



# **ANNUAL REPORT**

# **2015**

**SRI LANKA ATOMIC ENERGY REGULATORY COUNCIL**

## Table of Contents

	<b>Page Nos.</b>
<b>Chairman’s Message</b>	<b>01-02</b>
<b>Director General’s Message</b>	<b>03-04</b>
<b>Vision &amp; Mission</b>	<b>05</b>
<b>Introduction</b>	<b>06</b>
<b>Board of Management</b>	<b>07-08</b>
<b>Executive Summary</b>	<b>09-10</b>
<b>Establishment of Sri Lanka Atomic Energy Regulatory Council</b>	<b>11</b>
<b>Activities of Sri Lanka Atomic Energy Regulatory Council</b>	<b>11-13</b>
<b>International Treaties and Conventions</b>	<b>13-14</b>
<b>Authorization (Licencing and Approvals)</b>	<b>14-15</b>
<b>Import and Export Control</b>	<b>15</b>
<b>Safety Inspection and Enforcement</b>	<b>16</b>
<b>Security of Nuclear and Other Radioactive Materials</b>	<b>16-18</b>
<b>Waste Management and Transport of Radioactive Sources</b>	<b>18-20</b>
<b>Emergency Response</b>	<b>21</b>
<b>Human Resources Development</b>	<b>22-24</b>
<b>Financial Statement of Sri Lanka Atomic Energy Regulatory Council - 2015</b>	<b>25-41</b>
<b>Auditor General’s Report</b>	<b>42-46</b>
<b>Comments on Report of the Auditor General</b>	<b>47-56</b>

## Chairman's Message



It is with great pleasure I record this message for the first annual report being issued for the year 2015 of the Sri Lanka Atomic Energy Regulatory Council (the Council). The year 2015 was significant to the Council as it came into existence in the same year and the year which established its licensing and inspection system to meet requirements of the new Atomic Energy Act No.40 of 2014.

Sri Lanka's involvement with Nuclear Science and Technology began in 1957 when it became a member of the International Atomic Energy Agency (IAEA). This was followed by the establishment of the Radioisotope Centre of the University of Colombo in 1962 and the establishment of the Atomic Energy Authority (AEA) in 1969 by the Atomic Energy Authority Act no. 19 of 1969. The new Atomic Energy Act enacted in 2014 established the Council and the Sri Lanka Atomic Energy Board (SLAEB) abolishing the Atomic Energy Authority which was responsible for both promotional and regulatory activities. While the new Act delegates the Sri Lanka Atomic Energy Board the responsibility of promotion of the utilization of nuclear technology for the benefit of the people of Sri Lanka, the Council was mandated to develop and implement a regulatory regime to ensure the protection of personnel and the environment in the use of nuclear technology for beneficial uses and for ensuring security of radioactive sources.

The fulfillment of the mandate given to the Council required the establishment of a licensing and an inspection system for all 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 established a licensing and inspection system in 2015 following the publication of two rules and an Order in the Government gazette no.1924/27 on 21<sup>st</sup> July, 2015. The Council conducted 65 inspections and issued 449 radioactive material import and export licenses. The issuing of licenses for 2016 was commenced in late 2015 and 93 new licenses were issued by the end of 2015 for 2016.

The Council also established physical protection systems for securing 'high radioactive' sources at fourteen irradiation facilities in collaboration with United States Department of Energy's Global Material Security programme to meet IAEA's nuclear security requirements.

The Council has provided opportunities for the Scientific Officers and administrative staff to obtain specialized trainings in subject areas relevant to their work.

The excellent cooperation extended by the Board of Management, Director General and the Staff of the Council in implementing the activities of the year 2015 was acknowledgeable and it would not have been possible for the Council to achieve the progress made in 2015 ,if not the dedication of the staff of the Council. In addition, I would like to thank chairman of the SLAEB, experts who held this position before me, Honourable Minister, Honourable Deputy Minister and the ministry staff for the support extended.

I thank and wish them all well.



Dr. Saman Hewamana  
Chairman

## Director General's Message



It is my great privilege and pleasure to present a short message to the First Annual Report of the Council as the first Director General of the Sri Lanka Atomic Energy Regulatory Council.

This Regulatory Council has been functioning from 01<sup>st</sup> January 2015 and the year 2015 was the year for the execution of the heavy task of the Regulatory Council. The necessity of a separate place for the Council was in need and it could be accomplished on 01 April 2015. The third floor of the “National Centre for Non-destructive Testing” belonging to Atomic Energy Board had been rented out to maintain the operations of the Regulatory Council.

Next main challenge for the Regulatory Council was to obtain required furniture and equipment and the other office equipment and it had been a difficult task. The required entire equipment for the Regulatory Council had been obtained by the end of the year 2015 due to dedication of 19 employees who deployed in the service since the beginning of the Regulatory Council and they worked as a team.

Even though the Regulatory Council had been established by the Sri Lanka Atomic Energy Act No.40 of 2014, the Council had to provide, services required for the license holders issued according to the Act No.19 of 1969. According to the New Act a decision had been taken to commence issuing licenses from the year 2016. As such the Regulatory Council had to draft and promulgate sub laws.

Accordingly, two rules and one order had been prepared and published in the Government Gazette No.1924/27 dated 21 July 2015 in 3 languages and it can be mentioned as an initial practicable step taken by the Regulatory Council to monitor the Safety and Security of the public, radiation workers and the patients.

The necessity of the suitable qualified employees had arisen for the successful future functioning of the Regulatory Council and there after an assessment had been carried out by the Council. A recruitment procedure was prepared and it was got approved from the Department of Management Services. In this context an approval had been granted to recruit 41 employees for the Regulatory Council. The preliminary actions for this recruitments had been commenced during the year 2015.

The core activities such as licensing for utilization storage, disposal and transportation of radioactive material and utilization of irradiating apparatus had been commenced after regularize the above mentioned rules and orders.

Further, the training programmes for scientific officers of the Regulatory Council had been conducted under the technological assistance of the United States Department of Energy and International Atomic Energy Agency. Twenty four officers of the special Task Force of Sri Lanka Police had been trained for response in a case of a nuclear security incident.

I can say the year 2015 was the year that all preliminary activities had been accomplished required for the future development of the Regulatory Council.

I expressed my sincere gratitude to my staff who provided their assistance for me.



**H.L. Anil Ranjith**

**Director General**

**Sri Lanka Atomic Energy Regulatory Council**

## VISION

A country protected from the potentially harmful effects of ionizing radiation

Protection of the general public, the patients, the 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 (SLAERC) was established on the 01<sup>st</sup> 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 SLAERC to establish a licensing and an inspection system for all 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 SLAERC is also mandated to function as the focal point for conventions and protocols signed by Sri Lanka on nuclear energy.

The SLAERC 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 SLAERC 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 for 41 cadre positions was approved by the Management Services Department 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 30<sup>th</sup> October, 2015 were as follows:

### Chairman

Prof. M. Prinath Dias

Associate Professor, Department of Electrical Engineering, University of Moratuwa

### Member

Prof. Rohini Hewamanna

Senior Professor, Department of Nuclear Science, University of Colombo

### Member

Prof. T.R Ariyaratne

Emeritus Professor, Department of Physics, University of Colombo

### Member

Mrs. Sriyangani Fernando

Attorney-at-Law

### Member

Mr. Gamini Gamage

Additional Secretary, Ministry of Mahaweli Development and Environment

The members of the Board of management from 30<sup>th</sup> October, 2015 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. Malani Jayawardana

Attorney-at-Law & Notary Public

### Member

Mr. Gamini Gamage

Additional Secretary, Ministry of Mahaweli Development and Environment

### Observer

Mrs. K.V.I Mallika

Senior Assistant Secretary, Ministry of Power and Renewable Energy

During the period under review 13 Board meetings were held. Matters pertaining to operational activities, staff matters, finance and administration were presented to the Board for policy decisions. The Board also reviewed the physical and financial progress of SLAERC.

## **Director General**

Mr. H.L. Anil Ranjith, former Director of SLAERC was appointed as the first Director General for SLAERC from 3<sup>rd</sup> November 2015 by the Minister of Power and Renewable Energy by virtue of powers vested to him in section 71(1)(b) of the Act.

## **Senior Executive Officers of SLAERC**

### **Director General**

Mr. H. L. Anil Ranjith  
BSc (Second Class Lower Division) MSc in Nuclear Science

### **Deputy Director**

Mr. T.H.S. Shantha  
BSc - Second Class Upper Division, MSc in Nuclear Science

### **Senior Scientific Officer**

Mr. U.W.K.H. de Silva  
BSc (Special) in Chemistry, MSc in Nuclear Science, Post Graduate Diploma in Radiation Protection (Malaysia)

### **Senior Scientific Officer**

Mr. K. N. R. Fernando  
BSc - Second Class Lower Division, MSc in Nuclear Science, Post Graduate Diploma in Radiation Protection (Malaysia)

### **Senior Scientific Officer**

Mr. K. K. P. I. K. Kadadunna  
BSc - Second Class Lower Division, MSc in Nuclear Science, Post Graduate Diploma in Radiation Protection (Malaysia)

### **Senior Scientific Officer**

Mr. K. S. S. Kumara  
BSc (Special) in Physics- Second Class 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 2015 of Sri Lanka Atomic Energy Regulatory Council (SLAERC) on behalf of the officials and staff of SLAERC. The year of 2015 is the initial year where SLAERC came into existence with the promulgation of Sri Lanka Atomic Energy Act No. 40 of 2014 on the 1<sup>st</sup> of January 2015. The above Act, repealed Atomic Energy Authority (AEA) which was established by Sri Lanka Atomic Energy Authority Act No. 19 of 1969, and two separate entities namely, Sri Lanka Atomic Energy Board (SLAEB) and Sri Lanka Atomic Energy Regulatory Council (SLAERC) were established.

