

The Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka), recently launched the Sri Lanka Auditing Standard (SLAuS) for the Audits of Non – Specified Business Enterprises (Non-SBEs)”.

Chief Guest at the launch, Minister of Industry and Commerce, Mr. Rishad Bathiudeen commended the Institute for making Sri Lanka the first country in South Asia to launch a landmark new auditing standard for the benefit of Non-Specified Business Enterprises (Non-SBEs). “This is an important milestone for Sri Lanka, as we are the first in South Asia to develop this standard,” he said.

While commending CA Sri Lanka for developing this new standard, the Minister also said that the launch of the standard, is a major step towards linking the country’s informal sector, including the Small and Medium Sized entities (SMEs) to the global markets.

“SMEs are considered an important part of Sri Lanka’s economy as it plays a vital role in the economic development and employment sector. We have a little more than 1 million registered SMEs, with each employing 3 persons. When we add the unregistered SMEs to the total, the importance of this sector in our annual GDP is clearly evident,” Mr. Bathiudeen said.

He also urged the Institute, which is the sole authority in the country to promulgate accounting and auditing standards to focus on including the country’s newest informal sub sector to Sri Lanka’s economy, identified as social enterprises.

“This auditing standard has been a very long standing need, and therefore I urge the audit practice to extend their support to this important initiative and also laud CA Sri Lanka for taking various steps to develop the SMEs and SMPs sectors in Sri Lanka,” Mr. Bathiudeen added.

Speaking at the event, President of CA Sri Lanka Mr. Jagath Perera said that this was the first time that a separate auditing standard was developed specifically for Non-SBEs. “There has been a need for this standard for several years, but we didn’t have the sufficient mechanisms to justify on how we can come up with a standard for this sector, as there were no other standards to match this requirement for us,” he said.

However, he said that the institute’s immediate Past President Mr. Lasantha Wickremasinghe who was the brainchild behind this initiative, had at a meeting found that NORDIC countries were using a similar standard. “So, we used that as a guideline, but the new SLAuS was completely developed by a local technical team,” Mr. Perera added.

He also pointed out that in the world of auditing, there are lots of new standards coming in day by day and the requirements of an audit is continuously expanding. “Even this standard is not going to be there forever, instead if and when there is a requirement, it will be upgraded while also addressing any lapses. Our ultimate aim is to ensure that all standard are revised and upgraded as per the requirement,” he said.

Speaking further, Mr. Perera emphasized that the accounting profession was going through some revolutionary changes, and therefore it was necessary for everyone to accept these changes as these changes are ultimately aimed at bettering the profession. “If we don’t change, the change will change us, therefore, we must change,” he said.

Mr. Perera also said that it was time to focus on automation for auditing, as automation will be much easier and cost effective. “I have already assigned a team to look into this and come up with a solution,” he said.

Current Chairman of the SMP Task Force of CA Sri Lanka, Mr. Lasantha Wickremasinghe said that they had to go through a series of deliberations in developing the standard. “We had some 20 sessions to deliberate, debate and come up with proposals. It was not an easy task, because we were doing something for the first time in our history. India tried their level best, Pakistan tried, but they are still struggling,” he said.

He also extended his appreciation to the Chairman of the Sub-Committee to Develop an Audit Framework for SME Audit of CA Sri Lanka, Mr. Sanath Fernando and his team for the vision and support in ensuring the successful completion of developing the standard. “Thanks to Sanath and the team, we had the best talent in the region,” he added.

The first copy of the Auditing Standard (SLAuS) for the Audits of Non- Specified Business Enterprises (Non- SBEs) was presented to Minister Rishad Bathiudeen by Mr. Lasantha Wickremasinghe in the presence of Mr. Jagath Perera and Mr. Sanath Fernando.

CAPTIONS :



The CA Sri Lanka has issued the first ever Auditing Standard for the Audits of Non-Specified Business Enterprises. This is a significant milestone in the history of the Institute.