

Transaction Report of National Library and Documentation Services Board - 2021

The audit of the operations of the National Library and Documentation Services Board for the year ended 31 December 2021 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 and the National Audit Act No. 19 of 2018 read in conjunction with section 13(1) of the Finance Act No. 38 of 1971 and Section 22 of the National Library and Documentation Services Board Act No. 51 of 1998. The financial statements for the year 2021 required to be submitted in terms of Section 13(6) of the Finance Act had not been submitted by the date of this report. My observations regarding the performance of the Board during the year under review only which I consider should be report to Parliament appear in this report in terms of the article 154(6) of the Constitution of the Democratic Socialist Republic of Sri Lanka.

2. Financial Statements

2.1 Presentation of Financial Statements for Audit

Audit Observation	Comment of management	Recommendation
Even though the financial statements and draft annual report should be submitted to the Auditor General within 60 days of the end of the financial year in terms of the Section 6.5.1 of Public Enterprise Circular No. PED/12 dated 02 June 2003, the financial statements for the year under review had been delayed by 08 months, and had not been submitted for audit even by 16 November 2022.	The financial statements for the year 2021 are being prepared for submission by the year 2023.	Urgent measures should be taken to submit the financial statements on time.

2.2 Non-compliance with Laws, Rules, Regulations and Management Decisions etc.

Reference to Laws, Rules Regulations etc.	Non-compliance	Comment of management	Recommendation
(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka			
(i) Financial Regulation 756, 757	Purchased book stock costing Rs.113,668,167 as at 31 December 2021 and archived book stock of the National Library had not been surveyed	Since the book collection is in small batches and the reader service need to be provided continuously,	Measures should be taken in terms of the Financial Regulations.

- during the year under review also. the annual survey had not been conducted at once and an internal plan is being prepared to conduct the survey in phases from the year 2023.
- (ii) Financial Regulation 1647 (b) Annual surveys had not been conducted in respect of 07 vehicles and 02 finance leased vehicles, which cost Rs.32,270,762, owned by the Board. Annual surveys on vehicles and equipment will also be conducted in due course. Financial Regulations should be followed.
- (b) The National Library and Documentation Services Board Act No. 51 of 1998
- (i) Section 12(2) (a) and (b) When entering the items to the national reserve of library and documentation resources to the new library information management system in year 2015, 330,228 items had not been entered, and the readers had lost the opportunity of accessing these resources as some of the data of certain items entered were also incorrect. Even though the accession numbers had been allocated assuming that there are ten lakh of items available until year 2015, there were 503,532 items according to the data presented. Because of the said assumption, 496,468 redundant numbers had not been detected in the acquisition register. Ten lakh had been chosen as a certain cut-off to guess and include new acquisitions in the new data system. Even though it was proposed to enter the data that had not been entered in the data system in the years 2016, 2020, 2022, the work could not be initiated due to lack of money and cadre problems. Data had been entered using temporary trainees by now. National pool of documentation resources should be established formally and maintained in an orderly and efficient manner.

	(ii)	The progress in the performance of the tasks assigned to the board regarding the provision of a national pool of library and documentation resources, the establishment, improvement, maintenance and conservation of local and foreign documentation materials had not been reflected in the progress reports of the Conservation and Restoration, Retrieval and Bibliographic Control Divisions and 5,288, 1,880 and 33,353 units held in those divisions respectively.	The preparation of monthly progress reports of those divisions according to the new format had been commenced from September 2022. Tasks in hand are being performed in the relevant divisions.	Measures should be taken to carry out the duties assigned to the Board efficiently in terms of the Act.
	(ii) section 12(2) (g)	The period for publication of the bibliography was not fixed and the bibliographies had been published late in 2019, 2020 and 2021.	The bibliography of Sri Lanka had been published with a delay of up to 15 months due to the renovation work carried out since year 2018 and the Corona situation.	The duties assigned to the Board should be performed efficiently in terms of the Act.
(b)	Treasury Circular No. 842 dated 19 December 1978	A fixed asset register had not been maintained for property, plant and equipment costing Rs.383,231,029 at the end of the year under review.	Officers had been instructed to maintain an updated fixed asset register.	Measures should be taken to maintain an updated fixed asset register.

3. Operational Review

3.1 Management Inefficiencies

	Audit Observation	Comment of management	Recommendation
(a)	The service contracts had been signed for the printer, which had been sent for repair and removed from use and not require servicing from 14 January 2021 to 13	The said printer had been repaired for use and minor printing work had been carried out by the said machine. Therefore, the service contracts had been made. Services had been carried out as per the requirements of the new printer. It is incorrect to state that	It should be the responsibility of management to establish internal control systems to ensure proper coordination among departments.

January 2023 and Rs. 49,680 had been paid. The currently used printer in the printing unit, purchased on 21 January 2020 with a warranty period of one year and worth Rs.1,634,580, was serviced on 03 September 2020, and no service agreement had been entered into for re-service. The printer, which had been serviced only once since the date of purchase, had been used for printing work for a period of 25 months without servicing by November 2022.

services had not been rendered for a period of 26 months. Even though there is a need to provide more information, it is not possible to give answers without checking the files since the relevant file had been taken by the government audit department.

- (b) A stock of 7,506 board publications worth Rs. 2,011,363 printed from the year 2014 to the year 2018 had not been distributed by 24 November 2022.
- Measures had taken to minimize remaining stock of Board publications. The bibliography and series of Sri Lanka periodicals are to be donated as learning materials in various workshops and conferences and given to scholars who attend the programmes.
- The need should be recognized and the printing works should be carried out and the existing books should be used effectively.

3.2 Contract Administration

----- Audit Observation -----	----- Comment of management -----	----- Recommendation -----
<p>The Ministry of Education had entered into an agreement with a contracting company for a tax-free contract amount of Rs.211,937,795 to complete the renovation of the main building from 24 January 2018 within a period of 09 months. An amount of Rs.252,463,612 had been paid to the company by the end of 2020, and the contract period had been extended on 03 occasions. However, the contract was stopped midway in March 2021. Even though 18 main points and Contractual work from the ground floor to the fourth floor which are incomplete and</p>	<p>The former chairman has informed the ministry secretary to stop the work of the contract company and assign the task to the navy. The works to be constructed at present and an estimate of its cost had been prepared and submitted to the board according to the instructions of the Secretary of the Ministry. Accordingly, a Cabinet paper is to be submitted to obtain the</p>	<p>Procurement guidelines should be followed.</p>

not completed as scheduled had been identified by the Chairman's letter No. 15-02-07 dated 05 January 2021, those deficiencies had not been completed even by 09 November 2022. As a result, the contribution of Conservation and Restoration, Acquisitions, Bibliography and Control Divisions could not be utilized sufficiently to achieve the objectives of the board since the works of those divisions are being carried out in temporary places from the year 2018. necessary provisions.

4. Good Governance

4.1 Human Resource Management

Audit Observation	Comment of Management	Recommendation
<p>The approved cadre of the board at the end of the year under review was 197 and there were 04, 08, 33 and 13 vacancies as senior, tertiary, secondary and primary respectively. The situation had been revised as 04, 09, 36 and 16 respectively by 31 October 2022.</p>	<p>Since it has become difficult to run the work of the institution due to the existing shortage of employees, the necessary approval had been requested from the Secretary of the Treasury to recruit suitable candidates for the posts for which the preliminary work of recruitment had been done.</p>	<p>Measures should be taken to fill the vacancies for essential posts.</p>