

BACKGROUND NOTE ON ACTION PLANS

Action Plans are developed by IFAC members and associates to address policy matters identified through their responses to the IFAC Compliance Self-Assessment questionnaire. They form part of a continuous process within the IFAC Member Body Compliance Program to support the ongoing development and improvement of the accountancy profession around the world.

Action Plans are prepared by members and associates for their own use based on the national frameworks, priorities, processes and challenges specific to each jurisdiction. As such, they will vary in their objectives, content and level of detail, consistent with their differing national environments and stages of development, and will be subject to periodic review and update.

Refer to responses to the Part 1 Assessment of the Regulatory and Standard-Setting Framework Questionnaire and Part 2 SMO Self-Assessment Questionnaire provide background information on each member and associate their environment and existing processes. These responses may be viewed at: http://www.ifac.org/ComplianceAssessment/published_surveys.php

Use of Information

Please refer to the Disclaimer published on the Compliance Program website.

ACTION PLAN

| | |
|------------------------------------|--|
| IFAC Member/Associate : | Association of Accounting Technicians of Sri Lanka (AATSL) |
| Approved by Governing Body: | Governing Council of AATSL |
| Date Approved : | October 2011 |
| Date Published : | October 2011 |

GLOSSARY

| | |
|------------------|---|
| CEO | Chief Executive Officer |
| CPD | Continuous Professional Development |
| AATSL | Association of Accounting Technicians of Sri Lanka |
| ICASL | Institute of Chartered Accountants of Sri Lanka |
| IFAC | International Federation of Accountants |
| IFRS | International Financial Reporting Standards |
| IAASB | International Auditing and Assurance Standards Board |
| IASB | International Accounting Standards Board |
| IAESB | International Accounting Educational Standards Board |
| IESBA | International Ethics Standards Board for Accountants |
| IESs | International Educational Standards |
| IPSAS | International Public Sector Accounting Standards |
| ISA | International Standards on Auditing |
| ISQC 1 | International Standard on Quality Control 1 |
| QA | Quality Assurance |
| SBE | Specified Business Enterprise |
| SLAS | Sri Lanka Accounting Standards |
| SLSQC 1 | Sri Lanka Standard on Quality Control 1 |
| SPLSAS | Sri Lanka Public Sector Accounting Standards |
| SLFRS | Sri Lanka Financial Reporting Standards |
| SLAus | Sri Lanka Auditing Standards |
| SLAAS Act | Sri Lanka Accounting & Auditing Standard Act No. 15 of 1995 |

Action Plan Subject: SMO 1 and Quality Assurance (QA)
Action Plan Objective: Use Best Endeavors to Promote the Need for the Implementation of a QA Process with a View to Monitor Members’ Compliance with Auditing Standards.

