
2020 Inspection Olayinka Oyebola & Co (Chartered Accountants)

(Headquartered in Victoria Island, Federal
Republic of Nigeria)

April 21, 2022

THIS IS A PUBLIC VERSION OF A PCAOB INSPECTION REPORT

PORTIONS OF THE COMPLETE REPORT ARE OMITTED FROM THIS DOCUMENT IN ORDER TO COMPLY WITH SECTIONS 104(g)(2) AND 105(b)(5)(A) OF THE SARBANES-OXLEY ACT OF 2002

PCAOB RELEASE NO. 104-2022-126A

(Includes portions of Part II and Appendix A of the full report that were not included in PCAOB Release No. 104-2022-126)



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2020 INSPECTION

In the 2020 inspection of Olayinka Oyebola & Co (Chartered Accountants), the Public Company Accounting Oversight Board (PCAOB) assessed the firm's compliance with laws, rules, and professional standards applicable to the audits of public companies.

We selected for review one audit of an issuer with a fiscal year ending in 2019. For the issuer audit selected, we reviewed a portion of the audit. We also evaluated elements of the firm's system of quality control.

2020 Inspection Approach

In selecting issuer audits for review, we use a risk-based method of selection. We make selections based on (1) our internal evaluation of audits we believe have a heightened risk of material misstatement, including those with challenging audit areas, and (2) other risk-based characteristics, including issuer and firm considerations. In certain situations, we may select all of the firm's issuer audits for review.

When we review an audit, we do not review every aspect of the audit. Rather, we generally focus our attention on audit areas we believe to be of greater complexity, areas of greater significance or with a heightened risk of material misstatement to the issuer's financial statements, and areas of recurring deficiencies. We may also select some audit areas for review in a manner designed to incorporate unpredictability.

Our selection of audits for review does not constitute a representative sample of the firm's total population of issuer audits. Additionally, our inspection findings are specific to the particular portions of the issuer audits reviewed. They are not an assessment of all of the firm's audit work nor of all of the audit procedures performed for the audits reviewed.

View the details on the [scope of our inspections and our inspections procedures](#).

OVERVIEW OF THE 2020 INSPECTION

The following information provides an overview of our 2020 inspection, which was our first inspection of this firm. We use a risk-based method to select audits for review and to identify areas on which we focus our review. Because our inspection process evolves over time, it can, and often does, focus on a different mix of audits and audit areas from inspection to inspection and firm to firm. Further, a firm's business, the applicable auditing standards, or other factors can change from the time of one inspection to the next. As a result of these variations, we caution that our inspection results are not necessarily comparable over time or among firms.

Firm Data and Audits Selected for Review

	2020
Firm data	
Total issuer audit clients for which the firm was the principal auditor at the outset of the inspection procedures ¹	0
Total issuer audits in which the firm was not the principal auditor	0
Total engagement partners on issuer audit work ²	1
Audits reviewed	
Total audits reviewed ³	1
Audits in which the firm was the principal auditor	1
Integrated audits of financial statements and internal control over financial reporting (ICFR)	0
Audits with Part I.A deficiencies	0

¹ Although the firm had no issuer audit clients at the outset of the inspection, the firm had issued at least one audit report with respect to an issuer since the firm's registration with the PCAOB.

² The number of engagement partners on issuer audit work represents the total number of firm personnel (not necessarily limited to personnel with an ownership interest) who had primary responsibility for an issuer audit (as defined in AS 1201) or for the firm's role in an issuer audit during the twelve-month period preceding the outset of the inspection or, in cases where the firm has not issued an opinion in that period, since the prior inspection or since the firm's registration with the PCAOB.

³ The population of issuer audits from which audits are selected for review may differ from the issuer audits at the outset of the inspection procedures due to variations such as new issuer audit clients for which the firm has not yet issued an opinion or issuer audit clients lost prior to the outset of the inspection.

Audit Areas Most Frequently Reviewed

This table reflects the audit areas we have selected most frequently for review in the 2020 inspection. For the issuer audit selected for review, we selected these areas because they were generally significant to the issuer's financial statements, may have included complex issues for auditors, and/or involved complex judgments in (1) estimating and auditing the reported value of related accounts and disclosures and (2) implementing and auditing the related controls.

