

**NATIONAL  
BUILDING  
RESEARCH  
ORGANISATION**

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**ANNUAL REPORT - 2012**

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Ministry of Disaster Management



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## **OUR VISION**

**“Creating a safer built environment”**

## **OUR MISSION**

**Promote and sustain research and development and provide technical services for disaster risk reduction and safer built environment**

## **CORPORATE GOALS**

- To become centre of excellence in DRR and ensuring safer -built environment**
- To ensure institutional sustainability**
- To be a competent technology provider**
- To continue functioning as the national focal point for landslides and associated geo hazards**
- To continue as a centre for technological information**

Presently a Cabinet approved Interim Management Committee (IMC) with Secretary of the line ministry as the Chairperson guides and directs the administrative, financial and management functions of NBRO.

### MINISTER IN CHARGE OF THE SUBJECT

**Hon. Mahinda Amaraweera**  
Minister of Disaster Management

**Hon. Dulip Wijesekara**  
Dy. Minister of Disaster Management

### INTERIM MANAGEMENT COMMITTEE

**Mrs. S. M. Mohamed (Chairperson)**  
Secretary, Ministry of Disaster  
Management

**Dr. Asiri Karunawardena,**  
Director General, National Building Research  
Organisation

**Maj. Gen. Gamini Hettiarachchi (Retd.),**  
Director General, Disaster Management  
Centre

**Mr. K N P Jayaratne,**  
Asst. Director,  
Department of National Planning

**Mr. Sanjeewa Wijesinghe,**  
Deputy General Manager Civil Works  
Central Engineering Consultancy Bureau

**Mr. H M Palansooriya,**  
Chief Accountant, Ministry of Disaster  
Management,

### AUDIT & MANAGEMENT COMMITTEE

**Mrs. S K Samarasinghe**  
Audit Superintendent, Government Audit  
Branch

**Eng. (Dr.) Asiri Karunawardena**  
Director General, National Building Research  
Organisation

**Mr. K N P Jayarathne**  
Assistant Director, Department of  
National Planning

**Mr. R K Jayaweera**  
Director (Corporate),  
National Building Research Organisation

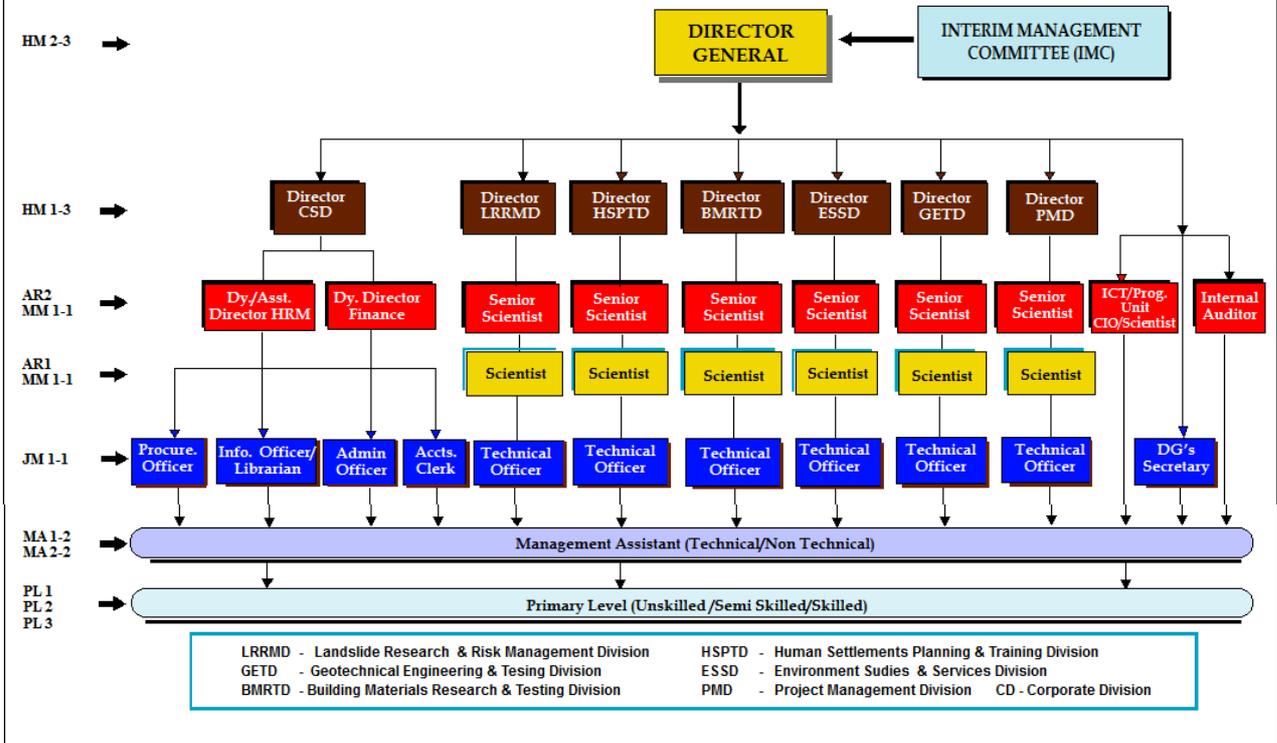
**Mr. Sanjeewa Wijesinghe,**  
Deputy General Manager, Central  
Engineering Consultancy Bureau

**Mrs. W A R D S Thudugala**  
Deputy Director (Finance), National Building  
Research Organisation

**Mr. K R K Amarasena**  
Internal Auditor,  
National Building Research Organisation

# ORGANISATION STRUCTURE

## National Building Research Organisation - Organisation Structure



### SENIOR MANAGEMENT

#### Director General

Dr. Asiri Karunawardena

**Director,  
Corporate Division**

Mr. R. K. Jayaweera

**Head, Environmental Studies &  
Services Division**

Mr. M.D.C. Perera

**Head, Human Settlements Planning &  
Training Division**

Mr. Kishan Sugathapala

**Head, Landslide Research &  
Risk Management Division**

Mr. R.M.S Bandara

**Head, Building Materials Research &  
Testing Division**

Mrs. S. Muthurathna

**Head, Project Management  
Division**

Ms. J. K. Jayawardana

**Head, Geotechnical Engineering Division**

Ms. Karuna De Silva

## CHAIRPERSON'S MESSAGE

It is my privilege to present this Annual Report with Consolidated Financial Statement of National Building Research Organisation (NBRO) for 2012 before you as the Chairperson of the Interim Management Committee of NBRO and the secretary to the line ministry, the Ministry of Disaster Management.

As a premier multi-disciplinary technical services providing institution playing a significant role in the national development process, this report presents a full cross section of NBRO's technical capabilities and its financial sustainability.

During the year 2012, NBRO performed well across diversified subject areas such as landslide hazard identification, zonation, mapping, vulnerability assessment, mitigation and awareness creation that are commonly known. Issuing Landslide Risk Assessment Reports and recommendations for development activities in landslide prone areas by NBRO became a pre-requisite of building permits issued by local authorities which is considered as a decisive step that direct and orient NBRO's future.

Major infrastructure development projects / programs have been facilitated by providing geotechnical investigations and technical interventions including, foundation engineering and designs with a view of creating disaster resilience in the country.



Testing and quality control of construction materials, providing environmental testing and monitoring services to road, port development, power projects and industrial sector are the other classical services of NBRO that contributes significantly to the rapid development programs presently undertaken in the country. Conducting sociological assessments and technical advisory facilitation in landslide prone areas are undertaken. Providing construction supervision and engineering project management for major development projects in landslide prone areas are commendable.

I am delighted to report that in spite of number of difficult conditions faced during last couple of years, the year 2012 proved to be a very positive year. NBRO is privileged to receive GOSL funds for landslide disaster risk mitigation and strengthening lab & field capacity, given annually as a national priority. Foreign donor agencies and collaborating institutions have also granted some funds for research and project work of NBRO.

However NBRO heavily relied on self-earning and most of its financial

requirements including recurrent expenditure were generated through consultancy & testing services offered to the state and the private sector. From 2010 continuously a significant net profit have been recorded, and the consolidated revenue of year under review was reported as the highest ever in the history of the NBRO. That is LKR 208.35 Mn. reflecting a growth of 14.5% over the previous year 2011. Revenue from Testing and technical services LKR 145.87 Mn. shows remarkable 34.7% growth in 2012, whereas the government grants for landslides and related works have risen by 5% to LKR 76.44 Mn.

Such successful performance would not be possible without the dedicated support of the Director General, Dr. Asiri Karunawardena and his team who have worked with enduring commitment and loyalty to engage in every opportunity that has come their way. I was able to give directions and guidance not only as the Chairperson, IMC but also as the Secretary to the Ministry of Disaster Management and was even able to appreciate their services by paying an annual bonus and incentive on encashment of unutilized medical leave for all staff members. Plans are underway for more compensation packages for dedicated staff who are considered the backbone of NBRO.

In conclusion, as an expert technical R & D institution under the Ministry of Disaster Management the years ahead will be especially challenging to NBRO with the increasing trend of disasters and development boom. Ground subsidence reported in the Matale is one such example and NBRO needs to foster an organizational culture to develop innovative strategies to

address complex and challenging situations of disasters and NBRO should be able to play a wider role by strengthening its ties with the ministry and other stakeholders that will enable NBRO to be even more nimble in a fast-changing dynamic environment.

I take this opportunity to express my sincere gratitude to H.E the President and Hon. Ministers of National Council for Disaster Management (NCDM), Hon. Mahinda Amaraweera, Minister of Disaster Management and Hon. Dulip Wijesekara, Dy. Minister of Disaster Management whose leadership and foresight has steered the NBRO to this success. I extend my sincere thanks to the Members of Interim Management Committee (IMC) for the support given to us in achieving these goals. In addition I express my thanks to the Director Generals of institutions under my ministry and our stakeholders for their continued confidence on us.

I am sure we be together as we strive to create greater value in our endeavor and contribute towards the progress and prosperity of our country



**S M Mohamed**  
**Chairperson**  
**Interim Committee of Management,**  
 National Building Research  
 Organisation  
 (Secretary / Ministry of Disaster  
 Management)

## EXECUTIVE REPORT

It is a great pleasure to present this Annual Report and the Financial Statements of NBRO for the year ended on 31 December 2012. I am happy to proclaim that NBRO a public enterprise excelled its performance in all areas, is heading successfully towards achieving its corporate objectives in a challenging socio-economic environment where competition is driven by open economy. NBRO certainly is a most respected and well managed organisation in the industry today and we have built a good reputation in the market as one among the most trusted technical service providers in disaster management, housing, construction and environmental sectors.

We are a premier R&D and technical service providing institution where dedicated experts from multiple disciplines have teamed up to create a disaster free safe living environment for the nation. The goal of sustainable development is to enable all people to satisfy their basic needs and enjoy a better quality of life without compromising the quality of natural and built environments. NBRO recognizes the diversity of the problems faced by the nation in their living environment. Be it due to rumbling mountains, soft grounds, polluted air, contaminated water, poor construction and weak building materials, NBRO is geared up to offer suitable solutions to maintain and improve the quality of life. NBRO also provides guidelines for the relevant authorities for necessary policy formulation on the safety of the human settlements and encourage the implementation and monitoring of the same.

