

## **BACKGROUND NOTE ON ACTION PLANS**

SMO Action Plans are developed by IFAC Members and Associates to demonstrate fulfillment of IFAC Statements of Membership Obligations (SMOs). SMOs require IFAC Members and Associates to support the adoption<sup>1</sup> and implementation<sup>2</sup> of international standards and other pronouncements issued by independent standard-setting boards under the auspices of IFAC as well as by the International Accounting Standards Board (IASB); and to establish a Quality Assurance (QA) review and Investigation and Disciplinary (I&D) systems.

IFAC Members and Associates conduct a self-assessment against the requirements of SMOs and identify areas where improvements are needed. Based on the results of the assessment, Members and Associates develop an SMO Action Plan to (a) demonstrate how they fulfill the requirements of the SMOs and (b) where some requirements are not yet addressed, to present plans towards their fulfillment.

SMO Action Plans are designed to be ever-green documents that provide a comprehensive description of the accountancy profession and its legislative and regulatory environment in the jurisdiction as well as the actions undertaken by IFAC Members or Associates to support adoption and implementation of international standards and best practices.

Regular updates of the SMO Action Plans are required as part of the IFAC Member Compliance Program.

### **Use of Information**

Please refer to the [Disclaimer](#) published on the Compliance Program website.

## **ACTION PLAN**

<b>IFAC Associate</b>	Association of Accounting Technicians of Sri Lanka (AAT Sri Lanka)
<b>Approved by Governing Body</b>	Governing Council of AAT Sri Lanka
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<sup>1</sup> *Adoption* is concerned with the decision that international standards are appropriate for use in specific national financial reporting environments and with the actions necessary to effect those decisions, including incorporation into national requirements or requiring the use of international standards through law. Adoption may include a process to review draft international standards, translation, public exposure of proposed standards, approval, incorporation into national requirements as necessary, and promulgation of final standards, and, where applicable, a convergence process to eliminate or minimize differences between international and national standards.

<sup>2</sup> *Implementation* may include a process to build awareness of the adopted standards, provide relevant education and training, develop or disseminate implementation guidance and any other activities that promote proper understanding and use of the standards in practice.

## **GLOSSARY**

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

**Action Plan Subject:** SMO 1–Quality Assurance  
**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.

**Background:**

According to the Sri Lanka Companies Act No 7 of 2007, only the Members of Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) 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 is not among these bodies.

However Section 107 of the Inland Relevant Act, a member of AAT Sri Lanka has been recognized as an Approved Accountant to Certify Accounts of SME's who's annual turnover does not exceed five hundred million rupees per annum. In certifying the Financial Statement the member shall examine the books of original entry / books of accounts, disclosure of the extent of checking the supporting documents, confirmation of verifying the bank reconciliation statements, verification of net current assets, in addition, certification of confirmation of cash / accrual concept of accounting in preparation of Financial Statements.

SMO 1 provides guidelines on Quality control procedures for specific types of engagements, for example, International Standard on Auditing (ISA) 220 "Quality Control for Audits of historical financial information". In the circumstances, it is our view that quality control efforts of AAT Sri Lanka should be based on International Standard on Auditing (ISA 220) Quality control for audit work. Sections 8 to 16 deal with how the auditor should implement quality control procedures relevant to Accounting Technicians, as these measures could be adopted by all auditors whether they audit listed companies or small entities. We have educated our membership by way of seminars and workshops on the aspects of direction, supervision and review necessary for quality control especially those involved in works relating to Approved Accountants.

*This task is assigned to Professional Development Committee headed by a Senior Chartered Accountant who is a member of the Council.*

#	Start Date	Actions	Completion Date	Responsibility	Resource
<b>Maintaining Ongoing Processes</b>					
1.	November 2010	The Governing Council of AAT Sri Lanka identifies the committees necessary to implement and monitor Quality Control for audit work as prescribed in the Sri Lanka Auditing Standard 220.	Ongoing	Chairman - Professional Development Committee	Staff attached to Membership Division and CPD Secretariat
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	Chairman Membership Committee and CPD Secretariat	Staff attached to Membership Division
3.	May 2012	Conduct workshops in collaboration with CA Sri Lanka on those areas of ISQC1 that could be adopted by the Technicians.	Ongoing (workshop will be held at least once every year)	Chairman Professional Development Committee	CA Sri Lanka Resource Persons

