



National Institute of Occupational Safety and Health

# Annual Report

## 2014



# **NIOSH**

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

# **National Institute of Occupational Safety and Health**

**Minister – Ministry of Labour and Labour Relations**

Hon. Gamini lokuge

**Deputy Minister – Ministry of Labour and Labour Relations**

Hon. Sarath Weerasekera

**Secretary, Ministry of Labour and Labour Relations**

**Chairman, National Institute of Occupational Safety and Health**

Mr. W.J.L.U. Wijayaweera

**Director General, National Institute of Occupational Safety and Health**

Dr. N. C. Amarasinghe

## **Audit Committee**

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

C. Senanayake – Chairman, Deputy Director, National Planning Department

W.D.B.J. Weliwatta – Observer, Audit superintend Auditor General Department

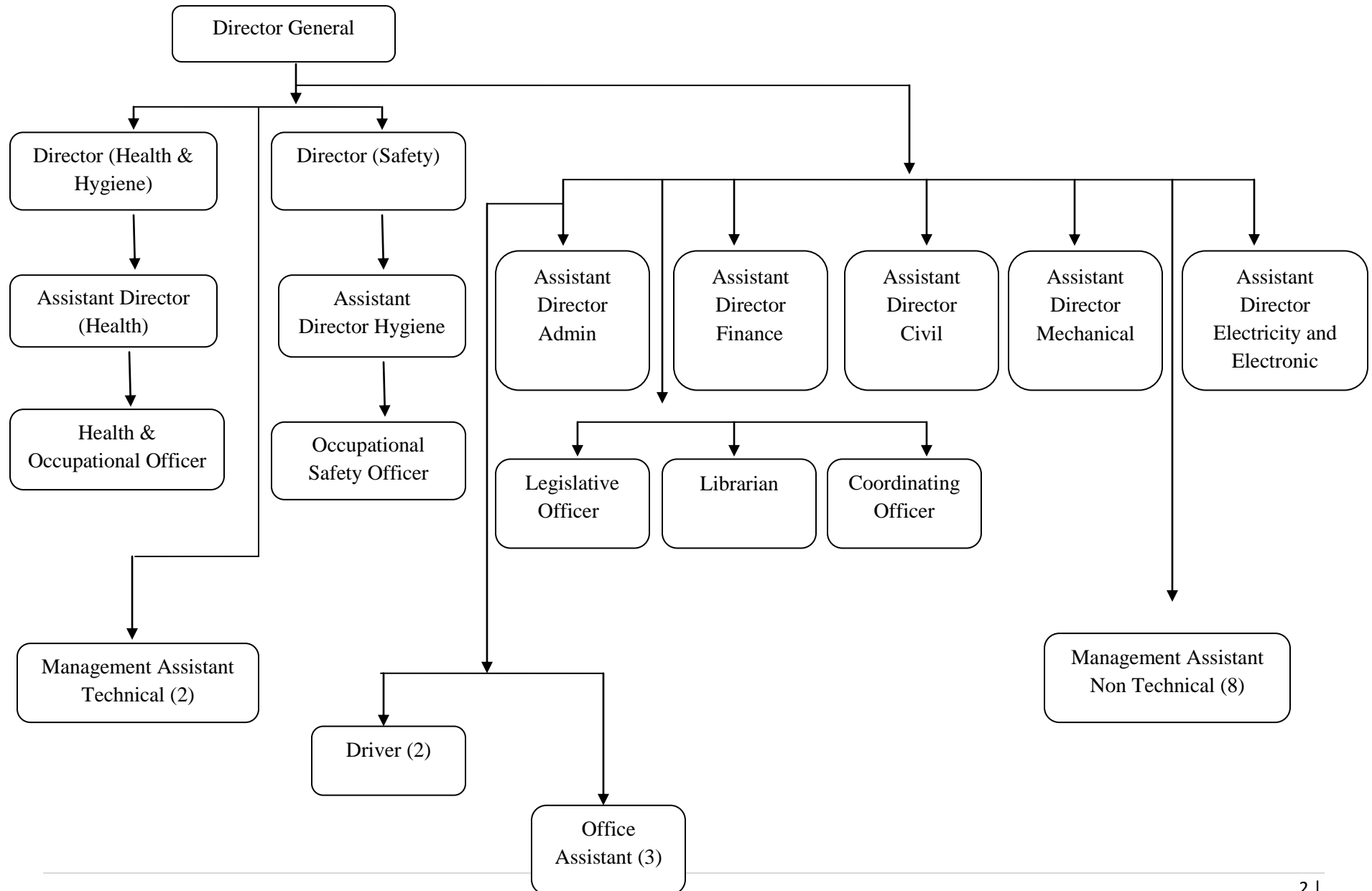
E. W. A. G. Punyasiri – Internal Auditor, Ministry of Labour and Labour Relations

P. M. K. Perera – Assistant Director, National Institute of Occupational Safety and Health

## **Bank**

People's Bank – Narahenpita

# Organization Chart



## **Message from the Minister of Labour & Labour Relations.**



Maintaining a healthy work force by creating background that pave sway for leading a healthy life for each and everybody is envisaged through the Future vision based on the Mahindra Chinthana policy to work in terms of the National Policy of Occupational safety and Health.

