Annual Report 2021

Sri Lanka Atomic Energy Regulatory Council

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Chairman's Message

It is with great pleasure I record this message at the time of completing the Sri Lanka Atomic Energy Regulatory Council's (Council) seventh year of its existence. The year 2021 was significant to the Council as it was possible for the Council to complete the preparation of several essential documents for strengthening the regulatory infrastructure of radiation safety & nuclear security and to implement the effective regulatory program by performing activities related to licensing, inspection, import/export control, waste safety & radiological emergency.

The final version of the regulations of ionizing radiation protection and safety of sources has been further reviewed by the senior regulatory staff of the Council to incorporate the liquid radioactive waste discharge levels and requirements of the IAEA Radiation Safety Information Management System (RASIMS) and the IAEA Occupational Radiation Protection Appraisal Service (ORPAS) report recommendations. Revised regulations are being prepared.

Regulations for the security of radioactive sources during manufacture, use, and storage have been completed and submitted to the Legal Draftsman's Department for its concurrence. The Legal Draftsman's Department concurrence was received and the regulations with all three languages have been submitted to the Ministry for publishing in the Gazette. After these regulations are enacted, the Council will get legal powers to enforce requirements for the security of radioactive sources.

The Council also drafted the rule on Criteria for Qualification of Radiation Workers and the draft is being reviewed by a committee to explore the possibility of inclusion of previously authorized workers who do not have qualifications listed in the rule.

The National Nuclear or Radiological Emergency Management Plan that was approved by the Disaster Management Council on 24th February 2021 is being implemented by the Council to develop an infrastructure for responding to a possible nuclear or radiological emergency.

Sri Lanka has become a party to several treaties, conventions, and agreements on nuclear safety and security. The Council is responsible for the fulfillment of obligations of Sri Lanka of the above treaties and conventions as per section 12(e) of the Sri Lanka Atomic Energy Act No.40 of 2014. Accordingly, the Council is fully committed to fulfilling the obligations of Sri Lanka on comprehensive safeguards agreement signed by Sri Lanka in connection with the treaty on non-proliferation of nuclear weapons (INFCIRC/320). The Council has sent all required reports to the IAEA in 2021 on nuclear material accounting data. As per the above declaration, IAEA safeguards inspectors visited 05 institutes where depleted Uranium are stored and used from 2- 3 December 2021 in Sri Lanka for physical inventory verification and source document examination.

The Council during the year under review participated in IAEA ConvEx-2a and ConvEx-3 International Emergency Response Exercises which were conducted by the IAEA International Emergency Centre (IAEA-IEC) on 27th May 2021 and 26th & 27th October 2021 respectively. These exercises were useful for

our officers to practice in the use of IAEA emergency communication channels and the exchange of information during a real nuclear or radiological emergency.

The Board of Management of the Council has given priority this year also for recruitments and human resource development as the Council cannot function efficiently without a trained and adequate number of persons for scientific and administrative work. 03 scientific officers have been recruited to the Council with effect from 01st July 2021 and recruitment of other vacancies was not possible due to recruitment restrictions. One Deputy Director was promoted to the post of Director (inspection) and one senior scientific officer was promoted to the post of Deputy Director during the year 2021.

The Scientific Officers attended virtual regulatory training and workshops conducted by the International Atomic Energy Agency and other international organizations to increase their scientific knowledge on nuclear regulatory matters during the year 2021. The knowledge and experiences obtained from the participation in these training through webinars by the scientific staff will be immensely beneficial for the Council to develop its regulatory work.

The Council has prepared a draft plan for Human Resource Development (HRD) as it was a requirement given by the Government Administrative Circular 02/2008. The Council expects to finalize this document and implement HRD further during the year 2022. An internal Inspection procedure (SLAERC/Ins.Pro/2021) has been prepared and obtained approval of the Board of Directors to maintain a consistency of inspections carried out by each Inspector

The Board of Management, Director-General, and the staff of the Council have been instrumental in achieving remarkable progress in the implementation of nuclear regulatory activities of the Council in the year 2021 amidst covid 19 situation in the country.

In conclusion, I wish to thank the Honorable Minister and Secretary to the Ministry of Power and Honorable State Minister & Secretary to the State Ministry of Solar, Wind & Hydro Power Generation Projects Development for providing directions and support to me and the members of the Board of management for taking our invaluable policy decisions in the endeavors of our Council's work.

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

I thank and wish them all well.

Sydney Gajanayake
Chairman
Sri Lanka Atomic Energy Regulatory Council

Director General's Message

It is indeed a pleasure for me to write a message for the Council's annual report consecutively for the 7th time. This seventh Annual Report of the Sri Lanka Atomic Energy Regulatory Council (Council) presents activities of the year 2021. As the Director-General of the Council, it was possible for me to obtain national and international co-operations to develop the radiation protection and nuclear security infrastructure of the country and strengthen the regulatory programme of the Council.

During the year under review, it was possible for the Council to issued 421 licences, 606 import and export approvals, and 99 approvals for irradiation rooms. The Council also issued 919 certificates for clearance of milk foods based on the laboratory reports of the Sri Lanka Atomic Energy Board. The Council also conducted announced and unannounced inspections to verify status of the facilities for regulatory compliance and to locate unauthorized uses of radiation sources. In total 164 inspections were conducted during the year under review. Both safety and security aspects were included in the inspections.

The Council coordinated provision of security for the high activity radioactive sources (Category 1 sources) during transport in collaboration with the Special Task Force (STF) and Sri Lanka Police. Arrangements were made to transport one consignment of Cobalt -60 category 1 high activity sources under the supervision of the Council from Colombo Port to Sri Lanka Gamma Center located in the Biyagama export processing zone.

The Council conducted 02 training courses this year for radiation workers of the licensed facilities to enhance their knowledge of radiation protection and nuclear security.

The Council is participating in two Technical Corporation Projects with the International Atomic Energy Agency (IAEA) titled "Strengthening Regulatory Infrastructure for the safety of radiation Sources "and "Strengthening the National Capabilities for Responding to Nuclear or Radiological Emergencies". Both project activities are being implemented by the Council.

The Council has made steps to establish the online licensing and approval system for issuing the licence and approvals through a software system. The regulatory system of the Council will be enhanced effectively and efficiently by introducing this online system. The Council expects to implement this system in the latter part of the year 2022.

The Council has also made several steps to enhance the security of high activity radioactive sources where the Physical Protection Systems are installed with the assistance of the Ministry of Defense and the US Department of Energy. The Council also in collaboration with the team appointed by the Ministry of Defense made a full security analysis of all 14 sites where physical security is installed and report was submitted to the Ministry of Defense.

Even under the COVID-19 situation, the Council provided radiation protection and regulatory activity services to the government and private sector institutions to maintain the safety of workers and general public during the use of ionizing radiation.

As a whole, it is evident from the activities conducted and progress achieved during the year 2021, the year 2021 was a very successful year for the Council to implement regulatory activities satisfying requirements and mandates given by the Act.

I sincerely express my gratitude to the staff of the Ministry of Power and State Ministry of Solar, Wind & Hydro Power Generation Projects and Chairman and the Board of Management of the Council and my staff who provided their assistance in implementing the activities of 2021 for achieving the above progress.

H.L. Anil Ranjith
Director General / CEO,
Sri Lanka Atomic Energy Regulatory Council

VISION

A country protected from the potentially harmful effects of ionizing radiation

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

INTRODUCTION

About Us

The Sri Lanka Atomic Energy Regulatory Council (Council) was established on 01st of January 2015 by the Sri Lanka Atomic Energy Act No. 40 of 2014 (hereinafter referred to as the "Act"), 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, the Council requires to establish systems for licensing and inspection of users of radiation and radioisotopes, control of import and export of radioactive materials, management o disused radioactive sources, ensuring physical protection of radioactive materials, developing national capabilities to respond to nuclear or a radiological emergency, meeting the obligations of Sri Lanka under the Safeguards Agreement with the IAEA and the establishment of the legislative and regulatory framework necessary for the above. The Council is also mandated to function as the focal point for international conventions and protocols signed by Sri Lanka in the field of nuclear safety and security and safeguards

Board of Management

The Act has provisions to appoint five members to the Board of the Council by the Minister in charge of the subject of Atomic Energy 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 the Act. The members of the Board shall consist with the following persons;

- Three persons who are experts in the field of nuclear science and technology or radiation protection.

- One person who has experience in legal aspects connected with or relating to the objectives of the Council; and

- A senior officer not below the rank of an Additional Secretary or a Director of the Ministry of the Minister assigned the subject of Environment nominated by such Minister.

The members of the Board appointed till 31st August 2021 are as follows;

Name	Designation	Date of Appointment
Dr. D.M.S.Dissanayake	Chairman	2020-01-29
Dr. Lohitha Samarawickrama	Member	2020-01-29
Mr. Tharaka Wickramathunga	Member	2020-01-29
Mr. Sampath Chandrasena	Member	2020-06-20
Mr. M.G.W.T.B. Dissanayake	Member	2020-02-26
Mr. D.P. Wickramasinghe	Observer from Ministry of Power	2020-03-02
Mr. K.A.D. Kalubogoda	Observer from General Treasury	2020-06-21

The members of the Board appointed from 01 September 2021 to 31 December 2021 are follows,

Name	Designation	Date of Appointment
Mr. Sydney Gajanayake	Chairman	2021-09-01
Dr. Lohitha Samarawickrama	Member	2020-01-29
Mr. Sanjay Senanayake	Member	2021-09-01
Mr. M.G.W.T.B. Dissanayake	Member	2020-02-26
Mr. D.P. Wickramasinghe	An observer from Ministry of Power	2020-03-02
Mr. K.A.D. Kalubogoda	An observer from General Treasury	2020-06-21

In 2021, 10 Board meetings were held even though the office was closed from time to time around three months period due to Covid pandemic. 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 the Council.

Senior Management Committee of the Council

Name	Designation	Educational Qualifications
Mr. H.L. Anil Ranjith	Director General	B.Sc (Second Class Lower Division) M.Sc in Nuclear Science
Mr. T.H.S. Shantha	Director (Authorization)	B.Sc – (Second Class Upper Division) M.Sc in Nuclear Science
Mr. U.W.K.H. De Silva	Director (Inspections)	B.Sc (Special) in Chemistry, M.Sc in Nuclear Science, Post Graduate Diploma in Radiation Protection (Malaysia)
Mr. K. N. R. Fernando	Deputy Director	B.Sc – (Second Class Lower Division) M.Sc in Nuclear Science Post Graduate Diploma in Radiation Protection (Malaysia)
Mr. K. K. P. I. K. Kadadunna	Deputy Director	B.Sc –(Second Class Lower Division) M.Sc in Nuclear Science Post Graduate Diploma in Radiation Protection (Malaysia)
Mr. S. S.K. Kolambage	Deputy Director	B.Sc (Special) in Physics- (Second Class Upper Division) M. Sc in Nuclear Science Post Graduate Diploma in Radiation Protection (Malaysia)
Mrs. C.S Herath	Deputy Director	B.Sc. (Special) in Physics (First Class) M.Sc. in Physics (USA)

Name	Designation	Educational Qualifications
Mrs. B.D.N. Madhusha Kumari	Accountant	B. Sc (Special) in Financial Management
Mr. W.A.K. Lakshman	Internal Auditor	G.C.E. (A/L) Examination

Executive Summery

The year 2021 is the seventh year of the Council since its inception under the Act. The Council at present functions under the State Ministry of Solar Power, Wind, Hydropower Generation Projects Development.

The Act has delegated a mandate to the Council to ensure the responsibility for 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 the safety and security of radiation sources. The Council is also responsible for the adoption of standards for the protection, safety, and security of sources.

In order to achieve the objectives of the Act, the Council carries out licencing of users of ionizing radiation and irradiating apparatus, inspections of irradiation facilities, import and export control of radiation sources, maintenance of a source registry, radioactive waste safety programme, approvals for safe transport of radioactive material, implementation of safeguards and enforcement system.

In the year 2021, the main focus of the Council was to obtain approvals for the nuclear or radiological emergency management plan from relevant parties and finalizing of safety regulations on ionizing radiation protection and security of radioactive sources. The Council also gave more emphasis to submitting a technical cooperation project to IAEA to get IAEA assistance to develop infrastructure for response to nuclear or radiological emergencies in Sri Lanka.

In order to strengthen the regulatory infrastructure required for licensing of sources, the Council prepared the following regulatory documents.

- Regulations of ionizing radiation protection and safety of Sources
- Rules on criteria for qualification of radiation workers
- Regulations for the security of radioactive sources during manufacture, use, and storage

Final version of the regulations of ionizing radiation protection and safety of sources has been further reviewed by the senior regulatory staff of the Council to incorporate the liquid radioactive waste discharge levels and requirements of IAEA Radiation Safety Information Management System (RASIMS) and the IAEA Occupational Radiation Protection Appraisal Service (ORPAS) report recommendations. Revised regulations are being prepared.

The approval of the Board has been received to the rules on criteria for qualification of radiation workers and sent to the legal draftsmen department through the ministry for their comments & review. In the same time Council decided to make some amendments to the draft rules as per the discussion with the

Ministry of Health and Associations of Medical Physicists & Radiological Technologists. At present, the draft rule is being reviewed for amending to meet the above requirements.

Regulations for the security of radioactive sources during manufacture, use, and storaghaveas been completed and submitted to the Legal Draftsman's Department for its concurrence. The Legal Draftsman's Department concurrence was received and regulations were translated to Sinhala and Tamil languages. The regulations in all three languages have been submitted to the Ministry for publishing in the Gazette.

The National Nuclear or Radiological Emergency Management Plan was approved by the Disaster Management Council on 24th February 2021 and Council was in the process of implementing the requirements of the National Nuclear or Radiological Emergency Management Plan.

03 scientific officers have been recruited to the Council with effect from 01st July 2021 and recruitment of other vacancies was not possible due to recruitment restrictions. 01 Deputy Director was promoted to the post of Director (Inspection) with effect from 01st March 2021 and 01 senior scientific officer was promoted to the Deputy Director (Authorization: Industrial Applications & Import/Export) with effect from 02nd April 2021.

Even under the COVID-19 situation, the Council provided several radiation protection & regulatory activity services to the government and private sector institutions to achieve safety norms by performing regulatory inspections of premises that use radiation sources and radioisotopes. All the institutes that have applied for the licence for possessing and using radioisotopes or irradiation apparatus (including medical X-rays) were granted licence after proper assessment of compliance with the requirements of the Act and regulations.

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

Under the Covid-19 situation, online approval for import/export & building plans were granted for urgent cases.

The Council has made steps to establish the online licensing and approval system for issuing the licence and relevant approvals through using a software system. The regulatory system of the Council will be enhanced effectively & efficiently by introducing such an online system. A bidder has been selected through the government's competitive bidding procedure. The Council expects to implement this system during the year 2022.

It was a challenge to the Council for preparing necessary technical documents for the establishment of the regulatory system meeting international standards due to the lack of an adequate number of trained technical experts within the Council and in the Country.

The lack of a sufficient number of Scientific Officers was also a challenge for timely discharging planned activities and attending some of the requested inspections within a reasonable time period.

However, the Council has taken its maximum effort to improve regulatory and administrative work of the Council meeting international standards amidst the above constraints due to dedication, commitment and unwavering support of the staff in implementing the operational activities of the Council.

Audit and Management Committee Reviews – 2021

The Council's Audit and management committee for the year 2021 which is constituted with the guidelines of Good Governance issued by the Department of Public Enterprises, Ministry of Finance is consisted of the following members and held three (03**)** meetings.

Mr. K.A.D.Kalubogoda (Treasury Representative)	Chairman of Audit and Management Committee from 07.07.2020
Dr. Lohitha Samarawickrema (Board Member)	Member of Audit and Management Committee
Mr. Tharaka Wickramathunge (Board Member)	Member of Audit and Management Committee
Mrs. B.A.D.A.Abeywardena	Observer to the Committee Chief Internal Auditor of Ministry of Power and Energy
Mrs. M.W. Gunawardhana	Observer to the committee, and Audit Superintend of National Audit Office do from 01.03.2021
Mr. R.Karunarathna	Observer to the committee, and Audit Superintend of National Audit Office up to 26.02.2021
Mrs. N.P.N. Karunarathne	Acting Board Secretary acts as the secretary of the Audit Committee from 07.07.2020 as per the Treasury Circular No: PED/55
Mr. W.A.K.Lakshman	Internal Auditor (Convener of Audit & Management Committee)

Objectives of the Committee

Having Considered the objectives defined in the "Guidelines for Good Governance" of the Department of Public Enterprise, the Audit Committee made maximum effort to achieve the following objectives

- Determine the Scope of the Internal Audit Unit And review the annual Audit Plan.
- Assist Board of Directors to maintain the stewardship responsibilities by submitting Its observations to the Board with recommendations for necessary action.
- Monitor Follow up action on the recommendation of the committee.
- Review internal audit/External audit reports and recommendations to management for remedial action.
- Ensure that the Council adheres to the statutory requirements and carry out its activities in accordance with regulatory requirements.
- Evaluate internal control procedures for all activities of the Council and ensure the smooth operation of such procedures.

- Review Quarterly Performance including budgetary reports for cost effectiveness and to eliminate wasteful expenditure etc.
- Review implementations of recommendations of the Committee on Public Enterprise (COPE) of the parliament.

Activities of the Audit Committee during the Year 2021

- Reviewed the draft annual audit plans for the year 2022 and revised with amendments to prepare the final plan.
- Reviewed the Implementation of recommendations of the previous committee meetings which were based on internal, and government audit reports, and further recommendations were given for improvement where necessary.
- Recommended to implement recommendations of the report on revalued office & scientific equipment which have attained their zero value.
- The Audit Committee discussed the Internal Audit reports of the Internal Auditor submitted for 2021 and inquired about the response of the management and remedial actions for the Internal Audit reports and recommended to take appropriate action as listed below.
  - Advice to take necessary action to inform radiation licence holders to take remedial action for rectifications for noncompliance found during inspections carried out by the Audit Officers.
  - Review the final Accounts of 2020 before submitting to the Board and observations were given.
  - Recommended to inform the staff to advise the depositors of money to deposit money on the Council's account only in association with a staff of the account division because it had difficulties in identifying depositors on previous occasions. The committee also recommended the establishment of an online banking facility only to know the transactions in the account.
  - Develop a methodology for assigning serial numbers to identify radioactive machines and recommend for board approval to implement it.
  - Advice to prepare the Annual Report of 2020 immediately.
  - Recommended to Train Management Assistant under the supervision of the Administrative Officer for storage activities and instructed to hand over the store.
  - Advising on the recommendations of the Committee on Materials to be Disposed of in the Year 2020 and Disposal in accordance with FR and Circulars.
  - Give priority to new officers in scientific and administrative divisions when foreign and local training is given to the staff.
  - Advice to check Board of Survey documents for the year 2021.
  - Recommended to issue a high-quality licence with the new ministry name for X-ray machines etc.
  - Utilization of method for fuel balancing of vehicles as per circular 30/2016 and checking the vehicle running charts and documents up to date.
  - Recommended to obtain water and Electricity Bills with details of units for payments.

- Recommended to review and submit a new proposal for SLAERC Carder requirements to the Board.
- Advising to expedite the recovery of election expenses not received from the Department of Election.
- Advice to update relevant TEC documents facilitating to sign by all committee members.
- Advice to indicate the relevant vote no. for Vouchers and receipt.
- Advice to up-to-date Vehicle Maintenance Expenses Register.
- Advice to appoint for vacant member of the Need Assessment Committee.
- Advise to up to date and maintain a register for waste items and hand over the waste Item to store after replacing spare parts.
- Advice to up-to-date Invoice register on a daily basis.
- Advice to indicate the following information to Annual Report as per No. 01/2020 Circular
    - Implementation of Sustainable Development Activities
    - Human Resource Development Activities
    - Taking action related to the Freedom of Information Act as per Finance Circular 01/2020
- Advice to maintain licence register with the signature of Authorized Officer on a daily basis.
- Study and review the progress of the past year when formulating the Action Plan for the year 2021,
- To make arrangements to find out whether the conditions of the licences are complied with and to take action for those institutes that do not fulfill conditions.

Establishment of Sri Lanka Atomic Energy Regulatory Council

The Council came into existence on the 1st of January 2015, in accordance with the Gazette notification to this effect made by the Minister.

Location of the Council

The Council rented out a part of the 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

The Council has 20 scientific staff including the Director General and 19 Administrative staff as at 31st December, 2021. The Council possesses a sufficient number of office equipment to execute functions of the Council successfully. However, the existing space for the Council and scientific staff is insufficient to carry out the functions of the Council.

Activities of Sri Lanka Atomic Energy Regulatory Council

Legislation and Regulations

The implementation of the Act requires the drafting and adoption of a number of regulations, rules, and orders in order for the Council to acquire the required legal authority. In the year 2021, the followings activities with respect to legislation and regulations were done.

Regulations of Ionizing Radiation Protection and Safety of Sources

The draft Regulations on Ionizing Radiation Protection and Safety of Sources prepared by the Director General was reviewed by an expert of the International Atomic Energy Agency-IAEA (Mr. Mamdouh Yassin Osman, Director, Planning & policy and Technical Cooperation Directorate, Sudan Nuclear & Radiological Regulatory Authority) and the senior regulators of the Council to see compatibility with IAEA publications on radiation safety and areas to be further improved in the draft regulations.

The draft regulations consisted of the following areas which are specified in the Act to include in the regulations.

- 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 of radioactive material or radioactive sources and of designing, manufacturing, selling. locating, possessing, using, exporting, or importing of irradiating apparatus;
- the decommissioning of irradiation installations;
- the protection of radiation workers against harmful effects of ionizing radiation, including medical surveillance and occupational exposure of ionizing radiation;
- the protection of the general public and the environment against harmful effects of ionizing radiation;
- the regulations of medical practices involving ionizing radiation, including protection of patients;
- the regulation of radioactive waste management, including the release of waste into the environment and any practice which may affect public health and safety;

The final version of the Safety Regulations on Ionizing radiation is being prepared to incorporate waste disposal limits and requirements of the IAEA Radiation Safety Information Management System (RASIMS) and the recommendations of IAEA Occupational Radiation Protection Appraisal Service (ORPAS) report recommendations. It is expected to complete this draft regulation in May 2022 and submit it to the Board in June 2022 to get approval for submission to Legal Draftsman Department for concurrence. Thereafter final version of the regulations will be submitted to Cabinet of Ministers for approval.

Regulations of Security of Radioactive Sources

Provision of Security for radioactive sources is very important to protect them from being used for unauthorized activity. Unauthorized activity may also include use of sources for terrorist activities, causing detrimental damage to human and the environment. Therefore, promulgation and implementation of regulations is essential for ensuring the security of the radioactive sources. The Act under section 86(g) provides powers for the Minister to make regulations of security of radioactive

sources and controlled items. The regulations on security of radiation sources were drafted by the Director General and they were reviewed by the US expert provided under the Global Material Security Programme of the Department of Energy of the USA. The reviewed regulations were submitted to the stakeholders during stakeholders' meetings and their comments were obtained. This draft was revised again based on the comments made by the stakeholders. This reviewed draft regulation was reviewed by the Legal Draftsman's Department and their concurrence was given.

The regulations were translated to Sinhala and Tamil languages and Legal Draftsman concurrence was obtained for all three languages. The regulations were submitted to the Ministry for publishing in the gazette

Rules on Criteria for Qualification of Radiation Workers

Section 87 of the Act provides the Council to powers to make rules on certain matters that are essential for the radiation protection of workers, patients, and the public.

The above rule was drafted under section 87(1)(d) by a committee appointed by the Council. This rule establishes minimum qualifications and experience of each category of worker to perform respective jobs using ionizing radiation.

This 1st draft of Rule for qualification of radiation workers was prepared and it has been sent to 15 stakeholder organizations to obtain their views and comments. After receiving such information, the final draft was prepared in accordance with the views of stakeholders. Then this prepared document was submitted for approval of the Board of Directors of the Council. The Board of Directors of the Council instructed to prepare a list of workers who are authorized in the previous licence to operate X ray machines who do not have the qualifications given in the draft rule. The Council collected information from the previous files to prepare this list to make an attachment to the Rule.

The final version of the draft Rule with the list of workers who are authorized in the previous licence to operate X ray machines who do not possess qualifications requested in the rule was submitted to the Board of Directors and approval has been received and the draft Rules was submitted to the Ministry on 30.03.2021 for consideration and to obtain approval & review from Legal Draftsman's Department.

At the meeting held with the Secretary to the Ministry of Health and Director General of the Health Services with the Government Medical Physicist Association and Government Radiological Technologists Association, some issues were raised on the qualifications of radiation workers.

Council decided to make some amendments to the draft rules. Also, it was found that some other names which were found in the previous licences issued by the Council also needed to be added to the name list of "Persons authorized by the Council in the licence issued till 31.12.2020.

At present, the draft rule is being reviewed to include the above amendments.