#	Start Date	Actions	Completion Date	Responsibility	Resource
4.	July 2015	Incorporated Sri Lanka Standards on Quality Control (SLSQUC). 1. Quality Control for firms that perform Audits and Review of financial statements to the new curriculum 2015.	Completed	CEO-AAT Chairman, Curriculum Development Committee	Chief Academic Officer
<b>New Developments</b>					
5.	September 2017	Development of Quality Assurance Manual to include those who are willing to be members in practice, as Approved Accountants in accordance with Inland Revenue amended Act no. 9 of 2015. This applies to Certification of Financial Statements of Small and Medium Entities whose turnover is less than Rs.500 million per annum.	March 2018	Chairmen –, Membership Committee and Audit Compliance, Professional Ethics & Risk Management Committee	Membership Division
6.	Ongoing	Publishing materials on Quality Control in Members Journal.	Ongoing	Chairman, Skills Development & Members Benevolence Committee	Secretary of Skills Development & Members Benevolence Committee
<b>Review of AAT Sri Lanka's Compliance Information</b>					
7.	Ongoing	Review AAT Sri Lanka's responses to SMO Action Plan relating to SMO 1. Ascertain the validity and accuracy of the responses made annually up to date and if a change of responses is necessary, update the answers to the relevant section of the questionnaires and inform IFAC Compliance Staff.	Ongoing	Chairman International Affairs Committee	CEO

**Action Plan Subject:** SMO 2–International Education Standards for Professional Accountants and Other Pronouncements issued by the IAESB  
**Action Plan Objective:** Compliance with SMO 2 by the Implementation of International Education Standards & Other Pronouncements.

**Background:**

Accounting Technicians perform middle level accounting functions and also are engaged in technical support roles across the areas of accountancy. Our entry is 6 Ordinary passes of G.C.E. Ordinary Level examination. Our Examination consists of 3 levels under the Technical Capstone as Level I, Level II and Level III. In addition to that there is a Talent Capstone which includes Effective Communication Skills and Information Technology Skills. The Curriculum of AAT Sri Lanka was revised in 2015 in line with IESs. We have completed the gap analysis with 2015 IES issued and some topics where relevant were included in our curriculum based on gap analysis.

AAT Sri Lanka has a comprehensive procedure in place to grant exemptions to those students having full or part qualifications of other professional bodies.

AAT Sri Lanka requires a minimum of 1½ years of study to complete its 3 levels in order to complete the examinations.

A comprehensive Practical Training Scheme is in place for AAT Sri Lanka students / passed finalists who are required to maintain written records (designed by the AAT Sri Lanka and based on the Practical Training adopted by the CA Sri Lanka) of Practical Training. Once a student/passed finalist has successfully completed the practical training, will have to face a viva with a panel consisting of professionals / officers who assess the authenticity, adequacy and effectiveness of the training. Further students who have undergone Practical Training through CA Sri Lanka also can submit the relevant record book and such training is recognized as fulfilling the practical training requirements of AAT Sri Lanka's membership.

The period of practical training required for membership of AAT Sri Lanka is 1 year full time training and completion of People and Leadership Skills (PLS) module. Technicians are working at the operational level and for this level of activities it is felt that a 1 year period is sufficient, although in excess of the 1 year period is recommended in the *Good Practice Guide: Education, Training & Development of Accounting Technicians* issued by the IFAC Developing Nations Committee (now the Professional Accountancy Organization Development Committee (PAODC)). This guide was originally used to determine the strategy of AAT Sri Lanka relating to Education, Training & Development and now stands as a benchmark by the Governing Council in determining the required training in conjunction with the new curriculum. In addition to one year practical training, People and Leadership Skills (PLS) module also in place to be completed by passed Finalists to become eligible for the AAT Sri Lanka membership. PLS focus on strengthening the overall soft skills required for accountants at work so that their technical skills enhance. This module covers social and service skills, presentation skills, team work leadership skills which are the most sought after soft skills required by employers.

With the objective of delivering an updated curriculum towards producing a job fit Accounting Technicians to both local and global job market, as a policy of the Governing Council, curriculum will be revised in every five (05) years' time. At the same time continuous review of the syllabus will be carried out by the Examination and Curriculum Development Committee to maintain its relevancy throughout the five (5) years period.