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|---|------------|---------|-----------------|----------------|----------|
| <p><i>Background:</i></p> <p>According to the Sri Lanka Companies Act No 7 of 2007, only the Members of Institute of Chartered Accountants of Sri Lanka (ICASL) are eligible to audit Public Limited Liability Companies. The same act authorizes five other bodies to audit private limited liability companies but the Association of Accounting Technicians of Sri Lanka (AATSL) is not among these bodies. Therefore members of AATSL are not authorized to undertake any audits under statutes.</p> <p>Members of AATSL do not have practicing firms and therefore International Standard on Quality Control 1 (ISQC 1) is not relevant to AATSL. However, some of AATSL members are employees of practicing firms of Chartered Accountants involved in audit and assurance services. They are required to adhere to quality control requirements implemented by these audit firms and the quality control of these members comes under the supervision of the ICASL.</p> <p>The introduction to SMO 1 states that the International Auditing and Assurance Standards Board (IAASB) establishes standards and provide guidance on quality control procedures for specific types of engagements, for example International Standards on Auditing (ISA) 220 “Quality Control for Audits of historical financial information”. In the circumstances, it is our view that quality control efforts of AATSL should be based on Sri Lanka Auditing Standard 220 (ISA 220) Quality control for audit work. Sections 8 to 16 deal with how the auditor should implement quality control procedures are relevant to Accounting Technicians, as these measures could be adopted by all auditors whether they audit listed companies or small entities. We intend educating our membership involved in audits by way of seminars and workshops on the aspects of direction, supervision and review necessary for quality control.</p> | | | | | |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--------------------------------------|---------------|---|--|--|---|
| <i>Maintaining Ongoing Processes</i> | | | | | |
| 1. | November 2010 | The Governing Council of AATSL identifies the committees necessary to implement and monitor Quality Control for audit work as prescribed in the Sri Lanka Auditing Standard 220. | March 2011 | Practical Training Committee, Membership & Continuous Professional Development (CPD) Committee | Staff attached to Membership division and CPD secretariat |
| <i>New Developments</i> | | | | | |
| 2. | March 2012 | Submission of quarterly reports on QA as prescribed in Sri Lanka Auditing Standard 220 by the relevant committees to the Governing Council. | Ongoing Quarterly | Practical Training committee & CPD Secretariat | Staff attached to Membership division |
| 3. | May 2012 | Conduct workshop in collaboration with ICASL on those areas of ISQC1 that could be adopted by the Technicians auditing sole proprietorship and partnerships. | Ongoing (workshop will be held at least once every year) | Public Lectures & Seminars Committee | ICASL Resource Persons |
| 4. | April 2012 | AATSL Consultant Examinations, Education & Training to visit ICASL and discuss the ISQC1 toolkit developed by ICASL, with a view to determine the relevance of it to the audit of small entities by Accounting Technicians. | September 2012 | CEO - AAT | Director – Education & Training and Consultant – Examinations, Education & Training |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|---|------------|--|-----------------|----------------|----------|
| <i>Review of AATSL's Compliance Information</i> | | | | | |
| 5. | Ongoing | Review AATSLs responses to International Federation of Accountants (IFAC) Compliance self assessment questionnaires relating to SMO 1. Ascertain the validity and accuracy of the responses made annually up to 2010 and if a change of responses is necessary, update the answers to the relevant section of the questionnaires and inform IFAC Compliance Staff. | Ongoing | President | CEO |

Action Plan Subject: SMO 2 - International Education Standards (IESs)
Action Plan Objective: Compliance with SMO 2 by the Implementation of International Education Standards & Other Pronouncements.

