

National Sports Fund

Mission Statement

The Mission of the National Sports Fund is to give encouragement to Sports in Sri Lanka and to provide aid and support for the development and promotion of sports.

Vision

Development of the Capabilities of
Sportsmen and Sports women

Legal Background

The National Sports Fund has been established by the National State Assembly Sports Law Act No. 25 of 1973. In accordance with the Act, money allocated by the Government for the activities of the Fund, aid received from foreign countries, money received from any institution as sponsorship assistance for any sport or sports festival, money donated by any individual and money received from any other source shall be credited to the Fund. The Fund shall pay any amount of money determined by the Minister for the encouragement, development and promotion of any sport in Sri Lanka, as a gratuity for sportsmen and sportswomen, for investments and for the implementation or strengthening of the provisions of this Act.

Annual Administrative Report 2016

Introduction

The National Sports Fund established under the provisions of Sections 22 to 27 of the Sports Law Act No. 25 of 1973 was made operative under the supervision of the Ministry of Sports from 2007 onwards. Action had been taken annually to disburse resources of the Fund with a view to promoting the nutrition standards of the sportsmen and sportswomen and to developing their sports abilities.

Functions of the National Sports Fund

Funds required for Sportsmen and Sports women being the Sports – related human resources imperative for the development of Sports as well as the physical and other facilities are granted through the National Sports Fund of the Ministry Of Sports.

Presently, the Sports Fund, as and when required pays for the following.

Making payments for sports personal and coaches for the sake of winning international events according to approved criteria, payment of monthly – nutritional allowance on the basis of identified criteria granting allowances for special requests recommended for the development of sports sponsoring the National grand Sports Festival. Payments made on account of local and foreign training programmes Awards at specific grants (ie. Payments for sports festivals of Universities And other institutions, payments made at retirement / farewell of sportspersonnel, request for Specific Sports equipment and allowances to various teams of sports heading for foreign Sports events.

Allocations made to Sports Federation

Measures were taken to release provision to sports federations representing various sports events to have sportsmen and sportswomen participated in a large number of National and International sports events and having considered the requests of sports federations.

Amount of money released from the Fund are as follows:

Serial No.	Sports Federation Federation	Amount Paid (Rs.)
1	Sri Lanka Rugby Football Association	750,000.00
2	All Ceylon Kerate Do Association	150,000.00
		900,000.00

Financial Assistance to Sportsmen and Sportswomen

Financial Assistance has been given to national level sportsmen and sportswomen who are currently engaged in sports with a view to promoting their mental faculties and helping to maintain their physical fitness satisfactorily.

Serial No.	Subject	Amount Paid (Rs.)
1	Nutritional Allowance for athletes	6,215,000.00
2	Sports goods and other supplies	370,700.00
		6,585,700.00

Financial Assistance for Sports Competitions

The contributions made by the National Sports Fund for the National and International Sports Competitions held in Sri Lanka during 2016 are as follows :

Serial No.	Subject	Amount Paid (Rs.)
1	National Grand Sports Festival	7,294,500.00
2	International event	429,926.03
		7,724,426.03

Welcome and appreciation ceremonies

A number of steps have been taken during the year 2016 for the purpose of appreciating the careers of sportsmen and sportswomen who are now in retirement having brought credit to the country at national and international competitions as well as those who are actively engaged in sports and also to accord honorable welcome to the country when they come back to the motherland having achieved great victories abroad. The allocations made and expenditure incurred in this regard is given below:

Serial No.	Description	Amount paid (Rs.)
01	Appreciation of Sportsmen & Sportswomen	95,785,850.01
	Total	95,750,850.01

Miscellaneous Expenses

Other expenditure made by the National Sports Fund with the Minister's approval.

Serial No.	Description	Amount paid (Rs.)
01	Miscellaneous Payments	6,249,365.18
02	Allowances - Accounting	360,000.00
03	Presidential Awarding	700,000.00
04	Other Allowances	600,000.00
	Total	7,909,365.18

Performances of Sri Lankan Sportsmen and Sportswomen during 2016

A list of medals won by Sri Lankan Sportsmen and Sportswomen at International Meets is given below. The National Sports Fund had made a significant contribution in achieving these best performances.

