



Let us be
Committed to
Creating a Healthy
Coastal and Marine
Environment for
Posterity



Annual Report 2019

**Marine Environment
Protection Authority**

**Ministry of Mahaweli Development
and Environment**



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The Marine Environment Protection Authority was established under the former Marine Pollution Prevention Act No. 59 of 1981. The new Marine Pollution Prevention Act No. 35 of 2008 was enacted for strengthening the legal powers vested in the Marine Environment Protection Authority for acting to prevent, mitigate and control marine pollution and for implementing international Conventions on marine pollution applicable to Sri Lanka and it was brought into effect on 01 January 2009.

Corporate Information

Name of the Authority

Marine Environment Protection Authority

Legal Statues

A regulatory authority established under the Marine Pollution Prevention Act No. 35 of 2008

Registered Address and Head Office

Marine Environment Protection Authority

No. 177, Nawala Road,
Narahenpita, Colombo 05.

TP: 011 2554006/011 2554373/ 011 2554283

Fax: 011 2556505/011 2554173

E-mail : info@mepa.gov.lk Web: mepa.gov.lk

Board of Directors

Chairman

01. Rear Admiral (Retired) Rohana Perera ,
Appointed by Minister

Directors

02. Mr. R.R.R.A. Rupasinghe
Additional Secretary, Minister of Mahaweli
Development and Environment

03. Mr. N.L.M.B. Liyanage
Parliament Secretary to the President
(Appointed by Minister)

04. Mr. A.W. Senevirathne
Director General, Department of Merchant
Shipping

05. Mr. S.I.M. Rosa
Director, Department of National Budget

06. Mr. Pamal Weerasiri
(Member appointed by the Minister)

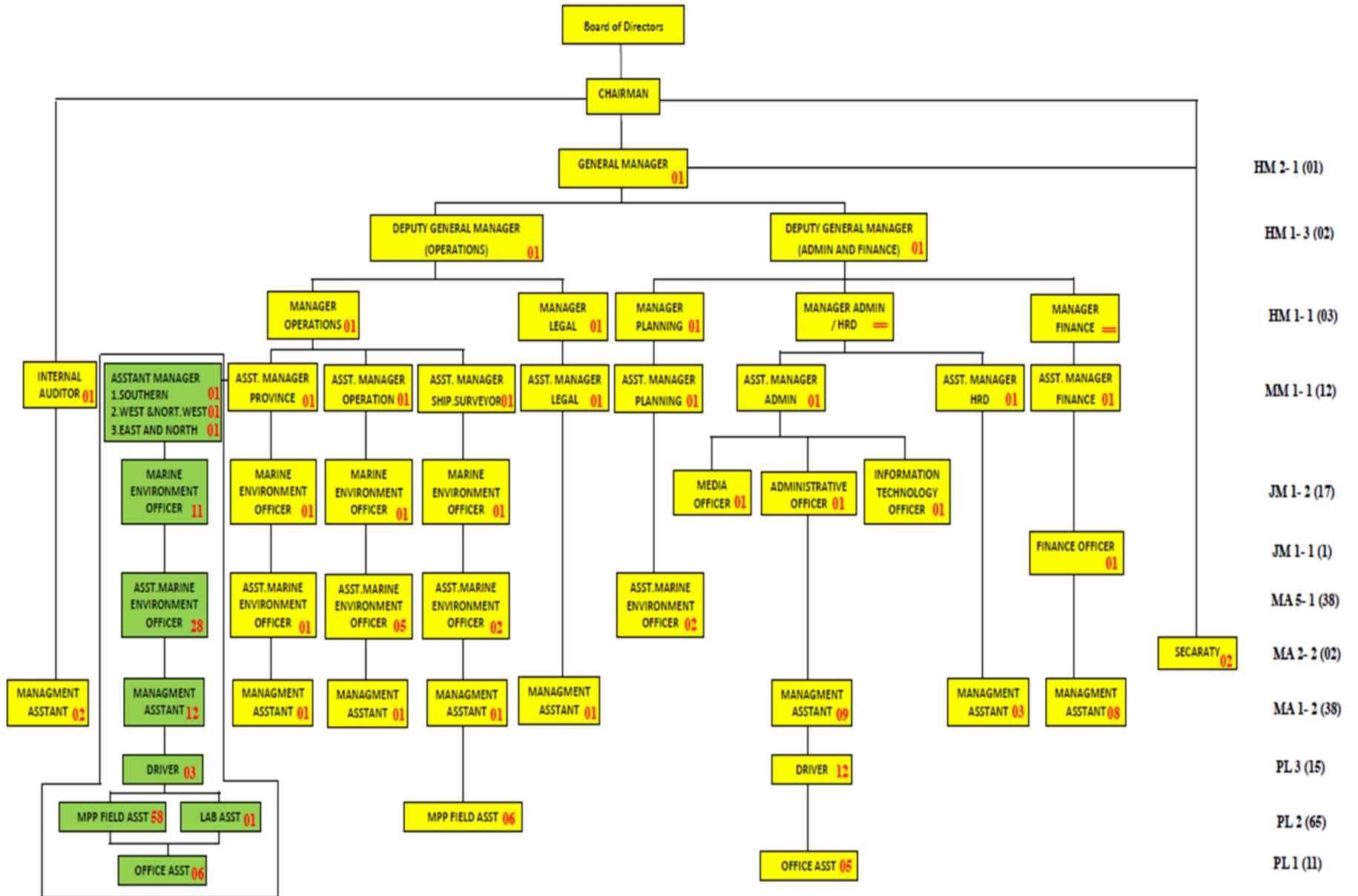
07. Mr. Ahamed Jawed
Represter of Ministry of Foreign Affairs

08. Mrs. Sepalika Wickramasinghe
Director, Ministry of Fisheries

09. Commodore Mr. P.D.S. Dias
Director, Sri Lanka Navy

10. Dr. P.B. Turney Pradeep Kumara
General Manager

Annual Report 2019



The Management Team of the Authority

Senior Management

Chairman

Rear Admiral (Rtd) Rohana Perera - RSP, VSV, USP

General Manager

Dr. P.B. Teney Pradeep Kumara [B.Sc. Special (Zoology), Ph.D.]

Deputy General Manager(Operations)

Mr.A.J.M.Gunasekara [BSc,MSc (NRM),MSc.(Maritime Affairs)]

Senior Managers

Manager Legal - Miss. A. Kariyawasam [LLB, M Sc (Maritime Law and Policy)]

Middle Managers

Accountant - Mr. D.R.C.Jayawardana [B.Com.SP,MBus (Accounting)/ LICA]

Assistant Managers (Western & North Western Province) - Mrs. T.S.Ranasinghe [B Sc, M.Sc.(Env.Sc), M.Sc.(Maritime Affairs)]

Assistant Managers (Southern Province) - Mrs.R.P.Ranaweera [B Sc. SP(Hons), M.Sc.(NRM)]

Acting Assistant Managers(Nort and Eastern Province) - Mr. T.Shripathy [B Sc]

Assistant Managers (Provincial) - Mr. H.T.N.I. Piyadasa [B.Sc, M.Sc.(NRM), M Sc. (Maritime Affairs)]

Assistant Manager (Ship Surveys) - Mr. R.N. Priyadarshane [B.Sc, NDES]

Assistant Manager (Human Resources) - Mrs. W.H.K. Hitibandara [B.Sc]

Assistant Manager (Planning) - Mr. K.P.K.T.U. Fernando [B Sc(Hons),PGD (Applied Statistics)]

Assistant Manager (Operations) - Mr.T.G.I.P. Amaranayeka [B.Sc. SP(Hons),MSc(DAMm)]

Assistant Manager (Administration) - Mr. S.M.C. Kumarage [B.B.Mgt. (Sp.)(HRM)]

Internal Auditor - Mr. W.A.Pubudu Udana [EDBA(Col),AMA(CMASL),ICBA,SMAAT,Intermediate (CASL), CBA(CASL)]

Provincial Offices and District Offices of Marine Environment Protection Authority

1 Western and North-Western Provincial Office and Colombo District Office

No:177,NawalaRoad,Narahenpita,Colombo05.
TP: 011 2554078/071 3462298
Fax: 011 2556505/011 2554173

2 District Office – Kalutara District Marine Environment Protection Authority,

No:28, Gagabada Road,Kalutara.
TP:034 2221790/071 2666456
Fax: 034 2221790

3 Southern Provincial Office and District Office, Galle

Marine Environment Protection Authority,
No:426/B, Colombo Road, Dadalla,Galle.
TP: 091 2233549/091 2233547/071 8214184
Fax: 091 2233549/091 2233547

4 District Office – Matara District

Marine Environment Protection Authority,
18 Wilmott Balasuriya Avenue, Nupe, Matara.
TP: 041-2234250/071 4926849
Fax: 041 2234250

5 District Office – Hambantota District

Marine Environment Protection Authority,
46 Second Floor, Administrative Complex,
Siribopura, Hambantota.
TP: 047 2256372/071 3624651
Fax: 047 2256372

6 District Office – Ampara District

Marine Environment Protection Authority,
Pradeshiya Sabha Building,
Village Council Road, Thambiluvill
TP: 067 2265416
Fax: 067 2265416

7 Eastern Provincial Office and District Office, Trincomalee District

Marine Environment Protection Authority,
4th Mile Post, Trincomalee.
TP:026 2050805/071 8383363
Fax: 026 2050805

8 District Office – Jaffna District

Marine Environment Protection Authority,
District Secretariat, Jaffna.
TP: 021 2212663
Fax: 021 2212663

9 District Office – Puttalam

Marine Environment Protection Authority,
Nuge Sewana – Part B, Regional Resource
Development Authority building, Pabbala,
TP:032 2222865/071406600
Fax: 032 2222865

10 District Office – Gampaha District

Marine Environment Protection Authority,
704/9A Second Kurana, Colombo Road,
Negombo.
TP:031 2228606/071 8325678
Fax: 031 2228606

11. District Office – Mannar District

Marine Environment Protection Authority,
District Office, Mannar
TP: 023 2251758
Fax: 023 2251758

12. District Office – Batticaloa District

Marine Environment Protection Authority,
No:03, Pillayar Kovil Road,
First Cross Road,
Kallady, Batticaloa
TP: 065 2224979

Message from the Chairman

It is a pleasure to give this message to the Annual Report for the year 2019.

The Marine Environment Protection Authority established by the Marine Pollution Prevention Act No. 35 of 2008 is the regulatory authority that works to prevent, mitigate and control marine pollution in the marine region of Sri Lanka.

The National Marine Environment Symposium, which was aimed at stimulating a dialogue in the society towards saving the marine environment from the threats posed to it locally and globally, obtaining proposal for and identifying and resolving the environmental problems prevailing at present, was held for the fifth time in the year 2019 covering all the aspects of the field of marine environment.

Formulating national strategies for the prevention, control and management of marine pollution which occurs due to the fishing industry and associated activities has been conducted with the intervention and guidance of the Authority. As such, the proposed strategies are to be implemented jointly with the Ministry of Fisheries, the Department of Fisheries and the Fishery Harbours Corporation.

As a pilot project under the programmes implemented to bring about a clean coastal belt around Sri Lanka, the covering of the drains system through which waste water flows into the ocean was conducted using the funds of the authority. This gave the opportunity to gather waste, which had

thitherto flowed directly to the ocean, and dispose it properly in the ocean. This methodology was proposed to be implemented by all District Offices throughout Sri Lanka, with lessons learned from the pilot project.

From the capital provision of 60 million rupees allocated for the year 2019 as per the Action Plan, 48 million rupees was spent during the year with a physical progress of 88.6% and a financial progress of 80%. The reduction of the financial progress was mainly caused by the non transfer or delay of Treasury allocations.

The Authority was able to mitigate the harm already caused and prevent the damage which could have occurred by several oil spills that occurred in 2019 and control the situation by obtaining assistance of the party involved.

I wish to place on record with gratitude the leadership and guidance received from His Excellency Maithripala Sirisena, President and Minister in charge of the subject, and the advice and support given by the Deputy Minister and the Secretary to the Ministry as well as the assistance extended by the Board of Directors, the General Manager, the Deputy General Manager and the staff for the prevention, control and management of marine pollution activities by the Authority in the year 2019.

Rear Admiral (Retired) Rohana Perera, *RSP, VSV, USP*
Chairman

Message from the General Manager

It is a pleasure to give a message to the Annual Report for the year 2019.

It was possible to implement the marine environment protection activities in a more methodical and proper manner, overcoming the challenges that came face the Authority in the year 2019. The Authority laid the foundation to implement a strategic and integrated methodologies in protecting the marine environment and to establish the mechanism necessary to put it into action effectively in the field in the year 2019.

I wish to point out that the awareness, dedication and rallying on the part of the Sri Lankan society is essential at this juncture when we are engaged in the very serious and responsible task of bequeathing an optimum marine environment to the posterity by identifying sources of marine environment pollution, building a dialogue in the society regarding the importance of protecting the marine environment and managing the motivation caused through social media towards the protection of marine environment in view of the rapid growth in tourism and special attention drawn towards marine environment in formulating national policies and trends in national economy.

The operational activities of the Authority have gradually expanded since its inception, and it was possible to be network and implement them covering the whole island. The Authority is still exploring novel

methodologies and strategies to maintain the coastal marine environment free of pollution through sustainable means, recruit the staff that was vacant and increasing the training opportunities for officers.

I wish to make this an opportunity to thank the His Excellency Maithripala Sirisena, President and Minister of Mahaweli Development and Environment, for his guidance and support in overcoming the challenges faced in protecting the marine environment and manage them oit ensure the safety of the marine environment, Hon. Anuradha Jayarathna, Deputy Minister, Secretary to the Ministry and his staff, the Chairman and the Board of Directors, and the comrade members of the staff who work hand in hand with me in shouldering the massive responsibility of protecting the marine environment.

Dr. P.B. Tourney Pradeep Kumara
General Manager/ Chief Executive Officer

Vision

“A healthy coastal and ocean environment for future generations.”

Mission

" Be the guardian of the coastal and ocean environment through awareness, research, public participation, national, regional & international coordination, prompt actions and enforcement.

1. Background

1.1 Introduction

As an island, Sri Lanka is located at a strategically important place in the Indian Ocean. According to the international laws, Sri Lanka is entitled to tap resources in a vast marine region eight times the size of its land area. International shipping routes linking the orient and the occident run along the ocean region belonging to our country. The territorial waters belonging to Sri Lanka is rich with many resources, which are gradually polluted due to navigation of ships and human activities on land.

As such, the Marine Pollution Prevention Authority was established in terms of the Marine Pollution Prevention Act No. 59 of 1981 in order to maintain our oceanic resources free of pollution. The new Marine Pollution Prevention Act No. 35 of 2008 was enacted for strengthening the legal powers vested in the Marine Environment Protection Authority for acting to prevent, mitigate and control marine pollution and for implementing international Conventions on marine pollution applicable to the Government of Sri Lanka and it was implemented with effect from 01 January 2009. According to this Act, the name of the Authority was changed as Marine Environment Protection Authority.

Developing Sri Lanka as a naval hub is one of the main objectives as per the vision of the new government which is came in to the power in 2015. In the presence of this

objective, construction of new harbors and improvement of existing harbors is also done. In addition, programmes are being formulated to tap the marine resources. Therefore, the contribution on the part of this Authority is necessary for minimizing the pollution that can occur through development measures and for maintaining the sustainability of these industries.

Accordingly, this Authority has been implementing many programmes as the institution assigned to minimize, mitigate and management of pollution of marine Environment.

1.2 Responsibilities and Functions of the Authority

1.2.1 Functions of the Authority

- (a) To effectively and efficiently administer and implement the provisions of the Act and the Regulations made thereunder.
- (b) To formulate and execute a scheme of work for the prevention, reduction, control and management of pollution arising out of ship-based activity and shore based maritime related activity in the territorial waters of Sri Lanka or its foreshore or the coastal zone of Sri Lanka.
- (c) To conduct research in collaboration with other departments, agencies and institutions in both government and private sector for the purpose of prevention,

reduction, control and management of pollution arising from any ship-based activity or shore-based maritime related activity in the territorial waters or any other maritime zones of Sri Lanka or its foreshore or the coastal zone of Sri Lanka.

(d) To take measures to manage, safeguard and preserve the territorial waters or any other maritime zone of Sri Lanka its foreshore and the coastal zone of Sri Lanka from being polluted by oil, harmful substances or any other pollutant.

(e) To provide adequate and effective reception facilities for oil, harmful substances or any other pollutant.

(f) To recognize and recommend adherence to all international conventions and relevant protocols dealing with marine pollution which the government of Sri Lanka has or may ratify, accept, accede or approve.

(g) To formulate and implement the national oil spill contingency plan.

(h) To oversee, regulate and monitor the conduct of the contractors service sub-contractors, and other persons conducting or engaged in exploration of natural resources of natural resources associated with petroleum or other related activities

(i) To create awareness amongst various community groups on the need to preserve the marine environment.

(j) To do all such other acts or things as may be necessary for the discharge of all or any of the above functions.

1.2.2 Powers of the Authority

(a) To effectively safeguard and preserve the territorial waters or any other maritime zone of Sri Lanka or its foreshore or the coastal zone from any pollution arising out of any ship based activity or shore based maritime-related activity.

(b) To conduct investigations and inquiries and to institute legal action in relation to any pollution, arising out of any ship based activity or shore based maritime-related activity.

(c) To control all sea transport of oil and bunkering operations that are carried out in the territorial waters or any other maritime zone of Sri Lanka or its foreshore or the coastal zone for the purpose of prevention of pollution.

