

IFIAR 2024 Member Profile – BAOA

1. Jurisdiction	1.1 Insert the name of the jurisdiction in English: Botswana
2. Member¹	2.1 Insert the name of the Member, both in the local language and in English: Botswana Accountancy Oversight Authority (BAOA)
	2.2 Include relevant contact information, including postal address, telephone number(s), a general email address (if any) and a link to the Member’s website: 10th Floor, Varsha House Gaborone CBD Private Bag 0056, Gaborone, Botswana. Tel.: +267 3919735 Fax: +267 3919737 Website: www.baoa.org.bw

¹ 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.

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:

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.

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:

- a) promote the highest standards of auditors, whether or not registered with the Authority;
- b) improve the standard and quality of accounting and audit services;
- c) improve the integrity, competence, and transparency of accountants and auditors;
- d) promote development of the accountancy profession;
- e) protect the interest of the general public and investors in entities, including public interest entities;
- f) ensure compliance with and application of local and international accounting and auditing standards;
- g) promote high standards of corporate governance and compliance with professional ethics;
- h) monitor and adopt international developments in accounting and auditing fields;
- i) encourage effective collaboration with other regulators.
- j) implement a sound system of quality assurance and mechanisms to ensure high quality audit practice; and
- k) act as a supervisory authority under the Financial Intelligence Act.

BAOA's full mandate as derived from its legal functions as stated in the Financial Reporting Act, 2010 , as read with the Financial Reporting (Amendment) Act, 2020 (the Act) is as follows:

- a) issue, adopt, establish, monitor, and enforce financial reporting and auditing standards;
- b) monitor the quality and fairness of financial reporting;

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| | <ul style="list-style-type: none">c) monitor and enforce compliance with the reporting requirements provided under any relevant enactment;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;e) oversee and monitor the services and professional conduct of certified auditors of Public Interest Entities;f) issue accounting and auditing rules, codes, and guidelines in accordance with the relevant laws and international standards;g) conduct investigations and, where necessary, impose relevant sanctions on certified auditors, officers of Public Interest Entities as well as on Public Interest Entities or other entities;h) establish, maintain, and apply an investigation system and disciplinary procedure against certified auditors and firms of Public Interest Entities as well as against Public Interest Entities or other entities and, where necessary, coordinate with or refer any disciplinary proceedings to other regulators;i) coordinate and cooperate with international institutions in the development and enforcement of financial reporting and auditing standards;j) oversee and monitor the regulatory system, training, professional development programs and examinations and other activities of the Institute;k) initiate, organize, and participate in educational and training programs in accounting and auditing;l) encourage, and where appropriate, finance research into any matter affecting financial reporting, accounting, auditing and corporate governance;m) provide accreditation to the institute and other professional accountancy bodies;n) register Public Interest Entities and other entities, including a partly or wholly funded public body; ando) perform such other duties or functions as the Authority deems necessary for the purposes on implementing the provisions of the Act. |
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	<p>2.4 Please indicate whether the Member has responsibility for the following tasks within the area of Audit Oversight:</p> <ul style="list-style-type: none"><input checked="" type="checkbox"/> Licensing<input checked="" type="checkbox"/> Registration<input checked="" type="checkbox"/> Audit and/or Ethics Standard Setting<input checked="" type="checkbox"/> Permanent Education / Continuous Training of Auditors<input checked="" type="checkbox"/> Inspection<input checked="" type="checkbox"/> Enforcement<input type="checkbox"/> Other: _____
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<p>3. Governing Body Composition and members</p>	<p>3.1 Describe with an appropriate level of detail the current composition of the Member’s governing body, including, where possible, the names, the organization they represent (if any) and brief backgrounds of the governing body members, or provide a link to a page on your website where this information is provided.</p> <p>In terms of the Act, 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> <ul style="list-style-type: none"> a) the Accountant General or his or her representative - <i>Mr. Kealeboga Molelowatladi</i>; b) the Governor of the Bank of Botswana or his or her representative - <i>Vacant</i>; c) the Commissioner General of the Botswana Unified Revenue Service or his or her representative - <i>Ms. Jeanette Makgolo</i>; d) the Chief Executive Officer of the Non- Bank Financial Institutions Regulatory Authority or his or her representative - <i>Ms. Catherine Nonina Monageng</i>; e) the Chief Executive Officer of Business Botswana or his or her representative – <i>Ms. Zoe A. Isaacs</i>, and f) the Chief Executive Officer of the Botswana Stock Exchange or his or her representative - <i>Mr. Tsametse Mmolai</i>; g) two experienced professional accountants (experts) appointed by the Minister of Finance on recommendation of the ex-officio members. They hold office for a term of four years and shall be eligible for re-election for one further term - <i>Vacant</i>; and h) one academic professional accountant appointed by the Minister on recommendation of the ex-officio members. The appointed members shall hold office for a term of four years and shall be eligible for re-election for one further term - <i>Vacant</i>. <p>Six members (a) to (f) above are ex-officio members and serve as members by virtue of the office they hold.</p> <p>Detailed profiles can be accessed at : Board of Directors – BAOA</p> <p>All Members are independent as none of the Members in the Governing Body are from the audit profession.</p> <p>3.2 What are the eligibility criteria / requirements and composition requirements for the members of the governing body? E.g. Does national legislation require representatives on the governing body from certain organizations, or with specific experience, etc.</p> <p>In terms of the Act, Section 101 provides that :</p>
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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
- d) has committed a material breach of the Code of Conduct and Ethics adopted by the Board.

