

ACM Ifhaam, Partner, ACM Ifhaam and Company, Chartered Accountants

The Initial assessment visit was conducted in a very friendly and courteous manner which concentrated on introducing the AQA Programme and the requirements of SLSQC 1.

The findings of the review team identified areas the practice needs to improve/comply with as per SLSQC 1.

As an SMP we believe the AQA programme will help all SMPs to enhance capacity building and increase quality of work and comply with the relevant regulations. However since the AQA Programme covers only the members of CA Sri Lanka, the SMPs will be at a competitive disadvantage compared to practices owned by non-chartered accountants. However complying with this would also provide opportunities for joint ventures with overseas audit firms to provide outsourced services in auditing.

The Seminar Series on SLSQC 1 provided a brief understanding of the standard and its various requirements to be complied with by all the practitioners. The Institute needs to take an active role in improving the quality of work of the SMPs. Providing training facilities in the form of 1-3 days workshops/seminars for SMP staff development would be a good idea considering the inability of SMPs to organize in house training programmes. The SMP toolkit workshop was done in a very excellent manner. Though there were mixed responses as to the appropriateness of the Toolkit to SMPs. The very low turnout at the Auditing Standards Seminar compared to the Accounting Standards Seminar reflects the lack of interest by practicing firms in keeping themselves updated.

Neil De Mel, Partner, Carter De Costa & Co., Chartered Accountants

We were visited by a panel of reviewers to carry out an initial assessment during August 2013. The review was conducted in a friendly and cordial manner. The reviewers understood the many challenges faced by SMP firms. The objective was to understand the firm's approach to audit quality and the quality control policies and procedures that were in place in line with SLSQC 1.

A detailed assessment was not carried out at this review.

Subsequent to this visit a summary of issues were sent to us for comment and we complied accordingly.

We appreciate the initiative undertaken by CA Sri Lanka in promoting the SLSQC 1 programme among the SMP firms and we believe it would enhance the quality of auditing in this country. Especially, the SLSQC 1 Seminar Series helped us to understand the practical aspects and broaden the views.

It is also very important to understand and address many challenges faced by SMP firms in implementing AQA programmes and we believe adequate time and space need to be made available for SMPs to implement various programmes in order to meet the expected standards.

Some of these challenges include:-

- a. Lack of understanding among the Sri Lankan clients on auditing and Audit Quality requirements.
- b. Quality of the trainee population.
- c. Inadequate training facilities and resources.

We thank CA Sri Lanka and wish the institute all success with their initiatives.

N. Ponnampereuma, Partner, Ponnampereuma & Co., Chartered Accountants

We would like to thank you and your team who visited our firm for the Initial Audit assessment. As a practicing firm, it was very helpful to enhance the quality of our audit work and help maintain the audit files. Your team has reviewed the basic required documents in the audit files and required minimum documents into the audit file to safeguard it from risk. This is very important initiative for a small firm like ours. Currently we use the new Audit toolkit which was given by CA Sri Lanka. This will also be helpful to maintain the quality by third party reviewer with some conditions. There should be a good MOU with third party reviewer without losing the existing clients. It will be very confidential.

However as a small firm, we were not in a position to implement some suggestions which you have given due to cost factors and practically impossibilities. Our audit fees are not sufficient to fulfill some requirements.

Further, the SLSQC 1 seminar series is important to small firms to upgrade and maintain the audit quality. In conclusion, I would like to say that we are trying our best to fulfil the requirements of the quality assurance with regards to SLSQC 1.