(d) To acquire, hold, take or give on lease or hire, mortgage, pledge, sell or otherwise dispose of any movable or immovable property;

(e) To employ such officers and servants as may be necessary for the purpose of discharging the functions of the Authority;

(f) To enter into and perform directly or through any officer or agent authorized in that behalf, all such contracts as may be necessary for the discharge of the functions of the Authority;

(g) To appoint any person by name or office for the purpose of conferring all or any of the powers conferred on the Authority under the Act;

(h) To open, operate and maintain accounts in any bank or financial institution approved by the Board;

(i) To borrow such sums of money as may be necessary for the purpose of discharging the functions of the Authority;

(j) To accept and receive grants, donations and bequests of property both movable and immovable from sources in Sri Lanka and abroad and utilize them for the purpose of discharging the functions of the Authority;

(k) to make rules in respect of the management of the affairs of the Authority;

(l) To charge fees from any person or body of persons for any services provided by the Authority;

(m) To levy fees or charges in respect of all ships calling at Sri Lankan ports for the services provided by the Authority; and

(n) To do all such other acts or things as are necessary for the proper discharge of the functions of the Authority or are incidental to any of the powers specified in this Act or conferred on or assigned to the Authority

2.Threats to Marine Environment in Sri Lanka

The marine ecosystem gets our attention for different reasons. The fact remains that consistent increase in the level of pollutants has degraded water bodies across the world to levels of irreparable damage. Studies explain that 80 per cent of marine pollution originates on land, in different forms of pollutant, mostly as a result of various human activities. However, plastics contamination poses the biggest threat, the list of pollutant to the marine environment remains long with sewage, pesticides, industrial chemicals and other garbage.

It is true to say that despite taking numerous steps to mitigate the effects of marine pollution, there is still a long way to go to protect and conserve our water bodies. As important as finding ways to clean our oceans and lakes, creating awareness among people towards the protection and conservation of the marine environment is also a crucial factor. And being aware of a problem means knowing the issue at the grass root level. Thus, to prevent marine pollution, one must be aware of the pollutants that pose threat to the ecosystem and the sources those originate.

Here, the Marine Environment Protection Authority enumerated 11 main causes of marine pollution which have been troubling marine environment for quite some time now.

2.1 Plastic Pollution

It is important to mention this environment degrading agent separately for the sole fact that it has and is the reason for several environmental problems both at sea and land. Those who have read or seen the Pacific garbage patch knows the extent of damage this substance is causing to the marine environment. It is estimated that around 8 million tonnes of plastic waste enters our oceans every year, and by 2050, at this rate, we would witness more plastic particles than number of fish in the oceans across the world. The ill effect of plastic pollution is wide-ranging. The plastic pollution has a direct effect on wildlife as it - plastic bags, fishing nets and other debris-chokes hundreds and thousands of seabirds and sea turtles every year. The ingestion of micro plastics fish and other species also pose risk to their life as well as humans.





2.2 Ocean Dumping

Dumping of waste materials from industries, ships and sewage plants into oceans has polluted the marine ecosystem to a great extent. As mentioned earlier, for years the oceans have been targeted as a dumping site of sewage, chemicals, industrial waste, garbage, and other debris from the land. According to reports, only mining companies across the world dump 220 million tones hazardous waste directly into our water bodies every year. Similarly, it is important to note that around two-thirds of the marine lives in the world have been under threat from the chemicals we use every day, including household cleaners. Since we depend on the marine ecosystem extensively, the adverse effects of ocean dumping have not only been felt by marine life but by humans as it poses health risks.

2.3 Oil Spills

No discussion on marine environment can come to a conclusion without mentioning the biggest cause of marine pollution – oil spills. The world has witnessed several oil spill disasters that have been one of the major concerns of pollution to the marine environment. Disasters such as the Exxon Valdez Oil Spill and Deepwater Horizon etc.

have resulted in the extreme pollution of the marine ecosystem, killing thousands of marine species. The oil spill destroys the insulating ability of several marine species and also the water repellency of bird's feathers, exposing these creatures to life-threatening risks.



2.4 Waste Pollution from Ships

As we know, tens and thousands of ships are responsible for more than 90 per cent of world trade. Apart from other pollutants such as oil and gas, the waste and garbage generated on board ships poses a significant threat to the marine ecosystem. Both solid and liquid waste in form of ballast water, grey water, food waste, tonnage and packing material, paper products and cleaning

material and rags etc. pollutes the seawater and badly affects marine lives. The vessels used for various purposes - be it a container or cruise ship- contribute to this pollution in different levels.



depend on fish and fish products for their daily sustenance. Studies have shown that the decreased pH levels affect the behaviour of several marine species, putting them at life-threatening risks.



2.5 Land Runoff

One of the major sources of ocean pollution is the waste comes from the nonpoint source, which happens as a result of runoff. Surface runoff from both agricultural land and areas carry soil and particles mixed with carbon, phosphorus, nitrogen and minerals, posing threat to the marine life in alarming scale. Crossing streams and rivers, the water filled with these toxic chemicals land in the ocean, resulting in harmful algal blooms. This kind of water pollution threatens the species of fish, turtles, and shrimp etc. and also humans through the food chain.



2.6 Ocean Acidification

The issue of ocean acidification is quickly becoming a threat to both marine lives and humans. Ocean acidification is the continuing decrease of seawater pH caused by the absorption of Carbon Dioxide (CO₂) from the atmosphere. Ocean acidification has the power to greatly endanger the lives of marine organisms and also humans who

2.7 Noise Pollution from Ships

It has been scientifically proven that the noise generated from shipping operations is harmful to marine organisms. Harmful effects of noise pollution on marine organisms include haemorrhages, changed diving pattern, migration to newer places, and damage to internal organs and an overall panic response to foreign sounds. Source of noise pollution from ships include everything from engine noise to the

entertainments in cruise ships. The intensity of noise pollution is higher in marine environment since noise travels greater distances easily in water and at the same time, marine life is extremely sensitive to noise due to their heavy reliance on underwater sounds for basic life functions.



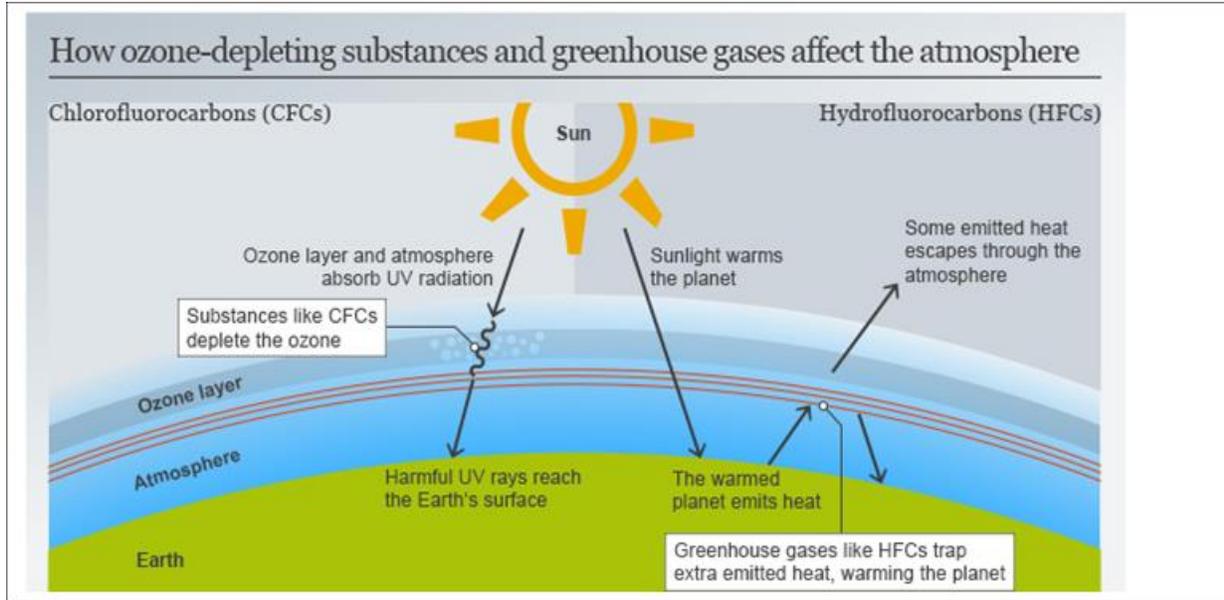
2.8 Sea Water Level Rising

Global warming is alarmingly increasing seawater levels, threatening the marine ecosystem. According to reports, the annual rate of seawater rise during the past two decades has been 0.13 inches a year, which is around twice the average speed of rising over the preceding 80 years. Thus, it is high time that we educate ourselves about the causes and effects of seawater level rising to save the marine environment and biodiversity. The rise in seawater level means more wetland flooding, destructive erosion and agricultural land contamination and more importantly a serious threat to the habitat of several plants, fishes and birds.

2.9 Ozone Depleting Substances.

Ozone-depleting substances such as CFCs and Halon along with other pollutants from ships are destroying the ozone layer. Ozone Depleting Substances omitted by ships across the world include Methyl Chloroform, Methyl Bromide, Bromochloro Difluoro Methane and Bromo Trifluoro Methane etc. These man-made gases are capable of destroying ozone and in effect, these gases causing harm to the marine environment in several ways. Learn more about ozone-depleting substances from ships here.

[\(https://www.marineinsight.com/environment/what-are-ozone-depleting-substances-on-ships/\)](https://www.marineinsight.com/environment/what-are-ozone-depleting-substances-on-ships/)



2.10 Dredging

In this world of ever expanding industrial activities, dredging is an important activity that enhances marine transportation and other related activities. However, dredging has been a major cause of disturbance in the marine ecosystem for many years. As dredging is to remove the deposits submerged underwater, the activity alters the pre-disposed composition of soil, leading to the destruction habitat of creatures and organisms. Similarly, dredging of contaminated materials will result in the regrouping of harmful particles and contaminate large of areas of water bodies. Though steps have been taken to mitigate the effects of dredging on the marine environment, several cases involving the destruction of underwater lives are still extensively heard about.



2.11 NO_x and SO_x

Nitrogen Oxides (NO_x) and Sulfur Oxides (SO_x) – the two main pollutants found in shipping emissions- has badly affected both marine environment and ozone layer in a number of ways. Both NO_x and SO_x are combustion products that are emitted into the environment in the form of smoke. It is estimated that in 2005, the water bodies around Europe witnessed 1.7 million tonnes of sulphur dioxide (SO₂) emissions and 2.8 million tonnes nitrogen dioxide emissions from international shipping. And, according to the recent studies, these type of air pollution from shipping accounts around for 50,000 premature deaths per year in Europe. However, strict rules have been formed to reduce their levels in ship's emissions. With

IMO revising its standards on the Sulphur content of marine fuels, the vessels passing through a Sulphur Emission Control Area (SECA) are not permitted, since 2015, to use fuels with more than 0.1% of Sulphur. Similarly, the Sulphur limit applicable to all marine fuels used internationally will go from 3.5% to 0.5% since 2020.

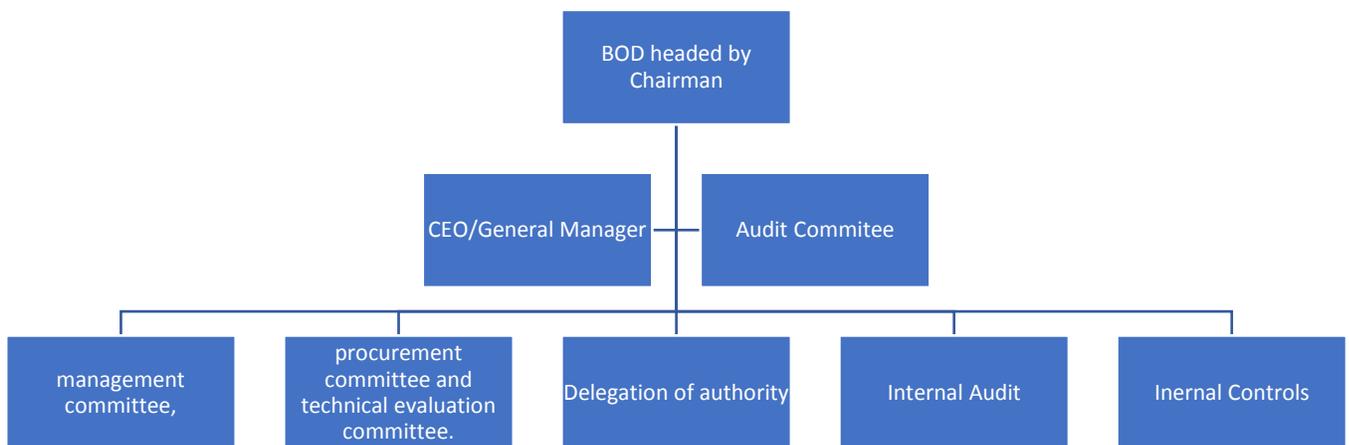
The above-mentioned reasons for marine pollution might not be enough to depict the seriousness of the matter. However, it is our humble effort to educate and inform people about the ever-growing threat from these polluting agents.

It's time to educate ourselves. It's time to take some serious action to protect our Marine environment for future generations.

3.CORPORATE GOVERNANCE

Sound corporate governance provides a strong foundation to protect stakeholder value, Authority’s resources and to achieve strategic growth objectives. Independent review by the Committee of Public Enterprises (COPE) and the interest placed by the general public over the operations and activities of MEPA is the key in driving compliance, in embedding the highest levels of integrity and ultimately in ensuring good governance.

3.1 GOVERNANCE FRAMEWORK



3.2 MEPA Board

The force behind the Authority is its supremely qualified and experience Board of Directors who are regularly called upon to make decisions that affect the strategy, finance and reputation of the organization as well as impact the lives of all of the citizens of the country. In these matters, the board leverages its collective abilities to ensure the highest possible level of corporate governance in accordance with the functions set out for itself by Marine Pollution Prevention Act No. 35 of 2008.

It is also tasked with defining the roles and responsibilities of the directors, their exact composition as well as their tenure in their respective positions. While the board is appointed by the Minister of Petroleum Resources Development, a representative of the General Treasury and the line ministry on the board is mandatory. Of the board, only the Chairman and general manger sit in executive capacities while the rest are non-executive.

3.3 Board attendance during 2019

Regular Board meetings are held monthly, while special Board Meetings are assembled as and when required. Senior Managers attend meetings on invitations. The Board Meetings are conducted on a formal agenda and Directors are provided with relevant comprehensive background information by Corporate Managements prior to meetings. During the year 10 board meetings were held. The table below shows each director's attendance at each of the board meetings.

Name	Designation	Board meetings
01. Rear Admiral Rohana Perera	Chairman (Member appointed by the Ministry)- Executive Director	09/10
02. Dr. P. B. Terney Pradeep Kumara	General Manager Executive Director	10/10
03. Mr. R.A.R.R.Rupasinghe	Non- Executive Director	08/10
04. Mr. A. W. Senevirathne	Non- Executive Director	03/10
05. Mr. N.L.M.B.Liyanage	Non- Executive Director	06/10
06. Mr. Ahamed Jawed	Non- Executive Director	09/10
07. Mr. P.Weerasiri	Non- Executive Director	06/10
08. Mrs.Sepalika Wickramasinghe	Non- Executive Director	07/10
09. Commodore P.D.S.Dias	Non- Executive Director	07/10
10. Mr. S.M.I.Rosa	Non- Executive Director	07/10



The Role of the Board

The overall responsibility and accountability for the success and sustainability of the Authority is vested with primarily on exercising sound leadership towards the Authority's strategic directions and overall performance, while safeguarding the best interests of stakeholders

3.4 Directors' independence

According to the Marine Pollution Prevention Act No. 35 of 2008, the Directors have initial tenures not exceeding a period of three years on the Board subject to reappointment. Before making decisions, the Board explores relevant information from corporate management and if required, from external professionals. The Corporate management is responsible for providing appropriate information to the Board on time and enabling the Board to efficiently discharge its responsibility

The Board of Directors may delegate to any Director or employee any of its powers or duties and every delegate appointed shall exercise or perform the power or duty delegated to him or her subject to the general or special directions of the Board of Directors. The Board endeavors to exercise an effective system of internal controls over the Corporation by formulating and

The board is also responsible for the achieving the vision of the Authority. In executing this responsibility, the board has ultimate accountability for realizing authority's strategy, overseeing its operating performance and financial results, as well as being the ultimate custodian of Authority's corporate governance framework. Furthermore, they are responsible to comply with statutory requirements and ethical standards.

implementing policies and ensuring their effective implementation. The board members directly communicate with internal and external auditors and all members of the senior management team.

In addition to the areas mentioned above, the board holds the responsibility for granting approval for Annual Financial Statements, the Annual Budgets, Corporate Plan, Action

Plan and reviewing financial performance on a regular basis. The Board oversees the granting of approvals relating to key appointments, staff promotions, major capital expenditure and investments.

3.5 Sub committees

The board is supported by the audit committee through which executes some of the key duties of the board. Additionally, four sub-committees are in place, namely management committee, procurement committee and technical evaluation committee.

3.6 The Audit Committee

The Audit committee plays an independent role from management with accountability to the board. The Audit committee comprises of nonexecutive directors as determined by the board. The composition, role played, number of meetings and the attendance of the Audit Committee is elaborated in the Audit Committee Report on pages 20 to 25 of this Annual Report.

