

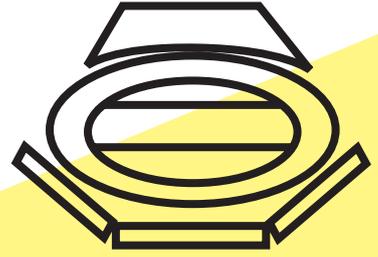


சுமததாச தேசிய விளையாட்டுக் கட்டிடத்தொகுதி அதிகாரபை
SUGATHADASA NATIONAL SPORTS COMPLEX AUTHORITY

2014

வாரீகை வாரீகாலி
வருடாந்த அறிக்கை
Annual Report

Sugathadasa National Sports Complex Authority



Annual Report 2014

Sugathadasa National Sports Complex Authority

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Coordination of Information

Name of the Institution - Sugathadasa National Sports Complex Authority

The Sugathadasa National Sports Complex Authority is legally established by the Parliamentary Act No. 17 of 1999.

BOARD OF MANAGEMENT

Mr. Panduka Keerthinanda (Attorney –at -Law)	-Chairman
Mr. M.D.J.C. Murage (Assistant Director, Department of Trade and Investment Policy)-Member	
Mrs. M.D. Ranjani Jayakodi (Director General, Department of Sports Development)-Member	
Mr. Shantha Weerasinghe (Director Development, Ministry of Sports)	-Member
Mr. Manu Chanmugam	-Member
Flight Commodore, Buwaneka Deshapriya- Assistant Superintendent of Police P. Nisal Rathnayake-Member	
Manula Chamal Perera	-Member
Mr. H.M.M.S. Bandara Herrath	-Member
Mr. R.G.A.D.B. Samaranyake	-Member
Dr. D. Saranga Alahapperuma	-Member
Mr. I.R.P. de Silva	-Secretary

BANKERS

Bank of Ceylon, Grandpass Branch

AUDIT

Auditor General,
Auditor General's Department,
No.: 306/72, Polduwa Road,
Battaramulla.

ADDRESS

The Sugathadasa National Sports Complex Authority,
P.O. Box: 2011, Arthor de Silva Mawatha,
Colombo 13
Tel : 011-2445677, 2422841
011-2384490, 2384385
Fax : 011-2445675
Email:sugathad@sltnet.lk

AUDIT AND MANAGEMENT COMMITTEE

Mr. M.D.J.C. Murage (Assistant Director, Department of Trade and Investment Policy)	-Chairman
Mr. Manu Chanmugam	-Member
Flight Commodore, Buwaneka Deshapriya	-Member
Mrs. M.M.J. Melani	-Member
Miss T.L.T. Madhushani Ranaweera	-Secretary

Participation in Observatory Level

Mr. G.H.D. Dharmapala (Superintendent of Audit)

Management – Controlling of Stadiums

Mr. Panduka Keerthinanda (Attorney –at -Law)	-Chairman
Lieutenant Colonel LHM Rajapakshe, RWP,RSP	-Director (Up to 01.04.2014)
Lieutenant Colonel ML Fernando	-Director (Up to 02.05.2014)
Mr. Chaminda K. UdaKumbura	-Deputy Director (Acting) (From 02.06.2014 up to 02.09.2014)
Mr. R.S.M. Bandara Wettbewa	-Assistant Director (Finance)
Lieutenant Colonel EMU Ekanayake RSP, USP	-Assistant Director (Sports) (Up to 17.03.2014)
Miss. W.M.Y.A. Wijesooriya	-Assistant Director (Sports)
Mr. M.M. Ajith Ranasinghe	-Assistant Director (Technical)
Miss. T.L.T.M. Ranaweera-Audit Officer	
Mr. K. Banduthileke-Manager (Information Technology)	
Mrs. P.D.N. Prabha Kiriella-Manager (Outdoor)	
Mr. P.D. Sampath Perera-Manager (Indoor)	
Mrs. K.G.G. Nilmini Kiriella-Manager (Administration)	
Major H.G. Upali Gamage-Manager (Security)	
Mr. Sampath Naiduwawadu-Manager (Indoor)	
Miss. Shanika Prabhawari -Marketing Officer	
Major WMMWBHG Pitawala, RSP	-Manager (Bogambara)

Our Vision and Mission



Vision

Transforming the Sugathadasa National Sports Complex Authority into an internationally recognized sports complex equipped with First class sports facilities and facilitation in the development of Sri Lankan sports in Sri Lanka with concessionaries through the development of the sports complexes owned by the Authority

Mission

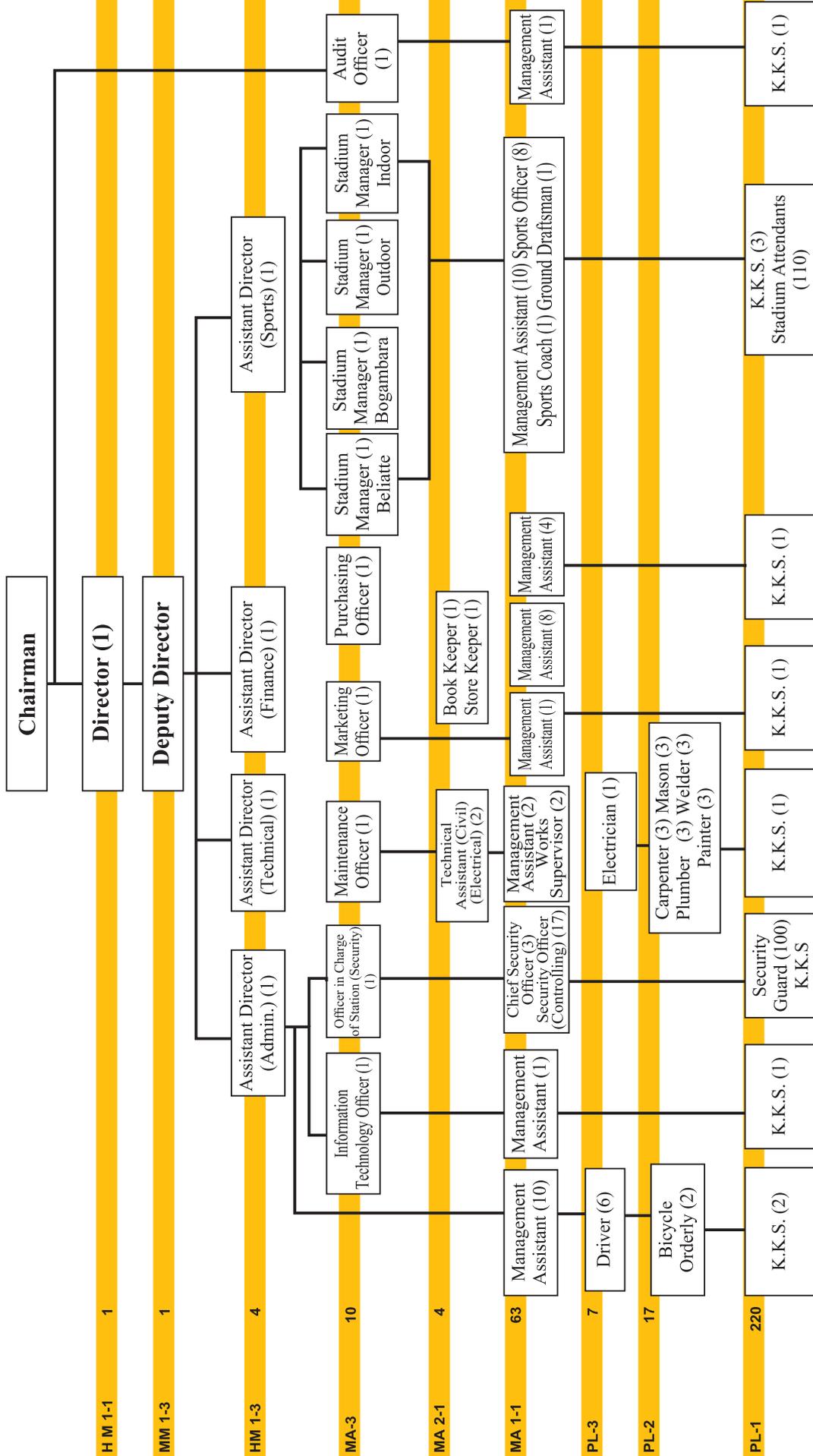
Contribution in the development of Sri Lankan sports by providing internationally recognized facilities and to become the pioneer sports complex in the Asian Region equipped with internationally recognized facilities required to upgrade the talents of Sri Lankan Sportsmen and Sportswomen.

Establishment of the Sugathadasa National Sports Complex Authority

The Sugathadasa National Sports Complex had been assigned to the Ministry of Sports as a trust fund with effect from 01.02.1995 and the Act No. 17 of 1999 for incorporating it as the Sugathadasa National Sports Complex was submitted to the Parliament of Sri Lanka on the 20th April 1999. The said Act had been passed at the Parliament with effect from 01.09.1999 and this National Sports Complex has been established as the Sugathadasa National Sports Complex Authority since that date.

Management activities of the Authority are carried out by a Board of Management appointed by the Hon. Minister in charge of the Sports and the Board is comprised of the following members.

- 1) Chairman – appointed by the Minister in charge of Sports.
- 2) Secretary or a representative of the Ministry which is under the purview of the Minister in charge of Sports.
- 3) Director General of Sports appointed under the Sports Act No. 25 of 1973 of National State Council.
- 4) A representative of the General Treasury.
- 5) In addition, seven (07) members are appointed by the Minister in charge of Sports.



Approved Cadre

In addition to the members of the Board of Management, the total number of permanent employees recruited as per the approved Scheme of Recruitment of the Institution is 326. The number of employees served in the institution out of the approved cadre as at 31.12.2014 was 88 percent. It has been comprehensively indicated below.

No.	Designation	Salary Segment	No. of Employees as at 31.12.2014	Approved Permanent Cadre	Vacancies/ Surplus
01	Director	HM 1-1	01	01	-
02	Assistant Director/Deputy Director	MM 1-3	04	05	01
Associate Officers					
03	Audit Officer	MA - 3	01	01	-
04	Information Technology Officer		01	01	-
05	Maintenance Officer		-	01	01
06	Manager - Stadium		03	04	01
07	Purchasing Officer		-	01	01
08	Marketing Officer		01	01	01
09	Manager - Security		01	01	-
Management Assistant (Technical)					
10	Technical Assistant	MA 2 - 1	01	02	01
11	Store Keepers		-	01	01
12	Book Keepers		01	01	-
Management Assistant (Non - Technical)					
13	Management Assistant	MA 1 - 1	31	31	00
14	Ground Draftsman		01	01	-
15	Works Supervisor		02	02	-
16	Sports Trainer / Sports Officer		07	09	02
17	Security Officer/ Chief Security Officer		13	20	07
Primary/ Skilled					
18	Electrician	PL - 3	01	01	-
19	Driver		06	06	(01)
Primary/ Semi Skilled					
20	Carpenter, Mason, Plumber, Painter and Welder	PL-2	13	15	02
21	Bicycle Orderly		02	02	00
Primary/ Non-Semi Skilled					
22	Stadium Assistant	PL - 1	110	110	00
23	K.K.S. (Office Assistants)		10	10	-
24	Security Guard		98	100	02
	Total		308	327	18

Responsibilities and Functions of the Authority

Responsibilities

1. Management, maintenance and making arrangements to safeguard the Sugathadasa National Sports Complex Authority as a National Asset.
2. Maintenance of all facilities and services.
3. Carrying out improvements or changes required for the buildings and structures.
4. Provision of Facilities to the Sri Lankan Citizens, particularly to the Sri Lankan youth for enabling them to improve their talents in sports and their physical fitness and health subjected to the Conditions imposed by the Board of Management.
5. Conducting training courses and programmes on sports with the objective of improving sports, particularly in rural sectors.
6. Provision of facilities required for the National and International festivals subjected to the Conditions imposed by the Board of Management.
7. Developing Co-ordination and cooperation with International and National Sports Training Organizations and Sports Institutions with the objective of improving sports and recreation facilities available in Sri Lanka.
8. Provision of facilities of the Authority to Schools, Youth Sports Clubs and Sports Organizations by charging concessionary rates subjected to the Conditions imposed by the Board of Management.

