

**NAME OF ORGANISATION:**

**AHMED ZAKARI & CO. (CHARTERED ACCOUNTANTS) NIGERIA**

**www.ahmedzakari.com**

**RESPONSES TO MG QUESTIONNAIRE.**

QUESTION 1 Do you agree with the key areas of concern identified with the current standard setting model? Are there additional concerns that the Monitoring Group should consider?

*We think the Standard setting model is quite robust, transparent and independent with external oversight and periodic review to ensure it remains fit for purpose.*

*We haven't really seen the rationale for the rather sudden and radical proposal for a material change that may disrupt global acceptability of the current model.*

2 Do you agree with the overarching and supporting principles as articulated? Are there additional principles which the Monitoring Group should consider and why?

*We do not believe that the current system is broken in a material respect and would have preferred to understand the problem and proposed solutions holistically full before we can form an opinion on whether we agree with the principles articulated.*

3 Do you have other suggestions for inclusion in a framework for assessing whether a standard has been developed to represent the public interest? If so what are they?

*No.*

4 Do you support establishing a single independent board, to develop and adopt auditing and assurance standards and ethical standards for auditors, or do you support the retention of separate boards for auditing and assurance and ethics? Please explain your reasoning.

*No. We believe that the knowledge, experiences and expertise for Auditing Standards will differ from that of Ethics. It may require different stakeholder groups etc. We fully support the retention of the SSBs as currently structured.*

5. Do you agree that responsibility for the development and adoption of educational standards and the IFAC compliance programme should remain a responsibility of IFAC? If not, why not?

*Currently IFAC supports the work of the IAESB but generally the two bodies are independent of each other. Just like the other SSBs. In our opinion, the current structure should remain in place.*

6 Should IFAC retain responsibility for the development and adoption of ethical standards for professional accountants in business? Please explain your reasoning.

*Our response is same as in (5) above. In addition, we believe there should one ethical standards for ALL Professional Accountants whether in practice or in business.*

7 Do you believe the Monitoring Group should consider any further options for reform in relation to the organization of the standard-setting boards? If so please set these out in your response along with your rationale.

*We wish the MG will fully and elaborately explain what the real problems are with the current system and how you propose to solve the problems so as to enable us respond holistically to the issues.*

8 Do you agree that the focus of the board should be more strategic in nature? And do you agree that the members of the board should be remunerated?

*No. The board is a Technical board and should remain as such. The Accounting profession has always worked on volunteer basis and we think the current model should be maintained.*

9 Do you agree that the board should adopt standards on the basis of a majority?

*We believe the current model should be retained.*

10 Do you agree with changing the composition of the board to no fewer than twelve (or a larger number of) members; allowing both full time (one quarter?) and part-time (three quarters?) members? Or do you propose an alternative model? Are there other stakeholder groups that should also be included in the board membership, and are there any other factors that the Monitoring Group should take account of to ensure that the board has appropriate diversity and is representative of stakeholders?

*No. There is need to retain the current number of Board members to ensure diversity gender, specialisation and geographic representation.*

11. What skills or attributes should the Monitoring Group require of board members?

*Technical competence, team building, leadership, communication.*

12 Do you agree to retain the concept of a CAG with the current role and focus, or should its remit and membership be changed, and if so, how?

*Yes.*

13 Do you agree that task forces used to undertake detailed development work should adhere to the public interest framework?

*Yes.*

14 Do you agree with the changes proposed to the nomination process?

*No.*

15 Do you agree with the role and responsibilities of the PIOB as set out in this consultation? Should the PIOB be able to veto the adoption of a standard, or challenge the technical judgements made by the board in developing or revising standards? Are there further responsibilities that should be assigned to the PIOB to ensure that standards are set in the public interest?

*PIOB should just remain an oversight body and not be involved in standard setting or moderating the standards in any way.*

<p>16 Do you agree with the option to remove IFAC representation from the PIOB?</p> <p><i>No.</i></p>
<p>17 Do you have suggestions regarding the composition of the PIOB to ensure that it is representative of non-practitioner stakeholders, and what skills and attributes should members of the PIOB be required to have?</p> <p><i>Current composition should be maintained.</i></p>
<p>18 Do you believe that PIOB members should continue to be appointed through individual MG members or should PIOB members be identified through an open call for nominations from within MG member organizations, or do you have other suggestions regarding the nomination/appointment process?</p> <p><i>Current model should be maintained.</i></p>
<p>19 Should PIOB oversight focus only on the independent standard-setting board for auditing and assurance standards and ethical standards for auditors, or should it continue to oversee the work of other standard-setting boards (eg issuing educational standards and ethical standards for professional accountants in business) where they set standards in the public interest?</p> <p><i>PIOB should oversee the work of all the SSBs.</i></p>
<p>20 Do you agree that the Monitoring Group should retain its current oversight role for the whole standard-setting and oversight process including monitoring the implementation and effectiveness of reforms, appointing PIOB members and monitoring its work, promoting high-quality standards and supporting public accountability?</p> <p><i>Yes.</i></p>
<p>21 Do you agree with the option to support the work of the standard-setting board with an expanded professional technical staff? Are there specific skills that a new standard-setting board should look to acquire?</p> <p><i>No. This will surely come with increased cost and it will be difficult to employ staff with the levels of competences, skills and diverse experiences of Board Members and Technical Advisors obtained in the current model. And we believe this should be retained.</i></p>
<p>22 Do you agree the permanent staff should be directly employed by the board?</p> <p><i>No. The current system is very functional and should be retained.</i></p>
<p>23 Are there other areas in which the board could make process improvements - if so what are they?</p> <p>We believe process improvements should continually be made. However this must be done on the basis of transparent and inclusive approach by all stakeholders. No one stakeholder should dominate the process.</p>

24 Do you agree with the Monitoring Group that appropriate checks and balances can be put in place to mitigate any risk to the independence of the board as a result of it being funded in part by audit firms or the accountancy profession (eg independent approval of the budget by the PIOB, providing the funds to a separate foundation or the PIOB which would distribute the funds)?

*The current funding model is working well and we believe IFAC has demonstrated high degree of transparency and accountability in the management of resources. There is really no need for the kind of separation of duties in the funding, custody and disbursement of funds. Your suggestion will merely create undue delay, red tape and confusion.*

25 Do you support the application of a "contractual" levy on the profession to fund the board and the PIOB? Over what period should that levy be set? Should the Monitoring Group consider any additional funding mechanisms, beyond those opt for in the paper, and if so what are they?

*No. MG need to give clarity in terms of what is it full proposals around the funding model. Professional firms should not be made to bear additional burden in this regard. Just let the current model be.*

26 In your view, are there any matters that the Monitoring Group should consider in implementation of the reforms? Please describe.

*No.*

27 Do you have any further comments or suggestions to make that the Monitoring Group should consider?

*We are of the view that the MG whose role is to provide a kind of check and balance are now trying to go beyond their mandate with intent to play a rather more dominating role in the system. This is not will surely not augur well for the system. MG need to give full disclosure about the reasons behind these proposals and what or who are the real problems. Equally, we think the proposals appear to be piecemeal in nature not addressing all the issues holistically at the same time. This limits our ability to address many of the questions raised in a comprehensive manner. In our opinion, whatever review to be made to the current systems must be made through a transparent, inclusive, consensus building process with all stakeholders around the table and no one party must play a dominant role.*