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விளையாட்டுத்துறை மற்றும் இளைஞர் விவகார அமைச்சு

Ministry of Sports and Youth Affairs

ජාතික ක්‍රීඩා අරමුදල
தேசிய விளையாட்டு நிதி
National Sports Fund

2021

වාර්ෂික වාර්තාව
வருடாந்த அறிக்கை
Annual Report

Ministry of Sports and Youth Affairs
National Sports Fund

Annual Report - 2021

Contents

Introduction

The National Sports Fund established by provision 22-27 of the Sports Act No. 25 of 1973 of the National State Assembly, has been operating since 2007 under the direct supervision of the Ministry of Sports. Activities of the Fund were carried out year by year in order to improve the nutritional level of sports persons and stepping up the talents of sportsmen and sportswomen.

Vision

Development of skills and talents of sportsmen and sportswomen.

Mission

The mission of the National Sports Fund is to provide assistance and support for the encouragement, development and promotion of sports, in Sri Lanka.

Role of the National Sports Fund

The National Sports Fund which is functioning under the Ministry of Sports, provides funds under the available provisions for the purpose of development of atheletes, coaches who are human resources of sports and development of physical and other infrastructure facilities of the field of sports.

The Sports Fund at present makes payment for the following purposes when and where necessary.

- Making payments under approved criteria to athletes and coaches for their acheivements at the international events, payment of Nutritional Allowance on monthly basis under identified criteria, Providing Allowance for special requests recommended for the development of sports, sponsoring National Sports Festival, payment for local and foreign training programmes, presenting awards at the specific sports events, special grants (Sports Festivals organized by the Universities and other institutions, payments with regard to athletes retirement/ fairwell, accommodating requests for specific sports items. Allowances for various groups to engage in local and foreign competitions, ex-gratia payments to sports – related persons and making other payments for the development of sports.)

Legal Background

The National Sports Fund was established under the sports Act No. 25 of 1973 of the National State Assembly. According to the Act, all sums of money received from the Government, foreign financial aids, funds received from any institution for the sponsorship of any sports or sports event, donations made by any person and any other source to sponsor a certain sports to be credited to the sports Fund. The National Sports Fund can be utilized for payments as decided by the Minister when and where necessary for encouraging, developing and improving any sport, ex-gratia payment towards sportsmen and sports women, as for investment and for the purpose of carrying out or giving effect to the provision of this Law.

Financial aids to sportsmen and sports women

Financial assistance was provided to sportsmen and sports women in order to improve their self-esteem to maintain physical fitness at their best.

Serial No.	Subject	Amount Paid (Rs.)
1	Nutritional Allowance for athletes	8,215,107.00
2	Payment for past sportsmen and sports women	631,898.00
	Total	**8,847,005.00**

Financial aid for sports competitions

The contribution of the Sports Fund towards National and international events in 2021 are as follows.

Serial No.	Subject	Amount Paid (Rs.)
1	International Events	108,145,941.00
	Total	**108,145,941.00**

Financial aid to coaches

Financial assistance to coaches were provided considering services provided by them to elivate the local field of sport by upgrading the talents of sportsmen and sportswomen at national level at present.

Serial No.	Subject	Amount Paid (Rs.)
1	Allowance for coaches	940,000.00
	Total	940,000.00

Other Expenses

On the approval of Hon. Minister of Sports the followers other expenses were spent through the National Sports Fund during the year 2021

Serial No.	Subject	Amount Paid (Rs.)
1	Administrative expense (for National Sports Fund Account purposes)	363,500.00
2	Appeals Advisory Committee	212,258.00
3	National Sports Council	350,190.00
4	Other Allowances	10,118,170.00
5	Audit Fees	150,000.00
	Total	**11,194,118.00**

Acknowledgement

I greatly acknowledge the support extended by Hon Minister of Sports for providing directions me to control and administration of the National Sports fund. As well as, the dedication of officers of the Ministry of Sports and Youth Affairs in carrying out the activities for management and accounting of the Fund and the cooperation of the Department of Sports for doing activities of the Fund are greatly appreciated.

