

1. Financial Statements

1.1 Opinion

The audit of the financial statements of the Sri Lanka Anti- Doping Agency (“Agency”) for the year ended 31 December 2024 comprising the statement of financial position as at 31 December 2024 the statement of financial performance and the statement of changes in equity and cash flow statement 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(1) 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 Finance Act No. 38 of 1971 and the Section 30 of Convention Against Doping in Sport Act No .33 of 2013 . My comments and observations which I consider should be report to Parliament appear in this report.

In my opinion, the accompanying financial statements give a true and fair view of the financial position of the Agency as at 31 December 2024, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting Standards.

1.2 Basis for Opinion

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my opinion.

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 Public Sector Accounting Standards, 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 Agency ’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 Agency or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Agency’s financial reporting process

As per Section 16(1) of the National Audit Act No. 19 of 2018, the Agency 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 Agency .

1.4 **Audit Scope (Auditor's Responsibilities for the Audit of the Financial Statements)**

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional judgment and maintain professional scepticism throughout the audit. I also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Agency's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Agency's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Agency to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The scope of the audit also extended to examine as far as possible, and as far as necessary the following;

- Whether the organization, systems, procedures, books, records and other documents have been properly and adequately designed from the point of view of the presentation of information to

enable a continuous evaluation of the activities of the Agency, and whether such systems, procedures, books, records and other documents are in effective operation;

- Whether the Agency has complied with applicable written law, or other general or special directions issued by the governing body of the Agency;
- Whether the Agency has performed according to its powers, functions and duties; and
- Whether the resources of the Agency had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

1.5 Accounts Receivable and payable

1.5.1 Payables

Audit Issue	Management Comment	Recommendation
As at 31 December 2024, a balance of Rs. 472,916 remained payable since the year 2020. No action had been taken either to settle it or to ascertain the liability and act accordingly.	No request has been made for the release of these funds up to now.	Action should be taken to settle the payable amounts without delay.

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

Reference to Laws, Rules Regulations etc.	Non-compliance	Management Comment	Recommendation
Paragraph 3.4 (viii) of the Operational Manual for State-Owned Enterprises issued under the Public Enterprises Circular No. 01/2021 dated 16 November 2021.	Although acting appointments should not be made for an indefinite period to cover up a staff vacancy, the Agency had appointed an officer to act in the post of Director (Monitoring and Implementation) with effect from 28 February 2023 without specifying a time frame. As a result, by July 2025 a sum of Rs. 568,733	It is informed that this appointment has been made on a temporary acting basis and that the Agency reserves the right to terminate the services of this officer at any time.”	Actions should be taken in accordance with the circular instructions.

had been paid as acting allowances.

2. Financial Review

2.1 Financial Result

The operating result of the year under review amounted to a **surplus** of Rs. 4,922,652 and the corresponding **surplus** in the preceding year amounted to Rs. 5,168,343. Therefore an **deterioration** amounting to Rs. 245,691 of the financial result was observed. The reason for the deterioration is decrease of the other income.

2.2 Trend Analysis of major Income and Expenditure items

The analysis of major income and expenditure items of the year under review, compared with the preceding year, together with the percentages of increases or decreases, is presented below.

Description	Value as at 31 December 2024	Value as at 31 December 2023	Variation [advantage/ (disadvanta ge)	Percenta ge
	Rs.	Rs.		%
Income				
Treasury Grants	101,228,533	106,599,634	(5,371,101)	5
Anti Doping testing income	3,360,805	2,939,478	421,327	14
Other Income	1,561,847	2,228,865	(667,018)	30
Expenditure				
Personal Wages	18,998,386	17,123,440	(1,874,946)	11
Depreciation and other operational expenditure	63,891,436	74,331,892	10,440,456	14
Anti Doping researches expenditure	18,338,711	15,144,302	(3,194,409)	21

Compared to the previous year, the total income had decreased by Rs. 5,306,791 or 5%, while the total expenditure had decreased by Rs. 5,371,101.

3. Operational Review

3.1 Under-utilization of Funds

Audit Issue	Management Comment	Recommendation
During the year under review, the Agency had allocated Rs. 64 million for the implementation of 12 capital projects without a proper needs assessment or reasonable justification. However, 44% of this provision, amounting to Rs. 28.40 million, remained underutilized.	For the year under review, the Agency had requested provisions amounting to Rs. 64 million for the implementation of 12 capital projects, based on the planned activities and forecasted information for the year 2023.	Provisions should be made on a rational basis and with proper needs forecasting.

3.2 Delays in Projects or Capital Work

Audit Issue	Management Comment	Recommendation
The construction contract for the Head Office, which had been awarded in 2016 to a private institution at a value of Rs. 101.96 million, had been executed on a land that neither belonged to the Agency nor had been legally vested in it. The contract was scheduled to be completed on 26 April 2017. However, due to the initial estimate not being prepared accurately and without proper study, by the time of completion the contract value had increased by 61% amounting to Rs. 62.07 million over the original estimate. As a result of this cost escalation, the completion period of the contract had been extended by 22 months, leading to an additional payment of Rs. 4.55 million to the Services of Central Engineering Consultancy Bureau for consultancy work.	Although the premises of the Agency have been constructed on a land belonging to the Sugathadasa National Sports Complex Authority, which has not been legally vested to the Agency, the Authority has informed in writing that the construction may be carried out. Since the Secretary to the Ministry of Sports and Youth Affairs has recognized that the consultancy fees payable are legally valid and should be settled, only 50% of the outstanding consultancy fees has been paid.	The land on which the Head Office is located should be legally vested, and actions should be taken in accordance with the contract agreements.