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**STATUTORY INSTRUMENTS**  
**SUPPLEMENT No. 2**

**25th January, 2019**

**STATUTORY INSTRUMENTS SUPPLEMENT**

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**S T A T U T O R Y I N S T R U M E N T S**

**2019 No. 2.**

**THE ACCOUNTANTS (PRACTICE) REGULATIONS, 2018**

**ARRANGEMENT OF REGULATIONS**

*Regulation*

1. Title.
2. Name of accounting firm.
3. Inspection of accounting firm.
4. Fit and proper assessment.
5. Granting annual licenses to accounting firms.
6. Monitoring compliance with professional quality assurance standards.
7. Ceasing to practise accountancy.

**SCHEDULES**

# S T A T U T O R Y I N S T R U M E N T S

## 2019 No. 2.

### **The Accountants (Practice) Regulations, 2019.**

*(Under section 53 of the Accountants Act, 2013)*

IN EXERCISE of the powers conferred on the Minister responsible for finance by section 53 of the Accountants Act, 2013, and on the recommendation of the Council, these Regulations are made this 19th day of June, 2018.

#### **1. Title.**

These regulations may be cited as the Accountants (Practice) Regulations, 2019.

#### **2. Name of accounting firm.**

(1) A practising accountant who intends to practice as an accounting firm shall apply to the Council for approval of the name.

(2) The name of accounting firm shall—

- (a) comply with the requirements of the laws under which the accounting firm is to be registered;
- (b) be consistent with the dignity of the accountancy profession;
- (c) not be misleading or confused with the name of another firm;
- (d) not make any reference, actual or implied, to any symbolic, cultural, political, religious, sectarian or discriminatory classification or association;
- (e) not be offensive; or
- (f) not be directly or indirectly associated with or suggest any connection with any Government agency, parastatal or non-government organisation.

### **3. Inspection of accounting firm.**

(1) The Council shall inspect an accounting firm that applies for a licence or for renewal of a licence for—

- (a) the suitability of the premises of the accounting firm and the appropriateness of the signage;
- (b) the reference books and other documents and records of the accounting firm including the title and description of the accounting firm on its letter head;
- (c) evidence of professional indemnity insurance; and
- (d) a fit and proper assessment of the practising accountants of the accounting firm.

(2) The Council shall during an inspection—

- (a) review any information and data relevant for the inspection of the accounting firm; and
- (b) make appropriate inquiries from staff of the accounting firm.

(3) The Council shall protect the confidentiality of information obtained during an inspection.

(4) The accounting firm shall prepare for an inspection and shall cooperate with the Council in all matters of the inspection.

(5) The Council shall, within two weeks after the inspection, issue a certificate of inspection of an accounting firm that satisfies the requirements of subregulation (1).

(6) An inspection by the Council shall be in accordance with the guidelines in Schedule 1 to these Regulations.

### **4. Fit and proper assessment.**

(1) The Council shall before issuing a certificate of practice to a practising accountant or an annual license to an accounting firm, conduct a fit and proper assessment of the applicant for the certificate or license, respectively, to determine that the person is suitable to practice accountancy.

(2) The Council shall in determining whether a person is fit and proper to be a practising accountant, take into account—

- (a) the competence and soundness of judgment for the person for the fulfilment of the responsibilities of a practising accountant;
- (b) the integrity and character of the person;
- (c) the general probity of the person;
- (d) the previous conduct and activities of the person in relation to accountancy, business and financial matters;
- (e) the outcome of any investigation with regard to the person in any country by a Government agency, professional association or other regulatory body; and
- (f) any other requirements determined by the Council.

(3) A person shall be deemed not to be fit and proper to be a practising accountant where the person—

- (a) has been found guilty by a court of law in Uganda or elsewhere, of a serious criminal offence or an offence involving fraud or dishonesty;
- (b) is an undischarged bankrupt; or
- (c) has been dismissed from the membership of a board of directors or the management of a company due to dishonesty, negligence, incompetence or mismanagement or has been barred from holding public office.

