



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA
(Established by Act of Parliament No. 15 of 1965)

PLOT 16, IDOWU TAYLOR STREET,
VICTORIA ISLAND,
P.O BOX 1580, MARINA
LAGOS NIGERIA.

Tel: 09053847510-1
Email: info.ican@ican.org.ng, rce@ican.org.ng
Website: www.icanig.org

Registrar/Chief Executive

JOHN I. EVBODAGHE, MBA, FCA

October 31, 2019

ICAN/ED/R&T/OCT/2019

The Technical Director
IAASB
529 Fifth Avenue, New York,
NY 10017
USA

Dear Sir,

RE: PROPOSED REVISIONS TO THE CODE TO PROMOTE THE ROLE AND MINDSET EXPECTED OF PROFESSIONAL ACCOUNTANTS – EXPOSURE DRAFT

The Institute of Chartered Accountants of Nigeria (ICAN) has considered the above Exposure Draft and is pleased to submit its comments as follows:

Role and Values of Professional Accountants

1. *Do you support the proposals in Section 100 that explain the role and values of professional accountants as well as the relationship between compliance with the Code and professional accountants acting in the public interest? Are there other relevant matters that should be highlighted in these paragraphs?*

Comment

Yes, we agree with the proposals in Section 100 that explain the role and values of professional accountants as well as the relationship between compliance with the Code and Professional accountants in the public interest.

The statement that the accountants responsibility is ***“not exclusively to satisfy the preferences or requirements of an individual client or employing organization when performing professional activities..”*** in proposed change to section 100.1.A1 should be enhanced to include ***“if such preference or requirements will go against his responsibility to the public interest”***. Examples should also be provided.

Determination to Act Appropriately

2. *Do you support the inclusion of the concept of determination to act appropriately in difficult situations and its position in Subsection 111?*

Comment

Yes, we support the inclusion of the concept of determination to act appropriately in difficult situations and its position in Subsection 111.

We are also of the view that the context on the determination to act appropriately must be provided. For example, the professional accountant determination to act appropriately in compliance with the relevant IFAC fundamental principles in the face of difficult situations. This is because what is appropriate is relative and to avoid unintended consequences, context must be provided.

Professional Behavior

3. *Do you support the proposal to require a professional accountant to behave in a manner that is consistent with the profession's responsibility to act in the public interest in paragraphs 110.1 A1 (e) and R115.1?*

Comment

Yes, we support the proposal requiring a professional accountant to behave in a manner that is consistent with the profession's responsibility to act in the public interest. However, it will be helpful if there is more guidance as to how to determine what is public interest. It is possible that different people would have opposing views as to whether or not a particular proposal is in the public interest.

Impact of Technology

4. *Notwithstanding that the IESBA has a separate Working Group that is exploring the implications of developments in technology, are there any additional matters relating to the impact of technology beyond the proposals in paragraphs 110.1 A1(b)(iii), 113.1 A2 and 120.12 A2 that you consider should be addressed specifically as part of the Role and Mindset project?*

Comment

IFAC should also consider including a definition of technology to help users understand that it includes the whole gamut of innovation, artificial intelligence and innovations, data and analytics. This is important since technology has evolved from the way we understood it 5 or 10 years ago.

Inquiring Mind

5. *Do you agree with the concept of an inquiring mind as set out in the proposals in Section 120? Bias*

Comment

Yes, we agree with the concept of an inquiring mind as set out in the proposals in Section 120. Also, an inquiring mind should not only be looking for issues but should also critically evaluate to seek the relevant answers and right solutions. We imagine this is also important.

Bias

6. *Do you support the approach to addressing bias? If so, do you agree with the list of examples of bias set out in paragraph 120.12 A2? Should any examples be omitted or new ones added?*

Comment

Yes, we support the approach to addressing bias and agree with the examples. However, there may be the need to add a Halo type bias, where one places confidence in a particular source of information perhaps due to past experiences.

Also, we are of the view that a whistle blowing process and creating an environment where it is safe to speak is also an important element.

Organizational Culture

7. *Are there any other aspects about organizational culture in addition to the role of leadership that you consider should be addressed in the proposals?*

Comment

Yes, there are other aspects of organizational culture in addition to the role of leadership. Organisational culture is specific and depends on the type and nature of the organisation, IESBA could borrow some guidance from Corporate Governance principles. Also, there should be an exact definition of organizational culture. It is not enough to refer to a culture that supports ethics without a clear definition of such culture.

General Comment

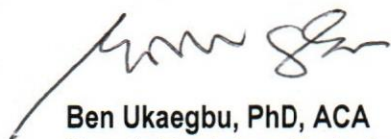
There is the need to consider accountants in the public sector and academics as they also face ethical dilemmas that are different from what has been addressed in the Exposure Draft. We are of the view that the IESBA should incorporate professional behaviour expected of public sector accountants and accountants in academics in the proposed document.

Also within the context of developing nations, IESBA should allocate funding and use of resources in Africa to help drive the implementation of the Code among SMPs and our professionals in public practice. IFAC should also organize more events in Africa. It will help IFAC see and appreciate the challenges in this part of the world.

We thank you for giving our Institute the opportunity to contribute to the work of the Board.

Yours faithfully,

For: Registrar/Chief Executive



Ben Ukaegbu, PhD, ACA
Deputy Registrar, Technical & Education