



MINISTRY OF IRRIGATION & WATER RESOURCES MANAGEMENT



WATER RESOURCES BOARD

ANNUAL REPORT

2011

Annual Report - 2011

Water Resources Board

1. Introduction

The Water Resources Board was established in 1966 under the Act No. 29 of 1964, as an advisory body to the Minister on all matters concerning the control and utilization of the Water Resources in Sri Lanka.

In 1978, Groundwater Division of the Irrigation Department was transferred to the Water Resources Board and functions of the Board were expanded and commenced the implementation activities.

The Water Resources Board Act was amended and passed by the Parliament in 1999 to enable the Water Resources Board to pay more emphasis on matters pertaining to Groundwater Resources in Sri Lanka.

2. Vision

Adequate access to clean and safe water for all.

3. Mission

To advise the government and the people on assessing, conserving, harnessing, developing and frugally utilizing particularly the finite groundwater resources in the country working in close collaboration with the rural society, relevant central and local government departments/ divisions/ authorities/ institutions, national and international organizations and scientific communities here and abroad.

4. Objectives

- (a). Carry out research for assess and development of groundwater resources
- (b). Collection of data on groundwater resources.
- (c). Carry out hydrogeological surveys
- (d). Awareness creation on the utilization of groundwater resources.
- (e). Assessment of groundwater projects
- (f). Implementation of the activities of the board with the coordination of other institutions.

5. Functions

- (a). Carry out research on groundwater resources of Sri Lanka.
- (b). Interpretation of data on groundwater resources development
- (c). Carry out hydrogeological surveys to detect groundwater resources.
- (d). Identification of groundwater potential zones.
- (e). Identification of groundwater sources by using geo scientific methods.
- (f). Carry out studies for groundwater resources development .
- (g). Analysis of water samples, chemically, bacteriologically and for heavy metals.
- (h). Collect and maintain groundwater data and preparation of hydrogeological maps.

6. Director Board

(01)	Mr. Bandula Munasinghe	-	Chairman
(02)	Dr. Sisira Kodagoda	-	Working Director
(03)	Mr. M.A.P. Hemachandra	-	Director
(04)	Mr. R.B.C. Rathnamalala	-	Director
(05)	Mr. R.M.C. Rathnayake	-	Director
(06)	Mrs. Shriyani Perera	-	Director
(07)	Mr. Asanga Dayaratne	-	Treasury Representative

6.1 Board Meetings

Seven (07) Board meetings were held in the year under review.

6.2 Audit and Management Committee

(01)	Mr. R.B.C. Rathnamala	-	Chairman	-	Director
(02)	Dr. Sisira Kodagoda	-	Member	-	Working Director
(03)	Mr. M.A.P. Hemachandra	-	Member	-	Director
(04)	Mr. R.S. Wijesekera	-	Secretary	-	General Manager
(05)	Mr. Asanga Dayaratne	-	Member	-	Treasury Representative

6.2.1 Audit and Management Committee Meetings

Five (05) audit committee meetings were held and participated for three (03) management committee meetings held at the Ministry.

6.3 Senior executive officers - Year 2011

(01)	Mr. R.S. Wijesekera	-	General Manager
(02)	Mr. J. Weerakoon	-	Deputy General Manager (Hydrogeology)
(03)	Mr. A.B.M. Chandrasiri	-	Assistant General Manager (Finance)
(04)	Mr. M.A. Pushpakumara	-	Assistant General Manager (Administration)
(05)	Mr. Nihal Wellalage	-	Assistant General Manager (Drilling)
(06)	Mr. G.R.R. Karunaratne	-	Assistant General Manager (Hydrogeology) (from 01.12.2011)
(07)	Mr. P.P.S.R.K. Pathirana	-	Assistant General Manager (Operations) (from 01.12.2011)
(08)	Mr. M.J. Deshapriya	-	Assistant General Manager (Engineering) (from 01.12.2011)

7. Operational activities performed in the year 2011

Under the Treasury funds, the following research studies were conducted.

7.1 Hydrogeological study on the coastal sandy aquifer extending from Colombo to Negombo

Introduction

Hydrogeological study of the sandy clay aquifer located in coastal area of the Colombo and Gampaha districts and determination of the geometry of the shallow aquifer. Some of the reasons for selecting this area for the hydrogeological study were

1. Pumping of considerable amount of groundwater by the different organizations and by private individuals (BOI & Airport Katunayake, Hotels etc).
2. More than 50 % of the people in the area depend on dug wells and tube wells.
3. Due to urbanization and Industrialization of the study area.

Objective

Conservation of the aquifer.

Specific Objective

1. Collection of data on geometry of the aquifer and the quality and quantity of groundwater.
2. Identification of groundwater extraction limits and suitable areas for groundwater recharge.
3. Development of groundwater monitoring network.
4. Management of the aquifer through long term monitoring programme.

Methodology

1. Summarize the existing data and identification of data gaps.
2. Preparation of base maps
3. Random water sampling and analyze water samples for chemical parameters to identify the current status of water quality.
4. Carryout geophysical investigations and locate favorable sites for test wells.
5. Drilling of test wells.
6. Leveling of the wells and perform pumping tests on the test wells.
7. Establishment of groundwater monitoring network for long term monitoring.

7.2 Study of water quality changes in Anuradhapura district

Objective

The main objective of the study was to identify the water quality changes of the surface water as well as the shallow and deep groundwater in Anuradhapura district.

Study area

The study area covers by the following five (05) river basins in Anuradhapura district.

- Modaragam Aru
- Kala Oya
- Malwathu Oya
- Ma Oya
- Yan Oya

7.3 Study of water quality in Puttalam district by using isotopes.

7.4 Hand pump tube well project for the resettlement community in Mannar district with the assistance of Disaster Management Centre.

For the year 2011

196 hydrogeological investigations were completed.

103 tube wells and 24 test wells were constructed.

57 pump tests were performed

Hand pumps were installed for 71 wells and deep well pumps were installed for 05 wells

57 wells were cleaned

4153 samples were analyzed.

The details of the above activities provincial wise and division wise are as follows.

8. Northern Province

8.1 Resettlement project in Mannar (MANREP) with the assistance of Japan International Corporation (JICA)

Objective

The objective of the project was to supply drinking water and water required for domestic purposes through small scale rural water supply schemes.

Location

The project was implemented in four (04) Divisional District Divisions of Mannar district

DSD Division	Grama Niladhari Division	Village	Activities Done
Mannar Town	Parapankandhal	Sirikulam	Construction of a tube well, Water quality testing , installation of a generator and a Pump.
Nanattan	Cheddiyarmagan Kaddeiadampan	Cheddiyarmagan Kaddeiadampan	Construction of a tube well, Water Quality testing and installation of a Pump.
Manthai East	Vellankulam	Seva Village	Installation of 02 Nos. Generators and pumps.
		Ganeshpuram	Installation of 02 Nos. Generators and pumps.
	Paliaru	Paliaru	Cleaning of a tube well and rehabilitation, Water quality testing, Installation of hand pump.
Madhu	Vilathikulam	Vilathikulam	Construction of a tube well, water Quality testing, Installation of a generator and a pump.
	Parasankulam	Parasankulam	Construction of a tube well, water Quality testing, Installation of a generator and a pump.
		Sinna Valayankaddu	Construction of a tube well, water Quality testing, Installation of a generator and a pump.

Under this project, nine (09) tube wells were constructed and six (06) pumping tests were performed. Six (06) water samples were analyzed and three (03) hand pumps were installed. Addition to that, nine (09) submersible pumps and eight (08) generators were installed. Electric connection for one (01) location was taken. The total value of the project was Rs 24.207 million.

8.2 UNICEF project – Mulativu and Kilinochchi districts

Five (05) production wells were constructed for health centers and hospitals and six (06) hand fitted tube wells were constructed for schools. The total value of the project was Rs.3.48 million.

9. Western Province

In the year 2011, the following work has been completed.

Hydrogeological surveys -36

Construction of tube wells – 11

Pump tests performed – 07

Tube well cleaning – 51

No. of samples analyzed chemically – 191

No. of Bacteriological samples analyzed – 91

Installation of submersible pumps – 03

Total income earned by the Western Province for the year 2011 was Rs. 11.5 million

10. North Central Province

The Provincial Office at Korakahawewa, Anuradhapura, earned Rs. 663,800.00 by carrying out hydrogeological surveys at Kilinochchi Anuradhapura and Kandy districts. Tube well constructions were done at Anuradhapura and Kandy districts and earned Rs. 4,946,812.80 for the year 2011. The earnings from carrying out pump testing and pump installation was Rs. 675,480.00. Water samples of the water supply schemes were tested chemically and bacteriologically by the laboratory affiliated to the provincial Office and earned Rs.474,716,.19. The earnings of the circuit bungalow attached to the provincial office was Rs. 129,784.00.

10.1 Study and conservation of Springs

Under this programme, 35 springs in Anuradhapura district were selected for the study and they are located in Kebithigollewa, Palagala, Palugaswewa, Horowpathana and Galenbindunuwewa Divisional Secretary Divisions. The springs already subjected to conservation are indicated in the following table.

No.	Divisional Secretary Division	Name of the spring	Families benefited (approximately)
01	Palagala	Theladinnawewa	20
02	Galenbindunuwewa	Gerandiya Ulpotha	100



A spring after development

The Treasury provided funds for this project.

10.2 Research and Training Centre – Korakahawewa

(a). Three day residential programme to aware on minimizing water related diseases.

1.1 With the intention of controlling the CKD and other water related diseases spreading over the North Central Province, the training and awareness programmes were organized by the Research and Training centre to educate rural people in those areas. This programme was implemented in two phases, targeting the rural people. For the year 2011, funds were provided by the Treasury.