NBRO is committed to protect the life and the natural environment from disasters such as landslides and environmental hazards due to contaminated water and polluted air. NBRO is also dedicated to protect the life due to the hazards encountered in the built environment through its



technical expertise in the quality assurance of building materials, evaluating structural soundness of buildings and geotechnical investigations & foundation engineering designs. NBRO can embark upon the causes and effects of impacts of development and support the nation to reduce the adverse environmental impacts on their lives. NBRO respects and believes in its institutional self sustainability.

### CONTRIBUTION TOWARDS NATIONAL DEVELOPMENT

One of our goals is to assist the government in national development and thus enrich the quality of lives by alleviating poverty through Disaster Risk Reduction.

The task of NBRO in disaster risk reduction was diversified into mitigating landslides, introducing proper land use practices, testing and certifying building materials for strength properties, monitoring quality of water, air and noise for environmental compliance, and testing suitability of soils etc.

Vulnerability due to landslide hazard in the country has been significantly reduced over the past decade due to the intensive involvement of NBRO in landslide disaster risk reduction. Activities carried out by NBRO range from landslide mapping, site

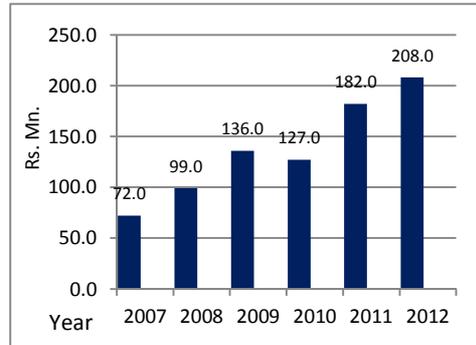
investigations, issuing early warnings in emergency situations based on continuous monitoring of landslide risk, hazard mitigation, and conducting training and awareness of vulnerable communities. Obtaining Landslide Risk Assessment Report for any construction and development activity in landslide prone area is a prerequisite for a building permit issued by local authorities. These have become key instruments in the national disaster risk reduction programmes by which the government has been able invest on upcountry development through well-planned risk management systems, while making remarkable savings on disaster relief and rescue.

Technical services provided by the institution in other areas of NBRO expertise also have considerably contributed to planned development in the country by conserving resources, optimizing outputs and lowering the potential environmental and disaster impacts thus making significant savings in the national budget.

As main projects funded by the Treasury in 2012, NBRO continued implementation of landslide mitigation projects at Peradeniya and Padiyapellalla for which funds of LKR 20.5 Mn. were received by NBRO through Disaster Management Centre against annual allocation of LKR 27.3 Mn. (Total estimated budget of Rs.160 M for the period 2009-2012). The Garandiella Landslide mitigation project commenced in early 2012 for which the government provides LKR 98.0 Mn. for three years (2012-2014). Total allocation for mitigation of Garandiella Landslide Project for year 2012 was LKR 27.3 Mn. and 40% of projected work was completed for which LKR 13.34 Mn. was received. In all these locations townships, roads and settlements were under the threat of imminent landslides and the government decision was given for NBRO to immediately take mitigatory actions.

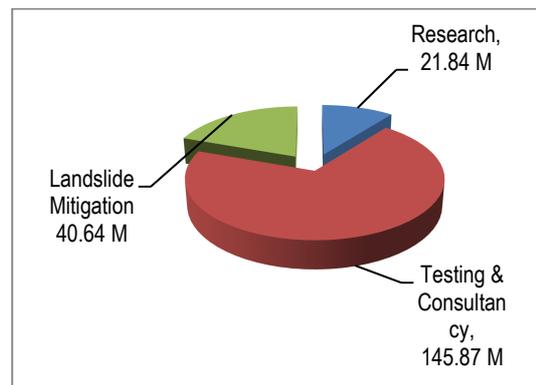
**REVENUE**

NBRO heavily relies on self-earning revenue through its activities to provide for staff salaries and all institutional expenses. Most of its financial requirements are generated through consultancy & testing services offered to the state and the private sectors.



Total income for last six years

From 2010 onwards continuously a substantial net profit was recorded, and the consolidated revenue of year under review was reported as the highest in the history of the NBRO. Total operating revenue LKR 208.35 Mn. reflecting a growth of 14.5% over the previous year 2011. Testing and technical services shows remarkable growth at around LKR 145.0 Mn. in 2012, whereas the government grants for landslides and related works have risen by 5% to LKR 76.5 Mn.



Income by Category - 2012

## PARTNERSHIP WITH PRIVATE SECTOR

Private sector involvement in high-tech consultancies is encouraged by the institution and NBRO collaborates with private sector in expediting complex projects. Further the Organisation maintains a strong interaction with the private sector as frequently clients seek NBRO services in multiple disciplines such as geotechnical engineering, environment testing and assessments, landslide hazard risk assessment, and building material testing etc.

## CONSTRAINTS

There are few obstacles for NBRO for carrying out its development, and they are:

- ✚ Unlike other typical state-sector institutions, NBRO was never formed by a separate Act of Parliament. Absence of an act for NBRO remains the major obstacle. The effort for establishing by a parliamentary act has been initiated. An act was meticulously drafted for creation of an institute as the successor to NBRO which has been submitted to legal drafting.
- ✚ NBRO has not been considered as incorporated body due to absence of an act and this prevents obtaining accreditation of NBRO laboratories.
- ✚ NBRO as a public enterprise all the Government regulations are to be followed. As a self-funded institution this is a bottle-neck to meet demands of diverse group of clients and to meet the project tasks within given targets.
- ✚ The approval for the new SOR was received only in early 2012. This prevented timely recruitment of suitable personnel. Retaining of existing staff is also difficult because they leave for other employment, even to state sector institutions offering higher remuneration and benefits.

## INITIATIVES FOR PRODUCTIVITY IMPROVEMENTS

Despite all constraints encountered by NBRO in 2010 and afterwards, remarkable progress has been recorded in the years 2011 and 2012 for which following actions proved to be productive.

- ✚ National Council for Disaster Management assessed the performance of NBRO and this paved way to new projects
- ✚ Ministry of Disaster Management has broadened the scope of NBRO and thus revitalized and improved its performance
- ✚ Treasury funds given for capital expenditure were effectively utilized to increase NBRO capacity by procuring drilling equipment, important laboratory & field equipment which enabled NBRO to carry out specialized investigations & tastings
- ✚ paying an annual bonus and incentive on encashment unutilized medical leave for all staff members
- ✚ The efficiency was improved after providing opportunities for foreign training and international exposure
- ✚ The Treasury provided four double cabs for field use to improve the efficiency of landslide investigations.

Absorption of employees has been completed as per the new Scheme of Recruitment approved by the Management Services Department. New staff recruitment and promotions have been initiated accordingly. A staff development program is underway. More local and foreign training opportunities were available for our scientists to enhance their experience and knowledge.

## FUTURE PLANS

The forecast by the NBRO Corporate Plan for the coming year shows several anticipated projects. Speedy implementation of Stabilization of Garandiella Landslide is planned for which the government considers as a priority project and grants funds. In

addition, funds are now being sought for stabilizing of other 16 landslide sites identified as hazardous and implementation of mitigation work under “Integrated Landslide Mitigation project”

Funds are also sought for the implementation of “Regeneration of Peradeniya Township” upon stabilisation of the landslide. Phase IV of the Landslide Hazard Zonation Mapping Project will be executed in next year for which the recommendation of the National Planning Department has already been received.

Incidence of ground subsidence reported in Matale is a complex and challenging task for NBRO to address in near future. NBRO collaborated for mutual technical cooperation with Norwegian Geotechnical Institute (NGI) who are experts in ground subsidence.

‘Landslide Disaster Protection Project of the National Road Network in Sir Lanka’ is a project proposal which was finalised for implementation in early 2013 in which Japan International Cooperation Agency (JICA) and GOSL will jointly provide funds, Road Development Authority (RDA) of Ministry of Highways will be the implementing agency and NBRO will be the technical support agency.

National Physical Planning Department (NPPD) in their recent Project Proposals Sri Lanka 2010-2030 identified many future projects in which NBRO can play a significant role. Two important concepts in this plan are the creation of human settlements away from natural disasters and remediation and reforestation of endangered land as a disaster mitigation activity. In this, NBRO should formulate project proposals to address these two important concepts.

## APPRECIATION

In conclusion I take this opportunity to express my sincere gratitude to the Hon. Mahinda Amaraweera, Minister of Disaster Management, Hon. Dulip Wijesekae, Dy. Minister of Disaster Management and Mrs. S M Mohamed, Secretary of the Ministry of Disaster Management and Chairperson of Interim Management Committee whose direction and guidance has paved the way to NBRO to this success. The members of IMC, and Audit & Management Committee, the Director Generals of Department of Budget, Department of General Treasury, National Planning Department, Disaster Management Centre, and the Department of Meteorology, deserve great appreciation. In addition, I express my sincere thanks to our stakeholders and valued customers for their continued confidence on us.

Above of all without help of dedicated employees of the NBRO we will not be able to achieve these goals. The quality of our performance is attributed to this remarkably competent team, their knowledge, skills and professionalism which is the backbone of NBRO. I am particularly delighted with the energy and enthusiasm with which they have dealt with the challenges.

We will work cooperatively to improve performance, accomplish corporate objectives and achieve a common goal. Team members are supportive of each other and collaborate across teams to share ideas and achieve great outcomes.



**Eng. (Dr.) Asiri Karunawardena**  
**Director General**

## OPERATIONAL HIGHLIGHTS 2012

National Building Research Organisation (NBRO) has grown and diversified into a successful technical service provider and research and development institution where experts from multiple disciplines have teamed up and dedicated to create a safer built environment for the nation. NBRO's expertise extends into a wide range of disciplines such as landslides risk management, human settlements planning, geotechnical engineering, foundation design, slope stability measures, building materials technology, environmental management & engineering and project management.

Over the years NBRO has strengthened its capacity to become a competent technical institution in Sri Lanka and at present NBRO serves as the research arm of the Ministry of Disaster Management. NBRO recognizes the diversity of the problems faced by the nation in their living environment, and is geared up to achieve solutions to maintain and improve the quality of life of the people.

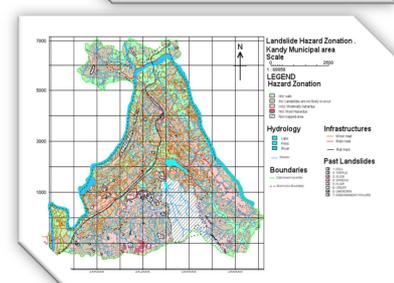
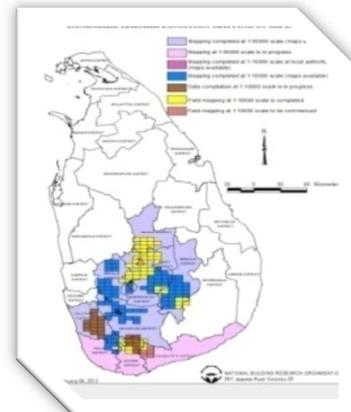
During the year under review NBRO carried out the following specific tasks in line with its designated functions and the Corporate Plan:

### Research and Development Work

- Continuation of Landslide Hazard Zonation Mapping Programme (LHMP) for identification of spatial distribution of landslide hazard by producing 1:10,000 and 1:50,000 maps. These maps are being used as an invaluable tool in national and regional level planning, issuing landslide early warning and also as the base tool for Landslide Risk Assessment Reports.

