

FINANCIAL REPORTING (AMENDMENT) ACT, 2020

No. 9



of 2020

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An Act to amend the Financial Reporting Act.

Date of Assent: 29.10.2020

Date of Commencement: ON NOTICE

ENACTED by the Parliament of Botswana.

Short title and commencement

1. This Act may be cited as the Financial Reporting (Amendment) Act, 2020, and shall come into operation on such date as the Minister may, by Order published in the *Gazette* appoint.

Amendment of section 2 of the Act

2. The Financial Reporting Act (in this Act referred to as “the Act”) is amended in section 2 by —

(a) substituting for the definitions of “certified auditor”, “firm”, “professional misconduct” and “public interest entity” the following new definitions —

““certified auditor” means an auditor registered under section 24 of the Act;

“firm” means an audit firm for certified auditors or certified auditors of public interest entities registered under section 25, which firm provides audit services to public interest entities or other entities, including a partly or wholly funded public body;

“professional misconduct” means an act or omission constituting misconduct in terms of section 38(2); and

“public interest entity (P.I.E)” has the same meaning assigned to it under section 22;”;

(b) inserting in their correct alphabetical order, the following new definitions —

“engagement team” means all partners and staff performing an audit engagement, and any individuals engaged by the firm or a network firm who perform procedures on the engagement;

“engagement quality control review” means a process designed to provide an objective evaluation, on or before the date of the report, of the significant judgments the engagement team has made and the considerations it made in formulating the audit opinion or report;

“IFAC” means the International Federation of Accountants or its successor body;

“IFRS” means the International Financial Reporting Standards;

“ISQC 1” means the International Standard on Quality Control 1 or its successor quality control standard;

“member firm” means a firm providing professional auditing services which is registered in accordance with section 25; and
“public body” means any board, tribunal, commission, council, committee or other body, corporate or unincorporated established under any enactment, and includes any company in which the Government has equity shares.”.

3. Section 5 of the Act is amended —

Amendment of
section 5 of
the Act

- (a) in paragraph (a) by deleting the words “, whether or not” appearing therein; and
- (b) by inserting immediately after paragraph (i), the following new paragraphs —
 - “(f) implement a sound system of quality assurance mechanisms to ensure high quality audit practice; and
 - (k) act as a supervisory authority under the Financial Intelligence Act.”.

Cap. 08:07

4. Section 6 of the Act is amended —

Amendment of
section 6 of
the Act

- (a) in subsection (1) by —
 - (i) substituting for paragraph (g), the following new paragraph —
 - “(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;”;
 - (ii) substituting for paragraph (h), the following new paragraph —
 - “(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;”;
 - (iii) substituting for paragraph (m), the following new paragraph —
 - “(m) provide accreditation to the Institute and other professional accountancy bodies;”;
 - (iv) inserting immediately after the word “entities” appearing in paragraph (n), the words “and other entities, including partly or wholly funded public bodies;”;
- (b) in subsection (2) by inserting immediately after the word “entity” wherever it appears, the words “or other entity, including a partly or wholly funded public body.”.

5. Section 7 (1) of the Act is amended in —

Amendment of
section 7 of
the Act

- (a) paragraph (e), by substituting for the words “the Botswana Chamber of Commerce, Industry and Manpower”, the words “Business Botswana”;
- (b) paragraph (g), by deleting the words, “in consultation with the Institute or its successor” appearing therein; and
- (c) paragraph (h), by deleting the words “in consultation with the Institute or its successor, and the Institutes of higher learning in Botswana” appearing therein.

Amendment of section 10 of the Act

6. Section 10 is amended by substituting for subsection (2) the following new subsection —

“(2) An auditor or former auditor shall not be appointed or elected as a member of the Board.”.

Amendment of section 15 of the Act

7. Section 15(4) of the Act is amended by inserting immediately after the words “*ex officio* members”, the words “or their representatives”.