Section 10 (2) provides that:

An auditor or former auditor shall not be appointed or elected a member of the Board.

3.3 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?

Yes **No**

Does this include a “cooling-off” period for former auditors?

Yes **No**

If yes to either of the above, please describe:

None of the BAOA Board members are current or former auditors/practitioners.

Section 10(2) requires that:

An auditor or former auditor shall not be appointed or elected a member of the Board.

<p>4. Independence safeguards</p>	<p>4.1 Please describe the national independence requirements for the governing body and its members, and legal or regulatory requirements/provisions in place that safeguard their independence from the audit profession.</p> <p>Refer to 3.3 above.</p> <p>Section 18 also requires that:</p> <ol style="list-style-type: none"> 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. 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>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>Are employees of the Member covered by the same or separate set of independence requirements?</p> <p><input checked="" type="checkbox"/> Same set of requirements <input type="checkbox"/> Different set of requirements</p> <p>If there are separate independence requirements for employees, please describe:</p> <p>See above.</p>
	<p>4.2 Are there any additional safeguards in place that provide for the Member's overall independence from the audit profession? E.g. through the appointment process, specific Board actions, etc.</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If yes, please describe:</p> <p>Section 10 (2) provides that:</p> <p style="padding-left: 40px;">An auditor or former auditor shall not be appointed or elected a member of the Board.</p>

5. Funding Arrangements	<p>5.1 Describe the main funding arrangements of the Member, including the setting and approval of the budget:</p> <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 for approval. Once approval is given, Management makes quarterly drawdowns of the funds allocated.</p> <p>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 6%) from its members.</p> <hr/> <p>5.2 Is the funding free from undue influence by the profession?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>Please describe with an appropriate level of detail the safeguards in place to prevent undue influence by the profession:</p> <p>Currently, BAOA is mainly funded by the Government.</p> <p>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 6%) from its members.</p>
6. Audit Market	<p>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.</p> <p>There are currently 30 registered audit firms in Botswana.</p> <p>There are 451 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> <hr/> <p>6.2 Please describe the sizes (in terms of revenue / number of listed entity clients / number of partners and audit staff / etc. – whichever measure is commonly used and available in your jurisdiction) and market shares of each of the largest audit firms in the Member’s jurisdiction.</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</p>

