HOW PUBLIC SECTOR FINANCIAL MANAGEMENT REFORM CAN MITIGATE RISKS IN UNCERTAIN TIMES

CREATIVE THINKING: LEADING YOUR TEAM DURING HARD TIMES

CPA CONNECT

Promoting Professionalism in Accountancy

The Student's Magazine for The Institute of Certified Public Accountants of Uganda (ICPAU)
www.icpau.co.ug

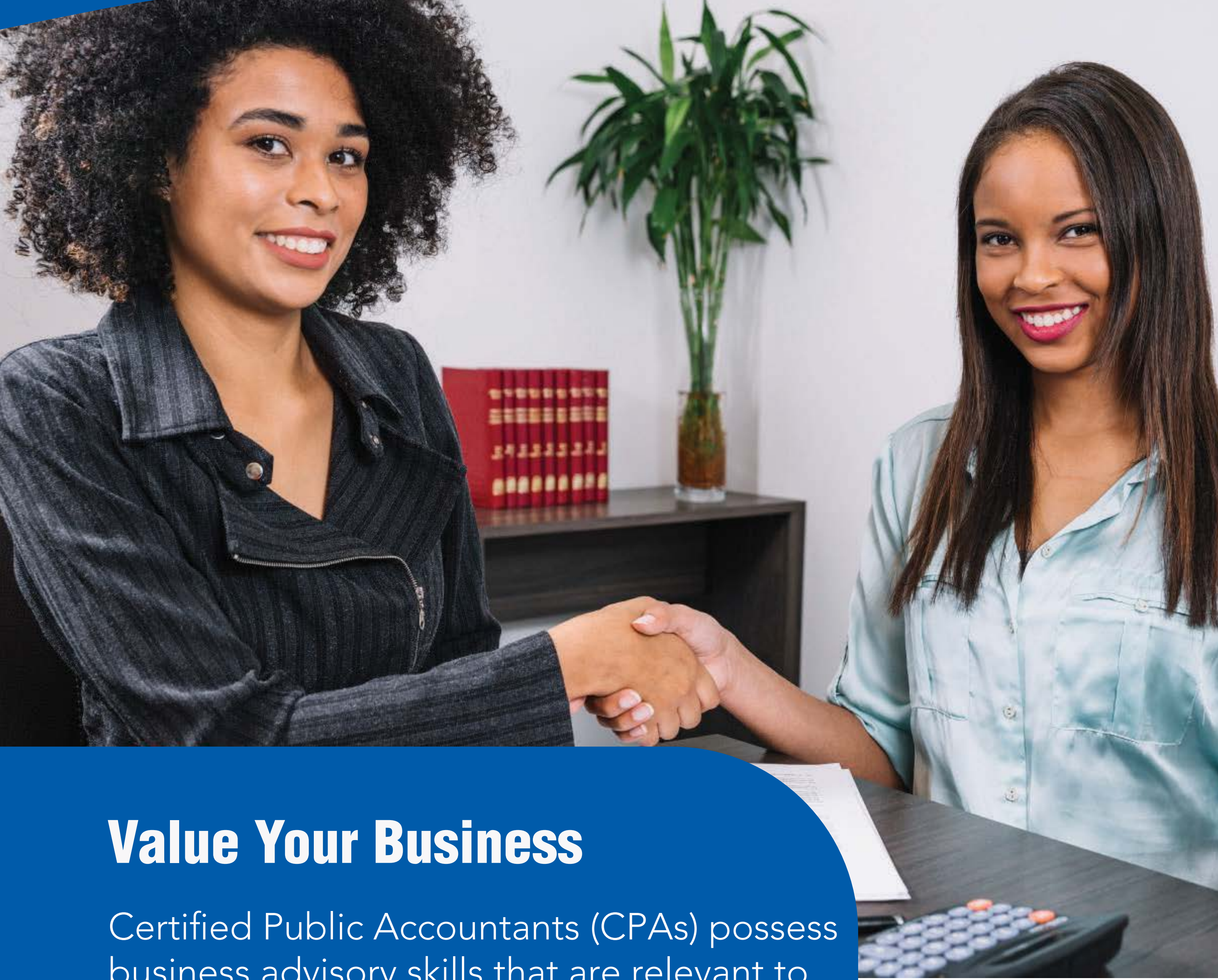
ISSUE 7 - OCTOBER 2020

INSIGHTS INTO THE IFRS FOR SMES

YOUR MENTAL WELL-BEING IS CRUCIAL TO YOUR SUCCESS

COVID- 19 AND THE PREPARATION OF FINANCIAL STATEMENTS- KEY RISKS TO CONSIDER

CPA Uganda



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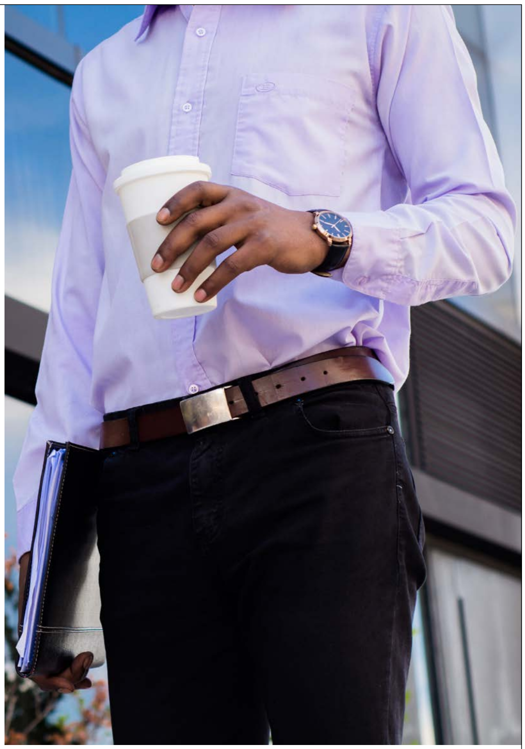


TECHNICAL NOTES FOR STUDENTS

PERSONAL DEVELOPMENT

ACCOUNTANT'S HEALTH GUIDE

CAREER GUIDANCE


There are many ways to embrace success.
But in business, there's one sure step you can take to be a winner.
With a membership of the Institute of Certified Public Accountants of Uganda, you can experience success.

Dear ICPAU Students,

Welcome to the 7th edition of the CPA Connect Magazine.

This is an interesting magazine produced for the benefit of our students and others who desire to learn the fundamentals of accountancy. Please find time and read through. It is for your benefit.

As you are all aware, corona virus disease 2019 (COVID-19) pandemic disrupted our annual work plans. We have kept the Institute running and continued to communicate to you, our stakeholders, through email and social media updates, webinars and students' engagement sessions on the virtual platforms.

As the Institute, we believed that you were duly informed of the goings within the profession and your Country. We have continued to encourage you through various correspondences to make use of the study packs, to keep close ties with your peers through virtual reading groups, to utilize your tutors, in preparation for the examinations.

The examinations dates are now set. If there is no further disruption, the examinations will be attempted in the 3rd week of December 2020.

The COVID-19 pandemic, with all its negative effects had a positive side to it. With lots of time on our hands because of the lockdown and social distancing guidelines, we were able to reflect on how we, as accountants, practise our profession. New technology-based solutions were deployed to reach out to clients and businesses.This is a challenge to students to brace yourselves with creative ways that will enhance your offering to your places of work and communities.

Here are some tips for you, regarding your accountancy journey in this phase of the "new normal":

1. **Today & Tomorrow's Accountant**

   Times have changed,and we must change because of necessity. The future of the accountancy profession is not only about greater understanding of business structures, technology, reliance on advanced analytics in big data and blockchain technologies but it also re-examines our role as accountants to review / re-enact the exact value that we bring to our places of work, the community, and our economy, Uganda.

   Accountancy as a profession has a bright future with various opportunities yet to be harnessed. The future of the profession is promising, and the industry rapidly evolving with the rise of technology. Are you evolving as CPA/ATD/CTA students?