## **5. Granting annual licenses to accounting firms.**

(1) Where a practising accountant intends to practice as an accounting firm, the practising accountant shall apply to the Council for an annual license using the Application Form prescribed in Schedule 2 to these Regulations.

(2) An accounting firm shall have appropriate professional indemnity insurance cover for the accounting firm and the Council shall not grant an annual licence to an accounting firm that does not have professional indemnity insurance.

(3) The professional indemnity insurance cover shall be appropriate for the business of the accounting firm where the accounting firm is amalgamated or merged with another accounting firm or is reorganised in any other way.

(4) An accounting firm shall conspicuously display its annual license at its premises.

(5) For the avoidance of doubt, a holder of a certificate of practice shall practice accountancy with only one accounting firm.

## **6. Monitoring compliance with professional quality assurance standards.**

(1) The Quality Assurance Board shall every three years, monitor each practising accountant, for compliance with the professional quality assurance standards published by the Council.

(2) For the purposes of subregulation (1), the Board shall determine whether a practising accountant has—

- (a) maintained an adequate system of quality control and complied with it; and
- (b) in the execution of the assignments of the clients, adhered to the professional quality assurance standards published by the Council.

(3) The monitoring process shall be conducted at the office of the practising accountant.

(4) The Quality Assurance Board shall keep confidential the material and information obtained during a monitoring process, except where, by law, this information is required to be disclosed or where the concerned practising accountant consents to the disclosure.

(5) For the purposes of this regulation, a practising accountant shall—

- (a) provide to the Quality Assurance Board any information and explanations requested for the monitoring process; and
- (b) provide access to the documents and records of the practising accountant.

(6) The Quality Assurance Board shall for each monitoring process, prepare a report of the findings, assessment made and recommendations, including the necessary corrective actions and improvements to be made to the quality control policies and procedures of the practising accountant.

(7) The report shall be made available to the practising accountant.

(8) The Board shall undertake follow up action to confirm whether the findings and recommendations in the quality review report have been properly addressed and the necessary corrective action has been undertaken.

(9) Where appropriate, the Board may, based on the report, refer a practising accountant to the disciplinary committee for appropriate disciplinary action.

## **7. Ceasing to practise accountancy.**

(1) The Council shall request a practicing accountant or an accounting firm whose registration and certificate are suspended or an accountant whose name is struck off the roll of accountants to resign from all the existing engagements of the practising accountant or accounting firm, as the case may be.

(2) The Council may recover, from any person, any fees due to the Council from a practising accountant or an accounting firm whose registration and certificate are suspended or whose name is struck off the roll of accountants, as the case may be.

(3) Where a practising accountant, practising as a sole proprietor, ceases to practice accountancy, the accounting firm of the practising accountant shall cease to hold an annual license and shall be removed from the register of accounting firms.

(4) The practising accountant of an accounting firm that ceases to hold an annual license—

- (a) shall respond to any inquiries from the Council in connection with any activities of the accounting firm before it ceased to hold the annual licence and shall keep the documents and information relating to the activities of the accounting firm, for a period of at least seven years; and
- (b) may, where necessary, be subjected to disciplinary action for professional misconduct during the time the accounting firm held an annual licence.

(5) A practising accountant or an accounting firm that ceases to practice accountancy shall have the appropriate professional indemnity insurance cover of at least twelve months after ceasing to practice accountancy.

(6) A practising accountant who wishes to cease practising accountancy, and who wishes to become a retired member, shall apply to the Council to be registered as a retired member and shall submit with the application, his or her certificate of practice.

(7) Where, for any reason, the Council believes that public interest would be better served if the accountant who wishes to retire is instead suspended from the membership of the Institute or that the name of the member is struck off the roll of accountants, the Council shall reject the application and refer the matter to the disciplinary committee for the necessary sanction.

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## SCHEDULES

## SCHEDULE 1

*Regulation 3 (6)*

### **Guidelines for inspecting accounting firms.**

#### **1. Premises of an accounting firm.**

(1) The premises of an accounting firm shall be well maintained and shall have a professional appearance and—

- (a) a separate room for the practising accountant;
- (b) suitable furniture for the staff and clients;
- (c) a computer and printer; and
- (d) access to toilet and sanitary facilities.