Functions

1. The following procedures were adopted by the Authority in order to perform the above responsibilities and services and facilities are provided to Sports Clubs, School Sports Clubs and Public as well as Private Institutions under concessionary rates approved by the Board of Management.
2. Provision of infrastructure facilities that are necessary for training sportsmen and sportswomen for National and International track and field events.
3. Provision of facilities required to conduct matches with international recognition during day and night times.
4. Facilitation for the advancement of sportsmen/ sportswomen equipped with talents in schools with low facilities and in rural level by providing infrastructure facilities for uplifting their talents.
5. Provision of swimming and diving pool facilities required for the conduct of nationally and internationally recognized swimming competitions.
6. Supplying facilities necessary for conducting examinations, conferences, conventions, festivals and recreational activities.
7. Organization of workshops on training purposes.

Sugathadasa National Sports Complex Authority



Management

Fields for which Facilities and Services are provided

The Sugathadasa National Sports Complex Authority which possesses a specific capacity for the provision of facilities and services in day times as well as in night times has contributed immensely in the National Level for the provision of facilities and services in the fields of Sports, Health, Education and Recreation. The Sugathadasa National Sports Complex Authority has become the pioneer institution of providing services and facilities in par with the International Standards specifically in the sphere of Sports.

Sports

Provision of internationally recognized facilities for sports such as Athletics, Rugby, Netball, Cricket, Basketball, Squash, Hand ball, Volley ball, Badminton, Table Tennis, Judo, Wrestling, Wushu, Boxing, Tykondo, Karate and Gymnastics.

Health and Education

Provision of internationally recognized services and facilities to National and International festivals, workshops, training courses, body building courses, swimming and lifesaving courses, shows and meetings.

Recreation

Supplying services and facilities for the nationally and internationally recognized mega shows.

Publicity and Advertisements

Supply of services and facilities by arranging backgrounds necessary for still photographs and videos in relation to marketing purposes. It is noteworthy that some of the very popular advertisements have been televised at the vicinity of the Sugathadasa National Sports Complex Authority.

The Sugathadasa National Sports Complex Authority comprises of the following institutions for the provision of the aforementioned services and facilities.

- 1) Sugathadasa Indoor Stadium and Swimming/Diving Complex.
- 2) Sugathadasa Sports Hotel.
- 3) Sugathadasa Outdoor Stadium.
- 4) R. Premadasa International Cricket Stadium
(has been leased to Sri Lanka Cricket Board for a period of thirty years with effect from 01.11.2006)
- 5) Bogambara Outdoor Stadium.
- 6) Beliatte and Weeraketiya Swimming Pools.
- 7) Nuwaraeliya Race Course.

Human Resources Development

A special attention was focused on the motivation and skills development of employees during the Financial Year, 2014. The higher Authority had made arrangements to provide training courses and Programmes in accordance with the following fields of subject during the year.

S No.	Course	Duration	Participation	Amount (Rs.)
01	Management of Transport	04 th - 05 th of March 2014	01	5,500.00
02	Functions and Duties of the Post of Shroff/ Cashier	20 th of February 2014	01	4,500.00
03	Stress Management	20 th of March 2014	02	8,000.00
04	Using Fire Exhausting Equipment	22 nd of May 2014	25	12,735.00
05	Driver and Office Assistant	31 st of May 2014	02	10,000.00
06	Body building Training Course	11 th of June 2014	01	10,500.00
07	Motivation Worker Satisfaction	27 th of June 2014	01	3,000.00
08	Scientific, economical and Safe Driving	27 th of June 2014	02	5,000.00
09	Office Assistant and Driver	28 th of June 2014	02	10,000.00
10	Public Procurement Procedure	28 th and 29 th of July 2014	01	8,500.00
11	Disciplinary Inquiries	31 st of July 2014	01	8,500.00
12	Methodical way of maintaining Accounting Books	30 th and 31 st of July 2014	02	17,000.00
13	Personal files and Maintenance	10 th and 11 th of July 2014	01	8,500.00
14	Role and Responsibilities of the Leave Clerk	14 th and 15 th of August 2014	02	17,000.00
15	Stores Management and Procurement	28 th and 29 th of August 2014	03	25,500.00
16	Book Keeping	28 th of August 2014	01	5,000.00
17	Administrative Procedures and Human Resources Management	18 th of September 2014	02	6,000.00
18	Functions of the Post of Shroff/ Cashier	26 th of September 2014	02	10,000.00
19	Computer Hardware	28 th of September 2014	01	31,000.00
20	Office Management and Financial Regulations	29 th and 30 th of September 2014	03	25,500.00
21	Leave of Employees of the State Corporations, Boards and Authorities	23 rd of October 2014	01	5,000.00
22	Office Management and Financial Regulations	11 th and 12 th of October 2014	03	25,500.00
23	Electrical Accessories (MEC)	24 th of November 2014	02	30,000.00
24	e- State Concept and Office Information workshop	24 th and 26 th of November 2014	07	59,500.00
25	Driver and Junior Officer of the Public Service	28 th of November 2014	05	25,000.00
		Total		376,735.00

Reporting to the Management

The monthly progress of the Institution is monthly and continuously reported to the Ministry of Sports and arrangements were made to properly submit the Performance Report for tabling it in the Parliament at the end of the third quarter and to forward numerical data to the institutions such as the Management Services Department, Budget Department, Department of Census and Statistics.

Meetings of the Board of Management for the Year 2014

SNo.	Date	Matter	Description
01	2014/01/21	Provision of Professional Training to the Security Officers and Stadium Attendants employed in the Sugathadasa National Sports Complex Authority.	Applications were called from Masons, Carpenters, Plumbers and Electricians employed in the Authority and Security Officers and Stadium Attendants who have fulfilled Vocational/ Educational Qualifications and interviews were conducted for them and they were directed for trainings
02		Obtaining the consultation services from an independent and external party for resolving issues on restructuring the structure and salaries of employees.	The Board of Management has decided that it is appropriate to obtain the services of an Officer in the Public Administration Service in compliance with the Public Administration Circulars for resolution of this issue since it has been observed that there are many shortcomings in the currently approved structure of employees in the Authority
03		Installation of Dialogue Telecommunication Towers – Sugathadasa Indoor and Outdoor Stadiums.	The Chairman informed the Board of Management that discussions have already been conducted with the relevant representatives of the Dialogue Institution on the fundamental commercial conditions forwarded by the Dialogue institution and he further informed that a favourable response was received in this regard.
04		Determination of the reservation charges for body building Centre of the Bogampara Stadium (For Physio Therapist – Sports)	The approval of the Board of Management had been granted to charge a fee of Rs. 1000/- (inclusive of all the taxes) for the provision of the Physio Therapist (Sports) service at the Body Building Centre of the Bogampara Stadium opened recently.
05	2014/02/26	Purchase of a Three Wheeler to meet the Transport requirements of the Bogampara Stadium.	The Board of Management granted approval to purchase a three wheeler for meeting the transport requirements of the Bogampara Stadium subjected to the approval of the General Treasury.
06	2014/03/25	In relation to the charging of reservation charges for the new air condition system installed in the Sugathadasa Indoor Stadium.	The new Air condition system of the Sugathadasa Indoor Stadium is used in special festivals and the Board of Management has granted approval to execute the following revised charges with effect from 15.03.2014 as the fixed electricity supply has already been provided for its functioning The Fee charged for 05 hours – Rs. 450,000/- (Excluding Taxes) The Fee charged per one additional hour – Rs. 80,000/- (Excluding Taxes)

07		Provision of Insurance Cover to the Staff (Accidents)	<p>The Chairman of the Authority proposed that it is appropriate to provide an insurance coverage to the Staff of the Sugathadasa National Sports Complex Authority in distress situations resulted from accidents faced by the employees since the employees, who had faced accidents earlier had not been provided with any benefits rather than getting their monthly salary. Accordingly, the price sheets provided by several Insurance Companies were submitted to the Board of Management and the Board discussed the prices quoted. Even though Ceylinco Insurance Company had submitted the minimum price levels, the Board of Management was of the opinion that it is required to follow the instructions issued through Circulars on obtaining insurance facilities and thereby the Board made necessary arrangements to get the services from the Sri Lanka Insurance Corporation, which is a Government affiliated Insurance Company. The Board of Management has requested the Chairman to make arrangements to obtain a price sheet with minimum prices by discussing with the Sri Lanka Insurance Company.</p>
08	2014-04-29	Approving the reservation charges for the Body building Centre and for obtaining a training on Javelin throw	<p>(1) The approval of the Board of Management has been granted to provide the facilities at the Body Building Centre of the Sugathadasa National Sports Complex Authority to the National Sports teams on the basis of charging fees as mentioned below.</p> <p>Body building Centre for the National Sports Teams for a duration of three years – Rs. 3,500/- (Excluding Taxes)</p> <p>For the time spent in addition to the time allocated (For one hour) – Rs. 1000/- (Excluding Taxes)</p> <p>(2) The approval of the Board of Management has been granted to charge an amount of Rs. 100/- (Excluding Taxes) for the provision of facilities available in the Sugathadasa Outdoor Stadium for conducting training activities of the Javelin Throw Association.</p>
09	2014-06-23	Installation of Wi-Fi System in the Indoor Stadium.	<p>In accordance with the information provided by the Sri Lanka Telecom Institution, an amount of Rs. 1,387,496.77 has to be incurred for the installation of the Wi-Fi System and the monthly rental for two connections was Rs. 7,500/- (Excluding Taxes).</p> <p>The approval of the Board of Management was granted to obtain the Wi-Fi System from the Sri Lanka Telecom and to carry out the advance activities in that regard since the Sri Lanka Telecom is the Official Tele Communication Partner of the Government and the Company charges a minimum monthly rental.</p>

10		<p>(1) Making arrangements to modernize and to rent out the Sumathi Pavilion</p> <p>Revision of the monthly rental that is being currently charged for the stable.</p> <p>(2) Revision of the monthly rental that is being currently charged for the stable.</p>	<p>Meeting No.06/2014 (23.06.2014) Sumathi Pavilion is a building of 83 feet in length and 27 feet in width belonging to the Nuwaraeliya Race Course. The Chairman proposed that this building can be rehabilitated and rented out to a suitable institution on long term rental basis. Accordingly, it is further informed that this building can be rented out to the Sri Lanka Race Course Association and the relevant renovation can be performed by the Association itself or by calling tenders.</p> <p>The Board of Management has granted their approval to rent out Sumathi Building to the same Association on long term rental basis since the Association is currently engaging in the activities of the Nuwaraeliya race course. The Board of Management requested the Chairman to make the Secretary of the Ministry of Sports notified in this regard since necessary discussions for initiating a Project at the Nuwaraeliya Race Course by the Chinese Government are being held at present. The approval of the Board of Management has been granted to charge the amount of Rs. 300/- (Without Taxes) per stable with effect from 01.07.2014.</p>
11		<p>In relation to the repairing of Fibre glass chairs of the Sugathadasa Swimming Pool Complex.</p>	<p>The Chairman has informed the Board of Management that the task of repairing the existing Fibre Glass chairs and the installation of new chairs has been assigned to "Your Home Furniture" Institution on the approval of the Procurement Board and the Chairman further informed that the activities are being carried out accordingly.</p> <p>The Chairman further informed that the institution, who had reserved the Swimming Pool has been notified the inconvenience that may be caused to the Institution owing to the removal of the Fibre Glass chairs for repairing.</p>
12	2014-07-31	<p>Revision of the Fees charged for the Football Tournaments conducted in the Sugathadasa Outdoor Stadium – For Football Association</p>	<p>The Sri Lanka Football Association constantly reserves the Sugathadasa Outdoor Stadium for local Football tournaments. The Association has requested to charge for the reservation of the Stadium on Concessionary basis. Accordingly, the approval of the Board of Management has been granted to revise the Stadium charges levied for local Football tournaments organized by the Sri Lanka Football Association and to charge the relevant revised charges with effect from 01.08.2014.</p>

