

Date: 18<sup>th</sup> July 2023

**SUMMARY REPORT ON THE CONTENTS OF THE DRAFT AUDIT REPORT DATED 14TH JUNE 2023,  
PREPARED BY THE NATIONAL AUDIT OFFICE PERTAINING TO THE ICC MEN'S T20 WORLD CUP 2022**

**1. Procuring Approval to Participate in the ICC Men's T20 World Cup 2022 held in Australia**

As per the letter dated 7<sup>th</sup> October 2022 issued by the Secretary to the Ministry of Sports and Youth Affairs (the "Ministry"), 15 members of the Executive Committee of Sri Lanka Cricket and 02 members of the office of Sri Lanka Cricket were permitted to participate in the ICC Men's T20 World Cup 2022 ("T20 World Cup"), subject to the approval of the Minister of Sports and Youth Affairs.

However, it has been observed that the approval of the Ministry has not been procured to send Professor Arjuna de Silva (the chairman of the Medical Committee of Sri Lanka Cricket), Mr. Timothy McCaskill (the trainer), and other four journalists.

**2. Sponsoring the Media Houses**

It has been observed that 06 media houses (including 03 newspaper publications and 03 television media houses) have requested sponsorships for the T20 World Cup from Sri Lanka Cricket. The requests made by Sri Lanka Rupavahini Corporation and ITN have not been considered, and the 12<sup>th</sup> meeting of the Executive Committee of Sri Lanka Cricket held on 23<sup>rd</sup> September 2022, has approved the granting of the sponsorships to the named journalists of the remaining four media houses. The total cost of these sponsorships (including the costs for air tickets) borne by Sri Lanka Cricket amounts to Rs. 5,520,800/-. However, it has been observed that the Executive Committee has not approved the specific amounts of the sponsorships. Furthermore, neither Sri Lanka Cricket has entered into any agreements with the aforesaid journalists setting out their expected role as the journalists representing Sri Lanka during the T20 World Cup, nor has their role during the T20 World Cup been evaluated.

**3. Visa Request Letters and Visa Fees**

In order to obtain visa to travel to Australia for the T20 World Cup, it has been observed that Sri Lanka Cricket has issued visa request letters addressed to the Australian High Commission in respect of 35 people who appear to be outsiders to Sri Lanka Cricket and 09 people who are connected to Sri Lanka Cricket. Visa request letters pertaining to 21 relatives and other close associates of Mr. Shammi Silva (the President of Sri Lanka Cricket), 02 close associates of Mr. Jayantha Dharmadasa (the Vice President of Sri Lanka Cricket), wives of 08 executive committee members, 09 family members of 08 executive committee members, 09 officers of Sri Lanka Cricket and 02 of their wives and 01 other person are amongst people for whom Sri Lanka Cricket has issued visa request letters.

Mr. Sanjeewa Nishantha Perera, for whom Sri Lanka Cricket has issued a visa request letter, has not yet returned to Sri Lanka as of 14<sup>th</sup> June 2023. He was a sports instructor at the Colombo Municipal Council, and as he has not yet returned, the Colombo Municipal Council has terminated his employment on the ground of desertion.

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It has been mentioned in the visa request letters that Sri Lanka Cricket is bearing the air ticket and accommodation costs pertaining to office bearers and members of the Executive Committee. Furthermore, it has been mentioned in the visa request letters that Sri Lanka Cricket is providing tickets to watch the matches for close associates.

Sri Lanka Cricket has paid Rs. 1,228,450/- to Goerge Stuart Travels as visa fees for the players (cricketers), officers, and members of the Executive Committee. Visa fees for the 23 people, including the players, were sponsored by the ICC. However, Sri Lanka Cricket has paid Rs. 230,000/- to Goerge Stuart Travels as visa handling charges pertaining to players (i.e., Rs. 10,000/- per player).

Furthermore, even though Sri Lanka Cricket has paid Rs. 60,650/- to Goerge Stuart Travels as visa fees for Mr. Sudath Chandrasekera (i.e., an instructor of the Ministry), he has not participated in the tour. The money paid has not been recharged from him as well.

#### 4. Purchasing Air Tickets

It has been observed that Sri Lanka Cricket has spent Rs. 50, 849, 896/- to purchase air tickets in the following manner:

For 07 office bearers of the Executive Committee	Rs. 14,273,926/-
For 07 members of the Executive Committee	Rs. 8,403,700/-
For 04 officers	Rs. 6,031,054/-
For 05 additional players	Rs. 14,479,500/-
For 02 staff members	Rs. 4,330,316/-
For 04 journalists	Rs. 3,331,400/-
<b>Total</b>	<b>Rs. 50,849,896</b>

It has been observed that the business class tickets were purchased for the President, the Secretary, the Vice Presidents, and the Chief Executive Officer. Furthermore, the tickets were not booked well in advance, and accordingly, urgent ticket bookings have been made.

