



වාර්ෂික වාර්තාව
ஆண்டறிக்கை
ANNUAL REPORT
2011



ජාතික පුස්තකාල හා ප්‍රලේඛන සේවා මණ්ඩලය
(අධ්‍යාපන අමාත්‍යාංශය)

தேசிய நூலக ஆவணவாக்கல் சேவைகள் சபை
(கல்வி அமைச்சு)

NATIONAL LIBRARY AND DOCUMENTATION SERVICES BOARD
(Ministry of Education)

**MINISTRY OF EDUCATION
NATIONAL LIBRARY AND DOCUMENTATION SERVICES
BOARD**

**ANNUAL REPORT
2011**



**National Library and Documentation Services Board
14, Independence Avenue
Colombo 7**



The National Library and Documentation Services Board Annual Report for the year 2011

(Prepared in terms of section 25 of the National Library and Documentation Services Board Act No. 51 of 1998)

Objectives and Corporate Philosophy

The enhancement of knowledge of the people is one of the most important functions of the development process of a country. The provision of information required by the various segments of the society is the main objective of a nation's library system. To foster the development of the library system, the Sri Lanka National Library Services Board was established by the Parliamentary Act of 1970 No.17 and subsequently strengthened by the Act of 1998.No.51

The Functions of the National Library and Documentation Services Board (NLDSB) could be widely divided into two. (a) The smooth functioning of the National Library and Documentation Centre, (b) To be the centre for all activities concerned with the development of Library Services at a national level. NLDSB is the National Library and also the mother library of the nation. As the national library ,NLDSB is engaged in providing counseling to other libraries; providing of resources, holding of book exhibitions, spearheading the promotion of the reading habit, grading of libraries, celebrating the dates important for libraries ,the development of libraries devastated by the training of librarians and providing incentives for book publishing.

In accordance with the Act of 1998 No.51 and the NLDSB Act section 3, the Hon. Minister has appointed the following members as the Board's Directors on 31.12.2011.

- Prof. Somarathna Balasooriya (Chairman)

Members – Ex-Officio

- Mr. H.M. Gunasekera, (Secretary, Ministry of Education)
- Mr. P.B. Abeykoon, (Secretary, Ministry of Public Administration and Home Affairs)
- Mr. M.S.U. Amarasiri, (President, Sri Lanka Library Association)
- Prof. Sirimalee Fernando, (Chairman, National Science Foundation)
- Mr. Wimal Rubasinghe, (Secretary, Ministry of Cultural Affairs and National Heritage)
- Miss C. Perera (State Budget Department)
- Prof. P.W. Epasinghe (President, Sri Lanka Computer and Telecommunication Technology Council)

Other members

- Dr. Leel Gunasekera
- Dr. K.D.G. Wimalaratne
- Prof. Rohana Lakshman Piyadasa
- Mr. H.D. Premasiri
- Prof. Praneeth Abeysundara

Since May 2010 the Chairman and the Director-General have resigned from their posts and a new Chairman and a Board of Directors were not appointed up to Dec.2010. The present Chairman and the Board of Directors were appointed from 01.09.2011 onwards. There were four meetings of the Board of Directors in 2011.

Retirements

| Name | Designation | Date |
|---------------------|---------------------|------------|
| Ms. G.H. Iranganee | Typist Clerk | 22.01.2011 |
| Mr. D.A. Dharmasena | Library Assistant I | 09.03.2011 |
| Mr. P.V. Munidasa | Library Attendant | 31.03.2011 |

Resignations

| | | |
|------------------------|-----------------------|------------|
| Ms. M.U.I. Perera | Library Assistant II | 31.01.2011 |
| Mr. P.G. Sirisena | Library Attendant | 28.03.2011 |
| Mr. K. Kotuwegedara | Computer Programmer | 03.05.2011 |
| Ms. Pushpa Chandani | Library Attendant | 12.05.2011 |
| Mr. A.S. Hewage | Director General | 31.05.2011 |
| Ms. A.V.M.K. Ankumbura | Assistant Librarian | 01.08.2011 |
| Ms. Sita Gamlath | Library Assistant II | 17.10.2011 |
| Ms. O.D. Hapuarachchi | Library Assistant III | 02.12.2011 |
| Ms. Lathika Priyangani | Library Assistant III | 14.12.2011 |

Advisory Committees

The following Advisory Committees were appointed for the purpose of providing advice on the various functions of the institution, functioned successfully. The meetings of these committees were held as follows

| Name of Committee | No of Meetings |
|---|----------------|
| 1. Advisory Committee on Collection Development and Acquisition Policy Formulation (Acquisition Division) | 01 |
| 2. Publications Advisory Committee (Publications and Book Development Division) | 01 |
| 3. Printing Advisory Committee (Publications and Book Development Division) | 02 |
| 4. Advisory Committee on the Grading of Libraries (Library Development Division) | 01 |
| 5. I C H Functional Committee (Library Development Division) | 02 |
| Sub Committee meetings | 07 |
| 6. Auditing and Management Committee (Administration Division) | 01 |

Board Staff

As at 31st December 2011, the staff of the National Library and Documentation Services Board was as follows:

| Position | Number of employees | Vacancies |
|-------------------------------------|---------------------|-----------|
| Director General | - | 01 |
| Director(Finance & Administration) | - | 01 |
| Director (Professional) | 02 | - |
| Assistant Director (Finance) | - | 01 |
| Assistant Director (Administration) | 01 | - |
| Deputy Director (Professional) | 01 | 02 |
| Assistant Director | 01 | 08 |
| Network Manager | - | 01 |
| Internal Auditor | 01 | - |
| Conservator | - | 01 |
| Publications Officer | 01 | - |
| Personal Assistant | - | 01 |
| Administrative Officer | - | 01 |
| Library & Documentation Officer | 07 | 02 |
| Conservation Officer | 01 | - |
| Research Officer | - | 01 |
| Extention Officer | - | 01 |
| Marketing Development Officer | - | 01 |
| Training Officer | - | 01 |
| System Analyst | 01 | - |
| Maintenance Officer | 01 | - |
| Finance Officer | 01 | - |
| Finance Assistant | 01 | - |
| Library Development Assistant | 07 | 05 |
| Information Technology Assistant | - | 01 |
| Information Assistant | 34 | 16 |
| Document Conservator | - | 02 |
| Management Assistant | 25 | 11 |
| Driver | 06 | - |
| Electrician | 01 | - |
| Book Binder | 03 | 03 |
| Library Attendant | 07 | 06 |
| Office Assistant | 21 | 08 |
| | <hr/> | <hr/> |
| TOTAL | <u>123</u> | <u>75</u> |

Staff Training (Local Training and Seminars)

- 01 Miss. K.N. Samanthi was awarded The Diploma in Web Site Creation organized by Lal Athulathmudali Youth Centre on year 2011.
- 02 10 staff members followed the Business English (Intermediate) Course, organized Mystical Rose International Institute on 2011.
- 03 Ms. M.I. Chithra Padmini participated in the seminar on Internal Auditing organized by T Skills Development Institution on 20.08.2011
- 04 Ms. D.R. Jayasinghe , Deputy Director (Administration) took part in the seminar Administrative Law and Human Resources Development organized by I C T A D . 06.09.2011.
- 05 14 officers took part in the three day workshop on Library Material Conservation and Binding held at NLDSB on 28.11.2011.
- 06 45 officers participated in the one day workshop on Document Management held in the Board premises on 24.11.2011.
07. Four officers Mr. W. Sunil, Ms. Senani Bandara , Ms. Waruni Gangabadarachchi and Ms. Chandima Wadasinghe participated in NACLIS – 2011 organized by the SLLA.
08. Ms. G.W. Lakshmi, Ms. K.G. Sudharma, Ms. K.N.Samanthi, Ms. K.A. Nilmini and Ms. S. Sooriyabandara took part in the Information Technology Skills Development seminar held on 16.12.2011.

Foreign Training

01. Conservating Officer, Mr. Udaya Prasad Cabral took part in the programme on Conservation of Materials held in South Korea from 02.04.2011 – 30.06.2011.
02. Director General Mr. A.S. Hewage participated at the annual Conference of National Library Directors (CDNL-AO) held in Korea from 16 – 19.04.2011.
03. The Annual Conference on ISBN / ISMN held in South Africa from 13 – 17.09.2011 was attended by Ms. Srimala Sooriyabandara.
04. Deputy Director, Mr. W. Sunil attended the Specialists' Conference on ICH Network in the Asia Pacific Region from 28.11.2011 to 03.12.2011.

Acquisitions Section

The responsibility of the Acquisitions Division is to procure books and other library materials appropriate for the National Library. Accordingly the following materials were acquired:

- ❖ Sri Lankan Publications
- ❖ Materials published overseas on Sri Lankan subjects
- ❖ Materials authored by Sri Lankans and published abroad
- ❖ Main reference materials
- ❖ Reference materials required for research unobtainable from other Sri Lankan libraries
- ❖ Library and Information Science materials

In addition to the above categories, publications of the Asian Development Bank and publications for which ISBN, ISSN and ISMN were allocated were also acquired for the National Collection. As a matter of policy, two copies of categories one, two and three were obtained. One copy each of reference materials was purchased, when purchasing reference materials, the latest edition has to be purchased.

Legal Deposit

Under the terms of the Printers and Publishers Ordinance of 1885 as amended in 1976, it is a Legal requirement that a copy of every Sri Lanka publication should be deposited in the National Library. The National Archives Department has the responsibility for the implementation of this law. As such the National Library receives one copy of all books deposited by the Printers and Publishers Ordinance. Under the provisions of the Legal Deposit law, 8254 books and other materials and 12983 Newspapers were obtained by the National Library.

Purchases

The main source of acquisition of the National Library is purchases. Any publication which is not covered by the legal deposit as well as additional copies of legal deposit materials are purchased for the National Collection. Foreign materials are collected from National Bibliographies, Book Lists, Periodical Publications, Newspapers and the Internet. During the year 2011, a sum of Rs 3,442, 065.00 was spent on the purchase of 3786 books, 16 Theses, Periodicals, 07 foreign periodicals and subscription for 02 electronic resources.

International Book Exchanges

The building of exchange relationships with the National Libraries and other main libraries of a variety of foreign countries helped the development of the National library via the exchange of publications. In 2011 under the International book exchange scheme, Rs.1912.00 was spent for the purchase of books.

Donations

Donations from individuals and institutions constitute a significant proportion of the National Library collection. Books and other publications were received as gifts during 2011. The number of publications received is 2089 of which 1916 are local and 173 foreign.

Renewal of Institutional Membership

National Library and Documentation Centre renewed its membership of International Federation of Library Associations (IFLA), and a sum of Rs.64,000.00 was paid in this connection. Membership was also renewed of the CILIP and the National Geographical Association and a sum of Rs. 88,400.00 was paid.

Reader Services Section

Facilitating the use of the collections of the National Library is the primary responsibility of the Reader Services Section. Compared to the previous years, in 2011 the Reader Services section provided services to an increasing number of readers. The National Library Collections have been used mainly by readers from higher education institutions and research institutions doing high degrees and research and a variety of others with similar needs including post graduate students. The three reading areas situated on the three floors of the building provide the space for the readers. In addition the Information Desk continues to assist the readers with their inquiries. The Reference Section on the ground floor has been strengthened and attractive furniture adorns the section. Further three computers with internet facilities have been installed.