Field mapping of Kalutara district (640km<sup>2</sup>) and Hambanthota district (400km<sup>2</sup>) were completed into 1:10,000 scales. Preparation of digital hazard maps is being carried out. Data analysis and final preparation of hazard maps for 266.5 km<sup>2</sup> in Matara district have also been completed.

Landslide hazard zonation maps covering 440 km<sup>2</sup> at Nuwara Eliya district and 400 km<sup>2</sup> at Galle district was completed and finalized under multi hazard Risk Profile Preparation Project, granted by UNDP, through the Disaster Management Center (DMC). All the completed maps have been handed over to DMC.



## Technical Consultancy Work

### Mitigation and stabilization of slope in high risk landslide and rock fall sites in Nuwara Eliya, Kandy, Matale and Badulla districts.

✚ NBRO recently stepped into mitigating landslides in urban and semi urban areas where resettlement is not an economical option. Landslide Mitigation work was commenced under government grant according to the proposal submitted by NBRO to Department of National Planning through Disaster Management Centre. Mitigation of Peradeniya and Padiyapalalla landslides were implemented accordingly and these two important projects are at the final stage of near completion. The Garandiella landslide stabilisation program was commenced in the year 2012 and plans have already being made to commence mitigate about 16 landslides located in the Central Province and the Badulla District within the next 5 years under the Integrated Landslide Mitigation Project where donor assistance is expected through External Resources Department.

#### Peradeniya Landslide Mitigation Project – ( Phase 1)

Total Estimated cost : Rs 102.0 Mn

Time Frame : 2009 – 2012

Proposed Mitigation Activities in 2012 :

- Terracing
- Erosion control measures
- Surface draining system
- Retaining walls
- Control Blasting
- Instrumentation & Monitoring



Before Mitigation Work

Actual work done in 2012 : Rs.15.73 M

Allocation of fund in 2012 : Rs. 13.65 M

Cumulative Physical Progress 90%



Mitigation in progress



Peradeniya Today

## Padiyapalella Landslide Mitigation Project

Estimated cost : Rs 55.3 Mn

Time Frame : 2009 – 2012

### Proposed Mitigation Activities :

Both surface and subsurface drainage improvement

Retaining Structures

Modification and reshaping of existing slopes

Soil Anchoring

Reinforcement of existing structures

Improvement of existing road

Instrumentation & monitoring

Actual work done in 2012 : Rs.14.40 M

Allocation of fund in 2012 : Rs. 13.65 M

Cumulative Physical Progress 90%



Before Mitigation



Mitigation in progress



Today

## Mitigation of Grandi-Ella Landslide

Estimated cost : Rs 98.0 Mn.

Time Frame : 2012– 2017

### Proposed Mitigation Activities:

Retaining structures –gabion structures

Sub-surface drainage system development - Lateral drains

Soil removal and loading, reshaping of slope segments etc

Surface drainage system development.

Planting of suitable trees and adopts best land uses

Actual work done in 2012 : Rs.14.82 M

Allocation of fund in 2012 : Rs. 27.30 M

Cumulative Physical Progress 15%



### Landslide Early Warning

- NBRO is entrusted with the important duty of issuing landslide early warning during the inclement weather conditions

### Issue of Landslide Risk Assessment Reports and Recommendations

- The objective of issuing a Landslide Risk Assessment Report (LRAR) in landslide-prone areas is to increase the safety of life, property and environment by studying and minimizing the risk of future landslide disaster and slope instabilities prior to commencing any construction or development activity. NBRO has been assigned the task of issuance of LRARs and the issuance process was started in March 2011. LRAR has now become a prerequisite of a building permit issued by a local authority. This process is managed by respective NBRO district offices in the ten landslide-prone districts.

### Progress of the Landslide Risk Assessment Process – 01.01.2012 to 31.12.2012

District	Total Application Received	Total File Attended *	Number of Application Rejected
Kandy	3810	4005	34
Matale	1022	1010	10
N' Eliya	983	925	03
Badulla	1171	1155	23
Kegalle	1704	1627	01
Rathnapura	792	725	17
Kalutara	109	96	00
Galle	1425	1449	00
Matara	276	290	01
Hambantota	01	06	00
<b>Total</b>	<b>11,293</b>	<b>11,288</b>	<b>89</b>

\* Including last year's unattended files

### Landslide Special Investigations

- NBRO performed investigations for identification of risk associated with nearby human settlements, infrastructure and plantations and provided immediate recommendations to the District and Divisional Secretaries/ other governmental institutions to ensure the safety of life and property when a landslide occur.

### Details of special investigation carried out during the reporting year

No	District	Investigations	
		Services	Consultancy
01	Badulla	273	178
02	Colombo	10	57
03	Galle	13	238
04	Gampaha	7	-
05	Matara/Hambantota	52	164
06	Kalutara	129	67
07	Kandy	212	1032
08	Kegalle	161	621
10	Matale	150	27
12	Nuwara Eliya	24	180
13	Rathnapura	66	46
	<b>Total</b>	<b>1006</b>	<b>2610</b>

### Major Geotechnical Investigations

- NBRO has established its reputation as a recognized body to carry out geotechnical investigations including ground exploration and testing of geo material in its well equipped laboratory. Research on understanding the behaviour of residual soil, expansive soil and peaty soil and finding appropriate construction technologies over the problematic soil types have given prime concern.

### Borehole Investigation along Northern Section 2 of Outer Circular Highway (OCH) - section from Kerawalapitiya to Kadawatha - Link 2

Client – Road Development Authority  
 Project value – Rs. 11.44 M  
 Physical progress - 100%

The project consists of advancing 50 boreholes upto hard rock to construct a via duct arrangements as a part of Outer Circular Highway-III. Projects satisfactorily completed.



**Borehole Investigation along Outer Circular Highway (OCH) - North Section 1 from Kadawatha to Kaduwela**

Client - Taisei Corporation  
 Project value – Rs. 8.44M  
 Physical progress - 100%

The project consists of advancing 62 nos of boreholes. Project satisfactorily completed.



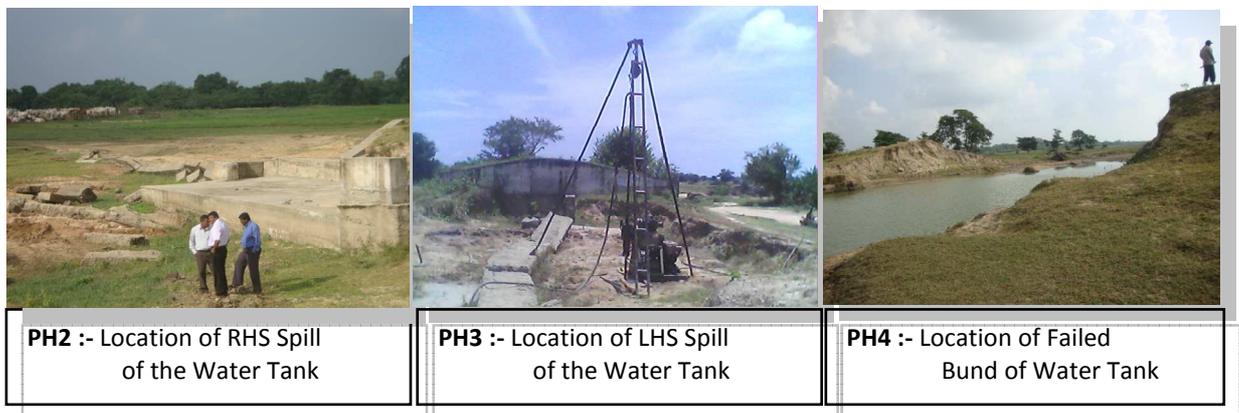
**Rehabilitation of Semmanikkulam tank at Pottuvil in Ampara District**

Client - Irrigation Department  
 Project value – Rs.1,90 M  
 Physical progress - 100%

Major Tasks :

- Detailed Geotechnical Investigation at breach section,
- Detailed hydrological Survey,
- Detailed analysis of the trial sections of the bund and spills under critical flow conditions for the design of the bund breach and the collapsed spills to propose appropriate designs for the rehabilitation works of the Semmanikkulam tank in Pottuvil

Project satisfactorily completed.



**PH2** :- Location of RHS Spill of the Water Tank

**PH3** :- Location of LHS Spill of the Water Tank

**PH4** :- Location of Failed Bund of Water Tank

### Soil Investigation for Proposed multi storey buildings at Kankasanthurei

Client - Sri Lanka Navy

Project value – Rs.1,43 M

Physical progress - 100%

Six boreholes were advanced. Project satisfactorily completed.



### Soil investigation and recommendation for the Meethotamulla solid waste disposal site

Client – Colombo Municipal Council (CMC)

Project – Rs. 2.40 M

Physical progress - 100%

The objectives of this investigation include the following;

- Provide general descriptions of the subsurface soil conditions encountered throughout the site area
- Find out most reliable reason/s for the distress observed on October 2012
- Demarcate the zone in which the houses are strong enough to stand without any damages in future
- Provide the design recommendations and type of retaining structure/s to be constructed around the disposal site
- Comment on ground improvement and well maintenance aspects of the site



## Environmental Management

### Environmental Status Assessment - Melwire Rolling Pvt Ltd. Steel Factory

Melwire Rolling Pvt Ltd Steel Factory produces steel reinforcement bars, wire rolls and L iron using scrap iron for the local construction sector. As a result of a complaint made by “Ekala Prisara Surakime Sanvidanaya” against Melwire Rolling Pvt Ltd, the Human Rights Commission decided to obtain a complete technical report from NBRO on environmental impacts and impacts on the neighbouring settlers by the factory operations.

Project completed - Report submitted



### Environmental Status Assessment- Rhino Products Pvt. Ltd. (Asbestos - Cement corrugated roofing sheet factory)

The Rhino Products Pvt. Ltd. produces corrugated cement asbestos roofing sheets for domestic construction sector. The Human Rights Commission has decided to obtain a complete technical report from NBRO on environmental impacts and impacts on the neighbouring settlers by the factory operations on a complaint filed by the “Ekala Prisara Surakime Sanvidanaya” stating that the factory operates without complying with national environmental regulations and cause environmental and health impacts to surrounding residents.

Project completed - Report submitted



### Environmental Status Assessment - Asia Power (Pvt.) Ltd.

NBRO is conducting Environmental Status Assessment of the thermal power plant of Asia Power Pvt. Ltd. annually since 1999 as requested by the Asia Power Pvt. Ltd. In 2012, Environmental Status Assessment covered the environmental performance during the operation and upgrading done in the year 2011. The power plant has a generation capacity of 51 MW using heavy fuel oil as energy source.

Project completed - Report submitted

### Screening oil releasing sources and the extent of oil pollution in Pattiwila Marsh and the Pattiwila Canal (Ela) segment -

Project Director, Kelani Right Bank Water Supply Project (KRB), requested NBRO to investigate and report the potential sources and the extent of oil contamination in the Pattiwila Marsh. The marsh drains to Kelani River through Pattiwila Ela immediately upstream of the Right Bank Water Treatment Plant of National Water Supply & Drainage Board. Intake of the water treatment facility is affected by the intermittent release of oil from the facilities which's located upstream from the Pattiwila Marsh.



