Table Tennis Association of Sri Lanka - 2024

----

1. Financial Statements

1.1 Disclaimer of Opinion

The audit of the financial statements of the Table Tennis Association of Sri Lanka ("The Association") for the year ended 31 December 2024 comprising the statement of financial position as at 31 December 2024 and the statement of profit or loss and other comprehensive income, statement of changes in equity and cash flow statement for the year then ended, and notes to the financial statements, including a 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 No.19 of 2018 and Section 21 A of Sports Law, No. 25 of 1973 as amended by Section 9 of the Sports (Amendment) Act, No.47 of 1993. My comments and observations which I consider should be report to Parliament appear in this report.

I do not express an opinion on the accompanying financial statements of the Association. Because of the significance of the matters discussed 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

As described in paragraph 1.5, I was unable to confirm or verify by alternative means, material items included in the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows.

As a result of these matters, I was unable to determine whether any adjustments might have been found necessary in respect of recorded or unrecorded amounts and the elements making up the statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows.

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 Standards 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 misstatement, 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 intends 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 Auditor's Responsibility for the Audit of the Financial Statements

My responsibility is to conduct an audit of the Association's financial statements in accordance with Sri Lanka Auditing Standards and to issue an auditor's report. However, because of the matters described in paragraph 1.5 of this report, 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 Non-compliance with Sri Lanka Accounting Standards for Small and Medium sized Entities (SLFRS for SMEs).

Non Compliance with the reference to particular Standard	Management Comment	Recommendation
In accordance with Paragraph 2.52 of the Section 2 of the Sri Lanka Accounting Standard for SMEs, income and expenses shall not be offset against each other. Contrary to this, the Association had offset expenses amounting to Rs. 27,956,094 against income, and only the net amount had been presented in the financial statements. As a result, income and expenses shown in the financial statements had been understated by a similar amount.	Comments had not been received.	Income & expenses should not offset each other if standard does not allow.

1.5.2 Accounting Deficiencies

	Audit Issue	Management Comment	Recommendation
(a)	According to the confirmation received from the National Olympic Committee of Sri Lanka, a sum of Rs. 1,250,000 had been granted to the Association during the year under review. However, out of this amount a sum of Rs. 250,000 had not been	Comments had not been received.	Establish proper procedures to ensure that all grants recorded in the financial statements.

	accounted during the year under review. As a result, income and current assets shown in the financial statements had been understated by similar amount.		
(b)	The Western Province Table Tennis Association had implemented a fund-raising programme by printing cards valued at Rs. 5,000 each in order to cover the expenses of the South Asian Junior Table Tennis Championship organized by the Association during the year under review. However, this programme had been implemented without the approval of the Executive Committee and the funds collected through this programme had not been recognized in the financial statements. Further, information regarding the total number of cards printed and the total amount of funds collected had not been submitted for audit.	Comments had not been received.	All proceeds must be properly accounted for and disclosed in the financial statements.

1.5.3 Documentary Evidences not made available for Audit

	Item	Amount Rs.	Evidence not available	Management Comment	Recommendation
(a)	Expenses	4,599,773	Invoices, bills and other supporting documents	Comments had not been received.	The supporting documents should be submitted for satisfactorily to the audit for observation.
(b)	Other income	2,164,017	A detailed schedule and supporting documents	Comments had not been received.	

1.6 Non-compliance with Laws, Rules, Regulations and Management Decisions etc.

	Reference to Laws, Rules Regulations etc.	Non-compliance	Management Comment	Recommendation
(a)	Section 2 of Inland Revenue Act, No. 24 of 2017 and amendments made there to	The Association had not registered with the Department of Inland Revenue for the purpose of paying the Income Tax.	Comments had not been received.	Make registration for income tax to avoid any legal issues.
(b)	Section 6 (i) of Part III of the National Associations of Sports Regulations, No. 01 of 2024, published in the Extraordinary Gazette No.2382/32 dated 03 May 2024	A progress report had not been prepared to evaluate the development and promotion of the Table Tennis sport in each province of the country.	Comments had not been received.	Progress report should be prepared on time to facilitate decision making.
(c)	Guidelines related to the activities of National Sports Associations/ Federation dated 15 December 2021 issued by the Director General of Sports.			
	(i) Section 3(iii)	The Association had maintained three (03) bank current accounts without obtaining required approval from the Director General of the Department of Sports Development.	Comments had not been received.	Obtain approval for the bank accounts from the Director General.
	(ii) Section 3(iv)	The Association had not maintained a fixed assets register for the fixed assets worth of Rs.5,751,000 as at 31 December 2024.	Comments had not been received.	Maintain the fixed assets register for proper control of fixed assets.
	(iii) Section (ix)	Although the Association had given advance aggregate Rs.9,904,268 in 45 instances during the year under review, the Association had	Comments had not been received.	Maintain the advance register for proper control of advance given.

	failed to maintain an advance register for this purpose.		
(iv) Section (xii)	The Association had written off cash in hand and advances amounting to Rs.47,020 and Rs.81,478 respectively against the profit of the year under review, without obtaining the concurrence of the Director General of Department of Sports and the approval of a Special General Meeting.	Comments had not been received.	Obtain concurrence from the Director General of Department of Sports and special general meeting for written balances.

2. Financial Review

2.1 Financial Result

The operating result of the year under review amounted to a surplus of Rs. 6,122,280 and the corresponding surplus in the preceding year amounted to Rs. 640,458. Therefore, an improvement amounting to Rs. 5,481,822 of the financial result was observed. The main reason for the improvement is decrease of the cost of service by Rs. 7,756,162 with compared to the previous year.

3. Operational Review

3.1 Management Inefficiencies

	Audit Issue	Management Comment	Recommendation
(a)	The registration of the Association had been temporarily suspended by the Minister of Sports with effect from 25 August 2025, by the notice published in Extraordinary Gazette No. 2451/09 dated 25 August 2025, due to the failure to complete the process of amending the Constitution of the Association and to make arrangements to conduct the election.	Comments had not been received.	The Association should take immediate action to complete the process of amendment the Constitution of Association and make arrangements to conduct the election.
(b)	Only two (02) out of eight (08) international competitions and two (02) out of nine (09) local sports competitions planned for the year 2024 as sports calendar had been conducted during the year under review.	Comments had not been received.	Prompt actions should be taken to conduct activities included in the annual sports calendar.