K. Mahesan
Secretary,
Ministry of Sports and Youth Affairs.

National Sports Fund

Statement of Financial Performance

for the year ended 31st December 2021

Budget 2021	Receipt of revenue	Note	2021 Rs.	2020 restated Rs.
177,125,000	1-Government Grants	3.1	190,020,300	42,849,536
32,300,000	2-Investment	3.2	1,154,400	2,249,457.04
27,400,000	3-Other Income	3.3	21,474,415	2,452,750.00
236,825,000	Total Receipt of Revenue		212,649,115	47,551,743.04
	Non Revenue Receipts			
300,000	4-Deposits	3.4	-	377,000
-	Other receipts			
300,000	Total Non revenue receipts		-	377,000
237,125,000	Total receipts of revenue & Non revenue		212,649,115	47,928,743
	Less : Expenses			
	Recurrent Expenditure			
35,800,000	5.1 Investment			
111,000,000	6.1 Sports competitions	4.1	108,145,941	5,786,000
10,095,000	6.2 Welfare Allowance	4.2	9,787,005	100,216,339
1,000,000	6.3 Development projects	4.4		
74,875,000	6.4 Talent Development	4.3	71,055,500	
1,209,000	6.5 Administrative Expenses	4.4	11,194,117	21,715,146
233,979,000	Total recurrent expenditure		200,182,563	127,717,485
	Total Expenditure		200,182,563	127,717,485
3,146,000	Excess/difficuency as at 31st December 2021		12,466,552	(79,788,742)

Sgd.
Chief Accounting Officer
Name :- Anuradha Wijekoon
Designation :- Secretary
Date :- 28.02.2022
Ministry of Sports & Youth Affairs

Sgd.
Chief Accountant
Date :- 28.02.2022
Name :- S. N. Hapuarachchi

Ministry of Sports & Youth Affairs

National Sports Fund
Financial Position
As at 31st December 2021

	Notes	2021 Rs.	2020 restated Rs.
Assets			
Financial Assets			
Investment Account	5	16,089,059	14,645,465
Cash balance	6	15,787,820	17,013,369
Miscellanious debtors	7	30,270,897	17,969,886
Total Assets		**62,147,776**	**49,628,721**
Net Assets			
Non-Current Liabilities			
Accumulated Fund	8	61,608,273	49,141,721
Current Liabilities			
Miscelaneous Deposites	9	330,000	340,000
Accrued Expenses	10	209,503	147,000
Current Liabilities		539,503	487,000
Total Liabilities		62,147,776	49,628,721

Total Liabilities

Accounts particulars on pages from 01 to 03 and Notes from 04 to 11 are integral parts of the final accounts. These financial statements have been prepared according to generally accepted accounting principles and appropriate accounting policies have been made use of as disclosed through notes on accounts as well as the particulars on other accounts have been reconcilled with the Treasury Account Books and they tally with those figures. And we do hereby certify that there is an effective internal control system within the reporting entry and reviews are carried out to supervise the effectiveness of the internal control system and introduce changes as and where necessary in order to implement such systems in order.

Sgd.
Chief Accounting Officer
Name :- Anuradha Wijekoon
Designation :- Secretary
Date :- 28.02.2022
Ministry of Sports & Youth Affairs
No.09,Philip Gunawardana Mawatha
Colombo 07.

Sgd.
Chief Accountant
Date :- 28.02.2022
Name :- S. N. Hapuarachchi

Ministry of Sports & Youth Affairs
No.09,Philip Gunawardana Mawatha
Colombo 07.

National Sports Fund
Cash-Flow Statement
for the year ended 31st December 2021

	2021 Rs.	**2020 Rs.**
Surplus for the year	12,466,552	(79,788,742)
	12,466,552	(79,788,742)
Over computation of Investment interest		(484,168)
Over provision of Audit Fees		
Non-Financial Changes		(484,168)
Cash Flow generated from operational activities		
Debtors decrease / increase	12,301,010	7,419,611
Miscellaneous deposit increase/decrease	(10,000)	(465,000)
Miscellaneous creditors decrease/increase	(62,503)	(653,000)
Net cash flow from Operational activities	12,228,507	6,301,611
Increase of Fixed deposit	(1,443,594)	70,825,109
Net cash flow from Investment activities	(1,443,594)	70,825,109
Net increase in cash and cash equalent	(1,225,549)	(3,146,189)
Cash and cash eqnalent at the beginning of the period	17,013,369	20,159,558
Cash and cash eqnalent at the end of the period	15,787,820	17,013,369

Sgd.