13	2014-08-26	Provision of a Building for the Establishment of an Office by the Sri Lanka Anti-Doping Agency (SLADA) in the land close to the Judo Building of the Sugathadasa Outdoor Stadium.	<p>The Sri Lanka Anti-Doping Agency (SLADA) is a newly established Statutory Institution and it is under the purview of the Ministry of Sports. The office facilities for the Institution has temporarily been obtained from the Department of Sports Development.</p> <p>Thereby, the approval of the Board of Management has been granted to provide the land on the basis of charging taxes and monthly rentals subject to the Government Assessment since the Ministry of Sports has instructed to construct a building required for operating the office of the Sri Lanka Anti-Doping Agency (SLADA) on the land where the Judo Stadium of the Sugathadasa Outdoor Stadium is situated.</p>
14	2014-09-30	Obtaining Consultation Services for the Capital Projects 2015.	<p>It is decided that it is suitable to obtain Civil Engineering Consultation for Capital Projects of the Year 2015 from the Central Engineering Consultancy Bureau (CECB), which is a Public Institution.</p> <p>The Board of Management has further informed that the approval of the Cabinet has also been granted to obtain consultancy services for the Public Institutions from this Institution and the approval of the Board of Management has been granted to get this task accomplished by the Central Engineering Consultancy Bureau (CECB).</p>
15		Charging money for market stalls in the conduct of Sports Festivals/ competitions and other reservations.	<p>Institutions which obtain stadium facilities are inclined to pay and to obtain market stalls from our Authority in instances, where various Sports and festivals are conducted in the Sugathadasa Sports Complex. The approval of the Board of Management has been granted to charge the same rates that are currently in effect for market stalls which do not sell food or beverages and to charge the rates (that are currently being charged) approved by the Board of Management in the year 2012 from market stalls which sell food and cool drinks and to revise the charges on the basis of giving a concessionary for the relevant institution.</p>
16		Capital Projects proposed for the year 2015.	<p>The Board of Management was informed that it was decided at the discussion held with Mr. P.B. Jayasundara, the Secretary of the Ministry of Finance in relation to the allocation of Capital Provisions for the year 2015, to allocate Rs. 800 Million provisions for the construction of the proposed three star Sports Hotel and Rs. 500 Million for the improvements and for new projects in the Sugathadasa Indoor and Outdoor Stadiums</p> <p>Accordingly, the Chairman had informed the Board of Management that the renovation activities and modernization activities that should be performed to the existing Sugathadasa Sports Hotel were planned and the plans would be made to construct the proposed three star hotel in the same land in front of the existing hotel.</p>

17		Depositing a portion of the Provisions earned by the Institution in a Fixed Deposit.	The chairman stated that the money remaining after carrying out day to day maintenance activities, purchasing of required materials to the Institution and paying overtime allowances for employees out of the provisions already earned by the institution has been deposited in the Current Account and he further proposed that it is appropriate to start a Fixed deposit in the same bank, where the accounts of the Institution are maintained using a portion of money that was being maintained in the current account since the institution can earn an income through maintaining fixed deposits
18	2014-12-01	Improvement of the Sound Control System and light system.	There were many instances, which were not in conformity with the requirements specified at the Meeting No. 11/2014 (01.12.2014) when the present dients are making request for the facilities of Sound controlling and light System due to the fact that the accessories related to the light control system and light systems installed in the main stadium of the sugathadasa indoor Stadium are 23 years old. Thereby, the Chairman proposed that it is appropriate to search for necessary action to improve the sound control system and light system up to the international standards at the same instance, where it is intended to renovate the main Stadium in the year 2015 and he further stated that the required instructions and guidance can be obtained from the UD DJS Institution, which is a world reputed institution in that arena. The approval of the Board of Management has been granted to appoint a committee for the submission of a report in this regard.
19		Granting approval by the Management Services Department to create Posts in the Code JM 1-1 on the exigencies of the Institution.	The Salary Code for the Management Posts of the Authority was MA - 3, subsequent to approving the structure of employees of the Sugathadasa Sports Complex Authority by the Management Services Department. However, it was observed that they are entitled to the salary Code of JM 1 -1 in accordance with the role and responsibilities of the Managers and as a result, the relevant Officers requested to revise the salary Code. In addition to that, the Officers of the Management Services Department had also pointed out that the Scheme of Promotion is not systematic due to the prevalence of the Salary Code of MA -3 within the structure of the employees.

The Audit Activity of the Sugathadasa National Sports Complex Authority for the Year 2014.

The Authority has taken action to answer 10 Audit Queries from the 12 Audit queries submitted for the audited Year 2014. The Audit Committee had made arrangements to conduct 03 Audit and Management Committee meetings for the year. Accordingly,

01. The answers in respect of the year 2014 had been provided for the internal Audit queries and they had also been executed.

A representative from the General Treasury has to be appointed as per No. 03-02 (ii) of the Chapter One of the Sugathadasa National Sports Complex Authority Act No. 17 of 1999.

Accordingly, it was not possible to perform even the functions of the Board of Management since a representative of the General Treasury had not yet been appointed. Moreover, the Audit and Management Committee of the Authority has to be conducted once in every Quarter.

The Audit and Management Committee meeting 2015 (01) was conducted on the 18th May 2015 as the relevant appointment had not been made.

02. The relevant Officers of the Sugathadasa National Sports Complex Authority had participated in the 04 (relevant to the year 2014) Audit and Management Committee meetings of the Ministry of Sports

Verification of Goods

Annual Report

The Board of Surveys comprised of 10 Sub Committees was appointed on 12.12.2014 for the verification of Goods of the Sugathadasa National Sports Complex Authority for the year 2014. The Assistant Director (Finance) has finalized the Report of this Verification of Goods, which is being carried out in compliance with the Financial Regulations of the Government.

Annual Procurement

The Procurement Process carried out in relation to the activities of the Authority during the Financial Year 2014 is stated below.

	Procurement	Amount (Rs.)
01	Purchasing Sports Equipment for the Indoor, Outdoor and Bogambara Stadiums of the Sugathadasa Authority.	4,031,702.00
02	Purchasing stationery	304,479.06
03	Purchasing water Filters for Indoor and Outdoor Stadiums.	517,000.00
04	Purchasing Body Building equipment for the Body Building Centres of the Indoor and Bogambara Stadiums.	1,993,440.00
05	Purchasing uniforms for Stadium attendants and Sports Officers and towels for the Body Building Centres.	314,564.24
06	Obtaining recommendations on the extra amount incurred for minor maintenance activities, colour washing, maintenance activities and improving the toilet system.	496,061.20
07	For sewing uniforms for the Security Officers for the Year 2014.	547,800.00
08	Obtaining a Quality Assurance Report on the 400 meters running track of the Outdoor Stadium.	1,147,191.00
09	Repairing the Engine of the Vehicle bearing No. 64-3180	360,000.00
10	Purchasing Office Equipment	2,344,880.35
11	Purchasing and installation of water pumps for the main and sub swimming pools.	9,011,619.60
12	Purchasing a Generator for the Bogambara Stadium.	1,344,000.00
13	Installation of a Security Camera System.	13,726,187.88
14	Purchasing PVC Items.	559,558.00
15	Purchasing of Equipment for Swimming Pools.	524,550.40
16	Sewing Curtains for rooms of the Outdoor Stadium, reserved for Very Important Persons and for Controlling Rooms and	254,760.90

	swimming Pool premises of the indoor Stadium.	
17	Purchasing a Three Wheeler for Bogambara Stadium.	495,270.00
18	Obtaining an insurance cover for the vehicles of the Sugathadasa National Sports Complex Authority.	352,694.54
19	Purchasing a Volleyball Equipment Set for the 10 th Asian Junior Male Volleyball Tournament.	590,000.00
20	Designing and purchasing of Accounting Software for the Accounts Division.	720,000.00
21	Purchasing Computer and Computer accessories.	4,223,280.00
22	Purchasing bulbs for high voltage electric pillars at the Outdoor Stadium.	2,475,000.00
23	Obtaining Janitorial Services for the Bogambara Stadium.	1,380,000.00
24	Purchasing Chairs for Very Important Persons.	1,312,500.00
25	Purchasing ignitors for High voltage Electric Pillars at the Outdoor Stadium.	1,325,000.00
26	Purchasing Security Equipment for Bogambara, Indoor and Outdoor Stadiums.	296,514.00
27	Purchasing chemicals required for Swimming Pools.	2,776,851.36
28	Repairing the Vehicle bearing No. 32 Sri 5811	575,482.20
29	Obtaining recommendations pertaining to the amount incurred on the installation of Security Camera System.	684,361.18
30	Obtaining the maintenance Service of the Air conditioning System if the Indoor Stadium.	315,000.00
31	Purchasing red carpets for Outdoor and Indoor Stadiums.	507,812.50
32	Purchasing Equipment for Outdoor and Bogambara Stadiums.	688,200.00
33	Obtaining recommendations regarding the functions viz, two capacitor Banks (Main & Electrical) & Electrical Control panel for pool & arena scheduled to be carried out under the Capital Projects in the year 2014.	945,000.00

Sugathadasa Indoor Stadium

The Sugathadasa Indoor Stadium consist of the following sections.

Indoor Stadium

Sub Stadiums (Badminton, Squash and Table tennis)

Swimming Pool Complex

Body Building Centre

Sports Hotel



"Yonex - Sunrises" International Challenging Badminton Tooremnt - 2014

Indoor Stadium

Indoor stadium is equipped with an air-conditioned auditorium with a seating capacity of 5,004 and the width and the length of the indoor playground of the Indoor Stadium is 35 metres and 40 metres respectively. This stadium facilitates the conduct of indoor sports competitions such as Basketball, Badminton, Netball, Judo, Gymnastics, Volleyball, Table Tennis, Boxing, Karate and Wrestling. In addition, facilities are provided in this stadium for the conduct of various festivals, conferences, musical shows, state festivals and various workshops.

10th Asian Male Volleyball Tournament, Yonex Sunrise International Badminton Competition, Lions International Boxing Competition and 48th Asian Body Building Championship and Derana Dream Star were some of the competitions conducted in the Indoor Stadium this Year.

An income of Rs. 52,245,099.00 has been earned from this indoor stadium up to the 31st of December 2014.

The summary of total number of matches / championships and other festivals conducted in the Indoor Stadium up to the 31st of December 2014.

Activity	International	National	Total
Gymnastic Matches	01	01	02
Volley ball Matches	01	-	03
Boxing Matches	01	05	06
Karate Matches	-	05	05
Table Tennis Matches	-	01	01
Net ball Matches	-	01	01
Musical Shows (Mega)	01	02	03
Musical Shows (Non-Commercial)	-	06	06
Basketball Matches	-	08	08
Wushu Matches	-	03	03
Badminton Matches	01	-	01
Examinations/Educational Programme	-	36	36
Award Ceremonies	-	11	11
Programmes on Children's Activities	-	02	02
Conferences	-	13	13
Body building Competitions	01	-	01
Meetings (Swimming pool lecture hall)	-	-	01
Trainings	-	-	43



48th Asian Body Building Tournament - 2014

Sub Stadium



The sub stadiums are comprised of 2 Badminton Courts and 4 Squash Courts and these Sub Stadiums provide facilities to conduct matches and training activities.

Swimming Pool Complex

The Authority is the proud owner of the swimming pool complex of the Nation equipped with all the facilities with the internationally recognized standards and it comprises of the following Sections.



Main Swimming Pool



Diving Pool



Sub Pool for training activities



Pool for Children

The swimming pool complex facilitates the conduct of school level swimming competitions up to internationally recognized swimming competitions and high-tension electric light towers have been installed to provide facilities for the conduct of day / night matches. In addition, a swimming school is being conducted for school children and a great service is being rendered through these facilities charging very reasonable concessionary rates for children who are not facilitated with swimming pools.

A summary on the Competitions / championships / trainings conducted in the Swimming Pools and a summary on the Swimming memberships as at 31st December 2014 is stated below.

