

2016

Sri Lanka Atomic Energy Regulatory Council

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# Chairman's Message



It is with great pleasure I record this message at the time of completing the Sri Lanka Atomic Energy Regulatory Council's (Council) second year of existence. The year 2016 was significant to the Council as it commenced the issuing of licences under the provisions of new Act and Atomic Energy (Licence) Rules No.1 of 2015

The Council during the year under review made arrangements for obtaining approval of the Parliament of Socialist Republic of Sri Lanka for the

two rules published in the Government Gazette in July, 2015 which provide requirements for notification and licensing of practices involving ionizing radiation. The preliminary arrangements have also been made to appoint the High Court of the Republic of Sri Lanka Holden in the Judicial Zone of Colombo as the High Court for all prosecution, proceedings or matters in respect of offences under the Atomic Energy Act No.40 of 2014 committed in any Judicial Zones in Sri Lanka.

The Board of Management of the Council has given priority in this year for recruitments and human resource development as it understood that new regulatory authority cannot function efficiently without trained and adequate number of persons for scientific and administrative work. As a result, it was possible for the Council to recruit six Scientific Officers and three Drivers. The arrangements also have already been made to recruit eight Management Assistants in 2017. Numbers of foreign training opportunities were also provided to scientific staff for train them in licensing, inspection, radiation protection, import/export control, transport safety and waste safety. An opportunity was provided for a female Scientific Officer to follow a six months postgraduate diploma on radiation protection in Malaysia that was conducted by the International Atomic Energy Agency. Her knowledge and experience obtained from the participation of this diploma will be immensely beneficial for the Council to develop its regulatory work

Sri Lanka has been a Member State of International Atomic Energy Agency (IAEA) since 1957 and became parties to several treaties, conventions and agreements on nuclear safety and security after became a Member of IAEA. The Council as per section 12(e) of the Act is responsible for fulfillment of obligations of Sri Lanka of the above treaties and conventions to which Sri Lanka is a party.

For fulfilling the obligation of Sri Lanka of the Convention on Nuclear Safety to which Sri Lanka is a party since 11<sup>th</sup>, August, 1999, the Council has posted a comprehensive report in the IAEA secure WEB of Nuclear Safety Convention in August, 2016 which includes, in particular

legislation, regulatory infrastructure, nuclear and radiological emergency management, radiation protection and bi-lateral cooperation. The Council also participated in review process of the reports posted by other countries asking questions to obtain information of nuclear safety

of those countries. We had the opportunity during this review process to get information of safety of nuclear power plants of neighboring countries resolving our doubts of impacts to Sri Lanka.

Council has made arrangements with the Ministry of Foreign Affairs during 2016 to send a political commitment to IAEA for proper implementation of IAEA Code of Conduct on Nuclear Security and Guidance Document of Import and Export Control of Nuclear or Radiological Materials by Sri Lanka. The obligations of these documents are being implemented by the council.

Sri Lanka has signed an agreement with India on Comprehensive Civil Nuclear Cooperation and Director General of the Council attended as a member of Sri Lanka delegation for the bilateral annual meeting held in November, 2016 in Mumbai, India which discussed development of future programs of nuclear safety and security in Sri Lanka and assistance that can be obtained from India to train our officers and improvement of nuclear technology.

The Council has implemented number of activities with Department of Energy of the Government of Unite States of American in 2016 under Global Material Security programme to develop Nuclear Security in Sri Lanka. This includes assistance for maintenance of physical security systems installed at 14 irradiation facilities at which high activity radiation sources are used and conducting assurance visits at 5 irradiation fcailities, conducting 3 workshops to train Council Officers, police STF and other stake holders on nuclear security incident management and physical protection of radiation sources.

The Board of Management, Director General and the Staff of the Council have been instrumental in achieving the remarkable progress in implementation of nuclear regulatory activities of the Council in the year 2016 and it would not have been possible for the Council to achieve this progress made in 2016, if not the dedication of the staff of the Council. In addition, I would like to thank chairman of the Sri Lanka Atomic Energy Board, experts who assisted us in developing regulatory infrastructure of our new regulatory authority, Honourable Minister, Honourable Deputy Minister and the ministry staff for the support extended.

I thank and wish them all well.

Dr. Saman Hewamana

Chairman

**Sri Lanka Atomic Energy Regulatory Council** 



# **Director General's Message**



I am indeed proud to record this message in the second Annual Report of the Council which presents activities of the year 2016. As the Director General of the Council, it was possible for me to obtain national and international co-operations from relevant stakeholders to uplift regulatory infrastructure of the Council.

The International Atomic Energy Agency and the Department of Energy of the United States of America are the key international organizations which provided technical cooperation to train Council staff and other stakeholders of the Council

and to obtain instruments and experts for improving radiation protection and nuclear security in the Country. The cooperation extended by the Sri Lanka Atomic Energy Board (SLAEB), Police Special Task Force, Ministry of Power and Renewable Energy, Ministry of Law & Order and Southern Development, Central Environmental Authority and Ministry of Foreign Affairs in implementing some activities in 2016 is commendable.

The year 2016 can be considered as the year that fully devoted for development of licensing and inspection programme of the Council for all the practices that use ionizing radiation. The Council issued 525 licences, 480 import and export approvals ,1034 certificates for clearance of milk foods on the laboratory reports of the SLAEB ,127 approvals for new irradiation rooms and 3 approvals for transport of category -1 radioactive sources.

The Council prepared all the necessary application forms for new licences and renewal of licences for two years' licence period and posted them in the Council's WEB for readily use of applications by the users of radiation sources. The council also prepared first drafts of the lonizing Radiation Protection Regulations and safety of sources and Sources Security Regulations meeting requirements of the new Act.

For the first time after inception of the Council, the Council granted export approval for Sri Lanka Mineral Sand Ltd, Pulmudai for exportation of 400 metric tons of Crude Monazite to China. It was a challenge for the Council as it has no previous experience in inspection and approval of international transport of radioactive sands.

However, with the dedication of staff, it was possible for the Council to grant approval for exportation of 400 metric tons of Crude Monazite to China meeting international radioactive material transport regulations.

Another important activity conducted during this year under review was to locate orphan sources which had not been under regulatory control due to some reasons. According to information gathered, these sources had been used mainly in Agriculture Departments, and

therefore, source search programmes were conducted at Agricultural Research Institute, Seetha-Eliya, and at storage facility of Secretariat Complex, Trincomalee where radiation sources had been used for one development project initiated by the Ministry of Economic Development for development of Northern and Eastern provinces. However, no information was available for several years of the availability of these sources at Trincomalee.

It was possible for the Council to locate and recover three radioactive moisture density gauges from storage facility of Secretariat Complex in Trincomalee and no radioactive sources were found from Seetha Eliya Agricultural Research Station. These sources were transferred and securely stored at Central Spent Radioactive Source Storage Facility at SLAEB.

The Council has prepared a lay out plan at the request of SLAEB to build a new Spent Radioactive Source Storage Facility for SLAEB to store spent sources meeting safety and security requirements of the Council. The architectural plan of the above facility submitted by the SLAEB based on the Council's requirements was approved and security requirements to be introduced to the facility were also given. This facility will be the Central Spent Source Storage Facility for Sri Lanka for safely and securely storage of spent or disused radioactive sources used in Sri Lanka for many decades.

The Council also prepared discharge levels of aqueous wastes containing radionuclides to different water bodies and submitted same to the Central Environmental Authority for publication in the relevant gazette as there was no discharge levels established for wastes containing radionuclides by the names of radionuclides. These levels are paramount important for controlling discharges and to protect public and the environment from unwarranted exposure to ionizing radiation.

In terms of section 58 of the Act, the Council is responsible for development of a National Nuclear or Radiological Emergency Management plan for responding to potential nuclear or radiological emergencies at national level and to assist and advice the Disaster Management Centre in the implementation of Emergency Management plan. The Council is also designated as the National Warning Point (NWP) and the National Competent Authority for communication with the IAEA as the point of contact for the Convention on Early Notification of a Nuclear Accident and Convention on Assistance in the case of a Nuclear Accident or Radiological Emergency. In order to fulfill the mandate given by the Act on emergency mitigation and also to develop full fledge Nuclear or Radiological Emergency Management programme, the Council while in the process of drafting a written plan for Nuclear or Radiological Emergency Management, a National Training Course on "Nuclear or Radiological Emergency Preparedness and Response was conducted from 07th -09th December 2016 in collaboration with the Incident and Emergency Center (IEC) of IAEA for all stakeholders whose



coordination are paramount important for preparedness and response to a nuclear or radiological emergency. The training attended 35 participants.

The Council had the opportunity to participate in three convEx exercises conducted by the IAEA in 2016 to obtain practical experience of nuclear emergency mitigation as these exercises were based on simulated emergency scenarios.

With the dedication and untiring effort of the staff of the Council in it was possible for the Council to increase number of employees to 27 with compared to 19 employees at the end of 2015.Out of these new 08 employees, 6 were Scientific Officers

As a whole it is evident from the activities conducted and progress achieved in 2016, the year 2016 was a very successful year for the Council to implement regulatory activities satisfying requirements and mandate given by the Act.

I sincerely express my gratitude to staff of the Ministry of Power and Renewable Energy, Chairman and the Board of Management and my staff who provided their assistance in implementing the activities of 2016 for achieving the above progress.

H.L. Anil Ranjith
Director General

**Sri Lanka Atomic Energy Regulatory Council** 



Protection of general public, patients, radiation workers and the environment from potentially harmful effects of ionizing radiation by implementing an efficient and effective regulatory regime



# Introduction

The Sri Lanka Atomic Energy Regulatory Council (Council) was established on 01st of January 2015 by the Sri Lanka Atomic Energy Act No. 40 of 2014, with the mandate of establishing and implementing a regulatory regime for ensuring the protection of public, patients, radiation workers and the environment from potentially harmful effects of ionizing radiation and security of radioactive sources. The fulfillment of the mandate of the Act requires the Council to establish systems for licensing and an inspection of users of radiation and radioisotopes, control of import and export of radioactive materials, management of radioactive waste, ensuring physical protection of radioactive materials, developing the capability to respond to nuclear or a radiological emergency, meeting the obligations of Sri Lanka under the Safeguards agreement with the IAEA and the establishment of the legislative and regulatory framework necessary for the above. The Council is also mandated to function as the focal point for conventions and protocols signed by Sri Lanka on nuclear safety and security.

The Act has given powers to the Minister under section 14 of the Act to appint Chairman and members to the Council. The Council shall consist of five members including the Chairman as follows

- (a) Three persons who are experts in the field of nuclear science and technology or radiation protection
- (b) One person who has experience in legal aspects connected with or relating to the objectives of the Council; and
- (c) A senior officer not below the rank of an Additional Secretary or a Director of the Ministry of the Minister assigned the subject of Environment nominated by such Minister.

The Council came under the purview of Ministry of Science and Technology in the first quarter of 2015 and then the Ministry of Power and Renewable Energy.

The objectives of the Council as given in the Act are as follows.

- (a) Establish requirements for the protection of persons and the environment against risks associated with exposure to ionizing radiation and for the safety and security of sources and facilities, as appropriate;
- b) Take all appropriate steps to ensure the protection of persons and the environment from harmful effects due to any source, nuclear material and other radioactive material and ensure the security of such material and facilities; and
- (c) Ensure compliance with International Standards and obligations in the field of nuclear energy, which are required to be complied with by Sri Lanka.

The Council commenced operations with 19 employees who opted to become staff members of the Council under the provision of the Act. The scheme of recruitment (SOR) for the council approved by the Management Services Department has 41 cadre positions and the Council is in the process of recruitment of persons meeting the requirements of the SOR.



## **Board of Management**

The Act has provisions to appoint five Board members by the Minister and one of whom shall be ex-officio nominated by the Minister in charge of the subject of Environment, as per Section 14(1) (a) of Sri Lanka Atomic Energy Act, No.40 of 2014. The members of the Board of management from 01<sup>st</sup> January to 31<sup>st</sup> December, 2016 were as follows:

### Chairman

Dr. Saman Hewamana Consultant in Clinical Hematology

#### Member

Prof.K.R Ranjith Mahanama

Dean, Faculty of Science, University of Colombo

### **Member**

Mrs. J.M.C Malini Jayawardana Attorney-at-Law & Notary Public

#### **Observer**

Mrs. K.V.I Mallika Senior Assistant Secretary, Ministry of Power and Renewable Energy

#### Observer

Mr. A.K.A.Y.Tharanga Assistant Director, Ministry of Finance

During the period under review 12 Board meetings were held. Matters pertaining to operational activities, staff matters, international cooperation, finance and administration were presented to the Board for policy decisions. The Board also reviewed the physical and financial progress of the Council.

#### **Director General**

Mr. H.L. Anil Ranjith, who has 30 years of experience in regulatory matters and radiation protection, has been working as the Director General for the Council from 3<sup>rd</sup> November2015. Mr. Ranjith was appointed by the Honourable Minister of Power and Renewable Energy by virtue of powers vested to him in section 71(1) (b) of the Act. Before this appointment, Mr. Ranjith had been working in the Atomic Energy Authority as the Director of Division of Radiation Protection and Regulations.

