



BOTSWANA ACCOUNTANCY OVERSIGHT AUTHORITY (BAOA)

STANDARDS SETTING COMMITTEE TERMS OF REFERENCE

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COMMITTEE (SSC) TERMS OF REFERENCE**

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STANDARDS SETTING COMMITTEE (SSC)

1. INTRODUCTION

Section 16(1) of the Financial Reporting Act, 2010 (the Act) stipulates that the Board of the Botswana Accountancy Oversight Authority (the Authority) may, for the purposes of performing its functions, establish such committees as it considers appropriate; and may delegate, to any such committee, any of its functions as it considers necessary. Pursuant to this provision, the Board has established the SSC with the following Terms of Reference.

2. PURPOSE

The purpose of the SSC as set out in Sections 52 and 53 of the Act shall be 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.

3. COMPOSITION

3.1 Pursuant to Section 16(3) of the Act, the SSC may consist of as many members as the Board determines appropriate, selected from Board members and other persons with requisite specialised skills, not being members of the Board.

3.2 The Board has constituted the SSC as follows:

a) three Board Members:

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|-------------------------------|-------------------------|
| • Mr. Michael Lesolle | Chairperson |
| • Mr. Mendel N. Nlanda | Vice Chairperson |
| • Mr. Hiran Mendis | Member |

b) one representative of the Botswana Institute of Chartered Accountants:

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| • Ms. Cecelia Ramatlapeng | Member |
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c) two representative(s) of any other professional accountancy bodies which are members of the International Federation of Accountants (IFAC):

- **Ms. Serty Leburu (ACCA)** **Member**
- **Mr. Kenneth O. Mabote (CIMA)** **Member**

d) two members representing Tertiary Institutions:

- **To be advised** **Member**
- **To be advised** **Member**

e) one person representing the Auditor General:

- **Ms. Kebafentse Helen Ketshajwang** **Member**

f) one person representing Botswana Internal Auditors:

- **Mr. Banoti Butale (IIA Botswana)** **Member**

g) one member representing the Accountant General:

- **Mr. Othusitse Lebuletswe** **Member**

h) one member with specialist knowledge (co-opted):

- **As and when required** **Member**

i) one member representing AAT:

- **Mr. Pyoka Mfuni** **Member**

3.3 The Authority shall provide an induction programme for the SSC members, which should cover the role of the SSC, including its terms of reference and expected time commitment by members; and an overview of the Authority's business model and strategy, identifying the main business and financial dynamics and risks.

3.4 Training shall also be provided to members of the SSC on an ongoing and timely basis and should include an understanding of the principles of, and developments in, financial reporting standards and auditing standards; as may be considered appropriate.

3.5 The Board shall from time to time review the composition of the SSC, taking into consideration the need for an adequate combination of skills and knowledge necessary to undertake the responsibilities of the SSC effectively.

4. STRUCTURE AND OPERATIONS

4.1 The Chairperson and Vice Chairperson

The Chairperson and Vice Chairperson shall be appointed by the Board.

4.2 Meetings

The SSC must meet as often as the circumstances require, but in any case a minimum of three (3) times a year; and at such time and place as the SSC Chairperson may determine, or as the Board may direct.

4.3 Minutes

The Chairperson of the SSC shall cause a record to be kept of all meetings by the Director-Technical or his/her nominee, who shall be the Secretary of the SSC. An entry in a book containing the minutes of the SSC, signed by the SSC Chairperson, shall be prima facie evidence of resolutions taken by the SSC.

4.4 Quorum

A simple majority of the voting members of the SSC constitutes a quorum for a meeting of the SSC.

4.5 Conflicts of Interest

Whenever a matter arises which might cause a conflict of interest to any SSC member, the potential conflict must be disclosed and that member

must recuse himself or herself from discussing the matter and leave the meeting while the matter is discussed. Such disclosure shall be recorded in the minutes of the meeting at which it is made.

4.6 Voting Rights

SSC members who are not Board members may take part in proceedings of the SSC but shall not have the right to vote.

4.7 Decisions

The decision of the simple majority of the voting members present at a duly constituted meeting of the SSC is the decision of the SSC.

4.8 Resources

- 4.8.1 The SSC shall be provided with sufficient resources to undertake its duties.
- 4.8.2 The SSC shall have access to the services of the Authority's secretariat on all SSC matters including: assisting the Chairperson in planning the SSC's work, drawing up meeting agendas, maintenance of minutes, and collection and distribution of information and provision of any necessary practical support.
- 4.8.3 The secretariat shall ensure that the SSC receives information and papers at least seven calendar days before a meeting of the SSC to enable full and proper consideration to be given to the issues; except that in the case of an emergency meeting of the SSC, the information and papers may be sent to the SSC members less than seven calendar days before the meeting.
- 4.8.4 The Board shall make funds available to the SSC to enable it to take independent legal, accounting, auditing or other advice when the SSC reasonably believes it necessary to do so.