Amendment of section 16 of the Act

8. Section 16 of the Act is amended by substituting for subsection (4) the following new subsection —

“(4) At any meeting of a committee, a quorum shall be formed by the majority of members present and voting, or such number as may be determined by the Board in any particular case.”.

Insertion of section 20A in the Act

9. The Act is amended by inserting immediately after section 20, the following new section —

“Secretary of Board 20A. (1) The Board shall, on the recommendation of the Chief Executive Officer, appoint a Secretary who shall be suitably qualified and experienced.

(2) The Secretary of the Board shall attend meetings of the Board but shall have no right to vote, and shall be responsible for the accurate and complete recording of the Board’s proceedings and decisions.

(3) The Secretary of the Board shall be accountable to the Board for his or her functions and responsibilities, and shall report directly to the Chairperson.

(4) The conditions of service, including the remuneration package of the Secretary, shall be set by the Board in consultation with the Minister.”.

Amendment of section 22 of the Act

10. Section 22 of the Act is amended by —

(a) deleting the word “similar” appearing in paragraphs (b) and (c); and

(b) inserting immediately after paragraph (d), the following new paragraph —

“(e) any partly or wholly funded public body”;

Substitution of section 23 of the Act

11. The Act is amended by substituting for section 23, the following new section —

“Register 23. (1) Subject to the provisions of this Act, the Board shall cause to be kept, maintained and updated, registers in the following manner —

(a) register of certified auditors, specifying the name and all relevant particulars of certified auditors;

(b) register of firms for certified auditors;

(c) register of public interest entities or other entities, including partly or wholly funded public bodies; and

(d) any other register for any matter the Authority deems necessary, specifying the relevant information regarding the matter.

- (2) The registers under subsection (1) shall be kept at the offices of the Authority and shall be open to inspection during office hours to any member of the public upon payment of such fee as may be prescribed.
- (3) The Authority shall publish —
 - (a) not later than three months after the end of each financial year —
 - (i) an annual list of certified auditors, and
 - (ii) the names of member firms,
 in two consecutive issues of the *Gazette*, *Daily News* or any private newspaper of national circulation; and
 - (b) on its website, a current list of all certified auditors and member firms, and shall keep such website up to date.”.

12. The Act is amended by substituting for section 24, the following new section —

“Registration of certified auditors
Cap. 42:01

24. (1) Notwithstanding anything contained in the Companies Act or any other law, a person shall not hold any appointment, or offer any of services for remuneration, as a certified auditor unless he or she is registered by the Authority as a certified auditor under this Act.

(2) An application to practice as a certified auditor may be made by any person who satisfies the registration requirements issued by the Authority in such form as may be prescribed.

(3) An application made under subsection (2) shall be accompanied by such fees and information as may be determined by the Authority in its rules.

(4) Where, after consideration of an application, the Authority is satisfied that the applicant —

- (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
 - (d) meets other requirements as may be specified in the Regulations, rules and codes of the Authority,
- the Authority shall register the applicant as a certified auditor.

(5) The Authority shall enter the name of the certified auditor under this Act in the register of certified auditors under section 23 (1) (a).

Substitution of section 24 of the Act

(6) Notwithstanding anything contained in the Regulations, rules or any other law, a person shall not practice as a certified auditor of P.I.E in a partnership with another person or in a registered firm, unless such person has passed the most recent quality assurance reviews and external audit practice reviews and the firm has satisfied the requirements of the ISQC 1 or its successor quality control standard as assessed by an external reviewer.

(7) A person who contravenes the provisions of subsection (1) commits an offence and is liable to a fine not exceeding P5 000 for each day the offence continues to occur, up to a maximum period of 90 days, or to imprisonment for a period not exceeding five years, or to both.”.