### Senior Executive Officers of SLAERC

Name	Designation	Educational Qualifications
Mr.H.L. Anil Ranjith	Director General	BSc (Second Class Lower Division)
		MSc in Nuclear Science
Mr. T.H.S. Shantha	Director	BSc - Second Class Upper Division,
	(Authorization)	MSc in Nuclear Science
Mr. Kapila de Silva	Deputy Director	BSc (Special) in Chemistry,
		MSc in Nuclear Science,
		Post Graduate Diploma in Radiation
		Protection (Malaysia)
Mr. K. N. R. Fernando	Deputy Director	BSc - Second Class Lower Division,
		MSc in Nuclear Science
		Post Graduate Diploma in Radiation
		Protection (Malaysia)
Mr. K. P. I. K. Kadadunna	Deputy Director	BSc - Second Class Lower Division,
		MSc in Nuclear Science
		Post Graduate Diploma in Radiation
		Protection (Malaysia)
Mu C C Kalawahana	Deputy Director	BSc (Special) in Physics- Second Class
Mr. S. S. Kolambage		Upper Division,
		MSc in Nuclear Science Post Graduate
		Diploma in Radiation Protection
		(Malaysia)

# **Executive Summary**

It is with great pleasure that I convey my message with the presentation of the activities of 2016 of the Council on behalf of officials and staff of the Council. The year of 2016 is the second year of the Council since its inception under the Sri Lanka Atomic Energy Act No. 40 of 2014 on 1<sup>st</sup> January, 2015

Sri Lanka Atomic Energy Act No. 40 of 2014 has delegated the mandate to the Council to ensure the responsibility of safety of the public, patients, radiation workers and the environment from potentially harmful effects of ionizing radiation by establishing and maintaining a regulatory control system. Further, the responsibility is extended to ensure safety and security of radiation sources. The Council is also responsible for adoption of standards for protection, safety and security.

In order to achieve the objectives of the Act the Council carries out licensing of users of radioactive sources and irradiating apparatus, inspection of irradiation facilities, import and

export control of radiation sources, waste safety prrogramme, approvals for safe transport of radioactive material, implementation of safeguards and enforcement system.

In the year of 2016 the main focus of the Council was to accomplish its legal infrastructure necessary for establishment of licensing and inspection system to meet the requirements of the Act and recruitment of staff for the Council.

As per provisions of the Sri Lanka Atomic Energy Act, approval of the Parliament of Democratic Socialist Republic of Sri Lanka was taken in 2016 for the two rules that were published in the government gazette in collaboration with Department of Legal Draftsman in 2015. These rules provide requirements for notification and licensing of practices involving ionizing radiation and all the new licenses were issued as per requirements of the above two rules.

Arrangements were made to call applications to recruit Scientific Officers and Office Aids. Approximately, 1070 number of applications was received for the post of Scientific Officers and 230 qualified applicants as per the qualifications specified in Scheme of Recruitment (SOR) were selected for the interviews. Similarly approximately, 9000 number of applications was received for the post of Office Aids and 2943 applicants who are qualified for interviews were called for interviews out of which 849 applicants participated for the interviews. Six Scientific Officers were recruited following the requirements of Scheme of Recruitment approved by the Department of Management Services and arrangements will be made to recruit two Office Aids in February, 2017.

Further in 2016, the Council provided several radiation protection services to the state and private sector organizations to achieve safety norms by performing regular inspections of premises that use radiation sources and radioisotopes. All the institutes that have applied for the licence for possessing and using radioisotopes or irradiation apparatus (including medical X-rays) were granted licence after proper assessment of compliance with the requirements of the Act.

Authorizations for import/ export of radioactive materials were carried out in the year under review and approvals were also given for irradiation room plans with recommendations to meet Council's requirements.

The Council paid its attention to fulfill the obligations under international conventions signed by Sri Lanka following the directions provided in Section 12 (e) of Sri Lanka Atomic Energy Act No.40 of 2014. The Council submitted national report for the 7<sup>th</sup> Review Meeting of the Contracting Parties to the Convention on Nuclear Safety as per Article 5 of the Convention and the questions posted by other Member countries were answered.

Necessary Documents were submitted to the Ministry of Foreign Affairs and discussions were held with relevant officers of the Ministry of Foreign Affairs to acceed Additional Protocol to the Safeguards Agreements at the request of International Atomic Energy Agency (IAEA). Sri

Lanka is a party to the Safeguards Agreement which was signed under Treaty on Non Proliferation of Nuclear Weapons.

As the manpower development is an essential component for enhancing the regulatory services given by the Council, the Council officers were provided with several local and foreign training opportunities and services of the experts to develop the work related capabilities of the staff, with the assistance of the IAEA and US Department of Energy's Global Material Security programme.

The Council conducted several training programmes to enhance knowledge of radiation protection of personnel who use ionizing radiation in Government and private sector organizations. Arrangements were also made to appoint Radiation Protection Officers from all the licensed facilities. Details of the activities carried out by the Council during the year of 2016 can be found under the following areas:

- Legislation and regulations
- International treaties and conventions
- Authorization(licensing and approvals)
- Import and export control
- Safety inspections
- Security of Nuclear and other Radioactive Materials
- Waste management and transportation of radioactive material
- Emergency response and planning
- Human resources development
- Miscellaneous Activities

Numerous challenges had to be faced in recruiting staff for the Council due to large number of applications received and implementing regulatory activities due to lack of adequate number of Management Assistants (MAs). The available MAs as at 31.12.2016 were 3 although approved cadre is 8.

Another challenge faced by the Council was to develop legal requirements for the practices with the developments of socio-economic forces and global trends, due to the continuous upgrading of the regulatory systems and practices in the international level. Lack of competent trained staff in drafting regulatory documents such as regulations, rules and policies has hampered the promulgation of regulations, rules and policies to be promulgated as per the Act.

In conclusion, I wish to thank the Secretary to the Ministry of Power and Renewable Energy for providing directions and support to members of the Board of management for taking their invaluable policy decisions for improvement of activities of the Council.

I would like to extend my sincere gratitude to all the members of the staff of Council led by the Director General, for their dedication, commitment and unwavering support throughout the year in implementing the operational activities of the Council.

Lastly, I am confident that the Council did a great job to accomplish its mandate and for the growth trajectory in taking steps to adopt a strong regulatory framework in the year of 2016.

Chairman
Sri Lanka Atomic Energy Regulatory Council

## **Establishment of Sri Lanka Atomic Energy Regulatory Council**

### **Commencement of Operational Activities of Council**

The Council which functions at present under the purview of Ministry of Power and Renewable Energy came into existence on the 1<sup>st</sup> of January 2015, in accordance with the Gazette notification to this effect made by the Minister.

The year 2016 was the 2<sup>nd</sup> year of existence of the Council and Dr. Samna Hewamana, Prof. Ranjith Mahanama and Mrs. Malini Jayawardhane functioned as the Board members for the Council.

### **Location of SLAERC**

The Council rented out a floor (a space of approximately 6500 square feet on the third floor) of the building of the National Centre for Non-Destructive Testing (NCNDT) located at No.977/18, Kandy Road, Bulugaha Junction, and Kelaniya, to carry out its operations.

### **Resources**

The Council has 16 scientific staff, 10 Administrative staff and a Lawyer as at 31<sup>st</sup> December, 2016. The council possesses sufficient number of scientific and office equipment to successfully execute functions of the Council even though Administrative staff is still insufficient for implementation of mandate given to the Council by the Act.

# **Audit and Management Committee Review 2016**

### **Members of the Audit Committee**

The Audit Committee is constituted in accordance with the Guidelines for Good Governance issued by the Department of Public Enterprises, the Ministry of Finance.

The Council's Audit Committee for the year 2016 consists of the following members and held four meetings.

Mr. A.K.A.Y.Tharanga Chairman to the Audit Committee - Up to 22/08/2016 Prof. K.R. Ranjith Mahanama Chairman to the Audit Committee From 22.08.2016 Mrs. J.M.C. Malani Jayawardhana Member Mr. S.K. Malavisooriya Observer to the committee, Chief Internal Auditor, Ministry of Power and Renewable Energy Mr. K.N.D. Sri Lal Observer to the committee, representative Of Auditor General's Department Miss. E.D.R. Prabani Board Secretary/ Legal Officer- acts as the Secretary of the Audit Committee. As per the Treasury Circular No: PED/55

### **Objectives of the Committee**

Having considered the objectives defined in the 'Guideline for Good Governance' of the Department of Public Enterprise, the Audit Committee made maximum effort to achieve the following objectives.

- Determine the Scope of the Internal Audit Unit and review the annual audit plan.
- Assist Board of Directors to maintain the stewardship responsibilities submitting its observations to the Board with recommendations for necessary action.
- Monitor follow up action on the recommendations of the committee.
- Review internal audit/external audit reports and recommendations to management for remedial action.
- Ensure that the council adhere to the statutory requirements and carry out its activities in accordance with regulatory requirements.
- Evaluate internal control procedures for all activities of the council and ensure the smooth operation of such procedures.
- Review quarterly performance including budgetary reports for cost effectiveness and to eliminate wasteful expenditure etc.

### **Activities of the Audit Committee during the year 2016**

- Reviewed the draft annual internal audit plans for the year 2016 and annual audit plan was prepared with amendments.
- Reviewed the Implementation of recommendations of the previous committee meetings which were based on internal, and government audit reports and further recommendations were given for improvements where necessary.

The committee recommended the following cause of actions to implement the recommendations of the committee based on the internal and government audit reports.

- To prepare revaluation report for Zero value office and scientific equipment.
- To send reminder Letters to debtors of 2016 and to take follow up action to collect debts.



- To implement proper procedures for use of official fax line. The Committee suggested to maintain an out-ward fax register.
- To maintain utilization of fuel and balancing of vehicle running chart as per the 41/90 PPI Circular.
- To implement a fixed assist insurance scheme for over Rs.50000/= value of Scientific equipment.
- To implement the workman compensation insurance scheme for Council's staff subject to the approval of Board.
- To appoint a committee to conduct the board of survey for 2016.
- To request from MSD to create a new post of Director (Finance and Administration) under
   HM category and recruit urgent basic for the Council.
- To implement proper inventory system as per the circular and suggested to develop a branch inventory separately for each branch.
- To dispose of the disposables items of 2015 as per the panel recommendations and FR 04
- To submit a request to the Board to increase carder of management Assistant by another numbers and obtaining approval from MSD.

# Activities of Sri Lanka Atomic Energy Regulatory Council

### **Drafting Legislation and Regulations**

The implementation of the Act requires drafting and adoption of a number of regulations, rules and orders in order for the Council to acquire the required legal authority. In the year of 2016, the followings activities with respect to legislations and regulations were done.

### **Obtaining approval of the Parliament for rules**

The Section 87 of the Act grants power to the Council to make rules in respect of all or any matter for which rules are authorized or required to be made under the Act, and in particular in regard to the matters stated in Section 87 (1) of the Act.

In accordance with Section 87 of the Act, the Council made two rules and published in the Extraordinary Gazette No. 1924/27 dated 21.07.2015 with the concurrence of the Legal Draftsman. In terms of section 86(4) of the Act, it is required to obtain approval of the Parliament for the rules published by the Minister as soon as convenient after its publication in the Gazette. The following two rules described below were submitted to the Parliament and approval was obtained in 2016.

### (a) Atomic Energy (Licence) Rules No. 1 of 2015

The Rule was made by Council, under Section 87 read with Section 23(1) (c) and Section 30 (1) of the Act. The Rule categorizes the maximum period of validity of each licence, based on the risk of the practice involving ionizing radiation.

The Rule also grants power to the Council to levy a surcharge of Rs.100/-for each day, where a licence holder fails to apply for the renewal of the licence, three months prior to the date of expiry of the existing licence. These requirements will be implemented for the licence and renewal of licence commencing from the year 2017.



### (b) Atomic Energy (Notification of Intention to conduct a Practice) Rules No. 1 of 2015

This Rule made by Council, under section 87 read with section 20(1) of the Act, introduced a form "Form of notification of intention to conduct a practice" which should be submitted by any person who intends to conduct a practice involving ionizing radiation. On receipt of the notification, the Council determines whether the activity requires a licence and accordingly the user is informed for further action in terms of provisions of the Act if practice requires a licence.

### **Regulations of Ionizing Radiation Protection and Safety of Sources**

The draft Regulations on Ionizing Radiation Protection and safety of sources was reviewed against relevant International Atomic Energy Agency (IAEA) publications and areas to be improved were identified. The draft regulations covered the following areas which are specified in the Act to make regulations.

(a) the regulation of the exportation, importation, re-exportation, storage, mining, processing, designing, manufacturing, construction, assembling, acquiring, distribution, selling, leasing, hiring, receiving, siting, locating, commissioning, possessing,

decommissioning, disassembling, using or disposing radioactive material or radioactive sources and of designing, manufacturing, selling. locating, possessing, using, exporting or importing of irradiating apparatus;

- (b) the decommissioning of irradiation installations;
- (c) the protection of radiation workers against harmful effects of ionizing radiation, including medical surveillance and occupational exposure of ionizing radiation;
- (d) the protection of general public and the environment against harmful effects of ionizing radiation;
- (e) the regulations of medical practices involving ionizing radiation, including protection of patients;
- (f) the regulation of radioactive waste management, including release of waste into the environment and any practice which may affect public health and safety;

### **Regulations of Security of Radioactive Sources**

Provision of Security for radioactive sources is very important to protect them from being used for unauthorized activity which may cause detrimental damage to human and the environment. Therefore, implementation of regulations is essential for ensuring security of the radioactive sources. The Act under section 86(g) provides regulation of security of radioactive sources and controlled items. The Council prepared first draft of regulations for the security of radioactive sources during manufacture, use, storage and transport.