National Policy on Radioactive Waste Management

In terms of Section 54 of the Sri Lanka Atomic Energy Act No.40 of 2014, the Council has to formulate a National Policy on Radioactive Waste Management based on international norms. Therefore, Council prepared this policy in accordance with the guidance of the International Atomic Energy Agency (IAEA) and other international norms and expects to submit the Director Board in January 2022. Preparation of National Policy on Radioactive Waste Management is a scheduled work of the 2021 work plan.

Authorization (Licencing and Approvals)

Issuing of licences

Issuance of licences was commenced from 1st January 2016 meeting requirements of the Atomic Energy (Licence) Rules No. 1 of 2015 and the Atomic Energy (Notification of Intention to Conduct a Practice) Rules No. 1 of 2015. The said rules specify the period of licences as 01, 02 and 03 years depending on the risk associated with the practices. The new licences and renewal of existing license were issued for the following practices.

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

Revision of the renewal applications for licences

All the applications for renewal of licences that were received by the Council before the deadline of 30th September, 2021 were considered to issue licences after the licence fee was paid. Some applications and relevant payments that were received after this deadline due to postal delays & financial difficulties under the COVID-19 situation were considered to issue interim licences.

During the renewal of licences for 2021, the Council considered finding of the previous inspections to access the compliance of the facility with radiation protection requirements of the Council. All new facilities were inspected before issuing licences.

In parallel to the review process, arrangements were made to get the application processing fee, licence fee applicable to each category of licence.

Modifications to the licences

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

Issuing of Interim Licence

In terms of the provision given in section 28(2) of the Act, interim licences pending the renewal of the same were issued for the applicants who submitted applications after deadline of 30th September,2021 due to postal delays and financial difficulties faced by the applicants due to Covid-19 situation. Surcharges applicable for delay in submission of applications was exempted with the approval of the Board considering the Covid 19 situation.

Number of licences issued during the period under review

Type of licence	No. of licence issued
New & Renewal Licences Issued	421

Apart from the above licences issued, the Council has issued following licences during the year 2021.

- Interim Licences - 280
- Extended Licences - 89
- Modification Licences - 48
- Amendments issued for transport of radioactive materials through terrestrial water of Sri Lanka -05

Approval of irradiation rooms

Approvals for irradiation room plans of new facilities were given after carefully assessing the safety and security aspects provided to the rooms. 99 irradiation room plans were approved in 2021 in the following practices.

Practice/Source	No. of room plans approved
Medical facilities (X-ray)	73
Nuclear Medicine facilities	01
Industrial facilities (X-ray)	22
Industrial Radiography	02
Storage Room	01
Total	99

Certificates issued for release of imported milk foods to the local market

The certifications were issued to the Food & Drug Inspector to release the imported milk food to the local market based on the results of the laboratory test reports issued by the Sri Lanka Atomic Energy Board for samples of the milk food tested. Due to Covid 19 situation, most of the approved documents were sent through e mails.

No. of certificates issued was 919

Maintenance of records

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

At present data of the inspection and licensing are being entered into this RAIS software by the trained officers. The information of the radioactive sources was completed and information of X-ray machines is being uploaded to the system.

Import and Export Control

Approval for import / export of radioactive materials & Irradiating Apparatus

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

Number of approvals issued for import and export of sources in 2021 were 606.

In some cases, inspections had to be carried out to verify the information given in export authorization forms and the compliance of transport packages for international transport regulations. 05 re-export related inspections were carried out during the year 2021.

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

Approvals for export of Mineral Sands

At the request of Director General of the Council, a letter has been issued by the Director General, Geological Survey & Mines Bureau to all exporters and importers of mineral sands to obtain the approval of the Council prior to export and import of mineral sands to avoid being import or export of mineral sand with radioactive material. Accordingly, the Council has taken necessary steps to issue export approvals for mineral sands with the recommendations of the radiation levels & activities after testing of such samples for radioactivity in the laboratory of the Council ensuring the safety of public and transport personnel.

Inspection of radioactive package for re-export approval

Safety Inspections and Enforcement

Inspections are carried out by the Authorized Inspectors appointed in terms of section 15 of the Act. The Council has powers to conduct inspections either as announced or unannounced inspections. During the inspections, the inspectors examine the safety and security arrangements provided for the facility and sources to check whether the safety and security arrangements provided are in line with the information given in the licence applications. Licence facilities are inspected regularly based on the risk associated with the practice and using relevant checklists. Inspection periods for licensed facilities are depend on the facility type (annual, 1-3 years and 3-5 years). However, more inspection in one facility is carried out if an inspection is required for the safety of the public and the workers. Licences for new facilities are issued only after radiation protection inspections. Database containing information of the inspections conducted is maintained and is being updated periodically.

Inspections in Industrial applications.

Practices/sources and number of inspections carried out in industrial applications are given below.

Period	Practice / Sources	No. of inspections
1 Year	- Industrial Irradiators (Pool Type Irradiators) - Industrial Radiography facilities	07
1-3 Years	- Self-Shielded Gamma Irradiators/X-ray Machine - Nucleonic Gauges and Well Logging sources - Particle Accelerators - Lightening Arresting Devices - Sealed and Unsealed sources with total activity more than 37 Giga Becquerel (1 Curie)	07
3-5 Years	- Analytical equipment containing radioactive sources - Analytical X-ray equipment - Cabinet X-ray Units - Sealed and Unsealed sources with total activity less than 37 Giga Becquerel (1 Curie)	11

The total no. of inspection conducted in industrial applications in 2021 were 25.

Inspections in medical applications

Practices/sources and number of inspections in medical applications are given below.

Period	Practice/source	No. of inspections
1 Year	- Tele gamma facility - Brachytherapy facility - Nuclear Medicine facilities (therapy using unseal sources)	04
1-3 Years	- CT scanner - Mammography machine - General radiography machine - Interventional radiological X-ray unit/angiography unit	51

	- Linear accelerator facility - Tomotherapy facility - X-ray facility - CT simulator for therapy - Nuclear medicine facility (diagnostic imagine & radioimmune assay (RIA)	
3-5 Years	- Dental X-ray machine - Veterinary X-ray machine - Bone density scanner	20

The total number of inspections conducted in medical applications in 2021 are 75

The total number of both inspections (Medical & Industrial) carried out are 100

Apart from the above planned and announced inspections, the Council has conducted the following inspections during the year 2021.

- On request inspections - 15
- Unannounced inspections - 01
- Enforcement Inspections - 11
- Modification Inspections - 22
- Follow up / verification Inspections - 15

Preparation of checklists for the relevant practices for the inspections

In order to meet current requirements, the Council commenced revising the checklists for the following practices.

i) Linear Accelerator Facilities
ii) Tomotherapy Facilities
iii) Radiotherapy (Teletherapy) Facilities
iv) Radiotherapy (Brachytherapy) Facilities
v) CT Scanner Facilities
vi) Diagnostic X-ray Facilities (Static / Mobile / Mammography / Veterinary)
vii) Dental / OPG / Bone Density Scanner Facilities
viii) C arm / Angiography / Fluoroscopy Facilities
ix) PET Scanner / Gamma Camera Machines
x) Nuclear Medicine Facilities (Administration of Iodine: Activity more than 100 mCi)
xi) Nuclear Medicine Facilities (Administration of Iodine: Activity less than 30 mCi)

Inspections at the Mega Port Detecting System

A portal monitoring detecting system (Mega port screening system) has been installed at the Colombo port for detection of unauthorized movements of radioactive materials (illicit trafficking), as an activity of regulatory control of radiation sources, (Import & export control of radioactive materials). This detecting system was operated & managed by the Sri Lanka Customs with the technical assistance of the National Security Administration of the Department of Energy of the U.S.A. government till 2015 and thereafter operated by the Custom and Sri Lanka Ports Authority and all incoming, selected outgoing & transshipment containers are screened. The radioactive materials or contaminated items which emit gamma or neutron radiation can be detected by this system. The Council and Sri Lanka

Customs are the main stakeholders of this procedure. The Council is responsible for analysis and advice on remedial measures if unauthorized radioactivity is detected by scans.

During the year 2021 the Council carried out 08 inspections and necessary regulatory instructions were given depending on the radioactivity contamination of the detected containers. As an example, after confirming the items are contaminated with radioactive materials, steps were taken to send back the relevant containers to the original suppliers or country of origin. All the incidents were communicated to the IAEA through Illicit Trafficking Database (ITDB) program.

Inspecting a Medical C-Arm Machine

Inspecting an Industrial X-ray Machine

Security of Nuclear and Other Radioactive Material

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

The "Code of Conduct on the Safety and Security of Radioactive Sources" is a non-legally binding international document to focus on the security of radioactive sources and the Guidance on Import and Export of Radioactive Sources are also a non-binding document which provides requirements for safety and security to be adhered in granting approvals for import and export of radioactive material, in particular IAEA category 1 and 2 radiation sources.

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

- Introduction of physical protection programme for sites which use high active radioactive sources. Physical security is provided for 13 sites
- Conducting source search programme to locate orphan sources and collection of disused and spent radioactive sources.
- Providing training for stakeholders on security of radiation sources and training of officers of Special Task Force on security incident response.
- Introduction of minimum radiological security requirements for facilities using IAEA category -1 sources for issuing licences.
- Implement requirements of Import and Export guidance document when approval is given for IAEA category 1 sources.
- Finalized the Regulations on Security of Radioactive Sources

Strengthening regulatory system in security

The finalized regulations on the Security of Radioactive Sources were translated into Sinhala and Tamil languages and obtained the concurrence of Legal Draftsman's Department for all three languages

The regulations with all three languages have been sent to the Ministry for publication in the Gazette and approval of the Parliament.

A check list prepared with the requirements of international standards given for IAEA category- I radiation facilities was used during inspections to check compatibility of security systems installed. The Council's radiation protection inspectors were trained to conduct security inspections to verify adequacy of security provided and make recommendations for improvements based on the above check list.

Implementation of physical protection programme

As Sri Lanka does not have expertise and funds for strengthening the nuclear security at facilities and during transport of high active sources, the assistance from the International Atomic Energy Agency (IAEA) and the US Department of Energy's Global Material Security (GMS) Programme is taken for strengthening the nuclear security to meet international requirements.

Provision of physical security at irradiation facilities.

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

Name of the facility	Type of facility	No. of rooms with security
Apeksha Hospital, Maharagama	Radiation therapy rooms	04
Radiotherapy unit, Teaching Hospital, Kandy	Radiation therapy rooms	02
Radiotherapy unit, Teaching Hospital, Karapitiya	Radiation therapy rooms	01
Radiotherapy unit, General Hospital, Anuradhapura	Radiation therapy rooms	01
Radiotherapy unit, Provincial General Hospital, Badulla	Radiation therapy rooms	01
Radiotherapy unit, Base Hospital, Tellippalai, Jaffna	Radiation therapy rooms	01
Sri Lanka Gamma Center, Biyagama	Pool type Irradiator	01
Ansell Lanka (Pvt) Ltd, Biyagama	Pool type Irradiator	01
Human Tissue Bank, Colombo 07	Self-shielded Irradiator	01
Horticultural Research and Development Institute (HORDI), Peradeniya	Self-shielded Irradiator	01
Asiri Surgical Hospital, Colombo 05	Blood irradiator	01
Sri Lankan Airlines, Katunayake	Storage Room	01
Disused Sealed Radioactive Source Storage Facility, Sri Lanka Atomic Energy Board (SLAEB)	Spent source storage rooms	04

Assessment of adequacy of security at high activity sources

After Easter Sunday attack and the analysis of prevailing global threat and the local intelligence information, it was recognized to have a sound security system to enhance security of these high activity radioactive sources. This matter was also discussed in Security Council meetings held early 2021 and an Immediate Action Plan for Radiological Security was prepared by Ministry of Defense in collaboration with the Council. As the first step of the process, it was purposed to set up the security requirement to be implemented by the all-stakeholder organizations to prevent unauthorized access to or acquisition of radioactive sources by persons with malicious intent. As per the recommendations of the Immediate Action Plan, as the initial step, a comprehensive radiological security threat assessment of each premises was recommended. Accordingly, a team headed by the Director-General of the Council was appointed by Ministry of Defense (MOD) to visit all the 13 sites and asked to submit a report on status of security of sites and recommendations for further strengthening the security to meet international standards.

The committee members appointed to address the radiological security threat in the country were consisted of members from the MOD, Three forces, the Special Taskforce, Ministry of Health, the Central Environmental Authority, and the Council. Accordingly, this committee has visited 12 sites and conducted security assessment by using well-developed checklist to cover all security aspects. However, due to present COVID-19 pandemic situation the visit of Base Hospital, Tellippalai has to be postponed twice. Therefore, the committee decided to conduct the assessment via an online platform by using Zoom.

The report was prepared by the committee including recommendations to strengthen the security of all these sites to MOD. The committee strongly recommended connecting all Physical Protection System (PPS) to Central Monitoring Station (CMS) except temporary source storage belongs to Sri Lankan Airlines as it does not store category 1 sources at present. However, it is recommended for the Sri Lanka Airlines to liaise with the Sri Lanka Airforce to provide security for the sources during any security events.

At the fourth quarter of the year, US Department of Energy (USDOE) conducted virtual meeting with Council representatives to discuss the present situation of PPS and the future development of these sites. In this meeting Director General of the Council stated the present requirement to strengthen the nuclear security activities of the Country and importance of extending the contract periods of some sites. Therefore, the USDOE has agreed to upgrade cyber security of all sites and extend the contract period of following sites. All maintenance contracts were extended until 2023-24 even though the contracts of those sites due to end at the end of 2021.The USDOE has also agreed to replace the Cs-137 source at Asiri Surgical hospital to X-ray Irradiator. After replacing this source to X-ray irradiator the security requirement to this facility can be lifted after the source is sent to the supplier for disposal.

No	Name and Place of the Institute
01	Asiri Surgical Hospital, Colombo 05 : Agreed to replace Cs-137 to X-ray in early 2022 and the maintenance contract for PPS extended until Cs-137 source is replaced to X-ray
02	Apeksha Hospital, Maharagama
03	Teaching Hospital, Anuradhapura
04	Teaching Hospital, Kandy
05	Teaching Hospital, Karapitiya
06	Provincial General Hospital, Badulla
07	Cancer Treatment Unit, Base Hospital, Tellippalai, Jaffna

The Council has taken several measures to connect all PPS to CMS at Katukurunda and to transfer signals continuously to CMS from all connected sites.

Security in Transport of Radioactive Materials

The Council coordinated provision of security for the high activity radioactive sources (Category 1 sources) during transportation.

During the year 2021 ,01 consignment of Category I Co-60 high activity sources was transported under the supervision of the Council from Colombo Port to Sri Lanka Gamma Center located in the Biyagama Export Processing Zone.

Licence was issued before the above transportation after assessing safety and security information provided by the importer and transport company which included trustworthiness of persons attending transport and safety of vehicle and security provided to the sources during transport.

All preliminary steps have been taken during the year 2021 to import & transport 01 consignment of Category I Co-60 high activity sources to Ansell Lanka (Pvt) Ltd which is also located in the Biyagama Export Processing Zone. Due to the marine route disturbances, the arrival date of the shipment changed to January 2022.

The Council convened & hosted a virtual meeting to discuss security aspects of the transportation of Cobalt-60 sources to be transported to Ansell Lanka Ltd with all the stake holders to be involved in this activity.

Emergency Response

Powers of the Council for Nuclear or Radiological Emergency Management and Response

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

The Council has made arrangements to develop nuclear or radiological emergency preparedness and response capabilities of the stakeholders and first responders.

National Nuclear or Radiological Emergency Management plan (EMP) and its implementation

Under the section 58 of the Act, The Council prepared a plan for preparedness, response and management of nuclear or radiological emergencies based on the guidelines of the IAEA and in consultation with the Disaster Management Center (DMC). The Interim Management Committee of the DMC has approved this EMP on 24th of February 2021. The Council has responsibility to implement this plan by developing national capabilities to responding nuclear or radiological emergencies in early 2020. All Stakeholders were informed regarding this and initial steps have been taken to hold stakeholder meeting to make them aware the responsibilities of them. The funding for this event has been requested from WHO though Ministry of Health.

IAEA Technical Corporation (TC) project for strengthening Emergency response capabilities.

In order to obtain the IAEA assistance in strengthening the national capabilities for responding to Nuclear or Radiological Emergencies and human resource development, a project proposal was submitted to the IAEA for the TC project cycle 2022-23. The components of the project include, fellowship training and scientific visits for Council staff and the key personnel in stakeholder organizations such as first responders, medical responders etc., expert missions for developing public communication procedures and national training and exercise plans and the manual & conducting national training courses for first responders and other technical organizations, and procurement of equipment for strengthening the existing Emergency response capabilities of the Country.

The IAEA at its general conference 2021 held at Vienna, has approved the above project proposal for implementation during 2022/ 2023 project cycle. Under the project, several fellowship trainings and Scientific Visits for team members (Regulatory Staff and other stakeholder organizations) of the project, procurement of some emergency response equipment, and several expert missions for developing emergency preparedness documents & conducting national training courses were approved by the IAEA for 2022 and 2023. This proposal was also submitted to National Planning Department and it was approved.

Participation in the Emergency Exercises of IAEA

Participated in IAEA ConvEx International Emergency Response Exercises.

The purpose of the ConvEx exercises is to evaluate ability and preparedness of member countries to responses to a major nuclear or radiological emergency and in particular to identify the strengths and the weak areas of the emergency response arrangements and capabilities. The ConvEx (2021) has provided an opportunity to identify areas needing improvements in the national and/or international emergency response systems in events that need close cooperation among nuclear safety and nuclear security authorities.

Convex 2a- Convex 2 exercise was conducted on 27th May 2021 through IAEA USIE. The purpose of this exercise was to test the effectiveness of communicating emergency information by submitting the proper reporting forms to the Incident and Emergency Centre (IEC). Sri Lanka is also registered as requesting state. Therefore, Sri Lanka received three injects describing an evolving scenario. Accordingly, responses were submitted through USIE.

ConvEx-3 exercise was conducted from 26th & 27th October 2021 through IAEA International Emergency Center (IAEA-IEC) web on Nuclear or Radiological Emergencies,

Overall goals of these exercises are:

- To allow States and relevant international organizations to evaluate early response in a severe nuclear or radiological emergency;
- To evaluate the international emergency management system e.g., Operations Manual for Incident and Emergency Communication (IEComm), IAEA's Response and Assistance Network (RANET) and Joint Radiation Emergency Management Plan of the International Organizations (JPLAN) arrangements;
- To test direct bi-lateral/multi-lateral communications between States; and
- To identify good practices as well as areas requiring improvement that cannot be identified in national exercises.

Participation in the exercise was useful for the Council to understand IAEA communication system and method of communication with IAEA and other countries through an established IAEA - IEC WEB based communication system in case of a nuclear or radiological emergency.

Activities for implementation of Emergency Preparedness and Response

- Appoint of the members to emergency response groups of the council and the National emergency Coordinator (NEC)
- Initiation of training programme for all response group members to train and be aware of their responsibilities. This training is planned to conduct in year 2022
- Submit of Joint external Evaluation Tool under International Health Regulations (IHR-2005) received from WHO according to national action plan prepared for next five years to implement the activities under the radiological emergencies to fulfill the requirement under IHR-2005.
- Participated the stakeholder meeting organized by MOH to discuss the above tool.

Implementation of SRL- 9011 Technical Cooperation project

The IAEA has approved Technical Cooperation project RAS9011 "Strengthening Regulatory Infrastructure for the safety of radiation Sources "for the 2020/2021 cycle. Implementation of activities planned for 2021 under the project was not possible as scheduled due to COVID-19 global pandemic situation. However, applications for Fellowship Trainings (FTs) and Scientific Visits (SVs) for regulatory staff of the Council have been submitted to the IAEA & 02 sets of instruments have been requested to procure. IAEA was in the process of finding suitable places for FTs & SVs and to purchase instruments in 2021 and 2022.

In addition, necessity on the preparation of a Rule for regulatory requirements for Mining and Processing has been communicated to the IAEA Programme Management Officer and Technical Officer and requested to receive expert assistance for the same.

Necessary documents have been sent to the relevant authorities to receive the approval from the Department of National Budget to the project and allocation of funding to release instruments from Sri Lanka Customs to be received during January 2022.

Implementation of Safeguards Activities and Safeguards Inspection Conducted By IAEA

Sri Lanka has signed comprehensive safeguards agreement in connection with the treaty on non-proliferation of nuclear weapons (INFCIRC/320) which entered into force on 06th August 1984. This is a legally binding agreement and in accordance with the agreement, parties to the agreement shall declare the nuclear materials to the IAEA within their territories. Several institutes in Sri Lanka use industrial radiography cameras and radiotherapy machines containing depleted uranium (DU) as shielding material which is under a control item under this agreement and subject to declaration by the state parties. Therefore, Council already declared locations in which these industrial radiography cameras & radiotherapy machines with depleted uranium are used and stored.

To fulfillment of obligations of the above Agreement, Sri Lanka has sent relevant reports to the IAEA in 2021 on nuclear material accounting data

As per the above declaration, IAEA safeguards inspectors Ms. Ayako Nakao & Mr. Petro Kovalenko visited the following institutes where depleted Uranium are stored and used from 02-03 December 2021 in Sri Lanka for physical inventory verification & source document examination.

- National Center for Non-Destructive Testing, Kelaniya,
- Indo East Engineering & Construction (Lanka) Pvt Ltd, Wattala.
- Electro-ref Engineers (Pvt) Ltd, Colombo 08.
- Colombo Dockyard PLC, Colombo 15.
- Ceylon Petroleum Corporation, Kelaniya.

Thereafter, IAEA has sent a report to the Council indicating that its verification activities carried out in Sri Lanka during the year 2021 was successful, and based on the information available to date in connection with safeguards inspection, it was indicated that all declared nuclear materials has been accounted for and there were no indications of the undeclared nuclear material in Sri Lanka.

Conducting IAEA Safeguards Inspection

Preparation of Documents for Strengthening the regulatory regime

Training manual

In terms of Section 12 (d) of the Sri Lanka Atomic Energy Act No.40 of 2014, the Council has powers to provide training for the stakeholders on radiation protection, safety, and security of radiation sources.

The Council has prepared a manual giving training requirements in Radiation Protection required for Radiation Protection Officers (RPOs), and other radiation workers to include in the licence as an authorized worker to use radiation sources and work in control areas in addition to the subject-specific training required.

The manual contains the type of radiation protection training required for each category of workers, eligibility requirements for each training, and retraining requirements for authorization after the expiry of the training certificates.

The Council expects that the above training requirements will facilitate the Council to issue licenses only to qualified persons in radiation protection.

Inspection procedure

Regulatory inspections are carried out by the authorized inspectors of the Council who are appointed in terms of section 15 of the Sri Lanka Atomic Energy Act No.40 of 2014. An internal Inspection procedure (SLAERC/Ins.Pro/2021) has been prepared and obtained approval of the Board of Directors to have a consistency of inspections carried out by each Inspector. Preparation of an inspection procedure is a scheduled work of the 2021 work plan.

Additional Important Activities conducted which were not planned for 2021

Special Inspections & Visits

- Visited sites of SLAEB, Ansell Lanka (Pvt) Ltd, BIA Airport, Katunayake Airport, Teaching Hospital, Anuradhapura HORDI, Gannoruwa, Teaching Hospital, Kandy & Teaching Hospital, Karapitiya for the security threat assessment of high active sources by the committee appointed by Ministry of Defence under the chairmanship of Director General of the Council and prepared the report.

- Laboratory analysis of samples collected from various locations at Uswetakeiyawa area from the debris of burnt "X-press Pearl" ship was done and the report based on the laboratory results was sent to the Hon. State Minister, Solar Power, Wind, Hydropower Generation Projects Development.

- Inspections & radiation surveys was carried out to provide technical advice to construct a radiation barrier for the use of container-ray scanner machine operated by Sri Lanka Customs at Trico International Premises, Colombo 15.

- Council visited Alchemy Heavy Metals (Pvt) Ltd, a mineral extraction company in Kandalama Dambulla on 24.12.2021 to observe the measures taken by them to implement the recommendations given by the Council in previous inspection report to upgrade some radiation protection requirements at the plant and also to assess the present situation.

  The status of implementation of recommendations given by the Council during previous radiation protection inspection & testing procedures were examined and found that necessary steps have been taken to implement the recommendations. A comprehensive awareness program was conducted to provide knowledge on transport of radioactive materials to the transport personnel and the safety precautions to be followed by corporate employees in working with radioactive materials. Additional recommendations were also given for further improvement of radiation protection of workers and the public.

Inspection & Awareness Program at
Alchemy Heavy Metals (Pvt) Ltd, Kandalama

Meetings Attended

- At the request of State Minister Mr. Lasantha Alagiyawanna, a meeting was attended by two officers at State Ministry of Cooperative Services, Marketing Development and Consumer Protection to discuss on the issues of HS code implementation for imported items.

- Council attended Consultative meeting to discuss on state party Annual reporting tool on IHR-2005.

- As requested by Hon. State Minister of Solar, Wind and Hydro Power Generation Projects Development., the Council attended meetings with State Ministry and Sri Lanka Atomic Energy Board to discuss IAEA Occupational Radiation Protection Appraisal Service (ORPAS) recommendations implementation and involved in preparation of a report for implementation of ORPAS recommendations relevant to Council

- Council attended a meeting to discuss radiation protection aspects on the installation of LINAC facilities at the Ministry of Health.

