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The Student's Magazine for The Institute of Certified Public Accountants of Uganda (ICPAU)
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ISSUE 10 - MAY 2023

PUBLIC FINANCIAL MANAGEMENT: WHAT STUDENTS SHOULD EXPECT

INSOLVENCY PRACTICE IN UGANDA

WHY ACCOUNTANTS MUST EVOLVE

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INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF UGANDA (ICPAU)

Plot 42 Bukoto Street -Kololo
P.O Box 12464, Kampala Uganda
E-mail: students@icpau.co.ug,
Tel: +256 414 540125

Design & Layout
Stephen Segawa
Mobile: +256 772 589 190
Email: mbsegawa@gmail.co.ug

President
CPA Constant Othieno Mayende
Email: president@icpau.co.ug

Vice President
CPA Josephine Okui Okwakol Ossiya
Email: vp@icpau.co.ug

Secretary/CEO
CPA Derick Nkajja
Email: dnkajja@icpau.co.ug

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Located at 1st Floor Maria House
Kataza Close, Bugolobi, Behind the
Airtel Switch Building
P.O. Box 12675, Kampala, Uganda
www.rmaresourcecenter.com
info@rmaresourcecenter.com
256 70 4004256 | 702719440 | 773212712

MESSAGE FROM THE SECRETARY/CEO

Dear ICPAU students,

Welcome to the 10th edition of the CPA Connect Magazine.

In response to the market demands of the business environment in which we operate, both locally and globally, we rolled out the new syllabus in January this year, for the Certified Public Accountants of Uganda (CPA) and Accounting Technicians Diploma (ATD) courses. The syllabuses were approved by the National Council for Higher Education as required by the Accountants Act, 2013 and take into account the International Education Standards (IES) as required by the International Federation of Accountants (IFAC).

We are also glad to note that the revisions take into account the developments in the regulatory framework, reporting standards and business environment within which organisations operate. The content aligns with the demands of the local and global business environment. Therefore, this edition of the CPA Connect magazine continues to break down this new chapter to enable students understand and grasp the changes.

Looking at the new developments all over the world, the role of accountants has evolved from managing, measuring and processing financial records, to these plus sustainability reporting, and Environmental, Social and Governance (ESG) reporting, among others.

Accountancy professionals all over the world are, therefore, looking for ways of expanding roles in sustainability and digital transformation to ensure that professional accountants effectively support organisations and the economies.

We are mindful that professionalisation of the workforce is one of the most important steps in achieving change in public financial management. Global and national education authorities are making efforts to avail education reforms that will leverage Information Communications Technology (ICT) in informing, teaching, learning and policy formulation.

We, therefore, applaud you for choosing to enroll for a professional accountancy career. We assure you that the knowledge you are acquiring will enhance your competence and make you an asset to your organisation, and the economy of Uganda.

As we come to an end, I'd like to express my heartfelt gratitude to each and every one of our students for your active engagement and steadfast support for the Institute. The knowledge you acquire from the institute will certainly be beneficial in your Initial Professional Development. I hope you find the information provided both informative and enlightening.

CPA Derick Nkajja
Secretary/CEO

CPA has made me a proficient business adviser

Enrol Now

ICPAU offers the Certified Public Accountants of Uganda [CPA(U)] , Certified Tax Advisor (CTA) and Accounting Technicians Diploma (ATD) courses. These courses have a strong focus on professional excellence, integrity and good governance.

ENTRY REQUIREMENTS

CPA:

A Degree or Diploma or Accounting Technicians Certificate/Diploma or 2 Principal Passes at A' Level plus at least 5 credits at O' Level including English Language and Mathematics.

CTA:

A professional accountancy qualification or a degree from a recognised institution of higher learning.

ATD:

A' Level Certificate with at least 1 Principal Pass or **UNEB/UBTEB** Group Certificate of Business Education of at least Stage two or Mature Age Entry Certificate obtained from a recognized university or institution.

REGISTRATION AND EXAMINATION FEES FOR 2023 (UGX)

No	Item	CPA	ATD	CTA
1.	Registration Fees	150,000	130,000	180,000
2.	Examination Fees:			
a)	Level 1 - per paper	105,000	100,000	185,000
b)	Level 2 - per paper	115,000	105,000	235,000
c)	Level 3 - per paper	120,000	110,000	285,000
d)	Level 4 (whole level)	325,000		

S/N	DIET	COURSE	REGISTRATION DEADLINE		EXAMINATION DATES	CENTRES
			Normal	Late		
1.	MAY	CPA, CTA, ATD	1 Jan - 31 Mar 2023	1 - 15 April 2023	29 May - 2 June 2023	All
2.	AUGUST	CPA	1 May - 31 Jul 2023	N/A	21 - 25 August 2023	Kampala
3.	NOVEMBER	CPA, CTA, ATD	1 August - 30 Sept 2023	1 - 15 Oct 2023	27 Nov - 1 Dec 2023	All

EXAMINATION CENTRES: Arua, Fort Portal, Gulu, Kampala, Mbale, Mbarara, Nkozi

For the year 2023, examinations will be held as follows:

- ***May*** *(All Centres - CPA, CTA, ATD)*
- ***August*** *(Kampala Centre - CPA only)*
- ***November*** *(All Centres - CPA, CTA, ATD)*

Registration for studentship is open throughout the year via
https://www.icpau.co.ug>Students>ApplyOnline

INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF UGANDA

Plot 42/46/48 Bukoto Street Kololo, P.O. Box 12464, Kampala | 0414 - 540125 | icpau@icpau.co.ug

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CPA Uganda

MESSAGE FROM THE DIRECTOR EDUCATION

It is an honour for me to address you on some important updates about the Certified Public Accountant's course. As you all know, the world is fast changing, and so is the way we learn and work. As a result, we are continually adapting to ensure that our courses remain relevant and effective.

To get started, I would like to discuss computer-based exams. As a forward-thinking institution, we have adopted this method of examination to provide a more efficient, secure, and accurate assessment of students' knowledge.

We updated the curriculum in January 2023, and it will be tested for the first time in May 2023. We have improved the subject matter and learning objectives the majority of the time to reflect changes in the economic environment, including, but not limited to, changes in accounting standards, changes in national regulations, and technological advancements. We will begin using computer-based exams as a pilot program in May 2023, beginning with Integration of Knowledge, Paper 18 of the CPA course. Following an evaluation of the performance, we may replicate it in other subjects based on the achievements.

Secondly, I would like to draw your attention to the gazetting of accountants' examination rules and regulations. As a professional institution, we recognise the importance of maintaining high standards in the accounting profession. Therefore, we have put in place stringent rules and regulations to govern the examinations administration process. These regulations aim to ensure that only qualified individuals are admitted into the profession and that they adhere to ethical and professional standards.

With the launch of the Uganda Accountancy Qualifications Framework (UAQF), the Institute will issue certificates at all levels of the Certified Public Accountant's course. This progression is based on the attainment of specific competences and the successful completion of a level.

The aim of the UAQF is to demonstrate how accountancy education and qualifications relate.

The framework will assist students and professionals to understand how different qualifications fit together and how they can progress from one level to the next by providing a clear and transparent structure. This means that regardless of where an individual studied or obtained their qualifications, their achievements can be compared on a level playing field, allowing employers and institutions to make informed decisions about their skills and abilities.

Finally, the framework is intended to assist students in identifying appropriate progression pathways for their chosen career paths. Whether a person is just starting in their accounting career or looking to advance, this framework provides a clear path forward, allowing individuals to achieve their goals and advance in their chosen field.

Conclusively, I would like to urge all our students to take advantage of these changes and opportunities to enhance their knowledge and skills.

John Bosco Ntangaare
Director Education

CONTRIBUTORS

CPA Samuel Aggrey Mankaati is currently a Director at Sammy Professional Trainers and Consultants and an Assistant Manager, Internal Audit at the Deposit Protection Fund. In addition, he is the Chairperson of the ICPAU Editorial Board and a member of the Finance, Planning and Administration Committee of ICPAU. Previously, he worked as an Internal Auditor at Bank of Uganda and an external Auditor at the Office of Auditor General.

CPA Ronald Mutumba is the Managing Partner at Mutumba Mukobe and Associates (Certified Public Accountants), a registered Tax Agent and an Insolvency Practitioner. He has been a lecturer majorly for Financial Management and Advanced Financial Management for students pursuing certification by accounting bodies since 2005 and is the Team Leader at RMA Resource Center, an ICPAU Accredited Tuition Provider. CPA Mutumba is a member of the Editorial Board of ICPAU. He can be reached via ronald@rmaresourcecenter.com.

CPA Alfred Okwee is the Ag. Chief, Finance and Grants Management at The AIDS Support Organization (TASO). Previously, he served as the Senior Internal Auditor and Auditor at TASO and Olam Tanzania Limited, respectively. He also served as a lecturer in the Department of Accounting at Makerere University Business School. CPA Okwee holds a Master's degree in Accounting and Finance.

CPA Ambrose Kariyo Mugisha is the Head Education & Training at ICPAU. Prior to this, he served the technical agenda at ICPAU in professional accountancy standards IFRSs, ISAs, IESs, IPSAS. He also supported the Quality Assurance programme of ICPAU. He has undertaken several short courses in leadership, risk management, finance management, performance management and corporate governance. CPA Mugisha holds a Master's in Business Administration.

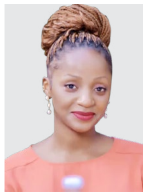
CPA Benard Bwire is the Head of Finance at Comprehensive Rehabilitation Services of Uganda (CoRSU). He has over 10 years' experience in finance having managed the finance departments of CFAO Motors – Volkswagen Franchise, International Medical Group and of recent Impact Health organisation in Sudan. Previously Benard has been a CPA Tutor until December 2018. He is a holder of CPA(U), CTA, Masters in Financial Management from Amity University.

Ms Caroline Nassuuna is a Communications Intern at ICPAU. She is a Public Relations Officer with a Bachelor's Degree in Journalism and Mass Communication of Uganda Martyrs University. She has experience in the field of communication having worked in the different spaces of journalism for over five years.

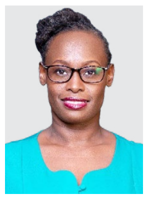
CPA Elizabeth Kaheru is currently a Technical Officer - Auditing and Ethics at ICPAU. She has over 12 years of experience in accounting and finance. She previously worked with PostBank and Kisaka and Co. Certified Public Accountants. She holds a Master of Business Administration, the CPA qualification, and a Bachelor of Arts Degree of Makerere University.

CPA Emmanuel Mugabi is a founding Partner at Mugabi & Mawanda Associates CPA a professional services firm offering services within the East African Region. He is a renowned professional Accountant with over 18 years of experience serving clients in all aspects of statutory audits, value for money audits, financial reporting, forensic investigations, and business and tax advisory services in the United Kingdom, South Africa, China, Kenya, Tanzania, Rwanda, Burundi, Liberia and Uganda. CPA Mugabi holds a Bachelor's Degree in Commerce majoring in Accounting of Makerere University.

Mr Hillary Akuku is the Head of Internal Audit at Steel and Tube Industries as well as an Audit Partner at HACF Partners Certified Public Accountants. Mr Hillary Akuku is a Member of the Certified Public Accountants of Uganda. He is also a registered mentor with Oxford brooks university. He has a Masters in Business Administration from Cavendish University.



Ms Joan Abaasa is a Communications Intern at ICPAU, a Public Speaking Trainer, Voice Over Artist and Team Building Facilitator. She has attended a course in public speaking at the Emcee Portal School of Communication and has a Bachelor's Degree in Journalism and Mass Communication of Uganda Christian University. She is pursuing a Master's Degree in Marketing Management at Uganda Management Institute.



CPA Joan Larok is a speaker, trainer and coach with the Maxwell Leadership Team. She is also the Founder and Team Leader of Magister Training Associates, a training consultancy company on a mission to equip and resource you with personal development and organisational development services so you thrive. The company realises its mission through speaking, training, coaching, mentoring, consulting or handholding.

CPA Lydia Nankabirwa has held various positions at ICPAU since 2016 including Ag. Manager - Quality Assurance & Regulation, Technical Officer (Taxation and Public Financial Management), Technical Officer (Auditing and Ethics), and Assistant Technical Officer. CPA Nankabirwa was previously an Assistant Accountant – Payroll and Projects at Uganda Martyrs University. She holds a Master of Science Degree in Development Economics.

CPA Noor Nakato is a Technical Officer at ICPAU. She supports the development, implementation and promotion of financial reporting standards that are issued and adopted by ICPAU. CPA Nakato holds the CPA qualification, a Master's Degree in Islamic Banking and Finance, and a Bachelor of Commerce Degree (BCom).

CPA Tindyebwa Obed Bampe is the Managing Partner at Grand & Noble Certified Public Accountants. He has over 22 years of work experience and previously worked with Ernst & Young as Senior Tax Consultant in charge of indirect taxes. He also worked with Uganda Revenue Authority for five years. He holds a Bachelor's Degree (Hons.) in Economics, of Makerere University.

EDITOR'S NOTE

IN THE NEW...

Dear student,

The year has opened with many possibilities, but most importantly for us, we get to experience a new learning framework. The new syllabuses will be examined starting May 2023.

We understand that beginning a new chapter can be frightening and even stressful. Therefore, in this edition, we share approaches to some of the new aspects in the different subjects. The articles are practical, and with illustrations, to enable you to easily grasp the concepts.

For Public Financial Management Paper 13, we discuss what you can expect in terms of the legal framework and what IPSAS standards will be applicable in the new syllabus. We look at recent developments in Financial Management Paper 8, such as Islamic Finance. This edition also carries articles on tax administration, ISA 800 & 805, sustainability reporting, and insolvency practice, among others.

In June 2022, the Accountants (Examinations) Rules 2022 were gazetted. We look at this and other developments in the learning framework for professional accountancy education.

Also read CPA Stephen Muchelule's story of how he scored career wins owing to prompt enrolment for ICPAU membership.

The goal in education is to acquire skills and competences that can enable you to earn a living and lead a decent life. This can be through employment or self-employment. The team at Kalinda & Associates shares the benefits of a career in accountancy practice, and how students can prepare themselves to be practising accountants.

I hope that this edition will enlighten you as we unpack the new.

I wish you success in your Exams.

Akullo Nancy
Head of Communications

EDITORIAL BOARD

To share your views or comments, write to communications@icpau.co.ug

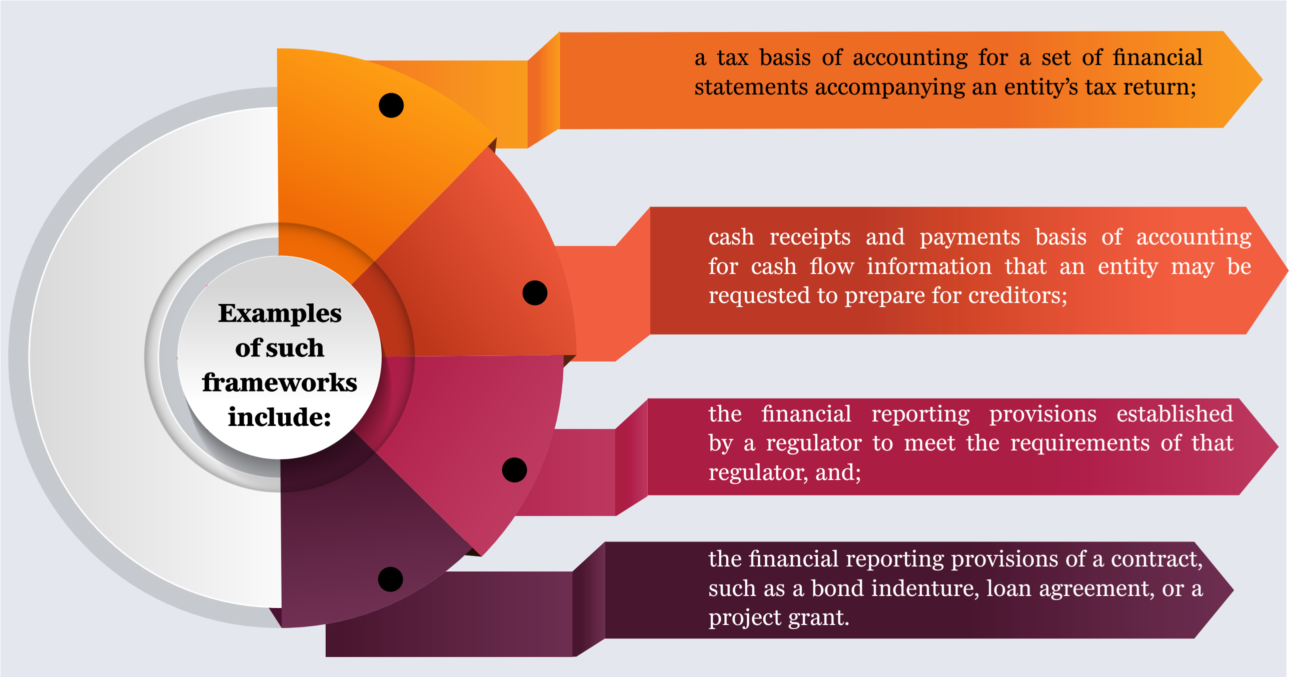
By CPA Emmanuel Mugabi
Founding Partner, Mugabi & Mawanda Associates CPA

FORMING AN AUDIT OPINION: A CLOSE LOOK AT INTERNATIONAL STANDARDS ON AUDITING – SPECIALISED AREAS (ISA 800 & 805)

ISA 800 - Audit of Financial Statements Prepared in Accordance with Special Purpose Framework

ISA 800 is applicable where an audit opinion (i.e, reasonable rather than limited assurance) is given on a complete set of financial statements but the financial statements have been prepared in accordance with a special purpose framework rather than a generally accepted one.

