

ANNUAL REPORT

2022



ENGINEERING COUNCIL, SRI LANKA

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VISION

To ensure the public confidence and trust in the Engineering Practitioners of Sri Lanka and to be an active contributor to the socio-economic development of the country.

MISSION

Register different categories of Engineering Practitioners of Sri Lanka as mandated by law while maintaining internationally recognized and locally relevant standards, competence and commitment for the profession towards the development of the country.

INTRODUCTION

Engineering Council, Sri Lanka (ECSL) has been established under the Engineering Council, Sri Lanka Act No. 4 of 2017 which was published as a supplement to Part II of the gazette of Democratic Socialist Republic of Sri Lanka of March 10, 2017.

The Act empowers ECSL for:

- Maintenance of professional standards and conduct of Engineering Practitioners
- Registration of Engineering Practitioners
- To provide for matters connected therewith or incidental thereto.

Registration of Engineering Practitioners

All Engineering Practitioners are required to get registered with the ECSL according to the Act. The categories of Engineering Practitioners as defined in the Act are:

- Chartered Engineer
- Associate Engineer
- Affiliate Engineer
- Incorporated Engineer
- Engineering Diplomat
- Engineering Technician

In the case of foreign engineering practitioners in Sri Lanka, the ECSL intends providing temporary registration facilities for a maximum period of four months, if the ECSL is satisfied about his/her relevant qualifications, which thereafter could be renewed on request of the applicant.

Corporate Information

Name of the Organization

Engineering Council, Sri Lanka

Legal Form

Government owned
Regulatory Body

Year of Establishment

2017 by Act of Parliament, No.04 of 2017

Line Ministry

Ministry of Irrigation

Date of Commencement

24th August 2018

Legal Consultant

Mrs. Ruvani Hapuarachchi

Head Office

4th Floor, Irrigation Department Premises,
230, Bauddhaloka Mawatha,
Colombo 7

Bankers

Bank of Ceylon

Phone: 2588811,

Email: registrar@ecsl.gov.lk

Website: www.ecsl.gov.lk

Tax Identification No

102769228

Stakeholders as per the Act

The Institution of Engineers, Sri Lanka (IESL)

The Institution of Incorporated Engineers, Sri Lanka (IIESL)

Tertiary and Vocational Education Commission (TVEC)

University Grants Commission (UGC)

OVERVIEW

ECSL and its National Responsibility

The establishment of the Engineering Council of Sri Lanka was an unprecedented and remarkable milestone in the cherished profession of engineering for the motherland. It has its proven roots extending to several millennia in the pre-historic times. Contemporary organized passion for engineering across the globe has been virtually tapping at the doors of the Sri Lankan engineering profession for quite some time to remind it of the need to establish an organized national regulatory cum representative national body in the same lines practiced by other developed nations. Long term soft discussions among the stakeholders, with of course the leadership and facilitation gracefully coming from nation's leadership at different times, eventually rhymed together to produce the essential legal impetus by way of an ACT of Parliament, enacted by the Parliament of Sri Lanka in 2017.

ECSL so established, from the very day it came in to being, inherited the huge responsibility of providing the national leadership in becoming the apex organization to regulate the profession of engineering. In the nutshell it is legally empowered to do the function of registering engineering practitioners holding the accepted qualifications, hold inquiries on any professional misconduct of such professionals and make representations to the government and other relevant bodies on matters relating to the practice of the Engineering profession in Sri Lanka.

Functions of ECSL

The Engineering Council of Sri Lanka is empowered with the function of:

- Maintenance of Professional Standards of Engineering Practitioners.
- Maintenance of Professional Conduct of Engineering Practitioners.
- Registration of six Categories of Engineering Practitioners.
- Make representations to the Government and relevant bodies on matters relating the practice of engineering profession in Sri Lanka.
- Maintain registers of the engineering practitioners.
- Publish from time to time the list of the registered engineering practitioners.
- Hold inquiries on any matter relating to the professional misconduct of the engineering practitioners.
- Determine the remuneration payable to the staff of the Council.
- Determine the fees payable in respect of Registration.
- Issuing of Certificates of Registration
- Any other matter required to enhance the quality of engineering practitioners.
- To provide for matters connected therewith or incidental there to.

Categories and Qualifications of Engineering Practitioners

(Ref: 'SCHEDULE A' of Section 15, Engineering Council, Sri Lanka Act No.4 of 2017.)

Chartered Engineer

Chartered Engineer of the Institution of Engineers, Sri Lanka established by the Institution of Engineers, Sri Lanka Act, No.17 of 1968.

Associate Engineer

Four-year Full-time degree in Engineering recognized by the Institution of Engineers, Sri Lanka established by the Institution of Engineers, Sri Lanka Act, No.17 of 1968 or an Associate Member of the Institution of Engineers, Sri Lanka established by the Institution of Engineers, Sri Lanka Act, No.17 of 1968.

Affiliate Engineer

Three-year full-time degree in Engineering recognized by the Institution of Engineers, Sri Lanka established by the Institution of Engineers, Sri Lanka Act, No.17 of 1968.

Incorporated Engineer

Incorporated Engineer of the Institution of Incorporated Engineers, Sri Lanka established by the Institution of Incorporated Engineers of Sri Lanka (Incorporation) Act, No. 64 of 1992.

Engineering Diplomat

Diploma in Engineering from a recognized University or Technical or Technological Institute recognized by the Institution of Incorporated Engineers of Sri Lanka (Incorporation) Act, No. 64 of 1992.

