

Response to the IFAC Part 2, SMO Self-Assessment Questionnaire

Member Name: Association of Accounting Technicians of Sri Lanka

Country: Sri Lanka

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Number	Question Title/Text/Help text	Answer	Comments
IFAC Part 2 SMO Self-Assessment			
1.	SMO 1		
1.1.	Quality Assurance Program		
1.1.1.	<i>Quality Assurance Review Program</i> In your jurisdiction is there a mandatory quality assurance review program in place for members of your organization performing audits of financial statements of listed companies?	1 <input type="radio"/> Yes 2 <input checked="" type="radio"/> No	
1.1.2.	<i>Quality Assurance Review Program Follow Up</i> What plans do you have for developing and implementing a quality assurance review program, or if you do not have those plans, what special reasons or conditions for that fact exist?		Currently we don't have quality assurance review program as our Members are not directly performing Audit of Financial Statement of listed companies. However, this fact has been referred to the Audit Committee of

Number	Question Title/Text/Help text	Answer	Comments
Institute .			
2.	SMO 2		
2.1.	<p><i>MB Membership Requirements</i> Which of the following are required for individuals to be admitted as members in your organization? Select all the options that are appropriate.</p>	<p>1 <input checked="" type="checkbox"/> Complete a program of professional accountancy education</p> <p>2 <input checked="" type="checkbox"/> Complete a practical experience requirement</p> <p>3 <input checked="" type="checkbox"/> Complete a final assessment of the individual's professional capabilities and competencies</p> <p>4 <input type="checkbox"/> None of the above</p>	
2.2.	<p><i>Continuous Professional Development</i> Is there a requirement for your members to develop and maintain competence through continuous professional development (CPD)?</p>	<p>1 <input type="radio"/> Yes</p> <p>2 <input checked="" type="radio"/> No</p>	
2.3.	Professional Accountancy Education		
2.3.1.	<p><i>Professional Accountancy Education Program</i> Who delivers the professional accountancy education program for your members? Select all the answer options that are appropriate.</p>	<p>1 <input checked="" type="checkbox"/> Our organization</p> <p>2 <input type="checkbox"/> Another IFAC member body</p>	

Number	Question Title/Text/Help text	Answer	Comments
		3 <input type="checkbox"/> Universities 4 <input checked="" type="checkbox"/> Approved training institutions 5 <input type="checkbox"/> Government bodies 6 <input checked="" type="checkbox"/> Other organizations	
2.3.2.	<p><i>Describe Other Organizations</i> Where your response in question 2.3.1 indicates another IFAC member body, universities, approved training institutions, and / or other organizations deliver the professional accountancy education program, describe these organizations and their legal authority to deliver the program. (Include the name of the other IFAC member body where relevant).</p>	<p>A fully qualified and experienced panel of Lecturers drawn from the lecturing staff of Universities, Government Departments, Corporations, Private Sector Establishments, etc. are engaged to lecture in these classes.</p>	
2.3.3.	<p><i>Prof Accountancy Education Program Follow Up</i> Please describe how your organization ensures the professional accountancy education program, delivered by the organization in response to question 2.3.1., meets the required content.</p> <p>Include in your description the specific activities your organization undertakes with regards to the necessary content requirements.</p>	<p>By continuous monitoring and evaluation of activities of Registered Institutes.</p>	
2.6.	<p>Continuous Professional Development Follow Up</p>		

Number	Question Title/Text/Help text	Answer	Comments
2.6.1.	<i>Plans to Develop CPD</i> Are there plans to introduce continuous professional development requirements?	1 <input type="radio"/> Yes 2 <input checked="" type="radio"/> No	
2.6.3.	<i>CPD Plans Follow Up</i> Please explain why there is no plan to introduce continuous professional development requirement.	Draft Guideline already been prepared.	
2.7.	IES 1 Entry Requirements		
2.7.1.	<i>Entry Requirements and Equivalency</i> Section 2.7 deals with the entry requirements to the professional accountancy education program delivered by your organization. Are the entry requirements to the program equivalent to admissions requirements for a recognized university degree program (or its equivalent)?	1 <input type="radio"/> Entry requirements are at least equivalent to that for admission into a recognized university degree program (or its equivalent) 2 <input checked="" type="radio"/> Entry requirements are not equivalent to that for admissions into a recognized university degree program (or its equivalent)	
2.7.2.	<i>Entry Requirements Follow Up</i> Please describe in general terms the experience and / or knowledge required to enter into the professional accountancy education program. For example, whether	REGISTRATION OF STUDENTS Only Registered students of	

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	<p>the individual must have secondary education (e.g. high school diploma) or the type and number of years of work experience that is recognized.</p>	<p>AATSL are eligible to sit for the Examinations of AATSL.</p> <p>Minimum Qualifications for Registration:-</p> <p>To enroll as a Registered Student a person needs only ONE of the following qualifications:-</p> <p>(a) G.C.E. (O.L.) 6 passes (Sri Lanka / U.K.),</p> <p style="text-align: center;">OR</p> <p>(b) G.C.E. (A.L.) 2 passes (Sri Lanka / U.K.),</p> <p style="text-align: center;">OR</p> <p>(c) 5 years experience as an Accounts Clerk / Audit Clerk / Book Keeper / Accounts Trainee in a recognized establishment,</p> <p style="text-align: center;">OR</p> <p>(d) Any other equivalent or higher qualification acceptable to</p>	

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		the Governing Council.	
2.8.	IES 2 Content of Professional Accounting Education Program		
2.8.1.	<p><i>Gaining Accountancy Knowledge</i> Section 2.8 deals with the general content of the professional accountancy education program delivered by your organization.</p> <p>What forms of pre-qualification, professional accountancy knowledge are recognized by your organization? Select all the answer options that are appropriate.</p>	<p>1 <input checked="" type="checkbox"/> Post-secondary accounting degree</p> <p>2 <input checked="" type="checkbox"/> Post-secondary business or finance degree</p> <p>3 <input checked="" type="checkbox"/> Post-secondary degree in another subject matter</p> <p>4 <input checked="" type="checkbox"/> Qualification offered by another IFAC member body</p> <p>5 <input checked="" type="checkbox"/> Relevant work experience</p> <p>6 <input type="checkbox"/> Other</p>	
2.8.2.	<p><i>Describe Other Degree</i> Describe in general terms the other degrees and specializations recognized by your organization.</p>	Please refer Annexure 1	
2.8.3.	<p><i>Describe Other IFAC Qualification</i> State the name of the IFAC member body</p>	Please refer Annexure 1	

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	and the title / designation offered by the IFAC member body that is recognized by your organization.		
2.8.4.	<i>Relevant Work Experience</i> Describe the type and length of work experience that is recognized as part of pre-qualification professional accountancy knowledge.	Please refer Annexure 1	
2.8.8.	Pre-Qualification Content		
2.8.8.1.	<i>Accounting and Finance</i> Section 2.8.8.1 deals with the specific content of the professional accountancy education program delivered by your organization. Which of the following accounting, finance, and related knowledge subject areas are required prior to qualification? Select all the answer options that are appropriate.	<p>1 <input checked="" type="checkbox"/> Financial accounting and reporting</p> <p>2 <input checked="" type="checkbox"/> Management accounting and control</p> <p>3 <input type="checkbox"/> Control</p> <p>4 <input checked="" type="checkbox"/> Taxation</p> <p>5 <input checked="" type="checkbox"/> Business and commercial law</p> <p>6 <input checked="" type="checkbox"/> Audit and assurance</p> <p>7 <input checked="" type="checkbox"/> Finance and financial management</p> <p>8 <input type="checkbox"/> Professional values and ethics</p>	