A special purpose framework is one designed to meet the financial information needs of specific users and will usually be based on a generally accepted framework but deviate from it in one or more material respects because the information required by the framework is either inappropriate or irrelevant for the special purpose for which the financial statements are prepared.



Scope of ISA 800

a. Deals with special considerations in the application of ISAs to audit financial statements prepared in accordance with a special purpose framework.
b. Written in the context of a complete set of financial statements prepared in accordance with a special purpose framework.
c. Does not override the requirements of the other ISAs.
d. May not deal with all special considerations relevant in the circumstances of the engagement

Objectives

Address appropriately considerations relevant to:

a. Engagement acceptance
b. Engagement planning & performance
c. Forming opinion & reporting on Financial Statement

Rationale for engagement acceptance

Key considerations – Obtain an understanding of:

- Purpose for which Financial Statements are prepared
- Intended Users
- Steps taken by Management to determine that the applicable Financial Reporting Framework is acceptable

Acceptability of financial reporting framework - Scenarios for consideration

a. Acceptability of financial reporting framework laid down by the regulator/authority
b. Conflict between Financial reporting standards and additional requirements
c. Financial reporting standards prescribed by law and regulation is unacceptable

Planning and Performing an Audit

Obtain understanding of:

a. Whether the Standard on Auditing relevant to the audit has been complied with
b. Determine whether the application of the Standard on Auditing requires special considerations in circumstances of the engagement

What if all the requirements of a particular SA are not met?

The auditor cannot state that the Special Purpose Financial Statement complies with the SAs.

Exception: If the requirements of the SA are conditional and such conditions do not exist

Special Considerations in (b) depend on 2 factors

a. Purpose for which Financial Statements are prepared
b. Intended Users

Forming an opinion and reporting considerations

In forming an opinion and reporting on special purpose financial statements, the auditor still applies the requirements of ISA 700 Forming an Opinion and Reporting on Financial Statements, as well as reporting requirements contained in other ISAs as appropriate. This includes evaluating whether the financial statements adequately refer to or describe the applicable financial reporting framework. In the case of financial statements prepared in accordance with the provisions of a contract, the auditor evaluates whether the financial statements adequately describe any significant interpretations of the contract on which the financial statements are based.

Considerations while framing an opinion – Apply requirements of ISA 700 revised

a. Whether the report describes the Acceptable Financial Reporting Framework
b. Purpose for which the special purpose financial statements are prepared
c. If necessary, the intended users, or refer to a note in the special purpose financial statements that contain that information;
d. If management has a choice of financial reporting frameworks in the preparation of such financial statements, the explanation of management's responsibility for the financial statements shall also make reference to its responsibility for determining that the applicable financial reporting framework is acceptable in the circumstances.
e. The auditor specifically describes the financial reporting framework as a special purpose framework in the auditor's report.
f. Restriction on use.

ISA 805 - Audit of Single Financial Statements and Specific Elements, Accounts or Items of a Financial Statement

ISA 805 deals with special considerations in the application of ISAs to an audit of a single financial statement or of a specific element, account or item of a financial statement. The single financial statement or the specific element, account or item of a financial statement may be prepared in accordance with a general or special purpose framework.

Scope of ISA 805

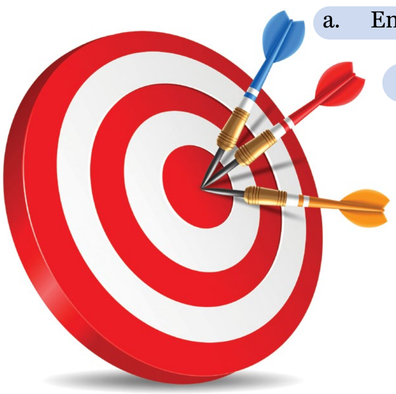
a. ISA 100 - 700 series applicable and to be adopted as necessary in the audit of Financial Statement.
b. Deals with the Audit of Single Financial Statements (SFS) or specific element/account/item of financial statements

Does not:

- Apply to the report of the component auditor
- Override requirements of other ISAs
- Deal with special considerations that may be relevant in the circumstances of the engagement

Objectives

Address appropriately considerations relevant to:



a. Engagement acceptance

b. Engagement planning and performance

c. Forming an opinion and reporting on Single Financial Statements and Elements of Financial Statements

Examples of SFS or EFS

a. Accounts receivable, allowance for doubtful accounts receivable, inventory, the liability for accrued benefits of a private pension plan, the recorded value of identified intangible assets, or the liability for "incurred but not reported" claims in an insurance portfolio, including related notes.
b. A schedule of externally managed assets and income of a private pension plan, including related notes
c. A schedule of net tangible assets, including related notes
d. A schedule of disbursements in relation to lease property, including explanatory notes
e. A schedule of profit participation or employee bonuses, including explanatory notes

Rationale for accepting the engagement

Key considerations – Obtain an understanding of:

- Application of SA
- Acceptability of Financial Reporting Framework
- Form of Opinion

Application of SA

a. Whether independence requirements are complied with
b. Whether the auditor is engaged to audit the complete set of financial statement or appointment only for the audit of SFS / EFS

Acceptability of Financial Reporting Framework (FRF)

a. Whether any restrictions imposed by the standard setting organisation/law and regulation
b. Whether application of FRF will result in presentation that provides adequate disclosure to enable intended users to understand information conveyed in SFS/EFS
c. Effects of material transactions and events on information conveyed in SFS / EFS

Form of Opinion

a. Whether form and content is appropriate
b. Fair presentation framework / Compliance framework
c. Usage of "presents fairly in all material respects" / "true and fair view"

Planning and performing the audit

Although the audit must be conducted in accordance with all ISAs in planning and performing the audit of a single financial statement or of a specific element of a financial statement, the auditor shall adopt ISAs relevant to the audit as necessary in the circumstances of the engagement. The relevance of each ISA requires careful consideration.

Critical pointers to consider:

- Careful consideration of the relevance of each SA is necessary
- Audit evidence obtained as a part of the audit of complete FS ~ may be useful, but the auditor should plan and perform an audit of SFS to obtain sufficient and appropriate audit evidence
- Interrelated items in the audit of EFS ~ Auditor would need to perform audit procedures on such interrelated items as well
- Materiality of SFS < Materiality of complete FS ~ evaluate the nature timing and extent of audit procedures to be applied for evaluation of uncorrected misstatements.

Forming an opinion and reporting considerations

In forming an opinion and reporting on a single financial statement or on a specific element of a financial statement, the auditor still applies the requirements of ISA 700 Revised, and where applicable the requirements of ISA 800.

a. If appointed for both – complete FS as well as SFS / EFS
- ***Auditor expresses a separate opinion for each engagement***

b. Entity publishes SFS along with the complete FS
- ***Differentiation should be made between both. If it is not met with then management to rectify the same***
- ***Differentiation in the opinion issued***
- ***Do not issue the audit report on SFS until satisfied with the differentiation***

c. Qualified opinion/Emphasis of Matter/Other Matter paragraph in Complete FS
- ***Determine the effect of SFS***
- ***If necessary, modify the SFS and include the modified opinion in SFS / EFS***

d. Adverse Opinion/Disclaimer of Opinion on complete FS
- ***The auditor cannot issue an unmodified opinion on the SFS since SFS forms a major part of the complete FS.***
- ***Contradictory to issue an unmodified opinion in such a scenario***

e. Adverse Opinion/Disclaimer of Opinion on complete FS

Unmodified opinion on EFS only if:
- ***Not prohibited by laws & regulations***
- ***Audit report of EFS should not be published with the audit report on complete FS***
- ***Specific element does not constitute a major portion of entity's complete FS*** ◈

By CPA Aggrey Samuel Mankaati,
Director, Sammy Professional Trainers and Consultants

PUBLIC FINANCIAL MANAGEMENT - PAPER 13: WHAT STUDENTS SHOULD EXPECT

Following the revision of the syllabus for the Certified Public Accountants of Uganda [CPA(U)] (Uganda) course in 2022, CPA Paper 14: Public Sector Accounting and Reporting was revised to CPA Paper 13: Public Financial Management. Public Financial Management encompasses the mobilisation of government revenue, allocation and spending of resources by public entities, and their accounting and reporting on those revenues and expenditures. According to instruction 2.1 of the Treasury Instructions, 2017, Public Financial Management comprises diverse functions including fiscal planning, budgeting, budget execution, revenue management, procurement, cash and commitment management, expenditure management, asset management, liability management, accounting, reporting, auditing, and fiscal oversight. Therefore, students who enrol for CPA Paper 13: Public Financial Management should appreciate the following aspects.

1. General understanding of the operations of public sector entities in Uganda including the categorisation and main features of public sector entities, key distinctions between public sector and private sector, sources of government financing, objectives of public sector accounting and the

information needs of the various users of public sector financial reports.

2. The accounting bases and practices applicable to public sector entities especially the principles and application of cash basis of accounting, accrual basis of accounting, modified cash and modified accrual basis of accounting, fund accounting, budgetary accounting, and entity accounting.

3. The objectives and applicability of fund accounting in Uganda's public sector including the establishment, operational and financial reporting requirements of the consolidated Fund, Contingencies Fund and Petroleum Fund in accordance with the provisions in the Public Finance Management Act, 2015 (as amended).

4. The regulatory framework for public financial management especially:
   - The key provisions in the Constitution, 1995 (as amended)
   - Public Finance Management Act, 2015 (as amended)
   - Public Finance Management Regulations, 2016
   - Treasury Instructions, 2017
   - National Audit Act, 2008
   - Public Procurement and Disposal of Public Assets Act, 2003 (as amended)
   - Public Procurement and Disposal of Public Assets Regulations, 2014
   - Public Service Act, 2008
   - Leadership Code Act, 2017
   - Inspectorate of Government Act, 2002
   - Local Government Act,1997
   - Local Government Financial and Accounting Manual, 2007
   - Local Government Financial and Accounting Regulations, 2007

5. The institutional framework for both central and local governments including the powers and duties of the Minister in charge of Finance, Secretary to Treasury, Accountant General, Accounting Officers, Parliament and its Accountability Committees, Auditor General, Internal Auditor General, Internal Audit, Audit Committees, National Planning Authority, Local Government Councils, Chief Administrative Officers, Town clerks, District Chairpersons, Mayors, Heads of Finance, Chief Internal Auditors, Local Government Finance Commission and Local Government Public Accounts Committees.

6. The current and emerging public finance management reforms and systems especially the roll-out of the Integrated Financial Management System (IFMS), Government of Uganda Chart of Accounts, 2022, E-Cash Platform, Programme Budgeting System (PBS), Computerised financial management system for Embassies or Missions Abroad, Integrated Personnel and Payroll System (IPPS), Debt Management and Financial Analysis System (DMFAS), Fixed Assets and Inventory Management System (FAIMS), Treasury Single Account, Bank of Uganda Banking System (BBS), E- Tax System, E – supplier registration portal and Electronic government procurement system.

7. The aims of the different programmes implemented by the Government of Uganda under the National Development Plan III that include Agro-industrialisation, Tourism development, Mineral development, Natural Resources, Environment, Climate Change, Land and Water Management, Private Sector Development, Sustainable Development of Petroleum Resources, Manufacturing, Energy Development, Digital Transformation, Integrated Transport Infrastructure and Services, Sustainable Urbanisation and Housing, Human Capital Development, Innovation, Technology Development and Transfer, Community Mobilisation and Mindset, Governance and Security, Public Sector Transformation, and Regional Development.

8. The key stages in the annual budgeting process, which involve: determination of the resource envelope, setting national priorities and sector ceilings, budget consultations, preparation, presentation and approval of budget estimates, budget execution, monitoring and oversight.

9. The key stages in the public sector procurement and disposal process which include planning, initiation of requirements, choice of the procedures, solicitation of bids, receipt and opening of bids, evaluation of bids, contract award and notification of bidders, contracting and contract management. In addition, students will appreciate the key provisions in the National Public Procurement Policy, 2019 especially the purpose, pillars, recommended procurement practices and ways of attaining value for money in public procurement.

10. The purpose and principles of performance evaluation in Uganda's public sector including the roles of the Budget Monitoring and Accountability Unit, Office of the Prime Minister, Internal Audit, Office of the Auditor General,

Public Accounts Committee (Central Government), Parliamentary Local Government Accounts Committee, Local Government Public Accounts Committees, Committee on Commissions, Statutory Authorities and State Enterprises and Committee on Government Assurance and Implementation in performance monitoring and evaluation.

11. Ethics and public service values in Uganda's public sector that entail the expected ethical conduct of public officers in relation to attendance to duty, employment outside official schedule, time management, customer care, conflict of interest, dissemination of information, secrecy and confidentiality, financial embarrassment, sexual harassment, handing over and taking over office. In addition, students will appreciate the general functions and powers of the Inspectorate of Government including the requirements for public officers to disclose personal interests, declare incomes, assets and liabilities, use of public property and handle gifts and benefits in kind.

12. The objectives, scope, recognition criteria, measurement bases, presentation and disclosure requirements of different International Public Sector Accounting Standards (IPSASs) especially:

- ✓ IPSAS 1: Presentation of Financial Statements
- ✓ PSAS 2: Cash flow Statements
- ✓ IPSAS 5: Borrowing Costs
- ✓ IPSAS 9: Revenue from Exchange Transactions
- ✓ IPSAS 17: Property, Plant and Equipment
- ✓ IPSAS 22: Disclosure of Financial Information about General Government Sector
- ✓ IPSAS 23: Revenue from Non-exchange Transactions (Taxes and Transfers)
- ✓ IPSAS 24: Presentation of Budget Information in the Financial Statements
- ✓ IPSAS 32: Service Concession Arrangements (Grantor)

The students who enrol for Public Financial Management should expect to appreciate the areas highlighted above in relation to the management of public finances by the Government of Uganda. This will enable them to understand the operations of public sector entities as provided for in the different legal and regulatory frameworks as well as adequately support these entities in the process of adopting full accrual basis of accounting and International Public Sector Accounting Standards.

By CPA Tindyebwa Obed Bampe
Managing Partner Grand & Noble Certified Public Accountants

TAX ADMINISTRATION IN VIEW OF 2022/23 TAX AMENDMENTS

Every fiscal year (1 July to 30 June), the Government of Uganda (GoU) makes amendments to tax laws. Tax administration is concerned with the management and implementation of the applicable tax laws. In Uganda, it covers different taxes including; Import Duty, Excise Duty, Income Taxes (Corporation tax, Pay As You Earn – PAYE, Withholding Tax – WHT, Rental Tax, Capital Gains Tax – CGT, Presumptive Tax), Value Added Tax and Non-Tax revenue like Stamp Duty.

Some of the salient aspects of the 2022/23 amendments to the tax laws covering mainly; filing, penalties, and other aspects of the tax administration process.

1. **Cash basis accounting for Value Added Tax (VAT)**

Under the amendments to the VAT Act, a supplier who supplies goods or services to the Government may use cash basis accounting. A taxpayer using cash basis accounting for VAT must account for both the output tax payable and the input tax credited on a cash basis. Prior to this amendment, Section 26 of the VAT Act allowed only taxpayers whose taxable turnover did not exceed Ushs 500 million to use cash basis accounting, upon application to the Commissioner General of Uganda Revenue Authority (URA). The above meant that those taxpayers not qualifying for cash basis accounting would pay VAT to URA, irrespective of whether they had been paid by the government or not. Given that most times, payments from the government delay, taxpayers would be cash strapped because of paying VAT that had not been received or would choke on the penal interest of 2% per month, compounded. The above amendment, therefore, provides relief as taxpayers no longer suffer penal interest on VAT payable on supplies to the government where government has not paid them.

2. **Penalties for Licensees under mining and petroleum operations**

Section 89QA of the Income Tax Act (ITA) – Failure to furnish returns, was amended as follows: *Notwithstanding the provisions of sections 48 and 49A of the Tax Procedures Code Act, 2014 (TPCA), a licensee who fails to furnish a return or provide any other document within the time prescribed by this Act is liable to a penalty of not less than fifty thousand United States Dollars (USD 50,000) and not exceeding five hundred thousand United States Dollars (USD 500,000).*

Section 48 of the TPCA provides that; A person who fails to furnish a tax return by the due date, or within a further time allowed by the Commissioner under this Act is liable to pay a penal tax equal to 2 per cent of the tax payable under the return before subtracting any credit allowed to the taxpayer on his or her tax return or ten currency point per month (Ushs 200,000), whichever is higher, for the period the return is outstanding.