The government officers such as Public Health Inspectors, Mid Wives, Grama Niladharies, Samurdhi Development Officers, Community Health Development Officers, Teachers, Agriculture Research and Production Assistants, University students who are having close contact with the rural people in areas where CKD is reported, were participated for these programmes. This is a three day residential training programme and the course material, food and lodging is provided free of charge. A certificate is awarded to the participants by the Research and Training Centre of the Water Resources Board.

Participants

Since January to December 2011, ten (10) programmes were organized and two hundred and three (203) officers from Anuradhapura, Polonnaruwa and Kurunegala were participated for these programmes. The list of participants is as follows.

Designation	District		
	Anuradhapura	Polonnaruwa	Kurunegala
Public Health Inspectors	05	04	-
Mid Wives	15	02	-
Samurdhi Development Officers	20	02	06
Grama Niladharies	35	06	07
Teachers	34	-	-
Agriculture Research and Production Assistants	-	30	-
Community Health Development Officers	37	-	-



Participants in a training programme

Course content

The assistance of the scientists specialized in water sector, doctors and the specialists in agriculture sector were utilized for conducting lectures and the course content is inclusive of the following fields connected to water.

1. Introduction of water resources of Sri Lanka (inclusive of surface water and groundwater), water quality and quantity, water analysis and water standards.
2. Water management, conservation and environmental impacts, hydrogeological survey methods and water pollution.
3. Water related diseases, Courses for diseases and prevention of diseases.
4. Water purification methods and introduction of filters,

1.3 Water Clinics

Based on the information of health authorities and course participants, water clinic programmes are arranged to aware the rural people in the areas where CKD and water related diseases exist. These programmes were organized by the participants attended to the initial programmes and conducted with the participation of the Research and Training Centre and the government officers of those areas (Divisional Secretary, Medical Officer). Under this programme, twenty (20) water clinics were organized since January to December 2011.

The aim of the water clinic was to aware public through the activities such as distribution of leaflets, aware through lectures and discussions, water analysis, introduction of fluoride filters and distribution of clay pots. The services rendered under this programme is as follows.

No. of water clinics conducted – 20

No. of participants – 2846

No. of water samples analyzed – 2077

No. of filters distributed – 248

No. of clay pots distributed – 298



Water clinic programme

11. North Western Province

In order to fulfill the domestic, agricultural and industrial water requirement of the people in north western province and the government and private institutions of the province, the following activities were completed under the year reviewed.

Hydrogeological investigations – 53

Construction of hand pump fitted tube wells – 43

Pump testing – 19

Tube well cleaning -01

Water sample analysis – 244

The total earning was Rs. 22 million.

The groundwater assessment, investigation and development activities conducted by the Puttalam Provincial office during the year 2011, is as follows.

1. Carry out hydrogeological surveys, tube well drilling, pump testing and fixing of hand pumps in Dangahawela, Walpaluwa, Battulu Oya, Arachchiksttuwa and Puttalam divisional Secretariat areas in order to develop the water supply schemes implemented in rural areas by the government institutions (income is Rs. 1,661,214.00).
2. Carry out hydrogeological surveys, tube well drilling, pump testing in order to get water for agriculture in Mahakumbukkadawala, Puttalam, Vanathawilluwa and Mundalama areas (income was Rs. 2,364,902.40).
3. With the assistance of World Vision, water samples collected in Vanathawilluwa and Kalpitiya areas in order to check the quality of drinking water of the rural population in those areas. The samples were chemically tested and a report was submitted (Income was Rs. 701,120.00).
4. As the Holicim Lanka pvt Ltd wishes to expand the excavation of the limestone bed below the water level. A feasibility report was submitted after conducting Hydrogeological surveys, tube well drilling, carrying out 72 hour pump tests and analyzing water samples chemically (Income was Rs. 9,510,951.56)
5. With the assistance of Disaster Management Centre, hand pump fitted tube well construction project was successfully completed in order to fulfill drinking water needs and other water needs of the resettlement community in Mannar district.

6. The hydrogeological surveys were carried out and relevant recommendations were submitted with regard to start water bottling project at Pandaraweli, Mannar (income was Rs. 124,656.00).
7. A Hydrogeological survey was conducted to select a locate for a dug well at Youth Corp Centre, Naththandiya. An existing tube well was also cleaned (Income was Rs.85,680.00).
8. In Puttalam area , tube well water is being used for water supply and with the increasing of water demand, the groundwater extraction rates were increased rapidly. As a result of this over pumping, sea water can be intruded into deep aquifer system. With the assistance of Atomic Energy Authority the situation was checked by using isotopes and found that there is no sea water intrusion into the deep aquifer system (income was Rs. 594, 033.74)
9. Carry out hydrogeological surveys, pump testing and water sample analysis in order to provide recommendations on environmental reports need for industry and projects implemented in north western province. Under this category, disposal of water in rock quarries used for road development and water disposal in laundries as well as the water extraction associated with industries were checked and relevant reports were submitted (income was Rs.56,560.00).
10. Under Dam safety and water resources Planning Project, The Divisional Secretary Divisions of Kalpitiya, Puttalam and Vanathawilluwa have been selected for carrying out hydrogeological surveys. Under this programme, collection of tube well data, establishment of monitoring network to identify the water quality changes, analysis of water samples and preparation of water quality maps. A test well was constructed at Vanathawillu area in order to identify the aquifer characteristics (income was Rs. 161,414.01).
11. Under the dam safety and water resources Planning project, the Puttalam laboratory was converted into a complete laboratory. This is very useful because the people o f the area can get their drinking water samples analyzed. It is facilitate the research activities of the board as well..
12. Carry out hydrogeological investigation to locate a suitable site for a tube well at Vanathawillu farm belongs to Life stock Development Institute (income Rs. 40, 320.00).
13. Construction of new quarters was started.

12. Southern Province

The following activities were done by the Sothern Provincial office located at Hambantota

1. Carryout pumping test and submission of the report to Fisheries Harbor, Tangalla.
2. Carry out hydrogeological survey and submission of the report to Lake side tourist Inn, Thissamaharama.
3. Construction of a tube well for Atomic Energy Authority, Hambantota.
4. Submission of the impact assessment report on groundwater resources of the land belongs to Mr. J.E.D.Jeewantha at Dikkumbura, Andungoda.
5. Submission of the impact assessment report on groundwater resources of the rock quarry belongs to Mr. P.M.K.Sumanaratne, 153 C, Kabaragala.
6. Water supply through a production well was done at Muthiyangana temple.

13. UVA Province

1. Tube wells were constructed and pumps were installed for production wells in order to face the drought prevailed in Monaragala district. The Monaragala hospital was faced severe water shortage and the board was taken action to solve the problem by supplying water from the existing tube well at the hospital premises. In order to improve the quality of water, the board designed and installed a filter.

2. Under the funds provided by the UVA provincial council, tube wells were constructed for Tamil school, and carpentry shop Bandarawela and Nellyyadda village. A pumping test was conducted on the well at carpentry shop (income was Rs. 1,650,890.00).
3. The board actively participated to Deyata Kirula programme started on 04th February 2011.
4. With the intervention of Hon Nimal Siripala de Silva, Minister of Irrigation and Water Resources Management, construction of 100 tube well programme under Dam Safety and Water Resources Planning Project in order to fulfill the drinking water needs of Badulla district. Hydrogeological surveys of 63 locations were conducted and 53 sites were selected for construction of tube wells. So far 13 wells were constructed and fitted with hand pumps. This well network is used for study the water quality of the area. The wells constructed at Mahiyangana electorate was ceremonially opened by the Minister and those activities were successfully organized by Dr. Sisira Kodagoda, working director of the board. An action was taken to provide permanent water supply to the Divisional secretariat, Rideemaliyadda.
5. Addition to the above, the following activities connected to Monaragala Office were undertaken based on the requests of institutions and individuals of the area.
 - (1). Submission of reports indicating suitable water sources, after carrying out hydrogeological surveys at Jagro farm and in the Strawberry farms at Meepilimanna and Ambewela.
 - (2). Carryout hydrogeological survey and construction of a production well to the Meth Sevena home for disable children at Thanamalwila.
 - (3). Carryout hydrogeological survey in order to locate a tube well at Wellachchi Kade, Monaragala.

14. Dam safety and Water resources Planning Project

Under this project, groundwater monitoring network will be established in selected 30 DSD's in Sri Lanka.

1. Purpose of the project

Due to absence of groundwater network, threaten and impacts enforced on aquifers have not been identify in hydrogeological point of view. Water Resources Board is the responsible agency for groundwater in Sri Lanka, mainly dealing with planning, extraction, supervision of groundwater utilization and construction of tube wells.

2. Back ground

Under this project, a study will be conducted on changes in groundwater in selected areas, qualitatively and quantitatively.

Current issues

- Water quality problems
- Sea water intrusion
- Un controlled extraction of groundwater for water supply and for industries.
- Groundwater pollution due to emitting waste water from industries and also due to agricultural activities and other ways.
- Lack of proper supervision and monitoring on groundwater.

Under this project

- Study the risky areas identified by the water Resources Board.
- Collection of hydrogeological data in selected 06 DSD's
- Establishment of monitoring network in pilot areas by using existing wells and by sitting new monitoring wells.
- Monitoring of groundwater qualitatively and quantitatively in pilot areas at least for three year period, along with the analyzing water quality .

The pilot areas are indicated below

Pilot area	Issues	DSD's	District and Area (~Km ²)
Area 1(A1)	Bacteriological and Extensive Agriculture pollution	Jaffna Town, Nallur, Chavakachcheri, Pachchilapallai	Jaffna peninsula 418
Area 2(A2)	Extensive agriculture	Kalpitiya	Puttalam 168
Area 3(A3)	Over extraction of ground water	Dambulla, Galewala, Laggala, Pallegama, Na-ula, Pallepola	Matale 1200
Area 4(A4)	Kidney disease	Medawachchiya, Nuwaragam Palatha (central), padaviya, kebithigollewa, Rambawewa, Horowpathana, kahatagasdigilya, galenbindunuwewa	Anuradhapura 1990
Area 5(A5)	Industrial pollution	Gampaha, Ja-Ela, Wattala, Biyagama, Katana	Gampaha 376
Area 6(A6)	Salinity	Puttalam, Vanathavillu	Puttalam 1012
Area 7(A7)	Extensive Agriculture	Samanthurai, Kalmunei, Ninthavur, Adalachchenai	Ampara 343
Area 8	Water quality and quantity	Entire district	Badulla



Map indicating pilot areas

(a) Workshops and Awareness programmes



Awareness on groundwater management
In Jaffna.