AAT Sri Lanka has developed a comprehensive CPD program for its members, which has been operating since 2009. The CPD scheme is mandatory for all members of AAT Sri Lanka irrespective of their membership level or the sector in which they are employed. The AAT Sri Lanka CPD scheme is established on the input- based Approach model recommended by IES 7 in order to comply with SMO 2. The CPD scheme will

be revised from time to time in order to comply with IES 7 to ensure that AAT members are committed to lifelong learning as professional in the accounting profession.					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<b>Efforts to Improve and Enhance AAT Sri Lanka Education Systems</b>					
8.	2008	The Examination and Curriculum Development Committee meets regularly to determine necessary changes if any or improvements to syllabi and examinations to enhance compliance with SMO 2.	Ongoing	Chairman Examination & Curriculum Development Committee	Deputy Chief Academic Officer and the staff of Education & Training division and Examinations division
9.	November 2014	Introduction of a new exemption policy for students possessing GCE A/L. (Made effective from July, 2015 examination) under the new curriculum.	Completed	Chairman Examination & Curriculum Development Committee	Chief Academic Officer, Head of Examinations and Head of Education & Training
10.	June 2012	Round table discussion on the sequential diagram of the future revision of syllabi. To be attended by members of the Examination and Curriculum Development Committee, Examiners, Lecturers, Study Pack Writers and employers of Accounting Technicians.	Completed	Chairman Examination & Curriculum Development Committee	Secretary to the Examination and Curriculum Development Committee, Chief Academic Officer, Head of Education & Training, Examiners and Lecturers
11.	June 2017	Completed the Gap Analysis against 2015 IESs issued by IAESB. Submitted the report based on gap Analysis to the Examination & Curriculum Committee and Education & Training Committee.	Completed	Chairmen, Education & Training Committee, Examination & Curriculum Development Committee	Head of Education & Training, Deputy Chief Academic Officer, Head of Examinations
12.	June 2017	Submitted the Gap Analysis report to the Council and got the approval.	Completed	Chairmen, Education & Training Committee, Examination & Curriculum Development Committee	Head of Education & Training, Deputy Chief Academic Officer, Head of Examinations

#	Start Date	Actions	Completion Date	Responsibility	Resource
13.	July 2017	Informed to the stakeholders of AAT Sri Lanka with reference to gap identified and incorporated in to curriculum.	Completed	Chairman, Education & Training Committee	Head of Education & Training
14.	December 2014	AAT Sri Lanka has revised its syllabus in 2015 and Examination and Curriculum Development Committee continues to review its system with current developments in the profession in order to make appropriate amendments.	Ongoing	Chairmen, Education & Training Committee, Examination & Curriculum Development Committee	Head of Education & Training, Deputy Chief Academic Officer, Head of Examinations
15.	March 2015	Guidelines circulated among the Accredited Education Centres conducting classes, so that educational programs could be structured to impart skills sets in terms of IES 3.	Completed	Chairman Education & Training Committee	Head of Education & Training
<b>New Developments</b>					
16.	January 2013	Establishment of Business School with a view to enhance the CPD of Members and Passed Finalists.	Completed	Chairman Business School Committee	Director Business School
17.	June 2017	Reviewed revised IESs and identifies areas of fulfillments and gaps.	Completed	Chairman Examination & Curriculum Development Committee	Deputy Chief Academic Officer and Head of Education & Training
18.	April 2017	Recognition and grading of the Accredited Education Partners to improve the Standards of Education.	December 2017	Chairman Education & Training Committee	Head of Education & Training
19.	January 2017	Train the Trainers program. Identified low performed areas at examination and conducted workshop for the lecturers of AECs by involving high academic and professional resource persons.	Ongoing	Chairman Education & Training Committee	Head of Education & Training
20.		Continuous monitoring quality of accredited Education Centres.	Ongoing	Chairman Education & Training Committee	Head of Education & Training
<b>Practical Training / CPD</b>					
21.	May 2012	A series of seminars are held for those supervising practical training of students with a view to familiarizing them about the skills to be acquired by trainees as part of the training scheme. The seminars will be conducted regionally.	Ongoing	Chairman Education & Training Committee	Head of Education & Training

