

## IFIAR 2020 Member Profile – BAOA

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| <b>1. Jurisdiction</b>       | <b>1.1 Insert the name of the jurisdiction in English:</b><br><br>Botswana   |
| <b>2. Member<sup>1</sup></b> | <p><b>2.1 Insert the name of the Member, both in the local language and in English:</b></p> <p>Botswana Accountancy Oversight Authority</p> <p>(Please note there is no local language equivalent of the name of the organization; English is the official language)</p> <hr/> <p><b>2.2 Include relevant contact information, including postal address, telephone numbers, a link to the website and other relevant information:</b></p> <p>10th Floor, Varsha House<br/>         Gaborone CBD<br/>         Private Bag 0056, Gaborone, Botswana.<br/>         Tel.: +267 3919735 Fax: +267 3919737<br/>         Website: <a href="http://www.baoa.org.bw">www.baoa.org.bw</a></p> <hr/> <p><b>2.3 Include the basis for establishment of the Member, as well as the legislation or regulations which provide the Member the authority/mandate with respect to audit regulation. Please describe with an appropriate level of detail the mission and responsibilities of the Member with respect to audit regulation:</b></p> <p>The Botswana Accountancy Oversight Authority was established as the independent oversight body of the accounting and auditing profession; to regulate the reporting of financial matters of public interest entities and the corporate sector; and for matters incidental thereto.</p> <p>The principal objectives of the Authority shall be to provide oversight to accounting and auditing services and promote the standard, quality and credibility of providing financial and non-financial information by entities, including public interest entities and, without limiting the generality of the foregoing, shall be to:</p> <p>a) promote the highest standards of auditors, whether or not registered with the Authority;</p> <p>b) improve the standard and quality of accounting and audit services;</p> |

<sup>1</sup> In the case where there are two or more regulators from the same jurisdiction that have been approved according to Section 2.3 of the IFIAR Charter, they together are considered as one Member. In that case, regulators are requested to include information for both organizations in the Member Profile.

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|   | <p>c) improve the integrity, competence and transparency of accountants and auditors;</p> <p>d) promote development of the accountancy profession;</p> <p>e) protect the interest of the general public and investors in entities, including public interest entities;</p> <p>f) ensure compliance with and application of local and international accounting and auditing standards;</p> <p>g) promote high standards of corporate governance and compliance with professional ethics;</p> <p>h) monitor and adopt international developments in accounting and auditing fields; and</p> <p>i) encourage effective collaboration with other regulators.</p> <hr/> <p><b>2.4 Have there been any major changes to the Member’s organization or to the governing legislation since completing last year’s Member Profile?</b></p> <p><input type="checkbox"/> Yes                      <input checked="" type="checkbox"/> No</p> <p><b>If yes, please describe these changes with an appropriate level of detail:</b></p> <p style="text-align: center;">Not Applicable</p>  |
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| <p><b>3. Governing Body Composition and members</b></p> | <p><b>3.1 Describe with an appropriate level of detail the current composition of the Member’s governing body, including the ratio between Board members who are independent from the audit profession and those who are not<sup>2</sup>. The audit profession includes, for example: audit firms, professional accountancy bodies and bodies or entities associated with the audit profession.</b></p> <p>In terms of the Financial Reporting Act, 2010, the functions and powers of the Authority shall be exercised and performed by a Board of Directors (independent of the audit profession) consisting of nine prominent individuals of integrity and reputation as follows:</p> <p>a) the Accountant General;</p> <p>b) the Governor of the Bank of Botswana;</p> <p>c) the Commissioner General of the Botswana Unified Revenue Service;</p> <p>d) the Chief Executive Officer of the Non- Bank Financial Institutions Regulatory Authority;</p> <p>e) the Chief Executive Officer of Business Botswana (previously named the Botswana Chamber of Commerce, Industry and Manpower), and</p> <p>f) the Chief Executive Officer of the Botswana Stock Exchange;</p> |

<sup>2</sup> An individual is independent of the profession even if he is a CPA, Chartered Accountant, or holder of another equivalent qualification, as long as this individual is not employed by or affiliated to a registered audit firm, nor employed by or affiliated to of a professional accountancy body, nor employed by or affiliated to bodies or entities associated with the audit profession.

- g) two experienced professional accountants (experts) appointed by the Minister of Finance and Development Planning (the Minister) on recommendation of the ex-officio members, in consultation with the Botswana Institute of Chartered Accountants (the Institute) or its successor. They hold office for a term of four years and shall be eligible for re-election for one further term; and
- h) one academic professional accountant appointed by the Minister on recommendation of the ex-officio members in consultation with the Institute or its successor and the Institutes of higher learning in Botswana. The appointed members shall hold office for a term of four years and shall be eligible for re-election for one further term.

