

12 July 2017

Dear Botswana Accountancy Oversight Authority Stakeholders,

RE: ISA 701, "COMMUNICATING KEY AUDIT MATTERS IN THE INDEPENDENT AUDITOR'S REPORT": TO WHOM IT APPLIES

As you may already be aware, International Standard on Auditing 701, "Communicating Key Audit Matters in the independent Auditor's Report" was issued by the International Auditing and Assurance Standards Board (IAASB) for audits of financial statements for periods ending on or after 15 December 2016.

In response to various inquiries made by a number of its stakeholders, the Botswana Accountancy Oversight Authority would like to advise that the Standard shall be applied as issued by the IAASB, except that for Botswana, at Paragraph 5 where it is stipulated what audits the Standard shall apply to, "listed entities" shall be replaced by "Public Interest Entities (PIEs)", with PIE being interpreted in accordance with the Financial Reporting Act, 2010 and the Financial Reporting (Public Interest Entities) Regulations.

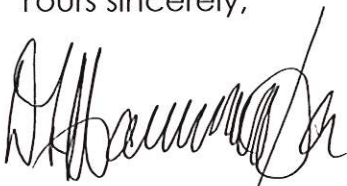
Therefore, in forming an audit opinion and reporting on financial statements of Public Interest Entities for periods ending on or after 15 December 2016, as required by ISA 700 (Revised), "Forming an Opinion and Reporting on Financial Statements", all auditors shall be required to apply ISA 701.

All stakeholders, in particular Certified Auditors of Public Interest Entities and Audit Firms of Public Interest Entities, are kindly requested to take note and apply the Standard as advised above.

Please contact the undersigned for any further clarification.

Thank you for your cooperation.

Yours sincerely,



Duncan D Majinda
CHIEF EXECUTIVE OFFICER