Number	Question Title/Text/Help text	Answer	Comments
		9 <input type="checkbox"/> None of the above	
2.8.8.2.	<i>Accounting and Finance Follow Up</i> For the accounting and finance subjects in question 2.10.8.1 that are not required by your organization, please explain the special conditions or reasons why they are not required.	Accounting Technicians are seldom involved in decision making , and if so involved, they operate at supervisory level.	
2.8.8.3.	<i>Organizational and Business Knowledge</i> Which of the following organizational and business knowledge subject areas are required prior to qualification? Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> Economics 2 <input checked="" type="checkbox"/> Business environment 3 <input type="checkbox"/> Corporate governance 4 <input checked="" type="checkbox"/> Business ethics 5 <input type="checkbox"/> Financial markets 6 <input checked="" type="checkbox"/> Quantitative methods 7 <input type="checkbox"/> Organizational behavior 8 <input checked="" type="checkbox"/> Management and strategic decision making 9 <input type="checkbox"/> Marketing 10 International business and <input type="checkbox"/> globalization 11 None of the above <input type="checkbox"/>	
2.8.8.4.	<i>Organizational and Business Follow Up</i> For the organizational and business knowledge subjects in question 2.10.8.3 that are not required by your organization, please	Accounting Technicians are seldom involved in decision making , and if so involved, they operate at	

Number	Question Title/Text/Help text	Answer	Comments
	explain the special conditions or reasons why they are not required.	supervisory level.	
2.8.8.5.	<i>Information Technology</i> Which of the following information technology (IT) subject areas and competences are required prior to qualification? Select all the answer options that are appropriate.	1 <input checked="" type="checkbox"/> General knowledge of IT 2 <input type="checkbox"/> IT control knowledge 3 <input type="checkbox"/> IT control competences 4 <input type="checkbox"/> IT user competences 5 <input type="checkbox"/> One of, or a mixture of, the competences of, the roles of manager, evaluator or designer of information systems 6 <input type="checkbox"/> None of the above	
2.8.8.6.	<i>Information Technology Follow Up</i> For the information technology subjects in question 2.8.8.6 that are not required by your organization, please explain the special conditions or reasons why they are not required.	Accounting Technicians are seldom involved in decision making , and if so involved, they operate at supervisory level.	
2.8.8.7.	<i>Additional Content by Requirement</i> Are there additional content requirements specified by law or regulation, or your organization?	1 <input type="checkbox"/> Yes, as required by law or regulation 2 <input type="checkbox"/> Yes, as determined to be	

Number	Question Title/Text/Help text	Answer	Comments
		<p>necessary by our organization</p> <p>3 <input checked="" type="checkbox"/> No</p>	
2.9.	IES 3 Professional Skills		
2.9.1.	<p><i>Development of Intellectual Skills</i></p> <p>Section 2.9 deals with the professional skills required by the professional accountancy education program delivered by your organization.</p> <p>At what points in the professional accountancy education program are intellectual skills developed? Select all the answer options that are appropriate. In responding to this question refer to IES 3 paragraphs 13 and 14.</p>	<p>1 <input type="checkbox"/> As part of general education and / or as part of the professional accountancy education program entry requirements</p> <p>2 <input type="checkbox"/> Through specific professional accountancy education course content</p> <p>3 <input type="checkbox"/> Through practical experience requirement</p> <p>4 <input checked="" type="checkbox"/> Other (please describe)</p>	N/A
2.9.2.	<p><i>Intellectual Skills</i></p> <p>Describe the specific intellectual skills candidates are required to have at the point of qualification and how these skills are assessed.</p>	N/A	
2.9.3.	<i>Development of Technical and Functional Skills</i>		

Number	Question Title/Text/Help text	Answer	Comments
	<p>At what points in the professional accountancy education program are technical and functional skills developed? Select all the answer options that are appropriate. In responding to this question refer to IES 3 paragraphs 13 and 15.</p>	<p>1 <input type="checkbox"/> As part of general education and / or as part of the professional accountancy education program entry requirements</p> <p>2 <input type="checkbox"/> Through specific professional accountancy education course content</p> <p>3 <input checked="" type="checkbox"/> Through practical experience requirement</p> <p>4 <input type="checkbox"/> Other (please describe)</p>	
2.9.4.	<p><i>Technical and Functional Skills</i> Describe the specific technical and functional skills candidates are required to have at the point of qualification and how these skills are assessed.</p>	Please refer Annexure 2	
2.9.5.	<p><i>Development of Personal Skills</i> At what points in the professional accountancy education program are personal skills developed? Select all the answer options that are appropriate. In responding to this question IES 3 paragraphs 13 and 16.</p>	<p>1 <input type="checkbox"/> As part of general education and / or as part of the professional accountancy education program entry requirements</p> <p>2 <input checked="" type="checkbox"/> Through specific professional accountancy education course content</p> <p>3 <input checked="" type="checkbox"/> Through practical experience requirement</p> <p>4 <input type="checkbox"/> Other (please describe)</p>	

Number	Question Title/Text/Help text	Answer	Comments
2.9.6.	<p><i>Personal Skills</i> Describe the specific personal skills candidates are required to have at the point of qualification and how these skills are assessed.</p>	Please refer Annexure 2	
2.9.7.	<p><i>Dev of Interpersonal and Communication Skills</i> At what points in the professional accountancy education program are interpersonal and communication skills developed? Select all the answer options that are appropriate. In responding to this question refer to IES 3 paragraphs 13 and 17.</p>	<p>1 <input type="checkbox"/> As part of general education and / or as part of the professional accountancy education program entry requirements</p> <p>2 <input checked="" type="checkbox"/> Through specific professional accountancy education course content</p> <p>3 <input checked="" type="checkbox"/> Through practical experience requirement</p> <p>4 <input type="checkbox"/> Other (please describe)</p>	
2.9.8.	<p><i>Interpersonal and Communication Skills</i> Describe the specific interpersonal and communication skills candidates are required to have at the point of qualification and how these skills are assessed.</p>	Please refer Annexure 2	
2.9.9.	<p><i>Dev of Organizational and Business Mngt Skills</i> At what points in the professional</p>	1 <input type="checkbox"/> As part of general education	

Number	Question Title/Text/Help text	Answer	Comments
	<p>accountancy education program are organizational and business management skills developed? Select all the answer options that are appropriate. In responding to this question refer to IES 3 paragraphs 13 and 18.</p>	<p>and / or as part of the professional accountancy education program entry requirements</p>	
		<p>2 <input checked="" type="checkbox"/> Through specific professional accountancy education course content</p> <p>3 <input checked="" type="checkbox"/> Through practical experience requirement</p> <p>4 <input type="checkbox"/> Other (please describe)</p>	
2.9.10.	<p><i>Organizational and Business Management Skills</i> Describe the specific organizational and business management skills candidates are required to have at the point of qualification and how these skills are assessed.</p>	<p>Please refer Annexure 2</p>	
2.10.	<p>IES 4 Professional Values, Ethics and Attitudes</p>		
2.10.1.	<p><i>Content for Values, Ethics and Attitudes</i> Section 2.10 deals with professional ethics, values, and attitude content and requirements of the professional accountancy education program delivered by your organization.</p> <p>Does the professional accountancy education program include coverage of</p>	<p>1 <input checked="" type="radio"/> Yes</p>	

Number	Question Title/Text/Help text	Answer	Comments
	values, ethics and attitudes?	2○ No	
2.10.2.	Values, Ethics and Attitudes in Content		
2.10.2.1.	<p><i>Program Content for Values, Ethics and Attitudes</i></p> <p>Which of the following are included in the program content? Select all the answer options that are appropriate.</p>	<p>1□ The nature of ethics</p> <p>2□ Differences of detailed rules-based and framework approaches to ethics, their advantages and drawbacks</p> <p>3☑ Compliance with the fundamental ethical principles of integrity, objectivity, commitment to professional competence and due care, and confidentiality</p> <p>4☑ Professional behavior and compliance with technical standards</p> <p>5☑ Concepts of independence, skepticism, accountability and public expectations</p> <p>6☑ Ethics and the profession: social responsibility</p> <p>7☑ Ethics and law, including the relationship between laws, regulations and the public interest</p>	