   COVID-19 has made us agile, and many are adapting to flexi working , e-commerce and e-learning through the various platforms like Coursera, Udemy, EdX, and others. Where are you in this?

2. **The Practice Experience Requirements**

   COVID-19 has its pitfalls but it also has some positive aspects. These can be harnessed through proper planning and setting goals. Utilize this time to reconcile and update your Practice Experience Requirements via the ICPAU portal. The Education Directorate is at your service to help you understand and document your experience via Email education@icpau.co.ug .

3. **Personal Branding**

   Now is the perfect time to examine yourself and build a persona for the kind of accountant you want to be. I recommend that you seek knowledge for Personal & Institutional Branding and learn how to grow your service the community.

4. **ICPAU Resources**

   We have a variety of resources to help you remain abreast of developments within the profession. Feel free to visit the Institute's Website; www.icpau.co.ug and specifically the students portal for all your learning,questions and answers.

Lastly, these being COVID-19 times, keep your loved ones safe by observing the health and safety SOPs designed for COVID-19 response, which include social distancing, regularly washing hands with clean water and soap, usage of sanitizers, and wearing a mask when in public.

Stay safe!! #Togobecorona

Derick Nkajja
Secretary / CEO
ICPAU

EXPERTS

CPA Nakayenga Zuriat is a Cerrtified Public Accountant and a pioneer Certified Tax Advisor (CTA) graduate. She is currently a Senior Tax Advisor. She previously worked at Friends Consults Limited as a Finance Manager. She holds an MBA of Makerere University and a Postgraduate diploma in tax and revenue collection of the East Africa School of Taxation.

CPA Kalinda Gonzaga Joseph is graduate of Information and Communications Technology. He is a Certified Public Accountant and is a full member of the Institute of Certified Public Accountants of Uganda. He is also a Certified Tax Advisor. He was the prize winner for Paper 9, Tax Audits, Investigations and Ethics in the November 2018 sitting. Currently, he is pursuing his Masters of Business Administration with the Edinburgh Business School of the Herriot Watt University. Joseph started his career with Hitesh Mehta & Co., Certified Public Accountant of Uganda, presently known as Nexia HMS Associates, Certified Public Accountants as a trainee Accountant in 2009. He then became Audit Manager for the Kampala office from July 2009 to June 2012. He then became the Senior Audit Manager, a position he held until March 2014 when he left to start a career in Tax. In April 2014, Joseph started a Tax Practice through his company called Pie Services & Consult Specialists Limited. In 2017, he registered Kalinda & Associates, Certified Public Accountant of Uganda in which he is the practitioner till date. He is a tutor for CTA Paper 9- Tax Audits, Investigations and Ethics at Buganda Road Primary School with KKH Consultants. Although the firm performs accounts and audits as well as advisory, his major practice line is tax.

CPA Noor Nakato is a Technical Officer at ICPAU. She is responsible for providing support to the development, implementation and promotion of IFRS & Non-IFRS Standards issued/adopted by ICPAU. Noor holds a CPA qualification and a Bachelor of Commerce Degree (BCom) of Makerere University. She is pursuing a Master's Degree in Islamic Finance at the Islamic University In Uganda.

Ms. Izaula Damalie Ann is Tax lawyer working with Ligomarc Advocates.
She holds a Bachelors of Laws Degree (LLB) from Uganda Christian University (UCU) and a Diploma in Legal Practice from the Law Development Center (LDC). She is an Advocate of the High Court of Uganda.

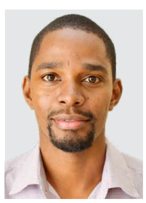
CPA Charles Lutimba is currently the Manager Standards and Technical Support at the Institute of Certified Public Accountants of Uganda (ICPAU). He is responsible for managing and executing standards-related activities of the Institute and providing technical support to members and other stakeholders on Accounting, Financial Reporting, Internal and External Auditing, Ethics, Public Financial Management, Integrated Reporting, Corporate Governance, Sustainability Reporting, Risk Management and Taxation.

Charles has been with the Institute for over eight years a period within which he has contributed greatly to development of a number of resources and tools for the accountancy profession.

Charles holds a CPA qualification, a Masters Degree in Business Administration (MBA), Post graduate Diploma in Tax and Revenue Administration (PoDITRA), Bachelor of Arts Degree with Education and Bachelor of Laws Degree (LLB) of Makerere University Kampala Uganda.

CPA Evarist Mwesigye is a professional accountant with over 30 years of post-qualification experience in both the public and private sectors. He holds a Master of Business degree and a Post Graduate Diploma in Accounting of the Western Australian Institute of Technology and a Bachelor of Commerce (Accountancy) of Makerere University. He is a member of ICPAU and a fellow member of the Association of Chartered Certified Accountants (ACCA). He has held senior positions in Government including: Accountant General of Montserrat and Director-Financial Services on Ascension Island. He has been an advisor to the Permanent Secretary in the Ministry of Finance in Montserrat; Director Accounts at the Ministry of Finance in Uganda; and Accountant General in Turks and Caicos Islands. He was a manager at PricewaterhouseCoopers in the Public Sector Group. CPA Mwesigye is a founding member of ICPAU and served as a Council Member for about ten years to 2006. Evarist attained the 2019 ICPAU Gold Service Award in recognition of his outstanding contribution to the accountancy profession in Uganda.

CPA Mustapha B Mugisa is the Director at the Institute of Forensics and ICT Security (www. forensicsinstitute.org). The Institute is approved by the National Council for Higher Education to offer the Diploma in Cyber Security and the Diploma in Risk Management



Eric Zachary Mugisha is a digital communications expert, content writer, and inbound digital Methodist. He maintains two personal blogs (www.ericfm3.wordpress.com & www. underinfluenceblog.wordpress.com) and currently works as a Communications Officer – Digital Platforms at ICPAU.

EXPERTS

Esther Nassali Masanso has experience in publishing, digital marketing and top level management. Esther has worked in the Publishing department at Moran Publishers Uganda Ltd, a company that was formerly Macmillan Uganda. As a writer and an editor, Esther has over the last 10 years lent her communication skills to Canospace Media Limited and in two family-owned publishing companies; Beeranga Mwesigwa Foundation and Sharon Valley Limited. She has been involved in publishing various books and magazines including Sowing the Mustard Seed. Esther holds a Bachelor's Degree in Mass Communication of Uganda Christian University.

CPA Samuel Aggrey Mankaati is an Internal Auditor at Bank of Uganda and a Director at Sammy Professional Trainers and Consultants. He is a member of the Professional Standards Committee of ICPAU and a full member of ICPAU. Previously, Samuel worked with the Office of the Auditor General (Uganda) and Makerere University Business School as an External Auditor and Assistant Lecturer respectively. Samuel holds a Master of Business Administration (Accounting and Finance) and a First class Honors Bachelor of Business Administration (Accounting) of Makerere University. He lectures CPA Paper 13 (Advanced Financial Reporting), Paper 14 (Public sector Accounting and Reporting) and Paper 8 (Financial Reporting) at Sammy Professional Trainers and Consultants, on a part time basis.

EDITOR'S MESSAGE

Welcome to Issue 7 of the CPA Connect Magazine. The magazine is designed to keep you up-to-date with relevant information for your CPA/ATD/CTA journey.

This issue is unique because it comes at a time when the COVID-19 pandemic has put on hold your CPA journey as you knew it before.

The information herein is designed to help you withstand uncertainties that may come in future and disrupt your operations. You will find articles that will guide you on how best to prepare for examinations even when you cannot meet your tutors physically. In the Issue, we also tackle mental well-being during times of crisis, optimum social media usage, Public Financial Management Reforms and how they mitigate risk and creative thinking in hard times. The publication also covers the IFRS 16 and IFRS for SMEs standards, for your financial reporting needs.