Swimming membership for school children	480
Swimming membership for Elders	188
Swimming School Memberships	100
Swimming Competitions	25
Diving Competitions	04
Water ball Competitions	08
Trainings	140

An income of Rs.7,085,273.00 has been earned from the Swimming Pools by the provision of the aforementioned matches/championships/ trainings and Swimming memberships.

Body Building Centre of the Indoor Stadium

A Body Building Centre that has been in operation from the period of establishing this Sports Complex and The Centre was modernized in the previous year and sophisticated body building equipment were purchased for the Body Building Centre.

Sportsmen / sportswomen as well as the other persons are allowed to get the membership here and obtain facilities that are available in the Centre.

An income of Rs.1,640,907.00 has been earned from the body building centre as at 31st December 2014.

Sports Hotel

This Sports Hotel comprises of the following sections.

Single rooms	06
Double rooms	14
Air-conditioned double rooms	04
Cluster rooms	18



The Sports Hotel, which has been continued since the period of establishing the Sugathadasa Sports Complex is equipped with 42 rooms and meeting facilities that are adequate for approximately 100 persons and with cluster room facilities which provide lodging facilities for sportsmen and sportswomen. In addition to providing with room facilities, this hotel also provides facilities for weddings, meetings and workshops. Priority is given to the welfare of sportsmen / sportswomen and facilities of this hotel are provided for such sportsmen/sportswomen and for the National Sports Clubs at concessionary rates.

The facilities are even provided to the general public whenever space facilities are available, without hindering the general requirements of the stadium. Further, the kitchen had not been used since catering of food and beverages had not been undertaken in this year. At present, only lodging facilities are available here. An income of Rs. 9,447,994.00 had been generated from the Sports Hotel up to 31st December 2014.

Further, a proposal of converting the Sports Hotel into a three star hotel under a project of the Board of Investment has been submitted.

An income of Rs. 81,411,609.00 has been earned from indoor stadium, swimming pool complex, body building centre and sports hotel owned by the indoor stadium and from rentals and from the other sources of revenue up to 31st December 2014.

Physical and Financial Progress of the Developmental Projects related to the Sugadathasa Indoor Stadium.

(As at 31 December 2014)

Serial No.	Activities	Estimated value (Rs. Million)	For the year 2013 (Rs. Million)		For the year 2014 (Rs. Million)		Physical Progress
			Provision	Expenditure	Provision	Expenditure	
01	Repairing of Electronic Control Boards - Indoor Stadium and swimming pool.	0.50	-	-	0.50	-	The Project is in operation
02	New installment of Capacitors of the main Electrical Board	0.50	-	-	0.50	-	The Project is in operation
03	Fixing of Fibre Glass chairs and colour washing in the Indoor Stadium and the pavilion of the Swimming Pool	13.16	-	-	13.16	12.814	The Project has been finalized
04	Improvement of Electrical and Electronic Systems (Including the Hot Water System)	3.00	-	-	3.00	2.827	The Project has been finalized
05	Minor renovations, colour washing and improving the toilet system – Indoor Stadium	0.31	-	-	0.31	0.292	The Project has been finalized
06	Minor renovations, colour washing and improving the toilet system – Sports Hotel	3.18	-	-	3.18	2.291	The Project has been finalized
07	Servicing of the water filters of the swimming and diving pools	1.605	-	-	1.605	1.513	The Project has been finalized
08	Improving the main water pumps of the main and sub swimming pools	5.00	-	-	5.00	2.378	The Project is being finalized

09	Office Equipment and Furniture	2.00	-	-	2.00	1.814	The Project has been finalized
10	Computers and Accessories	2.70	-	-	2.70	2.66	The Project has been finalized
11	Purchasing of Sports Equipment	11.57	-	-	11.57	4.89	Contract has been awarded
12	Purchasing of a new Generator – 10 KV	3.00	-	-	3.00	1.481	The Project has been finalized
13	Instalment of the Security Camera System (Indoor, Outdoor, Sports Hotel and Vehicle parking)	14.50	-	-	14.50	14.50	The Project has been finalized
14	Instalment of Accounting and Stock Controlling Computer software	1.50	-	-	1.50	-	Contract has been awarded
15	Purchasing lockers for the restrooms of Sports personnel in the Indoor Stadium	0.10	-	-	0.10	0.10	Purchases have been finalized
16	Curtaining (Outdoor, indoor, swimming pools and pavilions of Very Important Persons)	0.38	-	-	0.38	0.38	The Project has been finalized
17	Others	1.50	-	-	1.50	1.466	Finalized
	Total	64.505	-	-	64.505	49.406	

Developmental Projects of the Sugathadasa Indoor Stadium proposed to be carried out in the year 2015

	Project	Budgetary Provisions 2014 (Rs. Million)
01	Reconstruction and modernization of the entire Sports Hotel	9.00
02	Reconstruction of the Gymnastic floor of the Indoor Stadium.	10.00
03	Curtaining the Indoor/outdoor Stadiums.	2.00
04	Computer Accessories and Software (Firewall)	3.00
05	Fixing Digital Hoardings (Indoor/Outdoor)	10.00
06	Purchasing Office Equipment	2.00
07	Purchasing chairs and furniture for the restrooms of Very Important Persons in the Indoor Stadium.	2.00
08	Purchasing Sports Equipment.	4.00
Total		42

Sugathadasa Outdoor Stadium

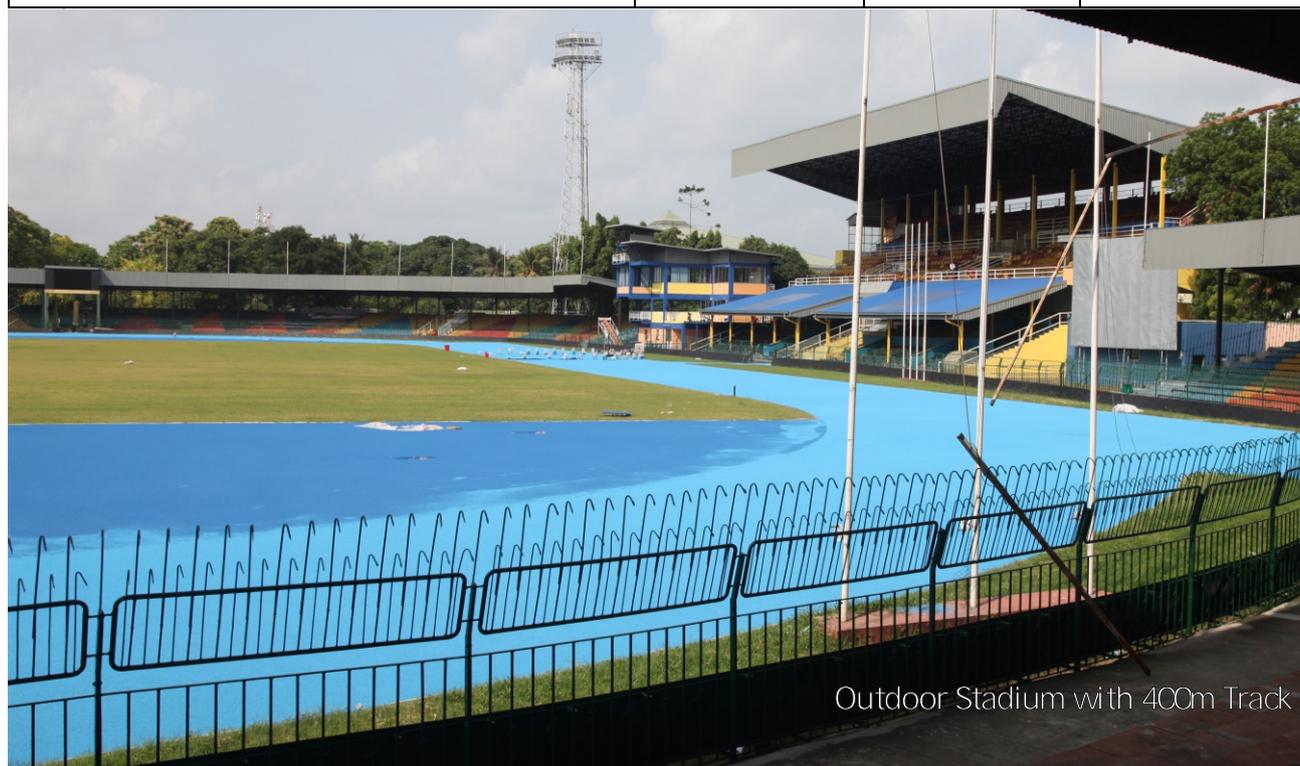


This Stadium has been designed to conduct track and field events during the day and night times. Pavilion of this Stadium has been equipped with facilities required to accommodate 20,000 spectators at a time. The Stadium comprise of two artificial running tracks to the distance of 400 metres and 200 metres.

In addition, this Stadium is equipped with the facilities such as three storeyed media unit and a high-tension electric light system for facilitating the conduct of matches in the night times. Facilities have also been provided in this Stadium for the conduct of sports events such as Athletics, Volleyball, Rugby, Football and Basketball and for the conduct of various functions as well.

Information regarding the matches and festivals conducted in this Stadium up to the 31 December 2014 are mentioned below.

Activities	International	National	Total
Football Matches	-	42	42
Sports Festivals (School Inter House Sports Meets)	-	18	18
Sports Festivals (Running track 200m)	-	52	52
Athletic Matches	-	19	19
Rugby Matches	-	04	04
Volleyball Matches	-	-	-
Trainings	-	-	246
Membership on Jogging as an Exercise	-	-	116
Commercial Filming	-	-	01
Others	-	-	07



Outdoor Stadium with 400m Track

An income of Rs.37,825,307.00 has been earned up to 31st December 2014 from matches/festivals conducted at the Sugathadasa Outdoor Stadium and from "D" Car park, rentals and from the other sources.

Physical and Financial Progress of Development Projects Related to the Sugadathasa Outdoor Stadium (As at 31 December 2014)

Serial No.	Activities	Estimated Value (Rs. Millions)	For the year 2013 (Rs. Millions)		For the year 2014 (Rs. Millions)		Physical Progress
			Provision	Expenditure	Provision	Expenditure	
01	Administration Building and construction of shops for selling Sports Equipment – Second Phase	18.00	-	-	18.00	16.103	Has been completed.
02	Repairing Electronic Time Machine System.	2.50	-	-	2.50	1.971	Is being operated.
03	Improving Tennis and Basketball Courts (Phase one) – Retentions	0.1	-	-	0.1	-	The Project has been finalized.
04	Construction of Administration Building and Sales Centres for selling Sports Equipment – Consultation Services – First Phase	0.93	-	-	0.93	0.93	Finalized.
05	Construction of Administration Building and Sales Centres for selling Sports Equipment – First Phase	18.19	-	-	18.19	12.917	Works are to be finalized.
06	Construction of a building for stores – First Phase	2.83	-	-	2.83	0.952	Works are to be finalized.
07	Construction of a building for stores – Second Phase	14.49			14.49	10.968	The Project has been finalized. The additional works are being carried out.
	Total	57.04	-	-	57.04	43.841	

Developmental Projects of the Sugathadasa Outdoor Stadium proposed to be carried out in the year 2015

	Project	Budgetary Provisions 2014 (Rs. Million)
01	Relayering the 400m, 200m and 80 m running tracks and improving the Football Stadium.	80.00
02	Construction of Administration Building and Sales Centres for selling Sports Equipment – Third Phase	20.00
03	Reconstruction and minor renovations and colour washing the entire Outdoor Stadium Complex.	10.00
04	Construction of the Hostel Building.	20.00
05	Construction of Basketball Court Complex (Small Indoor Stadium) – First Phase	48.00
06	Instalment of Two New Digital Score Boards.	10.00
Total		188

R. Premadasa Cricket Stadium



R. Premadasa Cricket Stadium is one of the Stadiums owned by our country equipped with all the facilities required for the conduct of nationally and internationally recognized cricket matches. The Stadium is well equipped to provide accommodation for about 35,000 spectators at a time and a huge vehicle park is also available in the Stadium. This Stadium has been leased out for an amount of Rs. 250,000/- per month to the Sri Lanka Cricket Board for a period of thirty (30) years with effect from 01.11.2006 as per a Cabinet Decision taken on 10.05.2006. Accordingly, an income of Rs. 3,000,000.00 has been earned from this Stadium up to 31 December 2014.