Number	Question Title/Text/Help text	Answer	Comments
		<p>8 <input checked="" type="checkbox"/> Consequences of unethical behavior to the individual, to the profession and to society at large</p> <p>9 <input checked="" type="checkbox"/> Ethics in relation to business and good governance</p> <p>10 <input checked="" type="checkbox"/> Ethics and the individual professional accountant: whistle blowing, conflicts of interest, ethical dilemmas and their resolution.</p> <p>11 <input type="checkbox"/> None of the above</p>	
2.10.2.2.	<p><i>Values, Ethics and Attitudes Content Follow Up</i></p> <p>For the values, ethics and attitudes subjects in question 2.10.2.2 that are not required by your organization, please describe the special conditions or reasons why they are not required.</p>	N/A	
2.10.2.3.	<p><i>IFAC Code of Ethics</i></p> <p>Is the program content based on the relevant sections of the IFAC Code of Ethics?</p>	<p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p>	
2.10.2.4.	<p><i>Workplace Learning Development</i></p> <p>At what points in the professional accountancy education program are values, ethics, attitudes and adherence to them developed? Select all the answer options that</p>	<p>1 <input type="checkbox"/> As part of general education and / or as part of the program entry requirements</p>	

Number	Question Title/Text/Help text	Answer	Comments
	are appropriate.	<input checked="" type="checkbox"/> 2 Through specific program course content <input checked="" type="checkbox"/> 3 Through practical experience requirement <input type="checkbox"/> 4 Other (please describe)	
2.11.	IES 5 Practical Experience Requirement		
2.11.1.	<p><i>Approved Provider</i> Section 2.11 deals with the practical experience requirement established by your organization.</p> <p>Does the practical experience requirement have to be obtained with approved providers or employers?</p>	<p>1 <input checked="" type="radio"/> Yes</p> <p>2 <input type="radio"/> No</p>	
2.11.2.	<p><i>Provider Characteristics</i> Please describe the characteristics set by your organization for recognizing approved providers.</p>	Please refer Annexure 2	
2.11.4.	<p><i>Length of Practical Experience</i> What is the required length of pre-qualification practical experience? Select the answer option that is most appropriate.</p>	<p>1 <input type="radio"/> Three years</p> <p>2 <input checked="" type="radio"/> Less than three years</p> <p>3 <input type="radio"/> More than three years</p>	
2.11.5.	<i>Length of Practical Experience Follow Up</i>		

Number	Question Title/Text/Help text	Answer	Comments
	Describe the length of the practical experience requirement and what special conditions or factors were relevant in establishing the length.	Please refer Annexure 2	
2.11.6.	Practical Application SMO 2		
2.11.6.1.	<i>Practical Application</i> Where relevant graduate (beyond under-graduate, e.g., masters) professional education has a strong element of practical accounting application, may any portion of the professional education be contributed to the practical experience requirement?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	MAAT (Direct) MBA is Business Management /Administration from a recognized University(no practical experience necessary)
2.11.6.2.	<i>Practical Application Recognized</i> How many months of the practical accounting component may be contributed towards the practical experience requirement?	1 <input type="radio"/> One to twelve months 2 <input type="radio"/> Thirteen or more months 3 <input checked="" type="radio"/> Other	
2.11.6.3.	<i>Practical Application Period</i> State the number of months of relevant graduate (beyond under-graduate, e.g., masters) professional education that may be contributed towards the practical experience requirement.	Pleaser refer Annexure 3	
2.11.6.4.	<i>Practical Application Follow Up</i>		

Number	Question Title/Text/Help text	Answer	Comments
	What factors or conditions were relevant in establishing the number of months that may be contributed towards the practical experience requirement?	It changes depending on the level of the Membership.	
2.11.7.	Timing of Experience		
2.11.7.1.	<i>Pre or Post Qualification Experience</i> The practical experience for accountants may be obtained (select all the answer options that are appropriate):	1 <input checked="" type="checkbox"/> Before the professional accountancy education program of study 2 <input checked="" type="checkbox"/> At the same time as the professional accountancy education program of study 3 <input checked="" type="checkbox"/> After the professional accountancy education program of study	
2.11.7.2.	<i>Describe Pre or Post Experience</i> Describe the length of practical experience that may be obtained pre-qualification and / or post-qualification.	Maximum of 12 months experience before registration considered.	
2.12.	IES 5 Monitoring of Practical Experience Requirement		
2.12.1.	<i>Monitoring of Practical Experience</i> Is the period of practical experience monitored?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	
2.12.3.	<i>Monitoring Practical Experience</i> How is the practical experience requirement (or practical application) monitored and	1 <input checked="" type="checkbox"/> Mentoring system	

Number	Question Title/Text/Help text	Answer	Comments
	assessed? Select all the answer options that are appropriate.	<p>2<input checked="" type="checkbox"/> Approved training employers and organizations</p> <p>3<input checked="" type="checkbox"/> Self-declaration required from the candidate</p> <p>4<input checked="" type="checkbox"/> Record of the practical experience is kept and submitted to the member body when applying for membership</p> <p>5<input checked="" type="checkbox"/> An assessment is made by the mentor or employer</p> <p>6<input type="checkbox"/> Other (please describe)</p>	
2.13.	IES 6 Assessment of Prof Capabilities and Competence		
2.13.1.	<p><i>Assessment by IFAC Body or Other</i></p> <p>Section 2.13 deals with the final assessment requirements established by your organization.</p> <p>Select all the organizations involved in conducting the final assessment.</p> <p>If the final assessment is conducted jointly between various organizations, select all those that have some responsibility for conducting the final assessment and in the Comment Box, describe the nature of their respective roles and responsibilities.</p>	<p>1<input checked="" type="checkbox"/> Our organization (including training entities that are affiliated with our organization or a subsidiary of our organization).</p>	

Number	Question Title/Text/Help text	Answer	Comments
		<input type="checkbox"/> Another IFAC member body <input type="checkbox"/> Government or regulatory body <input type="checkbox"/> Other	
2.13.4.	<i>Characteristics of Assessment</i> Which of the following characteristics are applicable to the final assessment process? Select all the answer options that are appropriate.	<input type="checkbox"/> Uniform for all students <input type="checkbox"/> Given simultaneously where it is being held in more than once location in the country <input checked="" type="checkbox"/> Assessment is set and assessed only by qualified or approved individuals <input type="checkbox"/> None of the above	
2.13.5.	<i>Qualifying for Final Assessment</i> What requirements must the candidate satisfy to take the final assessment? Select all the answer options that are appropriate.	<input type="checkbox"/> Specified pre-qualification requirements relating to professional knowledge, professional skills, and professional values, ethics, and attitudes <input checked="" type="checkbox"/> Specified practical experience requirements <input type="checkbox"/> Other (please describe) <input type="checkbox"/> None of the above	
2.13.6.	<i>Timing Considerations for Final Assessment</i> Is there a requirement or restriction for completing the final assessment? For	<input type="radio"/> Yes	

