

Billiards and Snooker Association of Sri Lanka - 2015

The audit of financial statements of the Billiards and Snooker Association of Sri Lanka for the year ended 31 December 2015 comprising the balance sheet as at 31 December 2015 and the income and expenditure account, 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 9 of the Sports (Amendment) Act, No. 47 of 1993. In carrying out this audit, I was assisted by a Firm of Chartered Accountants in public practice. My comments and observations on the above financial statements appear in this report.

1.2 Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Principles 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 consistent with International Auditing Standards of Supreme Audit Institutions (ISSAI 1000 -1810). 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 misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Association'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 Association'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 the financial statements.

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

1.4 Basis for Qualified Opinion

My opinion is qualified based on the matters described in the paragraph 2.2 of this report.

2. Financial Statements

2.1 Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 2.2 of this report, the financial statements give a true and fair view of the financial position of the Billiards and Snooker Association of Sri Lanka as at 31 December 2015 and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

2.2 Comments on Financial Statements

2.2.1 Accounting Deficiencies

The following observations are made.

- (a) The suitability of applying one depreciation rate for depreciate the entire fixed assets is questionable.
- (b) The statement of changes in equity/ net assets had not been submitted along with the financial statements for the year under review.

2.2.2 Lack of Evidences for Audit

The following observations are made in this connection.

- (a) Even though, the Property, Plant and Equipment had revalued in the year 2009, the revaluation reports were not made available for audit. Therefore, the accuracy and completeness of the revaluation process and the accounting aspects after the revaluation could not be ascertained in audit.
- (b) A fixed assets register had not been properly maintained by the Association and the physical verification reports for several years were not made available for audit as supporting documents to verifying the ownership, existence and value of the fixed assets shown in the financial statements. Therefore, the carrying value of the fixed assets totalling Rs.1, 076,027 shown as at end of the year under review could not be relied upon in audit

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the operations of the Billiards and Snooker Association of Sri Lanka for the year ended 31 December 2015 had resulted in a surplus of Rs.495,868 as against the deficit of Rs.121,730 for the preceding year, thus indicating an improvement of Rs. 617,598 in the financial results. The increase of income by Rs.1,100,103 as compared with the increase in expenditure by Rs.482,505 was the main reason attributed for this improvement.

4. Systems and Controls

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

- (a) Maintenance of Fixed Assets Register.
- (b) Budgetary Control.