

Carrom Federation of Sri Lanka for Disabled - 2019

1. Financial Statement

1.1 Disclaimer of Opinion

The audit of the financial statements of the Carrom Federation of Sri Lanka (“the federation”) for the year ended 31 December 2019 comprising the statement of financial position as at 31 December 2019 and statement of income and expenditure, statement of changes in accumulated fund and statement of cash flows for the year then ended, and notes to the financial statement, including a summary or 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 Sri Lanka Accounting Standard for Small and Medium Size 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 misstatement, 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 intends 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 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 Internal Control over the preparation of financial statements

Audit Issue	Management Comments	Recommendation
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Physical verification for property plant and equipment valued at Rs.2,223,530 had not been conducted for the year under review and the Fixed Assets Register had not been maintained. Hence accuracy and existence of assets could not be satisfactorily examined in audit.	Federation's comments had not been submitted.	The documents should be adequately furnished to audit in order to verify the non-current Assets.

1.5.2 Documentary Evidence not made available for Audit

Audit Issue	Amount	Evidence not available	Management Comments	Recommendation
-----	Rs.	-----	-----	-----
Cash and bank balance	31,402	Independent confirmations and third party confirmations relating to advance payment and non-moving cash in hand and bank balance.	Federation's comments had not been submitted.	The document should be adequately furnished to audit in order to verify the existence of cash & Bank balance

1.5.3 Accounting deficiencies

Audit Issue	Management Comments	Recommendation
Although brought forward bank balance as at beginning of the year as per cash book amounted to Rs.848,241, corresponding amounts shown in financial statements in year 2018 amounted to Rs.294,941. The reasons for the difference had not been explained to audit.	Federation's comments had not been submitted	Financial statements should be properly prepared.

2. Financial Review

2.1 Financial Results

The operating result of the year under review amounted to a surplus of Rs. 49,209 and the corresponding deficit in the preceding year amounted to Rs. 1,014,914. Therefore, an improvement amounting to Rs 1,064,123 of the financial result was observed. The reason for the improvement were decrease the expenses by Rs. 1,869,523