Number	Question Title/Text/Help text	Answer	Comments
	example, some organization may require the candidate to take the final examination within a specified number of years of meeting the pre-assessment requirements.	2 <input checked="" type="radio"/> No	
2.13.8.	<i>Assess Professional Knowledge</i> Describe in general terms how required professional knowledge (e.g. technical knowledge about accounting, finance, audit, financial reporting, legislative requirements, information technology etc) is assessed during the final assessment.	At the final interview.	
2.13.9.	<i>Assess Professional Skills</i> Describe in general terms how required professional skills (e.g. ability to solve problems, make decisions, exercise judgment, personal skills, interpersonal and communication skills, organizational and business management skills etc) are assessed during the final assessment.	At the final interview consisting of comprising of the Council Members.	
2.13.10.	<i>Assess Professional Values, Ethics, Attitudes</i> Describe in general terms how required professional values, ethics, and attitudes are assessed during the final assessment.	At the final interview consisting of comprising of the Council Members.	
2.13.11.	<i>Recorded or Oral Format</i> Is the final assessment conducted through:	1 <input type="radio"/> Recorded format with recorded (e.g. written)	

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		<p>response required</p> <p>2○ Oral format with oral responses</p> <p>3⊙ Both recorded and oral response formats</p>	
2.13.12.	<p><i>Recorded Proportion</i></p> <p>Approximately what proportion of the final assessment requires candidates' responses to be in recorded form?</p>	<p>1○ Less than 25%</p> <p>2○ 25%</p> <p>3⊙ 50%</p> <p>4○ 75%</p> <p>5○ 100%</p>	
2.13.13.	<p><i>Assessment Formats</i></p> <p>What formats are used in conducting the final assessment (select all the answer options that are appropriate)?</p>	<p>1□ Multiple choice questions</p> <p>2□ Case studies</p> <p>3☑ Technical questions</p> <p>4□ Thesis</p> <p>5□ Other (please describe)</p> <p>6□ None of the above</p>	
2.13.14.	<p><i>Reliability and Validity</i></p> <p>Describe in general terms the procedures in place to ensure the final assessments are reliable and valid. Include a description of how the assessment questions are set and by whom and also how reviewers / assessors are selected.</p>	N/A	

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2.13.15.	<p><i>Frequency of Final Assessments</i> How many times in a year is the final assessment offered? Select the answer option that is the most appropriate.</p>	<p>1 <input type="radio"/> Yearly (or once a year)</p> <p>2 <input type="radio"/> Half yearly (or twice a year)</p> <p>3 <input type="radio"/> Three sessions a year</p> <p>4 <input type="radio"/> Four sessions a year</p> <p>5 <input type="radio"/> Five sessions a year</p> <p>6 <input checked="" type="radio"/> Other (please describe the frequency of the examinations)</p>	Once a month
2.15.	<p><i>Activities to Promote IESs SMO 2</i> Please describe the activities your organization undertakes to promote and assist in implementing the pronouncements issued by IFAC's International Accounting Education Standards Board.</p>	We promote IAESB standards in our syllabus	
3.	SMO 3		
3.1.	<p><i>Auditing Standards in Law/Regulation</i> Does law or regulation establish the set of auditing standards to be used in the audit of private sector listed entities and non-listed entities? Select all the answer options that are appropriate.</p> <p>Where the law / regulation establishes the auditing standards to be used by reference to the set of standards to be used by their name or by including the text of the standards in</p>	1 <input type="checkbox"/> Yes for audits of listed entities	

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	<p>the law / regulation, please respond "yes" to this question. Section 3.8. of this module includes questions about the law / regulation.</p> <p>Where the law / regulation gives authority to a national standard-setter to establish the auditing standards, please respond "no". Section 3.2. of this module includes questions about the standard-setter and the auditing standards that are established.</p>	<p>2 <input type="checkbox"/> Yes for audits of non-listed entities</p> <p>3 <input checked="" type="checkbox"/> No for audits of listed entities</p> <p>4 <input checked="" type="checkbox"/> No for audits of non-listed entities</p>	
3.2.	Responsibility for Private Sector Auditing Standards		
3.2.1.	<p><i>Auditing Standards - Private Sector</i></p> <p>Is there only one set of auditing standards or are the auditing standards applicable to listed entities different from non-listed entities?</p>	<p>1 <input checked="" type="radio"/> The auditing standards for listed entities and non-listed entities are the same set of standards</p> <p>2 <input type="radio"/> The auditing standards for listed entities and non-listed entities are not the same set of standards</p>	
3.2.6.	<p><i>Responsibility for Auditing Standards</i></p> <p>Who has the authority for establishing the auditing standards for listed and non-listed</p>	<p>1 <input type="radio"/> Our organization</p>	

Number	Question Title/Text/Help text	Answer	Comments
	entities?	<input checked="" type="radio"/> 2 Another IFAC member body <input type="radio"/> 3 Joint process between our organization and another IFAC member body or other organization <input type="radio"/> 4 Another organization	
3.2.7.	<i>Responsibility - Other SMO 3</i> State the organization's name that is responsible for establishing auditing standards for audits of listed and non-listed entities.	ICASL	
3.11.	<i>Activities to Promote IAASB Pronouncements</i> Please describe the activities your organization undertakes to promote and assist in the implementation of IAASB pronouncements and other IAASB activities.	We promote the standards in our syllabus	
4.	SMO 4		
4.1.	Responsibility and National Ethical Requirements		
4.1.1.	<i>IFAC MB and Ethical Requirements</i> Does your organization establish ethical requirements (e.g. code of ethics, code of conduct, ethics rules, member regulations, etc.) to be complied with by your members? Help text:	<input checked="" type="radio"/> 1 Yes, our organization does establish ethical requirements <input type="radio"/> 2 No, our organization does not	

Number	Question Title/Text/Help text	Answer	Comments
		<p>3 <input checked="" type="radio"/> Our organization has developed our own ethical requirements with a process to eliminate differences between our ethical requirements and the IFAC Code</p> <p>4 <input type="radio"/> Our organization develops our own ethical requirements and uses another approach to incorporate the IFAC Code of Ethics</p>	
4.1.10.	<p><i>IFAC MB and Code - Eliminate Differences</i> Describe the process used to adopt the IFAC Code or the process used to eliminate differences between your organization's ethical requirements and the IFAC Code.</p>	Please refer to the attached Code	
4.2.	MB and Version of IFAC Code		
4.2.1.	<p><i>Version of IFAC Code</i> Which version of the IFAC Code was adopted or used as the basis for your organization's ethical requirements?</p>	<p>1 <input checked="" type="radio"/> The IFAC Code currently in effect, revised and issued in June 2004</p> <p>2 <input type="radio"/> A version issued prior to 2004</p> <p>3 <input type="radio"/> The revised IFAC Code issued and in effect June 30, 2006</p>	
4.2.3.	<p><i>MB and Revised Code</i> Does your organization have plans to adopt</p>	1 <input type="radio"/> Our organization has already	N/A

Number	Question Title/Text/Help text	Answer	Comments
	<p>the revised IFAC Code (effective June 30, 2006) or revise your ethical requirements to incorporate the revised IFAC Code? Select the option that is the most relevant.</p>	<p>amended our ethical requirements for the revised IFAC Code (effective June 30, 2006)</p> <p>2○ Our organization is in the process of amending or has included a plan to amend our ethical requirements for the revised IFAC Code (effective June 30, 2006)</p> <p>3○ Our organization currently has not included in our work program a plan to amend our ethical requirements for the revised IFAC Code (effective June 30, 2006)</p> <p>4⊙ Other (please describe)</p>	
4.3.	<p><i>Ethical Requirements by Gov / Reg Bodies</i> In addition to the ethical requirements established by your organization, are there also laws or regulations that set out ethical requirements to be complied with by your members?</p>	<p>1○ Yes</p> <p>2⊙ No</p>	
4.5.	<p><i>Comparison of Requirements SMO 4</i> Does your organization have information that identifies any differences between the IFAC Code of Ethics currently in effect or the revised Code and the national ethical</p>	<p>1○ Yes, our organization has this information and it will be submitted</p>	<p>ICASL</p>

