

Archery Association of Sri Lanka - 2023

1. Financial Statement

1.1 Disclaimer of Opinion

The audit of the financial statements of the Sri Lanka Archery Association (“the Association”) for the year ended 31 December 2023 comprising the statement of financial position as at 31 December 2023 and the statement of comprehensive income, statement of changes in equity, statement of cash flow for the year then ended and notes to the financial statements, including material accounting policy information 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 No19 of 2018 and Section 21A of the Sports (Amendment) Act No.47 of 1993. My comments and observations which I consider should be report to Parliament appear in this report.

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

I do not express an opinion 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 Sri Lanka Accounting Standards for Small and Medium-sized Entities (SLFRS for SMEs), 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 paragraph 1.5 of this report, 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) A sum of Rs. 32,000 had been shown as refundable deposit to the National Olympic Committee for over 5 years. However, this amount had not been shown as receivable in the financial statement of the National Olympic Committee.	We would write off this deposit in the current financial year.	The receivable amount should be shown in the Financial Statements.
(b) The Association had shown a receivable balance of Rs. 1,018,337 from the Ministry of Sports and Youth Affairs. However, this balance had not been confirmed by the Ministry even as at 30 October 2024 as payable to the Association. Hence, the accuracy of such balance could not be ascertained in audit.	After making some inquiries and searches of documentary proof action would be taken to recover or write off the amount in the current financial year accounts.	The Line Ministry should be confirmed the payable balance to the Association.

1.5.2 Unreconciled Control Accounts or Records

Item	As per Financial Statements Rs.	As per corresponding record Rs.	Difference Rs.	Management Comment	Recommendation
Cash at bank (From January to December 2023)	(1,225,502)	2,606,248	3,831,750	We will make an effort to do it retrospective basis at our best possible effort.	Action should be taken to provide the bank reconciliations to ascertain the accuracy of the cash and cash equivalents.

1.5.3 Documentary Evidences not made available for Audit

	Item	Amount Rs.	Evidence not available	Management comment	Recommendation
(a)	Expenditure	354,400	Approvals and certifications	Since the responsible office bearers have not continued their office for the subsequent years and the current team is a new team, we are not in a position to provide a favourable response for these queries.	Action should be taken to provide payment vouchers and related supporting documents to verify accuracy of the payments.
	Payments made with regard to National Events	432,573	Payment vouchers, invoices and bills		
(b)	Income	398,000	Receipts, donors' certifications and any other supporting documents etc.	Since the responsible office bearers have not continued their office for the subsequent years and the current team is a new team, we are not in a position to provide a favourable response for these queries.	The required documents should be furnished to audit in order to ascertain the accuracy of the income.
(c)	Non-current assets	20,754,649	Physical verification report and fixed asset register	We have already initiated a fixed assets verification survey to identify the fixed assets.	Action should be taken to conduct a board of survey to confirm the physical availability of the fixed assets.
(d)	Receivable balance	54,727	A detailed schedule	We observe this balance continue from the financial year 2022. Hence, in the absence of any supporting schedules to initiate recovery actions, this balance would be written off in 2024 accounts.	The required detailed schedule should be submitted to audit in order to verify the existence of receivable balances.

1.6 Accounts Receivable and Payable

1.6.1 Receivables

Audit Issue	Management comment	Recommendation
Receivable balances aggregating Rs. 1,853,425, Rs. 285,500 and Rs. 54,727 were remained outstanding for over 05 years, 03 years and one year respectively without being recovered or made necessary adjustments in the financial statements.	Comments had not been received.	Action should be taken to recover the outstanding balances without delay.

1.6.2 Payable

Audit Issue	Management comment	Recommendation
Payable balances totalling to Rs.746,062 and Rs.69,100 were remained outstanding for over 05 year and 04 years respectively without being settled or made necessary adjustments in the financial statements.	Comments had not been received.	Action should be taken to settle the outstanding balances without delay.

2. Financial Review

2.1 Financial Results

The operating result of the Association for the year under review amounted to a deficit of Rs.628,277 and the corresponding deficit in the preceding year amounted to Rs. 926,919. Therefore, an improvement amounting to Rs. 298,642 in the financial result was observed. The main reason for the improvement was decrease the expenditure by Rs. 2,425,975 as compared to decrease of the income by Rs.2,127,332.

3. Accountability and Good Governance

3.1 Budgetary Control

Audit Issue	Management comment	Recommendation
The Association had not able to effectively control its expenses due to not approved the detailed budgets for each tournament organized by the Association.	Comments had not been received.	Action should be taken to prepare the detailed budgets for each tournament.

3.2 Action Plan

Audit Issue	Management comment	Recommendation
According to part III of section 7(xii) of the National Associations of Sports Regulations No. 01 of 2016, the Action Plan had not been sent to the Director General for approval three months prior to the commencement of the year.	Comments had not been received.	Action should be taken to prepare the Action Plan.

3.3 Corporate Plan

Audit Issue	Management comment	Recommendation
According to part III of Section 7 (xi) of the National Associations of Sports Regulations No 01 of 2016, a Corporate Plan had not been prepared by the Association.	Comments had not been received.	Action should be taken to prepare the Corporate Plan.