#	Start Date	Actions	Completion Date	Responsibility	Resource
22.	January 2005	Quarterly examination of Practical training records by the Head of Education and Training.	Ongoing	Chairman Education & Training Committee	Head of Education & Training
23.	January 2005	Interviews for trainees conducted by the Head of Education & Training, where detailed explanations are obtained to determine the authenticity and adequacy of training.	Ongoing	Chairman Education & Training Committee	Head of Education & Training
24.	April 2012	Practical training division officials periodically visit the organizations. These visits are 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	Chairman, Education & Training Committee	Head of Education & Training
25.	Ongoing	AAT Sri Lanka is using the same guideline issued by CA Sri Lanka for monitored training scheme for non-monitored scheme, written guidelines are given to employers, supervisors and aspiring professional accountants.	Completed	Chairman, Education & Training Committee	Head of Education & Training
26.	Ongoing	AAT Sri Lanka is following the same training guideline which is prescribed by CA Sri Lanka.	Ongoing	Chairman Education & Training Committee	Head of Education & Training
27.	Ongoing	Discussion sessions are being done on individual basis as a continuous and regular activity as and when new supervising members registered with AAT Sri Lanka.	Ongoing	Chairman, Education & Training Committee	Head of Education & Training
28.	January 2013	Establishment of a Business School under AAT Sri Lanka in order to provide practical knowledge to students / passed finalists by way of courses, workshops and a simulated work environment at Head office to further enhance practical training. Certain aspects of training which cannot be imparted by the training organizations could be provided in these workshops.	Completed	Chairman, Business School Committee	Director Business School
29.	Ongoing	Developing the CPD Program for every year to the members of AAT Sri Lanka.	Ongoing	Chairman, Membership Committee	Head of Membership & Registration

#	Start Date	Actions	Completion Date	Responsibility	Resource
30.	June 2017	Organize Seminars on new Code of Ethics. Orientation programmes for new members includes an item in the Agenda about Code of Ethics.	Completed Ongoing	Chairmen, Membership Committee, Audit, Compliance, Professional Ethics & Risk Management Committee	Head of Membership & Registration
31.	June 2017	Organizing Awareness programme about Compliance of CPD.	Ongoing	Chairman, Membership Committee	Head of Membership & Registration
32.	January 2009	Compilation of CPD hours on an annual basis by the CPD sub-committee of Membership Committee.	Ongoing	CPD sub Committee and Membership Committee	Secretary to the Professional Development Committee and Head of Membership
33.	September 2015	Professional Development Committee and the Business School Committee organize monthly seminars and workshops to enhance the knowledge of members. CPD sub-committee reviews such programmes and recommend number of CPD hours to be granted for the participants.	Ongoing	CPD Sub Committee – Supervised by the Membership Committee, Chairman, Professional Development Committee, Business School Committee	Head of Membership, Director - Business School, Secretary of Professional Development Committee
34.	January 2012	From the year 2012 Membership Division of AAT Sri Lanka has been annually issuing a Letter / Certificate stating the CPD credits earned by a member. An Annual Review of activities eligible for CPD credits would take place.	Ongoing	Chairman Membership Committee	Head of Membership
35.	March 2016	Sign up with new training partners and renew existing contracts with training organizations.	Ongoing	Chairman Education & Training Committee	Head of Education & Training
<b>Review of AAT Sri Lanka's Compliance Information</b>					
36.	Ongoing	Review AAT Sri Lanka's responses to SMO Action Plan relating to SMO 2. Ascertain the validity and accuracy of the responses and if a change of responses is necessary, update the answers to relevant sections of the questionnaires and inform IFAC Compliance Staff.	Ongoing	Chairman International Affairs Committee	CEO

**Action Plan Subject:** SMO 3–International Standards and other Pronouncements Issued by the IAASB  
**Action Plan Objective:** To achieve congruence with International Standards, Related Practice Statements and other pronouncement Issued by the IAASB.