Leasing of the Stadium, which had been a major source of income of the Sugathadasa National Sports Complex Authority, to a fixed rental income per month for a longer period of time has definitely reduced the income of the Authority.

Bogambara Outdoor Stadium

The Stadium had been administered by the Kandy Urban Council and it has been under the purview of the Authority since the year 1999. Pavilion facilities have been provided in this Outdoor Stadium with a seating capacity of about 10,000 spectators at a time. Facilities have been offered in this Stadium for Athletics, Football, Rugby, Volleyball, Netball and School Sports Festivals and for other festivals.

A novel Body Building Centre was constructed for this Stadium and sophisticated body Building equipment have been purchased for the Centre and sportsmen and sportswomen as well as the other parties can obtain the membership and thereby they can obtain required facilities. An income of Rs 4,536,940.00 has been earned from the novel Body Building Centre up to 31 December 2014.

The income can be increased further if the space available in the Outdoor Car Park is allowed to be used for the popular musical Shows. However, the Outdoor Car Park is not allowed to be used due to the possibility of damaging the sports facilities available in the Stadium

An income of Rs 8,477,420.00 has been earned up to the 31st December 2014 from matches and festivals conducted at this Stadium and from the Car park, Body Building Centre and from the other sources.



Bogambara Body Building Centre



The Summary of the Matches / Championships and Festivals conducted in this Stadium up to 31 December 2014.

Athletic Matches	-	16
School Sports Festivals	-	47
Football Matches	-	19
Rugby Matches	-	23
Trainings	-	686

Physical and Financial Progress of Development Projects Related to the Bogambara Outdoor Stadium (As at 31 December 2014)

Serial No.	Activities	Estimated Value (Rs. Millions)	For the year 2013 (Rs. Millions)		For the year 2014 (Rs. Millions)		Physical Progress
			Provision	Expenditure	Provision	Expenditure	
01	Construction of a novel Administration Building and Sales Centres for selling Sports Equipment – Phases 1 and 2 (Retentions and Standard Technical Committee payments)	10.85	-	-	10.85	9.215	First Phase has been completed. The Second phase is in operation.
02	Construction of “Energy Improvement” Hall – Phases 1, 2 and 3 (Retentions and Standard Technical Committee payments)	3.60	-	-	3.60	1.788	Finalized
03	Construction of Dunumadalawa Canal – Phase 1	7.42	-	-	7.42	4.461	Finalized
04	Reinstallation of the Electric System (Retentions)	0.58	-	-	0.58	0.58	Finalized
05	Construction of Dunumadalawa Canal – Phase 2	5.00	-	-	5.00	4.269	Project has been finalized.
06	Minor repairs, Colour washing and modernization activities	6.00	-	-	6.00	3.634	Project has been finalized.
07	Construction of Administration Building and Sales Centres for selling Sports Equipment phase 3	20.00			20.00	10.57	Project is in progress.
	Total	53.45	-	-	53.45	34.517	

Developmental Projects of the Bogambara Outdoor Stadium proposed to be carried out in the year 2015

	Project	Budgetary Provisions 2014 (Rs. Million)
01	Project for developing the Dunumadalawa Canal – Phase 3	40.00
02	Construction of restrooms and Bathrooms for sportsmen and sportswomen	3.00
03	Reconstruction of all the pavilions and bathrooms.	2.00
Total		45.00

Beliatte and Weeraketiya Swimming Pools



Beliatte Diving Pool



Beliatte Main Swimming Pool



Weeraketiya Swimming Pool

These Swimming Pools consists of the following aspects

Beliatte Swimming Pool

- (i) 50 m long Swimming Pool with 08 lanes.
- (ii) Diving Pool

Weeraketiya Swimming Pool

- (i) 25 m long Swimming Pool with 08 lanes.

Even though the administration and maintenance activities of the Swimming Pools in Beliatte Technical College and Weeraketiya Rajapaksha Central College have only been conducted by the Sugathadasa National Sports Complex Authority with effect from 07-08-2008, the Sugathadasa National Sports Complex Authority does not possess these Swimming Pools. Facilities for swimming training activities conducted for elderly persons and school students residing in the surrounding areas are provided by the sugathadasa National Sports Complex Authority.

The Summary of the Matches / Trainings and Swimming memberships conducted in these Swimming Pools up to 31 December 2014 is stated below.

Swimming Membership for School Children	- 23
Swimming Membership for Adults	- 12
Swimming Competitions	- 04
Trainings	- 98

The total income earned from these Swimming Pools up to 31 December 2014 was Rs. 470,103.00. It is not possible to anticipate a higher income as the participation of adults, school children and sports Clubs is very low even though they were made aware of these two swimming pools.

Further, the Weeraketiya Swimming Pool is located within the premises of Weeraketiya Central College. The Swimming pool is underutilized as the entrance to the Swimming Pool is same main entrance of the school. It should be stated that it is not possible to earn a sufficient income to meet the expenses incurred for the maintenance activities of these Swimming Pools.

Nuwaraeliya Race Course



The management of Nuwareliya Race Course has been transferred to the Sugathadasa National Sports Complex Authority with effect from 07.09.2011 by the Ministry of Sports.

An income of Rs. 3,910,097.00 has been earned up to the 31st December 2014 from this Race Course to the extent of 34,564 Hectares from the sources such as stables in the Race Course, rentals, 10% rental for horse / pony back riding, renting out the premises during the festival seasons and charges for parking vehicles.

The Overall Progress of the Institution

Capital Expenditure of the Authority in the year 2014 was Rs. 137,218,604.00 while the operating expenditure along with the provisions allocated for the depreciation and gratuity was Rs. 304,448,557.00. A sum of Rs. 88,122,824.00 out of this Amount was the allocation for depreciation of the fixed assets.

The Authority has obtained an amount of Rs. 175,000,000.00 as Capital Provisions and an amount of Rs. 100,980,000.00 as recurrent provisions from the General Treasury for the year 2014. The recurrent provisions obtained during the year under review has been decreased by Rs. 4,180,000.00 when compared recurrent provisions obtained during previous year.

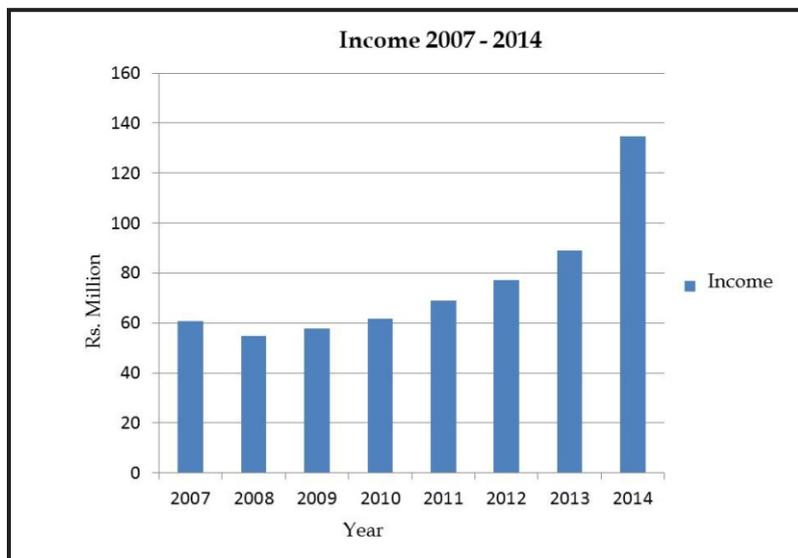
The income earned by the Authority in the year 2014 was Rs. 134,613,748.00 and it was an increase of Rs. 45,582,588.00.

The major reason for the increase in the expenditure in the year 2014 when compared the expenditure incurred in the year 2013 was the increase in salaries and allowances by Rs. 18,390,000.00 while allocations for gratuity and the other expenses have increased by Rs. 7,990,427.00 and Rs. 24,332,036.00/- respectively.

The income earned by the Institution in the year 2014 was Rs. 134,613,748.00 and the total expenditure including provisions allocated for depreciation was Rs. 304,448,557.00.

The incomes earned by the Authority from the year 2006 to the year 2013 have varied as mentioned below.

Year	2007	2008	2009	2010	2011	2012	2013	2014
Income Rs. Million	60.65	54.78	57.85	61.60	69.00	77.17	89.03	134.61



A gradual increase in the Incomes can be observed as in the order of 11.84%, 15.37% and 51.2% in the years 2012, 2013 and 2014 respectively.

The increase in the income of the Authority in the year 2014 by a higher value such as 51.2% is a specific condition.

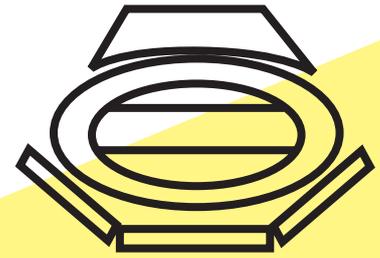
Total Credit of the Institution

The position of the credit of the Authority during the period of 2006 - 2013 has varied as indicated below.

Year	2007	2008	2009	2010	2011	2012	2013	2014
Credits Rs. Million	1.50	2.30	4.61	133.03	42.95	42.04	41.00	45.00

It is obvious that even the position of credit has drastically decreased when the years, 2011, 2012 and 2013 are taken into consideration, the Position of Credit of the Authority has increased in the year 2014.

Sugathadasa National Sports Complex Authority



Accounting Policies 2014

01. General

1.1 The Statement of Conformity

The Accounts of the Sugathadasa National Sports Complex Authority have been prepared according to the Accounting Standards issued by the Sri Lanka Chartered Accountants' Institution.

1.2 The Basis Of Preparation

The Financial Statements have been prepared on historical cost basis and the adjustments for the revaluation of lands, buildings and machinery have been mentioned in Accounts. Inflationary factors have not been taken into consideration here.

1.3 Incidents Occurred Subsequent to the Balance Sheet Date

The necessary adjustments have been made in Financial Statements and revealed in accounts, for possible material effects occurred subsequent to the balance sheet date.

02. Assets and the Basis of Valuation of Assets

Money and bank balances and the items that can be convertible into money within a period of one year in the process of normal transactions have been identified as current assets out of the assets depicted in the balance sheet.

2.1 Assets

The value of assets such as property, plant and machinery are depicted as the value after deducting the accumulated depreciation.

Material and direct labour costs are included in the cost of building assets. Likely, the fixed assets have been categorized into their major sub sections on the basis of their useful life.

R. Premadasa International Cricket Stadium

R. Premadasa International Cricket Stadium has been given on lease to the Sri Lanka Cricket Board for a period of thirty (30) years with effect from 01.11.2006 on the basis of charging an amount of Rs. 250, 000/- per month. An amount of Rs. 25, 753, 844. 64 has to be charged as at the 31-12-2006 by the Sugathadasa National Sports Complex Authority for the building constructed by the Sri Lanka Cricket Board and it is expected to negotiate and come into a compromise in that regard and on the monthly rental that is being charged at present.

Beliatte and Weeraketiya Swimming Pool Complex

The Maintenance activities of the two swimming pools and the diving pool owned by the Beliatte Technical College and Weeraketiya Rajapakse Central College have been carried out by the Sugathadasa National Sports Complex Authority from the year 2008. Ten (10) employees have been attached on temporary basis as per the approval of the Management of the Authority.

Even though the expenditure of these swimming pools had been accounted for as the expenditure of the Indoor Stadium in the year 2008, the expenditure of these swimming pools has been mentioned in separate Accounts from the year 2009 as per the decisions taken by the Board of Management.

2.2 Other Expenses

The costs incurred in the re-establishment of the parts contained in the property, Plant and machinery have been separately accounted for writing off during the useful life subsequent to capitalizing them. The expenses that may cause the growth in the future economic benefits of the assets have been capitalized and all the other expenses have been adjusted in the Income Statement.

