INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
OF UGANDA

CONCEPT NOTE FOR THE INCLUSION OF INTERNAL AUDIT WITHIN THE SCOPE OF THE ICPAU QUALITY ASSURANCE REVIEW PROGRAM

AUGUST 2026

Plot 42 Bukoto Street, Kololo, P.O. Box 12464, Kampala, UGANDA
Tel: 041-4540125
standards@icpau.co.ug
www.icpau.co.ug

Table of Contents

ABOUT ICPAU

The Accountants Act, Cap 266, established the Institute of Certified Public Accountants of Uganda (ICPAU) in 1992. This has now been repealed and replaced by the Accountants Act Cap. 294.

The functions of the Institute, as prescribed by the Act, are to regulate and maintain the Standard of Accountancy in Uganda; and to prescribe and regulate the conduct of accountants and practicing accountants in Uganda. Under its legal mandate, the Institute prescribes professional standards to be applied in the preparation and auditing of financial reports in Uganda.

International Affiliations

The Institute is a member of:

- International Federation of Accountants (IFAC)
- Pan African Federation of Accountants (PAFA).

Vision

A globally recognized promoter of accountants for sustainable economies.

Mission

To develop and regulate accountants for professional excellence and sustainable impact.

Core Values

- Professional Excellence.
- Accountability.
- Integrity.
- Responsiveness

1.0 INTRODUCTION

The Institute of Certified Public Accountants of Uganda (ICPAU) was established in 1992 by the Accountants Act, 2013, now the Accountants Act Cap. 294.

ICPAU is mandated to regulate and maintain the standard of accountancy in the country and to prescribe or regulate the conduct of accountants and practising accountants in Uganda. Under its legal mandate, the Institute monitors all the audit work performed by all licensed accounting firms in Uganda through its Quality Assurance (QA) Review Programme.

The ICPAU QA review programme aims to serve in the public interest by ensuring that engagements performed by ICPAU members are conducted in accordance with the applicable professional standards, legal, and other regulatory requirements.

A QA review is conducted to fulfil ICPAU's regulatory mandate under the Accountants Act, Cap 294. It is also carried out in compliance with the International Federation of Accountants (IFAC) Statement of Membership Obligation (SMO) 1: Quality Assurance. SMO 1 requires member bodies of IFAC to ensure that a mandatory quality assurance review programme is in place for their members (firms) performing audits of financial statements. However, SMO 1 encourages parties responsible for the quality assurance review system to extend their scope to cover as many professional services as possible. This is the foundation of this communication.

The Accountants Act introduced a Quality Assurance Board (QAB), which was operationalized in 2017, to oversee the QA Review Programme of the Institute. The Accountants (Practice) Regulations, 2019, require the QAB to monitor each practising accountant for compliance with relevant professional standards . In conducting the monitoring, the QAB determines whether a practising accountant has:

(a) Maintained an adequate system of quality management and complied with it; and
(b) In the execution of the assignments of the clients, adhered to professional standards and relevant laws and regulations.

It should be noted that the Institute's QA review programme currently does not cover engagements performed under the Global Internal Audit Standards. However, Section 37 of the Accountants Act Cap 294 lists the functions of the QAB to include monitoring compliance with professional quality assurance and standards published by the Council. As such, as the Global Internal Audit Standards have been adopted for use by the Council, the QAB is expected to monitor compliance with these standards.

2.0 THE RATIONALE FOR INCORPORATING INTERNAL AUDIT ENGAGEMENTS IN THE ICPAU QUALITY ASSURANCE REVIEW PROGRAM

In 2021, the Council of ICPAU approved a new licensing framework, which created two broad categories of certificates of practice. These are:

a) Certificates to provide all types of accountancy services (including audit and assurance services); and
b) Certificates to provide only non-assurance services.

This development was well-received by the practitioners, and ICPAU has witnessed an increasing demand for non-assurance certificates of practice. Out of the 462 certificates of practice issued in 2025, 24 certificates were issued for non-assurance services, while the rest had certificates of practice for all services, including internal audit.

During this period, we have observed that the practicing accountants who are licensed to offer non-assurance services tend to provide a broad range of services, among which are internal audit services. Despite this development, ICPAU's current QA review regime was not amended to cover review of non-assurance engagements. This implies that all practicing accountants offering non-assurance services are not subject to the QA reviews. Hence, there is no official avenue used by the Institute for ensuring the provision of quality non-assurance services.

The Council of ICPAU at the 258th Meeting held in December 2025 approved the adoption of the International Professional Practices Framework (IPPF) for application in Uganda. This development implies that the Global Internal Audit Standards, as well as the accompanying Topical Requirements and Global Guidances, were officially adopted for use in Uganda.

The Global Internal Audit Standards became effective in Uganda for all internal audit engagements on 9 January 2025. This communication seeks to officially have internal audit engagements scoped within the ICPAU QA review program.

3.0 SCOPE OF THE PROPOSED INTERNAL AUDIT REVIEW PROGRAM

Review of internal audit engagements will now be scoped into the ICPAU Quality Assurance Review Program. This will be done periodically on a three -year risk-based cycle.

During reviews of internal audit engagements, assessments will be made on the following aspects:

a) Conformance with the Global Internal Audit Standards.

b) The Firm's overall system of quality management

3.1 Competencies of the Quality Assurance Review Team

In line with the IFAC SMOs, ICPAU will work towards having members of the Quality Assurance Review team attain the necessary competencies to perform the work expected of them.