It has also been observed that, as tenders for all the tickets were not called at once, Sri Lanka Cricket has not received any discount benefits, which it may have received if tenders for all tickets were called at once.

When choosing the air travel ticketing agents, Sri Lanka Cricket has only registered 05 ticketing agents, namely, Mackinnons Travels, Brown and Company, Classic Travel (Pvt) Ltd, B G Air Services (Pvt) Ltd and George Steuart Travels Ltd. Out of these 05 ticketing agents, it appears that Sri Lanka Cricket has mainly relied on two. It is important to note that there are more than 140 ticketing agents providing services in Sri Lanka as per Rainbow Pages. As a result, Sri Lanka Cricket has lost the opportunity to obtain competitive and favourable ticket prices.

Air tickets have been purchased in 29 instances for 29 people, and 12 air tickets have been purchased by Mr. Asantha Dasanayake (Manager-Administration), while 12 other air tickets have been purchased by Mr. Aruna De Silva (Head of Administration).

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04 tickets have been purchased from George Steuart Travels Ltd and 01 ticket has been purchased from Classic Travel (Pvt) Ltd for a total of Rs. 8,370,400/- without calling for tenders, which is a violation of the provisions of the Procurement Guidelines.

As mentioned above, Mr. Aruna De Silva has purchased 12 tickets from George Steuart Travel (Pvt) Ltd for Rs. 16, 245, 808/-. He has called for prices only from George Steuart Travels Ltd and Classic Travel (Pvt) Ltd in 12 instances, and via telephone. This is a violation of clause 2.5 of the Procurement Guidelines of Sri Lanka Cricket, which require calling for tenders in the prescribed manner from at least 3 suppliers if the value of the purchase is between Rupees one million and Rupees twenty-five Million. These 12 tickets have been purchased without the approval of the Procurement Committee.

#### 5. Amending the Daily Allowances by Sri Lanka Cricket

From 23<sup>rd</sup> May 2014 to 15<sup>th</sup> March 2022, the Executive Committee has amended the daily allowances entitlement pertaining to African and European countries in three instances as stated below:

Date	Executive Committee (Category 1)	Managers (Category 2)	Others (Category 3)
23 <sup>rd</sup> May 2014	USD 400	USD 350	USD 325
18 <sup>th</sup> October 2019	USD 500	USD 450	USD 400
15 <sup>th</sup> March 2022	USD 700	USD 600	USD 475
Increment as a percentage	75%	71%	46%

The amendments made in 2019 and 2022 have changed the previous terms 'if accommodation is provided' and 'if accommodation is not provided' to 'if accommodation is provided by SLC' and 'if accommodation is not provided by SLC'. Accordingly, after the amendment, even if the accommodation is provided by another entity other than Sri Lanka Cricket, daily allowances are payable by Sri Lanka Cricket.

In addition to daily allowances, pursuant to the amendment dated 15<sup>th</sup> March 2022 when executive committee members are traveling overseas, they are entitled to USD 2000 as an 'entertainment allowance' and USD 150 as a 'mobile allowance'.

It is important to note that even though the Sri Lankan Rupee significantly depreciated against the USD, the Australian Dollar did not depreciate against the USD in the manner that the Sri Lankan Rupee depreciated.

#### 6. Professor Arjuna de Silva's visit to Australia

Sri Lanka Cricket has spent Rs. 4,205,090/- for Professor Arjuna de Silva's visit to Australia. This includes the daily allowance, the cost of the air ticket, and visa fees. Even though the Executive Committee has approved the payment of USD 600 per day as a daily allowance to Professor Arjuna de Silva, it has not approved the payment of USD 600 per day for 10 days.

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#### **7. ICC Committee Meeting Held between 11th November 2022 to 13th November 2022**

In the 12<sup>th</sup> Executive Committee meeting held on 23<sup>rd</sup> September 2022, the Executive Committee has approved the participation of the President, the Vice Presidents, the Secretary (who is also the alternate director of Sri Lanka Cricket), and the Chief Executive Officer of Sri Lanka Cricket in the ICC Committee Meeting. However, it appears that as per the Articles of ICC, only the President as a member of the Board of Directors (or in his absence, the alternate Director) and the Chief Executive Officer are required to participate in the ICC Committee Meeting. Therefore, the participation of both the president and the secretary in the ICC meeting is not possible.

