



31 May 2022

BOTSWANA INSTITUTE OF CHARTERED ACCOUNTANTS COMMENT LETTER TO THE EXPOSURE DRAFT - PROPOSED TECHNOLOGY-RELATED REVISIONS TO THE CODE

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 Technology-Related Revisions to the Code*. 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

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RESPONSES TO SPECIFIC QUESTIONS

Question 1

Do you support the proposals which set out the thought process to be undertaken when considering whether the use of technology by a PA might create a threat to compliance with the fundamental principles in proposed paragraphs 200.6 A2 and 300.6 A2? Are there other considerations that should be included?

Response:

We support the considerations provided and do not have any further considerations to suggest to the list.

Question 2

Do you support the proposed revisions, including the proposed factors to be considered, in relation to determining whether to rely on, or use, the output of technology in proposed paragraphs R220.7, 220.7 A2, R320.10 and 320.10 A2? Are there other factors that should be considered

Response:

We support the proposed revisions with no further additions.

Question 3

Do you support the proposed application material relating to complex circumstances in proposed paragraphs 120.13 A1 to A3?

Response:

We support the proposed application material.

Question 4

Are you aware of any other considerations, including jurisdiction-specific translation considerations (see paragraph 25 of the explanatory memorandum), that may impact the proposed revisions?

Response:

We are not aware of any considerations to be taken into account. Botswana in particular does not have any literature defining “complex” or “complicated”.

Question 5

Do you support the proposed revisions to explain the skills that PAs need in the digital age, and to enhance transparency in proposed paragraph 113.1 A1 and the proposed revisions to

paragraph R113.3, respectively?

Response:

We support the proposed revisions.

Question 6

Do you agree with the IESBA not to include additional new application material (as illustrated in paragraph 29 of the explanatory memorandum) that would make an explicit reference to standards of professional competence such as the IESs (as implemented through the competency requirements in jurisdictions) in the Code?

Response:

We agree with the Board's decision. The Code should be general to allow PA to apply it under various circumstances.

Question 7

Do you support (a) the proposed revisions relating to the description of the fundamental principle of confidentiality in paragraphs 114.1 A1 and 114.1 A3; and (b) the proposed Glossary definition of "confidential information?"

Response:

We support the proposed revisions.

Question 8

Do you agree that "privacy" should not be explicitly included as a requirement to be observed by PAs in the proposed definition of "confidential information" in the Glossary because it is addressed by national laws and regulations which PAs are required to comply with under paragraphs R100.7 to 100.7 A1 of the Code (see sub-paragraph 36(c) of the explanatory memorandum)?

Response:

We support the proposed revisions.

Question 9

Do you support the proposed revisions to the International Independence Standards, including:

- a) The proposed revisions in paragraphs 400.16 A1, 601.5 A2 and A3 relating to "routine or mechanical" services.
- b) The additional proposed examples to clarify the technology-related arrangements that constitute a close business relationship in paragraph 520.3 A2. See also paragraphs 40 to 42 of the explanatory memorandum.

- c) The proposed revisions to remind PAs providing, selling, reselling or licensing technology to an audit client to apply the NAS provisions in Section 600, including its subsections (see proposed paragraphs 520.7 A1 and 600.6

Response:

We support the proposed revisions.

Question 10

Do you support the proposed revisions to subsection 606, including:

- a) The prohibition on services in relation to hosting (directly or indirectly) of an audit client's data, and the operation of an audit client's network security, business continuity and disaster recovery function because they result in the assumption of a management responsibility (see proposed paragraph 606.3 A1 and related paragraph 606.3 A2)?
- b) The withdrawal of the presumption in extant subparagraph 606.4 A2(c)18 and the addition of "Implementing accounting or financial information reporting software, whether or not it was developed by the firm or a network firm" as an example of an IT systems service that might create a self-review threat in proposed paragraph 606.4 A3

Response:

We support the proposed revisions.

Question 11

Do you support the proposed changes to Part 4B of the Code?

Response:

We support the proposed revisions.