Six members (a) to (f) above are ex-officio members and serve as members by virtue of the office they hold. Three members (g) to (h) above are not independent as per the IFIAR definition. BAOA is in a process of revising the Financial Reporting Act, 2010. G and H would be revised to exclude the Institutes from the appointment process, as follows:

- g) two experienced professional accountants (experts) appointed by the Minister of Finance and Development Planning (the Minister) on recommendation of the ex-officio members.

One academic professional accountant appointed by the Minister on recommendation of the ex-officio members.

**3.2 What are the eligibility criteria / requirements and composition requirements for the members of the governing body?**

In terms of the Financial Reporting Act, 2010, Section 10(2):

1. a person shall not be appointed or elected as a member of the Board or be qualified to continue to hold office as a member who:
  - a) is not a citizen of Botswana;
  - b) has in terms of a law in force in any country:
    - (i) been adjudged or otherwise declared bankrupt or insolvent and has not been discharged; or
    - (ii) made an assignment, arrangement or composition with his or her creditors, which has not been rescinded or set aside;
  - c) has within a period of 10 years immediately preceding the date of his or her proposed appointment, been convicted:
    - (i) in Botswana, of a criminal offence, or
    - (ii) outside Botswana, of an offence which if committed in Botswana, would have been a criminal offence, and sentenced by a court of competent jurisdiction to imprisonment for six months or more without the option of a fine, whether that sentence has been suspended or not, and for which he or she has not received a free pardon; or

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|  | <p>d) has committed a material breach of the Code of Conduct and Ethics adopted by the Board.</p> <p>2. A person on being appointed a member of the Board, shall not engage in providing audit or assurance services, either in his or her name.</p>   |
|  | <p><b>3.3. Is each member of the governing body independent from the audit profession? The audit profession includes, for example: audit firms, professional accountancy bodies and bodies or entities associated with the audit profession.</b></p> <p><input type="checkbox"/> Yes                      <input checked="" type="checkbox"/> No</p>   |
|  | <p><b>3.4 If the answer to question 3.3 is “No”, is the majority of the members of the governing body non-practitioner?</b></p> <p><input checked="" type="checkbox"/> Yes                      <input type="checkbox"/> No</p>  |
|  | <p><b>3.5 If the answer to question 3.3 is “No”, which safeguards are in place to provide for the Member’s overall independence from the audit profession?</b></p> <p>The Financial Reporting Act, 2010:</p> <p>Section 10 (2) requires that A person on being appointed a member of the Board, shall not engage in providing audit or assurance services, either in his or her name, or in the name of any other person.</p> <p>Section 18 requires that:</p> <p>(1) A member of the Board or any committee and any other person assisting the Board shall observe and preserve the confidentiality of all matters coming before the Board or committee, and the confidentiality shall subsist even after the termination of the terms of office or mandates.</p> <p>(2) Any member or any person to whom confidential information is revealed through working with the Board or committee shall not disclose that information to any other person unless he or she is required to do so in terms of any written law or for purposes of any judicial proceedings.</p> <p>(3) Any member or any other person who contravenes the provisions of this section commits an offence and is liable to a fine not exceeding P10 000, or to imprisonment for a term not exceeding nine months, or to both, and for a second or subsequent offence to a fine not exceeding P15 000, or to imprisonment for a term not exceeding 12 months, or to both.</p> <p>BAOA is in the process of revising the Financial Reporting Act, 2010. One of the updates would be a requirement that all Board members may not be current or former auditors/practitioners.</p> |