Project completed - Report submitted

### **Examination of route of oil migration and screen the source of oil contamination of external water wells due to burst of Diesel Pipeline - Loadstar Pvt. Ltd., Midigama, Galle**

Business Systems and Compliances, Global Supply Chain and Manufacturing of Loadstar Manufacturing Division of Camoplast Solideal requested the NBRO to investigate and report the potential source of oil in the neighbouring drinking water wells at Midigama plant, based on complaints made by the members of the neighbouring community.

Project completed - Report submitted

### **Project Management Work**

#### **Project - Construction of the National Centre for Non-Destructive Testing for Atomic Energy Authority**

**Client - Atomic Energy Authority**

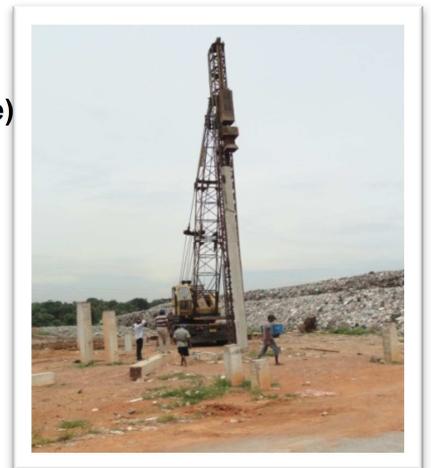
Construction of National Centre for Non-Destructive Testing (NCNDT) for Atomic Energy Authority under the Ministry of Technology, Research and Atomic Energy is underway. Total Estimated Cost of the project is Rs.300 M. PMD has been entrusted to provide the Consultancy Services on construction supervision and payment certifications to the Contractor, Sri Lanka Land Reclamation and Development Corporation (SLLR&DC) during the construction period.



#### **Project - Proposed Composting Facility at Karadiyana**

**Client - Waste Management Authority (Western Province)**

PMD is providing Consultancy Services for Supervision of Sub-Structure Work for Proposed Composting Facility at Karadiyana for Waste Management Authority (Western Province). Construction cost of the above Project is approx. Rs. 180 M.



## Sponsored Research

### Establishment of a Modern Rock Crushing Plant for Producing High Quality Aggregate for the Construction Industry

Production and supply of good quality aggregate and sand for use as alternatives to river sand is an urgent national need, which should be encouraged and supported by the state and relevant authorities. This project aims to establish a rock crushing plant equipped with high-tech equipment and machinery having all facilities to meet the demands of the construction industry.



The project initiated with the collaboration of two organizations. Triumphal Trading Co. (Pvt.) Ltd has the expertise on rock quarrying and crushing techniques, equipment and machinery. NBRO has long standing experience on testing of materials and on R & D (research and development) of innovative material, especially research on alternatives to river sand.

The project envisages the production of fine aggregate (in addition to coarse aggregate) to meet the demands of the construction industry in respect of quality. A preliminary laboratory investigation based on a comparative evaluation of selected samples of crushed rock material (including sands manufactured in UK) river sand and pit sand samples and a sea sand sample was carried out.

In implementing this project it was aimed to produce sand and aggregate from crushed rock in preference to other alternatives. In this regard,

- A suitable rock outcrop has already been located.
- Suitable machinery and equipment have been identified after a thorough study, and
- The investors are confident that quality assurance which is essentially required to satisfy customer needs could be provided by adopting a planned procedure as described below.

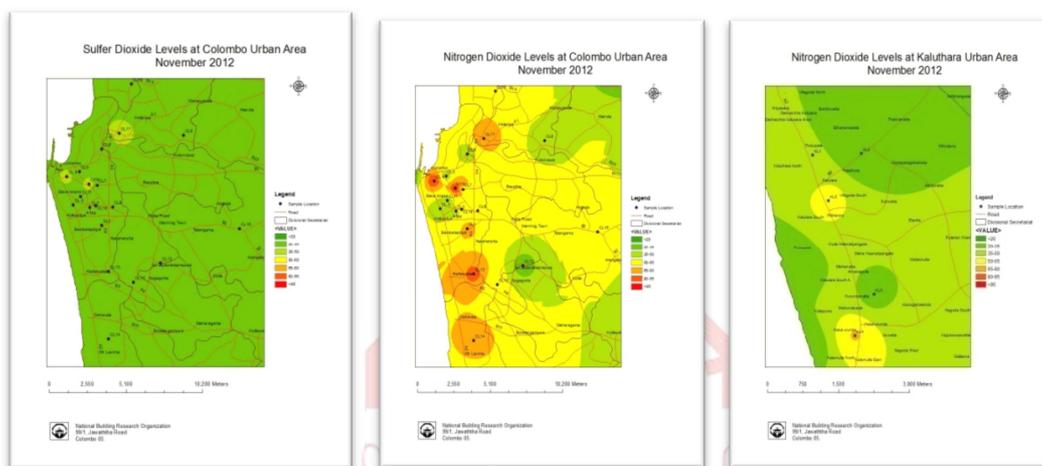
Research and development work has been carried out at international level on aggregate production to,

- devise methods of controlling fines in rock crushing and screening
- utilize rock fines by judicious application of same in concrete and mortar to improve the properties of the final product
- design equipment and machinery to control the size and shape of aggregate to meet specified requirements.

The ambitious objectives of the project could be achieved with a change in the mindset of all stakeholders. The investors are confident that the project objectives could be achieved with the total commitment of all those who are involved.

## Establish Policy and a Methodology to Study Ambient Air Quality in Main Urban Cities in Sri Lanka by using Passive Air Quality Monitoring Technique

Department of Motor Traffic in collaboration with Ministry of Environment and Natural Resources has taken an initiative to collect data on air quality at identified cities especially in provincial capitals to evaluate the impact of vehicle emissions on ambient air quality with the intention of implementation of VET (Vehicle Emission Testing) programme to other 6 provincial areas. NBRO carried out measurements of this study to ascertain air quality levels at major cities in Colombo, Gampaha, Kalutara, Rathnapura and Galle districts. Objective of the project is to establish the ambient air quality status in urban areas through ambient air quality monitoring using low investment passive sampling techniques. Analyzed data is to be used in decision making in urban air quality management and transport planning for vehicular emission reduction. This project will be extended in 2013 to other districts as well. (Project Value LKR 1,92 M)



## Climate, Drought, and Agricultural Adaptations: An Investigation of Vulnerabilities and Responses to Water Stress among Paddy Farmers in Sri Lanka

A collaborative work between the Vanderbilt Institute for Energy and Environment (VIEE) and the National Building Research Organisation (NBRO)

This is a five-year project (2012-2017) that involves collaboration between the VIEE of USA, and NBRO. Water scarcity is a growing concern throughout the world, affecting an estimated one third of the population on every continent. The problem is particularly urgent in developing countries heavily reliant on agriculture, which can account for as much as 85-90% of fresh water usage. Historically, the world's farmers have relied on traditional practices to manage water, but now find themselves challenged by new conditions that require adaptation to these farming practices. The research team have used a multi-level, multi-method approach that incorporates farmer surveys, regional level drought indices (coupled with short- and long-term drought forecast methods), key informant interviews, and archival analysis. This research draws upon the core disciplines of psychology, sociology, hydrology, and engineering in order to investigate the issues among paddy farmers within the Mahaweli River Watershed (MRW) of Sri Lanka.

VIEE and NBRO also collaborated to conduct a pilot survey of 193 farmers in five communities throughout the dry zone to assess cultivation practices, perceptions of environmental change, perceptions of water scarcity and actions taken to adapt to drought.

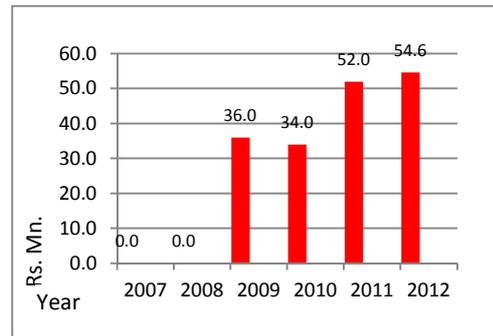
## FINANCIAL HIGHLIGHTS

In 2012, NBRO recorded consolidated revenue of LKR 208.35 Mn. that reflects a growth of 14.5% over the previous year.

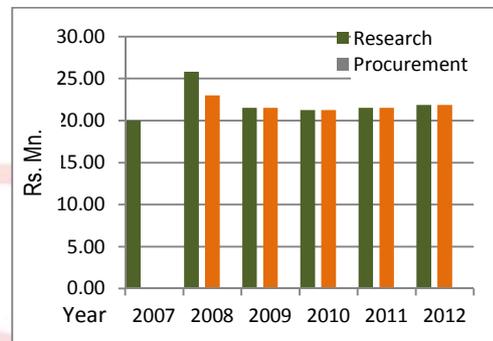
Revenue from customary NBRO services LKR 145.87 Mn. shows remarkable 34.7% growth in 2012. The institution depends entirely on this consultancy revenue generated to meet its recurrent expenditure.

The government grants for landslides and related works have risen by 5% to LKR 76.44 Mn for the year under review where as the forecasts by the NBRO Corporate Plan for the coming year shows anticipated government grant as LKR 116.0 Mn. which is nearly 42% of the total budget 278 Mn.

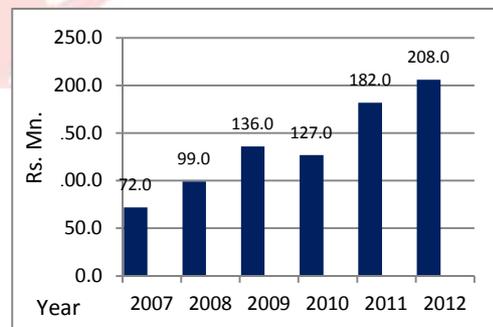
Ten district offices of NBRO have been functioning since March 2011 for issuance of Landslide Risk Assessment Reports for development work in landslide-prone districts. Total expenditure of LKR 37.7 Mn. is borne by NBRO for this work and LKR 15.0 Mn. has been recovered as the nominal fee charged.



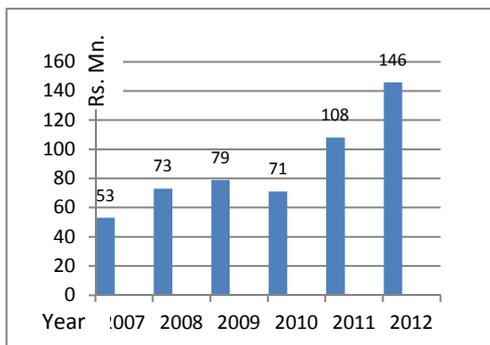
Landslide Mitigation Budget



Research and Procurement Grant



Total Income



Income by Testing & Consultancy

Total allocation for 2012 for GOSL funded Peradeniya and Padiyapelella projects was LKR 27.3 Mn out of which LKR 20.5 Mn was received from Disaster Management Centre (DMC) showing a balance LKR 6.8 Mn. However, the value of total work done in the year exceeded budgetary allocation and the shortage has been met with the internally generated revenue of NBRO.