Number	Question Title/Text/Help text	Answer	Comments
	<p>requirements? In responding to this question, differences include:</p> <p>Principles, concepts, and guidance in the IFAC Code that are not addressed in the national ethical requirements; Principles, concepts, and guidance in the IFAC Code that are not equivalent to the national ethical requirements; Principles, concepts, rules, regulations, laws, or other mandatory ethical requirements in national ethical requirements that are not addressed in the IFAC Code.</p> <p>The phrase "national ethical requirements" as used in this questionnaire refers to the totality of ethical requirements established by your organization and others including government and regulatory bodies that are applicable to your members.</p>	<p>2 <input type="radio"/> This information will be submitted by another IFAC member body</p> <p>3 <input type="radio"/> No, the information is not available</p>	
4.11.	<p><i>Translation of IFAC Code</i></p> <p>Has your organization or others (e.g. government or regulatory body) translated the IFAC Code (in effect) or earlier versions of the Code? Select all the answer options</p>	<p>1 <input checked="" type="checkbox"/> No, as English is an official language or widely spoken language</p>	

Number	Question Title/Text/Help text	Answer	Comments
	that are appropriate.	<input type="checkbox"/> 2 Yes, our organization has translated the IFAC Code <input type="checkbox"/> 3 Yes, a government, regulatory, or other body has translated the IFAC Code <input type="checkbox"/> 4 No, the IFAC Code has not been translated and English is not an official language or widely spoken language	
4.15.	<i>Activities to Promote IFAC Code of Ethics</i> Please describe the activities your organization undertakes to promote and assist in implementing the pronouncements (e.g. IFAC Code of Ethics) and work of IFAC's International Ethics Standards Board for Accountants.	Promote in our syllabus and through seminars	
5.	SMO 5		
5.1.	<i>Public Sector Accounting Standards - Objective</i> Has the federal government / national government established convergence with International Public Sector Accounting Standards (IPSASs) as an objective?	<input type="radio"/> 1 Yes <input type="radio"/> 2 No <input checked="" type="radio"/> 3 Information is not available or not known	Ministry of Finance contemplates action on this subject
5.4.	<i>Activities to Promote IPSASB Pronouncements</i>		

Number	Question Title/Text/Help text	Answer	Comments
	Please describe the activities your organization undertakes to promote pronouncements issued by the International Public Sector Accounting Standards Board. Please provide an explanation where such activities have not been undertaken because they are not within the scope of your organization's objectives or work program.	Ministry of Finance contemplates action on this subject	
6.	SMO 6		
6.1.	<i>Investigation and Discipline Program</i> In your jurisdiction is there a program for investigating and disciplining members of your organization for misconduct, including breaches of professional standards and rules?	1 <input checked="" type="radio"/> Yes 2 <input type="radio"/> No	
6.3.	Responsibility for Investigation and Discipline		
6.3.1.	<i>Body Responsible for Investigation and Discipline</i> Is your organization responsible for investigation and discipline of misconduct, including breaches of professional standards and rules by its individual members (and, if local laws and practices permit, by firms)? Select the answer option that is most appropriate.	1 <input type="radio"/> Yes, our organization has this responsibility	

Number	Question Title/Text/Help text	Answer	Comments
	<p>accounting standards to be used for preparation of financial statements of private sector listed entities and non-listed entities? Select all the answer options that are appropriate.</p> <p>Where the law / regulation establishes the accounting standards to be used by reference to the set of standards to be used by their name or by including the text of the standards in the law / regulation, please respond "yes" to this question. Section 7.8. of this module includes questions about the law / regulation.</p> <p>Where the law / regulation gives authority to a national standard-setter to establish the accounting standards, please respond "no". Section 7.2. of this module includes questions about the standard-setter and the accounting standards that are established.</p>	<p>of listed entities</p>	
		<p>2 <input type="checkbox"/> Yes, for financial statements of non-listed entities</p> <p>3 <input checked="" type="checkbox"/> No, for financial statements of listed entities</p> <p>4 <input checked="" type="checkbox"/> No, for financial statements of non-listed entities</p>	
7.2.	Responsibility for Private Sector Accounting Standards		
7.2.1.	<i>Accounting Standards - Private Sector</i>		

Number	Question Title/Text/Help text	Answer	Comments
	Is there only one group of accounting standards or are the accounting standards applicable to listed entities different from non-listed entities?	<p>1 <input checked="" type="radio"/> The accounting standards for listed entities and non-listed entities are the same set of standards</p> <p>2 <input type="radio"/> The accounting standards for listed entities and non-listed entities are not the same set of standards</p>	
7.2.6.	<i>Responsibility for Accounting Standards</i> Who has the authority establishing the accounting standards for listed and non-listed entities?	<p>1 <input type="radio"/> Our organization</p> <p>2 <input checked="" type="radio"/> Another IFAC member body</p> <p>3 <input type="radio"/> Joint process between our organization and another IFAC member body</p> <p>4 <input type="radio"/> Another organization</p>	
7.2.7.	<i>Responsibility - Other SMO 7</i> State the organization's name that is responsible for establishing accounting standards for listed and non-listed entities.	ICASL	
7.11.	<i>Promotion Activities SMO 7</i> Please describe the activities your organization undertakes to promote and assist in the implementation of IFRSs and other IASB pronouncements and activities.	We promote the standards to our members	
8.	Certification of Chief Executive		
8.1.	<i>Complete Certification</i>		

Number	Question Title/Text/Help text	Answer	Comments
	Once all required questions have been completed, the Certification of Chief Executive should be signed and submitted to Compliance Staff. Click here to download a copy of the Certification form.	1 <input checked="" type="checkbox"/>	Yes, the Certification of Chief Executive has been submitted
		2 <input type="checkbox"/>	

Annexure 1

EXEMPTIONS GRANTED BY THE AATSL UNDER THE REVISED (NEW) SYLLABUS (effective from June 2005 Examination).

N.B.

Exemptions are valid only for Examinations **held after the date** of obtaining the exemptions.

1. Foundation - Subject Exemptions

Registered Students who have passed the GCE (A/L) Examination (**SRI LANKA / UK**) in the following subjects are eligible to be exempted from Foundation Examination subjects as indicated below:-

(i) G.C.E. (A.L.) Examination

GCE (A/L) Subject	AAT- Foundation exempted subject
1. Accounting	1. Basic Financial Accounting
2. Pure Mathematics / Combined Maths / Applied Mathematics / Business Statistics	2. Business Mathematics and Statistics
3. Economics	3. Economics
4. Business Studies / Commerce and Finance	4. Commerce

(ii) I.A.B. Final Examination

(ii) Basic Financial Accounting only

2. Complete Exemption from Foundation Examination

1. Foundation Examination of ICASL.
2. Foundation Examination of CIMA (UK).
3. CAT Examination of ACCA (UK).
4. National Diploma / National Certificate in Business Studies of Government Technical Colleges / Advanced Technical Institutes .
5. Second year examination of the HNDA. / HNDC - Government Technical Colleges / Advanced Technical Institutes.
6. First and Second year Examinations of B. Com / Business Administration / Public Administration / Economics Degree, (**Accounting, Business Mathematics & Statistics included**) of a recognised University.
7. Part II (i) Examination of the Institute of Bankers (Sri Lanka / UK).
8. Part II Examination of the ICOSA (UK).

9. Final Examination of the Association of Business Executives (UK).
10. Certificate in Accounting & Auditing of AATSL.
11. Diploma in Management Studies of OUSL.
12. Foundation Examination of SCMASL.

