

Amateur Baseball/ Softball Association - 2019

1. Financial Statement

1.1 Disclaimer of Opinion

The audit of the financial statements of the Sri Lanka Amateur Baseball/ Softball Association (“the association”) for the year ended 31 December 2019 comprising the balance sheet as at 31 December 2019 and the income statement, statement of changes in equity and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, was carried out under my direction in pursuance of provisions in Article 154(3) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with provisions of the National Audit Act No. 19 of 2018. My Comments and observations which I consider should be report to parliament appear in this report. To carry out this audit I was assisted by a firm of Chartered Accountants in Public Practice.

I do not express an opinion on the accompanying financial statements of the Association. Because of the significance of the matters described in paragraph 1.5 of this report. I have not been able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

1.2 Basis for Disclaimer of Opinion

My opinion is Disclaimed based on the matters described in paragraph 1.5 of this report.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Scope of Audit section of my report.

1.3 Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with Generally Accepted Accounting Principles and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Association’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intend to liquidate the Association or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Association’s financial reporting process.

As per Section 16(1) of the National Audit Act No.19 of 2018, the Association is required to maintain proper books and records of all its income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Association.

1.4 Scope of Audit

My responsibility is to conduct an audit of the Association's financial statements in accordance with Sri Lanka Auditing Standards and to issue an auditor's report. However, because of the matters described in the Basis for Disclaimer of opinion section, I was not able to obtain sufficient and appropriate audit evidence to provide a basis for an audit opinion on these financial statements.

1.5 Audit Observations on the preparation of Financial Statements.

1.5.1 Accounting Deficiencies

Audit Issue	Management Comment	Recommendation
(a) Depreciation for the property plant and equipment had been understated by amounting to Rs.55,562 for the year under review.	Association's comment had not been submitted.	Depreciation should be calculated correctly
(b) Clearing charges of Sports equipment which were donated by a Japanese club, distributed among the Schools and the Universities had been erroneously capitalized under the property, plant and equipment of the Association. Hence the non - current assets and deficit had been overstated by the same amount of Rs.1,669,589.	Association's comment had not been submitted.	Assets value should be identified and accounted properly.

1.5.2 Documentary Evidences not made available for Audit

Item	Amount Rs.	Evidence not available	Management Comment	Recommendation
(a) Ground fees payable	1,097,100	Balance Confirmation, Loan agreement	Association's comment had not been submitted.	Documentary evidences should be provided
(b) Loan payable	5,838,300	Balance Confirmation, agreement	Association's comment had not been submitted.	Documentary evidences should be provided

2. Financial Review

2.1 Financial Results

The operating result of the association for the year under review amounted to a deficit of Rs.7,098,697 and the corresponding surplus in the preceding year amounted to Rs.53,957. Therefore, a deterioration amounting to Rs.7,152,654 of the financial result was observed. The reason for the deterioration were increase the total income by Rs.28,912,741 and increase of the total expenses by Rs.36,065,395.