

The Impact of IFRS Adoption on Audit Fees; Evidence from Listed Manufacturing Firms in Sri Lanka

Diwyanjalee A.W.A.D.B¹ and Munasinghe M.A.T.K²

¹bhagyadiwya96@gmail.com, ²amila@Kln.ac.lk

Abstract

The aim of use of International Accounting Standards are to enhance Transparency, Consistency, Comparability of accounting information worldwide. This research was conducted to find out whether these standards adoption have an impact on the audit fee. This is because auditor's responsibilities are increased in ensuring standards adoption. The sample of the study consists of all listed manufacturing firms in the Colombo Stock Exchange from 2010 to 2018. The variables used are operating expenses, total assets, audit fee (Before and After), listing status of firm, size of firm, return on asset of firm, and other details which related to audit fee determination. Data was analyzed using regression analysis and descriptive analysis. The findings of the study will provide useful insights to the companies adopting standards and the audit firms.

Keywords: IFRS, IFRS Adoption, Audit Fee, Manufacturing Firms, Sri Lanka