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--|------------|---------|-----------------|----------------|----------|
| <p><i>Background:</i></p> <p>Accounting Technicians are engaged in technical support roles across the areas of accountancy and therefore IESs are of relevance to accounting technicians too. IES 1 requires the entry requirements for professional education to be at least equivalent to that for admission into a recognized university degree program. However, to qualify as an accounting technician providing technical support roles it is felt that our current requirement of G.C.E. Ordinary Level examination is sufficient. We do not intend to raise the entry requirements in the near future.</p> <p>AATSL has a comprehensive procedure in place to grant exemptions to those students having full or part qualifications of other professional bodies, who intend to acquire AAT qualifications.</p> <p>AATSL requires 1½ years of study to complete its 3 examinations.</p> <p>Part of the purpose of IES 3 is to show how general education can contribute to the development of prescribed skills. AATSL note that these skills are not always acquired from specific courses devoted to them but rather from the total effect of the program of professional accounting education as well as practical experience. AATSL propose to convey to the providers of AAT education, which are private institutions the importance of structuring lecture programs in order to impart these skills. Further, the members supervising practical training too will be informed of this need.</p> <p>AATSL has imposed a comprehensive Practical Training scheme for its students who are required to record the particulars of Practical Training in a record book (designed by the AATSL, based on the Record Book used by the ICASL) and the trainers have to sign against the steps completed. At the point of enrolment as members after passing examinations, the students are interviewed by a panel consisting of professionals / officers and the authenticity and effectiveness of the training is assessed. Those students who have undergone Practical Training of the Institute of Chartered Accountants of Sri Lanka, could submit the relevant record book and such training is valid for fulfilling the practical training requirements of AATSL.</p> | | | | | |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--|--------------------------------|--|-----------------|----------------------------------|---|
| <p>The period of practical training required for membership of AATSL is 2 years. Technicians are working at the operational level and for this level of activities it is felt that a 2 year period is sufficient, which is in excess of the 1 year period recommended in the <i>Good Practice Guide : Education Training & Development of Accounting Technicians-</i>' issued by the IFAC Developing Nations Committee (now the Professional Accountancy Organization Development Committee (PAODC)). This guide is used to determine the future strategy of AATSL relating to Education, Training & Development and as a benchmark by the Governing Council in determining the way forward.</p> <p>AATSL has developed a comprehensive CPD programme for its members which was in operation from 01-01-2009. For verification of CPD activities an input approach has been employed. Measurement units are determined by the CPD Committee. CPD scheme came into effect from January 01, 2009 and was revised effective from April 01, 2011. This scheme will be revised from time to time in order to comply with IES 7 which requires a commitment to lifelong learning among professionals. The CPD scheme is mandatory for all members of AATSL at any membership level, employed either in the private or public sector, industry, commerce or organizations not for profit.</p> | | | | | |
| <i>Maintaining Ongoing Processes</i> | | | | | |
| 6. | The activity commenced in 2008 | AAT will continue to assess whether current entry requirements need revision to comply with IES 1. Similarly Curriculum Development Committee meets regularly to determine the necessary changes & improvements to syllabi and examinations which ensure best compliance with IES 2. | Ongoing | Curriculum Development Committee | Educational Consultants resourced from outside and the staff of Education and Examinations division |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|-------------------------|----------------|--|---|---|---|
| <i>New Developments</i> | | | | | |
| 7. | September 2012 | It is the policy of the Governing Council to revise the syllabus once in five years to be in step with the global and local developments. The next revision is due in June 2015. Prior to the revision the Curriculum Development committee will submit review details to the Governing Council. | Review details will be submitted to Governing Council during the 2 nd quarter of 2013. | Curriculum Development Committee, and Governing Council | Director Examination & Manager Education & Training assisted by Educational Consultant. |
| 8. | November 2011 | Introduction of a new exemption policy for students possessing GCE A/L. (Made effective from January, 2012 examination) | December 2011 | Examinations Committee | Director Examinations and Manager Registration |
| 9. | June 2012 | Round table discussion on the sequential diagram of the future revision of syllabi. To be attended by members of the Curriculum Development Committee, Examination Consultant, Examiners, Lecturers, Study Pack Writers and employers of Accounting Technicians. | Before end of June 2012 | Curriculum Development Committee | Secretary to the Curriculum Development Committee, Examinations Consultant, Examiners and Lectures. |
| 10. | March 2012 | AATSL has requested the ICASL to conduct a peer review of the compliance of IES 1 & 2 and a response is awaited. | June 2012 | Director - Technical Division, Staff of ICASL | Assistance to be given by AAT Staff |
| 11. | March 2012 | Guidelines will be circulated among the Tuition colleges conducting classes, so that educational programs could be structured to impart skills sets in terms of IES 3. | May 2012 | Education & Training committee | Education Consultants |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--------------------------------------|--------------|--|-----------------|--------------------------------|---|
| 12. | May 2012 | A series of seminars will be held for those supervising practical training of students with a view to familiarize them about the skills to be acquired by trainees as part of training scheme. The seminars will be conducted regionally. | Ongoing | Education & Training Committee | Director Education & Training |
| <i>Maintaining Ongoing Processes</i> | | | | | |
| 13. | January 2005 | Practical training records are examined by the Consultant / Director quarterly and also at the point of awarding membership. Where any aspects of the training is found wanting, the trainees as well as the trainers' are advised as to the appropriate action to be taken. | Ongoing | Education & Training Committee | Consultant – Education & Training and Director – Education & Training |
| 14. | January 2005 | Every trainee is required to undergo an interview conducted by the Educational Consultant, where detailed explanations are obtained to determine the authenticity and adequacy of training. | Ongoing | Education & Training Committee | Consultant – Education & Training and Director – Education & Training |
| <i>New Developments</i> | | | | | |
| 15. | April 2012 | Practical training division officials will visit the organizations imparting such training, on a sample basis. Some of the visits will be made without prior notice to the trainer and the trainee. These visits are aimed at not only to establish the genuineness of the training, but also to offer advice to make such training more effective, and qualitative. | Ongoing | Education & Training Committee | Consultant – Education & Training, Director – Education & Training and Manager Training |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|-------------------------|----------------|--|-------------------------|--------------------------------|---|
| 16. | January 2013 | Creation of a simulated work environment at Head office to further assist practical training. Certain aspects of training which cannot be imparted by the training organization could be provided in these simulated workshops. | Ongoing | Education & Training Committee | Consultant – Education & Training, Director – Education & Training and Manager Training |
| 17. | January 2009 | Compilation of CPD hours on an annual basis by the CPD committee. Effective from 2009, CPD is mandatory to obtain the SAT and the Fellow Membership of the Association. This is the first step in the fulfillment of the commitment of AATSL to adopt IES 7. | Ongoing | CPD Committee | Staff of the CPD Secretariat |
| 18. | September 2011 | Approval of the new CPD scheme by the Governing Council. | January 2012 | Governing Council of AATSL | Staff of the CPD Secretariat |
| <i>New Developments</i> | | | | | |
| 19. | June 2012 | CPD Committee will initiate a discussion on the practice of measuring activities to grant CPD credits. Committee will also discuss the possible expansion of CPD opportunities and resources to assist members. Definition of measurable and verifiable activities for this purpose will also be revisited. The participants of this discussion will include members of the Governing Council, CEO, Director CPD, Members of the Public Lectures & Seminars Committee, Journal and other Publications Committee. | Before end of June 2012 | CEO, Chairman CPD Committee | Staff, CPD Secretariat |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|----------|-------------------|--|------------------------|-----------------------|-----------------------|
| 20. | January 2013 | From the year 2012 Membership Division of AATSL will annually issue a Letter / Certificate stating the CPD credits earned by a member. An Annual Review of activities eligible for CPD credits will take place. | Ongoing | Membership Committee | Director – Membership |
| 21. | Ongoing | Review AATSLs responses to International Federation of Accountants (IFAC) Compliance self assessment questionnaires relating to SMO 2. Ascertain the validity and accuracy of the responses made annually up to 2010 and if a change of responses is necessary, update the answers to the relevant section of the questionnaires and inform IFAC Compliance Staff. | Ongoing | President | CEO |