The authors are thought leaders in the profession and in society. They have dedicated a lot of time to prepare many of us in our quest to attain professionalism. They are people you have interacted with on many occasions. Their resolve to see that you progress in your career remains strong.

We pledge to continue providing you with relevant information for your professional and personal development.

I encourage all of you who have relevant content, to submit articles to the editor. To contribute an article, contact the editor through communications@icpau.co.ug or 0774765435.

I also implore you to use the COVID-19 pandemic and its disruptions as a learning point.

I hope you enjoy this issue and do let us know if there are any topics you would like featured in the magazine

John Linonn Sengendo

MESSAGE FROM THE DIRECTOR EDUCATION

Dear Students,

I welcome you to this issue of the CPA Connect Magazine, a magazine specially dedicated to help you navigate your professional journey.

This issue comes at a time when the COVID-19 pandemic has disrupted normal operations, globally and locally. The disruption has impacted on our examinations scheme. We have not been able to conduct the May and August 2020 examinations diets. This implies that all students have not made any progress in their respective courses. Thankfully, the restrictions have been eased and we can see light at the end of the tunnel, though it does not mean that COVID-19 has been contained. It is still with us and is real. We must observe the standard operating procedures issued by Ministry of Health to live and tell the story of COVID-19 pandemic.

The good news is that we shall conduct examinations from 18-22 December 2020 at all examinations centres. It is your cardinal responsibility to prepare for these examinations as adequately as possible. We encourage you to purchase the ICPAU study materials to ease your preparation. We have all the materials for the CPA subjects, including Integration of Knowledge- Paper 18.

We were supposed to roll out new syllabuses for CPA, ATD and CTA in 2021 but the roll out has been moved to 2022 given the impact of COVID-19 pandemic. We encourage you to plan your papers well such that you have a smooth transition into the new syllabus.

We rolled out the ICPAU students' scholarship programme which was operationalised this year. Unfortunately, the 10 beneficiaries have not been able to sit any examinations due to COVID-19 pandemic. We thank MAT-Abacus Business School and Multitech Business School who offered the tuition component of the scholarship to the beneficiaries. The second round of applications has been received and the beneficiaries should be able to embark on their CPA journey in 2021.

The Practical Experience Training (PET) logbook is available through the ICPAU portal. We would like you to note that when one completes the CPA course, the next step is to apply for ICPAU membership. The PET record from the logbook must be attached to support your application. If you have not registered for PET, the time is now. If you are already registered, please ensure that you record your PET regularly. I wish you enjoyable reading.

John Bosco Ntangaare
Director Education

CPA Uganda

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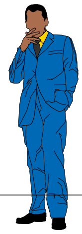


By Damalie Ann Izaula (LLB),
Bachelors of Laws Degree (LLB) from Uganda Christian University (UCU) and a Diploma in Legal Practice from the Law Development Center (LDC)
An advocate of the High Court of Uganda

BUSINESS LAW- MANAGING CONTRACTUAL OBLIGATIONS IN A CRISIS

For the past three or so months, businesses across the world had come to a standstill due to the Corona virus pandemic. As a result of the pandemic, several legal fall-outs have only begun to take place and are likely to continue for some time. One of the challenges faced by most businesses particularly those of goods and services is the extreme difficulty or total inability to perform their contractual obligations amidst the pandemic.

Why is that most businesses have failed to perform their obligations in accordance with the contracts executed by them. The question then arises, how does a business continue to fulfill its contractual obligations when this seems unattainable?

For some businesses, the parties might seek to avoid contract performance without any substantive penalty whereas others shall seek to induce performance buckled with full-blown legal action. However, under the principles of Contract Law, in such times, the principle of Force Majeure "Great force" comes into play. This principle is effectual in case of an unexpected or extraordinary event. Historically, such unexpected events included *wars, strikes, government orders, or an Act of God such as a hurricane, tornado, or an earthquake.*

Q

The question then arises how, does a business continue to fulfill its contractual obligations when this seems unattainable?

In recent times, for purposes of compliance, it is important to understand the dynamics of various contracts that are executed by a business and whether force majeure will be applicable in the circumstances. For most contracts, there are force majeure provisions embedded therein.

However, it is important to establish whether that provision is all-encompassing for the various crises or it is only for a particular crisis for example pandemics. The application of a force majeure provision will depend on the specific language of the clause. It may offer temporary or permanent protection or critically affect your business. Therefore, the provision providing for the fulfilment of contractual duty in such uncertain events must be clearly stated in the Contract.

On the other hand, where the contracts do not have a force majeure clause, there are other principles that the parties can rely on; frustration, impossibility or impracticality of performance are principles of contract law established to protect parties to a contract.

In such instances, the contracting parties shall be excused from having to perform their obligations under the contract as performance would be frustrated or nearly impossible due to the occurrence of an unforeseeable event.

However, as a business faced with a possibility of being unable to perform and fulfill its contractual obligations, the following should be considered:

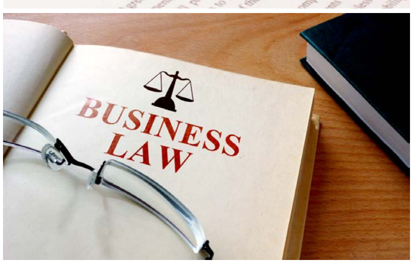
Monitoring and understanding the impact of a particular crisis on your business in general and the ability to perform and/or fulfill the contractual obligations thereunder is important. This will help the business owner to assess and minimise the foreseeable risks that could cause their business to close.

For contractual management amidst a crisis, exercise flexibility and consider practical solutions such as amendment of the contracts. In case of uncertainty, the parties to a contract may re-negotiate the contract to allow for flexibility and performance with tailored solutions aimed at protecting the best interest of the parties. Negotiations will protect the interests of the parties by avoiding unnecessary legal action but will also establish a long-term business relationship;

Communication among business owners or contracting parties goes a long way in eliminating any suspicion of foul play by either of the parties. Remember to exercise excellent management skills and utmost emotional intelligence when executing a business deal. Where operations of the business may have been frustrated by an unforeseeable event, it is important to communicate and devise alternative means of executing of contractual obligations. It will keep unnecessary legal proceedings at bay.

Lastly, reconsider the drafting or redrafting of the contracts to provide for force majeure clauses. Most of the contracts that have been locally drafted do not usually provide for performance of a contract in the event of uncertainties like crises. As a shrewd business owner, you may need to have an airtight contract drawn in order to protect your interests.

A well-drafted contact will go a long way in protecting not just the interests of the business owner but also the business from any unforeseeable/future pitfalls and risks.



Whereas each crisis has its unique characteristics, the principles governing contracts remain the same. However, this does not mean that the contracting parties should act in an irrational manner when deciding their next step under an existing contract or in negotiation of new terms to a contract during a crisis. It is important to consider carefully the contractual terms and determine the best approach to resolve any breaches, alternate arrangements and communications between parties. This will help you come out of the crisis with an intact contractual relationship when normalcy resumes.

By CPA Evarist Mwesigye,
An independent Public Financial Management (PFM) consultant.
A professional accountant with over 30 years of post-qualification experience in both the public and private sectors

HOW PUBLIC SECTOR FINANCIAL MANAGEMENT REFORM CAN MITIGATE RISKS IN UNCERTAIN TIMES

Public sector financial management reforms aim at improving the performance of budget cycle activities such as budget preparation and budget execution in the public sector. They comprise: planning; budgeting; funds release, safeguard and utilisation; financial reporting; and audit and oversight. There are many reforms associated with the above activities. The reforms aim at ensuring that the funds and resources in the public sector are applied to the right purposes; utilised as intended and efficiently; with proper accountability to public sector stakeholders.

The budgeting process is complicated even in normal times but more challenging under uncertain times. The basic problem with budget preparation and budget execution is that funds and resources are never enough. There are competing demands for them. One has to choose between the demands.