### International Treaties, Conventions and Bi-lateral Agreements

In terms of sections 12(e) and 60 of Sri Lanka Atomic Energy Act no.40 of 2014, the Council is responsible to fulfill obligations of Sri Lanka for the international treaties, protocols and conventions that were already entered into. Following attempts were successful in 2016.

### Additional Protocol to Sri Lanka's Safeguards Agreement

Entering into the Additional Protocol is an obligation of Sri Lanka under the Treaty on Non-Proliferation of Nuclear Weapons to which Sri Lanka has already entered into and hence preliminary steps were taken by the Council in 2016 to accomplish the particular purpose.

Several follow up actions and deliberations were held between the officers of the Ministry of Foreign Affairs and the Council officials on the importance of signing the additional protocol to Sri Lanka's safeguards agreement with IAEA. The Council provided its assistance to the Ministry of Foreign Affairs in evaluating the existing supportive legislations to adopt the additional protocol and drew attention on the relevant legal provisions in Sri Lanka Atomic Energy Act and Treaty on Non- Proliferation of Nuclear Weapons and the Safeguard Agreement in this regard.

As a result of the deliberations it was agreed to meet stakeholders that may be involved when implementing the Additional Protocol to obtain their views and recommendations. It was

further agreed to submit a joint Cabinet paper by the Ministry of Power and Renewable Energy and Ministry of Foreign Affairs to obtain the approval of the Cabinet of Ministers for acceding the Additional Protocol to the Safeguards Agreement after obtaining the recommendations and views of the stakeholders.

# Seventh Review Meeting of the Contracting Parties to the Convention on Nuclear Safety

Sri Lanka is a party to the legally binding international convention on Nuclear Safety (CNS) and as per Article 5 of the Convention each contracting party every three years shall submit a report on the measures it has taken to implement each of the obligations of the Convention. The Sri Lanka report was prepared indicating activities implemented to meet obligations of each article of the convention and posted in August 2016 on the secure CNS WEB of IAEA.

The Article 20 and 21 of the Convention requires each contracting party to attend Review Meetings to be held every three years for the purpose of reviewing the report submitted pursuant to Article 5 of the Convention. The IAEA has announced that the above Review Meeting will be held from 27<sup>th</sup> March to 7<sup>th</sup> April, 2017 as decided by the last Review Meeting of the CNS held in 2014 and requested participation of Sri Lanka, Sri Lanka has answered all the questions posted by the other member states based on the report submitted by Sri Lanka. Arrangements have also been made to attend this meeting representing Sri Lanka.

# Convention on Assistance in the Case of Nuclear or Radiological Emergency and the Convention on Notification in the Case of Nuclear Accident.

Sri Lanka is a party to the above conventions and under section 58(2) of the Act, the Council functions as the contact point for the above conventions. Accordingly, Sri Lanka has nominated responsible persons from Council giving all the contact details to function as international warning point and the competent authority (abroad) and competent authority (local). The Council as the contact point participated in three ConvEx exercises conducted by the IAEA Incident & Emergency Centre (IEC)

# India-Sri Lanka 1st Joint Working Committee Meeting on Civil Nuclear Cooperation

Sri Lanka has signed an agreement with India in February 2015 on cooperation in the peaceful uses of nuclear energy to strengthen the scientific, technical and economic cooperation in the use and development of nuclear technology for peaceful purposes.

As per Article 3 of the agreement, the joint committee appointed requires to meet on mutually agreed dates to identify specific projects in relation to the areas of cooperation identified in Article 4 of the agreement and to discuss implementation progress of the projects so identified.

India and Sri Lanka has mutually agreed to hold its 1<sup>st</sup> joint committee meet in Mumbai, India on 24<sup>th</sup> and 25<sup>th</sup> of November, 2016 to discuss ways of cooperation of the areas identified under article 4 of the agreement.

At the request of Sri Lanka Atomic Energy Board, Director General of the Council participated in this meeting with representatives from Sri Lanka Atomic Energy Board and Department of Agriculture.

# **Authorization (Licensing and Approvals)**

### **Issue of Licences**

Issuing of licenses were commenced from 1<sup>st</sup> January,2016 meeting requirements of the Atomic Energy (Licence) Rules No. 1 of 2015 and the Atomic Energy (Notification of Intention to Conduct a Practice) Rules No. 1 of 2015. The said rules specifies the period of licences as 01, 02 and 03 years depending on the risk associated with the practices. The licences were issued for the following practices

- Radiotherapy (Tele-therapy, brachytherapy and linear accelerators)
- Nuclear Medicine (Therapy, in-vivo and in-vitro diagnosis)
- Medical radiography (General, dental and interventional)
- Industrial Irradiation Plants (Sterilization of medical products and food irradiation)
- Gamma irradiation chambers (Research, blood irradiation)
- Industrial radiography (Gamma and X-rays)
- Neutron generators, nucleonic gauges, well logging sources and lightening arrestors.
- Analytical x- ray equipment, analytical equipment containing radioactive sources and cabinet x-ray units
- Sealed and unsealed radioactive sources
- Import and export of irradiating apparatus and radioactive materials
- Transportation of radioactive materials
- Servicing and maintenance of irradiating equipment and equipment containing radioactive sources
- Radioactive Waste management and storage
- Disposal and discharge of radioactive sources
- Sale of radioactive sources and Irradiating apparatus

### **Renewal Applications for Licences**

Renewal licence application forms for the following practices to be licensed annually were prepared and distributed to the licence holders to apply for renewal of their licences for the year 2017.

- Radiotherapy (tele-therapy, brachytherapy)
- Nuclear Medicine (Therapy, in-vivo)

- Industrial Irradiation Plants (sterilization of medical products and food irradiation)
- Gamma Irradiation Chambers (research, blood irradiation)
- Industrial Radiography (gamma and X-rays)
- Transportation of Radioactive Materials.

All the applications for renewal of licences were received by the Council before the deadline of 30<sup>th</sup> September, 2016. Therefore; no surcharge was applied for delays in submission of the applications and 27 renewal applications were reviewed in 2016.

During the application review process of renewal of licences for 2017, the Council considered finding of the previous inspections to access the compliance of the facility with radiation protection requirements of the Council. All new facilities were inspected before issuing licences.

In parallel to review process, arrangements have been made to receive the application processing fee & licence fee applicable to each category of licence.

### **Modifications to the Licences**

Modifications to the licences are required on the happening of any one or more of the circumstances identified in section 27(1) of the Act to continue a practice. Accordingly, an application form was prepared for modifications of licences and modifications were issued for practices that requested modifications.

### Number of Licences Issued during the Period under Review

Type of licence	Number of licence issued			
	Annual (2016)	Biennial (2016 – 2017)	Triennial (2016-2018)	
Licences Issued for existing practices	26	321	111	
Modifications issued	-	05	02	
Licences issued for new facilities	02	39	19	
Total	28	365	132	

### **Approval of Irradiation Rooms**

Approval of irradiation room plans of new buildings were given after carefully assessing the safety and security aspects provided to the rooms. 127 irradiation room plans were approved in 2016.

### Certificates Issued for Release of Imported Milk Foods to the Local Market

The certifications were issued to the Food & Drug Inspector to release the imported milk food to the local market based on the results of the laboratory test reports issued by the Sri Lanka Atomic Energy Board for samples of the milk food tested.

No. of certificates issued =1034

### **Maintenance of Records**

A registry of radioactive sources and the database of licensees were maintained and updated. The name of licence holders and other relevant information were displayed in the official website of the Council and updated periodically for public information.

During the IAEA advisory mission to Sri Lanka in January 2016, it was disclosed that the IAEA has developed new software for management of regulatory information in member states which is known as "Regulatory Authority Information System (RAIS). The Council has requested from IAEA to provide a new version of RAIS with associated equipment for management of regulatory information of the Council.

## Import and Export Control

The Council granted its approval for import and export of radioactive materials and irradiating apparatus after reviewing the applications submitted for compliance with regulations. Approvals for custom clearance were also issued after verifying the documents submitted for safety and security of the sources during transport

No of approvals issued for import and export of sources in 2016 were 480

In some cases inspections are required to be carried out to verify the information given in export authorization forms and also to check that the transport package is designed to meet international transport regulations. Nine (9) of such export related inspections were carried out during the year 2016.

It was a challenge for the Council to grant export approval for Sri Lanka Mineral Sand Ltd, Pulmudai for exportation of 400 metric tons of Crude Monazite to China as the Council has no previous experience in inspection and approval of international transport of radioactive sands. However, with the dedication of staff, it was possible for the Council to grant approval for exportation of 400 metric tons of Crude Monazite to China meeting international regulations.

Granting approvals for importing category 1 or 2 radioactive sources and re-exporting the decayed radioactive sources of the same category is done as per the IAEA Code of Conduct on the Safety & Security of Radioactive Sources, and the IAEA Import and Export Guidance document.



### **Safety Inspections and Enforcement**

Inspections are carried out by the Authorized inspectors appointed in terms of section 15 of the Act. The Council has powers to conduct inspections either as announced or unannounced inspections. During the inspections, the inspectors examine the safety and security arrangements provided for facility and sources to check whether the safety and security arrangements provided are in line with the information given in the applications. Licence facilities are inspected regularly based on the risk associated with the practice and the inspection periods for licensed facilities are annual, biennial, and triennial depending on the facility type. Licence for new facilities are issued only after radiation protection inspections. Database containing information of the inspections conducted is maintained and is being updated periodically.

### **Inspections in Industrial Applications**

Inspections in industrial facilities are carried out to verify radiation levels of the instruments that use radioactive materials and their integreaty for safety to ensure protection of workers and the public.



### **Details of Inspections carried out in Industrial Applications**

Period	Practice / Sources	No. of inspections
Annual	- Industrial Irradiators (Pool Type Irradiators)	08
	- Industrial Radiography facilities	
Biennial	- Self-Shielded Gamma Irradiators/X-ray Machine	06
	- Nucleonic Gauges and Well Logging sources	
	- Particle Accelerators	
	- Lightening Arresting Devices	
	- Sealed and Unsealed sources with total activity more than 37	
	Giga Becquerel (1 Curie)	
Triennial	- Analytical equipment containing radioactive sources	13
	- Analytical X-ray equipment	
	- Cabinet X-ray Units	
	- Sealed and Unsealed sources with total activity less	
	than 37 Giga Becquerel (1 Curie)	

Total no. of inspection conducted in industrial applications in 2016 is 27.

# **Inspections in Medical Applications**

Inspections in medical facilties are carried out to verify compliance with radiation protection requirements of the diagnostic and theraphy machines which emit ionizing radiation.



### **Detaila of Inspections carried out in Medical Applications**

Period	Practice/source	No. of inspections
Annual	- Tele gamma facility	10
	- Brachytherapy facility	
	- Nuclear Medicine facilities (therapy using unseal	
	sources)	
Biennial	- CT scanner	90
	- Mammography machine	
	- General radiography machine	
	- Interventional radiological X-ray unit/angiography unit	
	- Linear accelerator facility	
	- Tomotherapy facility	
	- A X-ray facility	
	- CT simulator for therapy	
	- Nuclear medicine facility(diagnostic imagine &	
	radioimmune assay(RIA)	
Triennial	- Dental X-ray machine	07
	- Veterinary X-ray machine	
	- Bone density scanner	

Total no. of inspection conducted in medical applications in 2016 is 107

# Security of Nuclear and other Radioactive Materials

Sri Lanka has given an assurance to IAEA that Sri Lanka is fully committed to implement the Code of Conduct of International Atomic Energy Agency (IAEA) on the Safety and Security of Radioactive Sources and the Guidance on Import and Export of Radioactive Sources.

The "Code of Conduct on the Safety and Security of Radioactive Sources" is a non-legally binding international document to focus on the security of radioactive sources and the Guidance on Import and Export of Radioactive Sources are also a non-binding document which provides requirements for safety and security in transferring high activity radioactive sources.

In order to adhere to the requirements of the code, the Council has taken the following steps.

- Introduction of physical protection programme for sites which use high active radioactive sources.
- Conducting source search programme to locate orphan sources and collection of disused and spent radioactive sources.

- Providing training for stakeholders on security of radiation sources and training of officers of Special Task Force on security incident response.
- Strengthened regulatory system, to include provision of required security for the radioactive sources while using or transporting, as a requirement for granting a licence.

### **Implementation of Physical Protection Programme**

As Sri Lanka does not have expertise and funds for strengthening the nuclear security at facilities and during transport of high active sources, the assistance from the International Atomic Energy Agency (IAEA) and the US Department of Energy's Global Material Security (GMS) Programme which was formally known as Global Threat Reduction Initiative Programme is taken for strengthening the nuclear security to meet international requirements. The following activities were undertaken during the period under review.

### **Provision of Physical Security to Irradiation Facilities.**

The Council in collaboration with GMS programme of USA provided physical protection for the following facilities in which high activity radioactive sources are used.