3. The scheme of exemptions for those who have a pass **at level "C" or above** in individual subjects at one and the same examination but failed the ICASL intermediate examination is as follows :-

Subjects and Exam Passed at ICASL Examination	Subjects and Exam exempted at AATSL Examinations
1. Individual subjects of Foundation Examination.	1. Corresponding subjects of Foundation Examination.
2. Foundation Examination.	2. Foundation Examination.
3. Foundation Examination and "C". or above grade pass for Financial Accounting at Intermediate Examination	3. Foundation Examination and Subject, No. 04, Accounting and Auditing at Intermediate and Subject No.10 Advanced Financial Accounting at Final Examination.
4. Foundation Examination and "C" or above grade pass for Business Finance and Decisions at Intermediate Examination	4. Foundation Examination and Subject No.09, Cost & Management Accounting and QT at Final Examination.

4. **Complete Exemption from Foundation and Intermediate Examination**

Those who possess one of the following qualifications are eligible for exemption from these two examinations provided they have passed in subjects which, in the opinion of the Governing Council, can be considered as equivalent to each of the subjects of Intermediate examination.

- (i) A Degree of a University Recognised by the **UNIVERSITY GRANTS COMMISSION with passes in**
 - (a) Business Mathematics (b) Statistics and (c) **MIS & IT Applications in Accounting.**

Detailed Syllabi of these subjects duly Certified by the Registrar / Director Examinations / Dean of the Faculty / Head of Department should be attached to the Exemption Application Form. Otherwise no action will be taken on the Application.
- (ii) National Certificate for Accounting Technicians (NCAT) conducted at Government Technical Colleges.
- (iii) Professional Part II of ACCA (UK)

(iv) Diploma examination of CMASL

5. Exemptions for other University Degrees

They are entitled to the following exemptions

(i) Foundation - (01) Basic Financial Accounting, (03) Economics and Commerce

(ii) Intermediate - (07) Business Communication I (04) Accounting and Auditing
(06) Business Law & Management,

They will have to sit and pass **only** the following question papers of the examination indicated.

Foundation	-	Business Mathematics and Statistics
Intermediate	-	MIS and IT Applications in Accounting
Final	-	All subjects

A certificate of exemption should be obtained before applying for examinations

Annexure 2

PRACTICAL TRAINING / EXPERIENCE FOR AAT MEMBERSHIP

(1) Introduction

In addition to passing the examinations conducted by the Association of Accounting Technicians of Sri Lanka, registered students should have to undergo a prescribed period of Practical Training before they become eligible for **Membership of the Association**.

(2) Places of Training

The Practical Training may be undergone in a Ministry / Government Department / State Corporation / Statutory Authority/ Banking Institution / Hotel / Limited Liability Company / Firm of Chartered Accountants / Tax Consultants / Management Consultants / Approved Auditor/any other Institutions approved by AATSL.

(3) Areas of Training

Areas of Training are explained in detail on page 39 & 40.

(4) Prescribed Period of Training – Two years

Any practical experience / training in excess of **Two years before registration** is counted as **one year** for this purpose. The minimum Practical Training required is 1250 hours per year.

(5) Nature of Practical Training Required

The Practical Training undergone should be one which will enable the registered student to carry out the duties of an Accounting Technician in an organisation mentioned in para 2 above, in the Areas of Training mentioned on pages 39-40 of the “Students’ Guide”.

(6) Certification of Practical Training

- (i) All students who wish to gain admission as **Members of the AAT (MAAT)** and also obtain the **one year reduction in Practical Training from ICASL** should complete and submit the **Training Record** to the AATSL on the stipulated dates. The Practical Training should be supervised by a supervising member in terms of the regulations stated herein. Part time Practical Training will not be recognized.

- (a).Students who INTEND to obtain the concessions from the **ICASL Practical Training Programme** should have as their **Supervising Member**, a member of the Institute of Chartered Accountants of Sri Lanka or from an ICASL approved firm, and record their Practical Training in the specified **PRACTICAL TRAINING RECORD book** (Audit-Firms) of the AATSL.

To obtain the Practical Training Record book, a Student should submit a letter from his Supervisor on the official letter-head of the Training Organization.

Within two weeks of commencing Training at an approved firm, the Student should obtain the AATSL Practical Training Record book. The duly completed **Training Agreement Forms** should be handed over to the AATSL within the next two weeks. Trainees may back date their Practical Training Records up to a maximum of **three months only**, from the date of signing the agreement by the AATSL.

- (b).In all other instances the Supervising Member could belong to **any one** of the following categories:-
 - (a) Member of ICASL.
 - (b) Member of AATSL
 - (c) Member of CIMA (UK).
 - (d) Member of ACCA (UK).
 - (e) A Member of any other Professional Accountancy Institute.
 - (f) A Government Accountant.

- (g) A Licentiate of the ICASL / Intermediate Certificate Holder ICASL
 - (h) Holder of the HND Accountancy Certificate.
 - (i) Any other person holding office as an Accountant in an establishment, provided such a person is acceptable to the Governing Council of AATSL.
- (ii) Students who wish to obtain **AATSL Membership** only, should get the “**Practical Accounting Experience Record Sheet**” (Non-audit Firms) from the Training Division, get adequate photocopies of this Form and fill them up appropriately. This sheet is at the back of this book. The Passed Finalists on completion of **Two Years of Practical Training** can apply for the AAT Membership (MAAT).
The “**Areas of Training for Practical Experience**” (as given on the back page of the Record Sheet) is also on pages 39-40 of the “Students’ Guide”.

PRACTICAL ACCOUNTING EXPERIENCE

Introduction: In addition to passing the Final Examinations conducted by the Association of Accounting Technicians of Sri Lanka, registered students should have completed a period of at least two years Practical Training before they become eligible for Membership of the Association (MAAT).

Place of Training: Any Organization or Establishment where Accountancy Experience can be obtained.

Supervisor: A member of the Association or any other person who has obtained Professional / Academic Qualifications in Accountancy should supervise the Practical Training.

Training: A Trainee’s experience should be covered from at least **03 areas, out of the 10 areas** given below.

Quantum of Training: A minimum Practical Training of 1250 hours per year should be completed by a Trainee.

Areas of Training for Practical Experience

Code No.

1.0 Work leading to Preparation of Books of Accounts.

- Preparation of Books of Prime Entry – eg. Sales Book, Purchase Book, Returns Book etc;
- Preparation of the Cash and Bank Book
- Maintaining the Petty Cash Book
- Preparation of Bank Reconciliation Statements
- Preparation of Cash and Banking Summaries and Cash Reconciliations
- Maintenance of an appropriate filing system
- Preparing Journal entries
- Posting entries to General Ledger and or to Subsidiary Ledgers
- Preparing Control Accounts, eg. Debtors Control Account
- Communicating with Customers, Suppliers and Management about matters arising from keeping accounts
- Preparation of payroll

2.0 Work involving Preparation of Trial Balance

- Extracting the general Trial Balance
- Extracting balances from subsidiary ledgers – eg. Debtors Balances
- Reconciling Control Accounts
- Ensuring the correctness of the Trial Balance

3.0 Work involving Preparation of Financial Statements / Reports.

- Preparing the Profit and Loss Account
- Preparing the Balance Sheet
- Preparing the Cash Flow Statement
- Preparing Notes to the Accounts
- Performing analysis on the accounts. eg. Calculation of ratios, trends, etc.

4.0 Work involving Taxation

- Preparing VAT summaries
- Filling VAT Returns
- Preparing Turnover Tax Summaries
- Computation of Income Tax
- Filing Income Tax Returns
- Communicating with Tax Officers.