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|                                       | <p><b>3.6 Is there a restriction or recusal process that is applicable to members of the governing body of the Member who are current or former auditors/practitioners?</b></p> <p><input checked="" type="checkbox"/> <b>Yes</b>                      <input type="checkbox"/> <b>No</b></p> <p>None of the BAOA Board members are current or former auditors/practitioners.</p> <p>The Financial Reporting Act, 2010, section 17 requires that:</p> <ol style="list-style-type: none"> <li>1) Where a member is present at a meeting of the Board or any committee, at which meeting a matter which is the subject of consideration is one in which he or she is directly or indirectly interested in a private capacity, the member shall, as soon as practicable after the commencement of the meeting, disclose such interest and shall not, unless the Board or committee otherwise directs, take part in any consideration or discussion of, or vote on any question touching upon that matter.</li> <li>2) A disclosure of interest made in accordance with subsection (1) shall be recorded in the minutes of the meeting at which it is made.</li> <li>3) Where a member fails to disclose his or her interest in accordance with subsection (1) and a decision by the Board or committee is made benefiting that member, the decision shall be null and void.</li> <li>4) A member who contravenes subsection (1) commits an offence and is liable to a fine not exceeding P10 000, or to imprisonment for a term not exceeding nine months, or to both.</li> </ol> <p>BAOA is in the process of revising the Financial Reporting Act, 2010. One of the updates would be a requirement that all Board members may not be current or former auditors/practitioners.</p> <p><b>Does this include a “cooling-off” period for former auditors?</b></p> <p><input type="checkbox"/> <b>Yes</b>                      <input checked="" type="checkbox"/> <b>No</b></p> |
|                                       | <p><b>3.7 Other than the governing body, are members of the profession involved in the Member’s organization (including in any inspections, committee or panel role)?</b></p> <p><input type="checkbox"/> <b>Yes</b>                      <input checked="" type="checkbox"/> <b>No</b></p> <p><b>If yes, please describe their role with an appropriate level of detail, including the ratio between those who are independent and those who are not in the relevant function and whether such role includes decisional or control authority:</b></p> <p style="text-align: center;">Not Applicable</p>  |
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| <p><b>4. Funding Arrangements</b></p> | <p><b>4.1 Describe the main funding arrangements of the Member, including the setting and approval of the budget and the fees, if any:</b></p>  |

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|                                    | <p>BAOA is currently funded by the Government. BAOA prepares a budget of its requirements at least six months before the end of each financial year and presents it to the Government through the Ministry of Finance and Economic Development for approval. Once approval is given, Management makes quarterly drawdowns of the funds allocated.</p> <p>A funding model to involve all of BAOA’s customers is under consideration. However, BAOA has no intention of establishing direct review-based fees which may compromise its independence from the accountancy profession which it regulates. BAOA recovers a small proportion of its fees (currently about 25%) from its members.</p> <p><b>4.2 Is the funding free from undue influence by the profession?</b></p> <p><input checked="" type="checkbox"/> Yes                      <input type="checkbox"/> No</p> <p><b>Please describe with an appropriate level of detail the safeguards in place to prevent undue influence by the profession:</b></p> <p>Currently, BAOA is mainly funded by the Government.</p> <p>A funding model to involve all of BAOA’s customers is under consideration. However, BAOA has no intention of establishing direct review-based fees which may compromise its independence from the accountancy profession which it regulates. BAOA recovers a small proportion of its fees (currently about 25%) from its members.</p> |
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| <p><b>5. Inspection System</b></p> | <p><b>5.1 Does the Member have the responsibility for recurring inspections of audit firms undertaking audits of public interest entities (PIEs)?</b></p> <p><input checked="" type="checkbox"/> Yes                      <input type="checkbox"/> No</p> <p><b>5.2 Is this responsibility undertaken directly or through oversight of inspection conducted by another organization?</b></p> <p><input checked="" type="checkbox"/> Directly                      <input type="checkbox"/> Through Oversight</p> <p><b>If through oversight of another organization, please describe with an appropriate level of detail the other organization, its relation to the Member, its role, and the arrangements for oversight:</b></p> <p>The Financial Reporting Act, 2010 requires BAOA to undertake audit inspections of certified auditors and firms.</p> <p>BAOA has an inspection department with a total of ten inspectors.</p>   |

