

QUESTION	RESPONSE OF CA SRI LANKA
<p>1 Do you agree with the key areas of concern identified with the current standard-setting model? Are there additional concerns that the Monitoring Group should consider?</p>	<p>CA Sri Lanka does not agree with the key areas of concern identified in the consultation paper. It appears that, these concerns are based on its interview of only 29 current and former standard-setters and engaging with IFAC, the PIOB and the GPPC as their preliminary stakeholder engagement.</p> <p>CA Sri Lanka is of the view that this sample is inadequate to arrive at conclusions. Further, it is difficult to see how the working group has drawn conclusions, because some of the concerns identified in the consultation paper are not defined properly (Eg: Public interest is a not a defined term, but it has identified as the key area of concern).</p> <p>In addition, concerns identified with the current standard-setting model can be addressed within the current model without implementing new models.</p>
<p>2 Do you agree with the overarching and supporting principles as articulated? Are there additional principles which the Monitoring Group should consider and why?</p>	<p>CA Sri Lanka principally agrees to the overarching and supporting principles.</p> <p>However, these principles have not been adequately defined. It should also be noted that the consultation paper does not identify facts/ evidence to prove that the current standard-setting model does not satisfy the identified principles. Furthermore, these principles can be addressed and improved within the current standard-setting model, without introducing new models.</p>
<p>3 Do you have other suggestions for inclusion in a framework for assessing whether a standard has been developed to represent the public interest? If so what are they?</p>	<p>Monitoring Group has concerns over the “<i>Public Interest</i>”, and they have identified it as the main failure of the current standard-setting model. But we are of the view that, current standards are developed with the adequate consideration of the public.</p> <p>However, consultation paper has not provided a proper definition for “<i>public interest</i>”. Through-out the consultation paper, Monitoring Group has not identified who is “public” and what are the interest that should to be addressed from a new standard setting-model. Hence, CA Sri Lanka believes that, the consultation paper has criticized the current standard-setting model without adequate justifications.</p>

QUESTION		RESPONSE OF CA SRI LANKA
4	Do you support establishing a single independent board, to develop and adopt auditing and assurance standards and ethical standards for auditors, or do you support the retention of separate boards for auditing and assurance and ethics? Please explain your reasoning.	<p>CA Sri Lanka recommends to continue the existing standard development process of the IFAC, rather than establishing a standard-setting model because of the following reasons;</p> <ul style="list-style-type: none"> - Currently, there is a greater consistency and quality in the accounting/ auditing profession around the world due to the globally acceptance of the current standards, which are developed by the IFAC. Also, due to the involvement of the Forum of Firms and IFAC Statement of Member Obligations of the member bodies, there is a wide spread of acceptance of the standards. - Auditing Standards are highly technical, and Ethical Standards are developed based on behavioral guidance. Hence, Process of development of Ethical Standards are different to the process of development of Auditing Standards. - Required skill sets for the development of the auditing and ethical standards are different.
5	Do you agree that responsibility for the development and adoption of educational standards and the IFAC compliance programme should remain a responsibility of IFAC? If not, why not?	Yes. CA Sri Lanka principally agreed that development and adoption of educational standards and the IFAC compliance programme should remain a responsibility of IFAC.
6	Should IFAC retain responsibility for the development and adoption of ethical standards for professional accountants in business? Please explain your reasoning.	Yes. IFAC should retain responsibility for the development and adoption of ethical standards as this applies to all Professional Accountants. However, there is no need to have two separate ethical standards for professional accountants and auditors, because, the role of accountant will change. (Eg: Auditor will become an Accountant in a private company).
7	Do you believe the Monitoring Group should consider any further options for reform in relation to the organization of the standard-setting boards? If so please set these out in your response along with your rationale.	There are no enough evidences to support for the options stated in the consultation paper. Therefore, CA Sri Lanka recommends to continue the current standard-setting model.