Sri Lanka Atomic Energy Act No. 40 of 2014 has delegated the mandate to SLAERC to ensure the responsibility of the 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 SLAERC is also responsible for adoption of standards for protection, safety and security.

In order to achieve the objectives of the Act the SLAERC carries out licensing of users of ionizing radiation and irradiating apparatus, inspection of irradiation facilities, import and export control of radiation sources, waste safety programme, approvals for safe transport of radioactive material, implementation of safeguards and enforcement system.

In the year of 2015 the main focus of SLAERC was to accomplish its legal infrastructure necessary for establishment of licensing and inspection system to meet the requirements of the Act and establishment of recruitment and promotional schemes.

Accordingly, as per provisions of the Sri Lanka Atomic Energy Act, two rules and one order was published in the government gazette in collaboration with Department of Legal Draftsman and issuance of new licenses were commenced. New recruitment and promotional schemes were prepared and approval of the Department of Management Services was obtained.

Further in 2015, SLAERC 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 approved qualifications.

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 the recommendations to meet SLAERC requirements.

SLAERC 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.

As the manpower development is an essential component for enhancing the regulatory services given by the SLAERC, the SLAERC officers were provided with several training opportunities and services of the expert to develop the work related capabilities of the staff, with the assistance of the IAEA.

The SLAERC conducted several programmes to educate heads of irradiation facilities, Radiation Protection Officers, and users on new Act and its requirements, licensing and inspection systems of SLAERC. Details of the activities carried out by the SLAERC during the year of 2015 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

Numerous challenges had to be faced in implementing certain policy decisions and in complying with legal requirements. Being a new regulatory authority, one of the challenges of SLAERC in 2015 was to ensure that the institute performs its functions in a fair and efficient manner and to develop the confidence of the stakeholders as AEA (predecessor of SLAERC) was responsible for both promotional and regulatory work. Another challenge faced by SLAERC is to cope up the legal requirements of SLAERC 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. It was also found challenging to maintain the functions in a smooth and effective manner with a limited number of human resource. The existing cadre as at 31.12.2015 was nineteen although approve cadre is 39.

In conclusion, I wish to thank the Secretary to the Ministry of Power and Renewable Energy for providing directions and support to the members of the Board of management for providing their invaluable policy decisions in the endeavors of our institution.

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

Lastly, I am confident that SLAERC 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 2015.



Chairman

Sri Lanka Atomic Energy Regulatory Council

## Establishment of Sri Lanka Atomic Energy Regulatory Council

### Commencement of operational activities of SLAERC

The SLAERC 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.

Prof. M. Prinath Dias was appointed as the Chairman of the Board of management, and the late Prof (Mrs). R. Hewammana, Prof. T.R. Ariyaratne, the late Ms. Sriyangani Fernando and Mr. Gamini Gamage were appointed as Board members.

### Location of SLAERC

SLAERC 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 in Kandy Road, Bulugaha Junction, Kelaniya, to carry out its operations.

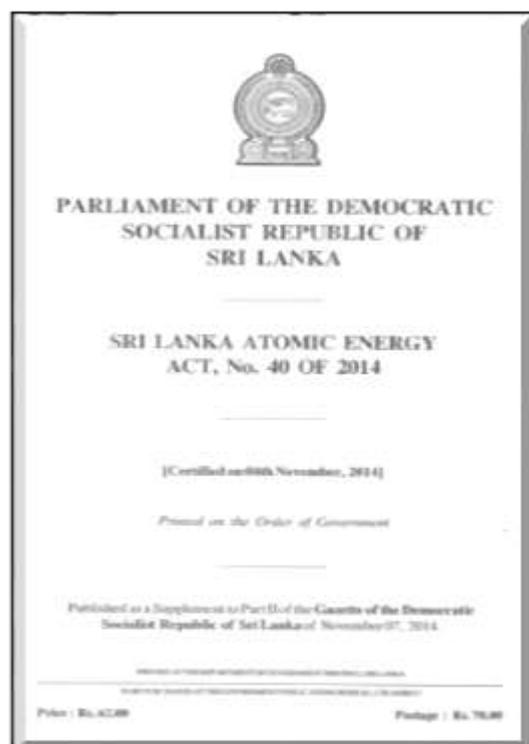
### Resources

Ten Scientific staff and nine Administrative staff and scientific equipment and office equipment used by the Division of Radiation Protection of AEA were transferred to SLAERC from former AEA following the provisions of the Act.

## Activities of Sri Lanka Atomic Energy Regulatory Council

### Legislation and Regulations

The implementation of the Act requires drafting and adoption of a number of regulations, rules and orders in order for the SLAERC to acquire the required legal authority. In the year of 2015 a high priority was given for most urgently required legislations and consequently the followings were drafted and adopted.



## **The rules and orders**

The Section 87 of the Act grants power to SLAERC 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, SLAERC made two rules and an order which were published in the Extraordinary Gazette No. 1924/27 dated 21.07.2015 with the concurrence of the Legal Draftsman. Rules and the order adopted are as follows.

### **Atomic Energy (Licence) Rules No 1 of 2015**

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

Further, the Rule grants power to SLAERC 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. This requirements will be implemented for the licence and renewal of licence commencing for the year 2017

### **Atomic Energy (Notification of Intention to Conduct a Practice) Rules 1 of 2015**

This Rule was made by SLAERC, under Section 87 read with Section 20(1) of the Act, provides the '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 SLAER 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.

### **Order under Section 19**

This order was made by SLAERC, to stipulate the limits of exemption of certain practices or sources within a practice from the regulatory control of SLAERC. A licence from the SLAERC is not required if the practice used has radioactivity ,dose rates and energy levels as relevant below the levels established in the order.

## **Regulations of Ionizing Radiation Protection**

First draft of the Regulations on Ionizing Radiation Protection was prepared covering 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;

## International Treaties and Conventions

Several attempts were taken in collaboration with the Ministry of Foreign Affairs to make it possible for Sri Lanka to sign all relevant treaties and conventions on nuclear technology after evaluation of the commitments and benefits. In terms of sections 12( e ) ,60 and 58(2), the SLAERC is authorized and responsible for fulfilling obligations of Sri Lanka for the international treaties, protocols and conventions signed by Sri Lanka on nuclear energy and nuclear security. The following attempts were successful in 2015.

### Additional protocol to Sri Lanka's safeguards agreement

A discussion took place at the Ministry of Foreign Affairs, between SLAERC officials and the Director General of legal division, Director of united nations division representing the Ministry of Foreign Affairs, to discuss on the importance of signing the additional protocol to Sri Lanka's safeguards agreement with IAEA and further compliance activities of the conventions which Sri Lanka has already entered into. Consequent to the discussion and after evaluating the commitments and benefits, SLAERC provided its consent for signing the additional protocol by Sri Lanka. At present, arrangements have been made to submit a joint Cabinet paper by the Ministry of Power and Renewable Energy and the Ministry of Foreign Ministry to get approval of the Cabinet of Ministers for signing the Addition al Protocol to the Safeguards Agreement.

## **IAEA Code of conduct on the Safety and Security of Radioactive Sources**

Internal discussions were held for providing Sri Lanka's support and endorsement for 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 document and an 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.

SALERC, after evaluating the contents of the above documents and considering the request made by the IAEA through Sri Lanka mission in Austria and the delegations of Sri Lanka attended in IAEA general conference in 2013 and 2014, requested the Ministry of Foreign Affairs to convey the commitment and endorsement of Sri Lanka for implementation of the requirements in the above documents. The Sri Lanka's endorsement has been conveyed to the IAEA with approval of Minister of Foreign Affairs.

## **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 there was no responsible organization to implement requirements of these conventions before the new Act was promulgated. Under section 58(2) of the Act, the SLAERC functions as the contact point for the above conventions. Accordingly, Sri Lanka has nominated responsible persons at SLAERC giving all the contact details to function as international warning point and the competent authority (abroad) and competent authority (local).

## **Authorization (Licencing and Approvals)**

A procedure was drafted for licensing of facilities in compliance with the Atomic Energy (Licence) Rules No. 1 of 2015 and Atomic Energy (Notification of Intention to Conduct a Practice) Rules No. 1 of 2015 and the same was distributed among the stakeholders for their acknowledgment.

Further, the relevant application forms of approvals and licencing were revised according to the newly adopted procedure. After evaluating the applications submitted by the applicants and conducting inspections, the facilities were licenced for 2016 with strict compliance to the adopted procedure.

Additionally, the registry of radioactive sources and the database of licencees were relisted. The above details and the other relevant information was displayed in the official website of SLAERC and revised periodically.

In 2015 the institutes possessing the following practices and devices had applied for the renewal/new license for the year of 2016 in accordance with the provisions of the Act.

- 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

## Import and Export Control

SLAERC granted its approval for import and export of radioactive material and irradiating apparatus on requests received and after reviewing the applications submitted. Customs clearance permits to release the goods were issued after all the technical information is received by the SLAERC. Approval for category 1 sources were given strictly in compliance with the IAEA Code of Conduct on Safety and Security of Radioactive Sources

No of licences and approvals issued in 2015 are 449

No of irradiation plans approved is 92

## Safety Inspections and Enforcement

Under safety inspections and enforcement following actions were taken in 2015 in order to implement the provisions of the Act on licensing of facilities.

- Ten qualified officers were appointed as authorized inspectors to conduct safety inspections as per provisions given in the Act.
- After granting a licence, both regular and unannounced safety and security inspections and audit of licenced radioactive materials/facilities were conducted by the authorized inspectors based on the risk of the practice involving ionizing radiation, in order to assess licensee's compliance with the requirements of the regulations and the conditions of the licence issued.
- A database containing information of the inspections conducted is maintained and is being updated periodically.
- Licence for new facilities were issued only after radiation protection inspections.