<b>Background:</b>					
<p>In Sri Lanka the Institute of Chartered Accountants of Sri Lanka is vested with the statutory authority of formulating Sri Lanka Standards 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 &amp; 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 AAT Sri Lanka 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 AAT Sri Lanka views the obligation in terms of SMO 3. AAT Sri Lanka uses its best endeavors to encourage the statutory Auditing Standards Committee of CA Sri Lanka to follow this SMO and in the implementation through Accounting Technicians employed by the Audit Firms. The Council members nominated by CA Sri Lanka to the Governing Council of AAT Sri Lanka provide a useful conduit between CA Sri Lanka &amp; AAT Sri Lanka in making a joint effort in the implementation of these standards.</p> <p>However under the amendment of Inland Revenue Act, the AAT members are authorized to act as Approved Accountants in SMEs whose turnover less than Rs.500 million per annum. Considering this change AAT Council has approved a special committee to submit practice requirements of rules &amp; regulations with regard to the practice of Approved Accountants.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<b>Maintaining Ongoing Processes</b>					
37.	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
38.	From 2006	The Curriculum of AAT Sri Lanka incorporates Sri Lanka Standards on Auditing at different stages of its examinations.	Ongoing	Chairman Examination and Curriculum Development Committee	Examiners, Paper Setters and Moderators
<b>New Developments</b>					
39.	January 2012	Publicize activities that qualify to earn CPD credits, including attending seminars, and publish articles relating to auditing standards in the AAT Journal and other professional publications.	Ongoing	Chairmen Professional Development Committee, Skills Development & Members Benevolence Committee	Staff CPD Secretariat

#	Start Date	Actions	Completion Date	Responsibility	Resource
40.	January 2012	Assist in the efforts of CA Sri Lanka in the translation of ISAs into 'Sinhala' and 'Tamil' the official languages in the country. This is of special significance to students who aspire to be Accounting Technicians who engage in the audit of small businesses whose records are kept in the "Official Languages".	Ongoing	Deputy Chief Academic Officer, head of Education & Training	AAT Members competent in Sinhala & Tamil languages selected by Curriculum Development Committee
41.	June 2012	Communicate IAASB exposure drafts and pronouncements to AAT Sri Lanka members involved in audit work and submit responses to the statutory Auditing Standards Committee of the CA Sri Lanka.	Ongoing	Director - Membership	Staff attached to Membership Division
<b>Review of AAT Sri Lanka's Compliance Information</b>					
42.	March 2016	Appoint a new committee to draft new rules & regulations with regard to appointment and regulate Approved Accountants.	March 2018	Chairmen Audit, Compliance, Professional Ethics and Risk Management Committee, Membership Committee	Staff attached to Membership Division
43.	Ongoing	Review AAT Sri Lanka's SMO Action Plan to SMO 3. Ascertain the validity and accuracy of the responses made annually up to date and if a change of response is necessary, update the answers to the relevant section of the questionnaires and inform IFAC Compliance Staff.	Ongoing	Chairman, International Affairs Committee	CEO

**Action Plan Subject:** SMO 4–IESBA Code of Ethics for Professional Accountants  
**Action Plan Objective:** (a) Adoption and Implementation of the IESBA Code of Ethics.  
 (b) Build Awareness of Adopted Standards and Promote Proper Understanding among Members.

<b>Background:</b>					
<p>The AAT Sri Lanka Code of Ethics currently applicable was introduced in July 2017 which was prepared based on IESBA Code of Ethics.</p> <p>The New Code of Ethics for Accounting Technicians has been developed in line with the IESBA code. Ethical requirements for members in public practice are not directly related to Accounting Technicians. However, since some Accounting Technicians are attached to audit teams in firms of Chartered Accountants, the Auditor General’s Department and independent engagement as tax representatives, and Approved Accountants, AAT requires these members to gain an understanding of the ethics applicable to those in public practice.</p> <p>The Audit, Compliance, Professional Ethics and Risk Management Committee of AAT Sri Lanka continuously reviews the Code of Ethics with Pronouncements of IESBA to make sure with compliance as applicable.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<b>(a) Adoption and Implementation of a Code of Ethics Aligned with the Current IESBA Code</b>					
44.	Q4 2012	Review of latest IESBA Code of Ethics by Advisory Group of AAT Sri Lanka Past Presidents and submission of feedback to Ethics Committee.	Completed	Chairman Audit Compliance, Professional Ethics and Risk Management Committee	CEO, Advisory Group
45.	January 2016	Review the existing Code of Ethics and identify awareness for improvements in line with IESBA code and update accordingly.	Completed	Chairman Audit Compliance, Professional Ethics and Risk Management Committee	Head of Membership
46.	December 2012	Audit, Compliance ,Professional Ethics and Risk Management Committee to consider the above and produce a report on more comprehensive alignment with the IESBA Code, requirement of the amended Inland Revenue Act and proposed Act of Incorporation of AAT Sri Lanka.	Ongoing	Chairman Audit Compliance, Professional Ethics and Risk Management Committee	CEO and Members of the Audit Compliance, Professional Ethics and Risk Management Committee
47.	July 2017	Published Code of Ethics to the members based on IESBA Code of Ethics.	Completed	Chairman Audit Compliance, Professional Ethics and Risk Management Committee	CEO and Members of the Audit Compliance, Professional Ethics and Risk Management Committee

