

**Annual Report
2021**



**Sri Lanka Accreditation Board
for
Conformity Assessment**

Ministry of Trade, Commerce and Food Security

A member of



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CHAIRMAN'S MESSAGE



I am pleased to send this message to the annual report 2021.

Sri Lanka Accreditation Board for Conformity Assessment's (SLAB) mandate is to grant accreditation to conformity assessment bodies such as laboratories, certification bodies and inspection, promotion of accreditation activities in conformity with the National Quality Policy, ensure competence in internationally accepted accreditation practices and facilitate local and international trade.

As a key player of the NQI, SLAB plays a vital role in promoting international trade and protecting domestic consumers from unhealthy and hazardous goods and services. Since SLAB is a member of the International Laboratory Cooperation (ILAC) and International Accreditation Forum (IAF), an accreditation granted by SLAB is recognised nationally and internationally.

In early 2020, the pandemic had started, but we did not know the depth of the COVID-19 economic downturn or its length. And we have experienced the consequences and direct effects and residual effects in the socio-economic environment in the country even during the 2021, and still disturbed businesses around the world. However, the SLAB's response to these unprecedented challenges was outstanding. SLAB demonstrated remarkable resilience and resourcefulness as they embraced new ways of working, we have continued working from the home working model as we have experienced positive outcomes, digitalizing the assessments while complying with the requirements of IAF. Foreseen the unpredictable future, SLAB has invested in developing the required infrastructure to be digitally smart, carrying out virtual assessments, and adapting its workforce for the new normal, which is one of the best and hardest decisions SLAB has ever made, as I believe.

SLAB managed to continue its operations with regard to the key functions of conducting assessments & granting accreditation, and conducting training programs for the Conformity Assessment Bodies and industry with its innovative approaches to battling against the pandemic and economic downturn in the country.

I take this opportunity to thank all the Council Members who extended their guiding hand to the SLAB team, ensuring all activities' success. As I look at how we finished the financial year 2020/21, inevitably, we have been able to balance our cash flows while many other businesses around the globe

were hit by the pandemic. As the chairman, I am happy to see our creditable performance over this challenging year.

I want to express my heartfelt gratitude to Director/CEO, the SLAB family members, and all our partners for their tremendous support, commitment and cooperation in finishing the year as positively and strongly as could have been imagined in those early months.

Dr. Sampath Wahala

CHAIRMAN

EXECUTIVE SUMMARY BY DIRECTOR/CEO



SLAB further established the changes required in service delivery mechanism, in order to maintain seamless operation of its core services despite the difficulties caused by the pandemic. By maintaining its accreditation services as online and hybrid assessments and also conducting the training programs as online trainings SLAB could achieve a significant progress during 2021. Additionally, the activities planned under the other key thrust areas including Promotion of accreditation among different stake holders, Active engagement of regulators in accreditation, Strengthening Institutional capacity with special focus on competency development of personnel & conducive working

environment, Ensuring financial and environmental sustainability, Maintaining and upgrading the international recognition for accreditation through consistency of operations were completed successfully with the contribution of the SLAB staff and SLAB Assessors and Technical Experts.

SLAB successfully organized and conducted the World Accreditation Day 2021 event under the theme “Sustainable Development Goals and National Commitments-Role of accreditation” with the participation of limited number of stakeholders in compliance with the health guidelines prevailed in the country. This event was conducted as an online National Workshop followed a virtual forum on “SDGs national commitment and accreditation”. Further SLAB conducted a poster competition on SDGs and Accreditation and released its e newsletter on the topic “Role of Accreditation in achieving SDGs” and SLAB promotional handbook.

Most of SLAB assessments were successfully conducted as remote/hybrid assessments introduced under the guidelines issued by the APAC with the participation of limited SLAB staff and external assessors. As a result, SLAB was able to grant accreditation to 13 new conformity assessment bodies which consisted 4 Testing Laboratories, 3 Certification Bodies (Product, Person), 2 medical laboratories, 2 Proficiency Testing Providers and 2 GHG Validation and verification bodies. In addition, 14 scope extensions which included several parameters were granted for the accredited conformity assessment bodies already in place enabling the producers, exporters, importers and regulators to get reports on conformity assessment s that are accepted internationally.

Aligned with SLAB’s one of the responsibilities to train the industry, conformity assessment bodies, regulators SLAB has conducted 17 training programs covering most of the current accreditation schemes operated by SLAB and has contributed significantly in promoting accreditation within the country. In addition, the Institution provided training to committee members, assessors and SLAB

staff in order to develop their competencies and skills in relation to accreditation activities. During 2021, SLAB nominated 4 Assistant Directors to APAC in order to train them as Peer Evaluators.

Harmonized with the SDGs and National Policy Framework, SLAB continued working with key regulatory agencies in order to assist and support them to recognize suitable models of accredited conformity assessment services they can use in implementing technical regulations.

With regard to maintaining its international recognition and providing internationally recognized accreditation services to the conformity assessment bodies, all SLAB operations were performed in accordance with ISO/IEC 17011 (Conformity Assessment: General Requirements for Accreditation Bodies accrediting Conformity Assessment Bodies). As a key player in the National Quality Infrastructure (NQI), during 2021 SLAB could assist to promote international trade and to promote health and safety of the users of goods and services by providing internationally recognized accreditation services in the areas of Testing, Calibration, Inspection and Certification.

During 2021 SLAB started working on digitalization of its workflows with the objective of improving the effectiveness of its service delivery. Further SLAB perceives that digitalization of its services will assist SLAB to cope up with the prevailing challenge of scarcity of human resources

The total income generated during the year 2020 was LKR 36.98 million whereas in the year 2021 the generated income was LKR 49.35 million. This has resulted an increase of LKR 12.37 million SLAB earnings in 2021. In 2021, SLAB able to achieve income over recurrent expenditure ratio of 90%.

Chandrika Thilakaratne

Director /CEO

Sri Lanka Accreditation Board for Conformity Assessment

1. INTRODUCTION

The Sri Lanka Accreditation Board for Conformity Assessment (SLAB) is the National Accreditation Authority of Sri Lanka established under the Sri Lanka Accreditation Board for Conformity Assessment Act No. 32 of 2005. SLAB functions under the Ministry holding the portfolio of Trade and is governed by a Council of thirteen (13) members appointed in terms of the provisions of Act. The Minister appoints one of the members of the Council as the Chairman. The Director is the Chief Executive Officer of the SLAB and the secretary to the Governing Council.

The Board has the responsibility to promote accreditation activities and provide necessary accreditation services to facilitate conformity assessments in the provision of goods and services for domestic and export markets. The main accreditation services include accreditation of Testing/Medical/Calibration laboratories, System/Product/Persons certification bodies, Inspection bodies, GHG Validation and Verification Bodies, Proficiency Testing Providers and Good Laboratory Practice which provide specific services to the industry, business community, consumers and the Government of Sri Lanka. SLAB commenced its operations in 23rd September 2005 with the ratification of SLAB Act No 32 of 2005. Being an organization complies with ISO/IEC 17011 (Requirements for Accreditation Bodies to accredit Conformity Assessment Bodies) and being a signatory to International Laboratory Accreditation Cooperation Mutual Recognition Arrangement (ILAC MRA), International Accreditation Forum Multi-Lateral Arrangement (IAF MLA) and Asia Pacific Accreditation Cooperation Mutual Recognition Arrangement (APAC MRA), SLAB offers internationally recognized accreditation services to its clients.

1.1. Quality Policy, Impartiality Policy, Vision, Mission and Values

Quality Policy

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

While responding to the changing needs of clients, other stakeholders and the business environment, the SLAB is committed to providing accreditation services in accordance with ISO/IEC 17011, other relevant international standards and principles. The SLAB is geared to actively and effectively participate in the work of international bodies in order to enhance international recognition and fulfillment of any obligations thereof.

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

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

Impartiality Policy

The prime objectives of the SLAB are to perform duties assigned by the Government of Sri Lanka for the purpose for which it has been established under the SLAB Act No 32 of 2005. The overall policies and strategies in relation to accreditation are established non-discriminatory by the Governing Council of SLAB under which the possibility of participation of all stakeholders in policy and strategy making process is ensured and applied in a non-discriminatory way.

It is ensured that the personnel and the committees of SLAB perform their activities and functions objectively, free from any undue commercial, financial and other pressures that could compromise impartiality and disclose any potential conflict of interest. The decisions related to accreditation are taken by competent personnel or committees different from those who carry out assessments.

Other than accreditation and related activities, the SLAB will not under any circumstances undertake any consultancy work in connection with matters that could affect the decisions that it might take in its capacity as the National Accreditation Authority in Sri Lanka to organizations which intend to apply for accreditation.

Vision

To be globally recognized, dynamic, and innovative accreditation body contributing to the national economy and social wellbeing.

Mission

We promote and provide accreditation services with international recognition to facilitate conformity assessments in the provision of products and services for domestic and international markets.