5.0 Work involving Statutory Requirements

- Calculation and Payment of EPF and ETF and PAYE Tax
- Providing for Gratuity
- Maintenance of Secretarial records eg. Share Registers
- Filing Annual Returns
- Dividend Processing

6.0 Work involving Budgeting

- Participating in the Budget Committee
- Preparation of Budgets
- Finalization of Budgets
- Preparing Variance Statements of Budgets and Actuals

7.0 Work involving Costing

- Payroll analysis
- Time Sheet Analysis
- Job Card Analysis

8.0 Work Involving Cost Estimates

- Machine Chart Analysis
- Preparing Cost Estimates
- Preparing Routine Reports
- Maintaining the Cost Ledgers

9.0 Work involving Inventories

- Maintaining Stock Records
- Reconciling Stock Ledger with Bin Cards and Physical Stocks
- Participating in Stock taking
- Preparing reports on Stock take

10.0 Other work

- Maintaining Fixed Assets Register
- Communications with Suppliers and Customers
- Communication with external auditors

Annexure 3

Members of the Association are either,

- (i) **Fellow Member of the AATSL (FMAAT)** **OR**
- (ii) **Senior Accounting Technician (SAT)** **OR**
- (iii) **Member of the AATSL (MAAT)**

1. **FMAAT**

- (i) **Five years Senior Accounting experience after admission to SAT Grade.**
OR
- (ii) **Membership of ICASL CIMA (UK) / ACCA (UK)**
AND
Three years post qualifying experience.

2. **SAT**

- (i) **Five years Senior Accounting Experience after obtaining MAAT grade**
OR
- (ii) **Final Examination of ICASL / CIMA (UK) / ACCA (UK) and Four years' relevant practical training / experience.**

3. **MAAT (through AATSL EXAMINATIONS)**

AAT Final Examination

AND

Two years Practical Training (Student Training Records as evidence)

Any practical training **in excesses of two years** before registration is counted as **one year** for this purpose.

4. **MAAT (DIRECT)**

- (i) **Licentiate/Intermediate examination of ICASL / HNDA / HNDC (Technical Colleges) / Intermediate examination of CIMA (UK) / Professional Scheme Part II of ACCA (UK) / Degree in Accounting of a recognised university.**
AND
Two years Practical Training / experience.
OR
- (ii) **MBA in Business Management /Administration from a recognised University (no practical experience necessary).**

Code of Professional Conduct & Ethics

1. Purpose of the Code of Ethics

Provide a general guide line and a frame work within which AAT members will conduct their work (duties & functions).

2. Fundamental Principles

All Members should observe certain fundamental principles in order to achieve the objectives of the profession:

2.1 Integrity

Members should be straightforward and honest in performing technician work.

2.2 Objectivity

Members should be fair and should not allow prejudice or bias or the influence of others to override objectivity.

2.3 Technical Competence

2.3.1 Members should refrain from undertaking or continuing any assignment which they are not competent to carry out unless advice and assistance is obtained to ensure that the assignment is carried out satisfactorily.

2.3.2 Members also have a continuing duty.

- (i) To maintain technical knowledge and skill at a level required to ensure that a client or employer receives the advantage of competent technician services based on up-to date developments in practice, legislation and techniques.

- (ii) To maintain their technical and ethical standards in areas relevant to their work through Continuous Development.

2.4 Due Care

2.4.1 A Member, having accepted an assignment, has an obligation to carry it out with due care and reasonable dispatch having regard to the nature and scope of the assignment.

2.4.2 Special care is required where Members undertake assignments for clients who may have little or no knowledge of accounting and taxation matters.

2.5 Confidentiality

Members should respect the confidentiality of information acquired during the course of performing professional work and should not use or disclose any such information without proper and specific authority or unless there is a legal or professional right or duty to disclose.

2.6 Behaviour

Members should act in a manner consistent with the good reputation of the Association and refrain from any conduct which might bring discredit to the profession.

3. Guidance Applicable to All Members

3.1 Objectivity

3.1.1 The principle of objectivity imposes the obligation on all Members to be fair minded, intellectually honest and free from conflict of interest.

3.1.2 Members serve in many different capacities and should demonstrate their objectivity in varying circumstances. Self-employed Members undertake professional services. Other Members as employees prepare financial statements, perform internal audit services and serve in financial management capacities in the accountancy

profession, industry, commerce, public sector and education. Members also educate and train those who aspire to be members of AAT.

3.1.3 Regardless of service or capacity, Members should protect the integrity of their services, maintain objectivity and avoid any subordination of their judgment by others.

3.1.4 Members need to bear in mind, in this context, the following factors;

- (i) Whatever the nature of the professional services they provide, Members may be exposed to situations which involve the possibility of pressures being exerted on them. These pressures may impair their objectivity, and hence their independence:
- (ii) In dealing with independence, Members must address both;
 - Independence of mind, i.e. the state of mind which has regard to all considerations relevant to the task in hand but no other independence of mind is also referred to as objectivity;
 - Independence in appearance, (or independence that can be demonstrated) ie. The avoidance of situations inducing so obvious a threat to independence that an informed third party would question the Member's objectivity. Issues of independence in appearance are most likely to arise in relation to undertaking audit or other public financial reporting assignments. These aspects are dealt with in Section 5.2

3.2 Competence

3.2.1 Members should refrain from undertaking or continuing assignments which they are not competent to carry out, unless competent advice and assistance is obtained to enable them satisfactorily to carry out the assignment.

3.2.2 A Member's competence may be divided into two separate phases;

(i) attainment of competence

The attainment of professional competence requires specific education, training, assessment or examination in relevant subjects and, whether prescribed or not, a period of relevant work experience in finance or accountancy.

(ii) maintenance of professional competence

The maintenance of competence require a continuing awareness and application of developments in the accountancy profession including relevant national and international pronouncements on accounting, auditing and other relevant regulations and statutory requirements.

3.3 Confidentiality

3.3.1 Members have an obligation to respect the confidentiality of information about a client's employer's affairs, or the affairs of clients of employers acquired in the course of professional work. The duty of confidentiality continues even after the end of the relationship between the Member and the employer or client.

3.3.2 Confidentiality should always be observed by Members unless specific authority has been given to disclose information or there is a legal, regulatory or professional duty to disclose.

3.3.3 Members have an obligation to ensure that staff under their control and persons from whom advice and assistance is obtained respect the principle of confidentiality.

3.3.4 Confidentiality concerns the matter of usage of information and not just non-disclosure or disclosure. A Member acquiring information in the course of professional work should neither use nor appear to use that information for personal advantage or for the advantage of a third party.

- 3.3.5 Members have access to much confidential information about an employer's or client's affairs, or the affairs of clients of employers, not otherwise disclosed to the public. Therefore, Members should be relied upon not to make unauthorized disclosures to other persons. This does not apply to disclosure of information in order to discharge their responsibilities properly according to the Association's standards.

4. Guidance Applicable to Employed Members

4.1 Conflict of loyalties

- 4.1.1 Employed Members owe a duty of loyalty to their employer as well as to their profession and there may be times when the two are in conflict. An employee's normal priority should be to support his or her organization's legitimate and ethical objectives and the rules and procedures drawn up in support of them. However, an employee cannot legitimately be required to:
- (i) break the law;
 - (ii) breach the rules and standards of their profession;
 - (iii) lie to or mislead (including by keeping silent) those acting as auditors to the employer,
 - (iv) put their name to or otherwise be associated with a statement which materially misrepresents the facts.
- 4.1.2 When Members become aware that their employers have committed an unlawful act which could compromise them, every effort should be made to persuade the employer not to perpetuate the unlawful activity, and to rectify the matter.
- 4.1.3 Differences in view about the correct judgment on accounting or ethical matters should normally be raised and resolved within the employee's organization, initially with the employee's immediate superior, and possibly thereafter, where disagreement about a significant ethical issue remains, with higher levels of management or non-executive directors.