Accordingly the National Occupational Safety & Health Institute has decided to accomplish that task. In these endeavour employers, employees as well as the management should ensure that a risk – free work site and a risk – free sector is created. They are also entrusted with the task of raising awareness among the employees about it and protecting them.

The responsibility thereof does not vested with the worker community itself but the government too should bear the responsibility. Similarly, it is the duty of the Government to provide infrastructure facilities. This process can also be underpinned by way of legal policy. To this end a national policy and suitable ways and means are required to ensure the protection of workers at work.

This does not mean that the employers are solely responsible for it. The government in them mannerly holds the responsibility for the same. Also, the knowledgeable personnel concerned about these particular fields have a responsibility to work towards the health and the safety of workers. On the other hand the Institute of Occupational Safety & Health is vested with the task of ensuring their safety by raising awareness among employees and employers to improve occupational safety and health of the working people.

I do hereby extend my sincere thanks to the Ministry and its staff that took a leading role in realizing all these initiatives. I wish to express my gratitude to tripartite shareholders of employer and employee representatives, public Institutions, international labour Organization and non – governmental organizations. Last but not least my thanks should go to my brotherly Mps and Ministers who extended their support and encouragement towards this worthy cause.

Hon .Gamini Lokuge  
Minister of Labour & Labour Relations.

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



It is with great pleasure that I present this progress Report – 2015 of the Institute of Occupational Safety and Health under this Ministry which is to be tabled in Parliament at the Committee Stage discussion on the Budget – 2014 of the Ministry of Labour & Labour Relations.

During the previous year the institute of Occupational Safety and Health dedicated to create a better working environment within the Institute with the aim of bringing about a healthy work – force.

During the course of the last several years the Institute of Occupational Safety & Health has rendered a commendable service which in turn immensely contributed to the productivity of the country.

I wish to extend my sincere gratitude to the Hon. Minister of Labour & Labour Relations, Gamini Lokuge for his able guidance, leadership and assistance extended to achieve these goals.

My thank should also go to the Additional Secretary and all other Heads of Departments including their staff for their dedication and cooperation towards this worthy cause.

Moreover my thanks are due to the Director General of the Occupational safety and Health Institute for the invaluable service rendered by the Department of the Institute of Occupational Safety & Health and the staff thereof.

W. J .L. U. Wijayaweera  
Secretary Ministry of Labour & Labour Relations  
And president, Institute of Occupational Safety & Health.

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



NIOSH goal is to establish and sustain as a self financing institute providing unbiased,

World class OSH services and create a safe and healthy working environment and develop a safety culture in Sri Lanka.

Accordingly our vision is to provide Occupational Safety & Welfare for all and our mission is set as empower through education training, research and other relevant interventions for preventing and controlling all forms of work related hazards to ensure safety, Health and welfare at work places.

Today NIOSH proudly presents its first Newsletter “NIOSH Spotlight” with glamour and elegance. We consider this is one of the most attractive mode to disseminate OSH information to our valuable cliental.

We hope to disseminate most updated OSH information to the industry and it will be definitely a bridge between NIOSH and our partners in sharing information and knowledge.

NIOSH operates as a responsible organization in creating a safety culture in Sri Lanka. We always maintain our quality in all our activities and services. We utilize only the best scientific practices, the best scientific knowledge & resource to deliver our services. We provide the best quality OSH services looking for the future of the Sri Lankan industry and this news letter will carry the best news about the best Osh practices in local and international industry.

We are an organization who always extend our hands for developing partnerships with government and non government organizations. We are the only government organization representing Ministry of Labour 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. Through this newsletter we extend our hands to join with us and strengthen the partnerships with NIOSH.

We are very easily accessible and maintain fair and unbiased service to our valuable partners. Any interested party can obtain information about NIOSH services and activities through our web. And this newsletter will be another mode of extending our accessibility to any industry that needs our support. NIOSH always maintain its Accountability for any service we provide. Our programs are evaluated against the international and national OSH standards and we provide best

solutions for any OSH related problems in industry and we share the best OSH solutions for continues improvements through our newsletter.

to cope up with the new technology susceptible to occupational accidents and injuries. Human error happened to be a major cause of occupational injuries. Hence a thorough knowledge on safety & health and occupational disease is vital to create a culture of industrial safety and health among the workforce. The outcome of the news letter will geared to make aware of top management of public and private sector on importance of creating the safe working culture with new advanced knowledge. This would be a forward leap in developing an environmentally friendly safety culture in Sri Lanka.

I wish all success and sincerely hope all our tri partied constituents will get the maximum benefit of this.

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

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## Chapter 1

### **General Profile of the National Institute of Occupational safety & Health**

#### **Preface**

The National Institute of Occupational Safety and Health (NIOSH) is a statutory cooperate 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 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.

**NIOSH GOAL – To establish and sustain as a self financing institute providing unbiased, world class OSH services and create a safe and healthy working environment and develop a safety culture in Sri Lanka.**



**Vision;** “Occupational Safety & Welfare for all”

**Mission;** “To empower through education training, research and other relevant interventions for preventing and controlling all forms of work related hazards to ensure safety, Health and welfare at work places”.