Action Plan Subject: SMO 3 and the International Auditing and Assurance Standards Board (IAASB) Pronouncements

Action Plan Objective: To Achieve Congruence With International Standards, Related Practice Statements and Other Papers Issued by the IAASB.

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|---|-------------------|---|-----------------|---|----------------------|
| <i>Background:</i> | | | | | |
| <p>In Sri Lanka the Institute of Chartered Accountants of Sri Lanka is vested with the statutory authority of formulating Sri Lanka Standard on Auditing by the Government. These standards are based on International Standards on Auditing, practice statements and other papers issued by the IAASB. According to the Sri Lanka Accounting & Auditing Standards Act No 15 of 1995, all those responsible for the audit of entities specified by the Act (SBEs) have a statutory responsibility of complying with these standards. Members of AATSL are not eligible to undertake Audit and Assurance Services of SBEs.</p> <p>Certain Accounting Technicians are working as employees of Audit firms responsible for the Audit of SBEs. It is in that context that the Council of AATSL views the obligation in terms of SMO 3. AATSL use its best endeavors to encourage the statutory Auditing Standards Committee of ICASL to follow this SMO and in the implementation through Accounting Technicians employed by the Audit Firms. A Council member of AATSL was the Chairman of the Sri Lanka Auditing Standards Committee of ICASL in his capacity as a Chartered Accountant - Which provided a useful conduit between ICASL & AATSL in making a co-ordinated effort in the implementation of these standards.</p> | | | | | |
| <i>Maintaining Ongoing Processes</i> | | | | | |
| 22. | Commenced in 2008 | When national standards are presented as exposure drafts Accounting Technicians are encouraged to forward their comments. | Ongoing | Members engaged in audit and assurance work | Membership Committee |