Reference and Information Services

During this year reference and information services were provided to the readers through the use of the various collections of the National Library. The most used collections were the Newspaper collection, Periodical collection, Government Publications collection, and the Legal deposits collection. During 2011, 593 readers were registered as permanent readers and 9227 were given short term registration. 88 readers renewed their membership and foreign members are 10 and the total number of members was 7277. The number who got registered during the Reading Month was 1800 and the total was 11,399. During the year 18,180 users have used the library.

Photocopying Services

Facilities were made available for the general public to obtain photocopies of materials from various collections. During the year 2011, 97,444 photocopies were supplied to 9358 and an income of Rs.638,178.00 was earned.

Inquiries

The information desk provided answers to readers' queries on a variety of subjects. A total of 1966 such queries have been answered via interviews, mail, email, and telephone.

Internet and Multimedia Services

While the internet service was introduced with the aim of expanding the information service to the readers and this has been successful to a large extent. It has also introduced the benefits of using the internet to the readers. In 2011, 167 readers used the internet facility for 181 hrs. and 50 mints. In addition to this 37 readers have used LISA and Science Citation Index for 50 hrs. and 50 mints.

Paper Cuttings Collection

The number of titles under which files are maintained remains at 130. There are 1300 articles in the collection.

Inter Library Loan Services

The inter library loan services were established in 1990. In 2011 this service was used to supply loans to 15 institutions in the country and the number of items was 19.

Friends of National Library

The organization 'Friends of the National Library, was launched with the aim of supporting the National Library to expand and uplift its services. In the course of this year 01 committee meeting was held on 05.09.2011 at NLDSB premises.

Information Technology Section

This division is responsible for the activities relating to the utilization and maintenance of information technology at the National Library. It is also its responsibility for providing advisory services in this field. The work of this division has been widened during the year.

Maintenance of 'Alice for Windows'

'Alice for Windows' Library automation system was in operation and problems arising from it were resolved. A maintenance agreement was signed with Softlink Asia Pvt.Ltd.

National Library Web page

The National Library Web page www.natlib.lk was updated.

Automation of School Libraries Pothgule ILS Scheme, Maintenance of the Web server and Mail server

The Web server and Mail server were installed and relationships were maintained with ADSL. Internet facilities to IT section ADSL inter-net facilities were provided to all units

Production of Computer Programmes

The following programmes were produced in the course of the year

- ❖ Prepared a CIP database for the Bibliographic Control Division
- ❖ Prepared a Programme to digitalize the folklore collections
- ❖ ISBN database was also created for Publications and Book Development Division.
- ❖ Created PDF format issues of the Postgraduate Theses Index for the period 2001-2006
(Vol. I, II, III)

Computer Education and Training

Information technology related support was given to training programmes conducted by the Education and Training division. Lectures were conducted on information technology to upgrade the knowledge of librarians.

Supervision of Computer Services in all Sections

Several purchases were made to uplift computer facilities and installed seven computers with laptops. To update the data and to integrate the data bases, a server was installed and computers with servers were repaired. Further, "Deyata Kirula" exhibitions were held in Monaragala and Buttala and information searching and retrieval methods were displayed.

Pothgula ILS Software

The problems regarding Pothgula ILS software, Ministry of Education to automate school libraries were discussed and steps were taken to print the Barcode labels. Overseeing of computer operations in all divisions 10 UPS machines were purchased and they were given to the relevant divisions.

Bibliographic Control Services Section

The main function of the Bibliographic Control Section is the compilation of the Sri Lanka National Bibliography. The current National Bibliography, The Retrospective National Bibliography and the preparation of the special bibliographies were all done by this division.

Sri Lanka National Bibliography (Current) 2011

Compilation and the publication of the Sri Lanka National Bibliography is the main responsibility of the National Library. The National Bibliography is an authoritative publication containing the details of the entire literary output of the country. The National Library and Documentation Services Board has been responsible for producing the National Bibliography since 1974, and prior to this from 1962-1973 it was the responsibility of the Department of the National Archives. During the year, 14 monthly issues of the Sri Lanka National Bibliography were published. In addition all books received in Sinhala, English and Tamil were duly catalogued, classified and entries were made following LC subject entries.

Retrospective National Bibliography

The Retrospective National Bibliography covers the period from 1737 when printing started in the country to 1963. The Retrospective bibliographies are published under this project. The draft books published in Tamil during the period 1901 – 1940 are being preserved and information on the period 1941 – 1961 are being examined.

Sri Lanka Periodical Articles Index

This index enables the readers to easily locate periodical articles published in Sri Lanka in all three languages – Sinhala, Tamil and English. The index is published quarterly, and during this year two issues were published. The issues cover the period 2010 April – June and 2011 Jan. – March.

Cataloguing of National Library Materials

The function of this unit is to compile catalogue cards and incorporate all details of materials acquired by the National Library and to look into its maintenance. This is the only means by which readers are made aware of the available library materials. Therefore the catalogue is compiled scientifically and it could be accessed easily. The materials acquired in the year 2011 were catalogued according to international standards and classified according to LC rules, This year 9258 library materials have been computerized.

Authority Files

Lack of an authoritative source of information for Sri Lankan authors has been a major drawback for all libraries in the country. This has resulted in a great deal of inconsistencies and problems in library cataloguing. To remedy this situation, it is vital that an authority list of authors is produced. The authority list of authors in Tamil is being prepared with the assistance of some Tamil scholars. The authority lists have been sent to several scholars and their suggestions would be considered when they are revised. Finally they would be submitted to the relevant committee.

Compilation of the National Union Catalogue

Compilation and maintenance of the National Union Catalogue is one of the main responsibilities of the National Library. The National Union Catalogue is the key to the resources of the major libraries of the country. When readers visit the National Library and Documentation Centre if the library materials they need are not available at the library, the National Union Catalogue will inform them as to where they will be available. Access is also provided through the home page of the National Library and Documentation Centre.

Compilation of Bibliographies, Indexes, and Information Compendiums

The Information for 2009-2010 issue is being compiled. A conference Index for 2011 is being completed and the relevant information is gathered.

Post Graduate Dissertation Index

The Index is being continued and the issue for 2001-2006 Vol-3 is published. 2007-2010 issue will consist of 1000 entries.

A Data base on Research Reports.

A data base on research reports of Sri Lanka is being compiled . The second volume is being printed.

Compiling of the Sri Lanka Newspaper Article Index

A Newspapers Article Index for the year 2011 is being compiled in Sinhala and Tamil. The number of entries entered this year amounts to 2080. The number of entries in Tamil for the year 2010 is 632.

Conservation and Preservation Section

The protection and conservation of the library materials belonging to the National Library is the responsibility of the Conservation and Preservation Division. This division attends to the conservation and protection, cleaning, fumigation, binding and repairs of the library materials. It also attends to the air conditioning and installation of dehumidifiers in the collection areas.

Book Bindery

The main objective of the Bindery is to preserve and bind the books of the National Library and Documentation Centre.

In addition the following items were produced by the bindery

1. 171,000 Catalogue cards
2. 82 open Pamphlet Boxes
3. 288 Newspapers Column boxes
4. 35 Pamphlet boxes
5. 347 Acquisition Registers, Leave Registers, Attendance Registers
6. Material for the ' Deyata Kirula' Exhibition

Conservation of the National Library Collection

To protect and conserve the National Library collection. Cleaning, repair and renovation work on the book collection was done routinely on a regular basis. Air conditioning and humidity control units in the book storage areas were maintained. Various measures were also taken to ensure the physical safety of the collection. Special precautions are taken to conserve the collection and advice with regard to the Reader Services has been obtained. 58 VHS cassettes were replaced with DVDs. Steps were taken to fumigate the Martin Wickramasinghe Collection.

Maintaining of the Book Repair Unit

The following books were bound and repaired.

- (1) The Colombo Museum 26 ps.
- (2) Vinayatta katha potha 231 ps.
- (3) Legislative Enactments of Ceylon 382 ps.
- (4) The Right Honourable 206 ps.
- (5) Matale Nadagama 518 ps.
- (6) History of Public Works 334 ps.
- (7) Sanskrit English Dictionary 394 ps.
- (8) Indian Tobacco Duty 1910 – 360 ps.
- (9) Colonial Adversary Council of agriculture 202 ps.
- (10) Madya sidantha kaumadiya 112 ps.

Mow/National Committee

02 Committee meetings were held by the Intangible Cultural Heritage Committee and 07 by the ICH. A field survey of these ICH safeguarding efforts was conducted with the help of ICH CAP

Fumigation

One of the main functions of the Conservation Unit is to fumigate the collection. In 2011, 1052 books were fumigated. 66 books from the Central bank, 295 books from BMICH, 43 books from a Private Collection and 713 books of NLDSB were fumigated.

Updating the Emergency Management Plan

02 meetings of the committee were held. A group of officers were trained in fire fighting. Another group was trained in rendering First Aid by the St. John Ambulance Service.

Sale of Binding Materials

30 bundles of binding materials and 13 bundles of binding equipment were sold.

Library Research Section

The function of the section is to conduct surveys on Library services at district level, to collect data on services rendered to conduct research on selected topics and to publish them, to provide information to the media and to conduct workshops.

Collection of Statistics and data on the Library field

Statistical handbook on libraries in Sri Lanka – 2010 is at the printing stage.

Library surveys at district level

Public Libraries Statistics have been collected district wise on Colombo, Gampaha and Kaluta districts.

Collection of data on selected topics at District level for research

A research has been undertaken to ascertain the views of professionals on the services rendered by the NLDSB.

Organizing research workshops

02 workshops have been held on 10/06/2011 and 03/11/2011 on Library research methods and 4 personnel participated in those occasions.

Extension Services Section

The role of the Extension Services Section is to grant assistance to various libraries in the country provision of advisory services and development assistance to libraries and planning of libraries National level, developing library services at provincial level conducting library review participating in the programme to develop the Reading Habit, commemorating special days Librarianship and the programme to select the best library of the year and in similar activities.

National Reading Month

- The 198 reports on the National Reading Month of the year 2010 were reviewed and were kept for future reference.
- The main activity was held on 04.11.2011 at the Sri Lanka Foundation under the chairmanship of Dr. Sarath Amunugama, the Hon. Minister of International Monetary Relationship and Hon. Minister of Cultural affairs. There was a gathering of about 500 including teachers and students of schools in the Colombo district.
- The libraries that sent representatives were donated book parcels worth Rs. 7500/= and the National schools were given book parcels worth Rs. 10 000/=.
- To commemorate the National Reading month an anniversary journal was published and a large banner was also displayed.

Projects to promote the Reading Habit

- The data on the relevant projects for the year 2011 are being collected. There are about 600 entries. The data has been submitted to a member of the Technology Committee for analysis.

Commemoration of Special Days in Librarianship

The following events took place.

1. To commemorate the International Childrens' day creativity competitions were held on 02.04.2011 in the NCP and Southern provinces. 200 creative works were collected.
2. To commemorate the Public Libraries Day a function was held at Ampara on 18 – 19.07.2011. The libraries of the district participated and library books to the value of Rs. 400,000 were distributed.