Engineering Technician

- (i) National Vocational Qualification Level IV of Engineering Technology or equivalent qualification recognized by the Tertiary and Vocational Education Commission established by the Tertiary and Vocational Education Act, No. 20 of 1990.
- (ii) One year full-time academic course in Engineering Technology and has obtained one-year industrial experience in the relevant field or a holder of a Diploma or Certificate in Technology by a University or a Technical or Technological Institute of the Government of Sri Lanka.

CHAIRMAN’S MESSAGE



Mr. Tilak De Silva

BSc Eng., MSc, CEng(SL), CEng(UK), CITP(UK), FIE(SL), FIET(UK), FBCS(UK), SMIEEE(USA), MCS(SL)

The year 2022 has been a year of complex challenges but also profound opportunities. Despite the ongoing instability across the country, we have been able to make comprehensive progress within the year.

It is my honor to report that we have crafted a comprehensive practical corporate plan for the next five years (2022-2026). This plan lays out an ambitious, yet achievable, blueprint for our future and also contributes to the socio-economic development of the country.

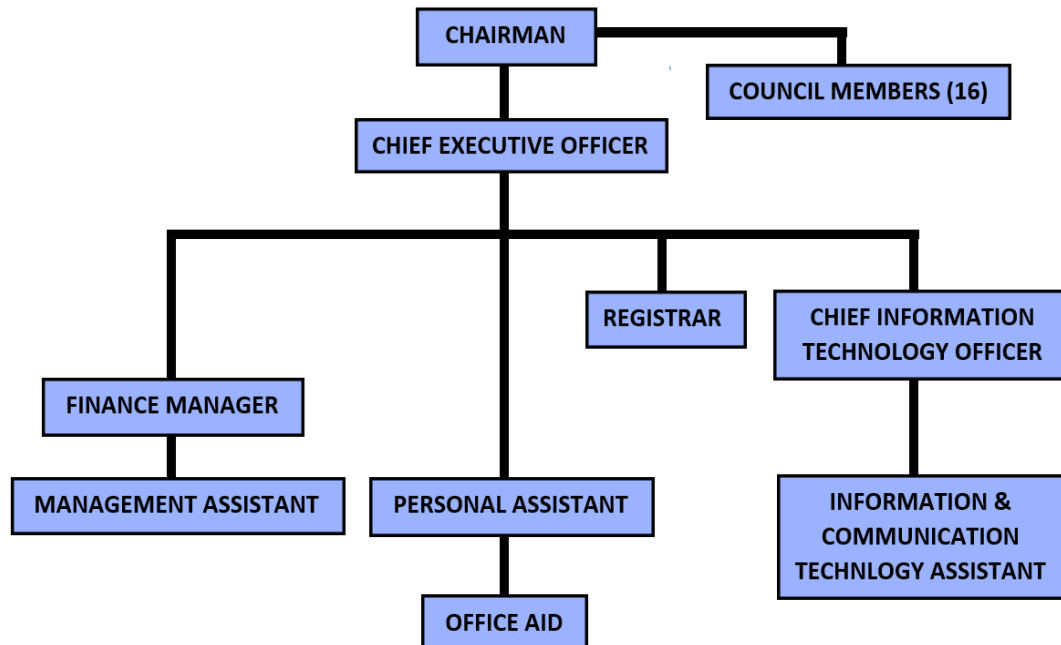
We held constructive discussions with representatives from the Sri Lankan branches of the British Engineering Institutions and many engineering-related professional bodies in Sri Lanka and these interactions have brought important issues related to Engineering Council registration, and have opened avenues for enhanced collaboration and mutual understanding.

Furthermore, we have also been in dialogue with numerous government and semi-government organizations. These conversations centered around the registration of engineering practitioners and methods to enhance the standards of the engineering practitioners in their organizations. Our concerted efforts in these discussions have been aimed at strengthening the role of engineers in nation-building, especially in a period characterized by considerable socio-political change.

Looking ahead, we are aware that challenges remain, but we are prepared to face them head-on. We will continue to embrace change while upholding the standards and values that have always defined us. We are confident that our comprehensive corporate plan will act as a road map, guiding us toward our objectives while helping us navigate potential hurdles.

I would like to take this opportunity to thank all our Council members, stakeholders, and dedicated staff for their unwavering support and commitment during this challenging year. It is with your collective effort that we have been able to achieve the progress we made thus far. Let us continue working together, with renewed vigour and dedication, to further advance the Engineering profession in Sri Lanka, and make a significant contribution towards our nation's development.

ORGANIZATION STRUCTURE



The Council

The Council consists of seventeen members, out of which four are ex-officio members (three Deans of Faculties of Engineering not below the rank of Professor and the Director General of Tertiary and Vocational Education Commission) and thirteen other members are appointed by the minister in charge of the line ministry under which ECSL is assigned to.

The “appointed members” consist of seven Chartered Engineers representing different engineering disciplines in rotation for every two years, nominated by the IESL, four members representing different engineering disciplines in rotation for every two years, nominated by the IIESL, one Chartered Engineer nominated by the Sri Lanka Engineering Service and one representative from the Engineering Technicians nominated by the Tertiary and Vocational Education Commission.

The Minister to appoint one of the Chartered Engineers from among the appointed members to be the Chairman of the ECSL.