3.7 Procurement Committees (PC) and Technical Evaluation Committees (TEC)

The National Procurement Agency (NPA) has issued a set of guidelines to purchase products, goods, services and works. The TEC and PC function under the guidelines issued by the NPA to ensure transparency, minimize delays and obtain the most financially advantageous and qualitatively best services and supplies for the MEPA. The TEC pays attention to the technical aspects of the purchases while PC takes care of the other aspects of a purchase.

At MEPA the following procurement committees function based on the value of purchase:

1. Ministry procurement committee
2. Departmental procurement committee
 - a. Departmental procurement committee -Major
 - b. Departmental procurement committee -Miner

3.8 Management Committee

The Management Committee consisted of CEO ,DGM or department heads with one of them functioning as the Chairman of the Committee. The head of functions also take part in the meetings. During the year under review this committee Convince when required

Relations with the parent

The Authority's operations continuity depends on cordial and meaningful engagement with all its stakeholders. The MEPA recognizes the importance of promoting mutual understanding between the Authority and its stakeholders. In the opinion of the Directors, the Authority 's ultimate parent undertaking and controlling party is the Government of Sri Lanka. The Authority closely associates with the Ministry of Environment, the General Treasury to manage the Authority operations.

The Authority also seeks advice and guidance for major expansion programs and funding from those institutions. The Chairman / General Manager is the key contact person to deal with the government and such communications are done both verbally and in writing. MEPA provides all the legally required and other relevant information in the best possible way to the Government.

3.9 Internal Controls

An effective system of internal controls is essential for the Corporation to function smoothly. The system is intended to safeguard the assets of the Corporation and to ensure that proper records are maintained and reliable information is produced. The internal control system covers all types of controls, including financial, operational and compliance controls together with risk management. Practically, the internal control system manages the MEPA's key areas of risk within an acceptable risk profile mentioned in the risk management section rather than eliminate the risk of failure to achieve the policies and authority objectives. Accordingly, the system of internal controls can only provide reasonable but not absolute assurance against material misstatement of management and financial information and records or against financial losses or fraud.

The Internal Audit Department of the Authority is entrusted to review all internal control procedures and their adequacy and effectiveness and make recommendations for improvements of internal controls.

3.10 Internal Audit

The Internal Audit Department is led by a professionally partly qualified Accountant. Audit Plans approved by the Audit Committee are in existence to assess the internal controls, identify risk areas and verify the completeness of transactions. Additionally, they are assigned to carry out special investigations with the objective of providing observations and recommendations to the management. Identification of risks related to the areas of product losses and revenue losses, discussion of Auditor General's report with the replies to audit

queries and periodic review of the audit plans with the actual work carried out are the other functions performed by the Internal audit.

3.11 Corporate Management

The Chairman / General manager the regular affairs of the Authority based on the strategic direction, established policies and procedures approved by the Board of Directors from time to time. Operations and the main administration of MEPA are divided into two broad categories, namely, Regional operations and Head Office operations. Regional operation is headed by the District Marine environment officers who is assisted by Deputy Managers or Assistant manager relevant for particular province For better management, the Head Office is divided in to several departments and each unit is headed by a Deputy General Manager or a Manager who assists the Chairman / General Manager in the day-today functioning of the Authority. The Corporate Managers are professionals with the necessary skills, experience and academic and professional qualifications in their respective areas.

3.12 Compliance and Transparency

Complying with all applicable legislation, regulations, standards, best practices and codes is integral to the success and sustainability of the Authority. MEPA's corporate governance is structured by the guidelines published in the Code of Best Practice on Corporate Governance issued by the Institute of Chartered Accountants of Sri Lanka and Public Enterprises Guidelines for Good Governance issued by the Department of Public Enterprises – Ministry of Finance in 2003. The Board of Directors is committed to comply with those requirements safeguarding strong corporate governance practices.

The Authority is committed to maintain transparency in all its activities. The Corporation complies with Sri Lanka Accounting Standards (SLPSAS/SLFRS/LKAS) and relevant regulations to ensure accountability. The internal control system is integrated into the Corporation's daily operations in accordance with Finance Act No. 38 of 1971. Financial statements are published annually and tabled in the Parliament. In compliance with the Finance Act, the Auditor General carries out the External.

4.DIRECTORS REPORT

The Board of Directors of Marine Environment Protection Authority has pleasure in presenting the Annual Report together with the Audited Financial Statements of the Authority for the year ended 31 December 2019, in accordance with Section 18 of the Marine pollution Prevention Act No. 35 of 2008.

The Marine Environment Protection Authority is a state-owned Regulatory Authority incorporated under the Marine pollution Prevention Act No. 35 of 2008. This is managed by a Board of Directors.

The registered office of the Authority is situated at No. 177, Nawala Road, Colombo 05. The Audited Financial Statements included in this Annual report have been prepared and presented with the relevant disclosures in accordance with Sri Lanka Public Sector Accounting Standards (SLPSASs) issued by the Institute of Chartered Accountants of Sri Lanka and the provisions of the Finance Act No. 38 of 1971 and subsequent amendments thereto.

4.1 Principal Activities

The principal activities of the Marine Environment Protection Authority are, prevent, control and manage marine pollution in Sri Lanka waters through effective enforcement of regulations, implementation of concerned International Conventions, coordination and mobilization of stakeholder and other resources, for sustainable management of marine environment for present and future.

4.2 The Audited Financial Statements

The Audited Financial Statements of Marine Environment Protection Authority for the year ended 31 December 2019 duly signed by the Accountant and approved by the Board of Directors of the Authority.

4.3 Director's Responsibility for Financial Reporting

The Board of Directors is responsible for the preparation of the Financial Statements of the Marine Environment Protection Authority, which reflects a true and fair view of the state of affairs of the Authority. The directors are of the view that the Statement of Financial performance, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows, Significant Accounting Policies and Notes thereto appearing on pages 59 to 77 have been prepared in conformity with the requirements of the Sri Lanka Public Sector Accounting Standards as mandated by the Sri Lanka Accounting and Auditing Standards Act No. 15 of 1995 and the Finance Act No. 38 of 1971.

During the year under review, there were no changes in the accounting policies adopted, which were consistent with those adopted in the previous financial year as required by the Sri Lanka Public Sector Accounting Standard No. 01 on 'Presentation of Financial Statements'.

4.4 Revenue & Surplus/Deficit

Summary of the Financial Results of the Authority for the year ended 31 December 2018 with comparative figures are given below.

	2018	2019
Revenue	240,476,579.82	246,269,242.31
Expenses	212,999,696.10	243,316,538.80
Surplus or Deficit	27,476,883.72	2,952,703.51

4.5 Property, Plant & Equipment

The details of Property, Plant & Equipment of the Marine Environment Protection Authority is given in Note 08 to the Financial Statements on page 65.

4.6 Directors' Remuneration

These salaries & Wages are made in accordance with the provision of the Public Enterprise Circular No: 01 of 2015.

4.7 Directors' Interest in Contracts

There are no direct or indirect interests of the Directors on contract with the Authority

4.8 Risk Management and System of Internal Controls

The Board of Directors assumes overall responsibility for managing risks. For this purpose, the Board of Directors has instituted an effective and comprehensive system of Internal Controls in the Authority.

4.9 Human Resources

The Authority has recognized the valuable role of Human Resources in transforming its operations mission and vision into reality. Accordingly, several measures were taken to enhance its human resource capital and to

optimize their contribution towards the achievement of corporate goals and objectives. Our human resources policy emphasizes on providing all categories of employees with adequate opportunities for continuous upgrading of their knowledge and skills through local and overseas training. Development of human capital to ensure availability of a high level technical and managerial capability within its human resources has become a priority objective for the Authority.

4.10 Outstanding Litigations

There are no any pending litigations against the Authority disclosed as at the Financial statement date. Accordingly, Financial Statements will not cause any material impact on the financial stability of the Authority or on its future operations.

4.11 Compliance with Laws and Regulations

The Authority has not engaged in any activities contravening the applicable laws and regulations.

4.12 Statutory Payments

The Directors, to the best of their knowledge and belief, are satisfied that all statutory payments due to all relevant regulatory and statutory authorities have been made on time with the available financial capabilities.

4.13 Events after the Statement of Financial Position Date

No event of material significance that require adjustments to the Financial Statements, has occurred subsequent to the date of the Statement of Financial Position.

4.14 Going Concern

The Board of Directors has prepared the Corporate Plan /action plan with a view to improve the outlook of the Authority, to enhance the operations and to ensure protection of marine environment for the future. Accordingly, the Financial Statements are prepared based on a going concern basis.

4.15 Appointment of Auditors

The Auditor General is the Auditor of the Authority. He has been appointed in terms of the provisions in Article 154 of the Constitution of the Democratic Socialist Republic of Sri Lanka. The auditor's remuneration for the audit shall be determined in accordance with Audit Act.

4.16 Auditors' Remuneration

The Auditors were paid Rs. 1,109,400.00 for the year ended 31 December 2019 as audit fees by the Authority. As far as the Directors are aware, the Auditors do not have any other relationship or interest in contracts with the Authority.

4.17 Corporate Governance Directors' Declarations

The Board of Directors declares that

1. The Authority is complied with all applicable laws and regulations in conducting its operations and has not engaged in any activity contravening the relevant laws and regulations;
2. The Directors have declared all material interests in contracts involving the Authority;

3. The operation is a going concern with supporting assumptions and the Board of Directors has reviewed the Authority's Corporate / Action plans and is satisfied that the Authority has adequate resources to continue its operations in the foreseeable future. Accordingly, the Financial Statements of the Authority is prepared based on the going concern concept,
4. The directors have conducted a review of internal controls covering financial, operational and compliance controls and risk management and have obtained a reasonable assurance of their effectiveness and successful adherence herewith.
5. The procedures and practices in conformity with the Corporate Governance rules and regulations are described in the Corporate Governance Report on pages 20 to 25 of this report.

4.19 Acknowledgment of the Contents of the Report

The Board of Directors does hereby acknowledge the contents of this Annual Report.

This Annual Report is signed for and on behalf of the Board of Directors by.

Chairman

5. Report of the Audit and Management Committee

The Audit and Management Committee comprises three non-executive Directors, Mr.S.I.M.Rosa representative of the Treasury, held its chair and Mr. R.R.A.R. Rupasinghe, Additional Secretary to the Ministry of Environment, and Mr. N.L.M.B.Liyanage appointed Member of the Board of Directors, were the Members of the Committee. In addition Mr.T.M.Pamal Ruwansiri appointed as a committee member as at 25.06.2021. In addition, Audit Superintendent in charge of the Ministry of Environment and Chief Internal Auditor of the Ministry of Environment attended the Meetings of the Audit and Management Committee as main observers. The General Manager and the Accountant as well officers holding other relevant positions appeared before the Committee whenever necessary to give clarifications upon being summoned by the Audit and Management Committee.

The internal auditing activities were carried out by the Internal Audit Division. The operations within the purview of audit has been planned to be implemented within the year covering operational, financial, administrative and legal Divisions. In addition, the Auditor General's Department subjected the deficiencies existing in terms of operations, administration and finance as well as shortcomings in internal controls to evaluation, side by side with auditing the Financial Statements.

Measures were adopted to make the necessary rectifications by discussing the internal audit report with the management.

The audit was planned and implemented to obtain an assurance that the affairs of the Authority are conducted in accordance with the internal Circulars of the Authority, the Financial Regulations, the Establishments Code and other regulations. All the financial, administrative and operational activities including the preparation of the Financial Statements of the Authority, preservation and maintenance of the assets of the Authority and maintaining the liquidity of the Authority were subjected to audit in this endeavor. The Audit and Management Committee inspected the Financial Progress Reports prepared by the Accountant and submitted recommendations to the Chairman and the General Manager pertaining to the action that should be taken regarding it.

The Audit and Management Committee discussed with the Auditor General's Department their observations, conclusions and recommendations at its meeting. In addition, the Audit and Management Committee evaluated the facts unveiled by the internal audit reports and the effectiveness of the auditing methodologies and provided the instructions and guidance necessary to minimize the deficiencies. The Audit and Management Committee conducted meeting five times during the year of 2019.

**Records on the Meetings of the Audit and Management Committee of the
Marine Environment Protection Authority in 2019**

	Name	Position Held in the Audit and Management Committee	No. of Meetings of the Audit and Management Committee
01	Mr. S.I.M.Rosa	Chairman (National budget department)	05/05
02	Mr. R.A.R.R. Rupasinghe	Member (Ministry of Mahawali Development and Environment)	05/05
03	Mr. N.L.M.B.Liyanage	Member (Sri Lanka Parliament)	04/05
04	Mr.T.M.Pamal Ruwansiri	Member (From 25.06.20219 to 04.10.2019)	04/05
05	Mr. K.K.S.Jayakody	Observer – Department of Auditor Genral (Audit Superintend)	05/05
06	Mrs. E.D.Kumudu	Observer (Ministry of Mahaweli Development and Environment)	02/05
07	Mrs. D.S.K.Darmawardena	Observer (Ministry of Mahaweli Development and Environment – From 04.10.2019 on wards)	01/05
07	Mr. A. P. Udana	Convener (Marine Environement Protection Authority)	05/05

6. Human Capital Report

‘Building Employee Relations and Increasing Employee Engagement’

We readily acknowledge that Employee Relations and Employee Engagement are both critical to the success of Authority operations. Accordingly, we remain fully committed to build strong relationships with our people, based on trust and mutual respect and strive to maintain open and transparent communication and promote regular engagement with our employees

The HR Department play a key role in maintaining employee relations. A key driver this regard is the department's HR plan for developing the competence and confidence of staff to achieve overall objectives of the Authority.

Human resources development policy of MEPA is developing the approach based on the principle of diversity to ensure that we have the best mix of people at all levels. We are planning to provide our employees equal access to resources, opportunities and allow every employee to be part of the team and contribute their best. To do so, we rely on a high performance-driven culture, where we expect every team member to take personal to align their career objectives towards achievement of the authority objectives.

New Recruits 2019
New Recruits - Age and Gender (GRI 401-1)
401-1)

Age Group	Male	Female	Grand Total
18-20	-	-	-
21-30	14	-	14
31-40	3	-	3
41-50	-	-	-
Above 50	-	-	-
Grand Total	17	-	17
Percentage [%]	100	0	100

Turnover 2019
Turnover - Age and Gender (GRI

Age Group	Male	Female	Grand Total
18-20	-	-	-
21-30	-	2	2
31-40	1	2	3
41-50	-	-	-
Above 50	-	-	-
Grand Total	1	4	5
Percentage [%]	20	80	100

Employee Relations 2019

Return to Work and Retention Rates after Parental (Maternity leave) (GRI 401-3)

Description	2019	2018
Employees entitled to Maternity Leave	39	48
Employees obtained the Maternity Leave	9	8
Employees returned to work after Maternity Leave	8	6
Employees still employed 12 months after taking Maternity Leave	7	6
Return to Work Rate [%]	88.8%	75%
Retention Ratio [%]	77.7%	75%

Breakdown of Employees 2019 (GRI 405-1)

Range	Senior Management		Middle Management		Junior Management		AMEO		MA		Other Operational Staff	
	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female	Male	Female
18-20	-	-	-	-	-	-	-	-	-	-	-	-
21-30	-	-	-	-	-	1	7	5	4	10	13	
31-40			3	2	11	3	5	12	3	8	29	1
41-50	3		4			3			3	1	40	
Above 50	1	1		2							12	
Grand Total	4	1	7	4	11	7	12	17	10	19	94	1
Percentage [%]	2.1	0.5	3.7	2.1	5.8	3.7	6.4	9.0	5.3	10.1	50.2	0.5

Type of Employment (GRI 102-8)

Type of Employment	2019			2018		
	Male	Female	Grand Total	Male	Female	Grand Total
Fixed Term Contract	1	0	1	2	0	2
Permanent	101	41	142	102	37	139
Probationers	37	7	44	30	15	45
Trainees	2	8	10	2	8	10
Grand Total	141	56	197	136	60	196

Province-wise Employees (GRI 102-8)

Type of Employment	No. of Branches/ Units	2019			2018		
		Male	Female	Grand Total	Male	Female	Grand Total
Southern	03	35	9	44	35	9	44
Western	03	58	33	91	63	37	100
North Western	01	8	4	12	10	4	14
Northern	02	15	3	18	5	3	8
Eastern	03	20	2	22	18	2	20
Grand Total	12	136	51	187	131	55	186

7. Review of Operational Activities

7.1. Improving the Marine Environment Pollution Control Methodologies

Programme to Test the Sources from which Waste Gets Added to the Sea and Quantifying such Waste: Most amount of waste added to oceans of the world originate in the land. Even out of it, the amount which flows to the sea through rivers, streams, brooks and canals are very high. The Regional Offices of the Marine Environment Protection Authority conducted programmes to test sources and quantities of waste at several places as a pilot project. It is intended to test the water quality at the places of entry into sea of those rivers, streams, canals and brooks and the rates at which water enters the sea at these places (flow rate), and to quantify the waste that is added to the sea. Based on the data obtained from these tests, plans are made to identify the sources from which waste is added to the sea in large quantities and to give remedies. Eg.: Allowing waste to collect in nets at places in Kalutara and Hambantota and main waste emission site at Kinniya in Trincomalee and testing water quality there.

7.2 Programme for Testing Water Quality in Sea Water

An assessment on whether water is suitable for human needs can be made from its chemical composition, physical

characteristics and scientific formation. District Offices of the Marine Environment Protection Authority inspects the quality of water in bathing spots frequently.