Sgd.

Chief Accounting Officer	Chief Accountant
Name :- Anuradha Wijekoon	Date :- 28.02.2022
Designation :- Secretary	Name :- S. N. Hapuarachchi
Date :- 28.02.2022	
Ministry of Sports & Youth Affairs	Ministry of Sports & Youth Affairs
No.09,Philip Gunawardana Mawatha	No.09,Philip Gunawardana Mawatha
Colombo 07.	Colombo 07.

Notes to the Financial Statements

The National Sports Fund established by provision 22-27 of the Sports Act No. 25 of 1973 of the National Staff Assembly has been operating since 2007 under the direct supervision of the Ministry of Sports. Activities of the Fund were carried out year by year, in order to improve the nutritional level of sports persons and stepping up the talents of sportsmen and sports women.

2.1 Compliance Statement

Financial statement, financial performance statement, Financial position statement, Cash Flow statement, Accounting Policies and notes thereto have been prepared according to Sri Lanka Public Sector Accounts Standards.(SLPSAS)

2.2 Financial Statements have been submitted in Sri Lankan Rupee to the nearest rupee.

2.3 Reporting period

The relevant period relating to this Financial Report is from 01st January to 31st December 2021.

2.4 Re-adjusting of values comparatively in relation to the previous years.

2.4.1 The differences identified in 2020 have comparatively been adjusted in 2020 accounts and restated.

2.4.2 Vote Head Codes and Revenue accounts codes have been changed since 01st January 2021 and according to new subjects and revenue codes in 2020 have been adjusted as per changes made on those formats.

2.5 Financial reports have been prepared according to accurued basis.

3 Notes for receiving revenue.

Notes 03-1 - Government Grants

Revenue Code	Account Name and description	Revenue 2021 Rs.	Revenue 2020 Rs.
1	Government Grants		
1.1	Grants	177,125,000	32,500,000
1.2	Revenue - NLB		10,349,536
		177,125,000	**42,489,536**

Notes 03-2 - Investment

Revenue Code	Account Name and description	Revenue 2021 Rs.	Revenue 2020 Rs.
2	Investment		
2.1	Withdrawal of Fixed Deposits		
2.2	Fixed Deposit Interest	-	2,249,457
			2,249,457

Notes 03-3 Other Income

Revenue Code	Account Name and description	Revenue 2021 Rs.	Revenue 2020 Rs.
3	Other income		
3.1	Diyagama Mahinda Rajapakse Stadium		635,200
3.2	Sponsor Receipts	20,875,000	
3.3	Ajustment of other income	599,415	1,817,550
		21,474,415	**2,452,750**

Notes 03-4 Deposits

Revenue Code	Account Name and description	Revenue 2021 Rs.	Revenue 2020 Rs.
4	Deposits		
4 1	Deposit receipts		377,000
4 2	Other		
		-	**377,000**

Notes 4.1 Sports Competitions

Expenditure Code	Account Name and description	Revenue 2021 Rs.	Revenue 2020 Rs.
6 1	Sports Competitions		
6 1 1	Local touranemts		100,000
6 1 2	International competitions	108,145,941	5,250,000
	National Sports Festivals	-	436,000
		108,145,941	**5,786,000**

Notes 4.2 Welfare Allowances

Expenditure Code	Name of Account	Revenue 2021 Rs.	Revenue 2020 Rs.
6 2	Welfare Allowance		
6 2 1	For sports men and women		
6 2 1 1	Nutritional Allowance for sportsmen and sports women	8,215,107	2,160,000
6 2 1 2	Payment for past sportsmen and Sports women	631,898	350,000
	Medical Assistance for sports persons		138,690
	Sports year and other supplies		5,000,000
	Falicitations for sports persons		92,567,649
6 2 2	For Coaches		
6 2 2 1	Allowance for coaches	940,000	
6 2 2 2	Other expenses for coaches		
		9,787,005	100,216,339