## Our Values

**Relevance** - NIOSH is responsible in creating a safety culture in Sri Lanka

**Quality** - 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.

**Partnership** - 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*.

**Access**- Any interested party can obtain information about all NIOSH services and activities through our web.

**Performance**- Our programs are results-oriented.

**Accountability** - Our programs are evaluated against the international and national OSH standards and we provide best solutions for any OSH related problems in industry.

**Unbiased services** - We maintain fair and unbiased service

**Confidentiality**- *NIOSH ensures the confidentiality of our customer information*

**Safety culture** – Our responsibility is to develop a safety culture in the work world in Sri Lanka

## **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**

#### **Members of the board**

<b>Name</b>	<b>Designation</b>	<b>Institute/Company</b>
Mr.S.M.G. Jayarathne	Secretary	Ministry of Labour & Labour Relations
Ms .M.D.C. Amarathunga	General of Labour. Commissioner of Labour	Department of Labour
Mr. Rohitha Fernando	Commissioner of Labour- Industrial Safety Division	Department of Labour
Prof.Ajith De Alwis	Professor,Department of Chemical Engineering	Univercity of Moratuwa
Mr.P.M.K.Hettiarachchi	Direcor	Ministry of Finance
Mr.S.A.S.Ruchira Withana	Director	Ministry of Industrial Development
Dr.D.B.T.Wijeratna	Director, Enterprise Development	Ministry of Agriculture
Dr.Inoka Suraweera	Consultant-Community Physician	Ministry of Health
Dr. N.C. Amarasinghe	Director General	National Institute of Occupational Safety & Health
Mr.H.N.P.Hettikandage		

Mr.W.D.P.B.Wanniarachchi		
D.M.G.B.Dissanayake		
W.A.D.V.Kumara Weerasinghe		
Mr.H.I.Rupasinghe		
Mr.D.D.S.K.Dasanayake		
Mr.P.B.Maalarachchi		

## **Chapter 2 -**

### **General Objectives of NIOSH**

- (a) To advise the Government in the formulation of a national policy on Occupational safety & health & on the working environment both of employers & employees taking into consideration the nature of the occupation & safety of the employers & employees.
- (b) to advise the Government on measures required for the prevention of accidents and injuries relating, to Occupation at work places;
- (c) to conduct, undertake and assist in investigations, study programmes, surveys and research in the field of Occupational safety and health
- (d) to provide advisory services to any institution or person on the correct use of equipment, hazardous substances, physical, chemical or biological agents or products or any other hazards;
- (e) to educate and provide necessary training to employees, occupiers, workers or any other person required of knowledge and training in occupational safety and health and related subjects either in collaboration with any other institution or university in Sri Lanka or abroad, or by the Institute and award certificates or diplomas on completion of such education or training;
- (f) to provide required services on the correct use of equipment, hazardous substances, physical, chemical, biological agents or product and psychosocial hazards and avoidance of known hazards;
- (g) (i) to advise the Minister on legislative requirements with regard to standards, codes, practices and guidelines in matters relating to occupational safety and health
  - (ii) to evaluate and determine the work process, the substances and agents, the exposure to which is prohibited, limited or made subject to supervision;
- (h) to undertake or collaborate in the collection, preparation, dissemination and publishing of information relating to occupational safety and health;
- (i) to organize or to sponsor conferences, seminars, workshops, symposiums or such other similar programmes and publish papers in connection with occupational safety and health;
- (j) to co-ordinate inter-ministerial projects , programs and activities on occupational safety and health;
- (k) to establish and maintain libraries and laboratories for the purpose of promoting and furthering of the practice of occupational safety and health;
- (l) to develop research and special laboratories;
- (m) to liaise and establish links and networks with relevant National and International Institutions, Universities or any other organizations in the field of occupational safety and health; and
- (n) to establish national standards in the field of Occupational safety and health.

## Chapter 3 –

### **Current status and growth of the institution -Institutional stability & its growth**

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

### **OUR TRAINING – Quality improvements**

NIOSH is committed to educate and provide necessary training to employees, occupiers, workers or any other person who need to improve knowledge on OSH and related subjects either in collaboration with any other institution or university in Sri Lanka or abroad, or by the Institute and award certificates or diplomas on completion of such education or training;

Following activities were carried out in order to full fill the countries need of developing a safety culture in industry through training and awareness;

NIOSH conducted three **certificates on OSH courses** for industrialists during the year 2014, with the objective of training junior safety personal. More than 80 participants participated in these three courses. The duration of the courses was 15 days. These courses were accredited with the tertiary vocational qualification qualifications level 4. They obtained the certifications in the convocation ceremony which was held during the year 2015 October 14<sup>th</sup>.

NIOSH conducted one day training on OSH for construction sector workers with the participation of more than 110 employees. They were given a safety passport which was valid only for one year. They were taught for the best safety practices and especially they were made aware on Dengi Fever and the preventive strategies.

We conducted 2 parallel courses in Diploma in OSH for senior safety officers and the course duration was one year. This course was conducted on Sundays considering the most convenient time for the industrial employees. This course was very successfully completed. Furthermore the main two courses conducted by NIOSH had a very high acceptance from the industry and many past participants were eligible for international job market.

