CPA Uganda

INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF UGANDA

INTERNATIONAL STANDARDS ENFORCING TRANSPARENCY, ACCOUNTABILITY AND EFFICIENCY

What is the mandate of ICPAU?

The Institute of Certified Public Accountants of Uganda (ICPAU) is the national Professional Accountancy Organisation (PAO). ICPAU was established in 1992 by an Act of Parliament, now the Accountants Act 2013, to regulate the standard of accountancy and prescribe the conduct of accountants in Uganda.

In furthering its mandate, ICPAU adopts internationally accepted accounting and auditing standards, and promotes their usage in Uganda. ICPAU is a member of the International Federation of Accountants (IFAC),the Pan African Federation of Accountants (PAFA) and the Association of Education Assessment in Africa (AEAA).

What internationally accepted standards has ICPAU adopted and why do accountants need them?

Below are the international standards ICPAU has adopted and the respective years of adoption:

International Financial Reporting Standards (IFRS) - 1998 are standards used in the preparation of financial statements by all listed entities, and private entities.

International Standards on Auditing (ISA) - 1999, are international standards for auditing, assurance, and other related areas. They are intended to enhance the quality and consistency of practice and strengthen public confidence in the global auditing and assurance profession.

International Public Sector Accounting Standards (IPSAS) - 2006 work to improve public sector financial reporting worldwide through the development of international accrual-based accounting standards, for use by governments and other public sector entities around the world. Under the accrual-based accounting system, transactions are recorded in the financial statements, as they occur, rather than when cash is received.

IFRS for SMEs - 2009. In recognition of the cost and difficulty small private entities face in preparing fully compliant financial statements using the IFRS standard, the IFRS for SMEs was developed. The IFRS for SMEs is designed to apply to all entities that do not have public accountability (companies listed on the stock exchange, financial institutions and stated owned entities).

International Education Standards (IES) - 1998

The **IFRS, IPSAS** and **IFRS for SMEs** are a set of guidelines and principles that guide the work of accountants, particularly, the preparation of financial statements for listed and private sector organizations, public sector entities and small and medium enterprises respectively.

These accounting standards are important because they enforce transparency, accountability and efficiency by:

- Enhancing international comparability of financial information.
- Providing globally comparable information, which is required to hold management to account.
- Allowing for comparability of financial information for entities in similar businesses, which helps businesses to make less risky investment decisions.
- Reducing costs which are required to reconcile accounting information under multiple jurisdictions.
- Allowing for capital markets growth, as they simplify listing and cross-listing activities on credible stock exchanges.

How does ICPAU monitor compliance with the Standards?

Every member of ICPAU is required to develop and maintain a high level of professional competence and knowledge of accounting and auditing; relevant and appropriate to their work and professional responsibilities through Continuing Professional Development.

For practicing accountants, ICPAU through the Quality Assurance Board (QAB) monitors compliance with the accounting and auditing standards through quality reviews for each accounting firm Failure to achieve desired score by practising accountants attracts sanctions, which may include: fines, suspension for a given period of time or deregistration

How does ICPAU publicize the adopted standards?

ICPAU faces an uphill task of publishing the voluminous standards without compromising the spirit and content of these standards. While the Accountants Act is silent on the mode of publication of these standards, the practice in several jurisdictions has been to publicize the adopted standards on the respective Institutes' websites, publication in handbooks and/ or publication in a national newspaper.

Over time the Council of ICPAU has communicated adoption of Standards through publication in a national newspaper and in particular by way of press releases, and other times through correspondences to the target audience as seen from the table below.

SN.	STANDARD	DATE & MODE OF PUBLICATION
1	IAS/ IFRS	Sunday, 23 May 1997; Press Release in the New Vision.
2	ISA	Thursday, 22 May 1997; Press Release in the New Vision.
3	IPSAS	Monday, 2 October 2006; Communication to the Ministry of Finance and Economic Development
4	IFRS for SMEs	Tuesday, 22 December 2009; Press Release in the New Vision.

How relevant are international standards, to Uganda's setting? Are the specific requirements of the Ugandan economy put into consideration?

ICPAU participates in the international standard-setting process by providing comments on exposure drafts and consultation papers. These comments are generally drawn from the ICPAU members' responses on the respective exposure drafts/consultation/ discussion papers.

Additionally, members of Professional Accountancy Organisations, across the globe, including Uganda, are given opportunity to be appointed to the standard setting boards.

How are the standards helping SMEs to grow their businesses?

ICPAU's resolve to facilitate the growth and expansion of SMEs is solid. In order to achieve this, the IFRS for SMEs was adoptedto promote compliance among SMEs.The standard is generally easier to apply, and many SMEs have adopted them. These SMEs have realized improvement in financial reporting, tax compliance, increased investment and general improvement in business performance.

What does ICPAU do to promote the usage of these standards?

- Ensuring that initial professional development and examination syllabi are updated to reflect updates in the standards.
- Conducting quality reviews, to assess compliance with ISAs.
- Sharing updates on new and revised standards.
- Developing practice guides, manuals, and audit programs to assist with the implementation of complex standards.
- Providing online technical support to ICPAU members to enhance knowledge and encourage application of standards.
- Updating its training and continuing professional development requirements to incorporate new and revised standards.
- Organizing the Financial Reporting (FiRe) awards to recognize excellence in financial reporting, by ICPAU members.
- Organising the Accountancy Services Week where accountancy services are extended to the general public at no cost.

For further information, please contact:
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