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 2017

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 sports personnel, 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	Amount Paid (Rs.)
1	Mathara District Athletic Association	200,000.00
2	Sri Lanka gymnastic Association	504,000.00
3	Sports clubs	381,500.00
	Total	**1,085,500.00**

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	20,100,000.00
2	Sports goods and other supplies	733,311.40
3	Medical Expenses for Athletes	1,050,000.00
	Total	**21,883,311.40**

Financial assistance to Trainers, Medical Officers and other Officers

Having recognized the necessity of the contribution of the sportsmen and sportswomen as well as the commitment of the Trainers and Officers for the wellbeing of the sports, the resources of the National Sports Fund have been utilized to give financial assistance to those sections. Accordingly, action had been taken to give financial assistance to the Trainers, Medical Officers and other Officials and also air tickets for travel abroad. The particulars are given below:

Serial No.	Description	Amount paid (R.s)
01	Expenditure for Media Men	83,500.00
02	Foreign Traveling - Officers	1,952,230.81
	Total	**1,992,144.78**

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 2017 are as follows :

Serial No.	Subject	Amount Paid (Rs.)
1	National Grand Sports Festival	8,796,050.00
2	International event	32,500.00
	Total	**8,828,550.00**

Welcome and appreciation ceremonies

A number of steps have been taken during the year 2017 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	24,215,500.00
	Total	**24,215,500.00**

Miscellaneous Expenses

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

Serial No.	Description	Amount paid (Rs.)
01	Miscellaneous Payments	8,122,633.00
02	Allowances - Accounting	657,677.00
03	Diyagama Mahinda Rajapaksha Sports Academy-Payment	3,484,761.09
04	Other Allowances	600,000.00
	Total	**12,865,071.09**

Performances of Sri Lankan Sportsmen and Sportswomen during 2017

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.

No.	Sport	Competition	Country held	Medals			
				Gold	Silver	Bronze	Total
01	100m	Brunei Open Athletics Competition	Brunei	01	-	01	02
02	200m			01	-	-	01
03	400m Hurdles			01	-	-	01
04	800m			01	-	-	01
05	Long jump			01	-	-	01
06	Kabbadi	International Beach kabaddi Competition	Mauritius	01	-	-	01
07	Swimming 50m Free Style	6^{th} Commonwealth Youth Games	The Bahamas	-	01	-	01
08	Swimming 100m Free Style			-	01	-	01
09	Karate	4^{th} South Asian Karate Cometition	Sri Lanka	21	33	08	62
10	Javelin Throw	Word Para Olympic Games	London	-	01	-	01
11	800m	5^{th} Asian Indoor Athletics Games	Turkmenistan	01	01	-	02
12	High Jump			-	-	01	01
13	Long Jump			-	01	-	01
14	Body Building	51st Asian Body Building Tournament	South Korea	01	-	-	01

15	Weight Lifting	Commonwealth Weight Lifting Competition	Australia	-	01	01	02
Total				**29**	**39**	**11**	**79**

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.

W.A.Chulananda Perera
Secretary,
Ministry of Telecommunication, Foreign Employment and Sports

National Sports Fund

Receipts and Payments Account for the year ended 31.12.2017

Receipts 2016	Code No.1	Code No.2	Code No.3	Name and description of account	Account notes	Receipts 2017	Receipts 2017
Rs.						Rs.	Rs.
6,114,474.86				Balance as at 1st January			11,860,219.49
63,312,569.40	011	000	00	Withdrawal of Fixed deposit		5,000,000.00	
1,861,586.31	020	000	00	Fixed deposit interest		2,405,730.40	
49,000,000.00	041	000	00	Income-National Lotteries Board		29,000,000.00	
	042	002	00	Miscellaneous receipts-Receipts from "Strength House"			
10,000,000.00	001	000	00	Grants		19,500,000.00	
75,000.00	060	000	00	Miscellaneous Deposits	08	5,458,334.00	
	064	000	00	Credit to Vote Heads		19,712,00	
364,600.00	066	001	00	Payment received back	01	185,186.50	
52,330.14			00	WHT receipts			
	065	000	00			4,975,885.22	
	066	000	000	Other income		1.00	
							66,544,849.12
130,780,560.71				Total of receipts			78,405,068.61
Payments -2016						Payments -2017	Payments -2017
429,926.03	021	000	00	International Competition		32,500.00	
360,000.00	026	000	00	Administrative expenses		657,677.00	
600,000.00	027	002	00	Other Allowances		600,000.00	
370,700.00	028	000	00	Sports goods and other supplies		733,311.40	
	029	000	00	Reporters' foreign tours		83,500.00	
6,215,000.00	033	000	00	Nutrition Allowance for athletes		20,100,000.00	

