



27 September 2022

BOTSWANA INSTITUTE OF CHARTERED ACCOUNTANTS COMMENT LETTER TO THE EXPOSURE DRAFT – PROPOSED NARROW SCOPE AMENDMENTS TO: ISA 700 (REVISED), FORMING AN OPINION AND REPORTING ON FINANCIAL STATEMENTS AND ISA 260 (REVISED), COMMUNICATION WITH THOSE CHARGE WITH GOVERNANCE

Introduction

The Botswana Institute of Chartered Accountants (“BICA”) is a statutory body established by Accountants Act, 2010 for the regulation of the accountancy profession in Botswana. The Institute’s mission is to protect public interest through promoting the accountancy profession, supporting accountants, facilitating quality professional accountancy services through the monitoring and regulation of professional accountants.

The Institute appreciates the opportunity to contribute towards the Exposure Draft, *Proposed scope amendments to: ISA 700 (Revised), forming an opinion and reporting on financial statements and ISA 260 (Revised), communication with those charged with governance*. We have provided our comments to each specific question as per the Exposure Draft. Should you wish to have further engagements please do not hesitate to contact the undersigned.

Yours Faithfully

Signed electronically

Mosireletsi M Mogotlhwane ACA

Manager –

Technical and Public Sector

Accounting Services

Signed electronically

Edmund Bayen

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RESPONSES TO THE REQUEST FOR COMMENTS

Transparency About the Relevant Ethical Requirements for Independence for Certain Entities Applied in Performing Audits of Financial Statements

Question 1

Do you agree that the auditor's report is an appropriate mechanism for publicly disclosing when the auditor has applied relevant ethical requirements for independence for certain entities in performing the audit of financial statements, such as the independence requirements for PIEs in the IESBA Code?

Response:

We agree that the auditor's report is an appropriate mechanism for disclosing when the auditor has applied relevant ethical requirements for independence for certain entities in performing the audit of financial statements, such as the independence requirements for PIEs in the IESBA Code.

We further note that paragraph 12 (b) of the Exposure draft gave reference to paragraph R400.21 of the IESBA Code but the code does not have such a paragraph. This must have been referring to paragraph R400.20 of the Code.

Question 2

2A If you agree:

(a) Do you support the IAASB's proposed revisions in the ED to ISA 700 (Revised), in particular the conditional requirement as explained in paragraphs 18-24 of the Explanatory Memorandum?

Response:

Yes, we support the conditional requirement as explained in paragraphs 18-24 of the Explanatory Memorandum.

(b) Do you support the IAASB's proposed revisions in the ED to ISA 260 (Revised)?

Response:

Yes, we support the proposed revisions in the ED to ISA 260 (Revised).

Transparency About the Relevant Ethical Requirements for Independence for Certain Entities Applied in Performing Reviews of Financial Statements

Question 3

Should the IAASB consider a revision to ISRE 2400 (Revised) to address transparency about the relevant ethical requirements for independence applied for certain entities, such as the independence requirements for PIEs in the IESBA Code?

Response:

We support a revision to ISRE 2400. This will also enhance transparency especially where the jurisdiction requirements are not very clear like in Botswana.

Question 4

If the IAASB were to amend ISRE 2400 (Revised) to address transparency about the relevant ethical requirements for independence applied for certain entities, do you support using an approach that is consistent with ISA 700 (Revised) as explained in Section 2-C?

Response:

Yes, we support a consistent approach to be followed in ISRE 2400 (Revised) as explained in Section 2-C.

Question 5

To assist the IESBA in its consideration of the need for any further action, please advise whether there is any requirement in your jurisdiction for a practitioner to state in the practitioner's report that the practitioner is independent of the entity in accordance with the relevant ethical requirements relating to the review engagement.

Response:

There are no such requirements in Botswana.

Question 6

Translations—Recognizing that many respondents may intend to translate the final pronouncement for adoption in their own environments, the IAASB welcomes comment on potential translation issues respondents note in reviewing this ED.

Response:

The IAASB pronouncements are not translated in Botswana.

The proposed amendments included in this ED do not pose significant difficulties that require translation to Setswana language.

Question 7

Effective Date—Given the need to align the effective date with IESBA, do you support the proposal that the amendments to ISA 700 (Revised) and ISA 260 (Revised) become effective for audits of financial statements for periods beginning on or after December 15, 2024 as explained in paragraph 26?

Response:

We support the proposed effective date of the amendments to the relevant ISAs to align to the effective date of the related requirement of the IESBA Code.