

Sri Lanka Powerlifting Federation - 2020

1. Financial Statements

1.1 Disclaimer of Opinion

The audit of the financial statements of the Sri Lanka Powerlifting Federation (“the federation”) for the year ended 31 December 2020 comprising the statement of financial position as at 31 December 2020 and the statement of comprehensive income, statement of changes in reserves, 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 Opinion

My opinion is Disclaimer 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 Accounting Standard 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 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 Federation 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 Scope of Audit

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 Audit Observations on the Preparation of Financial Statements

1.5.1 Internal Control over the preparation of financial Statements

Audit Issue -----	Management Comment -----	Recommendation -----
The General Ledger and cash book had not been provide for audit.	Federation's Comments had not submitted.	The General Ledger and cash book should be properly maintained.

1.5.2 Documentary Evidences not made available for Audit

Item available -----	Amount Rs. -----	Evidence not available -----	Management Comments -----	Recommendation -----
I. Bank Current Account	9,366	Balance Confirmation and Bank Statements	Federation's comments had not been submitted.	The documents should be furnished to audit in order to verify the existence of balance.
II. Printing and Stationaries expense	4,235	Payment Vouchers and Invoices	Federation's comments had not been submitted	The documents should be furnished to audit in order to verify the expense.
III. Accounting fee Payable	15,000	Settlement details, payment Vouchers, Invoice	Federation's comments had not been submitted	Adequate audit evidence should be submitted to verify the payable.
IV. Payable	480,717	Independent confirmation	Federation's comments had not been submitted	

1.5.3 Accounting Deficiencies

Audit Issue -----	Management Comments -----	Recommendation -----
The air tickets amounting to Rs.2,473,220 received during the year 2017 from Ministry of Sports had not been accounted.	Federation's comments had not been submitted	Financial statement should be prepared properly.

1.5.4 Going Concern of the Organization

Audit Issue -----	Management Comments -----	Recommendation -----
I. The Federation has made a net deficit of Rs.16,717 for the year ended 31 December 2020 and the accumulated deficit of the federation was Rs.481,201 as at the end of the year under review. The Federation's current liabilities exceeded its current assets by Rs.486,351 and total liabilities exceeds its total assets by Rs.481,201. This indicate that a material uncertainty exists that may cast significant doubt on the Federation's ability to continue as a going concern. However, the financial statements of the Federation do not contain a disclosure on going concern.	Federation's comments had not been submitted	Prompt action should be taken to implement mitigating plans for the significant doubt on the Federation's ability to continue as a going concern and contain a disclosure on going concern in the financial statements.

2. Financial Review

2.1 Financial Results

The operating result of the year under review amounted to a deficit of Rs.16,717 and the corresponding surplus in the preceding year amounted Rs.78,300. Therefore an deterioration amounting to Rs. 95,017 of the financial result was observed. The reasons for the deterioration was decrease of the total income by Rs.101,354.