Notes 4.3 Skills Development

Expenditure Code	Account No and Description	Revenue 2021 Rs.	Revenue 2020 Rs.
6 4	Performance		
6 4 1	Skills development of sportsmen and sportsmen	55,655,500	
6 4 2	Skills development of coaches	15,400,000	
6 4 3	Skills development of Officers		
		71,055,500	-

Notes 4.4 Administrations Expenses

Expenditure Code	Account Namd and Description	Revenue 2021 Rs.	Revenue 2020 Rs.
6 5	Administrative Expenses		
6 5 1	General Administrative Expenses		
6 5 1 1	Administrative Allowance for officers	363,500	648,000
6 5 1 2	Audit Fees	150,000	348,640
6 5 1 3	Deposit Payment		
6 5 1 4	Other	10,118,170	423,333
	Fuel Advance		206,316
	Miscellaneous Advance		110,960
	Diyagama Mahinda Rajapakse Stadium Expenses		9,860,385
	Miscellaneous Payment		10,117,512
6 5 2	Sports Administrative Expenses		
6 5 2 1	Appeals Advisory Committee	212,258	
6 5 2 2	National Sports Council	350,190	
		11,194,117	21,715,146

5. Investment

Description	2021 Rs.	2020 Rs.
Opening Balance	14,645,465	85,470,575
Collection for the year	32,000,000	10,000,000
Removed for the year	32,000,000	85,355,176
Interest	1,443,594	4,530,066
Final Balance	**16,089,059**	**14,645,465**

6. Notes for the Cash-Flow

Description	2021 Rs.	2020 Rs.
Opening Balance	17,013,369	20,159,559
Receipts of the year	231,208,061	139,401,890
Payments of the year	232,433,610	142,548,079
Final Balance	**15,787,820**	**17,013,369**

Miscellaneous Debtors

Notes 7.1 - National Lotteries Board

Description	2021 Rs.	2020 Rs.
Opening Balance	16,526,293	19,361,917
Revenue of the year	12,895,300	10,349,536
Adjustment		1,814,840
Receipt from the Treasury		15,000,000
	29,421,593	**16,526,293**

Notes 7.2 - Fixed Deposit interest

Description	2021 Rs.	2020 Rs.
Opening Balance	1,443,594	4,212,740
Interest for the year	1,109,881	2,249,457
Removal in the year	-	-
Final Balance	**849,304**	**1,443,594**

8 - Statement of equity change

Description	2021 Rs.	2020 Rs.
Accumulative Fund as at 01.01.2021	49,141,721	129,414,630
Deficiency/surplus in 2021	12,466,552	(79,788,741)
Other adjustments		(484,168)
Accumulative Fund as at 31.12.2021	**61,608,273**	**49,141,721**

9 - Miscellaneous Deposits

Description	2021 Rs.	2020 Rs.
Opening Balance	340,000	805,000
Receipts in the year	-	150,000
Payments in the year	10,000	615,000
Closing Balance	330,000	340,000

10 - Accrued Expenses

Description	2021 Rs.	2020 Rs.
Opening Balance	147,000	800,000
Additions in the year	209,503	147,000
Payments in the year	147,000	800,000
Closing Balance	**209,503**	**147,000**

Sgd.

Chief Accountant :- N. Hapuarachchi

Ministry of Sports & Youth Affairs

No. 09, Philip Goonawardana Mawatha,

Colombo 07.