- Council attended a meeting called by Hon. Minister Lasantha Alagiyawanna on the issues of Import/ Export of consumer products.

- Council attended a meeting called by Secretary to the Ministry of Health at the Ministry of Health on the issue of appointment of Radiation Protection officers in Government Hospitals.

- At the request of Secretary, Defence, the Director General of the Council made a presentation on-site security implementation for Category I radiation sources in Sri Lanka to Defence Ministry Officers and the His Excellency the President.

- Council attended progress review meetings called by Minister of Solar, Wind and Hydro Power Generation Projects Development.

- Council participated at a meeting on establishment of radiopharmaceutical laboratory under Board of Investments (BOI) project with BOI representatives.

- Council attended a meeting on “Establishment of Cyclotron Project” at Kotelawala Defence University.

Development, Installation & Verification of Software for Online licensing & approval system

The Council has made arrangements to establish the above online licensing & approval system for issuing the licence and relevant approvals through using software system. The regulatory system of the Council will be enhanced effectively & efficiently by introducing this online system. A bidder has been selected through the government’s competitive bidding procedure. The Council expects to implement this system during the year 2022.

Efficiency Bar (EB) examination for the employees of the Council

The Council made arrangements to hold an efficiency bar examination for the employees of the Council on 27th January 2021 is a requirement given in the Scheme of Recruitments. Several theoretical classes were also arranged to obtain the relevant subject knowledge for the preparation of the examination.

Establishment of management systems to comply with government circulars

The Council has drafted following documents in accordance with the requirements given by the government circulars for establishment of management system of the Council. It is expected to finalize the above documents during the year 2022.

- Citizen Charter of the Council (as per Government Administrative Circular 05/2008)
- Human Resource Development Plan of the Council (as per Government Administrative Circular 02/2008)
- Plan for achieving Sustainable development goals for the Council (as per Government Financial Circular 02/2017)

Regulatory activities related to vessel M/V BBC NAPLESS entered to Hambantota port with radioactive consignment on board without obtaining approval from the Council

The vessel M/V BBC Naples has entered into Hambantota port on 20th April, 2021 with 5 radioactive material packages containing 18 cylinders of Uranium Hexafluoride on board without obtaining a licence from the Council. It is a legal requirement in terms of section 18 of the Sri Lanka Atomic Energy Act No.40 of 2014 (Act) to obtain a licence to transport radioactive material within Sri Lanka. Obtaining a licence is the responsibility of the local agent of the vessel. Once a licence is issued, in terms of section 48(1) of the Act, the Council issues a written approval to the Harbour Master to issue a clearance certificate to berth a vessel with radioactive material on board.

Hambantota port administration and Harbour Master who is responsible for approvals for dangerous cargo has given the approval to berth the vessel in Hambantota port. According to the information received from the Harbour Master the local Agent of the vessel has not declared the presence of radioactive material in the dangerous cargo declaration form and therefore, he has given the approval to berth the vessel.

However, Harbour Master has informed the Director General of the Council that the above vessel has radioactive material on board and the Director General of the Council was able to obtain & confirmed information that the vessel has radioactive material on board.

Then Director General of the Council has given instructions to remove the vessel containing radioactive material which has entered Hambantota Port without the approval of the Council on 21st April 2021.

Thereafter on the instructions of the State Minister of Solar, Wind and Hydro Power Generation Projects development, the Chairman of the Council has appointed a committee which is consisted of the members from the Council, State Ministry of Solar, Wind and Hydro Power Generation Projects development & Sri Lanka Navy to investigate the above incident. The committee has made several recommendations to relevant stakeholders to avoid such incidents in the future after inquiring & interviewing all the parties involved in such incident.

Performance on Achievements of Sustainable Development Goals (SDG)

Identified Sustainable Development Goals

Serial No	Number and Target for the Sustainable Development Program	Target	Success Indicators	Progress of Achievement to date		
				0% - 49%	50%- 74%	75%- 100%
01	.03Healthy Lives and Well-being	Protecting patients, the public and radiation staff from radiation disasters when using radiation in Sri Lanka	To this end, the Council issued licenses to all radiation facilities including irradiating apparatus & radioactive sources, conducted inspections, and provided protection against highly radioactive sources to ensure the safety & security of the sources. Indicators for the year 2021 • Number of licenses issued = 421 • Number of inspections carried out = 164 • Locations verified for the security of Sources = 13			√
02	04 .Quality Education	Training of all Radiation Workers and Radiation Protection Officers for Radiation Protection and granting licenses only to those who pass an examination which will be held from 2023 onwards. Training the officers of the Council according to the training policy of the Council.	Trainings were given to 31 participants including stakeholders & scientific staff of the Council through 02 workshops under the quality education during the year 2021. International training has been provided to 02 officers attached to the Scientific Divisions of the Council and 18 officers of same division participated 160 international webinars, virtual meetings through online system. 10 employees have been given local on-line training under the Council's human resource development program.		√	

03	.11Sustainable Cities and Communities	Taking actions to protect the environment from radiation hazards	An approval process for plans of the radiation rooms as been introduced to protect the environment and communities from radiation hazards. All institutions that use ionizing radiation must have approved their plans by the Council before installing the machines and a license should have been obtained to use the machines. All milk food imported to Sri Lanka should be tested and an approval should have been obtained to release milk powder imported to Sri Lanka to the market. • Number of licenses issued = 421 • Number of plans approved = 99 • Number of approvals granted for imported milk powder = 919			√
04	.15Life on Land	Carry out regulatory inspections in the coming years in line with the licensing period for radiation sources and to implement the activities of the National Nuclear or Radiological Disaster Management Plan	The Regulatory Council has conducted about 68% of regulatory inspections on radiation sources in the public and private sectors in line with the license period. The project proposal was submitted to the International Atomic Energy Agency (IAEA) for implementation of activities in accordance with the Nuclear or Radioactive Disaster Management Plan. This project has been approved for the above project cycle 2022-2023.Under the project, several fellowship trainings and Scientific Visits for team members (Regulatory Staff and other stakeholder organizations) of the project have been arranged. Procurement of some emergency response equipment and several expert missions for developing emergency preparedness documents & conducting national training courses were also approved by the IAEA. This proposal was submitted for National Planning Department and its approval was also given		√	

A committee was appointed by the Director General of the Council to prepare a plan for achieving sustainable development goals for the Council as it was a requirement given by a Government Financial Circular 02/2017. The committee has already prepared the draft document. The Council expects to finalize this document and further implement the sustainable development goals for the Council during the year 2022.

Successes and Challenges in Achieving the Sustainable Development Goals:

The Council has taken a number of measures to achieve the Sustainable Development Goals by 2021. In order to achieve the identified goals which, set out in the above table, these measures had to face many successes as well as challenges. Also, due to the Covid-19 pandemic, it was unable to complete its activities properly since the office was closed for most of the period in 2021

However, with dedication to the work and maximum effort, the Council was able to achieve around 80% of the goals.

Accordingly, the achievements can be shown as follows.

1. The protection of cities and communities has been improved to the present level by implementing the activities on issuing of 421 licenses and 606 import and export approvals during the year.

2. Trainings were given to 31 participants including stakeholders & scientific staff of the Council through 02 workshops under the quality education. Also, 18 officers of scientific division participated 160 international webinars, virtual meetings through online system.

3. Radiation facilities were inspected at 164 locations during the year as regulatory inspections under land and life.

4. 919 Certificates have been issued for food testing for healthy lives and well-being.

Also, the challenges faced by the Council for sustainable development have been identified as follows.

a. Lack of adequate scientific and other staff.
b. Lack of proper building premises.
c. Lack of adequate office and scientific equipment.

Accordingly, the Council looks forward to working hard in the coming year to achieve the Sustainable Development Goals optimally.

Human Resources Development

Human Resource Profile of the Council

Number of Employees

	Approved Employees	Existing Employees	Vacancies
Senior	22	21	01
Tertiary	05	02	03
Secondary	10	08	02
Primary	08	05	03
Contract / Casual	00	00	00
	45	**36**	**09**

Activities carried out for Human Resource Development

In order to strengthen the regulatory system, it is essential to have trained and skilled persons at both licensed facilities and the regulatory authority The success of any institute also largely depends on the expertise of the employees involved in its functions. With the above intentions, 03 training courses were planned to conduct during the year by the Council to radiation workers of the licensed facilities and to officers of response forces to enhance their knowledge on radiation protection and nuclear security.

Due to COVID-19 pandemic situation in the country during the year under review it was not possible to arrange trainings for local stakeholders as planned. However, two training courses were held physically and one training course was postponed.

In addition, officers of the Council were attended the following trainings/meetings conducted locally and internationally over the year.

Due to global pandemic situation, officers of the Council have participated in the on-line webinar training courses/ meetings arranged by the IAEA & other international organizations

The details of the training programmes are given below

National Training Courses organized by the Council for stakeholders

No.	Topic	Venue	Date Scheduled	No. of participants	Remarks
01	National Training course on Radiation Protection for Radiation Protection Officers working in Industrial Facilities	Sri Lanka Atomic Energy Regulatory Council	21-22 June 2021	30	Postponed Due to Covid 19 Pandemic Situation
02	Radiation protection training & Irradiator operator qualification test for newly recruited Engineering Assistant at Ansell Lanka (Pvt) Ltd, Biyagama	Sri Lanka Atomic Energy Regulatory Council	15-17 November 2021	04	Conducted physically including newly recruited 03 scientific officers
03	National Training Course on Radiation Protection and Quality Assurance in Diagnostic Radiology for Radiological Technologists working in Private Hospitals	Sri Lanka Atomic Energy Regulatory Council	13-17 December 2021	27	Conducted physically including 04 scientific employees of the Council (scheduled to held on 05-09 October 2020 but postponed due to Covid-19 situation)

Local Training courses on skill development attended by staff of the Council. All the courses were arranged as online training courses.

Name of the officer	Name of the Programme	Period	Organized by	Sponsor
Mr. T.H.S. Shantha Director	Workshop on Procurement Guidelines, Planning & Regulations	28,29 & 30 June 2021	Miloda Academy of Financial Studies	SLAERC
Mrs. C.S Herath Deputy Director	Workshop on Board of Survey, Losses & Write - Offs	23 & 25 June 2021	Miloda Academy of Financial Studies	SLAERC
Mrs. A.I. Dunusinghe Administrative Officer	Workshop on Personal File Management	21,22 & 23 June 2021	Miloda Academy of Financial Studies	SLAERC
Mrs. N.N. Baduge Finance & Supply Officer	Workshop on Procurement Guidelines, Planning & Regulations	28,29 & 30 June 2021	Miloda Academy of Financial Studies	SLAERC
Mrs. B.D.N.M. Kumari Accountant	Workshop on Government Payroll System	14,16 & 18 June 2021	Miloda Academy of Financial Studies	SLAERC

Name of the officer	Name of the Programme	Period	Organized by	Sponsor
Mrs. C. Lawanthi Management Assistant	Workshop on Maintenance of Official Bank Accounts	25 March 2021	Skills Development Fund Ltd	SLAERC
Miss. R.P.M. Sanduni Management Assistant	Workshop on Personal File Management	21,22 & 23 June 2021	Miloda Academy of Financial Studies	SLAERC
Mrs. P.D.I. Rupasinghe Management Assistant	Workshop on Procurement Guidelines, Planning & Regulations	28,29 & 30 June 2021	Miloda Academy of Financial Studies	SLAERC
Mr. I.N.D. Ilangasinghe Management Assistant	Workshop on Government Payroll System	14,16 & 18 June 2021	Miloda Academy of Financial Studies	SLAERC
Mr. P.W.S.P. Welikala Management Assistant	Workshop on Board of Survey, Losses & Write - Offs	23 & 25 June 2021	Miloda Academy of Financial Studies	SLAERC

Foreign Seminars / training programmes / workshops / meetings / conferences attended by the staff of the Council:

Name of the officer	Name of the Programme	Period	Venue	Sponsor
Mr. H.L. Anil Ranjith Director General	IAEA-UNODC Seminar to promote the universalization to the Amendment to the convention on the physical protection of Nuclear Material and the International Convention for the suppression of Acts of Nuclear Terrorism	11-11-2021 to 12-11-2021	Vienna, Austria	IAEA
Mr. T.H.S. Shantha Director	IAEA-UNODC Seminar to promote the universalization to the Amendment to the convention on the physical protection of Nuclear Material and the International Convention for the suppression of Acts of Nuclear Terrorism	11-11-2021 to 12-11-2021	Vienna, Austria	IAEA

Numbers of International webinars, virtual meetings participated by the officers of the Council in 2021

Name of the officer	No. of webinars & meetings attended
T.H.S. Shantha	13
U.W.K.H. De Silva	22
K.K.P.I.K. Kadadunna	13
K.N.R. Fernando	07
K.S.S. Kumara	03
C.S. Herath	11
K.G.K.U. Gamage	19
N.P.N. Karunarathne	16
H.J. Premakumara	04
D.W.M.E.T. Dissanayake	05
W.W.R.L. Medis	05
N.P.W.D.D.D. Rodrigo	05
A.P. Madushanka	06
L.H.J. Kumara	10
W.M.D.M. Piyarathna	12
A.P. Kumara	02
S.G. Nanayakkara	05
S.D.V. Kulathilaka	02

A committee was appointed by the Director General of the Council to prepare a plan for Human Resource Development of the Council as it was a requirement given by the Government Administrative Circular 02/2008. The committee has already prepared the draft document. The Council expects to finalize this document and implement Human Resource Development of the Council further during the year 2022.

Preparation of new Schemes of Recruitment (SOR)

As the regulatory authority of the Country, the regulatory functions of the Council include licensing and inspection of radiation facilities, control of import & export and transport of radioactive material, management of radioactive waste and disused radioactive sources, ensuring physical protection of radioactive material, developing capabilities and coordinating with relevant stakeholders to respond to possible nuclear or radiological emergencies and international corporation in the field of nuclear safety, security, safeguards and civil liability.

Although Council carries out above mentioned responsibilities and its obligations at the national and international level, all these activities are carried out with a limited number of staff and facilities. Due to lack of staff and other facilities at the Council, preparation of legislative documents, conducting inspections for the enactment of regulatory programme and issuing licences and approvals get delayed.

Therefore, proactive action should be needed to bridge the gaps to carry out activities of the Council as mandated in the above Act. Therefore, Council has taken steps to revise the existing organizational chart by sustainable Regulatory Development of the Council through Strategic Planning to reflect all functions and powers of the Council considering the future development activities in this regime.

A committee was appointed by the Council to submit a report suggesting requirements to expand the activities of the Council and to increase the cadre for the smooth functioning of regulatory activities efficiently and effectively.

Therefore, the committee has done situational analysis and work assessment and then prepared new divisional structure of the council. These analyzes include the workload for each existing division, extra functions other than the main functions of each division, number of staff available, a future increase of workload, future areas that need to be developed by the regulatory Council and the number of staff required to fulfil the requirement through work assessment.

Accordingly, final report has submitted to board of the directors and it was approved with 66 total cadre positions to bridge the gaps for enhancing the regulatory activities of the Council effective and efficient manner and to discharge its powers and functions as mandated by the Act. The FR-71 forms for new positions with all other SOR documents were submitted to Management Services Department through the State Ministry for approval.

Sydney Gajanayake
Chairman
Sri Lanka Atomic Energy Regulatory Council

H.L. Anil Ranjith
Director General / C.E.O
Sri Lanka Atomic Energy Regulatory Council

Financial Statement of
Sri Lanka Atomic Energy Regulatory Council (Council)
2021

SRI LANKA ATOMIC ENERGY REGULATORY COUNCIL
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2021
(ALL AMOUNTS ARE IN SRI LANKAN RUPEES)

	Notes	2021		2020	
ASSETS					
Current assets					
Cash and cash equivalent	**3**	14,844,783		7,989,664	
Receivables	**4**	2,638,443		2,405,371	
Inventories	**5**	763,249		759,644	
Prepayments	**6**	630,405		662,505	
			18,876,880		11,817,184
Non – Current assets					
Property, plant & equipment	**7**	65,179,858		69,735,484	
Intangible Assets	**7.1**	1	65,179,859	20,202	69,755,686
Total assets			**84,056,739**		**81,572,870**
LIABILITIES					
Current liabilities					
Trade payables	**8**	(3,830,405)		(3,935,488)	
Advanced income for license fees	**9**	(9,343,100)	(13,173,505)	(14,922,850)	(18,858,338)
Non – Current liabilities					
Advance income for license fees	**10**	(7,086,234)		(1,261,950)	
Retirement benefit obligations	**11**	(12,269,215)	(19,355,449)	(16,429,875)	(17,691,825)
Total Liabilities			**(32,528,954)**		**(36,550,163)**
Total net assets			**51,527,785**		**45,022,707**
NET ASSETS / EQUITY					
Capital & Reserves					
Government grant – capital	**12**	29,555,036		28,427,219	
Revaluation reserves	**13**	14,752,661		13,847,526	
Accumulated Fund (related to asset&liabilities received from AEA)	**14**	(3,812,121)		(3,821,793)	
Accumulated Fund (Council)	**15**	23,794,748		28,806,014	
Deficit	**16**	(12,762,539)		(22,236,259)	
Total net assets / equity			**51,527,785**		**45,022,707**

The accounting polices and notes on Pages 1 to 26 form an integral part of these Financial Statements.
We the undersigned, being the Accountant and the Director General of Sri Lanka Atomic Energy Regulatory Council certify jointly that these Financial Statements are in compliance with the requirement of the Finance Act.

Accountant

Director General

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 singed for and on behalf of the Board of Directors of Sri Lanka Atomic Energy Regulatory Council.

Chairman

Board member

SRI LANKA ATOMIC ENERGY REGULATORY COUNCIL
STATEMENT OF FINANCIAL PERFORMANCE
AS AT 31ST DECEMBER 2021
(ALL AMOUNTS ARE IN SRI LANKAN RUPEES)

	Notes	2021	2020
Revenue	**17**	86,686,190	64,591,260
Other revenue	**18**	122,690	163,329
Total revenue		86,808,880	64,754,589
Wages, salaries and employee benefits	**19**	(41,664,359)	(39,997,102)
Supplies & consumable used	**20**	(2,873,886)	(2,561,673)
Depreciation of assets	**21**	(13,601,440)	(10,957,959)
Maintenance of property, plant & equipment	**22**	(5,278,905)	(3,200,977)
Other recurrent expenditure	**23**	(13,977,373)	(12,789,518)
Finance Cost	**24**	(859)	
Total expenditure		(77,396,821)	(69,507,229)
Surplus/Deficit for the year		**9,412,059**	**(4,752,640)**

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Chairman

Board member

SRI LANKA ATOMIC ENERGY REGULATORY COUNCIL
STATEMENT OF CHANGERS IN NET ASSETS / EQUITY
AS AT 31ST DECEMBER 2021
(ALL AMOUNTS ARE IN SRI LANKAN RUPEES)

	Capital grant	Reserves	Accumulated fund related to asset & liabilities transferred from AEA	Accumulated fund of the Council	Accumulated deficit	Total
Balance at 31st December 2019	**32,108,068**	**3,454,450**	**(3,463,512)**	**26,347,423**	**(17,483,619)**	**40,962,810**
Opening balance adjustments made						
Received for the year	2,231,000	11,084,475		13,865,552		27,181,027
Adjustments made for current year	(5,911,849)	(691,399)	(358,281)	(11,406,961)		(18,368,490)
Deficit for the year					(4,752,640)	(4,752,640)
Balance at 31st December 2020	**28,427,219**	**13,847,526**	**(3,821,793)**	**28,806,014**	**(22,236,259)**	**45,022,707**
Opening balance adjustments made						
Received for the year	6,278,200	4,342,620				10,620,820
Adjustments made for current year	(5,150,383)	(3,437,485)	9,672	(5,011,266)	61,661	(13,527,801)
Deficit for the year					9,412,059	9,412,059
Balance at 31st December 2021	**29,555,036**	**14,752,661**	**(3,812,121)**	**23,794,748**	**(12,762,539)**	**51,527,785**

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Chairman

Board member

SRI LANKA ATOMIC ENERGY REGULATORY COUNCIL
CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST DECEMBER 2021
(ALL AMOUNTS ARE IN SRI LANKAN RUPEES)

	2021	2020
CASH FLOW FROM OPERATING ACTIVITIES		
Receipt		
Sales of goods and services	23,957,500	18,603,328
Receipt of recurrent grant	49,034,450	31,800,000
Other income	157,483	72,446
Receipt of loan interest	97,176	90,883
Payment		
Employee cost	(43,204,219)	(34,634,885)
Suppliers	(2,830,993)	(2,653,445)
Other payments	(21,751,098)	(17,635,149)
Net cash flow from operating activities	**5,460,299**	**(4,356,822)**
CASH FLOW FROM INVESTING ACTIVITIES		
Receipt of capital grant	6,278,200	2,231,000
Property, plant & equipment	(4,685,466)	(3,633,713)
Net cash flow from investing activities	**1,592,734**	**(1,402,713)**
CASH FLOW FROM FINANCIAL ACTIVIES		
Recovery of loans	1,712,203	1,441,754
Payment of loans *(Please see schedule 4)*	(1,950,000)	(932,292)
Net cash flow from financial activities	**(237,797)**	**509,462**
Net increase / decrease in cash & cash equivalent	**6,815,236**	**(5,250,073)**
Cash & cash equivalent at the beginning of the year		
Cash at bank	7,987,327	13,237,400
Stamp stock	2,337	20,553
Cash & cash equivalent at the end of the year		
Cash at bank	14,802,563	7,987,327
Stamp stock	42,220	2,337

The accounting polices and notes on Pages 1 to 26 form an integral part of these Financial Statements.
We the undersigned, being the Accountant and the Director General of Sri Lanka Atomic Energy Regulatory Council certify jointly that these Financial Statements are in compliance with the requirement of the Finance Act.

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Director General

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Chairman

Board member

SRI LANKA ATOMIC ENERGY REGULATORY COUNCIL
NOTES TO THE ACCOUNTS

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 General

1.1.1 Basis of preparation

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

1.1.2 Functional and presentation currency

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

1.1.3 Comparative information

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

1.1.4 Changes in accounting policies

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

1.1.5 Events occurring after the balance sheet date

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

1.1.6 Taxes

The council has not registered for VAT and hence do not collect VAT from their customers for the financial year 2021. Stamp duty and Income tax have been paid to the department of Inland Revenue under the TIN number which has been obtained by the council.

1.2 Assets and basis of their valuation

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

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

1.2.1 Plant & equipment

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

1.2.2 Intangible assts

The computer software is shown at cost less depreciation under the intangible assets.

1.2.3 Depreciation

Provision for depreciation is calculated using the straight-line method on the cost or revaluation of all property, plant & equipment, in order to write-off such amount over the estimated useful economic life of such assets. Providing depreciation from the date of purchase to the date of dispose on the plant & equipment was the depreciation policy of the Council.

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 %

1.2.4 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)

1.2.5 Cash & cash equivalents

Cash flow statement has been prepared by using the direct method. Cash &cash equivalents are defined as cash at Bank and stamp stock which are easily convertible.

1.3 Liabilities and provisions

1.3.1 Retirement benefit to employees

a) Defined benefit plan

The Council policy for contribution to Employee's Provident Fund is 15% and Employee's Trust Fund is 3% as per the Act for provident fund and trust fund respectively.

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

1.3.2 Trade and other payable

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

1.3.3 Capital commitment and contingent liabilities

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

1.3.4 Provisions

Provisions are recognized as Sri Lanka Atomic Energy Regulatory Council's present obligation

1.4 Differed income

1.4.1 Grant and donations

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

1.4.2 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 capital fund with due adjustment for depreciation component of fixed assets. Capital grant received from other sources are shown as differed income under non-current liability.

1.5 Statement of financial performance

Income and expenditure accounts are prepared in accrual basis.

1.5.1 Revenue and expenditure recognition

Major source of revenue is internally generated income from the services specified in the Act no 40 of 2014.