2020	
Audit area	Audits reviewed
Accruals and other liabilities	1
Equity and equity-related transactions	1
Going concern	1

PART I: INSPECTION OBSERVATIONS

Part I.A of our report discusses deficiencies, if any, that were of such significance that we believe the firm, at the time it issued its audit report(s), had not obtained sufficient appropriate audit evidence to support its opinion on the issuer's financial statements and/or ICFR.

Part I.B discusses deficiencies, if any, that do not relate directly to the sufficiency or appropriateness of evidence the firm obtained to support its opinion(s) but nevertheless relate to instances of non-compliance with PCAOB standards or rules.

Consistent with the Sarbanes-Oxley Act ("Act"), it is the Board's assessment that nothing in Part I of this report deals with a criticism of, or potential defect in, the firm's quality control system. We discuss any such criticisms or potential defects in Part II. Further, you should not infer from any Part I deficiency, or combination of deficiencies, that we identified a quality control finding in Part II. Section 104(g)(2) of the Act restricts us from publicly disclosing Part II deficiencies unless the firm does not address the criticisms or potential defects to the Board's satisfaction no later than 12 months after the issuance of this report.

PART I.A: AUDITS WITH UNSUPPORTED OPINIONS

In the 2020 inspection, we did not identify any deficiencies that were of such significance that we believe the firm, at the time it issued its audit report, had not obtained sufficient appropriate audit evidence to support its opinion on the issuer's financial statements.

PART I.B: OTHER INSTANCES OF NON-COMPLIANCE WITH PCAOB STANDARDS OR RULES

This section of our report discusses any deficiencies we identified that do not relate directly to the sufficiency or appropriateness of evidence the firm obtained to support its opinion but nevertheless relate to instances of non-compliance with PCAOB standards or rules.

When we review an audit, we do not review every aspect of the audit. In some cases, we assess the firm's compliance with specific PCAOB standards or rules on other audits that were not reviewed and include any instances of non-compliance below.

The deficiencies below are presented in numerical order based on the PCAOB standard or rule with which the firm did not comply. We identified the following deficiencies:

- In the audit reviewed, the individual who performed the engagement quality review was an employee of the firm who was not a partner or an individual in an equivalent position. In this instance, the firm was non-compliant with AS 1220, *Engagement Quality Review*.
- In the audit reviewed, the firm did not provide to management and the audit committee equivalent the required communications in writing of all material weaknesses identified during the audit. In this instance, the firm was non-compliant with AS 1305, *Communications About Control Deficiencies in an Audit of Financial Statements*.

- In the audit reviewed, the firm included in its audit report an explanatory paragraph describing substantial doubt about the issuer’s ability to continue as a going concern but did not place it immediately following the opinion paragraph. In this instance, the firm was non-compliant with AS 2415, *Consideration of an Entity’s Ability to Continue as a Going Concern*.
- In the audit reviewed, the firm’s audit report stated that there were no critical audit matters, but the firm did not perform procedures to determine whether or not matters that were communicated, or required to be communicated, to the audit committee, and that relate to accounts or disclosures that are material to the financial statements, were critical audit matters. In this instance, the firm was non-compliant with AS 3101, *The Auditor’s Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion*. This instance of non-compliance does not necessarily mean that critical audit matters should have been communicated in the auditor’s report.
- In the audit reviewed, the firm did not include in the audit report the city and country from which the audit report was issued. In this instance, the firm was non-compliant with AS 3101, *The Auditor’s Report on an Audit of Financial Statements When the Auditor Expresses an Unqualified Opinion*.
- In the audit reviewed, the firm’s audit report did not include explanatory language about the firm’s responsibilities with respect to ICFR in a non-integrated audit. In this instance, the firm was non-compliant with AS 3105, *Departures from Unqualified Opinions and Other Reporting Circumstances*.
- In the audit reviewed, the firm did not file its report on Form AP by the relevant deadline. In this instance, the firm was non-compliant with PCAOB Rule 3211, *Auditor Reporting of Certain Audit Participants*.
- In the audit reviewed, the firm did not provide the audit committee equivalent the required independence communications. In this instance, the firm was non-compliant with PCAOB Rule 3526, *Communication with Audit Committees Concerning Independence*.