Annexture - 01

National Sports Fund
Trial Balance as at 31.12.2021

Vote Head				Accountant Name & Description	Debit Rs.	Credit Rs.
				Accumulative Fund as at 01.01.2021		49,141,721
				Investment Account	16,089,059	
1	1			Grants		177,125,000
1	2			Revenue - NLB		
1	2			Revenue - NLB Receivable as at 01.01.2021	16526293	
2	1			Withdrawal of Fixed Deposits		1,154,000
2	2			Interest - Fixed Deposit		
2	2			Receivable - FD Interest	849,304	
3	1			Diyagama Mahinda Rajapakse Station		
3	2			Sponsor Receipts		20,875,000
3	3			Other income and adjustments		
4	1			Deposit Account		330,000
4	2			Other		599,415
5	1			Investment Plan		
6	1	1		Local Tournaments		
6	1	2		International Events	108,145,941	
6	2	1	1	Nutritional Allowance to sports persons	8,215,107	
6	2	1	2	Payments to past sports persons	631,898	
6	2	2	1	Allowance to Coaches	940,000	
6	2	2	2	Other Expenses to Coaches		
6	3	1		Sports Development Programmes		
6	4	1		Skills Development of Sports persons	5,5655,500	
6	4	2		Skills Development of Coaches	15,400,000	
6	4	3		Skills Development of Officers		
6	5	1	1	Administrative Allowance for Officers	363,500	
6	5	1	2	Audit Fees	150,000	
6	5	1	2	Allocation of Audit Fees		150,000
6	5	1	3	Deposit Payments		
6	5	1	4	Other	10,118,170	
6	5	1	4	Other - Payable		59,503
6	5	2	1	Appeals Consultancy Committee	212,258	
6	5	2	2	National Sports Council	350,190	
				Cash Balance	15,787,820	
					249,435,039	**249,435,039**

Sgd.
Chief Accountant :- N. Hapuarachchi
Ministry of Sports & Youth Affairs
No. 09, Philip Goonawardana Mawatha,
Colombo 07.

Annexture - 02

National Sports Fund

The Account for receipts and payment for the year ended 31/12/2021

Vote Head				Accountant Name & Description	Receipts 2021 Rs.	Receipts 2021 Rs.
				Balance as at 01st January		17,013,369
1	1			Grants	177,125,000	
1	2			Revenue - NLB		
2	1			Fixed Deposits - withdrawals	32,000,000	
2	2			Interest - Fixed Deposits	305,096	
3	1			Diyagama Mahinda Rajapakse Stadium		
3	2			Sponsor Receipts	20,875,000	
3	3			Other revenue adjustments	902,965	
4	1			Deposit receipts		
4	2			Other		
				Total of receipts	**231,208,061**	**248,221,430**

Vote Head				Accountant Name & Description	2021 Payments	2021 Payments
5	1			Investment Plan	32,000,000	
6	1	1		Local Tournaments		
6	1	2		International Events	108,145,941	
6	2	1	1	Nutritional Allowance to sports Persons	8,215,157	
6	2	1	2	Payments to past sports persons	631,898	
6	2	2	1	Allowance to coaches	940,000	
6	2	2	2	Other expenses for coaches		
6	3	1		Sports development programmes		
6	4	1		Skills development for sports persons	55,955,500	
6	4	2		Skills development for coaches	15,400,000	
6	4	3		Skills development for officers		
6	5	1	1	Administrative Allowance for officers	367,000	
6	5	1	2	Audit Fees	147,000	
6	5	1	3	Payment of deposit	10,000	
6	5	1	4	Other	10,058,667	
6	5	2	1	Appeals Consultancy Committee	212,258	
6	5	2	2	National Sports Council	350,190	
				Total		232,433,610
				Cash balance at 31st December 31		15,787,820

Sgd.
Chief Accountant
S.N. Hapuarachchi
Ministry of Sports & Youth Affairs
No. 09, Philip Goonawardana Mawatha,Colombo 07.