Values

Serving with integrity and highest ethical conduct

Learning continuously

Acting as a team to provide stakeholder needs in a reliable manner

Being independent and impartial

1.2 Goals, Objectives and Strategies

	Thrust Area	Goals/Objectives	Strategies	KPI
1.	Promotion of accreditation among different stakeholders	1. Create Stakeholder awareness on Accreditation and its benefits	1. In person meetings with policy makers 2. Training workshops/webinars 3. Use of mass media /website/social media	1. Number of organizations/people made aware 2. Number of Industries/CABs made aware on new Accreditation schemes
		2. Positioning of SLAB within the NQI	1. Lobbying on positioning of SLAB & other NQI institutions under the proposed National Quality Council (NQC)	
		3. Branding of SLAB	1. Promotion of SLAB brand within and outside the country	1. Number of branding activities
2.	Expanding accreditation while ensuring impartiality	1. Increase the number of clients in existing accreditation schemes	1. Develop market intelligence & advocacy network 2. Market promotion 3. MOUs with National/international scheme owners	1. Percentage increase of number of clients 2. Number of scope extensions 3. Number of new accreditation schemes introduced
		2. Increase number of scopes in existing clients		
		3. Introduce new accreditation schemes		
3.	Active engagement of regulators in accreditation	1. Promote the use of accredited conformity assessment services by regulators 2. Encourage regulators to specify SLAB accredited services in their regulations for the accreditation services which SLAB is internationally recognized	1. In person custom made sensitization programs for regulators 2. Representation of regulators in decision making committees of SLAB 3. Mapping and align regulators with potential accreditation schemes relevant for their regulations 4. Regulator attachment program	1. Number of regulators in SLAB network 2. Number of regulators convinced to use accredited conformity assessment services 3. Number of regulations issued specifying accredited conformity assessment services
4.	Strengthening Institutional capacity with special focus on competency development of personnel & conducive working environment	1. To expand the institution's technical capacity in order to cater to the expanding needs of accreditation	1. Development of existing human resources and acquisition of new staff 2. Create smart organizational setup with suitable technology, legal, environmental and social improvements	1. New competencies added 2. New technological, legal and social improvements done
		2. Creating conducive working environment and staff welfare programs		

5.	Ensuring financial and environmental sustainability	1. Make SLAB financially stable and sustainable	1. Increase the client base in current accreditation schemes 2. Introduce new Accreditation schemes based on market demand 3. Promote training programs 4. Identify new income earning ventures within the ambit of SLAB's mandate	1. percentage increase in income through current accreditation schemes 2. percentage increase in income through training programs
		2. Introduce environmental best practices	1. Energy efficiency improvement 2. Climate friendly initiatives 3. Material use efficiency 4. Green reporting	1. Percentage decrease of energy use 2. Percentage decrease of stationary use 3. Percentage decrease of GHG emission
6.	Maintaining and upgrading the international recognition for accreditation through consistency of operations	1. Ensure international acceptance for Conformity Assessment Reports issued by SLAB accredited CABs	1. Networking with related organizations (EDB, Dept of Commerce, Exporters Associations, accredited CABs, member ABs) to identify current issues, new requirements and feasible solutions in promoting SLAB accreditation. 2. Represent in relevant forums of International Accreditation organizations, peer evaluations, trainings and promote SLAB accreditation. 3. Improve the current international recognition status of SLAB.	1. Number of issues on accredited certifications /reports solved with SLAB intervention 2. Applications for new MLA/MRAs 3. New MRA/MLA recognitions earned. 4. Number of meetings/forums attended
		2. Contribute to accreditation developments in regional and global level	1. Participate in Peer evaluations 2. Participation in meetings/committees 3. Contribute as Resource person of training programs	1. Number of peer evaluations, meetings, committees participated

1.3. Functions of SLAB

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

2. The Governing Council

The powers and functions of the Board are vested in the Governing Council that consists of thirteen (13) members appointed by the hon. minister under the provision of SLAB Act No 32 of 2005. The Governing Council meets every month in order to take necessary policy decisions.

The constitution of the Governing Council as at 31st December 2021 was as follows.

Dr. Sampath Wahala - Chairman
Senior Lecturer, Faculty of Management Studies, Sabaragamuwa
University of Sri Lanka.

Mr. R M S P S Bandara - Member
Director, External Resources Department,
Representing the General Treasury

Mrs. Siddhika Senaratne - Member
Director General,
Sri Lanka Standards Institution

Mr. S N Akuranthilake - Member
Director, Department of Measurement Units, Standards and Services

Mrs. M M G K Meegahakotuwa - Member
Director (Technology and Research)
Ministry of Science Technology and Research

Mr. Niranjana Dissanayake - Member
Country Manager, Ferrero Lanka Pvt Ltd

Prof Sarath Kotagama - Member
Emeritus Professor of the University of Colombo

Ms Gilma Dahanayake - Member
Additional Secretary,
Ministry of Trade Commerce and Food Security

Mr. Ruwan De Silva - Member
Representative of Federation of Chamber of Commerce and Industry
(FCCI)

3. Statutory Committees

3.1. Audit Committee

The audit committee comprises of 3 non-executive members from the Governing Council and representative of Auditor General, Director/ CEO Secretary to the committee. Deputy Director (Fin. And Admin.) and Internal Auditor of SLAB act as invitee and convener. The treasury representative of the Governing Council is the chairman of the committee.

The main role of the committee is to assist the Governing Council in meeting its responsibilities in order to maintain an effective system of internal control and for meeting its external financial reporting obligations. SLAB has an independent internal audit function which reports to the audit committee. The committee is also responsible for monitoring the effectiveness of the external Audit functions and for making recommendations to the council.

The committee had 02 meeting during the year and review all the reports submitted by the Internal Auditor of SLAB and Auditor General and minutes of all audit committee meetings are tabled at meetings of the Governing Council.

Mr. Mr.R.M.S.P.S.Bandara	Chairman/ Council Member	Representing General Treasury
Mrs. M.M.G.K.Meegahakotuwa	Member/Council Member	Representing Ministry of Science, Technology and Research
Ms. Gilma Dahanayake	Member/Council Member	Ministry of Trade Commerce and Food Security
Mr.Niranjan Dahanayake	Member/Council Member	Country Manager, Ferrero Lanka Pvt Ltd
Ms. Sandunima Perera	Observer	Representing Auditor General
Mr.P.A.Rohana	Observer	Line Ministry Chief Internal Auditor
Mrs. Chandrika Thilakaratne	Secretary	Director/ CEO, SLAB
Mrs.Harsha Chandrasiri	Invitee	Assistant Director (Fin & Admin) – Acting. SLAB
Mrs. T. Wanigasundara	convener	Internal Auditor, SLAB

4. MANAGEMENT OF OPERATIONS

The management functions of SLAB are vested with the post of Director/CEO and the Director is responsible for carrying out all executive functions of the Board with the support of Technical, Finance and Administrative staff as shown in the Organizational Structure given in annex 01.

4.1. Human Resources

The human resource of SLAB is composed of a smaller number of internal staff and a larger assessor pool drawn from academia and various professional bodies. SLAB deals with assuring the competence of conformity assessment bodies. The turnover of staff since the inception of SLAB severely affected the functions of SLAB in the previous years but with complements to the staff, SLAB managed to maintain its accreditation systems in par with other foreign accreditation bodies. Usually, a new officer requires at least three years for being competent in a relevant field prior to appoint for working independently. Details of the Training provided for SLAB staff is provided in annex 04

4.2. SLAB Staff



5. PERFORMANCE HIGHLIGHTS 2021

In the year 2021, SLAB completed 16 years of operations. SLAB continued to provide its services to testing & calibration laboratories, medical laboratories, certification bodies and inspection bodies based on the relevant international standards. These accreditation schemes were managed and operated in compliance with international principles and ISO/IEC 17011 applicable to accreditation bodies.

5.1. Accreditation Services

During 2021 SLAB granted accreditation to the Conformity Assessment Bodies as given below.

Accreditation scheme	Progress
Testing Laboratories	New-04, Scope Extensions-09
Calibration Laboratories	Scope Extensions-04
Certification bodies - Products	New-02
Certification bodies - Persons	New-01
Inspection Bodies	Scope Extensions -01
Medical laboratories	New-02
PT Service Providers	New-02
GHG Verification Bodies	New-02

5.2. Training Programs

During 2021, SLAB has conducted 17 training programs covering most of the accreditation schemes and trained 669 participants from different conformity assessment bodies and industries. The details of the programs conducted by SLAB during 2021 is given in annex 05.

5.3. Participation in international events

In order to maintain the international recognition for SLAB accreditation schemes, as member organization there is an obligation for SLAB to participate and contribute for decisions taken up at the midterm and annual meetings of international accreditation organizations. Accordingly, during 2021 SLAB has participated in the APAC Annual Meeting and IAF and ILAC midterm and annual meetings as online meetings.

Ms. Chandrika Thilakaratne, Director/CEO, Mr L.H.D. Bandusoma Deputy Director, Accreditation and Ms Chanditha Ediriweera Deputy Director, Accreditation participated in Annual Meeting of APAC 2021.

ILAC and IAF decided to cancel in person joint Midterm meeting and Joint Annual Meeting 2021 due to Covid 19 pandemic. All committee meetings were held online and Ms Chandrika Thilakaratne, Director/CEO, Mr L.H.D. Bandusoma, Deputy Director Accreditation and Ms Chanditha Ediriweera, Deputy Director Accreditation participated for the relevant online meetings.

As the official delegate the Director/CEO Ms. Chandrika Thilakaratne participated in online voting.

In addition SLAB Peer Evaluators Mr L.H.D.Bandusoma, Ms Chanditha Ediriweera, Ms Manisha Wickramasinghe and Ms Mithila Gunasekera participated in Peer Evaluations as appointed by the APAC and these per evaluations were conducted as online evaluations due the Covid pandemic.

6. FINANCIAL INFORMATION 2021

6.1. Financial Highlights

The annual allocation for recurrent expenditure was LKR 75.87 million. The Treasury contribution for recurrent expenditure was LKR 17.68 million. The actual recurrent expenditure was LKR 54.31 million. The shortfall in recurrent expenditure was set off from the income generated.