*Action Plan Developed by
The Association of Accounting Technicians of Sri Lanka (AATSL)*

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|-------------------------|--------------|--|-----------------|---|---|
| 23. | From 2006 | The Curricula of AATSL incorporates Sri Lanka Standards on Auditing of different stages of its examinations. | Ongoing | Curriculum Development Committee and Examinations Committee | Examiners, Paper Setters, Moderators and the Education Consultants. |
| <i>New Developments</i> | | | | | |
| 24. | January 2012 | Study of standards on Auditing will qualify to earn CPD credits. CPD Committee will spell out the activities eligible for such credits. (Attending Seminars on standards and publication of articles relating to auditing standards in AAT Journal and other professional publications). | Ongoing | CPD Committee | Staff CPD Secretariat |
| 25. | January 2012 | AATSL will assist in the efforts of ICASL in the translation of these standards and exposure drafts to 'Sinhala' and 'Tamil' the official languages in the country. This is of special significance to Accounting Technicians who are engaged in the audit of small businesses whose records are kept in the "Official Languages". | Ongoing | Director – Education & Training | AAT Members competent in Sinhala & Tamil languages selected by Education and Training Committee |
| 26. | June 2012 | Prepare of a list of AATSL members engaged in Audit and Assurance work. Communicate IAASB exposure drafts and pronouncements to them with a view to solicit views on these and submission of these responses to the statutory Auditing Standards Committee of the ICASL. | Ongoing | Director - Membership | Staff attached to Membership division |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|----------|-------------------|--|------------------------|-----------------------|-----------------|
| 27. | Ongoing | Review AATSLs responses to International Federation of Accountants (IFAC) Compliance self assessment questionnaires relating to SMO 3. Ascertain the validity and accuracy of the responses made annually up to 2010 and if a change of responses is necessary, update the answers to the relevant section of the questionnaires and inform IFAC Compliance Staff. | Ongoing | President | CEO |

Action Plan Subject: SMO 4 and the International Ethics Standards Board for Accountants (IESBA) Code of Ethics
Action Plan Objective: Promoting the IESBA Code of Ethics

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|---|-------------|---|---|---|--|
| <i>Background:</i> | | | | | |
| The AAT code of ethics currently applicable was introduced in September 2005. | | | | | |
| The Code of ethics for Accounting Technicians has to be developed independently of the IESBA code, but stipulations of the IESBA code have been adhered to. Ethical requirements for members in public practice are not relevant to Accounting Technicians. However, some accounting technicians are attached to audit teams in firms of auditors and the Auditor General Department. AAT therefore requires its members employed in Audit firms to gain an understanding of the ethics applicable to those in public practice. | | | | | |
| Ethical relationships between those in public practice and the clients are similar to relationships between self employed AAT members and their clients. The revised code will therefore have a separate section for self employed members. | | | | | |
| <i>Maintaining Ongoing Processes</i> | | | | | |
| 28. | August 2009 | Regular seminars for members on the Ethical Requirements, as stipulated by SMO 4. Testing of the code of ethics at the final stage of the AAT examinations. | Continuous activity that will take place annually. Continuous activity | Public Lectures & Seminars Committee Curriculum Development Committee, Examinations Committee | Secretary – Public Lectures & Seminars Committee and Staff Examination Paper Setters and Moderators |
| <i>New Developments</i> | | | | | |
| 29. | November | Approval of the revised Code of Ethics by the | December | Governing | CEO |