Amendment
of section 25
of the Act

13. Section 25 of the Act is amended –

- (a) by substituting for subsection (2), the following new subsection –
“(2) A person shall not practice as a certified auditor in a partnership with other persons or in a registered firm, unless such person has been registered with the Authority as a certified auditor.”;
- (b) in subsection (4) by substituting for the word “Institute” appearing in paragraph (a), the word, “Authority”; and
- (d) by inserting immediately after subsection (4), the following new subsection –
“(5) A person who contravenes the provisions of subsection (1) commits an offence and is liable to a fine not exceeding P5 000 for each day the offence continues to occur, up to a maximum period of 90 days.”.

Amendment
of section 26
of the Act

14. Section 26 (1) of the Act is amended –

- (a) in paragraph (a), by inserting immediately after the word “auditor”, the words “or certified auditor”;
- (b) in paragraph (b), by inserting immediately after the word “auditors”, the words “or certified auditors”; and
- (c) by inserting immediately after paragraph (b), the following new paragraph –
“(c) a public interest entity or other entity required under any enactment to file its financial statements and reports with a Government Department or Authority in accordance with section 56.”.

Amendment
of section 28
of the Act

15. Section 28 of the Act is amended in –

- (a) paragraph (a), by inserting immediately after the word “auditor”, the words “or certified auditor”; and
- (b) paragraph (b), by inserting immediately after the word “auditors”, the words “or certified auditors”.

Amendment
of section 30
of the Act

16. Section 30 of the Act is amended in subsection (1) by deleting the words “of P.I.E”.

17. Section 31 of the Act is amended in paragraph (c) by inserting immediately after the word “a”, the words “certified auditor or,”.

Amendment
of section 31
of the Act

18. The Act is amended by substituting for section 32, the following new section —

Substitution
of section 32
of the Act

“Restoration of
name to register

32. Where a certified auditor, certified auditor of P.I.E or firm has been removed from the register or the registration has been suspended, the Authority may either of its own volition, or on the application by the certified auditor, certified auditor of P.I.E or firm concerned, made in such form as may be prescribed, and after holding such enquiry as the Authority may deem necessary, direct that the name of the certified auditor, certified auditor of P.I.E or firm be restored to the register.”.

19. Section 35 of the Act is amended by deleting the words “of P.I.E”, wherever they appear in the section.

Amendment
of section 35
of the Act

20. Section 37 of the Act is amended by deleting the words “of P.I.E”, wherever they appear in the section.

Amendment
of section 37
of the Act

21. The Act is amended by substituting for section 38, the following new section —

Substitution of
section 38 of
the Act

“Disciplinary
powers of
Board

38. (1) The Board may institute an inquiry under this Part, into the conduct of a certified auditor where —

- (a) the certified auditor has been convicted of an offence within or outside Botswana, whether before or after the date of registration; and
 - (b) the Board is of the opinion that the offence under paragraph (a) constitutes professional misconduct.
- (2) For purposes of subsection (1) (b), the following acts or omissions on the part of a member shall constitute professional misconduct —
- (a) contravening the provisions of the Act;
 - (b) allowing any other person to hold himself or herself out as a certified auditor, unless such person is registered with the Authority as a certified auditor;
 - (c) allowing any person to offer any services for remuneration as a certified auditor, unless such person is registered by the Authority as a certified auditor;
 - (d) paying, allowing or agreeing to pay or allow to be paid directly or indirectly to any person other than a certified auditor or a retired partner or the legal representative of such partner, any share, commission or brokerage out of the fees or profits for his or her professional service;