NIOSH was able to Obtain NVQ (National vocational qualifications, which is an accreditation for the courses) certifications for the certificate (Level 4) and diploma courses (Level 6).



NIOSH conducted mass group trainings based on requested topics and on current OSH related topics. The resource personal was drained from academia and national and international organizations. One of the main attractive sessions was the “Ergonomic in industry” and the special session which we conducted with the collaboration of the Sri Lanka Medical Association (SLMA) with the participation of international and National experts in Ergonomics. The participatory audience was Medical doctors.

We are currently developing a trainee’s data base to match the qualifications obtained through NIOSH and to match with the specific jobs as the safety professionals.



## **Commemorating the National Occupational Safety & Health Week**

National Safety & health week commemoration is one of our annual event organized by the institute with the collaboration of our stakeholders. All employers and employees jointly share the experiences in knowledge sharing and many other activities. This is the largest occupational safety & health event in the country. We are very proud to present this event to the Nation annually.



## The theme of the National Safety & Health conference 2014



## From 2014 National OSH Conference...





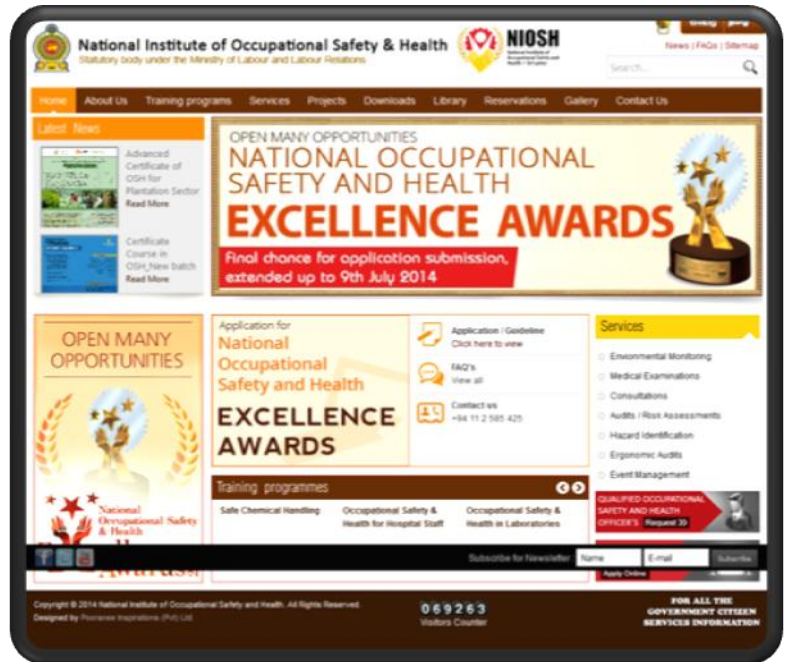
## From 2014 National Diploma Convocation





**Launching the NOSHE awards – Awarding and rewarding the best practitioners**





**Category of awards .....**



**Best achievers awards**



Develop and categorize the industry in to high risk, medium and low risk categories and accordingly award National Safety Excellency ward 2 yearly.

The National Safety Excellency awards competition was launched during the month of May after developing the application and guide book for answering the questions. It was designed in 3 phases;

1. Application submission with requested proof documents
2. Desk review by a panel of OSH experts in the field
3. Field verification using a specially designed soft wearer by an expert panel
4. Selected best performers were given a set PowerPoint presentation to fill it with their experiences to justify and witness the best OSH innovations.
5. Awards ceremony.



**It was a branded event .....**

The industries were categorized according to the industrial categorization used internationally and the best practitioners were selected, awarded and rewarded.

## OUR ENVIRONMENTAL MONITORING SERVICES

NIOSH is one of the most competent institutions which have all the sophisticated equipment to deliver the environmental monitoring services to the industry in Sri Lanka. It is the best approach to improve the working environmental conditions to make the employers happy and healthy. NIOSH is carrying out following environmental monitoring services;

Monitoring of the physical hazards in industry;

- NOISE level monitoring – is carryout by NIOSH in order to protect the employees from excessive noise in industry and to provide recommendations to maintain the world accepted noise level standards. We use following equipment to measure the noise levels in industry;

### ***HD2110L - Class 1 integrating sound level - Portable Analyzer***

The HD2110L is a precision integrating portable sound level meter, with data logging functions, performing both spectrum and statistical analysis. The instrument has been designed in order to offer high-performance analysis of acoustic phenomena.

#### **Technical regulations:**

Class 1 sound level meter according to IEC 61672-1, 2002 (Certificate of Compliance I.E.N. No. 37035-01C), IEC 60651 and IEC 60804., Class 1 octave and third octave filters according to IEC 61260

Microphone in compliance with IEC 61094-4

#### **Applications:**

Noise monitoring with sound event capture and analysis function,

Identification of tonal components even at the standard third octave band,

Estimate of the audibility of spectral components through comparison with equal loudness curves in real time,

Measurement in workplaces and selection of the individual protection devices (methods SNR, HML and OBM),

Sound insulation and reclamation,

Production quality control and measurement of machine noise,

Architectural acoustic and building measures.



