

Risk Disclosures: A Study on Risk Management Disclosure in Sri Lanka

Wijesinghe, K. D. G. N.¹ and Rajapakshe, R. M. D. A. P.²

Concentration on risk and the importance of risk management is highly increased in the past decades due to the dynamic and highly volatile economic conditions. By definition risk management is important to every organization despite the industry sector. Study focuses on identification differences in risk management disclosures among industry sectors. Four different industry sectors namely manufacturing, plantation, hotel and healthcare were used for the study. Three base documents namely COSO model, ISO 31000, and FERMA- risk management standard were used to develop a common checklist of disclosure requirements. The Study reveals that all companies provide separate disclosures on risk management in their annual reports and attempt to incorporate risk management practices to their strategy and observes that there are differences in risk management disclosures and practices among industry sectors.

Keywords: Risk Management, Risk Management Disclosure Level, Industry Sectors

¹Department of Accountancy, Faculty of Commerce & Management Studies, University of Kelaniya, Sri Lanka (nayomi@kln.ac.lk)

²Department of Accountancy, Faculty of Commerce & Management Studies, University of Kelaniya, Sri Lanka (amilar@kln.ac.lk)