Physical characteristics such as temperature, turbidity, suspension and conductivity of water, chemical measurements of composition such as acidity or basicity and nitrate and phosphate content in water, physio-chemical measurements such as extent of oxygen dissolved in water and oxygen demand, and micro-biological contents such as coliforms, bacteria, and coliform bacteria contained in faecal Matter are tested on monthly basis in this regard.

Table 1: Marine Bathing Spots Classification Indicators

Quality	Indicator	Class
Very weak	<45	vi
Weak	46 - 60	V
Average	61 - 69	Iv
Good	70 - 79	Iii
Very Good	80 - 90	Ii
Excellent	91 - 100	I

Table 2: Classification of Bathing Spots in Sri Lanka

	District	Bathing Spot	Indicator Value	Quality	Class
01	Kalutara	Moragolla	66.71	Average	IV
02	Galle	Unawatuna	88.93	Very Good	II
03	Matara	Mirissa	95.13	Excellent	I
04	Hambantota	Tangalle	81.58	Very Good	II
05	Ampara	Arugambay	100	Excellent	I
06	Batticaloa	Pasikuda	100	Excellent	I
07	Puttalam	Puttalam Coastal Park	73	Good	III
08	Puttalam	Wennappuwa	84.95	Very Good	II
09	Gampaha	Negombo Beach Park	62.8	Average	IV
10	Colombo	Mount Lavinia	65.35	Average	IV
11	Colombo	Wellawatta	61.11	Average	IV
12	Trincomalee	Marble Beach	100	Excellent	I
13	Trincomalee	Trincomalee Beach	100	Excellent	I
14	Trincomalee	Nila-valley Beach	100	Excellent	I
15	Trincomalee	Pigeon Island	100	Excellent	I
16	Jaffna	Charty	100	Excellent	I
17	Jaffna	Casurina	100	Excellent	I
18	Jaffna	Thondamanaru	100	Excellent	I
19	Mannar	Talai-Mannar	100	Excellent	I
20	Mannar	Pesalai	100	Excellent	I
21	Mannar	Keeri	100	Excellent	I

7.3 Fishery Harbour Pollution Prevention and Cleaning Programme

While fishery harbours are direct sources of marine pollution, they in turn get affected by marine pollution, too. Therefore, programmes for mitigating the effects of

fishing industry and fishery harbours are organized by the Marine Environment Protection Authority. As such, clean-up programmes and awareness programmes were conducted at 17 fishery harbours during the year 2019.



Highlights of this Programme

7.4 Waste Reception Service for Ships

The following service providers got registered for removing waste from ships for the year 2019 and were engaged in

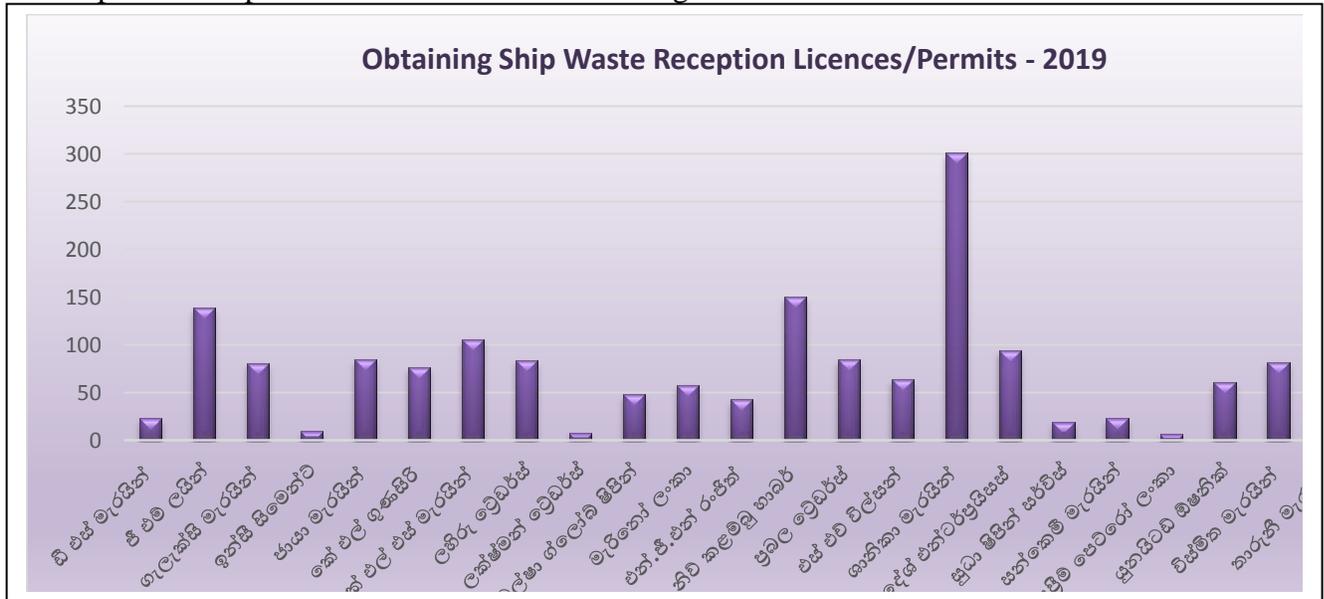
removing burnt/furnace oil, solid waste and faecal waste from ships arriving at Colombo, Galle, Hambantota and Trincomalee Harbours:

Table 3: Organizations Registered with the Authority to Provide Waste Reception Services for the year 2019

	Name of the Organization	Category of Waste			Harbours for which Registration was Obtained			
		Burnt Oil	Solid Waste	Faecal Waste	Colombo	Galle	Hambantota	Trincomalee
1	Shanika Maine Company	√	√	√	√	√	√	√
2	G.M. Line Company	√	√	X	√	√	√	√
3	K.L.S. Marine Service	√	√	X	√	√	√	√
4	New Colombo Harbour Suppliers	√	√	X	√	√	√	√
5	G.N.N Ranjith Marine Service	√	√	X	√	√	√	√
6	Jaya Marine Service	√	√	X	√	√	√	√
7	Malsha Globe Shipping Service	√	√	√	√	√	√	√
8	Marino Lanka	√	√	X	√	√	√	√
9	Sudesh Enterprises and Exports	√	√	X	√	√	√	√
10	D.S. Marine Service	√	√	X	√	√	√	√
11	Galaxy Marine Company	√	√	X	√	√	√	√
12	Insee Cement (Lanka) Company	√	√	X	√	√	√	√
13	S.H. Wilson and Company	√	√	X	√	√	√	√
14	Prabala Traders Marine Service	√	√	√	√	√	√	√
15	Vismitha Marine Enterprises	√	√	√	√	√	√	√
16	H.T. Senu Cargo and Transport Company	√	√	√	√	√	√	√
17	Supreme Petro Lanka (Private) Limited	√	X	X	√	√	√	√
18	N and Y Marine Company	√	√	X	√	√	√	√
19	Sagara Marine and Engineering Service	√	√	X	√	X	X	X
20	Sunchem Industries (Private) Limited	√	√	X	√	X	X	X
21	United Oceanic Marine Service	√	X	X	√	√	√	√
22	Colombo Dockyard <i>plc</i>	√	√	X	√	X	X	X
23	Sudha Shipping Service	√	√	X	√	√	√	X
24	Maria Shipping Service	√	X	X	√	X	X	X
25	Ranara Marine Company	√	X	√	√	X	X	X
26	Tharuni Marine Company	√	X	X	√	X	X	X
27	Nirosh Marine Company	√	X	X	√	X	X	X
28	K.L. Gunasiri and Sons	X	√	X	X	√	√	X
29	Lahiru Traders	X	√	X	X	√	X	X

7.4.1 Issuing Licences to Ships

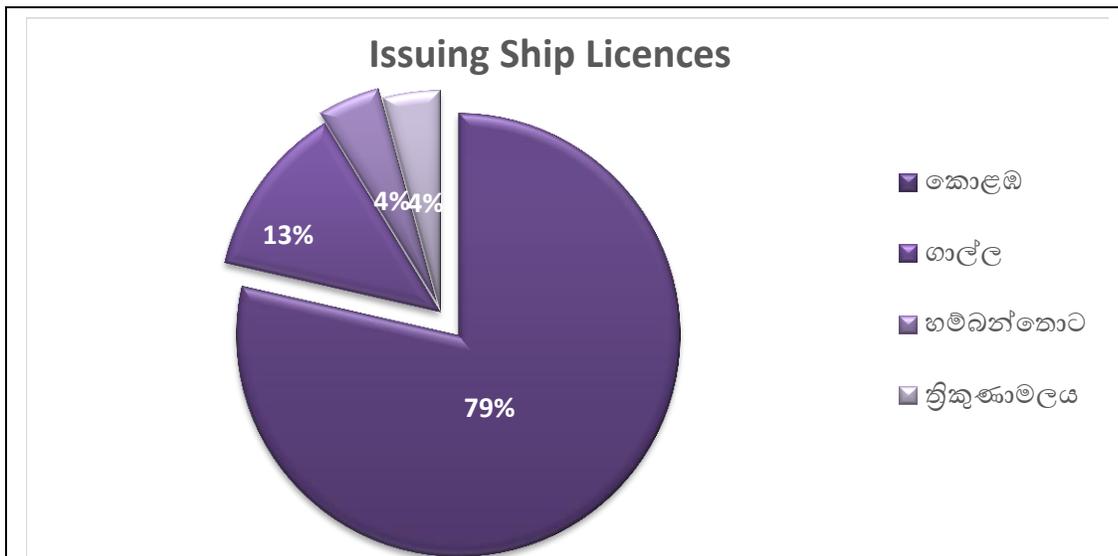
From 1st January to 31st January of 2019, 1647 ship waste removal licences/permits were issued for registered service-provider institutions. When removing furnace oil from a ship, Rs. 1,000.00 was charged on every cubic metre of furnace oil other than the water and 5 cubic metres per licence/permit was removed without charge.



Graph 1: Obtaining Ship Waste Reception Licences/Permit

7.4.2 Issuing of Ship Licences and Removal of Waste

The 1647 Licences/Permits pertaining to the year 2019 were issued by the harbor offices at Colombo, Galle, Hambantota and Trincomalee. 26,904 cubic metres of furnace oil and 7,404 cubic metres of solid waste was removed under these Licences/Permits.



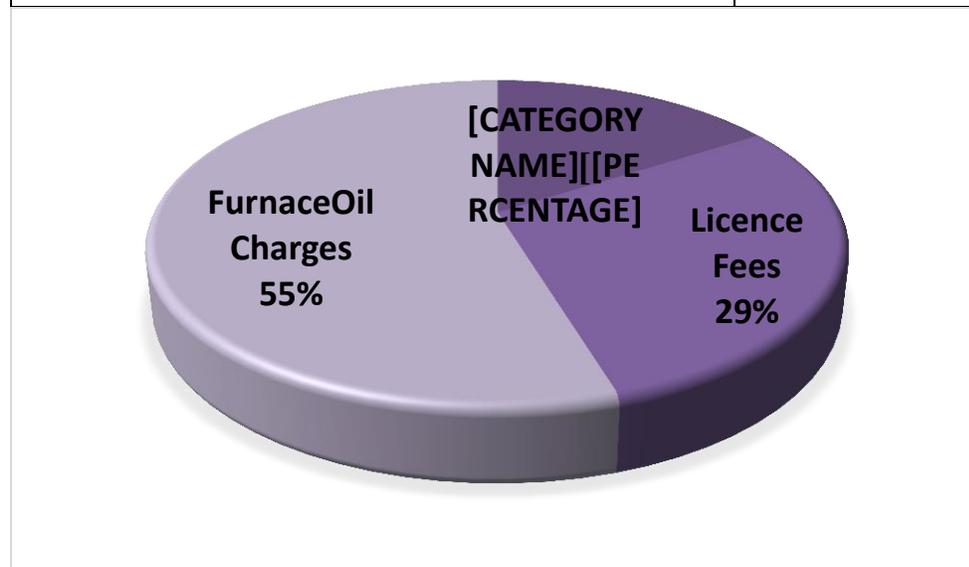
Graph 2: Issuing Licences to Removal of Waste at Harbours during the year

7.4.3 Income Details in the year 2019

A total of Rs. 28.05 million was earned from ship waste reception service through registration of service-provider institutions, issuing of Licences/Permits and charging fees on removal of furnace oil in the year 2019.

Graph 4: Distribution of Income During the Year 2019

Description	Income (Rs.)
Through Registration	4.46
Through Issuing of Licences/Permits to Ships	8.24
Through Levying Charges on Removal of Furnace Oil	15.35
Total Income for the year 2019	28.05

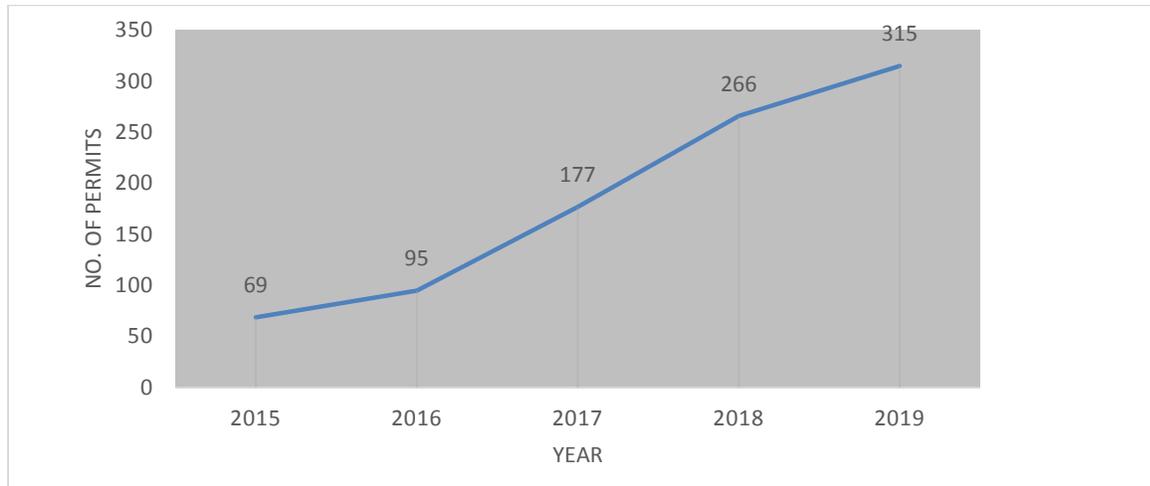


Graph 3: Income Distribution in the year 2019

7.5 Minimizing Marine Pollution by Issuing Licences/Permits Pertaining to Disposal of Treated Waste Water in the Sea

The Marine Environment Protection Authority issues Licences/Permits for methodical disposal of waste water from hotels and factories associated with the coastal zone in accordance with Marine Environment Protection (Issuing Permits for

Disposal at Sea) Regulation No. 1 of 2013. As such, the following graph (4) and the table (5) show the number of permits issued in the preceding years. The number of permits issued in the year 2019 shows an 18% increase as against the year 2018.



Graph 4: Number of Licences/Permits Issued from the Year 2015 to the year 2019

Table 5: Increases in the Number of Licences/Permits Issued Compared to the Previous Year

Year	Increase %
2015 & 2016	37%
2016 & 2017	86%
2017 & 2018	50%
2018 & 2019	18%

There is a continuous increase in hotel and factory owners tending to obtain Licences/Permits annually. Accordingly, the numbers of Licences/Permits issued were **69** in the year 2015, **95** in the year 2016, **177** in the year 2017, **266** in the year 2018 and **315** in the year 2019.

The following table (7) and the graph (4) show the incomes generated during the preceding years by issuing Licences/Permits. Compared to the year 2018, the income during the year 2019 shows an income growth of 70.64%.

Table (6): Income Generated by the Authority from 2015 to 2019 by Issuing Licences/Permits

Year	Income (LKR)
2015	675,443.84
2016	1,897,397.26
2017	2,303,452.05
2018	3,725,654.33
2019	6,357,660.74



Graph 5: Income Generated by the Authority from 2015 to 2019 by Issuing Licences/Permits

Table 7: Growth in the Incomes Generated by Issuing Licences/Permits Compared to the Previous Year

Year	Growth %
2015 & 2016	181%
2016 & 2017	21%
2017 & 2018	62%
2018 & 2019	71%

7.6 Project for Restoration of Coral Reefs on the Eastern and Southern Coastal Belts of Sri Lanka

Coral reefs, which are a unique ecosystem that can be seen in the coastal zone of Sri Lanka, are threatened with destruction due to human activities. The main objective of this Project is to make Sri Lanka's tourism associated with fishing and ocean sustainable through development of ecosystems through the introduction of a suitable methodology for replanting of coral

in selected areas. This is a pilot project and it is intended to repeat this research in other areas of Sri Lanka based on the success of this pilot project for restoring coral reefs. As such, coral seeds are replanted using balls made of discarded concrete for restoring damaged coral reefs in Mirissa and Kayankarni. The result of this experiment was successful and the ordinary existence or living of the coral reefs was 65% while dying tendency was 35%. It was possible to see fish species rallying around the replanted

coral reefs and 25 varieties of fish were reported in association with coral balls containing replanted coral reefs during the period of study.

7.7 Project to Study Invasive Alien Marine Animal Species in Colombo and Galle Harbours in Sri Lanka

Introduction of invasive alien marine animal species to an indigenous ecosystem can pose a threat to indigenous species and at the same time, invasive alien species can grow surpassing the indigenous species. Especially, the water discarded in the shipping industry may introduce invasive alien species to indigenous ecosystems. Therefore, the Sri Lanka has conducted an initial biological investigation to report the diversity of the present local and non-local species in accordance with National Ballast Water Management Convention. Many invasive marine animal species have been found by the initial biological studies carried out by the Marine Environment Protection Authority. It is necessary to ascertain whether these identified alien living species are invasive, which the present Project does.

