

Annual Report 2020



Marine Environment Protection Authority
Ministry of Urban Development and Housing

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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 2687520/011 2690604/ 011 2690605

Fax: 011 2687451/011 4615960

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

Board of Directors

Chairman

01.Mrs. Darshani Lahandapura,
Appointed by Minister

Directors

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

03.Mr.Sunil Senarathna
Additional Secretary, Ministry of Fisheries

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

05. Mr. Sachith Fernando
Deputy Director, Department of foreign
resources

06. Vice Admiral Mr. N. Ulagethenna
Appointed by the Naval Captain

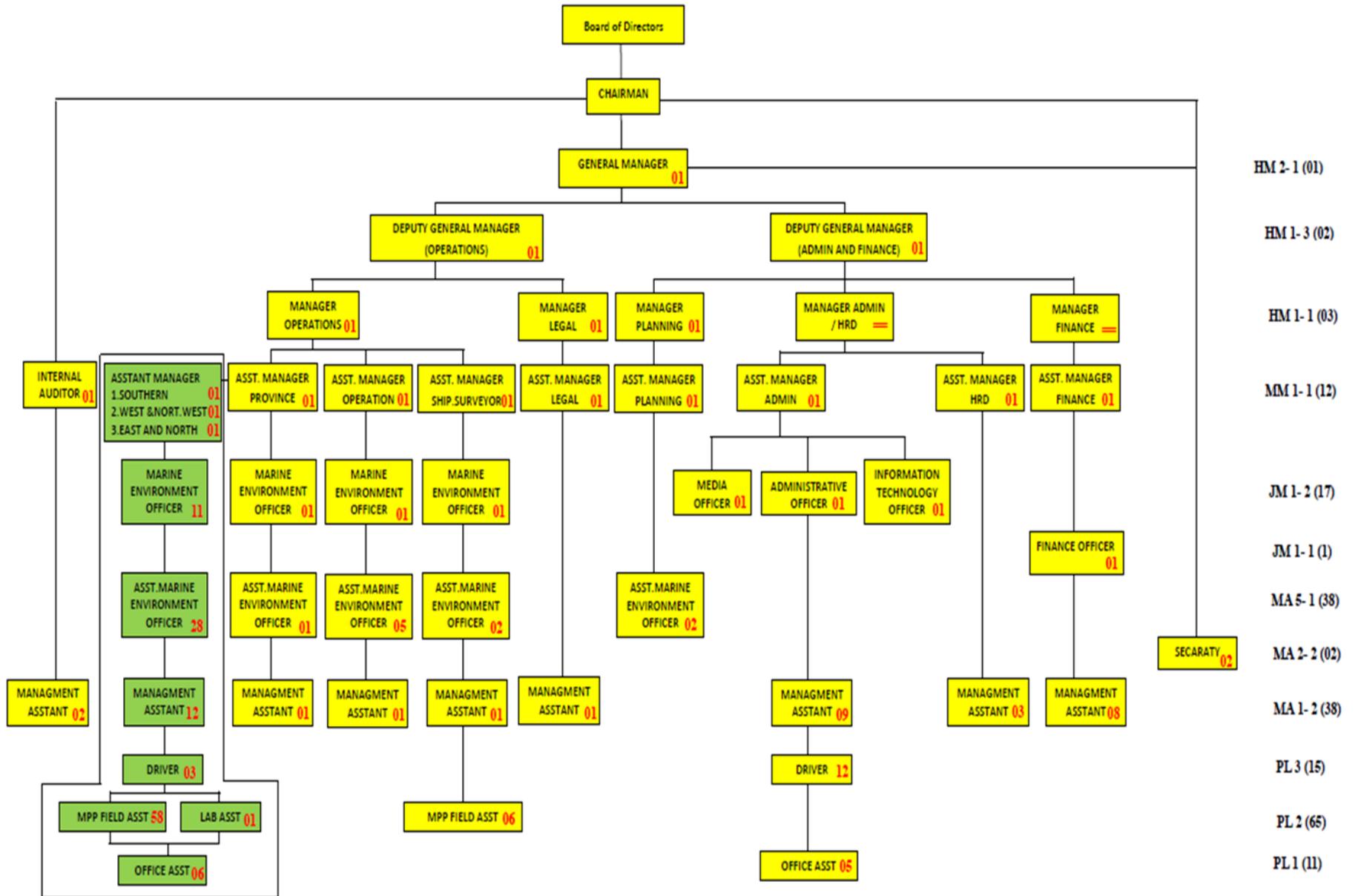
07. Mr. Ahamed Jawed
Represter of Ministry of Foreign Affairs

08. Mr.Ashoka Lal Kodithuwakku
Director, Ministry of Fisheries

09. Mr.Prasanna Gunasekara
Appointed by the Minister

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

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The Management Team of the Authority

Senior Management

Chairman

Mrs. Darshani Lahandapura (Attorney at Law)

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]

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

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

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

Assistant Manager (Ship Survey) - 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)]

Acting Assistant Manager (North and Eastern Province) - Mr. T.Shripathy [B Sc, MSc (ENS)]

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

13. District Office – Kilinochchi District

Marine Environment Protection Authority
No: 05, Kilinochchi Station Rd,
Kilinochchi.

Message from the Chairman

It is a pleasure to give this message to the Annual Report for the year 2020

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 2020 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 hitherto 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 29.2 million rupees allocated for the year 2020 as per the Action Plan, 20.3 million rupees was spent during the year with a physical progress of 93% and a financial progress of 70%. 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 2020 and control the situation by obtaining assistance of the Board of Directors, the General Manager, the Deputy General Manager and the staff.



Darshani Lahandapura
Chairman

Message from the General Manager

It is a pleasure to give a message to the Annual Report for the year 2020.

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 2020. 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 2020.

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 Mr.Nalaka Godahewa, State Minister of Urban Development, Coast Conservation, Waste Disposal and Public Sanitation 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, 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.



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 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



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

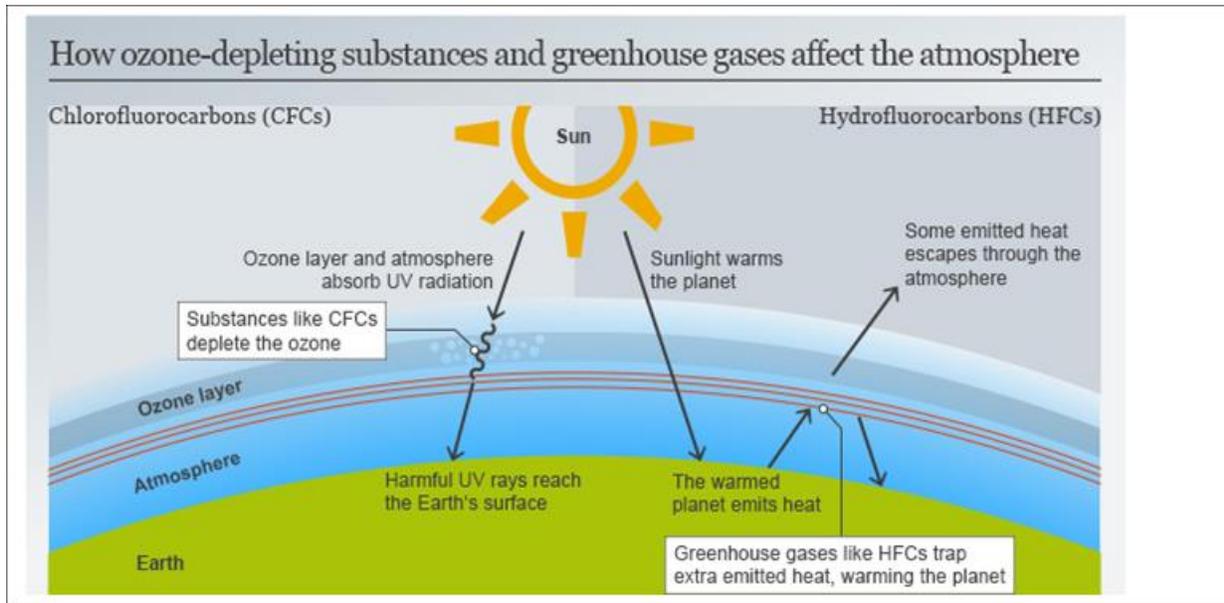
Global warming is alarmingly increasing seawater levels, threatening the marine ecosystem. According to reports, the annual rate of seawater rise during the past two

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 NOx and Sox

Nitrogen Oxides (NOx) and Sulfur Oxides (SOx) – the two main pollutants found in shipping emissions- has badly affected both marine environment and ozone layer in a number of ways. Both NOx and SOx 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.

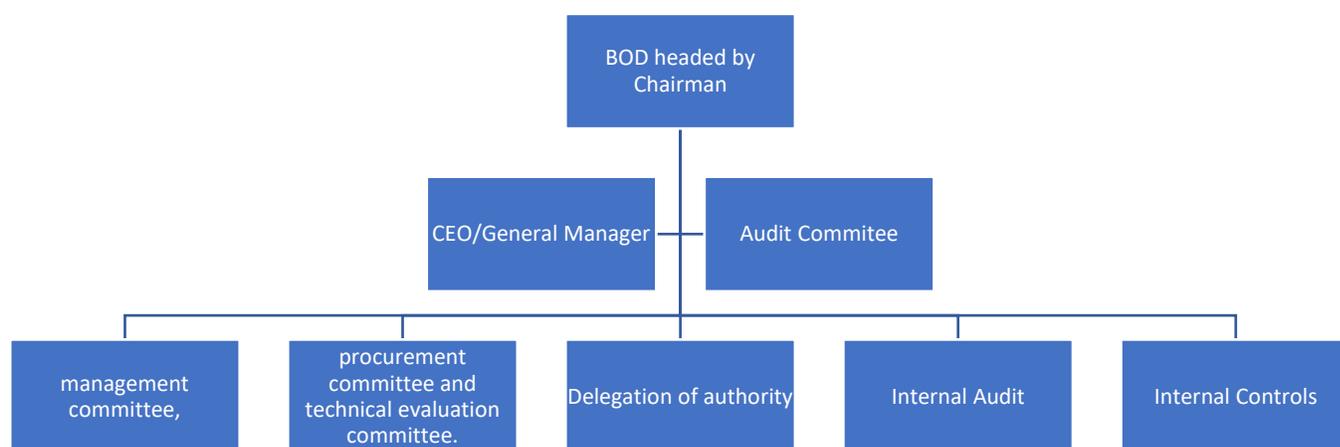
The above-mentioned reasons for marine pollution might not be enough to depict the seriousness of the matter. However, it is our humble effort to educate and inform people about the ever-growing threat from these polluting agents.

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 2020

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. Mrs.Darshani Lahadapura	Chairman (Member appointed by the Ministry)- Executive Director	09/09
02. Dr. P. B. Terney Pradeep Kumara	General Manager Executive Director	09/09
03. Mr. R.A.R.R.Rupasinghe	Non- Executive Director	08/09
04. Mr. Sunil Senarathna	Non- Executive Director	09/09
05. Mr. Ahamed Jawed	Non- Executive Director	09/09
06. Mr. A.W.Senevirathna	Non- Executive Director	02/09
07. Mr. Sachith Fernando	Non- Executive Director	09/09
08. Mr. Vice Admiral N.Ulathenna	Non- Executive Director	06/09
09. Mr. Ashokalal Kodithuwakku	Non- Executive Director	09/09
10. Mr. Prasanna Gunasekara	Non- Executive Director	02/09



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 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.

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.

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 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.

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, as an independent committee, is accountable to the Board of Directors. The internal control system covers all types of controls, including financial, operational and compliance control with risk management. The Marine Environmental Protection Authority's internal control system and risk management are managed within a framework within which the organization can tolerate the risk. Accordingly, the internal control system of the Authority can only provide a fair but absolute guarantee of management, quantitative financial information, inaccuracies and financial losses or fraud.

The Internal Audit Division of the Authority is tasked with reviewing the effectiveness of all internal control procedures and their adequacy and making recommendations for improving internal controls.

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 -Minor

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 into several departments and each unit is headed by a Deputy General Manager or a Manager who assists the Chairman / General Manager in the day-to-day 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 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 2020 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 81 to 102 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.

4.4 Significant Accounting policies and changes during the year

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'.

4.5 Revenue & Surplus/Deficit

Summary of the Financial Results of the Authority for the year ended 31 December 2020 with comparative figures are given below.

	2020	2019
Revenue	264,089,071.65	246,269,242.31
Expenses	214,089,054.64	243,316,538.80
Surplus or Deficit	50,000,017.02	2,952,703.51

4.6 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 89.

4.7 Directors' Remuneration

The allowances paid during the Years 2019 & 2020 are as follows.

2020	2019
204,000.00	276,000.00

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

4.8 Directors' Interest in Contracts

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

4.9 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.

4.10 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.

4.11 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.

4.12 Compliance with Laws and Regulations

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

4.13 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.

4.14 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.

4.15 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.

4.16 Auditors' Remuneration

The Auditors were paid Rs. 1,125,000.00 for the year ended 31 December 2020 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 23 to 29 of this report.

4.18 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.



Darshani Lahandapura
Chairman

5. Report of the Audit and Management Committee

The Audit and Management Committee comprises three non-executive Directors, Mr.K.B.S.S.Fernando representative of the Treasury, held its chair and Mr. R.R.A.R. Rupasinghe, Additional Secretary to the Ministry of Environment, and Mr. Ahamed A Jawad appointed Member of the Board of Directors, were the Members of the Committee. In addition Mr.Ashoka Lal Kodithuwakku appointed as a committee member as at 25.06.2020. Mr.Sunil Senarathna will replaced Ashoka Lal Kodithuwakku as a member of the committee from 14.12.2020. 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 two times during the year of 2020.

Records on the Meetings of the Audit and Management Committee of the Marine Environment Protection Authority in 2020

	Name	Position Held in the Audit and Management Committee	No. of Meetings of the Audit and Management Committee
01	Mr. K.B.S.S.Fernando	Chairman (Deputy Director- Foreign Resource Department, from 20.02.2020)	03/03
02	Mr. R.A.R.R. Rupasinghe	Member (Additional Secretary, Ministry of Mahawali Development and Environment – from 20.02.2020)	03/03
03	Mr. Ahamed A. Jawed	Member (Additional Secretary – Foreign Ministry , from 20.02.2020 to 25.06.2020)	00/03
04	Mr.Ashoka Lal Kodithuwakku	Member (From 25.06.2020 to 14.12.2020)	00/03
05	Mr. Sunil Senarathna	Member (Additional Sec (Admin & finance) Ministry of Fisheries – from 14.12.2020	01/03
06	Mr. K.K.S.Jayakody	Observer (Auditor General’s Department)	03/03
07	Mrs. D.S.K.Darmawardena	Observer (Chief Internal Auditor – Ministry of Environment– From 04.10.2019 to 08.08.2020)	02/03
07	Mr.E.L.A.P.Kumara	Observer (Chief Internal Auditor – State Ministry of urban Development, coast conservation, waste disposal and community cleanliness– From 09.08.2020 on wards)	01/03
07	Mr.W. A. P. Udana	Convener (Internal Auditor, Marine Environment Protection Authority)	03/03

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 2020

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

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

Turnover 2020

Turnover - Age and Gender (GRI

Age Group	Male	Female	Grand Total
18-20	-	-	-
21-30	-	1	1
31-40	3	7	10
41-50	2	0	2
Above 50	1	-	1
Grand Total	6	8	14
Percentage [%]	42.85%	57.15%	100%

Employee Relations 2020

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

Description	2020	2019
Employees entitled to Maternity Leave	30	39
Employees obtained the Maternity Leave	8	9
Employees returned to work after Maternity Leave	5	8
Employees still employed 12 months after taking Maternity Leave	5	7
Return to Work Rate [%]	62.5%	88.8%
Retention Ratio [%]	62.5%	77.7%

Breakdown of Employees 2020 (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	4	3	10	13	
31-40			3	2	11	3	4	7	3	7	26	1
41-50	3		4			3			3	1	40	
Above 50	1	1		2							11	
Grand Total	4	1	7	4	11	7	11	11	9	18	90	1
Percentage [%]	2.3	0.6	4.0	2.3	6.3	4.0	6.3	6.3	5.1	10.4	51.8	0.6

Type of Employment (GRI 102-8)

Type of Employment	2019			2018		
	Male	Female	Grand Total	Male	Female	Grand Total
Fixed Term Contract	0	0	0	1	0	1
Permanent	97	37	134	101	41	142
Probationers	35	4	39	37	7	44
Trainees	2	8	10	2	8	10
Grand Total	134	49	183	141	56	197

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	8	43	35	9	44
Western	03	53	26	79	58	33	91
North Western	01	8	4	12	8	4	12
Northern	02	15	3	18	15	3	18
Eastern	03	20	2	22	20	2	22
Grand Total	12	131	43	174	136	51	187

7. Review of the Operational Activities

7.1. Improved Marine Pollution Control Mechanisms

7.1.1. Improving Sea Bathing Places and Beaches

Monitoring Marine Water Conditions

Preparing a water quality indicator means understanding the level of pollution and the most effective method is to classify the water quality for assessing the suitability for different uses. Bathing spots water quality indicator (BSWQI) has been prepared for assessing the pollution level at bathing spots in Sri Lanka. It facilitates the understanding through reducing the value to a single numerical figure of fewer units for a range of data for each parameter.

