



02 May 2023

***BOTSWANA INSTITUTE OF CHARTERED ACCOUNTANTS COMMENT LETTER TO IAASB'S 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***

**Introduction**

The Botswana Institute of Chartered Accountants (“BICA”) is a statutory body established by Accountants Act, 2010 as amended 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 IAASB’s 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*. 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

## **RESPONSE TO OVERALL & SPECIFIC QUESTIONS**

### **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?

#### **Response:**

*A group audit may not be categorised as complex by simple involvement of component auditors even other than where physical presence is required. In certain instances a component auditor may need to be engaged due to different jurisdictions laws between parent company and component. The auditor must be allowed to make assessment of complexity of the group by applying other aspects as for single entities and those provided in the current ED without being restricted by involvement of component auditor.*

### **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?

#### **Response:**

*We 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 as presented in paragraph A.3.*

### **Question 3**

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

#### **Response:**

*We agree with the content of proposed Part 10 and related conforming amendments are elaborated in paragraphs 19- 25 of the exposure draft as this will help to ensure consistency with other ISAs such as ISA 600 (Revised).*