In uncertain times, the choice between competing demands becomes more perplexing. This is further complicated when one is faced with uncertainty after the budget has been drawn up and approved as it happened recently in Uganda with floods, locusts and Covid-19. One is forced to go back to the drawing board in order to cope with the new unexpected realities.

The essence of public sector financial management reforms is to make your systems and people robust and solid so that when unexpected circumstances come, you are well prepared to handle anything. It is like having a very healthy body. When ailments come, the body will withstand and fend them off. That is what the reforms are intended to do.

The reforms will help ensure that you are aware of not only your strengths and weaknesses but also have credible facts about your situation so that you react appropriately.

The common public sector reforms will rarely cover the entire budget cycle. They may be limited to particular activities within the cycle. The scope of the reforms will be determined by the state of the institution we are looking at. If the financial management systems of the institution are weak, it will be advisable to start with basic reforms. As the situation of the institution improves, more sophisticated and wider reforms may be introduced.

The basic public sector reforms will relate to some of those mentioned below. Planning and budgeting is one of the key reforms. It helps to determine the resources available so that they are optimally allocated. The institution will be assisted to produce a medium strategic plan from which will be derived an annual action plan. In drawing up the plan and budget, different scenarios will be examined and a few will be selected. It is critical that all key players especially the heads of various department are involved in this process. This is necessary because should any difficulties occur in the implementation of the budget, the key players are more likely to understand and support the changes. Similarly, if the budget is downsized, it should be done openly and transparently to garner the support of as many of the players as possible.

Another common set of reforms deals with the laws, rules and regulations for public sector management. These cover the entire budget lifecycle. This legal and regulatory framework aims at settting the rules and procedures to be followed. This is usually accompanied by institutional framework reforms. The two sets of reforms aim at setting the mandate, rules and procedures to be adhered to. By making these known and standard, it will be easier to know what to

expect and limit wastage of funds. Again, should the unforeseen, happen, the laws and regulations are likely to give guidance on how this will be handled. For example, in Uganda, the Public Finance Management Act 2015 provides for the creation of a Contingency Fund. The Fund is used in emergency situations and provides an in-built fall-back situation.

Other reforms revolve around safeguarding and utilisation of funds. Some of those aspects of funds control will be covered by the legal, regulatory and institutional frameworks. However, these are usually reinforced by institution of computerised public financial systems through Integrated Financial Management Systems (IFMS). The IFMS reforms ensure that data is collected and accurately processed to produce timely and accurate reports and information which are crucial in helping an institution achieve its objectives. In uncertain situations where alternative ways to the prearranged activities have to be sought, management can be assured that they are making well-grounded decisions when they are relying on timely and dependable information.

It is the personnel of an institution that implement the above reforms. The reforms are unlikely to succeed if they are not supported by well qualified and experienced staff with requisite skills. As a basis for successful public sector financial management reforms, it is necessary to carry out a capacity needs assessment of the personnel that support public sector financial management so that their skills gaps are identified and addressed. The skills strengthening should not be restricted to accountants. It should be extended to all staff who are involved in public sector financial management so that they are aware of the roles they play and seek the necessary assistance where possible. Personnel are the vanguard of all public sector financial management reforms and they should not be left behind.

Uncertain times call for flexibility and quick responses as Covid-19 has clearly demonstrated to us. Public sector financial management reforms make the flexibility and quick response possible because we will have the requisite personnel, robust systems and timely and credible information. This will help us select the next best options to keep our institutions in operation and enable us to provide the necessary public services.

By CPA Noor Nakabugo Nakato
A Technical Officer at ICPAU

INSIGHTS INTO THE IFRS FOR SMES

In financial reporting, the term Small and Medium does not represent the size of operations of an entity. It neither speaks to the number of employees nor the amount of revenue reported by an entity. The IFRS for SMEs Implementation Guidelines issued by the Institute of Certified Public Accountants of Uganda (ICPAU) defines a Small and Medium-sized Entity (SME) as an entity that does not have public accountability and is required or chooses to produce General Purpose Financial Statements for external users. These are entities whose debt or equity instruments are neither traded nor in the process of being traded in a public market; that do not hold assets in a fiduciary capacity for a broad group of outsiders as a primary business either partially or in whole; and are not controlled directly or indirectly by the government. In my opinion, this definition scopes in the vast majority of entities in Uganda except for a wider spectrum of financial services institutions. In a related article IFRS for SMEs - Who Should Know What, it is noted that 95% of companies worldwide are eligible to use the IFRS for SMEs.

In recognition of the challenges and difficulties faced by relatively small private entities (that is SMEs) in preparing fully compliant IFRS information, the International Financial Reporting Standard for Small and Medium-sized Entities (IFRS for SMEs) was developed. In a research commissioned by ICPAU titled Enablers and Inhibitors of IFRS for SMEs' Adoption in Uganda, it was observed that the quality of financial reports produced by SMEs in Uganda is below expectations, yet such entities are permitted by ICPAU to report following the IFRS for SMEs.

So, what is the major difference between the IFRS

for SMEs and the full IFRS? Is it value adding for a qualifying entity to adopt the IFRS for SMEs instead of the full IFRS? Does it matter if an entity uses either of the reporting frameworks? Well, below are a few facts about IFRS for SMEs that will help you to respond to these frequently asked questions.

The IFRS for SMEs contains approximately 250 pages compared to 3,000 pages of the full IFRS. The IFRS for SMEs is tailored for small companies and focuses on the information needs of lenders, creditors and other users of SME financial statements. Such users are interested primarily in information about cash flows, liquidity and solvency. And it takes into account the costs to SMEs and the capabilities of SMEs to prepare financial information.

The IFRS for SMEs omits some topics in full IFRS Standards that are not relevant to typical SMEs. It provides simplified accounting policy options and recognition and measurement principles. The IFRS for SMEs requires only about 300 disclosures compared to the more than 3,000 items in the full IFRS disclosure checklist.

The IFRS for SMEs is drafted in plain English for easier understanding and translation. CPA Dr. Mary Maurice Mukokoma, in the research on Enablers and Inhibitors of IFRS for SMEs' Adoption in Uganda, notes that with a single set of quality financial reporting standards for SMEs the exercise of having to translate financial statements to a basis that can be understood by a potential investor is eliminated.

Full IFRS Standards are subject to annual improvements and/or amendments which makes compliance rather onerous for SMEs. On the other hand, the IFRS for SMEs standard was first issued in July 2009 and has so far only been amended once in May 2015, giving an entity ample time to become familiar with the requirements of the standard. A comprehensive review of the SME standard is, however, currently underway.

Below is a comparison of 'full IFRS' and IFRS for SMEs highlighting the key financial reporting considerations in relation to authoritative pronouncements issued under IFRS for SMEs and full IFRSs as published up to June 2020.

Financial Statements Presentation

Under the full IFRS, in addition to the statement of financial position, statement of profit or loss and other comprehensive income (single or two), statement of cash flows and notes to the financial statements, a statement of changes in equity is required, presenting a reconciliation of equity items between the beginning and end of the period. IFRS for SMEs provides the same requirements, however, if the changes in equity only relate to profit or loss, payment of dividends, correction of prior-period errors or changes in accounting policy, SMEs may present a combined statement of income and retained earnings instead of both a statement of comprehensive income and a statement of changes in equity.

An SME is permitted to present only an income statement (without the statement of comprehensive income) if there are no items of other comprehensive income (OCI). Note that the only OCI items under IFRS for SMEs are foreign exchange gains and losses, changes in fair values of hedging, and actuarial gains and losses instruments. Because these items may not be common in the operations of a typical SME, reporting using full IFRS may be causing such an entity unnecessary burden.

Currently, the International Accounting Standards Board (IASB), which is the Board in charge of creating financial reporting Standards, has proposed to amend the face of the statement of profit or loss by introducing new sub-totals. This would cause entities to move away from the usual revenue and expenses composition of the statement of profit or loss to a much more complex presentation that may not be favourable for SMEs.