At present, 13 Regional Offices of the MEPA are located in 13 coastal Districts belonging to the coastal area. MEPA officers test water quality at bathing spots for physical parameters on a monthly basis.

Parameters include physical parameters (PH, conductivity, salinity, temperature, churning

etc); nutrients for chemical parameters (nitrate, nitrite, ammonia, phosphate etc); and biological parameters (faeces, coliforms).

Laboratory facilities at the Marine Environment Protection Authority can be used for measuring for biological parameters for which facilities are not available at the Regional Offices or certain chemical parameters that cannot be measured at regional level.

As a result of this monitoring process, a vast repertoire of data is collected from 29 bathing spots. This report has been prepared basing on water quality data collated during the period January–December 2020. As we still do not have a standard on marine water quality, water quality results have been compared with the standard values that refer to the United States EPA water quality standards. The indicator has been prepared considering the physical, aesthetic, chemical and microbial conditions.

Ranking Bathing Spots in Sri Lanka according to the BSWQI

No.	Bathing Places	District	Value	Status	Class
1	Moragalla	Kalutara	67.5	Average	IV
2	Unawatuna	Galle	78.78	Good	III
3	Galle Fort	Galle	66.66	Average	IV
4	Hikkaduwa	Galle	47.14	Weak	V
5	Ahungalla	Galle	85.87	Very Good	II
6	Mirissa	Marara	89.5	Very Good	II
7	Polhena	Matara	66.66	Average	IV
8	Kochima	Hambantota	98.55	Excellent	I

9	Paraviwella (Pigeon Beach)	Hambantota	68.9	Average	IV
10	Arugambay	Ampara	89.93	Very Good	II
11	Chilaw	Puttalam	77.2	Good	III
12	Wennappuwa	Puttalam	75.6	Good	III
13	Kudawa	Puttalam	82.36	Very Good	II
14	Negombo Beach Park	Gampaha	18.97	Very Poor	VI
15	Mount Lavinia	Colombo	25.69	Very Poor	VI
16	Wellawatta	Colombo	23.0	Very Poor	VI
17	Pasikuda	Batticaloa	No Data Available		
18	Marble Beach	Trincomalee	46.3	Poor	V
19	Gopalpuram	Trincomalee	48.72	Poor	V
20	Trincomalee Beach	Trincomalee	50.32	Poor	V
21	Nilaweli Beach	Trincomalee	46.12	Poor	V
22	Pigeon Islands	Trincomalee	47.35	Poor	V
23	Crow Island	Trincomalee	46.32	Poor	V
24	Charty Coastal Belt	Jaffna	70.89	Good	III
25	Casurina Coastal Belt	Jaffna	73.25	Good	III
26	Kankesanturarai Coastal Belt	Jaffna	71.98	Good	III
27	Talaimannar	Mannar	89.13	Very Good	II
28	Pesalai Coastal Belt	Mannar	86.28	Very Good	II
29	Keeri Coastal Belt	Mannar	87.89	Very Good	II

Classification of Water Quality

BSWQI <45 — Very Poor - Class VI,

BSWQI 46-60 — Poor - Class V

BSWQI 61-69 — Average - Class IV,

BSWQI 70-79 — Good- Class III

BSWQI 80-90 — Very Good - Class II,

BSWQI 91-100 — Excellent - Class I

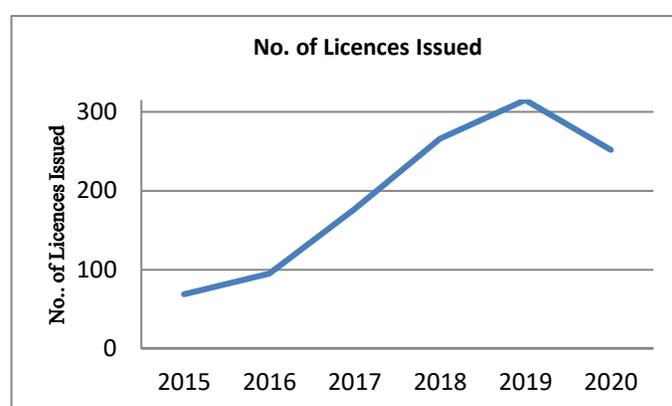
7.1.2 Control of Coastal and Marine Pollution

7.1.2.1 Issuing Licences for Disposing Waste in the Sea

Sea disposal licences are issued for hotels and factories within the coastal zone for the control of releasing unrefined waste to the sea or the coastal zone. The number of such licences issued in the year 2020 was 252. However, it was a decrease of 20% compared to the previous year's figure. Most hotels did not function in the year 2020 because of the impact caused to tourism by the COVID-19 Pandemic. Hence the reduction of the number of licences issued.

Table 01: Details of the Licences Issued During the Past 5 Years

Year	Number of Licences Issued
2015	69
2016	95
2017	177
2018	266
2019	315
2020	252



Income from issuing dumping licences in the year 2020 was Rs. 4,364,902.05, which is a 34% decrease from that in the previous year. Covid 19

Income fell due to decrease in issuing dumping licences due to the COVID-19 Pandemic.

Table 02: Income During the Past 5 Years

Year	Income (Rs.)
2015	675,443.84
2016	1,897,397.26
2017	2,303,452.05
2018	3,725,654.33
2019	6,357,660.74
2020	4,364,902.05

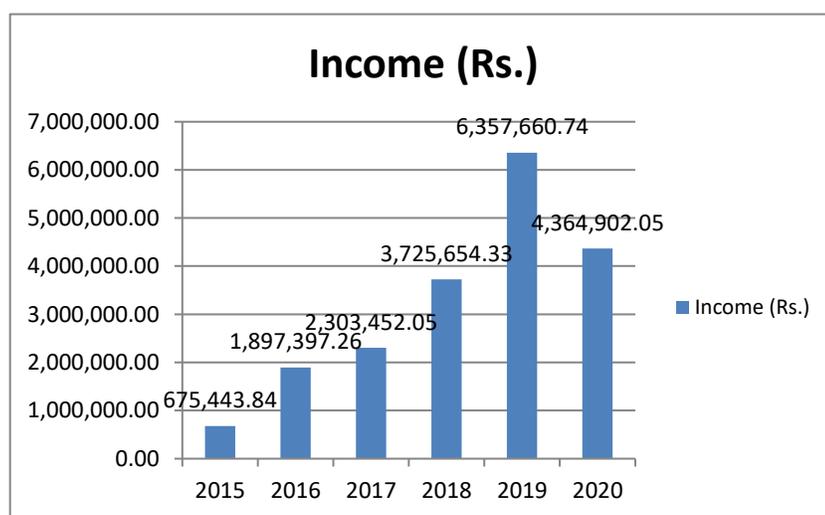


Table 02: Income from Issuing Waste Disposal Licences During the Past 5 Years

7.1.2.2 Coastal Clean-Up Project

Coast Caretakers Programme

The programme to appoint coast caretakers was commenced on 16th September 2018 at the Dadalla coastal belt in Galle with the main objective of keeping selected beaches from around the island clean. Under this programme a Samurdhi beneficiary is appointed as a coast caretaker for a selected polluted coastal belt (of about 1 km), who has to clean the beach regularly (usually 2 hours per day) for managing waste on the coastal belt.

As at 31st December 2019, 120 selected coast caretakers had been placed all around the island. The programme was conducted continuously in the year 2020 with the same number of coast caretakers. However, the programme had to be suspended with effect

from 20th March 2020 due to COVID-19 pandemic situation. The programme was resumed on 1st July 2020 with 10 coast caretakers under the patronage of the private sector sponsors due to difficulties in raising funds and continued till 31st December 2020.

A function was organized for signing agreements with sponsors for the year 2021 in order to strengthen the coast caretakers' programme. This function was held at the Ministry of Urban Development and Housing on 27th November 2020 with the participation of Hon. Dr. Nalaka Godahewa, State Minister of Urban Development, Coast Conservation and Waste Disposal. Sponsorship agreements were signed pertaining to 56 coast caretakers for the year 2022 at this function. The details are as follows:-

	Sponsor	Number of Sponsored Coast Caretakers
1	Dilma Ceylon Tea <i>plc</i>	50
2	Mercantile Investment and Finance <i>plc</i>	05
3	Ceylon Association of Ship Agents	01
	Total	56



Sponsors with the Hon. Dr. Nalaka Godahewa, State Minister of Urban Development, Coast Conservation and Waste Disposal, Secretary of the State Ministry and the Chair of the Marine Environment Protection Authority.



Signing the Agreements

7.1.2.3 Clean Ocean Project – Waste Containers

80% of marine pollution occurs due to activities carried out on land. Sources of pollution include solid waste (plastic, Styrofoam etc), untreated faecal waste, agricultural waste, oils as well as heavy metals from factories and residuals collected by erosion due to removal of soil or felling of trees. Coastal areas are especially sensitive. Coral reefs, mangroves, ocean grasslands and salt swamps are complex ecosystems that assist food production and livelihoods. Fisherfolk and those engaged in tourism are among those dependent on coast-based

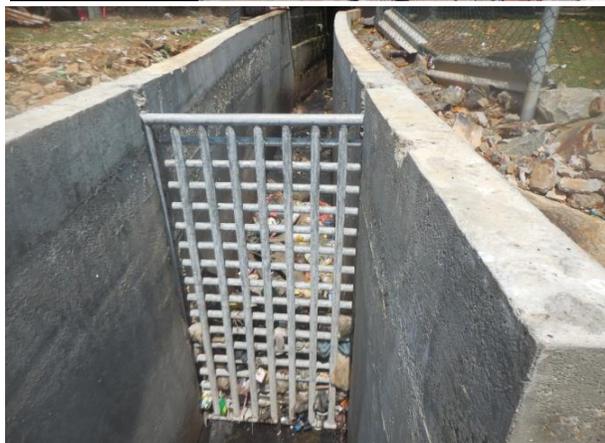
resources for their livelihoods. Most plastic, Styrofoam and other floating non-decaying materials enter the coast through rivers, streams and man-made canals

The Marine Environment Protection Authority mooted the idea of installing drainage nets/ waste traps across some canals identified as main channels that transport solid waste to the coast.

Waste nets were placed at Maradana and Beruwala in Kalutara District and Wellaweediya in Gampaha District in the year 2020



Installing a Garbage Container in Wellaweediya Area



Installing Waste Containers – Near Yasar Arafath Road, Maradana, Beruwala

7.1.3. Study on Marine Ecosystems

7.1.3.1. Environmental Sensitivity Indicator (ESI) Mapping

An environmental sensitivity indicator map provides a summary of coastal resources that can be endangered in an oil spill. The main objective of ESI mapping is conserving the socio-environmental diversity in the coastal environmental, which is the most important tropical region. The symbols on an ESI map are colour-coded and priority of cleaning is given based on how sensitive they are to oil.

The initial concept of ESI mapping for oil spills has been built to assess the potential impact of oil along a coastal belt and to help

spill response coordinators to separate resources during and after a spill.

Improvements in ESI mapping are of utmost use in preparing contingency plans before an oil spill and taking management decisions immediately after a spill. Mapping of sensitivity in the terrestrial environment around installations and pipelines should also be considered.

Maps provide a planner with information on sandy beaches, rocky coasts, swamps etc that can be affected by an oil or a chemical spill and help choose suitable gear for cleaning.

Oil-spill-sensitive mapping (including mapping sub-tidal habitats associated with

the coast) can also help in developing a policy on the use of substances causing oil-spills by providing information on impacts that can occur due to oil spilled in the stretch of water. Such information can be used in a spill of hazardous or noxious substances (HNS) and can also serve as the basis for developing HNS incident sensitivity mapping. Sensitivity maps provide a broad overall analysis on the terrain and sensitive resources that can be endangered by an oil spill.

Many oil spills that occurred around the world during the past few decades has highlighted the importance of environmental monitoring. It has encouraged state agencies responsible for preventing accidents caused by oil or chemical spills and mitigating the damage caused by such incidents to formulate efficient protocols.

In this context, the Marine Environment Protection Authority has taken initiative

towards formulating an environmental sensitivity indicator (ESI) and as its first step, collated all the data and information collected from Kalutara to Galle in the year 2019 and printed the map in the year 2020. This map will be useful if an oil spill occurs.

7.1.3.2. Restoration of Marine Ecosystems

Replanting of Mangroves

Mangrove is a marine ecosystem important for the environment and for human socio-economic activities. Mangrove jungle performs a major role in balancing the oxygen-carbon dioxide ratio, preventing sea erosion and providing fish-breeding grounds. On the other hand, it creates opportunities such as for eco-tourism.

The Marine Environment Protection Authority had been running the following mangrove conservation projects in 2020:-

Date	Place	Activity
13.11.2020	Naruwalikulam - Mannar District	With the participation of Mrs. Darshani Lahandapura, Chairperson of the Marine Environment Protection Authority, 300 mangrove saplings were planted.
17.11.2020	Kappalurai - Trincomalee District	300 mangrove saplings were planted with the participation of Mrs. Anuradha Yahampath, Governor of the Eastern Province, and Mrs. Darshani Lahandapura, Chairperson of the Marine Environment Protection Authority.
09.11.2020	Rekawa - Hambantota District	100 mangrove saplings were planted with the participation of Mrs. Darshani Lahandapura, Chairperson and Mr. P.B. Terney Pradeep Kumara, General Manager, of the Marine Environment Protection Authority.
November 2020	Mandativu Island - Jaffna District	650 saplings were prepared for planting.
26. 11 2020	Anavilundawa – Puttalam District	200 mangrove saplings were planted.
08.06.2020	Kalutara South – Kalutara District	A mangrove nursery was started.



7.2. Improving Measures for the Prevention of Marine Pollution

7.2.1. Mitigating Marine Pollution from Ships

Ship Waste Reception Service –WRS

By publishing advertisements in the newspapers, namely “Dinamina” The Daily News and “Thinakuran”, applications were called from parties interested in registering to provide waste reception facilities for ships for shipping waste generated during the year 2020. As such, 27 service providers were registered as registered service providers for the year 2020 for providing waste reception facilities to ships.