Library Service Conditions, Laws and Circulars

The staff participated at monthly meetings held at the Ministry of Local Government to assess the progress of libraries.

Book Donation Projects

The NLDSB is also engaged in book assistance projects to libraries. In 2011 books were donated to 263 libraries which include 176 school libraries, 42 public libraries, 19 pirivena libraries, 5 defence ministry libraries and 21 other libraries. The value of the books donated was Rs. 1,881,735.00.

Book Exhibition

6 exhibitions were organized by the Board in 2011.

01. Took part in the ' Deyata Kirula' exhibition held at Buttala from 06.04.2011 to 10.04.2011.
02. Book exhibitions were held at the National Library on Sinhala – Hindu New Year day from 06.04.2011 – 09.04.2011.
03. To commemorate Poson Full Moon day an exhibition was held on 11-16.06.2011.
04. A book exhibition was held at Kandy from 30.06.2011 to 03.07.2011.
05. To commemorate the Literary Day the Board held a Book Exhibition at Kurunegala on 01.09.2011 to 12.09.2011.
06. Participated at the International Book Exhibition held at the BMICH from 19-26.08.2011. An incoming of Rs. 2,487,972.20 was earnt.

Grading of Libraries

The grading of libraries is one of the main activities of this division. During 2011, 4 libraries to grade I, 06 libraries to grade II, 19 libraries to grade III were graded. The Board earnt an income of Rs. 72,000.00 from grading of libraries.

National Library Bookshop

Books published under the patronage of the NLDSB are available for sale. Books published by the publishing assistance scheme of the Board, author – publishers, Board publications and stationaries are sold at the National Library Bookshop. These books are sold at a special discount. Stationary and other material made according to special standards are available for sale. The income of the Bookshop for the year 2011 is Rs. 1,959,111.30.

Selection of the Best Library

A programme to select the Best Public Library was initiated. All preliminary work was complete and a seminar was also held. Seminars were also held in the North and Eastern provinces. 4 officers of the Northern Province and 45 officers of the Eastern Province participated.

Education and Training Section

The objective of the Education and Training Section is to conduct short term education and training programmes and to provide continuous professional training. Conducting short term courses, holding seminars and lectures to librarians of public, school and private libraries is the main purpose.

At present in Sri Lanka, there are only a few qualified school librarians, as such there are teachers in charge of school libraries. NLDSB has organized Training programmes for these to impart some knowledge in librarianship. The Directors of Education in the respective provinces. The Board organized the following courses for those in charge of libraries of types of schools.

Training Programmes / Conferences for school librarians

01. A training programme for the library personnel in the Horana Zone was held from 24-25.01.2011 at the NLDSB Auditorium and there were 45 participants.
02. A training programme for the library personnel of the Monaragala District was held on 25-26.01.2011 at Bibile and Monaragala. There were 104 participants.
03. A training programme for the library personnel of Sri Jayawardanapura Zone, Kotte was held from 28-29.04.2011. 39 officers participated.
04. A workshop was held in the Board's premises on 24.05.2011 to select the best library and 60 officers including Directors of Education participated.
05. A workshop to train librarians of the Negombo education zone was held in the Board's premises from 25-26.05.2011 and there were 50 participants.
06. A training programme for the library personnel of the Gampola education zone was held at Zahira College, Gampola on 22.06.2011 and 40 participated.

07. A training programme for school librarians of the Trincomalee District was held and 110 personnel participated.
08. A training programme for libraries in Kegalle education zone was held on 01.08.2011 – 02.08.2011 and there were 75 participants.
09. To commemorate the Reading Month , a seminar was held on 21.10.2011 and 55 librarians participated.
10. A seminar on the 'Reading Habit' was held for the students of the K/Mahawa education zone on 11.11.2011 at the Nakwattagama Junior School and 250 students participated.
11. A seminar was held at the National School, Kadugannawa for school librarians of the Denuwara education zone and 77 participated.

Training programme for Public Library Staff

01. A training programme/ workshop to train librarians of the Monaragala District was held at the Teaching Centre, Monaragala on 26.01.2011, 27 participants took part.
02. A seminar was held on 27 and 29.01.2011 at the Board's auditorium for grade III librarians. The second seminar was held on 11 and 25.02.2011. About 80 participants were present.
03. Three workshops on the selection of the best library was held in March 2011 and 315 librarians participated.
04. A seminar on the Reading Month was held on 25.10.2011 for libraries in the Northern Province and 40 participated.
05. A one day workshop on Book Binding was held on 28.12.2011 at Jaela Town Hall. 24 participated.

Pirivena Training Programmes

01. A workshop was held on 21 and 22.02.2011 at Wenamulla Bhikshu Training College for Pirivena Library staff and 24 priests participated.

In service Training programmes

Libraries of various institutions were given four in service training sessions on 23-27.05.2011, 22-26.08.2011, 26-30.09.2011, 19-23.12.2011. 18 participants were there. An income of Rs. 75 000 was earned. The last programme was on 21.03.2011 to 21.04.2011 and no fees were levied.

Information Communication Technology Programme

10 Training programmes were arranged for selected personnel .56 participants were there. A sum of Rs. 196,000.00 was earned from the course.

Workshops, Seminars on Conservation of Library Materials

The first phase of the Conservation programme was held at Bibile, Monaragala Districts. 1 participants were present.

Under the second phase 04 programmes were held on 23-25.02.2011,30-31.05.2011,03-05.08.2011 and12-13.09.2011 at the Board's premises. There were 46 participants.

National Library Lecture Series

There were nine lectures held in the year 2011.

- | | |
|--|---|
| (1) රසිකත්වය හා පෞරුෂත්වය | Mr. Hasantha Hettiarachchi (24 th Jan.) |
| (2) කාලගුණික අනතුරු ඇඟවීම් තේරුම් ගමු, භාවිත කරමු | Mr. S.R. Jayasekara (23 rd Feb.) |
| (3) ස්වාභාවික විපත් හා ජගත් පාරිසරික අරබුද හමුවේ ශ්‍රී ලංකාව | Mr. U. Gammanpila (29 th March) |
| (4) ඉලෙක්ට්‍රොනික මාධ්‍ය භාවිතය හා බුද්ධිමය දේපල පිළිබඳ හිමිකම් නීතිය | Dr. D.M. Karunaratne (28 th April) |
| (5) ප්‍රජාතන්ත්‍රවාදී සමාජයක් උදෙසා මාධ්‍ය අධ්‍යාපනය | Mr. Bandula P. Dayaratne (25 th May) |
| (6) වස විසෙන් තොර ආහාර නිෂ්පාදනය සඳහා ජාතික ප්‍රතිපත්තියකට මඟ | Rev. Athuraliye Rathana himi (24 th June) |
| (7) බටහිර ලෝකයේ ග්‍රන්ථ ප්‍රකාශනයේ නව ප්‍රවණතා හා නිර්මාණය | Mr. B. Mahinda Jayathilaka (27 th July) |
| (8) දැයේ අස්පර්ශීය උරුමය සුරැකීම සඳහා ජාතික පුස්තකාලයේ වගකීම | Mr. Pandula Edagama (29 th Aug.) |
| (9) ආශ්වාදය සඳහා කියවීම | Prof. J.B. Dissanayake (20 th Oct.) |

Publications and Book Development Section

The main functions of the Book Development Division are to handle the publication assistance projects, publishing all publications of the National Library and Documentation Services Board translating, editing and publishing classical literature. In addition the maintenance of International

Standard Book, Serial and Music numbering projects and supply of cataloguing in publication data are also done.

Board Publications

1. Index to post graduate theses 2001-2006, Vol.II (100 copies)
2. National Library Promotion Handbook (1000)
3. Administrative Report , 2008 (400 copies)
4. Library News,(July – December) 2010 (350 copies)
5. Sri Lanka Periodical Articles index 2010/2, 3, 4
6. Sri Lanka National Bibliography 2011(01-08) (250 copies each)
7. Natnet Lanka Newsletter, 2011, 3 Vol (350 copies each)
8. Directory of Govt. Publications – 2008 (350 copies)
9. Ancient Technology Bibliography (100 copies)

Book Assistance Project

In the year 2011 this project did materialize. Assistance was given to authors to get their manuscripts published.

The publications are as follows:

| Author's Name | Name of the Hand-book |
|--|---|
| 01. Mrs. Padmani Udispattuwa | - සඳුන් සුවඳ |
| 02. Mr. Mohan Sriyantha Ariyawansa | - පරිසර අධ්‍යයනය සහ සිංහරාජය ගවේෂණය |
| 03. Mr. D. Thusitha Mendis Mr. Ashoka Siriwardena | - ශ්‍රී ලංකාවේ පුරාණ තාක්ෂණය හා සම්පත් පරිහරණය |
| 04. Mr. Bandula P. Dayaratne | - පොඩියන් |
| 05. Mrs. Srma Lalani | - මයුර වාසා |
| 06. Mr.W.M.T.N. Wickramasinghe | - උදානවි |
| 07. Mr. Lionel Rajapaksa | - යක්ෂයාගේ හෝරාව |
| 08. Mr. Nawaneliye Wijetunga | - අම්මාගේ ගුණ සුවඳ |
| 09. Mr. Ariyapala Ratnayake | - මතක සිත්තම් |
| 10. Mr. Lalith Gunawardene | - ඩන්කන් වයිරි |
| 11. Mr. H. Sasantha de Silva | - ජාතික කතා හා සිංහල නාටකය |
| 12. Mr. Ananda Abewickrama | - මල් වැස්සක් |
| 13. Mrs. R.D. Shanthilata | - අනුරාධපුර යුගයේ භික්ෂු චිතය |

International Standard Book Numbering Project (ISBN)

Issuing of the International Standard Book Number (ISBN) is an important task of the National Library and Documentation Services Board. These numbers are issued at a concessionary price. Detailed information of the publications for which an ISBN issued is sent to the International Standard Book Number Headquarters in Berlin to be entered into a database which is made available worldwide. 1107 new publishers were registered in 2011.

The publishers who are registered are as follows ;

| Type of Publisher | No. of titles |
|--|----------------------|
| Commercial publishers | 6759 |
| Government and non-government publishers | 1137 |
| Author-publishers | 2340 |
| TOTAL | 10236 |

A fee of Rs.50.00 is charged per publication and an income of Rs. 511,800.00 was collected in 2011.

Publication of Classical Literary Works

Publication of Classical literary works is one of the functions of this section. This year work on Buthsarana is being done. An expenditure of Rs. 380,000 is being incurred and the relevant editor have been paid . There was a discussion on this subject on 30.11.2011 and all editors and Directors were informed of this.

International Standard Serial Numbering Project (ISSN)

Under this project which was started in 1993 with its headquarters in Paris every serial that is published in Sri Lanka is assigned an ISSN. Numbers are issued at a concessionary price. Similar to the ISBN mentioned previously these serial publications which get an ISSN receive the same benefits as the ISBN assigned publications. During 2011. 217 serial publications were assigned ISSN numbers as follows.

| Type of Publisher | No. of titles |
|--|----------------------|
| Commercial publishers | 76 |
| Governmental and non-governmental Institutional Publishers | 109 |
| Author Publishers | <u>32</u> |
| TOTAL | <u>217</u> |

A fee of Rs.50.00 is charged per publication and an income of Rs. 10,850 was collected in 2011.