Section 49A of the TPCA provides that; (1) A person who, upon request by the Commissioner, fails to provide records in respect of transfer pricing within 30 days after the request, is liable to a penal tax equivalent to fifty million shillings (Ushs 50m).

(2) A person who fails to provide information other than information referred to in subsection (1), to the Commissioner upon request, is liable to a penal tax of twenty million shillings (Ushs 20m).

The above amendment was meant to clarify on the provision of the ITA in relation to that of the TPCA as regards penalties for failure to furnish returns and records. Note that a licensee is treated separately from other taxpayers but also that the penalties under Section 89QA and 49A seem excessive.

3. Rental tax administration

The administration of rental tax was significantly changed from the previous regime. For persons other than individuals, the amendment provides that, *Where the expenditure and losses incurred by a person other than an individual or partnership (like a company) in the production of rental income exceeds **50%** of the rental income, the allowable deduction shall be **50%** of the rental income for that year of income.* **This limits/caps allowable deductions to 50% of rental income.**

For individuals, a **Flat Rate of 12%** is imposed on gross rental income in excess of the threshold of **Ushs. 2,820,000 per annum.** This removes all expenses relating to earning rental income.

This means that landlords will have higher rental tax bills which may be partly transferred to tenants. It also signifies the shift of government towards Flat Tax regimes possibly due to the perceived simplicity.

4. The Income Tax (Designation of Payers) Notice, 2022 – WHT Tax Agents

The list of designated WHT agents was significantly expanded from 5,004 in 2018 to 9,784 in 2022. Note that in 2012, designated WHT agents were only 254.

The listed agents must withhold from suppliers of goods and services that are not WHT exempt when they make payments to the suppliers where aggregate contract value exceeds Ushs 1,000,000. This has increased the likelihood of taxpayers suffering WHT. It is expected that the scope of WHT will continue to widen in future.

5. Offences relating to tax stamps and Electronic Receipting and Invoicing under Section 62 TPCA

The offences listed below attract (on conviction) a fine not exceeding one thousand five hundred currency points **(Ushs 30m)** or imprisonment not exceeding ten years, or both.

- 62B. Failure to affix or activate tax stamps
- 62C. Printing over or defacing tax stamps
- 62D, Forgery of tax stamps
- 628. Failure to use an electronic receipting or invoicing
- 62F. Forgery of electronic receipt or invoice
- 62G. Interference with the electronic fiscal device or electronic dispensing control device

6. Payments to informers that provided information leading to the identification of unassessed tax – the lesser of Ushs 15m and 1% of tax or recovery of unassessed tax – the lesser of Ushs 100m and 5% of tax

This has the danger of spurring trading in taxpayers' information including by tax officials working underground and even blackmail from especially disgruntled employees, current or former and even unprofessional tax consultants.

By CPA Alfred Okwee,
Ag. Chief, Finance and Grants Management,
The AIDS Support Organization (TASO)

PASSING FINANCIAL ACCOUNTING - PAPER 1

The pass rates for Financial Accounting - Paper 1 over the recent sittings have, in some cases, been average (December 2022 - 48.68% while June 2022 - 56.95%). This article provides some tips to improve your chances of passing this paper. These tips come in two sections; (1) what to know prior to the examination and (2) during exams.

(1) Prior to the examination:

a) Understand and appreciate the entire syllabus. Focus on comprehensively covering the syllabus as you revise/prepare for the exam.

b) Practise as many questions on the different areas of the syllabus as possible to improve your time and accuracy.

c) Read relevant materials shared by the Institute for this paper, for example, the examiner's comments posted on the website and attend the student engagement seminars on Financial Accounting. These materials and platforms provide valuable information to help a candidate to pass.

d) Appreciate and understand **ALL** aspects of the double entry principles because it is the basis for all computational questions and some of the theory questions. Recall the double entry rules on the next page:

	Debit	Credit
Side of the ledger it appears	Appears on the left side of the ledger account	Appears on the right side of the ledger account
What is recorded on the debit and credit sides of an account	• Increase in assets and expenses • Decrease in liability, capital (equity) and revenue/income	• Increase in liability, capital (equity) and revenue/income • Decrease in assets and expenses

Understanding the double entry principles will enable a candidate to:

(i) Make correct entries in the ledgers, balance the accounts and extract a trial balance without errors.

Illustration: Consider this transaction: John started a small hardware business with Shs 50,000,000 cash. You can follow the suggested steps below to understand the process to pass the correct double entry.

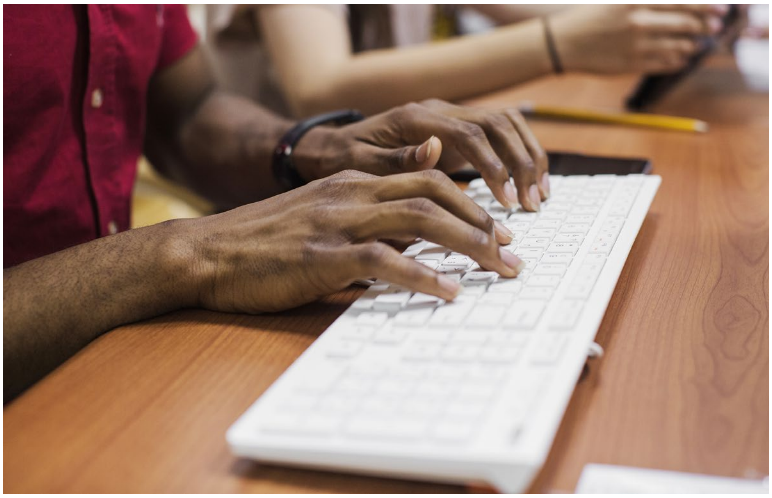
Transaction:

John, started a small hardware business with Shs 50 million cash

Step 1: Understand the transaction and determine the elements of financial statements affected: *The business received cash worth Shs 50 million, hence has an asset, cash of Shs 50 million. This is also considered as business' capital i.e. what the owner (John) has put in the business worth Shs 50 million.*

Step 2: Interpret the effect of the transaction, recall the double entry principles of the elements affected and pass the journal entries: *An asset cash has increased (from 0 to 50m) hence a debit entry, business' capital has increased (from 0-50m) thus a credit entry.*

Debit: Cash-Shs 50,000,000
Credit: Capital-Shs 50,000,000



(ii) Deal with errors correctly when faced with some of the errors i.e. pass the right journal entries to correct errors and incorporate additional information to the accounts.

Illustration: Consider the following error. Purchases in cash worth Shs 567,000 was correctly credited to the cash book but debited in the Purchase account as Shs 657,000;

Error:

Purchases in cash worth Shs 567,000 debited in the Purchase account as Shs 657,000.

Step 1: Understand the nature of the error and figure out what should have been done right first time.

Nature of the error: A purchase account has been debited with Shs 657,000 instead of Shs 567,000. Hence purchase figure was recorded in excess of Shs 90,000.

What should have been done right first time:
Purchase account should have been debited with Shs 567.000.

Step 2: Pass the entries to correct the error;

Dr: Suspense A/c- Shs 90,000 (since the error affected the trial balance totals, it is corrected through a suspense account)

Credit: Purchase A/c- Shs 90,000 (to reduce the debit of Shs 657,000 to the correct amount i.e. Shs 567,000)

(2) During the exam:

a) Plan your approach well (order of questions to attempt during the exam) during the first 15 minutes of the exam (allocated for ONLY reading through the paper). Read through the question paper to choose which questions to attempt. It is advisable to start with questions you are knowledgeable and comfortable with, for example, the questions where you are sure of raising the average mark or more.

b) Manage your time well. Remember, there are 5 questions carrying 20 marks each to be attempted in 180 minutes (3 hours). This implies that each question should take approximately 36 minutes i.e. (180 minutes/5 questions). Please note that Section A - 20 Multiple Choice Questions (MCQs) is equivalent to 1 question of 20 marks. Section A should also be done in 36 minutes or less.

c) When attempting a computational question in section B, it is advisable to read what is required of the candidate first before reading the body of the questions. This enables a candidate to then read the body of the question with a correct mindset. For instance, a question may contain a trial balance and candidates may be required to prepare a redrafted trial balance. A candidate who has not read what is required of him/her may be tempted to think he/she is required to prepare full financial statements as he/she reads the question and hence set up the layout to include financial statements. This candidate would have wasted time setting such a layout. Reading what is required of you enables you to get it the first time and hence avoid such instances that lead to time wasting and no marks.

d) Try to attempt all questions required within the available time. Answer ALL MCQs and do not attempt to "investigate" why your answer did not balance if you still have questions to attempt. Rather than investigate, I recommend the candidate proceeds to attempt the next question.

e) Show all your workings clearly. Marks are allocated for workings as well.

f) Stay calm throughout the exam, and do not panic. You are in a better position to think clearly and remember what you have read when you are calm.

Wish you the very best as you prepare to sit for Financial Accounting

By CPA Benard Bwire
Head of Finance, CoRSU Comprehensive Rehabilitation Services of Uganda

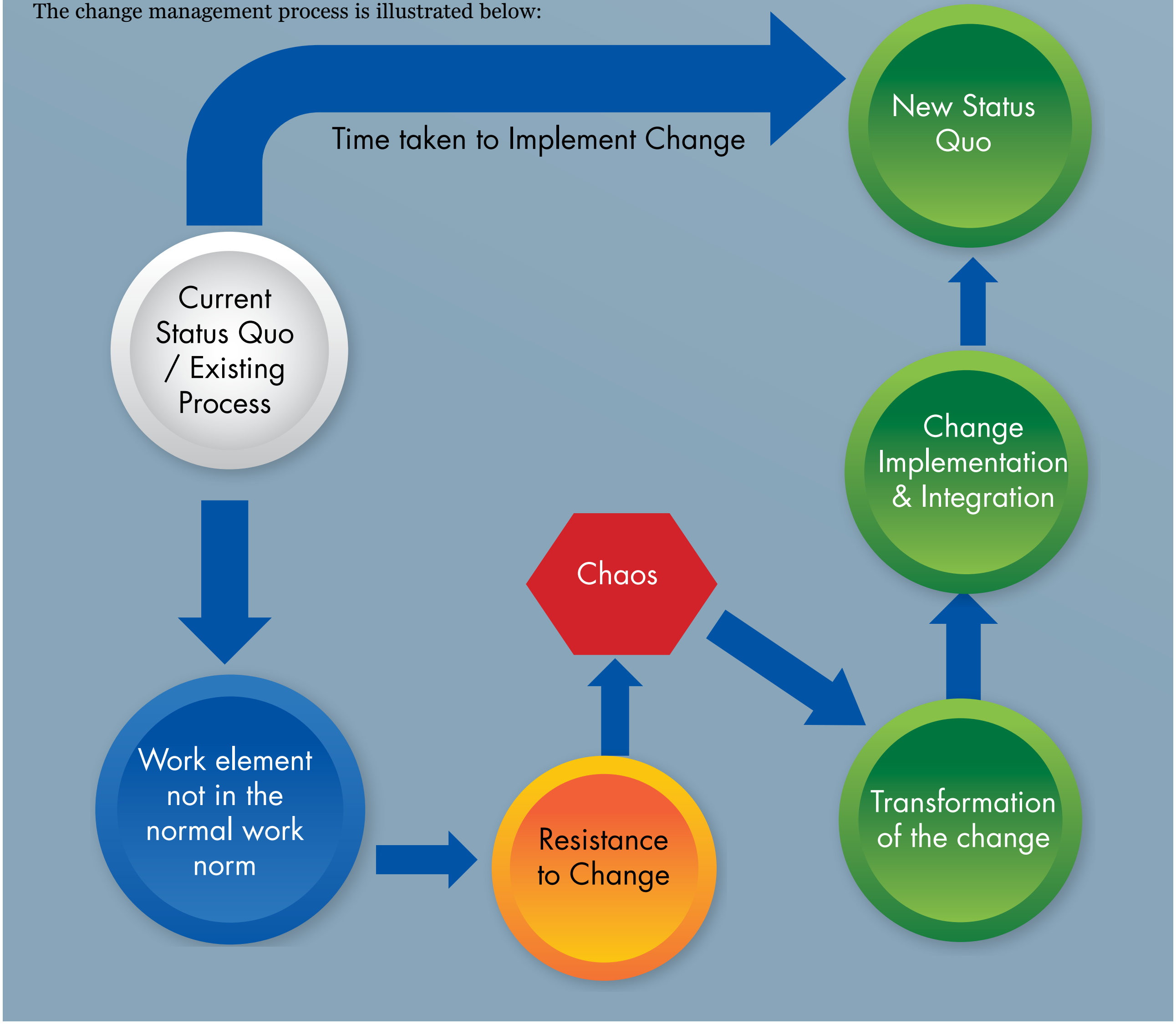
WHY ACCOUNTANTS MUST EVOLVE

Accountants are faced with change each year. However, some accountants, to a certain extent continue viewing themselves as resistant to change but in reality, they are faced with change and have to manage it to continue being relevant in the environment under which they operate and as well fit in due to the continued technological advancements in society and organisations.

Change management is a systematic process that involves transitioning organisational processes, technologies, accounting processes and as well as goals and strategies.

Change management is normally a structural process. The process of implementing change should be gradual and in stages to ensure it is not shocking the existing systems.

The change management process is illustrated below:



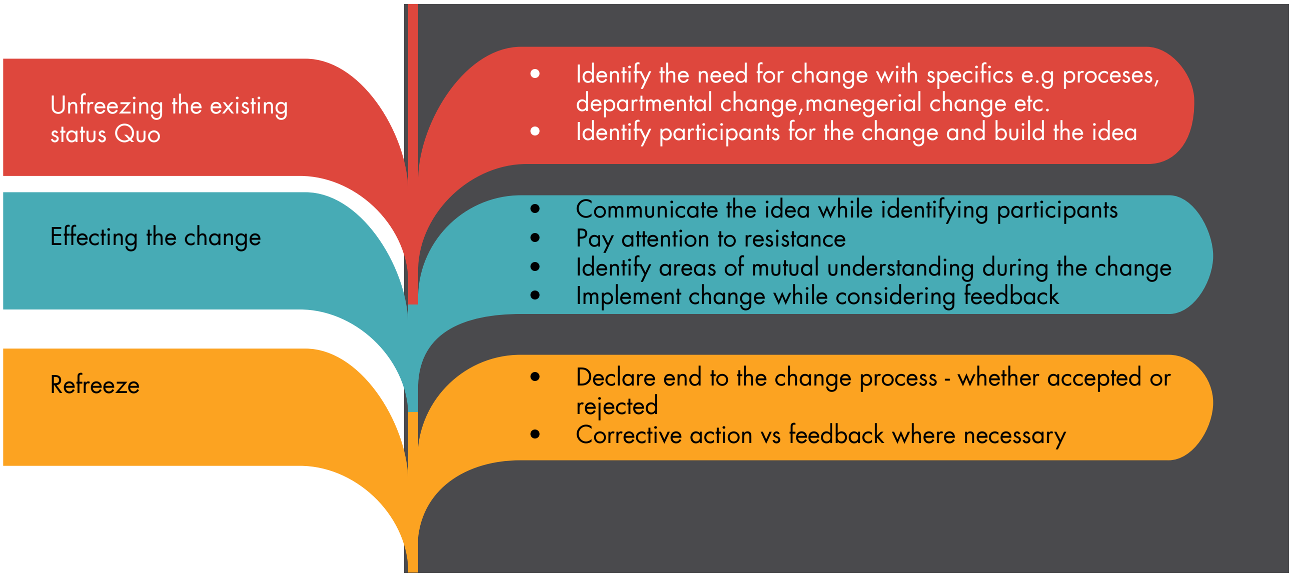
Accountants are normally faced with basically two broad categories of change which include; regulatory change - such as changes in accounting standards and tax laws, and non-regulatory change. The regulatory change is mandatory whereas the non-regulatory is not mandatory and there is no obligation to adapt to such changes. Non-regulatory change management involves taking a certain level of risk which is deemed to be intentional (Intentional Risk) and the benefits are normally amazing if the outcomes of such changes are applied well to the regulatory changes.

The evolution in the accounting world, economies and technologies, means that accountants who resist change management are likely to be left behind. Changes such as cloud computing, blockchain technology, automated accounting systems and software need to be embraced by accountants in this field of practice. It is therefore without a doubt that accountants as well need to evolve with technology and adapt to change, as the industry changes fast. Intelligent accounting and finance systems are developed very fast in the current world and more organisations are following the same direction through which they are moving the majority of their accounting operations to cloud-based systems. Accountants need to manage and adapt to such changes to be able to fit in current trends and become competitive.

Therefore, in the wake of change in economies, and as the demand for accountants grows, acquisition of skills will enable us to perform more managerial, analytical and other administrative roles that technology cannot perform. However, we have also seen a direction towards artificial intelligence in highly developed economies. Therefore, with these changes, how do organisations and accountants manage change, and resistance to change? How can they adapt to change to ensure efficiency in operations and output?