Details of Registered Service Providers for the year 2020

#	Name of the Firm	Port of Registration				Type of Waste		
		Colombo	Galle	Hambantota	Trincomalee	Oil	Waste	Faecal Matter
1	Sunchem Marine Services (Private) Limited	√	√	√	√	Yes	Yes	No
2	Supreme Petro Lanka (Private) Limited	√	√	√	√	Yes	නැත	No
3	Shanika Marine Company (Private) Limited	√	√	√	√	Yes	Yes	No
4	Jaya Marine Services (Private) Limited	√	√	√	√	Yes	Yes	No
5	Prabala Traders Marine Services (Private) Limited	√	√	√	√	Yes	Yes	Yes
6	Vismitha Marine Enterprises (Private) Limited	√	√	√	√	Yes	Yes	Yes
7	Galaxy Marine Services (Private) Limited	√	√	√	√	Yes	Yes	Yes

8	Malsha Globe Shipping Service (Private) Limited	√	√	√	√	Yes	Yes	Yes
9	G.M. Line (Private) Limited	√	√	√	√	Yes	Yes	No
10	K.L.S. Marine Service (Private) Limited	√	√	√	√	Yes	Yes	No
11	Insy Ecocycle Lanka (Private) Limited	√	√	√	√	Yes	Yes	No
12	Colombo Dockyard <i>plc</i>	√	X	x	X	Yes	Yes	No
13	N.G.N. Ranjith Marine Service (Private) Limited	√	√	√	√	Yes	Yes	No
14	H.T. Senu Cargo and Shipping Services (Private) Limited	√	√	√	√	Yes	Yes	Yes
15	New Colombo Harbour Suppliers (Private) Limited	√	√	√	√	Yes	Yes	No
16	Marino Lanka Holdings (Private) Limited	√	√	√	√	Yes	Yes	No
17	D.S. Marine Services (Private) Limited	√	√	√	√	Yes	Yes	No
18	Sudesh Enterprises and Export (Private) Limited	√	√	√	√	Yes	Yes	No
19	Maria Shipping Services (Private) Limited	√	X	x	X	Yes	No	No
20	K.L. Gunasiri and Sons (Private) Limited	x	√	√	X	No	Yes	No
21	Sagara Marine and Engineering Services (Private) Limited	√	X	x	X	Yes	Yes	No
22	Lahiru Traders Marine Services (Private) Limited	x	√	x	X	No	Yes	No
23	Lakshman and Malki (Private) Limited	√	X	x	X	Yes	No	No
24	S.H. Wilson (Private) Limited	√	√	√	√	Yes	Yes	No
25	N. And Y Marine Services (Private) Limited	√	√	√	√	Yes	Yes	No
26	Chandra Services (Private) Limited	√	√	√	√	Yes	Yes	No
27	Rannara Marine Services (Private) Limited	√	X	x	X	Yes	No	No

Regulating Ship Waste Reception Service

Action was taken in the year 2020 to regulate the waste reception service. Under this programme, the heads of the Marine Environment Protection Authority, the Central Environmental Authority, Sri Lanka Customs and other stakeholder agencies decided to take measures pertaining to regulating the ship waste reception service.

New Measures Adopted for Regulating Ship Waste Reception Facilities

- All the oil waste removed from ships is subjected to inspection by a storage yard inter-agency team and if any shortcomings are detected, instructions are given to take remedial measures.
- It is only those tank trucks (Bowsers) fixed with GPS equipment of approved type that are permitted to transport oil waste removed at all the commercial ports of Sri Lanka from ships under licences of Marine Environment Protection Authority.
- The Marine Environment Protection Authority and the Central Environmental Authority carries out inspections randomly and jointly when necessary at yards for storing waste oil/ removing water/ disposing.
- All ship oil waste storage yards should keep log entries on entry and exit of oil waste in the specified form.
- In every instance where oil waste removed by service providers contains water in excess of 15%, water should be removed from it before use, which should be done by institutions approved by the Central Environmental Authority.
- Ship oil waste removed on barges should be removed from the port within 4 days.

- The service provider registered under oil waste category should maintain a deposit of Rs. 300,000.
- Service Provider Institution should present a fortnightly oil report according to the format provided for removing oil from ships.
- Service provider Institutions should present the first page of the licence with the approval and seal of the respective institution within three days from removing oil waste from ships.
- The duty officers of the Marine Environment Protection Authority should, after obtaining waste removal certificates and calculating the charges in respect of the oil waste concerned, forthwith recover the money payable to the Authority pertaining to the removal of oil waste after completing the relevant licence online.
- Officers of the Marine Environment Protection Authority who perform duties at port offices of the Authority should send by 'whatsapp' the information pertaining to oil and water contained in tank trucks (Bowsers) which transport ship oil waste out of the port to the Marine Environment Protection Authority and to the monitoring team at the Central Environmental Authority.

Port Office of the Marine Environment Protection Authority

- The duty officers of the Marine Environment Protection Authority should ensure that GPS equipment of approved type is fixed on the tank truck (Bowser) deployed for the removal of oil waste, and inspection report has been obtained from an ISO-accredited firm in respect of the tank trucks (Bowsers) to the effect that they are used for secure operations.

- Once the oil waste tank trucks (Bowers) have reached the office of the Marine Environment Protection Authority, action should be taken to analyse the storage/water yard according to the results of the sample test and send the details to the monitoring team through ‘whatsapp’.
- According to the calculation of oil waste, duty officer should recover the charge from the deposit of the Service Provider Institution. After taking out and testing all the samples pertaining to the licence and completing the task of linking to the system, action should be taken to issue the debit note.

All the data pertaining to removal of waste from each ship should be updated to the excel data sheet and a weekly report should be sent to the Head Office for updating to the Google drive for the observation of relevant officers.

Details of Licences Issued in the Year 2020

Port	Number of Licences
Colombo	946
Galle	125
Hambantota	73
Trincomalee	67
Number of Licences Revoked	54
Total Number of Licences	1265

Although 166 and 164 waste reception service licences were issued in the months of January and February respectively in 2020, thereafter it fell to 48 licences due to the effect of the

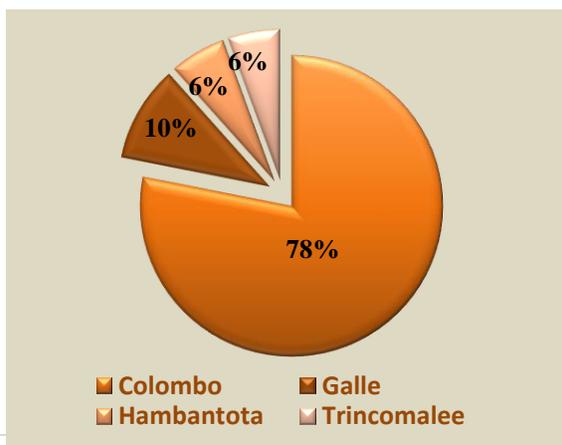
Problems Associated with Providing Waste Reception Services

The number of WRS licences issued in the year 2020 dropped by about 400 compared to the year 2019 due to the global COVID-19 pandemic situation. In addition to this recorded number of licences, 54 licences have been revoked and the reasons for this were restrictions imposed on disposal of ship waste to control the spread of COVID-19 and temporary suspension of the licence of service providers until the required conditions are fulfilled.

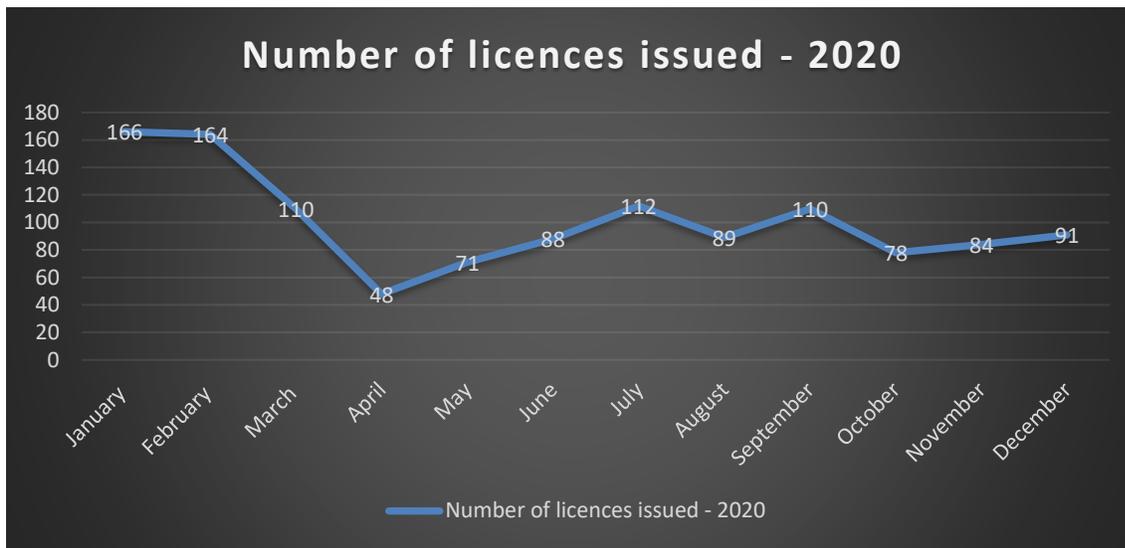
Details of Licences Issued in the Year 2020

1,211 licences have been issued for the removal of waste from ships arriving at the ports of Colombo, Galle, Hambantota and Trincomalee and in addition, 54 licences have been revoked.

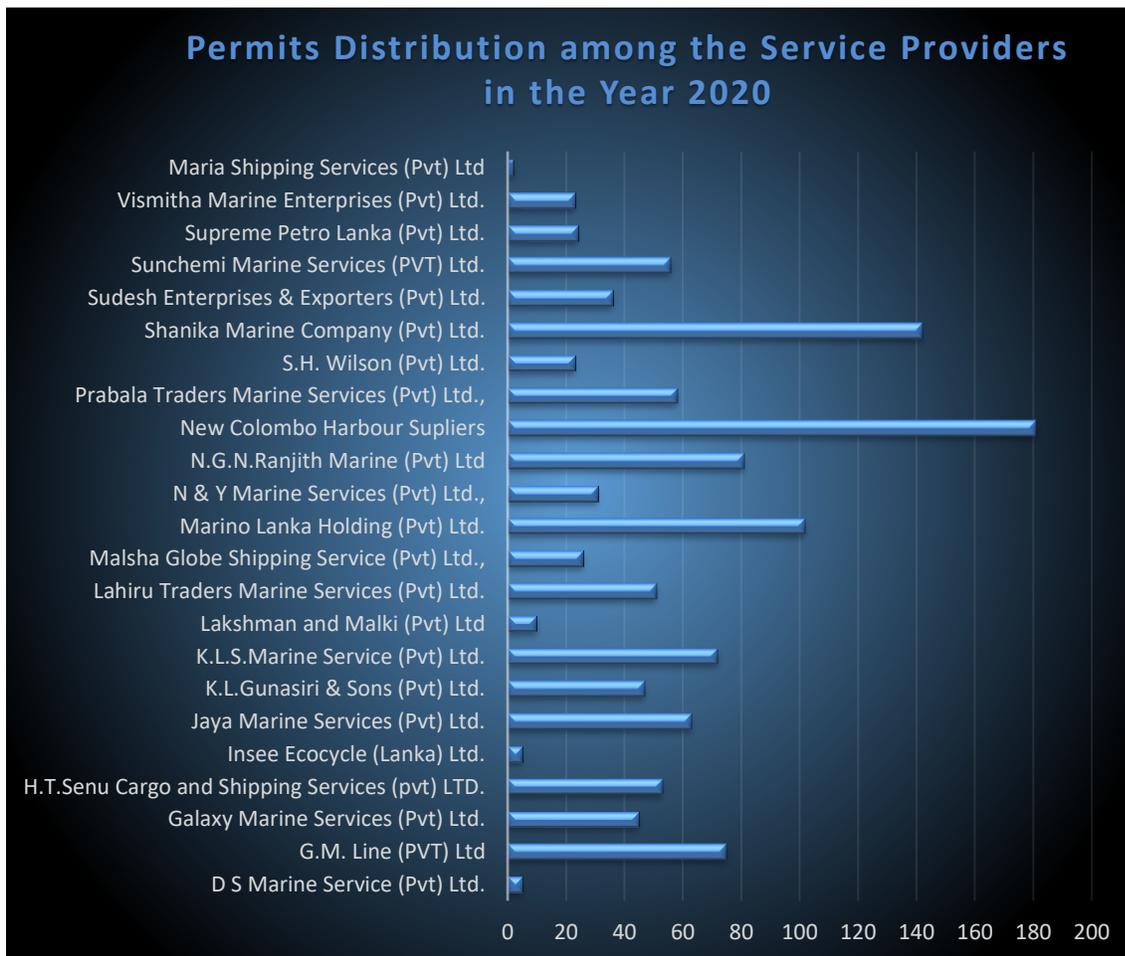
COVID-19 Pandemic. The lowest monthly number of licences was recorded in April. This happened due to certain limitations imposed against port and shipping activities and close-down of the country. Thereafter the monthly numbers picked up slowly up to September 2020. Because of the impact of the COVID-19 second wave it decreased again and at the end of the year it took a figure close to 100 licences per month.



Monthly Distribution in the Waste Reception Service Licences issued in the year 2020



Number of Licences Obtained by Service Provider Institutions



Annual Income from the Waste Reception Service

An income of 27.395 million rupees has been earned through the ship waste reception service in the year 2020 through the following three categories:

Through annual registration	= Rs. 4,167,900.00
Through issuing waste reception licences	= Rs. 6,325,000.00
Through charging for oil	= Rs. 17,833,006.00

Details of Waste Removed from Ships

Heavy oil

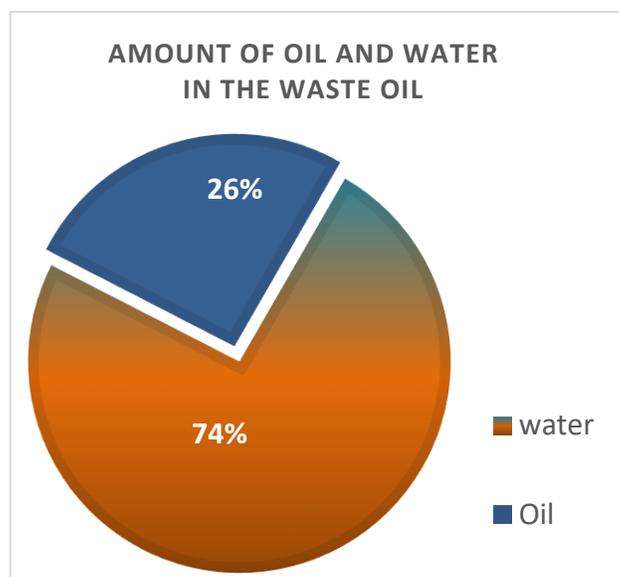
During the year 2020, 29,329.37 cubic metres of heavy oil was removed from 509 ships. As a result of sample tests it was found that it contained 20,991 cubic metres of oil and 7,298 cubic metres of water.

Waste

The amount of ship waste removed during the period was 4,745 cubic metres while the highest amount of waste removed as domestic waste from ships was 1,991 cubic metres. The second and third highest records of 1,469 and 786 cubic metres in waste removed were marked by plastic and operational waste respectively.