Conducting inspections of a diagnostic radiology facility by the authorized inspectors before issuing a licence to the facility.

The inspection conducted during the year of 2015 is 65

## Security of Nuclear and other Radioactive Materials

Security of nuclear and other radioactive material is a new area introduced from the new Act as it has become a most important area to be developed in Sri Lanka in order to strengthen the security of nuclear and radioactive materials used in the country. As Sri Lanka does not have expertise and funds for strengthening the nuclear security, 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 assisting Sri Lanka for strengthening the nuclear security to meet international requirements. The following activities were undertaken during the period under review.

## Implementation of physical protection programme

SLAERC in collaboration with GMS programme of USA provided physical security for the following facilities at which high activity radioactive sources are used.

Institute	Source/facility
National Cancer Institute, Maharagama	4 radiation therapy rooms
Cancer unit, Teaching Hospital, Kandy	2 radiation therapy rooms
Cancer unit, Teaching hospital, Galle	1 radiation therapy rooms
Cancer unit, General, Hospital, Anuradhapura	1 radiation therapy rooms
Cancer unit, provincial General Hospital, Badulla	1 radiation therapy rooms
Cancer unit, Base Hospital, Tellippalai, Jaffna	1 radiation therapy rooms
Sri Lanka Gamma center irradiator, Biyagama	1 Irradiator
Ansell Lanka Ltd, Biyagama	1 Irradiator
Human Tissue Bank, Colombo 7	1 self-shielded Irradiator
Asiri surgical hospital, Colombo 5	1 self-shielded Irradiator
Sri Lanka Atomic Energy Board, Orugodawatta	Spent Radioactive Source Storage Facility



Instruments used in physical protection systems introduced by SLAERC, in collaboration with GMS programme of USA.

## Distribution of rad eye personal dosimeters

US DOE has donated Rad-Eye personal radiation detectors to be distributed to institutes at which physical security is provided by the US GSM programme, and to Special Task Force (STF) which is responsible for response in case of nuclear security event. 75 dosimeters and 26 dosimeters received in two consignments from US DOE were distributed to the above institutes and STF to optimize radiation safety and security of sources.

## Securing of orphan sources

Source search activities are carried to locate orphan sources which had not been under regulatory control due to some reasons. According to information gathered, these sources has been used in Agriculture Departments, and therefore, source search programmes was conducted at Regional Rice Research Development Center at Bombuwala in Kalutara, Regional Rice Research Development Centre at Bentota, Rice Research Centre at Labuduwa in Galle and Rice Research Centre at Ambalantota of Department of Agriculture with the assistance of Department of Energy of United States of America under its GMS programme. In the above mentioned source search programmes none of the radiation sources were found. This activity was conducted in October to December of 2015.



Measuring radiation level for safe handling the sources



Identification of nuclide using nuclide analyzer



Searching the sources with radiation measuring instruments

## Waste management and transport of radioactive sources

SLAERC in collaboration with GSM programme brought spent radiation sources from the following institutes and stored at spent radioactive source storage facility of SLAEB;

- Department of Nuclear Science, University of Colombo, Colombo 3, cobolt-60 radioactive sources with self-shielded Irradiator
- Central Environment and Consultancy Bureau, Colombo 7, two Am 241/Be Cs-137 sources used for moisture density gauges
- Road Development Authority, Rathmalana, two Am 241/Be Cs-137 sources used for moisture density gauges-
- Irrigation Department, Colombo 7, one Am 241/Be Cs-137 sources used for moisture density gauges

- Rubber Research Institute, Agalawatta, three Am 241/Be sources used for moisture density gauges
- Coconut Research Institute, Lunuwila, three Am 241/Be sources used for moisture density gauges
- Access Engineering PLC, Colombo 2, four Am 241/Be Cs-137 sources used for moisture density gauges

25 moisture density gauges containing radioactive sources were sent to manufacturer in the United States of America for safe disposal, after carrying out proper wipe tests. Total expenses for this activity were borne by the US GSM project.

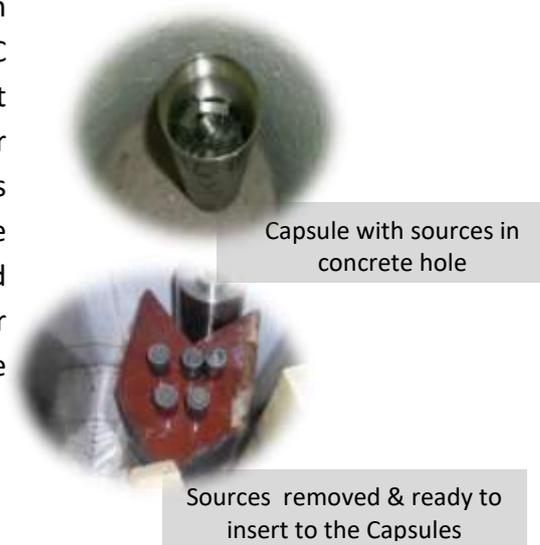
An IAEA mission was conducted from 09<sup>th</sup> to 13<sup>th</sup> February 2015, to review the radioactive source inventory in Sri Lanka and to provide IAEA assistance to manage spent radioactive sources stored at the Central Spent Storage Facility. This mission was conducted under an IAEA project established to prepare a World Radioactive Source Inventory and to get information of the radioactive sources in Sri Lanka.

During the above mission, a workshop was also conducted on management of radioactive sources and radioactive wastes, for persons using radioactive source for users / licence holders from radiotherapy facilities, industrial radiography facilities, irradiating facilities etc, from 09<sup>th</sup> to 10<sup>th</sup> February 2015, at SLAERC auditorium. Objective of the workshop is to provide a comprehensive knowledge on maintenance of radioactive source inventory, safety and security issues in radioactive wastes, detailed procedures on safe handling of radioactive materials and management of radioactive wastes.



The workshop conducted on safety in radioactive waste management

In collaboration with IAEA, the SLAERC removed all the spent sources from their shielding containers stored at the source storage and segregated for four different radioactive source categories.



Capsule with sources in concrete hole

Sources removed & ready to insert to the Capsules

They are Cobalt-60 sources, Caesium-137 sources. Neutron sources and Strontium - 90 sources. These sources are now loaded in to 4 different containers. This activity reduced volume of the wastes and easy handling of the spent sources.

### Security in Transport of Radioactive Materials

The SLAERC coordinated provision of security for the high activity sources during transport in collaboration with STF. Arrangements were made with STF to transport three radiation therapy sources providing security from Colombo Harbor to Teaching Hospital, Anuradhapura, Provincial General Hospital, Badulla & Base Hospital, Tellippalai, Jaffna and two consignments of irradiator sources from Colombo Harbor to Ansell Lanka (Pvt.) Ltd.



Measuring radiation levels as a transport regulatory requirement



Transport of category 1 sources with police & STF escort

## Emergency Response

SLAERC held discussions with the officials of Special Task Force of the Police (STF) and National Disaster Management Centre. in the month of September 2105, to prepare a national plan on Radiological Emergency Response and Planning (Rad Plan) following the mandate provided in section 58 of the Act. In the discussion it was decided initially draft an Institutional Emergency Management Plan (IEM Plan) specifying on how SLAERC will react for the safety of the institution and its officers, in case of a potential radiological emergency within Sri Lanka. A preliminary draft was prepared.

## 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 SLAERC to strengthen their capabilities, to obtain knowledge and develop their job related skills so as to improve their performance and organizational goals.

### Participation of SLAERC officials in foreign seminars / training programmes / workshops / meetings from January to December 2015

Name of the Officer and Designation	Name of the Programme	Period	Sponsor	Country
Mr. H.L. Anil Ranjith Director General	Workshop on the Security of Radioactive Sources during Transport	02 <sup>nd</sup> - 03 <sup>rd</sup> March 2015	IAEA	Austria
	Technical Meeting of Points of Contact for the Incident and Trafficking Database	28 <sup>th</sup> - 30 <sup>th</sup> July 2015	IAEA	Vienna, Austria
	59 <sup>th</sup> Annual Regular Sessions of the International Atomic Energy Agency (IAEA) General Conference	14 <sup>th</sup> -18 <sup>th</sup> September 2015	IAEA	Vienna, Austria
	Second School of Drafting Safety Regulations for Asia and the Pacific	09 <sup>th</sup> - 20 <sup>th</sup> November 2015	IAEA	Vienna, Austria
Mr. T.H.S. Shantha Deputy Director	Regional Meeting on the Status of National Regulatory Infrastructures for Safety in Asia and the Pacific	20 <sup>th</sup> - 24 <sup>th</sup> April 2015	IAEA	Hanoi, Vietnam
	International Coordination Meeting for Front Line Officers	27 <sup>th</sup> - 29 <sup>th</sup> October 2015	IAEA	Austria
	International Workshop for Radiation Safety Reviewers in Integrated Regulatory Review Service Missions	16 <sup>th</sup> - 20 <sup>th</sup> November 2015	IAEA	Vienna, Austria
	IAEA Meeting for Points of Contact under the Nuclear Security Information Management System	16 <sup>th</sup> – 18 <sup>th</sup> February 2016	IAEA	Vienna, Austria