During the year under review, SLAB generated LKR 49.35 million from its activities mainly from accreditation services and training programmes. The income over recurrent expenditure was 90%.

No funds were received from the treasury for capital expenditure for the year 2021. The total capital expenditure was LKR 2.62 million and all expenses were borne by SLAB earnings


Year	Recurrent Expenditure (Rs.Mn)				Capital Expenditure (Rs.Mn)		
	Budgeted Expenditure	Actual Expenditure	Treasury Grants	Earnings	Budgeted Expenditure	Actual Expenditure	Treasury Grants
2007	14.70	11.50	8.23	2.83	1.50	1.40	1.50
2008	17.29	13.98	10.56	3.27	2.74	0.41	0.50
2009	19.60	15.01	11.47	3.32	2.33	0.44	0.66
2010	21.81	15.51	8.91	5.30	3.57	0.63	0.50
2011	23.30	21.33	13.28	8.12	3.08	0.63	0.80
2012	28.18	29.29	15.50	12.9	1.82	1.75	1.37
2013	33.00	36.61	14.80	18.08	2.00	1.51	1.50
2014	38.00	42.85	16.09	27.58	2.00	1.71	1.73
2015	64.50	63.14	12.20	55.24	3.00	1.64	1.25
2016	56.00	49.43	15.70	31.74	5.20	4.67	2.00
2017	60.5	57.91	16.16	36.03	2.00	2.05	0.91
2018	66.0	59.79	17.06	45.23	4.25	3.64	-
2019	71.8	66.67	19.49	47.43	6.92	2.43	1.4
2020	72.70	51.50	19.64	37.08	3.69	1.97	0.5
2021	75.87	54.31	17.68	49.35	6.65	2.62	-

6.2. Statement of Financial Position as at 31st December 2021

SRI LANKA ACCREDITATION BOARD FOR CONFORMITY ASSESSMENTS STATEMENT OF FINANCIAL POSITION AS AT 31ST DECEMBER 2021

	Notes	Actual 2021 Rs.	Actual 2020 Rs.
ASSETS			
Current Assets			
Cash & Cash Equivalents	19	42,912,083.29	30,459,855.03
Receivables	11	12,769,896.28	4,752,305.00
Stamps		15,000.00	15,000.00
Stationery Stock		227,757.88	255,680.69
Pre payments	17	538,316.66	129,040.80
NBT Payable		32,557.83	32,557.83
Festival Advance		50.00	-
Salary Control		-	7,622.00
VAT control		175,959.01	175,959.01
Distress Loan	16	906,200.00	1,224,400.00
Refundable Deposit & Advance	10	3,520,500.00	3,520,500.00
		61,098,320.95	40,572,920.39
Non Current Assets			
Property Plant & Equipment	31	9,528,852.38	9,925,358.63
Distress Loan	16	518,301.12	1,478,346.12
Intangible Assets			
Intellectual Property & Development Activity	18	320,746.00	364,895.01
Investment for Gravity		3,554,552.17	3,376,551.64
		13,922,451.67	15,145,151.40
TOTAL ASSETS		75,020,772.62	55,718,071.79
LIABILITIES			
Current Liabilities			
Medical Insurance		-	750.00
Creditors	22	829,509.20	683,863.42
Accrued & Other payables	14	6,521,788.91	3,570,621.28
Provision for Annual Leave		790,837.85	603,841.67
Received in Advance	25	976,000.00	339,304.35
Provision for Gravity		-	-
		9,118,135.96	5,198,380.72
Non Current Liabilities			
Provision For Gratuity	23	5,115,650.00	5,311,154.50
TOTAL LIABILITIES		14,233,785.96	10,509,535.22
NET ASSETS		60,786,986.66	45,208,536.57
NET ASSETS/EQUITY			
Accumulated Fund	12	50,568,765.38	55,628,074.35
Deffered Income-Government Grants	13	7,793,973.28	(12,234,137.78)
- Other Grants	20	2,424,248.00	1,814,600.00
NET ASSETS / EQUITY		60,786,986.66	45,208,536.57

The Accounting policies on pages 5 to 8 and Notes on pages 9 to 14 form an integral part of these Financial Statements. The Council Members are responsible for the preparation and presentation of these Financial Statements. These Financial Statements are approved by the Council and signed on their behalf.


R.M.S.P.S Bandara
Council Member
Representing General Treasury


Dr. Siddhika Senarathne
Council Member


Chandrika Thilakaratne
Director/CEO
Sri Lanka Accreditation Board for
Conformity Assessment


K.H.N Chandrasiri
Assistant Director (F/A)-Acting
Sri Lanka Accreditation Board for
Conformity Assessment

6.3. Statement of Financial Performance for the year ending 31st December 2021

SRI LANKA ACCREDITATION BOARD FOR CONFORMITY ASSESSMENTS
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2021

	<u>Notes</u>	<u>Actual</u> <u>2021</u> Rs.	<u>Actual</u> <u>2020</u> Rs.	<u>Budget</u> Rs.
Revenue	1	68,830,156.17	61,760,518.61	75,876,000.00
Total Revenue		68,830,156.17	61,760,518.61	75,876,000.00
<u>Administration & Establishment Expenses</u>				
Personal Emoluments	2	22,672,903.93	22,991,533.86	31,425,900.00
Contractual Services	6	19,654,084.88	17,489,168.26	30,006,000.00
Supplies	4	695,495.36	1,711,047.38	900,000.00
Subscription & Member fees	7	2,145,876.35	1,772,429.82	2,174,100.00
Travelling Expenses	3	831,963.22	324,110.94	4,200,000.00
Maintenance Expenditure	5	4,062,806.68	2,047,728.91	5,100,000.00
Others	8	4,229,606.29	5,136,494.76	1,730,000.00
Financial Cost & Others	9	12,720.00	5,000.00	0.00
Contingent liability provision		-	-	1,000,000.00
Total Expenditure		54,305,456.71	51,477,513.93	75,876,000.00
Surplus		14,524,699.46	10,283,004.68	-

6.4. Statement of Changes in Net Assets / Equity

SRI LANKA ACCREDITATION BOARD FOR CONFORMITY ASSESSMENTS STATEMENT OF CHANGES IN NET ASSETS / EQUITY FOR THE YEAR ENDED 31ST DECEMBER 2021

	DIFFERED INCOME Rs.	OTHER GRANTS Rs.	ACCUMULATED FUND Rs.	TOTAL Rs.
Balance as at 1st January 2020	5,983,838.80	1,814,600.00	37,295,760.12	45,094,198.92
Prior Year Adjustment	-	-	-	-
Balance as at 1st January 2020	5,983,838.80	1,814,600.00	37,295,760.12	45,094,198.92
Grant Received and Utilized for Capital Assets	500,000.00	-	-	500,000.00
Depreciation Expenses for the Year	(4,028,271.67)	-	-	(4,028,271.67)
Asset taken to fixed Assets	-	-	-	(108,832.61)
Adjust Receivable from Testing	-	-	-	(259,200.00)
Amortization of Proficiency Testing Programme	(88,298.01)	-	-	(88,298.01)
Adjust Receivable from Training	-	-	-	(42,244.89)
Adjust Depreciation to the motor car	-	-	-	8,683,333.34
Adjust Depreciation	-	-	-	(14,825,153.19)
Surplus / (Deficit) for the year	-	-	10,283,004.68	10,283,004.68
Balance as at 31st December 2020	2,367,269.12	1,814,600.00	47,578,764.80	45,208,536.57
Balance as at 1st January 2021	2,367,269.12	1,814,600.00	47,578,764.80	45,208,536.57
Grant Received and Utilized for Capital Assets	-	609,648.00	-	609,648.00
Depreciation Expenses for the Year	-	-	-	-
Adjust Receivable from Certification Bodies	-	-	-	(6,812.96)
Adjust receivable from testing	-	-	-	146,000.00
Amotization Of Profeciency Testing Programmes	-	-	-	-
Adjust recevable from Calibration	-	-	-	160,000.00
Adjust receivable from Inspection Bodies	-	-	-	80,000.00
Adjust insurance payment	-	-	-	64,915.59
Surplus / (Deficit) for the year	-	-	14,524,699.46	14,524,699.46
Balance as at 31st December 2021	2,367,269.12	2,424,248.00	62,103,464.26	60,786,986.66