National Cancer Institute, Maharagama

Cancer unit, Teaching Hospital, Kandy

Cancer unit, Teaching hospital, Galle

Cancer unit, General, Hospital, Anuradhapura

Cancer unit, provincial General Hospital, Badulla - 1 radiation therapy room

Cancer unit, Base Hospital, Tellippalai, Jaffna

Sri Lanka Gamma Center

Ansell Lanka Ltd.

**Human Tissue Bank** 

Asiri surgical hospital

Sri Lanka Atomic Energy Board

Storage Facility Sri Lankan Airline

- 4 radiation therapy rooms

- 2 radiation therapy rooms

- 1 radiation therapy room

- 1 radiation therapy room

- 1 radiation therapy room

- 1 pool type Irradiator

- 1 pool type Irradiator

- 1 self-shielded Irradiator

- 1 blood irradiator

- 1 Spent Radioactive Source

- 1radioactive source storage facility

### **Securing of Orphan Sources**

Source search activities were carried to locate orphan sources which had not been under regulatory control due to some reasons. According to information gathered, these sources had been used mainly in Agriculture Departments, and therefore, a source search programme was conducted at Agricultural Research Institute, Seetha-Eliya, but no sources were found. Since no information was received for the licensed sources used in one development project initiated by the Ministry of Economic Development for development of North and East provinces, a source search was carried out at storage facility of Secretariat Complex, Trincomalee and three radioactive moisture density gauges were found. Those sources were transferred to Central Spent Radioactive Source Storage Facility at Sri Lanka Atomic Energy Board for safe and ecure storage till arrangements are made for their disposal.



### **Strengthening Regulatory System in Nuclear Security**

The Council revised licence application forms to get information of physical protection systems provided for the IAEA category 1 and 2 sources and security programmes developed for ensuring security of the sources. The Council has also taken steps to draft regulations on security of radioactive sources. The arrangements have been taken to include nuclear security to syllabus of the training programmes conducted by the STF training college. The Council's radiation protection inspectors were trained to conduct security inspections to verify adequacy of security provided and make recommendations for improvements. The Council in collaboration with USDOE GMS programme conducted three training cources on nuclear security for Council's officers and other stakeholders.

## Radioactive Waste Management

- The Council made arrangements to store three Am/Be Neutron Moisture Density Gauges that were found from source search operation carried out at Secretariat Complex, Varothaya Nagar, Kanniya Road, and Trincomalee.
- A lay out plan was prepared at the request of SLAEB to build a new Spent Radioactive Source Storage Facility for SLAEB to store spent sources meeting safety and security requirements of the council. The architectural plan of the above facility submitted by the SLAEB based on the Council's requirements was approved and security requirements to be introduced to the facility were also given.
- The Council prepared discharge levels of aqueous wastes containing radionuclides to different water bodies and submitted same to the Central Environmental Authority for publication in the relevant gazette as there was no discharge levels established for wastes containing radionuclides by the names of radionuclides.

# Security in Transport of Radioactive Materials

The Council coordinated provision of security for the high activity radioactive sources (Category 1 sources) during transport in collaboration with Special Task Force (STF) and Sri Lanka Police. Arrangements were made with STF and Police to transport three (3) Cobalt -60 radiation therapies sources to be used for treatment of cancers from Bandaranaike International Airport, Katunayake to a storage facility at Kelaniya and then transported them from the storage facility at Kelaniya to Teaching Hospital, Karapitiya, Teaching Hospital, Kandy and Apeksha Hospital, Maharagama. The decayed sources removed from the machines were transported from the above three hospitals to the storage facility at Kelaniya and then transported them to the Bandaranaike International Airport for re-exportation.

A tracking device (T-Star) supplied by the Oak Ridge National Laboratory, USA under the GMS program was used in this whole transportation activity. Information of exact location of the transport container can be obtained by this instrument while transporting the consignment.

Initial arrangements also made to provide security for consignment of radioactive sources to be transported to Ansell Lanka Ltd., Biyagama.



## Emergency Response

In terms of section 58 of the Act, the Council is responsible for development of a National Nuclear or Radiological Emergency Management plan for responding to potential nuclear or radiological emergencies at national level and to assist and advice the Disaster Management Centre in the implementation of Emergency Management plan. The Council is also designated as the National Warning Point (NWP) and the national competent authority for communication with the IAEA as the point of contact of the Convention on Early Notification of a Nuclear Accident.

The following activities were conducted to develop nuclear or radiological emergency preparedness and response capabilities of the Council.

### **Training and Exercise Related to Emergency Preparedness and Response**

National Training Course on "Nuclear or Radiological Emergency Preparedness and Response, was held from 07<sup>th</sup> - 09<sup>th</sup> December 2016 in collobaration with IAEA.

Since there is no proper structure to coordinate among stakeholders for preparedness and response to nuclear or radiological emergency, the Council organized a training course on the above subject in collaboration with the Incident and Emergency Center (IEC) of IAEA for all stakeholders whose coordination are paramount important for preparedness and response to a radiological or nuclear emergency. There were 35 participants.

An awareness programme for Sri Lanka Army Chemical, Biological, Radiological and Nuclear (CBRN) group was carried out. Lecturers on nuclear or radiological disaster management were conducted by a Deputy Director of the Council for the above awareness training programme organized by the Sri Lanka Army CBRN group which was held in in Jaffna.

The Council participated in three convEx exercises conducted by the IEC of IAEA in 2016 to obtain practical experience of potentional accident in nuclear powr plants since these exercises were based on simulated emergency scenarios.



# Drafting of National Nuclear or Radiological Emergency Management Plan (EMP)

Discussions were held with stakeholders to get information for drafting the National Nuclear or Radiological Emergency Management plan and preliminary draft was prepared in line with IAEA technical documents on emergency management and information collected from the stakeholders. The draft will be discussed with the officials of Disaster Management Centre.

# Training/Workshops and Awareness Programmes conducted by the Council

The Council conducted training, workshops and awareness programes for stakeholders and the Councils staff to enhance their knowledge on radiation protection and nuclear security.



Some programmes are conducted in collaboration with IAEA and US Department of Energy under its Global Material Security Programme. The programmes conducted are summarized below.

Name of the Training/workshop	Dates	Venue	No. of Participants	Sponsor
Train the trainer Course for Instructors of Nuclear Security	16-19, Feb 2016	Galle	09	USDOE
Pilot Training Course for Radioactive Source Security Inspectors	26-29, Sep 2016	Galle	24	USDOE

Dhysical Drotaction and Convity	17 21 Oct 2016	Kandy,	31	USDOE
Physical Protection and Security Management Training Course.	17 -21, Oct 2016	Kanuy	31	OSDOE
National Workshop on Security of Radioactive Materials in Transport	09-13,May 2016	SLAERC	30	IAEA
Regional Train-the-Trainer Training Course for Radiation Protection Officers at Medical and Industrial Facilities	03-07 Oct, 2016	Colombo	25	IAEA
Awareness programme on "Nuclear Security" for the Police officers (Minitrial's Security Division)	03 <sup>rd</sup> Nov, 2016	Colombo	48	SLAERC
Training Course on "Radiation Protection" for the National Vocational Qualification Training(NVQ) trainers from Ministry of Health,	04-11Nov, 2016	SLAERC	56	SLAERC
Irradiator operators' qualification training for Ansell Lanka workers and SLAERC staff	17 <sup>th</sup> Nov, 2016	SLAERC	08	SLAERC
National training Course on Radiation Protection & Quality Assurance in Diagnostic and Interventional Radiology for Radiographers in Government Hospitals	29 Nov- 02 Dec,2016	SLAERC	41	SLAERC
National Training Course on Nuclear or Radiological Emergency Preparedness and Response	07– 09 Dec 2016	SLAERC	34	SLAERC

# **Human Resources Development**

The success of any institute largely depends on the expertise of the employees involved in its functions. With the above intention, following training opportunities were provided to staff of Council to strengthen their capabilities, to obtain knowledge and develop their job related skills so as to improve their performance and organizational goals.

Participation of the Council's officials in foreign and national seminars / training programmes / workshops / meetings from January to December 2016

(a) Foreign seminars / training programmes / workshops / meetings / conferences attended

Name of the Officer and	Name of the Programme	Period	Sponsor	Country
Designation				
Dr.Saman Hewamana	Eight Meeting on Representatives of the Competent Authorities	06.06.2016	IAEA	Vienna,
Chairman		10.06.2016		Austria
Prof. Ranjith Mahanama	60 <sup>th</sup> Regular Session of the International Atomic Energy Agency (IAEA)	26.09.2016	GOSL	Vienna,
Board Member	General Conference	30.09.2016		Austria
Mrs. J.M.C. Malini Jayawardana	International Workshop for Additional Protocol Regional workshop on	05.09.2016	USDOE	Kuala Lumpur,
Board Member	complementary access and locations outside of facilities	08.09.2016		Malaysia
Mrs. K.V.I. Mallika	International Workshop for Additional Protocol Regional workshop on	05.09.2016	USDOE	Kuala Lumpur,
Observer from Ministry of	complementary access and locations outside of facilities	08.09.2016		Malaysia
Power and Renewable Energy				
Mr. H.L. Anil Ranjith	International Conference on Effective Nuclear Regulatory Systems:	11.04.2016	IAEA	Vienna,
Director General	Sustaining Improvements Globally	15.04.2016		Austria
	Regional Workshop on Nuclear Law and IAEA Legislative	13.06.2016	IAEA	Singapore
	Assistance for Member States in the Asia and the Pacific Region	17.06.2016		
	Visit for Post Qualification related to Container Scanning System	24.08.2016	SL Customs	Myanmar and
	for Sri Lanka Customs	29.08.2016		Hong Kong



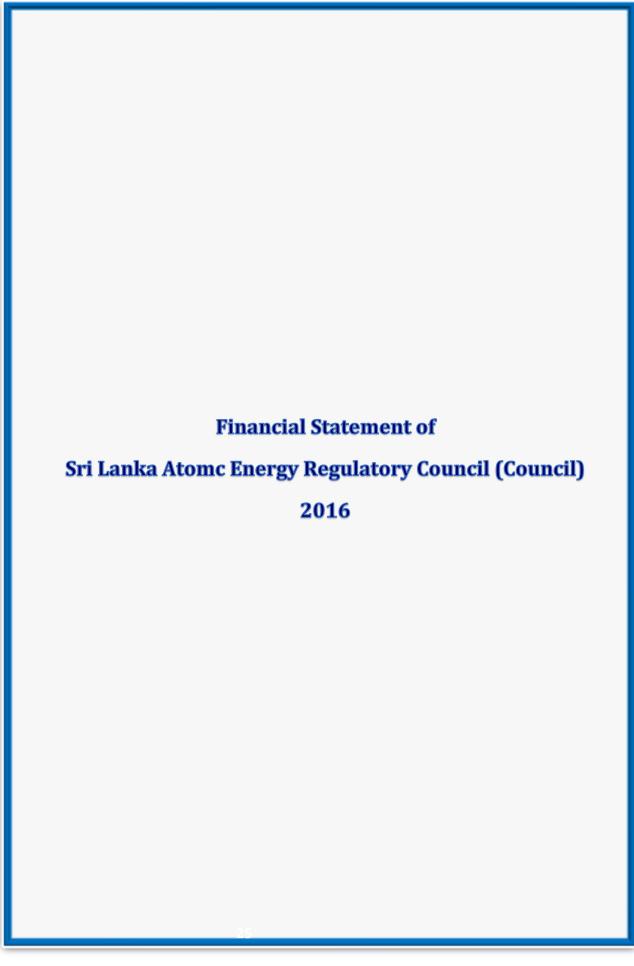
	Consultancy Meeting to draft a technical guidance document on	19.09.2016	IAEA	Vienna,
	security in transport of nuclear and other radioactive materials	23.09.2016		Austria
	60 <sup>th</sup> Regular Session of the International Atomic Energy Agency (IAEA)	26.09.2016	GOSL	Vienna,
	General Conference	30.09.2016		Austria
T.H.S. Shantha	IAEA Meeting for Points of Contact under the Nuclear Security	16.02.2016	IAEA	Vienna,
Director (Authorization)	Information Management System	18.02.2016		Austria
	Integrated Regulatory Review Service (IRRS) Mission	10.07.2016	IAEA	Kenya
		20.07.2016		
	Regional Workshop on Integrated Nuclear Support Plan and the	18.10.2016	IAEA	Hanoi,
	Nuclear Security Information Management System	21.10.2016		Vietnam
Mr. Kapila De Silva	05 <sup>th</sup> Meeting of the Working Group on Radioactive Source Security	18.04.2016	IAEA	Vienna,
Deputy Director	(WGRSS)	21.04.2016		Austria
(Authorization-Industrial	Regional Workshop on Management Systems and Transport Risk	30.05.2016	IAEA	Republic of
Applications, Import & Export)	Assessments	03.06.2016		Korea
	Regional Workshop on Disposal of Radioactive Waste Options and	13.06.2016	IAEA	Da Lat,
	Requirements	17.06.2016		Vietnam
Mr. Neel Fernando	05 <sup>th</sup> Regional Review Meeting on Radioactive Source Security	26.07.2016	USDOE	Malaysia
Deputy Director		29.07.2016		
(Inspection-Medical Applications)	Regional Workshop to review and update National Action Plan to	08.08.2016	IAEA	Jakarta,
	control Public Exposure	12.08.2016		Indonesia
Mr. Sumith Kolambage	Regional Workshop on Drafting Regulations for the Safe Transport of	18.04.2016	IAEA	Vienna,
Deputy Director	Radioactive Material	22.04.2016		Austria
(Authorization- Medical	Regional Workshop on Development of Radioactive Discharge	10.10.2016	IAEA	Kolar Lumpur,
Applications)	Criteria and its Corrective Measure	14.10.2016		Malaysia
Mr. Prageeth Kadadunna	Technical Meeting on Information Exchange during Nuclear or	04.04.2016	IAEA	Vienna,
Deputy Director	Radiological Incident and Emergencies	08.04.2016		Austria
(Inspection – Industrial	Biennial Technical Meeting on INES National Officers	21.11.2016	IAEA	Vienna,
Applications, Enforcement)		25.11.2016		Austria