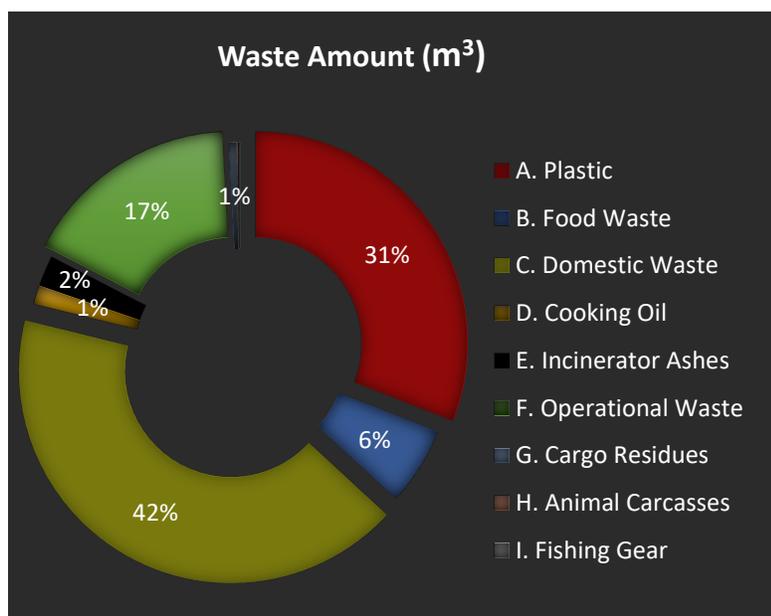
Faecal Waste

In 2020, 88.6 cubic metres of faecal waste was removed from ships



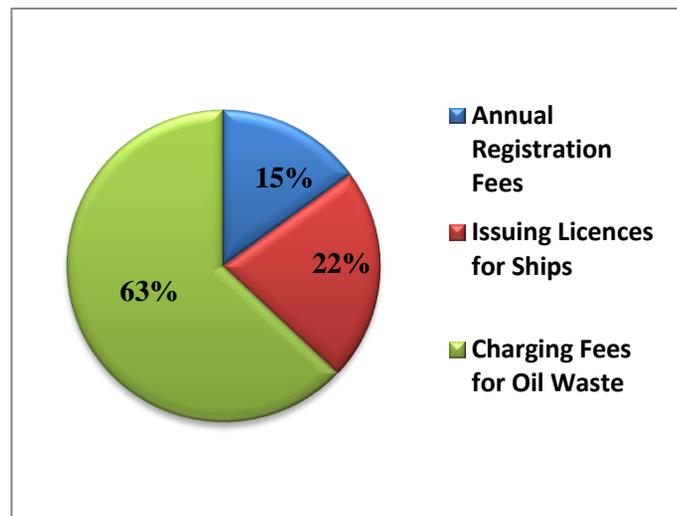
Details of Waste Removed from Ships

Type of Waste	Quantity (m ³)
A. Plastic	1468.72
B. Food Waste	280.72
C. Domestic Waste	1991.29
D. Cooking Oil	67.83
E. Burner Ash	110.04
F. Operational Waste	786.32
G. Waste Items	27.12
H. Animal Carcasses	3
I. Fishing Gear	9.68
Total Volume of Waste	4,745.00 m³
Total Heavy oil	29,598.36 m³
Total Waste	88.60 m³



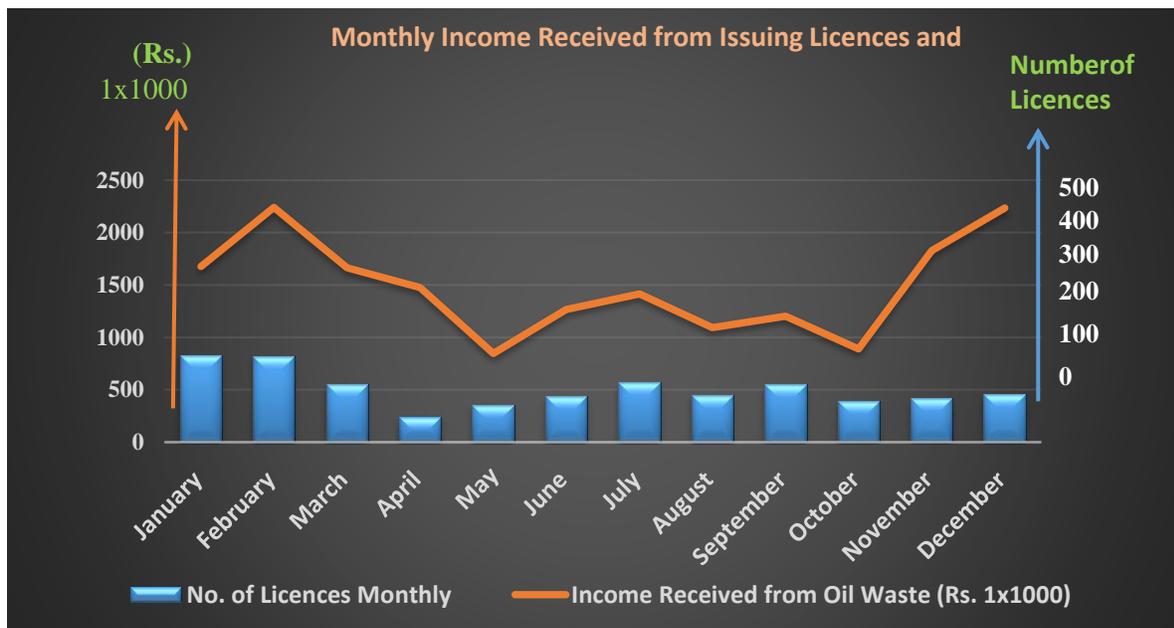
1. Number of registered service providers	27
2. Number of licences	1265
3. Income received from registration	Rs. 4,167,900.00
4. Income received from issuing licences	Rs. 6,325,000.00
5. Income from waste oil	Rs. 17,833,006.00
Total Income	Rs. 28,325,906.00

Issuing Licences for Waste Reception and Income Generation (Monthly)



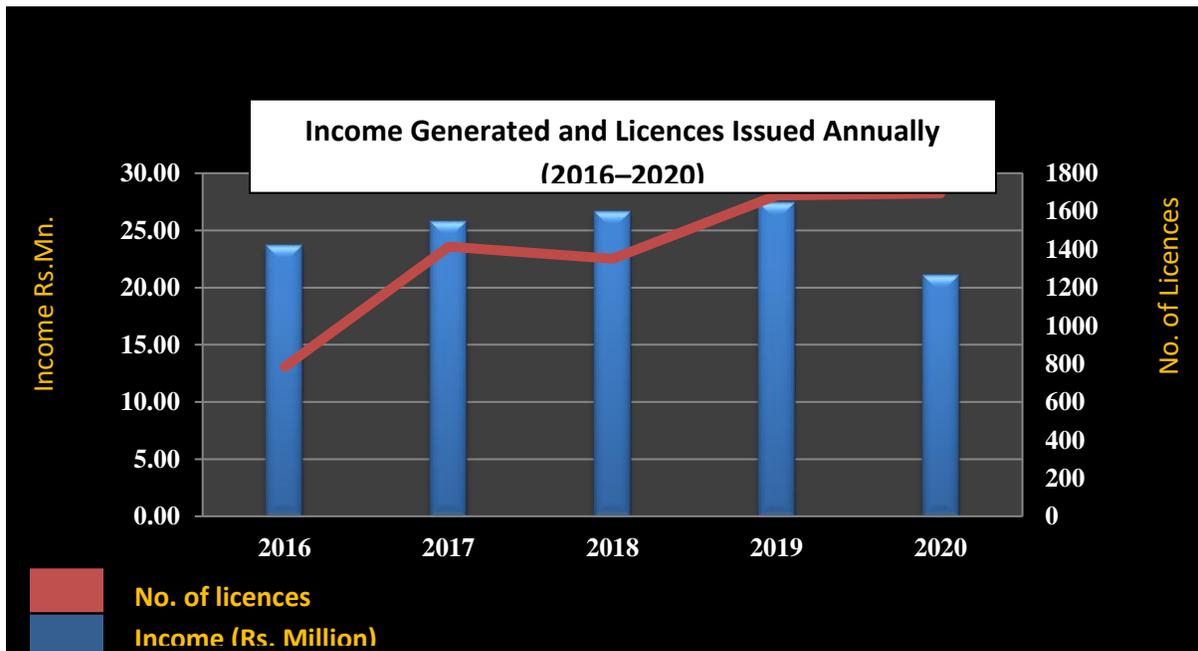
Month	Number of Licences	Total Income
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January	166	3,041,212.00
February	164	3,895,306.00
March	110	2,560,942.00
April	48	1,716,015.00
May	71	1,373,137.00
June	88	1,910,854.00
July	112	2,520,722.00
August	89	2,004,220.00
September	110	2,007,148.00
October	78	1,555,913.00
November	84	3,622,294.79
December	91	2,423,781.00
Total		28,631,544.79

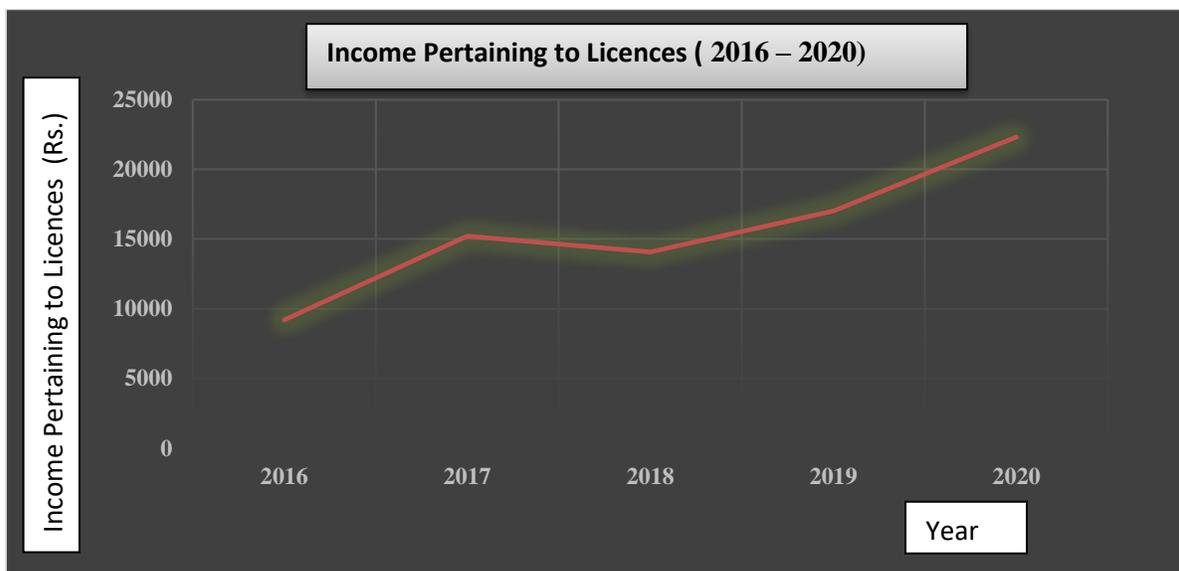




Although the year 2020 saw the minimum number of licences for the last five years, the highest income from heavy oil was earned in this year. However, the income generated from reception of other wastes was equal to that in the year 2019.



When considering the year 2020, the number of licences issued had fallen while the number of licences revoked had increased. Nevertheless, the annual income remains the same as in the year 2019. The average income received from a licence had increased considerably in the year 2020.



Bunkering (Marine Environment Protection) Licence Issued in 2020

Under Bunkering (Marine Environment Protection) Regulation of 2012, the Authority issued 10 annual bunkering licences for bunkering craft, two licences for the tank complex close to the beach operating at the ports of Trincomalee and Hambantota and clearance certificates for the supply of bunkering oil for 7 tank trucks (Bowsers).

Income Generated from Issuing Bunkering Licences

Licences for bunkering craft (10 licences)	= Rs. 1,500,000.00
Tank complex on the coastal belt (2 licences)	= Rs. 60,000.00
Clearance certificates for Bowsers (1 licence)	= Rs. 35,000.00
Total income received from bunkering licences	= Rs. 1,595,000.00

7.2.2 Establishing Enforcement Units

After evaluating the importance of managing the waste at coastal areas and fishery harbours, the Hon. Minister of Environment and the Hon. Minister of Fisheries and Aquatic Resources had presented a joint Cabinet Paper to obtain approval for establishing coastal enforcement units, which was approved on 6th July 2018. The objectives of establishing enforcement units are to minimize, control and prevent environmental pollution in the coastal region and at fishery harbours, to minimize the time taken to respond, thereby making the process more efficient, and to communicate the problems at fishery harbours and in coastal zones to the national level platform, thereby finding solutions to such problems through a formal channel.

Representation of environment, human health, waste management, fishing and tourism sectors and all other institutions pertaining to all other activities in the coastal and marine environment should be ensured in the enforcement unit. The Marine Environment Protection Authority intends to establish one enforcement unit in each of the 84 coastal local authority areas. By the end of the year 2020, establishment of 54 enforcement units had been completed.



Enforcement Unit Meeting – Kalutara Pradeshiya Sabha



Field inspection by officers of the enforcement unit - Trincomalee

7.3. Enhancing Knowledge and Awareness on the Impact of Marine Environment Pollution

7.3.1 Raising the Awareness of Marine Environment

Preparing Awareness Publications

The Marine Environment Protection Authority carries out publication and distribution of the educative publications such as its newsletter (Samuduru Puwath) and the periodical (Sath Samudura). During this year 3000 copies of the Samuduru Puwath newsletter were printed as the issue for March to December while 1000 copies of the periodical called Sath Samudura were printed. Meanwhile they can be viewed through the Internet in the form of an e-book, too. The main objective of publishing these publications is to inform schoolchildren, state officials and the general public.

The Marine Environment Protection Authority completed printing the guide book for school marine teams in Tamil medium and printed 1600 copies of it in the year 2020. These are expected to be distributed among teachers of Tamil schools, especially in the Northern and Eastern Provinces. These guide books are distributed among teachers at the teacher training workshops conducted by the Ministry of Environment.

7.3.2. Organising and Conducting National Functions

7.3.2.1. World Environment Day

The Marine Environment Protection Authority marked the World Environment Day on 5th January 2020 with a tree planting programme under the guidance of the Ministry of Environment. The

theme of this year’s programme, which was conducted amidst the COVID-19 pandemic situation, was “Time for Nature”.

Two tree-planting programmes were conducted at selected places in Galle and Matara Districts, where 142 saplings were planted. In Galle District and Matara District saplings were planted in selected temples, kovils, churches and mosques. In addition, saplings were also planted in the Matara town.



Tree-Planting Programme of Matara District



The Galle District Tree-Planting Programme

7.3.2.2 World Oceans Day Programme – 2020

The task of the Marine Environment Protection Authority is to prevent and minimize marine environment pollution along the ocean frontier of Sri Lanka, which task is assigned to this Authority under the Marine Pollution Prevention Act No. 35 of 2008.

The World Oceans Day is commemorated as an annual event all over the world on 8th June every year as a day for enhancing people’s awareness with a view to protecting oceans from pollution. The United Nations theme for 2020 World Oceans Day is “Innovations For Sustainable Oceans”.

The Marine Environment Protection Authority made arrangements for conducting the national programme to mark the World Oceans Day under the theme “*The Ocean so Immense, Is for our Future Generations*”.

1. Media Programmes

This Authority had planned to organize a television programme to discuss the following topics with the participation of experts in the field on 8th June 2020.

Target Group: ordinary people, schoolchildren; experts in the field, university students.

Topics :

- i.. Importance of the marine environment and marking of the World Oceans Day Every Year
- ii. Current problems regarding marine environment
- iii. Motivating ordinary people towards innovative inventions using new technology to minimize marine pollution including plastic, nutrient, heavy metal and oil pollution.

iv.

Medium	Channel	Name of Programme	Broadcast Time	
Radio	Indigenous Service Sri Lanka Broadcasting Corporation	Children’s Programme	8th @2.30 pm	9th @2.30 pm
Television	ITN Channel	“This Is My Country” programme	8th @ 3.30 pm	
Television	Derana Channel	“Big Focus” programme	9th@11.30 am-12.30 pm	
Television	National Television	“Nugasevana” programme	10th@ 9.00 am	

2. Organising an Awareness Campaign on Social Media

Means of Awareness Raising	Number of Products
Video Information	01
Montage	02
Fillings	02
Promotional Event Video	02
Final Event – Voice Recordings	06
Final Event – Montage	01
Voice Cuts (Less than 3 minutes)	16

3. World Oceans Day Art Competition 2020

This competition has been organized under three groups:

- School Category — Grades 3 to 5 Division
- School Category — Grades 6 to 10 Division
- School Category — Grades 11 to 13 Division
- Open Category

550 competitors took part in the poster competition.

4. Inaugurating the Mangrove Nursery

Venue: Land area beyond the Railway Station in Kalutara South (close to the beach)

Activity: Opening of the nursery and planting coconut saplings on the beach

Total expected participation in the event is about 40.

5. Round Table Discussion

Time: 9.00 a.m. to 1.00 p.m.

Venue: Tangerine Beach Hotel, Kalutara North

Participants: 20 experts from the marine sector

The following lecture on current problems in the marine environment marine related problems relevant to the government was conducted.

Government Policy — Vistas of Prosperity and Splendour and Environment Policy – Professor Sarath Kotagama.