Revenue

Revenue is income that arises in the course of an entity's ordinary activities. Under IFRS 15 Revenue from Contracts with Customers, revenue recognition is a five-step process that involves identifying the contract with a customer, identifying the performance obligation, determining transaction price, allocating transaction price to performance obligation and then finally recognising revenue when or as the obligation is satisfied by transferring a promised good/ service to a customer. These five steps have further requirements that need to be satisfied before revenue is recognised such as discounting and adjusting the promised consideration to reflect the time value of money.

On the other side of the prism, revenue recognition under IFRS for SMEs simply depends on the probability that the economic benefits associated with the transaction will flow to the entity and that the revenue and costs can be measured reliably.

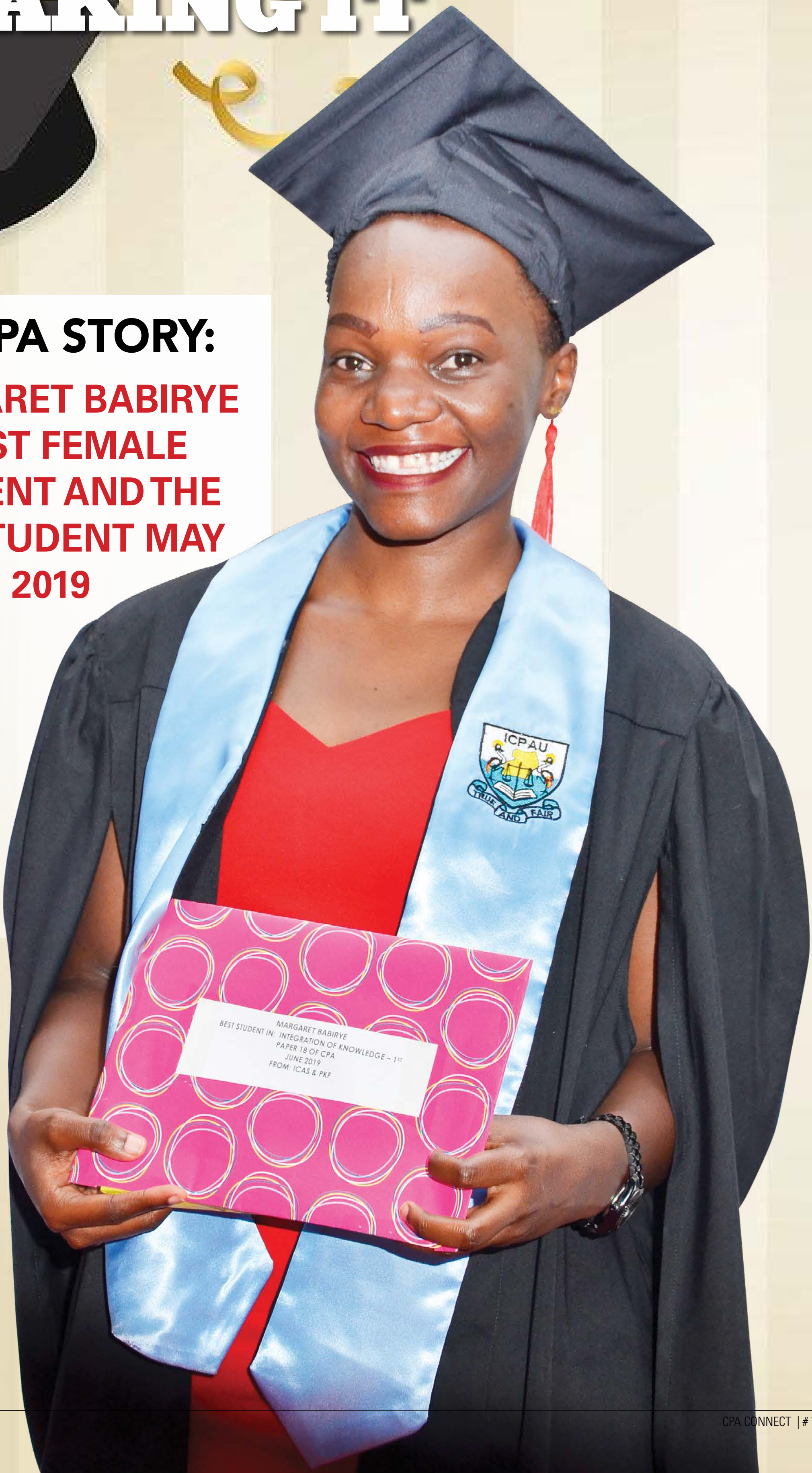
Financial Instruments

IFRS 9 Financial Instruments requires entities to classify a financial asset as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of both the entity's business model for managing the financial assets and the contractual cash flow characteristics of the financial asset. Entities then apply a three-Stage Impairment Approach to financial assets that are measured at amortised cost based on the significant increase/decrease in credit risk of the financial asset.

On the other hand, IFRS for SMEs distinguishes between basic financial instruments (such as cash, trade receivables and payables, loans from banks or other third parties) and complex financial instruments (such as hedging instruments). Section 11 establishes measurement and reporting requirements for basic financial instruments while Section 12 deals with additional financial instruments. At the end of each reporting period, financial assets measured at cost or amortised cost are reviewed for objective evidence of impairment. Impairment losses are recognised in profit or loss immediately. If the objective evidence reverses in a subsequent period, impairment losses are reversed in the profit or loss of subsequent periods.

ICPAU is supportive of qualifying entities to adopt the IFRS for SMEs reporting framework. The IFRS for SMEs is an internationally recognised standard and the financial statements issued in compliance with this framework do result in as much fair presentation of the financial position, financial performance and the cash flows of the entity as the financial statements issued in compliance with the full IFRS Standards. The full text of the IFRS for SMEs along with the IFRS for SMEs training modules are available on the IFRS Foundation website at www.ifrs.org. Entities that may have challenges in applying the IFRS for SMEs may consider consulting a professional accountant or raise their concern to ICPAU at standards@icpau.co.ug.

MAKING IT



MY CPA STORY:

MARGARET BABIRYE - BEST FEMALE STUDENT AND THE TOP STUDENT MAY 2019

I got an instant promotion when I completed CPA - Margaret Babirye

Margaret Babirye is a Senior Internal Auditor at MTN Uganda. She was recognised at the 12th graduation ceremony of the Institute of Certified Public Accountants of Uganda (ICPAU) for being the best female student and the top student in the Certified Public Accountants (CPA) course, May 2019. She shares her success story.

Inspiration to study CPA

I studied the Bachelor of Business Administration (Accounting) and my goal was to be an Accountant. I did not want to be an ordinary accountant. I aspired to be a top accountant so I pursued the course that would give me the required competences, that is, the Certified Public Accountants (CPA) course.

Success Factors

The course is not easy but what really pushed me was the fact that I needed it so badly for me to be able to sell in the market. For instance, during job interviews, the qualification is vital, you sell like hot cake if you have CPA. Therefore, quitting was not an option for me.

I struggled, just like any other student. In fact, I failed some Papers but I constantly reminded myself of the prize and I pressed on. My advice to CPA students is that once you fail, do not despair. Failing is expected when studying a professional course, but what matters most is how you pick yourself up.

I am glad that I could finally finish the course. I thank God that I was the best and that I can go out there and represent the Institute.

I completed the course in 3 years.

Challenges

The biggest challenge I encountered was how to access accredited CPA training institutions. Different Papers are taught by different tutors and it was difficult to find a one-stop study centre. However, the CPA study material came in handy because they allowed for a uniform mode of study.

Impact of CPA Study Material

With the study material, we knew the learning outcomes for the various Papers and any previous ambiguity was eliminated.

Impact of CPA on Career Growth

I am where I am because of my CPA. I would not have got my current job at MTN without the CPA qualification, because they needed qualified accountants as a bare minimum. At my previous workplace, PKF Uganda, after I completed CPA, I was promoted from Audit Assistant to Acting Audit Manager.

