



FINANCIAL REPORTING COUNCIL OF NIGERIA
Federal Ministry of Industry, Trade and Investment

Joao Fonseca (Project Officer)
International Public Sector Accounting Standards Board
International Federation of Accountants
529 5th Avenue
New York, New York 10017
United State of America
Submitted electronically

27 April 2016

Dear Joao Fonseca,

RE: EXPOSURE DRAFT 59, AMENDMENTS TO IPSAS 25, EMPLOYEE BENEFITS

The Financial Reporting Council (FRC) of Nigeria welcomes the idea of the revision of IPSAS 25, Employee Benefits. In the light of this, the Council sent out letters to various entities especially public sector entities, professional accountancy bodies, audit/accountancy firms and other entities that use IPSASs.

The Following entities sent their responses which the Council collated:

1. The Institute of Chartered Secretaries and Administrators of Nigeria (ICSAN)
2. KPMG Professional Services, Nigeria
3. Office of the State Auditor-General Lagos State of Nigeria
4. Office of the State Auditor-General Cross River State of Nigeria

In view of the responses received from the above entities, the Council agrees that there is need for revision of IPSAS 25 but the following observations should be noted.

1. Specific Matter for Comment 1

Do you agree with the proposal in the Exposure Draft for revision of IPSAS 25 If not, please indicate what proposed amendments you do not agree with and provide reasons.

Comments

- a) Given that IPSAS does not contain an equivalent of *IAS 26 Accounting and Reporting by Retirement Benefit Plans*, which states that all retirement plan investment shall be carried at fair value, the amended IPSAS should state clearly that all plan assets shall be carried at fair.

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2. Specific Matters for Comment 2

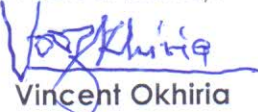
Comments

IPSAS 25 currently includes a section on Composite Social Security Programs (paragraphs 47 – 49). The IPSASB is considering deleting this section because the IPSASB is not aware that it has been applied in any jurisdiction. If you do not agree that this section should be deleted, please provide reason for your response along with any proposed revisions.

- a) The Council agree that this section on Composite Social Security Programs should be deleted (we are not also aware that it has been applied in any jurisdiction), because the Program provide benefits that are not consideration in exchange for service rendered by employees; which is not consistent with the definition of 'Employee benefits' as contained in paragraph 10 of the ED 59.
- b) Since Paragraphs 47 -49 are to be deleted, the definition of Composite Social Security Programs in paragraph 10 should also be deleted.

If you require any further information or clarification please contact the Executive Secretary/Chief Executive Officer on (234) 1-7937405 or joobazee@financialreportingcouncil.gov.ng

Yours sincerely,



Vincent Okhiria
Directorate of Accounting Standards
For: Executive Secretary/CEO