7.8 Awareness on Pollution of Marine Environment and its Effects

7.8.1 Enlightening School Marine Groups



The Marine Environment Protection Authority establishes School Marine Groups in schools situated in coastal districts with the foremost objective of using Sri Lanka's basic education system to educate schoolchildren on the importance of the marine environment and use them to protect it. At present 275 School Marine Groups have been established in 14 Districts in Sri Lanka. The School Marine Group awareness programme conducted unremittingly will be a boon to society's awareness of the importance of the marine environment.



7.9 Organising and Conducting Programmes to Mark International Days

7.9.1 World Oceans Day

The Authority conducted an awareness programme for electronic and print media journalists from 6th to 8th June 2019

associated with the Pigeon Island in Trincomalee to coincide with the World Oceans Day 2019. A team of 40 journalists from various electronic and print media institutions joined it.

The main objective of the programme is to enlighten media personnel on marine pollution, value of marine resources and prevention of marine pollution caused by plastic.

The awareness workshop on marine resources and marine pollution for media personnel was conducted at the Soba Island Resort on the Soba Island in Trincomalee. A training programme for obtaining a practical understanding about the diversity and value of the marine environment was conducted on the Pigeon Island. In addition, a beach clean-up was conducted associated with the Pigeon Island with the participation of

divers of the Navy, the Nilaweli Hotels Association and the Marine Environment Protection Authority to remove the organism *crown of the thorn* that eat out corals and waste lying on the coral reef around the Pigeon Island.

As a result of the programme, there has been an increase in awareness raising on marine environment on electronic and print media.



7.9.2 National Marine Resources Protection Week and Ceremony to Mark National Beach Clean-up Day

The effect caused by the beach is one of the main factors that affect the marine environment in the present-day world and hence, keeping the coastal environment clean will be quite useful in enhancing the quality of the marine environment.

Therefore, the International Beach Clean-Up Day is marked in September all over the world. Side by side with it, the Marine Environment Protection Authority celebrates the National Marine Resources Protection and Beach Clean-Up Day in the 3rd week of September every year commencing from the year 2016. As such even this year, this function and associated activities were conducted from 16th to 21st September 2019 covering all the 14 coastal Districts. The national ceremony pertaining to this was conducted in the Crow Island area in Mattakkuliya under the aegis of Hon. Ajith

Mannapperuma, State Minister of Mahaweli Development and Environment, while nearly 60 beach clean-ups were conducted spreading throughout the coastal Districts in the island covering 95 kilometres of beach with the participation of 7,585 persons. This programme received the contribution by a large number of people representing various state and non-state institutions and by officers, schools and private firms.





7.9.3 Fifth National Marine environment Symposium

The Marine Environment Protection Authority held the 5th National Marine Environment Symposium on the main objective of “Combating Plastic Pollution” at the Bandaranaike Memorial International Conference Hall on 24th October 2019 from 8.30 a.m. to 6.30 p.m. with the participation of eminent scientists, practitioners, researchers, law- and policy-makers and officers from non-state institutions. The

Experts Dialogue was also held on 23rd October at that same venue.

The Government has already implemented the steps necessary to develop industries associated with shipping and marine resources as a country that moves towards a marine resources-driven economy.

With the expansion of the coast-based develop activities, the risk of environmental pollution also increases and it will be appropriate to formulate broad policies to move towards a blue economy while ensuring the sustainability of the marine environment and industries associated with it .The Marine Environment Protection Authority has already conducted 04 symposia—in the consecutive years 2015, 2016, 2017 and 2018 with a view to enlightening those engaged in the field and to encouraging researchers.

The Fifth National Symposium was conducted parallel to the Sri Lanka Next programme and this programme performed a great role in disseminating new findings in the field and in discoursing about the marine environment and associated innovations.





Representatives from the Central Environmental Authority, the Disaster Management Centre, the Coast Conservation and Coastal Resources Management Department, the University of Kelaniya, the University of Moratuwa, the Ocean University, the Open University, the University of Ruhuna, the Sri Lanka Police, the Coast Guard Department, the Atomic Energy Authority, the Sri Lanka Ports Authority, Department Fisheries and Aquatic Resources, Ministry of Mahaweli Development and Environment, the Department of Forest Conservation, Colombo Dockyard (Private) Limited, the Colombo Shipping and Engineering College, the Sri Lanka Navy, the National Aquatic Resources Research and Development Agency and other institutions participated in this Symposium. The keynote address was delivered by Mr. Saliya Wickramasuriya, who functions as the Senior Advisor to the Chief Executive Officer for the Hambantota International Port Group (Private) Limited. 21 academic papers related to marine environment, which had been sent by various institutions and scientists were presented for it.

The topics making up the proceedings of the Symposium were marine environment, sensitive marine ecosystems and marine protection areas, environment-friendly

tourism and coast management, fishing industry, aquaculture and marine environment, and laws pertaining to shipping and marine pollution. Conducting of such programmes as this encourages scientists to conduct research, which in turn make a good contribution for protection of marine environment. At the same time, it was proposed that the discourses by prominent personnel engaged in the field should be organized for the advancement of the marine environment.

A ceremony was conducted during the Symposium to give away prizes and certificates to winners of 2019 World Oceans Day Poster Competition open to all schoolchildren of the island conducted by the Authority.



Highlights of the Marine Environment Symposium 2019



Highlights of the Poster Competition

7.10 Efficient Implementation of National Oil Spill Contingency Plan

The Marine Environment Protection Authority has the responsibility to implement the National Oil Spill Contingency Plan in terms of Marine Pollution Prevention Act No. 35 of 2008.

Two incident management meetings were conducted at the Head Office of the Marine Environment Protection Authority in the year 2019—one on 7th February and the other on 8th March.

A workshop on assessing the damage caused to the marine environment due to any oil spill was conducted at the Authority with the participation of NARA, the Department of Coast Conservation and Coastal Resources Management and the Department of Wild Life.

An awareness programme on incident command methodology was conducted at this Authority on 25th and 26th March 2019 with a view to educating incident management team on correct action at a sudden oil spill.

A successful rehearsal programme regarding action at a sudden oil or chemical spill that may occur within the marine environment (Spillex 2019) was conducted—one phase of it was a table-top rehearsal held on 4th April 2019 jointly with the organizations of the Incident Management Team at the Disaster Management Centre; the other an exercise using equipment and craft used in a sudden spill 2019 අප්‍රේල් මස 05 වන දින Colombo held at the beach associated with the Port, Mount Lavinia and Wellawatta on 5th April 2019 with the participation of 250 officers representing 22 organizations.



Highlights of Implementing the National Action Plan in a Sudden Oil Spill

7.11 Improving Methodologies for Combating Marine Pollution

7.11.1 Programme to Install Coast Carers to Maintain an Immaculate Ocean

The coast carers installing programme was commenced on 16th September 2018 at the Dadalla coastal belt in Galle, which has expanded to 52 coast carers by 31st December 2018. A coastal belt of about 49 kilometres was cleaned by them. Expanding this programme further, it was implemented together with the Samurdhi Development Department throughout the year 2019.

A progress review workshop on this programme was conducted on 25th January 2019 at the Auditorium of the Central Environmental Authority in Battaramulla. Officers of the Marine Environment Protection Authority, the Samurdhi Development Department and the Central Environmental Authority participated in it and the manner in which the programme could be continued in a methodical way was subjected to discussion.



Discussions were held with private sector institutions to get their support, especially financial assistance, for the programme to establish coast carers. The following table shows how they contracted with the Marine Environment Protection Authority and provided their contributions:

Table 8: Manner in which Private Institutions Contracted with the Marine Environment Protection Authority Rendered their Contribution

	Organization	Date of Contract	Number of Coast Carers Sponsored	Period of Sponsorship
1	Reckit Benkisser Lanka – Dettol	01.05.2019	50	May – December 2019
2	Mack Holdings	04.09.2019	03	January – December 2020
3	Dilma Ceylon Tea	01.10.2019	30	October 2019 – April 2020
4	GAK Shipping Company	30.12.2019	02	January to December 2020

As at 31st December 2019, 120 coast carers had been established covering all the 14 coastal Districts to clean a coastal belt of 129 kilometres in length every day.





Chart 9: Programme Progress as at 31.12.2019

	District	Number of Coast Carers in Operation	Length of the Coastal Belt Cleaned (km)
1	Colombo	7	5
2	Gampaha	25	18
3	Kalutara	4	4
4	Galle	19	18
5	Matara	11	8
6	Hambantota	10	13
7	Trincomalee	2	4
8	Batticaloa	8	12
9	Ampara	5	8
10	Puttalam	4	8
11	Jaffna	8	10
12	Mannar	6	8
13	Kilinochchi	5	5
14	Mulativu	6	8
	Total	120	129

7.12 Preparing Coastal Environment Profile

The Marine Environment Protection Authority implements the Coastal Environment Profile programme under updating and improving policies to identify sensitive places and other factors in the marine ecosystems. In the year 2019, the programme was implemented in the area from Hikkaduwa to Bentota and in the area from the estuary of River Kirindi Oya in the Hambantota District to Zone 1 of Yala.

8 Service and Responsibility of Administration, Legal, Human Resources Development, Internal Audit and Financial Divisions

8.1 Administration Division

Management of the overall personnel of the staff of the Marine Environment Protection Authority from commencement to termination of service and facilitating the functioning of other Divisions are the responsibility of the Administration Division. The Administration Division functions under the guidance of the General Manager, who is the Chief Executive Officer of the Authority.

8.2 Legal Division

1. Action was taken to settle matters through discussion instead of prosecuting in respect of government institutions with whom the Attorney General's Department was having discussions so far with regard to taking of legal action pertaining to marine pollution as per the Cabinet paper dated 21st May 2018. This involves disposal of waste by the Chilaw Pradeshiya Sabha at the area associated with the coast in Kurusapaduwa and the marine pollution caused to the Bentota coastal area by a common purification system located in Warahena run by the Sri Lanka Development Promotion Authority.
2. Arrangements were made to initiate legal action against "Sea consortium (Pvt) Ltd", who functioned as the agent of a ship which violated the Marine Environment Protection (Waste Reception Facilities) Regulation 2016 published by this Authority. At the same time, action was taken to file action at

the Gampaha District Court under civil liability contained in the Act pertaining to the marine pollution that was caused by the bursting of an underground pipe belonging to CPSTL (Ceylon Petroleum Storage Terminals Ltd) in the area associated with Thaldiyawatta in Lunawa.

3. At the same time, action was taken to provide legal representation for the Authority through the Attorney General at the case filed by the Association of those who provide reception for waste generated in ships requesting a stay order claiming that Marine Environment Protection (Waste Reception Facilities) Regulations 2016 published by this Authority are not legal.
4. Discussions with the Attorney General are underway regarding taking legal action concerning marine pollution caused to environment in Kahamodara area in Tangalle by a hotel named Ranna 212.
5. The proposed amendments to the Act No.35 of 2008 were subjected to further discussion and the Marine Environment Protection Authority has appointed a Committee and assigned the task of considering those amendments.

8.3 Internal Audit Division

When looking at the other Divisions of the Authority, it can be shown that the Internal Audit Division is in a unique position.

The Internal Audit Division has been established to function under the guidance

and direct supervision of the Chairman of the Authority. The Internal Audit Division functions according to the Audit Plan and Audit Programme, which are prepared annually, and conducts surveys on the effective functioning of the Finance, Operations, Administration and Legal Divisions of the Authority. Internal Audit Reports prepared based on the observations and finds of these surveys are submitted for the attention and decision of the Chairman.

The following tasks are involved in this regard:

- 1 Scrutinizing the internal control methodology established for the prevention of malpractices and frauds.
- 2 Scrutinizing the financial control methodology to ascertain whether any financial activity is carried out in an honest and fair manner.
- 3 Monitoring whether the duties and functions assigned to the employees are carried out efficiently and effectively.
- 4 Monitoring whether the fixed assets of the Authority that are used for operational and administrative activities of the Authority are used efficiently and effectively.
- 5 Monitoring whether the activities are in accordance with the state policies, laws and rules, and the internal rules of the Authority.
- 6 Conducting special investigations where necessary.

7. Making necessary proposals to remove the identified weaknesses in the internal control system of the Authority.

8. Conducting financial audits in addition to management audits of the Authority.

According to the Internal Audit Programme, not only the main Divisions but also Regional Offices are subjected to audit. Conducting an audit and management meeting every quarter is one of the main functions among the audit activities of this Division. This Committee can be termed as a consultative committee of the Board of Directors. The Committee held five meetings during the year 2019 and submitted its minutes to the Chairman, the General Manager and relevant Divisions for necessary action.

8.4 Human Resources Development Division

The responsibility of the Human Resources Development Division is to train all members of the staff of the Marine Environment Protection Authority to enhance their capacity and ability. The Division functions under the sole guidance of the General Manager, who is the Chief Executive Officer.

Responsibilities of the Division:

1. Identifying the training needs for the enhancement of the capacity and ability of the staff of the Authority, identifying resource persons for training, preparing the local/foreign training plans and directing members of the staff to the identified training courses.

2. Monitoring whether the members of staff who follow training are obtaining the training properly or whether shortcomings exist and formulating and implementing strategies to overcome such shortcomings.

3. Evaluating the Annual Progress Reports of the staff.

4. Making arrangements to grade and promote employees.

5. Providing information sought by external parties and the line Ministry on staffs and institutional functions, subject to the approval of the General Manager.

6. Conducting staff welfare activities.

8.5 Planning Division

The planning division of Marine Environment Protection Authority was established on March 2017. This division is responsible for preparation of Cooperate Plan and Annual Plans and monitoring the progress of MEPA for the subjects within the jurisdiction of Marine Pollution Prevention Act No 35 of 2008.

Activities carrying out by planning division:

1. Maintain/update the master plan and coordinate planning efforts.
2. Provide planning recommendation to Board of Directors.
3. Provide information to Ministry of Mahaweli Development and Environment.
4. Monitoring planned activities and submit reports.
5. Facilitate interdepartmental cooperation.

6. Estimation of resources for financing of Annual Plans & five year plan.

7. Preparation, monitoring and evaluation of five year plan/annual plans.

8. Revise Annual Action Plan according to the requirements.

9. Preparation of plans for development project, National programs and 14 sustainable Development Goals monitoring and reporting progress.

8.6 Financial Division

The Financial Division of the Marine Environment Protection Authority holds the responsibility for its financial management functions. The Financial Division deploys financial resources for all the economic and financial activities that affect the Marine Environment Protection Authority and distributes financial resources for the achievement of all objectives. The main objectives of the Financial Division are to supply of financial services of the Authority in an efficient and effective manner, provide guidance for it, carry out coordination activities and control financial resources of the Authority by constant monitoring.

Activities

1. Preparing annual budget estimates
2. Preparing Financial Statements
3. Presenting reports on Financial Statements and reports on monthly budgets
4. Keeping reports for salaries and emoluments and making payments
5. Keeping projects active
6. Making all payments

7. Accounting activities on loans and advances
8. Coordination with banks
9. Coordination with the Auditor General's Department
10. Carrying out management and other activities pertaining to investments.

Special Activities Conducted during the Year

01 The Authority was able to derive an interest income of Rs. 880,159.32 by investing balances existing in the current account in one-day call deposits.

9 Financial Statements of the Authority

9.1 Accounting Policies

9.1.1 Corporate Information

The Marine Environment Protection Authority has been established as a statutory institution under the Marine Pollution Prevention Act No. 35 of 2008. Its Head Office is located at No. 177, Nawala Road, Narahenpita.

9.1.2 Principal Activities and Nature of Operations

The principal activities of the Marine Environment Protection Authority are, prevent, control and manage marine pollution in Sri Lanka waters through effective enforcement of regulations, implementation of concerned International Conventions, coordination and mobilization of stakeholder and other resources, for sustainable management of marine environment for present and future.

9.1.3. Basis of Preparation

9.1.3.1 Statement of compliance

The Financial Statements of Marine Environment Protection Authority comprise Statement of Financial Position, Statement of Financial Performance, and Statement of Changes in Equity, Cash Flow Statement, Significant Accounting Policies and Notes to the Financial Statement. These statements are prepared in accordance with Sri Lanka public Sector Accounting Standards laid down by Institute of Chartered Accountant of Sri Lanka.

Marine Environment Protection Authority uses the Sri Lanka Public sector accounting standards 2011 with effect from the year **2010** for preparation and the presentation of it financial statements.

The Financial Statements are presented in accordance with SLPSAS **01** and where the SLPSAS not available in such a case generally accepted accounting principles are applied for preparation of financial statements.

9.1.3.2. The Financial Statements of Marine Environment Protection Authority have been prepared on a historical cost basis with generally accepted accounting principles.

9.1.3.3. No adjustments have been made for inflationary factors affecting to the accounts.

9.1.3.4. Income and Expenditure have been accounted on accrual basis

9.1.3.5. Liabilities are recognized in the Statement of Financial Positions when there is a present obligation as a result of past events, the settlement of which is expected to result in an outflow of resources embodying economic benefits.

9.1.3.6. Obligations payable at the demand of the creditors or within one year of the Statement of Financial Positions date are treated as current liabilities in the Statement of Financial Positions.

9.1.3.7. Obligations payable at the demand of the creditors or more than one year of the balance sheet date are treated as Noncurrent liabilities in the Statement of Financial Positions..