Introduction of Moderators

Mr. Saliya Wickramasuriya – Developing Businesses Associated with the Ocean

Dr. Ananda Malwathanthry – Managing Ocean Environment

3.2.3 International Beach Clean-Up Day and “National Ocean Resources Conservation Week” – 19th to 25th of September 2020.

Sri Lanka has a potential for marine pollution to go up due to the effect of various pollutants that are used extensively for various development activities and due to increase in population. A vast amount of non-decaying waste materials generated on the land or canal ways enters the coast and oceans. The above activities pose adverse effects on sensitive marine ecosystems, ocean-based industries, fishing industry and tourism. Therefore, it is essential to protect the coast and marine ecosystems as well as to safeguard the sustainability of industries.

Therefore, Sri Lanka adopted a more proactive stance and declared the “National Ocean Resources Conservation Week” which spans from the Saturday of the third week to the Saturday of the fourth week as per the Cabinet Memorandum No. CP/16/1723/704/046 dated 14.09.2016.

In addition, Cabinet Approval has been received to organize the above-mentioned programme jointly by the Marine Environment Protection Authority, the Department of Coast Conservation and Coastal Resources Management, the Civilian Security Force, the Sri Lanka Navy, the Ministry of Tourism and the Ministry of Urban Development and Housing.

According to the Cabinet Decision referred to, the above-mentioned institutions should organize a coast and marine conservation week.

The Marine Environment Protection Authority held a function to mark the International Beach Clean-Up Day.

The national function of this programme was conducted at the Mount Lavinia beach under the aegis of His Excellency Mahinda Rajapaksa, Prime Minister of the Democratic Socialist Republic of Sri Lanka with the participation of many government agencies including the Department of Coast Conservation and Coastal Resources Management. During the Marine Environment Week from 19th to 25th of September 2020, programmes were conducted at 74 places in 14 coastal Districts in collaboration with the Department of Coast Conservation and Coastal Resources Management, the Sri Lanka Navy, the Civil Security Department, the Ministry of Tourism and Aviation, the Ministry of Environment and Wild Life, the Central Environmental Authority, Sri Lanka Coast Guard, schoolchildren, non-governmental organizations and the coastal community.

During the course of the main event, an awards ceremony was also conducted to appreciate the state and private organizations who gave active support for the marine environmental protection activities and beach clean-up activities of the Authority. Yet another feature of this event was awarding prizes and certificates to the winners of the World Oceans Day Poster Competition. Wide media publicity was given to this Authority through electronic, print and social media pertaining to the International Beach Clean-Up Day.

Outline of the Programmes Conducted Throughout the Country

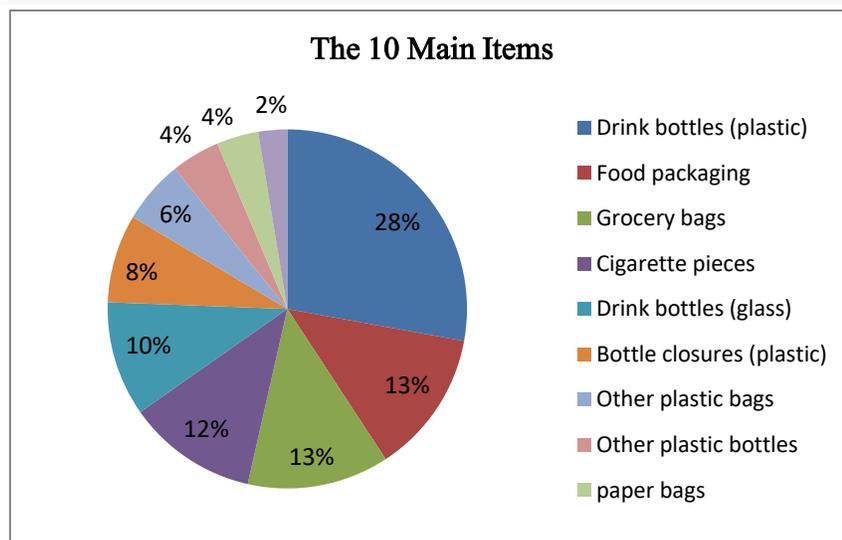
The Marine Environment Protection Authority conducted 74 awareness and beach clean-up programmes covering all the 14 coastal districts to mark the International Beach Clean-Up Day and the National Ocean Resources Conservation Week this year.

About 6,784 people have participated in the beach clean-up along a stretch of 117.8 kilometres along the coast of the island. The total number of refuse collected was 192,107 pieces and its total weight was 27,260.75 kilogrammes.

The final island-wide data are as follows:

Item	Total
Drink bottles (plastic)	31105
Food packaging materials	14417
Grocery bags (plastic)	14259
Cigarette pieces	13071
Drink bottles (glass)	11540
Bottle closures (plastic)	8880
Other plastic bags	6373
Other plastic bottles	4888

Paper bags	4205
Drink cans	2906



Summary of Final Data of this Programme

S.N	Site	Number of Places	Length of the Coastal Belt	Number of Participants	kg	Quantity (kg)
1	Colombo	4	2	225	560.5	1422
2	Gampaha	4	2	307	1316	12840
3	Kalutara	3	4.8	447	617	2378
4	Matara	7	8	336	451.1	7059
5	Galle	7	9.5	273	597	4009
6	Hambantota	6	8	128	285.5	4525
7	Puttalam	11	32	768	7269	33428
8	Batticaloa	5	5.5	584	3198	12803
9	Trincomalee	8	14	804	3690	23748
10	Mannar	5	11	839	3339	10397
11	Mulativu	2	4	425	724	13758
12	Kilinochchi	1	2	213	1200	17373
13	Jaffna	6	7	439	1636	15741
14	Ampara	4	7	496	1954.65	29026
15	Principal Programme	1	1	500	423	3600
	Total	74	117.8	6784	27260.75	192107

International Beach Clean-Up Day Main Programme – Mount Lavinia Beach



District Programmes



7.4.4.1 Control of the Effects of Sudden Oil and Chemical Spills

The Environmental Pollution Prevention Operation - MT New Diamond Ship Accident

The ‘Marine Pollution Prevention Act No. 35 of 2008’ has designated the “Marine Environment Protection Authority” as the agency responsible for activities associated with prevention of marine pollution. Preparing and implementing the Oil Spill Contingency Plan is one of the more important tasks among such activities. National Oil Spill Contingency Plan (NOS COP) prepared by the Marine Environment Protection

Authority provides guidance and control regarding an oil spill.

NOS COP applies in the case of oil spills which cause damage or imminent damage to the environment covering the coastal areas or the sea. It is applicable to the territorial waters to which Sri Lanka wields authority for the purpose of preventing pollution, including its unique economic zone or pollution zone and territorial sea

The objective of NOS COP is mitigating the risk from an oil spill and the impacts that could be caused by it to the environment, public health and economic activities for the purpose of protecting the coastal belt of Sri Lanka.

Its main priority is to protect the most sensitive areas, lives, properties and processes which have been affected.

NOSCOP is intended to represent responsibility for operational response to maritime emergencies, which could result in real, potential or suspicious oil spills into the marine environment.

The marine environment includes the unique economic zone and the coastal



area.

The MT New Diamond, a 330-metre-long oil transport ship built in Japan in the year 2000 with a cargo-carrying capacity of nearly 300,000 metric tons, had loaded crude oil and was sailing from Kuwait on September 23, 2020 to the Indian port of Paradeep.

It was carrying 277,144.92 tons of crude oil from Kuwait. On September 3, 2020, the ship was wrecked by an explosion in a fuel boiler room off the east coast of Sri Lanka.

On September 6, 2020, the Marine Environment Protection Authority received information that oil was leaking into the sea from the tank of the wrecked ship. Accordingly, a team of scientists visited the area of the ship on September 8, 2020 and the fuel layer was observed there.

When the accident occurred, the Marine Environment Protection Authority activated

the National Oil Spill Contingency Plan and operated it with the assistance of all relevant stakeholder agencies, and the Authority was able to mitigate pollution and other adverse environmental impacts and successfully manage and control the oil spill.

Dispersion and diversion of oil, preventing oil from reaching ports or landing places, removal of floating oil and debris, and manual cleaning were performed as pollution prevention and management measures.

The Marine Environment Protection Authority (MEPA) was able to fully recover the cost of US \$ 280,000 / - for the activities carried out in collaboration with the Stakeholders of the Incident Management Team (IMT) to prevent the environmental damages that could have been caused by the oil spill pollution.

Criminal prosecution was commenced against the Captain of the vessel at the Colombo High Court and the Marine Environment Protection Authority was able to get a fine of 12 million rupees imposed on the vessel under the criminal liability stated in the Marine Pollution Prevention Act.

A panel of academics comprising 15 experts representing a number of relevant institutions and universities has been appointed to prepare a detailed report on the impact of the environmental pollution caused by the oil spill from the ship named MT New Diamond and assigned the task of restoring the damage caused to our marine environment by the ship concerned. As there are only a few experiences of this nature, this is the first report that has been prepared for claiming compensation for damages to the marine environment that occur in deep seas.

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 2020. 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 two meetings & one special meeting during the year 2020 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 2016. 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 State Ministry of Urban Development, Coast Conservation, Waste Disposal and Community cleanliness.
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. 901,092.03 by investing balances existing in the current account in one-day call deposits.

02. The Authority won the merit award in the public sector statutory board category at the Annual reports & accounts awards for the public sector by the institute of Chartered Accountants of Sri Lanka.

8.6.1 Financial Progress Report Recurrent Expenditure for the year 2020

Object Code	Object Description	Estimate for 2020 (Rs)	Actual Expenditure as at 31.12.2020 (Rs.)	Balance (Rs)
	Recurrent Expenditures			
	Personal Emoluments			
1001	Salaries and wages	121,735,331.00	113,310,607.69	8,424,723.31
1002	Overtime and holiday pay	2,041,454.00	1,706,957.52	334,496.48
1003	Other allowances	4,724,800.00	4,204,736.61	520,063.39
	Total	128,501,585.00	119,222,301.82	9,279,283.18
	Travel Expenses			
1101	Local	2,507,000.00	1,675,400.65	831,599.35
1102	Foreign	792,208.00	96,869.86	695,338.14
	Total	3,299,208.00	1,772,270.51	1,526,937.49
	Supplies			
1201	Stationery and office requisites	2,994,432.00	1,872,875.89	1,121,556.11
1202	Fuel	3,253,000.00	2,891,333.25	361,666.75
1205	Other	150,000.00	96,000.00	54,000.00
	Total	6,397,432.00	4,860,209.14	1,537,222.86
	Maintenance Expenditure			
1301	Vehicles	4,843,900.00	3,835,659.60	1,008,240.40
1302	Machinery and equipment	2,254,667.00	776,804.52	1,477,862.48
1303	Buildings and constructions	833,333.00	142,653.98	690,679.02
	Total	7,931,900.00	4,755,118.10	3,176,781.90
	Services			
1401	Transport	-	-	-
1402	Post and communication	3,272,000.00	2,389,273.73	882,726.27
1403	Electricity and water	5,584,600.00	4,988,926.80	595,673.20
1404	Tax, rents and rates to local authorities	27,940,400.00	26,553,472.10	1,386,927.90
1405	Other recurrent expenditures	10,016,666.00	6,425,761.17	3,590,904.83
	Total	46,813,666.00	40,357,433.80	6,456,232.20
	Grand Total of Recurrent Expenditures	192,943,791.00	170,967,333.37	21,976,457.63

8.6.2 Financial Progress Report – Capital Expenditure for the year 2020

Object	Object Description	Estimate for 2020 (Rs)	Actual Expenditure as	Balance as at 31.12.2020 (Rs.)
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			at 31.12.2020 (Rs)	
	Rehabilitation and Improvement of Capital Assets			
2001	Buildings and constructions	2,769,000.00	2,593,641.35	175,358.65
2002	Plant, machinery and equipment	450,000.00	295,263.00	154,737.00
2003	Vehicles	2,657,000.00	1,441,220.89	1,215,779.11
	Total			
	Acquisition of Capital Assets			
2102	Furniture and office equipment	600,000.00	173,556.75	426,443.25
2103	Machinery and equipment	-	-	-
	Total			
2401	Training and Capacity Building (HRD)	615,000.00	587,846.00	27,153.75
2502	Other Capital Expenditure			
	1. Improvement of sea bathing sites and beaches	1,831,000.00	1,423,075.56	407,924.44
	2.Pollution prevention from fisheries sector	138,000.00	17,867.00	120,133.00
	3.Marine debris management	405,000.00	234,491.00	170,509.00
	4.Coastal and marine pollution control	6,287,000.00	4,115,351.74	2,171,648.26
	5.Studies on marine ecosystems	1,900,000.00	738,233.23	1,161,766.77
	6.Implementation of International Conventions and Amendment of the Act	460,000.00	363,395.50	96,604.50
	7.Minimizing the pollution caused by ships	1,141,000.00	167,119.00	973,881.00
	8.Establishment of an institutional framework for marine related issues	620,000.00	331,969.62	288,030.38
	9. Awareness building on marine environment	894,000.00	319,220.52	574,779.48
	10. Organizing & conducting National events	3,850,000.00	4,800,799.10	(950,799.10)
	11.Controlling of impacts of accidental oil and chemical spilling	2,458,000.00	1,943,143.76	514,856.24
	12.Upgrading of laboratory facilities	1,100,000.00	238,870.60	861,129.40
	13.Data System Development	825,000.00	405,250.00	419,750.00
	14. Baseline assessment on invansive	205,354.67	-	205,354.67
	15.Lakwijaya Power Station	72,258.00	114,197.94	(41,939.94)
	Total capital Expenditure	29,277,612.67	20,304,512.81	8,973,099.86

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%
Exhibition Items	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%

9.1.5 Income

The main income of the authority is grants 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 off 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 glassware 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.

9.2 Statement of Financial Position

Marine Environment Protection Authority

Statement of Financial Position

As at 31st December 2020

<u>Assets</u>	Note	2020	2019
<u>Current Assets</u>		Rs.	Rs.
Cash in hand	09	92,205,100.88	30,750,980.09
Debtors	10	746,353.49	3,194,218.26
Deposits	11	5,217,000.00	5,217,000.00
Pre-Payments	12	1,800,857.08	1,448,344.67
Short Term Investment (Treasury Bills)	28	14,713,772.49	13,738,829.95
Staff loans recoverable	13	11,532,615.95	12,103,641.69
Inventory	27	4,985,637.02	4,749,024.49
<u>Non-Current Assets</u>			
Property, Plant & Equipment	08	123,166,353.63	137,850,377.70
Intangible Assets	22	2,394,003.49	1,747,545.10
Total Assets		256,761,694.03	210,799,961.94
<u>Liabilities</u>			
<u>Current Liabilities</u>			
Accrued Payables	14	31,628,894.92	30,287,190.89
Income pre-received	23	1,589,883.56	3,699,657.53
<u>Non-Current Liabilities</u>			
Distress loan funds	15	14,797,063.57	14,347,258.79
Provision for Gratuity	16	32,402,874.50	27,257,421.50
Total Liabilities		80,418,716.55	75,591,528.71
Net Assets		176,342,977.38	135,208,433.23
<u>Equity</u>			
Government Grants and Capital (Deferred Grants)	17,18	124,555,106.92	139,055,122.80
Capital Expenditure on work in progress	19	5,374,448.52	542,800.00
Capital Grant to be utilized	25	676,056.61	655,050.00
Capital Input for Stocks	24	3,667,844.35	3,858,594.00
Accumulated Surplus (Deficit)	21	16,383,671.03	15,447,028.39
Accumulated Surplus/Deficit	20	25,685,849.95	(24,350,161.96)
Total Equity		176,342,977.38	135,208,433.23

9.3 Statement of Financial Performance

Marine Environment Protection Authority Statement of Financial Performance for the Year Ended 31 December 2020