- (e) accepting or agreeing to accept any part of the fees or profits of the professional work of an advocate, attorney, auctioneer, broker, or other agent who is not a professional accountant;
- (f) soliciting clients for professional work in a manner other than that approved by the Institute and the Authority;
- (g) advertising professional services in a manner other than that approved by the Authority;
- (h) disclosing information acquired in the course of a professional engagement without the consent of the client, except in accordance with the law or by an order of a court;
- (i) certifying or submitting by a certified auditor in his or her name or in the name of his or her firm of certified auditors a report of an examination of financial statements, unless the examination of such statements and the related records have been named by him or her, or a partner or employee in his or her firm;
- (j) expressing his or her opinion on the financial statements of any business or any enterprise in which he or she, his or her immediate family, his or her firm or partner in his or her firm of certified auditors has an interest, unless he or she discloses such interest in his or her audit report;
- (k) charging in respect of any professional employment, other than where customary, fees which are based on a percentage of profits or which are contingent on results;
- (l) failing to withdraw from auditing a P.I.E or other entity, including a partly or wholly funded public body, where a certified auditor considers that he or she may have a conflict of interest or lack of professional independence in relation to that entity for which such a certified auditor has been engaged;
- (m) gross negligence in the conduct of professional duties;
- (n) failing to keep the funds of a client in a separate banking account or failing to use such funds for purposes for which they are intended;
- (o) including in any statement, return or form to be submitted to the Authority any particulars whilst knowing them to be false;
- (p) practicing as a certified auditor or audit firm through a body corporate in a manner which constitutes professional misconduct;
- (q) practicing as a certified auditor, without obtaining a certificate of registration from the Authority;

- (r) generally, engaging in any act which is likely to bring the accountancy profession or the Authority into disrepute; and
- (s) any other breaches of the code of ethics, rules or the Regulations.”.

22. Section 39 of the Act is amended by deleting the words “of P.L.E”, wherever they appear in the section.

Amendment of section 39 of the Act

23. The Act is amended by substituting for section 40, the following new section —

Substitution of section 40 of the Act

“Appeals Committee

40. (1) There is hereby established, an Independent Accounting Oversight Appeals Committee (hereinafter referred to as the “Appeals Committee”) which shall hear and determine appeals made against decisions of the Board, Authority or any of its committees.

(2) The Appeals Committee established under subsection (1) shall consist of —

- (a) the chairperson, who shall be a legal practitioner admitted to practice in the courts of Botswana; and
- (b) four other members, appointed from among persons with qualifications and experience in —
 - (i) commerce,
 - (ii) industry,
 - (iii) academia, and
 - (iv) professions relevant to the work of the Appeals Committee.

(3) The members of the Appeals Committee shall be appointed by the Minister for a term of three years, and shall be eligible for re-appointment for a further term of three years.

(4) The members of the Appeals Committee shall be paid such allowances and remunerations as shall be determined by the Minister.

(5) The provisions of sections 17, 18 and 19 shall, with the necessary modifications, apply to members of the Appeals Committee.”.

24. The Act is amended by inserting immediately after section 40, the following new sections —

Insertion of sections 40A, 40B and 40C in the Act

“Secretary of Appeals Committee

40A. (1) The Minister shall appoint a secretary to the Appeals Committee to facilitate the conduct of its business.

(2) The secretary to the Appeals Committee shall attend meetings of the Appeals Committee but shall have no right to vote.

(3) A person, shall when so requested by the secretary to the Appeals Committee, furnish the secretary with any information that may be necessary for the carrying out of the functions of the Appeals Committee.

