

Changes to the Financial Reporting (Amendment) Act, 2020

Effective 1 April 2022 - you might be impacted

The Botswana Accountancy Oversight Authority (BAOA) recently released a public notice summarizing the major changes to the Financial Reporting (Amendment) Act, 2020, which was passed by Parliament in 2020, and commencement of the Act was set at 1 April 2022. We set out below, major changes which may affect Public Interest Entities (PIE) and other large organisations.



Revision of thresholds for an organisation to be classified as a PIE (2 need to be met):
Annual revenue: P200 million | Number of employees: 150 | Total assets: P150 million | Total liabilities: P50 million



Enhanced penalties and sanctions for contravention of the provisions of the Act, not exceeding P500,000 in case of a PIE, and not exceeding P20,000 in case of a board member or officer of a PIE.



A PIE or its officer who fails to produce its audited financial statements within the prescribed period shall be liable to a fine not exceeding P100 000 (PIE), and a fine not exceeding P20 000 (officer) for each month the offence continues to occur, up to a maximum of P500 000.



Inclusion of "Public Body" in the definition of PIE, which is any board, tribunal, commission, council, committee, or other body, corporate or unincorporated established under any enactment and includes any company in which Government has equity shares.



Requirement for certified auditors of PIEs to request evidence of registration of such a PIE with BAOA and put the audit in abeyance until the requirement is satisfied.



Mandatory Audit Firm Rotation covering the audit firm, the certified auditor, and the engagement quality control reviewer.



Establishment of a Code of Corporate Governance.

Key contacts

Need further information? Get in touch!



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