#	Start Date	Actions	Completion Date	Responsibility	Resource
48.	Ongoing	Audit Compliance Professional Ethics and Risk Management Committee to take forward plan for adoption of new Code of Ethics.	Completed	Chairman Audit Compliance, Professional Ethics and Risk Management Committee	CEO
<b>(b) Build Awareness of Adopted Standards and Promote Proper Understanding among Members</b>					
49.	June 2017	Awareness-raising activities associated with adoption of new Code of Ethics to satisfy IESBA Code of Ethics. Awareness Seminars were organized by Audit Compliance, Professional Ethics and Risk Management Committee.	Completed	Chairman Audit Compliance, Professional Ethics and Risk Management Committee	CEO
50.	August 2017	New Code of Ethics was introduced and uploaded to Web.	Completed	Chairmen Audit Compliance, Professional Ethics and Risk Management Committee, Professional Development Committee	IT Team and Staff of Membership division
<b>New Developments</b>					
51.	January 2016	Establishment of a new committee under the name "Audit, Compliance, Professional Ethics and Risk Management" with a wide scope of authority.	Completed	Chairmen Audit Compliance, Professional Ethics and Risk Management Committee	Governing Council
52.	Ongoing	To introduce Code of Ethics to new members at the Orientation seminar.	Ongoing	Membership Committee	Membership Division
<b>Review of AAT Sri Lanka's Compliance Information</b>					
53.	Ongoing	Review AAT Sri Lanka's responses to SMO Action Plan relating to SMO 4. Ascertain the validity and accuracy of the responses made annually up to date and if a change of response is necessary, update the answers to the relevant section of the questionnaires and inform IFAC Compliance Staff.	Ongoing	Chairman, International Affairs Committee	CEO

**Action Plan Subject:** SMO 5–International Public Sector Accounting Standards and Other Pronouncements Issued by the IPSASB  
**Action Plan Objective:** To Encourage and Assist Public Sector Organizations to Strengthen Financial Management and Financial Reporting procedures in accordance with the IPSASB Pronouncements.

<b>Background:</b>					
<p>The issue of guidelines relating to Financial Reporting in the Public sector institutions is the responsibility of the Institute of Chartered Accountants of Sri Lanka with consultation of General Treasury, Central Bank of Sri Lanka and the Ministry of Finance. The statutory power of formulating Financial reporting standards is conferred on the CA Sri Lanka by the Sri Lanka Accounting &amp; Auditing Standard Act No. 15 of 1995 (SLAAS Act no 15 of 1995). AAT Sri Lanka requires its members attached to the public sector to comply with SPLSASs. The CA Sri Lanka, established convergence processes with IPSASs in 2008 by the appointment of the Public Sector Accounting Standards Committee.</p> <p>As a membership body for Accounting Technicians, AAT Sri Lanka does not participate in the standard setting structures for public sector accounting and therefore its ability to influence the adoption of International Public Sector Accounting Standards (IPSAs) is limited. AAT members working in the public sector was identified and was educated on SLPSAS.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<b>Maintaining Ongoing Processes</b>					
54.	January 2012	Compile a list of members employed by the Public sector.	Ongoing	Chairman SME and Public Sector Co-ordination and Accounting Services Forum Committee	
55.	March 2012	Arrange for members employed by the Public sector to attend seminars / workshops on public sector accounting conducted by the CA Sri Lanka.	Ongoing	Chairman Professional Development Committee	Professional Development Committee
56.	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	Chairman International Affairs Committee	CEO
57.	June 2017	Conducted a seminar for Government Accountants with Ministry of State Policy and Economic Affairs headed by the PM. Training of Public Sector supporting staff.	Completed	Chairman, SME & Public Sector Coordination and Accounting Services Forum	Secretary SME & Public Sector Coordination and Accounting Services Forum