Mr. H.J. Premakumara Scientific Officer	05 <sup>th</sup> Regional Review Meeting on Radioactive Source Security	26.07.2016 29.07.2016	USDOE	Malaysia
Scientific Officer	Regional School on Nuclear Security	17.10.2016	IAEA	Jakartha
		28.10.2016		Indonesia
Mrs. C.S. Herath	Regional Workshop on Occupational Radiation Protection	22.08.2016	IAEA	Vienna,
Scientific Officer	Programmes in line with IAEA Safety Requirements (GSR Part III)	26.08.2016		Austria
	International Conference on Nuclear Security Commitments and	05.12.2016	IAEA	Vienna,
	Actions	09.12.2016		Austria
Miss. Nirmali Karunaratne	Postgraduate Educational Course in Radiation Protection and the	16.05.2016	IAEA	Malaysia
Scientific Officer	Safety of Radiation Sources	11.11.2016		
Miss. E.D.R. Prabani	Regional Workshop on Drafting Regulations for the Safe Transport of	18.04.2016	IAEA	Vienna,
Legal Officer	Radioactive Material	22.04.2016		Austria

# (b) Local Trainings Attended

Name of the Officer and Designation	Name of the Programme	Period	Sponsor	Location
Mrs. A.I. Dunusinghe Staff Assistant	Supervisory Development Training	22.08.2016 23.08.2016	The Council	Colombo
Mrs. N.N. Baduge Management Assistant	Stores Management & Purchasing Procedures	24.11.2016 25.11.2016	The Council	Colombo
Mr. Kapila De Silva Deputy Director	Train the trainer Course for Instructors of Nuclear Security	16.02.2016 19.02.2016	US Department of Energy under Global Material Security Programme	Galle
(Authorization- Industrial Applications, Import & Export)	Physical Protection Security Management Training Course	17.10.2016 21.10.2016	US Department of Energy under Global Material Security Programme	Kandy

Mr. Prageeth Kadadunna	Physical Protection Security Management	17.10.2016	US Department of Energy under Global	Kandy
Deputy Director	Training Course	21.10.2016	Material Security Programme	
(Inspection – Industrial	Train the trainer Course for Instructors of	16.02.2016	US Department of Energy under Global	Galle
Applications,	Nuclear Security	19.02.2016	Material Security Programme	
Enforcement)				
Mr. Neel Fernando	Physical Protection Security Management	17.10.2016	US Department of Energy under Global	Kandy
Deputy Director	Training Course	21.10.2016	Material Security Programme	
(Inspection-Medical	Train the trainer Course for Instructors of	16.02.2016	US Department of Energy under Global	Galle
Applications)	Nuclear Security	19.02.2016	Material Security Programme	
Mr. Sumith Kolambage	Physical Protection Security Management	17.10.2016	US Department of Energy under Global	Kandy
Deputy Director	Training Course	21.10.2016	Material Security Programme	
(Authorization-	Train the trainer Course for Instructors of	16.02.2016	US Department of Energy under Global	Galle
Medical	Nuclear Security	19.02.2016	Material Security Programme	
Applications)				
Mrs. K.G.K.U. Gamage	Physical Protection Security Management	17.10.2016	US Department of Energy under Global	Kandy
Scientific Officer	Training Course	21.10.2016	Material Security Programme	
	Train the trainer Course for Instructors of	16.02.2016	US Department of Energy under Global	Galle
	Nuclear Security	19.02.2016	Material Security Programme	
Mrs. C.S. Herath	Train the trainer Course for Instructors of	16.02.2016	US Department of Energy under Global	Galle
Scientific Officer	Nuclear Security	19.02.2016	Material Security Programme	



## SRI LANKA ATOMIC ENERGY REGULATORY COUNCIL (Council) STATEMENT OF FINANCIAL POSITION

### **AS AT 31<sup>ST</sup> DECEMBER 2016**

(All amounts are in Sri Lankan Rupees)

(All amounts are in Sri Lankan Rupe	Notes	2016		20	15
ASSETS	itotes	2010		20	
Current Assets	2	2 502 200		12 624 047	
Cash and cash equivalent	3	3,583,208		12,634,047	
Receivables	4	1,790,099		1,865,544	
Inventories	5	450,204		740,593	
Prepayments	6	321,339		838,014	
Other current asset	7	1,352,398			
			7,497,248		16,078,199
Non - Current Assets					
Work In Progress	8	304,000			
Property, Plant & equipment	9	39,282,709	39,586,709	37,905,018	37,905,018
		_			
Total Assets			47,083,957		53,983,217
LIABILITIES					
Current Liabilities					
Trade Payables	10	(8,151,950)		(7,641,970)	
Non-Current Liabilities					
Retirement benefit obligations	11	(7,085,745)		(5,877,993)	
Total Liabilities		_	(15,237,695)		(13,519,963)
Total Net Assets			<u>31,846,262</u>		40,463,254
NET ASSETS /EQUITY					
Capital & Reserves					
Government grant - capital	12	26,190,526		29,567,501	
Capital gain	13	105,973			
Revaluation reserves	14	2,917,740		3,942,740	
Accumulated fund(related to asset					
& liabilities received from AEA)	15	2,901,677		4,947,081	
Accumulated fund (Council)	16	4,084,932		5,484,932	
, ,					
Deficit	17	(4,354,586)		(3,479,000)	
Total Net Assets/Equity			<u>31,846,262</u>		<u>40,463,254</u>

The Board of Directors is responsible for the preparation and presentation of theses Financial Statements, the Accounting Policies and Notes are integral part of these Financial Statements. Approved and singed for and on behalf of the Board of Directors of Sri Lanka Atomic Energy Regulatory Council (Council).









### **SRI LANKA ATOMIC ENERGY REGULATORY COUNCIL**

## STATEMENT OF FINANCIAL PERFORMANCE

## AS AT 31<sup>ST</sup> DECEMBER 2016

(All amounts are in Sri Lankan Rupees)

	Notes	2016	2015
Revenue	18	44,329,930.47	26,311,994
Other revenue	19	64,747.17	47,930.87
Total Revenue		44,394,677.64	26,359,924.59
Wages, salaries and employee			
benefits	20	(19,878,948.72)	(14,991,123.84)
Supplies & consumable used	21	(1,317,364.13)	(1,194,645.12)
Depreciation of assets Impairment of property, plant &	22	(10,635,013.16)	(4,432,893.70)
equipment	23	(1,456,940.45)	(1,399,187.89)
Other recurrent expenditure	24	(12,080,310.47)	(7,821,074.24)
Finance cost	25	(94)	
Total Expenditure		(45,368,670.57)	(29,838,924.79)
Deficit for the year		(973,992.93)	(3,479,000.20)

Chairman

March Board Member

Board Member

Director General

### SRI LANKA ATOMIC ENERGY REGULATORY COUNCIL STATEMENT OF CHANGES IN NET ASSETS / EQUITY **AS AT 31ST DECEMBER 2016**

(All amounts are in Sri Lankan Rupees)

	Capital grant	Capital gain	Reserves	Accumulated fund related to asset & liabilities transferred from AEA	Accumulated fund of Council	Accumulated deficit	Total
Balance at 31-December 2015	29,567,501		3,942,740	4,947,082	5,484,932	(3,479,002)	40,463,253
Received for the Year	1,222,000	105,973		3,598,912			4,926,885
Adjustments made for current year Deficit for the Year balance as at 31- December 2016	(4,598,975)		(1,025,000)	(5,644,317)	(1,400,000)	98,409 (973,993)	(12,569,882) (973,993)
	26,190,526	105,973	2,917,740	2,901,677	4,084,932	(4,354,586)	31,846,263

Chairman

Director General

# SRI LANKA ATOMIC ENERGY REGULATORY COUNCIL CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31-DECEMBER 2016 (ALL AMOUNTS ARE IN SRI LANKAN RUPEES)

	2016	2015
CASH FLOW FROM OPERATING ACTIVITIES		
Receipts	40.500.550	
Sales of goods and services	13,533,550	5,852,645
Receipt of recurrent grant	25,000,000	18,000,000
Other income	23,446	
Capital gain	105,973	
Receipt of loan interest	60,747	15,129
Funds received from International Atomic Energy Agency	4,159,340	
<u>Payments</u>		
Employee cost	(17,895,643)	(14,086,054)
Suppliers	(1,185,388)	(1,735,318)
Other payments	(17,380,297)	(5,722,842)
Utilization of International Atomic Energy Agency Funds	(4,159,340)	
Net cash flow from operating activities	2,262388	2,323,560
CASH FLOW FROM INVESTING ACTIVITIES		
Receipt of capital grant	1,222,000	24,250,000
Property plant, & equipment	(12,014,715)	(12,798,948)
Working progress (Accounting Package)	(12,014,713)	(12,730,346)
		11 451 052
Net cash flow from investing activities	(11,096,715)	11,451,052
CASH FLOW FROM FINANCIAL ACTIVITIES		
Recovery of loans	739,586	183,751
Payment of loan (PI see schedule - 05)	(959,400)	(1,340,000)
Net cash flow from financial activities	(219,814)	(1,156,249)
Net in any and decrease in each O each a maintenant	(0.054.440)	42 640 262
Net increase/decrease in cash & cash equivalent	(9,054,140)	12,618,363
Cash & cash equivalent at the beginning of the year		
Cash at bank	12,623,363	5,000
Stamp stock	10685	
Cash & cash equivalent at the end of the year		
Cash at bank	3,569,223	12,623,363
Stamp stock	13985	10,685
		•

## SRI LANKA ATOMIC ENERGY REGULATORY COUNCIL NOTES TO THE ACCOUNTS

#### 1. SIGNIFICANT ACCOUNTING POLICIES

### 1.1 General

### 1.1.1 Basis of Preparation

The Financial Statements comprise the statement of financial position, Statement of financial performance, and statement of changes in net assets/equity, cash flow statement, statement of comparison figures of budget and the actual amounts and notes to the Financial Statements. These statements have been prepared in accordance with Sri Lanka Public Sector Accounting Standards (SLPSAS) and internally accepted polices for accrual basis of accounting. The measurement base applied is historical cost adjusted for revaluation of assets. The Financial statements have been prepared on a going concern basis and the accounting policies have been applied consistently throughout the period.

### 1.1.2 Functional and presentation currency

The functional statements are presented in Sri Lankan Rupees which is the functional and presentation currency of the Council. All functional information presented in Sri Lankan rupees has been given to the nearest thousand unless state otherwise.

### 1.1.3 Comparative Information

The Council applied the accounting practices with those used in the previous year's figures and phrases have been rearranged where ever necessary to confirm to the current year's presentation.

### 1.1.4 Changes in accounting policies

Accounting policies adopted are constant with those in the previous financial year.

### 1.1.5 Events occurring after the balance sheet date

All material events occurred after the balance sheet date has been considered and where appropriate adjustments or disclosures have been made in the financial statement.

### 1.1.6 Taxes

The Council has not registered for VAT and hence do not collect VAT from their customers for the financial year 2016. Payee tax, stamp duty and income tax have been paid to the Department of Inland Revenue under the TIN number which has been obtained by the council.

### 1.2 Assets and basis of their evaluation

Assets classified as current assets and non-current assets in the statement of financial position. Assets classified as current assets in the balance sheet are cash and those which are expected to realize in cash, during the normal operating circle of the council within one year from the statement of financial position.

Assets other than current assets (non- current assets) are those which the Council intends to hold beyond a period of one year from the statement of financial position.

### 1.2.1 Plant & equipment

The plant & equipment are recoded at cost revaluation less accumulated depreciation. Cost of tangible property, plant & equipment is shown at cost of acquisition or constructions together with any incidental expenditure incurred in bringing the assets to its working condition for its intended use. An internal committee has been appointed by the Director General for revaluation of the equipment in working order which has been transferred from Atomic Energy Authority and is fully depreciated after board approval. Funds for acquisition on non-current assets are mainly provided by the General Treasury.

### 1.2.2 Depreciation

Provision for depreciation is calculated using the straight line method on the cost or revaluation of all roperty, plant & equipment, in order to write-off such amount over the estimated useful economic life of such assets.

The rate of depreciation used on straight line methods are as follows.

