

**1. Financial Statements**

**1.1 Disclaimer of Opinion**

The audit of the financial statements of the Sri Lanka Billiard and Snooker Association (“the Association”) for the year ended 31 December 2024 comprising the balance sheet as at 31 December 2024 and the income and expenditure account, statement of accumulated fund, and cash flow statement 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 balance sheet, income and expenditure account, statement of accumulated fund 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 balance sheet, income and expenditure account, statement of accumulated fund 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 Non-Compliance with Sri Lanka Accounting Standard for Small and Medium-sized Entities (SLFRS for SMEs)**

<b>Non-compliance with the reference to particular Standard</b>	<b>Management Comment</b>	<b>Recommendation</b>
According to paragraph 2.36 of Sri Lanka Accounting Standards for Small and Medium-sized Entities (SLFRS for SMEs), all the income and expenditure should be recognized on accrual basis. However, the Association had recognized its membership fee on cash basis. As a result, the membership fees amounting to Rs. 55,000 relating to the years 2023 and 2025 received during the year under review had been recognized as income for the year under review.	I hereby state that the receipts pertaining to the next year onwards will be clearly shown separately according to the respective year.	The Association should comply with the requirements of SLFRs for SMEs.

##### **1.5.2 Accounting Deficiencies**

<b>Audit Issue</b>	<b>Management Comment</b>	<b>Recommendation</b>
The payments aggregating to Rs.4,497,535 had been made without signing the payment vouchers by the President, Secretary / Treasurer of the Association. Further, the source documents such as bills, receipts and other supporting evidences for the payments, aggregating Rs. 2,337,205 had not been made available for audit. Therefore, the above payments could not be satisfactorily vouched or accepted in audit.	It was happened mistakenly and I will make sure that it will not be happened in future.	The Required documentary evidence should be furnished to Audit with relevant approvals and certifications.

## 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. 1 of 2024 published in Extraordinary Gazette Notification. No.2382/32 dated 03 May 2024			
(a) Paragraph 6 (xii) of Part III	Annual action plan for the next year should be prepared and submitted to Director General prior to 03 months before the end of the current year. However, no action plan had been accordingly.	The Annual action plan for the next year had been submitted to Director General on 26 August 2024.	The Association should comply with the Sports Regulations.
(b) Paragraph 6(xxvii) of part III	The details on the all activities including the elections of the sports clubs, district sports associations, provincial sports associations or sports clubs and member organizations should be submitted to Director General Sports annually by the Association. However, it had not been presented so far.	Only the election information had been submitted to Director General of Sports 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 surplus of Rs.58,301 and the deficit against this in the preceding year amounted to Rs.569,344. Therefore, an improvement amounting to Rs.627,645 in the financial result was observed. The main reason attributed for this improvement is increase of Ministry grants by Rs.1,516,110.