Total budgeted expenditure for mitigation of Garandiella Landslide Project for year 2012 was LKR 27.3 Mn. and 40% of projected work was completed for which LKR 13.34 Mn. was received.

In addition, Research Grant for Landslide Hazard Mapping of LKR 21.84 Mn.; Grant for Landslide Special Investigations of LKR 10.92 Mn. and Procurement Grant for lab & field equipment of LKR 21.84 Mn., were received from the Treasury as anticipated.

The total operating revenue for year 2012 was LKR 208.35 Mn. while total operating expenditure for the corresponding period was LKR 194.24 Mn. The expenses on personal emoluments for the staff strength of 228 plus daily paid employees was LKR 107.2 Mn. as against the staff strength of 236 plus daily paid employees was LKR 94.4 Mn. in year 2011.

The institution growth and enhanced performance have been mainly due to the courageous effort of the management and the staff of NBRO.



## STATEMENT OF FINANCIAL POSITION

*For the year ended 31<sup>st</sup>  
December 2012*

	2012 Rs	2012 Rs	2011 Rs.	2011 Rs.
<b>ASSETS</b>				
<b>Non - Current Assets</b>				
Property ,Plant and Equipment	67,510,842.20		79,924,846.06	
Sundry Debtors ( 1991 to 2009)	9,087,853.13		5,266,577.03	
		76,598,695.33		85,191,423.09
<b>Current Assets</b>				
Inventories	1,261,495.03		705,366.59	
Refundable Payments	830,984.42		289,898.42	
Work In Progress	12,450,889.42		1,561,109.39	
Sundry Debtors (2010 to 2012)	17,676,718.64		16,281,604.84	
Sundry Receivable / Grants & Projects	18,911,229.02		49,911,229.02	
Deposits	5,756,030.78		4,416,731.57	
Advances	5,834,485.73		4,476,121.33	
Prepayments	161,731.75		335,158.95	
Cash and Cash Equivalents	57,383,591.05		9,835,650.71	
		120,267,155.84		87,812,870.82
<b>Total Assets</b>		<b>196,865,851.17</b>		<b>173,004,293.91</b>
<b>LIABILITIES</b>				
<b>Current liabilities</b>				
Sundry Creditors	1,373,802.67		2,084,027.59	
Accrued Expenses	9,831,514.05		6,701,041.95	
Refundable Deposits	2,278,098.15		2,262,276.95	
	<b>13,483,414.87</b>		<b>11,047,346.49</b>	
<b>Non-current liabilities</b>				
Welfare Fund	374,261.10		374,261.10	
Provision for Gratuity	39,048,183.75		32,147,490.50	
Less: Gratuity Payments	(2,338,870.00)	36,709,313.75		
	<b>37,083,574.85</b>		<b>32,521,751.60</b>	
<b>Total Liabilities</b>		<b>50,566,989.72</b>		<b>43,569,098.09</b>
<b>Total Net Assets</b>		<b>146,298,861.45</b>		<b>129,435,195.82</b>
<b>NET ASSETS / EQUITY</b>				
Assets Acquired	2,264,497.95		2,264,497.95	
Revaluation Surplus	27,875,989.31		27,875,989.31	
Government Grant	136,183,151.60		125,985,944.54	
Other Grants	27,701,789.81		42,496,995.95	
Accumulated Profit / (Loss)	(47,726,567.22)		(69,188,231.93)	
		146,298,861.45		129,435,195.82
<b>Total Net Assets / Equity</b>		<b>146,298,861.45</b>		<b>129,435,195.82</b>

## STATEMENT OF FINANCIAL PERFORMANCE

*For the year ended 31<sup>st</sup> December 2012*

	<b>2012</b>	<b>2011</b>
	<b>Rs.</b>	<b>Rs.</b>
<b>Operating Revenue *</b>		
Revenue	185,256,279.83	159,752,138.01
Other Operating Income	1,255,393.68	582,135.81
Research Grant	21,840,000.00	21,500,000.00
	<u>208,351,673.51</u>	<u>181,834,273.82</u>
<b>Operating Expenses *</b>		
Personal Emoluments	107,270,718.36	94,431,614.60
Travelling & Subsistence	7,165,126.20	4,861,107.59
Supplies and Consumables Used	12,395,115.55	10,910,859.36
Repair & Maintenance	7,088,100.03	3,752,146.76
Contractual Services	41,435,342.46	34,669,079.72
Other Operating Expenses	18,895,330.02	13,907,760.39
<b>Total Operating Expenses</b>	<u>194,249,732.62</u>	<u>162,532,568.42</u>
<b>Surplus / (Deficit) from Operating Activities</b>	<u>14,101,940.89</u>	19,301,705.40
Laps Account		<u>25,000.00</u>
		19,326,705.40
Finance Cost	(47,507.28)	(17,853.23)
Non Operating expenses	7,407,231.10	(3,902,148.22)
Total non Operating Revenue (expenses)	<u>7,359,723.82</u>	<u>(3,920,001.45)</u>
<b>Net surplus / (deficit) for the Period</b>	<u><u>21,461,664.71</u></u>	<u><u>15,406,703.95</u></u>

## CASH FLOW STATEMENT

For the year ended 31<sup>st</sup> December 2012

	Rs.	Rs.	Rs.
<b>Cash Flows from Operating Activities</b>			
<b>Surplus / (Deficit) for the Year</b>	<b>21,461,664.71</b>		
Research Grant	(21,840,000.00)		
Prior Year Adjustment	(14,592,712.48)		
	<u>(14,971,047.77)</u>		
<b>Adjustments for Items Not Involving Movement of Funds</b>			
Depreciation	5,508,892.00		
Provision for Gratuity	6,900,693.25		
Gratuity Payment	(2,338,870.00)		
Prior Year Adjustment	14,592,712.48		
	<u>14,592,712.48</u>		
<b>Operating Profit Before Changes in Items of Working Capital</b>	<b>9,692,379.96</b>	9,692,379.96	
<b>Changes in Items on Working Capital</b>			
Increase in Debtors (1991-2009)	(3,821,276.10)		
Increase in Inventories	(556,128.44)		
Increase in Refundable Payments	(541,086.00)		
Increase in Working In Progress	(10,889,780.03)		
Increase in Debtors (2010-2012)	(1,395,113.80)		
Decrease in Sundry Receivable- Grants & Projects	31,000,000.00		
Increase in Deposits	(1,339,299.21)		
Increase in Advances	(1,358,364.40)		
Decrease in Pre payments	173,427.20		
Decrease in Sundry Creditors	(710,224.92)		
Increase in Accrued Expenses	3,130,472.10		
Increase in Refundable Deposits	15,821.20	13,708,447.60	
	<u>15,821.20</u>		
<b>Net Cash Flows from Operating Activities</b>			<b>23,400,827.56</b>
<b>Cash Flows from Investing Activities</b>			
Purchase of Fixed Assets		(19,532,887.22)	(19,532,887.22)
<b>Cash Flows from Financing Activities</b>			
Government Grant (Research & Procurement)		43,680,000.00	<b>43,680,000.00</b>
			<u>47,547,940.34</u>
<b>Cash and Cash Equivalents Beginning of the Period</b>			<u>9,835,650.71</u>
<b>Cash and Cash Equivalents as at 31.12.2012</b>			<u><u>57,383,591.05</u></u>

## NOTES TO ACCOUNTS

### 1. FUNDAMENTAL ACCOUNTING ASSUMPTIONS.

- (a) Going concern
- (b) Accounting Policies consistently applied.
- (c) Revenue and cost are accrued and recorded in the year to which they relate.

### 2. GENERAL ACCOUNTING POLICIES.

- (a) Full Year Depreciation is being provided for in the year of purchase and non-four Year of disposal each year from 2009.

Depreciation for the year on revalued items of lab and field equipment, vehicles, furniture and fittings charged to profit and loss accounts during the year.

- (b) Assets are depreciated on a straight line method as follows:

	%
Buildings	2.5
Machinery and Lab Equipment	20.0
Furniture and Fittings	10.0
Vehicles	20.0
General office equipment	20.0
Drawing office equipment	10.0
Tools	50.0
Library Books	5.0
Fire Extinguishers	10.0

- (c) Depreciation of assets has been deducted from Grants as stipulated in Para 24 of Sri Lanka Accounting Standards 24.
- (d) Materials are issued on first in first out basis and the closing stock valued at the last purchase price.

### 3. PROVISION FOR GRATUITY.

Calculation of provision for gratuity is based in accordance with the gratuity act.

### 4. GOVERNMENT GRANTS

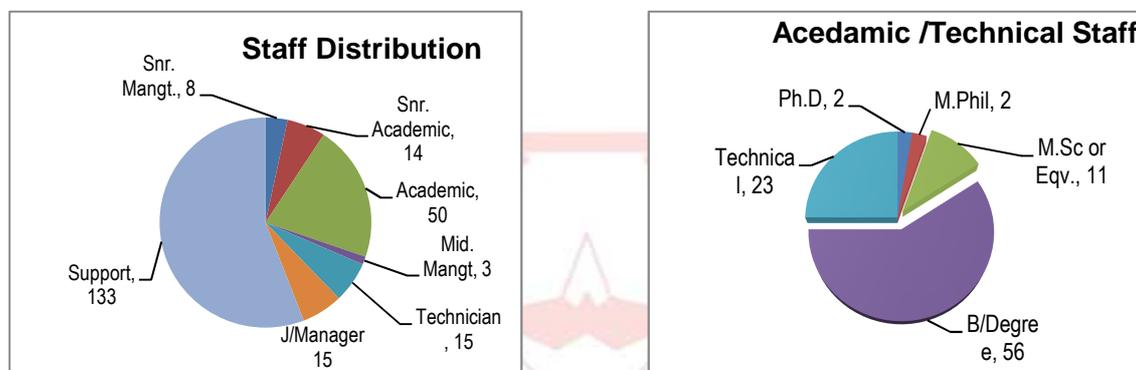
	2012 Rs.	2011 Rs.
Grant for the procurement	21,840,000	15,000,000
Grant for the 04 Nos.of Vehicles	<u>11,000,000</u>	<u>1,650,000</u>
	<u>32,840,000</u>	<u>16,650,000</u>

- General Treasury Funded 04 nos. of Toyota Hilux Double Cabs.

## HUMAN RESOURCE /CAPACITY DEVELOPMENT

NBRO’s Vision and Mission are set to develop its capacities to cater the Ministry’s DRR needs. With this view NBRO is in the process of legalizing the institution mission by an act and developing staff capacities to deliver high standard outputs. Staff turnover is one of the inherent issues at NBRO during the recent past. Human resource and infrastructure needs of the institution are becoming a matter of serious concern with the increasing responsibilities the institution shoulder at present.

The new scheme of Recruitment was approved by the Department of Management Services in last year. Accordingly a cadre of 274 positions available to carry out the activities of the Organisation. Absorption of incumbent employees as per the new SOR has been completed during the latter part of the reporting year. Accordingly recruitment of new employees for the essential vacant positions was filled. 25 employees in 6 categories have been recruited. The total vacancy exit as at 31<sup>st</sup> Dec. was 36. A staff development program has been initiated. Local and foreign training opportunities were widened and available for our staffs to enhance their experience and knowledge.



