Accounting ethics: a study of professional independence status of accounting firms in Botswana

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Abstract:

The purpose of this study was to determine if auditing firms in Botswana have begun to provide services beyond traditional auditing. It also sought to establish whether income from such services was significant compared to income from auditing, and whether audit firms in Botswana have in place mechanisms to assure quality audit work. In view of these, an attempt was made to establish the professional independence status of Botswana public auditors.Data for the study was collected from thirteen audit firms on the basis of the register of auditors maintained by the Botswana Institute of Accountants. The results showed that audit firms in Botswana provided other services beyond the traditional audit work. The collective income obtained from these other services exceeded that generated by professional audit work. We also found that audit firms had some mechanisms in place to ensure quality audit work. However, most of the audited companies did not use audit committees and the audit firms did not recommend their use. The evidence was not sufficient to explicitly judge independence, but the results suggested that perceived auditor independence could be affected.