

From: iCPAR
To: IESBA
Subject: ED: **Responding to a Suspected Illegal Act**

Dear Sirs,

We are please to submit our comments towards this exposure draft, *Responding to a Suspected Illegal Act* as below:

	Question	Reasons for the comments	Suggestions for any proposed changes to wording.
1.	Do respondents agree that if a professional accountant identifies a suspected illegal act, and the accountant is unable to dispel the suspicion, the accountant should be required to discuss the matter with the appropriate level of management and then escalate the matter to the extent the response is not appropriate? If not, why not and what action should be taken?	Agree	N/A
2.	Do respondents agree that if the matter has not been appropriately addressed by the entity, a professional accountant should at least have a right to override confidentiality and disclose certain illegal acts to an appropriate authority?	Agree when not prohibited by law and if the client has not self-reported	

3.	Do respondents agree that the threshold for reporting to an appropriate authority should be when the suspected illegal act is of such consequence that disclosure would be in the public interest? If not, why not and what should be the appropriate threshold?	Agree	
4.	Do respondents agree that the standard for a professional accountant in public practice providing services to an audit client should differ from the standard for a professional accountant in public practice providing services to a client that is not an audit client? If not, why not?	Agree	
5.	Do respondents agree that an auditor should be required to override confidentiality and disclose certain suspected illegal acts to an appropriate authority if the entity has not made adequate disclosure within a reasonable period of time after being advised to do so? If not, why not and what action should be taken?	Agree	
6.	Do respondents agree that a professional accountant providing	Agree in regards to the reporting of a	

	professional services to an audit client of the firm or a network firm should have the same obligation as an auditor? If not, why not and what action should be taken?	suspected illegal act that comes to their knowledge.	
7.	Do respondents agree that the suspected illegal acts to be disclosed referred to in question 5 should be those that affect the client's financial reporting, and acts the subject matter of which falls within the expertise of the professional accountant? If not, why not and which suspected illegal acts should be disclosed?	Agree	
8.	Do respondents agree that a professional accountant providing professional services to a client that is not an audit client of the firm or a network firm who is unable to escalate the matter within the client should be required to disclose the suspected illegal act to the entity's external auditor, if any? If not, why not and what action should be taken?	Agree	
9.	Do respondents agree that a professional accountant providing professional services to a client that is not an audit client of the firm or a network firm should have a right to override confidentiality and disclose	Agree	

	<p>certain illegal acts to an appropriate authority and be expected to exercise this right? If not, why not and what action should be taken?</p>		
10.	<p>Do respondents agree that the suspected illegal acts to be disclosed referred to in question 9 should be those acts that relate to the subject matter of the professional services being provided by the professional accountant? If not, why not and which suspected illegal acts should be disclosed?</p>	Agree	
11.	<p>Do respondents agree that a professional accountant in business who is unable to escalate the matter within the client or who has doubts about the integrity of management should be required to disclose the suspected illegal act to the entity's external auditor, if any? If not, why not and what action should be taken?</p>	Agree	
12.	<p>Do respondents agree that a professional accountant in business should have a right to override confidentiality and disclose certain illegal acts to an appropriate authority and be expected to exercise</p>	Agree	

	this right? If not, why not and what action should be taken?		
13.	Do respondents agree that the suspected illegal acts to be disclosed referred to in question 12 above should be acts that affect the employing organization's financial reporting, and acts the subject matter of which falls within the expertise of the professional accountant? If not, why not and which suspected illegal acts should be disclosed?	Agree	
14.	Do respondents agree that in exceptional circumstances a professional accountant should not be required, or expected to exercise the right, to disclose certain illegal acts to an appropriate authority? If not, why not and what action should be taken?	Agree	
15.	. If respondents agree that in exceptional circumstances a professional accountant should not be required, or expected to exercise the right, to disclose certain illegal acts to an appropriate authority, are the exceptional circumstances as described in the proposal appropriate? If not, how should the exceptional circumstances be described?	Agree	

16.	Do respondents agree with the documentation requirements? If not, why not and what documentation should be required?	Agree	
17.	Do respondents agree with the proposed changes to the existing sections of the Code? If not, why not and what changes should be made?	Agree. It makes the document more comprehensive.	
18.	Do respondents agree with the impact analysis as presented? Are there any other stakeholders, or other impacts on stakeholders, that should be considered and addressed by the IESBA?	Agree and all the stakeholders have been addressed.	

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