9.1.4. Property, Plant and Machinery

9.1.4.1. Property, Plant & Equipment has been recorded at their cost. They have been depreciated on straight line basis in order to write off their cost over their useful life. The rates used to depreciate them are as follows;

Assets	Depreciation Rate
Motor Vehicles	20%
Computers and related Equipments	15%
Office Equipments	15%
Furniture and office Equipments	10%
Lab Equipments & Other technical Equipments	10%
Books	10%
Intangible assets	10%
Building	5%

received from Government of Sri Lanka. In addition, there is a small operational income generated by the authority by issuing licenses.

1. Issuing License for Natural resource exploration activity.
2. Issuing License for Bunkering Operations
3. Approving Oil Spill contingency plan.
4. Issuing License for activities connected with waste reception Service

9.1.5.1 Income generated by the Authority

The income generated by the authority is recognized on accrual basis.

9.1.5.2 Grants received from the General Treasury

The authority receives two types of grants namely capital and recurrent. The accounting policy adopted for accounting for these grants based as follows

9.1.5.3 Capital Grants

9.1.5.4 Government grants received for acquisition or construction of property, plant & equipment are recognized as income over the period of useful life of such property plant & equipment..

9.1.5.5 Grants received for activities connected with prevention of Sri Lankan Marine pollution naturally generate intangible assets. But it does not meet the recognition Criteria laid down in Intangible Assets therefore the Expenditure relation to the Marine pollution prevention activities are recognized as income in the year in which such activities are performed.

9.1.5.6 Recurrent Grants

Recurrent grants are recognized as income in the year in which they are received.

9.1.6 Employee Benefits

9.1.6.1 Define Contribution Plan.

Obligation to define contribution plan are recognized as an expenses in the income statement as incurred. The MEPA contribute 15% and 3% of gross emoluments of Employees to Employees Provident Fund and Trust Fund respectively.

9.1.6.2 Define Benefit Plan

Gratuity is a define benefit plan. The MEPA is liable to pay gratuity in terms of the relevant statute. In order to meet this liability , a provision is carried forward in the Statement of Financial Positions, equivalent to an amount calculated based on a half month's salary plus cost of living allowance multiply by each completed year of service, commencing from the completed first year of service.

Provision is made for retirement gratuity for all employees in respect of gratuity payable under the payment of gratuity Act No. 12 of 1983. This item is grouped under noncurrent liabilities in the Statement of Financial Positions.

9.1.7 Comparative information

Where necessary, comparative figures have been rearranged to conform to the current year's presentation.

9.1.8 Events occurring after balance sheet date

All material post Balance Sheet events have been considered and where appropriate adjustment or disclosures have been made in respective of note to the Financial Statement.

9.1.9 Cash flow Statement

Cash Flow Statement has been prepared using the indirect method

9.1.10 Functional and presentation Currency

These financial Statements are presented in Sri Lankan Rupees, which is the MEPA's functional currency.

- **Inventories**

The inventories used during the year transfer to the Statement of Financial Performance based on their cost. The balance stocks at the end of the year value at cost or NRV whichever is lower.

- **Library Books**

Library Books has been recorded at their cost. They have been depreciated on straight line basis in order to write of their cost over their useful life.

- **Chemicals and Glassware Stocks**

In the case of chemicals and glassware the policy adopted by the authority is to charge total purchase cost of Chemicals and Glassware to the P&L during the year the transaction happened.

This method is adapted due to the practical difficulties in calculation of exact amount of chemicals at the end of year, and some glass ware need to be replaced during the short a period of time. However the Laboratory maintains Stocks ledgers for both Chemicals and the Glassware for recording purpose.

8.6.1 Financial Progress Report Recurrent Expenditure for the year 2019

Object Code	Object Description	Estimate for 2019 (Rs)	Actual Expenditure as at 31.12.2019 (Rs.)	Balance (Rs)
	Recurrent Expenditures			
	Personal Emoluments			
1001	Salaries and wages	110,306,842	105,994,316.81	4,312,525.19
1002	Overtime and holiday pay	2,840,949	1,885,278.52	955,670.48
1003	Other allowances	4,751,000	3,721,555.93	1,029,444.07
	Total	117,898,791	111,601,151.26	6,297,639.74
	Travel Expenses			
1101	Local	2,648,000	3,285,098.42	(637,098.42)
1102	Foreign	3,000,000	744,175.95	2,255,824.05
	Total	5,648,000	4,029,274.37	1,618,725.63
	Supplies			
1201	Stationery and office requisites	3,103,851	2,315,068.69	788,782.31
1202	Fuel	4,398,000	2,243,708.00	2,154,292.00
1205	Other	500,000	188,000.00	312,000.00
	Total	8,001,851	4,746,776.69	3,255,074.31
	Maintenance Expenditure			
1301	Vehicles	3,100,000	4,121,068.08	(1,021,068.08)
1302	Machinery and equipment	1,375,000	804,701.89	570,298.11
1303	Buildings and constructions	750,000	877,213.70	(127,213.70)
	Total	5,225,000	5,802,983.67	(577,983.67)
	Services			
1401	Transport	-	-	-
1402	Post and communication	4,140,000	2,287,654.76	1,852,345.24
1403	Electricity and water	4,884,036	5,777,435.87	(893,399.87)
1404	Tax, rents and rates to local authorities	27,903,600	29,070,515.85	(1,166,915.85)
1405	Other recurrent expenditures	9,190,000	11,002,018.58	(1,812,018.58)
	Total	46,117,636	48,137,625.06	(2,019,989.06)
	Grand Total of Recurrent Expenditures	182,891,278	174,317,811.05	8,573,466.95

8.6.2 Financial Progress Report – Capital Expenditure for the year 2019

Object	Object Description	Estimate for 2019 (Rs)	Actual Expenditure as at 31.12.2019 (Rs)	Balance as at 31.12.2019 (Rs.)
	Rehabilitation and Improvement of Capital Assets			
2001	Buildings and constructions	4,800,000	2,911,141.16	1,888,858.84
2002	Plant, machinery and equipment	150,000	202,792.55	(52,792.55)
2003	Vehicles	2,800,000	2,944,370.01	(144,370.01)
	Total	7,750,000	6,058,303.72	1,691,696.28
	Acquisition of Capital Assets			
2101	Vehicle	830,000	-	830,000.00
2102	Furniture and office equipment	2,000,000	1,965,140.50	34,859.50
2103	Machinery and equipment	3,310,000	3,125,966.42	184,033.58
	Total	6,140,000	5,091,106.92	1,048,893.08
2401	Training and Capacity Building (HRD)	1,200,120.00	1,200,120	(120.00)
	1. Provide training for the staff	1,200,000	1,200,120	(120.00)
2502	Other Capital Expenditure			
	1. Improvement of sea bathing sites and beaches	5,509,000	3,788,297.33	1,720,702.67
	2.Pollution prevention from fisheries sector	684,000	284,158.00	399,842.00
	3.Marine debris management	1,300,000	890,867.00	409,133.00
	4.Coastal and marine pollution control	14,463,000	13,460,818.86	1,002,181.14
	5.Studies on marine ecosystems	3,105,000	1,426,064.94	1,678,935.06
	6.Implementation of International Conventions and Amendment of the Act	450,000	18,605.39	431,394.61
	7.Minimizing the pollution caused by ships	1,290,000	357,983.75	932,016.25
	8.Establishment of an institutional framework for marine related issues	60,000	50,585.00	9,415.00
	9. Awareness building on marine environment	5,669,000	3,820,617.44	1,848,382.56
	10. Organizing & conducting National events	6,500,000	7,499,869.24	(999,869.24)
	11.Controlling of impacts of accidental oil and chemical spilling	2,790,000	1,995,420.90	794,579.10
	12.Upgrading of laboratory facilities	3,090,000	2,403,705.89	686,294.11
	Total	44,910,000	35,996,993.74	8,913,006.26
	Total of Capital Expenditure	60,000,000	48,346,524.38	11,653,475.62

9.2 Statement of Financial Position

Marine Environment Protection Authority

Statement of Financial Position

As at 31st December 2019

<u>Assets</u>	Note	2019	2018
<u>Current Assets</u>		Rs.	Rs.
Cash in hand	09	30,750,980.09	23,473,457.62
Debtors	10	3,194,218.26	954,287.86
Deposits	11	5,217,000.00	3,193,000.00
Pre-Payments	12	1,448,344.67	2,442,132.08
Short Term Investment (Treasury Bills)	28	13,738,829.95	12,562,201.60
Staff loans recoverable	13	12,103,641.69	13,145,944.33
Inventory	27	4,749,024.49	4,838,695.94
<u>Non-Current Assets</u>			
Property, Plant & Equipment	08	137,850,377.70	154,268,170.37
Intangible Assets	22	1,747,545.10	2,106,336.70
Total Assets		210,799,961.94	216,984,226.51
<u>Liabilities</u>			
<u>Current Liabilities</u>			
Accrued Payables	14	30,287,190.89	30,155,885.85
Income pre-received	23	3,699,657.53	3,757,482.66
<u>Non-Current Liabilities</u>			
Distress loan funds	15	14,347,258.79	13,897,891.32
Provision for Gratuity	16	27,257,421.50	22,165,925.00
Total Liabilities		75,591,528.71	69,977,184.83
Net Assets		135,208,433.23	147,007,041.68
<u>Equity</u>			
Government Grants and Capital (Deferred Grants)	17,18	139,055,122.80	156,374,508.71
Capital Expenditure on work in progress	19	542,800.00	-
Capital Grant to be utilized	25	655,050.00	-
Capital Input for Stocks	24	3,858,594.00	3,858,594.00
Accumulated Surplus (Deficit)	21	15,447,028.39	14,162,205.67
Accumulated Surplus/Deficit	20	(24,350,161.96)	(27,388,266.70)
Total Equity		135,208,433.23	147,007,041.68

9.3 Statement of Financial Performance

Marine Environment Protection Authority Statement of Financial Performance for the Year Ended 31 December 2019

Income	Note	2019 Rs.	2018 Rs.
Treasury Grants	1	199,186,147.60	207,051,668.77
Registration and Licence fees	2	34,633,317.63	29,013,815.64
Other revenue	3	12,449,777.08	4,411,095.41
Total revenue		246,269,242.31	240,476,579.82
Expenditures			
Salaries and wages	4	117,207,015.76	106,437,025.91
Supplies and consumables	5	10,639,431.81	8,388,966.99
Other recurrent expenditure	6	54,556,058.61	37,820,029.91
Grant and other transfers	29	39,451,732.66	38,602,302.84
Financial expenses	7	42,740.00	27,995.00
Depreciation of fixed assets	8	21,419,559.96	21,723,375.45
Total Expenses		243,316,538.80	212,999,696.10
Surplus/ (Deficit) for the period		2,952,703.51	27,476,883.72

9.4 Statement of Changes in Equity

Marine Environment Protection Authority Statement of Changes in Equity for the Year ended 31st December 2019

	Differed Grants	Grant Related to Inventories	Capital Grant to be utilized	Capital Grant Related to Building WIP	Marine Environment Protection Fund	Accumulated Surpluses/(Deficits)	Total
	Rs.	Rs.	Rs.	Rs.	Rs..	Rs..	Rs.
Balance as at 01/01/2019	156,374,508.71	3,858,594.00	0.00	-	14,162,205.67	(27,388,266.7)	147,007,041.08
Prior year correction	-						
Reversal of Expench to P&L cash Transfer to Grant Account	(840,936.69)		-			85,401.23	(755,555.46)
Restated Balance as at 01/01/2019	155,533,572.02	3,858,594.00	0.00		14,162,205.67	(27,302,865.47)	146,251,506.00
Capital Grants Received	43,250,500.00	-	-				43,250,500.00
Transfer to Capital related to assets	-	-	-				
Transfer from Capital Grant related to building WIP	-						
Transfer to deferred Grant	-	-	655,050.00				
Transfer to the treasury/loan fund	(542,800.00)			542,800.00			655,050.00
Interest income received	-	-	-		1,284,822.72		1,284,822.72
Capital Grants Transferred to Income	(59,186,147.60)	-	-				(59,186,822.72)
Surplus/(Deficit) for the year	-					2,952,703.51	2,952,703.51
Balance as at 31/12/2019	139,055,122.80	3,858,594.00	655,050.00	542,800.00	15,447,028.39	(24,350,161.96)	135,208,433.23

9.5 Cash Flow Statement

Marine Environment Protection Authority Cash Flow Statement for the year 2019 (Rs)

	2019	2018
Cash Flow from Operational Activities	Rs.	Rs.
Excess of Income over Expenditure	2,952,703.51	27,476,883.72
Adjustments for		
Depreciation	21,419,559.96	21,723,375.45
Loss of Disposal assets	2,424,899.18	-
Provision for Gratuity	5,605,864.50	2,489,201.00
Deposit transfer to income	985,372.00	82,000.00
Reversal of expenses chg to P&L	(755,535.46)	287,443.69
Gratuity Payments	(514,368.00)	-
Income Recognized (From grants received in previous years)	(59,186,147.60)	(79,064,828.77)
Operating Surplus/Deficit Before working Capital changes	(27,067,651.91)	(27,018,070.14)
Working Capital Changes		
(Increase) / decrease in Deposits	(2,024,000.00)	(234,000.00)
(Increase) / decrease in Prepayments	993,787.41	(379,109.58)
(Increase) / decrease from Debtors	(2,239,930.40)	17,895.23
Decrease/ increase in current liabilities	131,305.04	(13,017,335.52)
Decrease/ increase in Inventories	89,671.45	(212,518.69)
Net Cash flow from operating Activities	(57,825.13)	1,782,625.96
Investment Activities	(30,174,643.54)	(40,843,138.70)
Investment In Treasury Bills		
Treasury Bills Maturity	(13,738,829.95)	(12,562,201.60)
Acquisition of property plant & Equipment	12,562,201.60	11,586,643.28
Building WIP	(8,471,233.72)	(9,042,954.63)
Interest form Treasury Bills	(542,800.00)	(10,246,371.97)
Interst form staff loan	1,176,628.35	975,558.32
Increase/decrease in staff loan recoverabale	449,367.47	406,913.98
Income Prereceived A/C	1,042,302.64	(3,298,647.61)
cash recived from Coast Guard Department	1,098,222.19	-
Sale proceed of disposal of assets	-	(1,519,552.81)
Fund transfer to trasury	655,050.00	-
Net Cash flow generated from Investment Activities	(5,769,091.42)	(21,917,987.08)
Financing Activities		
Government grant for Capital expenditure	43,246,000.00	77,253,537.00
Bank charges – People’s Bank	-	(4,400.63)
Net cash from Financing Activities	43,246,000.00	77,249,136.37
Net increase/decrease in cash and cash equivalents	7,277,522.47	14,488,010.59
Cash and cash equivalents at the beginning of the year	23,473,457.62	8,985,447.03
Cash and cash equivalents at the end of the year	30,750,980.09	23,473,457.62

9.6 Notes to the Financial Statements

Marine Environment Protection Authority Notes to the Financial Statements (Rs)

Note 01	Transfer other Government Entities (Rs.)	
	2019	2018
Treasury Recurrent Grant	140,000,000.00	94,917,620.00
Capital Grant transfer to income-Current year	34,236,466.28	24,877,518.24
Capital Grant transfer to income-From differed Grant	24,949,681.32	16,581,998.28
	199,186,147.60	136,377,136.52

Note 02	Fees, Penalties and Permit Fees (Rs.)	
	2019	2018
Waste Reception Service -Registration Fees	4,405,200.00	3,846,500.00
Waste Reception Service -Permit Fees	23,657,792.50	18,664,280.00
Waste Reception Service - Application Fees	61,500.00	42,000.00
Natural Resources Exploration –Permit fee	-	369,661.60
Bunkering Application Fee	11,000.00	14,000.00
Bunkering Registration	1,500,000.00	1,680,000.00
Road Tankers Registration - Bunkering	89,000.00	26,000.00
Noscop Application fee & Approval fee	196,219.18	185,219.71
Dumping Regulation Income	4,712,605.95	4,186,154.33
	34,633,317.63	29,013,815.64

Note 03	Other Revenue (Rs.)	
	2019	2018
Supplies Registration Fees	204,000.00	240,000.00
Sundry Income	4,185,324.69	669,259.83
Book advance interest	146.80	-
Insurance claims	355,296.27	1,501,543.55
Interest Account (Short Terms Investment on Treasury Bills)	880,159.32	901,092.03
Sponsorships	2,339,000.00	1,099,200.00
IEE Deposit	985,372.00	-
Asset Disposal Income	13,500.00	-
Oil Spill	3,372,236.00	-
Electricity Board Project	114,742.00	-
	12,449,777.08	4,411,095.41

Note 04	Wages, salaries and employee benefits (Rs.)	
	2019	2018
Salaries & Wages	105,994,316.81	98,619,676.72
Overtime/Holiday Pay	1,885,278.52	1,630,073.85
Other Allowances	3,721,555.93	3,698,074.34
Provision for Gratuity	5,605,864.50	2,489,201.00
	117,207,015.76	106,437,025.91

Note 05	Wages, salaries and employee benefits (Rs.)	
	2019	2018
5.1 Supplies		
Stationary & Office Requisites	2,404,740.014	1,988,335.22
Fuel & Lubricants	2,243,708.00	2,087,886.79
Uniforms	188,000.00	92,000.00
	4,836,448.14	4,168,222.01
5.2 Maintenance Expenditure	2019 Rs.	2018 Rs.
Vehicles	4,121,068.08	3,159,426.06
Plant Machinery & Equipment	804,701.89	922,904.17
Building and Structures	877,213.70	138,414.75
	5,802,983.67	4,220,744.98