Co-option of experts	40B. The Appeals Committee may invite any suitably qualified person to attend the proceedings of the Appeals Committee or otherwise assist it with its deliberations, and any such person shall have no right to vote or take decisions.
Proceedings of Appeals Committee	40C. (1) The Appeals Committee shall meet as and when necessary, and at such time and place as the chairperson may determine. (2) The Appeals Committee shall determine its own procedure for the hearing and determination of appeals under section 40 (1).”.
Amendment of section 41 of the Act	25. Section 41 of the Act is amended by deleting the words “of a P.I.E”, wherever they appear in the section.
Amendment of section 42 of the Act	26. Section 42 of the Act is amended by deleting the words “of P.I.E”, wherever they appear in the section.
Amendment of section 43 of the Act	27. Section 43 of the Act is amended — (a) in subsection (1), by deleting the words “of a P.I.E”; and (b) in subsection (2), by deleting the words “of PIE”.
Amendment of section 44 of the Act	28. Section 44 of the Act is amended — (a) in subsection (1), by inserting immediately after the word “entity” the words, “or other entity, including a partly or wholly funded public body,”; (b) in subsection (3), by inserting immediately after the word “entity” where it first appears, the words, “or other entity, including a partly or wholly funded public body,”; and (c) by inserting immediately after subsection (3), the following new subsection — “ (4) Notwithstanding anything contained in any other law, all audits of P.I.Es shall be subjected to an engagement quality control review.”.
Substitution of section 45 of the Act	29. The Act is amended by substituting for section 45, the following new section — “Material irregularity 45. (1) Where, during the course of an audit of a public interest entity or other entity, including a partly or wholly funded public body, a certified auditor is satisfied, or has reason to believe, that a material irregularity has taken place, or is taking place, such auditor shall, without delay — (a) notify, in writing, the officers and all the members of the Board of the public interest entity or other entity, including partly or wholly funded public body, of the irregularity, by giving particulars of the irregularity; and (b) request every person referred to in paragraph (a), either individually or collectively, to —

- (i) acknowledge the receipt, in writing, of the notice, and
- (ii) take such actions as he or she may deem necessary.

(2) The certified auditor shall, within the 30 days of issuance of the notice referred to in subsection (1) (a), notify the Authority and any other relevant regulatory body as may be prescribed by the rules, of the material irregularity referred to in subsection (1), together with such other information as he or she deems necessary, unless the auditor is satisfied that the officers or the members of the Board of the public interest entity or other entity, including a partly or wholly funded public body, referred to in subsection (1), have taken adequate steps to remedy the irregularity.”.

30. Section 46 of the Act is amended —

(a) in subsection (1) by —

(i) deleting the words “of P.I.E”, and

(ii) deleting the words “or the Institute” appearing at paragraph (a);

(b) in subsection (2) by deleting the words “of P.I.E”.

Amendment of section 46 of the Act

31. The Act is amended by substituting for section 47, the following new section —

“Conflict of interest

47. Where a certified auditor considers that it may have a conflict of interest or it may lack professional independence in relation to an entity for which such auditor or firm has been engaged as a certified auditor, such auditor shall withdraw from auditing that entity.”.

Substitution of section 47 of the Act

32. Section 48 of the Act is amended by deleting the words “of P.I.E” wherever they appear in the section.

Amendment of section 48 of the Act

33. The Act is amended by substituting for Part VIII, the following new Part —

Substitution of Part VIII of the Act

“Part VIII — Accreditation and Oversight of the Botswana Institute of Chartered Accountants, Professional Accountancy Bodies, Branches or any other Similar Bodies or Trainers (ss 49-51)

Public interest oversight of Institute, professional accountancy bodies, etc.

49. (1) For purposes of this section “public interest obligation” means the responsibility of the Institute, its members, professional accountancy bodies, branches and any other similar professional accountancy bodies or trainers to discharge their functions in the interest of their principals and the community as a whole, as may be determined by the Authority from time to time in its rules.

(2) The Authority shall ensure that the Institute, a professional accountancy body, branch or any other similar professional accountancy body or trainer —

- (a) fulfils its public interest obligations;
 - (b) maintains and promotes the highest standards of professional and business conduct; and
 - (c) develops the accountancy profession and accomplishes the other public interest objectives set forth in its constitution.
- (3) The Institute, professional accountancy body, branch or any other similar professional accountancy body or trainer shall furnish the Authority, within six months of the end of its financial year —
- (a) an annual report of its activities regarding the fulfillment of its public interest obligations; and
 - (b) an assessment or review of performance indicators set forth in the rules.
- (4) If the Authority finds that the Institute, professional accountancy body, branch or any other similar professional accountancy body or trainer is not meeting its obligations under subsection (2), the Authority may, upon 30 days' written notice to the Institute, professional accountancy body, branch or trainer, assume or suspend the operations of the Institute, professional accountancy body, branch or any other professional accountancy body or trainer until such obligations have been met.
- (5) The Authority may, with the approval of the Minister, recover from the Institute, professional accountancy body, branch or any other similar professional accountancy body or trainer all or part of the expenses necessarily incurred in connection with assumption of the public interest obligations of the Institute, professional accountancy body, branch or any other similar professional accountancy body or trainer under this Act.