6.5. Cash flow statement for the year ending 31st December 2021

SRI LANKA ACCREDITATION BOARD FOR CONFORMITY ASSESSMENTS CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2021

Descriptions	2021 Rs.	2020 Rs.
Surplus for the Year	14,524,699.46	10,283,004.68
Adjustments for :		
Capital Grant Amortization	(753,555.28)	(6,642,821.30)
Depreciations on Fixed Assets	3,629,620.20	4,028,271.67
Gratuity Provision	26,560.50	1,619,076.50
Profit/Loss from Disposal of Fixed Assets	-	-
Amortization of SLAB IT programme	-	-
Annual Leave Provision	548,994.25	603,841.67
Payment for Gratuity	222,065.00	-
Interest from Investment of Gratuity	178,000.53	303,333.45
Amortization of Proficiency Testing	44,149.01	88,298.01
Amortization of Accounting Package	-	-
Operating Surplus before Working Capital changes	18,420,533.67	10,283,004.68
Working Capital Changes		
	(50.00)	
Decrease/(Increase) in Received in Advance	636,695.65	
Decrease/(Increase) in Prepayments	(344,360.27)	20,096.82
Increase/Decrease in Medical Insurance	(750.00)	(1,650.00)
Decrease/(Increase) in Receivables	(7,638,404.20)	4,728,264.28
Increase/(Decrease) in Gratuity provision	-	
Increase/(Decrease) in Refundable Deposit	-	(1,324,800.00)
Increase/(Decrease) in Creditors	145,645.78	153,616.89
Increase/(Decrease) in Annual Leave Provision	186,996.18	241,843.60
Increase/(Decrease) in Salary Control	7,622.00	(7,622.00)
Increase/(Decrease) in Accrued Expenses	2,951,225.43	(1,199,781.26)
Increase/(Decrease) in Stock & other Item	27,922.81	(25,416.00)
Increase/(Decrease) in Other payable	(57.80)	(692,265.75)
Net Cash Flows from Operating Activities	14,393,019.25	12,175,291.26
Cash flows from Investing Activities		
Acquisition of Fixed Assets	(2,623,465.96)	(1,794,376.60)
Accounting Package of SLAB	-	(139,500.00)
Grant Distress Loan During the Year	-	(1,950,000.00)
Distress loan recoveries during the year	1,278,245.00	1,438,780.40
Payment for Gratuity	(222,065.00)	
Provision for Gratuity	(195,504.50)	1,619,076.50
Interest from Investment of Gratuity	(178,000.53)	(303,333.45)
Net cash used in Investing Activities	(1,940,790.99)	(1,129,353.15)
Cash flows from Financing Activities		
Government Grant Received	-	500,000.00
Net cash used in Financing Activities	-	500,000.00
Net Increase/Decrease in Cash and Cash Equivalents	12,452,228.26	11,545,938.11
Cash and Cash Equivalents at the beginning of the year	30,459,855.03	18,913,916.92
Cash and Cash Equivalents at the end of the year	42,912,083.29	30,459,855.03

6.6. Notes to the Financial Statements

1.7.2 Treasury Grants

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

1.7.3 Expenditure recognition

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

1.8 Taxation

No provision has been made for income Tax as there is not taxable profit.

1.9 Events after the balance sheet date

There were no events that occurred after the Balance Sheet date, that require disclosure or adjustment in the Financial Statements.

1.10 Comparative figures

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

1.11 Cash flow statement

Cash flow statement has been prepared using indirect method.

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

1.12 Foreign Exchange Earning

Income earned from foreign Accreditation services during the year is USD 27,534.45. The rupee value of the income is LKR 5,444,192.93

1.13 Accounting for Foreign Exchange Earning

Separate FEEA Account is maintained for foreign transaction. A Proforma Invoice is send for collecting earning to the FEEA in Dollar or Euro form. Those deposits are collecting FEEA A/C and transferred to the Current Account according to the cash flow requirement. Gain or loss from foreign exchange transactions are recognized at the time of withdrawals from FEEA A/C to Current A/C.

1.14 Gratuity provision

Gratuity provision had been made as per the formula introduced by the Chartered Accountants of Sri Lanka and as it is not recommended to use now we calculated the provision considering the total number of years completed by each and every employees. Funds are invested in fixed deposits in a public Bank or Treasury bills according to expecting requirements and availability of Funds. All the employees who are entitled for receiving gratuity are fully covered by the investment.

1.15 Technical Instruments

Following is the list of all technical equipment received as donation and the foreign price of the equipment as follows.

1. Standard Thermo couple	EUR 3,860
2. Standard Weights	EUR 46,360
3. F1 Weight Set	EUR 42,245
4. Pressure gage with read pen	EUR 81,148
5. Universal Measuring	EUR 74,043

1.16 Creditors

Due to the large balance of creditors, the Audit Committee, which met on November 16, 2021, was instructed to appoint a committee consisting of representatives of the Ministry to cancel the balances which had been dragging for several years. Work is currently underway and is scheduled for completion in the first quarter of 2022.

SRI LANKA ACCREDITATION BOARD FOR CONFORMITY ASSESSMENT

NOTES TO THE ACCOUNTS

SRI LANKA ACCREDITATION BOARD NOTES TO THE ACCOUNTS

SLAB

	Actual 2021 (Rs.)	Actual 2020 (Rs.)	Budget 2021 (Rs.)
1) Revenue			
Treasury Grant Received (Note No- 15)	17,678,860.00	23,753,340.68	20,000,000.00
Accreditation Income			
Income from Accreditation - Testing	21,596,475.00	18,974,511.22	23,614,000.00
Income from Accreditation - Calibration Labs	3,966,375.00	2,364,853.00	3,097,000.00
Income from Accreditation - Medical Labs	5,873,100.00	5,183,340.00	10,940,000.00
Income from Accreditation of Certification Bodies (Systems)	3,053,900.00	3,732,100.00	5,930,000.00
Income from Accreditation of Personnel Certification	341,100.00	229,000.00	440,000.00
Income from Accreditation Product Certification	7,054,604.23	1,973,578.47	2,390,000.00
Income from Accreditation- GHG	1,019,410.33	827,000.00	1,620,000.00
Income from Accreditation-GLP	-	-	50,000.00
Income from Accreditation of Inspection Bodies	1,359,500.00	1,115,000.00	1,205,000.00
Income from Accreditation of PT	927,074.00	366,000.00	570,000.00
Training Programmes Income			
Income from Training Programmes -other Recoveries	4,157,500.00	2,215,475.00	5,520,000.00
Other Income			
Distress Loan Interest	81,975.80	81,972.12	-
Sundry Income (Note.27)	635,596.82	503,473.96	-
Sponsorships	-	30,000.00	-
Exchange Gain/Losses	866,520.18	192,709.35	-
Employee loan interest benefit adjustment	218,164.81	218,164.81	-
Total Income	68,830,166.17	61,760,518.61	75,876,000.00
2) Personal Emoluments			
Salaries & wages	17,442,785.53	17,248,717.67	20,600,700.00
E.P.F.	2,467,998.41	2,525,775.86	3,090,100.00
E.T.F.	493,599.68	505,155.17	618,100.00
Chairman's Allowances	-	-	900,000.00
Overtime & Holiday Payments	251,820.36	175,479.98	370,000.00
Gratuity Expenses	26,560.50	1,619,076.50	50,000.00
Leave Encashment	-	-	1,750,000.00
Bonus and Performance Incentive	-	-	500,000.00
Staff Training and Development	4,860.00	-	800,000.00
Staff Training and Development-Foreign	-	-	1,200,000.00
Medical Insurance (Agrahara)	163,190.00	198,150.00	-
Staff Welfare	110,195.20	115,337.01	375,000.00
Annual Leave Expenses	548,994.25	603,841.67	-
Fuel and transport Allowance	1,162,900.00	1,093,775.00	1,172,000.00
	22,672,903.93	24,085,308.86	31,425,900.00
3) Traveling Expenses			
Domestic-Travelling & Subsistence	244,408.05	324,110.94	500,000.00
Foreign	-	-	3,000,000.00
Transport -Fuel for the office Van	587,555.17	382,774.78	700,000.00
	831,963.22	706,885.72	4,200,000.00
4) Supplies			
Stationery and office requisites	695,495.36	617,272.38	900,000.00
	695,495.36	617,272.38	900,000.00
5) Maintenance Expenditure			
Maintenance -Vehicles	2,389,009.76	804,556.15	3,000,000.00
Maintenance -Plant, Machinery & Equipment	297,102.11	690,875.68	650,000.00
Maintenance -Buildings & Structures	133,651.00	31,662.70	250,000.00
Maintenance -Administration	1,243,043.81	520,634.38	1,200,000.00
	4,062,806.68	2,047,728.91	5,100,000.00
6) Contractual Services			
Telecommunication	896,815.20	988,585.04	1,200,000.00
Postal Charges	61,565.00	111,120.00	300,000.00
SLAB Events	-	-	1,300,000.00
World Accreditation Expenses	305,459.00	333,241.89	500,000.00
Electricity	739,470.38	740,109.84	1,000,000.00
Water	76,266.48	78,704.46	300,000.00
Rent and Local Taxes	10,454,400.00	9,504,000.00	10,454,400.00