Name of the Officer and Designation	Name of the Programme	Period	Sponsor	Country
Mr. U.W.K.H. De Silva Senior Scientific Officer	International Training Course on State Systems of Accounting for and Control of Nuclear Material (SSAC)	26 <sup>th</sup> April - 08 <sup>th</sup> May 2015	IAEA	USA
	Second Regional Meeting for Peer Review of National Self-assessments of Compliance Assurance Regime for Transport Safety, and for Establishment of On-Going Use of Network	28 <sup>th</sup> September - 02 <sup>nd</sup> October 2015	IAEA	Indonesia
	International Meeting on Facilitation of States Political commitment to and implementation of the code of conduct on the safety and security of radioactive sources	02 <sup>nd</sup> - 04 <sup>th</sup> November 2015	IAEA	Austria
	Final Coordination Meeting of RSA 9071 on Establishing Radioactive Waste Management Infrastructure	07 <sup>th</sup> - 11 <sup>th</sup> December 2015	IAEA	Myanmar
Mr. K.K.P.I.K. Kadadunna Senior Scientific Officer	International Training Course on Essential on Nuclear Security	01 <sup>st</sup> - 12 <sup>th</sup> June 2015	IAEA	USA
	Regional Workshop on Developing Hazard Assessment for Radiation Protection Emergencies	06 <sup>th</sup> - 08 <sup>th</sup> October 2015	IAEA	Malaysia
Mr. K.N.R. Fernando Senior Scientific Officer	Field Exercise Development Workshop	02 <sup>nd</sup> - 04 <sup>th</sup> June 2015	USA	USA
	Sub-Regional Meeting on Nuclear Security Information Exchange and Coordination for Asia	13 <sup>th</sup> - 15 <sup>th</sup> October 2015	IAEA	Myanmar

Name of the Officer and Designation	Name of the Programme	Period	Sponsor	Country
Mr. K.S.S. Kumara Senior Scientific Officer	Regional Workshop on Self-Assessment of National Regulatory Infrastructures for Safety held in Austria	26 <sup>th</sup> - 30 <sup>th</sup> January 2015	IAEA	Bangladesh
	International Training Course on "Security in the Transport of Nuclear & Other Radioactive Material"	16 <sup>th</sup> - 20 <sup>th</sup> November 2015	IAEA	Tokai-Mura, Japan
Mrs. Chamini Herath Scientific Officer	International Radiological Assistance Programme Training for Emergency Response Plan	11 <sup>th</sup> - 15 <sup>th</sup> January 2015	DOE	Bangladesh
	Train the Trainer Course for Radiation Protection Officers	05 <sup>th</sup> - 09 <sup>th</sup> October 2015	IAEA	UAE
Mr. Jayantha Premakumara Scientific Officer	Workshop on Safety and Security during Transport of Radioactive Materials	22 <sup>nd</sup> - 26 <sup>th</sup> June 2015	IAEA	Bangkok, Thailand
	Regional workshop on Practical Aspects of Information and Records Management for Control of Disused Sealed Radioactive Sources	04 <sup>th</sup> - 08 <sup>th</sup> October 2015	IAEA	Jordan
Ms. Nirmalee Karunaratne Scientific Officer	International Radiological Assistance Programme Training for Emergency Response Plan	11 <sup>th</sup> - 15 <sup>th</sup> January 2015	DOE	Bangladesh
Ms. E.D.R Prabani Legal Officer cum Board Secretary	Second School of Drafting Safety Regulations for Asia and the Pacific	09 <sup>th</sup> - 20 <sup>th</sup> November 2015	IAEA	Vienna, Austria

**Financial Statement of  
Sri Lanka Atomic Energy Regulatory Council  
2015**

**Sri Lanka Atomic Energy Regulatory Council**  
**Statement of Financial Position**  
**As at 31<sup>st</sup> December 2015**

	Notes		Value in Rs.
			2015 Rs.
<b><u>ASSETS</u></b>			
<b><u>Current Assets</u></b>			
Cash and Cash equivalent	3	12,634,047	
Receivables	4	1,865,544	
Inventories	5	740,593	
Prepayments	6	838,014	
		16,078,199	
<b><u>Non - Current Assets</u></b>			
Property, Plant & Equipment	7	37,905,018	37,905,018
			<b>53,983,217</b>
<b>Total Assets</b>			
<b><u>LIABILITIES</u></b>			
<b><u>Current Liabilities</u></b>			
Trade Payables	8	(7,641,970)	
<b><u>Non Current Liabilities</u></b>			
Retirement Benefit Obligations	9	(5,877,993)	
			<b>(13,519,963)</b>
<b>Total Liabilities</b>			
<b>Total Net Assets</b>			<b>40,463,254</b>
<b><u>NET ASSETS /EQUITY</u></b>			
<b><u>Capital &amp; Reserves</u></b>			
Government Grant		-	
Capital	10	29,567,501	
Revaluation Reserves	10.1	3,942,740	
Accumulated fund(Related to Asset & Liabilities received from AEA)	11	4,947,081	
Accumulated fund (AERC)	11.1	5,484,932	
Deficit	12	(3,479,000)	
		40,463,254	
<b>Total Net Assets/Equity</b>			<b>40,463,254</b>

The Board of Directors is responsible for the preparation and presentation of these Financial Statements, the Accounting Policies and notes and integral part of these Financial Statements. Approved and signed for and on behalf of the Board of Directors of Sri Lanka Atomic Energy Regulatory Council.

  
Chairman

  
Board Member

  
Board Member

  
Director General

**Sri Lanka Atomic Energy Regulatory Council**  
**As at 31<sup>st</sup> December 2015**

		Value in Rs.
	Notes	2015 Rs.
Revenue	13	26,311,993.72
Other Revenue	14	<u>47,930.87</u>
<b>Total Revenue</b>		<b>26,359,924.59</b>
Wages, Salaries and Employee Benefits	15	(14,991,123.84)
Supplies & Consumable Used	16	(1,194,645.12)
Depreciation of Assets	17	(4,432,893.70)
Impairment of property, plant & equipment	18	(1,399,187.89)
Other Recurrent Expenditure	19	(7,821,074.24)
<b>Total Expenditure</b>		<u>(29,838,924.79)</u>
<b>Deficit for the year</b>		<u><u><b>(3,479,000.20)</b></u></u>

  
Chairman

  
Board Member

  
Board Member

  
Director General

**Sri Lanka Atomic Energy Regulatory Council**  
**Statement Of Changers in Net Assets /Equity**  
**As at 31<sup>st</sup> December 2015**

Value in  
Rs.

	Capital grant	Reserves	Accumulated Fund Related to asset & Labilities transferred from A E A	Accumulate d Fund AERC	Accumulate d Deficit	Total
<b>Balance at 01-January 2015</b>	<b>30,045,000</b>		<b>8,630,149</b>	<b>5,600,000</b>		<b>44,275,149</b>
Received for the Year		<b>3,942,740</b>				<b>3,942,740</b>
Revaluation Reserves						
Adjustments Made for current year	(477,499)		(3,683,067)	(115,068)		(4,275,635)
Deficit for the Year					(3,479,000)	(3,479,000)
<b>Balance at 31- December 2015</b>	<b>29,567,501</b>	<b>3,942,740</b>	<b>4,947,082</b>	<b>5,484,932</b>	<b>(3,479,000)</b>	<b>40,463,254</b>



Chairman



Board Member



Board Member



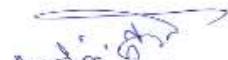
Director General

**Sri Lanka Atomic Energy Regulatory Council**  
**Consolidated Cash Flow Statement for the year ended 31<sup>st</sup> December 2015**  
**From 01<sup>st</sup> March 2015**

	Value in Rs.
	<b>2015</b>
<b><u>Cash Flow from Operating Activities</u></b>	
<b><u>Receipts</u></b>	
Sales of goods and services	5,852,645
Receipt of Recurrent Grant	18,000,000
Receipt of Loan Interest	15,129
<b><u>Payments</u></b>	
Employee Cost	(14,086,054)
Suppliers	(1,735,318)
Other Payments	(5,722,842)
<b>Net Cash Flow from Operating Activities</b>	<b>2,323,560</b>
<b><u>Cash Flow from Investing Activities</u></b>	
Receipt of Capital Grant	24,250,000
Property Plant, & Equipment	(12,798,948)
<b>Net Cash Flow from Investing Activities</b>	<b>11,451,052</b>
<b><u>Cash Flow from Financial Activities</u></b>	
Recovery of Loans	183,751
Payment of Loan <i>(Pl. see Schedule - 05)</i>	(1,340,000)
<b>Net Cash Flow from Financial Activities</b>	<b>(1,156,249)</b>
<b>Net Increase/Decrease in Cash &amp; Cash equivalent</b>	<b>12,618,363</b>
<b>Cash &amp; Cash equivalent at the beginning of the year</b>	
Cash at Bank	5,000
Stamp Stock	
<b>Cash &amp; Cash equivalent at the end of the year</b>	
Cash at Bank	12,623,363
Stamp Stock	10,685

**Note:** AERC has been Commenced its<sup>1</sup> operation from 1<sup>st</sup> March 2015 and hence Cash flow has been considered from 1<sup>st</sup> of March 2015

  
Chairman

  
Board Member

  
Board Member

  
Director General

**1. Significant Accounting Policies**

**1.1. General**

**1.1.1 Basis of Preparation**

The Financial Statements comply with Sri Lanka Public Sector Accounting Standards (SLIPSAs) and internally accepted polices also have been applied where the items not covered by SLIPSAs, and accounted for accrual basis. The measurement base applied is historical cost.

**1.1.2 Comparative Information**

The Atomic Energy Regulatory Council (AERC) was established on 01<sup>st</sup> of January 2015 and hence 2015 is the first financial year for AERC

**1.1.3 Changes in Accounting Policies**

This is not applicable for AERC for the year of 2015 since the council has been established in 2015

**1.1.4 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.

**1.1.5 Taxes**

SLAERC has not registered for VAT and hence do not collect VAT from their customers for 2015 financial year. Payee Tax and Stamp duty are paid to the department of Inland Revenue under the TIN number assigned to the SLAERC.

**1.2 Assets and basis of their Valuation**

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 Balance sheet date.

Assets other than Current assets (Non- Current assets) are those which the Council intends to hold beyond a period of one year from the Balance sheet date.