International Standard Music Numbers(ISMN)

Assigning the International Standard Music Number is another important task of the Publication Division. In 2010, 03 music publishers were registered, and a total of 03 ISMNs were issued under this project. A fee of Rs. 150.00 was collected for issuing ISMNs.

| Type of Publisher | No. of titles |
|--------------------------|----------------------|
| Commercial publishers | --- |

| | |
|--|-----------|
| Governmental and non-governmental Institutional Publishers | --- |
| Author Publishers | <u>03</u> |
| TOTAL | <u>03</u> |

Purchasing of new publications

In 2010, 108 Sinhala titles ,07 Tamil titles and 05 English titles were purchased. In 2011, 244 Sinhala titles, 37 Tamil titles and 14 English titles have been approved for purchase.

Library Co- operation Section

Amending the constitution, distribution of publications, developing the reading community, acquisition of books for donations, compilation of indexes and bibliographies and organizing other co – operative programmes are the main activities of the section.

- Amending library constitutions
A conference was held on 11.03.2011 convening personnel in the library trade unions and directors of public administration. Discussion took place on constitutions and services of libraries.
- Publication of the Library News Journal
Arrangements were made to publish 2010 July – December issue of the Library News Journal.
- Increasing the readership of the Board's publication
26 libraries participated to the publication of the Library Journal Index and 73 libraries contributed to the publication of the National Bibliography.

Strategic Planning Division

Planning, supervision and coordination of all activities of NLDSB come under the perview of this section. Further, this section is responsible for the efficient management of the Board's activities.

This section also compiles annual, six monthly and monthly reports of all sections, holding of the four Board of Directors meeting and all other reports. The publishing of the administrative report of the year 2008, compiling of the relevant data and statistics, arranging of foreign training for the Board's officers, short term and long term planning of the Board's activities, providing of answers for queries, supervision of all extension services, preparing the annual plan for 2012, reconsidering the vision and the mission statements are some of the activities performed by the section this year. Further, this section has compiled all statistics relevant to the projects undertaken by the Board this year.

Administrative Section

Among the activities of this section in the year 2011 are the revision of the salary structure, recruiting of new personnel and deciding on the recruiting procedure, arranging of the annual

stock-taking, granting of distress loans and vehicle loans, granting of salary increments and providing of vehicles to all sections when required. A PC 3588 Double cab was also purchased the year, organizing of security services, arranging for the issue of railway warrants, arranging for foreign parcels, providing of funds for welfare services, issuing of book parcels on several occasions, updating of leave registers, dispatch of registered and unregistered letters and parcels are the other activities.

Under decentralization, two units – Library Research and Library Co-operation were created. In addition, the Documentation Service Section has been amalgamated with the National Bibliographic Services. Library Development Section has been renamed as Extension Services Section.

Construction and Maintenance unit

In 2011, repairs to the central air-conditioning system were completed and service agreements were signed with regard to the life and fire alarm system. Other repairs including repairs to the lift and arrangements with regard to the fire alarm system were attended to. All arrangements have been made to select a health services agency for year 2011. In addition to these, computer typewriters and photocopying machines were well looked after. A part of the road within the premises was carpeted. The building was painted and new curtains were ordered for the entire building. Repairs to the water supply system and to the toilets were also done. Partitioning was also done to facilitate the smooth working of the Board's activities. In the year 2011 an income of R 1,137,100.00 was earned from the renting of the auditorium.

Accounts and Payments

The budget for the year 2011 after approval by the Board of Directors was presented to the Ministry of Education to seek its approval. All monthly payments and receipts have been computerized and their reports have been submitted to the Ministry for its approval. All details with regard to payments and receipts have been forwarded to the Ministry to be submitted to the Director General of the Treasury.

In addition to these all payments and receipts which are computerized with the final account report are made available for review purposes. All payments according to the stipulations laid by the Treasury and all queries from the government audit department were answered. All books and accounts were duly maintained.

Salaries, over time payments, traveling and other payments were paid on the due date. As money allocated by the Treasury was not received on the due dates, payments were made from the Board's earnings and other sources. Apart from the funds received from the Treasury, the funds from other sources were obtained and the relevant reports on accounts have been submitted to the respective institutions and the Ministry of Education for its information. Payment of monthly salaries, provident fund, trust employee fund, monthly deductions, updating of loan registers, preparation of final accounts for the year 2010, preparation of the required salary details, supplying of information on securities, providing of reports on salary restructuring and examination policy, preparation of reports on employee provident fund and employee trust fund for the year 2010 to be submitted for the central bank were accomplished.

Further, all stationary required by the Board has been supplied, all materials required by the Book Shop and the Bindery have also been supplied. The purchasing of 20 computers, 01 computer server, PC 3588 Cab, materials for the Resograph , 20 UPS and a LCD 40' Television set were also accomplished in 2011.

Conclusion

It is a pleasure to note that the NLDSB which is a national asset has performed an immense service to the reading community and the library system of the country in the year 2011. The facts we have presented in this report quite correctly testify the contribution of the Board to the development and maintenance of the library system of Sri Lanka. In the course of the year, we have been able to accomplish several useful projects. Through these projects our institution has been able to revitalize the habit of using libraries. Great strides have been made in the development of the Reading Habit, in the using of reading materials and in the evaluation of services rendered by library professionals at district level. Events and ceremonies have been organized to commemorate The National Reading Month and other important days in Library and Information Science field. Data has been collected with regard to libraries devastated by the civil war in the North and Eastern provinces and primary steps have been taken to rehabilitate these libraries. The activities of the Board have contributed to enhance the services and the resources of the libraries of all types in Sri Lanka. The Board's contribution in terms of capital, material and consulting services is invaluable.

N. H. M. Chithrananda
Director General (Actg.)
National Library and Documentation Services Board,
No. 14, Independence Avenue,
Colombo 7.

**NATIONAL LIBRARY AND DOCUMENTATION SERVICES
BOARD**

**FINAL ACCOUNTS
2011**



MINISTRY OF EDUCATION SERVICES

**(When this annual Final Accounts report was approved, National Library and Documentation Services
Board was functioning under the Ministry of Education Services)**



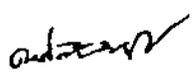
NATIONAL LIBRARY AND DOCUMENTATION SERVICES BOARD
STATEMENT OF FINANCIAL POSITION
AS AT 31ST DECEMBER 2011

| <u>ASSETS</u> | <i>Note</i> | <u>31.12.2011</u> | | <u>31.12.2010</u> | |
|--|-------------|-----------------------|------|-----------------------|------|
| | | Rs. | Cts. | Rs. | Cts. |
| <u><i>Current Assets</i></u> | | | | | |
| Cash and Cash Equivalents | 1 | 752,487.07 | | 4,489,923.74 | |
| Receivables | 2 | 16,406,939.31 | | 16,745,121.93 | |
| Inventories | 3 | 19,649,228.31 | | 14,803,392.75 | |
| Prepayments | 4 | 702,825.44 | | 392,275.05 | |
| Deposits | 5 | 392,464.29 | | 380,424.63 | |
| | | <u>37,903,944.42</u> | | <u>36,811,138.10</u> | |
| <u><i>Non - Current Assets</i></u> | | | | | |
| Infrastructure, Plant and Equipment | 6 | 26,914,841.92 | | 19,012,555.78 | |
| Land & Buildings | 7 | 40,188,778.64 | | 41,244,515.10 | |
| Other non-financial Assets | 8 | 39,259,421.58 | | 40,241,253.14 | |
| | | <u>106,363,042.14</u> | | <u>100,498,324.02</u> | |
| Total Assets | | <u>144,266,986.56</u> | | <u>137,309,462.12</u> | |
| <u>LIABILITIES</u> | | | | | |
| <u><i>Current Liabilities</i></u> | | | | | |
| Payables | 9 | 1,034,212.14 | | 1,033,005.67 | |
| Accrued Expenses | 10 | 1,766,782.26 | | 1,821,408.00 | |
| Employee Benefits | 11 | 158,166.32 | | 153,707.05 | |
| Other Current Liabilities | 12 | 839,597.85 | | 902,026.44 | |
| | | <u>3,798,758.57</u> | | <u>3,916,170.01</u> | |
| <u><i>Non - Current Liabilities</i></u> | | | | | |
| Provision for Gratuities | | 24,329,668.83 | | 18,334,585.00 | |
| Total Liabilities | | <u>28,128,427.40</u> | | <u>22,250,755.01</u> | |
| NET ASSETS | | <u>116,138,559.16</u> | | <u>115,058,707.11</u> | |
| <u>NET ASSETS / EQUITY</u> | | | | | |
| Capital / Grants Contributed by other Entities | 13 | 72,454.15 | | 5,184,329.97 | |
| Reserves | 14 | 13,920,422.69 | | 12,683,621.81 | |
| Accumulated Surpluses / (Deficits) | 15 | 102,145,682.32 | | 97,190,755.33 | |
| TOTAL NET ASSETS / EQUITY | | <u>116,138,559.16</u> | | <u>115,058,707.11</u> | |

These financial statements are in compliance with requirements of the Sri Lanka Public Sector Accounting Standards (SLPSAS).


Head of Finance

The Board of Directors are responsible for the preparation and presentation of these financial statements.
Signed for on behalf of the Board by:


Chairman
NLDSB


Director General (Actg)
NLDSB

NATIONAL LIBRARY AND DOCUMENTATION SERVICES BOARD
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 31ST DECEMBER 2011

| | | <u>31.12.2011</u> | <u>31.12.2010</u> |
|---|-------------|------------------------|-----------------------|
| | | Rs. Cts. | Rs. Cts. |
| <u>REVENUE</u> | | | |
| | <i>Note</i> | | |
| Hire of Auditorium | | 1,137,450.00 | 925,050.00 |
| Sales of Library Stationeries | | 1,277,733.90 | 1,334,360.35 |
| Profit on Sales of Books | | 1,194,270.13 | 235,120.40 |
| Fees, Fines, Penalties | 16 | 931,850.00 | 696,935.00 |
| Interest Income | 17 | 682,184.84 | 734,258.72 |
| Subscriptions for Publications | 18 | 285,525.75 | 306,812.72 |
| Govt. Grant for Admin Expenses | | 63,170,000.00 | 64,500,000.00 |
| Other Revenue | 19 | 1,076,325.92 | 2,643,129.37 |
| Total Revenue | | 69,755,340.54 | 71,375,666.56 |
| <u>EXPENSES</u> | | | |
| Library Services Expenses | 20 | 7,448,668.46 | 6,953,185.73 |
| Administration & Establishment Expenses | 21 | 75,495,133.93 | 67,459,560.25 |
| Finance Cost | 22 | 33,093.05 | 16,857.00 |
| Total Expenses | | 82,976,895.44 | 74,429,602.98 |
| Surplus / (Deficit) for the Period | | (13,221,554.90) | (3,053,936.42) |
| <u>OTHER REVENUE</u> | | | |
| Loss of Disposals of Stores Building & Sales Centre | | (907,794.39) | - |
| Net Surplus / (Deficit) for the Period | | (14,129,349.29) | (3,053,936.42) |