### STAFF RECRUITMENTS/ RETIREMENTS/ RESIGNATIONS – 2012

No	Sal/ Code	Staff Category	No of Recruitment	No of Resignations	No. of Retirement
1	HM 1-3	Senior Manager	01	-	-
1	MM 1-1	Middle Management	-	01	-
2	AR 1	Academic/ Scientist	11	11	-
3	MA 2-2	Management Assistant (Tech)	01	02	-
4	MA 1-2	Management Assistant (Non Tech)	01	04	01
5	PL 3	Primary Skilled	05	01	-
6	PL 1	Primary Unskilled	06	02	-
<b>TOTAL</b>			<b>25</b>	<b>21</b>	<b>01</b>

### PROVISION OF LACAL TRAINING – 2012

No	Salary Code	Staff Category	No of people trained Locally
1	AR 1/2	Academic/ Research	44
2	MM 1-1	Middle Management	02
3	JM1-1	Junior Management	01
4	MA 2-2	Management Assistant (Tech)	04
5	MA 1-2	Management Assistant (Non Tech)	14
6	PL	Primary	05
<b>TOTAL</b>			<b>70</b>

## PARTICIPATION IN FOREIGN TRAINING – 2012

	Name of the officer	Designation	Title of the course	Country	Duration
1	Mr. R M S Bandara	Snr. Scientist/ Geologist Head, LRRMD	3 <sup>rd</sup> Regional Meeting for Discussion and Promotion of Early Warning Mechanisms for Landslides in Asian Region (RECLAIM Phase III)	Myanmar	25 <sup>th</sup> -27 <sup>th</sup> January
2	Mr. K C Sugathapala	Snr. Scientist/ Planner Head, HSPTD	Development of Phase III of the Regional Consultative Committee Program on Mainstreaming Disaster Risk into Development in Asia	Thailand	8 <sup>th</sup> -9 <sup>th</sup> February
3	Mr. R M S Bandara	Snr. Scientist/ Geologist Head, LRRMD	Expert to the Asian Disaster Reduction Centre (ADRC) peer Review in Tajikistan	Tajikistan	13 <sup>th</sup> -15 <sup>th</sup> February
4	Eng.(Dr.) Asiri Karunawardena	Director General	Workshop for Disaster Prevention Officials	Japan	12 <sup>th</sup> -18 <sup>th</sup> February
5	Mr. N I C Peiris	Snr. Scientist/ Geologist	Learning Disaster Resilience Best Practices; Bangladesh Experience	Bangladesh	25 <sup>th</sup> -28 <sup>th</sup> February
6	Mrs. Kumari Weerasinghe	Snr. Scientist/ Engineer	Workshop on the Use of Multi-Global Navigation Satellites System for Sustainable Development UNCC	Thailand	21 <sup>st</sup> -22 <sup>nd</sup> March
7	Eng.(Dr.) Asiri Karunawardena	Director General	South Asia Leader Engagement Program on Disaster Management	USA	21 <sup>st</sup> -28 <sup>th</sup> April
8	Mr. K C Sugathapala	Snr. Scientist/ Planner Head, HSPTD	The Final Conclusions of the Recovery Handbook for Practitioners	Thailand	4 <sup>th</sup> May
9	Mr. M M C U B Moremada	Scientist/ Geologist	Training Course on Natural Disaster Management	Thailand	28 <sup>th</sup> May- 15 <sup>th</sup> June
10	Mrs. J K Jayawardana	Snr. Scientist/ Engineer	SAARC Training Program on Techniques for Earthquake Resistant Structures for Engineers and Architects	India	18 <sup>th</sup> – 29 <sup>th</sup> June
11	Mrs. Nanthini Wasanthan	Scientist/ Engineer	-do-	-do-	-do-
12	Mrs. P H K de Silva	Snr. Scientist/ Engineer Head, GETD	River Erosion & Embankment Safety Management in South Asia Region:	Bangladesh	12 <sup>th</sup> – 18 <sup>th</sup> July
13	Mr. U K N P Darmasena	Snr. Scientist/ Engineer	-do-	-do-	-do-
14	Mr. C S Menikpura	Scientist/ Geologist	GTC: Satellite Remote Sensing Data Analysis Techniques for Disaster /Environmental Monitoring (J-12-00816)	Japan	1 <sup>st</sup> August – 8 <sup>th</sup> September
15	Mr. N M L B Nawarathna	Scientist/ Geologist	Training Program on Community Based Disaster Management Preparedness and Coping Strategies	India	22 <sup>nd</sup> August – 18 <sup>th</sup> September
16	Mr. H M L Indrathilaka	Scientist/ Geologist	Maintenance of Mountain Road – (Training for Loan Project) Course No: J-12-90032	Japan	29 <sup>th</sup> October – 15 <sup>th</sup> December
17	Mr. H R Maduranga	Scientist/ Engineer	-do-	-do-	-do-
18	Mr. M I D H Wijewickrama	Sr. Scientist/ Geologist	Seminar on “Road Development & Disaster Prevention after the Great East Japan Earthquake	Japan	25 <sup>th</sup> November – 1 <sup>st</sup> December

## PARTICIPATION IN NATIONAL PROGRAMMES

### Dayata Kirula Development Exhibition – 2012, Oyamaduwa- Anuradhapura

Dayata Kirula National Development Exhibition-2012 was held in the ground of National Livestock Development Board (NLDB) based on Oyamaduwa area in the Anuradhapura District of Rajarata, parallel to the Independence Day for the purpose of acknowledgement the people on the progress of the Development Programme Mahinda Chintana vision for the future and future development expectations.

NBRO participated in the exhibition by opening a stall. Models and posters on NBRO activities were displayed at the exhibition. NBRO staff members were deployed to explain the activities of NBRO and to educate the general public on landslide and associated disasters.



## CAPACITY DEVELOPMENT

NBRO is considered as the national focal point for landslide risk management in Sri Lanka. With the increasing trend of disasters and development boom, NBRO needs to address complex and challenging situations of disasters / development and entail to play a wider role by strengthening its capacities.

During the year 2012 NBRO were able to strengthen the capacity of equipment with the Assistance of the Government. LKR 21.84 Mn. was received to procure research, lab and field equipment.

In addition the Treasury provided four double cabs for field use to improve the efficiency of landslide investigations

Following equipment were procured during the year

- Distance Measurements Instruments 15
- Geo Tester - 5
- Geological Compass 20
- Geological Hammers - 15
- Humidity Cabinet -1
- Point Load Index Machine -1
- Core Drilling Bits & Drilling Accessories
- Ambient Air Quality Monitoring Unit & Accessories

## PROGRESS OF EACH DIVISION.

### 1. Landslide Research & Risk Management Division [LRRMD]

Rs. M

Type of Test/ Consultancy	No of Assignments carried out	Anticipated Revenue	Actual Revenue	Progress %
1) Landslide Mitigation	3	54.60	37.28	
2) Special Investigations	1006	10.00	10.92	
3) LRAR	11288	12.00	15.00	
4) Consultancy	2610	8.00	29.77	
<b>Total</b>		<b>84.60</b>	<b>92.97</b>	<b>100%</b>

### 2. Environmental Studies & Services Division [ESSD]

Rs. M

Type of Test/ Consultancy	No of Assignments carried out	Anticipated Revenue	Actual Revenue	Progress %
1) Testing of Air Quality	238	10.00	9.95	
2) Water Quality , Soil, Cement & Other Testing &Other Testing	243	4.00	3.90	
3) Environmental Consultancy Services	6	6.00	4.61	
<b>Total</b>	<b>487</b>	<b>20.00</b>	<b>18.46</b>	<b>92%</b>

### 3. Building Materials Research & Testing Division [BMRTD]

Rs. M

Type of Test/ Consultancy	No of Assignments Undertaken	Anticipated Revenue	Actual Revenue	Progress %
1) Concrete Testing	1579		6.24	
2) Reinforcing & structural steel	427		9.10	
3) Aggregate	86		1.56	
4) Miscellaneous Testing	300		3.65	
5) Site testing work	58		4.70	
<b>Total</b>	<b>2450</b>	<b>21.00</b>	<b>25.25</b>	<b>100%</b>

### 4. Geotechnical Engineering & Testing Division [GETD]

Rs. M

Type of Test/ Consultancy	Target No of Assignments	Anticipated Revenue	No of Assignments	Actual Revenue	Progress %
1) Geotechnical Investigations	40	38.0	64	38.70	
2) Soil Testing	60	2.0	75	2.60	
3) Other				2.99	
<b>Total</b>	<b>100</b>	<b>40.00</b>	<b>139</b>	<b>44.29</b>	<b>100%</b>

## 5. Project Management Division

Rs. M

Type of Work/ Consultancy	No of Assignments carried out	Anticipated Revenue	Actual Revenue	Progress %
1) Project Management & Certifying bills	3		3.36	
2) Building Consultancy Projects	9		6.00	
3) Condition Report & Miscellaneous Work	18		1.93	
<b>Total</b>		<b>11.00</b>	<b>11.29</b>	<b>100%</b>

## 6. Human Settlements Planning & Training Division [HSPTD]

Rs. M

Type of Test/ Consultancy	No of Assignments carried out	Anticipated Revenue	Actual Revenue	Progress %
1) Human Settlements Services	10			
2) Training & Awareness	10			
3) Miscellaneous Work	01			
<b>Total</b>		<b>5.00</b>	<b>4.16</b>	<b>83%</b>





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**கணக்காய்வாளர் தலைமை அறிப்பி**  
**திரணைக்களம்**



**AUDITOR GENERAL'S DEPARTMENT**

මගේ අංකය  
எனது இல  
My No.

DE/G/NBRO/FA/  
2012

ඔබේ අංකය  
உமது இல  
Your No.

දිනය  
திகதி  
Date

21 February 2014

The Director General  
National Building Research Organization

**Report of the Auditor General on the Financial Statements of the National Building Research Organization for the year ended 31 December 2012 in terms of Section 14(2)(c) of the Finance Act. No. 38 of 1971.**

The audit of financial statements of the National Building Research Organization for the year ended 31 December 2012 comprising the statement of financial position as at 31 December 2012 and the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Finance Act, No. 38 of 1971. My comments and observations which I consider should be published with the Annual Report of the Organization in terms of Section 14(2)(c) of the Finance Act, appear in this report. A detailed report in terms of Section 13(7)(a) of the Finance Act, was furnished to the Director General of the Organization on 16 July 2013..

**1:2 Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Principles and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

**1:3 Auditor's Responsibility**

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

අංක 306/72 පොල්දූව පාර,  
බත්තරමුල්ල, ශ්‍රී ලංකාව

இல. 306/72, பொல்துவ வீதி,  
பத்தரமுல்லை இலங்கை

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#- மெயில்  
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An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgements, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Organization's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Organization's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements. Sub - sections (3) and (4) of Section 13 of the Finance Act, No. 38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the audit.

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

1:4 Basis for Qualified Audit Opinion  
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My opinion is qualified based on the matters described in paragraph 2.2 of this report.

2. Financial Statements  
-----

2:1 Qualified Opinion  
-----

In my opinion, except for the effects of the matters described in paragraph 2:2 of this report, the financial statements give a true and fair view of the financial position of the National Building Research Organization as at 31 December 2012 and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

## 2:2 Comments on Financial Statements

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### 2:2:1 Accounting Deficiencies

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The following observations are made.