**1.2.1 Plant & Equipment**

The Plant & Equipment are recoded at cost revaluation less accumulated depreciation. Cost of tangible Property, Plant & Equipment are 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. Arrangements have made to re value the equipment which are fully depreciated but in working condition by a committee appointed for the re valuation. 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 Property, 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 as follows.

Office Equipment, Furniture & Fittings	Over 10 Years	10 %
Electronic Equipment	Over 04 Years	25 %
Computers, Software & Accessories	Over 03 Years	33.33 %
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 has been shown in invoice value until preparation of polices for bad debts provision

### 1.2.5 Cash & Cash Equivalentents

Cash Flow statement has been prepared by using the direct method. Cash & Cash equivalentents are defined as cash at Bank and Stamp stock which are easily convertible. Bank Account opened with effect from 15.01.2015in Peoples Bank.

## 1.3 Liabilities and Provisions

### 1.3.1 Retirement Benefit to Employees

#### a) Defined Benefit Plan

Atomic Energy Regulatory Council policy on contribution 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 balance sheet, based on half month's salary and cost of living of the last month and of the financial year of all employees who completed one year of service and the total liability is calculated on the basis of half month initial salary + half month cost of living as at 31<sup>st</sup> December of each employee.

For the employees who have transferred from AEA to AERC According to the Act No 40 of 2014 provision have made according to their service at AEA and their Gratuity provision have been transferred as opening balance.

### 1.3.2 Trade And Other Payables

Trade and other payable 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 Atomic Energy Regulatory Council's Present Obligation

## **1.4 Differed Income**

### **1.4.1 Grant and Donations**

Recurrent Grant 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-monetary grants at fair values is differed in the balance sheet and credited to the income statement over the useful life of the related assets.

#### **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 Income Statement**

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 Income**

Income received from operating activities was comprised with net income of regulatory services Room plan & approval, Import & export approval, miscellaneous income, License application processing, License fees, Transport & Inspection charges and other receipts base on accrual concept.

#### **1.5.1.2 Expenditure**

Expenses are recognized in the income statement on the basis of a direct association between the cost incurred and the earning of the specific items of income where appropriate. All expenditure incurred in running of the Council and depreciation of the Property, Plant & Equipment has been charged to income in arriving the income over expenditure.

## **2. Corporate Information**

According to Sri Lanka Atomic Energy Act No.40 of 2014 establishment of Atomic Energy Regulatory Council (AERC) with effect from 01.01.2015 The AERC is located at NCNDT Building.

## Notes to the Accounts

As at 31<sup>ST</sup> December 2015

		Rs.
	<b>Current Assets</b>	
3	Cash at Bank Ac no:055-1001-70027110 Stamp Stock	12,623,362 10,685
	Balance at the end of the year	<u>12,634,047</u>
4	<b>Receivables</b>	1,865,544
	<b>Trade Receivables</b>	
4.1	Debtors ( <i>Pl. see Schedule - 01</i> ) Trade debtors- Related to Current Year Net Trade Debtors Amount as at 31-12-2015	644,250 <u>644,250</u>
	<b>Staff &amp; Non trade Receivables</b>	
4.2	Staff debtors ( <i>Pl. see Schedule - 02</i> ) Net Staff Debtors Amount as at 31-12-2015	5,045 <u>5,045</u>
4.3	<b>Advances &amp; Loans</b> Festival Advance ( <i>Pl. see Schedule - 03</i> ) Distress Loan ( <i>Pl. see Schedule - 03</i> ) Balance at the end of the year	10,000 1,156,249 <u>1,166,249</u>
4.4	<b>Refundable Deposits (Receivable)</b>	<u>50,000</u>
5	<b>Inventories</b> Office, Consumable, Stationary & Vehicle spare stock Balance at the end of the year	740,593 <u>740,593</u>
6	<b>Prepayments</b> western provincial council Sri Lanka Insurance Corporation Balance at the end of the year	11,184 826,830 <u>838,014</u>
7	<b>Property Plant &amp; Equipment</b> Property Plant & Equipment ( <i>Please see Schedule - 06</i> )	<u>37,905,018</u>
8	<b>Trade Payable</b>	7,641,970
8.1	<b>Creditors &amp; Accruals</b> Provision for the year ( <i>Pl. see Schedule - 04</i> ) Balance at the end of the year	5,067,170 <u>5,067,170</u>
8.2	<b>Advance Income for license fees</b>	<u>2,574,800</u>

## Notes to the Accounts

As at 31<sup>ST</sup> December 2015

Rs.

9	<b>Retirement Benefit Obligations</b>	
	Balance at the beginning of the year	5,414,755
	Add: Provision for the year	463,237
	Balance at the end of the year	<u>5,877,993</u>
	<b>Capital &amp; Reserves</b>	
10	<b>Capital Grant</b>	
	Capital Grant received for the year	24,250,000
	Received for the Donation	5,795,000
	Application of <b>SLPSAS 7</b>	(477,499)
	Balance at the end of the year	<u>29,567,501</u>
10.1	<b>Revaluation Reserve</b>	4,100,000
	Application of <b>SLPSAS 7</b>	(157,260)
	Balance at the end of the year	<u>3,942,740</u>
	<b>Accumulated fund (Related to Asset &amp; Liabilities from AEA)</b>	
11	Balance at the beginning of the year	8,630,148
	Application of <b>SLPSAS 7</b>	(3,683,067)
	Balance at the end of the year	<u>4,947,081</u>
11.1	<b>Accumulated fund (SLAERC)</b>	
	vehicle received from ministry	5,600,000
	Application of <b>SLPSAS 7</b>	(115,068)
	Balance at the end of the year	<u>5,484,932</u>
12	<b>Deficit</b>	
	Deficit for the year (see statement of financial performance)	(3,479,000)
	Balance at the end of the year	<u>(3,479,000)</u>
13	<b>Revenue</b>	
	Government Grant recurrent	18,000,000
	Differed Revenue	4,432,894
	Room Plan Approval fees	397,650
	Import & Export Approval fees	698,050
	Miscellaneous Income	1,521,000
	Licence Application processing fees	995,000
	Transport & Inspection charges	52,400
	Training course	215,000
		<u>26,311,994</u>
14	<b>Other Revenue</b>	
	Interest on loan	15,131
	Other Income	32,800
		<u>47,931</u>

**Notes to the Accounts**  
**As at 31- December 2015**

	<b>Rs.</b>
<b>15 Wages, Salaries and Employee Benefits</b>	
Salaries	6,375,856
Employees Provident Fund	1,231,901
Employees Trust Fund	246,379
Interim Allowance	1,915,564
Cost of living	1,704,300
Additional Allowance	1,341,928
Trainee allowance	283,750
Chairman Allowance	277,621
OT & Holyday Allowance	140,830
Encashment of Medical Leave	598,202
Incentive	256,500
Grativity for the year	463,238
Fuel Allowance ( Chairman & DG)	155,055
	<u>14,991,124</u>
<b>16 Supplies &amp; Consumable Used</b>	
Fuel	239,047
Stationary & Office consumables	922,089
Uniforms	33,509
	<u>1,194,645</u>
<b>17 Depreciation of Asset</b>	
Depreciation on Acquisition of assets	<u>4,432,894</u>
<b>18 Impairment of property, Plant equipment</b>	
Maintenance of Office building	302,437
Maintenance of Office equipment, Furniture & Fittings	96,759
Maintenance of Motor vehicle & Insurance	999,992
	<u>1,399,188</u>
<b>19 Other Recurrent Expenditure</b>	
Payment for board Members	154,800
Traveling for board Members	47,400
Refreshments for board Members	26,104
Incidental Expenses for visiting scientist	17,179
Training programe workshop seminar	326,557
Inspection charges	15,323
Travelling	10,874
Travelling Foreign (IAEA General conference)	921,481
Building Rent	4,495,500
Transportation	225,177.00
Electricity	515,206
Water	23,914
Telephone	293,864
Postal charges	92,690
Internet & Fax	140,116

**Notes to the Accounts**  
**As at 31- December 2015**

	Rs.
Insurance	41,548
Advertisement & Publicity	300,366
Printing & Publication	20,915
Staff Welfare	73,977
Stamp Duty	3,100
Miscellaneous Expenses	74,983.46
	<hr/>
	<u>7,821,074</u>

**Schedule No. - 06**  
**Property Plant & Equipment**  
**Tangible Assets Note**

	Life of the asset	1/1/2015	Additions	Transfer	Balance as at 31.12.2015
<b>Property, Plant &amp; Equipment</b>					
Scientific Equipment	10	34,938,468	5,697,638		40,636,106
Scientific Equipment donation	10	3,422,412			3,422,412
Office Equipment/Furniture & Fittings	10	412,109	3,635,106		4,047,215
Motor Vehicle	4	5,557,889	15,495,000	(5,557,889)	15,495,000
Library Books	10		3,396		3,396
Computer Items & Software Package	3	1,024,818	1,132,730		2,157,548
Electronic Items	4	452,978	2,329,138		2,782,116
<b>Total Assets Value Rs.</b>		<b>40,250,786</b>	<b>28,293,008</b>	<b>(5,557,889)</b>	<b>68,543,794</b>

**Depreciation**

Depreciation	%	As at 1/1/2015	Additions	Transfer	As at 31.12.2015	WDV as at 31.12.2015
Scientific Equipment	10	21,870,251	3,310,178		25,180,428	15,455,678
Scientific Equipment donation	10	3,070,063	169,751		3,239,814	182,598
Office Equipment/Furniture & Fittings	10	310,474	156,912		467,386	3,579,829
Motor Vehicle	25	5,557,888	415,218	(5,557,888)	415,218	15,079,782
Library Books	10		147		147	3,249
Computer Items & Software Package	33.33	759,919	241,137		1,001,056	1,156,492
Electronic Items	25	195,177	139,550		334,727	2,447,389
<b>Total Depreciation Rs.</b>		<b>26,205,884</b>	<b>4,432,893</b>	<b>(5,557,888)</b>	<b>30,638,776</b>	<b>37,905,018</b>

**Book Value**

**Property plant & equipment**

**2015**

**37,905,018**

## Disclosures to Accounts

1. According to Sri Lanka Atomic Energy Act No.40 of 2014 establishment of Atomic Energy Regulatory Council (AERC) with effect from 01.01.2015

### 2. Accumulated Fund

Following assets and liabilities were transferred from the AEA when established the SLAERC under the Sri Lanka Atomic Energy Act No 40 of 2014.