	Sport	Tournament	Held in	Gold	Silver	Bronze	Total
01	Athletics	12 th South Asian Games Festival	India	9	11	17	61
		7 th Asian Indoor Athletics Tournament	Quatar	0	1	1	
		The Great Relay	Thailand	1	0	0	
		XXVI KASYANOV Memorial Meet	Kasakastan	0	1	0	
		Thailand open Athletics Tournament	Thailand	5	1	3	
		6 th Asian International Children's sports Festival	Russia	2	0	0	
		Indian Grand Prix	India	0	1	1	
		Vietnam Open Athletics championship	Vietnam	2	1	1	
		Mokpo International Throwing Meet	South Korea	1	1	0	
		Asia pacific Athletics Tournament of the disabled	Dubai	1	0	0	
02	Gymnastic	Common Wealth Tournament	Nambia	0	0	1	
03	Table Tennis	12 th South Asian Sports Festival	India	0	1	10	24
		South Asian Junior Table Tennis Tournament	Pakistan	9	3	1	
04	Throw ball	Asian Junior Throw-ball Tournament	Malaysia	1	0	0	1
05	Karate	7 th International Gojuriyu Karate Championship	India	3	6	5	14
06	Archery	12 th South Asian Sports Festival	India	0	2	0	2
07	Badminton	12 th South Asian Sports Festival	India	0	2	6	8
08	Basket ball	South Asian	Nepal	9	3	1	14

		Basketball Championship – SABAU 18	Bangladesh	0	0	1	
09	Karate Do	South Asian Karate Championship	India	9	14	28	60
		Karate Do Championship(Open)	China	6	1	2	
10	Boxing	12 th South Asian Sports Festival	India	0	5	4	9
11	Cycling	12 th South Asian Sports Festival	India	2	2	3	7
12	Hockey	12 th South Asian Sports Festival	India	0	1	0	1
13	Judo	12 th South Asian Sports Festival	India	0	1	6	29
		Expo Judo Championship	Thailand	4	6	4	
		North Bangkok university championship	Thailand	3	5	0	
14	Kabaddi	12 th South Asian Sports Festival	India	0	0	2	7
		Junior Asian Kabaddi championship	Iran	0	0	2	
		Asian Kabadhi championship	Korea	0	0	1	
		5 th Asian Bridge Tournament	Vietnam	0	0	2	
15	Net Ball	U 21 Asian Junior championship	Hong Kong	1	0	0	2
		Asian World Net ball Championship	Thailand	0	1	0	
16	Shooting	12 th South Asian Sports Festival	India	0	4	8	12
17	Squash	12 th South Asian Sports Festival	India	0	0	3	3
18	Swimming	12 th South Asian Sports Festival	India	12	16	11	40
		59 th Malaysian open Swimming championship	Malaysia	0	1	0	
19	Taekwondo	12 th South Asian Sports Festival	India	0	1	4	25
		World Taekwondo Hanmadang	Korea	0	0	1	
		10 th Classic International open Taekwondo	Malaysia	0	3	3	

		1 st Banki moon international Taekwondo Tournament	Korea	1	3	2	
		6 th Tirak international Friendship Taekwondo	Malaysia	0	2	3	
		11 th international open America Friendship Taekwondo	America	1	1	0	
20	Tennis	12 th South Asian Sports Festival	India	0	0	6	6
21	Triathlon	12 th South Asian Sports Festival	India	0	0	2	2
22	Volleyball	12 th South Asian Sports Festival	India	0	2	0	2
23	Cricket	Australia-Sri Lanka test match	Australia	Won the match			
		Zimbabwe-Sri Lanka Test match	Zimbabwe	Won the match			
		Asian Cup visually handicapped 20x20 Cricket Tournament	India	Third Place			
24	Weight Lifting	12 th South Asian Sports Festival	India	1	9	5	15
		Common Wealth Tournament	Malaysia	1	4	6	11
			India				
25	Wresting	12 th South Asian Sports Festival	India	0	5	7	12
26	Wushu	12 th South Asian Sports Festival	India	0	1	0	1
27	Javelin Throw	Para Olympic Tournament	Brazil	0	0	1	1
28	Carrom	World Carrom Championship	England	1	0	0	1
Total				85	122	164	371

Gratitude

The contributions made by the Hon. Minister of Sports, Officials of the Ministry of Sports and the officials of the Department of Sports Development in performing the activities of the National Sports Fund are greatly appreciated.