NATIONAL LIBRARY AND DOCUMENTATION SERVICES BOARD

STATEMENT OF CHANGES IN EQUITY

FOR THE YEAR ENDED 31ST DECEMBER 2011

Rs.'000

| | Accumulated Fund | Govt. Grant for Capital Expenses |
|---|-------------------|----------------------------------|
| Balance as at 31 st Dec. 2009 | 88,459.00 | 23,678.00 |
| Prior Year Adjustments | (6,009.00) | - |
| Adjusted Balance as at 31st Dec. 2009 | 82,450.00 | 23,678.00 |
| Net Surplus / (Deficit) | (3,054.00) | - |
| Grant for Capital | - | 6,800.00 |
| Adjustments During the Year | 17,795.00 | (17,795.00) |
| Balance as at 31 st Dec. 2010 | 97,191.00 | 12,683.00 |
| Prior Year Adjustments | 5,350.00 | 968.00 |
| Adjusted Balance as at 31st Dec. 2010 | 102,541.00 | 13,651.00 |
| Net Surplus / (Deficit) | (14,129.00) | - |
| Grant for Capital | - | 14,003.00 |
| Purchase of Capital Assets | 13,734.00 | (13,734.00) |
| Balance as at 31st Dec. 2011 | 102,146.00 | 13,920.00 |

NATIONAL LIBRARY AND DOCUMENTATION SERVICES BOARD

CASH FLOW STATEMENT

FOR THE YEAR ENDED 31ST DECEMBER 2011

| | | <u>31.12.2011</u> | |
|--|----------------|-----------------------|------|
| | | Rs. | Cts. |
| <u>Cash Flows from Operating Activities</u> | | | |
| Net Surplus / (Deficit) | | (14,129,349.29) | |
| Adjustment for | | | |
| - Depreciation | 6,956,493.76 | | |
| - Adjustments in respect of Prior Year | 1,206,201.34 | | |
| | ----- | | |
| | 8,162,695.10 | | |
| Loss on Disposal of Property, Plant & Equipments | 907,794.39 | | |
| Provision for Retiring Gratuity | 7,604,378.53 | | |
| | ----- | | |
| | | 16,674,868.02 | |
| Operating Profit before working capital changes | | 2,545,518.73 | |
| (Increase)/ Decrease in Inventories | (4,845,835.56) | | |
| (Increase)/ Decrease in Receivables | 338,182.62 | | |
| (Increase)/ Decrease in Prepayments | (310,550.39) | | |
| (Increase)/ Decrease in Deposits | (12,039.66) | | |
| Increase/ (Decrease) in Payables | 1,208.47 | | |
| Increase / (Decrease) in Accrued Expenses | (54,625.74) | | |
| Increase / (Decrease) in Employee Benefits | 4,459.27 | | |
| Increase / (Decrease) in Other Current Liabilities | (62,428.59) | | |
| | ----- | | |
| | | (4,941,629.58) | |
| Cash Generated from Operations | | (2,396,110.85) | |
| Retiring Gratuity - Paid | | (1,609,994.70) | |
| Net Cash Flows from Operating Activities | | (4,006,105.55) | |
| <u>Cash Flows from Investing Activities</u> | | | |
| Government Grant for Capital Expenditure Investments during the year | 8,403,000.00 | | |
| Purchases of Property, Plant & Equipment | (8,134,331.12) | | |
| | ----- | | |
| Net Cash Flows from Investing Activities | | 268,668.88 | |
| <u>Cash Flows from Financing Activities</u> | | | |
| Repayment of Long Term Borrowings | - | | |
| | ----- | | |
| Net Cash Flows from Financing Activities | | - | |
| Net Increase / (Decrease) in Cash & Cash Equivalents | | (3,737,436.67) | |
| Cash & Bank Balance at the Beginning of the year | | 4,489,923.74 | |
| Cash & Cash equivalents at the End of the year | | 752,487.07 | |
| | | ----- | |
| Cash & Cash equivalents at the end of the year | | 752,487.07 | |
| Cash at Bank - 31.12.2011 | | 752,487.07 | |
| | | ----- | |

NATIONAL LIBRARY & DOCUMENTATION SERVICES BOARD

SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST DECEMBER 2011.

The National Library and Documentation Services Board (NLDSB) was established by the parliament act, no. 51 of 1998 by repealing The Ceylon National Library Services Board (CNLSB) act, no. 17 of 1970.

The main objectives of the NLDSB are plan and assist in the organization and development of library services, Establish and maintain the National Library, Advise and assist in the promotion and development of the Public Libraries, School Libraries, Promotion of reading habits, Book development, Engage in documentation activities etc.

01. GENERAL

01.01 Basis of Preparation

- a) The Statement of Financial Position, Statement of Financial Performance, Statement of Changes in Equity, Statement of Cash Flow and Accounting Policies and Notes to the Accounts of the Board are Prefixed both in accordance with the Sri Lanka Public Sector Accounting Standards (SLPSAS) and Sri Lanka Accounting Standards laid down by the Institute of Chartered Accountants of Sri Lanka.

Financial Statements of 2011 have adopted only 1st four standards published Sri Lanka Public Sector Accounting Standards.

- b) The Financial Statements of the Board are prepared under the historical cost convention.
- c) No adjustments Statement has been made for inflationary factors affecting the Financial Statements.
- d) The Financial Statements of the Board are prepared in Sri Lankan Rupees.
- e) The Financial Statements of the Board have been drawn up in conformity with the National Library and Documentation Services Board (NLDSB) act, no. 51 of 1998.
- f) The financial statements of the board are prepared according to the Going Concern Concept.

01.02 Comparative Information

The Accounting Policies has been consistently applied and previous year figures and phrases have been re-arranged whenever necessary to confirm to the current year's presentation

01.03 Consistency of Presentation

The presentation and classification of items in the financial statements has been changed in year 2011 for the more appropriate presentation according to SLPSAS - 03.

NATIONAL LIBRARY & DOCUMENTATION SERVICES BOARD

SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED 31ST DECEMBER 2011.

02. ASSETS AND BASIS OF THEIR VALUATION

Assets Classified as Current on the Statement of Financial Position are cash and cash equivalent and those which are expected to be realized in cash during the normal operating cycle or within one year from the normal operating cycle or within one year from the balance sheet date whichever is shorter.

02.01 Property, Plant & Equipment and Depreciation

02.01.01 Property, Plant & Equipments

Property, Plant and Equipment are stated at Cost less Accumulated Depreciation. The cost of Property, Plant and Equipment is the cost of purchase or contraction together with any incidental expenses incurred in bringing the assets to its working condition for its intended use.

Expenditure incurred for the purpose of acquiring, extending or improving assets of a permanent nature by means of which to carry on the services provided or to increase the capacity of the services provided has been treated as Capital Expenditure.

02.01.02 Depreciation

Depreciation is provided on the assets using diminishing method at the rates as state below.

| | |
|--|-------|
| Buildings | 02 ½% |
| Wall Mural | 02 ½% |
| Equipment | 10% |
| Motor Vehicles | 10% |
| Library Equipment | 10% |
| Equipment at Folk Art Centre | 10% |
| Books Stock – National Library | 10% |
| Books Stock – National Science Library | 10% |
| Book Binding Equipment | 10% |
| Micro Films & Electronic Sources | 10% |

Fixed Assets have been depreciated over the remaining useful life and no depreciation is provided in the year of purchase /acquisition, full year depreciation is provided in the year of disposal.

02.02 Stocks

Stocks are valued at lower of cost or net realizable value whichever is lower.

02.03 Receivables

Receivables are stated at the amounts estimated to be realized.

NATIONAL LIBRARY & DOCUMENTATION SERVICES BOARD

SIGNIFICANT ACCOUNTING POLICIES FOR THE YEAR ENDED 31ST DECEMBER 2011.

3. LIABILITIES & PROVISIONS

- 3.01 Liabilities classified as Current Liabilities on the Statement of Financial Position are those which fall due for payment on demand or within one year from the Statement of Financial Position date.

Non-current liabilities are those balances that fall due for payment after one year from the Statement of Financial Position date.

All known liabilities have been accounted for in preparing the financial statements.

3.02 Retirement Benefits

Provisions have been made for retiring gratuities from the completion of the first year of service for all employees in conformity with Sri Lanka Accounting Standard (LKAS-19) Employee Benefits. However, according to the payment of Gratuity Act No.12 of 1983 the liability to an employee arises only on completion of five years of continued service. The liability is not externally funded.

4. STATEMENT OF FINANCIAL PERFORMANCE

4.01 Revenue

- a). The revenue of the scheme represents the Hire charges of Auditoriums, Revenue from Book Shop, Interest Income and other Miscellaneous Income.
- b). All Income has been recognized on a cash basis.
- c). Government Grant has been received for Recurrent & Capital Expenditure for the year 2011.

4.02 Revenue Recognition

- a). The above Revenue is on a cash basis and matched with the related expenditure
- b). Interest Income is accrued on a time basis.

4.03 Expenditure

All expenditure incurred in the operation of the NLDSB activities and in maintaining the capital assets in a state of efficiency has been charged to revenue on an accrual basis in arriving at the surplus or deficit for the year.

NATIONAL LIBRARY & DOCUMENTATION SERVICES BOARD

**SIGNIFICANT ACCOUNTING POLICIES
FOR THE YEAR ENDED 31ST DECEMBER 2011.**

05 GOVERNMENT GRANT

Government Grant has been recognized as an income over the periods necessary to match them with the related cost which they are indented to compensate on systematic basis

06. CASH FLOW STATEMENT

The Cash Flow Statement of the Scheme has been presented using the indirect method accordance with the Sri Lanka Public Sector Accounting Standard – 02 Cash Flow Statement.

07. EVENTS OCCURRING AFTER THE STATEMENT OF FINANCIAL POSITION DATE

All material Post Statement of Financial Position events have been considered, disclosed and adjusted where Applicable.