- **Temperature measurements**

*Key Features of our equipment*

- Key feature of this equipment is QUESTemp<sup>o</sup>™ 44 unit with 2" style globe sensor and it has standard accessories
- Real time clock provides accurate reporting with time stamping
- It measure/calculate dry bulb, wet bulb & globe temperature, WBGT indoor/outdoor, relative humidity and Heat Index/Humidex



The QUESTemp<sup>o</sup>™ 44 Heat Stress Monitor offers high quality heat stress monitoring without the hassle of wet-bulb maintenance. This model measures/calculates the dry bulb, wet bulb and globe temperatures along with WBGT indoors, WBGT outdoors, relative humidity and Heat Index/Humidex.

A real-time clock provides reporting and time stamping. On board data logging along with Detection Management Software (DMS) allows for analysis of data with charting, graphing and reporting options. The QUESTemp<sup>o</sup> 44 QT-44 (with Alkaline Battery) includes Standard Accessories, (1) Sensor Bar Assembly w/ Calculated Wet Bulb using Humidity Sensor, and 2" Style Globe Sensor.



- **Dust measurements**



Our wide range includes a dust measuring device to suit your need. The dust measuring device is for everyday use in environmental measurements, factories and offices to detect the concentration of dust particles to which workers are subjected. Such a dust measuring device is also used in industrial research and development or in clean room.

The dust measuring device Airy series is able to aspirate air in order to check the amount of particles. This dust measuring device meets all current regulations and is delivered with a factory calibration. (optional ISO calibration certificate)

- **Air Quality monitoring**  
**Objective of measuring indoor air quality in the industry**

Providing a comfortable, safe and healthy indoor environment is an increasingly important concern. Good air quality increases concentration and productivity. It can also reduce lost days due to absence. TSI's Q-TRAK™ Indoor Air Quality Monitor 7575 provides quick, accurate information to assess key indoor air quality (IAQ) parameters.



*Kanomax Releases New IAQ Monitor Model 2212*

The 2212 has all the same features and measures the same parameters as the 2211 did, but Kanomax engineers have improved the response time on the humidity portion of the sensor. The new sensor is faster and delivers accurate humidity measurements in just 15 seconds.

This equipment is certified as for its high accuracy in measuring carbon dioxide and carbon monoxide concentration levels in the environment. Temperature and humidity are also simultaneously measured in a handy lightweight design.

- simultaneously measures and data log multiple parameters such as: CO, CO<sub>2</sub>, Temperature, and Relative Humidity, to monitor indoor air quality conditions.
- Calculates Dew Point, Wet Bulb Temperature, Absolute Humidity, Humidity Ratio and % Outside Air.
- Built-in memory allows user to store multiple point measurements. Equipped with RS232C terminal



### Features and benefits of using this equipment

- Simultaneously displays CO<sub>2</sub>, CO, temperature and humidity measurements
- Calculates dew point, wet bulb and percent outside air
- Large graphic display
  - Displays up to 5 measurements
  - On-screen messages and instructions
- One instrument with multiple plug-in probe options including VOC's and air velocity
- Store up to 39 days of data collected at one-minute log intervals

- **Fitness to work Assessment**

The NIOSH is providing a special service for the employees to ensure the fitness to work in industry. This is one of the important aspects to ensure the employees healthiness which intern improves the profitability of the industry.

We provide following services;

1. Each and every employee will be subjected to physical examination by a qualified doctor
2. Occupational history will be obtained
3. Body mass index will be calculated
4. Blood testing for hazardous substances an chemical exposures
5. Lung function testing
6. Audiometric testing

We provide an individual report to all the employees whom subjected to medical testing and we provide a medical report analysis for the company with recommendations

## **Lung Function Testing**



## Medical Examination



## Medical Camps



## **Main Courses & Training Programme**

1. OSH Diploma Course
2. OSH Certificate course
3. Training Programme for Industrial Nurses
4. Advance Certificate course for Plantation Sector
5. Environmental Safety & Waste Management Programme
6. Workshop for Construction Sector

### **• Diploma Course on Occupational Safety and Health**

Two Diploma Courses on Occupational Safety and Health were conducted this year too. New applicants were recruited for these courses in the months of March 2014. 44 and 32 Executive Officers representing various fields according to the qualifications of the courses mentioned above, participated in these courses respectively. Also, one of the significant features of participation was that majority of participants consisted of executive officers in the Defense sector in this course in September. In this course theoretical knowledge as well as practical knowledge is given by us and as a part of this course two field tours are also arranged for the group of students participated in the course. Accordingly, students were conducted to Colombo Doc Yards and Seeduwa Lord Star on such field tours in the month of February of this year. They have successfully completed the course and the other group is to complete their course by the end of next year, whereby they would be able to create a more protective work site in their work places by following those courses and it would be of much importance for the safety of workers.

our institution has been able to provide a set of personal training as Occupational Safety Officers to contribute their valuable service to various fields. On the other hand, those who seek employment abroad would be much benefitted since it is an added qualifications to them. Presently there is a number of students serving in foreign countries after having completed this course of study.



## • **Certificate Course on Occupational Safety and Health**

In 2014 two courses on Occupational Safety and Health were conducted. Duration of each was 15 weeks. In one of these courses, 25 students participated and the other was attended by 35 students. 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.