H.T.Kamal Pathmasiri

Secretary,

Ministry of Sports

National Sports Fund

Receipts and Payment Account for the year ended 31.12.2016

Receipts in 2015 (Rs)	Code no 1	Code no 2	Code no 3	Name of account and description	Account Notes	Receipts (Rs.) 2016	Receipts (Rs.) 2016
7,314,386.24				Balance as at 01 st January			6,114,474.86
	011	000	00	FD withdrawal		63,312,569.40	
1,718,916.96	020	000	00	Interest on FD		1,861,586.31	
27,000,000.00	041	000	00	Revenue- National Lotteries Board		49,000,000.00	
805,441.44	042	002	00	Miscellaneous receipts-Receipts-“Strength House”			
30,000,000.00	001	000	00	Grants		10,000,000.00	
-	060	000	00	Miscellaneous deposits	08	75,000.00	
97,900.00	064	000	00	Credit to Heads of expenditure			
261,947.00	066	000	00	Receipts of payment <u>dries</u>		364,000.00	
				WHT receipts		52,330.14	
200,000.00				Others			
67,398,591.64				Total of receipts			124,666,085.85
2015 payments						2016 payments	2016 payments
15,000,000.00	011	000	00	Investment Account			
228,792.00	021	000	00	International Competitions		429,926.03	
219,000.00	026	000	00	Administrative expenses		360,000.00	
1,080,814.00	027	002	00	Other allowances		600,000.00	
39,913.97	027	003	00	Advisory Allowance –“Strength House”			
650,000.00	028	000	00	Sports goods & other supplies		370,700.00	
1,952,230.81	030	000	00	Foreign Tours of officers			
3,657,000.00	033	000	00	Nutritional Allowance to athletes		6,215,000.00	
	037	000	00	Medical assistance for athletes		15,000.00	
18,543,750.00	038	000	00	Tributes to athletes		95,785,850.01	
	040	035	00	Sri Lanka School Rugby football Association		750,000.00	

	040	035	00	All Ceylon Karate Association		150,000.00	
76,000.00	040	035	00	Sri Lanka School Karate Association			
40,000.00	040	035	00	Nuwara Eliya District Table Tennis Association			
40,000.00	040	035	00	Sri Lanka Weight Lifting Association			
240,000.00	040	035	00	Carrom Federation			
1,500,000.00	040	035	00	Sri Lanka Yaching Association			
470,800.00	040	035	00	Sri Lanka School Netball Association			
296,000.00	040	035	00	Sri Lanka School Athletic Association			
150,000.00	040	035	00	Sri Lanka Ballroom dance Association			
167,166.00	043	000	00	Payment of Audit Charges			
5,088,500.00	046	005	00	Payment for National Grand Sports Festival		7,294,500.00	
11,630,150.00	047	000	00	Miscellaneous expenses		6,249,365.18	
30,000.00	047	002	00	Allowances for Estate related sports			
184,000.00	052	000	00	National Sports Council			
	063	001	00	Presidential Awards		700,000	
61,284,116.78				Total			118,920,341.22
6,114,474.86				Balance as at 31 st December			11,860,219.49

National Sports Fund

Trial Balance for the year ended 31st December 2016

Code No 1	Code No 2	Code No 3	Name of account and Particulars	Account Notes	Debit (Rs)	Credit (Rs)
				(Rs)	(Rs)	(Rs)
002	000	00	Accumulated Fund as at 01.01.2016			226,480,957.14
011	000	00	Investment Account as at 31.12.2016		138,157,642.19	
013	000	00	Interest due from FD as at 31.12.2016	05	3,540,382.52	
017	000	00	Revenue due from the National Lotteries Board	06	12,503,590.00	
020	000	00	FD investment interest	04		10,653,441.44