- (i) Property Plant & Equipment - 45,808,674.70
- (ii) Gratuity provision - 5,414,755.00

### 3. Un settled commitments at the end of the year 2015

Cash Balance as at 31.12.2015 represent the following capital commitments

Item	Reference	Amount
Laboratory working Bench	143	138750.00
Peon Table	143	13209.00
File Rack	145	7659.00
Glass Top Front Office Lobby with Rack	144	18720.00
Clerical Table	146	115500.00
Executive Table	146	58000.00
Junior Executive chairs for new clerical & TA Staff	141	118881.00
Table	59	68700.00
Pigeon Hole – Large	134	130980.00
Multi Media Projector	149	120000.00
Multi Media Projector Screen	149	6000.00
Finger Printer	150	66600.00
Filter Type Respirators	154	190920.00
Laptop Computers	118	1059730.00
MS Office Package	119	209790.00
Mouse	121	9800.00
Ion Chamber	119	1687023.06
Nuclide Analyzer with NAI/TI Detector & Neutron Detector	102	3880000.00
Non Invasive X Ray Test Device	106	3555717.44
<b>Total</b>		<b>11455979.50</b>

### 4. Advance Income for License Fee

License have not been issued for 2015 as per the Act No 40 of 2014. Process of issuing License for 2016 have initiated in end of 2015.The Advance income received as License fees for them are accounted in advance income.

## Schedule-1

### Debtors Schedule as at 31.12.2015

No	Date	In No.	Name of the company	Total	Total of Individual customer
1	15.11.18	786	Ansell Lanka (Pvt.) Ltd	10,000.00	10,000.00
2	30.12.15	996	Base Hospital Agalawatta	3,000.00	3,000.00
4	13.07.15	307	Base Hospital, Tangalle	4,000.00	4,000.00
5	28.10.15	719	Base Hospital, Telippalai	6,000.00	6,000.00
6	21.12.15	974	Bio Medical Engineering service, Ministry of health	2,950.00	2,950.00
7	10.08.15	495	Central Engineer Consultancy Bureau, Colombo 07	200,000.00	200,000.00
8	31.12.15	997	Ceylon Petroleum Corporation	5,850.00	14,200.00
		998	Ceylon Petroleum Corporation	8,350.00	
9	31.12.15	1004	Denme medicals (Pvt.) Ltd.	1,900.00	1,900.00
12	23.10.15	717	General Hospital, Trincomalee	4,800.00	4,800.00
13	30.12.15	993	Hyles Life science (PVT)LTD	2,950.00	14,750.00
		994	Hyles Life science (PVT)LTD	2,950.00	
		995	Hyles Life science (PVT)LTD	8,850.00	
14	31.12.15	999	Medical Supplies Department	5,850.00	46,800.00
		1000	Medical Supplies Department	5,850.00	
		1001	Medical Supplies Department	11,700.00	
		1002	Medical Supplies Department	11,700.00	
		1003	Medical Supplies Department	11,700.00	
15	21.08.15	530	Ministry of Health, Colombo 10	2,950.00	2,950.00
17	08.12.15	907	Pannipitiya Medical Service	4,000.00	4,000.00
18	09.07.15	264	Parliament of Sri Lanka	3,600.00	3,600.00
19	01.06.15	61	Roentgens International (Pvt.) Ltd	4,800.00	4,800.00
20	11.08.15	502	Rubber Research Institute, Agalawaatta	300,000.00	300,000.00
21	13.07.15	309	Ruhunu Medi Hospital	6,500.00	6,500.00
23	15.09.15	592	Sri Lanka Customs, Colombo 11	4,000.00	4,000.00
25	15.10.01	647	Tea Research Institute	10000.00	10000.00
<b>Total Net Debtors</b>				<b>644,250.00</b>	<b>644,250.00</b>

## Schedule - 02

### Staff Debtors

No	Name	Amount
1	Mrs. A. Chandrasekara	2314.30
2	Mr. T. H.S. Shantha	2730.41
<b>Total Net Staff Debtors</b>		<b>5044.71</b>

## Schedule - 03

### Advance & Loans - Festival Advance

No	Name	Amount
1	Mr. N.S.A. Piyathissa	10000.00
<b>Total</b>		<b>10000.00</b>

## Schedule - 03

### Advance & Loans - Distress Loan

No	Name	Amount
1	Mr. K. K.P. I. K. Kadadunna	218749.86
2	Mr. W.A.K. Lakshman	223958.19
3	Mr. K.S.S. Kumara	229166.52
4	Mr. K.N.R. Fernando	234374.85
5	Mrs. K.G.K.U. Gamage	250000.00
<b>Total</b>		<b>1156249.42</b>

## Schedule - 04

### Trade Payable - Creditors & Accruals

No	Description	Amount
1	Atomic Energy Board- Building Rent	4495500.00
2	Office Trainees- Trainee Allowance	42000.00
3	Office Staff-Over Time & Holiday Payments	24340.06
4	H.J. Jayantha -Travelling	200.00
5	Mrs. K.G.K.U. Gamage-Medical leave Payment	34175.00
6	Sri Lanka Telecom - Telephone	38266.58
7	Atomic Energy Board - Water	2626.78
8	Atomic Energy Board -Internet & Fax	16662.57
9	Atomic Energy Board -Electricity	54947.62
10	Atomic Energy Board -Cleaning Charges	22119.79
11	Government Printing Department-Stationery	34132.50
12	West End Motors -Vehicle Maintenance	43450.00
13	Income Tax Department -Stamp Duty	450.00
14	Income Tax Department -payee tax	1800.00
15	Incentive	256500.00
<b>Total</b>		<b>5067170.90</b>

**Schedule - 05****Payment of Loans - Distress Loan & Festival Advance**

<b>No</b>	<b>Name</b>	<b>Amount</b>	<b>Total</b>
<b>Distress Loan</b>			
1	Mr. K. K.P. I. K. Kadadunna	250000.00	
2	Mr. W.A.K. Lakshman	250000.00	
3	Mr. K.S.S. Kumara	250000.00	
4	Mr. K.N.R. Fernando	250000.00	
5	Mrs. K.G.K.U. Gamage	250000.00	
			<b>1250000.00</b>
<b>Festival Advance</b>			
1	Mr. W.A.K. Lakshman	10000.00	
2	Mr. M.T.N. Kalansooriya	10000.00	
3	Mrs. A.I. Dunusinghe	10000.00	
4	Mrs. N.N. Baduge	10000.00	
5	Mr. K.N.R. Fernando	10000.00	
6	Mr. K.P.I.K. Kadadunna	10000.00	
7	Mr. K.A.D.T. Jayaruwan	10000.00	
8	Mrs. A. Chandrasekera	10000.00	
9	Mr. N.S.A. Piyatissa	10000.00	
			<b>90000.00</b>
			<b>1340000.00</b>



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கணக்காய்வாளர் தலைமை அபிவிதி திணைக்களம்  
**AUDITOR GENERAL'S DEPARTMENT**



මගේ අංකය  
எனது இல. }  
My No. }

POE/B/AERC/1/15/11

ඔබේ අංකය  
உமது இல. }  
Your No. }

දිනය  
திகதி }  
Date }

30 July 2016

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 2015 in terms of Section 14(2)(c) of the Finance Act No. 38 of 1971.

-----

The audit of financial statements of the Sri Lanka Atomic Energy Regulatory Council for the year ended 31 December 2015 comprising the statement of financial position as at 31 December 2015 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Finance Act, No. 38 of 1971 and Section 76(3) of 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

-----

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

-----

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 risks 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 General to determine the scope and the extent of the audit.

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

#### **1.4 Basis for Qualified Opinion**

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

### **2. Financial Statements**

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#### **2.1 Qualified Opinion**

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In my opinion, except for the effects of the matters described in paragraph 2.2 of this report, the financial statements give a true and fair view of the financial position of the Sri Lanka Atomic Energy Regulatory Council as at 31 December 2015 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

#### **2.2 Comments on Financial Statements**

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##### **2.2.1 Sri Lanka Public Sector Accounting Standards**

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The Council had not revalued its property, plant and equipment to ensure that the carrying amounts did not differ materially from the fair value, which would be determined at the date of financial position, as stipulated in Sri Lanka Public Sector Accounting Standard 7 – Property, Plant and Equipment. Further, action had not been taken to revalue in terms of the standard to show the fair value of the assets fully depreciated costing Rs.4,698,221 as at 31 December 2015 which was continued to be used.

### **2.2.2 Accounting Deficiencies**

-----

Even though the value of the stocks should be accounted as the closing stock identified by the Board of Survey conducted at the end of the year, the book balance of Rs. 740,593 had been accounted as the closing stock despite the year end physical verification had been carried out.

### **2.2.3 Unreconciled Control Accounts**

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A difference of Rs.144,250 was observed between the balances of 05 Revenue Heads shown in the Financial Statements and the balances as per the schedules.

### **2.2.4 Unexplained Differences**

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The following observations are made.