1.5.1.1 Revenue

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

1.5.1.2 Expenditure

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

2. CORPORATE INFORMATION

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

NOTES TO THE ACCOUNTS
AS AT 31ST DECEMBER 2021
(ALL AMOUNTS ARE IN SRI LANKAN RUPEES)

			2021	2020
	Current assets			
3	Cash at bank			
	A/C No. 055-1001-70027110		14,802,563	7,987,327
	Stamp stock		42,220	2,337
		Balance at the end of the year	14,844,783	13,257,953
4	**Receivables**		2,638,443	2,405,371
	Trade receivable			
4.1	Debtors			
	Trade debtors - related to current year		4,833	
		Balance at the end of the year	4,833	
	Staff & non trade receivables			
4.2	Staff debtors		38,819	13,448
	(Please see schedule 1)	Balance at the end of the year	38,819	13,448
4.3	Other debtors			39,682
		Balance at the end of the year		34,930
4.4	Advances & Loans			
	Festival advance			
	Distress loan		2,494,790	2,256,993
	(Please see schedule 2)	Balance at the end of the year	2,494,790	2,256,993
4.5	**Refundable deposits (receivable)**		100,000	100,000
5	**Inventories**			
	Office, consumable, stationary & vehicles pare stock		763,249	759,644
		Balance at the end of the year	763,249	759,644

NOTES TO THE ACCOUNTS
AS AT 31ST DECEMBER 2021
(ALL AMOUNTS ARE IN SRI LANKAN RUPEES)

			2021	2020
6	**Prepayments**			
	Western Provincial Council		13,532	21,630
	Sri Lanka Insurance Co. Ltd		420,449	465,364
	Gestetner of Ceylon		14,420	14,420
	Office Network (Pvt) Ltd		4,682	4,089
	Metropoliton Office (Pvt) Ltd		113,332	35,103
	Soft Vision Technologies (Pvt) Ltd		28,984	29,071
	Ceylon Business Applications (Pvt) Ltd		4,820	4,820
	Laugfs Eco Sri (Pvt) Ltd			2,875
	E-W Information System Ltd		30,185	42,331
	Abans PLC			42,802
		Balance at the end of the year	630,405	662,505
7	**Property plant & equipment**			
	Property plant & equipment		65,179,858	69,735,484
7.1	Intangible Assets		1	20,202
	(Please see note 7 details)		65,179,859	69,755,686
8	**Trade payable**		3,830,405	3,935,488
8.1	**Creditors & Accruals**			
	Balance at the beginning of the year		3,606,037	2,506,894
	Settlement during the year		(3,044,376)	(1,940,233)
	Adjustment made for the year		(52,031)	
	Provision for the year		3,290,775	3,039,376
	(Please see schedule 3)	Balance at the end of the year	3,800,405	3,606,037
8.2	**VAT payable from debtors**		14,451	14,451
	Adjustment made for the year		4,337	
	Settlement during the year		(18,788)	
			-	14,451
	Advance income for training course			315,000
9	**Advance income for licence fees**		9,343,100	14,922,850
	(Over 1 year less than 2 years)		9,343,100	14,922,850
10	**Advance income for licence fees**		7,086,234	1,261,950
	(Over 2 years &upto 3 years)		7,086,234	1,261,950
11	**Retirement benefit obligations**			
	Balance at the beginning of the year		16,429,875	13,550,155
	Adjustment made for the year		(200,253)	
	Less: Cash paid		(5,212,680)	
	Add: Provision for the year		1,252,273	2,879,720
		Balance at the end of the year	12,269,215	16,429,875

NOTES TO THE ACCOUNTS
AS AT 31ST DECEMBER 2021
(ALL AMOUNTS ARE IN SRI LANKAN RUPEES)

		2021	2020
	Capital & Reserves		
12	**Capital grant**		
	Balance at the beginning of the year	28,427,219	32,108,068
	Capital grant received for the year	6,278,200	2,231,000
	Disposal of equipment	(778)	(14,975)
	Adjustment made for the year	891	
	Giving to air force		(739,084)
	Application of depreciation policy	(5,150,497)	(5,157,790)
	Balance at the end of the year	29,555,036	28,427,219
13	**Revaluation reserve**		
	Balance at the beginning of the year	13,847,526	3,454,450
	Revaluation reserve for the year	4,342,620	11,084,475
	Disposal of equipment	(1,657)	(529)
	Application of depreciation policy	(3,435,828)	(690,870)
	Balance at the end of the year	14,752,661	13,847,526
14	**Accumulated Fund (related to asset & liabilities from AEA)**		
	Balance at the beginning of the year	(3,821,793)	(3,463,512)
	Adjustment made for the year	14,413	(8)
	Application of depreciation policy	(4,741)	(358,273)
	Balance at the end of the year	(3,812,121)	(3,821,793)
15	**Accumulated Fund (AERC)**		
	Balance at the beginning of the year	28,806,014	26,347,423
	Received for the donation		13,865,552
	Given to Air force		(6,655,934)
	Application of depreciation policy	(5,011,266)	(4,751,027)
	Balance at the end of the year	23,794,748	28,806,014
16	**Deficit**		
	Balance at the beginning of the year	(22,236,259)	(17,483,619)
	Adjustment made for the year	61,661	
	Deficit for the year	9,412,059	(4,752,640)
	Balance at the end of the year	(12,762,539)	(22,236,259)

NOTES TO THE ACCOUNTS
AS AT 31ST DECEMBER 2021
(ALL AMOUNTS ARE IN SRI LANKAN RUPEES)

		2021	2020
17	**Revenue**		
	Government grant recurrent	49,034,450	31,800,000
	Differed revenue	13,601,440	10,957,959
	Room plan approval fee	738,600	1,199,100
	Import & export approval fee	4,247,800	3,385,600
	Licence application processing fee	1,318,000	354,000
	Licence fees	17,281,500	16,149,901
	Transport & inspection charges	119,200	18,000
	Training course	336,500	514,500
	Surcharges fees	8,700	212,200
		86,686,190	64,591,260
18	**Other revenue**		
	Interest on loan	97,176	90,883
	Other income	21,312	72,023
	Disposal profit	4,202	423
		122,690	163,329
19	**Wages, salaries and employee benefits**		
	Salaries	24,118,929	22,814,566
	Employees Provident Fund	4,118,175	3,905,728
	Employees Trust Fund	823,369	780,809
	Cost of living	3,363,263	3,204,515
	Chairman allowance	900,000	808,836
	Trainee allowance	139,500	212,250
	OT & holiday allowance	731,404	503,299
	Encashment of medical leave	2,182,885	2,109,702
	Incentive	102,000	163,767
	Gratuity for the year	1,181,010	2,879,721
	Fuel allowance (Chairman, DG & Director)	2,463,988	1,252,870
	Leave Payment for retirement	126,351	
	Professional allowance	1,413,484	1,361,039
		41,664,359	39,997,102
20	**Supplies & consumable used**		
	Fuel	1,026,647	801,608
	Stationary & office consumable	1,757,726	1,662,692
	Uniforms	89,513	97,373
		2,873,886	2,561,673
21	**Depreciation of asset**		
	Depreciation on acquisition of assets	13,602,331	10,957,959
	Adjustment made for the year	(891)	
		13,601,440	10,957,959

NOTES TO THE ACCOUNTS
AS AT 31ST DECEMBER 2021
(ALL AMOUNTS ARE IN SRI LANKAN RUPEES)

		2021	2020
22	**Maintenance of property, plant equipment**		
	Maintenance of office building	353,223	304,019
	Maintenance of office equipment, furniture & fitting	823,144	621,926
	Maintenance motor vehicle & insurance	3,910,538	2,275,032
	Calibration of measuring instruments	192,000	
		5,278,905	3,200,977
23	**Other recurrent expenditure**		
	Payment for Board Members	402,000	300,000
	Traveling for Board Members	198,000	150,000
	Refreshment for Board Members	28,109	33,387
	Staff local training programme	45,750	17,000
	Incidental expenses for visiting scientist	8,635	12,488
	Training programme, workshop & seminar	177,021	936,683
	Inspection charges		42,400
	Medical test for radiation workers	484,625	490,050
	Travelling	118,640	96,214
	Travelling foreign (IAEA General Conference)		
	Transportation	165,147	127,728
	Postal charges	234,584	140,712
	Water	30,214	63,898
	Building rent	7,284,534	5,772,739
	Telephone	1,121,541	875,853
	Internet & Fax	141,738	296,951
	Electricity	172,626	538,415
	Insurance	1,315,323	1,448,645
	Audit fees	1,022,200	500,000
	Advertisement & Publicity	105,624	170,343
	Subscription newspapers	17,250	22,240
	Printing & Publication	621,556	555,905
	Staff welfare	196,610	135,608
	Stamp duty	8,650	5,225
	Miscellaneous expenses	76,997	44,714
	Income tax		12,320
		13,977,373	12,789,518
24	**Finance Cost**		
	Bank charges	859	

PROPERY PLANT & EQUIPMENT – NOTE NO 7

TANGIBLE ASSETS NOTE

(ALL AMOUNTS ARE IN SRI LANKAN RUPEES)

	Life of the asset	Balance as at 01.01.2021	Adjustment made	Revaluation	Additions	Transfer	Disposal	Balance as at 31.12.2021
PROPERTY, PLANT & EQUIPEMT								
Scientific equipment	10	38,016,802	(372,345)	11,690			(2,014,303)	**35,641,844**
Scientific equipment donation	10	50,967,924	(12,835,612)	402,735	1,613,206		(1,117,183)	**39,031,070**
Office equipment / furniture & fittings	10	5,965,657	(7,875)	275	857,227		(1,640)	**6,813,644**
Motor vehicles	4	25,790,000	(5,795,000)	3,900,000				**23,895,000**
Library books	10	5,361						**5,361**
Computer items & software package	3	2,781,426	(794,009)	18,270	1,759,780		(675)	**3,764,793**
Electronic items	4	1,592,549	(302,225)	9,650	455,253		(30,300)	**1,724,927**
TOTAL ASSETS VALUE		125,119,718	(20,107,066)	4,342,620	4,685,466		(3,164,101)	**110,876,638**
INTANGIBLE ASSET – NOTE NO 7.1								
Software package	3	760,000						**760,000**
TOTAL ASSETS VALUE		760,000						**760,000**

DEPRECIATION

	%	As at 01.01.2021	Adjustment made	Revaluation	Depreciation for the year	Transfer	Disposal	As at 31.12.2021	WDV as at 31.12.2021
DEPRECIATION									
Scientific equipment	10	**14,642,739**	(372,343)		3,563,332		(2,014,302)	**15,819,426**	**19,822,417**
Scientific equipment donation	10	**23,625,091**	(12,835,582)		3,714,646		(1,117,180)	**13,386,972**	**25,644,098**
Office Equipment / furniture & Fittings	10	**2,656,123**	(7,874)		649,427		(1,011)	**3,296,665**	**3,516,979**
Motor vehicles	25	**11,843,948**	(5,794,999)		4,480,365			**11,529,314**	**13,365,686**
Library books	10	**2,466**			536			**3,002**	**2,359**
Computer items & software package	33.33	**1,759,425**	(794,004)		801,548		(174)	**1,766,795**	**1,997,997**
Electronic items	25	**853,550**	(302,213)		372,275		(29,008)	**894,604**	**830,323**
TOTAL DEPRICIATION		**55,383,342**	(20,107,014)		13,582,130		(3,161,675)	**45,696,780**	**65,179,858**
INTANGIBLE ASSET									
Software package	33.33	**739,798**			20,201			**759,999**	**1**
TOTAL DEPRICIATION	33.33	**739,798**			20,201			**759,999**	**1**

BOOK VALUE	**2021**
INTANGIBLE ASSET-NOTE NO 7.1	1
PROPERTY PLANT & EQUIPMENT-NOTE NO 7	65,179,858
	65,179,859

DISCLOSURE TO ACCOUNTS

1. **Advance income for license fees**

   The income received in 2021 on account of licence fee of 2022 and onward has been accounted as advance income for license fees. Income received in advance for a period overone year but not exceeding two years should be shown as current liability and income received in advance for a period over two years but not exceeding three years as non current liability. Total advance income for licences fee accounted as under the statement of financial position.

2. **Unsettled Commitments at the end of the year 2021**

Items	Referance	Amount
AC for Laboratory	P.O. 616	278,000.00
Audio System for Training Room	P.O. 618	341,300.00
Clearing Chargers for IAEA Donation - Balance	Donation I 56419	386,794.00
Total amount (Rs.)		**1,006,094.00**

3. **Issuing invoices**

   As per the decision taken in the Audit and Management committee meeting held on 28.04.2016 the Council does not provide services on credit basis. Service income has been accounted base on Tax invoices. As per the Board decision Pro – forma invoice is being issued at the beginning of the service with effect from June 2016.

4. **Income tax**

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

5. **Property, plant & equipment**

   Fully depreciated equipment value amounting to Rs.20,107,065.63 which were included in the tangible asset have been revaluated by the committee of three internal officers appointed by the Director General on 3rd May 2021. At the revaluation committee considered the purchased cost, market price and future economic life time of the assets. The revaluation report was submitted to the Board of Management and its meeting held on 06.08.2021. The Board approved the revaluation report and instructed to implement with effect from 24.09.2021. The revalued asset amounting to Rs.4,342,620.00 and revaluation reserve amounting Rs.4,342,620.00 have been shown under property plant and equipment and revaluation reserve respectively in the financial position statement. Revaluation of asset and fully depreciated asset are as follows.

   It was indicated in the Audit Report of 2020 that Property, plant and equipment balance has reported Rs.891/= less as at 31st December 2020. This amount was corrected in this year Final Accounts.

List of revaluation of assets

Item No	Item	AERC code	Qty	Revalue Amount	Total
Scientific Equipment					
1	Quality Control Beam Checker	AERC/SC/I/6/22	1	9,800.00	
2	External Power Supply Unit Compatible to the victoreen 4000M+	AERC/SC/I/8/24	1	1,890.00	
3	Survey Meter W/Case and Cable	AERC/SC/I/10/34	1	3,580.00	
4	Survey Meter W/Case and Cable	AERC/SC/I/10/35	1	3,580.00	
5	Telescopic Probe for Radiagem 2000	AERC/SC/I/10/36	1	5,900.00	
6	Alpha/ Beta Probe	AERC/SC/I/10/37	1	18,000.00	
7	Alpha/ Beta Probe	AERC/SC/I/10/38	1	18,000.00	
8	Alpha/ Beta Probe	AERC/SC/I/10/39	1	6,240.00	
9	Alpha/ Beta Probe	AERC/SC/I/10/40	1	6,240.00	
10	Telescopic Probe	AERC/SC/I/10/41	1	28,880.00	
11	Scintillation probe	AERC/SC/I/10/42	1	17,100.00	
12	Scintillation probe	AERC/SC/I/10/43	1	17,100.00	
13	Sodium Iodine Detector	AERC/SC/I/10/45-I	1	19,280.00	
14	Inspector 1000	AERC/SC/I/10/45-2	1	38,550.00	
15	Ion- Chamber Survey Meter	AERC/SC/I/10/46	1	34,690.00	
16	Micro Sievert Meter	AERC/SC/I/10/47	1	13,650.00	
17	Red Eye PRD	AERC/SC/I/10/49	1	5,990.00	
18	Red Eye PRD	AERC/SC/I/10/50	1	5,990.00	
19	Red Eye PRD	AERC/SC/I/10/51	1	5,990.00	
20	Red Eye PRD	AERC/SC/I/10/52	1	5,990.00	
21	Red Eye PRD Back Pack	AERC/SC/I/10/53	1	60,630.00	
22	Red Eye PRD Back Pack	AERC/SC/I/10/54	1	60,630.00	
23	Ludlum Swipe Counter	AERC/SC/I/12/55	1	4,670.00	
24	Ludlum Field Scalar	AERC/SC/I/12/56	1	6,000.00	
25	Radiagem Calibration	AERC/SC/I/12/57	1	920.00	
26	Canbara Audio - R	AERC/SC/I/12/58	1	960.00	
27	Canbara Audio - R Headset	AERC/SC/I/12/59	1	960.00	
28	Pelican Case for R O 20 Units	AERC/SC/I/12/60	1	630.00	
29	Hostler unit for Red Eye PRD	AERC/SC/I/12/61-1	1	95.00	
30	Hostler unit for Red Eye PRD	AERC/SC/I/12/61-2	1	95.00	
31	Hostler unit for Red Eye PRD	AERC/SC/I/12/61-3	1	95.00	
32	Hostler unit for Red Eye PRD	AERC/SC/I/12/61-4	1	95.00	
33	Hostler unit for Red Eye PRD	AERC/SC/I/12/61-5	1	95.00	
34	Neck Lanyard Holder	AERC/SC/I/12/62-1	1	60.00	
35	Neck Lanyard Holder	AERC/SC/I/12/62-2	1	60.00	
36	Neck Lanyard Holder	AERC/SC/I/12/62-3	1	60.00	
37	Neck Lanyard Holder	AERC/SC/I/12/62-4	1	60.00	
38	Neck Lanyard Holder	AERC/SC/I/12/62-5	1	60.00	
39	Test Adapter Red Eye PRD	AERC/SC/I/12/63	1	1,500.00	
40	Packing Kit	AERC/SC/I/12/64-1	1	2,710.00	
41	Packing Kit	AERC/SC/I/12/64-2	1	2,710.00	
42	Ludlum Carrying Case	AERC/SC/I/22/1	1	790.00	414,425.00
43	Radiagem Carrying Case	AERC/SC/I/22/2-1	1	980.00	

44	Radiagem Carrying Case	AERC/SC/I/22/2-2	1	980.00	
45	Radiagem Cable 1.5 M long	AERC/SC/I/22/3-1	1	1,070.00	
46	Radiagem Cable 1.5 M long	AERC/SC/I/22/3-2	1	1,070.00	
Office Equipment					
47	Calculator	AERC/C/10/CA/05	1	90.00	
48	Dot Matrix Printer	AERC/E/C2/DM/3	1	910.00	
49	Finger Print	AERC/C3/FPM/1	1	1,900.00	
50	Multimedia Projector	AERC/C9/MP/1	1	3,100.00	
51	Tripod Screen	AERC/C9/MP/1-1	1	450.00	
52	Digital Recorder	AERC/C3/DR/1	1	210.00	
53	Digital Camera	AERC/C3/CA/1	1	2,000.00	
54	Key Board	AERC/C1/KB/01	1	15.00	
55	Key Board	AERC/C1/KB/02	1	15.00	
56	Laptop	AERC/C1/LTC/23	1	2,870.00	
57	MS Office	AERC/CT/508/8	1	700.00	
58	Desktop Computer	AERC/C1/DT/01	1	2,360.00	
59	Desktop Computer	AERC/C1/DT/02	1	2,360.00	
60	Desktop Computer	AERC/C1/DT/03	1	2,360.00	
61	Desktop Computer	AERC/C1/DT/04	1	2,360.00	
62	Desktop Computer	AERC/C1/DT/05	1	2,360.00	
63	Desktop Computer	AERC/C1/DT/06	1	2,360.00	
64	UPS	AERC/UPS/01	1	85.00	
65	UPS	AERC/UPS/02	1	85.00	
66	UPS	AERC/UPS/03	1	85.00	
67	UPS	AERC/UPS/04	1	85.00	
68	UPS	AERC/UPS/05	1	85.00	
69	UPS	AERC/UPS/06	1	85.00	
70	Revolving Chair	AERC/B4/ERS/35	1	275.00	
71	Nissan Sunny N17 Motor Car – Petrol CAM 4454	AERC/15/MV/4	1	3,900,000.00	3,927,205.00
Office Equipment					
72	Pedestal Fan	AERC/C19/P/13	1	170.00	
73	Pedestal Fan	AERC/C19/P/14	1	170.00	
74	Pedestal Fan	AERC/C19/P/11	1	170.00	
75	Pedestal Fan	AERC/C19/P/25	1	170.00	
76	Pedestal Fan	AERC/C19/P/20	1	170.00	
77	Calculator	AERC/C19/P/27	1	140.00	990.00
Total					**4,342,620.00**

List of fully depreciation assets

Item No	Item	AERC code	Qty	Fully depreciation purchase amount	Total
Scientific Equipment					
1	Quality Control Beam Checker	AERC/SC/I/6/22	1	312,281.18	
3	External Power Supply Unit Compatible to the victoreen 4000M+	AERC/SC/I/8/24	1	60,063.83	
4	Survey Meter W/Case and Cable	AERC/SC/I/10/34	1	114,186.60	
5	Survey Meter W/Case and Cable	AERC/SC/I/10/35	1	114,186.60	
6	Telescopic Probe for Radiagem 2000	AERC/SC/I/10/36	1	188,234.88	
7	Alpha/ Beta Probe	AERC/SC/I/10/37	1	573,816.50	
8	Alpha/ Beta Probe	AERC/SC/I/10/38	1	573,816.50	
9	Alpha/ Beta Probe	AERC/SC/I/10/39	1	198,961.50	
10	Alpha/ Beta Probe	AERC/SC/I/10/40	1	198,961.50	
11	Telescopic Probe	AERC/SC/I/10/41	1	920,413.20	
12	Scintillation probe	AERC/SC/I/10/42	1	544,981.50	
13	Scintillation probe	AERC/SC/I/10/43	1	544,981.50	
15	Sodium Iodine Detector	AERC/SC/I/10/45-I	1	614,300.84	
16	Inspector 1000	AERC/SC/I/10/45-2	1	1,228,601.84	
18	Ion- Chamber Survey Meter	AERC/SC/I/10/46	1	1,105,533.91	
19	Micro Sievert Meter	AERC/SC/I/10/47	1	434,947.15	
21	Red Eye PRD	AERC/SC/I/10/49	1	191,003.04	
22	Red Eye PRD	AERC/SC/I/10/50	1	191,003.04	
23	Red Eye PRD	AERC/SC/I/10/51	1	191,003.04	13,207,957.13
24	Red Eye PRD	AERC/SC/I/10/52	1	191,003.04	
25	Red Eye PRD Back Pack	AERC/SC/I/10/53	1	1,931,945.00	
26	Red Eye PRD Back Pack	AERC/SC/I/10/54	1	1,931,945.00	
27	Ludlum Swipe Counter	AERC/SC/I/12/55	1	148,788.61	
28	Ludlum Field Scalar	AERC/SC/I/12/56	1	191,464.41	
29	Radiagem Calibration	AERC/SC/I/12/57	1	29,411.71	
30	Canbara Audio - R	AERC/SC/I/12/58	1	30,565.10	
31	Canbara Audio - R Headset	AERC/SC/I/12/59	1	30,565.10	
32	Pelican Case for R O 20 Units	AERC/SC/I/12/60	1	20,184.51	
33	Hostler unit for Red Eye PRD	AERC/SC/I/12/61-1	1	2,998.84	
34	Hostler unit for Red Eye PRD	AERC/SC/I/12/61-2	1	2,998.84	
35	Hostler unit for Red Eye PRD	AERC/SC/I/12/61-3	1	2,998.84	
36	Hostler unit for Red Eye PRD	AERC/SC/I/12/61-4	1	2,998.84	
37	Hostler unit for Red Eye PRD	AERC/SC/I/12/61-5	1	2,998.84	
38	Neck Lanyard Holder	AERC/SC/I/12/62-1	1	1,845.44	
39	Neck Lanyard Holder	AERC/SC/I/12/62-2	1	1,845.44	
40	Neck Lanyard Holder	AERC/SC/I/12/62-3	1	1,845.44	
41	Neck Lanyard Holder	AERC/SC/I/12/62-4	1	1,845.44	
42	Neck Lanyard Holder	AERC/SC/I/12/62-5	1	1,845.44	
43	Test Adapter Red Eye PRD	AERC/SC/I/12/63	1	47,866.10	

44	Packing Kit	AERC/SC/I/12/64-1	1	86,505.00	
45	Packing Kit	AERC/SC/I/12/64-2	1	86,505.00	
46	Ludlum Carrying Case	AERC/SC/I/22/1	1	25,144.12	
47	Radiagem Carrying Case	AERC/SC/I/22/2-1	1	31,141.80	
48	Radiagem Carrying Case	AERC/SC/I/22/2-2	1	31,141.80	
49	Radiagem Cable 1.5 M long	AERC/SC/I/22/3-1	1	34,140.64	
50	Radiagem Cable 1.5 M long	AERC/SC/I/22/3-2	1	34,140.64	
Office Equipment					
51	Calculator	AERC/C/10/CA/05	1	2,450.00	6,882,308.50
52	Dot Matrix Printer	AERC/E/C2/DM/3	1	32,500.00	
54	Finger Print	AERC/C3/FPM/1	1	66,600.00	
55	Multimedia Projector	AERC/C9/MP/1	1	120,000.00	
56	Tripod Screen	AERC/C9/MP/1-1	1	6,000.00	
57	Digital Recorder	AERC/C3/DR/1	1	8,875.00	
58	Digital Camera	AERC/C3/CA/1	1	49,000.00	
59	Key Board	AERC/C1/KB/01	1	550.00	
60	Key Board	AERC/C1/KB/02	1	550.00	
61	Laptop	AERC/C1/LTC/23	1	112,500.00	
62	MS Office	AERC/CT/508/8	1	35,408.50	
63	Desktop Computer	AERC/C1/DT/01	1	103,800.00	
64	Desktop Computer	AERC/C1/DT/02	1	103,800.00	
65	Desktop Computer	AERC/C1/DT/03	1	103,800.00	
66	Desktop Computer	AERC/C1/DT/04	1	103,800.00	
67	Desktop Computer	AERC/C1/DT/05	1	103,800.00	
68	Desktop Computer	AERC/C1/DT/06	1	103,800.00	
69	UPS	AERC/UPS/01	1	3,700.00	
70	UPS	AERC/UPS/02	1	3,700.00	
71	UPS	AERC/UPS/03	1	3,700.00	
72	UPS	AERC/UPS/04	1	3,700.00	
73	UPS	AERC/UPS/05	1	3,700.00	
74	UPS	AERC/UPS/06	1	3,700.00	
75	Revolving Chair	AERC/B4/ERS/35	1	7,875.00	
76	Nissan Sunny N17 Motor Car – Petrol CAM 4454	AERC/15/MV/4	1	5,795,000.00	
Office Equipment					
77	Pedestal Fan	AERC/C19/P/13	1	2,000.00	16,800.00
78	Pedestal Fan	AERC/C19/P/14	1	2,500.00	
79	Pedestal Fan	AERC/C19/P/11	1	4,000.00	
80	Pedestal Fan	AERC/C19/P/25	1	4,000.00	
81	Pedestal Fan	AERC/C19/P/20	1	4,000.00	
82	Calculator	AERC/C19/P/27	1	300.00	
Total					**20,107,065.63**

6. Donations

The Council has paid only Custom Duty of Rs.1,613,206.00 for this year for the equipment received from IAEA. The value of equipment will be included in the 2022 statements.

