

Ouagadougou, July 1, 2019

Mrs. Hankenson Jane Talatala

International Auditing and Assurance Standards Board
International Federation of Accountants
529 Fifth Avenue
New York, NY 10017
USA

Our ref.: ED/2019/04

ED: ISQM2

Dear **Mrs. Hankenson Jane Talatala**

We appreciate the opportunity to comment on the International Auditing and Assurance Standards Board's (IAASB) Exposure Draft ISQM2.

We have read the drafts with interest and have greatly appreciated that any stakeholder is given chance to express his view.

This letter and the bellow appendix represent the views of, the ETY on the subjected matter.

If you have any questions regarding its content, please do not hesitate to contact us at y.traore@ety-global.com or ety@ety-global.com.

Sincerely yours



ETY sas
Yacouba TRAORE, President

Appendix Responses to questions included in the Exposure Drafts

1. ISQM 2

Section 4 Request for Comments

Respondents are asked to comment on the clarity, understandability and practicality of application of the requirements and related application material in ED-ISQM 2. Comments are most helpful if they are identified with specific aspects of ED-ISQM 2 and include the reasons for any concern about clarity, understandability and practicality of application, along with suggestions for improvement.

- 1) Do you support a separate standard for engagement quality reviews? In particular, do you agree that ED-ISQM 1 should deal with the engagements for which an engagement quality review is to be performed, and ED-ISQM 2 should deal with the remaining aspects of engagement quality reviews?

We do support the separation in two standards for more clarity and ease in the use or application of the standards.

- 2) Are the linkages between the requirements for engagement quality reviews in ED-ISQM 1 and ED-ISQM 2 clear?

Yes, the linkages are clear.

- 3) Do you support the change from “engagement quality control review/reviewer” to “engagement quality review/reviewer?” Will there be any adverse consequences of changing the terminology in respondents’ jurisdictions?

We do. In our view, the new expressions bring more precision the related subject.

- 4) Do you support the requirements for eligibility to be appointed as an engagement quality reviewer or an assistant to the engagement quality reviewer as described in paragraphs 16 and 17, respectively, of ED-ISQM 2?

(a) What are your views on the need for the guidance in proposed ISQM 2 regarding a “cooling-off” period for that individual before being able to act as the engagement quality reviewer?

(b) If you support such guidance, do you agree that it should be located in proposed ISQM 2 as opposed to the IESBA Code?

We support the requirements for eligibility to be appointed as an engagement quality reviewer or an assistant to. However, we think that in the paragraph A6 the requirement for “... and experience relevant to, engagements of a similar nature **and** complexity” should be reworded as “... and experience relevant to, engagements of a similar nature **or** complexity”. This wording will allow availability for more reviewers in SMPs than requiring an experience in both nature and complexity. In particular, when the firm win new engagements in new sectors or when a “cooling off” rule should be applied.

(a). It is necessary to include guidance regarding the “cooling off”

(b). But we think it should be included in the IESBA Code as for the engagement partner rotation requirement for harmonization and consistence purposes.

- 5) Do you agree with the requirements relating to the nature, timing and extent of the engagement quality reviewer's procedures? Are the responsibilities of the engagement quality reviewer appropriate given the revised responsibilities of the engagement partner in proposed ISA 220 (Revised)?

We agree with the requirements relating to the nature, timing and extent of the engagement quality reviewer's procedures.

In our view the responsibilities of the engagement quality reviewer is appropriate in the light of the new responsibilities of the engagement partner. A fair balance were found between both to present the engagement partner throwing his responsibilities within the engagement while protecting the independence and objectivity of the reviewer.

- 6) Do you agree that the engagement quality reviewer's evaluation of the engagement team's significant judgments includes evaluating the engagement team's exercise of professional skepticism? Do you believe that ED-ISQM 2 should further address the exercise of professional skepticism by the engagement quality reviewer? If so, what suggestions do you have in that regard?

Engagement quality reviewer's evaluation of team's significant judgements should include evaluation of its exercise of professional skepticism in order to understand and assess the whole audit process and performance.

We believe the exercise of professional skepticism by the engagement quality reviewer should be address in the IESBA code for the unicity and consistency of this pronouncement and preventing dispersing requirements on the same matter in several standards.

- 7) Do you agree with the enhanced documentation requirements?

We agree with the enhanced documentation requirements. However, we expect the application materials will include illustrations and templates.

- 8) Are the requirements for engagement quality reviews in ED-ISQM 2 scalable for firms of varying size and complexity? If not, what else can be done to improve scalability?

Yes, they are.