Aware GA Jaffna and other officers

(a) Activities performed in the year 2011



Establishment of base station



DGPS unit assemblage



Measurement at the base

2.) In-situ determination of chemical parameters (F, NO₃, SO₄, Cl, Salinity, TDS etc.) in groundwater using field test kit.



Measuring of Fluoride in groundwater



Field measurement of NO₃ in
groundwater

3.) 2 – D imaging for subsurface groundwater exploration by ERT technique with the use of high end AGI Geophysical equipment system



AGI equipment set up for geophysical survey



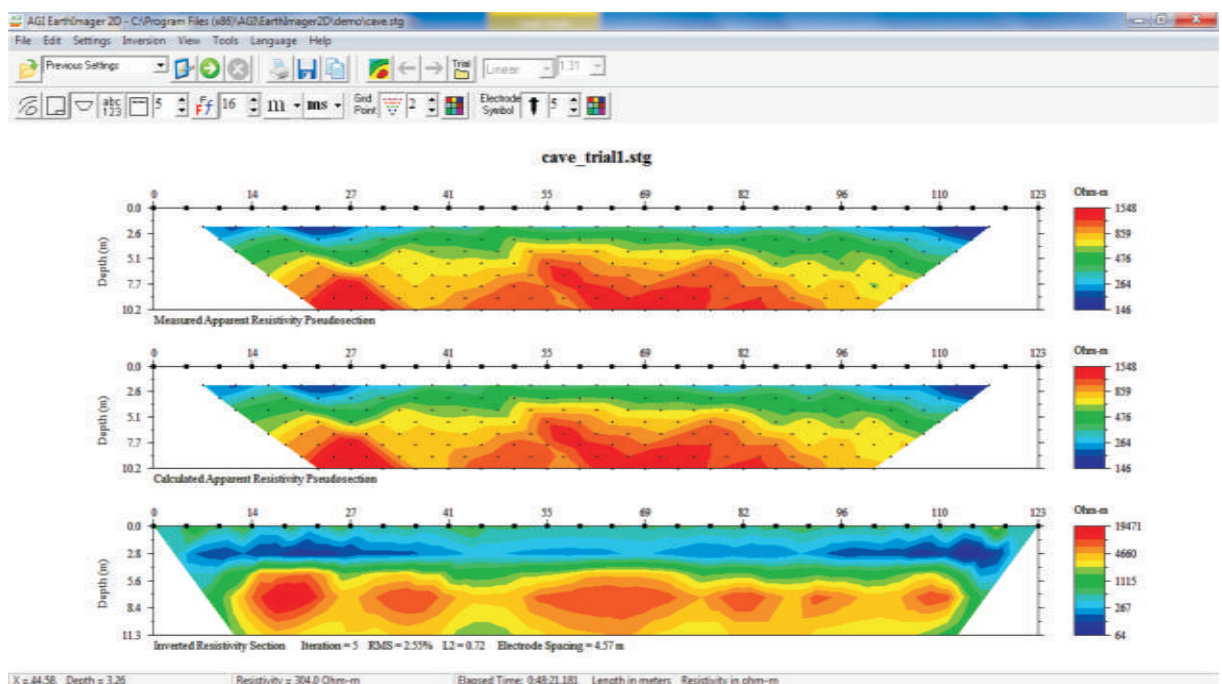
ERT array in progress at field



ERT Instrument with console



Switching Unit which link to equipment



2-D visualization after raw data processing in 2-D imaging (EARTH IMAGER) software

3. **Construction of test wells in order to monitor groundwater in the aquifers of the pilot areas qualitatively and quantitatively .**

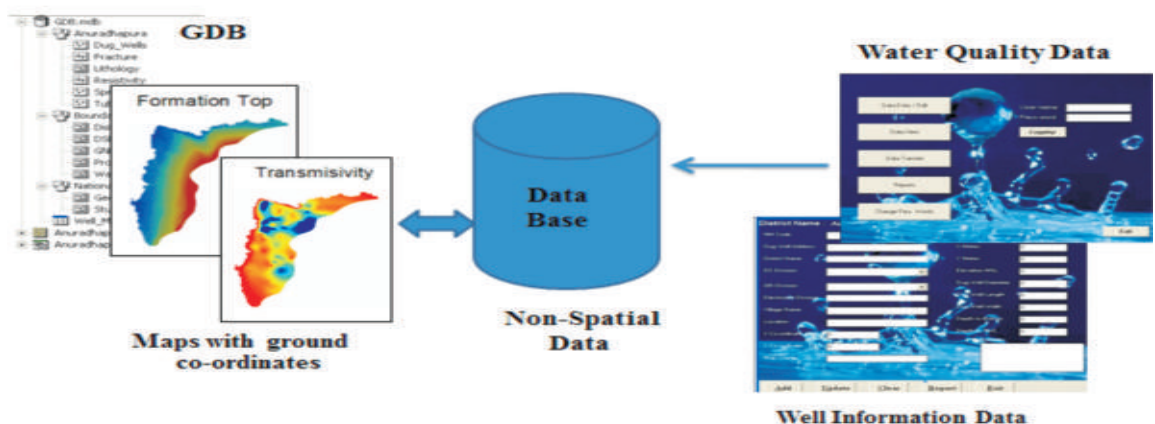


Test well construction at Biyagama

4. **Restructuring of groundwater data base in Water Resources Board**

- The groundwater data related to newly restructured MS – Access tables were prepared in the Excel sheets by the computer unit .
- The restructuring of the data base was done by the Trend Tec Pvt Ltd and handed over to the Water Resources Board.

Spatial & Non spatial data for Groundwater Information System



Summary of the work completed in pilot areas.

- The awareness programmes were conducted for water consumers and relevant parties.
- Analysis of existing data and information.
- Preparation of base maps.
- Identification of locations within shallow and deep aquifers to establish groundwater monitoring network.
- Monitoring of groundwater levels in order to identify the flow direction of groundwater.
- Carryout chemical analysis.

15. Chemical Analysis

The water samples collected from various projects were analyzed by the laboratory of the Water Resources Boards and the year under review, seven hundred and nineteen (719) samples were analyzed chemically and thirty two (32) samples were analyzed bacteriologically. Two thousand eight thousand and eighty seven (2887) samples were analyzed for heavy metals.

As to strengthen the analytical capacity Rs. 6.6 million worth of latest scientific equipment and chemicals purchased under dame safety and Water Resources Planning Project.

Action was taken to start a laboratory at Jaffna Provincial Office.

16. Drilling Division

In the year reviewed, hundred and fifty two (152) tube wells were constructed and thirty seven (37) well cleaning was done, Five (05) wells were rehabilitated and hand pumps were installed in seventy one (71) wells.

17. Construction Work

In the year 2011, the following construction work has been done

17.1 Head Office

01. Construction of the ceiling of the buildings.
02. Construction of the garage

17.2 Workshop, Ratmalana

01. Repair of the electrical system and maintenance of buildings .
02. Construction of the security hut.

17.3 Provincial Office, Moneragala

01. Repair work of the roof and the ceiling was done.

18 Workshop, Ratmalana

18.1 Minor repairs of vehicles

Minor repairs of the vehicles of the board was done by the Ratmalana workshop. Three (03) repairs on lorries, Eleven (11) repairs on cabs, Eight (08) repairs on motor cars, six repairs (06) on jeeps, Four (04) repairs on drilling machines and altogether forty two (42) minor repairs were done. Chassis work, tinkering and painting work of a jeep and three (03) lorries were completed.

18.2 Drilling machine repair Unit

Repair and maintenance of drilling machinery of the Water Resources Board was done by the drilling machine repair unit. In the past year, service and repair work of all drilling rigs and air compressors were done by this unit. Accordingly, eleven (11) repairs on drilling rigs and three (03) repairs on air compressors were done.

18.3 Mechanical workshop

In the year 2011, two wind mills were repaired and construction of the garage in head office and painting of twenty four (24) cabinets was done.

18.4 Vehicle Service Station

A service station was started in the year concerned and services of fifty four vehicles were done.

19. Internal Audit Division

Necessary action was taken for the four (04) audit quarries received from the Government Audit and six (06) internal audit quarries were forwarded.

20. Finance

The total income for the year concerned was. Rs. 81,172,412.00. For the year 2011, Rs 64,300,000.00 as recurrent and Rs. 10,855, 506.00 as capital was received from the treasury. The deficit reported in the year was Rs. 46,898,869.00.

Action has been taken to install management software, in order to manage assets of the board and all the assets were computerized.

21. Administration

The total number of staff of the Water Resources Board in the year 2011 was two hundred and sixty two (262) and three (03) of which were working on contract basis. Seven (07) employees were worked on casual basis. In the year concerned, fourteen (14) employees were recruited for permanent service. Three (03) employees were recruited on contract basis and seven in casual basis. In this year, six (06) employees were resigned and four (04) employees were retired.

22. Human Resources Development

An action was taken to direct the employees to the training courses, in order to improve the productivity of the board. Seven (07) employees including executive officers were directed to short training courses and six (06) were directed to certificate courses. Thirteen (13) employees were directed to workshops and seminars and one was directed to a foreign scholarship.

