

Report of the Auditor General on Head 208 - Department of National Museums - Year 2015

The audit of the Appropriation Account and the Reconciliation Statements including the financial records, books, registers and other records of the Head 208 - Department of National Museums for the year ended 31 December 2015 was carried out in pursuance of provisions in Article 154 (1) of the Constitution of the Democratic Socialist Republic of Sri Lanka. The Management Audit Report for the year under review was issued to the Director General of the Department on 26 July 2016. The audit observations, comments and findings on the accounts and the reconciliation statements were based on a review of the Accounts and Reconciliation Statements presented to audit and tests of samples of transactions. The scope and extent of such review and tests were such as to enable as wide an audit coverage as possible within the limitations of staff, other resources and time available to me.

1.2 Responsibility of the Chief Accounting Officer and the Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer and the Accounting Officers are responsible for the maintenance, preparation and fair presentation of the Appropriation Account and the Reconciliation Statements in accordance with the provisions in Articles 148,149,150 and 152 of the Constitution of the Democratic Socialist Republic of Sri Lanka, other statutory provisions and Public Finance and Administrative Regulations. This responsibility includes: designing, implementing and maintaining internal control relevant to the preparation and fair presentation of Accounts and Reconciliation Statements that are free from material misstatements whether due to fraud or error.

2. Accounts

2.1 Appropriation Account

Total Provision and Expenditure

The total net provision made for the Department amounted to Rs.309.30 million and out of that a sum of Rs.268.24 million had been utilized by the end of the year under review. Accordingly, provisions of Rs.41.06 million or 13.28 per cent out of the total net provision made for the Department had been saved. Details appear below.

Expenditure	<u>As at 31 December 2015</u>			Savings as a Percentage of Net Provision
	Net Provision	Utilization	Savings	
	Rs. Millions	Rs. Millions	Rs. Millions	
Recurrent	161.44	149.85	11.59	7.18
Capital	147.86	118.39	29.47	19.93
Total	309.30	268.24	41.06	13.28

2.2. Advance Account

Advances to Public Officers Account

Limits Authorized by Parliament

The limits authorized by Parliament for the Advances to Public Officers Account of the Department under Item No.20801 and the actual amounts are given below.

<u>Expenditure</u>		<u>Receipts</u>		<u>Debit Balance</u>	
Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions	Rs. Millions
13.39	7.75	5.89	7.81	45.00	27.07

2.3 General Deposit Account

The balance of the General Deposit Account under the Department as at 31 December 2015 amounted to Rs.5.12 million.

2.4 Audit Observation

The Appropriation Account and the Reconciliation Statements for the year ended 31 December 2015 of the Department of National Museums had been satisfactorily prepared subject to the audit observations appearing in the Management Audit Report referred to in Paragraph 1.1 above. The material and important audit observations out of the audit observations included in the Management Audit Report appear in Paragraph 3.

3. Material and Significant Audit Observations

3.1 General Deposit Account

Action in terms of Financial Regulation 571 had not been taken on 2 deposits older than 2 years totalling Rs. 385,229.

3.2 Reconciliation Statement of the Advances to public Officers Account

According to the Reconciliation Statement of the Advances to Public Officers Account, Item No 20801 as at 31 December 2015, the balances remained outstanding as at that date totalled Rs. 664,309 and the follow – up action on the recovery of the outstanding balances had been at a weak level.

3.3 Good Governance and Accountability

3.3.1 Internal Audit

An Internal Audit Unit had not been established in the Department. The internal audit unit of the Ministry had not carried out the internal audits in the year under review as well.

3.3.2 Audit and Management Committee

The Audit and Management Committee of the Department had not met in the year under review.

3.4 Assets Management

Conduct of Annual Boards of Survey

Even though Annual Boards of Survey for the year 2015 had been conducted and the reports thereon had been furnished to the Auditor General in terms of the Public Finance Circular No. 02/2014 of 17 October 2014, the curious relating to the Colombo National Museums and 8 Regional Museums had not been included in that Boards of Survey.

3.5 Performance

Key Functions not Executed Adequately

Instances were observed that the key functions of the Department had not been executed adequately and several such instances so revealed are given below.

(a) Amendment to the National Museum Act.

A Cabinet Memorandum had been submitted to the Cabinet of Ministers on 29 August 2014 with the objective to repeal the National Museum Ordinance No 31 of 1942 and to create a new Act in compliance with the present and future requirements of Sri Lanka. According to the directives given, after the discussions of the Cabinet of Ministers on 29 August 2014, it had got amended by the Legal Draftsman and finalized by 07 July 2015. Nevertheless, the amendment to the new Act could not be completed even by May 2016.

(b) Micro Filming

The Micro Film Unit existed under the Library of the Colombo National Museum had been transferred to the Film Technician Unit since December 2012. The micro filming activities had not been carried out during the year under review. A proper alternate programme had not been implemented as well to preserve and keep the information containing in ancient books and ola leaves belonging to the library in another media.

(c) **Documentation and Filming of Curious**

The following observations are made in this connection.

- (i) The proper documentation and filming of 6063 items of 43 Curious belonging to the National Museum, Kandy had not been done.
- (ii) Four thousand three hundred and twenty nine items of 248 categories of curious belonging to the Anuradhapura, Ratnapura and Dutch Memorial Museum of the Department had not been filmed properly.

(d) **Renovations of the Ratnapura Museum**

The following observations are made in this connection.

(i) **Completion of Balance work of the Cultural Centre**

A cost estimate amounting to Rs. 3,613,000 had been submitted by the Engineering Services Office of Sabaragamuwa Provincial Council to the Department of Museums in March 2013 to complete the balance work of this building. A sum of Rs. 3,613,000 had been paid in the year 2014 to the Regional Engineering Services Office of the Sabaragamuwa Provincial Council to execute those works. Even though two years had elapsed since the payments were made, its construction work had not been completed and handed over to the Department even by April 2016.