|   | <p><b>5.3 Please describe with an appropriate level of detail the requirements and practices regarding the frequency of inspections:</b></p> <p>The Audit Practices Procedures require that such inspections be undertaken at least once every three years (three-year inspection cycle). If a certified audit firm or certified auditor passes an inspection, the next review will be carried out in the next cycle. If a certified audit firm or certified auditor fails a review, that firm or certified auditor will require to be re-reviewed within the three year-cycle reviews period, or is referred to the Enforcement Committee for appropriate action, if the performance is judged to be unacceptable.</p>   |      |                    |     |   |          |   |      |   |    |   |                |   |        |   |     |   |
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| <p><b>6. Audit and Financial Market</b></p> | <p><b>6.1 Provide the number of audit firms subject to inspections. Include an indication of the number of public interest audits (PIEs) and other audits that fall under the Member’s oversight or mandate.</b></p> <p>There are currently 31 registered audit firms in Botswana.</p> <p>There are 421 Public Interest Entities that BAOA monitors through Financial Reporting Monitoring and Corporate Governance reviews.</p> <p>The Authority is also responsible for the accreditation and oversight of 3 Professional Accountancy Organisations.</p> <p><b>6.2 What are the sizes and market shares of each of the largest audit firms in the Member’s jurisdiction?</b></p> <p>The information below gives an indication of the sizes of the network firms operating in the country. As in most jurisdictions in the world, members of the IFIAR Global Public Policy Committee Firms (GPPC) dominate audits of Public Interest Entities.</p> <table border="1" data-bbox="544 1480 963 1800"> <thead> <tr> <th>Firm</th> <th>Number of Partners</th> </tr> </thead> <tbody> <tr> <td>PwC</td> <td>5</td> </tr> <tr> <td>Deloitte</td> <td>6</td> </tr> <tr> <td>KPMG</td> <td>2</td> </tr> <tr> <td>EY</td> <td>5</td> </tr> <tr> <td>Grant Thornton</td> <td>4</td> </tr> <tr> <td>Mazars</td> <td>5</td> </tr> <tr> <td>BDO</td> <td>3</td> </tr> </tbody> </table> | Firm | Number of Partners | PwC | 5 | Deloitte | 6 | KPMG | 2 | EY | 5 | Grant Thornton | 4 | Mazars | 5 | BDO | 3 |
| Firm  | Number of Partners  |      |                    |     |   |          |   |      |   |    |   |                |   |        |   |     |   |
| PwC   | 5   |      |                    |     |   |          |   |      |   |    |   |                |   |        |   |     |   |
| Deloitte                                    | 6   |      |                    |     |   |          |   |      |   |    |   |                |   |        |   |     |   |
| KPMG  | 2   |      |                    |     |   |          |   |      |   |    |   |                |   |        |   |     |   |
| EY  | 5   |      |                    |     |   |          |   |      |   |    |   |                |   |        |   |     |   |
| Grant Thornton                              | 4   |      |                    |     |   |          |   |      |   |    |   |                |   |        |   |     |   |
| Mazars                                      | 5   |      |                    |     |   |          |   |      |   |    |   |                |   |        |   |     |   |
| BDO   | 3   |      |                    |     |   |          |   |      |   |    |   |                |   |        |   |     |   |

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| <p><b>7. Main Other Responsibilities of the Member <u>within</u> the area of Audit Oversight</b></p> | <p><b>7.1 Please indicate whether the Member has responsibility for tasks other than Inspections within the area of Audit Oversight:</b></p> <p><input checked="" type="checkbox"/> <b>Registration/Licensing</b><br/> <input checked="" type="checkbox"/> <b>Audit and/or Ethics Standard Setting</b><br/> <input checked="" type="checkbox"/> <b>Permanent Education of Auditors</b><br/> <input checked="" type="checkbox"/> <b>Enforcement</b><br/> <input checked="" type="checkbox"/> <b>Other:</b></p> <p>BAOA’s full mandate as derived from its legal functions as stated in the Financial Reporting Act, 2010 is as follows:</p> <ul style="list-style-type: none"> <li>a) issue, adopt, establish, monitor and enforce financial reporting and auditing standards;</li> <li>b) monitor the quality and fairness of financial reporting;</li> <li>c) monitor and enforce compliance with the reporting requirements provided under any relevant enactment;</li> <li>d) ensure and enforce compliance with standards and pronouncements issued by the International Accounting Standards Board and the standard setting boards of the International Federation of Accountants;</li> <li>e) oversee and monitor the services and professional conduct of certified auditors of Public Interest Entities;</li> <li>f) issue accounting and auditing rules, codes and guidelines in accordance with the relevant laws and international standards;</li> <li>g) conduct investigations and where necessary, impose relevant sanctions on certified auditors and officers of Public Interest Entities as well as the Public Interest Entities;</li> <li>h) establish, maintain and apply an investigation system and disciplinary procedure against certified auditors and firms of Public Interest Entities as well as the Public Interest Entities and, where necessary, coordinate with or refer any disciplinary proceedings to the Institute;</li> <li>i) coordinate and cooperate with international institutions in the development and enforcement of financial reporting and auditing standards;</li> <li>j) oversee and monitor the regulatory system, training, professional development programs and examinations and other activities of the Institute;</li> <li>k) initiate, organize and participate in educational and training programs in accounting and auditing;</li> <li>l) encourage, and where appropriate, finance research into any matter affecting financial reporting, accounting, auditing and corporate governance;</li> </ul> |
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|  | <p>m) provide accreditation to the institute and any trainer that meets the required standards;</p> <p>n) register Public Interest Entities; and</p> <p>o) perform such other duties or functions as the Authority deems necessary for the purposes on implementing the provisions of the Financial Reporting Act, 2010.</p>   |
|  | <p><b>7.2 If the Member has the responsibility for <u>Registration/Licensing</u>, please indicate whether this responsibility is undertaken directly or through oversight of Registration/Licensing conducted by another organization?</b></p> <p><input checked="" type="checkbox"/> <b>Directly</b>                      <input checked="" type="checkbox"/> <b>Through Oversight</b></p> <p><b>If directly, please describe the responsibility with an appropriate level of detail. If through oversight, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also give a description of the powers of the other organization and procedure applied, as well as the role of the Member in these procedures.</b></p> <p>BAOA is directly responsible for registration and audit practice inspections of Certified Audit Firms and Certified Auditors of Public Interest Entities. Audit practice reports for Certified Audit Firms and Certified Auditors of Public Interest Entities are examined by the Audit Practice Review Committee of BAOA, who then recommend a course of action to the BAOA Board.</p> <p>BAOA has entered into a Memorandum of Understanding (MoU) with Botswana Institute of Chartered Accountants (BICA), whereby BAOA undertakes audit practice inspections of Certified Audit Firms and Certified Auditors of Non- Public Interest Entities who are directly registered with BICA until such a time that the legislation is changed to give BAOA the mandate to undertake inspections of all certified audit firms and Certified Auditors.</p> <p>In respect of Certified Audit Firms and Certified Auditors of Non-Public Interest Entities, the Audit Practice Review Committee of BAOA will examine audit practice inspection reports prepared by BAOA and recommend a course of action to BICA. BICA will then make the final decision and inform their members accordingly. Audit Practitioners from the audit profession are involved in the decision making of BICA. However, BAOA has oversight responsibilities over BICA.</p> <p>Amendments to the law have been commenced which, when passed, will give BAOA the mandate to undertake inspections of all certified audit firms and Certified Auditors.</p> |

