

October 4, 2022

ICAN/ED/R&T/OCT/04/2022

International Auditing and Assurance Standard Board
529 Fifth Avenue,
New York, NY 10017.

Dear Sir,

**Re: EXPOSURE DRAFT - RESPONSE TO THE PROPOSED NARROW SCOPE AMENDMENTS TO ISAs
700 AND 260**

Please find below our responses to the Exposure Draft named above.

**Transparency About the Relevant Ethical Requirements for Independence for Certain Entities Applied
in Performing Audits of Financial Statements**

1. Do you agree that the auditor's report is an appropriate mechanism for publicly disclosing when the auditor has applied relevant ethical requirements for independence for certain entities in performing the audit of financial statements, such as the independence requirements for PIEs in the IESBA Code?

Response:

We agree with the IESBA that the auditor's report is an appropriate mechanism for publicly disclosing when the auditor has applied relevant ethical requirements for independence for certain entities in performing the audit of financial statements, such as the independence requirements for PIEs in the IESBA Code.

Please answer question 2A or 2B based on your answer to question 1:

2A. If you agree:

(a) Do you support the IAASB's proposed revisions in the ED to ISA 700 (Revised), in particular the conditional requirement as explained in paragraphs 18-24 of the Explanatory Memorandum?

(b) Do you support the IAASB's proposed revisions in the ED to ISA 260 (Revised)?

Response:

(a) We support the IAASB's proposed revisions to ISA 700 (Revised), especially the conditional requirement as explained in paragraphs 18-24 of the Explanatory Memorandum. However, we wish to draw the attention of the Board to the fact that the responsibility of disclosing the relevant independence requirement should not be that of only the auditor's but also the responsibility of the entity and Board of Directors. Hence, further avenue should be explored in making the entity to disclose their status if they are PIE or not, within the financial statements and other supplementary information that form the annual report.

(b) Yes, we support the IAASB's proposed revisions to ISA 260 (Revised)

Transparency About the Relevant Ethical Requirements for Independence for Certain Entities Applied in Performing Reviews of Financial Statements

3. Should the IAASB consider a revision to ISRE 2400 (Revised) to address transparency about the relevant ethical requirements for independence applied for certain entities, such as the independence requirements for PIEs in the IESBA Code?

Response:

We support the IAASB proposed revision to ISRE 2400 (Revised) to address transparency about the relevant ethical requirements for independence applied for certain entities. We believe this would enhance uniformity in reporting.

4. If the IAASB were to amend ISRE 2400 (Revised) to address transparency about the relevant ethical requirements for independence applied for certain entities, do you support using an approach that is consistent with ISA 700 (Revised) as explained in **Section 2-C**?

Response:

Yes, we support the IAASB using an approach that is consistent with ISA 700 (Revised) in making the relevant amendment to ISRE 2400. However, we wish to draw the attention of the Board to comment made in section 2(a) above on the need for the entity to take some responsibility in disclosing if they are PIE in accordance with the definition of the relevant regulations within their jurisdiction.

Matter for IESBA Consideration

5. To assist the IESBA in its consideration of the need for any further action, please advise whether there is any requirement in your jurisdiction for a practitioner to state in the practitioner's report that the practitioner is independent of the entity in accordance with the relevant ethical requirements relating to the review engagement.

Response:

There is no additional jurisdictional requirement beside that of the IESBA which is applied in our jurisdiction.

The IAASB is also seeking comments on the following matters:

6. Translations—Recognizing that many respondents may intend to translate the final pronouncement for adoption in their own environments, the IAASB welcomes comment on potential translation issues respondents note in reviewing this ED.

Response:

We are an English-speaking jurisdiction. Translation issues do not apply to our jurisdiction.

7. Effective Date—Given the need to align the effective date with IESBA, do you support the proposal that the amendments to ISA 700 (Revised) and ISA 260 (Revised) become effective for audits of financial statements for periods beginning on or after December 15, 2024, as explained in paragraph 26?

Response:

We support the proposal that the amendments to ISA 700 (Revised) and ISA 260 (Revised) become effective for audits of financial statements for periods beginning on or after December 15, 2024, as explained in paragraph 26

We appreciate the privilege to contribute to the Exposure Draft and we are available should there be need for further clarification.

Yours faithfully,
For: Registrar/Chief Executive



Dr Ijeoma O. Anaso, FCA
Deputy Registrar, Technical Services

 **Head Office**
Plot 16, Idowu Taylor Street,
Victoria Island Lagos.
P.O. Box 1580, Lagos

ANNEX OFFICE
82, Murtaala Mohammed Way,
Opposite Denton Police Station,
Ebute Metta, Lagos.

 +234 0905 384 7513, +234 0905 384 7514
+234 0905 384 7510, +234 09053 847 511

 info.ican@ican.org.ng

 www.icanig.org