021	000	00	International Competitions			429,926.03	
026	000	00	Administrative expenses			360,000.00	
027	002	00	Other Allowances			600,000.00	
033	000	00	Nutritional Allowance to athletes			6,215,000.00	
037	000	00	Medical assistance to athletes			15,000.00	
038	000	00	Tributes to athletes			95,815,850.01	
028	000	00	Sports goods and other supplies			370,700.00	
040	035	00	Sri Lanka School Rugby Football Association			750,000.00	
040	035	00	All Ceylon Karate Association			150,000.00	
041	000	00	Income-National Lotteries Board		06		37,404,670.00
043	000	00	Payment of Audit Charges			360,000.00	
043	001	00	Allocation of Audit Charges				360,000.00
046	005	00	Payment for National Sports Festival			7,294,500.00	
047	000	00	Miscellaneous Payment			6,249,365.18	
050	000	00	Cash Balance			11,860,219.49	
060	000	00	Miscellaneous Deposit		08		75,000.00
066	000	00	Payment received back		01		364,600.00
001	000	00	Grants				10,000,000.00
063	001	00	Presidential Awards			700,000.00	
038	000	00	Tributes to Athletes-payable				30,000.00
			Other income				3,506.84
						285,372,175.42	285,372,175.42

National Sports Fund

Income and expenditure Account for the year ended 31st December 2016

(Rs)	Code No 1	Code No 2	Code No 3	Name of account and description	Account Notes	Revenue 2016 (Rs)	Revenue 2016 (Rs)
10,790,392.58	020	000	00	Interest from investments	04	10,653,441.44	
	034	000	00	Receipts from Sponsors			
38,470,090.00	041	000	00	Income-NLB	06	37,404,670.00	
394,571.75	042	002	00	Receipts of "Strength House"			
200,000.00	042	003	00	Miscellaneous Receipts			
261,947.00	066	000	00	Payment received back	01	364,600.00	
30,000,000.00	001	000	00	Grants		10,000,000.00	
4,943,281.22	060	000	00	Miscellaneous deposits			
				Other income		3,506.84	
85,060,282.55				Total Income			58,426,218.28
				Expenditure			
	023	023	00	Provision for Local events			
219,000.00	026	000	00	Administrative expenses		360,000.00	
	027	003	00	Advisory Allowance of "Strength House"			
650,000.00	028	000	00	Sports Goods and other supplies		370,700.00	
	029	000	00	Foreign Travels of reporters			
1,952,230.81	030	000	00	Foreign Travels of officers			
3,657,000.00	033	000	00	Nutritional Allowance to athletes		6,215,000.00	
76,000.00	040	035	00	Provincial Karate Do Association of Sri Lanka			
40,000.00	040	035	00	Nuwara Eliya District Table Tennis Federation			
240,000.00	040	035	00	Carrom Federation			
1,500,000.00	040	035	00	Sri Lanka Yachting Association			
470,800.00	040	035	00	School Netball Association of Sri Lanka			

296,000.00	040	035	00	School Athletic Association of Sri Lanka		
150,000.00	040	035	00	Sri Lanka Ball-room dance association		
	040	035	00	Sri Lanka School Rugby Football Association	750,000.00	
	040	035	00	All Ceylon Karate Association	150,000.00	
	037	000	00	Medical assistance to athletes	15,000.00	
18,543,750.00	038	000	00	Tributes to athletes	95,815,850.01	
	040	001	00	Sri Lanka Athletic Association		
	040	006	00	Sri Lanka Basketball Association		
	040	008	00	Sri Lanka Badminton Association		
	040	035	00	Sports Clubs		
228,792.00	021	000	00	International events	429,926.03	
	040	042	00	EW Sports Foundation		
	040	028	00	Central Province Masters athletic Association		
167,166.00	043	000	00	Payment of Audit Charges	360,000.00	
5,088,500.00	046	004	00	Payments for National Sports Festival	7,294,500.00	
11,494,900.00	047	000	00	Miscellaneous Payments	6,249,365.18	
	047	002	00	Estate Sports activity payments		
1,007,040.00	027	002	00	Other Allowances	600,000.00	
165,100.00	052	000	00	National Sports Council		
	040	032	00	Sri Lanka Cricket Association of Visually handicapped		
	040	048	00	Sri Lanka Amature Boxing Association		
	063	001	00	Presidential Awards	700,000.00	
45,946,278.81				Total expenditure		119,310,341.22
39,114,003.74				excess		(60,884,122.94)

