

Surfing Federation of Sri Lanka -2018

1. Financial Statement

1.1 Disclaimer of Opinion

The audit of the financial statements of the Surfing Federation of Sri Lanka (“the federation”) for the year ended 31 December 2018 comprising the statement of financial position as at 31 December 2018 and the statement of comprehensive income, statement of changes in equity and reserves and statement of cash flow for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, 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. My Comments and observations which I consider should be report to parliament appear in this report. To carry out this audit I was assisted by a firm of Chartered Accountants in Public Practice.

I do not express an opinion on the accompanying financial statements of the Federation. Because of the significance of the matters described 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 of Opinion

My opinion is Disclaimed based on the matters described in paragraph 1.5 of this report. I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those auditing standards are further described in the Scope of Audit section of my report.

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 statement of Recommended practice for not-for-profit organizations (SLSoRP), and for such internal control as management determine is necessary to enable the preparation of financial statements that are free from material misstatements whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Federation’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 Federation’s financial reporting process.

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

1.4 Audit Scope

My responsibility is to conduct an audit of the Federation’s financial statements in accordance with Sri Lanka Auditing Standards and to issue an auditor’s report. However, because of the matters described in the Basis for Disclaimer of opinion section, 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 Financial Statements

1.5.1 Internal Control over the preparation of financial statements

Audit Issue	Management Comments	Recommendation
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<p>Proper accounting records had not been maintained by Federation such as Cash book, Ledger, Journal, Trial balance etc.</p>	<p>Management comments had not submitted.</p>	<p>Proper accounting records should be maintained.</p>

1.5.2 Accounting Deficiencies

Audit Issue	Management Comments	Recommendation
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<p>Membership income has not been properly accounted.</p>	<p>Management comments had not submitted.</p>	<p>Membership income identified should be and accounted accurately.</p>

1.5.3 Documentary Evidence not made available for Audit

Item available	Amount Rs.	Evidence not available	Management Comments	Recommendation
(a) Expenses	2,308,303	Authorized payment vouchers	Federation's comments had not submitted.	Payment voucher should be furnished to audit in order to verify the expenses.
(b) Income	304,346	Receipts	Federation's comments had not submitted.	Receipts should be furnished to Audit in order to verify the Income.

2. Financial Review

2.1 Financial Results

Income and Expenditure of the Federation were not occurred due to non operation in the year 2017. The operating result of the year under review amounted to a Surplus of Rs.14,403 and the corresponding Zero surplus for proceeding year. Therefore an improvement amounting To Rs.14,403 of the financial result was observed. Although the income for the year 2018 was Rs.2,322,706, Expenditure was Rs.2,308,303 had been the main reason for this improvement.