

1. Financial Statement

1.1 Disclaimer of Opinion

The audit of the financial statements of the Sri Lanka Volleyball Federation (“the Federation”) for the year ended 31 December 2023 comprising the balance sheet as at 31 December 2023 and the income & expenditure statement, statement of changes in Reserves, and cash flow statement 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, No.19 of 2018 and Section 21 (A) 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 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

I am expressing a Disclaimer of Opinion 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 Auditor’s Responsibilities for the Audit of the Financial Statement 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 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 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 (Auditor’s Responsibilities for the Audit of the Financial Statement)

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 Unreconciled Control Accounts or Records

Item	as per Financial Statements Rs.	As per correspondin g Record Rs.	Differenc e Rs.	Management Comment	Recommendation
Payable to the Sugathadasa National Sports Complex Authority.	987,449	3,176,663	2,189,214	The financial statements of the Federation are correct. However, this amount of Rs.2,189,214 to be settled by the Department of Sports Development or the Ministry of Youth Affairs and Sports.	Although the Federation had informed to audit that the Department of Sports or the Ministry of Youth Affairs and Sports should pay Rs.2,189,214 to the Federation, the Department of Sports Development and the Ministry of Youth Affairs and Sports informed to audit that such an amount was not available to settle. Therefore, this should be adjusted in the Federation's Financial Statements.

1.5.2 Documentary Evidences not made available for Audit

Item	Amount Rs.	Evidence not made available	Management Comment	Recommendation
Payments	859,128	Thirteen (13) payment vouchers	Vouchers could not submitted as they attached to tournament file.	Vouchers had not been attached to the tournament file.
Expenditure	51,030,413	Invoices, acknowledgments and relevant bills		

1.6 Accounts Receivable and Payable

1.6.1 Payable

Audit Issue	Management Comment	Recommendation
The total payable as at 31 December 2023 was Rs.7,704,834 and out of that, sums of Rs.50,000 and Rs.3,074,823 had remained unsettled for between 2-5 years and more than 5 years respectively. Further, the action had not been taken to make necessary adjustments in the financial statements after recognizing the	Appropriate Action is being taken to settle these balance.	In order to settle the creditor balance, the existing obligations should be investigated and dealt with accordingly.

obligations to settle these liabilities. Meanwhile, the conformations for these balances were not referred to the audit.

1.7 Non-compliance with Laws, Rules, Regulations and Management Decisions

Reference to Laws, Rules Regulations etc.	Non-compliance	Management Comment	Recommendation
National Associations of Sports Regulations Published in Extraordinary Gazette No. 1990/23 dated 27 October 2016 Regulation No (xi) of Part III	A Corporate Plan for a period of ten years including the current international ranking, expected target within time period and the strategies to increase the level of performance had not been prepared.	Noted to prepare a Corporate Plan in the future.	A corporate plan should be prepared for a period of 10 years, including goals and strategies for improving performance.

2. Financial Review

2.1 Financial Results

The operating result of the Federation for the year under review amounted to a surplus of Rs.6,170,986 and the deficit against this in the preceding year amounted to Rs.839,164. Therefore, an improvement amounting to Rs.7,010,150 in the financial result was observed. The main reason for the improvement was increase the income by Rs.67,622,205 as against the increase of direct expenses by Rs.56,746,583 as compare to the previous year.

3. Accountability and Good Governance

3.1 Presentation of Financial Statements

Audit Issue	Management Comment	Recommendation
According to the Regulation No (xiii) of Part III of the National Associations of Sports Regulations Published in Extraordinary Gazette No. 1990/23 dated 27 October 2016, financial statements certified by the committee shall be submitted to the Auditor General within two months of the end of each financial year. However, the federation had submitted the financial statements of the year 2023 for the audit only on 05 July 2024 after delaying 04 months period.	The certified financial statements of the federation were submitted on 05 July 2024.	Financial statements should be submitted to the Auditor General within 02 months from the end of each financial year.