4.1.4 If employed accountants cannot resolve any material issue involving a conflict between their employers and their professional requirements they may, after exhausting all other relevant possibilities, have no other recourse but to consider resignation. An employer may also be influenced in taking the right decision if it is made clear by the Member that it will not be possible to continue as an employee if matter are not corrected. Employees should state their reasons for resignation to the employer but their duty of confidentiality normally precludes them from communicating the issue to others (unless Legally or professionally required to do so).

4.2 Support for Professional Colleagues

A Member, particularly one having authority over others, should give due weight to the need of the colleagues to develop and hold their own judgment in accounting matters and should deal with differences of opinion in professional way.

4.3 Competence

A member employed in industry, commerce, the public sector or education may be asked to undertake significant tasks for which he or she has not had sufficient specific training or experience. When undertaking such work the Member should not mislead the employer as to the degree of expertise or experience he or she possesses, and where appropriate expert advice, assistance or training should be sought.

5. Guidance applicable to Self-Employed Members

5.1 Introduction

Members who provide accounting, taxation or related consultancy services on a self-employed basis in Sri Lanka must register with the Association of Accounting Technicians of Sri Lanka.

5.2 Independence in Financial Reporting and Similar Roles

5.2.1 When undertaking, a Registered self-employed person, a person who normally provides contract of services to business entities, and his services employed by any business a member should be independent both in fact and appearance.

5.2.2 The Potential threats to independence include the following;

*** financial interest in the entity**

(i) resulting from an executive, managerial, or operational involvement in the client's affairs and/or in the preparation of its accounts (a "self" review" threat);

(ii) arising from an emotional commitment to the client or its interest (such as to create a "familiarity" or an "intimidation" threat);

5.2.3. Financial Involvement with or in the affairs of Clients. Financial involvement can arise in a number of ways, such as.

(i) By direct or indirect financial interest.

(ii) By loans to or from the client or any officer, director or principal shareholder of a client company. The self-interest threat arising from outstanding fees is exacerbated when they become equivalent to a loan, and a Member should review the propriety of continuing to act where significant fees have been outstanding for twelve months or more. Special considerations may apply in circumstances involving Individual Voluntary Arrangements (IVAs) or other specific arrangements for payment;

(iii) By holding a financial interest in a joint venture with a client or employee (s) of a client;

(iv) When the receipt of fees from a client or group of connected clients represents a large proportion of the total gross fees of a Member or of the practice as a

whole. The perceived threat grows with the size of the fees and is thus increased by work or services assignment;

- (v) The provision of other services may also give rise to self-review, familiarity, or advocacy threats.

5.2.4. Personal and Family Relationships.

Personal and family relationships can affect objectivity. There is a particular need to ensure that an objective approach to any assignment is not endangered as a consequence of any personal or family relationship.

5.2.5. Conflicts between Interests of Different Clients

There is, on the face of it, nothing improper in a Member or practice having two or more clients whose interests may be in conflict. In such a case however the work should be managed so as to avoid the interest of one client being affected adversely.

5.3 Commissions

A Member who receives a commission or other reward in return for the introduction of a client should be aware that if such an introduction is made in the course of a “fiduciary relationship” with the client, the Member will be accountable for the commission or reward to the client. That means that the Member may under common law regimes, be bound to pass over the commission or reward to the client, unless the latter, having been informed of the nature and amount of the commission or reward, agrees that the Member can keep it. A “Fiduciary relationship” between a Member and his or her client will arise;

- Where the member acts as the client’s agent; or
- Where the member gives professional advice to the client so as to give rise to a relationship which the law would regard as one of “trust and confidence”.

5.4 Letters of Engagement

5.4.1. Self-employed Members should ensure that, as a matter of food practice, for each client an engagement letter is issued. The purpose of such a letter is to provide written confirmation of the work to be undertaken and the extent of the Member's responsibilities. Examples of engagement letters are available from the Director of Professional Development. The following features are recommended for inclusion:-

(i) The nature of the assignment

The nature of the assignment, the scope of the work to be undertaken and, if appropriate the format and nature of any report which has to be delivered;

(ii) Timing

The timing of the engagement, ie. The date the work is expected to start, (and whether these dates are contingent on the completion by the client or others of information), the duration of the work and the dates on which reports are to be made.

(iii) Duration

Whether the assignment is monthly, annual or not recurring and whether the engagement will continue unless specifically terminated by the client;

(iv) Client's responsibilities

The client's responsibilities eg. as to the production of information such as records and books, their format and timing. The client should also be advised that, for example, in relation to tax compliance work a Member will only be acting as an agent for the client and that the client is responsible for the tax returns, etc., submitted.

(v) Detection of irregularities

That the responsibilities for the detection of irregularities and fraud rest with the client's management and this would normally be outside the scope of the engagement. Nevertheless it should be made clear, under the terms of the engagement letter that, the client is obliged to provide full information to the Member.

(vi) Basis, frequency and rate of charge

The basis frequency and rate of charge for services rendered together with the treatment of expenses incurred in connection with the assignment. The incidence of any taxes should also be specified;

(vii) Ownership and lien

The ownership of books and records created in the engagement and whether the Member will exercise a lien over such items if fees remain unpaid or are disputed. The Member's policy on retention, destruction and return of records should, if appropriate, be specified.

(viii) Third parties

The usage of the Member's work by the client for third parties should be specified and suitable disclaimers employed.

5.5 Fees

5.5.1 Members in public practice who undertake professional services for a client assume the responsibility to perform the work with integrity and objectivity and in accordance with the appropriate technical standards. That responsibility is discharged by applying the professional skill and knowledge which Members have acquired and continue to acquire through learning and experience and which Students are in varying stages of acquiring. For the services rendered they are entitled to remuneration.

5.5.2 Professional fees should be fair reflection of the value of the work performed for the client, taking into account.

- (i) the skill and knowledge required for the type of work involved;
- (ii) the level of training and experience of the person/s necessarily engaged on the work.
- (iii) the time necessarily occupied by each person engaged on the work; and
- (iv) the degree of responsibility that the work entails.

5.5.3 Professional fees should normally be computed on the basis of agreed appropriate rates per hour or per day for the time of each person engaged on the work. These rates should be based on the fundamental premise that the organization and conduct of the practice and the services provided to clients are well planned, controlled and managed.

5.6 Client's Monies

5.6.1 A Member in public practice entrusted with monies belong to other should;

- (i) keep such monies separately from personal monies or monies belonging to the practice;
- (ii) use such monies only for the purpose for which they are intended and
- (iii) at all times be ready to account for those monies to any persons entitled to such accounting.

5.6.2 The Member should maintain one or more bank accounts for clients' monies. Such bank accounts may include a general client account into which the monies of a number of clients may be paid.

5.7 Changes in a Professional Appointment

5.7.1 Clients have the right to choose their professional advisers, and to change to others if they wish. Members engaging in practice have the right to choose for whom they act. Nevertheless, it is necessary in the interest of both the

public, and the existing and prospective advisers, that a Member who is asked to act by a prospective client in respect of a recurring reporting assignment, accounting services or taxation compliance work, should communicate with the existing adviser. Likewise, the latter must reply promptly as to any considerations which might affect the prospective adviser's decision whether or not to accept appointment. Where there is no existing adviser, the procedures apply equally to any previous adviser.

6. Legal Considerations

6.1 Ownership of Books and Records

- 6.1.1. The rules concerning the ownership of books and records say they belong to the client and it is important that the members take steps to ensure that the engagement letter covers as far as reasonable possible, their respective rights and responsibilities.
- 6.1.2. In accountancy work the question of ownership will depend on the nature of the work. Accounting records and financial statements prepared for a client belong to the client. A Member's working papers belong to the Member.
- 6.1.3. Letters received by the Member from the client, copies of letters from the Members to the client and notes made by the Members of discussions with the client belong to the member.

7. Issued on 15.09.2005