- (a) Even though the Landslide Research and Risk Management Division of the Organizations had completed 03 projects valued at Rs.112,760 during the year under review, those had been shown under the work-in-progress.
- (b) Even though a sum of Rs.13,158,334 should be receivable from the Pradeshia Sabhas in connection with the special landslide inspections carried out by the Landslide Research and Risk Management Division, only a sum of Rs.10,920,000 had been received in the year under review. The Organization had not formulated a methodology for the recovery of arrears.

### 2:2:2 Unreconciled Control Accounts

---

Reconciliation of the income shown in the financial statements for the year under review with the Register of Income of the Geo-Technology Engineering Division and the Human Habitats and Environmental Division presented revealed an understatement of Rs.2,009,692 and an overstatement of Rs.205,302 respectively.

### 2:2:3 Accounts Receivable

---

The accumulated debtors balance as at the end of the year under review amounted to Rs.30,049,397 and a sum of Rs.17,676,718 had been balances existing from the year 2010.

The following observations are made in this connection.

- (a) Even though letters of confirmation of balances had been sent to 36 debtors totalling Rs.16,543,144, out of that 32 debtors totalling Rs.15,846,254 had not confirmed the balances.

- (b) The debtors balances totalling Rs.12,372,679 existing from the years 1991 to 2009 included balances totalling Rs.10,399,350 receivable from 37 institution in the State Sector and balances totalling Rs.1,973,328 receivable from 90 institutions in the Private Sector and those balances had not been recovered even by 31 December 2013.
- (c) The Organization had spent a sum of Rs.10,500,000 exceeding the money received from the Treasury for the purchase and research work in the preceding year. The money so spent in excess had been shown as Treasury grants receivable in the financial statements for the year 2011 and the year under review.

2:2:4 Lack of Evidence for Audit

The evidence indicated against the following items of account had not been furnished to audit.

Item	Value	Evidence not made available
-----	-----	-----
	Rs.	
(a) Salaries and Wages	86,126,185	Register of Salaries and Wages
(b) Income from Issue of Conformity Certificate	15,009,258	Income Statements of District Offices
(c) Interest on Fixed Deposits	498,411	File on Fixed Deposits, Register of Fixed Deposits, Notes on Accounts on Fixed Deposits

2:2:5 Non-compliance with Laws, Rules, Regulations and Management Decisions

The following non-compliances were observed during the course of audit.

Reference to Laws, Rules, Regulations and Management Decisions	Non-compliance
-----	-----
(a) Establishments Code Chapter XII Section 22.4	The particulars of no-pay leave obtained by the officers of the Organization had not been furnished to the Auditor General.

(b) Financial Regulations

-----  
 Financial Regulation 1646

The Daily Running Charts and the Monthly Performance Summaries of 16 pool motor vehicles of the Organization in respect of October to December of the year under review had not been furnished to audit.

(c) Public Administration  
 Circular No. 41/90 of 10  
 October 1990.

The fuel consumption of 16 motor vehicles of the Organization had not been tested.

(d) Circulars of the Organization

-----  
 Internal Circular No.  
 NBRO/1A/CIA/2011/03  
 dated 07 April 2011 of the  
 National Building Research  
 Organization

A sum of Rs.772,199 had been paid in 23 instances to suppliers for 05 hired motor vehicles used for running by the Organization contrary to the circular provisions.

3. Financial Review

3:1 Financial Results

-----  
 The operations of the Organization for the year under review had resulted in a surplus of Rs.21,461,664 as compared with the corresponding surplus of Rs.15,406,703 for the preceding year, thus indicating an improvement of Rs.6,054,961 in the financial results. The improvement in the financial result had been mainly due to the Government Contribution for mitigation of landslides made during the year under review.

### 3:2 Analytical Financial Review

-----

The income of the Organization for the year under review amounted to Rs.208 million and that income included Rs.62 million representing the Government contribution. The above income as compared with the income of Rs.181 million for the preceding year indicated an improvement of 15 per cent.

## 4. Operating Review

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### 4:1 Performance

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The main mission of the Organization is the mitigation of disaster risks and the promotion of research and development activities for making a safe environment and the supply of technological contribution while the key function had been the mapping of the zones vulnerable to landslide disasters and the maintenance of landslides mitigation projects. The overall information on the performance achieved by the Organization in the execution of the mission and functions during the year under review is given below.

#### (a) Project for the Stabilization of the Gradient Regions highly Vulnerable to Landslides and Collapse of Hills

-----

Five sub-projects had been implemented under the main Project for the stabilization of the Gradient Regions highly Vulnerable to Landslides and Collapse of Hills of the Nuwara Eliya, Kany, Badulla and Matale Districts. The Treasury had approved a sum of Rs.150 million for the Project for the years 2009 to 2011. Provision of Rs.160.05 million had been made again in the year 2012 in respect of the works that could not be completed due to bad weather conditions and the non-receipt of financial provision properly.

The following observations are made in this connection.

- (i) Out of the 05 projects referred to above, the first sub-project for the stabilization of the risky areas in the Nuwara Eliya, Walapane and Hanguranketha Regions had been abandoned.

- (ii) Even though an estimate of Rs.150.93 million had been made for the mitigation of disaster risks under the balance 04 sub-projects according to the Performance Report a sum of Rs.157.98 million had been spent thereon during the years 2009 to 2012. Nevertheless, provision of Rs.137.32 million for those projects had been received from the Treasury in the years 2009 to 2012 and the expenditure according to the financial statements amounted to Rs.139.67 million. As the total expenditure appearing in the Performance Report had not been included in the financial statements and as such the total expenditure of the Project had been understated a sum of Rs.18.31 million.
- (iii) The Director General of the Department of National Planning had instructed that the first project should be stopped and the provision allocated for that should be added to the projects 02 and 03 and that all expenditure should be managed within the initially approved provision of Rs.150.93 million. Nevertheless, the value of the revised estimate had increased to Rs.160.05 million.

(b) Issue of Conformity Certificates for Constructions

The Organization had identified the areas vulnerable to disaster risks in 10 districts and had issued 11,288 Conformity Certificates for construction works. The income and expenditure in that connections are given below.

Year	Income	Expenditure	Loss as a Percentage of Income
-----	-----	-----	-----
	Rs.	Rs.	%
2011	10,661,974	21,783,022	104
2012	15,009,258	30,637,970	104

The following observations are made.

- (i) Accounts had not been prepared in a manner facilitating the identification of the income received and the expenditure incurred by each District Office. As such the districts which collected lesser income and those incurred the highest expenditure could not be identified therefrom.

- (ii) The Organization had rejected the issue of permission for the construction of 89 buildings in 10 districts during the year under review and a methodology for follow up to ascertain whether the buildings had been constructed subsequently on such unapproved sites had not been formulated by the Organization.

(c) Project for Mitigation of Landslides of Gerandi Ella

---

The project for Mitigation of Landslides of Gerandi Ella in the Division of the Kotmale Divisional Secretariat of the Nuwara Eliya District estimated at Rs.93.01 million had been commenced for implementation during the years 2012 to 2015. The supply of funds for the year 2012 had been made by the Disaster Management Centre.

The estimated value of this Project for the year under review amounted to Rs.27.56 million and due to the delay in the receipt of funds, the performance as at 31 December 2012 amounted to Rs.14,82 million. As such, out of the work for execution during the year 43.73 per cent had not been completed.

(d) Mapping of Zones Vulnerable to Landslide Disaster

---

The project for Mapping of the Zones Vulnerable to Landslide Disaster is a project under implementation from the year 1990 to 30 November 2013. Maps in the scales of 1:10,000 and 1:50,000 are prepared for the identification of the spread of landslides. A sum of Rs.349 million had been received from the year 1990 to the year under review and out of that Rs.347 million had been spent.

The following observations are made.

- (i) Even though maps in the scale of 1:10,000 of 5,883 square kilometres in 10 districts should have been prepared from the year 1990 to the year 2012 it had not been possible to complete the mapping in 03 Districts.

- (ii) Even though maps in the Scale of 1:10,000 of 640 square kilometres of the Kalutara District had been scheduled for completion from the year 2006 to the year 2008, that work had not been completed even during the year under review.

#### 4:2 Staff Administration

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Even though the Scheme of Recruitment for the posts of the Organization had been approved by the Department of Management Services on 02 March 2012, the number of vacancies as at 31 December 2012 had been 62. The number recruited for posts on contracts basis had been 29.

The following observations are made.

- (a) A Director of the Organization had been appointed from February 2011 to act in the post of Director General and a permanent officer for the post had not been appointed even up to 30 June 2013.
- (b) Officers had been recruited on 30 June 2013, for 04 posts of Directors out of 07 posts of Directors of the Organization which remained vacant for about 05 years. Heads of Divisions had been appointed to act in the 03 vacant posts.
- (c) The approved posts of Management Assistant (non-technical) and the number of semi-skilled labourers of the Organization had been 46 and 48 respectively and the actual staff had been 35 and 41 respectively while 15 and 20 respectively had been recruited on contract basis. As such recruitment exceeding the approved staff had been made for those posts.

5. Accountability and Good Governance

5:1 Budgetary Control

Significant variance between the budgeted and the actual expenditure were observed thus indicating that the budget had not been made use of as an effective instrument of management control.

6. Systems and Controls

Deficiencies observed during the course of audit were brought to the notice of Director General of the Organization from time to time. Special attention is needed in respect of the following areas of control.

- (a) Debtors Control
- (b) Accounting
- (c) Staff Administration
- (d) Project Management
- (e) Budgetary Control

H.A.S. Samaraweera  
Auditor General



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தேசிய கட்டிட ஆராய்ச்சி நிறுவனம்  
NATIONAL BUILDING RESEARCH ORGANISATION

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99/1, ஜாவத்தை வீதி, கொழும்பு 5.  
99/1, Jawatta Road, Colombo 5.

Our Ref}

NBRO/AD/2013/230

Your Ref }

Date }

28.05.2014

Auditor General  
Auditor General's Department  
No. 306/72, Polduwa Rd.  
Battaramulla

**Auditor General's Report On The Financial Statements Of National Building Research Organisation For The Year Ended 31st Dec 2012 As Per Sec.14(2)(C) Of Finance Act No.38 Of 1971.**

The clarifications for your Audit report No. DE/G/NBRO/FA/2012 of 21.02.2014 on above subject are given below.

**2.2 Comments on Financial Statements**

**2.2.1 Accounting deficiencies.**

(a) Rs.112,760/= received for 3 projects as given below have been erroneously recorded as income;

* Kaluganga Development Project	Rs.	23,856.00
* Cey Hydro Developers (pvt)ltd	Rs.	45,377.20
* Allied Renevable Technologies	Rs.	<u>43,527.47</u>
	Rs.	<u>112,760.67</u>

furthermore, amounts of work done has been recorded as Work in Progress in Accounts. This is to be corrected in year 2013.

(b) For year 2012, The General Treasury initially allocated Rs.12 Mn. for special landslide investigations program and later, after revisions, a sum of Rs. 10,920,000/= was given. The Provincial Councils did not provide funds to NBRO for special landslide investigations.

NBRO spent Rs. 13,158,334 on account of Special Landslide Investigations during the year under review and this work was carried out at times of adverse weather conditions in the country that necessitated such Special Landslide Investigations.

