

National Library and Documentation Services Board - 2023

The audit of the operations of the National Library and Documentation Services Board for the year ended 31 December 2023 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 read in conjunction with the National Audit Act No. 19 of 2018, 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 2023 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
As per the section 6.6 of the Operation Manual of the Public Enterprises, even though the financial statements and drafted annual report should be submitted to the Auditor General within 60 days of the end of the financial year, the financial statements for the year 2022 and 2023 had not been submitted for audit even by 29 November 2024.	The final financial report for the year 2022 was approved at the Board of Directors meeting held in May 2024, but the Director (Finance and Control) had informed that the deficiencies identified during the subsequent check of the accounting documents needed to be corrected. However, the Director (Finance and Control) has resigned from his position with effect from 06 October 2024, and it is expected to prepare a new programme and the financial reports will be submitted promptly.	Prompt action should be taken to submit the financial statements by due date.

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

	Reference to Laws, Rules Regulations etc.	Non-compliance	Comment of the Management	Recommendation
(a)	Sub-section 16(1) of the National Audit Act No. 19 of 2018	The ledger entries regarding the transactions of the Board had not been updated in the ledger accounts in continuously and timely manner. Further, transactions for the year 2023 were still being entered into the computer software and	It was revealed that proper instructions had not been given to the accounting department officers to record the transactions that took place in the year 2024 using the accounting software. Also, the Director (Finance and Control) has self willingly resigned on 06 October	All transactions should be recorded in the new ledger accounts continuously and up to date.

even by 30 August 2024. Apart from recording transactions in the cash book since January 2024, entries to other ledger accounts and transactions that should have been recorded through journal entries had not been recorded in a timely manner.

(i) The National Library and Documentation Services Board Act No. 51 of 1998

(i) Section 12(2)(a) and (b)

When entering the items of 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 some of the data of certain items entered were also incorrect. As such, the readers had lost the opportunity of referring resources. The progress in entering of books which were not included in any of the reference registers in to the new library management system (KOHA) was also not satisfactory.

2024. Accordingly, a new program will be prepared for inclusion of delayed transactions in the year 2024 in the accounting software system and the accounting system will be updated.

A project report was prepared to include 496,468 old publications that were not included in the Koha database. As per the instructions of the Board of Directors, actions have been taken to forward the report to the Department of National Planning through the Secretary to the Ministry of Education. That actions are being taken to maintain the National Library collection in a systematic, orderly and efficient manner.

Actions should be taken to maintain the library information management system up to date.

(ii) section 12(2)(g)	The time periods for publication of the bibliography had not been fixed and Publication works up to the March 2024 had been completed by 05 November 2024 and bibliographies had been printed up to the month of December 2023.	Scientific Bibliographic information for the monthly issues of the National Bibliography of Sri Lanka is obtained from various sources. There will be some delays depending on the time taken to computerize the information, apply category numbers, apply subject headings, check proofs, prepare the final copy, print and publish.	Action should be taken in accordance with the provisions of the Act.
(ii) Financial Regulations of the Democratic Socialist Republic of Sri Lanka. Financial Regulations 756 and 757	Conserved Documentary Resources of the National Library had not been surveyed during the year under review.	An internal plan has been prepared since 2023 to conduct a phased survey of the Conserved books of the National Library included in the financial statements. Under its first phase, action has been taken to conduct the board of survey based on the data initially entered into the KOHA database. Also, that the second phase of the survey has already begun and its final reports are expected to be received in the near future.	The financial regulations should be complied.
(b) Letter from the Director General of the Department of External Resources No. SC&PMU/Grant/19 dated 25 July 2019	The Board had directly received a sum of Rs.30 million in foreign grants and technical assistance provided from the Canadian Commonwealth Learning Association between the year 2021 and 2023 without the knowledge and consent of the Department of External Resources.	A letter was sent to the Department of External Resources on 14.02.2023 along with the relevant project report to include information on the accounts. Similarly, in accordance with the discussion held with the Director of the Department of External Resources at the Ministry of Finance on 12.01.2024, a further letter was sent to the Ministry of Education on 24.07.2024.	Circular provisions should be complied.

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| (c) | Treasury Circular No. 842 dated 19 December 1978 | An updated fixed asset register had not been maintained in respect of property, plant and equipment costed for Rs.383,231,029 as on 31 December 2022. | The fixed asset register has now been updated. | Actions should be taken to maintain an updated fixed asset register. |
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3. Operational Review

3.1 Management Inefficiencies

Audit Observation	Comment of the management	Recommendation
<p>The air conditioning system installed in the National Library documentation resource collection should be operated continuously 24 hours a day to maintain proper humidity. But due to the increase in electricity tariff, the air conditioning system has been turned off for 17 hours on weekdays and 24 hours on weekends and holidays. Since this situation adversely affects the maintenance of conservation work at an optimal level, the Board had not focused attention to get the electricity requirement through alternative energy sources.</p>	<p>Due to the electrical circuit system of the board has not been properly installed and in order to minimize the electricity bill, the air conditioning system is not currently operated after the end of office hours. A report has been obtained from the Sustainable Energy Authority to install solar panels in the Board to reduce electricity bills and has been forwarded to the Department of National Planning for approval along with a project report.</p>	<p>Action should be taken to ensure the security of the National Library documentation resource reserve.</p>

3.2 Contract Administration

Audit Observation	Comment of management	Recommendation
<p>It has been entered into an agreement with a contracts company for a tax-free contract amount of Rs.211,937,795 to complete the renovation of the main building within a period of 09 months from 24 January 2018. The contract period had been extended in 03 occasions and total amount of Rs.252,463,612 had been paid to the company. However, the contract has been stopped midway in March 2021.</p>	<p>The Ministry of Education has assigned the Western Provincial Engineering Division to complete the balance works (civil) of the renovation of the building. Action has been taken to release the necessary provisions for the year 2024 for this. That tenders are scheduled to be called in the next few days.</p>	<p>The renovation work should be completed promptly in accordance with the Government Procurement Guidelines.</p>

3.3 Operation Inefficiencies

Audit Observation	Comment of the Management	Recommendation
(a) The hole filling machine and temperature and humidity control equipment, which had been procured at a cost of Rs.3,111,195 for the reservation works of the laboratory, had not been used since the year 2018.	The hole filling machine has now been repaired, but the paper pulp needed for the machine and a mixing machine to prepare it should be procured. Action is being taken to repair the temperature and humidity control machine.	Actions should be taken to maintain the conservation works of the documentation resource reserve at an optimal level.
(b) A RFID Barcode Reader machine had been procured at a cost of Rs.2,992,265 on 31 December 2019 and a sum of Rs.316,691 has been incurred annually to service it. But the expected results could not be achieved as electronic doors had not been installed at the entrance and exit gates by 30 August 2024.	Although the specifications for the purchase of RFID security gates were prepared for the year 2023, the work could not be carried out as the allocated funds were not received. Since funds were not allocated for the same in 2024, actions have been taken to include it in the 2025 budget report.	Actions should be taken to make procurement activities more effectively and efficiently.