23. Welfare facilities

In the year concerned, Under the welfare and death donation scheme, donated Rupees two hundred and ninety four thousand and one hundred and six (Rs 294,106.00) to the welfare society of the Water Resources Board as to provide transport facilities in a death and also to provide welfare

facilities and rupees three hundred and seventy four thousand and nine hundred and sixty four (Rs, 374,965.00) was supplied to reimburse the expenses incurred for health facilities of the employees of the Board and their family members. As per the direction of the Board of Directors a three day educational tour was organized for the employees of the board in order to show them the development activities of the country and to aware them on the contribution of the provincial offices to such development activities of the country.

24. Fleet of transport

In the year concerned, the fleet of transport of the board was comprised with forty five (45) vehicles and out of which twenty nine (29) vehicles were in running condition. Those were mainly, cabs, cars, jeeps lorries, tractors and cranes. In the year 2011, a cab from the dam safety and Water Resources Planning Project and three cabs and a three wheeler purchased from the own funds of the board were added into the fleet.

25. Circuit Bungalow

The purpose of maintaining the circuit bungalow was to provide accommodation for the officers of the Water Resources Board and the Ministry of Irrigation and Water Resources management in their official tours and spending their leisure time. Addition to that, an action was taken to provide accommodation for other government officers and general public.

26. Buddhist Society

The Buddhist Society of the Water Resources Board was initiated in 05th of May 1999. In the year 2011, action was taken to decorate the office premises commemorating the Vesak full moon day and a Dhamma sermon was organized on Poson Poya day to commemorate the members who subjected to death after servicing in the board.

27. Acknowledgement

The board is in pleasure to thank and place on record of appreciation to the Minister of Irrigation and Water Resources Management and Deputy Minister of the Ministry of Irrigation and Water Resources Management, Secretary, Officers and staff of the same Ministry, all the officers and consultants of the other government departments, board and corporations, foreign and private institutions. The active involvement and the loyal service rendered by the employees of the Water Resources Board is highly acknowledged.

Signed by,
Bandula Munasinghe
Chairman
Water Resources Board
No. 2a, Hector Kobbekaduwa Mawatha,
Colombo 07.

05.11.2012

INCOME STATEMENT

AS AT 31ST DECEMBER,2011

	NOTE Pl.See Annex:	2011 Rs	2010 Rs
REVENUE			
Hydro:Investigations/Ground water Exploration & Development	01	58,813,685	39,825,912
Groundwater Monitoring	02	4,977,711	-
Groundwater Development	03	14,574,730	19,803,509
Income From Other Sources	04	2,806,286	2,040,653
INCOME FROM GENERATED ACTIVITIES (1)		81,172,412	61,670,073
TREASURY GRANT - CAPITAL			
(RESEARCH STUDIES - OPERATIONAL) (2)	05	10,855,506	4,981,846
TREASURY GRANT (RECURRENT) (3)		64,300,000	65,000,000
TOTAL INCOME - (1+2+3)		156,327,918	131,651,919
OPERATING EXPENSES			
Personal Emoluments	6:1	92,600,961	80,103,010
Traveling	6:2	6,882,161	5,722,241
Supplies & Requisites	6:3	34,120,432	19,308,047
Contractual Services	6:4	3,751,269	3,185,262
Maintenance	6:5	6,686,573	5,706,877
Welfare Facilities	6:6	869,041	638,682
Other Recurrent Expenses	6:7	3,715,662	4,097,028
Treasury Grant - Capital (Research Studies - Operational)	6:8	10,855,506	-
Depreciation		43,745,182	5,755,881
TOTAL OPERATING EXPENSES		203,226,787	124,517,028
NET SURPLUS/(DEFICIT) FOR THE PERIOD		(46,898,869)	7,134,891

NOTES TO THE FINANCIAL STATEMENT.

REVENUE

NOTE NO.1

	2011	2010
<u>HYDRO: INVESTIGATIONS / EXPLORATION</u>	Rs.	Rs.
Hydrogeological Survey	4,616,928	7,288,957
Tube Well Construction	43,155,836	27,843,612
Hand Pump Installation	3,945,607	1,418,125
Pumping Tests	2,737,943	1,692,600
Tube Well Cleaning	2,521,993	1,085,292
Water Sample Analysis	1,835,378	497,325
	58,813,685	39,825,912

NOTE NO: 2

GROUNDWATER MONITORING

Dam Safty & Water Resources Planning Project	4,977,711	-
TOTAL	4,977,711	-

NOTE NO:3

GROUNDWATER DEVELOPMENT

Ground Water Development (MANRIP - JICA)	14,118,464	11,554,860
Wind Mills	110,440	360,112
Artificial Recharge to Groundwater Project (IHC)	-	60.3,095
Monaragala Project	-	1,204,954
Hand Pump Tube wells in Eastern Province (Tr. Gr)	-	3,365,400
Treatment Plant & Water Pollution Control	338,826	375,088
Uthuru Wasanthaya – Dug well Cleaning	-	2,340,000
G.I.S. Income	7,000	-
TOTAL	14,574,730	19,803,509

NOTE NO: 4

INCOME FROM OTHER SOURCES

Circuit Bungalow Reservation	105,155	98,471
Interest on Loan & Bank Deposits	1.012,643	374,709

Fine & Surcharges	1,177,959	42,339
Korakahawewa Farm Income	964	14,256
Sundry Income	330,767	147,663
Sun Power Bad Debts Received	-	1,363,215
Dayata Kirula	178,798	-
TOTAL	2,806,286	2,040,653

NOTE NO:5

TREASURY GRANT - CAPITAL

(RESEARCH STUDIES - OPERATIONAL)

Awareness Programs/Water Analysis(A'Pura)	1,993,500	4,763,746
Staff Training	290,764	218,100
Hydrogeological coastal study in Colombo to Negombo	7,366,539	-
Study in water quality changes in aquifer system - A'pura	1,149,990	-
Isotopes studies in Puttlam Aquifers	33,380	-
Atlas Collection Maps	21,333	-
TOTAL	10,855,506	4,981,846

BALANCE SHEET

As at 31 st DECEMBER 2011

	Notes	2011	2010
ASSETS			
Non - current Assets			
Property, Plant & Equipment	7	111,060,372	64,082,358
Work in Progress- (Machinery 2 KR Project)		46,167,438	50,959,293
		157,227,810	115,041,651
Current Assets			
Inventories	08	29,338,542	16,904,483
Trade and other receivables	09	13,748,394	14,355,660
Prepayments	10	43,781	40,089
Cash and cash equivalents	11	14,466,450	25,908,329
		57,597,167	57,208,560
TOTAL ASSETS		214,824,977	172,250,211
EQUITY & LIABILITIES			
LIABILITIES			
Non Current Liabilities			
Deferred Liabilities	12	62,968,322	58,544,345
Payables	13	-	240,000
		62,968,322	58,784,345
Current Liabilities			
Payables	14	18,750,986	17,333,903
Accrued Expenses	15	6,565,238	4,519,612
Security Deposits	16	16,631	9,500
		25,332,855	21,862,534
TOTAL LIABILITIES		88,301,177,	80,646,879
CAPITAL & RESERVES			
Accumulated Fund	17	179,601,206	174,760,903
Foreign Aid	17	206,542,220	129,824,942
Less: Accumulated Deficit	17	(263,608,236)	(216,758,623)
Revaluation Reserve	17	3,988,610	3,776,110
TOTAL EQUITY		126,523,800	91,603,332
TOTAL LIABILITIES & EQUITY		214,824,977	172,250,211

The Accounting Policies and the Notes from pages 05 To 15 Form on Integral part of these The Directors are responsible for the preparation & presentation of the Financial Statements. Approved and Signed for on behalf of the Board.

Bandula Munasinghe
CHAIRMAN

Dr. G. S. A. Kodagoda
WORKING DIRECTOR

30th August 2012
WATER RESOURCES BOARD

CASH FLOW STATEMENT

For the year ended 31st December 2011

		2011		2010
	Rs.	Rs.	Rs.	Rs.
Cash Flows from Operating activities				
Profit for the year before interest income		(46,898,869)		7,134,891
Add. / Less : Prior year adjustment	1,060,120	1,060,120	1,806,407	1,806,407
		48,838,749		8,941,298
Add: Depreciation	43,745,182		5,755,881	
Provision for Gratuity	7,051,124	50,796,306	310,143	6,066,024
Operating Net Profit (Deficit)before				
Changes in Working Capital		4,957,557		15,007,322
Changes in Working Capital				
(Increase)/Decrease in Stocks	(12,434,059)		(3,999,439)	
(Increase)/Decrease in Debtors	607,265		20,993,883	
(Increase)/Decrease in Prepayments	(3,692)		40,220	
(Increase)/Decrease in Payables	1,417,565		(984,639)	
(Increase)/Decrease in Accruals	1,812,756	(8,600,165)	(1,208,351)	14,841,674
Net Cash Flows from Operating activities		(3,642,608)		29,848,996
Cash Flows from Investing activities				
Purchase of Fixed Assets	(10,062,122)		(7,063,959)	
Payment of Gratuity	(2,627,146)		(3,530,755)	
Net Cash Flows from Investing activities		(12,689,268)		(10,594,714)
Cash Flows from Financing activities				
Government Grant	4,890,000		4,092,223	
Net Cash Flows from Financing activities		4,890,000		4,092,922
Net Cash Flow for the year		(11,441,878)		23,346,505
Cash & Cash Equivalents at beginning of the year		25,908,329		2,561,824
Cash & Cash Equivalents at end of the year		14,466,451		25,908,329

NOTES TO THE FINANCIAL STATEMENTS CONTD.