- (a) A difference totalling Rs.13,488,488 was observed when the Regulatory Council had brought to account as opening balances of 06 accounting balances vested to the Regulatory Council since 01 January 2015.
- (b) A difference totalling Rs.4,466,846 was observed when the value of 3 Heads of assets was brought to the books of the Council vested to the Council according to the Letter dated 30 September 2015 of the Senior Deputy Director (Finance and Administration) of the Atomic Energy Board.
- (c) Even though according to the accounts of the Atomic Energy Board, there was a balance of Rs.1,198,533 payable to the Council, such a balance had not been identified as per the accounts of the Council.
- (d) Even though the Council had shown a balance of Rs.4,610,165 as a debtor according to the accounts of the Atomic Energy Board, the same balance had been shown as Rs.4,591,857 according to the books of the Council.

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

-----

Without preparing a proper incentive scheme and obtaining the necessary approval from the General Treasury in accordance with the Public Enterprises Circular No. 95 of 14 June 1994, a sum of Rs.256,500 had been allocated by the Council to its employees as incentives for the year 2015.

## **3. Financial Review**

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### **3.1 Financial Results**

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According to the financial statements presented, the operations of the Council for the year under review had resulted in a deficit of Rs. 3,479,000.

## 4. Operating Review

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### 4.1 Performance

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- (a) According to the Sri Lanka Atomic Energy Act, No.40 of 2014, establish requirements for the protection of persons and the environment against the risks associated with exposure to ionizing radiation and for the safety and security of sources and facilities, as appropriate, take all appropriate steps to ensure the protection of persons and the environment from harmful effects due to any source, ensure compliance with International Standards and obligations in the field of nuclear energy, which are required to be complied with by Sri Lanka is the objective of the Council. The Authority to enact rules made thereunder had been given for the Council by Section 87 (1) of the Act. Accordingly, the Council had formulated two rules and one Order and published in the Gazette Extra Ordinary No.1924/27 and dated 21 July 2015 during the year 2015. Even though, according to the Action Plan of the Council it had been planned to formulate the other rules relevant to the matters from (a) to (h) of Section 87(1) of the Act, it was observed that the activities of formulation of relevant rules had been delayed due to failure to direct the officers who were with an expertise knowledge in this field.

### 4.2 Personnel Administration

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The following observations are made.

- (a) Twenty vacancies in the Council including one of Senior Staff Grades, 09 of tertiary levels, 06 of secondary level, 04 of primary grades had existed as at the end of the year under review due to failure in maintaining realistic cadre level and periodic review of the cadre, though the approved cadre was 39.
- (b) It was observed in audit that the delay of the radioactive examinations carried out by the Council due to the vacancies existed in the Scientific Officers in the Council and failure to assign adequate duties in the Accounts Division and the Establishments Division due to vacancies existed in the posts of Management Assistants.

## 5. Accountability and Good Governance

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### 5.1 Internal Audit

-----

An internal Audit Division had not been established or an officer had not been appointed during the year 2015 for the examination and report the activities of the Council. Action had not been taken to prepare and implement an Internal Audit Plan as well. An Internal Audit Officer had been appointed since 01 February 2016 and no any other officer had been attached to assist him for his duties.

## 6. Systems and Controls

-----

Special attention is needed in respect of the following areas of control.

(a) **Fixed Assets Control**

Valuation, documentation and protection of property, plant and equipment and utilization of the resources of the Council efficiently for the purpose of fulfilling the objectives.

(b) **Debtors Control**

Recovery of debtors and other receivables without delay and accounting them.

(c) **Human Resources Management**

Management of human resources according to the role and the extent for the achievement of the objectives of the Council.

(d) **Budgetary Control**

Made use as a control instrument, being prepared realistically.



H.M. Gamini Wijesinghe

Auditor General

## Comments on Report of the Auditor General

SLAERC/1A/10

03<sup>rd</sup> June 2016

Assistant Auditor General  
Auditor General's Department  
Government Audit Branch  
Sri Lanka Atomic Energy Board  
No.60/460, Baseline Road,  
Orugudawatta.

### **Report of the Auditor General on the Financial Statements of the Sri Lanka Atomic Regulatory Council for the year ended 31 December 2015 in terms of Section 14(2)(c) of the Finance Act No.38 of 1971.**

-----  
Reference to the draft letter No.POE/B/AERC/01/15/11 dated 30 May 2016, you have sent on the above matter. Accordingly the replies are as follows.

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

-----  
Had been paid attention on the above matter.

#### **2. Financial Statements**

##### **2.2 Comments on the Financial Statements**

###### **2.2.1 Sri Lanka Public Sector Accounting Standards (SLPAS)**

-----  
The particulars relating to the assets receivable from the Atomic Energy Board had been received at the end of the year 2015. Therefore a considerable time had not been made available to revalue the assets. Further the time of the existing employees could not be deployed for that purpose due to lack of employees and there were other important work to be completed. The revalue process could not be expeditions due to non- availability of a suitable qualified external person to revalue the scientific apparatus. But action will be taken to execute that work in this year.

###### **2.2.2 Accounting Deficiencies**

- (a) Out comments for the differences pointed out by you relating to the differences between the accounts balances transferred to the Regulatory Council and the balances taking in to account as the opening balances by the

Regulatory Council according to the particulars of the Council as stated in the audit query are given below.

The individual list of the debtors balances amounting to Rs.1,647,936 had been received by us from the Atomic Energy Board only on 25 February 2016. That amount could not be brought to account as the final accounts of Sri Lanka Atomic Energy Regulatory Council had been already prepared. Further the large number of invoices already paid included in the list of debtors had also been included in the list of the invoices advances already paid. Therefore a large number of invoices had included again as income. As the data relating to these accounts had been posted twice, the Register of Debtors received by the Atomic Energy Council should be up dated. Therefore action will be taken to revise and update the Register of Debtors and account for the year 2016.

The amount of Rs.211,635 is a VAT amount of the debtors and that amount also had not been accounted due to the reason as mentioned above.

- (b) You have informed us that we have taken the book value for the accounts. But we have carried out the Board of Survey and the book value is equal to the value recognised in the Board of Survey.

### **2.2.3 Unreconciled Control Accounts**

#### **(a) Observations on the difference of vehicles amounting to Rs.4,100,000**

There are two Registers of Fixed Assets on vehicles. There is a separate Register for the 03 vehicles received by the Sri Lanka Atomic Energy Regulatory Council from the Ministry and Treasury and the total value of those amounted to Rs.11,395,000. The revaluation value of the vehicles received from the Sri Lanka Atomic Energy Board amounted to Rs.410,000 and this value had been entered into a separate Assets Register. These two Registers had been already given to you. Two copies of those registers are sending herewith for your convenience. Accordingly, the total value of Rs.15,495,000 is correct.

#### **(b) Difference of Electrical Equipment Balance – Rs.407,000**

According to the financial statements, the Electronic Equipment totalled Rs.2,782,116 and according to the ledger it was also totalled Rs.2,782,116.

Out of the above amount a sum of Rs.2,329,135 relating to the goods obtained by our institution and Rs.452,978 was relating to the electronic equipment received from the Sri Lanka Atomic Energy Board. Accordingly the total value of the Electronic Equipment amounted to Rs.2,782,116. The balance goods (goods purchased by the Council) according to the ledger that you have mentioned as Rs.2,375,116. But according to our ledger it was Rs.2,329,138.

**(c) Our observations for the differences pointed out under income are given below.**

**(i) Room Plan Approval Fees**

-----  
\* The difference between the balance as per financial statements and the balance as per invoices schedule have been pointed out. The reason for the difference is given below.

The amount of Rs.29,250 to be accounted as Import and Export Approval Fees had been accounted as Room Plan Approval Fees according to the balances in the financial statements.

\* The total of the Invoice Schedule for July had been understated by Rs.9,600. But that amount had been received. A sum of Rs.4,800 should be shown under Room Plan Approval Fee in the schedule of the Invoices had been posted in to the Miscellaneous Income. Accordingly that difference should be corrected as follows.

	<b>Balance as per Financial Statements</b>	<b>Balance as per Invoice Schedule</b>
	----- Rs.	----- Rs.
Room Plan Approval Fees	397,650.00	354,000.00
	Less – (29,250.00)	Add - 14,400.00
	----- 368,400.00	----- 368,400.00
	=====	=====

**(ii) Import/ Export Approval Fees**

-----  
The amount of Rs.29,250 should be accounted under Import/ Export Approval Fees had been accounted under Room Plan Approval Fee in the financial statements. A sum of Rs.6,500/- (April) should be shown under Import/ Export Approval Fee in the Invoices schedule had been shown in the Transport and Inspection Register. A sum of Rs.10,000 relating to the Import/ Export Approval Fee had been posted to the Licence Application Processing Fee in the Invoices Schedule. The total of the Invoice Schedule for the months of June and November had been overstated by Rs.17,150. Accordingly, the above differences should be shown as follows.

	<b>Balance as per Financial Statements</b>	<b>Balance as per Invoice Schedule</b>
	----- Rs.	----- Rs.
Import/ Export	698,050.00	727,950.00
Approval Fees		
Add	29,250.00	Add 16,500.00
	-----	-----
	727,300.00	744,450.00
	=====	Less (17,150.00)
		-----
		727,300.00
		=====

**(iii) Miscellaneous Income**

-----

Out of the Miscellaneous Income as per the financial statements a sum of Rs.3,000 had been relating to the tenders and it was posted under this. As per the Invoice Schedule a sum of Rs.4,800 should be shown under Room Plan Approval Fee had been posted to the Miscellaneous Income. The invoice value of Rs.600 in the Miscellaneous Income of the Invoice Schedule had been understated in December month. Accordingly the difference should be as follows.

