



**INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
OF UGANDA**

Our Ref: STA/001

24 September 2021

IFRS Foundation
Columbus Building
7 Westferry Circus
Canary Wharf
London E14 4HD
United Kingdom

Dear Sir/Madam

**REQUEST FOR INFORMATION AND COMMENT LETTERS: THIRD AGENDA
CONSULTATION**

The Institute of Certified Public Accountants of Uganda (ICPAU) is pleased to respond to the Board's Request for Information on its 2022 to 2026 work plan.

Our responses are in the form of a report on a survey conducted on the subject. These are provided in **Appendix 1**. We hope that the Board finds them helpful.

For any inquiries relating to this comment letter, kindly contact CPA Charles Lutimba by email at clutimba@icpau.co.ug

Yours faithfully,

A handwritten signature in dark ink, appearing to be 'M Omona', enclosed within a circular scribble.

CPA Mark Omona
DIRECTOR STANDARDS AND REGULATION
For: **SECRETARY/CEO**

Encl/... (ICPAU's Responses to Request for Information and Comment Letters: Third Agenda Consultation)

NNN/.....

INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF UGANDA
REPORT ON THE REQUEST FOR INFORMATION AND COMMENT LETTERS: THIRD
AGENDA CONSULTATION
SEPTEMBER 2021

1.0 INTRODUCTION

ICPAU conducted a survey that sought views of accountants in Uganda on:

- a. How much time the International Accounting Standards Board (Board) should spend on developing new IFRS Standards alongside its other activities, such as supporting consistent application of those Standards; and
- b. Which financial reporting issues the Board should prioritize and what should be the criteria for adding projects to its work plan?

A total number of 26 respondents participated in the survey and below is a summary of the responses obtained.

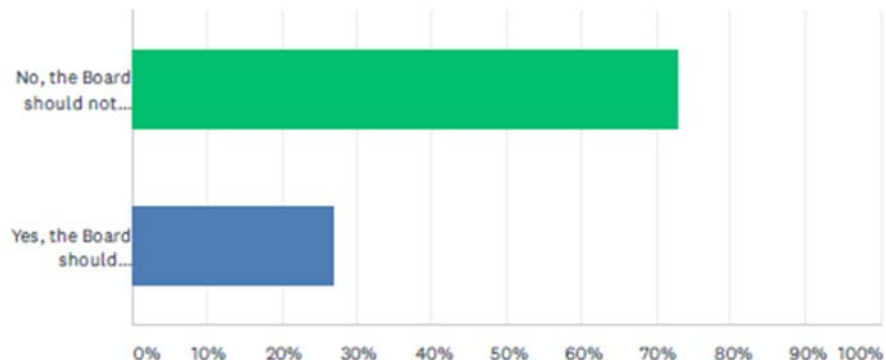
2.0 SURVEY QUESTIONS AND RESPONSES

2.1 Should the Board increase, leave unchanged or decrease its current level of focus for each main activity?

Activity	Increase	Leave Unchanged	Decrease
New IFRS Standards and major amendments to IFRS Standards (current level of focus: 40%–45%)	56%	28%	16%
Maintenance and consistent application of IFRS Standards (current level of focus: 15%–20%)	60%	36%	4%
The IFRS for SMEs Standard (current level of focus: 5%)	68%	32%	0%
Support of digital financial reporting by developing and maintaining the IFRS Taxonomy (current level of focus: 5%)	88%	12%	0%
Understandability and accessibility of the Standards (current level of focus: 5%)	81%	19%	0%
Stakeholder engagement (current level of focus: 20%–25%)	84%	16%	0%

The results above indicate that accountants in Uganda believe the Board should significantly increase its focus on IFRS taxonomy; understandability and accessibility of standards; as well as stakeholder engagement related activities. A good number of respondents expressed the need for the Board to decrease its focus on new IFRS Standards and major amendments to IFRS Standards.

2.2 Should the Board undertake any other activities within the current scope of its work?



Most respondents (73%) indicated that the Board should not undertake any other activities within its current scope of work. Those who expressed need for the Board to undertake other activities within the current scope of its work proposed the following additional activities:

- i. Consideration of policies, guidelines and expenditures on management of Covid-19 pandemic
- ii. Improvement of existing standards
- iii. Accounting for Investments in Human Capital
- iv. Review of environmental reporting framework to include biological risks

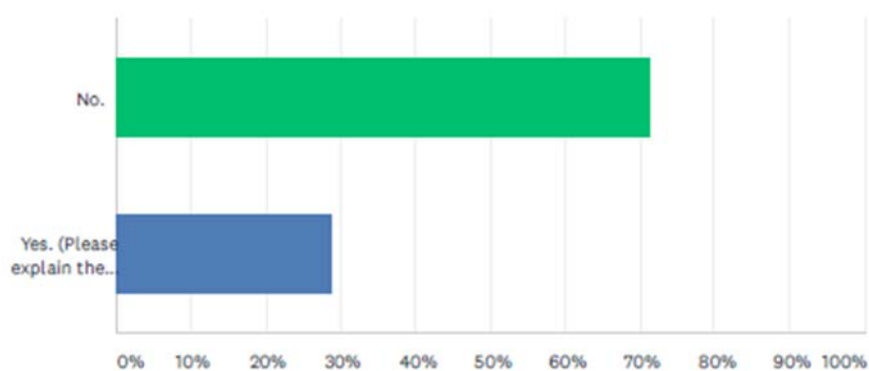
2.3 What priority would you give each of the potential projects below—high, medium, or low—considering the Board’s capacity to add financial reporting issues to its work plan for 2022 to 2026?

