

Report of the Auditor General on Head 209 - Department of National Archives – Year 2015

The audit of the Appropriation Account and the Reconciliation Statements including the financial records, books, registers and other records of the Head 209 – Department of National Archives 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 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 Responsibilities of the Chief Accounting Officer and the Accounting Officer for the Accounts and Reconciliation Statements

The Chief Accounting Officer and Accounting Officer 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.286.22 million and out of that a sum of Rs.134.20 million had been utilized by the end of the year under review. Accordingly, provisions of Rs.152.01 million or 53.11 per cent out of the total net provision made for the Department had been saved. Details appear below.

Expenditure	As at 31 December 2015			Savings as a Percentage of Net Provision
	Net Provision	Utilization	Savings	
	Rs.Millions	Rs. Millions	Rs. Millions	
Recurrent	109.82	98.66	11.16	10.12
Capital	176.40	35.54	140.86	79.85
Total	286.22	134.20	152.02	53.11

2.2 Advance Account

2.2.1 Advances to Public Officers Account

Limits Authorised by Parliament

The limits authorised by Parliament for the Advances to Public Officers Account of the Department under Item No.20901 and the actual amounts are given below.

Expenditure		Receipts		Debit Balance	
Maximum Limit	Actual	Minimum Limit	Actual	Maximum Limit	Actual
Rs.Millions	Rs.Millions	Rs.Millions	Rs.Millions	Rs.Millions	Rs.Millions
5.60	3.15	3.00	3.37	26.00	13.38

2.3

General Deposit Account

The balance of the General Deposit Account relating to the Department as at 31 December 2015 amounted to Rs.1.02 million.

2.4 Audit Observation

The Appropriation Account and the Reconciliation Statements for the year ended 31 December 2015 of the Department of National Archives 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 Reconciliation Statement of the Advances to Public Officers Account

According to the Reconciliation Statement of the Advances to Public Officers Account, Item No.20901 as at 31 December 2015, presented to audit the outstanding balance as at that date totalled Rs.343,339. Even though those outstanding balances remained over periods ranging from 02 years to 06 years, the follow-up action on the recovery of had been at a weak level.

3.2 Good Governance and Accountability

3.2.1 Annual Procurement Plan

The Procurement Plan had been prepared for the year 2015 but the procurements relating to the purchase of equipment for the new building had not been included in that plan even though the provisions of Rs.130 million had been made for those purchases.

3.2.2 Internal Audit

An Internal Audit Unit had not been established to conduct audits relating to the transactions of the Department. The Internal Audit Unit of the Ministry had also not carried out the internal audits of the Department.

3.2.3 Audit and Management Committee

The Audit and Management Committee meetings of the Department had not been held during the year under review.

3.3 Assets Management

Idle and Under-utilized Assets

A sum of Rs.638 million had been spent to the new building opened in November 2012. Even though 3 years had elapsed since the opening of the building, the required equipment for the building and the Mobile Racking System had not been obtained and as such the building had remained underutilized even by 30 June 2016.

3.4 Performance

Key Functions not Executed Adequately

The Department had not executed key functions adequately and several instances so revealed are given below.

(a) Upgrading of the Department

Even though the Organization Structure, Posts and the Cadre requirements for upgrading of the Department of National Archives had been identified on the recommendations made to the Cabinet Memorandum submitted by the Ministry of National Heritage to the Cabinet of Ministers on 19 September 2013, the upgrading process had not been completed even by June 2016.

(b) Purchase of Mobile Racking System

The consultancy services had been assigned to the Central Engineering Consultancy Bureau for purchasing of 285 items of furniture and equipment, 185 items of computers and Mobile Racking System for the various Sections of the new building premises. A sum of Rs.12.5 million which was 50 per cent of the respective consultancy service charge had been paid on 04 July 2014. Nevertheless, provisions of Rs.130 million made for purchasing of Mobile Racking System in the year 2015 had been saved at the end of the year under review.

(c) Preservation of the Archives Volumes and Micro Filming

Even though the number of Archives Volumes expected to be preserved in the year under review amounted to 36, thirteen volumes only had been preserved. Similarly, the number of exposures expected to be micro filmed in the year under review amounted to 155,000, but only 133,483 exposures had been micro filmed during the year.

3.5 Implementation of Projects under Domestic Financing

Non-commencement of Projects

The following projects proposed to be implemented had not been commenced during the year under review.

Project	Estimated Cost	Reasons for not Commencing
	Rs.	
Digitalisation of Films	6,000,000	Dearth of trained officers.
Digitalisation of Maps and Publications	2,500,000	Dearth of trained officers.
Total	8,500,000	

3.6 Bank Accounts

Balances for Adjustment

Action in terms of the Financial Regulation 396 (d) had not been taken in respect of 04 cheques totalling Rs.823,057 issued but not presented for payment and outdated shown in the Bank Reconciliation Statement prepared by the Department for the month of December 2015.

3.7 Transactions of Contentious Nature

Even though a sum of Rs.2.72 million had been incurred in December 2015 for the purchase of steel racks required for the Branch Office, Ratnapura proposed to be opened newly, a suitable building therefor had not been provided for that purpose even by June 2016.

3.8 Human Resources Management

(a) 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	06	02	04
(ii) Tertiary Level	41	09	32
(iii) Secondary Level	133	53	80
(iv) Primary Level	74	55	19
Total	254	119	135

(b) Declining the Performance due to Shortage of Staff

The number of vacancies of the Department is being increasing for over 07 years and, as such the performance of the Department had remained at a low level. The following observations are made in this connection.

(i) Preservation of Archives Volumes

Out of the Archives Volumes to be preserved during the period from the year 2009 to 2015, the amount of volumes ranging from 16 per cent to 72 per cent only had been preserved.

(ii) Number of Documents to be Preserved

The number of pages of paper documents to be preserved in 5 cubicles and in the confidential document Section of the Department by March 2016 amounted to 79,372,200. The number of audio visual documents placed in the cubicles including records, colour slides, films and television reels and the photographs had been 13,957 and 281,910 respectively. Even though the approved cadre of the Department as at the end of the year under review amounted to 254, the number of actual cadre stood at 119. The vacancies had existed as 52 per cent and as such the preservation and the security of the above documents had not been executed properly.