Annexture - 03

National Sports Fund

Income & Expenditure account for the year ended 31.12.2021

Vote Head				Accountant Name & Description	Revenue-2021 Rs.	Revenue-2021 Rs.
1	1			Grants	177125000	
1	2			Revenue - NLB	12895300	
2	1			Withdrawal of fixed deposits		
2	2			Fixed deposit interest	1,154,400	
3	1			Diyagama Mahinda Rajapakse Stadium		
3	2			Sponsor Receipts	20,875,000	
3	3			Other income adjustments	599,415	
4	1			Receipt of deposits		
4	2			Other		
				-		
				Total of Revenue		212,649,115

Vote Head				Accountant Name & Description	Expenditure 2021	Expenditure 2021
5	1			Investment programme		
6	1	1		Local Tournaments		
6	1	2		International events	108,145,941	
6	2	1	1	Nutritional Allowance for sports persons	8,215,107	
6	2	1	2	Payment for past sportsment	631,898	
6	2	2	1	Allowance for Coaches	940,000	
6	2	2	2	Other expenses for Coaches		
6	3	1		Sport Development Programmes		
6	4	1		Skill Development of Sports persons	55,655,500	
6	4	2		Skill Development of Coaches	15,400,000	
6	4	3		Skill Development of Officers		
6	5	1	1	Administrative Allowance for officers	363,500	
6	5	1	2	Audit Fees	150,000	
6	5	1	3	Deposit Payment		
6	5	1	4	Other	10,118,170	
6	5	2	1	Appeals Consultancy Committee	212,258	
6	5	2	2	National Sports Council	350,190	
				National Sports Festival		
				Total		200,182,563
				Surplus		12,466,552

Sgd.
Chief Accountant
S.N. Hapuarachchi
Ministry of Sports & Youth Affairs
No. 09, Philip Goonawardana Mawatha,
Colombo 07.

National Audit Office

11th Nov. 2022

SYA/NSF/6/21/11

Secretary of youth and sports

Report of the Auditor General on the Financial Statements and other legal and regulatory requirements of the National Sports Fund for the year ended 31st December 2021 in terms of Sec. 12 of the National Audit Act No. 19 of 2018.

1. Financial Statements

1.1 Opinion

This report which includes the statements of financial position as at and the state of FInancial Position, statement of Financial Performance ended at that date, notes to the Financial Statements, Financial Statements ended at 31st December 2021 inclusive of summarised accounting policies were audited under my direction according to the Article 154(1) of the Democratic Socialist Republic of Sri Lanka, National Audit Act No. 19 of 2018 and No. 38 of Finance Act 1971. My report will be submitted in Parliament as per Article 154(6) of the Constitution in due course to the Parliament.

In my opinion the accompanying financial statements relating to the financial position and the financial performance and cash-flow as at 31st day of December in terms of the accounting standards of the Sri Lanka Public Sector.

1.2 Basic for the opinion

I carried out my audit according to the Audit standards of Sri Lanka. The responsibility of the Auditor over the auding of these financial statements under these auditing standards has been described under "the responsibility of the Auditor" section, has further been described. I am of the view that the audid evidence obtained by me for a basis for my opinion is quite enough and sufficient.

1.3 Responsibility of the management and those charged with governing of the financial statements.

Management is responsible for preparation of financial statements that give a true and fair view in accordance with the Sri Lanka Public Sector accounting standards and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement whether due to fraid or error.

In preparing the financial statements management is responsible for acessessing the Fund's ability to continue as a going concern, discharging as applicable, matters related to going concern and using the going concern basis of accounting unless management eigher intends to liquidate the Fund or to cease operations or has to realistic alterntative but to do so.

Those charged with governance are responsible for overseeing the Fund's financial reporting process.

As per sec. (16) 1 of the Audit Act No. 19 of 2018, the Fund is required to maintain proper books and records of all income expenditure assets and liabilities to enable annual and periodic financial statements to be prepared of the Fund.

1.4 Auditor's responsibilities for the Audit of the Financial Statement.

My objective is to obtain reasonable assurance about whether the financial statements are free from misstatements, whether due to frand or error and to issue an auditor's report that include my opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with Sri Lanka. Auding standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individualy 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 sceptism 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, international onissions, misrepresentations or the override of internal control.

- Obtain an undertaking of internal control relevant to the audit to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing of an opinion on the effectiveness of the Fund's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of according estimates and related disclosures made by the management.

