

CONCEPT NOTE

THE UGANDA INTEGRATED REPORTING

COMMITTEE

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INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF UGANDA

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1. Background

In order to accelerate the adoption and implementation of integrated reporting and sustainability reporting in Uganda, ICPAU is setting up a national Integrated Reporting Committee - the Uganda Integrated Reporting Committee (referred to in this document as the “Committee”).

The purpose of this concept note is to set out the objectives, terms of reference, and operating procedures of the Committee.

2. Rationale

The Institute of Certified Public Accountants of Uganda (ICPAU) recognizes the importance of Integrated Reporting and sustainability reporting.

There is an increased appetite to adopt and implement integrated reporting globally. In January 2017, the International Federation of Accountants (IFAC) endorsed integrated reporting and acknowledged that it was set to become the way organizations report their performance. In a Paper it released on *Enhancing organizational reporting: Integrated Reporting Key*, IFAC considered integrated reporting as the way to achieve a more coherent corporate reporting system, fulfilling the need for a single report that provided a fuller picture of organizations' ability to create value over time.

While there is growing awareness of integrated reporting in Africa, only a few countries have made progress in adopting and implementing integrated reporting. In South Africa for example, there exists a South African Integrated Reporting Committee - formed in 2010 - whose goal is to promote and develop integrated reporting in the country. Similar Integrated Reporting Committees have been established in other African countries including Kenya, Botswana, Ghana, Nigeria, Zambia, and Zimbabwe.

International investors and other stakeholders are increasingly calling for high-quality, transparent, reliable, and comparable reporting on climate and other environmental, social and governance (ESG) matters.

On 3 November 2021, the IFRS Foundation Trustees announced the creation of a new standard-setting board—the International Sustainability Standards Board (ISSB)—to help meet this demand. The intention is for the ISSB to deliver a comprehensive

global baseline of sustainability-related disclosure standards that provide investors and other stakeholders with information about entities' sustainability-related risks and opportunities to help them make informed decisions.

ICPAU intends to contribute to the development of IFRS Sustainability Disclosure Standards and promote their adoption and implementation in Uganda.

3. Role & Purpose

The role of the Committee is to promote, influence, and support implementation of integrated reporting and sustainability reporting in Uganda, including supporting the implementation of internationally-recognized standards and frameworks, such as the *International Integrated Reporting (<IR> Framework*, *IFRS Sustainability Disclosure Standards* and other recognized frameworks such as the *King IV Code on Corporate Governance*.

4. Objectives

The main objective of the Committee is to serve as an influential voice that will promote and support the adoption of integrated reporting and sustainability reporting in Uganda.

The specific objectives of the Committee are:

- To promote understanding and application of integrated reporting and sustainability reporting in Uganda.
- To develop and share integrated reporting and sustainability reporting knowledge, good practices, guidelines, and resources.
- To influence, assist and engage with policy-makers, preparers, and other stakeholders regarding the adoption and implementation of integrated reporting and sustainability reporting.
- To provide appropriate technical guidance to organizations implementing integrated reporting or sustainability reporting.
- To provide a platform for organizations that have adopted integrated reporting or sustainability reporting to share experiences and resources;
- To prepare and submit on behalf of Uganda, on a timely basis, meaningful and valuable comments on consultation documents issued by the Value Reporting Foundation (VRF), International Integrated Reporting Framework Board, Sustainability Accounting Standards Board (SASB), African Integrated Reporting Council (AIRC), International Sustainability Standards Board (ISSB), World Economic Forum (WEF), Task Force for Climate-related Disclosures (TCFD) or any other bodies involved in integrated reporting or sustainability reporting.

- To enhance cooperation and communication between Uganda and other regional and international bodies involved in integrated reporting or sustainability reporting; and
- To be the ambassador of integrated reporting and sustainability reporting in Uganda.

4. The Uganda Integrated Reporting Committee

To achieve this objective, the Committee shall comprise of influential policy-makers, preparers, auditors, and representatives from the professional, industry, and regulatory bodies in Uganda.

4.1 Appointment

The members of the Committee, including the Chairman and Vice Chairman, shall be appointed by the Council of ICPAU on the recommendation of the Professional Standards Committee of ICPAU.

4.2 Eligibility Criteria

The primary criterion to serve on the Committee is the individual qualities and expertise of the nominee. To serve on the committee, the nominee shall:

- a. Have demonstrated knowledge and technical expertise in the areas of sustainability reporting, environmental, social, and governance (ESG) matters, and integrated reporting.
- b. Have a good understanding of the work of international standard setters, professional organizations and regulatory bodies.
- c. Be of good character and unquestionable integrity.
- d. Have good communication skills.
- e. Be conversant with the operations of the Institute.
- f. Be able to work on a team.
- g. Have sufficient time available to work on issues and subjects debated at meetings and be able to contribute effectively and constructively to meetings.