Accreditation
of Institute,
professional
accountancy
bodies, etc.

50. (1) The Authority shall accredit the Institute, professional accountancy body or branch or any other similar professional accountancy body or trainer, upon application supported by evidence that the Institute, professional accountancy body or branch or any other similar professional accountancy body or trainer is a member of the International Federation of the Accountants or other local or international professional bodies and is in compliance with its membership obligations.
- (2) The Institute, professional accountancy body, branch or any other similar professional accountancy body or trainer shall not establish a branch of the accountancy profession unless it has obtained accreditation from the Authority for the particular purpose.
- (3) To qualify for accreditation, the Institute, professional accountancy body, branch or any other similar professional accountancy body or trainer shall demonstrate to the satisfaction of the Authority that —

- (a) the Council of the Institute, professional accountancy body, branch or any other similar professional accountancy body or trainer has passed a resolution to establish the branch, before the application for accreditation of the branch by the Authority;
- (b) it complies with the requirements for professional development and achievement of professional competence in line with international best practice;
- (c) it has appropriate mechanisms for ensuring that its members participate in continuing educational and professional development in line with international best practice;
- (d) it has mechanisms to ensure that its members are disciplined, where appropriate;
- (e) it has appropriate mechanisms in place to discharge its public interest obligation under section 49;
- (f) it keeps a register or registers of its members in the form determined by the Board of the Authority, or the Council of the Institute, professional accountancy body, branch or any other similar professional accountancy body or trainer; and
- (g) it meets other requirements as stipulated by the Authority in line with international best practice.

(4) To retain its accreditation, the Institute, professional accountancy body, branch or any other similar professional accountancy body or trainer shall, at least once a year, at a time to be determined by the Authority, satisfy the Authority that it continues to comply with the requirements of accreditation as provided in subsection (3).”

Cancellation of accreditation

51. (1) The Authority may, where it has decided to cancel the accreditation of the Institute, professional accountancy body, branch or any other similar professional accountancy body or trainer —

- (a) give written notice to the Institute, professional accountancy body, branch or any other similar professional accountancy body or trainer of its intention to cancel the accreditation of the Institute, the concerned professional accountancy body, branch or any other similar professional accountancy body or trainer, stating the reasons for such cancellation; and

(b) afford the Institute, professional accountancy body, branch or any other similar professional accountancy body or trainer a period of not less than 21 days and not more than 30 days within which to submit grounds for its accreditation not to be cancelled.

(2) If the Authority considers that the cancellation of accreditation under this section would not be in the best interests of the public, the accounting and auditing profession or the members of particular branch of the accountancy profession, it may, in writing, extend the accreditation on such condition as it considers appropriate.

(3) The accreditation of the Institute, professional accountancy body, branch or any other similar professional accountancy body or trainer shall lapse automatically if it —

(a) ceases to exist; or

(b) fails to pay any prescribed fee or portion thereof within the period prescribed by the Authority.”.

Amendment
of section 52
of the Act

34. Section 52 of the Act is amended —

(a) in subsection (1), by inserting immediately after the word “entities” appearing in paragraphs (a) and (b), the words “or other entities, including a partly or wholly funded public body”; and

(b) in subsection (2), by inserting immediately after the word “entity” the words “or other entity, including a partly or wholly funded public body”.

Amendment
of section 53
of the Act

35. Section 53 of the Act is amended —

(a) by substituting for subsection (2), the following new subsection —
“(2) The Authority shall adopt, issue and keep up-to-date auditing standards that conform to international best practice for certified auditors.”; and

(b) in subsection (4) by deleting the words “for P.I.E”.