Members of the Council for the Year 2022

- Mr. Tilak De Silva Chairman
BSc Eng., MSc, CEng(SL), CEng(UK), CITP(UK), FIE(SL), FIET(UK), FBCS(UK), SMIEEE(USA), MCS(SL)
- Dr. Ananda Ranasinghe Member
BSc, MTech, MEng, LLM (Colombo) LLM (Wales), PhD, CEng, FIStructE (UK), FICE (UK), FIE (SL), FSSE, FCI Arb, Attorney at Law
- Mr. Kosala Kamburadeniya Member (until 28 October 2022)
BSc Eng, PG Dip(Ind. Eng), MBA, Dip(Com. Arb), Attorney-at-Law, CEng, FIE(SL), IntPE(SL), MIET, MIEEE, MASHRAE
- Mr. J. Meegoda Member (until 28 October 2022)
BSc Eng.(Hons), PGD, MBA, CEng, FIE(SL), Int PE(SL), MIEEE(USA)
- Mr. K.P.I.U. Dharmapala Member (until 28 October 2022)
BSc Eng, CEng, FIE(SL), FICE(UK), FIE(Aust.), MASCE(USA), MSSE(SL), MACE(SL), IntPE(SL), PEng(Aust)
- Mr. A. Manamperi Member (until 28 October 2022)
BSc Eng, MS Eng, MBA, CEng, FIE(SL)
- Mr. J.A.G.R. Jayalath Member (until 28 October 2022)
BSc Eng., MSc Eng. , MEcon, PG(Dip)IT, PG(Dip) Const Mgt. FIE(SL), FCIHT(UK), LM(IRC), CMILT, MSSE(SL)
- Prof. U.P. Nawagamuwa Member (from 28 October 2022)
BScEng.Hons, MEng(AIT), DrEng(YNU), CEng, FIE(SL)

- Prof. D.A.R. Dolage Member (from 28 October 2022)
BSc Eng , MSc , MA, MBA , DBA , CEng FIE(SL)
- Mr. M.N.C. Samarawickrama Member (from 28 October 2022)
BSc. Eng.(Hons), MSc, MBA-MOT FIE (SL), CEng, IntPE(SL), MGS (SL), MSLGS, MSLAAS
- Mr. P.W. Sarath Member (from 28 October 2022)
BSc Eng , CEng, FIE(SL), SMIEEE
- Mr. H.S. Suran Fernando Member (from 28 October 2022)
BSc (Hons) Eng, CEng, MIESL, GREENAP(SL)
- Dr. T.A.G. Gunasekara Member
M Eng, MSc Eng (Hons), PhD, CEng, IEng, MIE(SL), FIIE(SL)
- Mr. P.A.D.R. Chandrasiri Member
GCGI(UK), FIIESL, IEng
- Mr. D.S. Senarath Member (until 28 October 2022)
MCGI(UK), IEng , MEG(SL), DTM(USA), FIIE(SL),
- Mr. K. Ariyawansa Member (until 28 October 2022)
GCGI(UK), MCGI(UK), IEng, MASCE(USA), MEG(SL), FIIE(SL)
- Dr. (Ms.) W.B.M. Thoradeniya Member (from 28 October 2022)
PhD, FIIESL, AMIESL, IEng
- Mr. J.A. Tissa Seneviratne Member (from 28 October 2022)
BIS(Hons), MSc, MBA WUSL, MIET, FIIESL
- Mr. D. Abey Siriwardena Member (until 28 October 2022)
BSc Eng, CEng, MIE(SL)
- Mr. W.U. Pushpa Kumara Member (from 28 October 2022)
BSc Eng., CEng, MIE(SL)
- Mr. S.U.K. Rubasinghe Member
PGDBM, PGCTM, AMIE(SL)
- Prof. N.K. Wickramarachchi Member (Ex- Officio) (until 24 September 2022)
BSc Eng., MSc, PhD, DIC, CEng, MIE(SL)
- Prof. K.M.T.U. Hemapala Member (Ex-Officio) (from 28 October 2022)
BSc Eng (Hons), PhD, CEng
- Prof. U.I. Dissanayake Member (Ex-Officio) (from 28 October 2022)
BSc Eng, PhD (Sheffield), CEng, MIE(SL), MSSE(SL)
- Dr. K. Pirapaharan Member (Ex-Officio)
BSc.Eng, MEng, DEng, CEng, MIEEE, MIET
- Mr. B.K.U.A. Wickramasinghe Member (Ex-Officio) (until 28 October 2022)
BSc Eng, M.Ed (Manchester), MSc (Moratuwa), MIE (SL), CEng, MITD (UK)
- Dr. K.A. Lalithadheera Member (Ex-Officio) (from 28 October 2022)
PhD(Economics), MA(Economics), BA Special(Economics), FCPM

Council Meetings

Dates which the Council meetings were held:

- | | |
|---------------------|----------------------|
| 1. 13 January 2022 | 7. 14 July 2022 |
| 2. 10 February 2022 | 8. 12 August 2022 |
| 3. 10 March 2022 | 9. 08 September 2022 |
| 4. 07 April 2022 | 10. 14 October 2022 |
| 5. 12 May 2022 | 11. 25 November 2022 |
| 6. 09 June 2022 | 12. 16 December 2022 |

Staff Cadre

- | | |
|----------------------------|---------|
| 1. Chief Executive Officer | - 01 No |
| 2. Registrar | - 01 No |
| 3. ICT Officer | - 01 No |
| 4. Accountant | - 01 No |
| 5. ICT Assistant | - 01 No |
| 6. Management Assistant | - 01 No |
| 7. Personal Assistant | - 01 No |
| 8. Office Aid | - 01 No |

ACTIVITIES COMPLETED AND IN-PROGRESS

ACTIVITIES COMPLETED.