By CPA Nakayenga Zuriat,
Senior Tax Advisor, Ernst & Young

COVID-19: HOW NEW INCOME TAX MEASURES WILL AFFECT DISTRESSED BUSINESSES

The world was hit by the Coronavirus (Covid-19) outbreak at the beginning of 2020 and on March 11, the World Health Organisation (WHO) declared it a pandemic following its spread across 100 countries worldwide. The Government of Uganda, like other countries, instituted various measures to try and contain the spread of the Virus which, among others, included the lockdown of unessential activities and businesses for over 90 days to encourage social distancing putting the economy at a standstill.

On 31st March 2020, the Ministry of Finance, Planning and Economic Development presented tax amendment Bills to Parliament for debate with respect to the Income Tax Act, Value Added Tax Act, Excise Duty Act and Stamp Duty Act. The Bills were debated and passed by Parliament, and currently assented to by the President of Uganda. The income tax Act and Excise Duty amendments 2020 are still pending in Parliament upon return by the President. The rest of the assented to amendments took effect on 1st July 2020.

The new tax measures have a far-reaching impact on the economy's recovery and on businesses, as discussed in detail below:

Exempting all incomes generated by the Deposit Protection Fund (DPF) from income tax levied in Uganda. The Fund was unveiled in 2017 by the Minister of Finance to act as a deposit insurance scheme for customers of financial institutions, ensure that customer deposits are protected and reassure the public that the banking sector is safe and sound to encourage saving. This amendment implies that the DPF can invest its customer deposit premiums in the different income-generating business ventures and accumulate funds to better its liquidity position to support financial institutions in distress.

Another measure was to exempt incomes of the Islamic Development Bank of Uganda (IsDB) by including it in the listed institutions under the First Schedule to the Income Tax Act. IsDB is known for its unique way of operating using the Islamic law different from other traditional banks especially with its Murabaha financing technique (Mark up or cost based financing) and the Mudarba profit sharing technique among others. The bank's objective is to support the poor through availing funds to support their investments.

Exemption of income of an operator in an industrial park or free zone to include manufacturers of tyres, footwear, mattresses and toothpaste whose investment capital over a period of ten years is US$10 million for foreign investors, US$300,000 for citizens, US$150,000 for a citizen whose business is located up-country, uses 70% of locally sourced materials, employs 70% citizens earning an aggregate wage of at least 70% of the total wage bill. This amendment is meant to encourage both local and foreign investors to boost manufacturing in Uganda especially developing up-country cities rather than congesting the capital city. This amendment means more employment opportunities for Ugandans and market for our raw materials which is therefore instrumental in revamping the post Covid-19 economy.

Disallowing expenses of a person who purchases goods or services from a supplier who is designated to use the e-invoicing system unless the expenses are supported by e-invoices or e-receipts. On 15th June 2020, Uganda Revenue Authority (URA) issued a public notice introducing taxpayers to the Electronic Fiscal Receipting and Invoicing System (EFRIS) as a new strategy under the Domestic Revenue Mobilisation Strategy (DRMS) of 2020/24 for businesses to manage the issuance of receipts and invoices. The EFRIS system is meant to improve record-keeping, track authentic business transactions, fast-track the payment of tax refund claims and eliminate the risk of loss of physical invoices, among other reasons. The amendment will be an added administrative burden to not only the taxpayers in the short run but also to the Revenue Authority as this requires massive training and initial outlay to acquire the necessary hardware and software. This, in the long run, will promote efficiency and lower administrative costs. In addition to the digital stamps that were recently introduced, taxpayers should be versatile enough to embrace EFRIS.

Introduction of Withholding tax of 10% on the gross amounts of commissions paid to an advertising and insurance agent. It is still unclear whether this applies to both individual and corporate agents. This withholding tax is not a final tax; therefore, the commission agent will be subject to further income taxes, although they will be entitled to a tax credit of the amount withheld that can be offset against that current year income tax liability.

Notedly still, filing of a withholding tax return has been made compulsory to a withholding agent; the impact is even for periods where the taxpayer has not made payments subject to withholding tax, they ought to file a Nil return to avoid penalties for non-filing. This creates an additional administrative burden on withholding agents. It is therefore imperative for taxpayers to apply for withholding tax exemption for tax planning purposes.

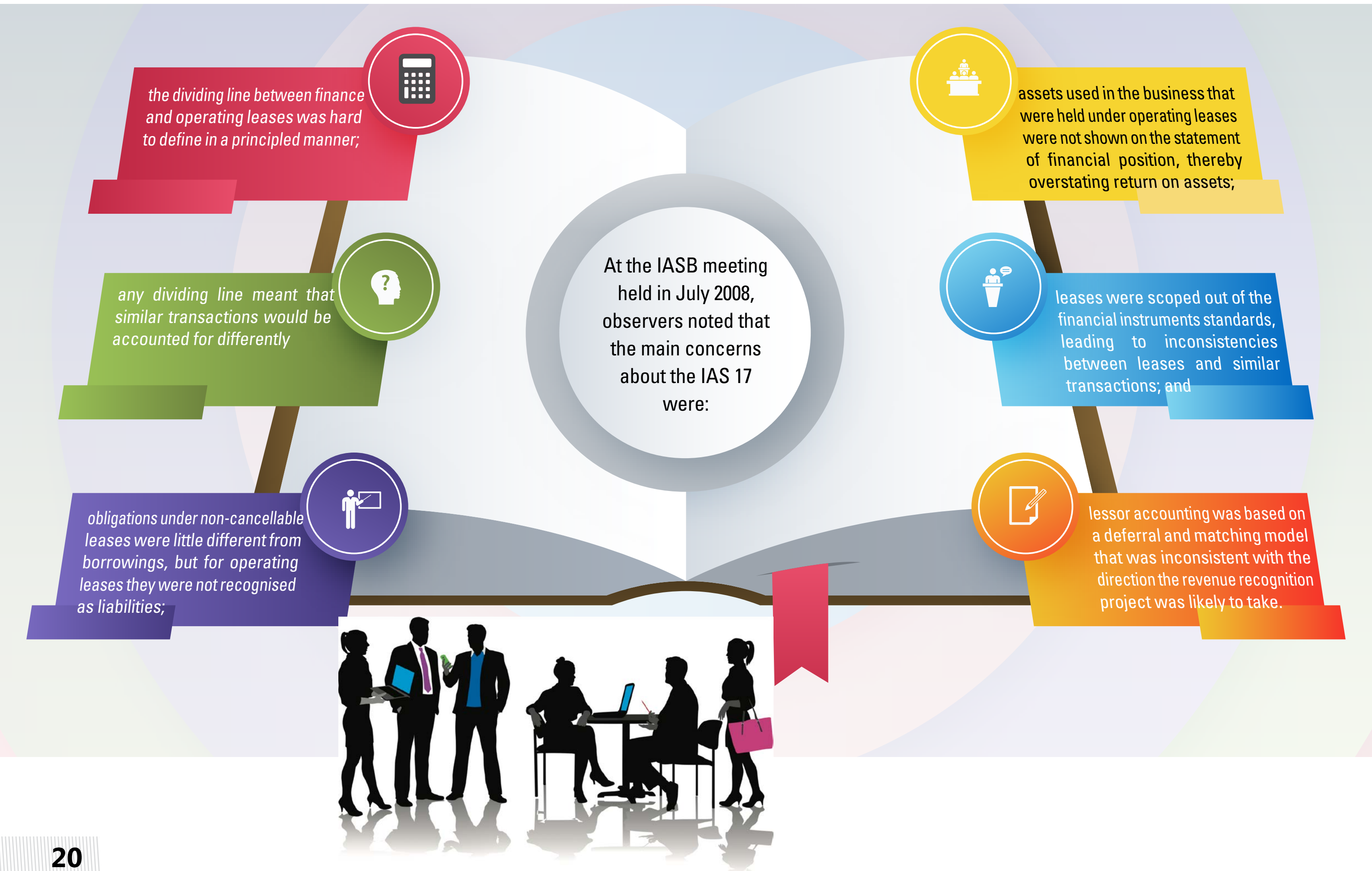
Amendment of the presumptive tax rates applicable to individuals in business whose annual gross turnover is less than one hundred and fifty million shillings (UGX 150,000,000). In recent years, URA has significantly increased attention to taxing of the informal sector. The major challenge with taxing this sector has been lack of information or records on which taxable capacity can be based. It is for this reason, among others, that the rates applicable have been designed to be final taxes and based on gross figures in the past. The amendment seeks to encourage taxpayers in the informal sector to keep proper books of accounts or records to avoid the additional tax of 0.7% and 0.6%. I believe that this will go a long way in helping URA with its revenue mobilisation strategy of taxing the informal sector. As tax advisors, this is a welcome addition to the domestic revenue mobilisation efforts of Uganda.