- **Certificate Course for nurses in the Industrial Sector**

National Institute of Occupational Safety and Health which comes under the Ministry of labour and Labour Relations. This institute which has been established to ensure the safety of the working class in this country is gaining popularity among the people. Therefore, our institution has decided to commence a course of study for the sake of professionals in nursing in industrial sector who perform an important role in the health sector moving with the patients constantly as well as courses in relation to production, garments and plantations. The Second batch of the group successfully completed this course during the last year and the third batch was enrolled in 2014. This course was commenced on 2014 August and it was attended by 06 nurses. This course lasted for 05 weeks and the participants successfully completed the course during the period.



- **Higher certificate on occupational safety and health of plantation sector**

During the year 2014, this course on Occupational Safety and Health was conducted with a participation of 13 Executive Officers in the plantation sector. This course included 03 months training period and those who registered for it, completed it in a successfully manner. It has been organized in order to include theoretical and practical training in the course of the training period.

The participants were given practical training by way of a two day field trip. Through this endeavour it was possible to improve Occupational Safety and Health for those who are engaged in plantation sector and thereby paving way to make use of factories in a productive manner. This position was revealed through a follow up study which carried after this training.





ADVANCED CERTIFICATE IN OCCUPATIONAL SAFETY AND HEALTH FOR THE PLANTATION SECTOR  
(2013 Batch)

Back Row (L-R) – Mr. N. W. Subandya, Mr. C.S. Athukorala, Mr. R.P.Priyanga, Mr. S. Virubalamany, Mr. V. Vinithe Lakshman, Mr. Sandanum Sandeeyaga, Mr. I. G. J. Kumarasen, Mr. A. Subesekumar, Mr. T. Ganesan, Mr. A. Dissanayagam, Mr. C. Lowrance, Mr. N. Nalinidra, Mr. V. M. Dharmasekera, Mr. K.Lalit Prasad, Mr. N.S.A.M.Emmanuel, Mr. H. W. Nindaratne.  
Front Row (L-R) – Mr. B. K. Prasanna Samarasekera, Mr. G.D.Silva Nissimala(NIOSH), Mrs. L. A. S. Kanthie, Mrs. S. Ilakkumbura, Mr. Jim Delaney ( Project Director, PEP II, WISC ), Dr.N.Chandika Amarasinghe ( Director General, NIOSH ), Mr. Dudley Pererickreginald Manager –(ITP Sri Lanka), Mr. T. Subalaxmi Program Officer, PEP II, WISC, Mr. V.M.Karunanathan(Foremer Deputy Commissioner of Labour & Chief Inspecting Engineer), Mr. G. K. L. Chandani, Ms. R.M. Jamburegoda (Research Officer – NIOSH), Mr. R. M. Wijesinghe.

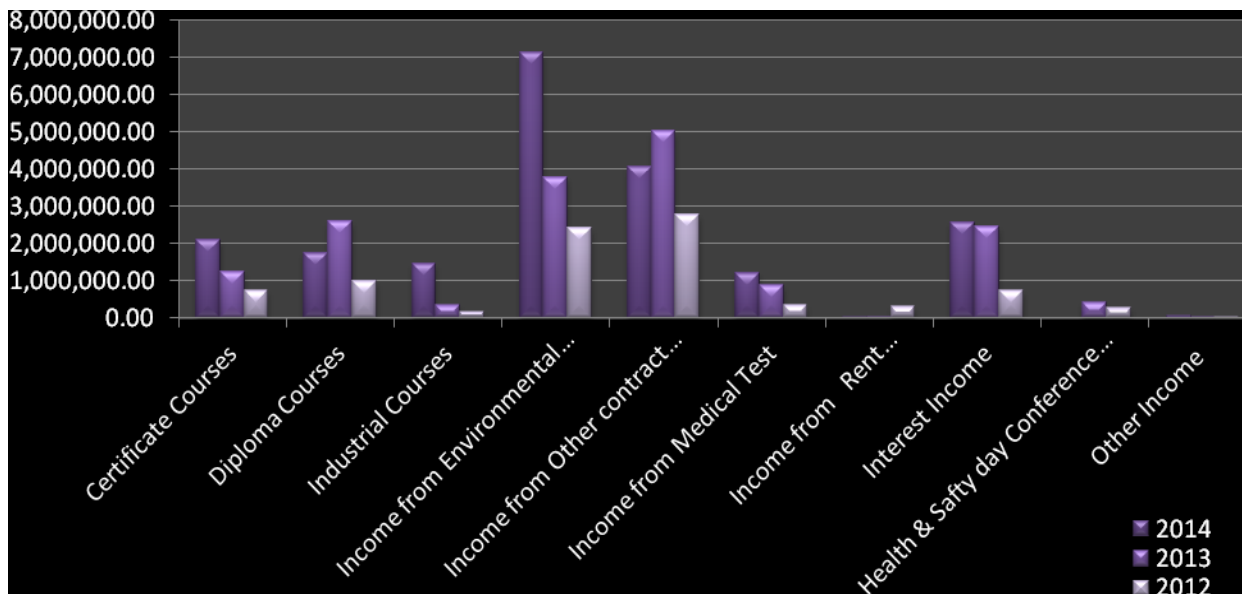


This course has opened avenues for obtaining promotions in the field to regulate the working environment in the proper manner of those who are engaged in plantation sector as well. Moreover by identifying post as “Occupational Safety Officer ” more value has been assigned to that post. Another progress that was evident from these initiatives was that it was possible to bring about more productivity among employers and employees. By now, a hand - book of guidelines has been launch for the sale of those who have completed this course and action was taken to distribute it among the factories in the plantation sector. Moreover action is being taken to grant them NVQ Status in addition to the certificate awarded at the end of the course