QUESTION		RESPONSE OF CA SRI LANKA
8	Do you agree that the focus of the board should be more strategic in nature? And do you agree that the members of the board should be remunerated?	Existing IFAC Board should be addressed strategic issues in nature and at the Board discussions, members should be discussed and deliberate the principles of the standards rather than drafting the standards. Drafting to be delegated to technical staff. Furthermore, CA Sri Lanka does not disagree to remunerate of the members of the Board.
9	Do you agree that the board should adopt standards on the basis of a majority?	CA Sri Lanka principally agreed to the concept. But should pay adequate hearing to minorities.
10	Do you agree with changing the composition of the board to no fewer than twelve (or a larger number of) members; allowing both full time (one quarter?) and part- time (three quarters?) members? Or do you propose an alternative model? Are there other stakeholder groups that should also be included in the board membership, and are there any other factors that the Monitoring Group should take account of to ensure that the board has appropriate diversity and is representative of stakeholders?	The reduction of number of board members will lead to lesser space for diversity which may end-up with the board dominated by the developed countries rather than representations from the emerging economic countries. This will affect the global acceptance of the standards and developing countries may adopt national standards rather than adopting global standards.
11	What skills or attributes should the Monitoring Group require of board members?	CA Sri Lanka is of the view that, current standard setting boards should be more strengthened with the technical skills.
12	Do you agree to retain the concept of a CAG with the current role and focus, or should its remit and membership be changed, and if so, how?	CA Sri Lanka principally agreed to the continuity of the concept of Consultative Advisory Group (CAG).
13	Do you agree that task forces used to undertake detailed development work should adhere to the public interest framework?	We are of the view that, current standard setting boards should be more strengthened, without implementing new framework.
14	Do you agree with the changes proposed to the nomination process?	The existing nomination process is better than the proposed process.
15	Do you agree with the role and responsibilities of the PIOB as set out in this consultation? Should the PIOB be able to veto the adoption of a standard, or challenge the technical judgements made by the board in developing or revising standards? Are there further responsibilities that should be assigned to the PIOB to ensure that standards are set in the public interest?	Responsibilities and functions of the PIOB should be enhanced within the current framework.

QUESTION		RESPONSE OF CA SRI LANKA
16	Do you agree with the option to remove IFAC representation from the PIOB?	CA Sri Lanka does not agree to remove IFAC representation from the PIOB.
17	Do you have suggestions regarding the composition of the PIOB to ensure that it is representative of non-practitioner stakeholders, and what skills and attributes should members of the PIOB be required to have?	CA Sri Lanka is of the view that, representatives of the PIOB should understand the requirements of public and also need to evaluate whether those requirements are addressed by the technical standards. Further, representatives of the PIOB should be comprised well diverse and balanced community.
18	Do you believe that PIOB members should continue to be appointed through individual MG members or should PIOB members be identified through an open call for nominations from within MG member organizations, or do you have other suggestions regarding the nomination/appointment process?	There should be more transparent process of appointing the PIOB members.
19	Should PIOB oversight focus only on the independent standard-setting board for auditing and assurance standards and ethical standards for auditors, or should it continue to oversee the work of other standard-setting boards (eg issuing educational standards and ethical standards for professional accountants in business) where they set standards in the public interest?	CA Sri Lanka recommends that, PIOB should oversee all the standards setting boards.
20	Do you agree that the Monitoring Group should retain its current oversight role for the whole standard-setting and oversight process including monitoring the implementation and effectiveness of reforms, appointing PIOB members and monitoring its work, promoting high-quality standards and supporting public accountability?	Yes. CA Sri Lanka principally agreed to current oversight role of the Monitoring Group.
21	Do you agree with the option to support the work of the standard-setting board with an expanded professional technical staff? Are there specific skills that a new standard-setting board should look to acquire?	Professional technical staff of the IFAC should be strengthened and they should have enough skills on drafting the technical standards.
22	Do you agree the permanent staff should be directly employed by the board?	We are of the view that, improvements and changes to the technical staff should be done within the current standard-setting model.

QUESTION		RESPONSE OF CA SRI LANKA
23	Are there other areas in which the board could make process improvements – if so what are they?	We are of the view that, process improvements should be done within the current standard-setting model and should be strengthened the current standard-setting boards.
24	Do you agree with the Monitoring Group that appropriate checks and balances can be put in place to mitigate any risk to the independence of the board as a result of it being funded in part by audit firms or the accountancy profession (eg independent approval of the budget by the PIOB, providing the funds to a separate foundation or the PIOB which would distribute the funds)?	CA Sri Lanka does not recommend the proposed funding mechanism, and which may violate the independence of the standard setting process. Further, we are of the view that, there are not enough facts to prove that the proposed funding mechanism is better than the existing model.
25	Do you support the application of a “contractual” levy on the profession to fund the board and the PIOB? Over what period should that levy be set? Should the Monitoring Group consider any additional funding mechanisms, beyond those opt for in the paper, and if so what are they?	CA Sri Lanka does not support for the proposed contractual levy, and which may violate the independence of the standard setting process.
26	In your view, are there any matters that the Monitoring Group should consider in implementation of the reforms? Please describe.	CA Sri Lanka is of the view that, strengthening should be done within the existing standards development process of the IFAC because, currently there is a wide acceptance all over the world and deviation from this system will lead to confusion among the professional accountancy organizations.
27	Do you have any further comments or suggestions to make that the Monitoring Group should consider?	Standards should be developed within the minimal time period to respond to the concerns/ issues of the users of the standards. That will help to develop a better image of the development process of the standards. In order to strengthen the whole process, we believe that, nomination to the Monitoring Group should be carried out in transparency manner and should be consider all stakeholders.