	2011	2010
NOTE NO. 6 : 1		
PERSONNEL EMOLUMENTS		
Salaries & Wages	71,546,242	66,779,246
Overtime & Holiday Pay	6,259,291	5,543,821
Employees Provident Fund - 12%	5,866,495	5,953,130
Employees Trust Fund – 3%	1,466,573	1,488,120
Director's Fees	404,227	15,000
Other Allowances	32,750	13,550
Gratuity	7,025,383	310,143
TOTAL	92,600,961	80,103,010

NOTE NO. 6 : 2		
TRAVELING & SUBSISTENCE		
Traveling - Local	6,882,161	5,662,714
Traveling - Overseas	-	59,527
TOTAL	6,882,161	5,722,241

NOTE NO. 6 : 3		
SUPPLIES & REQUISITES		
Fuel & Lubricant	14,454,648	10,110,528
Less: Stocks as at 31 st December	(299,198)	(448,370)
Cost for the Year	14,155,450	9,662,158
Drilling Works Consumables	34,347,815	17,379,015
Less: Stocks as at 31 st December	(15,974,780)	(8,161,533)
Cost for the Year	18,373,035	9,217,482
Laboratory Consumables & Others	3,099,978	-
Less: Stocks as at 31 st December	(1,880,571)	-
Cost for the Year	1,219,407	324,332
Other Consumables	372,540	104,076
TOTAL	34,120,432	19,308,047

	2011	2010
	Rs.	Rs.
NOTE NO. 6 : 4		
CONTRACTUAL SERVICES		
Postage & Telecommunication	959,797	863,546
Electricity	1,349,911	1,058,046

Rent, Rates & Taxes	666,451	396,949
Cash in Transit Insurance	11,169	2,799
Audit Fees	158,000	125,000
Printing & Publications	171,312	82,442
Workshop & Seminars	18,150	237,031
Water Bills	73,706	109,223
Consultancy Charges	44,370	47,586
Sundry Expenses	298,403	262,641
TOTAL	3,751,269	3,185,262

NOTE NO. 6 : 5
MAINTENANCE & REPAIRS

MOTOR VEHICLES		
Maintenance Repairs Services etc.	5,298,991	4,007,598
Less : Stocks as at 31 st December	(1,150,589)	(709,089)
Cost for the Year	4,148,402	3,298,509
MACHINERY		
Maintenance Repairs Services etc.	7,794,271	8,557,064
Less : Stocks as at 31 st December	(6,518,452)	(6,910,794)
Cost for the Year	1,275,819	1,646,271
OFFICE EQUIPMENT		
Maintenance Repairs Services etc.	737,287	799,526
Less : Stocks as at 31 st December	(76,822)	(94,595)
Cost for the Year	660,465	704,931
BUILDINGS		
Maintenance Repairs Services etc.	995,417	443,676
Less : Stocks as at 31 st December	(393,530)	(386,509)
Cost for the Year	601,887	57,167
TOTAL	6,686,573	5,706,877

NOTE NO. 6 : 6

Welfare & Sports facilities	294,106	143,990
Medical Scheme	374,965	408,515
Entertainment	190,530	77,268
Vacation Leave Encashment	9,440	8,909
TOTAL	869,041	638,682

NOTE NO. 6 : 7

OTHER RECURRENT EXPENSES

Stationery & Office Requisites	204,944	272,783
Uniforms	347,908	18,118
Periodicals & Newspapers	90,610	46,474

Publicity & Advertising Expenses	472,391	597,905
Bank Charges	118,987	82,587
Staff Insurance	-	117,485
Medical Test Charges	27,360	-
Legal Expenses	277,274	5,490
Fines & Surcharges	24,240	-
Bad Debts	1,012,510	957,707
Economic Service Charges (ESC)	556,577	558,921
Donations	-	5,000
Stamp Duty	4,500	4,450
Vehicle Service – Ratmalana	156,030	328,667
Hiring Charges	132,516	498,800
Training Centre Expenditure (A'pura)	111,017	602,640
Dayata Kirula Expenses	178,798	-
TOTAL	3,715,662	4,097,028

NOTE NO. 6 : 8

PROJECT EXPENSES (TREASURY GRANT)

HYDROGEOLOGICAL COASTAL STUDY IN COLOMBO TO NEGOMBO

Salaries & Wages	1,176,535	
Employees Provident Fund - 12%	73,776	
Employees Trust Fund – 3%	18,441	
Overtime & Holiday Pay	114,821	
Traveling	147,852	
Stationery & Office Requisites	483	
Fuel & Lubricant	1,188,190	
Less : Closing Stocks	(312,792)	875,398
Publicity & Advertising Expenses	20,966	
Groundwater Other	1,445	
Drilling Work Consumable	7,188,406	
Less : Closing Stocks	(2,424,417)	
Maint. Of Motor Vehical	21,310	
Maint. Of Machinery	3,875	
Maint. Of Lab. Equipment	8,950	
Maint. Of Buildings	485	
Postage & Telecommunication	18,013	
Sundry Expenses	200	
Rent, Rates & Taxes	120,000	
Sub Total	7,366,539	

AWARENESS PROGRAMMS / WATER ANALYSIS (A' PURA)

Salaries & Wages	79,698
Employees Provident Fund - 12%	6,423
Employees Trust Fund – 3%	1,633
Overtime & Holiday Pay	229,886
Traveling	99,144
Fuel & Lubricant	176,198
Training Centre Expenditure (A'pura)	1,144,297

Maint. Of Buildings	12,900
Office Equipment Maint.& Repairs	23,115
Maint. Of Lab. Equipment	71,460
Groundwater Other	120,960
Drilling Work Consumable	27,786

Sub Total	1,993,500
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STUDY IN WATER QUALITY CHANGES IN AQUIFER SYSTEM - A'PURA

Salaries & Wages	577,977
Employees Provident Fund - 12%	44,811
Employees Trust Fund – 3%	11,230
Overtime & Holiday Pay	39,120
Traveling	61,225
Fuel & Lubricant	126,762
Maint. Of Lab. Equipment	237,630
Maint. Of Motor Vehicles	51,235

Sub Total	1,149,990
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ATLAS COLLECTION MAPS

Overtime & Holiday Pay	4,508
Traveling	16,825

Sub Total	21,333
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ISOTOPES STUDIES IN PUTTLAM AQUIFERS

Overtime & Holiday Pay	10,260
Traveling	23,120

Sub Total	33,380
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STAFF TRAINING

Workshop & Seminars (Tr. Gr.)	290,764
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Sub Total	209,764
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TOTAL	10,855,506
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NOTES TO THE FINANCIAL STATEMENTS CONTD.

PROPERTY, PLANT & EQUIPMENT

NOTE NO. 7

	Cost/Valuation As at 31.12.2010 Rs.	Additions For the Year Rs.	Disposal Adjustments Rs.	Cost/Valuation As at 31.12.2010 Rs.
Fixed Assets				
Motor Vehicle	75,694,306	18,214,596		93,908,902
Machinery, Tools and Equipments	232,485,472	22,940		232,508,412
Laboratory Equipments	24,644,826	23,249,174	(86,200)	47,807,800
Furniture, Fittings and Office Equipments	10,346,645	3,366,258		13,712,903
Computers & Accessories	5,748,187	1,459,584		7,207,771
Scientific Equipments	2,633,671	28,423,316		31,056,987
Geological Maps	370,000	1,136,753		1,506,753
Temporary Buildings	2,266,754		(2,266,754)	
Library Books	966,734		(966,734)	
Lands	714,274	8,600	(9,360)	713,514
Buildings	882,056		(882,056)	
Building Improvements	5,570,415	2,107,089	(4,031,072)	3,646,432
Machinery and Vehicle Improvements	58,212,978	5,279,839	(50,301,530)	13,191,287
Improvement of Computer	266,426	8,303,107	(163,448)	8,406,085
TOTAL	420,802,743	91,571,256	(58,707,154)	453,666,846

	Balance As at 31.12.2010 Rs.	Charges For the Year Rs.	Disposal Adjustment Rs.	Balance As at 31.12.2011 Rs.
Depreciation				
Motor Vehicle	64,943,464	6,274,131	(212,500)	71,005,095
Machinery, Tools and Equipments	218,322,683	18,754,464	-	237,007,147
Laboratory Equipments	16,185,921	3,249,084	(17,240)	19,405,765
Furniture, Fittings and Office Equipments	7,391,018	394,264		7,785,281
Computers & Accessories	4,138,397	494,271		4,633,167
Scientific Equipments	2,623,469	2,550		2,626,019
Geological Maps	-	74,000	-	74,000
Temporary Buildings		2,266,749		(2,266,749)
Library Books		917,044		(917,044)
Buildings		882,052		(882,052)
Building Improvements	2,670,008	-	(2,670,008)	-
Machinery and Vehicle Improvements	36,269,357	-	(36,269,357)	-
Improvement of Computer	109,722	-	(109,722)	-
TOTAL	356,720,384	29,230,764	(43,344,672)	342,606,474
NET BOOK VALUE	64,082,359			111,060,372

Note :

Details of the Land & Buildings which are utilizing of the Board without having Legal ownership as at 31.12.2011 are as follows

<u>LAND</u>	<u>BUILDINGS(Appox)</u>
Head Office	8477 Sq.ft.
Workshop at Ratmalana	32960 Sq.ft.
Training Centre at Anuradhapura	11506 Sq.ft.
Circuit Bungalow at Anuradhapura	3038 Sq.ft.
Regional Office at Monaragala	1805 Sq.ft.
Regional Office at Hambantota	1474 Sq.ft.
Regional Office at	1815 Sq.ft.
Work Site at Vavuniya	1082 Sq.ft.