2.3 Depreciation

The Straight Line Method has been adopted as the Depreciation Policy and the assets are depreciated from the year of purchasing assets or from the year of completing the construction. The Depreciation has been written off to the Income and Expenditure Account during the expected period of life. Land have not been depreciated.

· Buildings and Constructions	2.5%
· Towers with high-Powered Electricity	10%
· Artificial Running Track	20%
· Machines and equipment	10%
· Computers	25%
· Motor vehicles	20%
· Sport equipment	10%
· Furniture and equipment	10%
· Office equipment	10%
· Curtains	50%
· High powered electric bulbs and Ignitor	50%

Since the Pajero, bearing the Number 32-5811 has been registered under the Ministry of Manpower and Applications, it cannot be considered as an asset owned by our Authority. Maintenance and other expenses in that regard have been indicated in the Income and Expenditure Statement.

Since the Pajero, bearing Number 64-3180 has been registered under the Ministry of Sports and Youth Affairs, it cannot be considered as an asset owned by our Authority. Maintenance and other expenses in that regard have been indicated in the Income and Expenditure Statement.

The new van bearing No. NB-1527 has been provided to the value of Rs. 9,100,000 from the General Treasury as per the National Budget Circular bearing No. 150. The value insured has been accounted as the value of the vehicle.

The new Cab bearing No. PD- 9713 has been provided to the value of Rs. 7,500,000 from the General Treasury as per the National Budget Circular bearing No. 150. The value insured has been accounted as the value of the vehicle.

The new motor bicycle bearing No. BBg-3006 has been provided to the value of Rs. 210,267.86 from the General Treasury as per the National Budget Circular bearing No. 150. The value insured has been accounted as the value of the vehicle.

2.4 Trade and other Borrowings

Trade and other debts have been mentioned in the Financial Statements on their net realized value.

2.5 Stocks

Stocks has been recorded to costs in the Financial Statements. Value of stocks are determined on First In, First Out Method and purchasing cost and present position of stocks and all the expenses incurred until stocks are brought to the relevant place are applicable to the value of stocks.

01. Allocations and Liabilities

All the liabilities identified in the preparation of the Financial Statements have been accounted. Liabilities that are payable within a period of one year from the Balance Sheet date or liabilities that are payable on request have been identified as current liabilities in the Financial Statements. Non-current liabilities are the liabilities that have to be paid during a period of more than one year.

3.1 Entitlement of employees

Contributions made to the Employees' Provident Fund and Employees' Trust Fund have been identified as expenses in the Financial Statements.

3.2 Trade and Other Payables

Trade and the other payables have been recorded in the Financial Statements on their costs.

3.3 Retirement Gratuity for Employees

Allocations for gratuity have been made in the Financial Statements and every employee has been considered for such allocations from the first year of their Service. This has been done in conformity with No.16 of the Sri Lanka Accounting Standards. However, the payments are made only to employees who have completed a service of five continuous years subsequent to being entitled to the payments as per the Gratuity Payment Act No.12 of 1983.

04. Income Statement

4.1 Income

Income has been identified on the accrued basis subsequent to providing relevant services as per the Sri Lanka Accounting Standards.

4.2 Expenditure

The profit or loss in the Income particulars have been identified before taxation and after allocating for all the liabilities identified.

Expenses incurred in the maintenance of assets and in the conduct of the business have been adjusted to the Income particulars in calculating the net deficit.

Charges for telephone, electricity and water bills and rentals are recovered from the officers and employees who are entitled for such facilities and the relevant expenses have been depicted in the relevant columns.

4.3 Financial Expenses

Income earned from the interests paid to fixed deposits has been accounted in the accrued Method. Interest expenses and the other credit expenses have been adjusted in the calculation of financial expenses.

4.4 Grants

Grants and aids have been adjusted to meet the relevant expenses. Non-Financial Grants related to assets have been accounted for its financial value and such assets are written off to the income statement during the useful life of such assets.

05. Cash Flow Statement

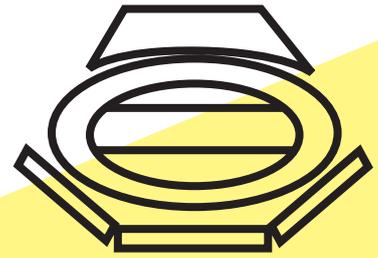
5.1 Cash

Cash in hand and assets with high liquidity and which can be readily convertible to cash without any risk have been identified as Cash. Cash in Hand and Cash in Bank are identified as Cash for the purposes of the Cash Flow Statement. The Cash Flow Statement has been prepared based on the Indirect Method.

06. Incidents occurred subsequent to the Balance Sheet Date.

The necessary adjustments have been made in Financial Statements and revealed in accounts, for possible material effects occurred subsequent to the Balance Sheet date.

Sugathadasa National Sports Complex Authority



1. Income and Expenditure Statement
2. Balance Sheet
3. Fund Flow Statement

Income and Expenditure Statement

Income and Expenditure Statement for the year ended 31 December 2014

	2014 '12' 31 'Rs&	2013 '12' 31 'Rs&
Income	134'613'748	89'031'160
	134'613'748	89'031'160
Government Treasury Provisions	100'980'000	96'800'000
	100'980'000	96'800'000
Total Income	235'593'748	185'831'160
Expenditure		
Operating Expenditure		
Expenditure on Employees' Salaries	^124'843'606&	^106'453'606&
Allowances and Expenses for the Board of Management	^489'500&	^488'500&
Allocations for Gratuity	^3'548'586&	^7'847'352&
Depreciations	^88'122'824&	^80'132'397&
Other Expenditure	^87'444'041&	^63'112'005&
	^304'448'557&	^258'033'860&
Operational Surplus (Deficit)	^68'854'810&	^72'202'700&
Additional Allocations for Gratuity	-	-
Financial Expenditure	^3'598'301&	^10'248'227&
Surplus before Taxation (Deficit)	^72'453'110&	^82'450'927&
Added: Non-operational income	-	-
Interest Income earned from Fixed Deposits	1'268'724	2'226'688
Net Surplus Before Taxation (Deficit)	^71'184'387&	^80'224'239&
Income Tax	^123'701&	^235'887&
Surplus (Deficit) in the Year	^71'308'087&	^80'460'127&

Balance Sheet – Balance Sheet as at 31 December 2014

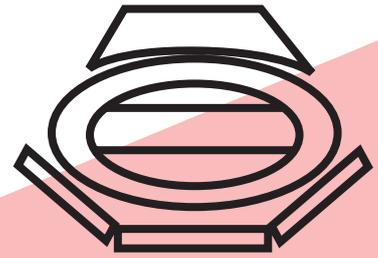
Assets	31.12.2014 (Rs)	31.12.2013 (Rs)
Current Assets		
Cash and Bank Balance	85'916'015	17'498'861
Debtors	44'646'521	40'999'600
Stock	8'969'437	9'926'389
Provision of ten Months Loan for the Staff	19'556'204	16'105'588
Advances and Other Receivable Balances	63'647'064	53'072'037
	222'735'240	137'602'475
Fixed Assets		
Lands	2'856'612'140	2'856'612'141
Buildings	1'200'179'737	1'128'693'563
High Tension Electric Towers	2'745'951	3'443'716
High Tension Electric Bulbs	572'340	995'362
Machines and Equipment	130'301'157	134'025'856
Computers	4'086'262	718'350
Motor Vehicles	5'227'014	9'792'824
Sports Equipment	38'587'037	40'463'816
Furniture and Equipment	13'670'484	1'066'078
Office and Other Equipment	8'370'779	8'604'977
Curtains	191'266	2
Work in progress	196'215'775	223'247'474
Fixed Deposits	29'671'032	29'605'530
	4'486'430'975	4'437'269'689
Overall Assets	4'709'166'215	4'574'872'164
Capital Equity and Liabilities – Current Liabilities		
Trade Creditors	4'936'741	848'197
Security Deposits	7'495'173	3'928'229
Advances received	4'718'477	1'178'550
Allocations for Taxes	340'808	217'102
Accrued Expenses and the other payable Expenditure	17'130'485	7'725'797
Other payables	50'696'343	43'354'895
	85'318'021	57'252'770
Non-current Liabilities		
Gratuity Allowances	40'641'609	38'230'005
	40'641'609	38'230'005
Overall Liabilities	125'959'630	95'482'775
Net Assets	4'583'104'599	4'479'389'390
Net Assets/ Capital Equities		
Government Grants	5'742'371'609	5'567'371'609
Accumulated Fund	1'097'191'589	1'016'856'744
Revaluation Surplus	9'334'652	9'334'652
Surplus/Deficit of the Year	71'308'087	80'460'127
Total Capital Equities and Liabilities	4'583'206'585	4'479'389'390

Fund Flow Statement

Fund Flow Statement for the year ended 31 December 2014

	31.12.2014(Rs.)	31.12.2013(Rs.)
Cash Flows from Operations	^71'308'087&	^80'460'127&
Surplus before taxation or net Deficit		
Depreciation Adjustments made to the Accumulated Fund in the previous years		
Allocations for Depreciation	88'122'823	80'132'397
Adjustments to Depreciation made in the Previous Years	-	-
Revaluation Surplus	-	-
Allocations for Gratuity	3'548'586	7'847'352
(Increases)/ Decreases in Stocks	956'952	^364'656&
Increases)/ Decreases in balance receivable	^17'672'564&	165'559
Increases)/ Decreases in balance payable	28'065'251	8'972'296
Payment of Gratuity Allowances	^1'136'988&	^2'616'663&
Net Financial Balance from Operations	30'575'977	13'676'157
Cash Flows from Investment Activities		
Purchasing Property, Plant and Machinery	^137'218'604&	^93'941'869&
Payment of Taxes	-	-
Investments in Fixed Deposits	^65'501&	^76'192&
Financial Balance received from Investment Activities	^137'284'105&	^94'018'062&
Cash Flows received from Financial Activities		
Changes in Accumulated Fund	125'282	164'979
Government Capital Grants	175'000'000	91'466'401
Financial Balance received from Financial Activities	175'125'282	91'631'379
Net Increase in Cash and Cash Equivalents	68'417'154	11'289'475
Cash and Cash Equivalents at the beginning of the Year	17'498'861	6'209'386
Balance of Cash and Cash Equivalents at the end of the Year	85'916'015	17'498'861

Sugathadasa National Sports Complex Authority



Auditor General's Report 2014



විගණකාධිපති දෙපාර්තමේන්තුව
கணக்காய்வாளர் தலைமை அபிபதி திணைக்களம்
AUDITOR GENERAL'S DEPARTMENT



මගේ අංකය
எனது இல.
My No. }

LS/A/SNSC/FA/2014

ඔබේ අංකය
உமது இல.
Your No. }

දිනය
திகதி
Date }

12 November 2015

The Chairman
Sugathadasa National Sports Complex Authority

Report of the Auditor General on the Financial Statements of the Sugathadasa National Sports Complex Authority for the year ended 31 December 2014 in terms of Section 14(2)(c) of the Finance Act, No. 38 of 1971.

The audit of financial statements of the Sugathadasa National Sports Complex Authority for the year ended 31 December 2014, comprising the statement of financial position as at 31 December 2014 and the statement of financial performance, statement of changes in equity and 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 9(2) of the Sugathadasa National Sports Complex Authority Act, No.17 of 1999. My comments and observations which I consider should be published with the Annual Report of the Authority in terms of Section 14(2) (c) of the Finance Act appear in this report. A detailed Report in terms of Section 13(7)(a) of the Finance Act, was issued to the Chairman of the Authority on 22 June 2015.

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.

අංක 306/72, පොල්දො පාර, බත්තරමුල්ල, ශ්‍රී ලංකාව. - - இல. 306/72, பொல்துவ வீதி, பத்தரமுல்லை, இலங்கை. - No. 306/72, Polduwa Road, Battaramulla, Sri Lanka

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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 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 Authority'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 Authority'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 - sections (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.

1.4 Basis for Qualified Opinion

My opinion is qualified based on the matters described in paragraph 2.2 of this report.