(2) Trading in goods shall not be carried out at the premises of an accounting firm.

#### **2. Documents and records of an accounting firm.**

An accounting firm shall maintain the following documents and records—

- (a) a reasonable collection of reference books including an up-to-date collection of professional standards;
- (b) an audit and assurance manual;
- (c) the finance and administration manual, the human resource manual, information technology manual, quality control policies and procedures and anti-money laundering policies and procedures;
- (d) the Professional Code of Ethics;
- (e) professional indemnity insurance cover;
- (f) the tax and social security returns;
- (g) financial statements and proper books of accounts for the accounting firm; and

- (h) evidence of undertaking continuing professional development by the practising accountant of the accounting firm.

### **3. Titles and descriptions of accounting firms.**

An accounting firm shall have letter head which shall—

- (a) state the name of the accounting firm as it appears in the register of accounting firms;
- (b) bear the registration number of the accounting firm and a statement that “the firm is licensed and regulated by the Institute of Certified Public Accountants of Uganda”; and
- (c) bear the name of the practising accountant of the accounting firm.

## SCHEDULE 2

*Regulation 5 (1)*

### Form for application for an annual licence

**INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF UGANDA**

**APPLICATION FOR AN ANNUAL LICENSE BY AN ACCOUNTING FIRM FOR THE YEAR: \_\_\_\_\_**

*(TO BE COMPLETED IN CAPITAL LETTERS)*

<b>1.0 DETAILS OF ACCOUNTING FIRM</b>				
<b>Name of Accounting Firm:</b>				
<b>Nature of practice</b> <i>(Tick the appropriate)</i>	Sole practitioner	Partnership	Limited liability partnership	
<b>Is this an application for a licence for a new Accounting Firm?</b>	Yes	No		
<b>Registration number:</b>				
Please confirm that the Accounting Firm will indicate the registration number on the website, letterhead and engagement letter of the Accounting Firm <i>(Tick the appropriate)</i> .	Website	Letterhead	Engagement letter	

<b>2.0 PRINCIPAL OFFICE *</b>	
<b>Physical address:</b>	
<b>Postal address:</b>	
<b>Town/City</b>	
<b>Telephone (Office):</b>	
<b>Telephone (Mobile):</b>	
<b>Fax:</b>	
<b>E-mail:</b>	
<b>Website address</b>	
* Principal office is the office to which ICPAU will send all communication to the accounting firm.	

### 3.0 CONNECTED FIRMS

Connected firm means a larger structure, regardless of its legal form, aimed at cooperation which an accounting firm belongs to and shares common quality control policies and procedures, common business strategy, common name or shares significant professional resources.

Name of connected firm:

Physical address:

Website address:

Nature of involvement in connected entity:

### 4.0 NUMBER OF OFFICES OF ACCOUNTING FIRM AND THEIR DISTRIBUTION

	Region	District	Number
1.	Northern		
2.	Western		
3.	Eastern		
4.	Central (excluding Kampala)		
5.	Kampala		

### 5.0 PRACTICING ACCOUNTANTS OF THE ACCOUNTING FIRM

Membership No.	First name	Middle name	Surname	Office location	Title

## 6.0 FIT AND PROPER

*Each practicing accountant of the accounting firm has to answer these questions.*

<b>6.1 Financial integrity and reliability</b>	<b>Yes</b>	<b>No</b>
In the last ten years have you made any compromise or arrangement with creditors, or otherwise failed to satisfy creditors in full?		
In the last ten years have you been the subject of any insolvency proceedings?		
<b>6.2 Civil liabilities</b>		
In the last five years have you been the subject of any civil action relating to professional or business activities which resulted in a judgement or finding by a court, or a settlement being agreed?		