**7.3 If the Member has the responsibility for Audit and/or Ethics Standard Setting, please indicate whether this responsibility is undertaken directly or through oversight of Audit and/or Ethics Standard Setting conducted by another organization?**

Directly                       Through Oversight

**If directly, please describe the responsibility with an appropriate level of detail. If through oversight, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also give a description of the powers of the other organization and procedures applied, as well as the role of the Member in these procedures.**

BAOA has the sole responsibility for Audit and Ethics Standard Setting in Botswana. In accordance with Sections 52 and 53 of the Financial Reporting Act, 2010, the Board of BAOA established the Standards Setting Committee (SSC), a subcommittee of the Board to:

- a) adopt, issue, and keep up-to-date financial reporting standards and auditing standards; and
- b) issue appropriate interpretations, rules and guidelines for the purposes of implementing financial reporting standards and auditing standards adopted by the SSC.

No other organization has, nor shares in, the responsibility for Audit and Ethics Standard Setting in Botswana.

**7.4 If the Member has the responsibility for Permanent Education of Auditors, please indicate whether this responsibility is undertaken directly or through oversight of Permanent Education of Auditors conducted by another organization?**

Directly                       Through Oversight

**If directly, please describe the responsibility with an appropriate level of detail. If through oversight, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also give a description of the powers of the other organization and procedures applied, as well as the role of the Member in these procedures.**

Permanent Education of Auditors of Public Interest Entities is the primary responsibility of BAOA; while that of Auditors of Non-Public Interest Entities is the responsibility of Botswana institute of Chartered Accountants (BICA), a Professional Accountancy Organization regulated by BAOA. Amongst the primary objectives of BICA are to:

- a) promote, maintain and increase the knowledge, skills and competence of members of the Institute and students;