Note 06	Other Recurrent Expenditure (Rs.)	
	2019	2018
6.1 Traveling		
Domestic	3,285,098.42	2,713,348.10
Foreign	744,175.95	1,586,666.98
	4,029,274.37	4,300,015.08
6.2 Contractual Services	Rs.	
Telecommunication/Postal Charges	2,287,654.76	2,427,084.42
Electricity & Water	5,777,435.87	3,717,296.13
Office Rent	29,070,515.85	18,299,403.31
Others Contractual Services	10,966,278.58	9,076,230.97
Loss of removal of fixed assets	2,424,899.18	-
	50,526,784.24	33,520,014.83

Note 07	Financing Costs (Rs.)	
	2019	2018
Bank Charges	42,740.00	27,995.00
	42,740.00	27,995.00

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Note 08	Depreciation of Property, Plant and Machinery								
Type of Assets	COST-2019 (Rs)				Depreciation – 2019 (Rs)				Written-off value (Rs)
	01.01.2019	Additions	Disposal	31.12.2019	01.01.2019	Additions	Disposal	31.12.2019	
Motor Vechiles	78,683,325.65		2,269,892.63	76,413,433.02	70,519,735.91	5,326,720.19	2,269,892.63	73,576,563.48	2,836,869.54
Furnitures & Equipments	53,892,953.20	4,678,416.92	7,233,001.62	51,338,368.50	29,414,978.75	4,659,582.46	3,843,887.17	30,230,674.04	21,107,694.46
Intangible Assets	3,587,916.05	-	-	3,587,916.05	1,481,579.34	358,791.61	-	1,840,370.95	1,747,545.10
Technical Equipments	78,951,116.53	3,792,816.80	603,724.00	82,140,209.33	30,317,141.64	7,599,380.60	462,717.10	37,453,805.14	44,686,404.19
Books	1,420,099.80	-	-	1,420,099.80	478,946.09	142,009.98	-	620,956.07	799,143.73
Buuilding	66,661,502.44	-	-	66,661,502.44	967,961.54	3,333,075.12	-	4,301,036.66	62,360,465.78
Land	5,517,000.00	-	-	5,517,000.00	-	-	-	-	5,517,000.00
	288,713,913.67	8,471,233.72	10,106,618.25	287,078,529.14	133,180,343.28	21,419,559.96	6,576,496.90	148,023,406.34	139,055,122.80

Note 09	Cash and Cash Equivalents (Rs.)	
Cash and Cash Equivalents	2019	2018
Bank of Ceylon -Boralla-194109	23,532,180.75	20,979,837.89
Peoples Bank -Dematagoda-071100180004783	2,881,616.84	751,946.73
Bank of Ceylon -Boralla-	4,337,182.50	1,741,673.00
	30,750,980.09	23,473,457.62

Note 10	Receivables (Rs.)	
	2019	2018
Maria Shipping	-	17,108.00
A.J.M.Gunasekara	-	31,222.40
E.K.Wijesinghe	-	45,554.71
R A U Rangani	-	34,685.00
M.A.Dilhani	-	45,191.56
S.M.C.Kumarage	-	1,778.16
WRS Recovery	-	40,448.73
Shanika Marine	-	13,166.00
Jaya Marine	5,000.00	5,000.00
N G N Ranjith	5,414.00	7,817.00
Sudesh Enterprises	14,422.00	6,665.00
KLS Marine Services	155,548.00	180,760.00
K L Gunasiri & Sons	1,100.00	1,100.00
Shehan Kuruneru	6,000.00	6,000.00
Foreign Ministry – T. S Ranasinghe	585.22	585.22
C.D.W.Senevirathna	23,538.36	53,538.36
L P Titus	178,900.80	178,900.80
Festival Advance due as per list	25,625.00	20,625.00
K. Vetheswaran	33,121.00	33,121.00
M M Arshath	48,976.47	48,976.47
K P S S Kumara	37,986.00	37,986.00

P R S A Aberathna	39,666.00	43,471.20
V Gnadeepan	37,819.40	37,819.40
R Srikrishanan	38,068.00	38,068.00
No pay deduction as per list	23,785.39	24,699.85
P B T B Kumara	1,008.75	-
Marino Lanka	2,605.00	-
Reckitt Benckiser (Lanka) Ltd	1,493,400.00	-
Dilmah Ceylon Tea PLC	480,400.00	-
The Chief Dealer- Treasury bills	108,192.30	-
D S Marine	3,651.00	-
Supreme Petro	64,191.00	-
Dian Venture Engineering	11,600.00	-
Sunbay reef Wattala	100.00	-
H R D Subashini	24,865.33	-
M T K Delpachithra	3,415.00	-
W I H k Wijerathna	1,109.00	-
M Kesavan	4,878.34	-
T S Ranasinghe	672.50	-
T K D U Gunasena	672.50	-
A M Gammanpila	672.50	-
Foreign Ministry – R M M P Rathnayaka	173,383.07	-
L P G C Gayashan	52,215.33	-
M M D Muramudali	3,015.00	-
Department of coast conservation	88,616.00	-
	3,194,218.26	954,287.86

Note 11	Deposits (Rs.)	
	2019	2018
Refundable Deposits For Rent - Head Office	-	3,090,000.00
Refundable Deposits For Rent -Trinco	11,250.00	7,500.00
Refundable Deposits For Internet Mobile Phone	11,000.00	11,000.00
Refundable Deposits For Express Water	41,000.00	34,500.00
Refundable Deposits For Chilaw	50,000.00	50,000.00
Refundable Deposits For water – Warun Beverage Lanka	3,750.00	-
Refundable Deposits For Rent – Ranjith Terrasa	5,100,000.00	-
	5,217,000.00	3,193,000.00

Note 12	Pre – payments (Rs.)	
	2019	2018
Rent	1,001,780.99	1,050,986.30
Vehicles Maintenance Expenditure	290,185.03	444,798.32
PPE Maintenance Expenditure	145,087.38	278,500.07
Other Exep	11,291.27	667,847.39
	1,448,344.67	2,442,132.08

Note 13	Staff Loans Recoverable (Rs.)	
	2019	2018
Opening Loan Balance	13,145,944.33	9,847,296.72
Add:		
Loan given during the year	7,172,000.00	10,567,000.00
Total recoverable amount	20,317,944.33	20,414,296.72
Less:		
Amount recovered during the year	8,214,302.64	7,268,352.39
Balance as at 31.12.2017	12,103,641.69	13,145,944.33

Note 14	Payables (Rs.)	
	2019	2018
Overtime/Holiday Pay as per List/WRS	398,938.59	541,688.11
Subsistence and Treveling as per List	550,606.91	564,582.31
Electricity & Water Bill Payable as per list	436,595.82	316,457.93
Telephone Payable(as per list)	289,337.43	285,608.59
Salary & Other Allowances as per List	139,811.79	1,188,300.38
EPF & ETF Payabales	2,060,790.23	5,511,094.88
Unidentified Bank Deposit	235,200.00	65,000.00
WRS Liability as per List	1,891,492.50	355,962.00
Other payable list	-	291,982.29
Aluv Glass Engineering (Pvt) Ltd	101,679.95	101,679.95
Cellular Arcade Security Solutions	189,061.88	189,061.88
Central Engineering Consultancy Bureau	12,589,159.34	12,589,159.34
Government Printer	1,385,175.00	991,587.50
Auditor Generals Department	1,117,152.00	1,186,800.00
Ministry of Mahaweli Development	205,354.67	205,354.67
University of Ruhuna	799,141.07	341,900.00
Sri Lanka State Trading	63,095.48	276,000.00
Lionchem Pvt Ltd	2,645.00	2,645.00
Manager Samurdhi Bank (as per list)	838,800.00	286,100.00
W.A.Nilantha Athukorala	126,750.00	126,750.00
Gayana Industries	138,857.40	101,500.00
PAYE Payables	4,397.00	31,691.76
Satamp Duty Payables	41,200.00	51,675.00

WHT Payable	362,028.95	194,038.50
Associated Motorways	133,471.12	499,645.33
Lavanga Resort	10,000.00	10,000.00
Sanjeeva Motors	85,677.00	-
Analytical Instruments (pvt) Ltd	46,918.85	-
Pala Auto Electricals	38,125.46	-
My tools Automobile	4,450.00	-
P B T P Kumara	67,102.78	-
United Motors Lanka PLC	532,992.91	-
Urban Council- Kinniya	152,000.00	-
Urban Council- Mannar	100,000.00	-
Municipal Council – Jaffna	765,119.26	-
Creative Lines Dedigners	67,200.00	-
Selects Creations	158,000.00	-
A G Amarasinghe	12,000.00	-
Advantis	434,240.00	-
Bhoomi Tech (Pvt) Ltd	1,307,831.40	-
M G W M W T B Disanayaka	40,000.00	-
Gamage Cushion works	2,800.00	-
Trinco Automobile	71,701.76	-
Matara Motor Service	19,480.00	-
Toyota Lanka	94,894.21	-
Electro Chemicals	18,914.99	-
Sandry Motors	22,400.00	-
Sishan Auto repairs	271,450.00	-
P M K Bandfara	150.00	-
Secretary- Thirukkivil Pradeshiya sabha	15,000.00	-
Unilanka Security service	63,612.00	-
Secretary – Ministry of housing & Con	45,391.00	-
Attorney General	17,000.00	-
The Associated newspapers	269,100.00	-
Refresh cleaning service	56,102.26	-
Sun information system	127,300.00	-
Sri Lanka Telecom	250,876.69	-
HAQ Enterprises	256,898.80	-
D2 Technologies	492,000.00	-
P L I G M Cooray	39,263.83	-
P R S A Aberathna	36,194.40	-
CECB	46,938.40	-
Welafare society- Attorney general	25,000.00	-
Lakvijaya power plant	72,258.00	-
Staff payables	23,675.41	-
K P S S Kumara	8,421.25	-

R Shrishrishan	17,968.10	-
Sri Lanka Ports Authority	-	13,881.66
Reginal Resourse development Authority	-	217,000.00
Nipuni Cleaning service	-	113,375.10
Leema Creations	-	49,990.50
Food Commissioner	-	33,761.00
Galle Municipal Council	-	39,213.23
Rakna Lanka LTD	-	214,158.17
Metropolitan office Pvt Ltd	-	10,925.00
Saura Globe Engineering	-	16,500.00
Gestener Ceylon	-	29,000.00
Office network	-	6,950.00
New Royal cleaners	-	64,110.00
United Motors Lanak Ltd	-	30,986.18
IEE Deposit	-	989,872.00
S Thiruchelvan	-	19,350.00
H W Karunadasa	-	19,350.00
Gafix Print Hub Pvt Ltd	-	95,000.00
Ceylon Business Appliance	-	9,794.55
Express Water	-	1,100.00
Softlogic retail	-	68,425.00
Opulent reverface hotel	-	636,931.25
Director general wayaba development Athority	-	655,050.00
Nirmanee Digital Printing	-	82,800.00
AS Creation	-	135,000.00
Chairman Devinuwara Pradeshiya sabha	-	230,096.79
Sky printer	-	67,000.00
	30,287,190.89	30,155,885.85

Note 15	Staff Loan Fund (Rs.)	
	2019	2018
Opening Loan Balance 01.01.2019	13,495,377.97	7,443,919.99
ADD:		
Interest for the Year	449,367.47	406,913.98
Less:		
Bank Charges for the year	-	4,400.63
Closing Loan Balance 31.12. 2018	14,347,258.79	13,897,891.32

Note 16	Provision for Gratuity (Rs.)	
	2019	2018
Opening Balance	22,165,925.00	19,676,724.00
Adjustment for OP Balance		
Provision for the Year	2,489,201.00	2,489,201.00

	27,771,789.50	22,165,925.00
Less:		
Gratuity payment during the year	514,368.00	-
Closing Balance	27,257,421.50	22,165,925.00

Note 17	Government Grants and Capital (Rs.)	
	2019	2018
Opening Balance	156,374,508.71	87,218,575.98
Adjustment for OP balance	(840,936.69)	9,086,054.79
Adjustments for opening balance		5,968,256.25
Capital Grants Received During the year	43,250,500.00	143,984,893.44
Add:		
Adjustment for capital grant	198,784,072.02	246,378,320.46
Less:		
Grant Recognized as income Note: 19 &27	59,186,147.60	79,064,828.77
Capital grants	-	692,611.01
Building WIP	542,800.00	10,246,371.97
Closing Balance as at 31.12.2018	139,055,121.84	156,374,508.71

Note 18	Differed Government Grants Recognized as Income (Rs.)	
	2019	2018
Opening Balance	156,374,508.71	87,218,575.98
Adjustment for OP balance	(840,936.69)	-
Assest Purchase During the Year	8,471,233.72	9,042,954.63
Adjustment for OP balance		9,086,054.79
Reversal of expenses		120,540.00
Donation Assets received during the year		5,968,256.25
Grant related building		66,661,502.44
	164,004,805.74	178,097,884.09
Less		
Defferd grant Recognized as income	24,949,681.32	21,723,375.38
Closing Balance as at 31.12.2018	139,055,122.80	156,374,508.71

Note 19	Government Grants for Building WIP (Rs.)	
	2019	2018
Opening Balance	-	56,415,130.47
Capital Grants Received During the year	542,800.00	10,246,371.97
Less	-	
Recognized Assets		66,661,502.44
Closing Balance as at 31.12.2019	542,800.00	-

Note 20	Accumulated Deficit (Rs.)	
	2019	2018
Opening Balance	(27,388,266.70)	(55,152,594.10)
Reversal of charge Deferd income	85,401.23	287,443.69
Deficit/ surplus for the year	2,952,703.51	27,476,883.72
Closing Balance as at 31.12.2018	(24,350,161.96)	(27,388,266.70)

Note 21	Marine Environment Protection Fund (Rs.)	
	2019	2018
Opening Balance	14,162,205.67	13,186,647.35
Interest Income-TB	1,284,822.72	975,558.32
Closing Balance	15,447,028.39	14,162,205.67

Note 22	Intangible Assets (Rs.)	
	2019	2018
Opening Balance	2,106,336.70	1,903,942.41
Deposit Received During the year	-	533,975.11
	2,106,336.70	2,437,917.52
Less		
Amortization	358,791.61	331,580.82
Closing Balance as at 31.12.2018	1,747,545.10	2,106,336.70

Note 23	Income Perceived (Rs.)	
	2019	2018
WRS Application & Permit Fees	742,000.00	935,000.00
Bunkering Application & Registration	1,360,000.00	1,542,000.00
Dumping regulation Application & PermitFees	1,286,054.79	1,017,660.74
OECP Regulation	147,602.74	190,821.92
Supplier Registration	164,000.00	72,000.00
	3,699,657.53	3,757,482.66

Note 24	Grant Related to the inventories (Rs.)	
	2019	2018
Grant received for the Year(from 2012)	3,858,594.00	3,858,594.00
Less		
Amount transfer to the P&L	-	-
Closing Balance as at 31.12.2019	3,858,594.00	3,858,594.00

Note 25	Capital Grant to be utilized (Rs.)	
	2019	2018
Opening Balance	-	826,941.80
Reversal of charge Expences	655,050.00	-
	655,050.00	826,941.80
Less	-	826,941.80
Expenditure incurred during the year		
Return to the treasury	-	826,941.80
Closing Balance as at 31.12.2019	655,050.00	0.00

Note 26	Capital Fund Reconciliation (Rs.)	
	2019	2018
Capital Grant for the year	43,246,000.00	77,253,537.00
IAS Project	4,500.00	10,128.00
Deyata Sewana Project	-	59,726.00
Total Capital Grant	43,250,500.00	77,323,391.00
Less:		
Amount transfer to treasury	-	(692,611.01)
Purchase Fixed Assets	(8,471,233.72)	(9,042,954.63)
Building WIP	(542,800.00)	(10,246,371.97)
Amount Transfer to P&L	34,236,466.28	57,341,453.39

Note 27	Inventories (Rs.)	
	2019	2018
Opening Balance	4,838,695.94	4,626,177.25
Adjustment to opening Balance	-	74,430.10
Stationary Stocks	506,549.67	746,856.33
Less		
Amount transfer to the P&L	596,221.12	608,767.74
Closing Balance as at 31.12.2019	4,749,024.49	4,838,695.94

Note 28	Short term Investments (Rs.)	
	2019	2018
Opening Loan Balance	12,562,201.60	11,586,643.28
Add		
Interest for the year	1,176,628.35	975,558.32
Closing Loan Balance	13,738,829.95	12,562,201.60

Note 29			
Grant and Other Transfer Payments			
Expense (Rs.)	Actual Expenditure	Transfer to Assets	Expenditure for P &L
Rehabilitation and Improvement Capital Assets			
2001. Building and Structures	2,911,141.16	49,378.00	2,861,763.16
2002. Plant Machinery & Equipment	202,792.55		202,792.55
2003. Vehicle	2,944,370.01		2,944,370.01
Aquisition of Capital Assets			
2102. Furniture and Equipment	1,965,140.50	1,965,140.50	-
2103. Plant Machinery and Equipment	3,125,966.42	3,125,966.42	-
2104. Building and structures			
2401. Human Resources Development	1,200,120.00		1,200,120.00
2502. Other Capital Expenditure			
1. Improvement of sea bathing sites and beaches	3,788,297.33		3,788,297.33
2. Pollution prevention from fisheries sector	284,158.00		284,158.00
4. Coastal and marine pollution control	890,867.00	823,460.00	67,407.00
5. Studies on marine ecosystems	13,460,818.86		13,460,818.86
6. Implementation of International Conventions and Amendment of the Act	1,426,064.94		1,426,064.94
7. Minimizing the pollution caused by ships	18,605.39		18,605.39
8. Establishment of an institutional framework for marine related issues	357,983.75		357,983.75
9. Awareness building on marine environment	50,585.00		50,585.00
10. Organizing & conducting National events	3,820,617.44		3,820,617.44
11. Controlling of impacts of accidental oil and chemical spilling	7,499,869.24	105,432.00	7,394,437.24
12. Upgrading of laboratory facilities and achieving accredited status (Improvement of Laboratory facilities to provide commercial service)	1,995,420.90	681,657.40	1,313,763.50
Building Opening	2,403,705.89	2,262,999.40	140,706.49
Baseline assessment on invasive	114,742.00		114,742.00
IEE Deposit	4,500.00		4,500.00
	48,465,766.38	9,014,033.72	39,451,732.66

30 Investment in Treasury Bills

The Authority invested Rs 12,562,201.60 in 6 Month Treasury Bills in December 2018 and it was matured in the year 2019 and the total amount (interest and the investment amount) reinvested during the year 2019. The amount of Rs 1,284,822.72 have being earned as the interest income during the period. The amount of Rs 13,738,829.95 (interest and the investment Value) reinvested in November 2019 and this amount shown under the Current assets in the Statement of Financial Position.

