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**SEC GIVES TWO-YEAR EXTENSION
FOR COMPLIANCE ON INTERNAL
CONTROLS OVER FINANCIAL REPORTING TO
DECEMBER 31, 2023, FROM DECEMBER 31, 2021**



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The Securities and Exchange Commission (SEC) in a press release titled, “Guidance on the Implementation of Sections 60 – 63 of the Investments and Securities Act, 2007 – Extension of Compliance Date to December 2023.” has extended the deadline for listed businesses to comply with internal controls over financial reporting to December 31, 2023, from December 31, 2021.

This is coming after an earlier circular of March 08, 2021, published by the SEC on the Framework for the Implementation of Sections 60 to 63 of the Investments and Securities Act, (ISA) 2007.

Sections 60 to 63 of the ISA Act of 2007 require public companies (subject to the reporting requirements of the Act) to include in their annual reports, a report of management on the company’s internal control system. A public company is also required to file the auditors' attestation report as part of the annual report.

The directors of public companies are expected to implement internal controls over financial reporting and auditors must assess them and make a statement on their presence, adequacy, and effectiveness. This is to provide reasonable assurance regarding the liability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles.

The relevant sections of the internal controls for implementation include: personalised certification; duty of directors on internal control, management’s annual assessment of, and report on, the Company’s internal control over financial reporting; and duty of external auditors to report on internal controls of public companies among others.
