

Netball Federation of Sri Lanka – 2013

The audit of financial statements of the Netball Federation of Sri Lanka for the year ended 31 December 2013 comprising the balance sheet as at 31 December 2013 and the income and expenditure account, cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory 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 Section 9 of the Sports (Amendment) Act No. 47 of 1993. In carrying out this audit, I was assisted by a firm of Chartered Accountants in public practice.

1.2 Management’s Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Generally Accepted Accounting Principles and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

1.3 Auditor’s Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards. Those Standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor’s judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Federation’s preparation and fair presentation of the financial statements 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 Federation’s internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

1.4 Basis for Qualified Opinion

My opinion is Qualified based on the matters described in paragraph 2.2 of this report

2. Financial Statements

2.1 Qualified Opinion

In my opinion, except for the effects of the matters described in paragraph 2.2 of this report, the financial statements give a true and fair view of the financial position of the Sri Lanka Netball Federation as at 31 December 2013 and its financial performance and cash flows for the year then ended in accordance with Generally Accepted Accounting Principles.

2.2 Comments on Financial Statements

2.2.1 Accounting Deficiencies

The following observations are made.

- (a) The financial statements of the Sri Lanka Netball Federation for the years 2011 and 2012 had not been presented for audit even up to the date of this report. Hence, the opening balances of the assets and liabilities could not be amalgamated in the financial statements for the year under review
- (b) The balances of the savings account opened during the year under review in a state bank had not been included in the financial statements of the Federation.
- (c) The transactions of the current account of the Federation in a state bank opened in previous years had not been stated in the financial statements for the year under review.

2.2.2 Lack of Evidence for Audit

The following items in the accounts could not be satisfactorily vouched in audit due to unavailability of evidence indicated against each item shown below.

Item	Amount Rs.	Evidence not made available
(a) Income	265,186] Bank statements, deposit slips, vouchers and cheque counter foils relating to bank current account No 0350784
(b) Expenditure / Payments	884,162	
(c) Savings Account Balance	17,044	Details of deposits in saving account

3. Budgetary Control

A budget for the year under review had not been prepared by the Federation.

4. Systems and Controls

Deficiencies in systems and controls observed during the course of audit were brought to the notice of the management of the Federation from time to time. Special attention is needed in respect of following areas of control.

- (a) Accounting
- (b) Budgetary Control