31 The authority started to invest surplus cash balance at the end of each Day in the current account of MEPA to repurchase Treasury Bills in the daily basis. This process was continued until the end of the year and earned Rs. 880,159.32 as interest income. This interest income was included to the total income for the year.

32 The Authority acquired Rs 8,471,233.72 value of fixed assets during the year. These assets included furniture, office equipment, lab equipment, technical equipment, computers, etc.....

33 Gratuity Provision

1. The Basic salary and cost of living allowance used as base for Calculation of gratuity.

2. As per the Public Enterprise Circular the retirement age of public sector employee is extended up to 60 years. Accordingly the authority considers the employee will be retired at the age 60 years.

3. Based on the PED circular there should be separate bank account for gratuity (Same amount to the provision in cash value). However Authority was not opened the bank account during the year 2019, though it is scheduled to be opened during the year. This was due to the unavailability of sufficient funds. Account will be open and cash will be transferred subsequently based on the excess cash availability.

34. Capital Grant to be utilized

During the financial year 2018 Rs: 655,050.00 was allocated for conducting workshop for tour guide with the assistance of Wayamba development Authority. However due to practical difficulty the schedule programme is cancelled. Accordingly, the provision was reversed. The reversal amount transfer as capital grant to be utilized during the year of 2019.

35 Inventories.

01 Oil dispersant

Inventories valued at net realizable value or cost whichever is lower.

There was no any indication that nets realizable value of socks less than the cost of inventories in relation to the oil dispersant. The technical department on the view that this stocks can used another two to three years. Though its expiry dated will reached in the year 2023 in relation to the current stocks. Therefore no adjustment was made during the year to the oil dispersant stocks.

Accordingly, until the replace the dispersant stocks the book value of stocks will carry as same as opening balance.

02 Stationary items

Physical verification of stores indicated that, considerable amount of Stationary items were available in store. Therefore it is decided to take material items of stationary as an inventory item (Annexure 02). The Stationary stocks balance carryforward from last year was partially used during the year. Accordingly the value of used inventory charged to Statement of Financial performance. The closing stocks of stationary is included in inventory as Stocks as at 31.12.2019.

36 Library Books.

The value of Library books shown under the PPE in Statement of Financial Positions as Library Books and the cost of the books which purchased during the year was transferred to the deferred grant account and amortized over the useful life of books.

The useful life of books consider as 10 years.

37 Chemicals and Glassware Stocks

The policy adopted by the authority in relation to the chemicals and glassware is to charge the total purchase cost of Chemicals and Glassware to the Statement of Financial performance during the year in which the transaction happened.

This method is adapted due to the practical difficulties in calculation of exact amount of chemicals at the end of year, and some glass ware need to be replaced during the short a period of time. However, the Laboratory maintains Stocks ledgers for both Chemicals and the Glassware for recording purpose.

38. Intangible Assets

The software purchase by the Authority considered as intangible Assets and the cost of intangible assets will amortized over the 10 year period on the straight line basis. It is assume that, the during 10 year period the new versions of software available writhing the market and those software may have more advance features than existing software's. And further assume that the requirement of the authority will change writhing next 10 year to match with its future expansion.

As per the relevant Accounting standard it is required to test the intangible assets for the impairment if, there is any indication of impairment with related to the assets. However it was fund that there is no any indication about the impairment of intangible assets. As such, the assets were acrid at the cost of acquired and amortized relevant amount to the Statement of Financial performance during the year.

39. EPF &ETF payment for Cost of Living allowance

The Authority paid contribution for EPF (15%) and ETF (3%) for the contribution as required by the respective laws. And deducting 10% from the employees as their contributions. During the year authority paid the relevant payments on due dates and comply the regulatory requirements.

40 Land

The construction of southern office building was made in land given to this authority by the Divisional secretary of "Kadawath

sathera –Galle” .The land was originally transferred to the Ministry of Mahaweli Development and Environment thereafter ministry transferred to the land to this authority. However, sole ownership will remain with the Divisional secretary of “Kadawath sathera –Galle”. The area of Land is 55.17 purchases and Plan number is DS/GAFG/L&L/02/4 Lot number A & B. The rate number of –this land is 426B and address is 426B, Colombo Road, Dadella, Galle.

41 Discloser about indication of Impairment Assets.

During the year the rent agreement of the MEPA Head office Building was expired and the owner was asked to vacate the building. Accordingly, new building was found to establish MEPA head office at No. 170, Nawala Road, Narahenpita. Accordingly the cost of written down value of partition and air condition machines and

other fittings established by MEPA should be remove form the books of MEPA due to the impairments of those assets. However, the valuation of partition and air condition machines and other fittings established by MEPA to be determine. Accordingly, we obtained the assistance of government vulvar for the valuation.

The impact of impairments to be computed after removal of all above items and the impairment was created financial impact to the Statement of Financial Performance and the statement of Financial Position within the next financial year. Partition and air condition machines and other fittings were sold by open tender and disposal proceed collect an amount of Rs: 1,098,222.19. Some of removed items and machines were kept for use of MEPA reginal offices. During the year Rs: 2,424,899.18 was charge to statement of financial performance as loss of disposal.

**10.1 Marine Environment Protection Authority From
Statement of Financial Position
From 2015 to 2019 (Rs.)**

<u>Assets</u>		2019	2018	2017	2016	2015
<u>Current Assets</u>						
Cash Balance	10	30,750,980.09	23,473,457.622	8,985,447.03	30,024,657.89	29,181,624.75
Debtors	11	3,194,218.26	954,287.86	972,183.09	48,999.90	60,152.52
Deposits	12	5,217,000.00	3,193,000.00	2,959,000.00	2,596,000.00	2,091,000.00
Pre-Payments	13	1,448,344.67	2,442,132.08 2,442,132.08	2,063,022.50	2,204,656.60	1,666,487.02
Investments (Treasury Bills)		13,738,829.95	12,562,201.60	11,586,643.28	15,816,119.87	14,750,372.00
Staff Loans Recoverable	14	12,103,641.69	13,145,944.33	9,847,296.72	5,267,412.05	4,806,479.09
Stock	28	4,749,024.49	4,838,695.94	4,626,177.25	4,182,303.30	4,417,793.50
<u>Non-Current Assets</u>						
Property, Plant and Machinery	09	137,850,377.70	154,268,170.37	141,729,762.47	112,613,398.34	65,778,872.90
Intangible Assets	23	1,747,545.10	2,106,336.70	1,903,942.41	2,209,336.50	-
Total Assets		210,799,961.94	216,984,226.51	184,673,474.75	174,962,884.45	122,752,781.78
<u>Liabilities</u>						
<u>Current Liabilities</u>						
Payables	15	30,287,190.89	30,155,885.85	43,173,221.37	23,001,605.19	9,409,665.57
Income perceived	21			-	-	-
EIA Project Deposit	22	3,699,657.53	3,757,482.66	1,974,856.70	2,398,767.00	773,082.19
<u>Non-Current Liabilities</u>						
Marine Environment Protection Fund	20			-		

Staff Loan Fund	16	14,347,258.79	13,897,891.32	13,495,377.97	7,443,319.99	7,241,779.43
Gratuity Provision	17	27,257,421.50	22,165,925.00	19,676,724.00	13,736,758.00	10,931,250.00
Total Liability		75,591,528.71	69,977,184.83	78,320,180.04	46,581,834.27	28,355,777.19
Net Assets		135,208,433.23	147,007,041.68	106,353,294.71	128,381,834.27	94,397,004.59
Equities			-			
Government Grants and Capital		139,055,122.80	156,374,508.71	87,218,575.98	80,308,318.58	65,778,874.32
Capital Grant to Building WIP	18	542,800.00	-	56,415,130.47	34,514,417.00	16,350,374.68
Capital Grant to be utilized	20	655,050.00		826,941.80	12,048,760.59	
Capital grant to the Inventories		15,447,028.39	14,162,205.67	13,186,647.35	17,416,123.94	3,858,594.00
Marine Environment Protection Fund	26	3,858,594.00	3,858,594.00	3,858,594.00	3,858,594.00	25,207,173.31
Accumulated Surplus/Deficit	22	(24,350,161.96)	(27,388,266.70)	(55,152,594.10)	(19,764,379.11)	(16,798,010.99)
Total Equity	24	135,208,433.23	147,007,041.68	106,353,294.71	128,381,834.27	94,397,004.59

10.2 Marine Environment Protection Authority Statements of Financial Performance – 2015 to 2019 (Rs.)

	No tes	2019	2018	2017	2016	2015
Revenue						
Transfer from other government entities	1	199,186,147.60	207,051,668.77	136,377,136.52	196,990,302.56	141,221,723.01
Fees, Fines, Penalties and Licenses	2	34,633,317.63	29,013,815.64	35,824,761.42	17,430,909.42	12,959,886.99
Other Revenue	3	12,449,777.08	4,411,095.41	1,272,940.65	5,029,616.86	2,910,944.39
Total Revenue		246,269,242.31	240,476,579.82	173,474,838.59	219,450,828.84	157,086,624.55
Expenditures						
Wages, salaries and employee benefits	4	117,207,015.76	106,437,025.91	107,184,813.71	96,641,764.42	85,360,458.55
Supplies and Consumable used	5	10,639,431.81	8,388,966.99	7,893,411.61	8,747,684.32	7,370,861.27
Other Recurrent Expenditures	6	54,556,058.61	37,820,029.91	34,634,645.40	29,518,860.70	23,651,730.11
Grants and Transfer payments	29	39,451,732.66	38,602,302.84	42,784,424.18	71,654,455.72	27,847,538.73
Financial Cost	7	42,740.00	27,995.00	28,785.00	54,533.78	34,560.00
Depreciation and amortization Expenses	8	21,419,559.96	21,723,375.45	16,560,673.00	15,800,198.02	16,097,155.46
Total Expenditures		243,316,538.80	212,999,696.12	209,086,752.90	222,417,196.96	160,362,304.12
Deficit/ Surplus for the period		2,952,703.51	27,476,883.72	(35,611,914.31)	(2,966,368.12)	(3,269,749.73)

11. Report of the Auditor General

IEN/E/MEPA/01/19/09

03 July 2020

Report of the Auditor General on the Financial Statements and Other Legal and Regulatory Requirements of the Marine Environment Protection Authority for the year ended 31 December 2019 in terms of Section 12 of the National Audit Act, No. 19 of 2018.

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Marine Environment Protection Authority for the year ended 31 December 2019 comprising the statement of financial position as at 31 December 2019 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka in conjunction with provisions of the National Audit Act No.19 of 2018 and Finance Act No.38 of 1971. My comments and observations which I consider should be reported to Parliament appear in this report.

In my opinion, except for the effects of the matters described in paragraph 1.5 of this report, the accompanying financial statements give a true and fair view of the financial position of the Authority as at 31 December 2019, 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) Expenditure incurred on the repair of fixed Assets Rs.1,215,299, it was stated in the financial statement as an acquisition of the Assets.

- (b) Sound Wave Equipment valued at Rs.2,092,540 had been purchased from the Authority Funds and given to an external entity it had been accounted as an asset in the financial statements.
- (c) Intangible assets the net value of Rs.1,747,545 was disclosed in the financial statements and the accounting policies followed for the amortization of such assets were not disclosed in the financial statements.

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 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 Authority's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Authority or to cease operations, or has no realistic alternative but to do so.

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

As per Section 16(1) of the National Audit Act No.19 of 2018, the Authority 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 Institute.

1.4 Auditor's Responsibility for 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 Authority'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 Authority'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 statement 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 Authority 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

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

- Except for the effect of the matters described in the Basis for Qualified Opinion paragraph, 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 Authority as per the requirement of Section 12 (a) of the National Audit Act, No. 19 of 2018.
- The financial statements presented by the Authority are consistent with the preceding year as per the requirement of section 6 (1) (d) (iii) of the National Audit Act, No. 19 of 2018.
- 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.

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

- to state that any member of the governing body has any direct or indirect interest in any contract entered into by the University 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.
- to state that the Authority has not complied with any applicable written law, general and special directions issued by the governing body of the Institute as per the requirement of section 12 (f) of the National Audit Act, No. 19 of 2018, except for the following observations.

Reference to Laws, Rules/ Directives -----	Description -----
(a) Financial Regulation of the Democratic Socialist Republic of Sri Lanka.	
i. Financial Regulation 110	The Financial Regulation had not been complied in connection with 4 vehicles were involved in the accident.
ii. Financial Regulation 396	Action in terms of the Financial Regulation has not been taken in respect of 15 cheques not presented for payment valued at Rs 321,394 lapsed for more than 6 months.
iii. Financial Regulation 756	Board of surveyed had not been done for the year under review
(b) Section 6(E) of the prevention of Marine Pollution Act No 35 of 2008.	Although all service providers registered under the category of burning oil waste have to made an initial deposits Rs.300,000, apart from that Rs.150,000 each was deposited for burning oil and Rs.20,000 each for garbage and sewage.
<ul style="list-style-type: none"> • to state that the Authority 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 the following observations. 	

Powers, Functions and Duties

Observations

-
- | | |
|---|---|
| <p>(a) Section 6(d) of the provision of Marine Pollution Act No 35 of 2008</p> <p>(b) Gazette Extraordinary No.37/1816 of 28 June 2013.</p> | <p>Deviating from the main functions of the Act. without being ensured after testing the collected waste, it had been discharged to the sea and clinical waste which is hazardous waste had been discharged direct to the sea through long pipes</p> <p>i. Action has not been taken in accordance with section 2 of gazette notification relates to emit waste to the sea from Modara and Wellawatta areas.</p> <p>ii. Ports around the island discharge a large amount of waste and wastewater into the ocean, and the marine polluted due to the lack of wastewater refining systems, repair of fishing boats in the fishing premises, painting and abandoned fishing equipment.</p> |
|---|---|
- to state that the resources of Authority 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 Audit Observation

-
- (a) Five posts in executive managerial level had fallen vacant for more than 2 years out of which one of them had been recruited on contract basis in the year 2018.
 - (b) According to the approved cadre 2 audit officers need to be attached to the Internal Audit Division except Internal Auditor, but action had not been taken accordingly.
 - (c) Only a few samples taken from bowsers transport sewage and waste water from outside institutions to the Madampitiya purification pump house are being tested in the laboratory set

- up at that location, where it was observed that only the value of PH of waste water is tested. This laboratory, which employs only one testing officer without adequate staff, has been conducting tests without any results, and it was difficult to prevent sea water pollution due to the inability to identify bowsers with substandard waste water before entering the pumping house.
- (d) The Authority has drafted the National Strategic and action plan to minimise marine pollution related to fisheries industry by identifying the method of pollution. Although a meeting was held to take the draft plan into action and discuss it with the Department of Fisheries and Aquatic Resources to prepare it more effectively, no action had been taken to determine and implement the plan.
 - (e) Five indices have been identified to reach Sustainable Development Goals and there was a problem in achieving the targets due to the lack of a proper program to reduce or regulate the use of plastics and polythene and the lack of a systematic program at the ministry level.
 - (f) As the trained officer for the affairs of the Laboratory put up by incurring an expenditure of Rs.2,197,998 at the Galle Office, was detained at the head office without being attached to that officer. Due to this, the purpose of establishing the laboratory could not be achieved.
 - (g) Eventhough, it was decided to prepare a report having being discussed with the Director General of the Tourism Development Board and make aware of the Local Authorities on the matter in respect of discharging toilet and waste put up in a manner discharges waste into the sea within 300 meters from coastal limit to the land and other waste without being recycled and the special impact causes to Tourist Industry due to disposal of waste to the ocean, it was not so done.
 - (h) An applicant who had not completed the basic qualifications outside the recruitment procedure had been recruited for the post of financial officer.
 - (i) Atomic extraction spectrum double dimension value at Rs. 5,700,000 has been inactive in the laboratory for more than three years without any use end. mean wile, an agreement had been reached with an agency to repair the equipment at a cost of Rs. 1,212,299 due to its inability to use it.

W.P.C.Wickramaratne
Auditor General