

1. Financial Statements

1.1 Qualified Opinion

The audit of the financial statements of the Billiards and Snooker Association of Sri Lanka (“the Association”) for the year ended 31 December 2023 comprising the balance sheet as at 31 December 2023 and income and expenditure accounts, statement of accumulated fund and statement of cash flows, for the year then ended and notes to the financial statements including material accounting policy 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 provisions of the National Audit Act No19 of 2018 and Section 21A of the Sports (amended) Act No. 47 of 1993. My Comments and observations which I consider should be report to parliament appear in this report.

In my opinion, except for the effects of the matters described in paragraph 1.5 of this report, the accompanying financial statements give a true and fair view of the financial position of the Association as at 31 December 2023, and of its financial performance and its cash flows for the year then ended in accordance with Sri Lanka Accounting Standard for Small and Medium Sized Entities (SLFRS for SMEs).

1.2 Basis for Qualified Opinion

My opinion is qualified based on a matter described in paragraph 1.5 of this report.

I conducted my audit in accordance with Sri Lanka Auditing Standards (SLAuSs). My responsibilities, under those standards are further described in the Scope of Audit section of my report. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my qualified opinion.

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 Association’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 Association’s financial reporting process.

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

1.4 Scope of Audit

My objective is to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes my opinion. Reasonable assurance is a high level of assurance but it is not a guarantee that an audit conducted in accordance with Sri Lanka Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Sri Lanka Auditing Standards, I exercise professional Judgement and maintain professional scepticism throughout the audit; I also;

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for my opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations or the override of internal control.
- Obtain an understanding of internal control relevant to the audit 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 Association's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of the management's use of the going concern basis of accounting and based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Association's ability to continue as a going concern. If I conclude that a material uncertainty exists, I am required to draw attention in my auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify my opinion. My conclusions are based on the audit evidence obtained up to the date of my auditor's report. However, future events or conditions may cause the Association to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

The scope of audit also extended to examine as far as possible, and as far as necessary the following;

- Whether the organization, systems, procedures, books, records and other documents have been properly and adequately designed from the point of view of the presentation of information to enable a continuous evaluation of the activities of the Association, and whether such systems, procedures, books, records and other documents are in effective operation;
- Whether the Association has complied with applicable written law, or other general or special directions issued by the governing body of the Association;
- Whether the Association has performed according to its powers, functions and duties,
- Whether the resources of the Association had been procured and utilized economically, efficiently and effectively within the time frames and in compliance with the applicable laws.

1.5 Audit observations on the preparation of Financial Statements

1.5.1 Accounting Deficiencies

Audit Issue	Management Comment	Recommendation
The value of five air tickets amounting to Rs.722,500 given to the Association by the Department of Sports Development had been omitted from the financial statements.	When applying for funding to go to international competitions, the Ministry of Sports does not provide money for air tickets as a policy and had not confirm the prices of air tickets for the Association. Then had not been accounted the expenses of air tickets.	The financial statements should be prepared by recognizing all the income and expenses related for the year under review.

2. Financial Review

2.1 Financial Results

The operating result of the Association for the year under review amounted to a deficit of Rs.569,344 and the corresponding surplus in the preceding year amounted to Rs.372,892. Therefore, a deterioration amounting to Rs.942,236 in the financial result was observed. The main reason attributed for this deterioration was decrease the income by Rs.332,700 and increase the tournament expenses by Rs.693,161 in the year under review with compared to the previous year.

3. Operational Review

3.1 Management Inefficiencies

Audit Issue	Management Comments	Recommendation
(a) The cost of Property, Plant and Equipment as at 31 December 2023 was amounting to Rs.3,278,578. However, the Annual Verification Report thereof had not been submitted for the audit.	Annual physical verification for the year under review could not be conducted, and it will carry out in the forthcoming year.	Annual physical verification should be done and verification report to be presented as required.

- (b) According to the Paragraph 4 of the Constitution of the Association, “the Members engaged in promoting or playing the Billiards and Snooker sports such members shall be called and referred to as affiliate members and, shall maintain affiliate status for an indefinite duration provided and they have paid the annual membership fees to the Association for each year of affiliation”. Nevertheless, 18 affiliated members had not paid their membership fees for the year 2023 and among these 02 affiliated members had not paid the membership fees for the year 2022.
- According to the Paragraph 4 of the Constitution of the Association, Members promoting to pay membership fees.
- Membership fees should be collected in accordance with the Constitution.