Amendment
of section 55
of the Act

36. Section 55 of the Act is amended by inserting immediately after the words “other entity”, the words “including a partly or wholly funded public body”.

Amendment
of section 56
of the Act

37. Section 56 of the Act is amended —

(a) by substituting for subsection (1), the following new subsection —
“(1) Where a P.I.E or other entity, including a partly or wholly funded public body, is required under any enactment to file its financial statements with a Government Department or Authority, the Authority or any officer of the Authority may review the financial statements and reports of the P.I.E or other entity, including the partly or wholly funded public body.”;

(b) in subsection (2), by inserting immediately after the word “entity”, the words “or other entity, including a partly or wholly funded public body.”;

(c) by substituting for subsection (4), the following new subsection —
“(4) The Authority or any officer authorised by it in writing, may seek further information or clarification from —

- (a) any officer or director of a P.I.E or other entity, including a partly or wholly funded public body;
 - (b) any employee of a P.I.E or other entity, including a partly or wholly funded public body, responsible for preparing the financial statements and reports; and
 - (c) any auditor responsible for the audit of the financial statements of that P.I.E or other entity, including a partly or wholly funded public body.”;
- (d) in subsection (5), by inserting immediately after the words “other entity”, the words “, including a partly or wholly funded public body,”;
- (e) in subsection (7) by —
- (i) inserting immediately after the words “other entity” appearing in paragraph (a), the words “, including a partly or wholly funded public body”;
 - (ii) substituting for paragraph (b), the following new paragraph —
“(b) for each failure of a P.I.E or other entity, including a partly or wholly funded public body, to file with the Authority financial statements and reports that have been audited by a certified auditor,”;
 - (iii) inserting immediately after the words “other entity”, appearing in paragraph (c), the words “, including a partly or wholly funded public body”;
 - (iv) substituting for paragraph (d) the following new paragraph —
“(d) on every officer who is responsible for the failure of a P.I.E or other entity, including a partly or wholly funded public body, to file financial statements and reports that have been audited by a certified audit or; or”, and
 - (v) inserting immediately after the words “other entity” appearing in paragraph (e), the words “, including a partly or wholly funded public body”;
- (f) by substituting for subsection (8), the following new subsection —
“(8) If an officer, director or employee of a P.I.E or other entity, including a partly or wholly funded public body or a certified auditor or other entity, including a partly or wholly funded public body, without reasonable cause, conceals information or refuses to provide further information or clarification, he or she commits an offence and is liable to a fine not exceeding P100 000 or to imprisonment for a term not exceeding two years or both.”; and
- (g) by substituting for subsection (9), the following new subsection —
“(9) The Minister may, by Order published in the *Gazette*, exempt any P.I.E or other entity, including a partly or wholly funded public body, from the provisions of this section.”

Amendment
of section 57
of the Act

- 38. Section 57 of the Act is amended —**
- (a) in subsection (1) by deleting the words “of P.I.E”, wherever they appear in the subsection;
 - (b) in subsection (3) by deleting the words “of a public interest entity”.

Amendment
of section 58
of the Act

- 39. Section 58 is amended in —**
- (a) subsection (1) by deleting the words “of P.I.E”, appearing in paragraphs (a) and (b);
 - (b) subsection (3) by inserting immediately after the words “entity” the words “or other entity, including a partly or wholly funded public body”;
 - (c) subsection (4) by —
 - (i) inserting immediately after the word “entity”, the words “or other entity, including a partly or wholly funded public body”, and
 - (ii) substituting for the words “an auditor”, the words “a certified auditor”; and
 - (d) subsection (6) by inserting immediately after the word “entity”, the words “or other entity, including a partly or wholly funded public body”.