- (b) Income amounting to Rs.3,498,073 receivable to the Authority from five institutions for the reservation of indoor and outdoor stadiums and the swimming pool of the Sugathadasa National Sports Complex Authority for the conduct of sports competitions and functions in the years 2012 and 2013 had not been brought to accounts.

2.2.4 Unexplained Differences

The following observations are made.

- (a) In comparing the balances receivable from Sports Associations and the Sports Development Department as at the end of the year under review with the balance shown in the financial statements, following differences were observed. Action had not been taken to reveal the reasons for the said differences and correct them.

Institute	Balance as at 31 December 2014	
	Balance as per the accounts of the institute	Balance as per the accounts of the Authority
Sports Development Department	Nil	1,562,870
Sri Lanka Cricket	20,773,845	25,753,845
Sri Lanka Volleyball Association	987,449	2,344,757
Sri Lanka Football Association	293,249	3,291,433
Sri Lanka Billiard and Snooker Association	Nil	18,434

- (b) In comparing the balance of the Advance Account as at 31 December of the year under review with the schedules relevant thereto, a difference of Rs.101,986 was observed.



2.2.5 Lack of Evidence for Audit

Due to lack of evidence indicated against the following items shown in the accounts, they could not be satisfactorily vouched in audit.

Item	Value	Evidence not made available
-----	-----	-----
	Rs.	
(a) Income received in advance	136,444	Details relating to the income
(b) Receivable balances	14,923,867	Direct balance confirmation
(c) Creditors Balances	4,936,741	Direct balance confirmation, Age analysis
(d) Other payable balances	23,804,113	Schedules
(e) Refundable Deposits	7,495,173	Age analysis

2.3 Accounts Receivable and Payable

The following observations are made.

- (a) The balances older than one year receivable from 03 institutions totalled Rs.2,311,110 and the Authority had not taken effective measures to recover the balances aggregating to Rs.35,059,519 older than 5 years due from 13 institutions.
- (b) The Authority had not taken effective steps to recover the sundry debtors balances of Rs.2,248,900 remained receivable from 03 institutions since the year 2006.



(c) The Authority had not put in place effective measures to recover balances totalling Rs.768,604 remained receivable for the supply of services on credit basis to 04 private institutions without approval that had been shown under sundry debtors and other balances.

(d) The Authority had not taken action to recover the VAT amounting to Rs.44,057,831 remained receivable as at 31 December 2014.

2.4 Non-compliances with Laws, Rules, Regulations and Management Decisions

Instances of non-compliance with laws, rules, regulations etc. observed in audit are given below.

Reference to Laws, Rules etc. -----	Non – compliance -----
(a) Financial Regulations of the Democratic Socialist Republic of Sri Lanka -----	
(i) Financial Regulation 104 (2)	Losses and damages had not been reported to the Auditor General
(ii) Financial Regulation 110	A Register of Losses and damages had not been maintained.
(iii) Financial Regulation 366 (c)	Action in terms of the regulation had not been taken on 14 cheques totalling Rs.251,665 issued but not presented to the bank and elapsed for 06 months.



- (iv) Financial Regulation 395 (c) Although the bank reconciliation statements relating to each month should be prepared before the 15th of the following month, bank reconciliations had not been so prepared.
- (v) Financial Regulation 754 Even though the Inventory Books should be balanced and maintained in an updated manner at the closure of a financial year, it had not been so done by the Authority.
- (vi) Financial Regulation 755(1) Any officer who relinquishes his duties, or is transferred, or goes on long leave, he should hand over to his successor, or to any other officer delegated for the purpose, all Government stores and other property for which he is responsible, and obtain in duplicate, an acknowledgement from the officer to whom the stores etc. are handed over. Nevertheless, the officers of the Authority had not taken action accordingly over a long period.
- (vii) Financial Regulation 756 The Board of Survey for the year under review had not been conducted up to 24 June 2015.
- (b) Section 5.1.3 of the Public Enterprises Circular No. PED/12 dated 02 June 2003 Even though approved annual budget should be furnished to the Auditor General 15 days prior to the commencement of the year, it had not been so done.
- (c) Treasury Circular No. IAI/1/2002/02 of 18 November 2002 A separate Register for Computers and Software had not been maintained.



- (d) Procurement Agencies Circular
No.08 dated 25 January 2006

Although specifications on purchasing should be determined on the recommendations of the Planning Officers or Technical Officers, purchasing totalling Rs.2,323,873 had been made from three institutions on the specifications and recommendations made by private institutions during theyear.

3. Financial Review

3.1 Financial Results

According to the financial statements presented, the operation of the Authority for the year ended 31 December 2014 had resulted in a deficit of Rs.71,308,087 as compared with the corresponding deficit of Rs. 80,466,127 for the preceding year thus indicating an improvement in the financial result by Rs. 9,152,040 in the year under review. The increase of Rs. 29,816,738 in the income of the indoor stadium had mainly attributed to this improvement in the financial results.

3.2 Analytical Financial Review.

The deficit of the Authority had gradually increased since several preceding years and the increase in employees' salary, allowances and other overhead cost had had been the main reasons for that. According to the information in the financial statements furnished, the details on the financial results for the year under review and preceding four years were as follows.



	2010	2011	2012	2013	2014
	Rs.	Rs.	Rs.	Rs.	Rs.
Operating Income	131,309,826	143,868,569	155,573,543	185,831,160	235,593,748
Other Income	646,369	719,628	906,139	2,226,688	1,268,724
Total Expenditure	215,279,331	218,086,661	238,463,753	268,282,087	308,046,858
Tax Expenses	63,097	70,164	70,164	235,887	123,701
Surplus/ (Deficit)	(83,386,233)	(73,568,628)	(82,054,235)	(80,460,127)	(71,308,087)

4. Operating Review

4.1 Management Inefficiencies

The following observations are made.

(a) Usage of Sports Hotels and mismanagement.

- (i) Three rooms of the Sports Hotel with 42 rooms had been closed down for a period of 03 years while the beverage shop consisting of 800 Sqft. had not been utilized for a period of 8 years and as a result, the Authority had deprived itself of rental income which could have been earned.
- (ii) An agreement had been entered into with an external party to rent out the Sports Hotel belonging to the Authority for an annual rental of Rs.9,120,000 from 15 November 2010 for a period of 3 years and the Board of Directors of the Authority had decided to cancel the said lease agreement on 23 March 2011 and take it under the management of the Authority. Therefore, Authority had deprived of an income of approximately Rs.15 million for the year 2011, 2012, 2013. Further, there were 15,330 daily room day facilities in 42 rooms of the hotel, whereas 4,157 room days or 27 per cent only had been utilized during the year.
- (iii) The cafeteria with 990 Sqft. which had not been maintained for approximately a period of 10 years had been leased out at a monthly rental of Rs.40,000 in the year 2015 without being fulfilled the requirements that



should be satisfied in the selection of a suitable tenderer in terms of the National Procurement Circular dated 25 January 2006 and the contractor had further operated the cafeteria even after the expiration of the term of lease. Further, an additional space of 214 Sqft. apart from the 990 Sqft. referred to in the agreement had been allowed to be used for the affairs of the cafeteria.

- (iv) Although more income could have been earned by the Authority by hiring rooms, reception halls and conference halls than the annual income of Rs.7.8 million earned by renting rooms at concessionary rates, attention had not been focused on that matter.
- (v) Having made a memorandum of understanding between a Japanese company and the Authority to maintain the Sport Hotel as a trista hotel and reconstruct it under the Build Operate and Transfer basis (BOT), it had been dispatched to the relevant Japan company. Nevertheless, no follow up action whatsoever had been taken up to date despite being elapsed a period of about two years.

(b) Vehicle Rent and Management of Vehicle Park

 Although a period over 2 years had elapsed from parking certain vehicles within the vehicle park situated on a land area of 1.13 hectare in extent of the Authority only upon the purchase of entrance tickets, the Authority had not taken action to recover the charges due from those vehicles and remove them from the park. Due to parking of those vehicles in an unauthorized manner, an income amounting to Rs.704,049 had been deprived of. Further, although the Authority had installed CCTV camera system, it had not been properly installed so as to cover the entire park which generates an annual income exceeding Rs. 13 million.



4.2 Apparent Fraudulent Transactions

The following observations are made.

- (a) In the examination of cash receipts and the banking of this cash revealed that, the cashier had embezzled a sum of Rs. 800,000 without being banked.
- (b) Two cars, a jeep and a cab owned by the Authority along with the drivers had been used by two members of the Director Board, a member of Pradeshiya Sabha and a security officer of the Minister and a sum totalling Rs.2,998,587 had been spent by the Authority as repair expenses of those vehicles. One of those vehicles had met with an accident on 18 December 2014 while being deployed in the presidential election campaign.
- (c) Within two months subjected to audit test check, a Karyala Karya Sahayaka employed in the Chairman's' office had fraudulently marked the arrival and departure and obtained Rs.28,063 as overtime without producing the particulars on the work done.

4.3 Deficiencies in Contract Administration

Construction of the 400 meters artificial run way of the Sugathadasa National Sports Complex Authority. Contractual Price Rs.126,799,400.

The following observations are made

- (a) Having cancelled the contact company selected for the first calling of bids stating that there was no provisions for the project according to the budget estimate for the year 2011, an inexperienced contractor had been selected for the construction through re-calling of bids. Further, out of the bids submitted, two of them had not been taken into consideration for the second evaluation.
- (b) Although works of the run way had been completed on 21 April 2012, the first and the second layers of the run way had been damaged within a short period of two weeks. In the inspection carried out by the audit on 24



November 2014 it was revealed that, the first and the second layers of the run way were completely detaching and water was percolating up to the Asphalt layer and also the run way was not in a usable condition to hold sport events.

- (c) Due to the faults arisen in the run way, the payment of the final bill and the retention advances had been suspended. Nevertheless, a sum of Rs.5 million had been paid to the contractor on 24 June 2014 on a special recommendation of the Minister of Sports and this payment had been made contrary to the Financial Regulations 136,137,138,139 and 156.
- (d) It was revealed that the Civil Engineer and the Director (Engineering Services) appointed for the consultation services of the construction did not have either experience or professional skills on the construction of run ways . According to the technical report obtained on the construction from the University of Moratuwa, it was stated that impact of the chemical reaction caused to the run way as a result of carrying out construction in a rainy weather condition and the absence of expertise knowledge and suitable engineering supervision in laying run way track had adversely affected the above condition.
- (e) The condition which stated that the run way should be constructed in Pre-Fabricated or Full Pour system by using materials with first class or second class certificate recognized by the International Athletics Association on 01 March 210, had been eliminated by the paragraph 1-10 of Section 6 of the tender document, whereas it had not been communicated to the bidders who had bought the bid documents. It was further observed that although this construction had been carried out as a first class run way, this type of tracks are needed only for the world trophy competitions and Olympic games.

4.4 Idle and Underutilized Assets

- (a) Software had not been installed in 16 computers purchased at a cost of Rs.2,908,160 for the establishment of an Enterprise Resource Planning System (ERP) and the Server valued at Rs.472,103 had also not been utilized.



- (b) It had been estimated that, if the land and the building in which the Sports Hotel is operated and the present assessed market value thereof amounting to Rs 1,020,000,000 is leased out for a period of 30 years uninterruptedly, the recoverable lease amount should be Rs.783,870,000. Accordingly, a sum of Rs.26,129,000 could have been earned annually by leasing out the relevant property. Nevertheless, without being leased out it, the Authority had operated the Sports Hotel. However, the average profit of Rs.4 million only had been earned by the Sports Hotel during the period of preceding four years.
- (c) Hundred and two stock items costing Rs.1,063, 823 had been kept in the stores without being utilized, over 5 years.

4.5 Resources of the Authority given to Other Parties

The following observations are made.

- (a) A driver and a Karyala Karya Sahayaka had been deployed in the service of the Ministry while an officer of the Management service and a security guard had been deployed in the service of the office of the Minister during the year under review. Nevertheless, the Authority had incurred a sum of Rs.1,030,083 and Rs.391,033 for their salaries and overtime allowances respectively and Rs.20,912 for the combined allowances.
- (b) A reception hall of the Sports Hotel from which an income of Rs.2,000 per hour could be earned by hiring it for a meeting or a function had been given to a sport association free of charge with effect from 12 July 2011.

