Amended Preface to the Sri Lanka Auditing Standards and Sri Lanka Standard on Quality Control
AMENDED PREFACE TO THE SRI LANKA AUDITING STANDARDS AND SRI LANKA STANDARD ON QUALITY CONTROL

Introduction

1. This preface to the Sri Lanka Auditing Standards and Sri Lanka Standard on Quality Control (Sri Lanka Standards or CA Sri Lanka’s Standards) is issued to facilitate understanding of the scope and authority of the pronouncements the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) issues.

2. The CA Sri Lanka is committed to the goal of developing a set of Standards and other pronouncements which are generally accepted worldwide. CA Sri Lanka acts in the common interest of the public at large and the worldwide accountancy profession.

The CA Sri Lanka’s Pronouncements

CA Sri Lanka Authoritative Pronouncements

3. The CA Sri Lanka’s pronouncements govern audit engagements that are conducted in accordance with Sri Lanka Auditing Standards. A professional accountant should not represent compliance with the Sri Lanka Auditing Standards unless the professional accountant has complied fully with all standards relevant to the engagement.

4. The authoritative pronouncements of the CA Sri Lanka are the Sri Lanka Standards, which are issued following the CA Sri Lanka’s stated due process.

The Authority Attaching to Sri Lanka Standards Issued by the Institute of Chartered Accountants of Sri Lanka

5. Sri Lanka Auditing Standards (SLAuSs) are to be applied in the audit of historical financial information.

6. [Deleted]

7. [Deleted]

8. [Deleted]

9. [Deleted]

10. Sri Lanka Standard on Quality Control (SLSQC) 1 is to be applied for all services falling under the CA Sri Lanka’s Engagement Standards.

Sri Lanka Auditing Standards

11. SLAuSs are written in the context of an audit of financial statements1 by an independent auditor. They are to be adapted as necessary in the circumstances when applied to audits of

---

1 Unless otherwise stated, “financial statements” mean financial statements comprising historical financial information.
other historical financial information. The authority of SLAuSs is set out in SLAuS 200.2

**Sri Lanka Standard on Quality Control**

12. SLSQC is written to apply to firms in respect of all their services falling under the CA Sri Lanka’s Engagement Standards. The authority of SLSQC is set out in the introduction to the SLSQC.

**Other Sri Lanka Standards**

13-14 [Deleted]

15. The basic principles and essential procedures of a Standard are to be applied in all cases where they are relevant in the circumstances of the engagement. In exceptional circumstances, however, a professional accountant may judge it necessary to depart from a relevant essential procedure in order to achieve the purpose of that procedure. When such a situation arises, the professional accountant is required to document how alternative procedures performed achieve the purpose of the procedure and, unless otherwise clear, the reasons for the departure. The need for the professional accountant to depart from a relevant essential procedure is expected to arise only where, in the specific circumstances of the engagement, that procedure would be ineffective.

16. Appendices, which form part of the application material, are an integral part of a Standard. The purpose and intended use of an appendix are explained in the body of the related Standard or within the title and introduction of the appendix itself.

**Professional Judgment**

17. The nature of the Sri Lanka Standards requires the professional accountant to exercise professional judgment in applying them.

**Applicability of the Sri Lanka Standards**

18. The scope, effective date and any specific limitation of the applicability of a specific Sri Lanka Standard is made clear in the Standard. Unless otherwise stated in the Sri Lanka Standard, the professional accountant is permitted to apply a Sri Lanka Standard before the effective date specified therein.

19. Sri Lanka Standards are relevant to engagements in the public sector. When appropriate, additional considerations specific to public sector entities are included:

   (a) Within the body of a Sri Lanka Standard in the case of SLAuSs and SLSQC; or

   (b) In a Public Sector Perspective (PSP) appearing at the end of other Sri Lanka Standards.

**Non-Authoritative Material**

20. Non-authoritative material includes Practice Notes issued by the CA Sri Lanka and staff

---

2 SLAuS 200, *Overall Objectives of the Independent Auditor and the Conduct of an Audit in Accordance with Sri Lanka Auditing Standards.*
publications. Non-authoritative material is not part of the CA Sri Lanka’s Standards.

**Sri Lanka Auditing Practice Notes**

21. Sri Lanka Auditing Practice Notes (SLAPNs) do not impose additional requirements on auditors beyond those included in the SLAuSs, nor do they change the auditor’s responsibility to comply with all SLAuSs relevant to the audit. SLAPNs provide practical assistance to auditors. They also provide material that firms can use in developing their training programs and internal guidance.

22. Depending on the nature of the topic(s) covered, a SLAPN may assist the auditor in:
   - Obtaining an understanding of the circumstances of the entity, and in making judgments about the identification and assessment of risks of material misstatement;
   - Making judgments about how to respond to assessed risks, including judgments about procedures that may be appropriate in the circumstances; or
   - Addressing reporting considerations, including forming an opinion on the financial statements and communicating with those charged with governance.

23. [Deleted]

**Staff Publications**

24. Staff publications are used to help raise practitioners’ awareness of significant new or emerging issues by referring to existing requirements and application material, or to direct their attention to relevant provisions of CA Sri Lanka pronouncements.

25. [Deleted]