

## DIRECTOR OF AUDIT REPORT FOR THE YEAR 2010

Following a query in the Director of Audit's Report with regard to the project: **"Turnkey Solution for an Electronic Archives System at the National Archives-Rs 17.9 million"**, the Office of the Public Sector Governance (OPSG) having analysed the corrective actions taken by this Ministry to address the shortcomings, noted with satisfaction that the issue has been fully settled, and as per the OPSG's advice, the audit query and the corrective actions taken are publicised below:-

SN	Queries raised by the Director of Audit	Corrective Actions taken	Reasons for Non-Compliance	Any constraint in Implementation
1.	Commissioning of hardware and claiming of liquidated damages	Delay / cannot be attributed solely to the supplier. It is because of the  (i) time between launching of tenders, award of contract, the technology evolved and enhanced versions proposed by the supplier; and  (ii) approvals that had to be sought for new models proposed from several institutions.	Not applicable in view of evolution of technology	No constraints.  All hardware and software have been supplied and are operational.
2.	Liquidated damages	The penalty clause cannot be applied as delay cannot be solely attributed to the supplier.	Not Applicable	
3.	Payment for fluctuation in exchange rate	Comments inappropriate	Section 10.14, the Financial Proposal of the Tender Documents provide for the client to make good any increase which may result from a fluctuation in the rate of exchange within the schedule of delivery agreed upon by the client.	
4.	Scanning Exercise	The scanning team has been reinforced and they are performing overtime daily to catch up.	The scanning exercise proved to be more complex than initially envisaged in view of the bad state of documents which have to be handled with great care.	More than 50% of this exercise has been completed and the target will be achieved.

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5.	Performance Bond	The Supplier has been requested to renew the Performance Bond.		