

Notice :Measures adopted by SLAASMB to assist entities and auditors during Covid 19 pandemic

Sri Lanka Accounting and Auditing Standards Monitoring Board (SLAASMB) was established under Act No. 15 of 1995 to monitor compliance with Sri Lanka Accounting Standards by commercially significant entities specified in the schedule to the act and to monitor compliance with Sri Lanka Auditing Standards by the auditors, when conducting audits of such Specified Business Enterprises (SBEs).

The regulatory mechanism of SLAASMB is focused at enhancing reliability in financial reporting in Sri Lanka. In furthering the said focus, SLAASMB continued to be engaged in the regulatory activities during this crisis period and is aware of the difficulties associated with the crisis due to the pandemic of corona virus (COVID 19) by the SBEs and auditors.

While our commitment to our work remains unchanged, we give priority to the health and safety of our employees and other stakeholders with whom we interact. Accordingly, SLAASMB has taken the following measures in pursuing with the operations during this trying period.

1. Compliance with Sri Lanka Accounting Standards and Sri Lankan Auditing Standards

1.1 All SBEs and auditors are required to comply with the applicable accounting and auditing standards issued by the Institute of Chartered Accountants of Sri Lanka (CA Sri Lanka) when preparing the financial statements and when conducting audits of such financial statements.

1.2 CA Sri Lanka has issued the following guidelines relating to the preparation of financial statements and conduct of audits of financial statements of SBEs:

- Application Guidance for Covid -19 Pandemic: The Implications on Financial Reporting issued by the Accounting Standards Committee of CA Sri Lanka
- Covid -19 Pandemic: Guidance Notes on the Implications of Auditing issued by the Auditing Standards Committee of CA Sri Lanka.

2. Monitoring Financial Statements

2.1 Submission of Financial Statements

2.1.1 All SBEs who are listed on the Colombo Stock Exchange should submit the audited financial statements to SLAASMB at the time of submitting the respective audited financial statements to the Colombo Stock Exchange.

- 2.1.2 All other regulated entities should submit the audited financial statements at the time such entity submits the audited financial statements to the applicable governing regulator.
- 2.1.3 All non-regulated entities should submit copies of the audited financial statements relating to the financial periods ending in March 2020, to SLAASMB, at the time such financial statements are issued to the shareholders in accordance with the requirement of the Companies Act No 7 of 2007. SLAASMB will consider applications to extend the deadline for submission of audited financial statements of such entities in appropriate circumstances.
- 2.1.4 When submitting the audited financial statements by SBEs, one printed copy of the audited financial statements, with an electronic copy of such financial statements should be dropped into the “collection box of SLAASMB” available at the security desk of the ground floor of SLAASMB office premises. The receipt acknowledging the receipt of the audited financial statements by SLAASMB, will be issued subsequent to verifying the completeness of the submission as explained above. If the entity is a parent entity who prepares and presents consolidated financial statements, the receipt will be issued only if the audited consolidated financial statements of the group are submitted.

2.2 Submission of information and conduct of meetings

- 2.2.1 When the staff request for information under Section 25 or 26 of Act No. 15 of 1995, a period of two weeks will be granted as a temporary measure to the SBEs to submit such information upon request, as against the 7 day period presently granted. This temporary arrangement will cease on 31 July 2020.
- 2.2.2 When it is necessary for the staff to have meetings with the officials of SBEs, such meetings may be conducted remotely, through electronic means of communication considering the circumstances prevailing at that time.

3. Inspection of audits

- 3.1 Based on the present circumstances, inspection of all statutory audits by SLAASMB will be deferred by three months. Accordingly, SLAASMB will schedule the audit inspections during the period commencing from 1 August 2020.
- 3.2 Considering the circumstances prevailing as at 1 August 2020, the staff of SLAASMB will contact the respective audit firm to review the possibility of conducting the audit inspections from the aforesaid date, remotely from office, with auditors’ participation being through electronic means of communication to maintain social distancing.

3.3 In the absence an arrangement as described in 3.2 above, the auditors will be required to attend in person for the inspections to the premises of SLAASMB.

3.4 Discussions with auditors are to be conducted remotely, through electronic means of communication as far as possible.

4. General Administration

4.1 SLAASMB office will remain operational as determined by the Government, but the office will be closed to visitors until further notice.

4.2 All communication should be done through e-mail, instead of or in addition to, regular mail.

Any clarification could be obtained by calling on + 94 112310210 (during the official working days) or by sending an email to slaasmb@sltnet.lk

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