Income	Note	2020 Rs.	2019 Rs.
Treasury Grants	1	176,022,882.91	199,186,147.60
Registration and Licence fees	2	79,422,740.41	34,633,317.63
Other revenue	3	8,643,448.33	12,449,777.08
Total revenue		264,089,071.65	246,269,242.31
Expenditures			
Salaries and wages	4	125,355,936.82	117,207,015.76
Supplies and consumables	5	9,177,002.06	10,639,431.81
Other recurrent expenditure	6	42,075,917.93	54,556,058.61
Grant and other transfers	29	18,257,073.11	39,451,732.66
Financial expenses	7	43,065.01	42,740.00
Depreciation of fixed assets	8	19,180,059.71	21,419,559.96
Total Expenses		214,089,054.64	243,316,538.80
Surplus/ (Deficit) for the period		50,000,017.02	2,952,703.51

9.4 Statement of Changes in Equity

Marine Environment Protection Authority Statement of Changes in Equity for the Year ended 31st December 2020

	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 01/01/2020	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
Prior year correction						35,994.89	35,994.89
Reversal of Expench to P&L cash Transfer to Grant Account	139,055,122.80	3,858,594.00	655,050.00	542,800.00	15,447,028.39	(24,314,167.07)	135,244,428.12
Restated Balance as at 01/01/2020	24,580,000.00	-	-	-	-	-	24,580,000.00
Capital Grants Received	542,800.00	-	-	(542,800.00)	-	-	-
Transfer to Capital related to assets	1,330,549.65	(1,330,549.65)					
Transfer from Capital Grant related to building WIP	(5,374,448.52)			5,374,448.52			-
Transfer to deferred Grant	1,765,025.53	1,139,800.00			-	-	2,904,825.53
Transfer to the treasury/loan fund	(21,006.61)		21,006.61		-		-
Interest income received	114,197.94	-	-		936,642.64	-	1,050,840.58
Capital Grants Transferred to Income	(37,437,132.91)				-	-	(37,437,132.91)
Surplus/(Deficit) for the year						50,000,017.02	50,000,017.02
Balance as at 31/12/2020	124,555,106.92	3,667,844.35	676,056.61	5,374,448.52	16,383,671.03	25,685,849.95	176,342,977.38

9.5 Cash Flow Statement

Marine Environment Protection Authority Cash Flow Statement for the year 2020 (Rs)

	2020	2019
	Rs.	Rs.
Cash Flow from Operational Activities		
Excess of Income over Expenditure	50,000,017.02	2,952,703.51
Adjustments for		
Depreciation	19,180,059.71	21,419,559.96
Loss of Disposal assets	-	2,424,899.18
Provision for Gratuity	6,133,638.00	5,605,864.50
Deposit transfer to income	1,139,800.00	
Reversal of expenses chg to P&L	-	985,372.00
Gratuity Payments	204,278.34	(755,535.46)
Income Recognized (From grants received in previous years)	(988,185.00)	(514,368.00)
Operating Surplus/Deficit Before working Capital changes	(37,437,132.91)	(59,186,147.60)
Working Capital Changes		38,220,329.93
(Increase) / decrease in Deposits		
(Increase) / decrease in Prepayments	-	(2,024,000.00)
(Increase) / decrease from Debtors	(352,512.41)	993,787.41
Decrease/ increase in current liabilities	2,447,864.77	(2,239,930.40)
Decrease/ increase in Inventories	(236,612.53)	89,671.45
Net Cash flow from operating Activities	1,341,704.03	131,305.04
Investment Activities	(2,109,773.97)	(57,825.13)
Investment In Treasury Bills	39,310,999.82	(30,174,643.54)
Treasury Bills Maturity		
Acquisition of property plant & Equipment	(14,713,772.49)	(13,738,829.95)
Building WIP	13,738,829.95	12,562,201.60
Interest form Treasury Bills	(2,372,219.35)	(8,471,233.72)
Interst form staff loan	(1,005,250.00)	(542,800.00)
Increase/decrease in staff loan recoverabale	866,751.28	1,176,628.35
Income Prereceived A/C	456,749.23	449,367.47
cash recived from Coast Guard Department	571,025.74	1,042,302.64
Sale proceed of disposal of assets	-	1,098,222.19
Fund transfer to trasury	21,006.61	655,050.00
Net Cash flow generated from Investment Activities	(2,436,879.03)	(5,769,091.42)
Financing Activities		
Government grant for Capital expenditure	24,580,000.00	43,246,000.00
Bank charges – People’s Bank	-	-
Net cash from Financing Activities	24,580,000.00	43,246,000.00
Net increase/decrease in cash and cash equivalents	61,454,120.79	7,277,522.47
Cash and cash equivalents at the beginning of the year	30,750,980.09	23,473,457.62
Cash and cash equivalents at the end of the year	92,205,100.88	30,750,980.09

9.6 Notes to the Financial Statements

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

Note 01	Transfer other Government Entities (Rs.)	
	2020	2019
Treasury Recurrent Grant	138,585,750.00	140,000,000.00
Capital Grant transfer to income-Current year	18,257,073.11	34,236,466.28
Capital Grant transfer to income-From differed Grant	19,180,059.80	24,949,681.32
	176,022,882.91	199,186,147.60

Note 02	Fees, Penalties and Permit Fees (Rs.)	
	2020	2019
Waste Reception Service -Registration Fees	4,074,900.00	4,405,200.00
Waste Reception Service -Permit Fees	23,274,040.00	23,657,792.50
Waste Reception Service - Application Fees	46,500.00	61,500.00
Natural Resources Exploration –Permit fee	15,000.00	11,000.00
Bunkering Application Fee	1,860,000.00	1,500,000.00
Bunkering Registration	31,000.00	89,000.00
Road Tankers Registration - Bunkering	215,821.92	196,218.18
Noscop Application fee & Approval fee	4,364,902.05	4,712,605.95
Dumping Regulation Income	45,540,576.44	
	79,422,740.41	34,633,317.63

Note 03	Other Revenue (Rs.)	
	2020	2019
Supplies Registration Fees	311,000.00	204,000.00
Sundry Income	575,718.97	4,185,324.69
Book advance interest	3,816.80	146.80
Insurance claims	344,661.37	355,296.27
Interest Account (Short Terms Investment on Treasury Bills)	1,083,320.66	880,159.32
Sponsorships	4,990,800.00	2,339,000.00
IEE Deposit	-	985,372.00
Asset Disposal Income	31,087.50	13,500.00
Oil Spill	-	3,372,236.00
Electricity Board Project	-	114,742.00
Equipment rental income	1,260,443.03	
Holiday resort income	42,600.00	
	8,643,448.33	12,449,777.08

Note 04	Wages, salaries and employee benefits (Rs.)	
	2020	2019
Salaries & Wages	113,310,604.69	105,994,316.81
Overtime/Holiday Pay	1,706,957.52	1,885,278.52
Other Allowances	4,204,736.61	3,721,555.93
Provision for Gratuity	6,133,638.00	5,605,864.50
	125,355,936.82	117,207,015.76

Note 05	Wages, salaries and employee benefits (Rs.)	
	2020	2019
5.1 Supplies		
Stationary & Office Requisites	1,423,353.71	2,404,740.014
Fuel & Lubricants	2,891,333.25	2,243,708.00
Uniforms	96,000.00	188,000.00
	4,410,686.96	4,836,448.14
5.2 Maintenance Expenditure		
Vehicles	3,836,726.09	4,121,068.08
Plant Machinery & Equipment	786,935.03	804,701.89
Building and Structures	142,653.98	877,213.70
	4,766,315.10	5,802,983.67

Note 06	Other Recurrent Expenditure (Rs.)	
	2020	2019
6.1 Traveling		
Domestic	1,675,400.65	3,285,098.42
Foreign	96,869.86	744,175.95
	1,772,270.51	4,029,274.37
6.2 Contractual Services		
Telecommunication/Postal Charges	2,389,290.36	2,287,654.76
Electricity & Water	4,987,335.80	5,777,435.87
Office Rent	26,553,522.10	29,070,515.85
Others Contractual Services	6,373,499.16	10,966,278.58
Loss of removal of fixed assets	-	2,424,899.18
	40,303,647.42	50,526,784.24

Note 07	Financing Costs (Rs.)	
	2020	2019
Bank Charges	43,065.01	42,740.00
	43,065.01	42,740.00

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Note 08	Depreciation of Property, Plant and Machinery								
Type of Assets	COST-2020 (Rs)				Depreciation – 2020 (Rs)				Written-off value (Rs)
	01.01.2020	Additions	Disposal	31.12.2020	01.01.2020	Additions	Disposal	31.12.2020	
Motor Vechiles	76,413,433.02			76,413,433.02	73,576,563.48	2,836,869.54		76,413,433.02	-
Furnitures & Equipments	51,310,368.50	4,518,832.38		55,829,200.88	30,202,674.04	4,799,383.29		35,002,057.33	20,827,143.55
Intangible Assets	3,587,916.05	1,005,250.00		4,593,166.05	1,840,370.95	358,791.61		2,199,162.55	2,394,003.50
Technical Equipments	82,168,209.80	93,389.25		82,261,598.58	37,481,805.14	7,708,573.65		45,190,378.79	37,071,219.79
Books	1,420,099.80	67,826.25		1,487,926.05	620,956.07	143,366.51		764,322.58	723,603.47
Buuilding	66,661,502.44	-		66,661,502.44	4,301,036.66	3,333,075.12		7,634,111.79	59,027,390.65
Land	5,517,000.00			5,517,000.00	-			-	5,517,000.00
	287,078,529.14	5,685,297.88		292,763,827.02	148,023,406.34	19,180,059.71		167,203,466.05	125,560,357.12

Note 09	Cash and Cash Equivalents (Rs.)	
Cash and Cash Equivalents	2020	2019
Bank of Ceylon -Boralla-194109	80,048,269.74	23,532,180.75
Peoples Bank -Dematagoda-071100180004783	3,264,613.24	2,881,616.84
Bank of Ceylon -Boralla-	8,892,217.90	4,337,182.50
	92,205,100.88	30,750,980.09

Note 10	Receivables (Rs.)	
	2020	2019
L.P.Titus	178,900.80	178,900.80
Festival and book advance due as per list	11,664.68	25,625.00
K.Vetheswaran	10,121.00	33,121.00
K.P.S.S.Kumara	37,986.00	37,986.00
R.Srikrishnan	38,068.00	38,068.00
No pay deduction as per list	7,692.83	23,785.39
The chief dealer – Treasury bills	69,891.36	108,192.30
M.T.K.Delpachithra	3,465.06	3,415.00
T.S.Ranasinghe	585.22	672.50
Foreign Ministry – R.M.M.P.Rathnayaka	40,766.41	173,383.07
Department of coast conservation	94,392.00	88,616.00
H.R.D.Subhashini	24,865.33	24,865.33
G.P.Nilanjani	17,270.86	
T.B.K.Sachithra	45,310.00	
L.H.A.H.S.Hettiarachchi	34,630.00	
R.N.Priyadarshana	11,430.07	
S.L.Wickramasinghe	14,356.22	
Lakvijaya Power Station	41,939.94	
MEO- J.M.Amali Shanika	9,000.00	
W.P.Jayasuriya	43,050.00	
T.Thayaruban	10,967.71	
M.M.Arshath	-	48,976.47
P.R.S.A.Aberathna	-	39,666.00
V.Ganadeepan	-	37,819.40
W.I.H.K.Wijerathna	-	1,109.00
M.Kesavan	-	4,878.34
T.K.D.U.Gunasena	-	672.50
A.M.Gammanpila	-	672.50
L.P.G.C.Gayashan	-	52,215.33
M.M.D.Muramudali	-	,015.00
Jayamarine	-	5,000.00
N.G.N.Ranjith	-	5,414.00
Sudesh Enterprises	-	14,422.00
KLS Marine Service	-	155,548.00

K L Gunasiri & sons	-	1,100.00
Shehan Kuruneru	-	6,000.00
Foreign Ministry – T.S.Ranasinghe	-	585.22
C.D.W.Senevirathna	-	23,538.36
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
D S Marine	-	3,651.00
Supreme Petro	-	64,191.00
Dian Venture Engineering	-	11,600.00
Sunbay Reef Wattala	-	100.00
	746,353.49	3,194,218.26

Note 11	Deposits (Rs.)	
	2020	2019
Refundable Deposits For Rent - Head Office		-
Refundable Deposits For Rent -Trinco	11,250.00	11,250.00
Refundable Deposits For Internet Mobile Phone	11,000.00	11,000.00
Refundable Deposits For Express Water	41,000.00	41,000.00
Refundable Deposits For Chilaw	50,000.00	50,000.00
Refundable Deposits For water – Warun Beverage Lanka	3,750.00	3,750.00
Refundable Deposits For Rent – Ranjith Terrasa	5,100,000.00	5,100,000.00
	5,217,000.00	5,217,000.00

Note 12	Pre – payments (Rs.)	
	2020	2019
Rent	574,794.52	1,001,780.99
Vehicles Maintenance Expenditure	303,526.65	290,185.03
PPE Maintenance Expenditure	542,746.89	145,087.38
Other Exep	379,789.02	11,291.27
	1,800,857.08	1,448,344.67

Note 13	Staff Loans Recoverable (Rs.)	
	2020	2019
Opening Loan Balance	12,103,641.69	13,145,944.33
Add:		
Adjustment for opening balance (write off)	(6,944.45)	
Loan given during the year	8,491,000.00	7,172,000.00
Total recoverable amount	8,491,000.00	7,172,000.00

	20,587,697.24	20,317,944.33
Less:		
Amount recovered during the year	9,055,081.29	8,214,302.64
Balance as at 31.12.2020	11,532,615.95	12,103,641.96

Note 14	Payables (Rs.)	
	2020	2019
Overtime / Holiday pay as per list /WRS	488,239.27	398,938.59
Subsistence and Travelling as per list	121,151.73	550,606.91
Electricity & Water bill payable as per list	496,243.65	436,595.82
Telephone Payable	103,518.99	289,337.43
Salary & other allowance	279,985.96	139,811.79
EPF & ETF payable	2,069,835.74	2,060,790.23
Unidentified bank deposit	265,165.89	235,200.00
WRS Liability as per list	6,969,921.50	1,891,492.50
Aluv Glass Engineering (pvt) Ltd	101,679.95	101,679.95
Central Engineering Consultancy Bureau	12,589,159.34	12,589,159.34
Government Printer	1,288,575.00	1,385,175.00
National Audit Office	2,306,712.00	1,117,152.00
Ministry of Mahaweli Development	205,354.67	205,354.67
Manager Samurdhi Bank (as per list)	6,000.00	838,800.00
W.A.Nilantha Athukorala	68,250.00	126,750.00
Stamp duty payable	16,700.00	41,200.00
P.B.T.P.Kumara	140,003.56	67,102.78
Creative lines designers & Printers	67,200.00	67,200.00
Bhoomi tech (Pvt) Ltd	1,218,299.40	1,307,831.40
Sishan Auto repairs	35,000.00	271,450.00
Unilanka Security service	127,224.00	63,612.00
Sri Lanka Telecom	55,090.95	250,876.69
CECB	46,938.40	46,938.40
Welfare Society Attorney General Dep	25,000.00	25,000.00
Refresh cleaning service	60,321.33	56,102.26
K.P.S.S.Kumara	8,421.25	8,421.25
R.Shrikrishnan	17,968.10	17,968.10
Deposit Accounts (as per list)	104,174.20	-
Natioanl Olympic Committee	100,000.00	-
Jasinth Rajendra	12,500.00	-
Ashan Furniture	40,300.00	-
Negombo Municipal Council	169,873.20	-
City Track	118,500.00	-
KMS Motor & Diesel Engineers	129,600.00	-
Madubashini Maggonage Sasika	140,000.00	-
Sella & Company (Pvt) Ltd	643,200.00	-