1.Registration of Engineering Practitioners

Engineering Practitioners registered for Year 2022.

➤ Chartered Engineer	- 5,318
➤ Associate Engineer	- 9,901
➤ Affiliate Engineer	- 101
➤ Incorporated Engineer	- 474
➤ Engineering Diplomat	- 1,715
➤ Engineering Technicians	- 213
Total Registrations	- 17,722

2.The Human Resource Policy and Procedures Manual for the Engineering Council has been meticulously prepared and finalized.

3.A comprehensive manual for administration and financial affairs has been developed, ensuring efficient and effective management of the Engineering Council.

4.The Engineering Technician Registration Process has been reviewed and included new fields to facilitate registration in the relevant categories.

5.A dedicated Standing Committee has been established to identify and address issues pertaining to the registration process of Chartered Engineers, Associate Engineers, and Associate Engineers.

6. Another standing committee has been established to identify and find solutions to the problems related to registration in the categories of Incorporated Engineers and Engineering Diplomates.

7. A pilot project has been initiated to inform the status of registration to the engineering practitioners via SMS notifications.

8.The Engineering Council's website now features a user-friendly system allowing individuals to locate engineering technicians efficiently.

9.In accordance with Circular No. PED 12/2003 of the Department of Management Services and the Guidelines on Corporate Governance for State-Owned Enterprises handbook issued on November 16, 2021, a comprehensive corporate

plan has been prepared, outlining corporate governance strategies for the next five years (2022-2026).

10. To make the general public aware of the registered Chartered Engineers, an informative notice has been published in Sinhala, Tamil, and English newspapers.
11. The Sri Lanka Engineering Council Disciplinary Procedure has been published in the Special Gazette No. 2298/27 dated 21 September 2022, outlining the disciplinary measures in place.
12. Discussions have been held with a delegation from the tri forces to address issues related to the registration of officers engaged in engineering work within the armed forces.
13. A letter highlighting the observations and concerns of Engineering Council regarding the proposed Building Services Engineering and Technology, Sri Lanka Bill has been sent to the Secretary of the concerned Ministry.
14. Constructive discussions have taken place with representatives from the local branches of the British Engineering Institutions, the Sri Lanka Marine Engineers Association, and the Sri Lanka Automobile Engineers Association, focusing on issues related to Engineering Council registration.
15. Maintain close collaboration with the Construction Industry Development Agency (CIDA) and related activities fostering mutual support and synergy.
16. Commenced registration of technicians from the Irrigation Department, Central Engineering Consultancy Bureau (CECB), and Lanka Electricity (Private) Company (LECO), further expanding our database of registered practitioners.
17. A comprehensive procedure for the registration of foreign engineers has been developed in collaboration with the Board of Investment.

ACTIVITIES IN PROGRESS

- i. Preparation of administrative process for disciplinary inquiries.
- ii. To commence registration of Foreign Engineering Practitioners.
- iii. Finalize the Roles, Responsibilities, and Competencies for the six categories of engineering practitioners.
- iv. Legal proceedings related to nine cases, which the Engineering Council has been sited as a respondent, are being diligently pursued, including three cases in the Supreme Court and six cases in the Court of Appeal.

FINANCIAL STATEMENTS

THE ENGINEERING COUNCIL, SRI LANKA

Statement of Financial Performance

For the year ended	NOTE NO	2022 Rs'000	2021 Rs'000
Revenue from Operating Activities	01	18,434	18,127
Treasury Grants- Recurrent		3,832	3,495
Interest Income	02	3,944	1,260
Total Revenue		26,211	22,882
Administrative Costs	3.1	(11,054)	(8,611)
Contractual Services & Maintenance expenses	3.2	(1,074)	(746)
Other Operational Expenses	3.3	(4,895)	(1,137)
Depreciation		(217)	(182)
Total Expenses		(17,241)	(10,676)
Surplus / (Deficit) from Operations		8,970	12,206
Tax		(2,084)	(1,656)
Surplus / (Deficit) for the period		6,885	10,550

THE ENGINEERING COUNCIL, SRI LANKA**Statement of Financial Position**

As at	NOTE	2022	2021
	NO.	Rs'000	Rs'000
ASSETS			
Current assets			
Cash and cash equivalents	04	7,232	2,310
Cash and cash equivalents - Short Term Investments	05	30,000	30,926
Trade & Other Receivables	06	4,405	567
Prepayments	07	3	81
		41,639	33,883
Non - current assets			
Property, Plant & Equipment	08	1866	2,541
TOTAL ASSETS		43,505	36,424
LIABILITIES			
Current liabilities			
Other Provisions & Payables	09	2,352	1,528
Non - current liabilities			
Deferred Income (For Government Grants)	10	1151	1,779
TOTAL LIABILITIES		3,503	3,307

NET ASSETS**40,002****33,117****NET ASSETS / EQUITY****CAPITAL & RESERVES**

Contributed Capital

11

Accumulated Profit/(Deficit)

12

40,002

33,117

TOTAL NET ASSETS / EQUITY**40,002****33,117**

The Accounting Policies and the Notes from pages 05 To 13 form an integral part of these Financial Statements.

I certify that the above Financial Statements are true and correct as per the records available of the Engineering Council.