Office equipment, furniture & fittings	Over 10 Years	10 %
Electronic equipment	Over 04 Years	25 %
Computers, software & accessories	Over 03 Years	33 1/3 %
Motor vehicles	Over 04 Years	25 %
Scientific equipment	Over 10 Years	10 %
Library books	Over 10 Years	10 %

### 1.2.3 Inventories- basis of valuation

The cost of each category of inventory is determined on the following basis. Stock of consumables- at actual cost on first in first out method (FIFO)

### 1.2.4 Trade & other receivables

Trade debtors and other receivables are stated at their cost and amounts estimated to realize, inclusive of provisions for bad and doubtful debtors.

### 1.2.5 Cash & cash equivalents

Cash Flow Statement has been prepared by using the direct method. Cash & cash equivalents are defined as cash at bank and stamp stock which are easily convertible.

### 1.3 Liabilities and provisions

### 1.3.1 Retirement benefit to employees

### a) Defined benefit plan

The Council's policy on contribute on to Employee's Provident Fund is 15% and Employee's Trust Fund is 3% as per the Act.

Gratuity provision is made according to the gratuity Act No.12 of 1983. The liability for payment to an employee arises only after the completion of 5 years continued services. The gratuity liability is not externally funded but in order to meet this liability, a provision is carried forward in the Statement of Financial Position, based on half month's salary and cost of living. Total liability is calculated on the basis of half month initial salary + half month cost of living as at 31<sup>st</sup> December for each employee.

### 1.3.2 Trade and other payable

Trade and other payables are stated at their cost and relevant taxes

### 1.3.3 Capital commitment and contingent liabilities

All material capital commitments of the Council are disclosed in the respective notes in the account.

### 1.3.4 Provisions

Provisions are recognized as Council's present obligation

### 1.4 Differed income

### 1.4.1 Grant and donations

Grant and donations are credited to the income statement over the periods necessary to match them with related cost, which they are intended to be compensated in a systematic basis. Grants related to property plant & equipment, including non- monitory grants at fair values is differed in the Statement of Financial Position and credited to the Statement in Financial Performance over the useful life of the related assets and their remaining lease period.

### **Government grant**

Government grant for recurrent & capital has been identified separately. Recurrent grant is the major income source & credited to the income and expenditure statement while grant for capital expenditure is taken to accumulated fund with due adjustment for depreciation component of fixed assets. Capital grant received from other sources are shown as differed income under non-current liability.

### 1.5 Statement of financial performance

Income and expenditure accounts are prepared in accrual basis.

### 1.5.1 Revenue and expenditure recognition

Major source of revenue is internally generated income from the services specified in the Act

#### 1.5.1.1 Revenue

Revenue received from operating activities was comprised with net income of regulatory services room plan approval, Import & export approval fees, miscellaneous income, license application processing fees, license fees, transport & inspection charges, interest on loans and other receipts base on accrual concept.

### 1.5.1.2 Expenditure

Expenses are recognized in the Statement of Financial Performance on the basis of a direct association between the cost incurred and the earning of the specific items of income where appropriate. All operational expenditure incurred by the Council is accounted on accrual basis.

### 2. CORPORATE INFORMATION

The Council was established by the Sri Lanka Atomic Energy Act No.40 of 2014. The Council is located at No. 977/18, Bulugaha Junction, Kelaniya.

		2016	2015
	Current Assets		
3	Cash at Bank		
	Ac no:055-1001-70027110	3,569,223	12,623,362
	Stamp Stock	13,985	10,685
	Balance at the end of the year	3,583,208	12,634,047
4	Receivables	1,790,099	1,865,544
	Trade Receivables		
4.1	Debtors(pl. see schedule-01)		
	Trade debtors- Related to Current		
	Year	109,550	644,250
	Net Trade Debtors Amount as at 31-12-2016		644,250
4.2	Trade debtors -Transfer from AEA as		
	at 01.01.2016	2,006,333	
	Settled Invoices from AEB	(738,960)	
	Services are not provided debtors	(1,038,600)	
	Net Trade Debtors Amount as at 31-12-2016	228,773	
	Staff & Non trade Receivables		
4.3	Staff debtors (Please see note 02)	15,713	5,045
	Net Staff Debtors Amount as at 31-12-2016	15,713	5,045
4.4	Advances & Loans		
	Festival Advance (Please see note 03)	20,000	10,000
	Distress Loan	1,366,063	1,156,249
	Balance at the end of the year	1,386,063	1,166,249
4.5	Refundable Deposits(Receivable)	50,000	50,000
5	Inventories		
J	Office, Consumable, Stationary &		
	Vehicle spare stock	450,204	740,593
	Balance at the end of the year	450,204	740,593
6	Prepayments	·	· · ·
	western Provincial council	27,776	11,184
	Sri Lanka Insurance Corporation	220,520	826,830
	Office network (Pvt) ltd	3,139	
	Metropolitan office (pvt) ltd	55,110	
	Guest techno of Ceylon (pvt) Ltd	14,794	
	Balance at the end of the year	321,339	838,014
7	Other Current Asset		
7.1	Receivable from A E A(as at 1.01.2016)	1,352,398	
	Balance at the end of the year	1,352,398	_
		· ·	

		2016	2015
8	Work - In - Progress		
	Accounting Software Package	304,000	
		304,000	
9	Property Plant & Equipment	<u> </u>	
9	Property Plant & Equipment (Please see note 09)	39,282,709	37,905,018
		39,282,709	37,303,018
10	Trade Payable	8,151,950	7,641,970
10.1	Creditors & Accruals		
	Provision for the year (Please see note 4)	1,147,914	5,067,170
	Balance at the end of the year	1,147,914	5,067,170
	balance at the end of the year	1,147,514	3,007,170
10.2	Payable from A E B	128,970	
10.3	Vat Payable from debtors (Transferred from		
10.5	A E A as at 01.01.2016)	32,983	
	<u> </u>	161,953	
10.4	Advance Income for license fees	6,842,083	2,574,800
11	Retirement Benefit Obligations		
	Balance at the beginning of the year	5,877,992	5,414,755
	Less: Cash Paid	(421,515)	
	Add: Provision for the year	1,629,268	463,237
	Balance at the end of the year	7,085,745	5,877,992
	Capital & Reserves		
12	Capital Grant		
	Balance at the beginning of the year	29,567,501	
	Capital Grant received for the year	1,222,000	24,250,000
	Received for the Donation		5,795,000
	Application of depreciation Policy	(4,598,975)	(477,499)
	Balance at the end of the year	26,190,526	29,567,501
13	Capital Gain		
	Capital Gain Received for the year	105,973	
14	Revaluation Reserve		
	Balance at the beginning of the year	3,942,740	4,100,000
	Application of depreciation Policy	(1,025,000)	(157,260)
	Balance at the end of the year	2,917,740	3,942,740

		2016	2015
15	Accumulated fund(Related to A E A Transections)		
	Balance at the beginning of the		
	year(01.01.2016)	4,947,082	8,630,148
	Prior year Adjustment	1,565,634	
	Application of depreciation Policy	(3,611,039)	(3,683,067)
	Balance at the end of the year	2,901,677	4,947,081
16	Accumulated fund (Council)		
	Balance at the beginning of the	F 404 022	
	year(01.01.2016)	5,484,932	F 600 000
	vehicle received from ministry Application of depreciation Policy	(1, 400,000)	5,600,000
		(1,400,000)	(115,068)
	Balance at the end of the year	4,084,932	5,484,932
17	Deficit		
_,	Balance at the beginning of the		
	year(01.01.2016)	(3,479,002)	(3,479,000)
	Adjustment made for the year	(98,409)	
	Deficit for the year	(973,993)	
	Balance at the end of the year	(4,354,586)	(3,479,000)
10	Dougnus		
18	Revenue Government Grant recurrent	25 000 000	19 000 000
	Differed Revenue	25,000,000 10,635,013	18,000,000 4,432,894
	Room Plan Approval fees	646,200	397,650
	Import & Export Approval fees	913,650	698,050
	Miscellaneous Income	118,800	1,521,000
	License Application processing fees	296,000	995,000
	License fees	6,389,267	333,000
	Transport & Inspection charges	41,400	52,400
	Lecture Fees	600	32,100
	Training course	289,000	215,000
		44,329,930	26,311,994
10	Other Payanua	11,323,330	20,311,334
19	Other Revenue Interest on loan	60,747	15 101
		4,000	15,131
	Other Income	4,000	32,800
		64,747	47,931

		2016	2015
20	Wages, Salaries and Employee Benefits		
	Salaries	9,143,196	6,375,856
	Employees Provident Fund	1,666,833	1,231,901
	Employees Trust Fund	333,367	246,379
	Adjustment Allowance	2,306,440	
	Interim Allowance	0	1,915,564
	Cost of living	1,969,026	1,704,300
	Additional Allowance	0	1,341,928
	Trainee allowance	544,500	283,750
	Chairman Allowance	357,809	277,621
	OT & Holyday Allowance	342,518	140,830
	Encashment of Medical Leave	669,112	598,202
	Incentive	0	256,500
	Gratuity for the year	1,717,273	463,238
	Fuel Allowance (Chairman , DG & Director )	828,875	155,055
	-	19,878,949	14,991,124
21	Supplies & Consumable Used		
	Fuel	373,539	239,047
	Stationary & Office consumables	908,411	922,089
	Uniforms	35,414	33,509
		1,317,364	1,194,645
22	Depreciation of Asset		
	Depreciation on Acquisition of assets	10,635,013	4,432,894
23	Impairment of property, Plant equipment		
	Maintenance of Office building	258,147	302,437
	Maintenance of Office equipment,	17.000	06.750
	Furniture & Fittings	17,600	96,759
	Maintenance of Motor vehicle & Insurance	1,181,193	999,992
		1,456,940	1,399,188
24	Other Recurrent Expenditure		
	Payment for board Members	342,000	154,800
	Traveling for board Members	198,000	47,400
	Refreshments for board Members	30,780	26,104
	Staff local training program	8,500	
	Incidental Expenses for visiting scientist	64,194	17,179
	Training program workshop seminar	572,324	326,557
	Inspection charges	70,780	15,323
	Medical test for radiation workers	195,870	
	Travelling	54,500	10,874
	Travelling Foreign (IAEA General conference)	1,534,299	921,481
	Building Rent	6,030,000	4,495,500

		2016	2015
	Transportation	110,867	225,177
	Electricity	715,384	515,206
	Water	35,702	23,914
	Telephone	517,252	293,864
	Postal charges	98,320	92,690
	Internet & Fax	291,706	140,116
	Insurance	724,129	41,548
	Audit fees	100,000	
	Advertisement & Publicity	27,025	300,366
	Subscription for Newspapers	21,550	
	Printing & Publication	65,433	20,915
	Staff welfare	219,184	73,977
	Stamp duty	2,825	3,100
	Miscellaneous Expenses	48,497	74,983
	Disposal of unusable assets	9	
	Income tax	1,180	
	meeme tax	12,080,310	7,821,074
			, ,
25	Finance cost		_
	Bank Charges	94	

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# PROPERTY PLANT & EQUIPMENT-NOTE NO - 09 TANGIBLE ASSETS NOTE (ALL AMOUNTS ARE IN SRI LANKAN RUPEES) Life of

	the asset	1/1/2016	Adjustment made	Additions	Disposal	Balance as at 31.12.2016
PROPERTY, PLANT & EQUIPMENT						
Scientific equipment	10	40,636,106	(13,971,795)	9,313,661	(257,625)	35,720,347
Scientific equipment donation	10	3,422,412	13,971,795			17,394,208
Office equipment/furn&fitti.	10	4,047,214		964,610		5,011,824
Motor vehicle	4	15,495,000				15,495,000
Library books	10	3,396				3,396
Computer items	3	2,157,548		1,423,770	(64,617)	3,516,701
Electronici items	4	2,782,116		312,675	(74,742)	3,020,049
TOTAL ASSETS VALUE		68,543,793		12,014,715	(396,984)	80,161,525

### **DEPRECIATION**

		As at	Adjustment	<b>Additions</b>	Disposal	As at	WDV as at
DEPRECIATION	%	1/1/2016	made			31.12.2016	31.12.2016
Scientific equipment	10	25,180,428	(8,207,187)	3,274,692	(257,623)	19,990,310	15,730,036
Scientific equipment donation	10	3,239,814	8,207,187	1,540,477		12,987,479	4,406,729
Office equipment/furn&fitti.	10	467,386		440,856		908,242	4,103,583
Motor vehicle	25	415,219		3,873,750		4,288,969	11,206,031
Library books	10	147		340		486	2,910
Computer items	33.33	1,001,056		821,484	(64,616)	1,757,924	1,758,777
Electronic items	25	334,727	2,001	683,414	(74,736)	945,406	2,074,643
TOTAL DEPRICIATION		30,638,777		10,635,013	(396,975)	40,878,816	39,282,709

### **DEBTORS SCHEDULE AS AT 31.12.2016**

### **Disclosures to accounts**

### 1. Accumulated fund

Following assets &liabilities have been transferred from the AEA to Council in 2016 under the Sri Lanka Atomic Energy Act No 40 of 2014.

i. Debtorsii. VAT related to debtor(Payable)iii. Receivable - Council2,006,333.14253,718.081,352,393.69

### 2. Advance income for license Fee

The income received in 2016 on account of 2017 and onward has been accounted as advance received for license fees.