Like any other country hit by the Covid-19 pandemic, focus must be on revamping the economy and new tax measures should pivot on supporting taxpayers to meet their tax obligations with ease.

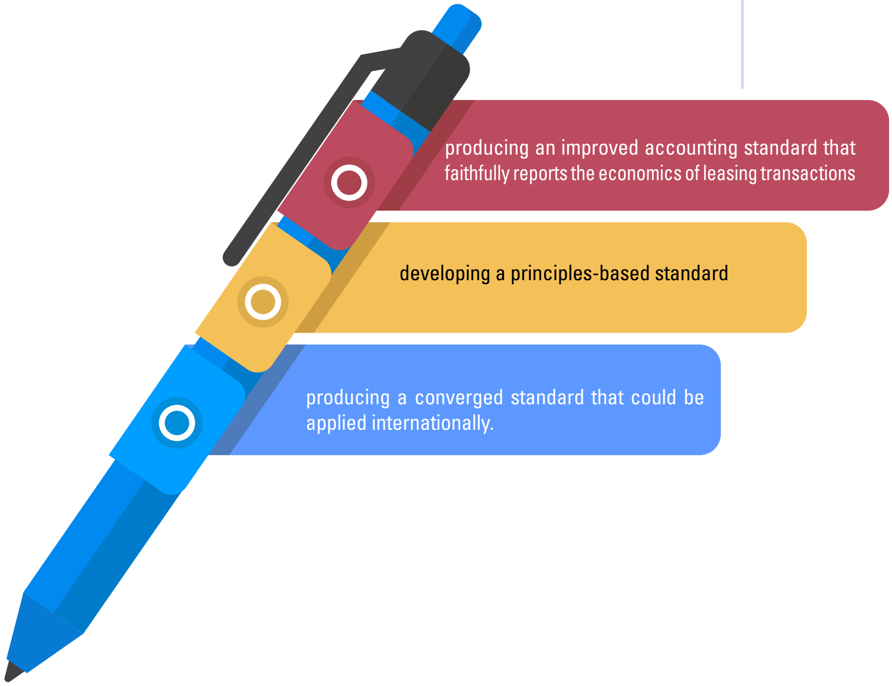
By CPA Charles Lutimba,
Manager Standards & Technical Support, ICPAU

IFRS 16 – A BRIGHTER LIGHT ON THE BALANCE SHEET

In 1982, the International Accounting Standards Board (IASB) issued IAS 17 Accounting for Leases with an effective date of 1 January 1984. Over the years, amendments have been made to this standard, the most notable ones having been made in 1997, 2003 and later in 2016. The urge to amend and or modify the Standard was motivated by the desire to improve transparency into the true financial position of corporations overtime. IAS 17 contained a dual model classification approach for leases that is finance and operating leases. Finance leases, were capitalised on the statement of financial position as an asset and liability and reported on the profit and loss statement as an interest and depreciation expense. On the other hand, operating leases were reported in the footnotes of financial statements and essentially remained off balance sheet items.



Whereas efforts to close the gaps that existed within the IAS 17 may have commenced sometime in 1996 when the Group of Four Plus One (G4 + 1)[1] from the Standard, concerted efforts to replace the standard started when the IASB and the Financial Accounting Standards Board (FASB) agreed to converge accounting standards, hence the proposal to have a new accounting standard on leases. This particular project aimed at:



In January 2016, after concluding the 10-year long project, the IASB published IFRS 16, Leases, which marked the end of off-balance sheet treatment of operating leases by lessees; thereby making Sir David Tweedie[2]'s ambition come to pass. David is once quoted saying, "One of my great ambitions before I die is to fly in an aircraft that is on an airline's balance sheet." The IFRS 16 is effective for annual periods beginning on or after January 1, 2019, with early application permitted for entities that have adopted IFRS 15, Revenue from Contracts with Customers.

What are some of the key changes to the Standard?

Whereas the accounting for lessors remains substantially unchanged, IFRS 16 introduces significant changes for accounting by lessees as discussed herein below:

(a) Recognition of all leases on the balance sheet with very limited exceptions

IFRS 16 eliminates the requirement under IAS 17 of classifying leases as either finance leases (which are recognised on the balance sheet) or operating leases (which are only disclosed in the notes to the financial statements). Lessees are now required to recognise all leases on the balance sheet resulting in the recognition of a leased asset (that is right-of-use asset) and a corresponding financial liability representing its obligation to make future lease payments. Exception exists only for short-term leases (with a term of 12 months or less) and leases of low-value assets (an example provided in IFRS 16 is a personal computer, which has a value of $5,000 or less when new), which can be accounted for in a manner similar to current operating leases with expenses recognised over the lease term.

[1] Australia, Canada, New Zealand, the United Kingdom, and the United States plus the IASB

[2] – Sir David Tweedie, Former Chairman of the IASB

(b) Distinction between a "lease" and a "service Contract."

Under IFRS 16, a lease can only exist if the customer has the right to direct the use of an identified asset for a period of time and obtain substantially all of the economic benefits from the use of the asset. IFRS 16 provides detailed guidance on how to evaluate control, which centres on which party, the customer or the supplier, has the right to direct "how and for what purpose" the asset is used throughout its period of use. If the customer controls the use of an identified asset for a period of time, then the contract contains a lease. This will be the case if the customer can make the important decisions about the use of the asset in a similar way to that in which it makes decisions about owned assets that it uses. In contrast, in a service contract, the supplier controls the use of any assets used to deliver the service. Entities will have to apply significant judgment in assessing whether a contract contains a lease or not.

(c) Unbundled Lease and non-lease components

IFRS 16 requires entities to analyse lease contracts to separate lease components from non-lease components based on their relative standalone values. However, there are instances where a lessor may provide a customer with the right to use an asset and additional non lease services such as providing a common area maintenance charges in real estate leases or maintenance services in equipment related leases. Under IAS 17, the separation of lease and non-lease components was not often an area of focus since both components were treated in a similar fashion from an accounting perspective (that is they would normally be expensed over the term of the contract). Under IFRS 16, because the lease component is required to be recognised on the balance sheet, the accuracy of the separation and allocation of payments between lease and non-lease components will become more important. A practical expedient, however, allows a lessee to elect to account for the lease and non-lease components together as a lease.

(d) Re-assessment of extension and termination options

Under IFRS 16, a lessee would need to reassess the lease term if something significant occurs that is within the lessee's control and affects the lessee's assessment of whether it will exercise an option to extend the term of a lease, terminate a lease or purchase the underlying asset. The IASB was of the view that users of financial statements receive more relevant information if lessees reassess extension, termination and purchase options on a regular basis.

However, given the likely cost associated with this for an entity with many leases that include options, an entity will need to reassess a lease only upon the occurrence of a significant event or a significant change in circumstances that is within the control of the lessee and that affects whether the lessee is reasonably certain to exercise, or not to exercise, an option to extend a lease, terminate a lease or purchase an underlying asset.