ICC has borne all the expenses of the official invitees (i.e., the Chief Executive Officer and the President, or in his absence, the alternate director). However, in addition, Sri Lanka Cricket has also paid full daily allowances for 10 days.

#### **8. Purchasing Tickets to Watch the Matches**

In addition to the tickets provided by the ICC free of charge, Sri Lanka Cricket has spent Rs. 8,747,960/- to purchase the tickets. In relation to the 05 matches of the first round played by the Sri Lanka cricket team, Sri Lanka Cricket has received 725 tickets. However, Sri Lanka Cricket has failed to provide information as to the manner in which those tickets were distributed. On 16<sup>th</sup> June 2022, Sri Lanka Cricket purchased 90 tickets by paying Rs. 4,741,157/-. However, it appears that no approval has been obtained from the Executive Committee for this purchase. Furthermore, another 60 tickets have been purchased with the approval of the Executive Committee for Rs. 4,006,803/-. As communicated by Mr. Aruna De Silva, out of 150 tickets purchased, only 64 tickets, the value of which amounts to Rs. 4,621,730/-, have been distributed among the members of the Executive Committee. As these tickets are e-tickets, it has not been possible to verify whether these tickets have in fact been used.

If the Sri Lanka cricket team had been selected for the semi-final round and final, Sri Lanka Cricket would have received 175 tickets per match. Disregarding the same, Sri Lanka Cricket has purchased 90 tickets for the semifinal match and 60 tickets for the final match, out of which 86 tickets (the value of which amounts to Rs. 4,126,185/-) have not been utilized.

#### **9. Removing Certain Accrued Expenses from the Accounts**

It has been observed that Sri Lanka Cricket has removed Rs. 8,638,150/-, which was recorded as an 'accrued expense' (under batch no. B25381) as payable to Classic Travel (Pvt) Ltd, from its accounts on 16<sup>th</sup> February 2023. These accrued expenses have been recorded without journal entries and journal vouchers. The fact that these accrued expenses were removed from the accounts at a time when a special audit is being conducted on the expenses incurred by Sri Lanka Cricket pertaining to the T20 World Cup has been observed as a special point.

#### **10. Examination of the Super Sopper Machines during the T20 World Cup**

Mr. Chinthaka Edirimanne (Head of National Cricket Operations) has traveled to Australia to examine the Super Sopper machines which are to be purchased by Sri Lanka Cricket and to watch the T20 World Cup

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matches. Sri Lanka Cricket has spent Rs. 2,899,520/- on this tour. He has submitted a report to the Chief Executive Officer of Sri Lanka Cricket on 31<sup>st</sup> October 2022, stating that he was unable to meet the Managing Director of Sokhi Australia Pty Ltd (i.e., the company that is believed to be the manufacturer of Super Sopper machines), Mr. Avtar Singh, and as such, examining the machines was not successful.

When assessing the previous attempts made by Sri Lanka Cricket to purchase the Super Sopper machines, it has been observed that in November 2019, an official of Sri Lanka Cricket traveled to Australia to examine the Super Sopper machines, which are believed to be manufactured by Sokhi Australia Pty Ltd. Later on, the said purchase was canceled, and then again in 2021, tenders were called to purchase the machines. In that instance, Sri Lanka Cricket attempted to purchase the same machines from the same manufacturer but through a different agent. Thereafter, it was canceled again, and in 2022, Sri Lanka Cricket attempted to purchase the same machines again directly from the manufacturer. Letters of Credit have also been opened, and Mr. Edirimanne has traveled to Australia to examine the machines accordingly.

When evaluating the above attempts made by Sri Lankan Cricket to purchase the Super Sopper machines since 2019 and the other necessary documents, it has been observed that there is sufficient evidence to reach the conclusion that Sokhi Australia Pty Ltd is not the actual manufacturer of Super Sopper machines and that Sokhi Australia Pty Ltd was incorporated on 9<sup>th</sup> September 2019 in order to purchase the machines for Sri Lanka Cricket through that company.

It is also important to note that Mr. Chinthaka Edirimanne has no expertise in this area to examine the Supper Sopper machines.

#### **11. Ex-Gratia Payment payable to Cricketers**

As of 14<sup>th</sup> June 2023, Sri Lanka Cricket has not paid the 'ex-gratia payment' of USD 300,000 payable to the cricketers who took part in the T20 World Cup first-round matches as per their contracts.

#### **12. Legal Fees**

Sri Lanka Cricket has spent Rs. 23, 100,000 /- as legal fees during the first three months of the year 2023. These payments are mainly the fees paid to external legal counsels in relation to various legal disputes instituted against the Minister of Sports and Youth Affairs and other government officials.