Signed by

P.A.P. Silva

Accountant (Acting)

The Council members are responsible for the preparation & presentation of the Financial Statements. Approved and Signed on behalf of the Engineering Council.

Signed by

Eng. Thilak De Silva

Chairman

The Engineering Council, Sri Lanka

31 ST JANUARY 2023

Signed by

Prof. U P Nawagamuwa

Council Member

Statement of Changes in Net Assets/ Equity**As at 31st DECEMBER****NOT : 12**

	Contributed Capital Rs'000	Accumulated Profit/Deficit Rs'000	Total Rs'000
Balance as at 31st December 2018 B/F	-	-	-
Surplus / (Deficit) for the period		13,611	13,611
Balance as at 31st December 2019	-	13,611	13,611
Balance as at 31st December 2019 B/F		13,611	13,611
Surplus / (Deficit) for the period		8,954	8,954
Balance as at 31st December 2020	-	22,565	22,565
Balance as at 31st December 2020		22,565	22,565
Surplus / (Deficit) for the period		10,552	10,552
Balance as at 31st December 2021	-	33,117	33,117
Balance as at 31st December 2021		33,117	33,117
Surplus / (Deficit) for the period		6,885	6,885
Balance as at 31st December 2022	-	40,002	40,002

CASH FLOW STATEMENT

	<u>2022</u> Rs'000	<u>2021</u> Rs'000
Cash Flows from Operating activities		
Surplus / [Deficit] for the year before Treasury Grants (Recurrent)	3,053	7,055
Add: Treasury Grants received (Recurrent)	3,832	3,495
Add: Depreciation	217	<u>182</u>
Surplus / [Deficit] before Tax for the year	7,103	10,732
Non Cash Movements		
Increased in payables	824	5
Decrease in Other Current Assets	(3760)	2936
	571	576
Net cash flows from operating activities	2,083	11,308
Cash Flows from Investing activities		
Purchase of Property Plant & Equipment's	(171)	(171)
Net cash flows from Investing activities	(315)	(315)
Cash Flows from Financing activities		
Government Grants [Capital for Property Plant & Equipment]		-
Net cash flows from financing activities		-
Net Increase/[decrease] in cash & cash Equivalents	3,996	10,993
Cash & Cash Equivalents at beginning of Period	33,236	22,243
Cash & Cash Equivalents at end of Period	37,232	33,236

NOTES TO THE CASH FLOW STATEMENT

Cash and cash equivalents consist of balances with banks. Cash and Cash equivalents included in the Cash Flow Statement comprise the following Statement of Financial Position amounts.

	<u>2022</u>	<u>2021</u>
	Rs'000	Rs'000
Current Account Balances with Banks (Note No.04)	7,232	2,310
Investments - Fixed Deposit (Short Term) (Note No.05)	30,000	30,926
	37,232	33,236

NOTES TO THE FINANCIAL STATEMENTS.**REVENUE FROM OPERATING ACTIVITIES**

		2022	2021
		Rs'000	Rs'000
NOTE NO:01			
Registration			
Registration 2022	No of Members		
Chartered Engineers	5,182	5,182	5,140
Associate Engineers	10,035	10,035	10,915
Affiliate Engineers	103	103	117
Incorporated Engineers	472	472	464
Engineering Diplomates	1,717	1,717	792
Engineering Technicians	171	171	57
Sub Total -Registration 2022	17,680	17,680	17,485
Registration - Arrears			
Chartered Engineers		247	147
Associate Engineers		432	459
Affiliate Engineers		8	5
Incorporated Engineers		20	11
Engineering Diplomates		47	20
Sub Total -Registration -Arrears		754	642

TOTAL	18,434	18,127
NOTE NO:02		
Interest Income		
Interest Income: A/C No BOC 85326186	63	180
Interest Income: A/C No BOC 86301038	51	250
Interest Income: A/C No BOC 85326167	1,038	511
Interest Income: A/C No BOC 87555504		297
Interest Income: A/C No BOC 89012360	2,700	
Interest Income: Savings Account	86	22
Interest Income: Staff Lons	7	
TOTAL	3,944	1,260

EXPENSES	2022	2021
	Rs'000	Rs'000
NOTE NO: 3.1		
ADMINISTRATIVE COSTS		
Salaries & Wages	7757	5,302
Council Members Allowances	3298	3,309
TOTAL	11,054	8,611
NOTE NO: 3.2		
CONTRACTUAL SERVICES & MAINTENANCE EXPENSES		
Postage & Telephone Charges	323	335
IT Expenses	129	136
Entertainment	255	108
Audit Fees	75	
Printing	260	168
Consultancy Charges	32	
Sundry Expenses		
Maintenance of Office equipment		
TOTAL	1,074	746

NOTE NO: 3.3**OTHER OPERATING EXPENSES**

Stationery & Office Requisites	48	172
Periodicals & Newspapers	147	224
Bank Charges	13	18
Interest Paid		
Other Operating Expenses	38	89
Advertisement Expenses		197
Awareness program	135	108
Traveling & Transport	72	49
Water	26	13
WEB Development	203	27
Legal Fees	4085	210
Membership Fees Reimbursement	53	24
Translation Expenses	73	4
TOTAL	4,895	1,137
Depreciation	217	182

