



THE INSTITUTE OF CHARTERED ACCOUNTANTS OF NIGERIA

(Established by Act of Parliament No. 15 of 1965)

TEL: (01) 7642294, 7642295
FAX: (01) 4627048
E-mail: info.ican@ican.org.ng
Website: www.ican-ngr.org

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

Registrar/Chief Executive
ROTIMI A. OMOTOSO MBA, FCIB, FCA

November 27, 2015

ICAN/R&T/ED/NOV/2015

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

Dear Sir,

RE: RESPONSE TO EXPOSURE DRAFT 56 - PROPOSED INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS AND RECOMMENDED PRACTICE GUIDELINE (THE APPLICABILITY OF IPSASs)

The Institute of Chartered Accountants of Nigeria has considered the above Exposure Draft and wish to submit our comments as follows:

A. GENERAL

We observed that the expression “commercial public sector entities” was used to replace any reference to “GBEs” or “Government Business Entities”. The expression “commercial entities” was also used to replace references to “GBEs” or “Government Business Entities”. While we agree with the manner in which the expressions “commercial public sector entities” and “commercial entities” were used within the various sections amended, it may be necessary for IPSASB to document its rationale for using both expressions to replace the same expression in different circumstances. The distinction between both expressions should be clearly defined. This will promote better understanding by users, applicability and support any future review of the Standards.

However, we agree with the approach adopted in Exposure Draft 56 with respect to deleting the definition of GBEs and all references thereof in favour of outlining characteristics of public sector entities for which IPSAS is intended.

B. SPECIFICS

1. Basis for Conclusion 17 (Pages 10/11)

The Board has used two options to describe public sector entities. i.e. options 1a and 1b on page 11. However, in our jurisdiction, some establishments meet either of the options and part of the other, and not both at the same time. (Please see Note 1)

Recommendation

In order to address this issue, we recommend that “and” or an “or” be inserted between options 1a and 1b.

2. Amendment to IPSAS 16, Investment Property (Pages 19/20)

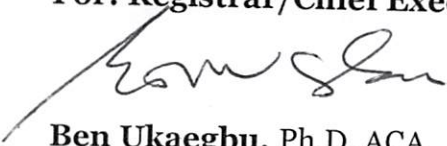
Under the amendments to IPSAS 16, paragraph 9. We consider the new text to be a repetition of the same sentence that had been stated within that paragraph. The new text does not convey any further information or idea and does not seem to add value to the intent of that paragraph.

It is our opinion that the new text be deleted.

We thank the Board for giving us the opportunity to comment on Exposure Draft 56.

Yours faithfully,

For: Registrar/Chief Executive


Ben Ukaegbu, Ph.D, ACA
Director, Technical & Education

Note 1

Under the existing IPSAS 1, Nigerian institutions such as Nigeria National Petroleum Corporation (NNPC); Power Holding Company of Nigeria (PHCN) and Federal Mortgage Bank of Nigeria (FCMB) may be considered as GBEs and will be required to use IFRS in their financial reporting. However, these are actually public sector entities for which IPSAS is more suited. Consequently, with the approach proposed under ED56, these entities possess the characteristics of public sector entities and thus fall within the scope of its applicability.