Receipts 2016	Code No.1	Code No.2	Code No.3	Name and description of account	Account notes	Receipts 2017	Receipts 2017
Rs.						Rs.	Rs.
15,000.00	037	000	00	Medical Assistance for athletes		1,050,000.00	
95,785,850.01	038	000	00	Tributes for athletes		24,215,500.00	
750,000.00	040	035	00	Sri Lanka School Rugby Football Association			
150,000.00	040	035	00	All Ceylon Karate Association			
	040	035	00	Sports Clubs		381,500.00	
	040	035	00	Matara District Athletics Association		200,000.00	
	040	035	00	Sri Lanka Gymnastic Association		504,000.00	
7,294,500.00	046	005	00			8,796,050.00	
6,249,365.18	047	000	00	Miscellaneous expenditure		8,122,633.00	
700,000.00	063	001	00	Presidential Awards			
	060	001	00	Miscellaneous Deposits		2,158,884.00	
	065	002	00	Fuel Advance		15,000.00	
	065	003	00	Advances for loss & damages		39,666.00	
	065	004	00	Miscellaneous Advances		226,826.10	
	065	001	00	Diyagama Mahinda Rajapaksha Sports Complex-Expenses		3,484,761.09	
118,920,341.22				Total			71,401,808.59
11,860,219.49				Cash balance as at 31st December			7,003,260.02

National Sports Fund

Trial Balance for the year ended 31.12.2017

Code No.1	Code No.2	Code No.3	Name of account and description	Account notes	Debit	Credit
					Rs.	Rs.
002	000	00	Accumulated Fund as at 01.01.2017			165,778,042.90
011	000	00	Investment Account as at 31.12.2017		142,760,514.45	
013	000	00	Fixed Deposit interest receivables as at 31.12.2017	05	6,500,371.24	
013	000	00	Fixed Deposit interest receivables as at 31.12.2016		9,698.37	
017	000	00	Income receivable –National Lotteries Board	06	8,054,718.97	
020	000	00	Fixed deposit investment interest	04		14,792,802.70
021	000	00	International events		32,500.00	
026	000	00	Administrative expenses		657,677.00	
027	002	00	Other Allowance		600,000.00	
033	000	00	Nutritional Allowance to athletes		20,400,000.00	
037	000	00	Medical assistance to athletes		1,050,000.00	
038	000	00	Tributes to athletes		24,185,500.00	
028	000	00	Sports goods and other supplies		733,311.40	
029	000	00	Reporter’s foreign tours		83,500.00	
040	035	00	Sports club		381,500.00	
040	035	00	Sri Lanka Olympic Association			
040	035	00	Sri Lanka Gymnastic Association		504,000.00	
040	035	00	Matara District Athletic Association		200,000.00	
041	000	00	Income –National Lotteries Board	06		24,551,128.97
043	000	00	Payment of audit charges		180,000.00	
043	001	00	Allocation of audit charges	07		540,000.00

