

Transaction Report of National Library and Documentation Services Board - 2020

The audit of the operations of the National Library and Documentation Services Board for the year ended 31 December 2020 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 2020 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 20 months, and had not been submitted for audit even by 14 November 2022. | The financial statements for the year 2020 are being prepared for submission in next month. | 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 | The book stock with the cost of Rs. 112,326,034 purchased in the year 2020 and | Since the book collection is in small batches and the reader service need to be | Measures should be taken in terms of the Financial Regulations. |

the archived book stock had not been surveyed in the year under review also.

provided continuously, the annual survey had not been conducted at once and an internal plan is being prepared to conduct the survey in stages from the year 2023.

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|------|--|--|--|---|
| (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 No. 12(2) (a) and (b) | The progress in fulfilling the tasks assigned to the board related to provision of a national reserve of library and documentation resources, establishment, development, maintenance and preservation of a local and foreign documentation materials reserve had not been reflected in the progress reports of the conservation and restoration, retrieval and bookkeeping sectors, and there were 5,288, 1,880 and 33,353 units in those divisions respectively. | The preparation of monthly progress reports of those divisions according to the new format had been started from September 2022. Intermediate tasks in the relevant divisions are being performed. | Measures should be taken to carry out the duties assigned to the Board effectively in terms of the Act. |
| (ii) | Section 12(2) (g) | The period for publication of the bibliography had not | The bibliography of Sri Lanka had been published with a | The duties assigned to the Board in terms of the Act should be |

been fixed and the maximum delay of up performed efficiently.
 bibliography had been to 15 months due to the
 published late in the renovation work carried
 years 2019, 2020 and out since year 2018 and
 2021. the Corona situation.

- (c) Treasury Circular No. 842 dated 19 December 1978
- An up-to-date fixed asset register had not been maintained for property, plant and equipment with the cost of Rs.381,068,937 by 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) | A stock of 8,053 Board Publications worth Rs. 2,084,167 printed from year 2014 to 2018 had not been distributed by 25 October 2022. | Measures had been taken to minimize remaining stock of Board publications. In the future, the bibliography and series of Sri Lanka periodicals are to be donated as learning materials in various workshops and conferences and given to scholars attending the programmes. | Measures should be taken to identify the need and carry out the printing and utilize the existing books effectively. |
| (b) | The conservation work of the National Library's book reserve had been terminated until 30 November 2022 due to that the Conservation and Restoration Laboratory had been removed from its established location from August 2018 due to the renovation work of the building. | The existing laboratory had to be temporarily removed from its location to establish a modern conservation laboratory. Even though the conservation work of the library is maintained with the existing equipment, there is also a lack of trained staff. This work is expected to be done efficiently after hiring suitable staff and establishing a proper laboratory. | Arrangements should be made to start the conservation work formally without delay. |

3.2 Contract Administration

Audit Observation

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 within a period of 09 months from 24 January 2018. Rs.252,463,612 had been paid to the company by the end of year 2020, and the contract period had been extended on 03 occasions. However, the contract had been stopped midway in March 2021. Even though 18 main points and incomplete contract works from the ground floor to the fourth floor had been identified by the Chairman's letter No. 15-02-07 dated 05 January 2021, the deficiencies had not been completed even by 09 November 2022. As a result the work of conservation and restoration, retrieval, book circulation and control division had been carried out in temporary places since year 2018, it was not possible to use the contribution of those divisions sufficiently to achieve the objectives of the board.

Comment of management

The Ministry Secretary had been informed by former chairman to stop the work of the contract company and assign the task to the Navy. The works to be constructed and an estimate of its cost had been prepared and submitted to the board according to the instructions of the Ministry Secretary by now. Accordingly, a Cabinet paper is to be submitted to obtain the necessary provisions.

Recommendation

Procurement guidelines should be followed and measures should be taken to complete the construction work without delay.

4. Good Governance

4.1 Human Recourse Management

Audit Observation

The approved cadre of the board was 197 by the end of the year under review and there were 05, 11, 26 and 13 vacancies in senior, tertiary, secondary and primary respectively. The situation had been revised to 04, 09, 36 and 16 respectively by 31 October 2022.

Comment of management

It has become difficult to run the work of the institution due to the existing shortage of employees. Therefore, 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.

Recommendation

Action should be taken to fill the vacancies for essential posts.