NOTES TO THE FINANCIAL STATEMENTS CONTD;

NOTE: 08 INVENTORIES

	2011 Rs.	2010 Rs.
MATERIALS & SPARES		
Vehicle Spares	1,150,590	709,089
Fuel & Lubricants	299,198	448,370
Stores materials	15,974,780	8,161,533
Building Maintenance	393,530	386,509
Stationery	307,388	193,592
Machinery Spares	6,518,452	6,910,794
Office Equip Maintenance	76,822	94,595
Laboratory	1,880,573	-
	26,601,333	16,904,483

MATERIALS & SPARES - CN PROJECT

Fuel & Lubricants	312,792	-
Stores materials	2,424,417	-
	2,737,209	-
TOTAL	29,338,542	-

NOTE : 09 **TRADE & OTHER RECEIVABLES**

STAFF

(01) Book Advance	-	330,000
(02) Distress Loan	7,185,372	5,496,114
(03) Festival Advance	212,000	232,500

(04) Traveling Advance	47,051	120,063
(05) Cycle Loan	32,724	98,009
(06) Staff Debtors	204,912	164,907

Sub Total	7,682,059	6,441,592
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OTHERS

(07) Trade	1,826,269	5,385,339
(08) Deposits	60,155	160,155
(09) Advances to suppliers	140,847	100,648
(10) Retention Money	2,130,712	900,224
(11) With Holding Tax Receivable	1,461,870	1,443,510
(12) Bank Guarantee	53,579	468,779
(13) DSWRPP Receivable	740,878	-

TOTAL	6,414,310	8,458,654
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NOTE NO:10

	2011 Rs.	2010 Rs.
PRE-PAYMENTS		
Staff Insurance	8,313	8,398
Newspapers & Periodicals	19,960	30,140
Maintenance of Office Equipment	-	1,551
Urban Council - Puttlam - Rate & Taxes	15,508	-

TOTAL	43,781	40,089
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NOTE : 11

CASH & CASH EQUIVALENTS

(1) Bank of Ceylon York Street Branch (0002026295)	55,751	2,227,807
(2) Bank of Ceylon Torrington Branch (0002322267)	2,559,483	844,787
(3) Bank of Ceylon Torrington Branch (0002322268)	50,850	34,325
(4) Bank of Ceylon Torrington Branch (0005342839)	349,334	258,907
(5) Bank of Ceylon Jaffna Branch (19860)	-	7,096
(6) National Savings Bank - Bambalapitiya (100230211818)	10,938,400	22,530,905
(7) National Savings Bank - Borella (1-0061-03-31236)	10,205	3,500
(8) National Savings Bank - Borella (1-0061-03-31287)	1,427	1,000

TOTAL	14,466,450	25,908,329
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NOTE NO:12

DEFERRED LIABILITIES

The Amounts recognized in the Balance Sheet are as follows.

	2011 Rs.	2010 Rs.
At Beginning of the year	58,544,345	61,764,957
Add:- Transfer - JV- 40	25,740	-

Charge / Credit for the year	7,025,383	310,143
Contribution Paid	(2,627,146)	(3,530,755)
At end of the year	62,968,322	58,544,345

NOTE NO: 13

	2011 Rs.	2010 Rs.
PAYABLES (Non Current Liabilities)		
Energy Conservation Fund	-	240,000
TOTAL	-	240,000

NOTE NO:14

	2011 Rs.	2010 Rs.
PAYABLES (Current Liabilities)		
(1) Staff		
1:1 Staff Creditors	10,404	10,404
1:2 Treasury Grant-Staff Training	9,236	-
1:3 Unclaimed Wages	-	13,664
1:4 Treasury Grant - Atlas Collection	8,667	-
1:5 Treasury Grant - ISP Project	16,620	-
Sub Total (1:1- 1:5)	44,927	24,068
(2) Service Advance	12,774,194	15,903,603
(3) Others		
3:1 Provision for Audit Fees	368,929	218,929
3:2 Other Creditors	5,835,847	1,296,330
Sub Total (3:1- 3:2)	6,204,776	1,515,259
(4) Retention Payable	119,000	18,811
(5) E.P.F 10%	986	-
Sub Total (4-6)	119,986	18,811
(6) Less : V.A.T Cash	(6,418)	-
(7) Less : V.A.T Receivable	(386,479)	(128,319)
	18,750,986	17,333,422

NOTES TO THE FINANCIAL STATEMENTS CONTD;

NOTE NO: 15

	2011 Rs.	2010 Rs.
ACCRUED EXPENSES		
Salaries & Wages	294,564	181,837
Traveling & Subsistence	540,250	511,775

Overtime / Holiday Pay	704,472	392,201
Telephone	99,624	57,828
Fuel	40,803	204,199
Maint. of Motor Vehicles	109,973	74,655
Maint. of Machinery	171,128	-
Stationery	34,015	1,380
Maint. of Office Equipment	43,220	21,133
Consultancy charges	4,590	3,090
Electricity	129,012	87,849
Rent	51,000	15,000
Korakahawewa Centre	2,150	-
Drilling Works Consumables	1,278,097	140,750
Ground Water other Expenses	535	2,166
Bank Charges	-	2,250
Water Bills	14,238	6,839
Entertainment	1,790	3,875
News Papers	2,330	5,360
E. P. F. 10%	427,958	398,081
E. P. F. 12%	513,550	489,369
E. T. F. 3%	128,387	122,342
Sundry Expenses	6,387	10,893
Medical	43,200	1,500
Stamp Duty	9,700	8,550
Maintenance of Buildings	500	
VAT Cash	174,200	60,807
VAT Cash	1,522,770	961,285
Economics Service Charges	-	130,469
Bid Bond & Refundable Deposit	-	5,000
Computer & Accessories	-	7,379
Gratuity	-	261,013
Staff Insurance	-	7,205
Lab Equipment	14,000	89,700
Lab Maintenance	76,896	9,232
Labour Charges	-	16,100
Publicity	14,337	3,000
Vehicle Service - Ratmalana	-	190,000
Welfare Expenditure	8,000	32,000
Traveling Advance	3,000	3,000
Director Fees	64,680	-
Legal Charges	29,800	-
Medical Test Charges	1,500	-
Payee Tax	2,045	-
Service Advance	3,037	-
TOTAL	6,565,238	4,519,612

NOTE NO: 16
SECURITY DEPOSITS

		Initial Deposit	2011 Rs.	2010 Rs.
(1)	Mr. W.P.S.Gunethilake - Cashier 3,500	10,205	3,500	
(2)	Mr. K.A.Wimal - Store Keeper	500	1,407	500
(3)	Mr. N. Wicramasinghe - Canteen	5,000	5,000	5,000
(4)	Mr. Wimal Amarasinghe - Store Keeper	-	-	500
TOTAL		9,000	16,631	9500

NOTE NO: 17

Please see Page No 03 for Statement of changes in equity

WATER RESOURCES BOARD**Note : 17**

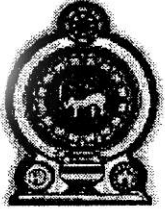
	Accumulated Fund Rs.	Foreign Aid Rs.	Other Grants Rs.	Revaluation Reserve Rs.	Accumulated Profit/Deficit Rs.	Total Rs.
Balance as at 01 st of January, 2010	170,668,681	72,376,910	105,071,709	7,827,360	(225,699,922)	130,244,738
Contribution/Additions for the Year	4,092,223	-	10,112,186	-	-	14,204,409
Net gains and losses Not recognized in the statement of financial performance	-	(34,754,899)	(22,980,964)	(4,051,250)	1,806,407	(59,980,706)
Surplus/(deficit) for the period	-	-	-	-	7,134,891	7,134,891
Balance as at 31 st December, 2010	174,760,904	37,622,011	92,202,931	3,776,110	(216,758,623)	91,603,332
Contribution. Addition for the Year	4,890,000	-	76,717,278	-	-	81,607,278
Fixed Assets Written Off	(49,698)					(49,698)
Net gains and losses Not recognized in the statement of financial performance	-	-	-	212,500	49,256	216,756
Surplus/(deficit) for the period					(46,898,869)	(46,898,869)
	179,601,206	37,622,011	168,920,209	3,988,610	(263,608,236)	126,523,799

Foreign Aid/Govt: Grant

JICA	11,973,124
ADB & NWRA	1,024,650
Others	24,624,237
	37,622,011

Other Grants

	Cost As at 31.12.2010	Additions For the Year	Cost As at 31.12.2011
Training Center - AW & RS Project	933,668	356,511	1,290,179
Japanese 2KR Project	81,476,312		81,476,312
Amerasian Fund	1,770,632		1,770,632
DSWRPP Fund	8,022,319	75,427,306	83,449,625
CN Project		933,461	933,461
	92,202,931	76,717,278	168,920,209



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கணக்காய்வாளர் தலைமை அறிப்பித் திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



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எனது இல
My No

LP/E/2012/13

ඔබේ අංකය
உமது இல
Your No.

දිනය
திகதி
Dat

15 November 2012

The Chairman,
Water Resources Board.

Report of the Auditor General on the Financial Statements of the Water Resources Board for the year ended 31 December 2011 in terms of Seciton 14(2)(c) of the Finance Act, No. 38 of 1971.

The English version of the above mentioned report is sent herewith.

Signed by,
Bandula Munasinghe
Chairman
Water Resources Board

- Copy to :
1. The Secretary,
Ministry of Irrigation & Water Resources Management
 2. Director General,
Dept. of National Budget, General Treasury.

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Report of the Auditor General on the Financial Statements of the Water Resources Board for the year ended 31 December 2011 in terms of Section 14(2)(c) of the Finance Act, No. 38 of 1971

The audit of financial statements of the Water Resources Board for the year ended 31 December 2011 comprising the balance sheet as at 31 December 2011 and the income statement, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with Section 13(1) of the Finance Act, No. 38 of 1971 and Section 17(2) of the Water Resources Board Act, No. 29 of 1964. My comments and observations which I consider should be published with the annual report of the Board 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 issued Chairman of the Board on 13 July 2012.

1:2 Management's Responsibility for the Finance Statements

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

2.2. Comments on Financial Statements

2.2.1 Sri Lanka Accounting Standards

Property, Plant and equipment amounting to Rs: 262,515,402 had not been revalued in accordance with Sri Lanka Accounting Standards No. 18.