*Action Plan Developed by
The Association of Accounting Technicians of Sri Lanka (AATSL)*

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|---|--------------|--|-----------------|--|--|
| | 2011 | Governing Council before end of 2011, incorporating the provisions of the IESBA code of ethics and criteria developed by IESBA. | 2011 | Council | |
| 30. | January 2012 | Publication of the revised code, and clarifications and explanations to be communicated by way of technical releases and newsletters. | February 2012 | Journal & Newsletters Committee | CEO and Members of the Ethics Committee |
| 31. | April 2012 | Conduct of workshop to create an awareness of the Code of Ethics. | Ongoing | Public Lectures & Seminars Committee | Secretary – Public Lectures & Seminars Committee |
| 32. | July 2012 | Setting up of the professional ethics committee (Based on the ethics committee of the ICASL) and determination of its mandate. | December 2012 | Governing Council | CEO |
| <i>Review of AATSL's Compliance Information</i> | | | | | |
| 33. | January 2010 | AATSL responded to section 8 of the 2010 Global Leadership Survey, on Ethical issues facing the accounting profession in 2011 and beyond. The responses included, ethical issues faced by AATSL that concern most, and the most important ethical issues facing the global profession in the future. AATSL will review annually the continued validity of its' concerns and if there is a shift, updates will be submitted to IFAC. | Ongoing | Director – Education & Training and Educational Consultant | Education & Training Division |
| 34. | Ongoing | Review AATSLs responses to International Federation of Accountants (IFAC) Compliance | Ongoing | President | CEO |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|---|------------|--|-----------------|----------------|----------|
| | | self assessment questionnaires relating to SMO 4. Ascertain the validity and accuracy of the responses made annually up to 2010 and if a change of responses is necessary, update the answers to the relevant section of the questionnaires and inform IFAC Compliance Staff. | | | |

Action Plan Subject: SMO 5 - International Public Sector Accounting Standards (IPSAS)
Action Plan Objective: To Encourage and Assist Public Sector Organizations to Strengthen Financial Management and Financial Reporting. Procedures in Step With the IPSASB Pronouncements.

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--|--------------|---|-----------------|---|--|
| <i>Background:</i> | | | | | |
| <p>The issue of guidelines relating to Financial Reporting in the Public sector institutions is the responsibility of the Parliament, General Treasury, Central Bank of Sri Lanka and the Ministry of Finance & Planning. Although the statutory power of formulating Financial reporting standards are conferred on the ICASL by the Sri Lanka Accounting & Auditing Standard Act No. 15 of 1995 (SLAAS Act no 15 of 1995), it cannot directly require the public sector to comply with Sri Lanka Public Sector Accounting Standards (SPLSASs). AATSL requires its members attached to the public sector to comply with SPLSASs. The ICASL, established convergence processes with IPSASs in 2008 by the appointment of the Public Sector Accounting Standards Committee.</p> | | | | | |
| <i>Maintaining Ongoing Processes</i> | | | | | |
| 35. | 2010 | <p>Incorporation of SPLSASs in the AATSL syllabus in the Financial Accounting Papers, questions are set on these standards.</p> <p>The Study Texts for students developed by AATSL devotes two chapters on SPLSASs.</p> | Ongoing | Curriculum Development Committee and Examinations Committee | Staff attached to Curriculum Development Committee |
| <i>New Developments</i> | | | | | |
| 36. | January 2012 | Compile a list of members employed by the Public sector and arrange for them to attend seminars / workshops on public sector accounting conducted by the ICASL. | March 2012 | Public Lectures & Seminars Committee | Public Lectures & Seminars Committee |