7. Regarding Vehicle Number JZ 6200

The Secretary of the Ministry of Power and Energy handed over the Toyota Prado vehicle bearing number JZ 6200 belonging to the Ministry to the council by the letter dated 16.06.2020

Eventhough a court case is pending in the Kandy Court regarding this vehicle and the case has not been decided yet, our council has been given permission to carry out maintenance and repair work related to the vehicle through the same letter dated 16.06.2020.

This vehicle has not been accounted as an asset as a court case is pending and only expenses for the vehicle have been accounted.

All the expenses incurred in connection with the above vehicle are given below.

Vehicle Number	Amount (Rs.)
Toyota Prado Jeep - JZ 6200	2,144,396.04

8. Accumulated Fund (related to asset & liabilities from AEA)

The Council has already identified and is studying to correct the existence of a debit balance of the Accumulated Fund received from the Atomic Energy Authority in the Financial Statements as pointed out in the Audit 2021.

Therefore, it is currently being reviewed and appropriate action is being taken. It is planned to complete it in the future as it will take some more time. Therefore, in the preparation of final accounts for this year as well, the previous accounting system has been followed in this regard.

9. VAT payable from debtors

As pointed out in the 2020 Financial Statements Audit, the vat value of Rs 14451/- related to debtors has been taken by us from the Atomic Energy Authority. After correcting the errors related to the previous years, the balance was Rs. 18,788 / =. The total amount was paid to the Inland Revenue Department by 2021.12.15 and was properly accounted for and corrected.

SCHEDULE – 1

STAFF DEBTORS

No.	Name	Amount (Rs.)
1	Mr.W.A.K.Lakshman	4,674.56
2	Mr.H.L.Anil Ranjith	3,675.54
3	Mrs.A.I.Dunusinghe	13,151.86
4	Mr.T.H.S.Shantha	4,962.46
5	Mr.U.W.K.H.de Silva	3,204.34
6	Mrs.N.N.Baduge	2,053.55
7	Mr.K.N.R.Fernando	478.14
8	Mr.K.S.S.Kumara	478.14
9	Mr.K.K.P.I.K.Kadadunna	3,329.13
10	Mrs.K.G.K.U.Gamage	2,572.14
11	Mr. H.J.Premakumara	239.07
Total		**38,818.93**

SCHEDULE – 2
LOANS –DISTRESS LOAN

No.	Name	Amount (Rs.)
1	Mr.A.P.Madushanka	31,249.98
2	Mrs.N.P.N.Karunarathne	67,708.29
3	Mrs.K.G.K.U.Gamage	83,333.28
4	Mr.K.A.D.T.Jayaruwan	93,749.94
5	Mrs.A.I.Dunusinghe	182,291.55
6	Mr.W.A.K.Lakshman	114,583.26
7	Mr.K.K.P.I.K.Kadadunna	109,374.93
8	Mr.K.N.R.Fernando	119,791.59
9	Mr. W.W.R.L.Medis	177,083.22
10	Mr.P.A.D.I.P.Abeyrathne	197,916.54
11	Mr.A.B.A.S.Nishantha	197,916.54
12	L.H.J.Kumara	203,124.87
13	C.S.Herath	208,333.20
14	K.T.Thanuja Dilrukshi	223,958.19
15	Jayantha Premakumara	234,374.85
16	N.N.Baduge	250,000.00
Total		**2,494,790.23**

SCHEDULE – 3
TRADE PAYABLE – CREDITORS & ACCRUALS

No.	Name	Amount
1	Dialog Broadband Networks (Pvt) Ltd - Telephone	11,686.53
2	Mobitel (Pvt) Ltd -Telephone	19,743.78
3	Sri Lanka Telecom PLC - Telephone	70,148.99
4	S. Batagoda - Fuel	52,252.86
5	Dialog Axiata PLC - Telephone	3,815.66
6	Sri Lanka Atomic Board - Cleaning	43,200.00
7	Sri Lanka Atomic Board - Electricity	14,783.32
8	Office Staff - Training Allowance	16,000.00
9	Office Staff - Over Time	37,402.74
10	Office Staff - Holiyday Payments	30,721.50
12	BanK Charges	810.00
13	Auditor General – Audit Fee	1,300,000.00
14	Commissioner General Inland Revenue – Stamp Duty	6,325.00
15	Office Staff - Subsistance	1,000.00
16	Encashment of Medical Leave	2,182,885.00
Total		**3,790,775.38**

SCHEDULE – 4
PAYMENT OF LOANS – DISTRESS LOAN & FESTIVAL ADVANCE

No.	Name	Amount(Rs.)	Total
DISTRESS LOAN			
1	Mr.P.A.D.I.P.Abeyrathne	250,000.00	
2	Mr.A.B.A.S.Nishantha	250,000.00	
3	L.H.J.Kumara	250,000.00	
4	C.S.Herath	250,000.00	
5	K.T.Thanuja Dilrukshi	250,000.00	
6	Jayantha Premakumara	250,000.00	
7	N.N.Baduge	250,000.00	**1,750,000.00**
Festival Advance			
1	Mr.W.A.K. Lakshman	10,000.00	
2	Mr.E.R.Premasiri	10,000.00	
3	Mrs.A.I. Dunusinghe	10,000.00	
4	Mrs.N.N.Baduge	10,000.00	
5	Mr.K.K.P.I.K. Kadadunna	10,000.00	
6	Mr.K.A.D.T. Jayaruwan	10,000.00	
7	Mrs.K.G.K.U. Gamage	10,000.00	
8	Mr.P.A.D.I.P. Abeyrathne	10,000.00	
9	Mr.A.P. Madushanka	10,000.00	
10	Mr.W.W.R.L. Medis	10,000.00	
11	Mrs.N.P.W.D.D.Rodrigo	10,000.00	200,000.00

12	Mr.L.H.J. Kumara	10,000.00	
13	Mrs.K.T. Thanuja Dilrukshi	10,000.00	
14	Mr.J.M.C.Ekanayake	10,000.00	
15	Mr.A.B.A.S. Nishantha	10,000.00	
16	Mrs.K.L.T.Dilhani	10,000.00	
17	Mrs.P.G.R.S.Geethani	10,000.00	
18	Mr.M.D.M.Weerasinghe	10,000.00	
19	Mr.I.N.D.Illangasinghe	10,000.00	
20	Mr.P.W.S.P.Welikala	10,000.00	
Total			**1,950,000.00**

SRI LANKA ATOMIC ENERGY REGULATORY COUNCIL

Statement of comparison figures of budget and the actual amounts – 2021

Code	Description	Budget (Rs.)		Expenditure as at 31.12.2021 (Rs.)		Variation (Rs.)	Remarks
	Recurrent Expenditure						
	Personal emoluments		29,940,000		29,199,972.85		
.02/01	Salaries	24,458,000.00		24,118,929.20		339,070.80	
02/01A	Trainee allowance	480,000.00		139,500.00		340,500.00	
.02/02	Employees Provident Fund	4,168,000.00		4,118,174.92		49,825.08	
.02/03	Employees Trust Fund	834,000.00		823,368.73		10,631.27	
						-	
	Other allowances		13,401,000		13,303,302.26	-	
.02/05	Cost of living	3,401,000.00		3,363,263.41		37,736.59	
.02/06	Chairman allowance	900,000.00		900,000.00		-	
.02/08	Encashment of medical leave	2,235,000.00		2,182,885.00		52,115.00	
.02/09	Incentive	102,000.00		102,000.00		-	
.02/10	Gratuity	5,341,000.00		5,341,670.00		(670.00)	This amount was missed during round up.
.02/11	Professional allowance	1,422,000.00		1,413,483.85		8,516.15	
						-	
	Overtime & Holiday payments		696,000		731,404.15	-	
.02/07	OT & Holiday allowance	696,000.00		731,404.15		(35,404.15)	Due to urgent inspections and request from Covid hospitals, officers were sent outside inspections in holidays. Drivers has to be used for outside hours to provide transport for officers in Covid holidays.
						-	
	Travelling Expenses		1,935,000		118,639.50	-	
.03/01	Travelling	123,000.00		118,639.50		4,360.50	
.03/02	Travelling foreign (IAEA General Conference)	1,812,000.00		-		1,812,000.00	
						-	
	Supplies & Requisites		5,615,000		5,337,874.09	-	

.03/03	Stationary & Office consumables	1,820,000.00		1,757,726.25		62,273.75	
.03/04	Fuel	1,135,000.00		1,026,646.62		108,353.38	
.03/04A	Fuel allowance (Chairman, DG & Director)	2,570,000.00		2,463,988.22		106,011.78	
.03/05	Uniforms	90,000.00		89,513.00		487.00	
						-	
	Repaires and maintenance Expenditure		5,331,000		5,278,905.24	-	
.03/06	Maintainance of motor vehicle & insuarance	3,954,000.00		3,910,538.34		43,461.66	
.03/07	Maintainance of office building	375,000.00		353,223.40		21,776.60	
03/07A	Maintainance of office equip., furniture	810,000.00		823,143.50		(13,143.50)	Due to unexpected repairs of most important instruments, repair cost has increased in December. (Fax Machine, Franking Machine etc.
.03/7B	Calibration of measuring instument	192,000.00		192,000.00		-	
						-	
	Contractual Services		15,260,000		14,464,593.20	-	
.03/08	Transpotation	353,000.00		165,146.63		187,853.37	
.03/09	Postal charges	280,000.00		234,584.40		45,415.60	
.03/10	Telephone	1,344,000.00		1,121,541.18		222,458.82	
.03/11	Internet & Fax	130,000.00		141,737.73		(11,737.73)	Provision has not been made for bills that not received for October - December
.03/12	Electracity	200,000.00		172,625.72		27,374.28	
.03/13	Water	40,000.00		30,214.25		9,785.75	
.03/14	Building rent	7,297,000.00		7,284,533.58		12,466.42	
.03/15	Insuarance	1,430,000.00		1,315,322.91		114,677.09	
.03/16	Audit fees	730,000.00		1,022,200.00		(292,200.00)	Cost of Audit Chargers is more than for audit provision
.03/18	Advertisement & Publicity	116,000.00		105,624.00		10,376.00	
.03/19	Subscription for newspapers	22,000.00		17,250.00		4,750.00	
.03/20	Printing & Publication	800,000.00		621,555.80		178,444.20	
.03/22	Staff welfare	202,000.00		196,610.00		5,390.00	
.03/23	Stamp duty & Income tax	7,000.00		8,650.00		(1,650.00)	Due to increase of income
.03/24	Micellanious expences	114,000.00		76,997.00		37,003.00	

.05/02	Loan & Advance	1,950,000.00		1,950,000.00		-	
.03/17	Legal Expenses	5,000.00		0.00		5,000.00	
.03/31	Security	240,000.00		0.00		240,000.00	
						-	
	Other Payments		2,022,000		1,471,350.09	-	
.01/01	Payment for board members	468,000.00		402,000.00		66,000.00	
.01/02	Traveling for board members	218,000.00		198,000.00		20,000.00	
.01/03	Refreshments for board members	80,000.00		28,109.00		51,891.00	
.01/04	Staff local training programe	75,000.00		45,750.00		29,250.00	
.01/05	Incidantel expences for visiting scientist	50,000.00		8,635.00		41,365.00	
.01/06	Training programe workshop seminar	369,000.00		177,021.16		191,978.84	
.01/07	Inspection charges	20,000.00		0.00		20,000.00	
.01/08	Medical test for radiation workers	600,000.00		484,625.00		115,375.00	
.02/12	Leave payment for Retirement	140,000.00		126,351.33		13,648.67	
.03/21	Bank Charges/ Debit Tax	2,000.00		858.60		1,141.40	
	Total recurrent expenditure		**74,200,000**		**69,906,041.38**		

The accounting polices and notes on Pages 1 to 26 form an integral part of these Financial Statements. We the undersigned, being the Accountant and the Director General of Sri Lanka Atomic Energy Regulatory Council certify jointly that these Financial Statements are in compliance with the requirement of the Finance Act.

Accountant

Director General

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 singed for and on behalf of the Board of Directors of Sri Lanka Atomic Energy Regulatory Council.

Chairman

Board member

ENR/B/SLAERC/FA/2021 31 October 2022

The Chairman
Sri Lanka Atomic Energy Regulatory Council

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Sri Lanka Atomic Energy Regulatory Council for the year ended 31 December 2021 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

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1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Sri Lanka Atomic Energy Regulatory Council ("Council") for the year ended 31 December 2021 comprising the statement of financial position at 31 December 2021 and the statement of financial performance, statement of changes in net assets and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018 and Finance Act, No. 38 of 1971. My report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

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

1.2 Basis for Qualified Opinion

(a) According to Sri Lanka Public Sector Accounting Standard No. 07, If an item of property, plant and equipment is revalued, the entire class of property, plant and equipment to which that asset belongs shall be revalued. However, in contrary to that, some selected fully depreciated assets costing Rs. 20,107,066 only were revalued and a revalued gain of Rs. 4,342,620 had been accounted for.

(b) According to the Sri Lanka Public Sector Accounting Standard No. 07, If a class of property, plant and equipment is stated at revalued amounts, it shall be disclosed that whether an independent valuer was involved; the methods and significant assumptions applied in estimating the assets' fair values; and the extent to which the assets' fair values were determined directly by reference to observable prices in an active market or recent market transactions on arm's length terms or were estimated using other valuation techniques;. However, the fully depreciated 50 items of scientific equipment costing Rs. 13,207,957, 6 desktop computers costing Rs. 622,800 and a laptop computer costing Rs. 112,500 had been re-valued in the year under review by the Council as Rs. 414,425, Rs. 14,160 and Rs. 2,870 respectively and the re-valuation was not done in according to the provisions in the said standard. Further, due to non-appointment of an independent valuer for the Valuation Board, the audit could not be satisfied with respect to the revalued values.

(c) According to Sri Lanka Public Sector Accounting Standard No. 07 an asset shall be recognized as a fixed asset only after it becomes usable. Nevertheless, a sum of Rs. 1,613,206 paid for the import of a scientific instrument by 31 December 2021 that not become usable had been accounted as fixed assets and a provision for depreciation amounting to Rs. 2,210 had also been made on those assets.

(d) According to the Sri Lanka Public Sector Accounting Standard No. 07, the carrying amount of an item of property, plant and equipment shall be derecognized only on disposal; or when no future economic benefits or service potential is expected from its use or disposal. However, in contrary to that, scientific equipment costing to Rs. 2,014,303 which was decided to be used as an exhibition items had been derecognized from fixed assets during the year under review. Further, 9 scientific instruments that can be used as exhibition items had been derecognized from the fixed assets register in previous years too. In addition, the fully depreciated 4 items of scientific equipment costing to Rs. 1,117,183 were also removed from the fixed asset register, but the basis on which they were removed was not disclosed.

(e) According to the Sri Lanka Public Sector Accounting Standard No. 07, the depreciation method applied to an asset shall be reviewed at least at each annual reporting date and, if there has been a significant change in the expected pattern of the consumption of the future economic benefits or service potential embodied in the asset, the method shall be changed to reflect the changed pattern. Such a change shall be accounted for as a change in an accounting estimate. However, the Council had not taken action accordingly.

(f) The capital grants amounting to Rs. 6,278,200 received to the Council in the year under review had not been recognized as income for the year and adjustments in the accounts in accordance with Sri Lanka Public Sector Accounting Standard No. 11.

(g) According to Sri Lanka Public Sector Accounting Standard No. 20, although the cost of Computer software amounting to Rs.708,958 shall be accounted as intangible assets, it was accounted for as tangible assets.

(h) At the time of the establishment of the Sri Lanka Atomic Energy Regulatory Council in the year 2015, the assets worth Rs. 14,044,902 and liabilities worth Rs. 5,414,755 had been handed over to the Council by the Atomic Energy Authority. Accordingly, it was recognized Rs. 8,630,147 as net capital grant received from the government in that year. However, as result of over recognition of revenue annually (amortization of government grant) by exceeding this grant, the value of accumulated fund relating to the Atomic Energy Authority shown in the financial statements as at the end of the year under review has become a debit balance of Rs. 3,812,121.

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

1.3 Other information included in the Council's 2021 Annual Report.

The other information comprises the information included in the Council's 2021 Annual Report but does not include the financial statements and my auditor's report thereon, which is expected to be made available to me after the date of this auditor's report, Management is responsible for the other information.

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

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

When I read the Council's 2021 Annual Report, if I conclude that there are material misstatements therein, I am required to communicate that matter to those charged with governance for correction. If further material uncorrected misstatements are existed those will be included in my report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution that will be tabled in due course.

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

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

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

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

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

1.5 Auditor's Responsibilities for the Audit of the Financial Statements

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Council's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.

- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Council's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Council to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

I communicate with those charged with governance regarding, among other matters, significant audit findings, including any significant deficiencies in internal control that I identify during my audit.

2. Report on Other Legal and Regulatory Requirements

2.1 National Audit Act, No. 19 of 2018 include specific provisions for following requirements.

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

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

2.1.3 The financial statements presented includes all the recommendations made by me in the previous year as per the requirement of section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018 *except for the observation referred in Section 2.1 (h) of this report*.

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

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

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

	Reference to Law/ Direction	Description
(a)	**Sri Lanka Atomic Energy Act, No. 40 of 2014**	
	Section 14(1)	The Council shall consist with five members and out of them three persons who are experts in the field of nuclear science and technology or radiation protection to be appointed by the minister in charge; one person who has experience in legal aspects connected with or relating to the objectives of the Council; and a senior officer not below the rank of an Additional Secretary or a Director of the Ministry of the Minister assigned the subject of Environment, nominated by such Minister. However, the required persons who are experts in the field of nuclear science and technology or radiation protection were not appointed to the Council and only four members were appointed.
(b)	**Financial Regulations of the Government of the Democratic Socialist Republic of Sri Lanka.**	
	Financial Regulation 128(1)(j)	It has been pointed out in my previous two years audit report that five officers of the Council had obtained their first Motor Vehicles Permit on Concessionary Terms before completing the service period of approximately 01 to 06 years which to be completed for the entitlement of such permit. However, the Accounting Officer of the Council had not taken actions to rectify this matter yet as per the Financial Regulation 128(1)(j).
(c)	Assets Management Circular No. 02/2017 dated 21 December 2017	It has been emphasized that every vehicle owned by the government used by every government organizations should be registered in the name of that organization and if assets owned by other organizations are used, they should be formally taken over. The Regulatory Council has been using the Prado car number JZ-6200 owned by the Ministry of Power and Energy since 16 June 2020 and for the repair, maintenance and servicing of this car during the year under review Rs. 2,144,396 had been spent. However, this vehicle has not been formally acquired to the Regulatory Council till now.

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

(a) In terms of Section 10(c) of the Sri Lanka Atomic Energy Act No. 40 of 2014, the objective of the Council is to confirm that Sri Lanka complies with the international standards and obligations related to the nuclear energy which Sri Lanka should comply. However, the Council had not prepared rules by applying the provisions in the above standards that applicable for Sri Lanka and get approval thereof from Parliament.

(b) According to Section 11 (f) of the Sri Lanka Atomic Energy Act, No. 40 of 2014, it was stated that make recommendations to the Minister on the formulation of a national policy and strategy on protection against ionizing radiation, the safety and security of sources and nuclear and other radioactive material and on radioactive waste management is a function of the Council. However, this function had not been performed even to date.

(c) Even though according to Section 18 of the Act, the Council should license and regulate the practices related to ionizing radiation carried out by all persons including the Atomic Energy Board, the council only licensed and regulated the places where ionizing radiation is used. Accordingly, the Council did not regulate the services such as radioactivity level measurement, radiation measurement equipment calibration service, dosimeter service and work monitoring services provided by the Board. For this purpose, as per Section 12(o) of the Act, the Regulatory Council should create procedures and mechanisms to grant approval to institutions or persons involved in issuing certificates of calibration of radiation measurement and radiation measurement equipment, but such procedures and mechanism have not been drafted so far. As a recommendation of the assessment report on occupational radiation protection (ORPAS mission report) published by the International Atomic Energy Agency, it was clearly stated that the Council should give the necessary approval to provide technical services including calibration services to the Board.

(d) In terms of Section 49 of the Act, nuclear material, equipment and technologies which import into and export from Sri Lanka shall be subject to control under this Act and a list of such material, equipment and technologies should be prepared by the Council. Further, the Council shall give adequate publicity to the list so prepared, in such manner as shall be determined by the Council, and that list shall be published in the Gazette. However, the Council had not been acted accordingly yet. Although the International Atomic Energy Agency stated on its website that Sri Lanka had approved the Additional Protocol in 2018, the Council did not follow up on the progress of those activities.

(e) In terms of Section 69 of the Act, requirements for the protection of workers, the public and the environment to be complied with by all persons engaged in activities related to mining and processing operations that produce ionizing substances should be laid down by rules made by the Council for the time being, but no such rules were drafted. Further, prior approval of the Council is required for mining, grinding and processing of radioactive deposits in accordance with Section 4 of the Regulations on Ionizing Radiation Protection of the Atomic Energy Safety Regulations No. 1 of 1999. However, the Council had not done the necessary work for granting licenses for such places. As a result, the government has lost revenue from license fees, inspection fees and radiation level testing, as well as failed to legally secure the safety of the environment, public and workers.

(f) According to Section 86(1) of the Act, the Minister shall prepare Regulations regarding matters in Sections from 86(2)(a) to (h) and publish them in the Gazette in accordance with Sections 86(3) and 86(4) and submit them to the Parliament for parliamentary approval. Although on order for any of the matters prescribed in the Act had been published in Gazette and submitted to Parliament for approval even up to the date of this report.

(g) Although the Council shall make rules regarding the matters mentioned in Section 87(1) (a) to (h) of the Act and publish them in the Gazette in accordance with Sections 87(2) and 87(3) and submit them for Parliament's approval, Rules for any matter mentioned in the Act had not been gazetted and submitted to Parliament till date of audit. Instead, the regulations on ionizing radiation protection in the Atomic Energy Safety Regulations No. 01 of 1999, prepared under the Atomic Energy Authority Act No. 19 of 1969, which had been withdrawn, continued to be used. Many of the more than 22-year-old international radiation protection recommendations used to create those regulations had changed by then:

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

3. Other Matters

(a) According to Section 33 of the Mines and Minerals Act No. 33 of 1992 and the Mines and Minerals Amendment Act No. 66 of 2009, the export of any mineral containing radioactive elements is prohibited except with the approval of the Minister and any other Minister. Accordingly, the Bureau of Geological Survey and Mines has instructed the two public and private companies which process and export mineral sand to apply with a recommendation from the Council by confirming that the sand does not contain radioactive substances when submitting applications to obtain export licenses for the export of mineral sand. Accordingly, the Council should have given its recommendation on whether or not there are radioactive substances in the mineral sand. According to Sections 87(2) and 87(3) of the Sri Lanka Atomic Energy Act, if the Council is to use the terms of international standards as rules, the rules must be gazetted and approved by Parliament. But without such approval, the Council had approved 33 cases during the year under review for the export of mineral sands containing radioactive material using the provisions of the International Safety Transport of Radioactive Material Regulations (IAEA SSR - 6). Also, according to Section 5(d) of the Atomic Energy Act of Sri Lanka, the Atomic Energy Board has the power to conduct testing to determine the ionizing radiation levels of a substance. But it was also observed that the approval of the radioactive levels of the sand by the Council is creating a conflict of interest between the parties.

(b) According to the International Safe Radioactive Material Transport Regulation (IAEA SSR - 6), when exceeding the limit of ionizing radiation levels that may exist in a consignment, in order to measure the amount of radiation released to the driver, driver's assistant, the public traveling on the roads and the environment, the required on-site inspections were not carried out to measure the dosimetric rate of the containers and check whether the same sand as the samples obtained from the laboratory test reports were loaded into the respective containers after the sand was loaded. Due to not carry out such on-site inspections, the Council could not be able to recover the inspection fee of Rs. 15,770,000.

(c) In the ORPAS mission report published by the International Atomic Energy Agency, the radiation protection regulations should be developed to cover existing exposure situations, planned exposure situations and emergency exposure situations, but the regulations drafted by the Council do not specifically cover the existing exposure situations.

(d) The gazette published on 21 July 1995 had not been properly revised and presented to suit the current consumption patterns and nuclear release conditions, in order to testing the presence of ionizing radioactive substances harmful to public health in imported food items. Due to this, at present only milk powders imported to Sri Lanka are tested for ionizing radioactive materials.