**2.2.2 Unreconciled control Accounts**

While confirming the correctness of the Financial Statements as a whole, the income has understated by Rs.2,009,692 due to lack of information of income statements prepared by Geotechnical Engineering Division.

**Amount understated Rs.2,009,692.00**

(1) The transfer value to Environment Division from Building Materials Division by Journal entries;

J/E 62 - Rs.	32,500
J/E 63 - Rs.	97,500
J/E 117-Rs.	10,000
J/E 113-Rs.	437,500

(Rs. 577,750.00) -

(2) Rs.500,000 from Landslide Studies and Research Division has been erroneously recorded as work of Geotechnical Engineering Division as Work In Progress in the year under review. The relevant bill for the work done has been submitted in 2013 and therefore, that amount has not been taken to Financial Statements of 2012. (Rs.500,000) -

(3) The work in progress relating to the following activities have been accounted in 2011 and taken to income. Therefore it has not been taken into Accounts for the year 2012. It has been entered into the register of Geotechnical Engineering Division in 2012.

Invoice No.	Project	Value	
23655	Sri Lanka Navy		
247,713.40			
23779	Nivithigala Pradeshiya Sabha	<u>423,050.16</u>	(Rs.670,763.56)-

(4) Geotechnical Engineering Division has erroneously entered this sum as revenue into its register which an income of Landslide Studies and Research Division (Rs.324,750.00)-

(5) The difference in total resulted by summation in the revenue register of Geotechnical Engineering Division Rs.63,571.56)+

-  
=====

**Amount over stated (Rs. 205,302.00)**

The receipt for the work done in 2012 for the Ministry by Human Settlement Division has been entered into the Income Statement but this amount has not been recorded in the register of the relevant division. (Rs.32,673.05) -

The excess recorded as a result of shortcomings of the Register of Disaster Impact Studies Division(DISD) (Rs.172,629.00) -

Necessary actions will be taken to reconcile the Divisional income with monthly Income Statements and maintain the Income Statements Reconciled.

2.2.3 Accounts Receivable

(a) Actions have been taken during the year 2013 to recover Rs. 7,285,531.50 from 36 Public and Private Sector clients out of the aggregated amount of Rs.16,543,144.00 as listed below;

	Rs.	Rs.
Private Sector Debtors	7,312,092.47	
Public Sector debtors	<u>9,231,051.53</u>	16,543,144.00
Less : <u>Received in 2013</u>		
Private Sector Debtors	961,159.04	
Public Sector Debtors	6,324,372.46	<u>(7,285,531.50)</u>
Balance money receivable		9,257,612.50
		=====

Although only 4 debtors have confirmed the balances for a value of Rs. 696,890.00, out of 36 confirmation letters sent in the year 2013, Rs.7,285,531.50 has been collected from 32 debtors. Actions are being taken to recover the balance money of Rs. 9257612.50.

- (b) Actions are being taken to recover debts amounting to Rs.10,399,350.00 from 37 Institutional Public Sector debtors fallen due from 1991 to 2009.

The progress is as follows;

- (1) The Department of Registrar of persons has agreed to pay the balance receivable Rs.851,064.00 and has forwarded the claim to the Secretary of the said Ministry for approval.
- (2) At the discussion on this subject, Urban Development Authority accepted the claim of Rs.5.919 Mn and informed that they are considering paying the due amount.

In addition, Urban Development Authority agreed to make payments for the following projects;

* Preparation of the plan for Kalpitiya Community Hall	Rs. 28,750.00
* Construction of Palawatte Trade Center	Rs. 58,230.00
* Consultancy for construction of 08 houses of 8th cross street of Bambalapitiya	Rs. <u>221,968.55</u> Rs. <u>308,948.55</u> =====

The Debtors Rs. 1,973,328.00 build up over the years from 1991 to 2009 appears to be unrecoverable. Few firms had been closed down and though continuous notifications have been given to others to pay the balance, it has become a very difficult task to recover said debts.

After an in-depth review, the Audit and Management Committee on 20.05.2013 recommended to forward this list of unrecoverable debtors to the Interim Management Committee of National Building Research Organization to write off to Accounts as bad debtors.

The Committee of Interim Management in turn has directed to send Letters of Demand to debtors as a further attempt to collect debts. Accordingly, Letters of Demand were sent and appropriate decisions will be arrived at, subject to the reactions received from the debtors on the Letters of Demand.

- (c) Funds receivables from Public Sector

Though frequent attempts were made to recover the Public Sector debts to the value of Rs. 10,500,000, it could not be recovered as the financial year has elapsed. Actions will be taken to write off this sum from the Accounts in the year ending 31.12.2013 as a result of impossibility to recover the above debts.

#### 2.2.4 Non submission of evidences for Audit

- (a) **Salaries and Wages**  
Actions have been taken to comply with circular No. 17 of General Treasury from the year 2013.
- (b) **Income from fitness certificates**  
The required system is being followed from November of 2012 by means of separating the following categories of income on District basis in triplicate receipts with a separate register.
- Fitness certificates for construction of Buildings(LAB)
  - Fitness certificates for land developments(LAD)
  - Fitness certificates for lands for projects
  - Investigations for special projects
  - Issuance of certificates on risks for landslides(Requests made through Pradeshiya Sabah and GA)
- (c) **Interest for fixed deposits**  
A separate register and a file for fixed deposits have been prepared and these will be properly maintained from beginning of the year 2013.

#### 2.2.5 Non compliance with rules and regulations

- (a) Actions have been taken to give no pay leaves for year 2012 as follows;  
24.08.2012  
30.01.2013  
25.03.2013  
Actions will be taken to send no-pay leave before 15th in the next month.
- (b) All daily running charts of 16 vehicles for the period October and December 2012 have been handed over to the external Audit in July 2013.
- (c) The fuel consumption rates for 16 vehicles belongs to NBRO have been determined. Actions will be taken to comply with the circular Nos. 41/90 and 10.10.1990 in the year 2013.

1.	60-8649	8.	18-2074
2.	50-2803	9.	301-8386
3.	LH-8973	10.	PE-2880
4.	301-7157	11.	PE-2884
5.	KD-4109	12.	PE-2890
6.	301-7660	13.	PE-2893
7.	301-7662		

(d) Internal Circulars

The payments have been made for hiring vehicles on approval of Director General on service requirements of the Organization.(Rs.772,199). On the Organization's requirements payments have been made for the mileage exceeding 1500km as per the agreements. The above payments exceeds Rs. 75,000/= inclusive of the additional mileage.

Therefore, the 2nd condition of Director General's circular No.NBRO/IA/CIR/2011/03 dated 07.04.2011 is to be amended.

3. Financial analysis

3.1 Financial Results

Agreed.

3.2 Detail Financial Analysis

Agreed.

4. Operational Analysis

4.1 Performance

(a) The project for landslides and stabilization of falling hills.

1. By considering the risks of disaster caused by climate changes, the priority has been given to project for Nos. 2 and 3. Further clarifications in is available in part (3).

2. The total expenditure as per Accounts from year 2009 to 2012 is Rs. 139.67 millions for risk mitigation projects. That value is correct.

The value of the works done for Disaster Management Center is Rs.157.98 and has been shown as the performance for the year 2012.

The note as an expenditure in the Audit report is incorrect.

3. The amended estimates have been prepared for Rs. 168.5 for successfully completing as sub projects 2 and 3 instead of sub project 1. The approved amount for this project by Director General of National Planning Department is Rs. 150.93.

As this project is vital important, actions have been taken to successfully complete the project for Rs. 157.98 millions without amendments to the initial estimate as the functions mentioned in basic estimate cannot skipped.

(b) Issuance of fitness report for construction

1. Actions have been taken to state the income and expenses separately for district offices from 2013.

2. Although NBRO issues the fitness certificates for constructions, the approval for constructions are being given by the relevant Provincial Councils. The legal power is vested with the said Authorities to activate and feedback too. However, having planned a feedback system for constructions works, it is proposed to implement the plan through Human Settlement Division of NBRO from 2013.

(c) Garandiella Project for mitigation the risks of Landslides.

The Disaster Management Center released the first transfer of funds to NBRO in 2012. Accordingly, by using the funds received Rs.14.829 Mn. the works to that value were started and completed by 31st Dec 2013.

During this short term from Aug. 2012 to 31st Dec2012, it was impossible to complete all the works to the value of Rs.27.565 as planned before, within the financial year under consideration.

(d) Mapping the vulnerable areas for landslides.

1. Field works have been completed in 10 districts (not in 9 districts) to map an area covering 6,600 square km to a scale 1:10,000. Out of this, mapping is complete in 7 districts. Data analysis is complete in the rest 3 districts and it is expected that the work will be completed in 2013.

Furthermore, zonation mapping to the scale of 1:50,000 have been completed in 11 districts including Monaragala.

2. The field works of 640 sq. km in Kalutara District have been completed in full and the data analysis works are being done in that District and scheduled to complete within year 2013.

4.2 Staff Administration

- (a) In year 2011, an acting Director General was appointed for the vacant post as per the decision of the Cabinet of Ministers. Actions are being taken by holding interviews on 22/08/2013 to fill the vacant post of Director General as per the recruitment procedures of Management circular No. 30.

- (b) Actions have been taken to appoint a Director(Corporate) on 02.08.2012 through external applications as per the new scheme of recruitment approved on 02.03.2012. Internal 3 qualified applicants have been appointed on 27.03.2013 as per the recruitment procedure for 6 carder positions of Director(Technical).

Paper advertisements have been published on 19.07.2013 to recruit the balance 3 vacant positions of Director(Technical). The interviews have been scheduled to hold on 29.08.2013.

- (c) The approved and filled carder position for Management assistants(Technical and non technical) and unskilled labourers are given below;

	<b>Management Assistants (Non- Technical)</b>	<b>Management Assistants (Technical)</b>	<b>Unskilled Labors</b>
Approved carder	46	36	50
Permanent carder	(35)	(03)	(43)
Contract basis	<u>(15)</u> <u>(04)</u>	<u>(02)</u> <u>(31)</u>	<u>(21)</u> <u>(14)</u>

On service requirements 04 positions for Management Assistants(Non Technical) have been recruited on contract basis. There are 31 vacant positions in Management Assistant(Technical). On basis of the 31 vacant positions of Management Assistant(Technical) category, 3 employees have been recruited from Management Assistant(Non Technical) on contract basis.

On service requirement 14 additional non-skilled labourers have been recruited on contract basis beyond approved carder Number of 50.

As the available carder positions are not sufficient, an amended scheme of recruitment is to be submitted to the Management Service Department of the General Treasury for approval to recruit Management Assistants(Non technical) and Unskilled labors.

5. Accountability and Administration

5.1 Budgetary Control

Actions will be taken to submit for approval of the Committee of Interim Management for the expenses incurred beyond the approved budget for 2013.

6. Systems and Controls

Actions have been taken to strengthen the systems and controls up to an efficient management system in the following domains by converting the weaknesses in to strengths based on the comments of Audit reports issued time to time.

Furthermore, It is pleased to report that, the systems and controls will be improved by paying special attention.

- (a) Debtors
- (b) Annual Budget
- (c) Procurement plan
- (d) Accounting system
- (e) Staff administration
- (f) Project management



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