New Audit Act for Sri Lanka - Sanvada 7

The First Sanvada for the year 2008 and 8th in the series, took place on the 4th (Friday) of April 2008, from 8:30 AM to 12:30 PM at the Sri Lanka Foundation Institute (SLFI).

The legislation under discussion was the Proposed Audit Act. The Sanvada's main presenters were Mr. Naganathan Selvakkumaran, Dean of the Faculty of Law, University of Colombo, who analyzed the Act from a legal perspective, made a presentation titled "Proposed New Audit Act: A Critical Analysis". Mr. Amrit Rajapakse, Attorney-at-law & Independent Researcher, the other presenter however, evaluated the impact the Act would have on the Economy and Business. The title of Mr. Rajapakse's presentation was "A Business/Economic Critique of the Draft Act".

The panelists included Mr. Chandra Jayaratne (Chair), Mr. M D A Harold, Chairman, Transparency International, Colombo Chapter & Mr. Sujeewa Mudalige, Vice President, Institute of Chartered Accountants & Partner, Price Waterhouse Coopers.

The main critical points raised at the Sanvada include:

- Audit Coverage to be focused on expected outcomes (Strategic objectives/milestone achievements) and not on inputs or outputs.

- A compulsory Audit report schedule to indicate numbers and value of "Losses/Damages/Leakages/Waste/Corruption"

- The need & procedures required to bring companies with Government investment under the Auditor General's supervision.

- Further checks and balances necessary to ensure COPA/COPE effectiveness and community impact in the light of recent experiences.

- Further checks and balances necessary to ensure more effective control, accuracy and completeness of information and statistics presented in Parliament and in response to Parliamentary questions.

- Unless Public and Civil Society commitment to demand accountability is enhanced the ultimate objectives of Audit will not be realized.

The Sanvada attracted a variety of stakeholders including; Academics, Public Policy Institutions, I/NGO's, Students, Concerned citizens, Media & Trade Unions.

At the conclusion of the meeting, emphasis was placed on the need to continue this dialogue and create an opinion among Parliamentarians and other policy makers to bring in an improved version of the Act as early as possible, mainly in order to establish a more conducive environment for businesses in the country.