Code No.1	Code No.2	Code No.3	Name of account and description	Account notes	Debit	Credit
					Rs.	Rs.
046	005	00	Payment of national Sports Festival		8,796,050.00	
047	000	00	Miscellaneous payments		8,122,633.00	
050	000	00	Cash balance		7,003,260.02	
060	000	00	Miscellaneous deposits	08		3,327,6564.00
066	000	00	Payments received back	01		185,186.50
001	000	00	Grants			19,500,000.00
038	000	00	Nutritional Allowance payable			300,000.00
066	000	00	Other income			1.00
064	000	00	Credit to Vote Heads			
011	001	00	Investment income Adjustment Account			4,278.35
065	002	00	Fuel Advance		6,000.00	
065	004	00	Miscellaneous Advance		214,809.10	
065	001	00	Diyagama Mahinda Rajapaksha Sports Complex-Expenses		3,868,907.72	
065	000	00	Diyagama Mahinda Rajapaksha Stadium -Receipts			5,158,385.22
065	002	00	Diyagama Mahinda Rajapaksha Sports Complex-Expenses payable			390,061.63
065	000	00	Diyagama Mahinda Rajapaksha Stadium-income-receivable		182,500.00	
					234,527,451.27	234,527,451.27

National Sports Fund

Income and Expenditure Account for the year ended 31.12.2017

Income Restated 2016	Notes	Code No.1	Code No.2	Code No.3	Account Name and description	Account notes	Income 2017	Income 2017
Rs.							Rs.	Rs.
					Income			
10,834,650.14	09	020	000	00	Interest from investment	04	14,792,802.70	
37,404,670.00		041	000	00	Income –National Lotteries Board	06	24,551,128.97	
364,600.00		066	000	00	Payments received back	01	185,186.50	
10,000,000.00		001	000	00	Grants		19,500,000.00	
		060	000	00	Miscellaneous Deposits			
3,506.84		066	000	00	Other income		1.00	
		065	000	00	Diyagama Mahinda Rajapaksha sports Complex		5,158,385.22	
		020	000	00	Investment income adjustment		4,278.35	
58,607,426.98					Total income			64,191,782.74
					Expenses			
		023	000	00	Funds for Local events			
360,000,00		026	000	00	Administrative Expenses		657,677.00	
370,700.00		028	000	00	Sports goods & other supplies		733,311.40	
		029	000	00	Reporters' foreign tours		83,500.00	
6,215,000.00		033	000	00	Nutritional Allowance to athletes		20,400,000.00	
		040	035	00	Sports clubs		381,500.00	
		040	035	00	Matara District Athletics Association		200,000.00	
		040	035	00	Sri Lanka Gymnastic association		504,000.00	
750,000.00		040	035	00	Sri Lanka School Rugby Association			
150,000.00		040	035	00	All Ceylon Karate Association			
15,000.00		037	035	00	Medical assistance to athletes		1,050,000.00	

Income Restated 2016	Not es	Code No.1	Code No.2	Code No.3	Account Name and description	Account notes	Income 2017	Income 2017
Rs.							Rs.	Rs.
95,815,850.01		038	000	00	Tributes to athletes		28,185,500.00	
429,926.03		021	000	00	International events		32,500.00	
360,000.00		043	000	00	Payment of audit fees		180,000.00	
7,294,500.00		046	004	00	Payment to National audit festival		8,796,050.00	
6,249,365.18		047	000	00	Miscellaneous payments		8,122,633.00	
600,000.00		027	002	00	Other allowance		600,000.00	
700,000.00		063	001	00	Presidential awards			
		065	002	00	Fuel advances		6,000.00	
		065	004	00	Miscellaneous Advances		214,809.10	
		065	001	00	Diyagama Mahinda Rajapaksha Sports Complex		3,868,907.72	
119,310,341.22					Total expenditure			70,016,388.22
(60,702,914.24)					Excess			(5,824,605.48)

National Sports Fund

Balance Sheet as at 31.12.2017

Code No.1	Code No.2	Code No.3	Notes	Account Name and description	Account notes	Restated -2016	2017
						Rs.	Rs.
050	000	00		Assets			
				Cash balance		11,860,219.49	7,003,260.02
			09	Special Advance receivable			
				Miscellaneous debtors	03	16,225,181.22	14,747,288.58
						28,085,400.71	21,750,548.60
				Non-current assets			
			09	Investment account		138,157,642.19	142,760,514.45
				Total assets		166,243,042.90	164,511,063.05
				Liabilities			
				Current liabilities			
060	000	00		Miscellaneous deposits	08	75,000.00	3,327,564.00
018	000	00		Accrued expenses	07	390,000.00	1,230,061.63
				Allocation		465,000.00	4,557,625.63
				Non-Current Liabilities			
				Total Liabilities		465,000.00	4,557,625.63
				Net assets		165,778,042.90	159,953,437.42
				Net assets/ equity			
002	000	00	09	Accumulated Fund	11	165,778,042.90	159,953,437.42
				Net assets/ equity		165,778,042.90	159,953,437.42