	<b>Balance as per Financial Statements</b>	<b>Balance as per Invoice Schedule</b>
	----- Rs.	----- Rs.
Miscellaneous Income	1,521,000.00	1,522,200.00
	Less (3,000.00)	Less (4,800.00)
		-----
		1,517,400.00
		Add 600.00
	-----	-----
	1,518,000.00	1,518,000.00
	=====	=====

**(iv) Licence Application Processing Fee**

-----

The total of the Invoice Schedule for the month of July 2015 had been posted overstating by Rs.58,000. The total of the Invoice Schedule relating to the Invoices No.389 and 399 had been posted understating by Rs.10,000. The value relating to the invoice No.133 in the Invoice Schedule had been posted understating by Rs.1,000. Rs.2,000 should be deducted from the Invoice Register in July had been deducted in June Invoice – 138. A sum of Rs.10,000 of the Invoice schedule had been posted to the Import/ Export Approval Fee.

	<b>Balance as per Financial Statements</b>	<b>Balance as per Invoice Schedule</b>
	----- Rs.	----- Rs.
Licence Application Processing Fees	995,000.00	1,050,000.00
		Less (68,000.00)
		----- 982,000.00
		Add 13,000.00
	----- 995,000.00	----- 995,000.00
	=====	=====

**(v) Transport and Inspection Fee**

-----

The total of the Invoice Schedule for November had been over added by Rs.8,000. A sum of Rs.6,500 relating to the Import/ Export Approval Fee of the Invoice Schedule had been posted to the Transport and Inspection Fee.

	<b>Balance as per Financial Statements</b>	<b>Balance as per Invoice Schedule</b>
	----- Rs.	----- Rs.
Transport and Inspection Fee	52,400.00	66,900.00
		Less (14,500.00)
	----- 52,400.00	----- 52,400.00
	=====	=====

- (d) The total invoice value issued for License Fees for the year 2016 amounted to Rs.5,498,100. A sum of Rs.2,574,800 had been received for the year 2016 and it was accounted as License Fees Advances. A sum of Rs.2,923,300 unpaid from invoices issued had not been brought to account as income for the year 2015 as that amount had not relevant to that year. The unpaid invoice value amounting to Rs.2,923,300 had been accounted to the relevant accounts for the year 2016. As per final accounts a sum of Rs.2,574,800 had been received and that value had been correct. But a sum of Rs.2,923,300 should be receivable for the invoices issued by us. Therefore there is no difference. However a sum of Rs.2,985,550 shown by you as a difference should be Rs.2,923,300 actually and that amount should be receivable in the year 2016.

## 2.2.4 Unexplained Differences

-----

(a) According to the particulars of the Board as mentioned in the audit query our comments for the following differences pointed out by you between the accounts balances transferred to the Regulatory Council and the balances taking into accounts as opening balances by the Regulatory Council are shown below.

**(i) Receivable**

-----

The respective letter for the above, had been received only on 25.02.2016 from the Atomic Energy Board. As such it could not be brought to account as the final accounts of the Sri Lanka Atomic Energy Board had been prepared by that time. Further a number of paid invoices included in the list of debtors had also included in the list of Invoice Advances. Therefore a large number of paid invoices had been included as income again. Since the data had been doubled in the accounts, the list of debtors received by the Atomic Energy Regulatory Council should be revised. After the revisions made, action will be taken to account accurate amounts for the year 2016.

**(ii) Property, Plant and Equipment**

-----

As per our books a sum of Rs.14,044,903 which we have furnished had agreed with our books. This amount is accurate for the goods taken over by us. All goods, they had given had not been taken over by us. In terms of the provisions of the Act, the goods transferred to us by the Minister only had been included in our registers. Any Goods given by them could have not been included in our accounts without being taken over by us. It could have been found out by checking one by one.

**(iii) Payables**

-----

This amount of Rs.211,635 had been a vat amount of debtors. It was shown under receivable as 1 above. We have not accounted those in our accounts on the same reason as above.

**(iv) Deficit**

-----

Those particulars we have not received from the Atomic Energy Board.

**(v) Accumulated Fund**

-----

As per our accounts, the amount of Rs.8,630,148 had been correct.

**(vi) Government Grant**  
-----

There is no connection on the above amount with the Atomic Energy Regulatory Council. All Assets and liabilities received by us had been brought to account through Accumulated Fund. The particulars had been recorded in the Ledger.

**(b) (i) Office Equipment and Furniture**  
-----

It could appear the differences shown thereon. The reason for that, we have not taken over all the goods in the list sent by the Atomic Energy Board. The goods included in the list approved by the Minister only had been brought to account.

**(ii) Electronic Equipment**  
-----

The above reply for the office Equipment and Furniture also had applied to the Electronic Equipment.

**(iii) Scientific Equipment**  
-----

The reason for the increase of this amount for the scientific equipment was that the goods given to our institution through the project of United States of America to prevent World Threats had been accounted as an our asset.

The total of the scientific equipment grant received by us had been erroneously included in addition to the value of the goods supplied by the Atomic Energy Board amounting to Rs.25,416,676. Therefore these differences occurred. This stock of scientific equipment grant will be separated and brought to account under separate grants for the year 2016.

**2.2.5 Examination of Receivable and Payable Accounts**  
-----

- (a) The Register of Debtors of the Atomic Energy Board had been received by us only on 25.02.2016 and the errors were observed thereon. Therefore it should be revised and corrected and action will be taken to account in our accounts after the revision.
- (b) At the time of the requesting our accounting entries for audit 65 per cent out of that had been paid. Action had been taken to call Debtors confirmation letters for unpaid debtors.
- (c) As per the bills received to our Regulatory Council, the payable balance of Rs.4,591,457 is correct. The amount of 4,610,165 shown in the accounts of the Atomic Energy Board should have been confirmed from the Board.

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

---

- (a) (i) There is no cheque which elapsed 06 months amounting to Rs.6,000 in the Bank Reconciliation as mentioned by you. Therefore it should be correct.
- (ii) Since the vehicles received by our Regulatory Council were not in running condition they were referred for repairs. Those were taken into conditional position only before 03 months. Since the two common vehicles of the Council were old and deployed for running very recently as mentioned above. Therefore action will be taken to test fuel consumption as per the circulars in the future.
- (b) Since the vehicles received by our Regulatory Council were not in running condition they were referred for the repairs. They were taken into conditional position before 03 months. Since the two common vehicles of the council were old and deployed for running very recently as mentioned above. Therefore action will be taken to test fuel consumption as per the circular in near future.
- (c) This incentive allowance scheme had been implemented by the Atomic Energy Authority since several years. Therefore these provisions had been allocated to provide privileges and rights which had been given to the staff of the Sri Lanka Atomic Energy Authority. However the Treasury had informed us these allowances could not be obtained by our institution as per the circulars, when requesting the approval of the Treasury.
- Accordingly the Director Board of the Regulatory Council had proposed to submit a suitable incentive scheme for the institution and it will be forwarded to the next meeting of the Board of Directors. If the Board of Directors has approved that, action will be taken to utilize the money thereon, as the Regulatory Council is earning an income. If this had not approved in the meeting of the Board of Directors action will be taken to deduct this allocation in the budget revision furnish in the future. However, action had not been taken to obtain this money from the Treasury.

## 3. Financial Review

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### 3.1 Financial Results

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Our institution is conducting Regulatory activities but not a profit oriented institution.

#### **4. Operating Review**

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##### **4.1 Performance**

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Our observations for the comments stated in the paragraphs (a) and (b) are given below.

The most important two rules out of the rules relating to the Paragraph (a) to (g) under section 87 (1) as you mentioned had been prepared and published in the Gazette. Other rules are not necessary at present and action will be taken to obtain assistance from an expertise of the International Atomic Energy Agency to prepare those rules. Therefore it will be expected to complete those rules as stated in the action plan.

##### **4.2 Management Inefficiencies**

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Necessary actions had been commenced to remove the condemned articles from the books according to the Board of Survey.

##### **4.3 Operating Inefficiencies**

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Regulatory council is not an income generating institution.

##### **4.4 Human Resources Management**

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Our observations for paragraph 4.4 (b)(I), (II) are given below.

Sri Lanka Atomic Energy Regulatory Council had been established on 01 January 2015. However the Recruitment Procedure on its cadre had been approved by the Department of Management Services only on 04.09.2015.

Thereafter applications had been called to provide internal promotions and the promotions had been given to eligible employees internally. Those had been implemented since 02 February 2016.

The paper advertisements had been published thereafter to recruit for the posts such as Drivers, Management Assistants, Scientific Officers and K.K.S. A large number of applications had been received and a long period of time had to spent to sort out those applications. The action to recruit drivers was completed at present. The actions taken to recruit new employees during this period had been in an excellent level as the less quantity of the employees deployed for the recruitment process.

The duties had been assigned properly after giving promotions as above. The list of duties thereon also had been given.

Only one Accountant had been assigned to the finance Division and the provisions had been received only for a post of finance officer. Action will be taken to fill that post in the near future. The recruitments had been delayed due to delay of the approvals of the Department of Management Services.

## **5. Accountability and Good Governance**

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### **5.1 Internal Audit**

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Even though this institution had been implemented since the year 2015, no approval received to recruit for a post of Internal Auditor. That had been approved only on 04.09.2015. On that approval the post of Internal Auditor had been filled within a reasonable period by calling applications on internal qualifications.

Further a request had been made to recruit 07 Management Assistants to assist the Internal Auditor and for the other duties, but the Treasury approval had been given only for 06 Management Assistants. Therefore an assistant could not be allocated. Further these recruitments for Management Assistants had not been made. The approval had been sought to recruit another 04 Management Assistants due to necessity of an Assistant to the Internal Auditor and the lack of Management Assistants for other purposes.

### **5.2 Budgetary Control**

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This was occurred due to a lapse. Action will be taken to furnish the budget accurately from next year.

## **6. Systems and Controls**

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The matters pointed out by you will be taken into consideration.

Prof. K.R.Ranjith Mahanama  
Acting Chairman

**Sri Lanka Atomic Energy Regulatory Council**



# ANNUAL REPORT 2015



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

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