| | | | | | |
|---|--------------|--|---------|---------------------------------|-----------------|
| 37. | | Participants of these seminars / workshops will earn CPD credits. On identification of public sector institutions which can apply SPLSAS by the ICASL, AATSL will inform the membership attached to these organizations of the need to influence those responsible to implement SPLSAS. | | CPD Committee | CPD Secretariat |
| 38. | 2010 | In responding to the 2010 IFAC Global Leadership Survey on public sector (Part 2 of the questionnaire) AATSL made very useful observations on a number of matters. They included accruals Accounting and actions taken by Sri Lanka to improve transparency and accountability of public sector finance. | 2010 | International Affairs Committee | CEO |
| 39. | January 2012 | Review annually responses to IFAC Global Leadership Survey in the area of public sector and if changes have taken place, updates will be sent to IFAC. | Ongoing | International Affairs Committee | CEO |
| <i>Review of AATSL's Compliance Information</i> | | | | | |
| 40. | Ongoing | Review AATSLs responses to International Federation of Accountants (IFAC) Compliance self assessment questionnaires relating to SMO 5. Ascertain the validity and accuracy of the responses made annually up to 2010 and if a change of responses is necessary, update the answers to the relevant section of the questionnaires and inform IFAC Compliance Staff. | Ongoing | President | CEO |

Action Plan Subject: SMO 6 - Investigation & Discipline
Action Plan Objective: Formulate and Implement an Investigation and Discipline System Within AATSL

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|--|--------------|--|-----------------|-------------------|-----------------|
| <p><i>Background:</i></p> <p>At present AATSL has no ongoing procedures relating to investigation and discipline of its members. The Council of AATSL will seriously address this issue and make best endeavors to comply with SMO 6.</p> <p>Existing rules do not prescribe a procedure for the investigation and disciplinary action against members for professional negligence and breaches of ethical requirements. In Sri Lanka, Sri Lanka Financial Reporting Standards (SLFRS) and Sri Lanka Auditing Standards are part of the statutes of the country. Sri Lanka Accounting and Auditing Standards Act No 15 of 1995 require all such standards to be approved by the Council of ICASL and published in the Government Gazette afterwards. The Act stipulates penalties including jail sentences for non compliance of Accounting & Auditing Standards. The Act has made it mandatory for certain specified business entities to comply with the standards. Therefore those Accounting Technicians responsible for the preparation of financial statements of these entities are legally bound to observe the standards and non observation will expose them to the penal measures contained in the Act. The Act also provide for regulator to report instances of negligence to respective professional bodies.</p> | | | | | |
| <i>New Developments</i> | | | | | |
| 41. | Q4 2011 | Conduct a review of SMO 6 and prepare a report on how AATSL can design and implement an investigation and discipline system for its members. | January 2012 | Governing Council | Technical Staff |
| 42. | January 2012 | Preparation of a step-by-step action plan for the development and implementation of the AATSL investigation and discipline system. | June 2012 | Governing Council | Technical Staff |

*Action Plan Developed by
The Association of Accounting Technicians of Sri Lanka (AATSL)*

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|----------|-------------------|--|-------------------------------|---|--|
| 43. | January 2012 | Preparation of a comprehensive disciplinary procedure, applicable to members who engage in unethical practices. This will be done with the assistance of the professional ethics committee of the ICASL and legal consultants. | April – June 2013 | Governing Council | Consultant – Examination, Education & Training |
| 44. | January 2013 | Amendments to the practical training records requiring trainees to observe the application of ethics in the work situation. | June 2013 | Education & Training Committee | Director – Education & Training |
| 45. | January 2013 | Workshop will be conducted to create awareness among membership of the ethical code and other professional standards rules and requirements of the member body with special emphasis on IFAC guidelines. | Ongoing On an annual basis | Technical Division of ICASL & Legal Advisor | Staff of Technical Division of ICASL |
| 46. | Ongoing | Review AATSLs responses to International Federation of Accountants (IFAC) Compliance self assessment questionnaires relating to SMO 6. Ascertain the validity and accuracy of the responses made annually up to 2010 and if a change of responses is necessary, update the answers to the relevant section of the questionnaires and inform IFAC Compliance Staff. | Ongoing | President | CEO |