#	Start Date	Actions	Completion Date	Responsibility	Resource
<b>Review of AAT Sri Lanka's Compliance Information</b>					
58.	Ongoing	Review AAT Sri Lanka's responses to SMO Action Plan relating to SMO 5. Ascertain the validity and accuracy of the responses made annually up to date and if a change of responses is necessary, update the answers to the relevant section of the questionnaires and inform IFAC Compliance Staff.	Ongoing	Chairman International Affairs Committee	CEO

**Action Plan Subject:** SMO 6–Investigation and Discipline  
**Action Plan Objective:** Formulate and Implement an Investigation and Discipline System for AAT Sri Lanka Members in accordance with IFAC SMO 6.

<b>Background:</b>					
<p>AAT Sri Lanka has designed Investigation and Disciplinary Regulations to all members to achieve and maintain professional standards of conduct. We ensure that investigation and disciplinary process is effectively dealing with complaints of professional misconduct in the interest of the public. We apply a consistent and formal process for the members with regard to the disciplinary action to be taken on any member of the Association in terms of Articles of Association and Investigation and Disciplinary regulations 2017.</p> <p>AAT has reviewed the revised SMO 6 and changes were identified through GAP analysis. We have introduced new Investigation and Disciplinary regulations effective from 30<sup>th</sup> June 2017 to comply with SMO 6. Conduct and Compliance Committee and Investigation and disciplinary committee are appointed for the purpose of Investigation and Disciplinary proceeding.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<b>Introduction of an Investigation and Disciplinary Process for AAT Sri Lanka</b>					
59.	May 2017	<p>Conducted a review of SMO 6 and prepared a report on how AAT Sri Lanka can design and implement an align investigation and discipline system for its members.</p> <ul style="list-style-type: none"> <li>Gap Analysis was done with SMO 6 and AAT Sri Lanka Investigation and Disciplinary Procedure developed in 2014.</li> </ul>	Completed	Chairman Audit Compliance, Professional Ethics & Risk Management Committee	Special task force appointed for the preparation
60.	June 2017	Incorporating the changes identified under Gap Analysis in to the AAT Sri Lanka Investigation and Disciplinary Procedure and introduced new Investigation and Disciplinary regulations June 2017.	Completed	Chairman Audit Compliance, Professional Ethics & Risk Management Committee	CEO, Secretary, Audit Compliance, Professional Ethics and Risk Management Committee
61.	June 2017	Obtaining legal opinion on Investigation and Disciplinary procedures.	Completed	Chairman Audit Compliance, Professional Ethics & Risk Management Committee	CEO, Secretary, Audit Compliance, Professional Ethics and Risk Management Committee
62.	June 2017	Tabling at the Governing Council for approval.	Completed	Chairman Audit Compliance, Professional Ethics & Risk Management Committee	Head of Membership

#	Start Date	Actions	Completion Date	Responsibility	Resource
63.	June 2017	Investigation & Disciplinary procedure was introduced.	Completed	Chairman Audit Compliance, Professional Ethics and Risk Management Committee	Head of Membership
<b>New Developments</b>					
64.	July 2017	Uploading revised Investigation and Disciplinary Regulations to our website and mailing to members.	Completed	Chairman Audit Compliance, Professional Ethics and Risk Management Committee	President, Secretary, Audit Compliance, Professional Ethics and Risk Management Committee & Professional Ethics Committee
65.	July 2017	Appointing Conduct and Compliance Committee and Investigation and Disciplinary committee.	Ongoing	Governing Council	Governing Council
66.	July 2017	Regular review of Implementation and effectiveness of Investigation and disciplinary system.	Ongoing	Chairman Audit Compliance, Professional Ethics and Risk Management Committee	Audit Compliance, Professional Ethics and Risk Management Committee, Head of Membership
67.	July 2017	Organising awareness campaigns by conducting seminars and workshops.	Ongoing	Chairman Audit Compliance, Professional Ethics and Risk Management Committee	Secretary, Audit Compliance, Professional Ethics and Risk Management Committee, Head of Membership
<b>Review of AAT Sri Lanka's Compliance Information</b>					
68.	Ongoing	Review AAT Sri Lanka's responses to SMO Action Plan relating to SMO 6. Ascertain the validity and accuracy of the responses made annually up to date and if a change of response is necessary, update the answers to the relevant section of the questionnaires and inform IFAC Compliance Staff.	Ongoing	Chairman, International Affairs Committee	CEO

**Action Plan Subject:** SMO 7–International Financial Reporting Standards and Other Pronouncements issued by the IASB  
**Action Plan Objective:** Use Best Endeavors to Ensure the Implementation of IFRSs.

