16 March 2020

BOTSWANA INSTITUTE OF CHARTERED ACCOUNTANTS COMMENT LETTER TO EXPOSURE DRAFT, PROPOSED REVISION ON THE CODE ADDRESSING THE OBJECTIVITY OF ENGAGEMENT QUALITY REVIEWERS.

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 BICA 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 IASB’s Exposure Draft, Proposed Revision to the Code Addressing the Objectivity of Engagement Quality Reviewers. We provide 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 Mogothwane ACA
Manager –
Technical and Public Sector
Accounting Services

Signed electronically

Edmund Bayen
Director -
Technical and Public Sector
Accounting Services
RESPONSES TO SPECIFIC QUESTIONS

1. **Do you support the proposed guidance addressing the topic of the objectivity of an EQR?**

Response:

We support the proposed guidance addressing the topic of the objectivity of an EQR. The guidance clearly provides background to explain the different types of threats to compliance with the fundamental principle of objectivity that might be created in circumstances where an individual is being considered for appointment as an EQR for a particular engagement.

2. **If so, do you support the location of the proposed guidance in Section 120 of the Code?**

Response:

Yes, we support the location of the proposed guidance being within the subsection “Considerations for Audits, Reviews and Other Assurance Engagements” in Section 120 of the code as the section already deals with different considerations for audits, reviews and other assurance engagements particularly independence and professional scepticism.

3. **Do you agree with the IESBA that it would be more appropriate for the IAASB to determine whether a cooling-off requirement should be introduced in proposed ISQM 2 as discussed in Section III.C and that the Code should not be prescriptive in this regard?**

Response

Yes, we agree with IESBA that it would be more appropriate for the IAASB to determine whether a cooling-off requirement should be introduced in proposed ISQM 2 as it would be more appropriate for the scope of any cooling-off requirement to be specified in the standard that establishes the requirement for an EQ review and to also allow all the relevant material dealing with EQ review to be found in one place.

We also agree that the code dealing with a cooling-off requirement should not be prescriptive but should remain principle based to allow any prohibition or limitation to result from the application of the conceptual framework to the specific facts and circumstances.
Others

1. Paragraph 120.14 A2 last sentence should be corrected by adding ‘s’ to ‘threat’ to read:

“The following are examples of threats that might be created”

2. Paragraph 120.14 A2 (a) should be corrected by deleting “an” to read:

“Two engagement partners who serve as engagement quality reviewer for each other’s engagement.”