National Sports Fund

Balance Sheet as at 31.12.2016

Code No 1	Code No 2	Code No 3	Name of account and description	Account Notes	Re-Statd 2015 (Rs)	2016 (Rs)
			<u>Assets</u>			
050	000	00	Cash balance		6,114,474.86	11,860,219.49
			Special Advance receivables			
			Miscellaneous debtors	03	<u>26,935,620.20</u>	<u>16,043,972.52</u>
					33,050,095.06	27,904,192.01
			<u>Non-current assets</u>			
			Investment account		193,430,862.08	138,157,642.19
			Total assets		<u>226,480,957.14</u>	<u>166,061,834.20</u>
			<u>Liabilities</u>			
			<u>Current Liabilities</u>			
060	000	00	Miscellaneous deposits	08		75,000.00
018	000	00	Accrued expenses	07		390,000.00
			Allocations			
			<u>Non-current Liabilities</u>			
			Total Liabilities			465,000.00
			Neff Assets		<u>226,480,957.14</u>	<u>165,596,834.20</u>
			<u>Neff Assets/equity</u>			
002	000	00	Accumulated Fund	11	226,480,957.14	165,596,834.20
			Total Neff assets/equity		<u>226,480,957.14</u>	<u>165,596,834.20</u>

National Sports Fund

Cash Flow Statement for the year ended 31st December 2016

Description	Amount (Rs)	Amount (Rs)
<u>Cash flow from operational activities</u>		
Excess for the year	(60,884,122.94)	(60,884,122.94)
<u>Non-cash changes</u>		
Debtors decrease	10,891,647.68	
Miscellaneous deposit decrease	75,000.00	
Miscellaneous creditors increase	390,000.00	11,356,647.68
Net cash flows from operational activities		(49,527,475.26)
<u>Cash flow from investment activities</u>		
Increase in fixed deposits	55,273,219.89	55,273,219.89
Net cash flows from investment activities		
Net increase in cash and cash equivalents		5,745,744.63
Cash & cash equivalents at the beginning of the period		6,114,474.86
Cash & cash equivalents at the end of the period		11,860,219.49



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கணக்காய்வாளர் தலைமை அபிபதியின் திணைக்களம்
Auditor General's Department



The Secretary

Ministry of Sports

Report of the Auditor General on the Financial statements of national Sports Fund for the year ended 31 December 2016 in terms of section 14(2) (C) of the Finance Act No.38 of 1971 and Section 25(4) of the Sports Law No.25 of 1973

The audit of financial statements of the National Sports Fund for the year ended 31 December 2016 comprising the balance sheet as at 31 December 2016 and the income and expenditure account, statement of changes in equity and the cash flow statement for the year then ended and a summary of significant accounting policies and other explanatory information was carried out under my direction in pursuance of provisions in Article 154(1) of the Constitution of the Democratic Socialist Republic of Sri Lanka read in conjunction with section 13(1) of the Finance Act, No.38 of 1971 and section 25 (4) of the sports Law No. 25 of 1973. My comments and observations which I consider should be published with the Annual Report of the Fund in terms of section 14 (2) (c) of the Finance Act, appear in this report.

1.2 Management's responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with Sri Lanka public Sector Accounting Standards and for such internal control as the management determines is necessary to enable the preparation of financial statements that are free from material misstatements, whether due to fraud or error.

The vice- chancellor,

1.3 Auditor's Responsibility

My responsibility is to express an opinion on these financial statements based on my audit. I conducted my audit in accordance with Sri Lanka Auditing Standards consistent with International Auditing Standards of supreme Audit Institutions (ISSAI 1000-1810). Those standards require that I comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatements.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatements, of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor consider internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate of the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates. Sub section (3) and (4) of section 13 of the Finance Act, No.38 of 1971 give discretionary powers to the Auditor general to determine the scope and extent of the audit.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinion.