	<p>the IFIAR Global Public Policy Committee Firms (GPPC) dominate audits of Public Interest Entities.</p> <table border="1" data-bbox="544 434 1342 763"> <thead> <tr> <th>Firm</th> <th>Number of Partners</th> <th>Number of PIEs</th> <th>Revenue from PIEs (BWP)</th> </tr> </thead> <tbody> <tr> <td>PwC</td> <td>4</td> <td>85</td> <td>49,673,368</td> </tr> <tr> <td>Deloitte</td> <td>5</td> <td>30</td> <td>32,245,952</td> </tr> <tr> <td>KPMG</td> <td>3</td> <td>30</td> <td>23,360,785</td> </tr> <tr> <td>EY</td> <td>4</td> <td>70</td> <td>50,610,623</td> </tr> <tr> <td>Grant Thornton</td> <td>4</td> <td>63</td> <td>13,352,850</td> </tr> <tr> <td>BDO</td> <td>4</td> <td>49</td> <td>6,447,371</td> </tr> </tbody> </table>	Firm	Number of Partners	Number of PIEs	Revenue from PIEs (BWP)	PwC	4	85	49,673,368	Deloitte	5	30	32,245,952	KPMG	3	30	23,360,785	EY	4	70	50,610,623	Grant Thornton	4	63	13,352,850	BDO	4	49	6,447,371
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7. Inspection System	<p>7.1 Does the Member have the responsibility for recurring inspections of audit firms undertaking audits of public interest entities (PIEs)?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <hr/> <p>7.2 Is this responsibility undertaken directly or through oversight of inspection conducted by another organization?</p> <p><input checked="" type="checkbox"/> Directly <input type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including the follow-up and reporting process, and the regulatory measures available to be taken as a result of inspections (if described in Question 11 Enforcement, please reference that section for details on such measures).</p> <p>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 by the Member:</p> <p>The Act, requires BAOA to undertake audit inspections of certified auditors and firms.</p> <p>BAOA has an inspection department with a total of nine inspectors.</p> <hr/> <p>7.3 Please describe with an appropriate level of detail the requirements and practices regarding the frequency of inspections:</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>																												

	<p>7.4 Does the Member have its own inspection staff, use reviewers from the professional body or sub-contract to third parties, independent contractors, etc. for the conduct of inspections? Please tick the boxes that apply: (multiple responses allowed) Note that there is no need to tick a box if non-employee reviewers are used very occasionally and are not a core staffing approach.</p> <p> <input checked="" type="checkbox"/> Employees of the Member <input type="checkbox"/> Professional body </p> <p> <input type="checkbox"/> Third Parties <input type="checkbox"/> Other </p> <p>Please explain below:</p> <p>BAOA has inspectors who are qualified professional accountants and full-time staff members who are subject to safeguards for independence from the audit profession.</p>
<p>8. Licensing</p>	<p>8.1 If the Member has the responsibility for <u>Licensing</u>, please indicate whether this responsibility is undertaken directly or through oversight of Licensing conducted by another organization?</p> <p> <input checked="" type="checkbox"/> Directly <input type="checkbox"/> Through Oversight </p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p> <p>The Authority receives applications from individuals, where, after consideration of an application, the Authority is satisfied that as per Section 24(4) , the applicant :</p> <ul style="list-style-type: none"> a) satisfies the registration requirements under this Act; b) is a fit and proper person in accordance with the rules; c) is a member or employee of a firm registered with the Authority in accordance with the Regulations; and <p>meets other requirements as may be specified in Regulations, rules and codes of the Authority, the Authority shall register the applicant as a certified auditor.</p> <p>A certificate of registration for Certified auditors shall be renewed annually as per Section 27(1).</p> <p>Section 25(1) requires that an audit firm shall not practice or provide audit services to an entity unless such firm is registered with the Authority.</p> <p>Section 25(4) requires that the Authority register the firm and enter its name and such particulars as it considers relevant upon being satisfied that:</p> <ul style="list-style-type: none"> a) all the partners of the firm who are in the accounting and auditing field, are registered with the Authority;