- Conclude on the approprieteness of the Management's use of the going concern basic of accounting and based on audit evidence obtained, whether a material uncertainity exists related to events or conditions that may cast significant doubt on the fund's ability to continue as a going concern. If I conclude that a material uncertainity 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 fund to cease to continue to continue as a going concern.

- Evaluate the overall presentation 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.

I communicated with those charged with governance regarding, among the otehr matters, significant audit findings including any significant deficiencies in internal control that I identified in my audit.

2. Report on other legal and regulatory requirements.

2.1 National Audit Act No. 19 of 2018 includes specific provision for the following requirements.

2.1.1 I have obtained all the information and explanation required for the audit and as far as it appears from my examination proper accounting records have been kept by the fund as per requirement of sec. 12(a) of the National Audit Act No. 19 of 2018.

2.1.2 The Financial Statements of the Fund comply with the requirement of sec 6(1)(d) III of the National Audit Act No. 19 of 2018.

2.1.3 As per the requirement in the sec 6(1)(d)(iv) of the National Audit Act No. 19 of 2018 the previous year recommendations made by me appear in the Financial Statements submitted.

2.2 Based on the procedures performed and evidence obtained were limited to matters that are material, nothing has come to my attention, to state the following.

2.2.1 That any member of the Governing body of the Fund has interest with agreement directly or indirectly beyond general business activities in connection with the Fund according to the following requirement.

2.2.2 That action has been taken in violation of common or specific provision issued in terms of any relevant written law issued by the governing body of the Fund.

Ref. to law / Direction	Description
(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka. (i) FR 571 (ii) FR 877 (1) (d) paragraph (iii) FR 877 (2) (d) paragraph	Action had not been taken with regard to 26 security deposit worth of Rs. 260,000 as old as 02 yrs, in terms of FR 571. Approval has not been taken for Budget of 2021 National Sports Festival, from the General Treasury. A performance Report has not been prepared of the National Sports Fund for the year under review.
(b) 1.2 of the Establishment Code (EC) Chap. ix, of the Democratic Socialist Republic of Sri Lanka.	For the sake of Administrative work of the National Sports Fund in the year under review 08 oficers of the Ministry of Sports a sum of Rs. 363500 and under the Higher preformance Programme and Allowance, 03 coaches a sum of Rs. 1500000 had been paid as Allowance to coaches. But approval had not been taken from the Director of Establishment, only the Minister had approved such payment.

2.2.3 And that action had not been taken as per the requirement of the sec. 12(g) of the National Audit Act No. 19 of 2018 in conformity of the powers, purpose and role of the Fund.

2.2.4 And that as per the requirement of sec. 12(h) of the National Audit Act No. 19 of 2018, action had not been taken to use resources of the Fund had not been purchased fingally within the relevant period complying with the relevant laws.

2.3 Other Matters

The following has been observed.

(a) The National Sports Fund has been established in terms of sec. 22 of the National Sports Act No. 25 of 1973 for the purpose of encouraging improving and developing sports in Sri Lanka. Accordingly in line with the contribution made to the field of sports during the past four years Sri Lanka has achieved only 02 silver medals at Olympic events so far held. In common wealth games in 2014, Sri Lanka has obtained a silver medal and another silver medal and 5 Bronze Medals at Common Wealth Games at the Common Wealth Games. Though this seems to be some elevation, achievement in sports declined to one silver Medal and 03 Bronze Medals by 2022. Moreover a Gold medal for Cricket and a Silver Medal for women's cricket have been won in 2014 while Sri Lanka was able to achieve no medal in 2018.

(b) According to Financial Statement of the Fund during the year under review it has been informed that the purposes of the Fund with a view to step-up the Nutrition of the sportsmen and Sportswomen annually. But out of total expenditure being Rs. 200182563 only a sum of Rs. 4050000 (only 2%) had been expended for sepping up the nutritional level of sportsmen and sportswomen. Accordingly it seemed that a considerable attention had not been paid to stepping up the nutritional level of the sports persons.