2.2.2 Accounting Deficiencies

The following observations are made.

- (a) Though total provision for gratuity as at 31 December 2011 was Rs.62,942,581 according to schedule furnished to audit, Rs. 62,968,322 had been shown in the Financial Statements indicating a difference of Rs.25,740.
- (b) Though value of stock as at 31 December 2011 was Rs. 26,601,330 according to Financial Statements, it was Rs. 26,541,791 according to the Board of Survey Report indicating a difference of Rs. 59,539.
- (c) 8078 items of inventory, spare parts and stationery which come under 09 main categories had not been valued and shown in the Financial Statements.
- (d) Recurrent expenditure amounting to Rs. 1,345,717 had been capitalized.
- (e) Eight Lands and buildings in Head office premises Ratmalane workshop, Training center at Anuradhapura Circuit bungalow at Anuradhapura, and work sites Moneragale, Hambanthota, Jaffna and Vaunia had not been valued and shown in the financial statements due to non-availability of legal ownership.
- (f) The Board had not taken action to obtain legal ownership of 5 motor vehicles valued at Rs. 5,523,346 and to show in the balance sheet as assets of the Board.

2.2.3 Accounts Receivable and Payable

Following observations are made.

- (a) The Board had not taken effective action to recover the sum of Rs. 645,766 which included in the total receivables of Rs. 1,826,269 as at 31 December 2011 even though it was due for more than 2 years.
- (b) Even though a sum of Rs. 1,072,239 was receivable from Monaragala Hospital in accordance with financial statements, the Hospital had confirmed a sum of Rs. 761,808 only.
- (c) Even though Service Advances totaling Rs. 5,890,091 had been taken from 27 institutes and persons, the Board had failed to complete the respective jobs even after a lapse over one year.

2.2.4 Lack of Evidence for Audit

Following items in the accounts could not be satisfactorily vouched in audit due to the non availability of evidence indicating against each item.

Details of Accounts	Value Rs.	Evidence Not Made Available
-----	-----	-----
(i) Trade receivables	754,030	Confirmations
(ii) Creditors	11,312,594	Confirmations
(iii) Vehicles	93,908,902	Board of survey report
(iv) Working progress	46,167,438	Detailed schedules

Total	152,142,964	
	=====	

2.2.5 Non-compliance with Laws, Rules Regulations etc.

Instances of non-compliance observed in audit are given bellow.

	Reference to Laws, Rules and Regulations	Non-compliance
	-----	-----
(a)	<u>Acts</u> Section 14 of the Water Resources Board Act No. 29 of 1964	An Advisory Committee had not been functioned during the year under review.
(b)	<u>Treasury Circulars</u>	
(i)	Circular No. 842 dated 19 December 1978	A register of fixed assets had not been maintained by the Board in terms of the Circular.
(ii)	Circular No. IAI/2002/02 dated 28 November 2002	A register had not been maintained to record the details of computers and computer accessories in terms of the Circular instructions.

(iii) **Circular No. PED 12 dated 02 June 2003**

* Section 4.2.5

Statement identifying old, slow moving and obsolete stocks had not been prepared.

(c) Public Administration Circulars

(i) Section 2.1 of the Circular No. 41/90 of 10 October 1990

Fuel consumption of vehicles of the Board had not been tested in terms of the Circular instructions.

(ii) Circular Letter No. 01/2002 of 26 February 2002

The government emblem and name of the Board had not been stenciled on the vehicles of the Board.

2.2.6 Extraneous Transactions

Hiring charges of Rs. 178,000 had been paid in December 2011 by the Board for 3 buses which had been used by the employees of the Board to go on a trip to Puttalam, Anuradhapura, Kilinochchi, Jaffna and Nagadeepa without proper authority.

3. Financial Review

3.1 Financial Result

According to the financial statements presented, the working of the Board for the year ended 31 December 2011 had resulted in a deficit Rs. 11,195,727 as against the surplus of Rs. 7,134,891 for the preceding year, thus indicating a deterioration in the financial results for the year under review by Rs. 18,330,618. Main reasons attributed for the deteriorations of financial results was increase of expenditure by Rs. 43,006,618.

4. Operating Review

4.1 Financial and Physical Performance

According to the annual estimates and information made available to audit, the financial and physical performance of the Board during the year under review is given below.

(a) Financial Performance

Income

Subject	Estimated Income Rs.	Actual Income Rs.	Variation Rs.	Percentage of the Variation %
-----				-----
Hydrogeological Surveys	7,500,000	4,616,928	(2,883,072)	(38)
Tube Well Constructions	30,000,000	43,155,836	13,155,836	44
Hand Pump Installations	2,500,000	3,945,607	1,445,607	58

Pumping Tests	2,000,000	2,737,943	737,943	37
Tube Well Cleaning	1,800,000	2,521,993	721,993	40
Water Sample Analysis	500,000	1,835,378	1,335,378	267
Isotopes Studies in Puttlam				
Aquifers	100,000	33,380	(66,620)	(67)
Hydrogeological Coastal				
Study in Colombo to Negombo	20,000,000	2,000,000	7,366,539	(63)
Study in Water Quality Changes				
in Aquifer System Anuradhapura	20,000,000	1,149,990	(850,010)	(43)
Atlas Collection Maps	200,000	21,333	(178,667)	(89)
Wind Mills	250,000	110,440	(139,560)	(56)
Geographic Information System				
Income	50,000	7,000	(43,000)	(86)
Treatment Plants and Water				
Pollution Control	-	338,826	338,826	∞
Ground Water Development				
(MANRIP - JICA)	-	14,118,464	14,118,464	∞

Expenditure

Subject	Estimated Expenditure	Actual Expenditure	Variation Variation	Percentage of the
-----	Rs.	Rs.	Rs.	-----%
Director Fees	200,000	404,227	(204,227)	(102)
Gratuity	4,000,000	6,966,770	(2,966,770)	(74)
Other Allowances	25,000	32,750	(7,750)	(31)
Traveling Overseas	150,000	-	150,000	100
Drilling Works Consumables	20,000,000	34,503,522	(14,503,522)	(73)
Laboratory Consumables	1,000,000	3,150,692	(2,150,692)	(215)
Other Consumables	200,000	372,540	(172,540)	(86)

Work Shop Seminars	300,000	18,150	281,850	94
Water Bills	100,000	73,706	26,294	26
Sundry Expenses	400,000	298,405	101,595	25
Maintenance and Repair				
Service - Motor Vehicles	3,800,000	5,304,848	(1,504,848)	(40)
- Office Equipment	400,000	737,287	(337,287)	(84)
- Buildings	300,000	995,417	(695,417)	(232)
Welfare and Sports Facilities	150,000	294,106	(144,106)	(96)
Entertainment	80,000	190,531	(110,531)	(138)
Vacation Leave Encashment	40,000	9,440	30,560	76
Uniforms	250,000	347,908	(97,908)	(39)
Publicity and Advertising Expenses	300,000	472,391	(172,391)	(57)
Staff Insurance	50,000	-	50,000	100
Medical Test Charges	20,000	27,360	(7,360)	(37)
Legal Expenses	150,000	277,274	(127,274)	(85)
Stamp Duty	1,000	4,500	(3,500)	(350)
Training Centre Expenditure				
Anuradhapura	1,000,000	111,017	888,983	89
Hiring Charges	-	132,516	(132,516)	∞

Subject	Estimated Units	Completed Units	Variation
-----	-----	-----	-----

Generated Fund Project

Hydrogeological Surveys	50	145	95
Tube Well Constructions	50	74	24
Hand Pump Installations	75	52	23
Pumping Tests	40	40	-
Tube Well Cleaning	40	57	17
Water Sample Analysis	500	3,206	2,706

Consolidated Fund Project

Hydrogeological Surveys	150	43	107
Construction of Test Wells	150	11	139
Pumping Tests	50	-	50
Water Sample Analysis	150	200	50
Well Monitoring	100	200	100
Leveling	150	-	150
Establishment of Monitoring			
Net Work With Sampling Point	400	150	250
Collection of Water Sample Analysis	500	400	100

The following observations are made with regard to the above performance.

- (i) Even though income of Rs.14, 457,293 had been earned during the year under review by Treatment Plant Water Pollution Control and Ground Water Development, these activities had not been budgeted in the year.
- (ii) Even though the Board had earned an income of Rs. 58,813,685 during the year under review on Hydrogeological surveys, Tube Well Constructions, Hand Pump Installation, Pumping Tests, Tube Well Clearing and Water Sample Analysis, the audit test checks revealed that detailed estimates had not been prepared for each and every activities. Further, it was observed that actual cost of each activity had not been recorded so as to compare actual cost with actual income.
- (iii) Even though the Board had estimated to carry out 50 Pumping Tests and 150 Leveling, non of those had been carried out during the year under review.
- (iv) Provision made for foreign travels amounting to Rs. 150,000.00 had not been utilized and provision had not been made in the budget for hiring charges amounting to Rs. 132,516.

4.2 Management Inefficiencies

The following observations are made.

- (a) Receivables amounting to Rs. 1,689,960 brought forward from previous years had been written off during the preceding year due to the inability to recover those receivable.
- (b) Any effective action had not been taken to repair broken hour meters of 5 Drilling Rigs of the Board. Therefore fuel expenses incurred could not be satisfactorily examined in audit.
- (c) Even though a provision Rs. 60,000,000 had been made in the Appropriation Act for capital expenditure, only a sum of Rs. 17,070,000 had been utilized during the year under review. The Board had failed to utilize Rs. 42,930,000 equivalent to 72% of the total provision.
- (d) The Board had not taken meaningful action on the following mentioned in Section 12 of the Water Resources Board (Amendment) Act No: 42 of 1999.
 - (i) The control regulation and development (including the conservation and utilization) of the water resources of the country.
 - (ii) The prevention of the pollution of rivers, streams and other water resources.
 - (iii) The formulation of national policies relating to the control and use of the water resources of the country with the following objectives in view.
 - ❖ The multi-purpose development and use of water resources.