	<p>b) all the partners of the firm who are in the accounting and auditing field, are registered as certified auditors and there is a written undertaking by the applicant firm and such partners, that they shall be bound by the disciplinary provisions of the rules individually;</p> <p>c) the applicant firm holds a professional indemnity insurance of such amount as the Authority may determine in its rules, or provides such other financial guarantee as the Authority may from time to time determine; and</p> <p>d) the quality of audits of a firm, including the quality assurance procedures in place in the firm's audit and assurance practice, comply with the standards set by the Authority.</p> <p>If through oversight, please indicate the name of the other organization and its composition. 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.</p>
<p>9. Registration</p>	<p>9.1 If the Member has the responsibility for <u>Registration</u>, please indicate whether this responsibility is undertaken directly or through oversight of Registration conducted by another organization?</p> <p><input checked="" type="checkbox"/> Directly <input type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p> <p>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.</p> <p>The Authority is directly responsible for registration and audit practice inspections of all Certified Audit Firms and Certified Auditors in Botswana. Audit practice reports for Certified Audit Firms and Certified Auditors of Public Interest Entities and non-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>10. Audits and/or Ethics Standard Setting</p>	<p>10.1 If the Member has the responsibility for <u>Audit and/or Ethics Standard Setting</u>, please indicate whether this responsibility is undertaken directly or through oversight of Audit and/or Ethics Standard Setting conducted by another organization?</p> <p><input checked="" type="checkbox"/> Directly <input type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p>

	<p>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.</p> <p>The Authority has the sole responsibility for Audit and Ethics Standard Setting in Botswana. In accordance with Sections 52 and 53 of the Act, the Board of BAOA established the Standards Setting Committee (SSC), a subcommittee of the Board to:</p> <ul style="list-style-type: none"> 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. <p>No other organization has, nor shares in, the responsibility for Audit and Ethics Standard Setting in Botswana.</p>
<p>11. Permanent Education / Continuous Training of Auditors</p>	<p>11.1 If the Member has the responsibility for <u>Permanent Education / Continuous Training of Auditors</u>, please indicate whether this responsibility is undertaken directly or through oversight of Permanent Education / Continuous Training of Auditors conducted by another organization?</p> <p><input checked="" type="checkbox"/> Directly <input type="checkbox"/> Through Oversight</p> <p>If directly, please describe the responsibility, including any changes, with an appropriate level of detail.</p> <p>Permanent Education of Auditors is the primary responsibility of the Authority. The Authority looks at broader national training requirements of the accountancy profession in Botswana that meets the skills needs in the economy. The mandate covers the entire supply chain starting at basic education, through tertiary (including University), and professional levels; in collaboration with relevant stakeholders.</p> <p>The Authority also sets standards to be followed by Professional Accountancy Organisations (PAOs) including the Botswana Institute of Chartered Accountant and the Authority enforces and checks that their members get knowledge in the area of audit. The Authority checks that Certified Auditors meet their minimum continuous professional development on annual basis through the registration process.</p> <p>If through oversight, please indicate the name of the other organization and its composition (i.e. whether practitioners from the</p>

	<p>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.</p>
<p>12. Enforcement</p>	<p>12.1 If the Member has the responsibility for Enforcement, please indicate whether this responsibility is undertaken directly or through referral to other organization(s)?</p> <p><input checked="" type="checkbox"/> Directly <input type="checkbox"/> Through Referral</p> <p>If directly, please describe the responsibility and procedures applied (including investigations, disciplinary actions or sanctions), as well as the reporting process for disciplinary action.</p> <p>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.</p> <p>BAOA is directly responsible for Enforcement relating to all Certified Audit Firms and Certified Auditors.</p> <p>The Board has established the Enforcement Committee to, among other things, enforce:</p> <ul style="list-style-type: none"> a) the recommendations of the Audit Practice Review Committee following audit quality reviews conducted by the Technical Department of the Authority; b) the recommendations of the Financial Reporting Monitoring Committee following reviews conducted by the Technical Department of the Authority; c) the outcomes of reviews carried out on the “Fit and Proper” tests carried out on Certified Auditors; and 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>Section 35</p> <ul style="list-style-type: none"> 1) The Board may, hold an inquiry where it has reason to believe by a written allegation made to it that a certified auditor: <ul style="list-style-type: none"> a) is suspected of professional misconduct;