Stages of change management: The Principles

Change management needs to go through certain stages and/principles for it to be successful. Such principles apply to both regulatory and non-regulatory change at organisational level. With effective and careful application of these stages/principles, change management is likely to be successful.



During the change process, it is key to prepare the environment and organisation for such change. This is due to the fact that cultural and logical changes need to be considered to ensure that there is continuity within the organisation as the change is taking place. And it is key as well for the change managers to have in mind that it is the employees that will actually participate and implement such changes.

During the process of change, there should be a clear plan in the process of implementing and effecting the changes. An effective plan for change should normally revolve around; key strategic goals, key performance indicators, the stakeholders, and the scope of the intended change. Once this plan has been well reviewed and is within the organisational goals, then effecting the change can resume.

While implementing change, organisational culture and practices should be considered. Business processes, workflows and practices should be clearly and sensitively handled to avoid the possibility of employees reverting to old processes and ways. Review of the implemented changes and effecting necessary changes is key in the whole process.

Challenges to change management

Change management is prone to challenges if not well implemented. Therefore, the systems, processes and employees who are likely to be affected by change should be accurately accounted for.

The major challenges during the change management process revolve around resource management, resistance of staff and particularly those who have been in the old system for quite a while, communication, technological evolutions and adoptions, and issues surrounding the scheduling of the change process.

The usefulness of change Management

In the current economies, accountants are taking up more positions to manage organisations and change within these organisations.

Change management has an impact on the nature of success within the organisation in its processes, business models, competitive advantage and critical projects run by the organisations. Business process automation as well which forms part of change management enables organisations to adapt quickly to the ever-changing environment.

Where change management is not well handled, it has the capability of causing a strain on an organisation's resources, inefficiency and even stagnated growth. Change management if well handled will enable employees to adapt to the ever-increasing change in the current and future economies and fit into the ever-changing roles. ◆

UGANDA ACCOUNTANCY QUALIFICATIONS FRAMEWORK

Interview with John Bosco Ntangaare – ICPAU's Director Education

1. **What is the Uganda Accountancy Qualifications Framework (UAQF)?**

   UAQF is a framework that shows how accountancy education and qualifications relate. The Accountants Act, 2013 requires the Council of ICPAU to advise regulators of educational institutions on the curricular for accountancy-related courses.

   National Council for Higher Education (NCHE) put in place the Uganda Higher Education Qualifications Framework which is a normative instrument designed to show how different higher educational qualifications relate to each other. The Uganda Accountancy Qualifications Framework is an appendix of the Uganda Higher Education Qualification Framework (UHEQF).

   The Institute of Certified Public Accountants of Uganda (ICPAU) embarked on the journey of developing the Uganda Accountancy Qualifications Framework in 2018. A stakeholder validation workshop was held on Friday, 16 December 2022, convened by the National Council for Higher Education (NCHE). The comments raised by stakeholders were incorporated into the drafted framework and submitted to National Council for Higher Education which later approved the Uganda Accountancy Qualifications Framework (UAQF) in March 2023.

   The purpose of UAQF is to standardise the process through which individuals in Uganda can learn, train and obtain accountancy qualifications. It also helps in providing progression pathways and shows the different levels of accountancy qualification.
   The framework also helps to provide a basis for assessment, recognition and equating of foreign accountancy qualifications and shows how different accountancy courses relate to each other.

2. **Who benefits from the UAQF?**
Aspiring accountants, ICPAU students, ICPAU, and employers, among other stakeholders.

3. **How is the Uganda Accountancy Qualifications Framework relevant to aspiring accountants?**
It assists students in identifying progression pathways suitable for their chosen career paths. The UAQF helps students to make informed decisions about the accountancy qualifications to pursue.

The framework also shows how different accountancy courses relate to each other. It brings clarity for someone offering the CPA course to know what it is equivalent to in the other education system. For example, if one has completed level one, they will know that the diploma for the other higher education system takes two years to accomplish and yet with CPA one needs only one year to have a qualification equivalent to a diploma.

4. **Why should employers be keen on the UAQF?**
The framework helps employers to equate accountancy qualifications appropriately. The employers will know what the CPA qualification is equivalent to. It provides guidance on the equivalence of the ICPAU courses in comparison with other accountancy qualifications.

It will guide employers on where to place the CPAs at different levels in the workplace environment. Some employers were assuming more weight on other qualifications and underrating the CPA qualification.

The framework builds trust between employees and employers towards the accountancy qualifications given that the holders' levels of competence and expertise are clearly streamlined.

5. **From the framework, how does CPA(U) compare with other accountancy qualifications?**
CPA(U) is equated to the postgraduate diploma because the master's degree imparts other important skills such as research skills, that one needs to acquire from studying the master's degree.

6. **How about ATD? Based on the UAQF, how does it compare with other diploma courses?**
Holders of the Accounting Technicians Diploma or any Institute of Certified Public Accountants of Uganda accredited diplomas are deemed to have covered Level 1 of the CPA Course. The learner at this level applies knowledge and skills of basic accounting concepts to financial statements by providing useful information for business evaluation and decision-making.

A holder of the Accounting Technicians Diploma communicates effectively in business and employment. He/she is able to apply basic Mathematics and statistical techniques in the business and organisational environment.

An ATD holder also understands how the economy functions and suggests practical solutions to the economic problems. He/she can apply basic knowledge of Cost and Management accounting.

7. **How does the Uganda Accountancy Qualification Framework apply in foreign countries?**
Uganda Accountancy Qualification Framework only applies to accountancy qualifications acquired in Uganda but considers the equation of foreign qualifications. When one goes to another country, they are subjected to the terms of that country unless they have a mutual agreement on recognising each other's qualifications. Each country trains their own human resources to protect/guard their country's jobs and can only employ someone if they have special skills.

Since the UAQF is an appendix of the UHEQF, in case a foreign organisation inquires from NCHE what CPA(U) is equivalent to, the NCHE will authoritatively as custodians of the higher education say this person has completed level one is equivalent to higher diploma. It is only NCHE that has the mandate to equate anyone's qualification in case they are from outside Uganda.

The Uganda Accountancy Qualification Framework applies to all accountancy qualifications obtained within and outside Uganda. It provides for recognition of prior learning and shows an increasing complexity of learning achievements, responsibility and autonomy conferred upon the learners.

The Director Education was interviewed by Ms Jackline Nabirye, Communications Officer - ICPAU ◆

UGANDA ACCOUNTANCY QUALIFICATIONS FRAMEWORK

FROM THE REGULATOR

By Reverand Cyrus Ssebugenyi – Head of Standards and Qualification NCHE

1. Why was the UAQF developed?

The Uganda Accountancy Qualification Framework was developed to help anchor the accountancy qualification within the general Uganda Higher Education Qualification Framework. This helps an individual with an accountancy qualification to know on what level they are equated to in the Uganda National Higher Qualification Framework.

The UAQF was developed to equate Foreign Accountancy Qualifications (FAQs) to the Ugandan education standards and therefore makes it easy to interpret foreign accountancy qualifications within the Uganda context. It helps to map the Uganda education system on the global education framework and relate the accountancy profession with the general framework of qualifications and know how it relates with other qualifications.

2. What contributions do you envisage from the framework, regarding accountancy education in Uganda?

The framework will help better match accountancy qualifications with the Uganda Higher Education Framework. The Uganda Accountancy Qualifications Framework will contribute to the coherent, transparent and more integrated accountancy qualification system.

Students with accounting qualifications will easily access job opportunities in the employment industry since employers will know how to equate the ICPAU qualifications. The framework helps employers to equate accountancy qualifications appropriately. The framework offers a more comprehensive picture of the qualifications landscape hence promoting the use of

The Uganda Accountancy Qualifications Framework will enable students from other qualifications join the accountancy profession. Since the framework elaborately indicates at which level the ICPAU qualifications are rated, students will easily be encouraged to join the accountancy profession. The framework will promote recognition and validation of all qualifications.

The framework will promote accreditation of accountancy programs and open up progression routes to learners. The framework acts as a reference point for identifying, documenting, assessing and recognising learning outcomes acquired in the ICPAU courses attained. It will help students to progress within the profession. The framework will enable learners and trainers/tuition providers to be guided and to facilitate them in identifying appropriate learning pathways.

The UAQF will also enable policymakers and social partners to identify gaps in the existing accountancy qualifications thus taking an active role in the renewal of qualifications and change in curricula.

Accountancy qualifications will become more relevant to societal and labour market needs. Students with accredited accountancy programs will easily access jobs. The students will also ably exit the accountancy profession into other professions since both qualifications are rated on the Uganda Higher Education Framework and the Uganda Accountancy Qualification Framework.

Compiled by Jackline Nabirye- Communications Officer ICPAU

By CPA Ambrose Kariyo Mugisha,
Head of Education & Training, ICPAU

PET: HOW TO DOCUMENT YOUR EXPERIENCE

Practical Experience Training (also known as PET) is when a CPA Associate or student undertakes real-life work of a financial, business and/or commercial nature with an organisation. The knowledge, skills and experience gained as part of practical training are invaluable in giving the trainee the opportunity to put what he or she has learned through the Certified Public Accountants (CPA) course into practice.

The graduate of PET is armed with professional competence and professional skills and values necessary for performing a role of a professional accountant. You will be able to hit the global market with all the confidence desired.

According to Section 5 (2) of the Accountants Act, 2013, a person shall be eligible for full membership of the Institute if he or she passes the qualifying examinations conducted by the examinations board and completes the practical training prescribed by the Council.

Benefits

Practical experience training provides aspiring CPAs with the opportunity to:

a) Apply the technical knowledge gained during their CPA course studies.

b) Develop business awareness skills.

c) Exercise professional judgement.

d) Develop strong oral, written communication and presentation skills.

e) Accept progressively higher levels of responsibilities in an organisation.

f) Compete globally with other professional accountants.

How much time should one spend on this training?

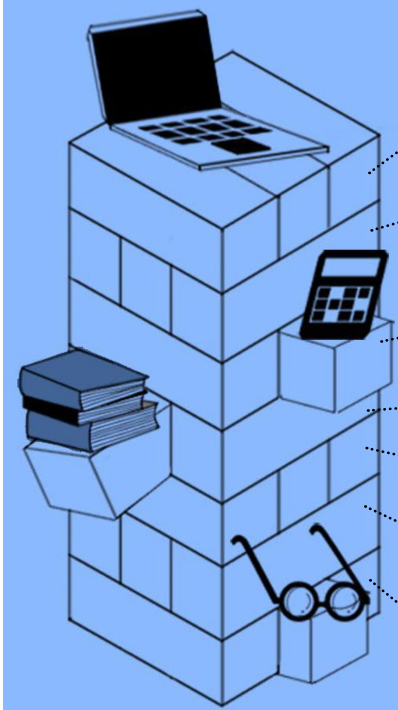
The Accountants Regulations, 2016 require a minimum period of three years of PET.

The good news is that the three-year period of practical training may be acquired before, during or after exam qualification.

Please note that, if you already have related experience, it can be documented at any time of choice before applying for ICPAU membership.

Required Competences

Aspiring CPAs must demonstrate their competence in both technical and non-technical areas.



Technical Skills:

An individual is required to obtain technical competencies in at least three of the following technical fields as summarised below:

a) Financial Accounting including execution of accounting process, applying accounting standards, preparing reports in accordance with the requirements and policies.

b) Audit and Assurance such as planning the audit process, and implementing audit procedures. This can apply to both external and internal audits.

c) Taxation such as analysis of tax profiles, computation of different tax heads, preparation and filing of tax returns.

d) Financial Management such as developing financial strategy, participation in financial operations and risks.

e) Management Accounting such as participating in budgeting and budgetary controls, planning and monitoring performance.

f) Insolvency Practice such as planning and assessing insolvency engagements, and participating in strategies for business rescue and recovery.

g) Information Technology such as applying appropriate information systems and tools to business and accounting problems, assisting to assess accounting information systems and develop the accounting information systems strategies.

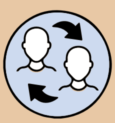
Non-Technical Skills:

These are generally soft skills.

Aspiring CPAs are required to obtain suitable practical training in all of the following non-technical fields below:

a) Communication skills, which include communicating ideas and information effectively and efficiently, identifying and meeting needs of internal and external stakeholders.

b) Professional skills and behaviour such as managing personal time effectively, acting ethically, and conveying a professional image.



c) Interpersonal and organisational skills such as working well with others, demonstrating leadership, planning and monitoring activities, solving problems, proposing solutions, and making decisions.

Please note that, where experience is obtained in a field where the competencies have not been defined as indicated, it is the responsibility of the supervisor/mentor to agree on a set of benchmarks with the Institute, and may be considered.

Supervisor/Employer/Mentor

Students and associates are responsible for finding their own supervisors/employment.

The supervisor will act as a professional role model expected to exhibit a high level of professionalism at all times. The supervisor should be a member of the Institute. He or she has the responsibility of directing, advising and assisting trainees in acquiring sufficient practical training. It should be noted that, the supervisor/mentor can be different from the administrative supervisor at your formal employer.

The organisation/employer is expected to offer trainees the breadth and depth of training and work experience and the appropriate professional environment in which to develop the competencies required to become Certified Public Accountants.

The supervisor ensures that:

a) The aspiring CPA is able to seek guidance and advice on matters relating to their practical training.

b) Practical training is properly monitored, guided and verified.

What happens when the organisation providing PET opportunities does not have a member of the Institute?

Such an organisation may be engaging external auditors and is advised that students/associates contact the auditor for mentorship, otherwise an arrangement is made with your employer to agree on any other member.

How do you register to document practical experience on the ICPAU portal?

Log into the portal to access your account/page using your student ID number and password. A statement in a link can be checked that 'you are eligible for practical experience training'.

Click the link. At this stage, guidelines on PET appear. Ensure you read and confirm that you understand the guidelines.

Apply/register. During registration, the system will also require you to submit the membership number of the supervisor. Once approved, you should be able to access the logbook in which the experience can be regularly recorded.

Recording Practical Experience in a Logbook

The logbook has various fields in which to document your experience as earlier indicated on the skills needed.

It is important to ensure that a comprehensive and continuous record of all practical training is kept/saved on the portal. The mentor will be able to access your logbook when he or she logs in as a member.

It is the responsibility of the trainee to regularly remind the mentor of the progress so that the experience can be reviewed.

In the next article, we will discuss the role of the employer/supervisor/mentor, and tips to record and review of experience among other related issues.

I wish you a smooth journey towards professionalism!

By CPA Ronald Mutumba,
Managing Partner,
Mutumba Mukobe and Associates (Certified Public Accountants)

INSOLVENCY PRACTICE IN UGANDA

The first law on Insolvency in Uganda was passed by Parliament in 2011 through the enactment of the Insolvency Act (Act 14 of 2011) and later the Insolvency Regulations of 2013. Prior to the enactment of the Insolvency Act and Regulations, Uganda lacked any comprehensive legal framework aimed at addressing Corporate Insolvency.

Today, the Insolvency Act and Regulations provide corporate bodies that have declared insolvency with mechanisms aimed at rescuing the business from its inability to pay its debts. Some of these mechanisms are aimed at enabling the company to pay its debts in order to continue being operational, while others are aimed at enabling the company to pay its debts so it can safely be shut down or de-registered.

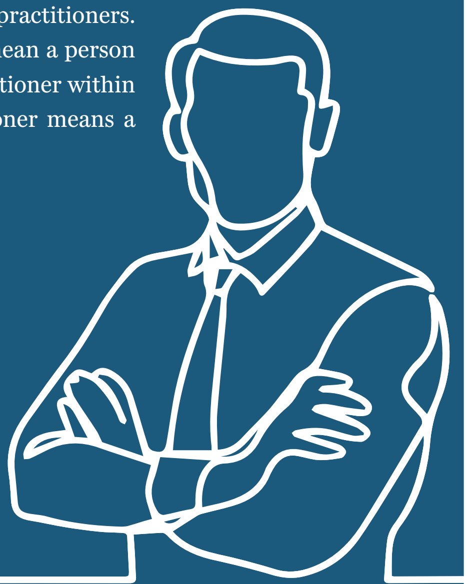
Insolvency is defined as bankruptcy under Section 2 of the Insolvency Act. The Insolvency Regulations 2013 further define insolvency to mean as the case may be;

- a bankrupt,
- a company in administration,
- or a company in liquidation.

Simply put, a company can be said to be insolvent if it has insufficient assets to discharge its debts and liabilities.

Persons allowed to practise insolvency in Uganda are known as insolvency practitioners. The Insolvency Act under Section 2 defines an insolvency practitioner to mean a person who is not an official receiver who is qualified to act as an Insolvency Practitioner within the meaning of section 203; which provides that "an Insolvency practitioner means a person who acts as:-

- a receiver,
- a provisional administrator,
- an administrator,
- a provisional liquidator,
- a liquidator,
- a proposed supervisor of a voluntary arrangement,
- a supervisor of a voluntary arrangement
- or a trustee in bankruptcy".