PART II: OBSERVATIONS RELATED TO QUALITY CONTROL

Part II of our report discusses criticisms of, and potential defects in, the firm's system of quality control.

We include deficiencies in Part II if an analysis of the inspection results, including the results of the reviews of individual audits, indicates that the firm's system of quality control does not provide reasonable assurance that firm personnel will comply with applicable professional standards and requirements. Generally, the report's description of quality control criticisms is based on observations from our inspection procedures.

This report does not reflect changes or improvements to the firm's system of quality control that the firm may have made subsequent to the period covered by our inspection. The Board does consider such changes or improvements in assessing whether the firm has satisfactorily addressed the quality control criticisms or defects no later than 12 months after the issuance of this report.

When we issue our reports, we do not make public criticisms of, and potential defects in, the firm's system of quality control, to the extent any are identified. If a firm does not address to the Board's satisfaction any criticism of, or potential defect in, the firm's system of quality control within 12 months after the issuance of our report, we will make public any such deficiency.

Audit Reports

The inspection results indicate that the firm's system of quality control does not provide reasonable assurance that audit reports issued by the firm will meet the requirements of * * * * AS 3101, and AS 3105. (QC 20.03 and .17)

* * * *

In one audit,⁴ the firm did not determine whether or not matters were critical audit matters.

* * * *

In one audit,⁵ the firm did not include the following explanatory language in its report on the issuer's financial statements:

- The company is not required to have, nor was the auditor engaged to perform, an audit of its ICFR;
- As part of the audit, the auditor is required to obtain an understanding of ICFR but not for the purpose of expressing an opinion on the effectiveness of the company's ICFR; and
- The auditor expresses no such opinion.

⁴ Issuer A

⁵ Issuer A

Communications with Audit Committees

The inspection results indicate that the firm's system of quality control does not provide reasonable assurance that the firm's personnel will comply with the requirements of AS 1305 and PCAOB Rule 3526. (QC 20.03 and .17)

In one audit,⁶ the firm did not provide the audit committee equivalent the required independence communications.

In one audit,⁷ the firm did not provide to management and the audit committee equivalent the required communications in writing of all material weaknesses identified during the audit.

Auditor Reporting of Certain Audit Participants

The inspection results indicate that the firm's system of quality control does not provide reasonable assurance that the firm's personnel will comply with PCAOB Rule 3211. (QC 20.03 and .17)

In one audit,⁸ the firm did not file its report on Form AP by the relevant deadline.

Engagement Quality Review

The inspection results indicate that the firm's system of quality control does not provide reasonable assurance that the firm will comply with AS 1220. (QC 20.03 and .17)

In one audit,⁹ the individual who performed the engagement quality review was an employee of the firm who was not a partner or an individual in an equivalent position.

⁶ Issuer A

⁷ Issuer A

⁸ Issuer A

⁹ Issuer A

APPENDIX A: FIRM'S RESPONSE TO THE DRAFT INSPECTION REPORT

Pursuant to section 104(f) of the Act, 15 U.S.C. § 7214(f), and PCAOB Rule 4007(a), the firm provided a written response to a draft of this report. Pursuant to section 104(f) of the Act and PCAOB Rule 4007(b), the firm's response, excluding any portion granted confidential treatment, is attached hereto and made part of this final inspection report.

The Board does not make public any of a firm's comments that address a nonpublic portion of the report unless a firm specifically requests otherwise. In some cases, the result may be that none of a firm's response is made publicly available.

In addition, pursuant to section 104(f) of the Act, 15 U.S.C. § 7214(f), and PCAOB Rule 4007(b), if a firm requests, and the Board grants, confidential treatment for any of the firm's comments on a draft report, the Board does not include those comments in the final report. The Board routinely grants confidential treatment, if requested, for any portion of a firm's response that addresses any point in the draft that the Board omits from, or any inaccurate statement in the draft that the Board corrects in, the final report.

