

With digitization expected to have profound implications on Small and Medium Sized Practices (SMPs), the South Asian Federation of Accountants (SAFA) together with the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) and the Institute of Certified Management Accountants of Sri Lanka (CMA Sri Lanka) launched the Digital Competency Maturity Model (DCMM) in Colombo recently.



The Digital Competency Maturity Model (DCMM) being launched for the benefit of SMPs in South Asia by CA Sri Lanka, CMA Sri Lanka and SAFA in Colombo.

The DCMM which was designed by the Institute of Chartered Accountants of India (ICAI) and further developed by the European Federation of Accountants and Auditors (EFAA) aims to improve the digital competency of SMPs in Sri Lanka as well as across South Asia.

In his welcome speech, CMA Sri Lanka President Prof. Lakshman R. Watawala said that the model was really worthwhile not only for SMPs in Sri Lanka but also for SMPs in the region. "There are a large number of SMPs, and they really need to get into the digital field. The Digital Competency Maturity Model by EFAA and ICAI will take you one step higher in the work that you're doing," he said.

Outgoing President of CA Sri Lanka Mr. Jagath Perera said that due to technology, there are a lot of changes happening which has also impacted audits and how audits are conducted. "The companies you audit are getting more complex and sophisticated and the auditor should be able to understand the level of sophistication while performing the audit," he said.

Therefore, Mr. Perera elaborated that it was important for the auditor to use the right tools and techniques and move alongside the technological developments.

The DCMM comprises of a questionnaire that enables SMPs to rate their current level of maturity on digital competency, identify areas where competencies are strong or lacking, and then develop a road map for achieving a higher level of maturity. The tool was initially developed by ICAI, while EFAA enhanced the tool, adapted it for use in Europe, and created the online platform. The tool has now also been made available for South Asia.

EFAA Director Mr. Paul Thomson who delivered the keynote speech said that the value of the services that are provided by SMPs to their small and medium sized clients rests on the quality of the service they provide. "High quality services whether its audit, accounting and digital advisory services, can help SMEs grow and the quality of the service that the SMPs renders increasingly depend on how digitally competent they are. The more digitally competent they are, the better the service they can offer their SME clients," he added.

Guest Speaker Mr. R. Chandrasekhar of ICAI highlighted that the kind of depth and consistency expected from auditors is not going to be possible until they learn to automate the audit process itself.