(e) Due to the fact that the calibration and quality control requirements of the machines used for the diagnosis and treatment of diseases using radiology technology are not mandated by the license conditions, there is a risk of unnecessary exposure of the patients receiving services from those machines to ionizing radiation and the provision of related services. It was observed that the revenue that could be obtained by the government is lost due to this situation.

(f) In the year 2021, none of the planned national training workshops on radiation protection and national training workshops on radiation emergencies and responses for stakeholders had been carried out, while the progress of the rest of the planned tasks was in the range of 60 to 70 percent.

Sign: W.P.C. Wickramaratne
Auditor General

on the Financial Statements and Other Legal and Regulatory Requirements of the Sri Lanka Atomic Energy Regulatory Council for the year ended 31 December 2021 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

First of all, I would like to thank you for the audit report No. ENR/B/SLAERC/FA/2021 dated 31 October 2022 in relation to the above matter. I would also like to mention that the following serial numbers are comparable to the serial numbers in the above audit report.

1. Financial Statements

1.2 Qualified Opinion in the Auditor General's Report

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

1.2 Basis for Qualified Opinion and Comments thereon

(i) According to Sri Lanka Public Sector Accounting Standard No. 07, If an item of property, plant and equipment is revalued, the entire class of property, plant and equipment to which that asset belongs shall be revalued. However, in contrary to that, some selected fully depreciated assets costing Rs. 20,107,066 only were revalued and a revalued gain of Rs. 4,342,620 had been accounted for.

Since the inception of the Regulatory Council i.e. since 2015, as an accounting policy, only fully depreciated assets have been revalued in every year. But as you have pointed out, according to the revaluation model, each equipment or product category will be identified and the entire equipment or product category will be revalued after getting the approval of the Board of Directors and it will be done more systematically from the next year.

(j) According to the Sri Lanka Public Sector Accounting Standard No. 07, If a class of property, plant and equipment is stated at revalued amounts, it shall be disclosed that whether an independent valuer was involved; the methods and significant assumptions applied in estimating the assets' fair values; and the extent to which the assets' fair values were determined directly by reference to observable prices in an active market or recent market transactions on arm's length terms or were estimated using other valuation techniques;. However, the fully depreciated 50 items of scientific equipment costing Rs. 13,207,957, 6 desktop computers costing Rs. 622,800 and a laptop computer costing Rs. 112,500 had been re-valued in the year under review by the Council as Rs. 414,425, Rs. 14,160 and Rs. 2,870 respectively and the re-valuation was not done in according to the provisions in the said standard. Further, due to non-appointment of an independent valuer for the Valuation Board, the audit could not be satisfied with respect to the revalued values.

When revalued of these items, the items related to the year 2021 have been carried out by an audit committee appointed by the board of directors of the Council in the year 2021. For that purpose, the following criteria has been used by the committee.

Criteria -

1. Comparison of the current market value of the goods with the purchase price of that goods.
2. Calculation of depreciation till 2020 on the basis of depreciation rate of these goods.
3. Revalued the goods by bringing the depreciation to the nearest higher value.

As you have pointed out the current market situation is also concerned. Further, the market value of these items during these years was very low and this revaluation has been done according to the condition of the product and the year of manufacture. Therefore, although the value of the actual market transactions that have taken place in recent times as pointed out by you is high, the value of the relevant accounting years has not increased. Therefore, I point out that the recent increase cannot be used for this purpose. In addition to that, we tried to get the services of an external person for the Valuation Board 03 years ago. However, it was difficult to find a suitable person in the Valuation Department. Since many of these instruments are scientific items, it is very difficult to find the right persons with the knowledge to re-value them. But as advised by you, efforts have been made to find a suitable person from outside and once again these instruments will be revalued in the coming year taking into account the provisions of Sri Lanka Public Sector Accounting Standard No. 07.

(k) According to Sri Lanka Public Sector Accounting Standard No. 07 an asset shall be recognized as a fixed asset only after it becomes usable. Nevertheless, a sum of Rs. 1,613,206 paid for the import of a scientific instrument by 31 December 2021 that not become usable had been accounted as fixed assets and a provision for depreciation amounting to Rs. 2,210 had also been made on those assets.

We checked our fixed asset register in relation to the observations you have pointed out, and according to the clarifications received from you, we are planning to follow the proper accounting method with regard to Sri Lanka Accounting Standard No. 07 in the forthcoming accounting year.

(l) According to the Sri Lanka Public Sector Accounting Standard No. 07, the carrying amount of an item of property, plant and equipment shall be derecognized only on disposal; or when no future economic benefits or service potential is expected from its use or disposal. However, in contrary to that, scientific equipment costing to Rs. 2,014,303 which was decided to be used as an exhibition items had been derecognized from fixed assets during the year under review. Further, 9 scientific instruments that can be used as exhibition items had been derecognized from the fixed assets register in previous years too. In addition, the fully depreciated 4 items of scientific equipment costing to Rs. 1,117,183 were also removed from the fixed asset register, but the basis on which they were removed was not disclosed.

A board paper has been submitted to the board meeting held on 06.08.2021 for the revaluation of all the equipment listed here and the actions to be taken on the items mentioned in the list have also been clearly stated. Accordingly, as the value of the above items has become zero and they cannot be used for any other purpose, the recommendations for disposal have been mentioned in the above list. The list of items was approved by the Board of Directors for removal from the books. Therefore, these goods were found to be unusable items during the boards of survey conducted in 2017 and were removed from the inventory books after the value of these goods became zero. Further,

since these goods cannot be valued, it is of the opinion of the Regulatory Council that there is no point in keeping them in inventory any longer. Therefore, I would like to inform you that even though the items reserved for exhibition purposes have no value, a fixed asset register will be maintained for them from next year.

(m) According to the Sri Lanka Public Sector Accounting Standard No. 07, the depreciation method applied to an asset shall be reviewed at least at each annual reporting date and, if there has been a significant change in the expected pattern of the consumption of the future economic benefits or service potential embodied in the asset, the method shall be changed to reflect the changed pattern. Such a change shall be accounted for as a change in an accounting estimate. However, the Council had not taken action accordingly.

As you have pointed out, it is stated in paragraph 75 of Sri Lanka Public Sector Accounting Standard No. 07 that, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential contained in the asset, the method shall be changed to reflect the changed pattern.

However, since the beginning of the Regulatory Council, the assets have been depreciated under the simple method of depreciation according to the relevant depreciation rates based on the approval of the Board of Directors. It is mentioned under Notes to Accounts. Also, since there has been no significant change in the desired pattern of consumption to review and change the depreciation method of the Council, there was no need to change the depreciation rates. But as shown by the audit, steps will be taken from next year to identify the value of the goods before they become zero and determine the appropriate depreciable period.

(n) The capital grants amounting to Rs. 6,278,200 received to the Council in the year under review had not been recognized as income for the year and adjustments in the accounts in accordance with Sri Lanka Public Sector Accounting Standard No. 11.

The audit observation you have pointed out is correct. Accordingly, I would like to inform that, according to your guidance, the capital grants will be accounted as income for the year in the coming accounting year as per Sri Lanka Public Sector Accounting Standard No. 11.

(o) According to Sri Lanka Public Sector Accounting Standard No. 20, although the cost of Computer software amounting to Rs.708,958 shall be accounted as intangible assets, it was accounted for as tangible assets.

As you have pointed out, we have accounted for the cost of the computer software packages under office computers (tangible assets) since 2015. However, as you have pointed out in the audit, I hereby kindly inform you that from the next year, the cost will be accounted for under computer software (intangible assets). I would also like to inform that there is no difference in the depreciation rates related to the above asset categories.

(p) At the time of the establishment of the Sri Lanka Atomic Energy Regulatory Council in the year 2015, the assets worth Rs. 14,044,902 and liabilities worth Rs. 5,414,755 had been handed over to the Council by the Atomic Energy Authority. Accordingly, it was recognized Rs. 8,630,147 as net capital grant received from the government in that year. However, as result of over recognition of revenue annually (amortization of government grant) by exceeding this grant, the value of accumulated fund relating to the Atomic Energy Authority shown in the financial statements as at the end of the year under review has become a debit balance of Rs. 3,812,121.

At the discussion with the audit in this regard, it was stated that the methodology adopted by the Regulatory Council and the presence of a debit balance in the Accumulated Fund is correct. Accordingly, instructions were received to disclose this situation in the financial statements by means of a note in the coming year and actions will be taken accordingly.

2. Report on Other Legal and Regulatory Requirements

2.1 National Audit Act, No. 19 of 2018 include specific provisions for following requirements.

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

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

2.1.3 The financial statements presented includes all the recommendations made by me in the previous year as per the requirement of section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018 *except for the observation referred in Section 2.1 (h) of this report*.

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

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

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

Reference to Law/ Direction
Section 14(1) of the Sri Lanka Atomic Energy Act, No. 40 of 2014

The Council shall consist with five members and out of them three persons who are experts in the field of nuclear science and technology or radiation protection to be appointed by the minister in charge; one person who has experience in legal aspects connected with or relating to the objectives of the Council; and a senior officer not below the rank of an Additional Secretary or a Director of the Ministry of the Minister assigned the subject of Environment, nominated by such Minister. However, the required persons who are experts in the field of nuclear science and technology or radiation protection were not appointed to the Council and only four members were appointed.

According to Section 14 (1) of the Atomic Energy Act No. 40 of 2014, the members of the Regulatory Council are appointed by the minister in charge of the subject. The provisions of the Act have not been given to the Regulatory Council to make any recommendation for the appointments made in this regard. There is no provision in the Act to ask the Ministry or the Minister in this regard. Our institution was also reminded in the recent progress review meeting at the Ministry to make an appointment for the currently vacant board member. After written requests again, the honorable minister has nominated a member for those vacancies.

(a) Financial Regulation 128(1)(j) of the Financial Regulations of the Government of the Democratic Socialist Republic of Sri Lanka

It has been pointed out in my previous two years audit report that five officers of the Council had obtained their first Motor Vehicles Permit on Concessionary Terms before completing the service period of approximately 01 to 06 years which to be completed for the entitlement of such permit. However, the Accounting Officer of the Council had not taken actions to rectify this matter yet as per the Financial Regulation 128(1)(j).

I would like to inform you that similar audit queries have been made regarding this audit observation for the past few years and the Regulatory Council has given answers to all those queries. And I am sending the related answer as below for your kind attention.
The Ministry's Audit and Management Committee meeting and the Institute's Audit and Management Committee meeting discussed this matter and it was decided to proceed based on the decision given by the court and the explanations of the Attorney General's Department. Apart from this, the Board of Directors has also decided not to discuss this again in the Board of Directors. I am also kindly informed that the regulatory council has no ability to act outside of that top level order.

(b) Assets Management Circular No. 02/2017 dated 21 December 2017

It has been emphasized that every vehicle owned by the government used by every government organizations should be registered in the name of that organization and if assets owned by other organizations are used, they should be formally taken over. The Regulatory Council has been using the Prado car number JZ-6200 owned by the Ministry of Power and Energy since 16 June 2020 and for the repair, maintenance and servicing of this car during the year under review Rs. 2,144,396 had been spent. However, this vehicle has not been formally acquired to the Regulatory Council till now.

The vehicle No. JZ-6200 is being used by the Regulatory Council from 16 June 2020 and was handed over to the Regulatory Council by the Ministry of Power. In this regard, this fact was also pointed out in the previous year's audit. Proper and clear answers were given to you and it should be done after receiving the court decision related to the vehicle to deal with the transfer of ownership of the vehicle. As a Chief Accounting Officer, the Secretary to the Ministry has duly given approval in writing to the Regulatory Council to maintain and use the vehicle. Also, the Ministry has informed that as this car is related to a case in Kandy High Court, it will be handed over in the name of the Regulatory Council as soon as the case is over. Therefore, the transfer has been delayed until the court's decision is received by the Ministry. The Additional Secretary in charge of this subject of the Ministry was requested to act quickly in this regard and give the relevant approval to hand over the vehicle to us. The Ministry has inquired about this case from the Kandy High Court and the High Court has informed the Ministry that this case is not over yet. It is clear that a vehicle cannot be transferred to another

party during the pendency of a legal case. Accordingly, the Ministry has informed the Regulatory Council in writing that this vehicle will be handed over to the Regularly Council after the case is over.

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

(a) **In terms of Section 10(c) of the Sri Lanka Atomic Energy Act No. 40 of 2014, the objective of the Council is to confirm that Sri Lanka complies with the international standards and obligations related to the nuclear energy which Sri Lanka should comply. However, the Council had not prepared rules by applying the provisions in the above standards that applicable for Sri Lanka and get approval thereof from Parliament.**

Section 10 of the Act states the objectives of the Act and no separate legal framework can be prepared for the objectives and the laws have been prepared and included in the Act to reflect the objectives of other sections of the Act. Provisions have been made for confirmation of this purpose under Section 12(e) of the Act to ensure compliance with Section 10(c) of the Act. According to these provisions, the Regulatory Council has worked to confirm the standards and obligations that Sri Lanka must comply with.

(b) **According to Section 11 (f) of the Sri Lanka Atomic Energy Act, No. 40 of 2014, it was stated that make recommendations to the Minister on the formulation of a national policy and strategy on protection against ionizing radiation, the safety and security of sources and nuclear and other radioactive material and on radioactive waste management is a function of the Council. However, this function had not been performed even to date.**

As per Section 11 (f) of the Act, the National Policy on Radioactive Waste Management has already been drafted and approved by the Board of Directors. Now it needs to get the opinions and suggestions of the stakeholders, so it has already been arranged to send this draft to the Ministry to take the relevant actions and get the approval of the Ministry.

Also, I would like to inform you that preliminary plans have already been made to prepare drafts of national policies and strategies related to radiation safety and security, and in the future they will be reviewed and approved with the technical support of the International Atomic Energy Agency.

(c) **Even though according to Section 18 of the Act, the Council should license and regulate the practices related to ionizing radiation carried out by all persons including the Atomic Energy Board, the council only licensed and regulated the places where ionizing radiation is used. Accordingly, the Council did not regulate the services such as radioactivity level measurement, radiation measurement equipment calibration service, dosimeter service and work monitoring services provided by the Board. For this purpose, as per Section 12(o) of the Act, the Regulatory Council should create procedures and mechanisms to grant approval to institutions or persons involved in issuing certificates of calibration of radiation measurement and radiation measurement equipment, but such procedures and mechanism have not been drafted so far. As a recommendation of the assessment report on occupational radiation protection (ORPAS mission report) published by the International Atomic Energy Agency, it was clearly stated that the Council should give the necessary approval to provide technical services including calibration services to the Board.**

In relation to this observation, you have submitted audit queries in the past few years and the Regulatory Council has submitted answers to all those queries. However, I would like to submit the following points regarding your observation and matters pointed out in your letter No. ENR/B/AB/AERC/2021/15/ AQ(3) dated 08 August 2022.

According to Section 3 (d) and Sections 5 (d) and 5 (e) of the Atomic Energy Act No. 40 of 2014, the Atomic Energy Board may undertake to provide services for radiation protection in order to fulfill the regulatory requirements regarding nuclear applications. It is not necessary to get a special approval from the Regulatory Council as the Board has been empowered by the above sections of the Act for that purpose. Further, as per Section 18 of the Act, the Regulatory Council grants licenses for places where ionizing radiation is used and the Regulatory Council is not empowered to grant licenses for service supply. Accordingly, no licensing is done for the services provided by the Board and only the use and possession of radioactive materials by the Board is licensed and regulated by the Regulatory Council as per the mandates of the Act.
Therefore, it is not necessary to get the approval of the Regulatory Council to the Atomic Energy Board to carry out the above functions and a mechanism will be made in future to use other radiation protection service providers as per Section 12 (o) of the Act.

(d) **In terms of Section 49 of the Act, nuclear material, equipment and technologies which import into and export from Sri Lanka shall be subject to control under this Act and a list of such material, equipment and technologies should be prepared by the Council. Further, the Council shall give adequate publicity to the list so prepared, in such manner as shall be determined by the Council, and that list shall be published in the Gazette. However, the Council had not been acted accordingly yet. Although the International Atomic Energy Agency stated on its website that Sri Lanka had approved the Additional Protocol in 2018, the Council did not follow up on the progress of those activities.**

In this Act, the controlled items referred to in the Additional Protocol are the controlled items. Sri Lanka has not yet signed the Additional Protocol and Sri Lanka will not benefit from signing it. Although some countries, including the International Atomic Energy Agency, have requested our country to sign this protocol, in order to fulfil its requirements by signing this protocol, our institution as well as the other government institutions that have to deal with this have to bear a burden financially and institutionally. And this cannot be implemented in Sri Lanka without making laws for this. It is therefore not a priority task for the Regulatory Council to call for the acceleration of the signing of this Protocol. Therefore, publication of controlled items in the Gazette cannot be done until this Additional Protocol is decided and signed on a certain date. However, it takes a lot of time to prepare the rules for this and our organization has not identified this as a priority activity.

Although a rule should be made regarding the matters contained in Section 69 of the Atomic Energy Act No. 40 of 2014, the making of such a rule has not been recognized as a priority as such activities are currently very limited in Sri Lanka. However, in order to ensure the safety of the environment, the public and the workers in the places where such activities are carried out, the provisions of the ionization protection regulations have been used and the necessary protection has been provided and several tests have been conducted and instructions have been given for the safety of the public, workers and the environment and those instructions have been implemented. There has been no

loss of licensing revenue as there is no licensing of such natural radioactive activity sites as per the Act. But on the request of the institutions, such places are charged for inspection by the Regulatory Council, thus earning revenue. Currently there are only two such places in Sri Lanka. Furthermore, you have stated that in terms of Section 4 of the Ionization Safety Regulations, the prior approval of the Council should be taken for mining, grinding and processing of radioactive deposits, but till now there is no radioactive deposit mining in Sri Lanka. Hence reference in this regard from the audit is not relevant to this. Since there are no knowledgeable people in this field in our organization to make the rules for the activities related to the mining and processing operations that generate the ionic materials mentioned above, I hope to get the expert assistance of the International Atomic Energy Agency through an upcoming project.

(e) **In terms of Section 69 of the Act, requirements for the protection of workers, the public and the environment to be complied with by all persons engaged in activities related to mining and processing operations that produce ionizing substances should be laid down by rules made by the Council for the time being, but no such rules were drafted. Further, prior approval of the Council is required for mining, grinding and processing of radioactive deposits in accordance with Section 4 of the Regulations on Ionizing Radiation Protection of the Atomic Energy Safety Regulations No. 1 of 1999. However, the Council had not done the necessary work for granting licenses for such places. As a result, the government has lost revenue from license fees, inspection fees and radiation level testing, as well as failed to legally secure the safety of the environment, public and workers.**

Although a rule should be made regarding the matters contained in Section 69 of the Atomic Energy Act No. 40 of 2014, the making of such a rule has not been recognized as a priority as such activities are currently very limited in Sri Lanka. However, in order to ensure the safety of the environment, the public and the workers in the places where such activities are carried out, the provisions of the ionization protection regulations have been used and the necessary protection has been provided and several tests have been conducted and instructions have been given for the safety of the public, workers and the environment and those instructions have been implemented. There has been no loss of licensing revenue as there is no licensing of such natural radioactive activity sites as per the Act. But on the request of the institutions, such places are charged for inspection by the Regulatory Council, thus earning revenue. Currently there are only two such places in Sri Lanka. Furthermore, you have stated that in terms of Section 4 of the Ionization Safety Regulations, the prior approval of the Council should be taken for mining, grinding and processing of radioactive deposits, but till now there is no radioactive deposit mining in Sri Lanka. Hence reference in this regard from the audit is not relevant. Since there are no knowledgeable people in this field in our organization to make the rules for the activities related to the mining and processing operations that generate the ionic materials mentioned above, I hope to get the expert assistance of the International Atomic Energy Agency through an upcoming project.

(f) **According to Section 86(1) of the Act, the Minister shall prepare Regulations regarding matters in Sections from 86(2)(a) to (h) and publish them in the Gazette in accordance with Sections 86(3) and 86(4) and submit them to the Parliament for parliamentary approval. Although on order for any of the matters prescribed in the Act had been published in Gazette and submitted to Parliament for approval even up to the date of this report.**

All other orders except the orders in Section 86 (2) (h) of the Atomic Energy Act No. 40 of 2014 are currently being drafted and nearing completion. The regulation related to section 86 (g) has been drafted and approved by the legislator and forwarded to the Ministry for publication in the Gazette. All orders under clauses 86 (2) (a) (b) (c) (d) (e) (f) are included in the currently drafted orders on safety and security of radiation sources and these orders are being completed. When these regulations are in the final stage, the recommendations of the ORPAS report of the International Atomic Energy Agency and the liquid radioactive discharge levels (Liquid Radioactive Discharge Levels) were required to be included in these orders, so these regulations are being prepared once again and plans to be completed in the year 2023 and sent to the Ministry. The order mentioned in 86 (2) (h) above is not currently recognized as a priority.

(g) Although the Council shall make rules regarding the matters mentioned in Section 87(1) (a) to (h) of the Act and publish them in the Gazette in accordance with Sections 87(2) and 87(3) and submit them for Parliament's approval, Rules for any matter mentioned in the Act had not been gazetted and submitted to Parliament till date of audit. Instead, the regulations on ionizing radiation protection in the Atomic Energy Safety Regulations No. 01 of 1999, prepared under the Atomic Energy Authority Act No. 19 of 1969, which had been withdrawn, continued to be used. Many of the more than 22-year-old international radiation protection recommendations used to create those regulations had changed by then:

As stated above, the Sub-Measurement Rule for the Qualification of Radiation Workers, which is a rule related to Section 87 (1) (d) of the Atomic Energy Act No. 40 of 2014, has already been drafted and forwarded to the Legal Draftsmen Department. Also, some amendments have been made to this rule, which was drafted in relation to the matters that emerged during a discussion held at the Ministry of Health, and some amendments have to be made to the register of radiation workers attached to the rule, so currently those amendments have also been included in the rule and forwarded to the Ministry.

The rules set out in (e) and (f) under section 87(1) shall not be deemed to prevail and the matters to be contained therein shall be covered by the earlier rule made under section 18 of the Atomic Energy Authority Act No. 19 of 1969. Further, rule-making under (g) and (h) of the Act has not been identified as a priority at present and matters relating to the rule under (b) herein have been set out in the draft regulations. Therefore, making a rule on this point is not relevant at present. I hereby kindly inform you that there are no knowledgeable officers to make the rules mentioned in (a) and (c) and the Regulatory Council is working to prepare these on priority basis with the expert support of the International Atomic Energy Agency. The regulatory activities related to 87 (a) are currently being carried out according to the International Atomic Energy Agency's regulations on the safety transportation of radioactive materials, and the activities related to Article 87 (c) are being implemented according to the National Nuclear and Radioactive Disaster Management Plan.

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

3. **Other Matters**

(g) **According to Section 33 of the Mines and Minerals Act No. 33 of 1992 and the Mines and Minerals Amendment Act No. 66 of 2009, the export of any mineral containing radioactive elements is prohibited except with the approval of the Minister and any other Minister. Accordingly, the Bureau of Geological Survey and Mines has instructed the two public and private companies which process and export mineral sand to apply with a recommendation from the Council by confirming that the sand does not contain radioactive substances when submitting applications to obtain export licenses for the export of mineral sand. Accordingly, the Council should have given its recommendation on whether or not there are radioactive substances in the mineral sand. According to Sections 87(2) and 87(3) of the Sri Lanka Atomic Energy Act, if the Council is to use the terms of international standards as rules, the rules must be gazetted and approved by Parliament. But without such approval, the Council had approved 33 cases during the year under review for the export of mineral sands containing radioactive material using the provisions of the International Safety Transport of Radioactive Material Regulations (IAEA SSR - 6). Also, according to Section 5(d) of the Atomic Energy Act of Sri Lanka, the Atomic Energy Board has the power to conduct testing to determine the ionizing radiation levels of a substance. But it was also observed that the approval of the radioactive levels of the sand by the Council is creating a conflict of interest between the parties.**

The Ionization Safety Regulations 1999 have been enforced as per Section 90 (2) of the Sri Lanka Atomic Energy Act No. 40 and under Section 51 of the Regulations no person shall transport radioactive materials without the approval of the Regulatory Council. Approval for transportation is given according to these regulations and since the detailed requirements for the transportation of radioactive materials have not been prepared at present, the terms of the International Safety Radioactive Material Transport Regulations (IAEA SSR - 6) have been used to give approval. Therefore, this approval is given as per the regulations. As you have mentioned, the Atomic Energy Board has been authorized to conduct inspection services under Section 05 (d) because it is not a regulatory body, and thus there is no requirement for them to undertake all the inspection work required for regulatory purposes. And nowhere in the Act is it mentioned that the Regulatory Council may not inspect the samples and under 12 (c) of the Act, samples can be taken and inspected. Further, as per the powers given under 10 (b) of the Act, the Regulatory Council may take appropriate measures to ensure the safety of persons and the environment from the radiation. Accordingly, the responsibility of taking and analyzing samples in necessary instances is assigned to the Regulatory Council. Especially when it is suspected that there are radioactive substances in non-food items being imported and exported, after notifying us about them, appropriate sampling will be done according to the provisions under 12 (c) of the Act and arrangements will be made to provide the required approval promptly. Such materials which are imported and exported should be approved within a short period of three days and due to the delay in this regard, the government may lose the revenue and the orders received by the country may not be received. Therefore, a laboratory with a separate set of equipment has been established in the Council for testing such samples.