4.6 Transactions of Contentious Nature

In leasing out of an indoor cafeteria of the Sugathadasa National Sports Complex Authority, it had been leased out at a monthly rental of Rs.55,000 to a bidder who had furnished false information. Further, the dates indicated in the bid documents forwarded by the bidder were contradictory.



4.7 Personnel Administration

The following observations are made.

- (a) The approved cadre and the actual cadre twice as at 31 December 2014 stood at 328 and 305 respectively and as such the number of vacancies was 23.
- (b) Nineteen officers had been attached to 06 posts that had not been included in the approved cadre and 30 officers had been recruited for 10 posts without seeking prior approval of the Department of Management Services.
- (c) Fifty four officers recruited to the posts of Security Guards and Stadium Assistants had been attached to other duties outside the relevant duties.
- (d) According to the scheme of recruitment, candidates who apply for the post of Assistant Director (Sports) should possess the first degree with the subject of Sports and 03 years' service experience in the relevant field, whereas contrary to that, an officer who had not fulfilled the relevant qualifications had been recruited and 06 Sports Officers who had not professional qualifications and service experience had also been recruited.

4.8 Losses and Damages

The following observations are made.

- (a) The Lightning Arrestor installed on the top of the roof of the main pavilion of the indoor stadium had been misplaced during the year under review, whereas necessary action had not been taken in that connection.
- (b) Value Added Tax totalling Rs.2,476,769 relating to the preceding year had not been remitted on due dates and as such the Authority had paid a fine amounting to Rs.833,768 during the year under review.



5. Accountability and Good Governance

5.1 Internal Audit

Internal audit had not been carried out as per the Internal Audit Plan relating to the year under review.

5.2 Budgetary Control

In comparing the budgeted income and expenditure with the actual income and expenditure significant variances were observed, thus indicating that the Budget had not been made use of as an effective instrument of management control.

5.3 Action Plan

In terms of Section 5.1.2 of the Public Enterprises Circular No.PED/12 dated 02 June 2003, an Action Plan should be prepared based on the Budget by specifying the responsibility meant for ensuring the timely fulfilment of financial and physical targets and enhancing the effective utilization of the allocated funds. However, the officers responsible for each activity had not been identified in the Action Plan prepared and the Authority had not introduced a methodology to review the progress of the achievement of the targets of the Action Plan in timely manner.



6. Systems and Controls

Deficiencies in systems and controls observed during the course of audit were brought to the notice of the Chairman of the Authority from time to time. Special attention is needed in respect of the following areas of control.

- (a) Assets Management
- (b) Accounting
- (c) Control of Debtors
- (d) Human Resources Management
- (e) Contract Administration
- (f) Stock Control
- (g) Budgetary Control

W.P.C.Wickramaratne
Acting Auditor General

Updated Information of the Report of the Auditor General in terms of
the Section 14 (2) (c) of the Finance Act No. 38 of 1971 on the Financial
Statements for the Year ended 31 December 2014

2.2 Comments on the Financial Statements

2.2.1 Accounting Policies

- v Timely analyzed.
- v Allocation has been made to Doubtful Debts.
- v Classified as Public Sector, Private Sector and Sports Societies.
- v Approximately three Million rupees has been recovered by sending letters to Public and Sports Societies and arrangements have been made to send Letters of Demand to the Private Sector.

2.2.2 Sri Lanka Public Sector Accounting Policies

- v Accounted under Work in Progress without accounting as a Fixed Asset in terms of Accounting Standards.
- v An allocation had been made in the Profit and Loss Account.

2.2.3 Accounting Deficiencies

- (a) A certificate for completion has not yet been obtained from the relevant Government institutions and it has been indicated under the Works in Progress.
- (b) This issue has been submitted to the Board of Management and the aforementioned 2.2.1 step has adopted for the recovery of the amounts.

2.2.4 Changes Not Clarified

- (a) Necessary arrangements have been made to rectify after reconciling with the relevant Sports Societies and Departments.
- (b) Has rectified after reconciliation

2.2.5 Not supported with Adequate Evidences for the Audit

- v Necessary arrangements have been made to prepare the items of income Particulars from (a) to (e), time analysis, Schedules.

2.3 Accounts receivable and Payable

- v The aforementioned 2.2.1 step has been adopted for the recovery of the amounts from (a) to (b). Further, the approval of the Board of Management has been granted to write off the values less than Rs.5000 that prevails even before the year 2010 and should be recovered from the Public institutions and necessary action has been taken in that regard.
- (d) Subsequent to receiving instructions from the Department of Inland Revenue not to consider the Value of the VAT tax allocated from the moneys released for the Projects by the General Treasury as an amount receivable, arrangements had been made to consider it as an asset of the Authority.

2.4 Noncompliance with Laws, Rules, Regulations and Management Decisions

- v All the Heads of the Sections were informed of the deficiencies mentioned from (a) (i) to (vii), (a), (b), (c) and (d) and action had been taken to rectify them.

4.1 Management Inefficiencies

(a) The Usage of the Sports Hotel and Management of

- (i) Certain places of the Sports Hotel had to be properly maintained and as a result such places could not be used. At present, the modernization activities of the Sports Hotel are being carried out.
- (ii) Plans were made to modernize and at present, arrangements are being made to fully modernize the Sports Hotel.
- (iii) Legal actions had been adopted to recover the amounts.
- (iv) Plans were made to modernize. Arrangements have been made to generate income after the provision of facilities.
- (v) The Mode of Understanding has become ineffective and the modernization and renovation activities of the Sports Hotel are being carried out under the Capital Projects.

(b) Charges from Vehicles and Management of the Vehicle Park

- v Ten cameras have been installed to cover this Vehicle Park and thereby, it is possible to identify every vehicle parked in the area and two cameras have been installed to cover vehicles that enter and leave the Vehicle Park. Therefore, it is possible to observe all the incidents that may take place at the vehicle Park.

4.2 Visible Fraudulent Transactions

- (a) Disciplinary action had been taken to dismiss the Cashier who had performed financial frauds subsequent to conducting preliminary investigations and formal inquiries. The Finance Section was instructed in writing to prepare and maintain novel methodologies in relation to receiving money and banking of such money.
- (b) Procedures have been adopted to systematically deploy the vehicles in the Pool. The vehicles of the Authority that were undergone accidents have been repaired using money provided by the Insurance Companies. Action has been taken to conduct inquiries as per the Financial Regulations.
- (c) Arrangements have been made to duly employ the employees in the Sections and to make them engaged in Overtime Duties.

4.3 Deficiencies in the Contract Administration

- (a) The Procurement Activities were performed by the Ministry of Sports as it was a Project more than Rs. 100 Million.
- (b) The Instructions of the Attorney General was sought on the problematic situation surfaced subsequent to the completion of works of the Running Track. The Attorney General's Department has informed that arrangements will be made to take legal actions as the task had not been finalized with proper standards by the Contracting Institution and the Department further instructed the Authority to take forward action that are required to lay the Running track again.
- (c) An amount larger than the amount that is kept as retentions was retained in this Project subsequent to the end of the contract.
- (d) Legal actions have been adopted in this regard.
- (e) The Ministry carried out the Procurement activities and legal procedures have already been adopted.

4.4 Idle and underutilized Assets

- (a) Inclusion of data of all the Software for the Resource Planning System for all the computers in the required Sections of the Authority have been finalized and the relevant server is being used.
- (b) Procedures have been adopted to lease out under a systematic methodology subsequent to modernizing.
- (c) These goods have already been utilized.

4.5 Provision of the Resources owned by the Authority to the other Parties

- (a) Employees are expeditiously attached to the Authority. The attachments of employees have been regularized.
- (b) The Secretary of the Ministry of Sports has informed in writing at the time of modernizing the Race Course Stadium as per the Exigencies of the government, to temporarily provide Sports facilities to this Association. The Authority has provided Sports Facilities since it is the responsibility of the Authority.

4.6 Transactions of Contentious Nature

- v As per the Audit Query, false information had been provided by the other Bidder, Sampath Bakers Institute and the selected bidder had not done so and the restaurants have been leased out to Ranmal Caters institute for an amount of Rs.55,000.00. Accordingly, Sugathadasa National Sports Complex Authority had not leased out restaurants for Institutions who had submitted false information. Further, there is no inconsistency between the dates submitted in bidding documents.

4.7 Staff Administration

- (a) Necessary procedures have been adopted to fill the vacancies.
- (b) Even though the employees are deployed in duties on the exigencies of service, recruitments have not been made to Posts which are not included in the approved Cadre. The Structure of Employees which is required to approve new Posts have already been prepared and it has been submitted to the Management Services Department.
- (c) Arrangements are being made to rectify it.
- (d) It is scheduled to take action under the approval of the Board of Management to appoint the Officer, who holds the Post of Assistant Director (Sports) to the appropriate Post as per the qualifications fulfilled by the relevant Officer. Action has been taken to terminate the services of 03 Sports Officers, whose basic qualifications had not been substantiated.

4.8 Losses and Damages

- (a) Officers of the Ministry of Sports have taken action to conduct a preliminary investigation in to the disappearance of the Lightning Conductor and the report has been submitted to the Board of Management and the officers of the Ministry of Sports had informed the Authority to make necessary arrangements to estimate the damage and thereafter, necessary action had been taken.
- (b) The Original copies of the value added taxes have been sent to the Inland Revenue Department and a detailed analysis prepared in that respect has also been sent to the Department. Even though several reminders have been sent to the Department, no response has been made by the Inland Revenue Department. Thereby, a final estimate has not yet been given from the Department of Inland Revenue on the amount of Value Added Tax that is payable. However, several letters had already been sent to the Department of Inland Revenue on waving off fines.

5.1 Internal Audit

- v The Internal Auditor served in the internal Audit Division of the Sugathadasa National Sports Complex Authority has resigned from the service on 30.05.2013. Later, the present activities have been performed by the newly appointed Internal Auditor. The Audit and Management Board of the Authority had pointed out at its meetings that the Internal Audit Plan prepared for the years 2013 and 2014 is not sufficient for the Authority. Thereby, the inadequacy of the staff in the Internal Audit Division to perform all the duties has caused the inability of executing functions as planned based on the Internal Audit Action Plan prepared by the Ministry of Sports for the Sugathadasa National Sports Complex Authority.
- v It was declared in the meeting of the Audit and Management Committee held on 05.01.2017 that the services anticipated by the Audit and Management Committee cannot be accomplished by the Division since an adequate Staff is not employed in the service of the Internal Audit Division under the shortage of the employees in the Division and the role assigned to the Division.
- v The Administration of the Authority is of the opinion that 06 persons will be recruited in the future to the Posts of Management Assistant, which remain vacant and 02 out of 06 persons can be attached to the Internal Audit Division.
- v 06 persons have been recruited from interviews to fill the vacant 06 Posts of Management Assistant and one Management Assistant has been attached to this Division with effect from 03.04.2017.
- v Since the Internal Auditor of the Authority is on maternity leave with effect from 08.10.2016, one Management Assistant and one Officer attached to the Division and One Office Assistant is only serving in the Division.
- v Arrangements have been made to revise the Internal Audit Plan by obtaining the instructions and the assistance of the Internal Auditor of the Ministry of Sports with the assistance of the newly recruited Officer and to implement the Plan properly.

5.2 Budgetary Control

- v Quantitative variations were observed when compared with actual income and even though the Budget document has been used as an effective management controlling agent, the Authority will get time to obtain proper overall results as the Authority was performing at a loss for a longer period of time. Further, it was not possible to obtain a higher income as the Indoor, Outdoor and Bogambara Stadiums have not been renovated for a period of 25 years. At present, the Stadiums are being renovated and the Board of Management provides its assistance to control the Costs.

5.3 Action Plan

- v At present, it is being properly executed.

6. Systems and Controls

- v Procedures have been adopted.



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