### 3.Issuing invoices

As Per the decision taken in the Audit and Management Committee Meeting held on 2016.04.28, services shall not be provided on credit basis and service income should be accounted base on Tax invoices. The committee recommended issuing a proforma invoice before invoices are issued. This decision has been approved by the Board of Management and implemented from June 2016.

### 4. Capital gain

The Council follows national procurement agency (N P A) guidelines for procurement. As per the condition of contract the Council claims liquidity damages from the relevant supplier under following manner for the delay in supplying the equipment.

5.

Name of the	Equipment	Contract	Delay	Deducted	Amount		
supplier		amount		(%)	Claimed		
Abans PLC	PLC Laptop Computers		12 weeks 10%		Rs.105973		
Total claim amount							

Total claimed amount is accounted as capital gain under capital and reserves in the statement of financial position and in the statement of equity.

### 6. Income tax

The computation of Income tax is based on the interest income received from loans for the taxable period.

### 7. Purchasing of medical insurance for employees of the Council

Medical insurance policy obtained for the year of 2016 has been expired on 2<sup>nd</sup> December 2016.At the Board meeting held on 23.12.2016 the Board approval was granted to obtain the medical insurance policy from Sri Lanka Insurance Corporation at the annual premium of Rs.1, 196,769.60. Acceptance letter from Sri Lanka Insurance Corporation was received on 02.01.2017. Therefore, the respective commitment is included with the cash balance as at 2016.12.31

# SCHEDULE - 01 DEBTORS SCHEDULE AS AT 31-12-2016 (Debtors of the Council)

No	Date	In No.	Name of the company	Total	Total of Individual customer
1	15.01.2016	1058	North Colombo Teaching Hospital,Ragama	69,025.00	
	15.01.2016	1059	North Colombo Teaching Hospital ,Ragama	3,850.00	
2	27.01.2016	1151	General Hospital, Trincomalee	6,275.00	12,550.00
	06.06.2016	1504	General Hospital, Trincomalee	6,275.00	
3	08.04.2016	1385	Sampanthar Morden Clinic, Jaffna	6,275.00	6,275.00
4	07.06.2016	1508	Base Hospital (Teaching), Gampola	3,850.00	3,850.00
5	29.11.2016	1852	Sri Lanka Air Force Headquarters, Col. 8	14,000.00	14,000.00
		109,550.00	109,550.00		

## (Debtors transferred from the Atomic Energy Authority)

Date	In. No.	Institution	Des.	In. value without VAT
24.03.2006	4793	B H - Hambanthota	LF	14,000.00
24.09.2009	12396	BH, Kamburupitiya	RP Ins.	3,062.81
24.03.2009	11252	Base Hospital, Kuliyapitiya	RP Ins.	2,030.00
03.11.2010	15019	BH, Dambulla	RP Ins.	4,068.50
12.08.2011	16929	BH, Kinniya	LF/RP_Ins	930.77
22.02.2009	11054	Cancer Hospital	RP Ins.	00.00
22.08.2012	20538	CDL	IA	137.23
08.22.2012	20537	C Care Saukya, Piliyandala	RP_Ins	2,550.00
24.03.2009	11248	Deeghayu Medical Services PL	RP Ins.	2,030.00
23.08.2010	14585	DGH, Chilaw	RP Ins.	344.87
23.07.2010	14327	District GH, Kilinochchi	RP Ins.	233.37
01.08.2014	26537	Director of HS, Matara	RIN	4,590.00
03.08.2006	5587	Fac of Dental Science - Uni of Peradeniya	LF	14,800.00
06.03.2014	25274	Uni. Of Peradeniya	LF/RP_Ins	4,080.00
17.03.2009	11195	General Hospital, Anuradhapura	RP INS	2,692.00
17.03.2009	11208	General Hospital, Kandy	LF	125.00
12.08.2009	12099	General Hospital, Nuwara Eliya	LF	114.75
22.03.2012	19237	High Commission of India	RP_Ins	851.99
24.08.2009	12176	Irrigation Dept.Batticoloa	RP INS	5,722.68
03.11.2010	15020	Medical Centre, Dambulla	RP Ins.	4,068.50
19.10.2011	17641	Biomedical Eng. Service	IA	1,280.79
22.02.2013	21966	Div. of Biomedical Eng., M of Health	IA	1,280.79
01.10.2013	23893	Div. of Biomedical Eng. Ser., Col10	IA	2,401.49
16.08.2011	16972	Merbok MDF Lanka PL	RP_TC	717.47
15.01.2010	13214	National Zoological Gardens	LF	5,276.69
10.04.2010	13679	Naval Medical Services, Col.01	LF	1,195.68

Total 228,773.00					
15.10.2010	15.10.2010 14915 TH, Kalubowila RP TC				
08.02.2011	15604	Colombo South T.H. (Kalubowila)	LF/RP_Ins	5,803.39	
24.09.2009	12400	Thassim Chest Clinic, Galle	RP INS.	3,062.81	
10.06.2010	14050	Teaching Hospital, Peradeniya	LF	978.55	
18.03.2005	2630	Teaching Hospital, Karapitiya	LF	56,800.00	
12.02.2009	11011	Teaching Hospital, Galle	LF	2,671.50	
01.10.2013	23913	SLAF HQ	XRP	2,550.00	
19.10.2012	20933	SLAFHQ, Col.	LF	8,338.50	
20.06.2006	5270	Sri Lanka Navy	LF	000.00	
14.05.2009	11506	SamasuwaSewana, Rathnapura	RP INS	2,106.35	
12.02.2009	10974	Sakura Dental Hospital Pvt Ltd.	LF	134.00	
25.05.2010	13966	Plastipack Industrial Textile PL	RP INS.	1,751.00	
10.07.2009	11939	North Colombo TH, Ragama	RP INS.	1,184.50	
08.03.2013	22041	National Hos. Of SL, Col.10	LF_RP-Ins	327.86	
15.09.2009	12340	National Hospital, Col. 10	RP INS.	1,184.50	
15.02.2011	15640	New Nawaloka Hos: Ltd	RP_Ins	4,692.00	
01.04.2010	13680	Naval Medical Services, Col.02	LF	1,725.88	

### SCHEDULE - 02 Staff debtors

No	No Name		
1	Mrs. A. Chandrasekara	5664.75	
2	2 Mr. T. H.S. Shantha		
	Total net staff debtors		

### SCHEDULE - 03 Advance & loans - Festival advance

No	Name	Amount
1	Mr. N.S.A. Piyathissa	10000.00
2	Mr. K.N.R.Fernando	10000.00
	Total	20000.00

### SCHEDULE - 03 Advance & loans - Distress loan

No	Name	Amount
1	Mr. K. K.P. I. K. Kadadunna	156249.90
2	Mr. W.A.K. Lakshman	161458.23
3	Mr. K.S.S. Kumara	166666.56
4	Mr. K.N.R. Fernando	171874.89
5	Mrs. K.G.K.U. Gamage	187499.14
6	Mr. E.R.Premasiri	182241.54
7	Mr. K.D.T.Jayaruwan	110906.25
8	Mrs. C.S.Herath	229166.52
	Total	1366063.03

No	Description	Amount
1	Office Trainees - Trainee Allowance	58500.00
2	City Auto Services (Pvt) Ltd – Fuel & Lubricant	22600.02
3	Office Staff – Travelling	5925.00
4	Dialog Axiata PLC - Telephone	3536.30
5	Sri Lanka Telecom - Telephone	46590.98
6	Mobitel (Pvt) Ltd - Telephone	13556.60
7	Income Tax Department -Stamp Duty	225.00
8	Office Staff – Over Time & Holiday Payments	26334.11
9	Office Staff – Encashment of Medical Leave	669111.99
10	LankaHost Web Solution (Pvt) Ltd – IDD Calls, Internet	90000.00
11	Atomic Energy Board – IDD Calls, Internet	17245.91
12	Atomic Energy Board – Electricity	65638.30
13	Atomic Energy Board – Water	2987.10
14	Atomic Energy Board – Maintenance of Office Building	20262.70
15	Auditor General Department – Audit Fees	100000.00
16	Income Tax Department – Payee Tax	5400.00
	Total	1147914.01

# SCHEDULE - 05 Payment of Loans Distress loan & festival advance

No	Name Amount		Total			
Distress I	Distress Loan					
1	Mr. E.R.Premasiri	230200.00				
2	Mr. K.D.T.Jayaruwan	136500.00				
3	Mr.M.T.N.Kalansooriya	212700.00				
4	Mr. C.S.Herath	250000.00				

Festival			
1	Mrs. A. Chandrasekera	10000.00	
2	Mr. W.A.K. Lakshman	10000.00	
3	Mr.M.T.N.Kalansooriya	10000.00	
4	Mr. E.R.Premasiri	10000.00	
5	Mrs. A.I. Dunusinghe	10000.00	
6	Mrs. N.N. Baduge	10000.00	
7	Mr. K.P.I.K. Kadadunna	10000.00	
8	Mr. K.A.D.T. Jayaruwan	10000.00	
9	Mrs. K.G.K.U.Gamage	10000.00	
10	Miss. N.P.N.Karunarathne	10000.00	
11	Miss. E.D.R.Prabani	10000.00	
12	Mr. N.S.A. Piyatissa	10000.00	
13	Mr. K.N.R. Fernando		
	<u>959400.00</u>		

## SRI LANKA ATOMIC ENERGY REGULATORY COUNCIL STATEMENT OF COMPARISON FIGURES OF BUDGET AND THE ACTUAL AMOUNTS - 2016

Code	Description	Budget		Expentiture		Variation	Remarks
	2 000 i piio			as at			
				31.12.2016			
	Recurrent Expenditure						
	Personal Emoluments		17,626,000		17,499,803		
02/01	Salaries & Wages	8,491,000		9,143,196		(652,196)	Increase is due to revision of s
							salary scales in 2016
02/01A	Trainee Allowance	555,000		544,500		10,500	
02/02	Employees provident fund	1,716,000		1,666,833		49,167	
02/03	Employees trust fund	356,000		333,367		22,633	
	Other Allowances						
02/11	Cost of living	1,950,000		1,969,026		(19,026)	Increase is due to new
02/11	Cost of living						recruitment in 2016
	Adjustment Allowance	2,493,000		2,306,440		186,560	
02/01A	Chairman's Allowance	400,000		357,809		42,191	
02/07	Gratuity	510,000		509,520		480	
02/08	Medical encashment	870,000		669,112		200,888	
02/09	Incentive	285,000				285,000	
	Over time & Holiday Payment		250,000		342,518		
02/06	O T & Holiday Payments	250,000		342,518		(92,518)	Due to Training course & office work conducted
	Travelling Expenses		1,550,000		1,588,799		
03/01	Travelling Expenses (Local)	50,000		54,500		(4,500)	Due to urgent inspections
							conducted
03/02	Travel Allowance (Foreign)	1,500,000		1,534,299		(34,299)	Due to fluctuation of dollar rate
	Supplies & Requisites		1,965,000		2,042,863		
03/03	Stationery office requisites	775,000		805,035		(30,035)	Due to hosting national training
	& Consumables						program conducted by the IAEA

03/04	Fuel & Lubricants	320,000		373,539		(53,539)	Due to urgent inspections conducted
03/04A	Fuel Allowance (Chairman, D G & Director)	835,000		828,875		6,125	
03/05	Uniform	35,000		35,414		(414)	Price increase of market value
	Repairs & Maintenance Expenditure		1,362,000		1,650,702		
03/06	Vehicles Maintenance & Insurance	1,077,000		1,319,512		(242,512)	Cost for repair charges is more than of market value
03/07	Maintenance of office Buildings	275,000		258,147		16,853	
03/07A	Maintenance of office Equipment	10,000		73,043.01		(63,043.01)	Budgeting had not been in made for new printers serviced
	Contractual Services		5,813,000		8,313,222		
03/09	Transportation	125,000		110,867		14,133	
03/11	Postal Charges	120,000		98,320		21,680	
03/10	Telephone	545,000		517,252		27,748	
03/12	Fax/Email Internet	225,000		291,706		(66,706)	Late submission for payment
03/13	Electricity	750,000		715,384		34,616	
03/14	Water	50,000		35,702		14,298	
03/08	Building Rent	1,555,000		6,030,000		(4,475,000)	Paid from additional incom generated by licenses
03/15	Insurance	1,215,000		28,203		1,186,797	Due to delay invoice fror insurance corporation
03/16	Audit	100,000		100,000			
03/17	Legal	5,000				5,000	
03/18	Advertisement	10,000		27,025		(17,025)	Unexpected advertisement due t cancellation of previou applications of MAs
03/19	Subscription News papers	20,000		21,550		(1,550)	Sunday Observer newspaper i also been included
03/20	Printing & Publication	65,000		65,433		(433)	Number of translation have t b done

03/21	Debit tax & Bank charges	5,000		94		4,906	
03/22	Staff welfare	225,000		219,184		5,817	
03/23	Tax & Stamp Duty	8,000		4,005		3,995	
03/24	Miscellaneous	100,000		48,497		51,503	
05/24		690,000		959,400		(269,400)	Set off from loan recoveries
05/03	Loans & Advance	090,000	1 424 000	939,400	1 405 440	(209,400)	Set on from loan recoveries
	Other Payments		1,434,000		1,485,449		
01/01	Payment for the Board, Audit & management Members	300,000		342,000		(42,000)	Planed for three meetings, but held four meetings
01/02	Traveling for Board, Audit & Management members	150,000		198,000		(48,000)	This is for both Audit meeting & Board meeting travelling
01/03	Refreshment for Board, Audit & Management Members	30,000		30,780		(780)	Due to price escalation
01/04	Staff local Training Programs	17,000		8,500		8,500	
01/05	Incidental Expenses for Visiting Scientists	75,000		64,194		10,806	
01/06	Training Programs workshops Seminars	608,000		572,324		35,676	
01/07	Inspection Charges	75,000		70,780		4,220	
01/08	Medical test for radiation Works	179,000		195,870		(16,870)	Cost for medical testing of a female is higher than the cost for medical testing of a male
	Total Recurrent Expenditure		30,000,000		32,923,356		

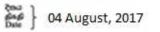


## විගණකාධිපති දෙපාර්තමේන්තුව භාග්යාබ්බාබ් සහකා එහිටු සිනෝස්සබෙර AUDITOR GENERAL'S DEPARTMENT









The Chairman,

Sri Lanka Atomic Energy Regulatory Council.