Atech Technology Solution (pvt) Ltd	63,800.00	-
Data Tech Business Centre (pvt) Ltd	3,114.00	-
Gestetner of Ceylon (pvt) Ltd	247,644.00	-
SMA Technologies	29,400.00	-
Softlogic Retail (pvt) Ltd	486,432.00	-
Techno Forms (pvt) Ltd	28,480.00	-
Ceylon Business Appliance (pvt) Ltd	13,878.00	-
Xeon Computers	23,500.00	-
Lakmunu IT Solutions	19,500.00	-
Right Technologies	9,850.00	-
Advanced Network Technologies	48,550.00	-
E.I.Fernando	2,700.00	-
Gamini	1,850.00	-
MEO- Matara	4,594.84	-
R.N.Priyadarshana	2,960.00	-
S.M.C.Kumarage	6,534.00	-
Cellular Arcade Security Solutions	-	189,061.88
University of Ruhunu	-	799,141.07
Sri Lanka State Trading	-	63,095.48
Lionchem Pvt Ltd	-	2,645.00
Gayana Industries	-	138,857.40
PAYE Payable	-	4,397.00
WHT Payable	-	362,028.95
Associate Motorways	-	133,471.12
Lavanga Resort	-	10,000.00
Sanjeewa Motors (pvt) Ltd	-	85,677.00
Analytical Instruments (pvt) Ltd	-	46,918.85
Pala Auto Electricals	-	38,125.46
My Auto Mobiles	-	4,450.00
United Motor Motors Lanka Plc	-	532,992.91
Urban Council – Kinniya	-	152,000.00
Urban Council – Mannar	-	100,000.00
Municipal Council – Jaffna	-	765,119.26
Selects Creations	-	158,000.00
A.G.Amarasinghe	-	12,000.00
Advantis	-	434,240.00
M.G.W.M.W.T.B.Disanayaka	-	40,000.00
Gamage Cushion works	-	2,800.00
Trinco Auto mobiles	-	71,701.76
Matara Motor Service	-	19,480.00
Toyota Lanka	-	94,894.21
Electro Chemical	-	18,914.99
Sandya Motors	-	22,400.00
P.M.Kapila Banada	-	150.00

Secreatry – Thirukkivil Pradeshiya Sabha	-	15,000.00
Secretary – Ministry of Housing & Com	-	45,391.00
Attorney General	-	17,000.00
The Associated Newspapers	-	269,100.00
Sun Information System	-	127,300.00
H.A.Q.Enterprises	-	256,898.80
D2 Technologies	-	492,000.00
P.L.I.G.M.Coaray	-	39,263.83
P.R.S.A.Aberathna	-	36,194.40
Lakvijaya Power Plant	-	72,258.00
Staff Payables	-	23,675.41
	31,628,894.92	30,287,190.89

Note 15	Staff Loan Fund (Rs.)	
	2020	2019
Opening Loan Balance 01.01.2020	14,347,258.79	13,897,891.32
ADD:		
Interest for the Year	456,749.23	449,367.47
Less:		
Bank Charges for the year	6,944.45	
Closing Loan Balance 31.12. 2020	14,797,063.57	14,347,258.79

Note 16	Provision for Gratuity (Rs.)	
	2020	2019
Opening Balance	27,257,421.50	22,165,925.00
Adjustment for OP Balance		
Provision for the Year	6,133,638.00	5,605,864.50
	33,391,059.50	27,771,789.50
Less:		
Gratuity payment during the year	988,185.00	514,368.00
Closing Balance	32,402,874.50	27,257,421.50

Note 17	Government Grants and Capital (Rs.)	
	2020	2019
Opening Balance	139,055,124.42	156,374,508.71
Adjustment for OP balance	542,800.00	(840,936.69)
Donation Assets received during the year	1,765,025.53	
Amount Tranfer from grant related to inventories	1,330,549.65	
Capital Grant Received during the year	24,580,000.00	43,250,500.00
CEB Project	114,197.94	
	167,387,697.54	198,784,072.02
Less:		
Grant Recognized as income	37,437,132.91	

Capital Grant to be utilized	21,006.61	-
Capital Assets WIP	4,369,198.52	542,800.00
Intangibles WIP	1,005,250.00	
Closing Balance as at 31.12.2020	124,555,106.92	139,055,124.42

Note 18	Differed Government Grants Recognized as Income (Rs.)	
	2020	2019
Opening Balance	139,055,122.80	156,374,508.71
Adjustment for OP balance		(840,936.69)
Asset Purchase During the Year	2,915,019.35	8,471,233.72
Adjustment for OP balance		
Reversal of expenses		
Donation Assets received during the year	1,765,025.53	
Grant related building		
	143,735,167.68	164,004,805.74
Less		
Defferd grant Recognized as income	19,180,059.80	24,949,681.32
Closing Balance as at 31.12.2020	124,555,106.92	139,055,122.80

Note 19	Government Grants for Building WIP (Rs.)	
	2020	2019
Opening Balance	542,800.00	
Capital Grants Received During the year	5,374,448.52	542,800.00
Less		
Recognized Assets	542,800.00	
Closing Balance as at 31.12.2019	5,374,448.52	542,800.00

Note 20	Accumulated Deficit (Rs.)	
	2020	2019
Opening Balance	(24,350,161.96)	(27,388,266.70)
Reversal of charge Deferd income	35,994.89	85,401.23
Deficit/ surplus for the year	50,000,017.02	2,952,703.51
Closing Balance as at 31.12.2018	25,685,849.95	(24,350,161.96)

Note 21	Marine Environment Protection Fund (Rs.)	
	2020	2019
Opening Balance	15,447,028.39	14,162,205.67
Interest Income-TB	936,642.64	1,284,822.72
Closing Balance	16,383,671.03	15,447,028.39

Note 22	Intangible Assets (Rs.)	
	2020	2019
Opening Balance	1,747,545.10	2,106,336.70
Deposit Received During the year	1,005,250.00	-
	2,752,795.10	2,106,336.70
Less		
Amortization	358,791.61	358,791.61
Closing Balance as at 31.12.2018	2,394,003.49	1,747,545.10

Note 23	Income Perceived (Rs.)	
	2020	2019
WRS Application & Permit Fees	52,500.00	742,000.00
Bunkering Application & Registration	-	1,360,000.00
Dumping regulation Application & Permit Fees	992,602.74	1,286,054.79
OECP Regulation	186,780.82	147,602.74
Supplier Registration	358,000.00	164,000.00
	1,589,883.56	3,699,657.53

Note 24	Grant Related to the inventories (Rs.)	
	2020	2019
Grant received for the Year(from 2012)	3,858,594.00	3,858,594.00
Less	1,139,800.00	
Amount transfer to the P&L	1,330,549.65	-
Closing Balance as at 31.12.2020	3,667,844.35	3,858,594.00

Note 25	Capital Grant to be utilized (Rs.)	
	2020	2019
Opening Balance	655,050.00	
Reversal of charge Expences	21,006.61	655,050.00
Less		
Expenditure incurred during the year		
Return to the treasury		
Closing Balance as at 31.12.2019	676,056.61	655,050.00

Note 26	Capital Fund Reconciliation (Rs.)
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	2020	2019
Capital Grant for the year	24,580,000.00	43,246,000.00
IAS Project		4,500.00
Deyata Sewana Project	542,800.00	-
Total Capital Grant	25,122,800.00	43,250,500.00
Less:		
Amount transfer to treasury	(1,005,250.00)	-
Purchase Fixed Assets	(2,915,019.35)	(8,471,233.72)
Building WIP	(4,369,198.52)	(542,800.00)
Amount Transfer to P&L	16,833,332.13	34,236,466.28

Note 27	Inventories (Rs.)	
	2020	2019
Opening Balance	4,749,024.49	4,838,695.94
Adjustment to opening Balance	1,139,800.00	-
Stationary Stocks	879,526.00	506,549.67
Less		
Amount transfer to the P&L	1,782,713.47	596,221.12
Closing Balance as at 31.12.2020	4,985,637.02	4,749,024.49

Note 28	Short term Investments (Rs.)	
	2020	2019
Opening Loan Balance	13,738,829.95	12,562,201.60
Add		-
Interest for the year	974,943.58	1,176,628.35
Closing Loan Balance	14,713,772.49	13,738,829.95

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	2,593,641.35	2,131,356.35	462,285.00
2002. Plant Machinery & Equipment			
	295,263.00		295,263.00
2003. Vehicle	1,441,220.89		1,441,220.89
Aquisition of Capital Assets			
2102. Furniture and Equipment	173,036.75	173,036.75	-
2103. Plant Machinery and Equipment	-		-
2104. Building and structures			-
2401. Human Resources Development			
	587,846.25	67,826.25	520,020.00
2502. Other Capital Expenditure			
1. Improvement of sea bathing sites and beaches	1,423,075.56		1,423,075.56
2. Pollution prevention from fisheries sector	17,867.00		17,867.00
3. Marine debris Management	234,491.00		234,491.00
4. Coastal and marine pollution control	4,115,351.74	600,000.00	3,515,351.74
5. Studies on marine ecosystems	738,233.23		738,233.23
6. Implementation of International Conventions and Amendment of the Act	363,395.50		363,395.50
7. Minimizing the pollution caused by ships	167,119.00		167,119.00
8. Establishment of an institutional framework for marine related issues	331,969.62		331,969.62
9. Awareness building on marine environment	319,220.52		319,220.52
10. Organizing & conducting National events	4,800,799.10		4,800,799.10
11. Controlling of impacts of accidental oil and chemical spilling	3,273,693.41		3,273,693.41
12. Upgrading of laboratory facilities and achieving accredited status (Improvement of Laboratory facilities to provide commercial service)	238,870.60		238,870.60
13. CEB Project	114,197.94		114,197.94
14. Database Development	405,250.00	405,250.00	-
15. WIP	542,800.00	542,800.00	-
	22,177,342.46	3,920,269.35	18,257,073.11

30 Investment in Treasury Bills

The Authority invested Rs 12,562,201.6013,738,829.95 in 6 Month Treasury Bills in December 2019 and it was matured in the year 2020 and the total amount (interest and the investment amount) reinvested during the year 2020. The amount of Rs 936,642.64 have being earned as the interest income during the period. The amount of Rs 14,713,772.49 (interest and the investment Value) reinvested in November 2020 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. 1,083,320.66 as interest income. This interest income was included to the total income for the year.

32

01. The Authority acquired Rs 2,915,019.35 value of fixed assets during the year. These assets included furniture, office equipment, lab equipment, CCTV, Lighting Protection System and the container.....

02. During the year Authority received Rs: 1,765,028.53 worth of office Equipment and Furniture as donation from the Ministry of Urban Development and housing.

Type of assets	Date received	Value
Furniture	31.12.2020	1,200,028.53
Office Equipment	31.12.2020	565,000.00
Total		1,765,028.53

03. During the year Authority invested Rs: 1,005,250.00 to the development of intangible assets. Details of intangible assets under development as follows.

Type of intangible assets	Developer	Capitalized value to date
MEPA Web page	University of colombo	405,250.00
Dumping online permit system	University of Ruhuna	600,000.00
Total		1,005,250.00

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 2020, though it is scheduled to be opened during the year. This was due to the unavailability of sufficient funds at the early part of the year. At the later part of the year cash surplus was created due to revenue increase. Accordingly separate account will be open in first quarter of 2021 and cash will be transferred subsequently by using the excess cash availability.

34. Capital Grant to be utilized

During the financial year 2019 Rs: 655,050.00 balance brought forward from the year 2019 which include some pending actions and cost saving from planned Activities. That amount transfer as capital grant to be utilized during the year of 2020 is amounting of Rs: 21,006.61. Accordingly, closing balance during of nthe unutilized grant increased up to Rs: 676,056.60.

35 Inventories.

01 Oil dispersant

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

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.

During the year 2000L of OSD used for the prevention of oil spill due to MT New Diamond ship accident. Accordingly, the value of used OSD an amount of Rs: 1,330,549.65 (3,858,594.00/5800 X 2000) charged to statement of financial performance. The balance stocks of OSD is included in inventory as stock as at 31.12.2020.

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 31.12.2020

03. Other equipment's

During the year authority received donation from donors for the Internatioanl Coastal Cleanup Day programme held in September 2020 and MT new diamond ship accident event.

The details of the donations as follows.

The closing stocks of above equipment's are included in inventory as stocks as at 31.12.2020.

Name of the institute	Type of equipment's	Approximate value (Rs)
UNDP	Oil spill response equipment's	666,500.00
Lions Club		473,300.00
Total		1,139,800.00

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. Details of payment as follows.

Month	Payment date	Amount paid	
		EPF	ETF
January	26.02.2020	1,942,028.59	233,043.45
February	24.03.2020	1,986,274.36	238,352.92
March	28.04.2020	1,945,052.96	233,406.36
April	27.05.2020	1,942,774.75	233,132.97
May	29.06.2020	1,938,672.23	232,640.67
June	28.07.2020	1,910,437.76	229,252.52
July	28.08.2020	1,876,984.26	225,238.12
August	29.09.2020	1,864,064.07	223,687.74
September	07.10.2020	1,842,206.57	221,064.79
October	30.11.2020	1,850,327.05	222,039.25
November	30.12.2020	1,878,825.72	225,459.08
December	27.01.2021	1,817,414.42	218,089.72
Total		22,795,062.74	2,735,407.59

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 Corporate Sector partnership with MEPA in 2020

A number of cooperate sector institutes promoted and supported sustainable environmental development initiatives hand in hand with Marine Environment Protection Authority during the year for the protection

of the environment and prevention of marine pollution. As part of these efforts, cooperate sector have taken an active role in encouraging their business to minimize their environmental impacts by implementation of effective environment protection programmes.

Details of the programmes and the value of partnership are as follows.

Financial Support

Name of the institute	Name of the programme	purpose of programme	Value of partnership provided
Insee Eco cycle Lanka (Pvt) Ltd	Coastal cleanup programme 2020	Knowledge and awareness improvement of general public about importance of Marine Environment Protection and costal cleaning	50,000.00
Foresights Engineering (Pvt) Ltd			200,000.00
Prima Ceylon (Pvt) Ltd			100,000.00
Lanka IOC PLC			100,000.00
Dilmah Ceylon Tea PLC			750,000.00
Sothorn Provincial Council			40,000.00
Maclarance Shipping Company			50,000.00
Litro Gas Lanka Ltd			100,000.00
Hayleys Advantis			500,000.00
CHEC Port City Colombo (Pvt) Ltd			300,000.00
Ceylon Petroleum Storage terminals Ltd			100,000.00
Ceylon Petroleum Corporation.			100,000.00
Colombo Dockyard PLC			200,000.00
Ciam City Cement			300,000.00
Sri Lanka Tourism Development Authority	500,000.00		
CHEC Port City Colombo (Pvt) Ltd	World ocean day programme 2020	Knowledge and awareness improvement of general public about importance of Marine Environment Protection	500,000.00
Supreme Petro Lanka (Pvt) Ltd.			107,500.00
Mac Holdings Plc	Beach care taker programme	Keep 50km of beach stretch cleaned every day throughout the year under the concept of beach care takers.	274,500.00
Gac Shipping pvt ltd			144,000.00
Dilmah Ceylon Tea PLC			444,800.00
Save the Waves Lanka			130,000.00
Total			4,990,800.00

In addition to above financial some corporates provided necessary equipments in order to facilitate MEPA’s smooth operation and emergency preparedness. Details of supported corporate are as follow.