For one to qualify to be an insolvency practitioner in Uganda, he or she should either be a lawyer, an accountant or a chartered secretary who is a registered member of the relevant professional body or is a registered member of any other professional body as the minister may prescribe per Section 204(1) of the Act. It is important to note that the Act prohibits certain classes of persons from becoming insolvency practitioners under subsection 2 of the provision.

The Act avails corporate bodies that are insolvent with mechanisms to handle their inability to pay their debts. These mechanisms include;

a) Liquidation which is the process by which a company's assets are liquidated and the company closed, or deregistered. Liquidation can be by the court order, voluntarily by the members of the company or the creditors and lastly it can be subject to the supervision of court.

b) Provisional administration and Administration which is an insolvency process by which a company is placed under the control of an insolvency practitioner known as an administrator to enable them achieve objectives laid down by the statute.

c) Receivership which is a remedy available to a secured creditor to recover amounts outstanding under a secured loan in the event that the company defaults on the loan. It is used as a debt collecting tool. A receiver is appointed under debenture deed that creates security over the Company assets or appointed by the court. The right to appoint a receiver must be clearly provided for under debenture deed.

Once a corporate body has been declared insolvent and any of the corporate rescue mechanisms employed, the insolvency practitioner will be expected to pay the company's creditors in the order of hierarchy as provided under the Act.

Preferential debts provided for under section 12 of the Act shall have priority over all other debts. Preferential debts shall so far as the assets are insufficient to meet them, have priority over the claims of secured creditors in respect of assets.

Preferential debts as listed in the Act should be paid in the order of priority in which they are listed.

First to be paid shall be as below;

a) Remuneration and expenses properly incurred by the liquidator or trustee;

b) Any receiver's or provisional administrator's indemnity and any remuneration and expenses properly incurred by any receiver, liquidator, provisional liquidator administrator, proposed supervisor or supervisor; and

c) The reasonable costs of any person who petitioned court for a liquidation or bankruptcy order, including the reasonable costs of any person appearing on the petition whose costs are allowed by the court.

After making the payments listed above next to be paid shall be;

a) All wages or basic salary, wholly earned or earned in part by way of commission for four months;

b) All amounts due in respect of any compensation or liability for compensation under the Worker's Compensation Act, accrued before the commencement of the liquidation or bankruptcy, not exceeding the prescribed amount;

After paying the sums above, the liquidator shall then pay;

(a) The amount of any tax withheld and not paid over to the Uganda Revenue Authority for 12 months prior to the commencement of insolvency.

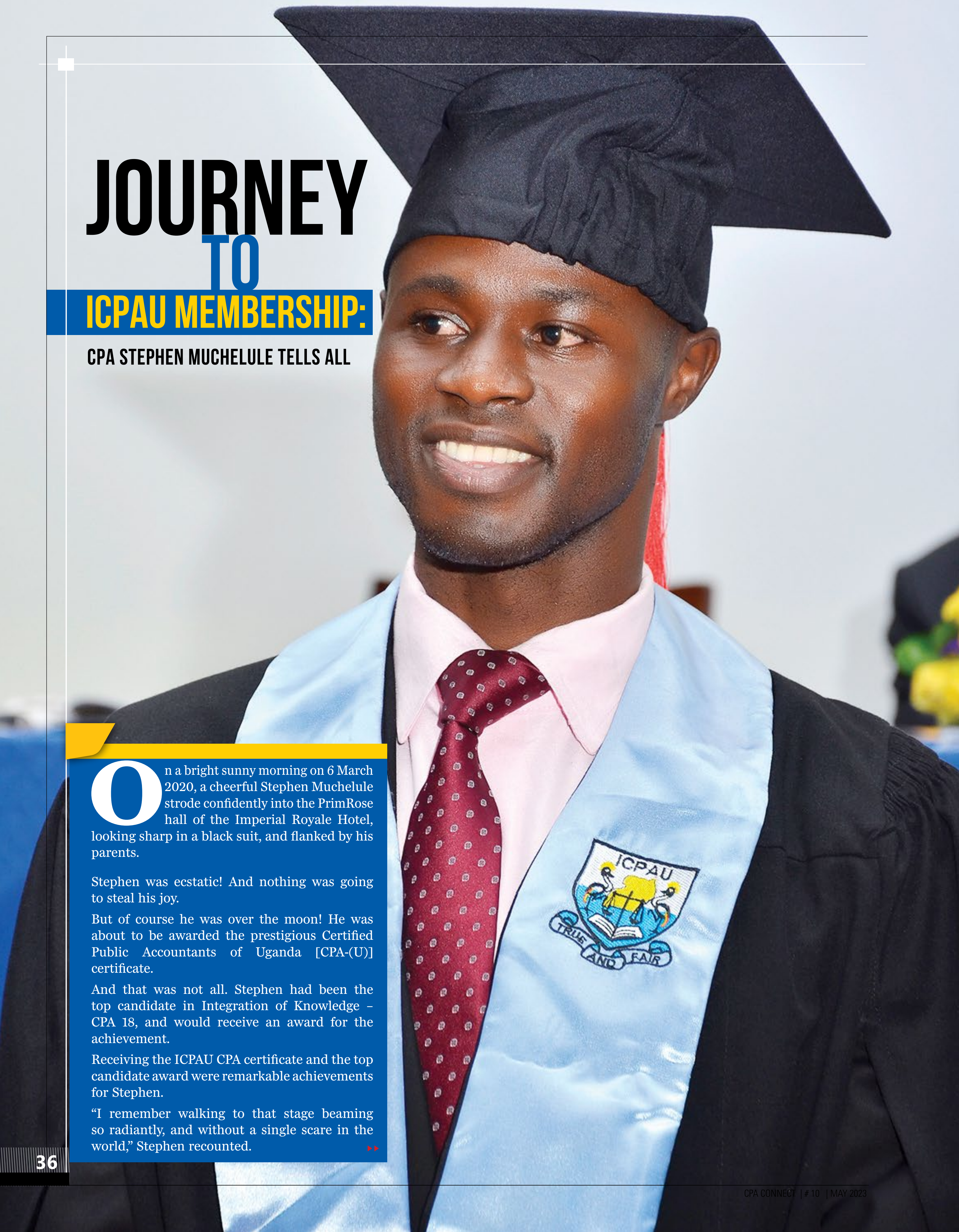
(b) Contributions payable under the National Social Security Fund Act.

After paying preferential debts, the liquidator or trustee shall apply the assets in satisfaction of all other claims. Debts by secured creditors will come second and claims by unsecured creditors will come third after the preferential debts.

These claims shall rank equally among themselves and shall be paid in full unless the assets are insufficient to meet them, in which case they abate in equal proportions.

Both secured and unsecured creditors will be required to deliver to the liquidator or trustee written notice of any debt secured by a charge over any asset, including particulars of the asset subject to the charge and the amount secured or unsecured; as soon as practicable after public notice has been given of the liquidation or bankruptcy.

In summary, the Insolvency Act and its attendant regulations aim at serving the interests of all stakeholders because the collapse of any company due to financial distress affects the entire range of stakeholders of the company.



JOURNEY TO ICPAU MEMBERSHIP:

CPA STEPHEN MUCHELULE TELLS ALL

On a bright sunny morning on 6 March 2020, a cheerful Stephen Muchelule strode confidently into the PrimRose hall of the Imperial Royale Hotel, looking sharp in a black suit, and flanked by his parents.

Stephen was ecstatic! And nothing was going to steal his joy.

But of course he was over the moon! He was about to be awarded the prestigious Certified Public Accountants of Uganda [CPA-(U)] certificate.

And that was not all. Stephen had been the top candidate in Integration of Knowledge – CPA 18, and would receive an award for the achievement.

Receiving the ICPAU CPA certificate and the top candidate award were remarkable achievements for Stephen.

"I remember walking to that stage beaming so radiantly, and without a single scare in the world," Stephen recounted. ▸▸

Fast forward to 6 April 2020, Stephen's profile changed. He had added a title to his name and would henceforth be known as CPA Stephen Muchelule, having been admitted as a full member of ICPAU.

But how did he get here? Was it as easy as ABC? Perhaps some stumbling blocks along the way?

He shares his journey to ICPAU membership;

The inspiration

My story is an interesting one. I did not set out to be an accountant from childhood. My uncle was a Statistician, and so were several cousins, so I picked an interest in numbers through my interaction with them.

At Advanced Level (A-level) I studied Physics, Economics and Mathematics (PEM) and emerged the best in Economics in the country.

With my early interaction with Mathematicians, combined with excellent performance in Economics, I thought to myself, "Accounting might not be such a bad idea after all (he chuckles)."

Long story short, I enrolled for the Bachelor of Commerce at Makerere University. It was sealed! A career in accountancy was now in full sight.

CPA?

While at Makerere, there was a lot of sensitisation around the relevance of professional accountancy education.

I recall my lecturer mentioned to us several times that we would only have successful accountancy qualifications if we had professional accountancy careers, and without the professional qualification, we would have to settle for entry-level positions.

Impact of CPA

The difference between the Bachelor's and CPA was significant. Not only is CPA practical and rich in content, but it enhanced my analytical abilities. There is plenty of truth in the statement that CPAs are strategic business leaders. CPA brought out the analytic and skeptic in me. It gave me knowledge and skills that quickly propelled me into higher roles in my career. I find that I am not only an accountant, but also an advisor to my employer and colleagues.

Enrolling for ICPAU membership

I applied for ICPAU membership soon after completing CPA and was enrolled about one month after graduation.

I am an ambitious person who likes to be prepared whenever opportunity knocks, therefore, I wasted no time in applying for membership because I knew the benefits were enormous.

I was conversant with Section 34 of the Accountants Act 2013 which stated that Heads of finance, accounts and Internal audit in public and private sector interest entities had to be members of ICPAU.

Reaping the Benefits of Membership

I got involved in more challenging tasks and also rose in the hierarchy in the Internal Audit department until I became the Key Person for the Internal Audit Function in February 2022.

Further still, the joy registered when I became a member of the Internal Audit Panel of ICPAU (2022 to 2024) was peerless.

As a member of ICPAU, I also benefit from Continuing Professional Development and networking opportunities. ICPAU events are known to attract thousands of CPAs from across the region. Discounted rates for ICPAU events and a strong profile with the CPA designation before my name are other benefits. Furthermore, the high expectations that members of the public have of CPAs inspires me to continuously enhance my competence and safeguard the reputation of the profession and my own.

Tips for Passing CPA Exams

There are no shortcuts. Candidates should prepare early and adequately. The business of starting to read one week to the exams can be catastrophic.

Candidates should study the syllabus and understand the content and learning outcomes for each paper.

It is also important to blend study and revision modes, that is, studying at a training institution, combined with private study or considering group discussions.

The future of accountancy

Technology is advancing fast. The future CPA is one who embraces and leverages new technologies like data analytics, among others to improve their advisory roles to their employers and businesses.

Outside of accounting

I like networking with other professional colleagues, so I am involved in investment clubs and am currently looking forward to joining Rotary Club.

Reading Inspirational materials has also not spared Stephen and I am currently reading the Novel titled *'Laws of Human Nature,'* a book I got as a gift from the Institute of Chartered Accountants of Scotland.

CPA Stephen Muchelule is the Senior Internal Auditor at Statewide Insurance Company (SWICO). He has eight years of experience in the insurance sector, working in both accounts and internal audit departments. He is also an Associate Consultant of the CPA course at Uganda Management Institute and KKH. He holds a Certified Public Accountants of Uganda [CPA (U)] certificate, a Bachelor of Commerce of Makerere University, and he is pursuing a Master of Business Administration of Amity University, Certified Internal Auditor and the Certified Tax Advisor (CTA) courses. Stephen is a member of the Institute of Certified Public Accountants of Uganda and the Institute of Internal Auditors (IIA). He is also member of the Internal Audit panel of ICPAU, Chairman of Real Savings Investment Club and Treasurer of the Sure Savings and Credit Co-operative Society.

TECH-SAVVINESS IS KEY FOR PRACTISING ACCOUNTANTS

- KALINDA AND ASSOCIATES

CPA Kalinda Gonzaga Joseph

CPA Kakande Christopher

1. **Tell us about Kalinda & Associates. What does the firm do? How big is the team? What services do you offer?**

Kalinda & Associates is a professional services accounting firm registered and licensed by the Institute of Certified Public Accountants of Uganda to offer all accounting services since June 2017. It started as a sole practice and now a partnership firm, with CPA Kalinda Gonzaga Joseph as the Managing Partner and CPA Kakande Christopher as the other partner. The firm is located in Kisaasi, Midland Complex on Kisaasi-Bahai Road. We are registered tax agents. We are also prequalified by Bank of Uganda for audit of forex bureaus, prequalified by the Insurance Regulatory Authority for audit of insurance players, and prequalified by the Office of the Auditor General and the Ministry of Trade and Industry for the audit of SACCOs.

The firm offers a variety of accounting services including Audit and Assurance, Tax Consultancy and Advisory Services, Business Advisory, Anti Money laundering audits, Tax and Business Training Services as well as Book keeping services.

We currently have a team of seven (7) staff plus the 2 partners.

2. **Why does the country need accounting firms and practising accountants?**

Accounting firms and practising accountants provide a wide range of benefits to businesses:

- Providing professional business advice in terms of recommending best business practices such as which products to concentrate on, which markets work, sector/ departmental performances. This improves revenue collection.
- Accounting firms also help businesses to improve their internal controls which reduces losses and improves performance and hence higher taxes paid.
- They advise businesses and the government on matters of compliance with laws and regulations such as tax, environmental, and regulatory compliance.
- Accounting firms assist businesses in sourcing and also advising on cheaper capital sources. Audited accounts are a prerequisite for funders of businesses.
- Firms help to measure business performance both internally and externally in form of trends analysis, market contributions and positions. Accountants contribute directly to the country's budgeting process.
- Advising entities during times of business restructuring, mergers and acquisitions by proposing best structural types, business valuation etc.
- The firms and their practising accountants are a contributor to the country's tax and economic policy reviews, recommendations and reforms through their advice on monetary and fiscal policies.
- Firms help businesses to get advice regarding their tax matters such as accurate computation of taxes, objections, tax representation, tax audits and appeals.

3. **What do you envisage the role of accounting firms and practising accountants to be in the next five years?**

The world is changing fast and the role of the accountant is evolving. Accountants, therefore, need to be the future-fit accountants to remain relevant;

- Utilisation of digitisation, automation and artificial intelligence for decision making and business growth.
- Ensuring efficient and effective processes and workflows within an organisation.
- Leading strategically to facilitate change and influence decisions in the organisation. Accountants to aim for the top leadership positions.
- Update internal and external stakeholders about the value in the organisation, opportunities and challenges.
- Professional objectivity and living to the fundamental principles.
- Protection of organisational reputation through effective governance and control.

Part of the team at Kalinda and Associates

4. **What do you look out for while recruiting the audit team?**

Our tests on staff while recruiting revolve around 5 major factors below;

- Technological knowledge; staff must be aware of the use of accounting software, Microsoft Office packages as well as audit software, and or ready to learn the same to save time spent on assignments.
- Integrity is key. Our integrity checks are a must, prior to the physical interviews.
- Collaboration and teamwork. Our interview questions must include scenarios that test whether the prospective staff is able to work with others, delegate and or consult where possible.
- We search for effective communicators both orally and in writing.
- Problem-solving skills and innovation.

5. **What have you done to ensure that human capital serves the best interests of the firm?**

- Effective training of staff through internal and external Continuing ProfessionL Development trainings.
- Making sure staff are aware of and also contribute towards the firm vision and mission.
- Staff are made to sign independence and confidentiality statements every year.
- Effectively engaging staff to read and be up to date with the staff rules and regulations.
- Ethical principles are reviewed and taught to staff every year.
- Frequent performance evaluations to test individual contributions towards work.
- Having a reward mechanism based on output rather than presence.

6. **How does one prepare oneself for a career in public practice?**

Public practice is a term used to describe accountancy firms that are operated by individuals in sole proprietorships or groups of individuals in partnerships. In simple terms, this means starting an audit firm. One needs to consider a number of aspects before choosing this career path.

The Audit team in Hoima after visiting one of the clients

- Whether you have the required experience in conducting external audits, especially at a senior level for at least a period of 3 years as required by the Accountancy Practice Regulations.
- Consider whether you will work alone (sole practitioner) or in partnership and identify individuals who are professional and have similar career goals and ambitions.
- Assess your core competences and determine whether your offering of services and experience in the areas you want to specialise in will make you break through to the market, and be able to survive and grow.
- Consider your source of financing for the initial expenses such as office operations, literature requirements, licensing requirements and day-to-day operations. It is advisable to have a budget and assume no income in the first year, whether the firm and the owners will be able to sail through with ease.
- Have a proper marketing strategy that you feel will enable people to accept your service offerings and become your clients. It is better to have at least a five year strategic plan for the firm.
- Consider the ethical requirements of the profession as your guiding areas such as integrity, objectivity, confidentiality, competence and professional behaviour so as not to be caught on the wrong side for disciplinary action.