SRI LANKA ACCREDITATION BOARD
NOTES TO THE ACCOUNTS

SLAB

	Actual 2021	Actual 2020	Budget 2021
Council and Audit Committee Meeting	340,605.00	340,318.00	900,000.00
Security Expenses	897,820.00	900,240.00	1,088,600.00
Janitorial Service	367,600.00	464,450.00	483,000.00
Technical Advisory Committee Expenses	340,750.00	272,725.29	500,000.00
Professional Chargers	-	24,500.00	100,000.00
Audit Fee	-	416,000.00	700,000.00
Advertising & News Papers	363,500.00	11,250.00	500,000.00
Printing Activities	357,701.90	4,312.50	350,000.00
Training Programme Expenses			
Training Programme Expenditure-Other Training (Note-26)	220,051.96	718,719.64	2,400,000.00
Special Training Programme	-	97,630.00	-
Assessment Expenses			
Assessment Expenses-Testing	1,777,725.00	1,127,035.94	2,900,000.00
Assessment Expenses-Calibration	422,950.00	112,843.28	434,832.32
Assessment Expenses-Medical	672,720.00	294,494.72	1,536,023.75
Assessment Expenses-Certification	58,500.00	243,759.75	832,597.88
Assessment Expenses-Inspection Bodies	101,600.00	45,085.02	61,777.92
Assessment Expenses-GHG	93,244.00	25,809.73	335,566.43
Assessment Expense-GLP	-	-	227,455.07
Assessment Expenses-Body of Persons	32,512.20	33,406.80	169,187.26
Assessment Expenses-Product Certification	160,475.00	48,250.00	250,000.00
Assessment Expense-PT	148,439.19	50,225.51	252,559.37
Other Accreditation Expenses (Note No.29)	763,914.57	119,576.07	230,000.00
	19,654,084.88	23,526,056.56	30,006,000.00
7) Subscription & Member Fees			
International Laboratory Accreditation Corporation	611,200.01	449,226.54	625,000.00
Asia Pacific Accreditation Forum	1,197,425.34	1,009,949.28	1,199,100.00
International Accreditation Forum	337,251.00	313,254.00	350,000.00
	2,145,876.35	1,772,429.82	2,174,100.00
8) Others			
Insurance-Fire & Burglary	169,653.70	156,915.17	300,000.00
Depreciations	3,629,620.20	4,028,271.67	-
Stamp Duty	6,875.00	206,484.00	150,000.00
Exhibition Expenses	-	334,018.86	800,000.00
Trainee's A/C (NAITA)	237,500.00	318,500.00	480,000.00
Loss/(Profit) on Disposal of Assets	-	-	-
National School Programme	-	-	-
APAC Peer Evaluation	-	-	-
Over/Under Provision	-	-	-
Other Expenses	(76,356.43)	(214,157.76)	-
CSR Projects	-	-	-
Staff loan benefits adjustment	218,164.81	218,164.81	-
Amortization Of Proficiency Testing Programmes	44,149.01	88,298.01	-
Amortization of Accounting Package of SLAB	-	-	-
	4,229,606.29	5,136,494.76	1,730,000.00
9) Financial cost & others			
Bank Charges	12,720.00	5,000.00	-
Exchange Losses A/C	-	-	-
	12,720.00	5,000.00	-
10) Refundable Deposit and Advance			
Refundable Deposit	3,520,500.00	3,520,500.00	-
- Mobitel	18,000.00	-	-
- Mountspring	7,700.00	-	-
- Post master (Courier)	10,000.00	-	-
- Rent for new Building(Borella)	2,160,000.00	-	-
	3,520,500.00	3,520,500.00	-
11) Receivables			
Trade Receivables			
Receivables from Testing	6,099,308.86	1,988,758.87	-
Receivables from Calibration labs	1,880,500.00	431,000.00	-
Receivables from medical labs	1,733,400.00	1,116,800.00	-
Receivables from Certification bodies	799,500.00	-	-
Receivable from Inspection Bodies	489,000.00	42,000.00	-
Receivable from Body of Persons	176,500.00	25,000.00	-
Receivable from GHG	539,410.33	475,000.00	-
Receivable from Others	98,521.32	-	-
Receivable from PT Programme	209,074.00	240,000.00	-
Receivable from Product Certification	383,820.00	306,214.40	-
Receivable from Assessor Training Programmes	-	-	-
Receivables from Training Programmes	360,861.77	127,531.76	-
	12,769,896.28	4,752,305.03	-

**SRI LANKA ACCREDITATION BOARD
NOTES TO THE ACCOUNTS**

SLAB

	Actual 2021	Actual 2020	Budget 2021
12) Accumulated Fund			
Balance at the Beginning of the Year	55,628,074.35	51,897,167.02	-
Adjust- Prior Year	-	-	-
- Assets taken to Fixed Assets	-	(108,832.61)	-
- Adjust receivable from Certification Bodies	(6,812.96)	-	-
-adjust receivable from testing	146,000.00	(259,200.00)	-
-adjust receivable from Calibration	160,000.00	(42,244.89)	-
- adjust depreciation to the motor car	-	8,683,333.34	-
- Depreciation adjust based on audit query	-	(14,825,153.19)	-
-adjust receivable from Inspection Bodies	80,000.00	-	-
- Adjust insurance payment	64,915.59	-	-
Differed income adjustment	(20,028,111.06)	-	-
Excess of Expenditure Over Income	14,524,699.46	10,283,004.68	-
Balance at the end of the Year	50,568,765.38	55,628,074.35	-
13) Differed Income-Government Grants			
Balance at the Beginning of the Year	(12,234,137.78)	(8,617,568.10)	-
Grant Received and Utilized for Capital Assets	-	500,000.00	-
Depreciation Expenses for the Year	-	(4,028,271.67)	-
Amortization Of Proficiency Testing Programmes	-	(88,298.01)	-
Amortization of SLAB Accounting Package	-	-	-
Ajdustment done to the differed income	20,028,111.06	-	-
Balance at the end of the Year	7,793,973.28	(12,234,137.78)	-
14) Accrued Expenses & Other Payables			
Staff Welfare	-	6,220.80	-
Assessment Expenses	1,004,410.20	220,018.00	-
Subsistence	-	6,000.00	-
Security service	77,440.00	77,440.00	-
Laptop Computer	2,271,920.96	770,369.60	-
Accounting Package of SLAB	-	104,750.00	-
Travelling-Domestic	9,606.78	30,052.15	-
Water	6,629.02	4,083.32	-
Electricity	75,840.00	41,284.00	-
Telecommunication expenses	85,704.44	175,029.30	-
Over Time Payable	21,470.27	10,555.51	-
Maintanance of Plant,Machinery & Equipments	31,500.00	39,000.00	-
Maintanance of Administration	9,485.15	17,500.00	-
Maintanance of Building & Structure	65,371.00	-	-
Maintanance of SLAB vehicle	419,648.94	11,126.00	-
Technical Advisory Committee Meeting	24,750.00	-	-
Printing Activities	277,214.40	-	-
Maintenance expenses - Janitorial service	35,000.00	35,000.00	-
Medical Insurance Expense	18,600.00	-	-
Airconditioner	173,340.00	-	-
Audit Fee	1,137,000.00	1,503,000.00	-
Exhibition Exp	-	-	-
Postal Charges	3,690.00	-	-
Medical Insurance Agrahara	-	-	-
Other Training Programme Expense	2,000.00	-	-
NAITA Allowance	20,500.00	-	-
Staff Training Expenses	-	-	-
Council & Audit Committee Expense	42,000.00	65,000.00	-
Other Accreditation Expenses	-	-	-
stationery	155,947.55	25,300.00	-
World Accreditation Day Expense	129,985.40	-	-
Maintanance of Building & Structure	-	6,100.00	-
Other Payables	6,099,054.11	3,147,828.68	-
E P F Control A/C	334,852.50	360,417.50	-
E T F Control A/C	40,182.30	43,250.10	-
PAYEE Payable	-	-	-
Stamp Duty	4,950.00	4,850.00	-
VAT Payable	-	-	-
NBT Payable	-	-	-
Staff Welfare fund	42,750.00	14,275.00	-
Withholding Payable	-	-	-
Total	6,521,788.91	3,570,621.28	-
15) Government Grants			
Government Grant Received during the Year	17,678,860.00	19,636,771.00	-
Depreciation Expenses	-	4,028,271.67	-
Amotization of SLAB IT System	-	-	-
Amotization Of Profeciency Testing Programmes	-	88,298.01	-
Amortization of Accounting Package	-	-	-
Government Grants shown in Income Statement	17,678,860.00	23,753,340.68	-

**SRI LANKA ACCREDITATION BOARD
NOTES TO THE ACCOUNTS**

SLAB

	Actual 2021	Actual 2020	Budget 2021
16) Distress Loans			
Balance C/F	2,702,746.12	2,191,526.52	-
Distress Loan Granted during the year	-	1,950,000.00	-
Less : Loan Settlement in Installments	(1,278,245.00)	(1,438,780.40)	-
	<u>1,424,501.12</u>	<u>2,702,746.12</u>	<u>-</u>
Less than One Year	906,200.00	1,224,400.00	-
More than one Year	518,301.12	1,464,396.12	-
17) Pre-Payments			
Balance C/F	129,040.81	149,137.62	-
Adjustment -insurance prepayment	64,915.59	-	-
Adjustment to Expenses	(193,956.39)	(149,137.62)	-
SLAB Vehicle,Chairman & Director Vehicle Maintenance	122,716.53	126,732.15	-
Maintenance Expenditure of plants & machinery	-	2,308.66	-
Insurance	206,500.12	-	-
Stamp Duty	209,100.00	-	-
	<u>538,316.66</u>	<u>129,040.80</u>	<u>-</u>
18) Intellectual Property			
Trade Mark	16,254.20	16,254.20	-
MRA Logo	24,040.80	24,040.80	-
Web Site of SLAB	96,800.00	96,800.00	-
SLAB Accounting package	139,501.00	139,501.00	-
SLAB IT System	1.00	1.00	-
Development activity			
Proficiency Testing Programme (Note -24)	44,149.00	88,298.01	-
	<u>320,746.00</u>	<u>364,895.01</u>	<u>-</u>
19) Cash & Cash Equivalent			
Cash at bank	26,093,021.18	20,038,850.71	-
Recurent Capital	Nil	Nil	-
FEEA (Foreign exchange earning A/C)	14,104,694.68	7,930,939.54	-
Fixed Deposite-FEEA	2,714,367.43	2,467,222.73	-
	<u>42,912,083.29</u>	<u>30,437,012.98</u>	<u>-</u>
20) Other Grants			
Web site of SLAB	96,800.00	96,800.00	-
Software for SLAB IT System	1,717,800.00	1,717,800.00	-
Smart Board from UNIDO	609,648.00	-	-
	<u>2,424,248.00</u>	<u>1,814,600.00</u>	<u>-</u>
21) World Accreditaion Day Activities			
Total Expenses			
	305,459.00	333,241.89	-
	<u>305,459.00</u>	<u>333,241.89</u>	<u>-</u>
22) Creditors			
Creditors	829,509.20	661,021.37	-
Sundry Creditors	-	-	-
	<u>829,509.20</u>	<u>661,021.37</u>	<u>-</u>
23) Provision for Grativity			
Provision for 2021	5,311,154.50	3,692,078.00	-
(-) Over/Under provision	26,560.50	1,619,076.50	-
(-) Grativity Payment	-	-	-
	<u>(222,065.00)</u>	<u>-</u>	<u>-</u>
	<u>5,115,650.00</u>	<u>5,311,154.50</u>	<u>-</u>
Current Liability	-	-	-
Non current Liability	5,115,650.00	5,311,154.50	-