NATIONAL LIBRARY AND DOCUMENTATION SERVICES BOARD

NOTES TO THE FINANCIAL STATEMENTS

| | <u>31.12.2011</u> | | <u>31.12.2010</u> | |
|---|----------------------|------|----------------------|------|
| | Rs. | Cts. | Rs. | Cts. |
| <u>NOTE 01 - CASH AND CASH EQUIVALENTS</u> | | | | |
| A/C No. 2323283 - BOC | 122,323.70 | | 4,098,295.26 | |
| A/C No. 100113398963 - P/B | 7,030.06 | | 7,030.06 | |
| A/C No. 100163170315 - P/B | 623,133.31 | | 384,598.42 | |
| | <u>752,487.07</u> | | <u>4,489,923.74</u> | |
| <u>NOTE 02 - RECEIVABLES</u> | | | | |
| Salary Advance | 43,284.52 | | 43,284.52 | |
| Festival Advance | 158,630.16 | | 154,630.16 | |
| Distress Loan | 16,005,736.72 | | 16,459,857.20 | |
| Special Advance | 4,250.00 | | 2,500.00 | |
| Petty Cash Advance | 15,223.00 | | 15,223.00 | |
| Miscellaneous Advance | 179,814.91 | | 69,627.05 | |
| | <u>16,406,939.31</u> | | <u>16,745,121.93</u> | |
| <u>NOTE 03 - INVENTORIES</u> | | | | |
| Book Stock - Inal Book Exchange Service | 106,435.30 | | 109,922.80 | |
| Book Stock - Sales & Distribution | 13,435,468.07 | | 9,992,005.18 | |
| Book Stock - Classical Books | 1,795,995.50 | | 1,795,995.50 | |
| Library Stationary Stock | 865,852.13 | | 825,352.13 | |
| Library Equip. for Sale | 261,211.00 | | 261,211.00 | |
| Stationary Stock - Office | 1,341,864.47 | | 387,811.30 | |
| Stationary Stock - (Book Shop) | 1,431,094.84 | | 1,431,094.84 | |
| WIP - Buth Sarana | 411,307.00 | | - | |
| | <u>19,649,228.31</u> | | <u>14,803,392.75</u> | |
| <u>NOTE 04 - PREPAYMENTS</u> | | | | |
| Repair & Main. - Office Equipments | - | | 6,782.00 | |
| Newspapers & Publications | - | | 88,385.00 | |
| Railway Tickets | 67,021.00 | | 28,353.33 | |
| Insurance & License- Motor Vehicles | 172,212.42 | | 73,738.17 | |
| Insurance - Properties | - | | 186,601.00 | |
| Aqui. Int' Library Membership Fees | 247,014.00 | | - | |
| Supplies & Requisites - Others | 212,205.52 | | 6,346.19 | |
| Miscellaneous | 4,372.50 | | 2,069.36 | |
| | <u>702,825.44</u> | | <u>392,275.05</u> | |

Note

NOTE 05 - DEPOSITS

| | | | |
|-------------------------------------|--|-------------------|-------------------|
| Deposits for Fuel | | 56,116.00 | 56,116.00 |
| Deposits for Vehicle Repairs | | 10,000.00 | 10,000.00 |
| Employees Security Deposits - NSB | | 166,066.68 | 161,607.41 |
| Deposits for Book Exchange Services | | 160,281.61 | 152,701.22 |
| | | <u>392,464.29</u> | <u>380,424.63</u> |

NOTE 06 - INFRASTRUCTURE, PLANT AND EQUIPMENT

| | | | |
|-----------------------------------|-------|----------------------|----------------------|
| Library Equipments | 6.I | 26,206.24 | 29,118.04 |
| Equipments of the Folk Art Centre | 6.II | 8,369.05 | 9,298.95 |
| Book Binding Equipments | 6.III | 388,247.20 | 410,502.45 |
| Office Furniture & Equipments | 6.IV | 18,931,527.90 | 16,563,090.20 |
| Motor Vehicles | 6.V | 7,560,491.53 | 2,000,546.14 |
| | | <u>26,914,841.92</u> | <u>19,012,555.78</u> |

NOTE 07 - LAND & BUILDINGS

| | | | |
|--------------------------------|-------|----------------------|----------------------|
| National Library Building | 7.I | 39,599,215.50 | 39,708,763.79 |
| Stores Building & Sales Centre | 7.II | - | 931,071.17 |
| Mural of the Board | 7.III | 589,563.14 | 604,680.14 |
| | | <u>40,188,778.64</u> | <u>41,244,515.10</u> |

NOTE 08 - OTHER NON-FINANCIAL ASSETS

| | | | |
|---------------------------------------|-------|----------------------|----------------------|
| Book Stock - National Library | 8.I | 36,226,742.57 | 39,845,424.80 |
| Book Stock - National Science Library | 8.II | 356,245.51 | 395,828.34 |
| Micro Films & Electronic Sources | 8.III | 2,676,433.50 | - |
| | | <u>39,259,421.58</u> | <u>40,241,253.14</u> |

NOTE 9 - PAYABLES

| | | | |
|--|--|---------------------|---------------------|
| Tender Deposits | | 230,270.20 | 246,282.20 |
| Security Deposits - Others | | 34,725.00 | 34,725.00 |
| Security Deposits of Book Exchange Service | | 13,725.00 | 13,725.00 |
| Retention Money | | 88,640.29 | 64,057.49 |
| Stamp fee Payments | | 64,270.00 | 63,795.00 |
| Tax Payable | | 86,175.68 | 75,412.18 |
| Creditors for Author Publisher Books | | 490,555.97 | 509,156.80 |
| Subscription Received in Advances | | 25,850.00 | 25,850.00 |
| | | <u>1,034,212.14</u> | <u>1,033,003.67</u> |

NOTE 10 - ACCRUED EXPENSES

| | | |
|---|---------------------|---------------------|
| OT & Holiday Pay | 35,289.71 | 20,400.14 |
| Entertainment Expenses | 1,675.00 | 2,292.00 |
| Travelling - Employees' Local | 9,045.50 | 434.00 |
| Inf. Technology - Exp. On Interest | - | 35,640.57 |
| Repair & Main. Building | 49,795.20 | 79,184.00 |
| Telephone | 91,291.65 | 71,921.70 |
| Electricity | 417,008.00 | - |
| Advertisement Expenses | - | 16,765.30 |
| Security Expenses | - | 102,547.15 |
| Audit Fees | 1,000,240.00 | 800,240.00 |
| Stamp Fees | - | 475.00 |
| Book Development Project Expenses | - | 224,730.00 |
| Evaluation of Manuscript expenses | - | 59,441.60 |
| Library Literature & Publication Expenses | - | 45,687.50 |
| Purchase of New Publication Expenses | - | 267,961.09 |
| Scholarship & Training Expenses | - | 42,534.40 |
| Printing Expenses | - | 6,324.00 |
| News Papers & Publicity Expenses | - | 8,320.00 |
| Other Allowances | 78,600.00 | - |
| Postage | 31,219.20 | - |
| Tender Deposits | 15,000.00 | - |
| Fuel & Lubricants | 21,523.00 | - |
| Furniture, Fixtures & Office Equipments | 9,500.00 | - |
| Other Accrued Expenses | 6,595.00 | 42,534.40 |
| | <u>1,766,782.26</u> | <u>1,827,432.85</u> |

NOTE 11 - EMPLOYEE BENEFITS

| | | |
|-------------------------------|-------------------|-------------------|
| Employee Security Deposits | 68,200.00 | 71,200.00 |
| Interest on Security Deposits | 89,966.32 | 82,507.05 |
| | <u>158,166.32</u> | <u>153,707.05</u> |

NOTE 12 - OTHER CURRENT LIABILITIES

| | | |
|---|-------------------|-------------------|
| Reimbursable Expenses from other Institutions | 839,597.85 | 902,026.44 |
| | <u>839,597.85</u> | <u>902,026.44</u> |

NOTE 13 - CAPITAL / GRANTS CONTRIBUTED BY OTHER ENTITIES

| | | |
|---|------------------|---------------------|
| Grants & Donation Account (Library Materials) | | |
| Balance B/F | 5,184,329.97 | 5,184,329.97 |
| Prior Period Errors | (5,111,875.82) | - |
| | <u>72,454.15</u> | <u>5,184,329.97</u> |

NOTE 14 - RESERVES

| | | |
|---|----------------------|----------------------|
| <u>Govt. Grant for Capital Expenses</u> | | |
| Balance B/F | 12,683,621.81 | 23,678,820.95 |
| Prior Year Adjustments | 968,132.00 | - |
| | <u>13,651,753.81</u> | |
| Add ; Received From Treasury | 14,003,000.00 | 6,800,000.00 |
| | <u>27,654,753.81</u> | <u>30,478,820.95</u> |
| Less ; Purchase of Capital Assets | (13,734,331.12) | (17,795,199.14) |
| | <u>13,920,422.69</u> | <u>12,683,621.81</u> |

NOTE 15 - ACCUMULATED FUND

| | | |
|--------------------------------|-----------------------|----------------------|
| Balance B/F | 97,190,755.33 | 88,458,793.30 |
| Prior Period Adjustments | 5,349,945.16 | (6,009,300.69) |
| | <u>102,540,700.49</u> | <u>82,449,492.61</u> |
| <u>Add/ (Less)</u> | | |
| Total Revenue over Expenditure | (14,129,349.29) | (3,053,936.42) |
| Purchase of Capital Assets | 13,734,331.12 | 17,795,199.14 |
| | <u>102,145,682.32</u> | <u>97,190,755.33</u> |

NOTE 16 - FEES, FINES & PENALTIES

| | | |
|-----------------------------|-------------------|-------------------|
| Fees for Manuscript Reading | 149,244.00 | 800.00 |
| Fees for Reg. of Readers | 294,337.00 | 285,985.00 |
| Fees for Hire of Premises | 6,360.00 | 6,905.00 |
| Fees for ISBN Applications | 433,919.00 | 380,895.00 |
| Fines & Surcharges | 47,990.00 | 22,350.00 |
| | <u>931,850.00</u> | <u>696,935.00</u> |

NOTE 17 - INTEREST INCOME

| | | |
|------------------|-------------------|-------------------|
| Distress Loans | 666,884.07 | 719,419.77 |
| Special Advances | 7,720.38 | 7,196.76 |
| Other Interest | 7,580.39 | 7,642.19 |
| | <u>682,184.84</u> | <u>734,258.72</u> |

NOTE 18 - SUBSCRIPTIONS FOR PUBLICATIONS

| | | |
|--------------------------------|-------------------|-------------------|
| Sales of National Bibliography | 141,760.00 | 89,202.50 |
| Sales of Publications of Board | 143,765.75 | 217,610.22 |
| | <u>285,525.75</u> | <u>306,812.72</u> |

NOTE 19 - OTHER REVENUE

| | | |
|---|---------------------|---------------------|
| Photo Copy Chargers | 110,538.39 | 96,769.09 |
| Sales of Forms, Tender Deposits | 27,000.00 | 16,750.00 |
| Recoveries for Fuel | - | 7,057.00 |
| Fees for Application - Book Development Project | 42,350.00 | 15,290.00 |
| Sales of Bindery Materials | (39,037.00) | 30,532.00 |
| Sales of Surplus & Condemned Items | 163,544.50 | 4,200.00 |
| Receipts for Grading of Libraries | 62,550.00 | 50,250.00 |
| Consultancy Fees | - | 2,600.00 |
| Sundry Income | 709,380.03 | 2,419,681.28 |
| | <u>1,076,325.92</u> | <u>2,643,129.37</u> |