(ii) **Repairs to the Lavatory System**

The work of the repairs to the lavatory system under the repairs of the Ratnapura Museum had been assigned to the Regional Engineering Services Office of the Sabaragamuwa Provincial Council. The estimate prepared by the Regional Engineering Office had been approved on 19 November 2014. A sum of Rs. 1,858,000 had been paid by the Department of Museums thereon in 3 instances to the Regional Engineering Office of the Sabaragamuwa Provincial Council. However, no work what so ever had been done relating to these repairs even by April 2016.

(iii) **Renovations of the Museum Building**

The renovations to the Museum building had been assigned to the Regional Engineering Office of the Sabaragamuwa Provincial Council. The estimate amounting to Rs.5,771,000 thereon had been approved and submitted to the Department of Museums on 26 October 2015. Even though the total sum amounting to Rs. 5,771,000 had been paid to the Regional Engineering Office in the year 2015, the repair work had not been commenced even by April 2016.

(e) **Renovation work of the Kandy Museum**

The following observations are made.

(i) **Constructions of Iron Fence**

A sum of Rs.4,759,000 had been paid on 31 December 2015 to the Department of Buildings on an estimated cost for the construction of the Iron Fence of the Kandy Museum. Nevertheless, the construction works had not been commenced even by April 2016.

(ii) **Renovations of the Museum Building and Official Quarters**

Sums of Rs.16,990,000 and Rs.3,400,000 had been paid to the Department of Buildings for renovations of the Kandy, Museum building and the official quarters respectively. It was informed that the museum has to be closed during the period from 10 September 2014 to 31 December 2014 due to these renovation work. The following observations are made in this connection.

❖ As the renovations had not been completed even by April 2016 the opportunity to view the museum had been deprived of by the public due to the closure of the museum for over a period of 18 months. Even though a revenue of Rs. 4,914,525 had been collected in the year under review from this Museum, no revenue whatsoever had been collected in the year 2015.

❖ An estimate amounting to Rs. 4,914,525 had been prepared for laying stones on the middle part of this Museum in December 2015. As this activity had not been commenced even by April 2016, the opening of the Museum had further being delayed.

(f) **Decrease of Number of Viewers**

As the renovation work of the Colombo National Museum building, 8 rooms out of 15 rooms had been closed since August 2014. Even though the revenue of Rs. 12,357,360 in the year 2014 had increased up to Rs. 24,854,080 by 100 per cent in the year 2015 due to issue one combined ticket for Colombo National Museum and Natural Sciences Museum from 01 January 2015, the number of viewers had decreased from 249,950 to 203,403 by 46,547.

3.6 Losses and Damages

The following observations are made.

(a) **Renovations of the Official Quarters of the Superintendent of Museum (Ratnapura)**

The requirement of the renovations of the quarters of the Superintendent of Museum situated in the premises of the Ratnapura Museum had been identified and an estimate amounting to Rs.1,079,000 had been prepared and approved by the Provincial

Engineering Services Office, Sabaragamuwa. Even though 3 years had elapsed after preparing the estimate, the building was being dilapidated without being repaired even by April 2016.

(b) Judicial Process relating to the Theft took place in the Museum

In view of the theft taken place in the Colombo National Museum on 16 March 2012, the number of misplaced curios amounted to 221 and the value of that articles had been assessed at Rs.4,440,140. Subsequently, 94 articles of them had been found in original condition and 57 articles had been found as parts of articles and stones, Other articles had been destroyed as they were cut and crushed. The judicial process thereon had not been completed even by June 2016.

3.7 Human Resources Management

Approved Cadre and Actual Cadre

The position of the cadre as at 31 December 2015 had been as follows.

	Category of Employees	Approved Cadre	Actual Cadre	Number of Vacancies
	-----	-----	-----	-----
(i)	Senior Level	15	06	09
(ii)	Tertiary Level	04	01	03
(iii)	Secondary Level	123	70	53
(iv)	Primary Level	258	189	69
		-----	-----	-----
	Total	400	266	134
		=====	====	=====

The following observations are made.

(a) Vacancies in the Post of Museum Assistants

Interviews had been conducted to fill vacancies existed in the Post of Museum Assistants by September 2015 and awarding the letters of appointment to those who had been selected on merit had been scheduled. Accordingly, the Director of Museums had requested a date to participate therein from the Secretary to the Ministry by a letter in October 2015. However, without any reasonable basis, the Secretary of the Ministry had informed the Department in June 2016, that the above interviews had been cancelled. Under these circumstances, it was revealed that the opening of rooms by deploying Museum Assistants, less than the required number of persons had been a threat to the security of the Curious.

(b) Vacancies in the Staff of the Photographers

Only one Photographer Post had been included in the cadre approved by the Department of Management Services. A Technical Evaluation Committee had been appointed to examine the steps which should be taken relating to the machines, equipment existed in the Micro Photography Technician Unit attached to the Filming Unit. According to the proposals of the Committee for the implementation of the activities of that Unit, 3 Assistant Reprographers should be recruited, Nevertheless, it had not been included in the approved cadre.

(c) The existence of Vacancies is a Threat for the Security of the Curious Articles

Even though problems had existed relating to the Security of the Museum on the incidents such as the theft of the curious articles in the Colombo National Museum taken place on 16 March 2012 and an unauthorized entrance taken place in the night of 16 November 2014, the post of the Chief Security Officer, 06 Posts out of 10 Posts of Museum Curators and 05 Posts of Security Assistants approved on 23 May 2013, had remained vacant even by 31 December 2015.