Report of the Auditor General on the Financial Statements of the Sri Lanka Atomic Energy Regulatory Council for the year ended 31 December 2016 in terms of Section 14(2) (c) of the Finance Act, No. 38 of 1971.

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The audit of financial statements of the Sri Lanka Atomic Energy Regulatory Council for the year ended 31 December 2016 comprising the statement of financial position as at 31 December 2016 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13 (1) of the Finance Act, No. 38 of 1971 and Section 76 (3) of the Sri Lanka Atomic Energy Act, No. 40 of 2014. My comments and observations which I consider should be published with the Annual Report of the Council in terms of Section 14 (2) (c) of the Finance Act appear in this report.

### 1.2 Management's Responsibility for the Financial Statements

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

### 1.3 Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Council's preparation and fair presentation of the



financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements. Sub-sections (3) and (4) of Section 13 of the Finance Act, No. 38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the audit.

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

### 2. Financial Statements

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### 2.1 Opinion

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In my opinion, the financial statements give a true and fair view of the financial position of the Sri Lanka Atomic Energy Regulatory Council as at 31 December 2016 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

### 2.2 Comments on Financial Statements.

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### 2.2.1 Lack of Evidence for Audit

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The verification of balances in respect of debtor balances amounting to Rs. 242,773 as at 31 December, 2016, had not been made presented to audit.

### 2.3 Accounts Receivable

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Action had not been taken to recover the debtor balances amounting to Rs. 228,773 that had been transferred when the Atomic Energy Regulatory Council had been dissociated from the Atomic Energy Authority in the year 2015.

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

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In terms of Department of Public Enterprises Circular, No. 95, dated 14 June, 1994, only the benefits specifically approved either by the Ministry of Public Administration or the Treasury should be paid under the approval of the relevant Board of Governance. Contrary to that, a sum totalling Rs. 70,780 had been paid in the year under review at Rs. 2,000 per person only under the approval of the Board of Directors for conducting tests relating to radiation safety.



### 3. Financial Review

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### 3.1 Financial Results

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According to the financial statements presented, the financial result of the Council for the year under review had resulted in a deficit of Rs. 973,993 as compared with the corresponding deficit of Rs. 3,479,000 for the preceding year. As such, a decrease amounting to Rs. 2,505,007 was observed in the deficit of the year under review as compared with the preceding year. Although the expenditure had increased by Rs. 15,529,745, the increase in the total income by a sum of Rs. 18,034,753 had attributed to the said decrease in the deficit.

### 4. Operating Review

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### 4.1 Performance

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The following observations are made.

- (a.) In terms of Sri Lanka Atomic Energy Act, No. 40 of 2014, the objectives of the Council include: to provide for adequate protection of individuals, and the environment against the potentially harmful effects of ionizing radiation, and for the safety and security of radiation sources by the establishment and maintenance of a regulatory control system, thereby taking measures to ensure the safety of individuals and the environment; and to fulfill its obligations under relevant international instruments in the field of nuclear energy in particular, the Treaties and Agreements. However, only 60 per cent of those objectives could be achieved in the year under review.
- (b.) In terms of Section 87 (1) of this Act, the Council may make rules in respect of the matters for which rules are authorized or required to be made, and accordingly, the Council had made 02 rules during the year 2016. However, no rules had been made by the Council with respect to the matters specifically mentioned from 87 (1) (a) to (h) in the Act.

### 4.2 Staff Administration

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The approved cadre of the Council had been 41, whereas the actual cadre had been 29 as at 31 December, 2016, thus indicating 12 vacancies in the Council including one vacancy in the senior staff grade, whilst 02 vacancies in the tertiary level, and 09 vacancies in the secondary level. The vacancies in the secondary level had hampered the adequate implementation of the testing methodology being used by the Council as an internal control to minimize the errors.

### 5. Accountability and Good Governance

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### **5.1 Budgetary Control**

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As variances ranging from 30 per cent to 288 per cent were observed between the actual and the budgeted expenditure in respect of 13 Objects, the budget had not been made use of as an effective instrument of management control.

### 6. Systems and Controls

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

	a of Systems and ntrols 	Observation		
(a.)	Debtor Control	Failure to take action to promptly recover the monies receivable.		
(b.)	Staff Administration	Failure to manage the human resources in accordance with the number of personnel and the functions relating to the fulfilment of the objectives of the Council.		
(c.)	Budgetary Control	The Variances between the budgeted and actual expenditure.		
(d.)	Control of Payments	Payment of benefits without obtaining the relevant approval in terms of the provisions of the Circulars.		

W.P.C. Wickramaratne Acting Auditor General Auditor General, Auditor General's Department, Government Audit Branch, Sri Lanka Atomic Energy Board, 60/460, Baseline Road, Orugodawatta, Wellampitiya

Report of the Auditor General on the financial Statements of the Sri Lanka Atomic Energy Regulatory Council for the year ended 31 December 2016 in terms of Section 14(2)(c) of the Finance Act No.38 of 1971

This is with reference to the report No. POE/B/SI/SLAERC/FA/2016 dated 09.06.2017 regarding the above. The Registers of the Regulatory Council relating to the matters pointed out by the report had been examined and the following replies are furnished in respect of the matters pertaining to your report.

### 2.2 Comments on Financial Statements

### 2.2.1Sri Lanka Public Sector Accounting Standards (SLPSAS)

The fully depreciated assets as at 31 December 2015 which transferred by the Sri Lanka Atomic Energy Board to the Council had been revalued in the last quarter of the year 2016 according to the proper accounting standards and the approval of the Board of the Council also had been obtained which was held in December 2016. Since the values could not be brought to the account in the year 2016 as non-availability of the adequate time, action had been taken to account those values to the books of account in the year 2017.

### 2.2.2 Unreconciled Balances

(a) The correct value of the Property, Plant and Equipment written off from the ledger accounts in the year amounted to Rs.396,984. That had been recorded in Schedule 09 of the financial statements as Rs.332,667.

That erroneous posting was made due to a printing error. But it was not effected to the final account balances. Even though the value of the goods disposed had been shown as Rs.332,667 it was taken into account as Rs.396,984. This was a printing error.

(b) According to the financial statements of the Sri Lanka Atomic Energy Board, it was pointed out a balance of Rs.113,159 which should be payable to the Board by the Regulatory Council. But according to the financial statements of the Regulatory Council the payable balance during the year had been Rs.106,134.01 and that amount was correct. The details thereon are given below.

Invoice Numbers	2064	Water Bills	2,987.10
	2081	Internet Bills	17,245.91
	2110	Cleaning Bills	20,262.70
	2083	<b>Electricity Bills</b>	65,638.30
		Total	106.134.01



### 2.2.3 Accounts Receivables

Under above item a sum of Rs.228,773 was a previous balance out of the debtor balance of Rs.242,773 as at 31 December 2016 which transferred to the Council when separating the Council from the Atomic Energy Authority. The Atomic Energy Board had informed us; that several reminders had been sent by them thereon.

Even though the Atomic Energy Authority had made efforts to recover those balances in several times it could not be recovered.

Further, most of the debtors are Government hospitals and similar institutions and as such action is being taken to recover by informing them. After that, due action will be taken to write off the balance debtors. Action also had been taken to recover a sum of Rs.14,000 from Sri Lanka Air Force for a service that was given after establishing the Council on 01 January 2015.

### 2.3 Non-compliance with Laws, Rules, Regulations and Management Decisions etc.

### (a) <u>Financial Regulations of the Democratic Socialist Republic of Sri Lanka</u>

The attention had been paid to the matters pointed out in I, II, III and IV such as non-inclusion of all details to be included in the vouchers, supporting documents had not been appended to the vouchers, cash value had not been mentioned in numbers and words and the acknowledgments had not been appended in terms of the above Financial Regulations.

All requirements in respect of above matters had been rectified and submitted to the audit.

Action will be taken to avoid these minor deficiencies in the future.

### (b) Public Administration Circular No.95 of 14 June 1994

### Payments made for the examination of Radioactive sources for issuing licenses

Before issuing new licenses or renewing existing licences for using radioactive sources conducting special inspections are a compulsory function according to the requirements. Therefore, the inspectors are required to visit all places in the Country. Further when an emergency situation that effect to people and in a Government hospital where equipment testing is urgently required, the visits should be carried out without any planning. According to the decision taken by the Board of Directors to implement the provisions of the Act, approval of the Board had been given to reimburse Rs. 2,000/- maximum per inspector for the accommodation after producing the respective bills.

This decision had been implemented on 23<sup>rd</sup> February 2015 according to the decision of the Board of Directors to maintain the institution and to execute the activities continuously for the benefit of Public in timely manner.

### 3. Financial Review

### 3.1 Financial Results

This institution is conducting regulatory activities and as such the earning profit is depend on the amount of issuing licenses and the amount of radioactive materials which import to the country. Issuing licenses had been done in 03 times as once in a year, once in 02 years and once in 03 years. Therefore, revenue earned may be different annually as more or less.

### 4. Operating Review

### 4.1 Performance

Action will be taken to make rules and publish in the Gazette under the Section 87(1) of the Act. The powers for making rules are devolved to the Council. Accordingly, required laws are enacted annually. Two laws had been made in the year 2016 and published in the Gazette. It is not required to update some rules shown in the Act as these rules are implemented through the orders enacted at present and the agreements signed by Sri Lanka.

### 4.2 Management Inefficiencies

This query is in respect of the payment of bill for obtaining services of the rented motor vehicles during the year.

### (a) Transport facilities obtained on 17.03.2016

Due to non-availability of the vehicles immediately the Transport Officer had informed to find a vehicle for the respective officer, the Director. Accordingly the officer who used the vehicle had found a vehicle with much difficulties and the transport supplying institution had informed the vehicle could not be supplied for less than Rs.1,200/-. Therefore he paid the same amount for the facility as he had to report for work. The Director General had noted this as this amount was very expensive according to the distance, when he approved the payment and informed the Transport Officer to find suitable places here after. Therefore this was an unavoidable payment.

### (b) Trip to Rajagiriya from Bulugaha Junction

The Transport Officer had made an attempt to obtain a cab vehicle from a vehicle renting institution on 16.05.2016. Since that could not be done, the Ashen Tours had informed to give a facility of minimum 40km package at Rs.1500/-. As the matter was urgent the above vehicle had to be obtained. After informing the Director General in writing he approved to obtain that vehicle considering the weather condition of that date and the difficulties to obtain vehicle on that date.

### 4.3 Operational Inefficiencies

The Regulatory Council is not a profit earning institution.

### 4.4 Human Resources Management

Even though financial provisions had been requested from the Government to fill the following vacancies, the financial provisions had not been made available for the year 2016. Even though the financial provisions had been requested for the year 2017 as well, the provisions had not been allocated.

1.	Senior Level Posts	-	01
2.	Tertiary Level Posts	-	02
3.	Secondary Level Posts	-	<u>09</u>
	Total Vacancies		<u>12</u>

Out of the above 9 vacancies of secondary level posts, 08 posts were Management Assistant posts. The written examinations and interviews for those posts are being completed, and action will be taken to recruit for the posts before 30<sup>th</sup> September 2017. Action also had been taken to request the financial provisions for these recruitments.

A methodology had been planned to examine documents to minimise the deficiencies of the duties as shown after the recruitments.

As non-adequacy of the office accommodation of the building in which the Regulatory Council situated at present, the other 04 vacancies could not be filled. Action will be taken to recruit for those vacancies when receive the money which requested from the Treasury and after other suitable place found.

### 5. **Budgetary Control**

The attention had been paid on above matter and action will be taken to obtain necessary actions in near future.

### 6. Systems and Controls

(a) The revaluation process had been finalised after obtaining approval of the Board of Directors.

Action had been taken to implement the instructions that you have mentioned other matters pointed out in (b), (c), (d), (e) and (f)

Dr. Saman Hewamana Chairman

### **Sri Lanka Atomic Energy Regulatory Council**

- CC.: 1) Mr.R.M.J.Ratnayaka, Assistant Auditor General, Auditor General's Department
  - 2) The Secretary, Ministry of Power and Renewable Energy