The Atomic Energy Board has already been given the power to check radioactivity in food items. Therefore, there is no need to obtain inspection services by the Atomic Energy Board for the preliminary inspection work done for granting an import/export approval. Therefore, there is no legal conflict regarding the conduct of inspections by the Regulatory Council for such imports and exports.

(h) According to the International Safe Radioactive Material Transport Regulation (IAEA SSR - 6), when exceeding the limit of ionizing radiation levels that may exist in a consignment, in order to measure the amount of radiation released to the driver, driver's assistant, the public traveling on the roads and the environment, the required on-site inspections were not carried out to measure the dosimetric rate of the containers and check whether the same sand as the samples obtained from the laboratory test reports were loaded into the respective containers after the sand was loaded. Due to not carry out such on-site inspections, the Council could not be able to recover the inspection fee of Rs. 15,770,000.

The audit stated that the level of ionizing radiation that can exist in a consignment was exceeded according to the International Precautionary Regulation of Transport of Radioactive Material (IAEA SSR - 6). The stock of this material is natural mineral sand and we have not had any reports of such radioactive levels being exceeded so far. According to the criteria in the International Safety Radioactive Material Transport Regulations, a substance is defined as non-radioactive when the exemption levels for elemental activity concentration and total elemental activity are lower than either of the exemption levels. All of the natural mineral sand stockpiles mentioned above have elemental activity concentrations below the exemption level, so the stockpiles are considered non-radioactive sands. As this is a scientific matter, it is clear that this is a conclusion reached by the audit without proper understanding. Since these stocks are not radioactive material, the Regulatory Council has no legal authority to do any regulatory work in this regard. Therefore, all the points mentioned by the audit are not relevant to our organization.

(i) In the ORPAS mission report published by the International Atomic Energy Agency, the radiation protection regulations should be developed to cover existing exposure situations, planned exposure situations and emergency exposure situations, but the regulations drafted by the Council do not specifically cover the existing exposure situations.

The currently drafted regulation on radiation protection is based on planned exposure conditions consistent with IAEA (Planning Exposure Situation) guidelines. Requirements related to emergency exposure situations are contained in the currently approved nuclear or radiological disaster management plan. Also, since there is no existing exposure situation (Existing Exposure Situation) in the country, the Regulatory Council has not recognized the preparation of related regulations as a priority at present. However, as the currently drafted Radiation Protection Regulations are reviewed, efforts will be made to complete the Regulations to cover all three of the above exposure scenarios as appropriate.

(j) The gazette published on 21 July 1995 had not been properly revised and presented to suit the current consumption patterns and nuclear release conditions, in order to testing the presence of ionizing radioactive substances harmful to public health in imported food items. Due to this, at present only milk powders imported to Sri Lanka are tested for ionizing radioactive materials.

The currently promulgated rule specifies radioactivity levels for all foodstuffs and these levels do not need to be changed regardless of nuclear release conditions and consumption patterns. The reason is that the radioactive levels in Sri Lanka are kept lower than all the countries in our region. And we do not intend to revise these levels as we are able to get food items in the international market which is less than our levels. In fact there is no need to do so in Sri Lanka as these values will have to be raised when suitably revised to suit current consumption patterns and nuclear release conditions. It is up to the Regulatory Council to decide which food items are tested for radioactivity and it is a decision taken on the basis of the scientific data available at that time. Currently, there is no scientific reason to test food

products other than milk powder for radioactive substances at import and unnecessary testing can be considered as a barrier to international trade.

(k) Due to the fact that the calibration and quality control requirements of the machines used for the diagnosis and treatment of diseases using radiology technology are not mandated by the license conditions, there is a risk of unnecessary exposure of the patients receiving services from those machines to ionizing radiation and the provision of related services. It was observed that the revenue that could be obtained by the government is lost due to this situation.

It is clearly stated under 43 (d) and 48 of the Radiation Protection Regulations that the licensee shall organize the calibration and quality control of the machines used for the diagnosis and treatment of diseases using radiation technology. For this purpose, the officers of the institutions where diseases are treated and nuclear imaging tests are conducted were trained through international training and locally conducted training courses. Currently, in addition to this, these activities are carried out by the biomedical section of the health department and by the relevant service representative who maintains the relevant equipment. Therefore, it is not correct to state that there are no regulations for this. And these activities should be done by the trained officers of those institutions and the relevant agencies according to the regulations and the fact that the government does not get any income is problematic. Already in the licenses it is stated as a condition that the machines should be calibrated and their quality control should be done.

(l) In the year 2021, none of the planned national training workshops on radiation protection and national training workshops on radiation emergencies and responses for stakeholders had been carried out, while the progress of the rest of the planned tasks was in the range of 60 to 70 percent.

Due to the government shutting down the country for a longer period due to the Covid19 pandemic in 2021 and the institution having to limit the calling of officials and because the government had enacted laws to bring in external parties and it is impractical to conduct these courses under the online system, the radiation safety training courses planned by the Regulatory Council could not be held as expected. But in the year 2020, the Regulatory Council was able to hold one course related to the medical field, which was postponed due to the Corona epidemic, and one related to the industrial field, which was planned in the year 2021 based on the need.

The training course for stakeholders on radiation emergency management, which was scheduled to be held in the third quarter of 2021, could not be held due to less number of participation of stakeholders in view of the Corona epidemic in 2021 and the request of postponement by the experts of the International Atomic Energy Agency. But arrangements have already been made to hold a training course for these stakeholders in the 1st quarter of 2023. The presence of experts from the International Atomic Energy Agency has also been confirmed.

Thank you.
Yours Faithfully,

Sidney Gajanayake
Chairman,
Sri Lanka Atomic Energy Regulatory Council

Annex (B)

Performance Report – 2021
Sri Lanka Atomic Energy Regulatory Council

Introduction

Establishment of Sri Lanka Atomic Energy Regulatory Council

Sri Lanka Atomic Energy Regulatory Council (the Council) was established on the 1st of January 2015 under the Sri Lanka Atomic Energy Act, No. 40 of 2014 and functions under the Ministry of Power and Energy. According to the provisions in the Act, the Council has the responsibility for regulation of practices involving ionizing radiation &, ensuring the safety & security of radiation sources and taking action to ensure the obligations of Sri Lanka under the international agreements on nuclear safety, nonproliferation and safeguards are met.

Objectives of the Council

The objectives of the Council are;

(a) Protection of persons and the environment against risks associated with exposure to ionizing radiation

(b) Ensuring the physical protection of radiation sources, nuclear materials and other radioactive material and ensuring the security of facilities that use such materials

(c) Ensuring compliance with international standards and obligations in the field of nuclear energy, in accordance with international agreements Sri Lanka has entered into

Key Functions of the Council

(a) Licensing of the practices involving the use of ionizing radiation that meet safety and security requirements.

(b) Conducting inspections to ensure compliance with the requirements imposed under the Act and conditions specified in the licenses issued.

(c) Taking appropriate measures to ensure due compliance with the provisions of the Act and enforcement of noncompliance.

(d) Maintenance of a national register containing information on all radiation sources used within Sri Lanka.

(e) Promulgation of national policies and strategies on protection against ionizing radiation, on the safety and security of sources and nuclear and other radioactive material and on radioactive waste management.

(f) Formulation of regulation, rules, codes and standards relating to radiation protection and the application of ionizing radiation, which reflects best practices enunciated by the International Atomic Energy Agency and any other similar International Organizations.

(g) Taking necessary steps to fulfill the obligations of Sri Lanka under the international treaties, conventions, relevant protocols and agreements relating to safety & security of sources to which Sri Lanka is a party.

(h) Conducting public awareness programmes in relation to nuclear science and technology and training of radiation workers on radiation safety and security aspects.

(i) Supervising radioactive waste management and transport of radioactive materials.

(j) Granting approvals for the plans of the buildings for the construction of radiation facilities.

(k) Authorization of import/export of radioactive materials

1. Performance -2021

Activity	**Performance up to 31st December, 2019**
1. Drafting Rules and Orders	➢ Making rules including qualification of radiation workers and forwarding it to the department of legal draftsmen for their observations. ➢ Getting the approval of the Board of Directors for the National Policy for Radioactive Waste Management and forwarding it to the Ministry. ➢ Obtaining approval for a Nuclear or Radioactive Emergency Management Plan from the Disaster Management Council.
2. Drafting licensing procedure, license applications and license formats	➢ Actions have been taken to use the amended license renewable application forms prepared in relation to 12 areas.
3. Issuing license for the use and possession of ionizing radiation facilities and granting approvals for import and export of sources	➢ The total number of licenses issued in the year 2021 was 421 and 606 approvals were granted for import and export.
4. Issuance of certificates for food testing	➢ 919 certificates were issued.
5. Conducting regulatory inspections on facilities involving ionizing radiation	➢ Number of safety inspection conducted was 164. ➢ A database containing information of the inspections conducted is maintained with updated manner.
6. Approval of building plans of radiation facilities on radiation safety and security aspects	➢ Approvals for 99 building plans were granted.
7. New recruitment activities of the Council	➢ To increase the number of employees, after a proper review, the new recruitment procedure and related forms have been submitted to the Management Services Department for approval. ➢ To take required preliminary activities to recruit a new legal officer in accordance with the procedure approved by the Department of Management Services. Action have been taken to calling of applications externally for the post of Technical Assistant. After that, the interview was held and appointment was granted.

	➢ Taking action to make appointments for 02 Management Assistants during the particular year. ➢ Arrangements to make appointments for 03 scientific officers and a director in the relevant year.
8. Purchase of capital items	➢ Items were purchased as per the Annual Procurement Plan. The office and scientific equipment were purchased out of the provisions made for the year 2021. ➢ A sum of Rs. 6.278 million had been spent for the purchase of capital equipment from the budgeted estimate of Rs. 10 million for the year 2021.
9. Establishment of a computerized data base for accounting and stores activities	➢ After establishment of computerized data base, it was successfully used for the Accounts & Finance, and Supplies and Stores activities by those Divisions. Further it is updated and properly maintained.
10. Conducting training courses/seminars and workshops of the Council	➢ The following programs were organized and conducted. • A national training course on safe and secure use of radiation therapy machines in the medical field (2021.12.13 - 2021.12.17) • A special training course for the radiation machine operators of Ancel Lanka (Private) Limited. (2021.11.15 – 2021.11.17)
11. Revaluation of fixed assets items with zero value	➢ The re-valuation for 81 items has been updated and accounted for in the year 2021 by obtaining the approval of the Board of Directors after duly action on the relevant circulars.
12. Monitoring of transportation of radioactive sources within the country.	➢ Preliminary arrangements were made to transport the following radioactive sources. • Transporting the radioactive sources to the Sri Lanka Gemma Centre
13. Preparation and updated the computerized data base by included the information of licensees when issuing the licenses.	➢ 421 Licenses were issued. Prepared a computerized data base by including the information of licensees and included the data thereto in line with the issue of licenses.
14. Preparing a National List by including all information about the radioactive sources in Sri Lanka.	➢ A national list by including all the radioactive sources in Sri Lanka have been prepared by using MS word and maintaining in updated manner. ➢ Necessary actions have been taken to obtain software and required equipment from the International Atomic Energy Agency and after obtaining that equipment, a regulatory information system for the Council was established. The facility for the preparation of a national list is also made available in this system and related data are being continuously included to that national list at present.

15. Provide training to Officers	➢ The officers have been sent for the participation of several local training programs conducted in various field. 02 officers have been participated in overseas training programs. ➢ Scientific Officers have been trained by providing local training in the field of safety and protection of radioactive sources. ➢ Newly recruited 03 Scientific Officers are being continuously provided training under the senior Scientific Officers. ➢ An office driver was provided the required training.
16. Additional important Activities conducted which were not planned for 2019	➢ According to the request made by the Ministry, National Audit Office and other institutions, the progress reports and financial statements have been prepared and submitted. Also participated in progress review meetings and other related meetings when necessary. ➢ According to the request made by the Government Training Institutes, 01 relevant officers were sent for training and they were successfully completed those training programs. ➢ 22 modification licenses have been issued and 11 enforcement inspections, 15 on-demand inspections and 01 unannounced inspection were also carried out. ➢ Maintain an up-to-date database containing licensee data and other relevant information. ➢ Updating Registered Sources in the Regulatory Authority Information System (RAIS). ➢ Publishing the information on licensed facilities through the Council's web page. ➢ Carrying out radioactive material transport inspections, on-demand testing and radiation protection services. ➢ Scientific officials of the Council participated in 85 online meetings held by the International Atomic Energy Agency. ➢ Obtained the approval of the International Atomic Energy Agency for the project proposal submitted under technical cooperation. ➢ Safety inspections were conducted by International Atomic Energy Agency's safety inspectors in accordance with the Safeguards Convention.

	➢ Preparation of training course syllabus for training of Emergency Management Response Officers of the Regulatory Council. ➢ A presentation was made to the Disaster Management Committee for getting approval to the Nuclear or Radiological Emergency Management Plan. ➢ A presentation on the progress of Sri Lanka's nuclear security was made to His Excellency the President and the Defense Secretary. ➢ The Ministry of Defense nominated a committee chaired by the Director General to carry out an analysis of the current safety of category 1 radioactive sources which use in Sri Lanka. Also, the officer who was a member of the committee participated in the observation visits of the relevant institutions to carry out the analysis and prepared the relevant report and submitted it to the Ministry of Defense. ➢ Prepared the training syllabus related to the radiation protection training courses conducted by the Regulatory Council. ➢ Contributing to information exchange programs such as EPRIMS, iNET-EPR run by the International Atomic Energy Agency ➢ Collecting and testing samples to see if the “Express Pearl” ship leaked radiation into the environment. ➢ Preparing and presenting the recruitment procedure for creating essential posts including new posts. ➢ Preparing the Training Manual for the training courses conducted by the Regulatory Council. ➢ Forwarding the annual reports to the World Health Organization according to the International Health Regulations (IHR-2005 Regulations) and participating in the meetings conducted for that purpose.

2. Implementation of Steps that to be taken to mitigate the shortcoming pointed out in the Audit Queries and Audit Report

Serial No.	Audit Ref No.	Major issues and problem identified	Action taken or to be taken to rectify quarries /comments
01	1. **1.1** **(a)**	**<u>Financial Statements</u>** **<u>Qualified Opinion in the Auditor General's Report</u>** **<u>Basis for Qualified Opinion</u>** According to Sri Lanka Public Sector Accounting Standard No. 07, If an item of property, plant and equipment is revalued, the entire class of property, plant and equipment to which that asset belongs shall be revalued. However, in contrary to that, some selected fully depreciated assets costing Rs. 20,107,066 only were revalued and a revalued gain of Rs. 4,342,620 had been accounted for :-	Since the inception of the Regulatory Council i.e. since 2015, as an accounting policy, only fully depreciated assets have been revalued in every year. But as you have pointed out, according to the revaluation model, each equipment or product category will be identified and the entire equipment or product category will be revalued after getting the approval of the Board of Directors and it will be done more systematically from the next year.
	(b)	According to the Sri Lanka Public Sector Accounting Standard No. 07, If a class of property, plant and equipment is stated at revalued amounts, it shall be disclosed that whether an independent valuer was involved; the methods and significant assumptions applied in estimating the assets' fair values; and the extent to which the assets' fair values were determined directly by reference to observable prices in an active market or recent market transactions on arm's length terms or were estimated using other valuation techniques;. However, the fully depreciated 50 items of scientific equipment costing Rs. 13,207,957, 6 desktop computers costing Rs. 622, 800 and a laptop computer costing Rs. 112,500 had been re-valued in the year under review by the Council as Rs. 414,425, Rs. 14,160 and Rs. 2,870 respectively and the re-valuation was not done in	When revalued of these items, the items related to the year 2021 have been carried out by an audit committee appointed by the board of directors of the Council in the year 2021. For that purpose, the following criteria has been used by the committee. Criteria - 1. Comparison of the current market value of the goods with the purchase price of that goods. 2. Calculation of depreciation till 2020 on the basis of depreciation rate of these goods. 3. Revalued the goods by bringing the depreciation to the nearest higher value. As you have pointed out the current market situation is also concerned. Further, the market value of these items during these years was very low and this

		according to the provisions in the said standard. Further, due to non-appointment of an independent valuer for the Valuation Board, the audit could not be satisfied with respect to the revalued values :-	revaluation has been done according to the condition of the product and the year of manufacture. Therefore, although the value of the actual market transactions that have taken place in recent times as pointed out by you is high, the value of the relevant accounting years has not increased. Therefore, I point out that the recent increase cannot be used for this purpose. In addition to that, we tried to get the services of an external person for the Valuation Board 03 years ago. However, it was difficult to find a suitable person in the Valuation Department. Since many of these instruments are scientific items, it is very difficult to find the right persons with the knowledge to re-value them. But as advised by you, efforts have been made to find a suitable person from outside and once again these instruments will be revalued in the coming year taking into account the provisions of Sri Lanka Public Sector Accounting Standard No. 07.
	(c)	According to Sri Lanka Public Sector Accounting Standard No. 07 an asset shall be recognized as a fixed asset only after it becomes usable. Nevertheless, a sum of Rs. 1,613,206 paid for the import of a scientific instrument by 31 December 2021 that not become usable had been accounted as fixed assets and a provision for depreciation amounting to Rs. 2,210 had also been made on those assets:-	We checked our fixed asset register in relation to the observations you have pointed out, and according to the clarifications received from you, we are planning to follow the proper accounting method with regard to Sri Lanka Accounting Standard No. 07 in the forthcoming accounting year.
	(d)	According to the Sri Lanka Public Sector Accounting Standard No. 07, the carrying amount of an item of property, plant and equipment shall be derecognized only on disposal; or when no	A board paper has been submitted to the board meeting held on 06.08.2021 for the revaluation of all the equipment listed here and the actions to be taken on the items mentioned in the list have

		future economic benefits or service potential is expected from its use or disposal. However, in contrary to that, scientific equipment costing to Rs. 2,014,303 which was decided to be used as an exhibition items had been derecognized from fixed assets during the year under review. Further, 9 scientific instruments that can be used as exhibition items had been derecognized from the fixed assets register in previous years too. In addition, the fully depreciated 4 items of scientific equipment costing to Rs. 1,117,183 were also removed from the fixed asset register, but the basis on which they were removed was not disclosed :-	also been clearly stated. Accordingly, as the value of the above items has become zero and they cannot be used for any other purpose, the recommendations for disposal have been mentioned in the above list. The list of items was approved by the Board of Directors for removal from the books. Therefore, these goods were found to be unusable items during the boards of survey conducted in 2017 and were removed from the inventory books after the value of these goods became zero. Further, since these goods cannot be valued, it is of the opinion of the Regulatory Council that there is no point in keeping them in inventory any longer. Therefore, I would like to inform you that even though the items reserved for exhibition purposes have no value, a fixed asset register will be maintained for them from next year.
	(e)	According to the Sri Lanka Public Sector Accounting Standard No. 07, the depreciation method applied to an asset shall be reviewed at least at each annual reporting date and, if there has been a significant change in the expected pattern of the consumption of the future economic benefits or service potential embodied in the asset, the method shall be changed to reflect the changed pattern. Such a change shall be accounted for as a change in an accounting estimate. However, the Council had not taken action accordingly.	As you have pointed out, it is stated in paragraph 75 of Sri Lanka Public Sector Accounting Standard No. 07 that, if there has been a significant change in the expected pattern of consumption of the future economic benefits or service potential contained in the asset, the method shall be changed to reflect the changed pattern. However, since the beginning of the Regulatory Council, the assets have been depreciated under the simple method of depreciation according to the relevant depreciation rates based on the approval of the Board of Directors. It is mentioned under Notes to Accounts. Also, since there has been no significant change in the

			desired pattern of consumption to review and change the depreciation method of the Council, there was no need to change the depreciation rates. But as shown by the audit, steps will be taken from next year to identify the value of the goods before they become zero and determine the appropriate depreciable period.
	(f)	The capital grants amounting to Rs. 6,278,200 received to the Council in the year under review had not been recognized as income for the year and adjustments in the accounts in accordance with Sri Lanka Public Sector Accounting Standard No. 11:-	The audit observation you have pointed out is correct. Accordingly, I would like to inform that, according to your guidance, the capital grants will be accounted as income for the year in the coming accounting year as per Sri Lanka Public Sector Accounting Standard No. 11.
	(g)	According to Sri Lanka Public Sector Accounting Standard No. 20, although the cost of Computer software amounting to Rs.708,958 shall be accounted as intangible assets, it was accounted for as tangible assets :-	As you have pointed out, we have accounted for the cost of the computer software packages under office computers (tangible assets) since 2015. However, as you have pointed out in the audit, I hereby kindly inform you that from the next year, the cost will be accounted for under computer software (intangible assets). I would also like to inform that there is no difference in the depreciation rates related to the above asset categories.
	(h)	At the time of the establishment of the Sri Lanka Atomic Energy Regulatory Council in the year 2015, the assets worth Rs. 14,044,902 and liabilities worth Rs. 5,414,755 had been handed over to the Council by the Atomic Energy Authority. Accordingly, it was recognized Rs. 8,630,147 as net capital grant received from the government in that year. However, as result of over recognition of revenue annually (amortization of government grant) by exceeding this grant, the value of	At the discussion with the audit in this regard, it was stated that the methodology adopted by the Regulatory Council and the presence of a debit balance in the Accumulated Fund is correct. Accordingly, instructions were received to disclose this situation in the financial statements by means of a note in the coming year and actions will be taken accordingly.

		accumulated fund relating to the Atomic Energy Authority shown in the financial statements as at the end of the year under review has become a debit balance of Rs. 3,812,121.	
	2.	**Report on Other Legal and Regulatory Requirements** ----------	
	2.1	National Audit Act, No. 19 of 2018 include specific provisions for following requirements.	
	2.1.1	Except for the effects of the matters described in the basis for Qualified Opinion section of my report, I have obtained all the information and explanation that required for the audit and as far as appears from my examination, proper accounting records have been kept by the Council as per the requirement of section 12(a) of the National Audit Act, No. 19 of 2018.	
	2.1.2	The financial statements presented is consistent with the preceding year as per the requirement of section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.	
	2.1.3	The financial statements presented includes all the recommendations made by me in the previous year as per the requirement of section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018, except the audit matters of 1.2(h) described in the basis for Qualified Opinion section of my report.	

	2.2.2	**Reference to Law, Rules/ Direction**	
	(a)	**Sri Lanka Atomic Energy Act, No. 40 of 2014** **Section 14(1)** The Council shall consist with five members and out of them three persons who are experts in the field of nuclear science and technology or radiation protection to be appointed by the minister in charge; one person who has experience in legal aspects connected with or relating to the objectives of the Council; and a senior officer not below the rank of an Additional Secretary or a Director of the Ministry of the Minister assigned the subject of Environment, nominated by such Minister. However, the required persons who are experts in the field of nuclear science and technology or radiation protection were not appointed to the Council and only four members were appointed:-	According to Section 14 (1) of the Atomic Energy Act No. 40 of 2014, the members of the Regulatory Council are appointed by the minister in charge of the subject. The provisions of the Act have not been given to the Regulatory Council to make any recommendation for the appointments made in this regard. There is no provision in the Act to ask the Ministry or the Minister in this regard. Our institution was also reminded in the recent progress review meeting at the Ministry to make an appointment for the currently vacant board member. After written requests again, the honorable minister has nominated a member for those vacancies.
	(b)	**Financial Regulation of the Government of the Democratic Socialist Republic of Sri Lanka** **Financial Regulation 128(1)(j)** It has been pointed out in my previous two years audit report that five officers of the Council had obtained their first Motor Vehicles Permit on Concessionary Terms before completing the service period of approximately 01 to 06 years which to be completed for the entitlement of such permit. However, the	I would like to inform you that similar audit queries have been made regarding this audit observation for the past few years and the Regulatory Council has given answers to all those queries. And I am sending the related answer as below for your kind attention.