Action Plan Subject: SMO 7 - International Financial Reporting Standards (IFRSs)
Action Plan Objective: Use Best Endeavors to Ensure the Implementation of IFRSs

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|---|------------|---|-----------------|---|-------------------------|
| <p><i>Background :</i></p> <p>In Sri Lanka the legal authority for the formulation of Sri Lanka Financial Reporting Standards (SLFRS) is vested in the institute of Chartered Accountants of Sri Lanka, by the Sri Lanka Accounting & Auditing Standards Act No 15 of 1995. This Act has set up two statutory committees namely the Sri Lanka Accounting Standards Committee and the Sri Lanka Auditing Standards Committee. These committees consist of members of professional accounting bodies with a preponderance of Chartered Accountants. Members of AATSL are not appointed to these committees. The standards formulated by these committees are submitted to the Council of ICASL and once approved by the Council, the standards are gazetted and given legal status.</p> <p>The financial reporting standards most relevant to AATSL members are the SLFRS for SMEs.</p> | | | | | |
| <p><i>Maintaining Ongoing Processes</i></p> | | | | | |
| 47. | 2009 | The existing Syllabus and self study text books had been prepared on the basis of Sri Lanka Accounting Standards operated in 2009. With the objective of keeping pace with global harmonization of Accounting Standards and financial reporting standards, AATSL with approval of Governing Council has taken measures to update the curriculum with new changes in standards to be effective from January 2012 examinations onwards. The updating of the syllabus will follow the revision of the study Texts. | Ongoing | Examinations Committee, Syllabus Review Committee | Director - Examinations |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|---|--------------|--|---|----------------------------------|--|
| <i>New Developments</i> | | | | | |
| 48. | January 2012 | Revise study texts published by AATSL to accommodate revised Accounting and Auditing standards. | September 2012 | Curriculum Development Committee | Outsourced professionals who are assigned with the task of writing Study Packs |
| 49. | April 2012 | Conduct awareness programmes relating to SLFRS. These will be conducted separately for Students, Members, Examinations and Lecturers. The programs will be conducted by the Sri Lanka Accounting Standards Committee of the ICASL. Participation at these programs will be made mandatory for those involved with the examination process such as examiners, paper setters and moderators. | 3 programs in 2012 and to be repeated on an annual basis. | Public Lectures Committee | Secretary – Public Lectures & Seminars Committee |
| <i>Review of AATSL's Compliance Information</i> | | | | | |
| 50. | June 2008 | Participate in the study conducted in 2008 by the Business Reporting Study Group of IFAC. The study progressed in the areas of, financial reporting, auditing and governance. AATSL was one of the 74 IFAC member bodies participated in the study. The findings are contained in the Information Paper issued by IFAC in February 2009. | Completed | Governing Council | CEO |
| 51. | 2010 | AATSL responded to the questions contained in section 3 of IFAC 2010 Global Leadership Survey. This section dealt with the IFAC's role in International Standard setting. AATSL will review this role annually and if our rankings have changed, updates will be submitted to IFAC. | Ongoing | International Affairs Committee | Secretary – International Affairs Committee |

| # | Start Date | Actions | Completion Date | Responsibility | Resource |
|----------|-------------------|--|------------------------|-----------------------|-----------------|
| 52. | Ongoing | Review the validity of the findings of the study conducted in 2008 by the Business Reporting Study Group of IFAC as an ongoing exercise and if these findings have changed in the opinion of AATSL, updates will be sent to the business reporting study group. | Ongoing | Governing Council | CEO |
| 53. | Ongoing | Review AATSLs responses to International Federation of Accountants (IFAC) Compliance self assessment questionnaires relating to SMO 7. Ascertain the validity and accuracy of the responses made annually up to 2010 and if a change of responses is necessary, update the answers to the relevant section of the questionnaires and inform IFAC Compliance Staff. | Ongoing | President | CEO |