SRI LANKA ACCREDITATION BOARD
NOTES TO THE ACCOUNTS

SLAB

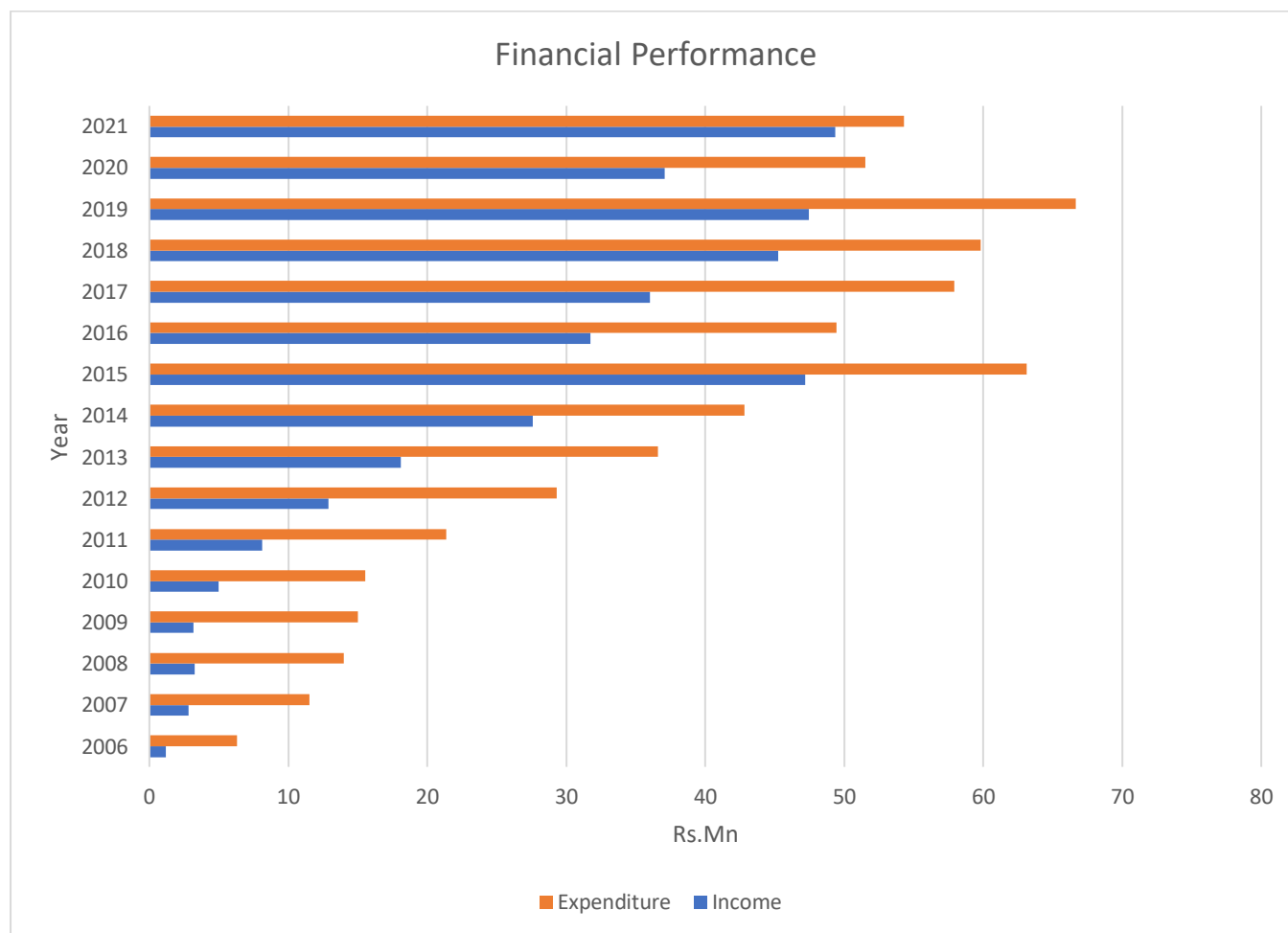
	Actual 2021	Actual 2020
24 Proficiency Testing Programme		
Opening Balance	88,298.01	176,596.02
Paid during the year	-	-
(-) Amortization of PT Programme	(44,149.01)	(88,298.01)
	<u>44,149.00</u>	<u>88,298.01</u>
25 Received in Advance		
Dept. of Motor Traffic-For Assessor Tr.	-	315,304.35
Ansell Lanka-Jan 16,17 Training	-	24,000.00
NTRL	976,000.00	-
	<u>976,000.00</u>	<u>339,304.35</u>
26 Training Programme Expense-Other training		
Training Programme Expense-Other training	220,051.96	773,664.64
(Less) recoveries from UNIDO	-	(54,945.00)
	<u>220,051.96</u>	<u>718,719.64</u>
27 Sundry Income		
Interest from FEEA Account	88,160.57	50,631.34
Interest from Dollor Fixed Deposit	54,131.37	49,509.17
Interest from FD Accounts	178,000.53	303,333.45
DMT-payment for training	315,304.35	-
Other	-	100,000.00
	<u>635,596.82</u>	<u>503,473.96</u>
28 Administration Expenses-Maintenance		
Total cost	1,481,762.73	-
Recoveries	(259,828.92)	-
	<u>1,221,933.81</u>	<u>-</u>
29 Other Accreditation expenses		
Application Renewal fee of ILAC MRA Mark	334,621.54	-
Application for the recordal of an assignment	270,028.03	-
Purchasing standard	54,720.00	-
Internal Audit Programme	104,545.00	-
	<u>763,914.57</u>	<u>-</u>

SRI LANKA ACCREDITATION BOARD
NOTES TO THE ACCOUNTS
SLAB**29 Property, Plant and Equipments**

Item	Balance as at 01.01.2021 at Cost	Additions during the Year	Balance as at 31.12.2021	Accumulated Depreciation as at 01.01.2021	Depreciation for the Year	Accumulated Depreciation as at 31.12.2021	Written Down Value as at 31.12.2021	Written Down Value as at 31.12.2020
Motor Vehicle	23,050,000.00	-	23,050,000.00	19,213,122.00	1,018,750.00	20,231,872.00	2,818,128.00	11,656,251.00
Building & Structure	1,936,283.00	-	1,936,283.00	1,903,767.53	12,998.70	1,916,766.23	19,516.77	58,195.61
Office Equipments	-	-	-	-	-	-	-	-
01) Air conditioners & Refirgerator	1,940,775.62	173,340.00	2,114,115.62	1,090,489.98	219,885.56	1,310,375.54	803,740.08	1,182,395.64
02) Multimedia Projector	450,000.00	-	450,000.00	274,411.70	90,000.00	364,411.70	85,588.30	265,588.30
03) Photocopier	1,012,000.00	-	1,012,000.00	553,692.49	188,873.00	742,565.49	269,434.51	711,306.51
04) Telephone System	317,787.30	-	317,787.30	262,507.93	20,871.65	283,379.58	34,407.72	1,213.93
05) Fax Machines	68,580.00	-	68,580.00	55,030.98	4,516.00	59,546.99	9,033.01	18,065.01
06) Other Office Equipment	394,593.26	19,950.00	414,543.26	245,101.59	52,393.34	297,494.93	117,048.33	169,246.78
07) Sound System	317,680.00	-	317,680.00	317,679.00	-	317,679.00	1.00	1.00
08) CCTV System	515,410.00	-	515,410.00	308,313.28	103,082.00	411,395.28	104,014.72	310,178.72
09) Technical Instrument	- 166,088.82	60,155.00	226,243.82	90,435.44	53,690.09	144,125.54	82,118.28	106,455.72
10) TV Screen	415,670.00	-	415,670.00	569.41	103,917.50	104,486.91	311,183.09	
11) Vedio Conference Unit	424,847.00	-	424,847.00	538.90	106,218.00	106,756.90	318,090.10	
12) Smart Board		609,648.00	609,648.00	-	132,175.15	132,175.15	477,472.85	
Office Furniture	3,934,013.95	-	3,934,013.95	2,781,497.93	- 435,465.47	3,216,963.40	717,050.55	1,590,132.21
Computers								
01) Desktop Computers	3,547,085.50	44,000.00	3,591,085.50	3,168,315.62	- 230,456.79	3,398,772.41	192,313.09	693,634.42
02) Laptop Computers	3,134,359.60	2,271,920.96	5,406,280.56	1,578,792.72	- 751,335.05	2,330,127.77	3,076,152.79	1,341,736.66
03) Scanner	143,500.00	-	143,500.00	113,499.00	- 29,999.00	143,498.00	2.00	123,051.00
04) Printers	795,440.00	-	795,440.00	707,843.60	- 56,748.00	764,591.60	30,848.40	159,511.07
05) Other Computer Related Items	152,026.75	54,100.00	206,126.75	137,326.85	- 15,564.89	152,891.74	53,235.01	22,790.57
General	-	-	-	-	-	-	-	-
WIFI	149,020.00	-	149,020.00	136,866.22	2,680.00	139,546.22	9,473.78	152.00
31st December 2021	42,865,160.80	3,233,113.96	46,098,274.76	32,939,802.17	3,629,620.20	36,569,422.38	9,528,852.38	18,409,906.15

Financial Performance

Indicator	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Financial performance – Income LKR Mn.	1.17	2.83	3.27	3.17	5	8.12	12.9	18.08	27.59	47.18	31.74	36.03	45.23	47.43	37.08	49.35
Government grants	6	8.23	10.56	11.47	8.91	13.28	15.51	14.8	16.11	12.21	15.7	16.16	17.06	19.49	19.64	17.68
Expenditure-LKR Mn.	6.29	11.52	14	15.01	15.51	21.37	29.29	36.61	42.82	63.14	49.43	57.91	59.79	66.67	51.50	54.31
Income /recurrent expenditure (%)	18.6	24.56	23.35	21.11	32.23	38	44.04	49.38	64.43	74.72	64.21	62.22	75.64	71.14	72%	90%



“A Translated Copy”.