(c) A private institution had agreed to improve talented sportsmen and sportswomen with a view to elivate them to international level and they had donated Rs. 25000 worth of pack on monthly basis and sponsored to credit a sum of Rs. 9000000 to the National Sports Fund for that course but the institution and the Ministry of Sports Development had not entered a Memorandum of understanding. And action had not been taken to verify whether those sports persons had fulfilled their nutritional requirements by consulting nutritionists. Although this financial aid has been paid to granted to pay this for nutritional Allowance for sportspersons a sum of Rs. 4165007 had been paid to 02 athletes under Advanced Performance Programme who are abroad under sports training. Accordingly out of Rs. 09 Million received from the sponsor institute only a sum of Rs. 1050000 for 03 mts. had been paid to 54 sportsmen had been spent.

(d) Although a sum of Rs. 91,125,000 had been paid to as per Cabinet decision under recommendation of National Sports Council to grant financial assistance to sports persons and their coaches who received Gold and Silver medals at 2020 ParaOlympics -Tokyo. Out of the provision of Rs. 96 million in addition to that for another 05 sportsmen and their coaches with special talents had been paid Rs. 8125000 which is not covered by Cabinet decision.

(e) A sum of Rs. 9157992 had been sent to the Matara District Secretariat in 2020 for erecting "the Matara-Kamburupitiya Boxing Stadium Development Project" by the National Sports Fund the balance amount Rs. 1892509 out of the total expenditure being Rs. 7265483 has been deposited in the Common Deposit Account of the Matara District Common Deposit Account. But action has not taken to take the balance back so far yet action has also not been taken to get the bills, copies of payment vouchers and reports on final work and progress report thereof to the Fund.

(f) A sum of Rs. 5000000 had been given to procure essential sports year and basic items with transport charges to the secretary of the Ministry of Education in 2020 according to a proposal to provide physical resources to schools. Though it has been informed to report the progress thereof before 31st of August 2020 it has not been done so. Sports items worth of Rs. 4644600 had only been purchased.

(g) Allowances amounting to Rs. 75215000 had been paid from March to December for selected sportsmen and coaches in respect of 06 events aiming at improving the skills of sportsmen and winning relevant sports events under "Higher Performance Programme" at the Common Wealth Games and Asian Games. The Fund has not taken action to explain the methodology and the criteria used in selecting 60 sports persons and 32 coaches in paying this Allowance, matters based on deciding the Allowance of Rs. 50000 for coaches and Rs. 10000 for an athlete, evaluation of benefits granted by the Ministry of Sports, Dept of Sports Development, National Olympic Committee and the Sports Associations, formulation of a methodology to evaluate monthly methodoloty and enter into Agreements with sportsmen and coaches.

(h) 35 sportspersons who received Allowance under Higher Performance Programme had not been selected to represent Common Wealth Games and this Allowance had not been granted to 14 sports persons who had been selected for Common Wealth Games. Accordingly it was observed that certain medal-holders who had demonstrated higher performance had not been granted the Allowance.

(i) An Allowance of Rs. 1000000 and a Nutritional Allowance of Rs. 75000 for a period of 10 months had been paid, under Higher Performance Programme under six months full time scholorarship in 2021 by the National Olympic Committee to an athlete who was sent abroad for training. In addition to this, a sum of Rs. 300000 for 03 mts. and another sum of Rs. 2082946 (per 1500 us

Dollars) for 07 mts. had been paid to another athlete from the Sports Fund. But these two sports persons had not represented the 2022 Common Wealth Games.

(j) Action had not been taken to maintain a Data-Base regarding talents, grading and achievements obtained localy and internationally, for Sri Lanka.

(k) There has been a financial deficiency which is evident from the years 2018 and 2019 where such deciciency depicts as Rs. 26110111 and Rs. 6495405 respectively. By 2020 the revenue received was Rs. 49928743 while the expenditure stood at Rs. 127717485 depicting a revenue deficiency of Rs. 77788742. Through there had been a financial draw-back during the last 3 years, in 2021 the revenue received was Rs. 212649115 and the expendiure being Rs. 200182563 showing over Rs. 12 million financial surplus.

W.P.C wikkramaratna
Auditor General