Amendment
of section 59
of the Act

- 40. Section 59 is amended —**
- (a) in subsection (1) by inserting immediately after the words “other entity”, the words “, including a partly or wholly funded public body,”;
 - (b) in subsection (2), by inserting immediately after the words “other entity”, the words “, including a partly or wholly funded public body,”;
 - (c) in subsection (3), by inserting immediately after the words “other entity”, the words “, including a partly or wholly funded public body,”;
 - (d) by substituting for subsection (4), the following new subsection —

“(4) In the event that the Authority finds that an officer willfully failed to comply with either subsection (1) or (2) or was responsible for a serious distortion of the financial statements or reports of the P.I.E or other entity, including a partly or wholly funded public body, the Authority may —

 - (a) impose a fine not exceeding P20 000 on that responsible officer;
 - (b) suspend or disqualify that responsible officer from serving in that capacity in that P.I.E or other entity, including a partly or wholly funded public body; and
 - (c) refer the matter to any relevant Government Department or Agency for appropriate action.”; and
 - (e) in subsection (5) by inserting immediately after the words “other entity”, the words “, including a partly or wholly funded public body,”.

41. The Act is amended by substituting for section 60, the following new section —

"Revenues
of Authority

60. (1) The revenue of the Authority shall consist of —
- (a) such monies as may be appropriated by the National Assembly;
 - (b) fees that the Authority may charge for services it may render;
 - (c) money paid in respect of fines imposed by the Authority under this Act;
 - (d) grants and donations that the Authority may receive;
 - (e) such income that the Authority may receive from investments, rentals, sale of land and buildings; and
 - (f) such other sources as may be approved by the Government.
- (2) The Authority —
- (a) may, subject to its rules, raise by way of loans or otherwise, such sums as it may require for the discharge of its functions; and
 - (b) shall not accept any grants or donations or raise any loans or any monies from any source outside Botswana, without the approval of the Minister.
- (3) The Authority shall use the funds acquired under this section to meet the costs incurred in its operations and shall use any surplus accrued for such purpose as it may determine."

Amendment
of section 60
of the Act

42. Section 62 of the Act is amended by —

- (a) substituting for the word "January", the word "April"; and
- (b) substituting for the word "December", the word "March".

Amendment
of section 62
of the Act

43. Section 64 of the Act is amended by substituting for subsection (2), the following new subsection —

- "(2) Without limiting the generality of subsection (1), the services and facilities that the Authority may charge for, include —
- (a) the annual registration of P.I.Es and other entities, including a partly or wholly funded public body;
 - (b) the submission of financial statements and reports to it;
 - (c) registering certified auditors;
 - (d) registering firms for certified auditors;
 - (e) performing inspections and reviewing audits;
 - (f) accreditation of the Institute, professional accountancy bodies, branches or any other similar professional accountancy bodies or trainers;
 - (g) filing appeals to the Board; and
 - (h) any other services provided by the Authority."

Amendment
of section 64
of the Act

Amendment
of section 65
of the Act

44. Section 65 of the Act is amended in subsection (2) by deleting the words “and approved by the Minister”.

Amendment
of section 66
of the Act

45. Section 66 of the Act is amended in subsection (1) by substituting for paragraph (a), the following new paragraph —

“(a) statement of financial position, statement of profit or loss and other comprehensive income, statement of changes in reserves, statement of cash flows and other financial statements for the year, including statements of accounts specified in section 65, as required by applicable accounting standards or in the International Financial Reporting Standards;”.

Amendment
of section 70
of the Act

46. Section 70 of the Act is amended by —

(a) substituting for subsection (2), the following new subsection —

“(2) A certified auditor, or a 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 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.”; and

(b) substituting for subsection (3), the following new subsection —

“(3) Any certified auditor, P.I.E, Board member and employee of a P.I.E, including a partly or wholly funded public body, who contravenes the provisions of this Act or Regulations 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 both.”.

Amendment
of section 72
of the Act

47. Section 72 of the Act is amended in subsection (1) by deleting the words “, subject to the approval of the Minister”.

PASSED by the National Assembly this 10th day of September, 2020.

BARBARA N. DITHAPO,
Clerk of the National Assembly.