

National Association for Canoeing and Kayaking of Sri Lanka - 2023

1. Financial Statement

1.1 Disclaimer of Opinion

The audit of the financial statements of the National Association for Canoeing and Kayaking of Sri Lanka (“the Association”) for the year ended 31 December 2023 comprising the statement of financial position as at 31 December 2023 and the statement of income and expenditure, statement of changes in equity, statement of cash flows 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 21 A 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 section 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 Documentary Evidence not made available for Audit

Item	Amount Rs.	Evidence not made available	Management Comment	Recommendation
Expenditure	1,512,171	The cash book for the period of January to October 2023, general ledger, payment vouchers, required supporting documents and fixed assets register etc..	The Final accounts were prepared by newly appointed management. Previously there was no permanent treasure and president NACKSL also served as treasure due to his heavy work load he was unable to keep and maintain all documents in order. NACKSL certifies that all requirement documents will be forwarded from next time.	Prompt action should be taken to submit all required evidence for the audit in order to satisfactorily vouch and verify the expenditure.

2. Financial Review

2.1 Financial Results

The operating result of the Association for the year under review amounted to a deficit of Rs.296,582 and the corresponding deficit in the preceding year amounted to Rs.969,777. Therefore, an improvement amounting to Rs. 673,195 of the financial result was observed. The main reason for the improvement was decrease the total expenditure by Rs.661,000.

3. Accountability and Good Governance

3.1 Corporate Plan

Audit Issue	Management comment	Recommendation
According to Section 7 (xi) of the National Association of Sports Regulations No. 01 of 2016, a Corporate Plan had not been prepared and approved by the Association.	Corporate Plan will be submitted next time.	Action should be taken to prepare the Corporate Plan.

3.2 Action Plan

Audit Issue	Management comment	Recommendation
According to the section 7(xii) of the National Association of Sports Regulations No. 01 of 2016, an Action Plan had not been prepared and approved by the Association.	Action Plan will be submitted next time.	Action should be taken to prepare the Action Plan.