

Sri Lanka Anti-Doping Agency - 2014

The audit of financial statements of Sri Lanka Anti-Doping Agency for the year ended 31 December 2014 comprising the statement of financial position as at 31 December 2014 and the statement of financial performance, statement of cash flows for the year then ended and summary of significant accounting policies and other explanatory 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 section 30 of the Convention Against Doping in Sports Act No 33 of 2013 read in conjunction with Section 13(1) of the Finance Act, No 38 of 1971 and Section 30 of the Convention Against Doping in Sports Act. My comments and observations, which I consider should be published with the Annual Report of the Board in terms of Section 14(2) (c) of the Finance Act, appear in this report.

1.2 Management Responsibility for the Financial Statements

The Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka Public Sector Accounting Standards and for such internal control as the Board 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 corresponding to the International Auditing Standards (ISSAI 1000-1810) of the Supreme Audit Institutions. 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 statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company'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 Company'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. Auditor General has been empowered to determine the scope and the extent of the audit as per the sub section (3) and (4) of the Section 13 of the Finance Act No 38 of 1971.

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

1.4 Establishment of the entity

Sri Lanka Anti-Doping Agency had been established on 11 November 2013 as per the Section III of the Convention Against Doping in Sports Act No 33 of 2013 passed by the Parliament of the Democratic Socialist Republic of Sri Lanka.

1.5 Basis for qualified opinion

My opinion is qualified based on the matters stated under paragraph 2.2 of this report.

2. Financial Statements

2.1 Qualified Opinion

In my opinion, the financial statements give a true and fair view of the financial position of Sri Lanka Anti-Doping Agency as at 31 December 2014 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka Public Sector Accounting standards except the effects arise from the matters stated in the paragraph 2.2 of this report.

2.2 Comments on Financial Statements

2.2.1 Sri Lanka Public Sector Accounting Standards

Even though the things that are in materials or supplies nature in the process of providing services or in distribution should be identified as stocks as per the section 09 of the Sri Lanka Public Sector Accounting Standards 09, 188 sample kits worth Rs. 1,105,927 had not been identified and accounted as stocks as at 31 December 2014.

3. Financial review

3.1 Financial result

According to the financial statements presented for the first year of Sri Lanka Anti-Doping Agency, the excess of the entity for the year ended 31 December 2014 was Rs. 110,540.

4. Operating review

4.1 Performance

The main objectives of the entity as per the section II of the Convention Against Doping in Sports Act No 33 of 2013 are as follows.

- (i) Take such measures as are required for eradicating doping in sports.

- (ii) To promote research in to the area of doping in relation to sports and reciprocal testing between the agency and other international organizations carryout similar functions.

Even though holding examinations, giving punishments and other related activities should be carried out after providing regulations and publishing in the gazette under the section 33 of the Convention Against Doping in Sports Act No 33 of 2013 as disclosed at the examinations in achieving above objectives, the entity had not taken actions to empower such regulations.

5. Accountability and Good Governance

5.1 Presentation of Financial Statements

Even though, the financial statements should be presented to the Auditor General within 60 days after ending the accounting year as per the section 6.5.2 of the Public Enterprise Circular No: PED/12 dated 02 June 2003, the financial statements of the entity for the year 2014 had been furnished on 31 August 2016.

5.2 Corporate Plan

A corporate plan had not been prepared as per section 5.1 of the Public Enterprise Circular No: PED/12 dated 02 June 2003.

5.3 Action Plan

An action plan had not been prepared as required by the section 02 of the paragraph 5 of the Public Finance Circular No: 01/2014 dated 17 February 2014.

5.4 Procurement Plan

A procurement plan had not been prepared for the year 2014 as required by the section 4.2 of the Government Procurement manual No: 08 dated 25 January 2006.

5.5 Budgetary Control

Out of the overall budgetary allocations of Sri Lanka Anti-Doping Agency, 34 percent had been saved without being utilized during the year under review and 15 items out of 24 had saved more than 80 per cent while 100 per cent savings in relation to 10 items. Further, the savings were in between 70 to 80 per cent in relation to 03 items. Accordingly, it was observed that the budget had not been utilized as successful management tool for the operating activities of the entity.