Material supply

Name of the institute	Name of the programme	Purpose of Programme	Type of equipment	Approximate value (Rs)
UNDP	Capacity enhance for oil spill response	Increase the oils spill response	Oil spill response equipment's on the issue of MT new Diamond	666,500.00
Lions Club	International Coastal cleanup programme 2020	Beach cleanup and knowledge and awareness improvement of general public about important of Marine Environment Prtection	10000 rubber glues for the participants	473,300.00
MAS	Capacity Enhance covid19 preparedness	Increase the response preparedness for the oils spill	50 coverall	-
Tokyo Cement Plc	Partnership for international Coastal cleanup programme 2020	Knowledge and awareness improvement of general public about important of Marine Environment Protection.	Facilitation of participant with cleaning gears for the Trincomalee programme	150,000.00

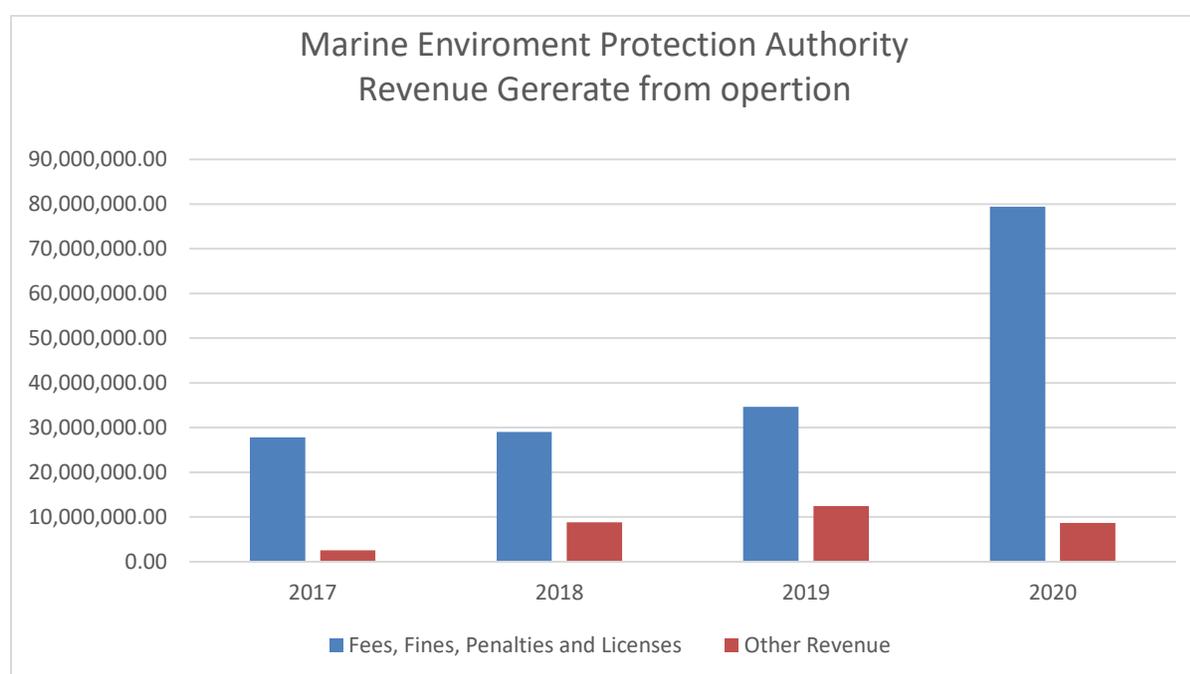
42. Revenue Generate by the Authority

During the year authority was able to significantly increase its revenue. In the year 2019 total revenue generated by the Authority was Rs: 47,083,094.71. When compare to previous financial years, the authority recorded its highest self-generated income in 2019. It is reaching up to Rs: 88,066,188.74 in 2020 by making another historical record.

The increase was dramatically affected by the claim received from to MT New Diamond ship owners through the Attorney General and treasury. Accordingly, a total amount of 280000 of USD received from the ship owner directly to the Treasury. Approximately rupee value of claim is Rs: 52,360,000 (280,000 X 187) of that treasury transfer Rs: 45,540,576.44 to MEPA on our request.

In addition to that, based on the legal action taken by the authority Rs: 12,000,000 penalty was imposed on the captain of the ship. However, it was not received to authority until the closing dates of accounts.

Category	2017	2018	2019	2020
Fees, Fines, Penalties and Licenses	27,824,761.42	29,013,815.64	34,633,317.63	79,422,740.41
Other Revenue	2,545,881.30	8,822,190.82	12,449,777.08	8,643,448.33
Total	30,370,642.72	37,836,006.46	47,083,094.71	88,066,188.74



43. Pending Legal Action as at 31.12.2020

1. All the required documents and information are submitted to the Attorney General's Department however ' Still the matter is under consideration.'
2. A settlement was arrived at the meeting held on the 01.12.2021, and accordingly the submitted compensation, (which both parties agreed to be unrealistic), was revised of a cost of damages to Mangrove eco system. Accordingly the revised estimate of the total compensation is hereby submitted for consideration of CPSTL.
3. The petition of the petitioners (Port Junk Dealers Association) against MEPA was dismissed by the Hon. Judge of the Court of Appeal.

10.1 Marine Environment Protection Authority From

Statement of Financial Position
From 2016 to 2020 (Rs.)

<u>Assets</u>		2020	2019	2018	2017	2016
<u>Current Assets</u>						
Cash Balance	10	92,205,100.88	30,750,980.09	23,473,457.622	8,985,447.03	30,024,657.89
Debtors	11	746,353.49	3,194,218.26	954,287.86	972,183.09	48,999.90
Deposits	12	5,217,000.00	5,217,000.00	3,193,000.00	2,959,000.00	2,596,000.00
Pre-Payments	13	1,800,857.08	1,448,344.67	2,442,132.08 2,442,132.08	2,063,022.50	2,204,656.60
Investments (Treasury Bills)		14,713,772.49	13,738,829.95	12,562,201.60	11,586,643.28	15,816,119.87
Staff Loans Recoverable	14	11,532,615.95	12,103,641.69	13,145,944.33	9,847,296.72	5,267,412.05
Stock	28	4,985,637.02	4,749,024.49	4,838,695.94	4,626,177.25	4,182,303.30
<u>Non-Current Assets</u>						
Property, Plant and Machinery	09	123,166,353.63	137,850,377.70	154,268,170.37	141,729,762.47	112,613,398.34
Intangible Assets	23	2,394,003.49	1,747,545.10	2,106,336.70	1,903,942.41	2,209,336.50
Total Assets		256,761,694.03	210,799,961.94	216,984,226.51	184,673,474.75	174,962,884.45
<u>Liabilities</u>						
<u>Current Liabilities</u>						
Payables	15	31,628,894.92	30,287,190.89	30,155,885.85	43,173,221.37	23,001,605.19
Income perceived	21	1,589,883.56	3,699,657.53	3,757,482.66	1,974,856.70	2,398,767.00
EIA Project Deposit	22					
<u>Non-Current Liabilities</u>					-	
Marine Environment Protection Fund	20	14,797,063.57	14,347,258.79	13,897,891.32	13,495,377.97	7,443,319.99
Staff Loan Fund	16	32,402,874.50	27,257,421.50	22,165,925.00	19,676,724.00	13,736,758.00
Gratuity Provision	17					
Total Liability		80,418,716.55	75,591,528.71	69,977,184.83	78,320,180.04	46,581,834.27

Net Assets		176,342,977.38	135,208,433.23	147,007,041.68	106,353,294.71	128,381,834.27
Equities				-		
Government Grants and Capital		124,555,106.92	139,055,122.80	156,374,508.71	87,218,575.98	80,308,318.58
Capital Grant to Building WIP	18	5,374,448.52	542,800.00	-	56,415,130.47	34,514,417.00
Capital Grant to be utilized	20	676,056.61	655,050.00		826,941.80	12,048,760.59
Capital grant to the Inventories		16,383,671.03	15,447,028.39	14,162,205.67	13,186,647.35	17,416,123.94
Marine Environment Protection Fund	26	3,667,844.35	3,858,594.00	3,858,594.00	3,858,594.00	3,858,594.00
Accumulated Surplus/Deficit	22	25,685,849.95	(24,350,161.96)	(27,388,266.70)	(55,152,594.10)	(19,764,379.11)
Total Equity	24	176,342,977.38	135,208,433.23	147,007,041.68	106,353,294.71	128,381,834.27

10.2 Marine Environment Protection Authority Statements of Financial Performance – 2016 to 2020 (Rs.)

	No tes	2020	2019	2018	2017	2016
Revenue						
Transfer from other government entities	1	176,022,882.91	199,186,147.60	207,051,668.77	136,377,136.52	196,990,302.56
Fees, Fines, Penalties and Licenses	2	79,422,740.41	34,633,317.63	29,013,815.64	35,824,761.42	17,430,909.42
Other Revenue	3	8,643,448.33	12,449,777.08	4,411,095.41	1,272,940.65	5,029,616.86
Total Revenue		264,089,071.65	246,269,242.31	240,476,579.82	173,474,838.59	219,450,828.84
Expenditures						
Wages, salaries and employee benefits	4	125,355,936.82	117,207,015.76	106,437,025.91	107,184,813.71	96,641,764.42
Supplies and Consumable used	5	9,177,002.06	10,639,431.81	8,388,966.99	7,893,411.61	8,747,684.32
Other Recurrent Expenditures	6	42,075,917.93	54,556,058.61	37,820,029.91	34,634,645.40	29,518,860.70
Grants and Transfer payments	29	18,257,073.11	39,451,732.66	38,602,302.84	42,784,424.18	71,654,455.72
Financial Cost	7	43,065.01	42,740.00	27,995.00	28,785.00	54,533.78
Depreciation and amortization Expenses	8	19,180,059.71	21,419,559.96	21,723,375.45	16,560,673.00	15,800,198.02
Total Expenditures		214,089,054.64	243,316,538.80	212,999,696.12	209,086,752.90	222,417,196.96
Deficit/ Surplus for the period		50,000,017.02	2,952,703.51	27,476,883.72	(35,611,914.3)	(2,966,368.12)

11. Report of the Auditor General

My No.IEN/E/MEPA/01/20/11

25 June 2021

The Chairman

Marine Environment Protection Authority.

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 2020 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 2020 comprising the statement of financial position as at 31 December 2020 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 report to Parliament in pursuance of provisions in Article 154 (6) of the Constitution will be tabled in due course.

In my opinion, except for the effects of the matters described in the basis for Qualified Opinion section of my report, the accompanying financial statements give a true and fair view of the financial position of the Authority as at 31 December 2020 and of its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

1.2 Basis for Qualified Opinion

- (a) As the useful life of 69 items of fixed assets valued at Rs.106,294,775 had not been timely reviewed according to paragraph 65 of the Sri Lanka Public Sector Accounting Standards No. 07, they were in further used despite being fully depreciated. Nevertheless, action had not been taken to review the useful life of those assets and disclose in the financial statements.
- (b) Actions had not been taken to readjusted the error of capitalizing the repair expenditure of Rs.1,215,299 incurred on 26 December 2019 for the atomic absorption luminaire, and vehicle repair expenses of Rs.1,836,626 incurred in 2018 considering as an acquisition, in the financial statements of the year under review.
- (c) Instead of identifying Rs.265,162 directly credited to the bank by the creditors during the year under review and previous year and adjusted to the relevant creditors, it had been shown in the financial statements as a balance of suspense account.

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

1.3 Other Information Included in the Annual Report 2020 of the Authority

The other information means the information included in the 2020 Annual Report of the Authority, which I obtained prior to the date of this report, but not contained in the Financial Statements and my audit report thereon. Management is responsible for this other information.

My opinion on financial statements does not cover the other information and I do not express any assurance or opinion about them.

My responsibility in connection with my audit of financial statements is to study the above identified other information and evaluate whether the other information is substantially mismatched with the financial statements or my knowledge gained in auditing or another manner.

If, based on other information obtained by me and work performed by me prior to the date of this auditor's report, I conclude that this other information is materially misstated, I am required to report that fact. I have nothing to report in this regard.

In the study of Annual Report of the Authority for the year 2020, if I conclude that there are substantial misstatements, I should communicate that matter to the governing body. If there are misstatements further to be corrected, those will be included in the report which I table in parliament in accordance with Article 154 (6) of the Constitution in due course.

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

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

In preparing the financial statements, management is responsible for assessing the 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 Authority.

1.5 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:

- Appropriate audit procedures were designed and performed identify and assess the risks of material misstatement in financial statements whether due to fraud or errors in providing a

basis for the expressed audit 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.

- An understanding of internal control relevant to the audit was obtained 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 statements or, if such disclosures are inadequate, to modify my opinion. 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

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

2.1.1. 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.

2.1.2 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.

2.1.3 The financial statements presented includes all the recommendations made by me in the previous year as per the requirement of section 6 (1) (d) (iv) of the National Audit Act, No. 19 of 2018.

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

2.2.1 to state that any member of the governing body has any direct or indirect interest in any contract entered into by the Authority 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.

Nature of the Transaction

Observations

Dealing with Ruhunu University which was the permanent place of work of the General Manager who had been released on secondary basis.

Without a formal agreement, the procurement relating to the process of granting permits for the discharge of treated wastewater and solid waste into the ocean at a value of Rs.02 million at the international level had been provided to the University.

2.2.2 to state that the Authority has not complied with any applicable written law, general and special directions issued by the governing body of the Authority 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/Directive

Observation

a) Financial Regulation No 802(1),(2),(3) of the Financial Regulations of the Democratic Socialist Republic of Sri Lanka

The heads of departments should ensure that vehicles, technical equipment, machinery, plants etc. do not remain idle. Although the machinery of the laboratory was remaining idle, the necessary action had not been taken in this regard.

b) Establishments Code of the Democratic Socialist Republic of Sri Lanka.

for all the posts of the Authority had not been prepared and approved.

ii. Paragraph 2 (vi)

Although a succession plan should be prepared to fill vacancies of the institute, action had not been taken accordingly.

- 2.2.3 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 observation.

In terms of Section (6) (d) of Marine Pollution Prevention Act No.35 of 2008 and Extraordinary Gazette No.37/1816 dated 28 June 2013, the Authority should take action to prevent the disposal of waste to the ocean without being checked and confirmed. Nevertheless, the Authority had not taken steps to prevent the hazardous and clinical waste from being directly disposed to the ocean through the long tubes.

2.3 Other Audit Observations

- (a) A dinghy boat and a boat engine worth Rs.1,182,000 have been idle in the warehouse of the Authority since month of February 2016, and the boats required for various programmes had obtained on rent basis.
- (b) The approved carder and the actual cadre of the Authority was 229 and 174 respectively as at 31 December 2020. Accordingly, the numbers of vacancies was 54. Action had not been taken to fill these vacancies even as at the date of audit. Of this, 05 posts of executive management level remained vacant for more than a period of 05 years and recruitment on duty covering basis had been made for one of the above posts from 01 June 2020.
- (c) According to the Action Plan, a sum of Rs.6,670,000 had been estimated for 07 projects and the expenditure thereof was Rs.8,594,846. Accordingly, Rs.1,924,846 had been spent in excess of the estimate and its percentage was 29 per cent.
- (d) According to the Action Plan, the total estimated allocation for 09 sub-sections related to 08 major projects was Rs.8,381,000 of which the unutilized amount was Rs.6,935,050. It was observed that their percentage ranged from 68 per cent to 97 per cent of the total allocation.
- (e) The inflatable oil boom machine worth Rs.6.8 million owned by the Authority had been leased to the Hambantota International Port Company for a daily rate of US\$ 50 from 01 April to 13 August 2020. Even though a bank draft value of Rs.5 million has been mentioned in the letter

- No. 06 / MEPA / OSCP / HIPG / 2020 dated 07th February 2020 regarding the Hambantota International Port Company in relation to the lease of this machine, the value of the bank draft No. 06 / MEPA / OSCP / HIPG / 2020 dated 20th February 2020 mentioned in the bid referred to the institution for leasing this machine was Rs.02 million. But the Authority had not even obtained a bank draft when leasing this machine to the above institution.
- (f) The Atomic Absorption Spectrum Luminance, valued at Rs.5,800,000 purchased on 29 December 2016, remained idle without being utilized since the date its purchase in 2016. Although Rs.1,218,299 had been incurred as the repair expenditure, it was not in a suitable position to use even by the date of audit.
- (g) Equipment worth Rs.54.2 million had been purchased for the laboratory constructed spending Rs.66.6 million in the coastal land at Dadalla Galle in 2017 with a view to providing marine environmental protection services on a commercial scale. Only a limited number of laboratory tests had been performed using these equipment by the date of audit and action had not been taken to acquire to the Authority the land on which the above construction is located. Further, action had not been taken to maintain an adequate staff to the laboratory to operate it on a commercial scale and measures had not been taken to dispose of expired chemicals in an environmentally friendly manner.
- (h) The Authority had identified 05 major targets under Sustainable Development Objectives No.14 in the Annual Action Plan to be achieved by the year 2025. Of these, at the examination of the performance of key targets such as daily coral reef cleaning, coral reef restoration, mangrove restoration and mangrove cultivation, it was observed that the efficiency of the implementation for achievement of expected targets by year 2025 was not sufficient.

W.P.C.Wickramaratne
Auditor General.

Marine Environment Protection Authority

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