2. Financial Statements

2.1 Opinion

In my opinion, the financial statements give a true and fair view of the financial position of the national Sports Fund as at 31 December 2016 and its financial performance and cash flows for the year then ended in accordance with Sri Lanka public Sector Accounting Standards.

2.2 Comments on Financial Statements

2.2.1 Unexplained Difference

The balance of the fixed deposits shown in the balance sheet presented to the audit as at 31 December 2016 was Rs. 138,157,642 and the balance according to the bank confirmation was Rs. 138,161,920 thus a difference of Rs. 4,278 was observed between the two balances.

2.2.2 Lack of Evidence for Audit

	Item	Value	Evidence not Submitted
i.	Sums given to kurunegala and kalutara District Secretariats for the public Services Sports meet	300,000	Expenditure Reports, Bills
ii.	Sums given to panduwasnuwara Divisional Secretariat for the Provincial Adults Ceremony	531,000	
iii.	Sums given for the colors Awarding Ceremony of University of Colombo	500,000	
iv.	Sums given to the district Athletic Association for the Colors Awarding Ceremony	200,000	
v.	Sums given to the All island karate Association for Karate rehearsal camp	150,000	Descriptive Expenditure Reports of trainees, Bills
		<u>1,681,000</u>	

The evidence mentioned below and stated against each item was not made available to audit.

2.3 Non – compliance with Laws, Rules and Regulations

Even though a report in respect of the administration of the Fund should be prepared by the Secretary to the Ministry as soon as possible after the each calendar year passed in terms of section 25(2) of National Sports Law No. 25 of 1973 such a report had not been prepared for the year under review.

3. Financial Review

3.1 Financial Results

According to the financial statements presented the financial results of the Fund for the year ended 31 December 2016 had been a deficit of Rs. 60,884,123 and the surplus of the preceding year against to that was Rs. 39,114,004 thus indicating deterioration in the financial results in the year under review by Rs. 99,998,127. Increase in the expenses of the rewarding ceremony for the players by Rs. 77,272,100 , Decrease in interest on investment by Rs. 136,952 , Decrease in receiving from the National Lotteries Board by Rs. 1,065,420 and the decrease in grants by Rs. 20,000,000 had mainly attributed for the above deterioration.

4. Operating review

4.1 Performance

Encouraging the sports in Sri Lanka, improve and develop them were the main objectives of the Fund and the legal provisions were made available to the sports Fund for that by Section 22 of the Sports Law No. 25 of 1973 of National State Assembly. The National Sports Fund is being functioned from the year 2007 by total supervision of the Secretary of the Ministry of Sports. An action plan had not been prepared by the Secretary of the

Ministry for the administration of the Fund and the activities of the Fund and the activities of the Fund in respect of the Year under review in terms of section 25 (1) of Sports Law No. 25 of 1973.

5. Accountability and Good Governance

5.1 Internal Audit

There was revenue of Rs. 58 million and Rs. 119 million of total expenditure for the national Sports Fund during the year under review and the total of the assets belonged to the fund at the end of the year under review was Rs. 166 million. Although an internal audit should be implemented in terms of Financial Regulations 133 accordingly, an internal audit unit had not been established for the Fund. Even though an internal audit unit had been established under the ministry of Sports, attention had not been paid for an audit to be carried out in respect of the activities of the National Sports Fund.

5.2 Budgetary Control

Variances were observed from 11 per cent to 100 per cent relating to 11 items comparing the budgeted amount and the actual amount thus indicating that the budget had not been made use of as an effective instrument of management control.

6. Systems and control

Deficiencies in Systems and Control observed during the course of audit were brought to the attention of the Secretary to Ministry of Sports from time to time. Special attention is needed of the Secretary to Ministry of Sports from time to time. Special attention is needed in respect of the following areas of control

Areas of Systems and Controls

Observations

(a) Budgetary Control

Existence of variance between budgets income and expenditure actual income and expenditure

(b) Internal Audit

Non – Conducting of Internal Audits

W.P.C. Wickramarathne

Additional Auditor General

For Auditor General