

Table Tennis Association of Sri Lanka - 2023

1. Financial Statement

1.1 Disclaimer of Opinion

The audit of the financial statements of the Table Tennis Association 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 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 Accounting Deficiencies

Audit Issue	Management Comment	Recommendation
A receivable balance of Rs.47,021 had been erroneously included in the cash balance of Rs.54,787 shown in the statement of financial position as at 31 December 2023. Therefore, the cash and cash equivalent amounting to Rs.4,109,874 shown in the financial statements had not reflected the actual balances as at the end of the year under review.	A written notice was given to collect the relevant money further action are currently being carried out by the Association.	The financial statements should be prepared accurately.

1.5.2 Documentary Evidences not made available for Audit

Item Available	Amount Rs.	Evidence not	Management Comment	Recommendation
(i) Income	13,865,606	Receipts	Since no document related to the accounts of the year 2022 was handed over to the new board of officers, it could not be submitted for audit.	The document should be adequately furnished to audit in order to satisfactorily vouch and accept the income and expenditure
(ii) Expenditure	14,211,226	Payment vouchers		

1.6 Accounts Receivable and Payable

1.6.1 Receivable

Audit Issue	Management Comment	Recommendation
(a) Three (03) receivable balances aggregating to Rs.259,426 had remained in the accounts without being recovered over period of 05 years.	The relevant adjustments will be made to the financial statements in the year 2024.	Prompt action should be taken to recover the receivables.

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| (b) Two cash advances totalling to Rs.81,478 given to two members of the Association in the year 2018 had not been settled even upto 31 August 2024. | The relevant adjustments will be made to the financial statements in the year 2024. | Prompt action should be taken to settle the advances. |
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1.7 Non-compliance with Laws, Rules and Regulations

Reference to Laws, Rules and Regulations etc	Non Compliances	Management comment	Recommendation
National Association of Sports Regulation Published in Extraordinary Gazette No. 1990/23 dated 27 October 2016			
(a) Regulation No. 7 (xi) of Section III.	A Corporate Plan for a period of ten years including the present international ranking, expected target within time period and the strategies to increase the level of performance had not been prepared.	A Corporate plan is being prepared.	Corporate Plan should be prepared according to Regulations.
(b) Regulation No. 7 (xii) of Section III.	An Annual Action Plan for the year under review had not been prepared and submitted to the Director General of the Department of Sport Development three months prior to the expiry of the current year.	Accepted	Action Plan should be submitted according to the Regulations.
(c) Paragraph 3 (III) of Sports Development Department Guidelines No. DSD/NSA/ COM-01/202 dated 2021 December 17.	The Association had maintained 5 bank current accounts without obtaining required approval from the Director General of the Department of Sports Development.	In the year 2024, only the account balances of two banks will be submitted.	Actions should be taken to comply with the Guideline.

2. Financial Review

2.1 Financial Results

The operating result of the Association for the year under review amounted to a surplus of Rs.640,458 and the corresponding surplus in the preceding year amounted to Rs.268,995. Therefore, an improvement amounting to Rs. 371,463 in the financial result was observed. The main reason for the improvement is significant decrease in administration expenses as compared to the previous year.

3. Operational Review

3.1 Management Inefficiencies

Audit Issue	Management comment	Recommendation
The cash balances amounting to Rs.42,370 and Rs.1,102,464 had been kept in 4 bank current accounts for over a period of 02 years and 04 years respectively. As a result, the interest income amounting to Rs.307,453 had been lost to the Association	Accepted	Necessary actions should be taken to utilize the idle cash balance in effective manner.