5. RESPONSIBILITIES AND AUTHORITY

In accordance with the provisions of the Act, Sections 6(1) (a) and 16(1) read in conjunction with Sections 52 and 53 thereof, the SSC shall assist the Board by carrying out the following responsibilities:

- (a) Issuing, adopting and ensuring successful implementation of :
 - i) International Financial Reporting Standards (IFRSs¹) as issued from time to time by the International Accounting Standards Board (IASB);
 - ii) International Public Sector Accounting Standards (IPSAS) as issued from time to time by the IPSAS Board;
 - iii) Quality Control, Auditing, Review, Other Assurance and Related Services Pronouncements as issued from time to time by the International Auditing and Assurance Standards Board (IAASB);
 - iv) International Standards of Supreme Audit Institutions (ISSAI) issued from time to time by the International Organisation of Supreme Audit Institutions (INTOSAI);
 - v) INTOSAI Guidance for Good Governance (INTOSAI GOV) issued from time to time by INTOSAI to provide guidance to public authorities on the proper administration of funds; and
 - vi) International Standards for the Professional Practice of Internal Auditing issued by The Institute of Internal Auditors (The IIA).
- (b) managing the process for exposure drafts (as is included in the "adoption process" as defined by IFAC and IASB with regard to proposed accounting, auditing, education and ethics standards, interpretations and guidelines, analysing the comments received during the exposure process and making recommendations to the Board for the adoption of standards, interpretations and guidelines;
- (c) influencing the nature and/or content of international accounting, auditing, education, and ethics standards and related

¹ Includes IFRS for SMEs

interpretations and/or guidelines by preparing comments on exposure drafts or discussion papers or replies to questionnaires issued by the IASB, IPSASB, IAASB, other IFAC standard- setting bodies, INTOSAI , THE IIA and other bodies for which the SSC deems necessary to issue and/or adapt those standards;

- (d) issuing, adoption and ensuring successful implementation of any other standards that the SSC deems necessary from time to time;
- (e) assist the Board by considering relevant international good practice through monitoring global developments and sharing information with other standard- setting bodies of the accountancy profession; and
- (f) influence developments in financial reporting, auditing and corporate governance in the region and globally through participation and representation at regional and international meetings, boards and committees.

6. TERM OF OFFICE

The term of office for SSC members shall be an initial period of three years with the option to renew for one further term of three years.

7. TERMINATION OF MEMBERSHIP

The Board may at any time dissolve or reconstitute the SSC; or terminate the membership of a SSC member if, in the opinion of the Board, the performance of the member is unsatisfactory or the member is unable, due to illness or any other reason, to perform the functions of a SSC member effectively.

8. REMUNERATION

The Board will determine on an annual basis the fee to be paid to members of the SSC.

9. CONFIDENTIALITY

All members of the SSC shall sign a confidentiality undertaking not to disclose any of the proceedings of the SSC, including outcomes of the SSC's work, to any third parties.

10. COMMITTEE REPORTS

- 10.1 The SSC shall report to the Board on how it has discharged its responsibilities, including any other issues on which the Board has requested the SSC's opinion.
- 10.2 The SSC shall review its terms of reference and its own effectiveness and recommend any necessary changes to the Board every two years. The Board shall also review the SSC's effectiveness every two years.

ADOPTED BY THE BOTSWANA ACCOUNTANCY OVERSIGHT AUTHORITY BOARD

ON _____ AND WILL BE DUE FOR REVIEW

ON _____

CHAIRPERSON, SSC

GLOSSARY OF TERMS

AAT	ASSOCIATION OF ACCOUNTING TECHNICIANS
ACCA	ASSOCIATION OF CHARTERED CERTIFIED ACCOUNTANTS
BAOA	BOTSWANA ACCOUNTANCY OVERSIGHT AUTHORITY
CIMA	CHARTERED INSTITUTE OF MANAGEMENT ACCOUNTANTS
THE IIA	THE INSTITUTE OF INTERNAL AUDITORS
IAASB	INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD
IASB	INTERNATIONAL ACCOUNTING STANDARDS BOARD
IFAC	INTERNATIONAL FEDERATION OF ACCOUNTANTS
IFRS	INTERNATIONAL FINANCIAL REPORTING STANDARDS
IPSAS	INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS
IPSASB	INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS BOARD
INTOSAI	INTERNATIONAL ORGANISATION OF SUPREME AUDIT INSTITUTIONS
INTOSAI GOV	INTOSAI GUIDANCE FOR GOOD GOVERNANCE
ISSAI	INTERNATIONAL STANDARDS OF SUPREME AUDIT INSTITUTIONS
SSC	STANDARDS SETTING COMMITTEE
THE ACT	FINANCIAL REPORTING ACT, 2010
THE AUTHORITY	BOTSWANA ACCOUNTANCY OVERSIGHT AUTHORITY