

Sri Lanka Anti-Doping Agency – 2015

The audit of financial statements of Sri Lanka Anti-Doping Agency for the year ended 31 December 2015 comprising the statement of financial position as at 31 December 2015 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 and 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 statements, 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. Sub section (3) and (4) of the Section 13 of the Finance Act No 38 of 1971 given discretionary power to the Auditor General to determine the scope and the extent of the audit.

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 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 2015 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, 80 sample kits worth Rs. 470,607 had not been identified and accounted as stocks as at 31 December 2015.

2.2.2 Accounting Deficiencies

A sum of Rs. 29,999 that should have been identified as recurrent expenditure had already been accounted under fixed assets by overstating the fixed assets by that amount and the depreciation by Rs. 6,750.

2.3 Non-compliance with Laws, Rules and Regulations

Even though the budget should be approved by the Board of Directors before 03 months of the commencement of the next financial year as required by the Section 5.2.4 of the Public Enterprise Circular No: PED/12 dated 02 June 2003, no such practice had been implemented for the budget of the year under review.

3. Financial review

3.1 Financial result

According to the financial statements presented, the surplus for the year under review was Rs.95,000 as compared with the corresponding surplus of Rs.110,540 for the preceding year, thus showing a deterioration of Rs. 15,540 in the financial result of the year under review.

3.2 Legal issues against the entity

Two cases had been filled against two disciplinary decisions of this agency by the word Anti Doping Agency asking compensation amounting to Swizerland Frank (CHF) 9,606. Further, disclosers had not been made in the financial statements in this regards.

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.

The Following observations are made with regard to the achieving the above objectives.

- (a) 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 the entity had not taken actions to empower such regulations.
- (b) Even though it was planned to establish a research unit in the year 2015 and to carry out research to identify whether prohibited materials are included in indigenouse medicine, no such activity was done accordingly.
- (c) Even though the targets had been set out to train doping control officers and chaperone according to the international methodologies, such action had not been implemented even by the end of the year under review.

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 financial year ,the Sri Lanka Anti-Doping Agency had presented the financial statements for the year 2015 on 31 August 2016 with a delay of 05 months..

5.2 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.

5.3 Procurement Plan

A procurement plan had not been prepared for the year 2015 as required by the section 4.2 of the Government Procurement manual No: 08 dated 25 January 2006.

5.4 Budgetary Control

Out of the overall budgetary allocations of the Sri Lanka Anti-Doping Agency, 36 per cent had been saved without being utilized during the year under review and 11 items out of 23 had saved more than 80 per cent while 100 per cent savings in relation to 05 items. Further, as 04 items had exceeded the allocations, the budget had not been utilized as effective management tool for the operating activities of the entity.