GRAND TOTAL**17,241 10,676****NOTES TO THE FINANCIAL STATEMENTS CONTD.**

	2022 Rs'000	2021 Rs'000
NOTE NO:04		
CASH & CASH EQUIVALENTS		
(1) Bank of Ceylon (Independence Square) (C/A No. 83585687)	414	146
(2) Bank of Ceylon (Independence Square) (C/A No. 83591633)	25	3
(3) Petty Cash	0	
(4) Savings Account	6,792	2,161
GRAND TOTAL	7,232	2,310

NOTE NO:05**CASH & CASH EQUIVALENTS - INVESTMENTS (SHORT TERMS)**

(1) Fixed Deposits - Bank of Ceylon (Ind. Square) (83326167)	11,232
(2) Fixed Deposits - Bank of Ceylon (Ind. Square) (83301038)	5,299
(3) Fixed Deposits - Bank of Ceylon (Ind. Square) (85326186)	4,395
(4) Fixed Deposits - Bank of Ceylon (Ind. Square) (87555504)	10,000
(5) Fixed Deposits - Bank of Ceylon (Ind. Square)	30,000

(89012360)

GRAND TOTAL

30,000	30,926
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**NOTES TO THE FINANCIAL STATEMENTS
CONTD;**

2022	2021
Rs'000	Rs'000

NOTE NO:06**TRADE AND OTHER RECEIVABLES**

Members Fees Receivables

VAT receivable (Over paid)

IESL

FD Interest Receivable

Staff Loan

250	250
845	237
2,700	79
609	
4,405	567

NOTE NO:07**PRE-PAYMENTS**

IT Expenses

Water deposit

EPF

ETF

GRAND TOTAL

	78
3	3
3	81

NOTE NO:08

Property, Plant & Equipment

Please see page No.10**NOTE NO: 09****OTHER PROVISIONS & PAYABLES**

(1) Provision for Audit Fees

(2) PAYE Tax Payable

(3) Other Payables

(4) Income Tax Payable

(5) EPF Payable

(6) ETF Payable

(7) Registration Fee rec in Adv: Engineering Technicians

67	106
44	54
2,084	1,255
140	81
17	12
	20

GRAND TOTAL

2,352	1,528
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NOTES TO THE FINANCIAL STATEMENTS CONTD.

PROPERTY, PLANT & EQUIPMENTS**NOTE: 08**

Cost	Balance as at 01.01.2022 <u>Rs'000</u>	Additions <u>Rs'000</u>	Disposal / Adjustments <u>Rs'000</u>	Balance as at 31.12.2022 <u>Rs'000</u>
Furniture Fittings	3,041	-	-	3,041
Office Equipment	155	74	-	229
Computers & Accessories	941	96	-	1,037
GRAND TOTAL	<u>4,137</u>	<u>170</u>	<u>-</u>	<u>4,307</u>

Depreciation	Balance as at 01.01.2022 <u>Rs'000</u>	Charges for the Year <u>Rs'000</u>	Disposal / Adjustments <u>Rs'000</u>	Balance as at 31.12.2022 <u>Rs'000</u>
Furniture Fittings & Office equipment	1,318	608		1,926
Office equipment	28	40		68
Computers & Accessories	250	197	-	447
GRAND TOTAL	<u>1,596</u>	<u>845</u>	<u>-</u>	<u>2,441</u>
NET BOOK VALUE	<u>2,541</u>			<u>1,866</u>

**NOTES TO THE FINANCIAL
STATEMENTS CONTD;**

NOTE: 10

Deferred Income

	Balance as at 01.01.2022	Additions During the Year	Charges for the Year		Balance as at 31.12.2022
	Rs'000	Rs'000	Depreciation Rs'000	Revaluation Adjustments/ Disposal Rs'000	Rs'000
Furniture Fittings & Office equipment	1,723		608		1,115
Computers & Accessories	56		20		36
GRAND TOTAL	1,779	-	628	-	1,151

AUDITOR’S REPORT

The Chairman,
Engineering Council, Sri Lanka

Report of the Auditor General on the Financial Statements and the Other Legal and Regulatory Requirements of the Engineering Council, Sri Lanka for the year ended 31st December 2022 in terms of Section 12 of the National Audit Act, No.19 of 2018

The above mentioned report is sent herewith.

W.P.C. Wickramaratne
Auditor General

Copies.to 1. The Secretary Ministry of Irrigation
2. Secretary – Ministry of Finance, Economic Stabilization and National Policies.

The Chairman,
Engineering Council, Sri Lanka

Report of the Auditor General on the Financial Statements and the Other Legal and Regulatory Requirements of the Engineering Council, Sri Lanka for the year ended 31st December 2022 in terms of Section 12 of the National Audit Act, No.19 of 2018.

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1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Engineering Council, Sri Lanka for the year ended 31 December 2022 comprising the statement of financial position as at 31 December 2021 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, 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 provisions of the National Audit Act No. 19 of 2018, Financial Act No.38 of 1971 and Engineering Council Act No.4 of 2017. In accordance with Article 154(6) my report will be tabled in Parliament in due course.

In my opinion, except for the effects from the matters described in Basis for Qualified Opinion in my report, the financial statements of the Council give a true and fair view of the financial position as at 31 December 2022, and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Accounting Standards.

