

1. Financial Statements

1.1 Disclaimer of Opinion

The audit of the financial statements of the Sri Lanka Table Tennis Association (“the Association”) for the year ended 31 December 2021 comprising the statement of financial position as at 31 December 2021 and the statement of income and expenditure, statement of changes in fund, 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.

I do not express an opinion on the accompanying financial statements of the Association. Because of the significance of the matters discussed 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

As described in paragraph 1.5 of this report, I was unable to confirm or verify by alternative means, material items included in the statement of financial position, statement of income and expenditure, statement of changes in funds and cash flow statement. As a result of these matters, I was unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded amounts and the elements making up the statement of financial position, statement of income and expenditure, statement of changes in funds and cash flows.

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 this income, expenditure, assets and liabilities, to enable annual and periodic financial statements to be prepared of the Association.

1.4 Scope of Audit

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud or error, and to issue an auditor's report that includes my opinion. However, because of the matters described in paragraph 1.5 of this report, I was not able to obtain sufficient 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.

1.5.1 Accounting Deficiencies

Audit Observation	Management Comment	Recommendation
(a) Receivables amounting to Rs.384,821 were remained outstanding for over 05 years without being recovered or made necessary adjustment in financial statements.	These balances are old balances and have been referred to a sub-committee. Further action will be taken after sub-committees are appointed	Prompt action should be taken to recover the outstanding amount.
(b) Payable amounting to Rs.760,820 were remained outstanding for over 05 years without being paid or made necessary adjustment in financial statements.	These balances are old balances and have been referred to a sub-committee. Further action will be taken after sub-committees are appointed	Prompt action should be taken to settle the payables

1.5.2 Documentary Evidences not made available for Audit

Item available	Amount Rs.	Evidence not	Management Comment	Recommendation
Bank balance	992,022	Balance confirmations and Bank Reconciliation	These balances are old balances and have been referred to a sub-committee. Further action will be taken after sub-committee report received.	Required information and evidence should be submitted to the audit.
Revenue	6,353,161	Receipts		
Expenses	6,360,603	Payment Vouchers		

2. Financial Review

2.1 Financial Results

The operating results of the year under review amounted to a deficit of Rs.7,442 and the corresponding deficit in the preceding year amounted Rs.1,152,953. Therefore, an improvement amounting to Rs. 1,145,511 in the financial results were observed. The main reason attributed for this improvement is increase of the total income by Rs. 5,534,975 as against the increase of expenditure by Rs. 4,389,465.

3. Accountability and Good Governance

3.1 Submission of Financial Statements

Audit Observation	Management Comment	Recommendation
According to Section 7(xiii) of Section (111) of the National Sports Association Regulation No. 01 of 2016, the financial statements certified by the Association should be submitted to the Auditor General within two months of the end of the financial year, however the financial statement of the Association for the year 2021 were submitted to the Auditor General with considerable delay.	Accepted	Financial statements should be submitted according to the National Sports Association Regulation