4.3 Composition

The Committee shall comprise of:

- (a) Five representatives from regulatory bodies, professional and industry associations relevant to integrated reporting and sustainability reporting chosen from the following:
 - (i) Capital Markets Authority (CMA)
 - (ii) Uganda Securities Exchange (USE)
 - (iii) Bank of Uganda
 - (iv) Insurance Regulatory Authority (IRA)
 - (v) Uganda Retirement Benefits Regulatory Authority (URBRA)
 - (vi) Uganda Microfinance Regulatory Authority (UMRA)

- (vii) Private Sector Foundation of Uganda (PSFU)
 - (viii) Institute of Chartered Secretaries and Administrators (ICSA) Uganda
 - (ix) Institute of Internal Auditors (IIA) Uganda
 - (x) Institute of Corporate Governance Uganda (ICGU)
- (b) One representative from a recognized public or private university with teaching and research experience in integrated reporting or sustainability reporting;
 - (c) One representative of the Accountant General; and
 - (d) Five representatives of private sector entities with experience in the implementation of integrated reporting or sustainability reporting.

4.4 Term of Office

The term of office for the members of the Committee shall be two years, renewable.

4.5 Resignation

Any individual member of the Committee who wishes to tender his /her resignation must do so in writing to the Secretariat.

4.6 Removal

A member may also be removed if he or she is absent from three (3) consecutive meetings of the Committee without justifiable reason; or if the organization which appointed the member, gives thirty (30) days' written notice terminating his/her appointment; or if the Council of ICPAU determines that the member no longer contributes towards achieving the objects of the Committee.

4.7 The Chairman and Vice Chairman

The Chairman and Vice Chairman shall be appointed by the Council of ICPAU from among the members of the Committee.

The Chairman shall preside over meetings of the Committee, and in his or her absence the Vice Chairman shall preside.

In the absence of both the Chairman and Vice Chairman, members of the Committee present shall elect a member to chair the meeting.

4.8 Secretariat

ICPAU shall provide secretarial and administrative support to the Committee. The support shall include facilitating the Committee meetings and the design and implementation of the Committee work plan. ICPAU shall designate the person(s) to support the Committee.

The Secretariat shall provide the Committee with a platform to share the Committee's developed or approved knowledge and advocacy materials, and any other integrated reporting or sustainability reporting material, via: the ICPAU newsletter, ICPAU website, ICPAU conferences, webinars, and other interactions.

4.9 Observers

ICPAU and the Committee may invite other national, regional, and global institutions championing integrated reporting or sustainability reporting to participate as observers or partners with the Committee from time to time.

4.10 Costs and expenses

The members of the Committee and its Working Groups serve voluntarily and bear their expenses. ICPAU shall provide a modest transport or expense refund to members attending meetings of the Committee and Working Group.

4.11 Intellectual property

The intellectual property and copyright on any work undertaken by the Committee and its Working Groups belong to ICPAU. ICPAU may on the recommendation of the Committee grant right of use of such intellectual property provided acknowledgment is given.

4.12 Amendments

The terms of reference and operating procedures of the Committee shall be reviewed at the end of every two years, and where necessary amended with the approval of the Committee and Council of ICPAU.

4.13 Meetings

The Committee shall meet at least once every three months. The Committee may hold virtual or physical meetings as may be determined by the Secretariat in consultation with the Chairman.

The Committee may conduct business between meetings by electronic or non-electronic correspondence.

4.14 Notice of Meetings

A meeting of the Committee may be called by the Secretariat to be held at such time and place as the Secretariat in consultation with the Chairman may determine. Notice in writing of each meeting specifying the place, the day, and the hour of the meeting and, in the case of special business, particulars of that business, shall be given by the Secretariat to members of the Committee not less than fourteen (14) days before the date of the scheduled meeting.

4.15 Quorum

Five members of the Committee shall constitute a quorum. Attendance at the meetings may be in person, by teleconference, by video conference or any combination thereof. A member who participates in any meeting by teleconference or video-conference or in any other manner contemplated in this section shall be present at such meetings for all purposes including that of determining a quorum.

4.16 Agenda

The agenda of the meetings shall be set by the Secretariat, in consultation with the Chairman. It shall take into consideration the input or representation from the members and the work plan of the Committee.

A committee member may propose an agenda item for consideration by the Committee.

4.17 Working Groups

From time to time, it may be necessary to establish a working group to address a specific issue.

These may include, but are not restricted to;

- a. supporting a specific organization to implement integrated reporting and sustainability reporting;
- b. commenting on exposure drafts or consultation paper or other technical requests.

It is anticipated that the working group will largely consist of Committee members but may include outside individuals who can add value to the group's deliberations invited with approval of the Chairman.

The working group shall be chaired by a committee member who shall report to the Committee on the outcomes of the deliberations of the working group.

4.18 Reporting

The Committee shall report every quarter to the Professional Standards Committee.

5. Integrated Reporting Forum

The Committee shall facilitate and support the creation of an Integrated Reporting Forum comprising of organizations that have already adopted or have a high probability of adopting integrated reporting and sustainability reporting in the short to medium term.

These organizations shall be encouraged to form internal organizational teams responsible for promoting, influencing and supporting implementation of integrated reporting and sustainability reporting within their organization.

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