<b>Background:</b>					
<p>In Sri Lanka the legal authority for the formulation of Sri Lanka Financial Reporting Standards (SLFRS) is vested with the Institute of Chartered Accountants of Sri Lanka, by the Sri Lanka Accounting &amp; 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. Members of AAT Sri Lanka are not appointed to these committees. The standards formulated by these committees are submitted to the Council of CA Sri Lanka and once approved by the Council, the standards are gazetted and given legal status.</p> <p>The financial reporting standards most relevant to AAT Sri Lanka members are the SLFRS for SMEs.</p>					
#	Start Date	Actions	Completion Date	Responsibility	Resource
<b>Use of Best Endeavors to Raise Awareness of, and Provide Training around, SLFRS and SLFRS for SMEs</b>					
69.	July 2015	Updated the curriculum with new changes in standards. <b>2015 New Syllabus included SLFRS.</b>	Completed	Chairman Examination and Curriculum Development Committee	Chief Academic Officer, Head of Education & Training
70.	July 2015	Revised study texts published by AAT Sri Lanka to accommodate revised SLFRS.	Completed	Chairman Education & Training Committee	Outsourced professionals who are assigned with the task of writing Study Packs
71.	July 2015	Review the SLFRS and necessary changes are being made in study materials.	Ongoing	Chairman Education & Training Committee	Head of Education Training
72.	April 2012	Prescribe attendance at CA Sri Lanka awareness-raising program around SLFRS for Students, Members, Examiners and Lecturers.	Ongoing - annual	Chairman Professional Development Committee	Secretary – Professional Development Committee
73.	Ongoing	Member awareness-raising around SLFRS and SLFRS for SMEs via website and journal articles and series of seminars and workshops.	Ongoing	Chairman Professional Development Committee	Secretary, Professional Development Committee

#	Start Date	Actions	Completion Date	Responsibility	Resource
<b>Review of AAT Sri Lanka's Compliance Information</b>					
74.	June 2008	Participated 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. AAT Sri Lanka was one of the 74 IFAC member body which participated in the study. The findings are contained in the Information Paper issued by IFAC in February 2009.	Completed	Governing Council	Chief Executive Officer
75.	Ongoing	Review AAT Sri Lanka's 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 date 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	Chief Executive Officer
<b>New Development</b>					
76.	December 2014	Update SLFRS and IFRS recent amendments and developments in the new Curriculum which was launched in 2015 which will be continuously reviewed with new standards and accordingly syllabus will be revisited.	Completed	Chairman International Affairs Committee	Chief Academic Officer

8<sup>th</sup> November 2017

Ms. Alta Prinsloo  
Executive Director, Quality & Development, and Chief Operating Officer  
International Federation of Accountants  
529 Fifth Avenue  
New York, NY 10017 USA

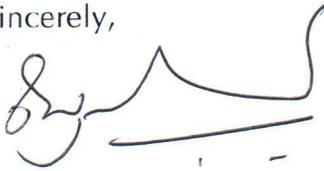
Dear Ms. Prinsloo,

**Subject: Letter to Confirm Institutional Support for the SMO Action Plan**

This letter is to confirm that the leadership of the Association of Accounting Technicians of Sri Lanka has reviewed the information contained in the SMO Action Plan prepared by Association of Accounting Technicians of Sri Lanka as part of the IFAC Member Compliance Program and will provide institutional support for its implementation.

On behalf of the leadership of the Association of Accounting Technicians of Sri Lanka, I endorse publication of the SMO Action Plan on the IFAC website in the interests of transparency and to demonstrate our commitment to enhancing the quality and credibility of the accountancy profession worldwide.

Sincerely,



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Mr. J M U B Jayasekera

President

Association of Accounting Technicians of Sri Lanka

08<sup>th</sup> November 2017