Only 22 of the total respondents provided responses to this question as indicated in the table below:

Project	High	Medium	Low	I have no opinion
Borrowing costs	50.00%	31.82%	18.18%	0.00%
Climate-related risks	59.09%	31.82%	9.09%	0.00%
Commodity transactions	31.82%	50.00%	18.18%	0.00%
Cryptocurrencies and related transactions	71.43%	23.81%	4.76%	0.00%
Discontinued operations and disposal groups	31.82%	59.09%	9.09%	0.00%
Discount rates	18.18%	54.55%	22.73%	4.55%
Employee benefits	40.91%	27.27%	27.27%	4.55%
Expenses—Inventory and cost of sales	22.73%	50.00%	27.27%	0.00%
Foreign currencies	45.45%	36.36%	18.18%	0.00%
Going concern	77.27%	18.18%	0.00%	4.55%
Government grants	50.00%	36.36%	13.64%	0.00%
Income taxes	59.09%	31.82%	9.09%	0.00%
Inflation	68.18%	31.82%	0.00%	0.00%

Intangible assets	40.91%	50.00%	9.09%	0.00%
Interim financial reporting	45.45%	36.36%	18.18%	0.00%
Negative interest rates	36.36%	40.91%	18.18%	4.55%
Operating segments	22.73%	54.55%	22.73%	0.00%
Other comprehensive income	45.45%	45.45%	9.09%	0.00%
Pollutant pricing mechanisms	36.36%	59.09%	0.00%	4.55%
Separate financial statements	40.91%	45.45%	4.55%	9.09%
Statement of cash flows and related matters	40.91%	50.00%	9.09%	0.00%
Variable and contingent consideration	31.82%	50.00%	4.55%	13.64%

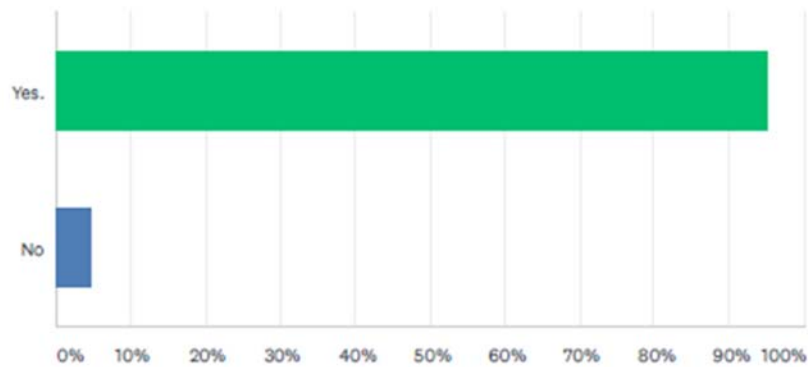
2.4 Should the Board add any other financial reporting issues to its work plan for 2022 to 2026?



Majority (71%) of the respondents believe that the financial reporting issues on the Board's 2022/2026 work plan are sufficient while the rest proposed the following additional issues:

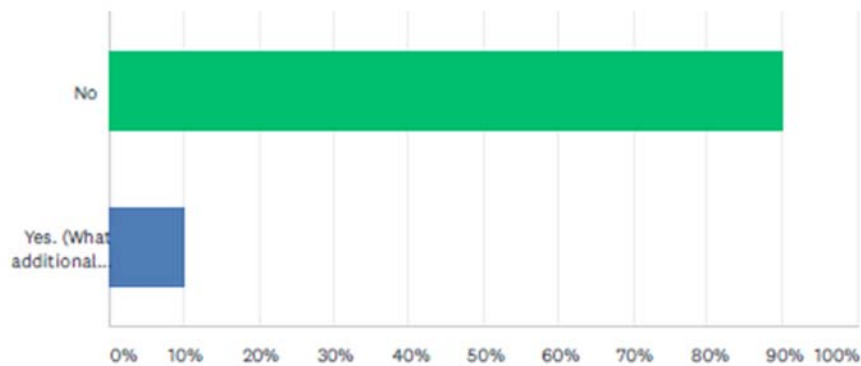
- i. emergent financial reporting issues that require additional disclosures from what the current standards permit
- ii. Interpretation of statement of cash flows
- iii. Human Capital and ESG
- iv. Related party transactions
- v. Climate change, Cryptocurrency

2.5 Do you think the Board has identified the right criteria? Why or why not?



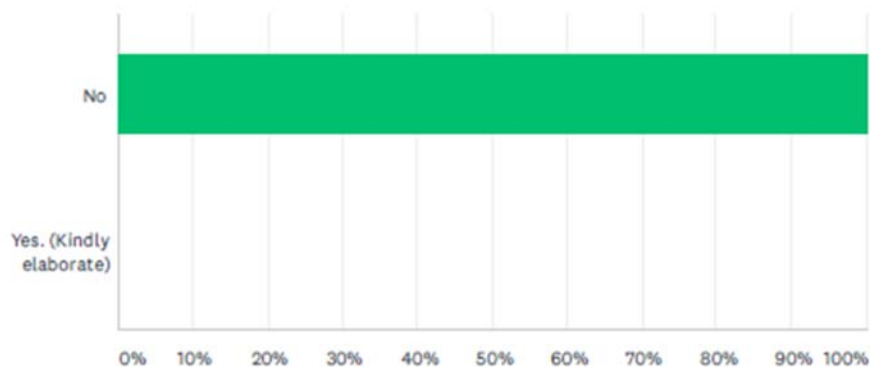
Only one respondent selected “no” but did not provide a reason why.

2.6 Should the Board consider any other criteria?



Only two respondents selected “yes” but did not provide reasons for their preference.

2.7 Do you have any other comments on the Board’s activities and work plan?



-END-