1.2 Basis for Qualified Opinion

- a) In accordance with Sri Lanka Public Sector Accounting Standards 10, action had not been taken to identify income from all registration fees of the council on accrued basis and only sum of Rs.845, 000 receivable from the Institute of Engineers, Sri Lanka (IESL) had been mentioned as receivable registration fees. The income of the registration fee mentioned as a sum of Rs.18,434.000 could not be satisfactorily vouched due to non-submission of the details in respect of registered members of the Institution of Engineers (IESL), Sri Lanka and the Institution of Incorporated Engineers (IIESL) Sri Lanka, who should be registered at the council .
- b) In accordance with para 34 of Sri Lanka Public Sector Accounting Standards 14, Contribution and other allowances paid by the council to the parties involved had not be disclosed in the Financial Statements.
- c) In terms of the para 14 Sri Lanka Public Sector Accounting Standards 15, inclusion of a reconciliation between budget values and actual values or explanation of the reasons for

quantitative differences between budget values and actual values had not been done in the Financial Statements.

- d) Nine cases filed against the council by the external parties had not been disclosed by the Notes to the Financial Statements in terms of Sri Lanka Public Sector Accounting Standards 8.
- e) Provisions had not been made for the Employees gratuity liability in accordance with the Payment of Gratuity Act No.12 of 1983.
- f) The total amount of telephone charges and bonus paid in the year 2023 with regard to the year under review is Rs.76, 416 and it had not been mentioned as a payable balance in the Financial Statements of the year under review.

1.3 Other information included in the Annual Report-2022 of the Council

The other information comprises the information in the Annual Report-2022 of the Council but does not include the financial statements and my auditor's report thereon, which is expected to be made available to me after the date of this auditor's report. Management is responsible for the other information.

My opinion on the financial statements does not cover the other information and I do not express any form of assurance and opinion thereon.

In connection with my audit of the financial statements, my responsibility is to read other information identified above when it becomes available and, in doing so, consider whether the other information is materially inconsistent with the financial statements or my knowledge obtained in the audit or otherwise appears to be materially misstated.

When I read the Annual Report- 2022 of the council, if I conclude that there are material misstatements therein, I am required to communicate that matter to those charged with governance for correction. If further material uncorrected misstatements are existed those will be included in my report to Parliament in pursuance of provisions in Article 154(6) of the Constitution that will be tabled in due course.

1.4 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Sri Lanka Accounting Standards and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the council'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 council or to cease operations, or has no realistic alternative but to do so.

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

As per sub -Section 16 (1) of the National Audit Act No. 19 of 2018, the Council 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 Council.

1.5 Auditor's Responsibility on the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, 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 a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect 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.

As part of an audit in accordance with Sri Lanka Auditing Standards, 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 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 council'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 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 communicate with those charged with governance regarding among other matters, significant audit findings including any significant deficiencies in internal control that I identified during my audit.

2. Report on Other Legal and Regulatory Requirements

2.1 National Audit Act No.19 of 2018 specifies provisions for the following requirements.

2.1.1 Except for the effects of the matters described in the Basis for Qualified Opinion section of my report, I have obtained all the information and explanation that required for the audit and as far as appears from my examination, proper accounting records have been kept by the Council as per the requirement of section 12(a) of the National Audit Act, No.19 of 2018

2.1.2 The financial statements presented is consistent with the preceding year as per the requirement of section 6(1) (d) (iii) of the National Audit Act, No.19 of 2018.

2.1.3 The financial statements presented includes all the recommendations made by me in the previous year except the audit matters of 1.2 (b) described in the Basis for Qualified Opinion section of my report as per the requirement of section 6(1) (d) (iv) of the National Audit Act, No.19 of 2018.

2.2 Based on the procedures performed and evidences obtained were limited to matters that are material, nothing has come to my attention.

2.2.1 To state that the any member of the governing body of the Council has any direct or indirect interest in any contract entered into by the Council which are out of the normal cause of the business as per the requirement of section 12(d) of the National Audit Act, No.19 of 2018.

2.2.2 to state that the Council has not complied with any applicable written law, general and special directions issued by the governing body of the Council, except the following observations, as per the requirement of section 12(f) of the National Audit Act, No.19 of 2018.

Reference to Laws/ Rules and Regulations	Observations
<p>a) Engineers Council Act No 04 of 2017</p> <p>(i) Section 12 (d)</p>	<p>Although inquiries should have been conducted regarding certain matters related to the instances of Professional misconducts of engineering professionals, it had not been examined whether Engineering Practitioners act in accordance with Code of Professional Conduct which had been introduced to be adhered by Engineering Practitioners.</p>
<p>(ii) Section 14(1)</p>	<p>No Engineering Practitioner shall engage in the practice of engineering profession unless such engineering practitioner is registered with the Sri Lanka Engineering Council. At the end of the year under review, the number of professionals of the Institution of Engineers, Sri Lanka (IESL) and the Institution of Incorporated Engineers, Sri Lanka (IIESL) stood at 19,825 and 5,956 respectively, and only 17,680 professionals had been registered with the Engineers Council.</p> <p>Accordingly, even though more than 8,100 engineering practitioners are engaged in engineering profession without being registered with Engineering Council, Sri Lanka, no action had been taken to prepare and implement a mechanism to identify such persons and to make the affiliated party aware in that regard.</p>
<p>b) Section 09(2) of the Employees' Provident Fund (Amendment) Act, No.01 of 1985</p>	<p>Due to application of travelling allowance, fuel allowance, telephone allowance, professional allowance and special allowances of the employees for calculation of earnings in remitting contributions to the fund by the Council, 15% overpayments of each relevant allowance had been made as the contribution of the council and 10% overcharge of each employee had been paid to the fund.</p>
<p>(d) Section 44 of the Employees' Provident Fund Act, No.01 of 1980</p>	<p>In the payment of contributions to the fund by the council, due to the application of transport allowance, fuel allowance, telephone allowance, professional allowance and special</p>

