

1. Financial Statements

1.1 Disclaimer of Opinion

The audit of the financial statements of the Sri Lanka Judo Association("the Association") for the year ended 31 December 2024 comprising the statement of financial position as at 31 December 2024 and the income statement, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a 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, No.19 of 2018 and Section 21 A of sports Law, No 25 of 1973 as amended by section 9 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 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 Opinion

I do not express an opinion based on the matters described in paragraph 1.5 of this report.

As per the matters described in the 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, statement of changes in equity and statement of cash flows.

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, statement of changes in equity and statement of 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 misstatement, 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 (Auditor's Responsibilities for the Audit of the Financial Statements)

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 paragraph 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 Accounting Deficiencies

Audit Issue	Management Comment	Recommendation
A sum of Rs. 20,576,991 had been received from the Department of Sport Development and other sources during the year under review had not been recognized as income of the Association. As a result, the income for the year under review had been understated by similar amount.	This amount was not shown as income as this money not utilized for the activities of the Association.	Income for the accounting period should be correctly identified and recognized in the accounts.

1.5.2 Documentary Evidence not made available for Audit

Item	Amount Rs.	Evidence not available	Management Comment	Recommendation
Renovation and Rehabilitation of Judo building and platform	10,489,340	Documentary evidence such as bills, receipts, work completion certificate, handing over and taking over certificates	Comments had not been received.	All the documentary evidence should be provided to verify the accuracy of the payments.

1.6 Non-compliance with Laws, Rules, Regulations and Management Decisions.

Reference to Laws, Rules Regulations etc.	Non-compliance	Management Comment	Recommendation
National Associations of Sports Regulations No.01 of 2024 published in Extraordinary Gazette notification No.2382/32 dated 03			

May 2024

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| (i) Section 3(1) (i) of Part II | The Constitution of the Association had not been submitted for registration within 3 months from the date commencement to the Director General of the Department of Sports Development. | The constitution of the Sri Lanka Judo Association was not registered due to legal barriers. | The Association should comply with the Sports Regulations. |
| (ii) Section 6 (xx) (a) of Part III | The reports to facilitate the supervision and monitoring the activities of main member sports clubs, and regional sports clubs had not been submitted to the Director General of the Department of Sports Development. | Relevant reports will be submitted to the Director General of Sport Development. | The Association should comply with the Sports Regulations. |

2. Financial Review

2.1 Financial Results

The operating result of the Association for the year under review amounted to a deficit of Rs. 509,114 and the surplus against this in the preceding year amounted to Rs 23,317,309. Therefore, a deterioration amounting to Rs.23,826,423 in the financial result was observed. The main reason attributed for this deterioration was decrease in grants from International Judo Federation (IJF) by Rs.21,971,860 with compared to the previous year.

3. Operational Review

3.1 Management Inefficiencies

Audit Issue	Management Comment	Recommendation
A formal data base system had not been established to provide the necessary information for the advancement of Judo at the provincial, district and regional levels. Therefore, it was adversely affected to the advancement of Judo in Sri Lanka.	A formal data base system will be established in future.	A formal data base system should be established by the Association.

3.2 Operational Inefficiencies

Audit Issue	Management Comment	Recommendation
According to the National Sports Calendar 2024, it was planned to hold 17 international tournaments, 10 national tournaments in the year under review. However, the actual performance had not been furnished to audit.	Tournaments were not held as planned due to non-receipt of sponsorships.	The Association should hold planned tournaments without failed.

3.3 Transactions of Contentious Nature

Audit Issue	Management Comment	Recommendation
Even though a sum of Rs. 2,880,644 had been incurred for international tournaments during the year under review. The details of the players and officials who participated for the international tournaments, the selection committee's recommendations received for those players and officials, the approval received from the Minister of Sports and Youth Affairs for the participants, and acceptable evidence that the participants had returned to the island had not been submitted to the audit by the Association.	Relevant information had not been submitted by the former President and executive committee to the Association.	All the documentary evidence should be provided to audit.