7. **What makes an excellent practising accountant?**

- Should value personal and professional integrity. Integrity is everything.
- Great communication skills, being able to explain complex concepts in an easy to understand term or way.
- Strong work ethic. Being able to meet deadlines many times working for longer hours, from various locations.
- Paying close attention to details. Accountants are always skeptical in their work life.
- Being tech-savvy. Accountants work with various accounting software as well as audit software. However, there are also CRM software and apps that come up from time to time which auditors should be ready to embrace. With AI, remote audits are the talk of town.
- Being trustworthy and reliable. You should handle work carefully and also complete tasks.
- Being adaptable. Many times accountants work in stressful environments and changing terrain. Great accountants adapt easily to changes in legislation, technology and work environments.
- Time management. Accounting work is governed by deadlines. Therefore there is need to manage your time well to meet deadlines. But also time management in case of meetings with clients and stakeholders is key.

8. **How are the International Standards on Quality Management relevant to accounting firms?**

ISQM guide audit firms to review their quality control systems and determine the risks that impact audit quality with reference to guidance in the following areas;

- Help firms commit to quality as a firm culture for quality recognition and enforcement.
- Define roles, responsibilities and accountability of leadership, including qualifications required and undertaking performance evaluations.
- Define the importance of quality in the firm's strategic decisions in relation to financial and operation priorities.
- Assert the firm's role in serving public interest by always performing quality engagements

This interview was compiled by Ms Caroline Nassuuna, Communication intern - ICPAU

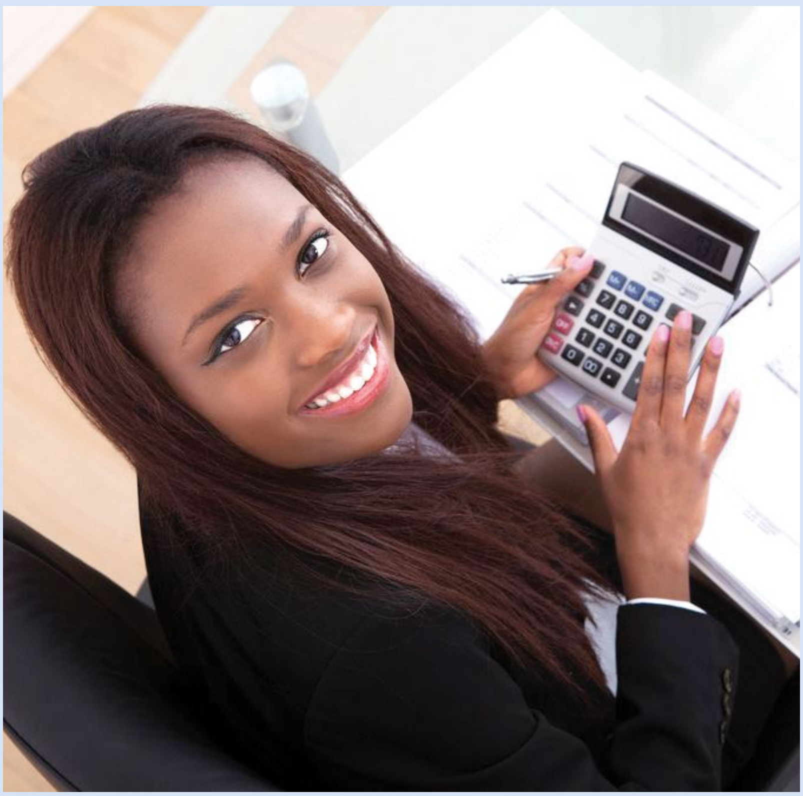
By CPA Elizabeth Kaheru & CPA Lydia Nankabirwa,
Technical Officers, ICPAU


WHAT YOU SHOULD KNOW ABOUT SUSTAINABILITY REPORTING

Corporate Reporting → …. is evolving to provide a broader overview of the entity →

- Holistic: understanding of the business, strategies, risks, financial effects, contributions to the SDGs
- Perspective: long-term sustainability

→ Integrated reporting
=
Financial information
+
other non-financial information including sustainability information

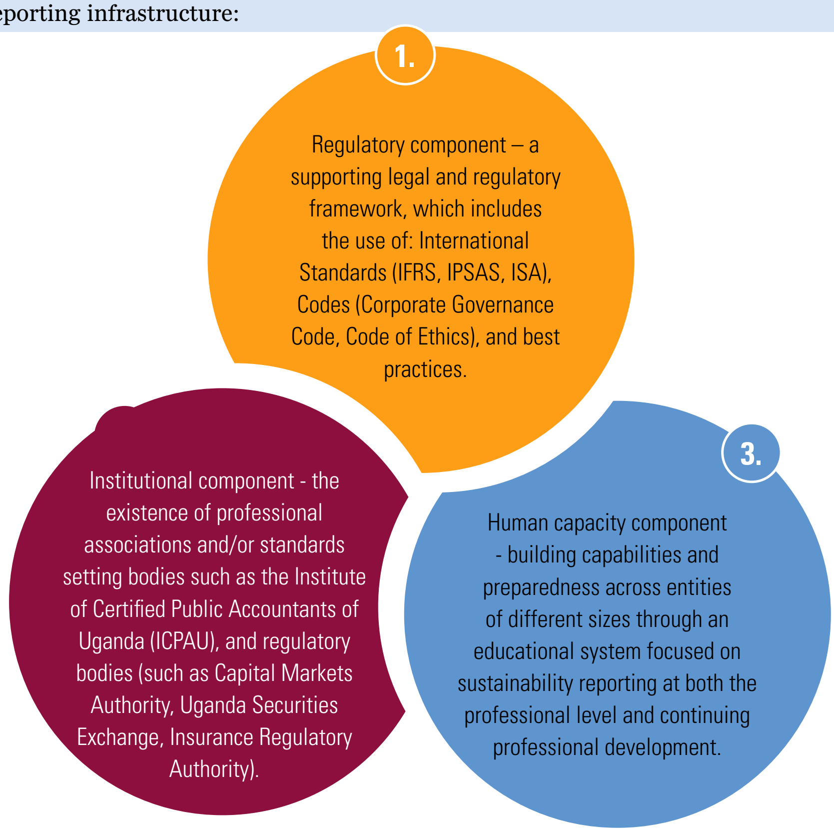


Sustainability reporting broadly refers to the disclosure and communication of an entity's environmental, social, economic and governance impacts. The information is communicated through a document called an annual report. An annual report means a document that contains the audited financial statements and other information relevant to the understanding of the nature, objectives, performance and results of an entity during a reporting period. Financial and non-financial information is integrated within this single document.

A sustainability report is now regarded as a key element of the annual report and examines how other non-financial aspects contribute to or influence an entity's value creation process. Sustainability reporting gives an overview of an entity's economic, environmental and social impacts, and allows the annual report user to get a complete picture of its activities and impact.

Components that support sustainability reporting

The African Regional Partnership (ARP), a partnership established with the support of UNCTAD to promote harmonisation and improvement of sustainability reporting and SDG reporting in Africa, identified three components that support the sustainability reporting infrastructure:



Presently, sustainability reporting initiatives exist in silos and are non-existent in many sectors, with businesses more concerned with immediate profitability without recourse to socio-environmental consequences. There is also a lack of uniformity in the reporting practices among entities. This could be attributed to different sustainability-related reporting frameworks in existence currently and the lack of knowledge/ awareness of these frameworks.

The most commonly used frameworks at present are:

a) The Global Reporting Initiative (GRI) standards. The GRI developed the first corporate sustainability reporting framework. These Standards have been accepted globally, and a large percentage of entities (including some in Uganda) report on their sustainability impacts using the GRI Standards. This is because they are dedicated to providing information to as many stakeholders as possible, cover a wide range of information, and provide a flexible framework for companies regardless of their size.

b) Recommendations of the Taskforce on Climate-related Financial Disclosures (TCFD).

c) Integrated Reporting (IR) Framework, following guidelines created by the International Integrated Reporting Committee (IIRC).

d) Standards issued by the Sustainability Accounting Standards Board (SASB). These are aimed at the disclosure of material sustainability information for investors in mandatory filings and aim at identifying material sustainability factors, which are likely to impact the financial performance of an entity.

In Uganda, voluntary disclosure of sustainability information by entities has been encouraged through the annual Financial Reporting (FiRe) Awards held to reward excellence in corporate reporting. This is because there are no requirements yet by the Accounting Standards for the inclusion of disclosures in the Financial Statements.

However, with the establishment of the International Sustainability Standards Board (ISSB) under the

[1] United Nations Conference on Trade and Development

International Financial Reporting Standards (IFRS) Foundation and ICPAU's statutory mandate to develop or adopt standards in this regard, the Institute will collaborate with the Foundation and subsequently adopt sustainability standards issued by ISSB. Therefore, we expect uniformity in sustainability reporting practices of entities in Uganda going forward. The ISSB will deliver a global baseline of sustainability disclosures to meet capital markets needs.

The bottom line is that the sustainability report should be prepared using an established sustainability reporting framework.

Disclosure of sustainability issues in corporate reporting

Sustainability reports are presented in a variety of forms, including as corporate social responsibility (CSR) reports; health and safety reports; or environmental and community reports all integrated into the annual reports.

A preparer may disclose sustainability information and data in the annual report or in a separate sustainability report. The reporting period should be in alignment with the same financial period.

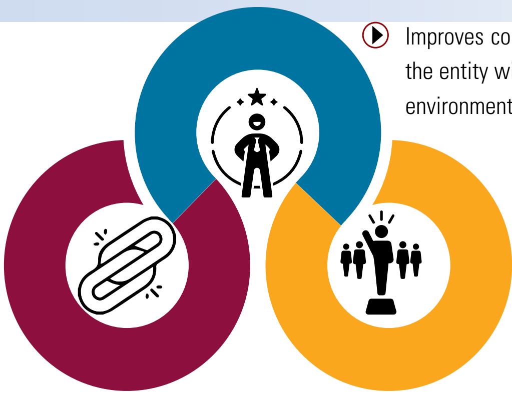
The report provides a detailed account of an entity's sustainability performance for the period, with a focus on four indicators: economic, environmental, social and governance/institutional issues. Examples of disclosures are:

- Economic indicators such as revenue, value added statement, taxes paid, green investment, community investment, research and development, and procurement practices detailing the entity's competitive positioning and value creation process.
- The environmental indicators such as resource use efficiency - water, energy and paper, renewable energy, waste management practices, and greenhouse gas emissions management show the impact of an organisation on the environment. Reporting on climate change has become one of the most important issues in sustainability reporting.
- Social focus areas deal with how the entity manages its relationships with stakeholders such as employees, suppliers and customers. Disclosures here include training and development expenditure, employee health and safety, equity, gender and diversity issues, employee well-being and human rights, community engagement and support of social issues, and supply chain oversight.
- Governance/institutional indicators report on the internal systems and processes an organisation uses to govern itself. Disclosures include the number of board meetings and attendance, leadership diversity, number of audit committee meetings and attendance, board and executive remuneration, ethical considerations and regulatory compliance.

Why is sustainability reporting important and useful for an organisation?

It is important for organisations to have a strong focus on sustainability reporting, and with dedicated teams because it enables the organisation to measure, understand and assess its performance.

Sustainability reporting;



- Improves corporate confidence and reputation, as the entity will be seen to be committed to ethical, environmental and social causes.
- Strengthens an entity's long-term strategy, thereby increasing value creation.
- Demonstrates leadership, as sustainability reports can be useful tools in supporting decision-making.

Sustainability is a growing concern for organisations, regardless of whether they have a high or low impact on the environment. Therefore, organisations should adopt sustainability reports to inform stakeholders about their sustainability initiatives. This allows stakeholders to better understand the organisation's strategy and support the Board and management in the smooth implementation of these strategies.

By CPA Hillary Akuku,
Head of Internal Audit Steel and Tube Industries, Audit Partner at HACF Partners Certified Public Accountants

PREPARATION AND PRESENTATION OF FINANCIAL STATEMENTS

In most jurisdictions, the structure and content of financial statements are defined by local law, for example in Uganda you need to comply with the Companies Act, 2012 during the preparation of financial statements. International Accounting Standards (IAS) are however, designed to work in any jurisdiction and possess their own set of requirements for presentation of financial statements. This is provided in IAS 1: Presentation of Financial Statements.

Objective of financial statements

General purpose financial statements are aimed at providing information about the financial position, financial performance, and cash flows of an entity that is useful to a wide range of users in making economic decisions. To meet that objective, financial statements provide information about an entity's:

- assets
- liabilities
- equity
- income and expenses, including gains and losses
- contributions by and distributions to owners (in their capacity as owners)
- cash flows.

That information, along with other information in the notes, assists users of financial statements in predicting the entity's future cash flows and, in particular, their timing and certainty.

A complete set of financial statements comprises:

a) a statement of financial position

b) either; a statement of comprehensive income, or – an income statement plus a statement showing other comprehensive income

c) a statement of changes in equity

d) a statement of cash flows

e) notes, comprising a summary of significant accounting policies and other explanatory notes.

f) comparative information prescribed by the standard.

IAS 1 does not require the above titles to be used by companies. It is likely that many companies will continue using the previous terms of balance sheet rather than statement of financial position and cash flow statement rather than statement of cash flows.

Identification of financial statements

An entity shall clearly identify the financial statements and distinguish them from other information in the same published document.

An entity shall clearly identify each financial statement and the notes. An entity shall display the following information prominently, and repeat it when necessary for the information presented to be understandable:

- the name of the reporting entity or other means of identification, and any change in that information from the end of the preceding reporting period;
- whether the financial statements are of the individual entity or a group of entities;
- the date of the end of the reporting period or the period covered by the set of financial statements or notes;
- the presentation currency, as defined in IAS 21 The Effects of Foreign Exchange Rates; and
- the level of precision used in presenting amounts in the financial statements. (e.g. thousands, millions)

Statement of financial position

Current and non-current classification

An entity must normally present a classified statement of financial position, separating current and non-current assets and liabilities, unless presentation based on liquidity provides information that is reliable. In either case, if an asset (liability) category combines amounts that will be received (settled) after 12 months with assets (liabilities) that will be received (settled) within 12 months, note disclosure is required that separates the longer-term amounts from the 12-month amounts.

Current assets are assets that are:

- expected to be realised in the entity's normal operating cycle
- held primarily for the purpose of trading
- expected to be realised within 12 months after the reporting period
- cash and cash equivalents (unless restricted).

All other assets are non-current.

Current liabilities are those:

- expected to be settled within the entity's normal operating cycle
- held for purpose of trading
- due to be settled within 12 months
- for which the entity does not have the right at the end of the reporting period to defer settlement beyond 12 months.

Other liabilities are non-current.

When a long-term debt is expected to be refinanced under an existing loan facility, and the entity has the discretion to do so, the debt is classified as non-current, even if the liability would otherwise be due within 12 months.

If a liability has become payable on demand because an entity has breached an undertaking under a long-term loan agreement on or before the reporting date, the liability is current, even if the lender has agreed, after the reporting date and before the authorisation of the financial statements for issue, not to demand payment as a consequence of the breach. However, the liability is classified as non-current if the lender agreed by the reporting date to provide a period of grace ending at least 12 months after the end of the reporting period, within which the entity can rectify the breach and during which the lender cannot demand immediate repayment.

Settlement by the issue of equity instruments does not impact classification.

Statement of changes in equity

The statement of changes in equity provides a summary of all changes in equity arising from transactions with owners in their capacity as owners.

The statement must show:

- total comprehensive income for the period, showing separately, amounts attributable to owners of the parent and to non-controlling interests
- the effects of any retrospective application of accounting policies or restatements made in accordance with IAS 8, separately for each component of other comprehensive income
- reconciliations between the carrying amounts at the beginning and the end of the period for each component of equity, separately disclosing:
    - profit or loss
    - other comprehensive income
    - transactions with owners, showing separately, contributions by and distributions to owners and changes in ownership interests in subsidiaries that do not result in a loss of control

An analysis of other comprehensive income by item is required to be presented either in the statement or in the notes.

The following amounts may also be presented on the face of the statement of changes in equity, or they may be presented in the notes:

- amount of dividends recognised as distributions
- the related amount per share.

Statement of comprehensive income

Total comprehensive income is the realised profit or loss for the period, plus other comprehensive income.

Other comprehensive income is income and expenses that are not recognised in profit or loss (i.e. they are recorded in reserves rather than as an element of the realised profit for the period).

IAS 1 allows a choice of two presentations of comprehensive income:

1. A statement of comprehensive income showing total comprehensive income , or
2. An income statement showing the realised profit or loss for the period PLUS a statement showing other comprehensive income

The Other Comprehensive Income (OCI) section is required to present line items which are classified by their nature, and grouped between those items that will or will not be reclassified to profit and loss in subsequent periods.

An entity's share of OCI of equity-accounted associates and joint ventures is presented in aggregate as single line items based on whether or not it will subsequently be reclassified to profit or loss.