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|  | <p>b) ensure that members obtain the necessary technical and ethical guidance that enables them to meet the needs of the community in areas in which they have special knowledge and expertise; and</p> <p>c) maintain and monitor high quality practical training at all levels of the profession.</p> <p>Audit Practitioners from the audit profession are involved in the decision making of BICA.</p>   |
|  | <p><b>7.5 If the Member has the responsibility for <u>Enforcement</u>, please indicate whether this responsibility is undertaken directly or through referral to other organization(s)?</b></p> <p><input checked="" type="checkbox"/> <b>Directly</b>                      <input checked="" type="checkbox"/> <b>Through Referral</b></p> <p><b>If through referral, please indicate the name of the other organization and its composition (i.e. whether practitioners from the audit profession are involved in decision-making). Also give a description of the enforcement powers of the other organization and procedures applied, as well as the role of the Member in these procedures.</b></p> <p>BAOA is directly responsible for Enforcement relating to Certified Audit Firms and Certified Auditors of Public Interest Entities.</p> <p>The Board has established the Enforcement Committee to, among other things, enforce:</p> <p>a) the recommendations of the Audit Practice Review Committee following audit quality reviews conducted by the Technical Department of the Authority;</p> <p>b) the recommendations of the Financial Reporting Monitoring Committee following reviews conducted by the Technical Department of the Authority;</p> <p>c) the outcomes of reviews carried out on the “Fit and Proper” tests carried out on Certified Auditors; and</p> <p>d) any violations of ethical codes and independence requirements by Certified Auditors identified by the Technical Department of the Authority during Audit Practice Reviews and Financial Reporting Monitoring reviews.</p> <p>The Botswana Institute of Chartered Accountants (BICA), regulated by BAOA, is directly responsible for Enforcement relating to Audit Firms and Certified Auditors of Non- Public Interest Entities.</p> <p>At the first meeting of the BICA Council held after each annual general meeting of the Institute, or as soon as possible thereafter, the Council appoints a Disciplinary Committee to, among others, hold an inquiry where the Council has reasonable grounds to believe, by a written complaint made to it that a member:</p> |

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|   | <p>(a) is suspected of professional misconduct);<br/>         (b) is suspected of committing a material irregularity;<br/>         (c) has contravened or is in breach of the code, rules or standards of the Institute which are in accordance with the rules of the Institute; or<br/>         (d) has become mentally incapable and is unfit to practice.</p> <p><b>7.6 If the Member has the responsibility for other tasks within the area of Audit Oversight, please describe with an appropriate level of detail:</b></p> <p>Apart from the responsibilities as per the BAOA’s mandate provided at Part 7.1 of the Profile, the BAOA is a Supervisory Authority as per the Financial Intelligence Act, 2019 (FI Act) and therefore it is responsible for Anti-Money Laundering (AML)-Risk Based Supervision of Certified Auditors of PIEs which it carries out jointly with the Financial Intelligence Agency (Agency) in terms of Section 6 (2) b of the FI Act of 2019.</p>   |
| <p><b>8. Main Other Responsibilities of the Member <u>outside</u> the area of Audit Oversight</b></p> | <p><b>8.1 Please describe with an appropriate level of detail whether the Member has responsibility for tasks outside the area of audit oversight such as Supervision of Financial Reporting or Securities Regulation:</b></p> <p>Specific to Supervision of Financial Reporting, BAOA’s responsibilities through its Board’s subcommittee, the Financial Reporting Monitoring Committee (FRMC) is to review the financial statements of Public Interest Entities (PIEs) or other entities required under any enactment to file its financial statements and reports with a Government Department or Authority, in order to determine whether they are in compliance with the law and applicable reporting requirements as stipulated in the Act and the Authority’s Rules and Regulations; with the ultimate objective of protecting public interest. In fulfilment of the foregoing, the FRMC shall:</p> <p>a) review financial statements for compliance with financial reporting requirements of any relevant enactment; financial reporting standards issued by the Authority under Section 52 of the Act; Rules, Regulations or Codes made under the Act; and to identify cases where it appears that these requirements have not been complied with;</p> <p>b) review financial statements to assess the performance of PIEs, in particular those that are regarded to be under financial stress. Ratio analysis and other analytical procedures may be used to assess the liquidity, profitability, gearing and efficiency of the entities, amongst other assessment tools; and</p> <p>c) promote the highest standards of corporate governance and compliance with professional ethics.</p> |



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| <b>9. Major Events and Activities</b> | <b>9.1 Describe any recent major events and activities:</b><br><br>In 2019 BAOA attended a meeting of the African Forum of Independent Accounting & Auditing Regulators (AFIAAR) which was held in Mauritius. BAOA is one of the twelve founding member countries of AFIAAR.<br><br>BAOA also attended the South African Independent Regulatory Board of Auditors' Committee for Auditing Standards meeting, as one of the observers. This was part of training on how such meetings are facilitated.<br><br>BAOA has set an audit tenure (Audit Rotation) whereby the audit term of office is five years with an option to renew for one further five-year term. The maximum period of audit is ten years. The Lead Partner is expected to rotate on an engagement every five years. |
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