

Sri Lanka Sumo Federation - 2018

1. Financial Statement

1.1 Disclaimer of Opinion

The audit of the financial statements of the Sri Lanka Sumo Federation (“the federation”) for the year ended 31 December 2018 comprising the statement of financial position as at 31 December 2018 and the income and expenditure account, statement of cash flows 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 Generally Accepted Accounting Principles, 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 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 Audit Observations on the preparation of Financial Statements.

1.5.1 Accounting Deficiencies

Audit Issue	Management Comments	Recommendation
Even though the debit balance of accumulated fund as at 31 December 2017 was Rs.26,600, that balance had been brought forward in the financial statement as at 01 January 2018 as Rs.266,386. Thus accumulated fund had been overstated by Rs.292,986.	Association's comments had not submitted.	Action should be taken to rectify the error.

1.5.2 Documentary Evidence not made available for Audit

Audit Issue	Amount Rs.	Evidence not available	Management Comments	Recommendation
Property plant and equipment	172,310	Fixed assets register, physical verification report	Association's comments had not submitted.	The documents should be adequately furnished to audit in order to verify the balance.

2. Financial Review

2.1 Financial Results

The operating result of the year under review amounted to a surplus of Rs.94,987 and the corresponding in deficit preceding year amounted to Rs.9,080. Therefore a improvement amounting to Rs.104,067 of the financial result was observed. The reasons for the improvement are increase the total income by Rs.1,353,407 and increase the total expenditure by Rs.1,249,341.