Chairman
Sri Lanka Accreditation Board for Conformity Assessment

Report of the Auditor General on the Financial Statements and other legal and regulatory requirements of the Sri Lanka Accreditation Board for Conformity Assessment for the year ended 31 December 2021 in terms of Section 12 of the National Audit Act No. 19 of 2018.

1. Financial Statements

1.1 Qualified Opinion

The audit of financial statements of the Sri Lanka Accreditation Board for Conformity Assessment for the year ended 31 December 2021 comprising the statement of Financial Position as at 31 December 2021 and the statement of financial performance, statement of changes in equity and statement of cash flows for the year then ended and the 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 12 of the National Audit Act No. 19 of 2018 and the provisions of the Finance Act No.38 of 1971. My report will be tabled in the Parliament in due course, in terms of sub section 154 (6) of the Constitution.

In my opinion, except for the effects of the matters described in the basis for qualified opinion of my report, the accompanying financial statements give a true and fair view of the financial position of the Board as at 31 December 2021, and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

1.2 Basis for the Qualified Opinion

- (a) Though it was disclosed in financial statements that preparation of accounts will be carried out on accrual basis, the accounting of revenue of the Board had been done on cash basis. As a result, Rs. 10,492,864 received by the Board for the year 2022 and Rs.3,585,390 received for the year 2020 being adjusted as revenue of the year under review instead of adjusting in accounts respectively as an income relevant to the coming year and a previous year adjustment, the revenue and surplus of the year under review had been overstated by Rs. 14,126,700 in financial statements.
- (b) Three items of technical and laboratory equipment worth Euro 92,465 received in the year 2020 as foreign aid and two items of equipment worth Euro 155,191 received in the year 2021 making a total of equipment worth Euro 247,656 had not been accounted as assets and foreign aid receipts.
- (c) As a result of the residual value and useful lifetime of assets not being reviewed in terms of Section 65 of Sri Lanka Public Sector Accounting Standard No. 7, the useful lifetime of assets costing Rs. 25,341,128 which were still being used despite being fully depreciated had not been reviewed in terms of Sri Lanka Public Sector Accounting Standard 3 and adjust in the financial statements.
- (d) As a result of the depreciation of fixed assets not being accounted correctly, the written down value of plant, property and equipment were overstated by Rs. 2,525,760 in financial statements during the year under review.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

1.3 Other information contained in the Annual Report 2020 of the Board

Other information means information, though included in the Annual Report 2020 of the Board which is expected to be handed over to me after the date of this audit but not included in the financial statements and in my audit report thereon. Those charged with management shall be responsible for other information.

My opinion on the financial statements does not cover other information and I do not provide an assurance of any manner or express an opinion on it.

My responsibility in relation to my audit regarding financial statements is to read other information whenever available and consider where there are material inconsistencies between the financial statements or my knowledge gained otherwise and other information.

In reading the annual report 2020 of the Board, if I concluded that there are material misstatements, such matters shall be communicated to those charged with management. If there still are misstatements which have not been corrected, they will be included in the report to be tabled in Parliament by me in due course in terms of Article 154(6) of the Constitution.

1.4 Responsibility of the management and governing partners for Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view 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.

In preparing the financial statements, management is responsible for assessing the Board's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Board or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Board's financial reporting process.

As per section 16 (1) of the National Audit Act No. 19 of 2018, the Board is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Board.

1.5 Auditor's responsibilities in connection with the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detected a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or

in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Board's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Board to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I have communicated with those charged with governance regarding the significant audit findings, including any significant deficiencies in internal control that I have identified during the audit.

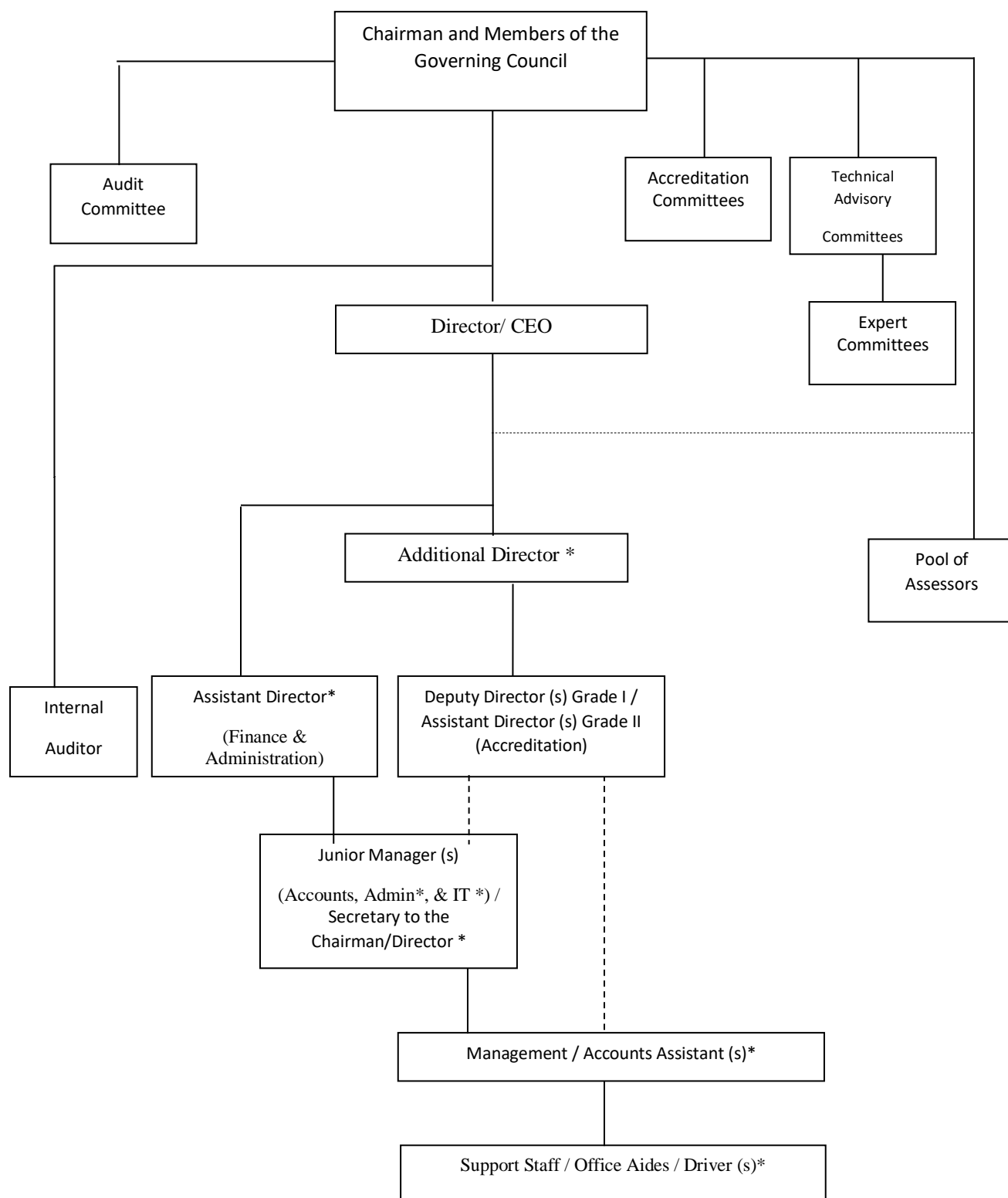
2. Report on other legal and regulatory requirements

