

IX. Main Deficiencies and Action Plan

Sri Lanka's financial management arrangements compare very well with those of other countries: both developing and developed—at least for the private sector. In contrast, public corporation financial governance practices are poor—as are other public sector accounting arrangements. This study has identified several gaps and weaknesses that may be categorized as follows:

- Those deficiencies that are better able to be resolved with external assistance; and
- Those deficiencies that are able to be resolved without external assistance.

Issue	Priority	Donor Assistance?	Country Support?	2002 - 2006
1. Strengthen Government Accounting and Auditing (page 96).	High	✓	✓	■ ■ ■ ■
2. Strengthen Public Corporation Accountability through Legislative Amendments (page 97).	High	✓	✓	■ ■
3. Appoint Accountants to Public Corporation Boards (page 97).	High	✓	✓	■
4. Strengthen Public Corporation Internal Auditing and Controls (page 98).	High	✓	✓	■
5. Publish a Scorecard of Public Corporation Reporting (page 98).	High	✓	✓	■
6. Create Chief Financial Officer Positions in Public Corporations (page 98).	High	✗	✓	■
7. Require SLAASMB Review of all Public Corporation Annual Reports (page 98).	High	✗	✓	■
8. Enhance Director Accountability (page 99).	Med	✗	✓	■

Issue	Priority	Donor Assistance?	Country Support?	2002 - 2006
9. Close the Emerging Gaps Between SLASs and IASs (page 99).	Med	✗	✓	■ ■
10. Enhance Auditor Independence and Objectivity (page 99).	Med	✗	✓	■
11. Make CPE Mandatory for Continuing ICASL Membership (page 100).	Low	✗	... ¹³⁴	■ ■ ■
12. Enhance Institutional Support for Financial Governance (page 100).	Low	✗	✓	■ ■
13. Provide Resources to ICASL for Standing-Setting (page 100).	Low	✗	✓	■
14. Advocate Changes to IASB Copyright and Pricing Policies (page 101).	Low	✗	✓	■ ■ ■ ■
15. Encourage the Development of Financial Reporting Standards for SMEs (page 101).	Low	✗	✓	■ ■ ■ ■

¹³⁴ Although an IFAC requirement, there was mixed support for this recommendation.