- allowance, surplus of 3% of the respective allowance each had been paid.
- As it is not possible to confirm the time spent on duty and the duties performed while working from home, overtime or similar allowances should be paid. Thus, Information and Communication Technology Officer had been paid a total of Rs.254, 503 of holiday pay as 1/20 of the salary each for 95 days of weekends and government holidays from January to December 2022 for performing duties from home, and an amount of Rs.45, 810 had been paid to the Employees' Provident Fund and Employees' Trust Fund as contribution.
- (e) Sub-section 10.1 in Chapter VIII of the Establishments Code Of the Democratic Socialist Republic of Sri Lanka
- (f) Financial Regulations of the Democratic Socialist Republic of Sri Lanka
- (i) F.R.137
- (ii) F.R. 225 (1) and (2)
- (iii) F. R. 264
- (g) Public Enterprises Circular No. PED/01/2021 dated 16th of November 2021
- (i) Chapter 2.3 of Guidelines on Corporate Governance for State Owned Enterprises
- (ii) Chapter 6.6 of Operational Manuel
- Vouches for payments of the Council had not been approved. Even though the vouchers for the payments should be prepared in prescribed specimen forms correctly and perfectly, the vouchers used for the payment of salaries and overtime of the Council i.e. General 33 and 35(a) respectively had been prepared deviating from the specimen form. Receipts for the amount of Rs.531, 805 related to 20 vouchers for payments had not been obtained.
- A budget had not been prepared for the year under review.
- Draft Annual Report along with Annual Financial Statements should be submitted to the Auditor General, but it had not been done so.

2.3 to state that the Council has not performed according to its powers, functions and duties as per the requirement of section 12(g) of the National Audit Act, No.19 of 2018.

2.2.4 to state that the resources of the Council had not been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws and as per the requirement of section 12(h) of the National Audit Act, No. 19 of 2018, apart from the following observations.

(a) The contribution to the Employees' Provident Fund should be paid to the Fund before the end of the next month and as the contribution to be paid to the Employees' Provident Fund for the period from October 2019 to December 2020 on behalf of the two officers employed in the Council had not been paid on prescribed date, hence, a surcharge of Rs. 179,838 had been paid during the year under review.

2.3 Other Matters

- a) As per the Scheme of Recruitment approved by the Department of Management Services, an officer should have 5 years' experience in a MM level post to appoint for the post of Chief Information Technology Officer under the salary code of HM 1-3, thus, the Officer who held the Post of Chief Information Technology Officer under the salary code of MM 1-1, had been appointed on 28th of November 2022 to perform duties of the Post of Chief Information Technology Officer under the salary code of HM 1-3, by the Board of Directors. For that purpose, allowances for the performance of the duties, contribution to the Employees' Provident Fund and contribution to the Employees' Trust Fund had been paid as Rs. 391,184, Rs. 58,678 and Rs. 11,736 respectively and totally an amount of Rs. 461,598. Further, contrary to the Public Enterprises Circular No. 01/2015 (ii) dated 14th of January 2022, the Officer who held the Post of Chief Information Technology Officer under the salary code of MM 1-1, had been paid a travelling allowance of Rs. 540,000 at Rs. 40,000 from January to June 2022 and at Rs. 50,000 from July to December 2022, and a fuel allowance of Rs. 263,804 at Rs. 42,550.
- b) Although, 10 percent from the officer and 15 percent from the council had been paid to the Employees' Provident Fund, an approval for that purpose had not been obtained from the Employees' Provident Fund in terms of Section 11 of the Employees' Provident Fund Act No. 15 of 1958. The contribution of the Council to the Fund was 15%, but, it had been mentioned as 12% in No. 6.1 of the Financial Note.

Management Response to Audit Report

The Council meeting held on 16th June 2023 diligently reviewed the Audit Report for the year 2022. After a thorough examination, the Council duly observed and acknowledged the following aspects outlined within the report.

Clauses 1.2(a) and 2.2.2 a (ii)

In accordance with Clause 14(i) of the Engineering Council Act, registration in ECSL is required exclusively for those who are in the practice of Engineering Profession. It is important to note that some members of IESL and IIESL are not engaged in the practice of engineering profession or not practicing in Sri Lanka. Hence, the calculation of annual revenue based on the total membership of IESL and IIESL cannot be deemed accurate or appropriate.

Clauses 2.2.2(d)

The ECSL is currently functioning with only two permanent employees. In order to ensure the seamless execution of all operational tasks and prevent any potential delays, these dedicated individuals consistently go above and beyond their designated office hours, often working during weekends and holidays. They carry out their duties effectively irrespective of the physical location they work and also, they operate under the direct supervision of the Chairman. The work done by them is monitored through an online process thus ensuring a transparent and accountable procedure for assessing the work carried out by them.

Clause 2.3(a)

This appointment has been made in accordance with the authority vested in the Council, as outlined in Clause 13(j) and Clause 22 of the ECSL Act, and in adherence to the provisions stated in the Establishment Code Chapter II Clause 13:5. Furthermore, the payments associated with this appointment have been executed in accordance with the guidelines specified in the Establishment Code Chapter VII Clauses 12:3 and 12:5:1. Also, the transport allowance for the MM1-1 salary code has been granted in compliance with the PED 1/2015 Circular, as stated in Clause 1 and Clause 4.