National Sports Fund

Cash – flow Statement for the year ended as at 31.12.2017

Description	Amount	Amount
	Rs.	Rs.
Cash flow from operational activities		
Excess for the year	**(5,824,605.48)**	**(5,824,605.48)**
Non cash changes		
Reduced No.07 debtors	**1,477,892.64**	
Increase in Miscellaneous deposits	**3,252,564.00**	
Increase in Miscellaneous creditors	**840,061.63**	
Net- Cash flow operational activities		
Increase in fixed deposits	**4,602,872.26**	
Net- cash flow from investment activities		
Net increase in cash and cash equivalents		**(4,856,959.47)**
Cash and cash equivalents at the beginning of the period		**11,860,219.49**
Cash and cash equivalents at the end of the period		**7,003,260.02**

National Sports Fund

Statement of equity-changes for the year ended 31.12.2017

2016 Re-stated	Notes	Account name and description	2017
Rs.			Rs.
226,480,957.14	09	Accumulated Fund as at 01.01.2017	165,778,042.90
(60,702,914.24)		Deficiency in 2017	(5,824,605.48)
165,778,042.90		Accumulated Fund as at 31.12.2017	159,953,437.42

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தேசிய கணக்காய்வு அலுவலகம்
NATIONAL AUDIT OFFICE

CAS/A/NSF/6/17/11 15th October 2018

The Secretary

Ministry Of Sports

Report of the Auditor General on the Financial Statements of National Sports Fund for the year ended 31 December 2017 in terms of Section 14(2) (C) of the Finance Act No.38 of 1971 and Section 25 (4) of the Sports Act No. 25 of 1973

The audit financial statements of the National Sports Fund for the year ended 31 December 2017 comprising the balance sheet as at 31 December 2017 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 red 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 observation 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.

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 considers internal control relevant to the Fund's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in 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 made by management, as well as evaluating the overall presentation of financial statements. 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 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 2017 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 Differences

As per the financial statements, income of Diyagama Mahinda Rajapaksha sport complex for the year under review was Rs.5,158,385 and the income according to the monthly reports including income credit detail sent to the Ministry by the project manager of the sport complex was Rs.5,083,640 thus a difference of Rs.74,745 was observed.

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 2017 had been a deficit of Rs.5,824,605 and the deficit of the preceding year against to that was Rs.60,702,914 thus indicating a decrease by the deficit in the financial results in the year under review by Rs.54,878,309. Decrease in the expenses of the rewarding ceremony for the players by Rs.71,630,350, increase in interest on investments by Rs.3,958,153, receive net income of Rs.1,289,478 from Diyagama Mahinda Rajapaksha sport complex for the year under review and the increase in grants by Rs.9,500,000 had mainly attributed for the above decrease of the deficit.

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 in respect of the year under review in terms of Section 25 (1) of Sports Law No. 25 of 1973.

4.2 Transactions of Contentious Nature

Even though a sum of Rs.4 million had been paid to a private swimming coacher (trainer) from the national sport fund during the year under review expressing that the training done for SAARC sports swimming squad in 2005/2006, the evidences such as, the agreement in between the ministry and the coacher, expenses report, bills, invoices had not been furnished to the audit for the verification the legality of the payment. In addition to the payment of Rs.4 million in the year under review in same way a sum of Rs.1.3 million had been paid in the year 2012 to this coacher out of the total expenses of Rs.5.3 million

5. Accountability and Good Governance

5.1 Internal Audit

There was a revenue of Rs.64 million and Rs.70 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.164 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 in respect of the following areas of Control.

Areas of Systems and Controls	**Observation**
(a) Budgetary Control	Existence of variances between budgeted Income and expenditure, Actual income and expenditure
(b) Internal Audit	Non – conducting of Internal Audit

H.M.Gamini Wijesinghe

Auditor General