2.1 Special provisions are included in respect of the following requirements in the National Audit Act No. 19 of 2018.

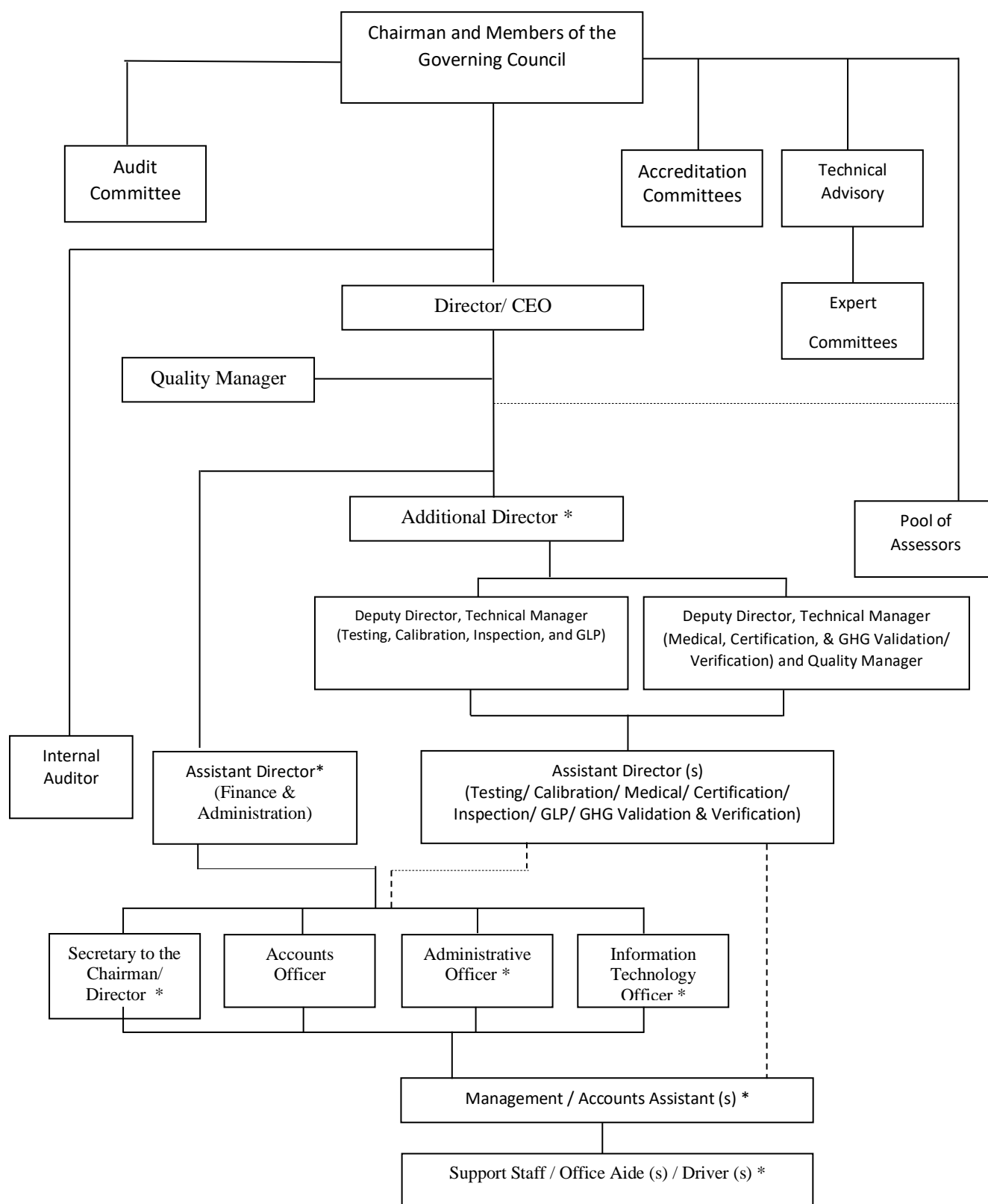
- 2.1.1 In terms of the requirements of section 12 (a) of the National Audit Act No. 19 of 2018, except for the effects of the matters described in the section on the 'Basis for the Qualified Opinion' of this report, I obtained all information and explanations required for the audit and as far as it appears from my inspection, the Board had maintained proper financial reports.
- 2.1.2 In terms of the requirement indicated in Section 6(1)(d) (iii) of the National Audit Act No. 19 of 2018, the financial statements presented by the Board are consistent with the preceding year.

- 2.1.3 Other than the observations set out in paragraph (c) of the section on the qualified opinion in my report, the recommendations made by me in the previous year have been included in the financial statements as per the requirement of Section 6(1)(d) (iv) of the National Audit Act No. 19 of 2018.
- 2.2 On the basis of the procedures followed and evidence obtained and being restricted within the material matters, nothing that warrants the making of the following statements did not come to my attention.
- 2.2.1 In terms of the requirement of section 12 (d) of the National Audit Act No. 19 of 2018, whether any member of the governing body of the Board has any interest, direct or otherwise, outside normal business status in any contract entered into by the Board.
- 2.2.2 In terms of the requirement of section 12 (d) of the National Audit Act No. 19 of 2018, except for the following observations, whether the Board has not complied with any applicable written law, or other general or special directions issued by the governing body of the Board;
- 2.2.3 In terms of the requirement of Section 12(f) of the National Audit Act No. 19 of 2018, whether the Board has not performed according to its powers, functions and duties, except for the following observations.
- 2.2.4 In terms of the requirement of Section 12(f) of the National Audit Act No. 19 of 2018, whether the resources of the Board had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

W.P.C. Wickremaratne
Auditor General

ORGANIZATIONAL STRUCTURE OF SLAB

* Vacant Possessions

Operational Structure of SLAB in 2021

* Vacant Possessions

CADRE DETAILS

Cadre Details of Sri Lanka Accreditation Board as at 31st December 2021

Designation	Grade	Service Level	Approved Cadre			Existing Cadre		
			Perman-ent	Con-tract	Casual	Perman-ent	Contract	Casual
Director/CEO	I	Senior Level	1			1		
Additional Director	I	Senior Level		1			-	
Assistant Director (Finance/Admin)	I	Senior Level	1			-		
Deputy Director (Accreditation)	I	Senior Level	2			2		
Assistant Director (Accreditation)	II	Senior Level	9			9		
Internal Auditor	II	Senior Level	1			1		
Administrative Officer	II	Tertiary Level	1			-		
Accounts Officer	II	Tertiary Level	1			1		
IT Officer	II	Tertiary Level	1			-		
Secretary (Contract)	II	Tertiary Level		1			-	
Management Assistant	III	Secondary Level	4			2		
Office Aide	II	Primary Level	1			1		
Office Aide	III	Primary Level	1			1		
Driver	II	Primary Level	1			1		
Driver	III	Primary Level	2			1		

Service Level	Approved Cadre	Existing Cadre
Senior	15	13
Tertiary	4	1
Secondary	4	2
Primary	5	4
Total	28	20

Annex 04

STAFF TRAINING

Details of Staff Training – 2021 (Local and Foreign)

No	Titles of Training Programs	Duration	For whom	Number Participated
1	Training on ISO 14065: 2020 (Validation/Verification scheme)	2021-05-10 to 12	Accreditation Staff	11
2	Uncertainty of Measurement & Decision Rule as per ISO/IEC 17025:2017	2021.06.29	Accreditation Staff	1
3	Accreditation of Biobanks (ISO 20387)	2021.08.10,11,12	Accreditation Staff	2
4	ISO/IEC 17043:2010 "Conformity assessment — General requirements for Proficiency Testing" for Proficiency Testing Providers (PTP)"	Self-phased training within three months completed on: 2021.08.20	Accreditation Staff	2
5	ISO 27001 Certification – Course to become ISO Lead Auditor	Self-phased training within three months completed on: 2021.09.24	Accreditation Staff	1
6	Training on ISO 50003: 2021 (System Certification scheme)	9/27/2021	Accreditation Staff	3
7	Accreditation of Business Continuity Management System (BCMS) Certification (ISO 22301)	2021.10.05,06,07	Accreditation Staff	4
8	Accreditation of Biobanks (ISO 20387)	2021-10-05 to 07	Accreditation Staff	3

Training programmes conducted by SLAB**Medical, Certification, Validation & Verification, Testing, Calibration, Inspection, GLP & PTP
(January- December 2021)**

Month & Date/s	Title of the Training programme	No of participants
January-February- Not conducted- Due to COVID Pandemic		
March		
9-10	Introduction to Laboratory Quality Management Systems as per ISO/IEC 17025:2017	26
19	Online Awareness training on ISO 15189: 2012 for Sample Collection Centers	65
22 & 23	Webinar On Quality Perspectives of Organic Agriculture	20
25-26	Development of Laboratory Quality Management Systems as per ISO/IEC 17025:2017	39
April		
22-24	Internal Auditing of Laboratory Quality Management System as per ISO/IEC 17025:2017	22
May		
03-04	Development of Quality Management System of Research & Development Laboratories as per OECD and SLAB accreditation requirements	07
10 to 12	Online Training on ISO 14065:2020, General Principles & Requirements for Bodies Validating & Verifying Environmental Information	15
13	Training on Implementation of ISO 15189:2012 in Microbiology testing laboratories	10
June		
01	General Awareness on future business opportunities for testing/calibration/ inspection bodies, research and development laboratories, research institutions and proficiency testing providers	12
July		
05-06	Development of Inspection Bodies/Inspection Units for Accreditation as per ISO /IEC 17020:2012	18
30	Webinar ISO 21001: 2018 - Educational Organizations Management System for Educational Organizations	200
August		
3 & 4	Webinar on Personal Certification ISO/IEC 17024:2012	56
September		
15-16	Internal Auditing of Inspection Bodies as per ISO/IEC 17020:2012	17
27	Transition training on ISO 50003:2021	49

Oct		
12-14	Internal Auditing of Laboratory Quality Management Systems as per ISO/IEC 17025:2017	44
Nov		
11	Online training on ISO 15189: 2012 for Sample Collection Centers	38
Dec		
16-17	Development of Laboratory Quality Management Systems as per ISO/IEC 17025:2017	31

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