ILLUSTRATION:

The following trial balance has been extracted from the books of Mukasa as at 31 March 2022:

	UGX'000	UGX'000
Accounts office rent	98	
Audit fee	22	
Salaries	150	
Irrecoverable debts	27	
General administration	125	
General distribution	23	
Storage costs	110	
Advertising	40	
Share capital (all ordinary shares of Shs1 each)		270
Share premium		80
Revaluation reserve		20
Dividend	27	
Cash at bank and in hand	3	
Receivables	233	
Noncurrent asset investments	280	
Interest paid	25	

	UGX'000	UGX'000
Dividends received		15
Interest received		1
Land and buildings at cost (land 100, buildings 100)	200	
Land and buildings: accumulated depreciation		30
Plant and machinery at cost	400	
Plant and machinery: accumulated depreciation		170
Retained earnings account (at 1 April 2021)		235
Purchases	1,210	
Sales		2,165
Inventory at 1 April 2021	140	
Trade payables		27
Bank loan		100
	3,133	3,133

Additional information

1. Inventory at 31 March 2022 had a cost of UGX 85,000.
2. Depreciation for the year to 31 March 2022 is to be charged against cost of sales as follows:
   Buildings 5% on cost (straight line)
   Plant and machinery 30% on carrying value (CV) (reducing balance)
3. Income tax of UGX165,000 is to be provided for the year to 31 March 2022. A dividend of 10c per share was paid. The loan is repayable in five years.
4. Noncurrent asset investments are to be revalued up by UGX100,000
5. Salaries are to be apportioned equally between cost of sales, administration expenses and distribution costs.

Prepare the statement of comprehensive income, statement of changes in equity and statement of financial position for year ended 31 March 2022.

Statement of comprehensive income for the year ended 31 March 2022

Revenue	2,165
Cost of sales (W1)	(1,389)
Gross profit	776
Administration (W1)	(295)
Distribution (W1)	(250)
Operating profit	231
Finance cost	(25)
Interest receivable	1
Investment income	15
Profit before tax	222
Income tax expense	(165)
Profit for the year	57
Other comprehensive income	
Gain on property revaluation	100
Total comprehensive income for the year	**157**

Statement of financial position as at 31 March 2022

	UGX'000
Non¬current assets:	
Property, plant and equipment (W2)	326
Investment (280 + 100)	380
Current assets:	
Inventory	85
Receivables	233
Bank	3
	321
	1,027
Equity and Liabilities	
Capital and Reserves:	
Share capital	270
Share premium	80
Revaluation reserve	120
Retained earnings	265
	735
Noncurrent liabilities	100
Current liabilities ($27 + $165)	192
	1,027

Equity and Liabilities	
Capital and Reserves:	
Share capital	270
Share premium	80
Revaluation reserve	120
Retained earnings	265
	735
Noncurrent liabilities	100
Current liabilities ($27 + $165)	192
	1,027

Statement of changes in equity

	Share Capital UGX'000	**Share Premium UGX'000**	**Revaluation reserve UGX'000**	**Retained earnings UGX'000**	**Total equity UGX'000**
B/f	270	80	20	235	605
Total comprehensive income		-	100	57	157
For the year					
Dividends					(27)
C/f	**270**	**80**	**120**	**265**	**735**

Workings			
(W1) Costs	Cost of sales	Distribution	Admin
	UGX'000	UGX'000	UGX'000
Accounts office rent			98
Audit fee			22
Salaries	50	50	50
Irrecoverable debts		27	
General administration			125
General distribution		23	
Distribution centre		110	
Advertising		40	
Purchase	1,210		
Opening inventory	140		
Closing inventory	(85)		
Depreciation			
(5% × 100) + (400 – 170) × 30%	74	-	-
Total	**1,389**	**250**	**295**
(W2) Tangible non¬current assets			

	Land and buildings	**Plant and machinery**	**Total**
	UGX'000	**UGX'000**	**UGX'000**
CV b/f	170	230	400
Depreciation charge	(5)	(69)	(74)
CV C/F	165	161	326

Fair presentation and compliance with IFRSs

The financial statements shall present fairly the financial position, financial performance and cash flows of the entity. An entity whose financial statements comply with IFRSs shall make an explicit and unreserved statement of such compliance in the notes.

IAS 1 acknowledges that, in extremely rare circumstances, management may conclude that compliance with an IFRS requirement would be so misleading that it would conflict with the objective of financial statements set out in the Framework. In such a case, the entity is required to depart from the IFRS requirement, with detailed disclosure of the nature, reasons, and impact of the departure.

Going concern

When preparing financial statements, management shall make an assessment of an entity's ability to continue as a going concern. An entity shall prepare financial statements on a going concern basis unless management either intends to liquidate the entity or to cease trading, or has no realistic alternative but to do so. When management is aware, in making its assessment of the entity's ability to continue as a going concern, of material uncertainties related to events or conditions that may cast significant doubt upon the entity's ability to continue as a going concern, the entity shall disclose those uncertainties.

When an entity does not prepare financial statements on a going concern basis, it shall disclose that fact, together with the basis on which the financial statements are prepared and the reason why the entity is not regarded as a going concern.

Accrual basis of accounting

An entity shall prepare its financial statements, except for cash flow information, using the accrual basis of accounting.

Materiality and aggregation

An entity shall present separately each material class of similar items

Offsetting

An entity shall not offset assets and liabilities unless required or permitted by an IFRS. Where an entity undertakes, in the course of its ordinary activities, transactions that do not generate revenue but that are incidental to its main revenue-generating activities, it presents the results of such transactions by netting any income with the related expenses arising on the same transaction, when such presentation reflects the substance of the transaction or other event.

Consistency of presentation

The presentation and classification of items in the financial statements shall be retained from one period to the next unless a change is justified either by a change in circumstances or a requirement of a new IFRS.

Frequency of reporting

There is a presumption that financial statements will be prepared at least annually. If the annual reporting period changes and financial statements are prepared for a different period, the entity must disclose the reason for the change and state that amounts are not entirely comparable.

Comparative information

Except when IFRSs permit or require otherwise, an entity shall disclose comparative information in respect of the previous period for all amounts reported in the current period's financial statements. An entity shall include comparative information for narrative and descriptive information when it is relevant to an understanding of the current period's financial statements. When the entity changes the presentation or classification of items in its financial statements, the entity shall reclassify comparative amounts, unless reclassification is impracticable.

An entity is required to present at least two of each of the following primary financial statements:

- statement of financial position
- statement of profit or loss and other comprehensive income
- separate statements of profit or loss (where presented)
- statement of cash flows

- statement of changes in equity
- related notes for each of the above items.

A third statement of financial position is required to be presented if the entity retrospectively applies an accounting policy, restates items, or reclassifies items, and those adjustments had a material effect on the information in the statement of financial position at the beginning of the comparative period.

By CPA Noor Nakato,
Technical Officer, ICPAU

ISLAMIC FINANCE EXPLAINED

It is true that Islamic finance is named after the religion of Islam and that some of the world's largest Islamic finance industries are domiciled in Muslim-majority countries like Saudi Arabia, Kuwait, United Arab Emirates, Qatar, Bahrain, Oman, and Malaysia. What is false, however, is that the industry is closed to those who do not profess the Islamic faith. The evidence of this is the existence of active and large-scale Islamic finance industries in Muslim-minority jurisdictions like the United States of America, the United Kingdom, Ireland, Italy, and sub-Saharan Africa.

The Islamic financial system allows for the exchange of funds between lenders, investors and borrowers in a way that meets the requirements of Islamic law (Shariah). Naturally, transactions that involve the payment or receipt of interest (riba), excessive uncertainty (gharar), and gambling (maisir) are prohibited by Islamic law. This prohibition also extends to involvement in sinful businesses such as prostitution, intoxicants, pornography, and the like.

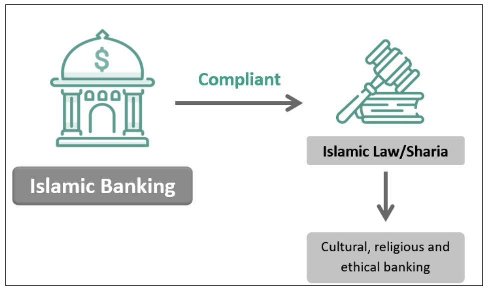
THE ISLAMIC FINANCIAL ENVIRONMENT

Like its conventional counterpart, the Islamic financial system comprises banking and non-banking institutions as well as financial markets. Banking institutions include Islamic commercial banks, Islamic microfinance deposit-taking institutions, Islamic credit institutions, Islamic SACCOs, and Islamic payment systems. Takaful (Islamic Insurance) institutions, Islamic Pension Funds, Islamic Capital Markets, and Islamic Money Markets make up the non-banking institutions.

Islamic banking business

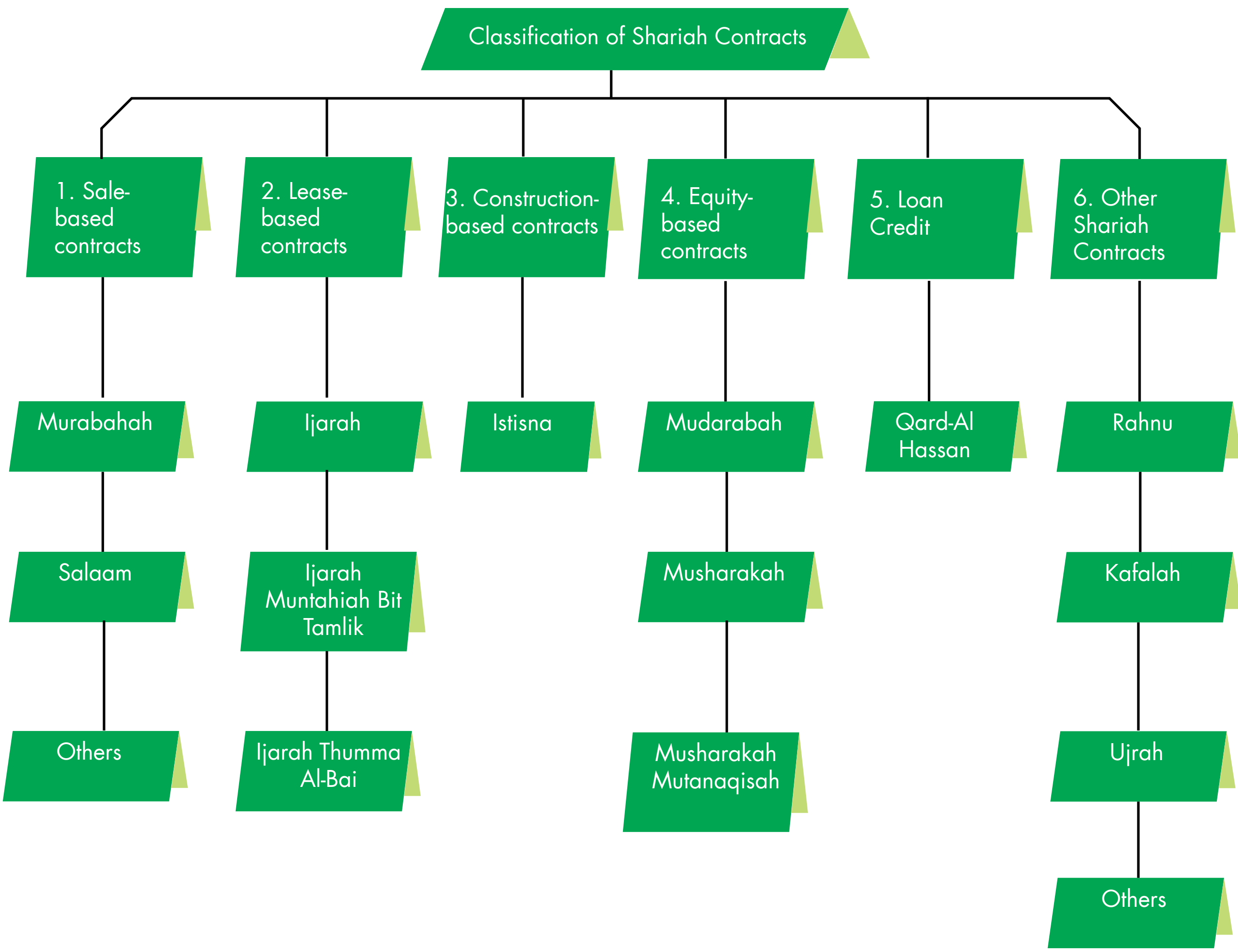
The conventional banking system treats money as a commodity that is lent to borrowers against interest as its compensation. Under this system, loans are extended to borrowers at a fee known as interest. Depositors in a conventional bank also receive interest on their deposits.

Islam, however, views money as merely a medium of exchange and not a commodity in itself. As such, loans and customer deposits in an Islamic bank do not accrue interest because it is prohibited to pay and receive interest on such borrowings.



However, unlike interest, profit is permissible in Islam. The difference is that interest is a return from trading in money while profit is the return earned from trading and renting assets as well as business participation on a profit and loss basis. Islamic banking institutions, therefore, provide financing by entering into shariah-compliant contracts with their customers like cost-plus-markup financing (Murabaha), lease-based financing (Ijarah), partnership financing (Musharaka), interest-free loan financing (Qard-Al-Hassan), and equity financing (Mudharaba).

These are illustrated in the figure below:

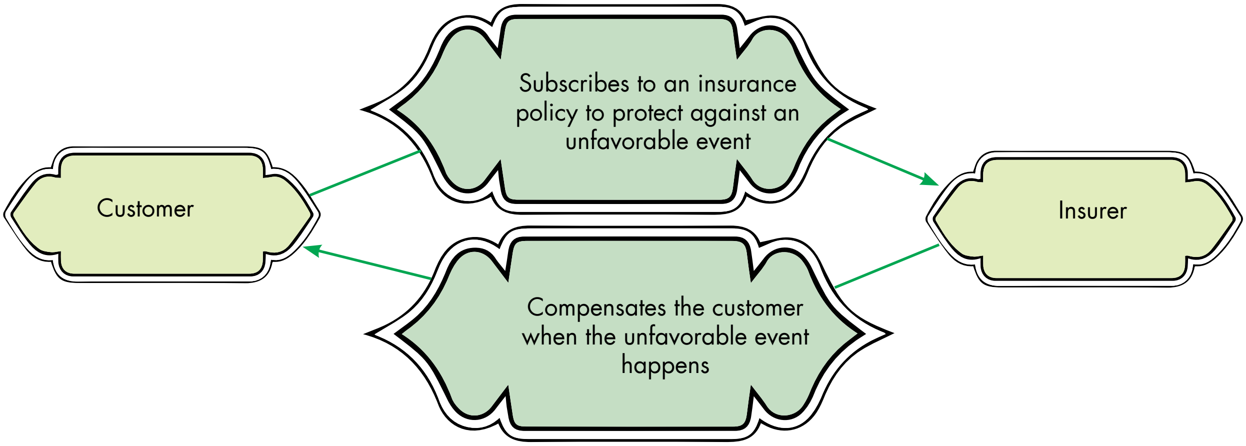


The ICPAU Financial Reporting Guidance for Islamic Banking Institutions (see www.icpau.co.ug) provides additional information on Islamic Banking.

ISLAMIC NON-BANKING BUSINESS

Islamic insurance (takaful)

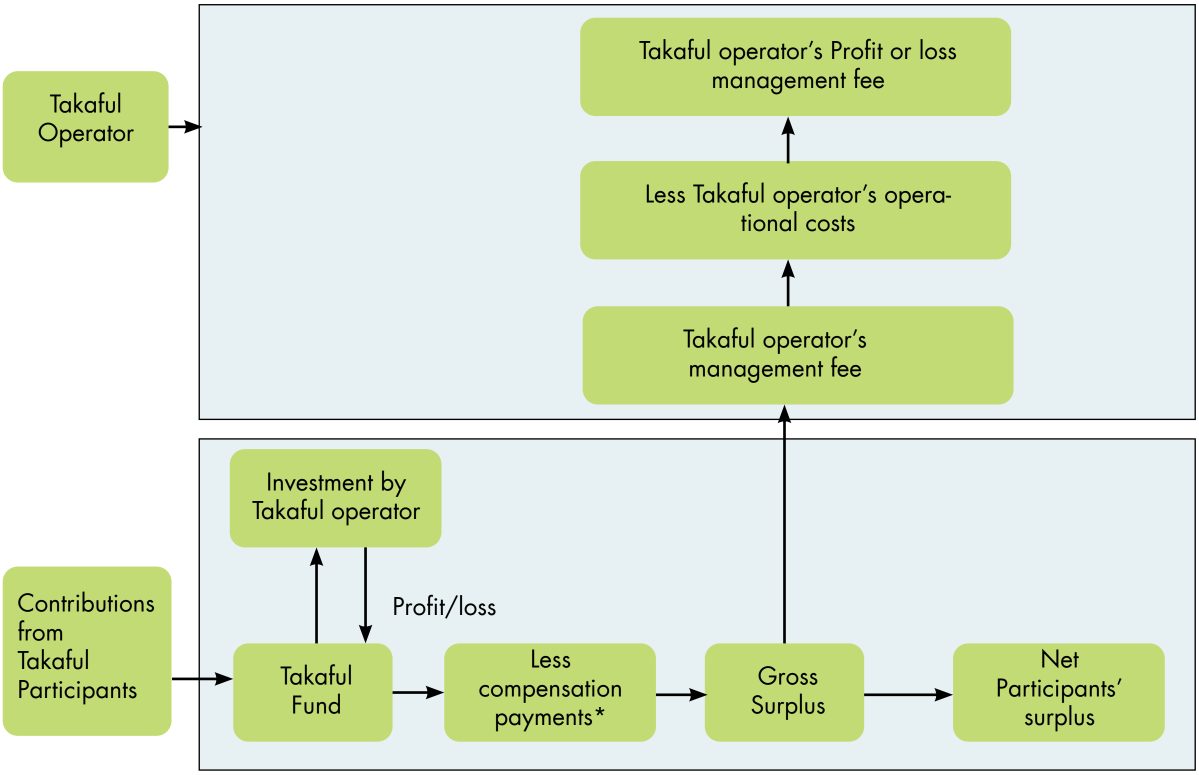
In conventional insurance, a customer (the policyholder) pays premiums to an insurance company (the insurer) to transfer to the insurer the risk arising from the occurrence of a future unfavourable event (the insured event). If the unfavourable event does not occur, the unused premiums are retained by the insurer and the policyholder has no claim on the same. If the unfavourable event occurs, the policyholder receives compensation, which is usually not equal to the premiums paid. The subject matter of a conventional insurance contract is usually uncertain until the unfavourable event has occurred. Also, the probability of occurrence of the unfavourable event is usually a gamble. All these characteristics render conventional insurance contradictory to the spirit of Islamic law (Shariah).