# Financial achievements

## Financial Highlights

NIOSH on self-earning revenue through its activities to provide for staff salaries and all institutional expenses. Most of its financial requirements are generated through OSH training and OSH consultancy, testing services offered to the state and the private sectors. Total income for last four years from 2011 onwards continuously a substantial net profit was recorded, and the Environment monitoring revenue of year under review was reported as the highest in the history of the NIOSH. Total operating revenue LKR 20. Mn. reflecting a growth of 21.85% over the previous year 2013.



## Total Income for last 3 Years

NIOSH build the good partnership & customer relations with Private sector who involvement in high-NIOSH special events. Further the Organization maintains a strong interaction with the private sector as frequently clients seek NIOSH services in multiple disciplines such as Fitness to work, Medical testing of employees, environment testing and assessments, Industries risk assessment, and training & awareness programme etc. NIOSH as a public enterprise under the ministry of labor relations all the Government regulations are to be followed.

## Current Financial Situation of NIOSH




# Statement of Financial position

## National Institute of Occupational Safety and Health

Balance Sheet as at 31<sup>st</sup> December 2014

		<b>2014</b>	<b>2013</b>
		<b>Rs</b>	<b>RS</b>
<b><u>Assets</u></b>			
<b>Current Assets</b>			
Cash and cash equivalents	<b>Note 1</b>	3,042,876.75	1,136,807.76
Receivables	<b>Note 2</b>	3,673,866.94	2,329,013.15
Development Fund		<u>31,781,095.52</u>	<u>19,253,243.90</u>
		<u>38,497,839.21</u>	<u>22,719,064.81</u>
<b>Non Current Assets</b>			
Treasury Accounts		267,500.00	267,500.00
Plant Machinery & Equipment	<b>Note 3</b>	17,610,593.52	13,881,852.94
Capital Expenses Done by Ministry		-	-
		<u>17,878,093.52</u>	<u>14,149,352.94</u>
Total Assets		<u>56,375,932.73</u>	<u>36,868,417.75</u>
<b>LIABILITIES</b>			
<b>Current Liabilities</b>			
Payables	<b>Note 5</b>	3,641,442.14	1,481,439.04
Total Liabilities		<u>3,641,442.14</u>	<u>1,481,439.04</u>
Net Assets		<u>52,734,490.59</u>	<u>35,386,978.71</u>
<b>NET ASSETS</b>			
Accumulated surplus	<b>Note 4</b>	52,734,490.59	33,736,978.71
Donation medical equipment – National Science Foundation		<u>-</u>	<u>1,650,000.00</u>
		<u>52,734,490.59</u>	<u>35,386,978.71</u>

Certify by



Herath Yapa  
Chairman  
NIOSH

prepared by



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

**National Institute of Occupational Safety and Health**  
**Statement of Financial Performance**  
**As At 31<sup>st</sup> December 2014**

<b><u>Revenue</u></b>	2014	2013
Treasury Grant	10,973,676.59	5,639,601.93
Operational income	<u>20,383,184.53</u>	<u>16,726,943.53</u>
	<u>31,356,861.12</u>	<u>22,366,545.46</u>
Less:		
<b><u>Expenses</u></b>		
Administration expenses	9,901,151.84	8,344,790.46
Financial charges	19,690.00	300.00
Depreciation	<u>1,994,242.33</u>	<u>1,299,406.08</u>
Total expenses	<u>11,915,084.17</u>	<u>9,644,496.54</u>
<b>Surplus for the year</b>	<b>19,441,776.95</b>	<b>12,722,048.92</b>

## 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 impairment losses.

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

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

### **ii. Depreciation**

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

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

	Year
Plant & Machinery	10
Computer equipment	05
Furniture and fitting	10
Sound system items	05
Medical equipment	10
Other Assets	10

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

### **iii. Fixed assets**

The institute has some assets which is transfer from ministry & department of Labour in time to time when beginning the institute. In 2013 some assets are capitalized & depreciated under the prior year adjustment in balance sheet.

iii. New Medical equipment purchase

The National Science foundation Institute transferred the fund to purchased Rs.1,650,000 for purchase new Nano technology medical equipment which amount already received & accrued under the balance sheet due to the not purchased as at 31/12/2013.





**විගණකාධිපති දෙපාර්තමේන්තුව**  
**கணக்காய்வாளர் தலைமை அறிப்பி திணைக்களம்**  
**AUDITOR GENERAL'S DEPARTMENT**



මගේ අංකය  
எனது இல.  
My No.

LS/C/NIOSH/FA/2014

ඔබේ අංකය  
உமது இல.  
Your No.