		Accounting Officer of the Council had not taken actions to rectify this matter yet as per the Financial Regulation 128(1)(j)	The Ministry's Audit and Management Committee meeting and the Institute's Audit and Management Committee meeting discussed this matter and it was decided to proceed based on the decision given by the court and the explanations of the Attorney General's Department. Apart from this, the Board of Directors has also decided not to discuss this again in the Board of Directors. I am also kindly informed that the regulatory council has no ability to act outside of that top level order.
	(c)	**Assets Management Circular No. 02/2017 dated 21 December 2017** It has been emphasized that every vehicle owned by the government used by every government organizations should be registered in the name of that organization and if assets owned by other organizations are used, they should be formally taken over. The Regulatory Council has been using the Prado car number JZ-6200 owned by the Ministry of Power and Energy since 16 June 2020 and for the repair, maintenance and servicing of this car during the year under review Rs. 2,144,396 had been spent. However, this vehicle has not been formally acquired to the Regulatory Council till now:-	The vehicle No. JZ-6200 is being used by the Regulatory Council from 16 June 2020 and was handed over to the Regulatory Council by the Ministry of Power. In this regard, this fact was also pointed out in the previous year's audit. Proper and clear answers were given to you and it should be done after receiving the court decision related to the vehicle to deal with the transfer of ownership of the vehicle. As a Chief Accounting Officer, the Secretary to the Ministry has duly given approval in writing to the Regulatory Council to maintain and use the vehicle. Also, the Ministry has informed that as this car is related to a case in Kandy High Court, it will be handed over in the name of the Regulatory Council as soon as the case is over.

			Therefore, the transfer has been delayed until the court's decision is received by the Ministry. The Additional Secretary in charge of this subject of the Ministry was requested to act quickly in this regard and give the relevant approval to hand over the vehicle to us. The Ministry has inquired about this case from the Kandy High Court and the High Court has informed the Ministry that this case is not over yet. It is clear that a vehicle cannot be transferred to another party during the pendency of a legal case. Accordingly, the Ministry has informed the Regulatory Council in writing that this vehicle will be handed over to the Regularly Council after the case is over.
	2.2.3 (a)	to state that the Council has not performed according to its powers, functions and duties as per the requirement of section 12 (g) of the National Audit Act, No. 19 of 2018 *except for*; In terms of Section 10(c) of the Sri Lanka Atomic Energy Act No. 40 of 2014, the objective of the Council is to confirm that Sri Lanka complies with the international standards and obligations related to the nuclear energy which Sri Lanka should comply. However, the Council had not prepared rules by applying the provisions in the above standards that applicable for Sri Lanka and get approval thereof from Parliament :-	Section 10 of the Act states the objectives of the Act and no separate legal framework can be prepared for the objectives and the laws have been prepared and included in the Act to reflect the objectives of other sections of the Act. Provisions have been made for confirmation of this purpose under Section 12(e) of the Act to ensure compliance with Section 10(c) of the Act. According to these provisions, the Regulatory Council has worked to

			confirm the standards and obligations that Sri Lanka must comply with.
	(b)	According to Section 11 (f) of the Sri Lanka Atomic Energy Act, No. 40 of 2014, it was stated that make recommendations to the Minister on the formulation of a national policy and strategy on protection against ionizing radiation, the safety and security of sources and nuclear and other radioactive material and on radioactive waste management is a function of the Council. However, this function had not been performed even to date.	As per Section 11 (f) of the Act, the National Policy on Radioactive Waste Management has already been drafted and approved by the Board of Directors. Now it needs to get the opinions and suggestions of the stakeholders, so it has already been arranged to send this draft to the Ministry to take the relevant actions and get the approval of the Ministry. Also, I would like to inform you that preliminary plans have already been made to prepare drafts of national policies and strategies related to radiation safety and security, and in the future they will be reviewed and approved with the technical support of the International Atomic Energy Agency.
	(c)	Even though according to Section 18 of the Act, the Council should license and regulate the practices related to ionizing radiation carried out by all persons including the Atomic Energy Board, the council only licensed and regulated the places where ionizing radiation is used. Accordingly, the Council did not regulate the services such as radioactivity level measurement, radiation measurement equipment calibration service, dosimeter service and work monitoring services provided by the	In relation to this observation, you have submitted audit queries in the past few years and the Regulatory Council has submitted answers to all those queries. However, I would like to submit the following points regarding your observation and matters pointed out in your letter No. ENR/B/AB/AERC/2021/15/ AQ(3) dated 08 August 2022. According to Section 3 (d) and Sections 5 (d) and 5 (e) of the Atomic Energy Act No.

		Board. For this purpose, as per Section 12(o) of the Act, the Regulatory Council should create procedures and mechanisms to grant approval to institutions or persons involved in issuing certificates of calibration of radiation measurement and radiation measurement equipment, but such procedures and mechanism have not been drafted so far. As a recommendation of the assessment report on occupational radiation protection (ORPAS mission report) published by the International Atomic Energy Agency, it was clearly stated that the Council should give the necessary approval to provide technical services including calibration services to the Board:-	40 of 2014, the Atomic Energy Board may undertake to provide services for radiation protection in order to fulfill the regulatory requirements regarding nuclear applications. It is not necessary to get a special approval from the Regulatory Council as the Board has been empowered by the above sections of the Act for that purpose. Further, as per Section 18 of the Act, the Regulatory Council grants licenses for places where ionizing radiation is used and the Regulatory Council is not empowered to grant licenses for service supply. Accordingly, no licensing is done for the services provided by the Board and only the use and possession of radioactive materials by the Board is licensed and regulated by the Regulatory Council as per the mandates of the Act. Therefore, it is not necessary to get the approval of the Regulatory Council to the Atomic Energy Board to carry out the above functions and a mechanism will be made in future to use other radiation protection service providers as per Section 12 (o) of the Act.
	(d)	In terms of Section 49 of the Act, nuclear material, equipment and technologies which import into and export from Sri Lanka shall be subject to control under this Act and a list of such material, equipment and technologies	In this Act, the controlled items referred to in the Additional Protocol are the controlled items. Sri Lanka has not yet signed the Additional Protocol and Sri Lanka will not benefit from signing it. Although some

		should be prepared by the Council. Further, the Council shall give adequate publicity to the list so prepared, in such manner as shall be determined by the Council, and that list shall be published in the Gazette. However, the Council had not been acted accordingly yet. Although the International Atomic Energy Agency stated on its website that Sri Lanka had approved the Additional Protocol in 2018, the Council did not follow up on the progress of those activities:-	countries, including the International Atomic Energy Agency, have requested our country to sign this protocol, in order to fulfill its requirements by signing this protocol, our institution as well as the other government institutions that have to deal with this have to bear a burden financially and institutionally. And this cannot be implemented in Sri Lanka without making laws for this. It is therefore not a priority task for the Regulatory Council to call for the acceleration of the signing of this Protocol. Therefore, publication of controlled items in the Gazette cannot be done until this Additional Protocol is decided and signed on a certain date. However, it takes a lot of time to prepare the rules for this and our organization has not identified this as a priority activity. Although a rule should be made regarding the matters contained in Section 69 of the Atomic Energy Act No. 40 of 2014, the making of such a rule has not been recognized as a priority as such activities are currently very limited in Sri Lanka. However, in order to ensure the safety of the environment, the public and the workers in the places where such activities are carried out, the provisions of the ionization protection regulations have been used and the necessary

			protection has been provided and several tests have been conducted and instructions have been given for the safety of the public, workers and the environment and those instructions have been implemented. There has been no loss of licensing revenue as there is no licensing of such natural radioactive activity sites as per the Act. But on the request of the institutions, such places are charged for inspection by the Regulatory Council, thus earning revenue. Currently there are only two such places in Sri Lanka. Furthermore, you have stated that in terms of Section 4 of the Ionization Safety Regulations, the prior approval of the Council should be taken for mining, grinding and processing of radioactive deposits, but till now there is no radioactive deposit mining in Sri Lanka. Hence reference in this regard from the audit is not relevant to this. Since there are no knowledgeable people in this field in our organization to make the rules for the activities related to the mining and processing operations that generate the ionic materials mentioned above, I hope to get the expert assistance of the International Atomic Energy Agency through an upcoming project.
	(e)	In terms of Section 69 of the Act, requirements for the protection of workers, the public and the environment to	Although a rule should be made regarding the matters contained in Section 69 of the Atomic Energy Act No. 40

		be complied with by all persons engaged in activities related to mining and processing operations that produce ionizing substances should be laid down by rules made by the Council for the time being, but no such rules were drafted. Further, prior approval of the Council is required for mining, grinding and processing of radioactive deposits in accordance with Section 4 of the Regulations on Ionizing Radiation Protection of the Atomic Energy Safety Regulations No. 1 of 1999. However, the Council had not done the necessary work for granting licenses for such places. As a result, the government has lost revenue from license fees, inspection fees and radiation level testing, as well as failed to legally secure the safety of the environment, public and workers:-	of 2014, the making of such a rule has not been recognized as a priority as such activities are currently very limited in Sri Lanka. However, in order to ensure the safety of the environment, the public and the workers in the places where such activities are carried out, the provisions of the ionization protection regulations have been used and the necessary protection has been provided and several tests have been conducted and instructions have been given for the safety of the public, workers and the environment and those instructions have been implemented. There has been no loss of licensing revenue as there is no licensing of such natural radioactive activity sites as per the Act. But on the request of the institutions, such places are charged for inspection by the Regulatory Council, thus earning revenue. Currently there are only two such places in Sri Lanka. Furthermore, you have stated that in terms of Section 4 of the Ionization Safety Regulations, the prior approval of the Council should be taken for mining, grinding and processing of radioactive deposits, but till now there is no radioactive deposit mining in Sri Lanka. Hence reference in this regard from the audit is not relevant. Since there are no knowledgeable people in this field in our organization

			to make the rules for the activities related to the mining and processing operations that generate the ionic materials mentioned above, I hope to get the expert assistance of the International Atomic Energy Agency through an upcoming project.
	(f)	According to Section 86(1) of the Act, the Minister shall prepare Regulations regarding matters in Sections from 86(2)(a) to (h) and publish them in the Gazette in accordance with Sections 86(3) and 86(4) and submit them to the Parliament for parliamentary approval. Although on order for any of the matters prescribed in the Act had been published in Gazette and submitted to Parliament for approval even up to the date of this report:-	All other orders except the orders in Section 86 (2) (h) of the Atomic Energy Act No. 40 of 2014 are currently being drafted and nearing completion. The regulation related to section 86 (g) has been drafted and approved by the legislator and forwarded to the Ministry for publication in the Gazette. All orders under clauses 86 (2) (a) (b) (c) (d) (e) (f) are included in the currently drafted orders on safety and security of radiation sources and these orders are being completed. When these regulations are in the final stage, the recommendations of the ORPAS report of the International Atomic Energy Agency and the liquid radioactive discharge levels (Liquid Radioactive Discharge Levels) were required to be included in these orders, so these regulations are being prepared once again and plans to be completed in the year 2023 and sent to the Ministry. The order mentioned in 86 (2) (h) above is not currently recognized as a priority.

	(g)	Although the Council shall make rules regarding the matters mentioned in Section 87(1) (a) to (h) of the Act and publish them in the Gazette in accordance with Sections 87(2) and 87(3) and submit them for Parliament's approval, Rules for any matter mentioned in the Act had not been gazetted and submitted to Parliament till date of audit. Instead, the regulations on ionizing radiation protection in the Atomic Energy Safety Regulations No. 01 of 1999, prepared under the Atomic Energy Authority Act No. 19 of 1969, which had been withdrawn, continued to be used. Many of the more than 22-year-old international radiation protection recommendations used to create those regulations had changed by then:-	As stated above, the Sub-Measurement Rule for the Qualification of Radiation Workers, which is a rule related to Section 87 (1) (d) of the Atomic Energy Act No. 40 of 2014, has already been drafted and forwarded to the Legal Draftsmen Department. Also, some amendments have been made to this rule, which was drafted in relation to the matters that emerged during a discussion held at the Ministry of Health, and some amendments have to be made to the register of radiation workers attached to the rule, so currently those amendments have also been included in the rule and forwarded to the Ministry. The rules set out in (e) and (f) under section 87(1) shall not be deemed to prevail and the matters to be contained therein shall be covered by the earlier rule made under section 18 of the Atomic Energy Authority Act No. 19 of 1969. Further, rule-making under (g) and (h) of the Act has not been identified as a priority at present and matters relating to the rule under (b) herein have been set out in the draft regulations. Therefore, making a rule on this point is not relevant at present. I hereby kindly inform you that there are no knowledgeable officers to make the rules mentioned in (a) and (c) and the Regulatory Council is

			working to prepare these on priority basis with the expert support of the International Atomic Energy Agency. The regulatory activities related to 87 (a) are currently being carried out according to the International Atomic Energy Agency's regulations on the safety transportation of radioactive materials, and the activities related to Article 87 (c) are being implemented according to the National Nuclear and Radioactive Disaster Management Plan.
3		**Other Matters**	
	(a)	According to Section 33 of the Mines and Minerals Act No. 33 of 1992 and the Mines and Minerals Amendment Act No. 66 of 2009, the export of any mineral containing radioactive elements is prohibited except with the approval of the Minister and any other Minister. Accordingly, the Bureau of Geological Survey and Mines has instructed the two public and private companies which process and export mineral sand to apply with a recommendation from the Council by confirming that the sand does not contain radioactive substances when submitting applications to obtain export licenses for the export of mineral sand. Accordingly, the Council should have given its recommendation on whether or not there are radioactive substances in the mineral sand. According to Sections 87(2) and 87(3) of the Sri Lanka	The Ionization Safety Regulations 1999 have been enforced as per Section 90 (2) of the Sri Lanka Atomic Energy Act No. 40 and under Section 51 of the Regulations no person shall transport radioactive materials without the approval of the Regulatory Council. Approval for transportation is given according to these regulations and since the detailed requirements for the transportation of radioactive materials have not been prepared at present, the terms of the International Safety Radioactive Material Transport Regulations (IAEA SSR - 6) have been used to give approval. Therefore, this approval is given as per the regulations. As you have mentioned, the Atomic Energy Board has been authorized to conduct inspection services under

		Atomic Energy Act, if the Council is to use the terms of international standards as rules, the rules must be gazetted and approved by Parliament. But without such approval, the Council had approved 33 cases during the year under review for the export of mineral sands containing radioactive material using the provisions of the International Safety Transport of Radioactive Material Regulations (IAEA SSR - 6). Also, according to Section 5(d) of the Atomic Energy Act of Sri Lanka, the Atomic Energy Board has the power to conduct testing to determine the ionizing radiation levels of a substance. But it was also observed that the approval of the radioactive levels of the sand by the Council is creating a conflict of interest between the parties :-	Section 05 (d) because it is not a regulatory body, and thus there is no requirement for them to undertake all the inspection work required for regulatory purposes. And nowhere in the Act is it mentioned that the Regulatory Council may not inspect the samples and under 12 (c) of the Act, samples can be taken and inspected. Further, as per the powers given under 10 (b) of the Act, the Regulatory Council may take appropriate measures to ensure the safety of persons and the environment from the radiation. Accordingly, the responsibility of taking and analyzing samples in necessary instances is assigned to the Regulatory Council. Especially when it is suspected that there are radioactive substances in non-food items being imported and exported, after notifying us about them, appropriate sampling will be done according to the provisions under 12 (c) of the Act and arrangements will be made to provide the required approval promptly. Such materials which are imported and exported should be approved within a short period of three days and due to the delay in this regard, the government may lose the revenue and the orders received by the country may not be received. Therefore, a laboratory with a separate set of equipment has been

			established in the Council for testing such samples. The Atomic Energy Board has already been given the power to check radioactivity in food items. Therefore, there is no need to obtain inspection services by the Atomic Energy Board for the preliminary inspection work done for granting an import/export approval. Therefore, there is no legal conflict regarding the conduct of inspections by the Regulatory Council for such imports and exports.
	(b)	According to the International Safe Radioactive Material Transport Regulation (IAEA SSR - 6), when exceeding the limit of ionizing radiation levels that may exist in a consignment, in order to measure the amount of radiation released to the driver, driver's assistant, the public traveling on the roads and the environment, the required on-site inspections were not carried out to measure the dosimetric rate of the containers and check whether the same sand as the samples obtained from the laboratory test reports were loaded into the respective containers after the sand was loaded. Due to not carried out such on-site inspections, the Council could not be able to recover the inspection fee of Rs. 15, 770,000:-	The audit stated that the level of ionizing radiation that can exist in a consignment was exceeded according to the International Precautionary Regulation of Transport of Radioactive Material (IAEA SSR - 6). The stock of this material is natural mineral sand and we have not had any reports of such radioactive levels being exceeded so far. According to the criteria in the International Safety Radioactive Material Transport Regulations, a substance is defined as non-radioactive when the exemption levels for elemental activity concentration and total elemental activity are lower than either of the exemption levels. All of the natural mineral sand stockpiles mentioned above have elemental activity concentrations below the exemption level, so the

			stockpiles are considered non-radioactive sands. As this is a scientific matter, it is clear that this is a conclusion reached by the audit without proper understanding. Since these stocks are not radioactive material, the Regulatory Council has no legal authority to do any regulatory work in this regard. Therefore, all the points mentioned by the audit are not relevant to our organization.
	(c)	In the ORPAS mission report published by the International Atomic Energy Agency, the radiation protection regulations should be developed to cover existing exposure situations, planned exposure situations and emergency exposure situations, but the regulations drafted by the Council do not specifically cover the existing exposure situations.:-	The currently drafted regulation on radiation protection is based on planned exposure conditions consistent with IAEA (Planning Exposure Situation) guidelines. Requirements related to emergency exposure situations are contained in the currently approved nuclear or radiological disaster management plan. Also, since there is no existing exposure situation (Existing Exposure Situation) in the country, the Regulatory Council has not recognized the preparation of related regulations as a priority at present. However, as the currently drafted Radiation Protection Regulations are reviewed, efforts will be made to complete the Regulations to cover all three of the above exposure scenarios as appropriate.
	(d)	The gazette published on 21 July 1995 had not been properly revised and presented to suit the current consumption patterns and	The currently promulgated rule specifies radioactivity levels for all foodstuffs and these levels do not need to be changed regardless of

		nuclear release conditions, in order to testing the presence of ionizing radioactive substances harmful to public health in imported food items. Due to this, at present only milk powders imported to Sri Lanka are tested for ionizing radioactive materials :-	nuclear release conditions and consumption patterns. The reason is that the radioactive levels in Sri Lanka are kept lower than all the countries in our region. And we do not intend to revise these levels as we are able to get food items in the international market which is less than our levels. In fact there is no need to do so in Sri Lanka as these values will have to be raised when suitably revised to suit current consumption patterns and nuclear release conditions. It is up to the Regulatory Council to decide which food items are tested for radioactivity and it is a decision taken on the basis of the scientific data available at that time. Currently, there is no scientific reason to test food products other than milk powder for radioactive substances at import and unnecessary testing can be considered as a barrier to international trade.
	(e)	Due to the fact that the calibration and quality control requirements of the machines used for the diagnosis and treatment of diseases using radiology technology are not mandated by the license conditions, there is a risk of unnecessary exposure of the patients receiving services from those machines to ionizing radiation and the provision of related services. It was observed that the revenue that could be obtained by the government is lost due to this situation:-	It is clearly stated under 43 (d) and 48 of the Radiation Protection Regulations that the licensee shall organize the calibration and quality control of the machines used for the diagnosis and treatment of diseases using radiation technology. For this purpose, the officers of the institutions where diseases are treated and nuclear imaging tests are conducted were trained through international training and locally conducted training courses.

			Currently, in addition to this, these activities are carried out by the biomedical section of the health department and by the relevant service representative who maintains the relevant equipment. Therefore, it is not correct to state that there are no regulations for this. And these activities should be done by the trained officers of those institutions and the relevant agencies according to the regulations and the fact that the government does not get any income is problematic. Already in the licenses it is stated as a condition that the machines should be calibrated and their quality control should be done.
	(f)	In the year 2021, none of the planned national training workshops on radiation protection and national training workshops on radiation emergencies and responses for stakeholders had been carried out, while the progress of the rest of the planned tasks was in the range of 60 to 70 percent :-.	Due to the government shutting down the country for a longer period due to the Covid19 pandemic in 2021 and the institution having to limit the calling of officials and because the government had enacted laws to bring in external parties and it is impractical to conduct these courses under the online system, the radiation safety training courses planned by the Regulatory Council could not be held as expected. But in the year 2020, the Regulatory Council was able to hold one course related to the medical field, which was postponed due to the Corona epidemic, and one related to the industrial field, which was planned in

			the year 2021 based on the need. The training course for stakeholders on radiation emergency management, which was scheduled to be held in the third quarter of 2021, could not be held due to less number of participation of stakeholders in view of the Corona epidemic in 2021 and the request of postponement by the experts of the International Atomic Energy Agency. But arrangements have already been made to hold a training course for these stakeholders in the 1st quarter of 2023. The presence of experts from the International Atomic Energy Agency has also been confirmed.

3. Medium Term Measures are being taken for Improvement of Performance

Programmes for improvement	Activities planned
Drafting regulations, rules and procedures	➢ The national nuclear or radiological emergency preparedness and response plan have been completed and approval has obtained thereof. After that approval, it will be translated to Sinhala and Tamil languages in the year 2023. ➢ After submitting the drafted Rule for Qualification of Radiation Workers to the respective parties, it will be implemented in the year 2023 after obtaining the approval. ➢ The draft of the regulation on protection of radioactive sources and radiation safety is completed and legalization and implementation thereof will be done in 2023. ➢ After drafting the regulation on protection of radioactive sources and radiation safety, send them for approval in 2023. ➢ According to Section 11 (f) of the Act, draft the National Policy on Radioactive Waste Management and get the approval of the Board of Directors in 2022 and take the necessary actions to get the opinions and suggestions of the stakeholders and forward this draft to the Ministry to get the approval of the Ministry.

Licensing & inspections	➢ Increase the field inspection in order to find out the x-ray machines which are using without obtaining licenses and bring those places under the purview of the Council. ➢ Take legal actions against the palaces which are in operation without obtaining licenses as per the provisions in the Act after find out such palaces. ➢ By increasing number of inspections, provide instructions to the facilities which are not in standard and take legal actions against the palaces which are not followed those instructions. ➢ Continue to take necessary action to record the serial numbers of the radiation machines in the licenses which are not recorded appropriately in the particular licenses.
Trainings & awareness	➢ Provide further training to newly recruit 03 scientific officers under the senior scientific officers on conducting regulatory activities. ➢ Establishment of Nuclear or Radiological Emergency Response teams in the Council and other organizations which related to Emergency Response, and continue to maintain those teams with further improvements. ➢ Conduct the National Training course in every two (02) years on the possibility for occurrence of emergency in industrial and research. ➢ Conduct a training course on radioactive safety and security for the medical and industrial field officers who using the radioactive sources. ➢ Awareness of relevant parties regarding the use of TLD cards and taking action to pay further attention to it. ➢ Planning to conduct publicity campaigns to make the public aware of the current and future activities of the Regulatory Council.
Granting approvals, supervision of transport of radioactive materials	➢ Granting approvals for transport of radioactive materials & further supervision of transport of radioactive materials. ➢ It is an activity of the Council to grand the approval for all x-ray machine imported to Sri Lanka. Take actions to instantly provide such approvals for those machine. ➢ Transport the highly active radioactive sources to the respective palaces in the future with the assistance of the Special Task Force of Sri Lanka Police ➢ Take actions to update and maintain the Council's information through computerized database which received from the International Atomic Energy Agency. ➢ Taking action to make the public aware of information about licenses and facilities through the website of the Council.
Maintenance of computerized databases	➢ A database has been established and maintain for the purpose of regularize the financial and administrative activities of the Council and actions are being taken for further improvement of it.
Issuing certificates & granting approvals	➢ Under granting approvals for building plans of radiation facilities, it was planned to grant 100 approvals in the year 2022. ➢ Efficiently maintain the issuing the certificates for food testing. ➢ Planning to issue about 400 new and renewal radiation licenses in the year 2023.
New recruitment activities	➢ Take actions to fill the post of Legal Officer in the year 2023. ➢ Since the request made for fill the post of Director (Administration & Finance) was not approved, making another request to obtain the

	approval for establishment of a new post of Deputy Director (Administration) in the year 2023. ➢ Take necessary steps in the year 2023 to recruit two (02) Drivers to the Council. ➢ Resending the proposals made to increase the staff of the Council to the General Treasury. ➢ Informing the Board of Directors for the upcoming vacant positions and making necessary arrangements to fill them.
Human Resources Management (Local and Foreign)	➢ Sending Scientific Officers for subject specific training under International Atomic Energy Agency and United States Department of Energy's training programmes ➢ Participation of administrative and accounting officers according to available funds for relevant training and workshops conducted by local and foreign training institutes. ➢ Continue to training the newly recruited scientific officers under the supervision of the senior scientific officers. ➢ Continuous to send the newly recruited management assistant for internally and externally training programmes. ➢ Providing local and foreign training for all other officers according to the financial allocations received. ➢ Implementing the activities of the Radiation Protection Regulatory Infrastructure Strengthening Project approved in collaboration with the International Atomic Energy Agency and training the specific officers therein. ➢ Planning to provide national level training to 120 radiation protection officers and operators.
Obtaining office space facilities.	➢ According to the instruction given by the Ministry, to make a request for obtaining a building on rental basis from 3rd stage of the Sethsiripaya Project and take further action to make financial provision in the budgetary estimates. ➢ Further action will be taken to draw the attention of the Ministry on the requests for office space.
Obtaining the Capital and Physical Resources	➢ Take action to purchase physical resources including computers which are not sufficient for the Regulatory Council.

H.L. Anil Ranjith
Director General
Sri Lanka Atomic Energy Regulatory Council