- ❖ The short term and long term provision of water resources for domestic supplies and industrial supplies.
- ❖ The control of salinity
- (iv) The preparation of comprehensive and integrated plans for the conservation, utilization, control and development of the groundwater resources of the country.
- (v) The co-ordination of the activities of Government Departments, Local Authorities and Public Corporation in regard to surveys of basic data and other investigations, relating to hydrogeology.
- (vi) The analysis of reports based on investigations, statistical surveys, plans and proposals relating to the ground water resources of the country made by Government Departments, Local Authorities and Public Corporations.
- (vii) The co-ordination of projects undertaken by Government Departments, Local Authorities and Public Corporations, relating to the conservation , utilization and development of the subterranean water resources of the country, and the assessment of the possibilities, benefits and economic feasibility of such projects.

4.3 Employee's Gratuity Fund

Even though a sum of Rs. 62,909,709 had been provided in the accounts of the Board as at 31 December 2011 for the payment of gratuity, only a sum of Rs. 10,938,400 had remained out of the investment made to meet the gratuity payments as and when they arise in the future. Further, it was observed that a sum of Rs. 14,740,000 had been withdrawn to meet day to day expenses of the Board during the year from the above saving account maintained for the payment of gratuity in future.

5. Accountability and Good Governance

5.1 Budgetary Control

Significant variances were observed between the estimated income and expenditure and the actual of the Board, Thus indicating that the budget had not been made use of as an effective instrument of management control.

5.2 Tabling of Annual Reports

Annual report for the years 2008, 2009 and 2010 had not been tabled in the Parliament in terms of Section 14 (3) of the Finance Act.

6. Systems and Controls

Deficiencies observed in systems & controls during the caused of audit were brought to the Chairman of the board by my detailed report issued in terms of section 13(7) (a) of the Finance Act. Special attention is needed in respect of the following areas of control.

- (a) Financial and physical performance.
- (b) Budget
- (c) Debtors and Creditors
- (d) Compliance with Laws, Rules and Regulations
- (e) Achievement of Planned Activities.

Signed by

H.A.S.Samaraweera

Auditor General



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நீர்ப்பாசனம் மற்றும் நீர் வள முகாமைத்துவ அமைச்சு
MINISTRY OF IRRIGATION & WATER RESOURCES MANAGEMENT



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நீர் வளச் சபை
WATER RESOURCES BOARD

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எனது இல }
My No. }

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Your ref }

H.A.S.Samaraweera
Auditor General

WRB/IA/32

21/12/2012

REPORT OF THE AUDITOR GENERAL ON THE FINANCIAL STATEMENTS OF THE WATER RESOURCES BOARD FOR THE YEAR ENDED 31ST DECEMBER 2011 IN TERMS OF SECTION 14 (2) (C) OF THE FINANCE ACT. NO 38 OF 1971

My replies are given below for your kind attention please.

2.2.1 Sri Lanka Accounting Standards

Arrangements will be made to get the technical support and the Property will be revalued in future.

2.2.2 Accounting Deficiencies

The following replies are made.

- (a) The amount of Rs. 25,740 was not entered in the schedule of gratuity provision furnished to audit. But it was entered already in the schedule of the Institute.
- (b) This difference has been created due to not mentioning the value of several items in the verification report which was presented to audit. However it has been indicated properly in the verification report of the Institute and the necessary steps have been taken to avoid such mishap in future.
- (c) Most of the items were given as aids and not been valued. Some of the items were used and returned to the stores. Except these, other items have not been valued. Arrangements will be made to estimate the value and entered them in future.
- (d) It was capitalized Rs .1,345,717.00 which was spent for the capital expenditure out of the capital grant from the Treasury.

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- (e) Arrangements have been made to get deeds legally for the lands of the Anuradhapura training centre and Monaragala. (Estimated values of the lands have already paid)

Steps have been taken to survey the land of Anuradhapura Circuit bungalow and Hambantota.

An alternative site for Rathmalana work shop will be provided by the National Physical Planning Department. The discussions are in progress.

Action will be taken to get the legal ownership of the Vauniya land and the head office.

Jaffna office was a rented premises.

- (f) A cabinet paper was prepared and submitted to the Ministry of Irrigation and Water Resources Management to forward it to the cabinet in order to get the legal ownership for the 05 vehicles.

2.2.3 Accounts Receivable and Payable

- (a) Divisional Secretary Vauniya agreed to settle down the balance.

Due to lack of necessary details National Water Supply Board has informed the inability to settle the particular amount. Actions are being taken to get the relevant amount from National Institute of Education.

- (b) A cheque of Rs.267,040.93 has been issued on December 31st 2011 but it was received in January 2012. Now the debtors balance is Rs. 43,390 only. The balance amount of Rs 43,390.00 is agreed to pay by the Moneragala Hospital.
- (c) Requested amount has been released for two institutes. If the other Institutes request, the necessary action will take to settle down their balance.

2.2.4 Lack of Evidence for Audit

Necessary data could be obtained from the software system which has been installed already for the fixed assets management & inventory control.

2.2.5 Non-compliance with Laws, Rules Regulations etc.

	Reference to Laws, Rules and Regulations	Non-compliance
	-----	-----
(a)	<u>Acts</u>	
	Section 14 of the Water Resources Board Act No. 29 of 1964	The function of the advisory committee is to <u>advise the board</u> on any or all of the matters set out in section 12 of the act. The committee is comprising of heads or his representatives of 15 government institutions. This committee is already existed.
(b)	<u>Treasury Circulars</u>	
(i)	Circular No. 842 dated 19 December 1978	A software is installed for fixed assets management & inventory control and entering the data to the system is in progress.
(ii)	Circular No. IAI/2002/02 dated 28 November 2002	A software is installed for fixed assets management & inventory control and details of the computers and computer accessories were entered in to the system.

- | | |
|---|---|
| <p>(iii) Circular No. PED 12 dated 02 June 2003</p> <p>* Section 4.2.5</p> | <p>A software is installed for fixed assets the data entering to system is in progress.</p> |
| <p>(c) <u>Public Administration Circulars</u></p> | |
| <p>(i) Section 2.1 of the Circular No. 41/90 of 10 October 1990</p> | <p>The fuel consumption of the board vehicles done in every year.</p> |
| <p>(ii) Circular Letter No. 01/2002 of 26 February 2002</p> | <p>Steps are being taken to mention the name of the board & the government emblem on the vehicles of the board.</p> |

2.2.6 Extraneous Transactions

The primary objective of this field trip was the welfare of the employees along with the improvement of knowledge, attitudes, skills & efficiency and aware the projects implemented by the board in the dry zone of Sri Lanka.

3. Financial Review

3.1 Financial Result

The latter part of the year 2010 and in the year 2011, 44 employees were recruited to the board as Trainee Drilling Officers, Geologists, Chemists, Drivers, Laborers. The board had to pay their salaries and other expenses. In addition to that the board had to spent more for fuel, telephone bills, water bills for the year concerned.

4. Operating Review

4.1 Financial and Physical Performance

- (i) For the every activity, an estimate has been prepared and submitted to the relevant client. The activities were undertaken by the board with the confirmation of the estimates by the clients.
- (ii) Detailed estimates and cost records were prepared for every activity undertaken by the board.
- (iii) Under the research projects, the project activities change with the basic findings. In this case, designing of the groundwater monitoring network is in consolidation stage. Pump testing and leveling will be done after consolidation period.
- (iv) Though the provision was available, there were no necessity existed for foreign travel.

4.2 Management Inefficiencies

- (a) Some of the receivables unable to collect, were subjected to written off.
- (b) Attempted to repair them but failed due to technological complications.
- (c) Under the treasury grant projects, it was planned to construct 300 test bore holes, but with the available drilling machinery (most of them are more than 30 years old), it was failed to achieve the targets. The machines had undergone repairs frequently. The matter was conveyed to the treasury and requests were made for new drilling rigs but so far, proper solution was not given by the treasury to mitigate the situation. The board could utilize the total allocation, if the board was able to construct the test bore holes specified above

- (d) (i) The regulations were prepared and submitted to the Ministry of Irrigation and Water Resources Management in March 2012 and understood that the Ministry is working on that.
- (ii) The regulations were prepared and submitted to the Ministry of Irrigation and Water Resources Management in March 2012 and understood that the ministry is working on that.
- (iii) The regulations were prepared and submitted to the Ministry of Irrigation and Water Resources Management in March 2012 and understood that the ministry is working on that. These regulations must be Gazetted by the Minister for the enforcement.
- (iv) The plans cannot be implemented without the enforcement power of the regulations mentioned above.
- (v) Hydrogeological activities of Government Departments, Local Authorities and Public Corporations are coordinated whenever required.
- (vi) The reports were analyzed whenever they received.
- (vii) The board involve with the EIA evaluations related to water resources of the country when assessing the feasibility of projects.

4.3 Employee's Gratuity Fund

Action will be taken to build up the account.

5. Accountability and Good Governance

5.1 Budgetary Control

Groundwater research studies involve test bore hole drilling which is one of the main to be perform with the very old drilling rigs of the board. Assuming the maximum utilization of the machines the budget estimates are being prepared. When implementing the projects, these drilling rigs are frequently undergo repairs and it is difficult to achieve the expected targets. The result would be the variances in estimated cost and the expenditure. The board already convince this situation to the Treasury and a project proposal was submit to the Department of National Planning for requesting three new drilling rigs with accessories to the Water Resources Board for the year 2013. The variances can be minimized, if the board provided with required equipment.

5.2 Tabling of Annual Reports

Action has been taken to table them in Parliament.

6. Systems and Controls

Action has been taken to have a better control over the areas mentioned above, wherever possible.

Signed by,
Bandula Munasingha
Chairman
Water Resources Board