- b) has contravened or is in breach of the provisions of this Act or of the rules; and
 - c) is unfit to practice as referred to in section 39.
- 2) The Board shall cause to be sent to a certified auditor against whom an allegation has been made under subsection (1), a registered letter to his or her address as shown in the register, containing a notice setting out the allegation against him or her and the Board shall afford the certified auditor an opportunity to be heard either by himself or herself or by a legal representative.
 - 3) The Board shall invite and have present, during its deliberations under this section, a legal practitioner of their choice, to render legal advice to the Board, during the course of an inquiry under this Part.
 - 4) For the purposes of an inquiry under this section, the Board shall:
 - a) administer oaths;
 - b) summon persons to attend and give evidence; and
 - c) order the production of documents.
 - 5) All summonses and orders issued under the hand of the Chairperson or Vice Chairperson shall be deemed to be issued by the Board.
 - 6) The Chairperson, or in his or her absence the Vice Chairperson, shall record or cause to be recorded a summary of any oral evidence given at an inquiry under this section.
 - 7) Subject to the provisions of this Act, the Board shall regulate its own procedure at an inquiry held under this Part, but all parties having an interest in the inquiry shall be advised by the Board of the form of procedure of such inquiry.

Section 37

- 1) The Board may, where it finds a certified auditor guilty of any allegation made under section 35 —
 - a) reprimand or caution him or her;
 - b) order that his or her name be removed from the register;
 - c) order his or her suspension, for a specified period, from performing the work of a certified auditor;
 - d) impose such conditions as it considers appropriate; or
 - e) order him or her to pay such fine as the Board may determine.

- 2) The Board may, after giving reasonable notice in writing to a certified auditor, take further action against the certified auditor where he or she has not complied with an order under subsection (1) (d) or (e).
- 3) An inquiry held under this Part shall be deemed to be a judicial proceeding.

The sanctions that can be imposed by the Enforcement Committee are detailed at the following sections:

Section 31; The Authority may either suspend or cancel the registration of a certified auditor or firm, and order the removal of such from the relevant register where the certified auditor or firm —

- a) has obtained registration by fraud or misrepresentation;
- b) no longer satisfies or has acted in breach of the auditing standards adopted by the Authority or any rules or regulations of the Authority;
- c) has been suspended or cancelled as a certified auditor;
- d) no longer satisfies the requirements of sections 24 and 25;
- e) has acted in breach of the provisions of this Act; or
- f) has been convicted of an offence, whether in Botswana or another jurisdiction —
 - i) for which he or she could have been sentenced to imprisonment without the option of a fine, or
 - ii) involving dishonesty.

Section 70

- 1) A person who knowingly and willfully makes a false statement, or a misleading statement, with a view to gaining any advantage, concession or privilege under this Act, whether for himself or for any other person, commits an offence and is liable to a fine not exceeding P250 000 or to imprisonment for a term not exceeding five years, or to both.
- 2) A certified auditor or partner in a firm for certified auditors, who knowingly employs or engages any person as a certified auditor who was registered and
 - a) whose name has been removed from the register and has not been restored; or
 - b) who has been suspended from registration in terms of this Act, during the period of suspension, save with the prior written consent of the Authority, which consent may be given for such period and subject to such conditions as the Authority may determine, commits