## 6.3 Reputation and character

In the last ten years have you been:	<b>Yes</b>	<b>No</b>
· Convicted by court of any criminal offence?		
· Refused or restricted in the right to carry on any trade, business or profession for which a specific licence, registration or other authority is required?		
· Refused to join any professional body or trade association, or decided not to continue with an application to join a professional body or trade association?		
· Reprimanded, warned about future conduct, disciplined or publicly criticised by any professional or regulatory body?		
· Made the subject of a court order at the instigation of any professional or regulatory body?		
· Investigated on allegations of misconduct or malpractice in connection with a professional or business activity which resulted in a formal complaint being proved but no disciplinary order being made?		
Is the accounting firm currently undergoing any investigation or is the accounting firm the subject of any disciplinary procedures?		

<b>7.0 TOTAL NUMBER OF STAFF: (Excluding partners and practising accountants)</b>				
		Male	Female	Total Number
1.	Accountants:			
	(a) Full members of the Institute.			
	(b) Associate members of the Institute.			
2.	Other professionals, other than accountants.			
3.	Consultants.			
4.	Administration staff.			
5.	Others members of staff.			
	<b>TOTAL</b>			

<b>8.0 CONTROL OF PROFESSIONAL WORK</b>					
Confirm that the accounting firm will ensure that it has appropriate arrangements to deal with:					
	<b>Yes</b>	<b>No</b>		<b>Yes</b>	<b>No</b>
Fit and proper considerations	<input type="checkbox"/>	<input type="checkbox"/>	Recruitment	<input type="checkbox"/>	<input type="checkbox"/>
Independence	<input type="checkbox"/>	<input type="checkbox"/>	Staff appraisal	<input type="checkbox"/>	<input type="checkbox"/>
Confidentiality	<input type="checkbox"/>	<input type="checkbox"/>	Training standards	<input type="checkbox"/>	<input type="checkbox"/>
Audit and assurance work	<input type="checkbox"/>	<input type="checkbox"/>	Discipline	<input type="checkbox"/>	<input type="checkbox"/>
Recording of work done	<input type="checkbox"/>	<input type="checkbox"/>	Review procedures	<input type="checkbox"/>	<input type="checkbox"/>
Reporting	<input type="checkbox"/>	<input type="checkbox"/>	Supervision	<input type="checkbox"/>	<input type="checkbox"/>

Does the accounting firm has arrangements to ensure that:		<b>Yes</b>	<b>No</b>
•	The financial statements prepared by the accounting firm comply with the statutory requirements and relevant professional standards?	<input type="checkbox"/>	<input type="checkbox"/>
•	The financial statements prepared by the accounting firm are audited in accordance with the international standards on auditing?	<input type="checkbox"/>	<input type="checkbox"/>
•	The practising accountants and the staff of the accounting firm have knowledge of the professional standards?	<input type="checkbox"/>	<input type="checkbox"/>
•	Consultations on ethical and technical issues can be made?	<input type="checkbox"/>	<input type="checkbox"/>
Please provide details of the consulting arrangements of the accounting firm.			
_____			
_____			

**9.0 FEES**

The Accounting Firm has paid shs ..... in respect of annual license fees for the year ending 31 December .....

**10.0 SIGNATURE AND CONFIRMATIONS**

A. I certify that, to the best of my knowledge and belief, the information in, or provided with, this application is a true and accurate statement of the circumstances of the accounting firm.

B. I confirm that:

- This accounting firm has complied with the professional indemnity insurance requirements.
- The practicing accountants and employees are fit and proper persons.
- The practicing accountants of the accounting firm have the relevant practical experience.
- The practicing accountants of the accounting firm are competent to lead engagements.
- The accounting firm provides appropriate continuous professional development activities to enable the practising accountants and the staff of the accounting firm to maintain competence and to be knowledgeable of the professional standards and other related matters.

C. If this application is approved, I also confirm that the accounting firm shall comply with the Accountants Act, 2013 and the regulations made under the Act.

**NAME:**

**POSITION IN ACCOUNTING FIRM:**

**SIGNATURE:**

**DATE:**

HON. MATIA KASAIJA,  
*Minister of Finance, Planning and Economic Development.*