

National Federation of Sports for the disabled - 2019

1. Financial Statement

1.1 Disclaimer of Opinion

The audit of the financial statements of the National Federation of Sports for the disabled (“the federation”) for the year ended 31 December 2019 comprising the statement of financial position as at 31 December 2019 and the income statement and cash flow statement 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 Federation. 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 auditing 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 Federation’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 Federation or to cease operations, or has no realistic alternative but to do so.

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

As per Section 16(1) of the National Audit Act No.19 of 2018, the Federation 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 Federation.

1.4 Scope of Audit

My responsibility is to conduct an audit of the Federation'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 evidences to provide a basis for an audit opinion on these financial statements.

1.5 Audit Observations on the preparation of Financial Statements.

Documentary Evidences not made available for Audit

Audit Issue	Amount	Evidence not available	Management Comments	Recommendation
	Rs.			
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(a) Sports event expenses	19,385,021	Properly authorized payment vouchers	Federation's comments had not been submitted.	Authorized payment vouchers should be furnished to audit in order to verify the expenses.
(b) General administration expenses	585,652	Properly authorized payment vouchers	Federation's comments had not been submitted.	Authorized payment vouchers should be furnished to audit in order to verify the expenses.
(c) Cash at bank	5,781,970	Bank reconciliation statements	Federation's comments had not been submitted.	Bank reconciliation statements should be prepared for the year

2. Financial Review

2.1 Financial Results

The operating result of the year under review amounted to a deficit of Rs.3,251,306 and the corresponding surplus in the preceding year amounted to Rs.6,620,243. Therefore a deterioration amounting to Rs.9,871,549 of the financial result was observed. The reasons for the deterioration are decrease the total income by Rs.7,684,888 and increase the total expenditure by 2,186,661.