}

දිනය  
திகதி  
Date

}

17 September 2015

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 2014 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 2014 comprising the statement of financial position as at 31 December 2014 and the statement of financial performance 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) was issued to the Chairman of the Institute on 18 June 2015.

**1.2 Management's Responsibility for Financial Statements**

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

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



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### 1.3 Auditor's Responsibility

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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 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 the extent of the audit.

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

### 1.4 Basis for Qualified Opinion

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



## 2. Financial Statements

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### 2.1 Qualified Opinion

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In my of opinion, except for the effects of the matters described in paragraph 2.2 of this report the financial statements give a true and fair view of the financial position of the National Institute of Occupational Safety and Health as at 31 December 2014 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

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### 2.2.1 Sri Lanka Public Sector Accounting Standards 01

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The following observations are made.

- (a) Even though assets and liabilities, and revenue and expenses could not be set off except for a particular instance, out of the revenue amounting to Rs.36,220,884 received during the year under review, expenses of Rs.14,694,860 had been set off, and the net balance of Rs.20,383,184 had been shown as revenue in the financial statements.
- (b) In case of materiality, each source of income should be separately disclosed in the financial statements. Nevertheless, the income amounting to Rs.1,229,401 received from the Higher Certificate Course had been shown in the income from Technical Courses while the income of Rs.1,424,000 received for medical examinations and the income of Rs.1,474,533 received for the Standard Programmes of National Occupational Skill Courses had been shown in the income from other agreed functions.
- (c) A statement of changes in equity had not been prepared and presented by the Institute.



**2.2.2 Accounting Deficiencies**

The following observations are made.

- (a) A sum of Rs.16,151,975 received from the General Treasury for capital expenditure from the year 2010 had been brought to account as an income instead of being accounted for as capital grants.
- (b) Capital expenditure amounting to Rs.3,115,432 incurred by the Institute and recurrent expenditure of Rs.2,387,532 which should be reimbursed from the Ministry of Labour and Labour Relations during the year under review had not been included in the accounts as a receivable.
- (c) The fixed assets valued at Rs. 5,813,827 purchased during the year under review had been shown as Rs.3,728,741 in the cash flow statement while a petty cash of Rs.10,000 had been omitted. As such, the accuracy of the cash flow statement could not be satisfied in audit.

**2.3 Non-compliance with Laws, Rules, Regulations and Management Decisions**

The following observations are made.

<b>Reference to Laws, Rules and Regulations</b>	<b>Non-compliance</b>
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- |  |   |
|--|---|
| <p>(a) National Institute of Occupational Safety and Health Act, No. 38 of 2009 Section 18</p> | <p>The Institute shall prepare a report of the work of the Institute and forward such report before the lapse of the year succeeding the year to which such report relates, to the Minister who shall table such report in Parliament. Nevertheless, that report for the year 2013 had not been prepared up to the date of audit.</p> |
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The following observations are made.

**Reference to Laws, Rules and Regulations**

	<b>Non-compliance</b>
	-----

- |   |  |
|---|--|
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|---|--|



#### 4. Operating Review

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##### 4.1 Management Inefficiencies

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The following observations are made.

- (a) In terms of Section 1.2 of the Public Enterprises Circular No.58 of 29 April 2011 which should be based for the payment of allowances to the Board of Directors, this Institute had not been included in the relevant classification. Nevertheless, the provision for the payment of allowances to the Board of Directors had also not been clarified.
- (b) Action had not been taken either for effecting the transfer of the ownership of the building of the Ministry where the Institute is functioned at present or to enter into an agreement on the payment of rent with the Ministry.
- (c) Even though three Certificate Courses are being conducted and awarded certificates by the Institute, a register including the details of the persons who applied and successfully completed the courses and obtained the certificates had not been maintained. As such, the confirmation of the certificates of persons who completed the courses and obtained the certificates had been questionable.
- (d) Even though the term of office of the members of the Board of Directors was ended on 21 March 2015, those members had not participated in the meetings of Governing Councils after 25 November 2014.

##### 4.2 Personnel Administration

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The following observations are made in connection with the approved cadre and vacancies in the Institute.

- (a) The approved cadre in 13 posts as at 31 December of the year under review had been 25 while the actual cadre at present stood at 15. Accordingly, action had not been taken up to the date of audit to fill the 10 vacancies existed.



- (b) Matters on these vacancies had been pointed out in audit during the preceding years as well and it was observed that the activities of certain Divisions of the Institute were not functioning due to the failure to fill these vacancies. Further, it was observed in audit that difficulties may be arisen in the achievement of the objectives of the Institute due to the failure to recruit the essential officers.

**5. Accountability and Good Governance**  
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**5.1 Action Plan**  
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Action Plan and the Progress Report presented for the year had included only the physical targets while financial targets had not been stipulated.

**5.2 Budgetary Control**  
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Significant variances ranging from 31 per cent to 515 per cent were observed between the budgeted income and expenditure and the actual income and expenditure, thus indicating that the budget had not been made use of as an effective instrument of management control.

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

- (a) Accounting
- (b) Budgetary Control

W.P.C. Wickramaratne  
Acting Auditor General

