amounting to Rs. 3,421,259 and Rs. 585,885 respectively had not been properly identified and accounted.

2.2.3 Lack of Evidence for Audit

A sum of Rs. 267,500 remitted to the Ministry after being received from various institutions in the years 2009 and 2010, had been sent to the Treasury, and the amount had been accounted as deposits in the accounts of the Institute, but, it had not been confirmed by the Treasury.

2.3 Accounts Receivable and Payable

The contribution to the Widows' and Orphans' Pension Fund amounting to Rs.143,151 and the sum of Rs. 1,170,961 to be reimbursed to the Department of Labour in respect of the period from January 2014 to December 2015, had not been settled to the relevant institutions even by the date of audit, 04 May 2016.

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

In terms of Public Finance Circular, No. 2/2014 dated 17 October 2014, the Board of Survey in respect of the preceding year should be conducted before 31 March of each year. However, the Board of Survey for the year 2015 had not been conducted even up to 04 May 2016, the date of audit.



3. Financial Review

3.1 Financial Result

According to the financial statements presented, the operations of the National Institute of Occupational Safety and Health for the year ended 31 December 2015 had been a surplus of Rs.7,086,785 as compared with the corresponding surplus of Rs.19,441,777 for the preceding year, thus indicating a deterioration of Rs.12,354,992 in the financial result for the year under review. Due to change of the accounting policy followed in the preceding years for accounting for the recurrent grants received from the Treasury, recurrent and capital grants totalling Rs.15,406,726 received in the year under review had not been identified as an income in the statement of financial performance, thus attributing to the said deterioration.

In analyzing the financial results of the year under review and 04 preceding years, a financial surplus that had improved continuously from the year 2011 to 2014, was indicated. The financial result of the year 2015 had deteriorated due to non-consistency in accounting the Government grants for the years 2014 and 2015. In considering the employee emoluments, depreciation on the Property, Plant and Equipment, and Government taxes, the contribution of the Institute for the year 2011 amounting to Rs. 4,767,579, had continuously improved up to the year 2014. The contribution of Rs. 27,381,220 in the year 2014, had deteriorated by 42 per cent in the year 2015.

4. Operating Review

4.1 Performance

In terms of the National Institute of Occupational Safety and Health Act, No. 38 of 2009, the main objectives of the Institute includes : to advise the relevant Minister in the formulation of a national policy on occupational safety and health, and to



conduct, undertake and assist in investigations, study programs, surveys and research in the field of occupational safety and health.

The objectives to be accomplished by the Institute in the year under review, and observations relating to the progress of achieving the objectives, are given below.

- (a.) Three courses scheduled to be conducted in the year under review, had not been conducted.
- (b.) Sufficient attention had not been drawn in achieving most of the objectives of the Institute during the year under review.

4.2 Operating Activities

The Institute awards certificates by conducting 02 Diploma courses, and 03 certificate courses since its inception, but a data base had not been maintained in respect of students applied and completed the courses successfully and students who obtained certificates. Hence, it was observed that it is likely that the Institute would face adversity in the event of confirming the certificates issued and this would pave way for a scam.

4.3 Management Activities

The following observations are made.

- (a.) A total of Rs.5,644,437 had been incurred throughout a period of 10 years on the improvement of the building in which the Institute had been operated . However, action had not been taken to take over the ownership of the building.
- (b.) The increase of the course fees had mainly attributed to the increase in the targeted income planned for the year under review, and the approval of the Board of Directors had not been obtained in that connection.



4.4 Transactions of Contentious Nature

Without approval of the National Salaries and Cadre Commission together with the Ministry of Public Administration and Management, a sum of Rs.166,500 had been paid for the supply of resources for the environmental surveys carried out by the Institute.

4.5 Personnel Administration

Vacancies existed for 14 officers including 06 officers of senior and retrial category. Due to failure in making appointments to those posts, achieving the objectives of the Institute properly would be difficult. Those vacancies had been pointed out by the audit even in the preceding years.

5. Accountability and Good Governance

5.1 Audit Committees

Audit Committee meetings had not been held for the year under review in terms of Sub-section 7.4.1 of the Public Enterprises Circular, No. PED/ 12, dated 02 June 2003.

5.2 Procurement Plan

The following observations are made.

- (a.) Although a Procurement Plan had been prepared for the year under review, it had not been prepared in accordance with the Format 4.2.1 of the Procurement Guidelines, and the Plan had not been updated within a period not more than 06 months in terms of 4.2.1 (e) of the Procurement Guidelines.



- (b.) In terms of the Supplement 28 dated 04 July 2014 relating to the amendment made to Sections 3.4 and 3.6 of the Procurement Guidelines, purchases should be made by obtaining at least 03 quotations under the shopping method. Contrary to that, plastic chairs and tables valued at Rs. 214,000 had been purchased based only on one quotation.

5.3 Tabling of Annual Reports

In terms of Section 18 of the National Institute of Occupational Safety and Health Act, No. 38 of 2009, Annual Reports of the Institute for the years 2013, and 2014 had not been tabled.

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 Institute from time to time. Special attention is needed in respect of the following areas of control.

| Areas of Systems and Controls | Observations |
|---------------------------------|---|
| ----- | ----- |
| (a) Control of Operations | Failure to utilize the strategies adequately to accomplish the targets planned. |
| (b) Budgetary Control | Failure to use the budget as an instrument of financial control. |
| (c) Personnel Administration | Failure to take action to fill vacancies. |
| (d) Control of Fixed Assets | Failure to conduct annual Boards of Survey |

H.M. Gamini Wijesinghe.
Auditor General