Takaful is the Islamically acceptable approach to insurance. A takaful operator sets up a takaful fund and invites participants to contribute to it. The participants undertake to contribute to a takaful fund and to indemnify each other against an agreed-upon unfavourable event in the spirit of mutual assistance. The takaful fund is managed by a takaful operator/insurer at a management fee that is determined based on one or more of the shariah contracts illustrated earlier in this article. The takaful funds are recorded and managed separately from the takaful operator's capital and reserves. As the fund manager, the takaful operator is required to grow the fund by participating in shariah-compliant investments. The profits or losses generated from these investments are channeled back into the takaful fund.

If the insured unfavourable event occurs, compensation payments are made to the affected participant(s) from the takaful fund. At the end of the insurance period, the surplus in the takaful fund may be distributed to the participants or adjusted against the contribution due in future periods.

In takaful, therefore, the unused premiums are owned by the participants and not the takaful operator/insurer, as illustrated in the example below:



* If the compensations payable exceed the amount available in the takaful fund, the takaful operator is required to extend an interest-free loan (Qard) to the fund, equal to the amount of the deficit. Such a loan is recoverable from future surpluses of the fund, as per the agreed terms and conditions.

The ICPAU Financial Reporting Guidance for Takaful Operators provides additional details on takaful.

Islamic Money Markets and Islamic Capital Markets

In a typical capitalist economy like Uganda's, financial markets exist to provide avenues for the sale and purchase of assets such as bonds, stocks, foreign exchange, and derivatives between Surplus Spending Units (SSU) and Deficit Spending Units (DSU).

SSUs are units that have excess cash such as households through savings, pension funds, insurance companies, and non-financial companies; while DSUs are units that need money to put it to productive use, such as companies, and governments that required financing for infrastructure investments and operating expenses. Businesses and investors go to financial markets to raise money to grow their businesses and make more money.

Financial markets are categorised into money markets and capital markets. Money markets are financial markets wherein assets of short-term maturity and open-ended funds are traded between institutions and traders. Capital markets, on the other hand, are financial markets that allow for the trading of funding instruments such as shares, debentures, debt instruments, and bonds between individuals, firms, and governments. The securities exchanged in a capital market are typically long-term investments with a maturity period of more than a year. On the other hand, short-term investments with a maturity period of less than a year are usually traded in the money market.

The purchase and sale of financial instruments in Islamic Money Markets and Islamic Capital Markets is generally permitted by Islamic law. However, to achieve shariah compliance, avoid trading in financial instruments of companies involved in prohibited activities such as gambling, and other sinful business activities as detailed earlier in this article.

Papers 7, 8, 12, and 15 of the 2023 CPA Syllabus require students to demonstrate an understanding and appreciation of the characteristics and components of an Islamic financial system, as well as the distinction between Islamic and conventional modes of finance. The highlights presented in this article will help students to achieve this objective, and make them more relevant in the modern financial services space.

By Joan Abaasa,
Communications Intern – ICPAU

ICPAU TO ROLL OUT COMPUTER-BASED EXAMINATIONS

Computer-based tests became prevalent during COVID-19, and institutions which could examine via online means had an advantage. The Institute of Certified Public Accountants of Uganda (ICPAU) has introduced computer-based examinations starting with those for Integration of Knowledge – Paper 18, in May 2023.

The intention is to test the computer skills of the students and also reduce examination malpractice.

"In general, we want students to improve their computer skills by enhancing their usage of the fundamental software applications," said CPA Charles Byaruhanga the Examinations Manager.

Students will congregate in designated areas for easy supervision, and there will be no internet access throughout the examinations. Candidates will be tested for their knowledge of Microsoft Office applications such as spreadsheets, word processors, PowerPoint, and Portable Document Format (PDF). The time allocated for the exam is four hours. Previously, it was six hours in the old curriculum.

The Institute has also made arrangements for technicians to be on the ground to assist candidates with technical matters. Backup computers will be provided.

To prepare candidates for the exams, ICPAU will share a mock exam with the candidates, at least two days before the actual exams. This is aimed at enabling candidates to familiarise themselves with how to write computer-based examinations. ICPAU has also engaged students and tuition providers in a webinar to instruct them on what to do through a model exam.

Candidates are encouraged to prepare for the modifications by practising early.

GAZETTING THE ACCOUNTANTS (EXAMINATIONS) RULES, 2022

In accordance with Section 16 of the Accountants Act, 2023, the Public Accountants Examinations Board (PAEB) issues rules to guide the conduct of students and other stakeholders during the examinations of the Institute of Certified Public Accountants of Uganda (ICPAU). The rules were established in 1997 and amended along the way, with the most recent amendments approved on 2 June 2022. On 15 July 2022, the Accountants (Examinations) Rules, 2022 were published in the Uganda Gazette.

A CPA Connect writer interacted with ICPAU's Manager – Examinations, CPA Charles Bahakwonka Byaruhanga about the impact of gazetting the Accountants (Examinations) Rules.

Q. Why do we need the Accountants (Examinations) Rules?

Like any other institution of study, rules and regulations are pre-eminent. The Accountants (Examinations) Rules are the dos and don'ts that govern what accountants should and should not do while undertaking examinations.

When you break the rules, there are consequences and we discourage people from examination malpractice.

Q. What constitutes the Accountants (Examinations) Rules?

Among other, the rules comprise instructions with reference to: the award of certificates, student registration, invigilation of examinations, exemption, syllabi, conduction examinations, examinations centres, emergency situations, special needs candidates, examinations malpractices, examinations results, examinations setting, and penalties.

Q.Is there a Code of ethics for students?

Yes, a student must comply with the Code of Ethics as prescribed in Schedule 1 of the Rules.

The reliance of the public on sound financial information provided by accountants imposes an obligation on Certified Public Accountants (CPAs) and aspiring CPAs to uphold high professional standards.

The Code of Ethics for students is based on the principles of integrity, objectivity, professional competence and due care, confidentiality, and professional behavior.

Q. What is the significance of having the Accountants (Examinations) Rules gazetted?

The Uganda Gazette is an official publication of the Government of Uganda. It is accessible to the public. Communications to the public are made effective by publication in the Gazette.

Therefore, the publication of the Accountants (Examinations) Rules in the Gazette makes them authoritative and binding for students and the stakeholders who are involved in the Institute's examinations process. This implies that students and stakeholders should take the examinations rules seriously because the penalties are binding.

Q. For how long does the gazetting apply?

There is not a definite answer since the rules change. For example, once a law changes, then an updated version is issued. When revising these rules and regulations, only a few of them constitute change while others remain binding. These changes are only made to cater to the changing environment.

Q. How often are accountants Examinations Rules reviewed or updated?

The gazetted rules and regulations are made by PAEB and therefore if there are no new developments or missing information, then there is no need for reviews. This means that they can apply for a long period.

Q. How should students conduct themselves during an ICPAU examination?

Students ought to carry themselves with the utmost integrity. They should conduct themselves professionally and responsibly. I urge students to:

Be prepared. Make sure to review all of the material covered in class and in the study materials, understand the concepts and apply them to various scenarios.

Be punctual. Arrive early at the examinations venue so that you have time to settle in and prepare yourself mentally.

Follow instructions. Carefully read all instructions provided by the examiner before starting the exam. If you are unsure about any instructions, ask for clarification.

Stay focused. Avoid distractions such as phones or talking with other students during the exam. Stay focused on the task at hand and manage your time effectively.

Be honest. Do not cheat or plagiarise in any way. Not only is it unethical, but it can also have serious consequences for your academic and professional career.

Q. What measures are in place to prevent and manage exam malpractice and irregularities during the accountant's examinations?

One way would be through transformative approaches, changing the minds of students to see examination malpractice as a bad thing, but of course, that is a long shot.

Therefore, to prevent any form of examination malpractice, we put in place gazetted rules and regulations. Our most reliable tool is the enforcement of the rules.

Invigilation is another tool. There is no any other method that can be equated to it as far as controlling examination practice is concerned, and I wish our invigilators understand its importance in cubbing examination malpractice.

Q. How are special needs candidates accommodated during the accountants' examinations?

Special needs candidates write a submission to the board stating their disability, at least 60 days before the start of the examination session.

The Institute then refers the candidate to a special needs expert for assessment at their own cost. Once the written recommendation for intervention is given to the PAEB, the recommendations for the candidates are effected during the exams.

ICPAU aims to ensure that all candidates are provided with equal opportunities to demonstrate their knowledge and skills at the exam, regardless of any disabilities or special needs.

Q.How can a student access the gazette examination rules?

The Accountants (Examinations) Rules 2022 are published on the ICPAU website www.icpau.co.ug, for all students and the general public.

The Manager - Examinations was interviewed by Joan Abaasa

By CPA Joan Larok,
Team Leader, Magister Training Associates

WORK-LIFE BALANCE OR INTEGRATION?

Work-life balance is the ability to optimally create harmony between your work and private life. Work-life balance is important for individuals to have steadiness on the job and private time in a -manner that facilitates health and personal satisfaction. An individual should achieve professional success without negatively impacting productivity or their health or relationships. You know that you have a work-life balanced life when you can make time for the things you have to do, as well as the things you want to do.

How it started

A simple Google search of work-life balance revealed over 2.9 billion results which indicates that it is something of interest to many. No wonder the Institute of Certified Public Accountants of Uganda (ICPAU) rightly has it here in the 10th edition of the CPA Connect magazine!

The concept of work-life balance dates back to the 1800s manufacturing era, a time when there was a restriction on work hours for women and children.

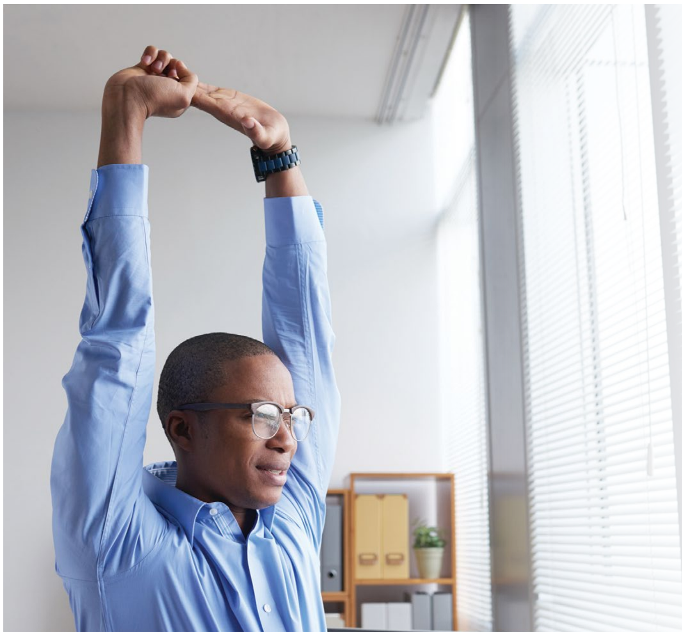
By 1938, the Fair Labor Standards Act established a 44-hour work week, although professionals such as doctors were assumed to be perennially "on call."

The Women's Liberation Movement of the 1980s brought work–life balance back to the forefront. To accommodate women in the workforce, flexible work schedules and maternity leave were popularised. Initially, this concept was only for women, who were expected to hold down careers and continue primary management of the family and home. Soon, these benefits and ideas were expanded to encompass professional men and women. The idea that people would want to have a balance between their professional and personal lives, more flexibility in managing their schedule, and presumptively increase satisfaction from work and life became a key concept in the late 20th century.

What does work-life balance mean for you?

Work-life balance means different things depending on your state or stage in life. For a student, it could mean being able to accomplish your studies while being able to have enough rest, play and time for family and friends. For a student and a worker at the same time, it may mean being able to balance the time for studies, work, family and friends. For one who is a student, a worker and a parent, the balancing requirement increases with more responsibilities that increase the demand for your time. For a doctor, it may mean being able to attend to patients, family, studies, the community, and perhaps be able to take a holiday. For a boda boda rider who may be a teacher, it could mean balancing teaching responsibilities, customer needs, and those of the family and friends. Clearly, work-life balance takes on different modes and requirements as one transcends the different life stages.

Does work-life balance exist?



The big question is: Does work-life balance really exist? Is it possible to achieve an equilibrium between work and your private life?

Previously, there was a clear distinction between when work could start and end. There was night and day. A time to rest and a time to work. The natural setting helped to predict with certainty what time to work and what time to stop. This distinction is now blurred with the advancement in technology.

Technology has eroded the parameters we had in place to distinguish the start and end times for work. Today, you can work anywhere and at any time. You do not need to go to the office to access tools and equipment to facilitate your work. You can access your work on computers, laptops and even on your phone. The ability for work to find you where you are creates the expectation and urgency that work must continue whether you are in the office or not.

The concept of work-life balance, therefore, lies in balancing. For work-life balance to be achieved, the effort of stakeholders should apply. There should be agreement that work must start and stop at a certain point. This is not easy in this era where time is being used to beat competition. As such, the concept of work-life integration is emerging, a concept which acknowledges that work-life balance may be an impossibility.

Work-life integration

Work-life integration means finding a healthy way to allow all the elements of work and life to coexist harmoniously. It is not only the role of employers or human resources to determine this but the employees as well.

Let me share a personal story. When I got a call from ICPAU to write this article on work-life balance, I pondered over the fact that I have been working from home for over three years now and only leave home if I need to meet clients or when I need to do some work for clients at their premises or at an agreed venue. Essentially, I can do most of the work my clients need from home. The day I got the call for an article, I had an appointment to meet an auditor at 11:00 a.m. I needed 3-5 minutes to drive to the venue. Fifteen minutes before the appointment, I got into the car and it failed to start. I knew immediately that I would not make it in time for the meeting. I phoned my husband who said he could drop me at the venue in twenty minutes. I then phoned the auditor, apologised and asked for another 30 minutes. At 11:30 a.m, I was at the venue.

At about 12:30 p.m, I received the call for the article. While in meetings, I normally do not answer calls from unknown numbers. But this time I felt like taking the call. I asked the auditor to excuse me so that I answer the call. I joked that perhaps the call would be the one that pays for their services. He accepted and I took the call. The rest is history. Clearly, my work is not that of work-life balance but rather work-life integration.

What to consider as you navigate the work place

How does the work or career path fulfill the following?

1. Integrate with your personal mission, vision and values.
2. Support flexible work for you to live all through the different life stages.
3. Create a healthy work culture that makes time for factors such as healthy habits, time off, mindfulness and other tools you need to succeed.
4. Support investments in technology that can help you to do your work on the go as you collaborate with others in or out of the office.

LIST OF ICPAU RECOGNISED TUITION PROVIDERS MARCH 2023

No.	Name
1.	Alba Business School Limited
2.	BEAMCO (U) Ltd
3.	Capital College of Accountancy and Management
4.	Destiny International Business Institute
5.	EPATAC Accountancy College Limited - Mbale
6.	Glory Consultants and Professional Trainers Limited
7.	Harvest Traning & Consultancy (U) Ltd
8.	Kabale University

No.	Name
9.	Makerere University
10.	MAT-ABACUS
11.	Multitech Business School
12.	PACTAS (U) Ltd
13.	RMA Resource Center
14.	Sammy Professional Trainers & Consultants
15.	Uganda Christian University - Mbale
16.	Uganda Management Institute
17.	Uganda Martyrs University Main Campus

2023

ICPAU STUDENT SCHOLARSHIP PROGRAMME

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Open to all Bachelor's Degree Programmes

Applications will close on
2nd June 2023

Note: Only Bachelor's Degree holders from public or private Chartered Universities are eligible to apply

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