NOTE 20 - LIBRARY SERVICES EXPENSES

| | | |
|--|---------------------|---------------------|
| Membership Fees - International Libraries | 284,698.00 | 411,859.00 |
| International Exchange Service | 5,400.00 | 24,876.20 |
| Acquisition Expenses | 58,765.00 | 122,231.15 |
| Reader Education & Publicity Expenses | 218,797.88 | 23,278.00 |
| Library Research Expenses | 63,358.50 | 17,100.00 |
| Stationery Expenses | 21,102.00 | 59,314.58 |
| Publication of National Bibliography | 69,480.00 | 198,195.98 |
| Publication of Retrospective-National Bibliography | - | 8,077.04 |
| Publication of Special Bibliography | 4,635.00 | 8,490.00 |
| Social Science Documentation | 53,979.00 | 26,237.86 |
| Newspaper Index | 16,475.00 | - |
| Other Documentation Activities | 101,382.00 | 60,495.00 |
| Library Programme & Exhibitions | 1,103,740.76 | 49,010.16 |
| Books Donated to Libraries | 1,504,988.00 | 2,675,275.00 |
| Equipments Donated to Libraries | - | 3,850.00 |
| National Reading Month Programme Expenses | 705,038.78 | 1,017,781.92 |
| Development of Rural Libraries | 287,234.00 | 186,485.00 |
| Expenses on Computer Activities | 27,474.72 | 198,600.80 |
| Expenses on Internet | 482,527.55 | 482,621.11 |
| Library Education Seminars | 253,973.00 | 136,540.00 |
| Seminars, Lectures & Training | 373,109.00 | 193,627.60 |
| Special Course | 147,962.32 | 44,537.60 |
| Exp. on Book Development Project | 70,084.00 | 43,182.06 |
| Fees for Manuscript Reading | 79,749.30 | 3,659.70 |
| Editing & Publication of Classical Books | 700.00 | 115,392.00 |
| Library Literature & Publication Expenses | 28,675.00 | 167,662.00 |
| International Standard Book Numbering | 89,433.00 | - |
| International Standard Serial Numbering | 79,023.00 | - |
| International Standard Music Numbering | 33,103.00 | 15,350.00 |
| Purchase of New Publications | 616,320.32 | 6,056.00 |
| Preservation of Books | 233,682.36 | 273,058.21 |
| Book Binding | 340,689.97 | 316,752.74 |
| Conservation Expenses | 93,088.00 | 63,589.02 |
| | <u>7,448,668.46</u> | <u>6,953,185.73</u> |

NOTE 21 - ADMINISTRATION & ESTABLISHMENT EXPENSES

| | | | |
|--|------|----------------------|----------------------|
| Wages, Salaries & Employee Benefits | 21.1 | 53,552,520.42 | 45,693,136.81 |
| Supplies & Consumable used | 21.2 | 10,053,112.98 | 9,848,906.73 |
| Repair & Maintenance of Capital Assets | 21.3 | 4,134,729.87 | 4,614,238.23 |
| Depreciation & Amortization Expenses | 21.4 | 6,956,493.76 | 6,538,176.13 |
| Other Expenses | 21.5 | 798,276.90 | 765,102.35 |
| | | <u>75,495,133.93</u> | <u>67,459,560.25</u> |

NOTE 22 - FINANCE COST

| | | |
|--------------|------------------|------------------|
| Bank Charges | 33,093.05 | 16,857.00 |
| | <u>33,093.05</u> | <u>16,857.00</u> |

NATIONAL LIBRARY AND DOCUMENTATION SERVICES BOARD

NOTES TO THE FINANCIAL STATEMENTS

NOTE - 06, 07, 08

PLANT, PROPERTY & EQUIPMENT AS AT 31ST DECEMBER 2011

| NOTE | DESCRIPTION | DEP ⁿ RATE (%) | COST OF AS AT 1 st JANUARY, 2011 | ADDITION | (DISPOSALS) | TOTAL COST | ACCUMULATED DEP : AS AT 1 st JANUARY, 2011 | ADDITION / (DISPOSALS) | DEPRECIATION FOR THE YEAR - 2011 | TOTAL DEPRECIATION | NET VALUE |
|-------|---------------------------------------|---------------------------|---|----------------------|-----------------------|-----------------------|---|------------------------|----------------------------------|-----------------------|-----------------------|
| 6.I | LIBRARY EQUIPMENTS | 10% | 96,512.16 | - | - | 96,512.16 | 67,394.12 | - | 2,911.80 | 70,305.92 | 26,206.24 |
| 6.II | EQUIPMENTS OF THE FOLK ART CENTRE | 10% | 46,874.00 | - | - | 46,874.00 | 37,575.05 | - | 929.90 | 38,504.95 | 8,369.06 |
| 6.III | BOOK BINDING EQUIPMENTS | 10% | 1,526,730.44 | 18,795.00 | - | 1,545,545.44 | 1,116,247.99 | - | 41,050.25 | 1,157,298.24 | 388,247.21 |
| 6.IV | OFFICE FURNITURE & EQUIPMENTS | 10% | 39,161,981.07 | 4,087,746.72 | (63,000.00) | 43,186,727.79 | 22,398,890.87 | - | 1,656,309.02 | 24,255,199.89 | 18,931,527.90 |
| 6.V | MOTOR VEHICLE | 10% | 7,658,374.74 | 5,795,600.00 | (735,000.00) | 12,718,974.74 | 5,657,828.60 | (699,400.00) | 200,054.61 | 5,158,483.21 | 7,560,491.53 |
| 7.I | NATIONAL LIBRARY BUILDING | 2.50% | 63,888,022.00 | 883,170.80 | - | 64,771,192.80 | 24,179,258.21 | - | 992,719.09 | 25,171,977.30 | 39,599,215.50 |
| 7.II | BOOK SHOP & STORES BUILDING | 2.50% | 1,361,174.00 | - | (1,361,174.00) | - | 430,102.83 | (453,379.61) | 23,276.78 | (0.00) | 0.00 |
| 7.III | MURAL OF THE BOARD | 2.50% | 890,610.25 | - | - | 890,610.25 | 285,930.11 | - | 15,117.00 | 301,047.11 | 589,563.14 |
| 8.I | BOOK STOCK - NATIONAL LIBRARY | 10% | 82,003,344.95 | 3,085,911.75 | (3,310,926.00) | 81,778,330.70 | 42,157,920.15 | (293,493.00) | 3,687,160.98 | 45,551,588.13 | 36,226,742.57 |
| 8.II | BOOK STOCK - NATIONAL SCIENCE LIBRARY | 10% | 2,431,276.00 | - | - | 2,431,276.00 | 2,035,447.66 | - | 39,582.83 | 2,075,030.49 | 356,245.51 |
| 8.III | MICRO FILMS & ELECTRONIC SOURCES | 10% | - | 3,267,308.00 | - | 3,267,308.00 | - | 293,493.00 | 297,381.50 | 590,874.50 | 2,676,433.50 |
| | TOTAL | | 199,064,919.61 | 17,138,532.27 | (5,470,100.00) | 210,733,351.88 | 98,566,595.59 | (1,152,779.61) | 6,956,493.77 | 104,370,309.75 | 106,363,042.13 |

NOTE 21.1 - WAGES, SALARIES & EMPLOYEE BENEFITS

| | | |
|--|----------------------|----------------------|
| Salaries & Wages | 37,195,704.23 | 38,001,440.23 |
| E P F | 4,348,493.01 | 4,506,025.07 |
| E T F | 1,087,130.99 | 1,126,077.87 |
| Overtime & Holiday Pay | 1,615,481.77 | 835,364.39 |
| Gratuity | 7,604,378.53 | - |
| Board Members Remunerations | 77,200.00 | 22,000.00 |
| Committee Members Remuneration | 120,200.00 | 57,100.00 |
| Payments for Working at Auditorium | 65,050.00 | 42,175.00 |
| Travelling Expenses | 230,176.50 | 126,511.50 |
| Travel Abroad & Educational Programmes | 378,475.13 | 85,392.50 |
| Employee Uniforms | 18,935.43 | 98,393.44 |
| Medical Inspection Fees | 10,520.00 | 30,597.50 |
| Welfare Expenses | 245,160.50 | 223,751.81 |
| Entertainment Expenses | 111,223.00 | 59,317.50 |
| Railway Concessionary Tickets | 411,499.33 | 452,740.00 |
| Competitive Examination Fees | 32,892.00 | 26,250.00 |
| | <u>53,552,520.42</u> | <u>45,693,136.81</u> |

NOTE 21.2 - SUPPLIES & CONSUMABLES USED

| | | |
|--------------------------------------|----------------------|---------------------|
| Stationary & Printed Forms | - | 878,594.48 |
| Insurance of Board Properties | 239,987.83 | 367,791.73 |
| Insurance of Vehicles | 286,099.68 | 141,694.57 |
| Fuel | 1,044,694.50 | 710,111.00 |
| Telephone | 987,331.28 | 1,000,281.27 |
| Electricity | 4,921,681.62 | 4,606,305.60 |
| Security Expenses | 1,681,612.35 | 1,163,308.81 |
| Transport, Demurrage & Wharfge Chgs. | 20,571.00 | 113,179.00 |
| Printing | 13,925.40 | 29,216.00 |
| Newspapers & Publications | 107,955.00 | 138,557.95 |
| Postage | 383,719.20 | 276,895.00 |
| Translation Fees | 50,047.00 | 17,240.88 |
| Supply - Others | 315,488.12 | 405,730.44 |
| | <u>10,053,112.98</u> | <u>9,848,906.73</u> |

NOTE 21.3 - REPAIRS & MAINTENANCES OF CAPITAL ASSETS

| | | |
|----------------------------------|---------------------|---------------------|
| Maintenance of Buildings | 1,947,342.80 | 2,184,105.51 |
| Maintenance of Office Equipments | 550,742.57 | 668,439.22 |
| Maintenance of Board Premises | 506,553.48 | 674,135.50 |
| Maintenance of Motor Vehicle | 1,130,091.02 | 1,087,558.00 |
| | <u>4,134,729.87</u> | <u>4,614,238.23</u> |

NOTE 21.4 - DEPRECIATION & AMORTIZATION EXPENSES

| | | |
|--------------|---------------------|---------------------|
| Depreciation | 6,956,493.76 | 6,538,176.13 |
| | <u>6,956,493.76</u> | <u>6,538,176.13</u> |

NOTE 21.5 - OTHER EXPENSES

| | | |
|------------------------|-------------------|-------------------|
| Audit Fees | 200,000.00 | 400,000.00 |
| Legal Fees | - | 20,825.00 |
| Advertisement Expenses | 470,152.46 | 296,369.35 |
| Sundry Expenses | 128,124.44 | 47,908.00 |
| | <u>798,276.90</u> | <u>765,102.35</u> |

Report of the Auditor General on the Financial Statements of the National Library and Documentation Services Board for the year ended 31 December 2011 in terms of Section 14(2)(c) of the Finance Act, No. 38 of 1971.

The audit of Financial Statements of the National Library and Documentation Services Board for the year ended 31 December 2011 comprising the statement of financial position as at 31 December 2011, the statement of financial performance, statement of changes in equity and cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information, 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 read in conjunction with Section 13(1) of the Finance Act, No. 38 of 1971 and Section 22 of National Library and Documentation Services Board Act, No. 51 of 1998. My comments and observations which I consider should be published with the Annual Report of the Board in terms of Section 14(2)(c) of the Finance Act appear in this report. A detailed report in terms of Section 13(7)(a) of the Finance Act was furnished to the Chairman of the Board on 19 May 2014.

1.2 Management's Responsibility for Financial Statements

The management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Public Sector Accounting Standards and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.



1.3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatements of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Board's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of financial statements. Sub - sections (3)and (4) of Section 13 of the Finance Act, No. 38 of 1971 give discretionary powers to the Auditor General to determine the scope and extent of the audit.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my adverse audit opinion.

1.4 Basis for Adverse Opinion

Had the matters described in paragraph 2.2 of this report been adjusted, many elements in the accompanying financial statements would have been materially affected.



2. Financial Statements

2.1 Adverse Opinion

In my opinion, because of the significance of the matters described in paragraph 2.2 of this report, the financial statements do not give a true and fair view of the financial position of the National Library and Documentation Services Board as at 31 December 2011 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

2.2 Comments on Financial Statements

2.2.1 Accounting Policies

Even though the depreciation on an asset should be determined based on its useful life, disregarding that requirement, computers and accessories, library books, microfilms and electronic sources had been depreciated at 10 per cent on the diminishing balance method.