2nd Floor, Nurses House, PC 43, Churchgate Street,
(formerly Afribank Street) Victoria Island, Lagos State.
14, Osuntokun Street, Off Ayandipo Road,
New Bodija, Ibadan, Oyo State.
10333 Harwin Dr Suite #677, Houston TX 77036, USA.
0803 333 8600, 0809 833 8600.
E-mail: olayinka_oyebola@hotmail.com
yinka@olayinkaoyebolaandco.com
www.olayinkaoyebolaandco.com



OLAYINKA OYEBOLA & Co.
Chartered Accountants

November 1st, 2021

The Director
Division of Registration and Inspections
Public Company Accounting Oversight Board
1666 K Street NW,
Washington DC 20006
USA

RE: Draft Report of Inspection

Dear Mr. George Botic

Kindly find below our response to your observed deficiencies on our inspection.

1. In the audit reviewed, the individual who performed the engagement quality review was an employee of the firm who was not a partner or an equivalent position. In this instance, the firm was non-compliant with AS 1220, Engagement Quality Review.

Response

We agreed that he did not meet up with PCAOB qualification because he is not yet registered as a partner in the firm as at that time, he was the Chief Operating Officer (COO)

Meanwhile, the firm has since appointed him as partner in the firm.

2. In the Audit reviewed, the firm did not provide to management and the audit committee equivalent the required communications in writing of all material weaknesses identified during the audit. In this instance, the firm was non-compliant with AS 1305, Communications about Control Deficiencies in an Audit of Financial Statement.

Response

The engagement team communicated all the material weakness to the client management and BOD in its management letter issued to client although feedback was not received until after the Audit.

REDACTED. Comments on Non-public Aspects of Report

Member Firm Public Company Accounting Oversight Board (PCAOB - USA)

TAX

AUDIT

ADVISORY

4. In the audit reviewed, the firm audit report stated that there are no critical audit matters, but the firm did not perform procedures to determine whether or not matters that were communicated, or required to be communicated, to the audit committee, and that relate to accounts or disclosure that are material to the financial statements, were critical audit matters.
In this instance, the firm was non-complaint with AS 3101, the Auditors Report on an Audit of Financial Statement When the Auditor Expresses an Unqualified Opinion. This instance of non-compliance does not necessarily mean that critical audit matters should have been communicated in the auditor's report.

Response

We agreed that our procedures on these were not documented. We however did enquire from the company management and based on our audit there was no events to be communicated as CAM.

The client is an owner manager, and did not have an audit committee, the above risks were identified from our documentation in our planning letter to the client and were communicated with the person in charge of authority.

We did not report all the identified significant risks as Critical Audit Matter because they did not involve especially challenging, subjective, or complex auditor judgment. The PCAOB standard does not provide that all matters determined to be significant risks under PCAOB standards are considered CAMs (page 22 of PCAOB Release No. 2017-001).

Also, in According to Section 2(a)(19) SEC Act, ASIN qualifies as an emerging growth company and it is not mandatory to disclose CAM in the Auditors report.

REDACTED. Comments on Non-public Aspects of Report

6. In the audit reviewed, the firms audit report did not include explanatory language about the firm responsibilities with respect to ICFR in a non-integrated audit . in this instance, the firm was non-compliant with AS 3105, departure from Unqualified Opinions and other Reporting Circumstances.

Response

We apologized for the omission. Going forward the firm will comply with the requirements of AS 3105

7. In the audit reviewed, the firm did not file its report on Form AP by the relevant deadline. In this instance, the firm was non-compliant with PCAOB Rule 3211, Auditor Reporting of Certain Audit Participants.

Response

We apologized because the filing was not done within the stipulated deadline.

Reason because we did not received notification immediately from client when the report was filed with the commission.

To avert further occurrence, the firm has designed an authorization form that will be issued to client at the commencement of the engagement to initiate communication between the party responsible for filing and our firm to notify us when the filing is done.

8. In the audit reviewed, the firm did not provide the audit committee equivalent the required independence communication with Audit Committees Concerning independence

Response

We apologized for the omission; in fact, we have since instituted an inhouse mechanism to ensure it is done on all Audit

While we appreciate the Audit team for the patience and deep knowledge which they have passed to us during the Audit we wish to plead that all these be waived since it is our first Audit and because the client in question was a shell company without much structure like Audit Committee e.t.c and as such all the procedure were not practicable as recommended.

We have since improved our procedure and ensure strict compliance to all queries raised in the report.

Thanks for the opportunity to respond

Yours faithfully

FOR: Olayinka Oyebola and Co



Yinka Oyebola FCA

Managing Partner/CEO