	<p>an offence and is liable to a fine not exceeding P500 000 or to imprisonment for a term not exceeding 10 years, or to both.</p> <p>3) Any certified auditor, Board member and employee of the Authority who contravenes or fails to comply with the provisions of this Act or rules made under this Act commits an offence and is liable to a fine not exceeding P500 000 or to imprisonment for a term not exceeding 10 years, or to both.</p> <p>Financial reporting regulations, 2021 section 21 states that;</p> <p>1) Where a certified auditor, an audit firm, PIE, board member or an employee of a P.I.E including a partly or wholly funded public body contravenes the provisions of the Act or the Rules of the Authority, the Authority may-</p> <ul style="list-style-type: none"> a) Give such certified auditor, audit firm, PIE, board member or employee of a P.I.E, including a partly or wholly funded public body a written warning; b) Direct such certified auditor , audit firm, PIE, board member or employee of a P.I.E, including a partly or wholly funded public body to perform a certain act in order to- <ul style="list-style-type: none"> i) remedy the effects of the contravention, or ii) ensure that such certified auditor , audit firm, PIE, board member or employee of a P.I.E, including partly or wholly funded public body does not commit further contraventions; c) impose a fine; d) impose a combination of the above. <p>2) The Authority shall give a written notice to a certified auditor, audit firm, PIE, board member or employee of a PIE, including partly or wholly funded public body, and that notice shall-</p> <ul style="list-style-type: none"> a) specify any action referred to under sub regulation (1) that the Authority decides to take; b) specify reasons for any action that the Authority may take and give facts that support the reasons; and c) invite such person or entity to attend a hearing on the matter within 21 days of receipt of the notice. <p>3) Where the Authority decides to impose a fine in accordance with sub regulation (1) (c), the fine shall-</p>
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	<p>a) not exceed P500 000 in case of a P.I.E, including a partly or wholly funded public body;</p> <p>b) not exceed P500,000 in the case of an audit firm;</p> <p>c) not exceed P100,000 in the case of a certified auditor;</p> <p>d) not exceed P20,000 in case of a Board member or officer of a PIE including a partly or wholly funded public body;</p> <p>e) in the event of a contravention of a provision of the Financial Intelligence Act, be the one prescribed by a specified party or accountable institution.</p> <p>4) A fine imposed in accordance with sub regulation (3) may be recoverable as a fine imposed by the court under section 303 (1) to (4) of the Criminal Procedure and Evidence act, and an affidavit sworn by a member of the Board or employee of the Authority is sufficient proof of the lawful imposition of the fine to enable the court to issue a warrant under that section, and a warrant referred to under that section shall not be issued until any appeal has been disposed of.</p> <p>5) The enforcement committee may, with regards to protecting the interest of the public, disclose to the public, such violations made by a certified auditor, certified auditor of PIE, audit firm, audit firm of PIE, PIE, Board member or employee of a PIE or a professional accountancy body, against the Act or the Rules, including the identity of the certified auditor, certified auditor of PIE, audit firm, audit firm of PIE, PIE, Board member or employee of a PIE or a professional accountancy body, including partly or wholly funded public body.</p>
<p>13. Other Responsibilities in Audit Oversight or Audit Regulation</p>	<p>13.1 If the Member has the responsibility for <u>other tasks within the area of Audit Oversight or Audit Regulation</u>, please describe with an appropriate level of detail:</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, 2022 (FI Act) and therefore it is responsible for Anti-Money Laundering (AML)-Risk Based Supervision of Certified Auditors which it carries out jointly with the Financial Intelligence Agency (Agency) in terms of Section 6 (2) b of the FI Act of 2022.</p>
<p>14. Main Other Responsibilities of the Member <u>outside</u> the area of Audit Oversight or Audit Regulation</p>	<p>14.1 Please describe with an appropriate level of detail, the responsibility of the Member for <u>tasks outside the area of audit oversight or audit regulation</u> such as supervision of financial reporting or securities regulation:</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</p>

	<p>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> <ul style="list-style-type: none"> 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; 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 c) promote the highest standards of corporate governance and compliance with professional ethics.
<p>15. Member Update for public information (if any)</p>	<p>15.1 Are there any major news, activities, events or updates (on audit matters, the Member’s organization, the governing legislation or the authority/responsibilities) that you wish to keep the public informed of since completing last year’s Member Profile?</p> <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> <p>If yes, please describe these changes with an appropriate level of detail:</p>