2.2.2 Accounting Deficiencies

The following observations are made.

- (a) Even though the money received from the sale of library stationery, library equipment, and library books had been recognized as income, the relevant costs had not been written off against the income. As such a stock not existing with the Board physically had been reflected in the accounts. Even though the value of the library stationery and the equipment so sold had been identified as Rs.1,995,006 the receipts and payments of the Authors' Publications Project sold on the basis of receiving commission, income had been recorded in the Book Sales Income Account. As such the book sales income could not be identified.
- (b) The Board produces library stationery and the Boards Publications and the total cost amounting to Rs.553,000 incurred on the accession paper purchased for the purpose had been shown in the accounts as a set off against the sales income. But the balance stocks as at the end of the year had not been computed and adjustments made therefore.
- (c) The library conservation and binding materials valued at Rs.268,992 donated by the Board to external parties had been completely omitted in the accounts. The sales income amounting to Rs.89,863 had been set off against the cost of purchase of such materials in the year amounting to Rs.128,900 and the resulting debit balance of Rs.39,037 had been set off against the sundry income. The balance stock of Rs.59,342 as at the end of the year had not been brought to account due to the non- maintenance of Stock Accounts.



- (d) Even though the stock of "stationery" and " library equipment" totaling Rs.1,692,302 included in the closing stock of the year under review had been shown in the accounts over a number of years, that did not exist physically.
- (e) Even though the balances of the Classics Ledger Account as at 31 December 2011 amounted to Rs.1,795,995, the actual balance of the stores amounted to Rs.6,995. The difference of Rs.1,789,000 in the closing stocks for the year had not been identified and adjusted in the accounts.
- (f) The cost and the accumulated depreciation of a fixed assets sold as scrap items for Rs.159,404 in the year under review had not been identified and adjusted in the accounts.
- (g) The accumulated depreciation of the motor vehicle sold in the year under review amounting to Rs.635,710 had been adjusted to the Assets Elimination Account as Rs.735,000.
- (h) Action had not been taken in terms of Section 12 of the National Library and Documentation Services Board Act, No. 51 of 1998 to compute and account for the value of books received by the Board from the Department of National Archives (Legal Deposits) and other donations.
- (i) Instead of eliminating from the accounts the cost and accumulated depreciation of the Book Sales Stall of the Board demolished in the year under review, the total cost of the stores building and the Book Stall building amounting to Rs.1,361,174 and the accumulated depreciation thereon amounting to Rs.453,380 had been eliminated from the relevant accounts. Nevertheless, the cost and accumulated depreciation of the security cubicle, the boundary wall and the iron fence demolished had not been eliminated from the respective accounts.
- (j) Instead of debiting the purchases to the respective Stocks Accounts, a sum of Rs.94,275 relating to the materials for the library donations sets and office stationery purchased during the year under review had been debited to the "Library Stationery Sales Income Account" while a sum of the Rs.28,750 had been debited to the "Library Equipment Sales Income Account"



(k) Instead of crediting the money received from the sponsors of various programmes of the Board to the income of the respective years, those had been credited to the “Expenditure Reimbursable by External Institutions Account” and the balance of Rs.839,598 as at 31 December 2011 had been reflected under the current liabilities. Nevertheless, a specifically identified liability in that connection did not exist.

2.2.3 Unreconciled Control Accounts

A reconciliation of the balances of 05 item of account appearing in the financial statements with the relevant registers and schedules revealed a difference of Rs.11,136,477.

2.2.4 Lack of Evidence for Audit

The balance of the Grants and Aid Account amounting to Rs.72,454 and 08 deposits and payables totaling Rs.1,034,212 as at 31 December of the year under review could not be satisfactorily vouched or accepted in audit due to the non-submission of registers and schedules.

2.2.5 Accounts Payable

The following observations are made.

(a) Taxes payable as at 31 December of the year under review amounting to Rs.86,175 had been shown in Taxes Payable Account instead of remitting to the Commissioner General of Inland Revenue.

(b) The balance of the Audit Fees Payable Account as at 31 December 2011 amounted to Rs.800,240 due to the failure to take action to pay the audit fees annually.

2.3 Non – compliance with Laws , Rules , Regulations and Management Decisions

The following instances of non- compliance were observed.

| <u>Reference to Laws ,Rules ,Regulations and Management Decisions</u> | <u>Non-compliance</u> |
|---|--|
| <p>(a) National Library and Documentation Services Board Act, No. 51 of 1998</p> <p style="padding-left: 20px;">(i) Section 3</p> | <p>The re-appointment of the Board of Members which resigned on 10 May 2010 had been delayed for one year and four months.</p> |

(ii) Section 13

The post of Director General who is Secretary and Chief Executive Officer of the Board had been maintained acting basis from 01 June 2010 to March 2014.

- (b) Financial Regulations of the Democratic Socialist Republic of Sri Lanka
Financial Regulation 756

The balance stocks of the Book Stall of the Board had not been physically surveyed.

- (c) Treasury Circulars No.842 of 10 December 1978 and No.IAI/2002/02 of 28 November 2002.

The Registers of Fixed Assets, Fixed Assets Ledger and the Register of Computer Accessories and Software had not been maintained.

3. **Financial Review**

3.1 **Financial Results**

According to the financial statements presented, the financial results of the operations of the Board for the year ended 31 December 2011 had been a deficit of Rs.14,129,349 as compared with the corresponding deficit of Rs.3,053,936 for the preceding year. Thus as compared with the preceding year, the financial results had deteriorated by a sum of Rs.11,075,413. The decrease of the overall income by a sum of Rs.1,620,326 and the increase of the expenditure of the Board by a sum of Rs.8,547,292 as compared with the preceding year and the adjustment of the net values of the buildings of the Board demolished for city landscaping amounting to Rs.907,794 to the Income and Expenditure Account had been the main reasons for the deterioration.

3.2 **Utilization of Funds**

Even though the balance of the Unspent Government Capitals Grants Account as at 31 December 2011 amounting to Rs.13,920,423 should be reflected in cash or investments, the balance of the cash book as at 31 December 2011 amounted only to Rs.122,324. Accordingly it was observed that the capital grants received in the respective years had been utilized for recurrent expenditure and that the attention of the management on utilization of the Government grants had been inadequate.

4. Operating Review

4.1 Performance

Fifty activities planned under 08 Divisions during the year under review could not be achieved.

4.2 Management Inefficiencies

The following observations are made.

(a) Board Publications

A reconciliation of the physical stock as at 31 December 2011 of the National Bibliography (current) printed during the year 1998 to 2009 with the stock records revealed a shortage of 4,851 copies. The "Author Name Record (Tamil)" planned for completion in the year 2008 as well had not been completed.

(b) Purchase of Microfilms of National Newspapers Project

In view of the failure to carry out purchase of microfilms of the National newspapers continuously and systematically the number of microfilms acquired during the years 1990 to 2011 had been only 1,217. The acquisition, maintenance and the use of the microfilms had been in an unsatisfactory state due to reasons such as the failure to subject those to physical verification, the non-maintenance of a detailed register and separate ledger account and the microfilms printed remaining inoperative for more than 10 years.

(c) International Book Exchange Programme

Out of the 912 copies of books of 76 categories forwarded in the year 2011 to 12 International Institutions, requests for any book had not been received due to reasons such as the non-identification of the criteria for the purchase of books for the International Books Exchange Programme, non-appointment of a Book Selection Committee, and repeatedly forwarding book lists with books rejected by the International Institutions in the preceding years. The manner of action taken on 551 books and 02 compact discs in different languages received under this programme had not been clear.

(d) Conduct Books Exhibitions

Even though the conduct of books exhibitions with a view to improving the reading habits is a function of the Board in terms of Section 4 of the National Library and Documentations Services Board Act, No. 51 of 1995, the advance

plans, budgets and expenditure records for those had not been prepared. Matters such as uneconomic book exhibition expenditure and the failure to credit the book sales income promptly to the Fund of the Board were also observed.

(e) **Purchase of New Publications Project**

Even though the New Publications Purchase Committee had taken into account the quality and the value of books and recommended only the purchase of 3,565 copies of 108 categories of books valued at Rs.808,500, contrary to that 7,911 copies of 113 categories of books valued at Rs.1,800,186 had been purchased.

4.3 **Personnel Administration**

Out of the total approved cadre of 197 of the Board as at 31 December 2011, vacancies existed in 74 posts.

5. **Accountability and Good Governance**

5.1 **Presentation of Financial Statements**

In terms of Section 6.5.1 of the Public Enterprises Circular No. PED/12 of 02 June 2003, the financial statements for the relevant year should be presented to the Auditor General within 60 days after the close of the year of accounts. Nevertheless, the financial statements for the year 2011 had been presented only on 28 February 2014 after a delay of two years.

5.2 **Action Plan**

The Annual Action Plan did not agree with the Corporate Plan and the budget as it did not include the time frames for the execution of each activity , the allocation of provision for each activity and the quantities had not been reviewed and updated periodically. The performance reports had not been prepared in a manner to enable reconciliation with the Action Plan, while those had not been approved by the Board of Members.

5.3 **Internal Audit**

Even though an Internal Audit Unit had been established in the Board, internal audit had not been carried out in the year under review.

5.4 **Procurement Plan**

A Procurement Plan for the year 2011 had not been prepared.

5.5 **Budgetary Control**

The following observations are made.

- (a) The budgeted statement of income, the balance sheet and the cash flow statement had not been presented with the budget in terms of Section 5.2.1 of the Public Enterprises Guidelines for Good Governance No. PED/12 of 02 June 2003.
- (b) Significant variances ranging from 27 per cent to 36 per cent were observed between the budget and the actual income and expenditure thus indicating that the budget had not been made use of as an effective instrument of financial control.

5.6 **Observation on the Unsettled Audit Paragraphs**

The directives made by the Committee on Public Enterprises of the Parliament on 22 May 2012 and not finalized are as follows.

- (a) The appointment of three more officers within a month to the inefficient Internal Audit Unit with only one officer.
- (b) Conduct a survey of the assets and prepare a Register of Fixed Assets as early as possible.
- (c) Rectify and furnish a report on the non - existence of unspent Government Capital Grants in cash or other investment.
- (d) Recover from the former Managing Director the overpayment of Rs.247,500 made to him by placing him on a monthly salary of Rs.48,430 by adding 10 salary steps to the initial salary of Rs.38,530 contrary to the Management Services Circular dated 30 September 2006.
- (e) Paying attention to the non- implementation of the plans prepared at a cost of Rs.887,906 for carrying out improvements to the Library Building and redesigning the Library Building by making provision in the Budget for the year 2013.



6. **Systems and Controls**

Deficiencies in systems and controls observed during the course of audit were brought the notice of the Chairman of the Board from time to time . Special attention is needed respect of the following areas of control.

- (a) Budgetary Control
- (b) Accounting
- (c) Assets Management
- (d) Stock Control
- (e) Advances Control
- (f) Book Exhibitions and Sales
- (g) Printing of Board Publications

W.P.C. Wickramaratne

Acting Auditor General

