

02 May 2023

International Ethics  
Standards Board  
For Accountants

Dear Sirs

**COMMENTS ON PROPOSED PART 10, AUDITS OF GROUP FINANCIAL STATEMENTS OF THE PROPOSED INTERNATIONAL STANDARD ON AUDITING FOR AUDITS OF FINANCIAL STATEMENTS OF LESS COMPLEX ENTITIES (ISA FOR LCE) AND PROPOSED CONFORMING AMENDMENTS**

The Botswana Accountancy Oversight Authority (the Authority) takes this opportunity to comment on the Exposure Draft, Proposed Part 10, Audits of Group Financial Statements of the Proposed International Standard on Auditing for Audits of Financial Statements of Less Complex Entities (ISA for LCE) and Proposed Conforming Amendments.

The Authority is responsible for providing oversight to accounting and auditing services and promotion of the standard, quality, and credibility of providing financial and non-financial information by entities, including Public Interest Entities (PIEs). This is attained through standard setting, financial reporting monitoring, audit practice reviews, corporate governance reviews, enforcement of compliance and oversight over Professional Accounting Organisations, and education and training of professional accountants in Botswana.

Please refer to our Appendix to this letter to see our comments on the questions raised in the Exposure Draft.

Kindly e-mail us at [enkanga@baaa.org.bw](mailto:enkanga@baaa.org.bw) or phone directly on +267 3919735, if further clarity is required on any of our comments.

Yours faithfully,



Ephifania Nkanga  
Acting Chief Executive Officer

## **Appendix**

### **Question 1**

**In the Authority, do you agree with the proposed prohibition on the use of the proposed ISA for LCE for group audits where component auditors are involved, other than in limited circumstances where physical presence is required?**

#### **BAOA RESPONSE**

We agree with the proposed prohibition on the use of the proposed ISA for Less Complex Entities (LCE) for group audits where component auditors are involved, other than in limited circumstances where physical presence is required because the prohibition is in line with the nature and circumstances of a typical LCE that the standard is intended for.

However, the Board must note that there may be instances where the Group is not complex, but the component auditor is engaged for various reasons, for example where there is a prohibition for a non-resident auditor to provide audit services in a different jurisdiction. This, therefore, means that the Group is not complex, but the prohibition is because of the law, so such instances should be considered.

### **Question 2**

**In the Authority, do you agree with the proposed group-specific qualitative characteristics to describe the scope of group audits for which the proposed ISA for LCE is designed to be used?**

#### **BAOA RESPONSE**

Yes, we agree with the proposal. This will remove any judgement needed to determine which group audits fall within the scope of the proposed ISA for LCE.

### **Question 3**

**Do you agree with the content of proposed Part 10 and related conforming amendments?**

#### **BAOA RESPONSE**

The Authority agrees with the content of proposed part 10 and related conforming amendments, as these are clear to understand. Furthermore, Part10 is based on the requirements of ISA 600(Revised) and where such requirements have not been included in part 10, the exposure draft has clearly stated what has been excluded.