(e) Assessment of the lease term

Under IFRS 16, the lease term is considered to be the non-cancellable period of the lease plus:

- any optional renewal periods (if it is reasonably certain that the lessee will extend the lease), and
- any period after an optional termination (if the lessee is reasonably certain not to terminate early).

Although ascertaining the correct lease term may be considered as one of the most challenging issues in applying IFRS 16 since it requires a significant level of judgement, determining the correct lease term is significant in that the length of the lease term, determines the size of the lessee's right-of-use asset and lease liability but also whether a lease qualifies for the short-term lease exemption or not. As such, judgment will be necessary to identify all relevant facts and circumstances that may impact the lease term and more specifically, the reasonable certainty of options being exercised based on an economic incentive to do so. Entities need to consider all economic factors relevant to that assessment – contract-based, asset-based, market-based, and entity-based.

Entities are required to assess a lease's term at the lease 'commencement date' which is the date on which a lessor makes an underlying asset available for use by a lessee. Endeavour to contrast the lease commencement date with the lease 'inception date', which is the earlier of the date of a lease agreement and the date of commitment by both parties to the terms and conditions of the lease. A lease term begins at the commencement date and includes any rent-free periods provided to the lessee by the lessor.

Any likely impact of the change in Standard?

For lessees, the lease becomes an on-balance sheet liability that attracts interest, together with a new asset on the other side of the balance sheet. In other words, lessees will appear to become more asset-rich but also more heavily indebted. The impact is not limited to the balance sheet alone, there are also changes in accounting over the life of the lease. In particular, entities will now recognise a front-loaded pattern of expense for most leases, even when they pay constant annual rentals. Also, a number of financial and operational metrics will be affected. In particular; the following ratios are expected to decrease

- Current ratio – since current lease liabilities will increase whereas current assets will not;
- Asset turnover (for example sales to total assets) – as a result of increased leased assets which increase an entity's reported asset base with no change in sales.

While the following ratios are likely to increase:

- Debt to equity ratios - since lease liabilities will increase total liabilities on an entity's balance sheet, thereby increasing the reported debt burden.
- EBIT – since the operating lease expense will be eliminated and replaced by a smaller amortisation expense
- EBITDA – since operating lease expense is no longer included, and depreciation and amortisation are excluded from this profit measure.

For a deeper appreciation of the impact of the Standard, you may need to refer to our **Implementation Guidance: IFRS 16,** *available at www.icpau.co.ug.*

Considerations for organisations

As we await to see and review the first set of IFRS 16 complaint financial statements, those in charge of the finance section need to ensure that; their systems and processes capture all of the required information regarding contracts entered into, whether they intend to apply IFRS 16's recognition exemptions and practical expedients or not, the discount rates to apply for the different leases, consideration of the impact of the changes on financial results and position of the entity, any likely tax impacts and whether their respective organisations' leasing strategy may require amendment, just to mention a few.

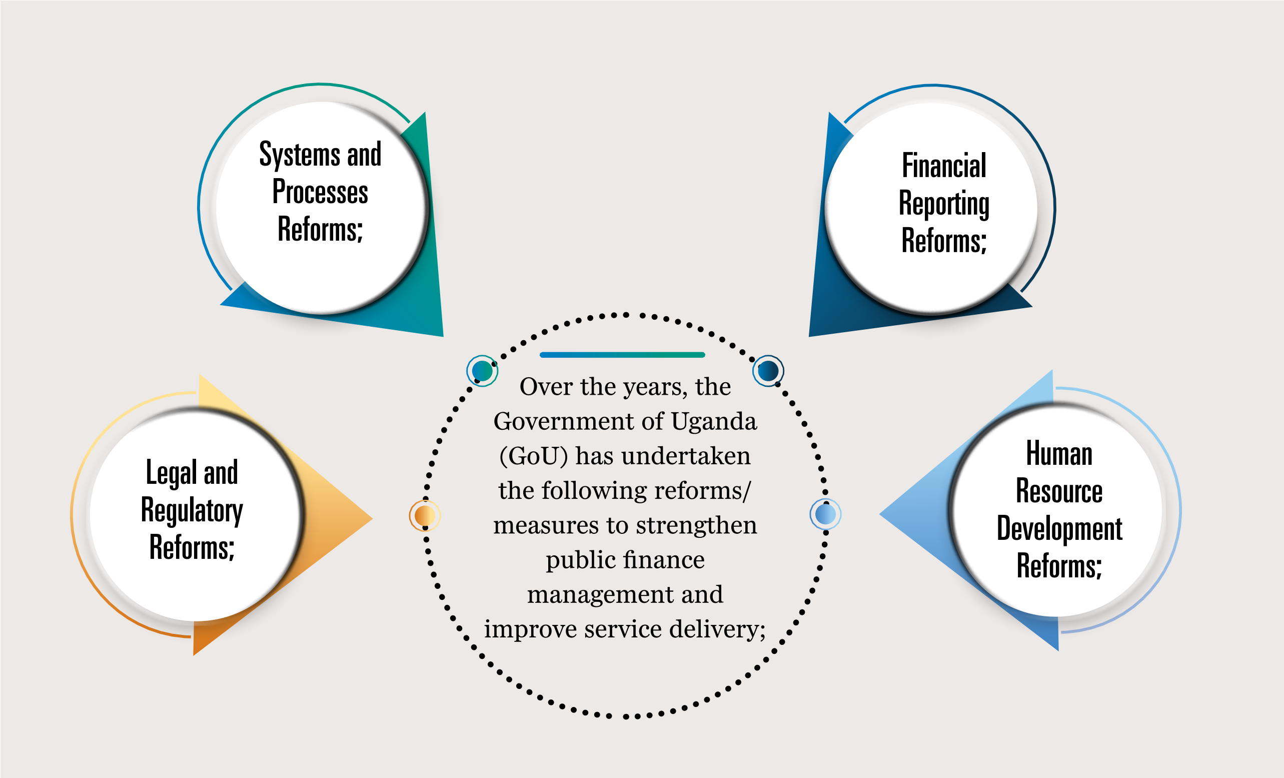
By CPA Samuel Aggrey Mankaati ,
An Internal Auditor at Bank of Uganda and a Director at
Sammy Professional Trainers and Consultants.

UNDERSTANDING EMERGING PUBLIC FINANCE MANAGEMENT REFORMS

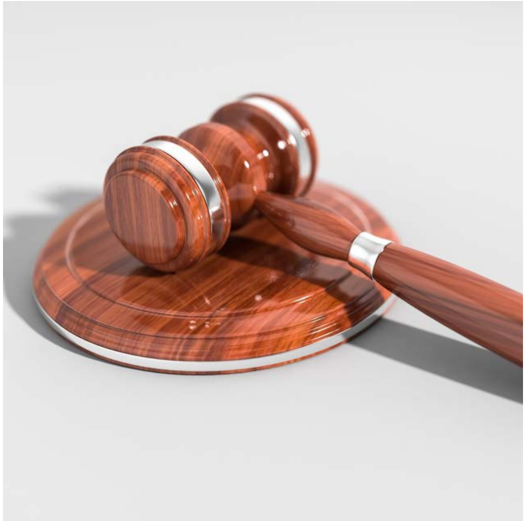
Despite enacting several public finance management reforms since the 1990s, misappropriation of public funds in Uganda remains a challenge. In response, the government took advantage of the provisions in existing laws and regulations to initiate a number of new reforms and measures to strengthen public finance management and improve public service delivery.

Public finance management reforms were undertaken by the Government of Uganda (GoU) to foster accountability and transparency in the use of public resources, increase the quality of service delivery, adhere to changes in the legal framework and business processes. They were also made to adopt public finance management best practices, cope up with technology advancements, adhere to the international and regional initiatives, respond to the advice of development partners such as the International Monetary Fund and the World Bank as well as address the issues raised in the reports published by oversight institutions such as the Office of the Audit General (OAG), Internal Audit, Inspectorate of Government and the Public Procurement and Disposal of Public Assets Authority (PPDA).

As recognised in the public expenditure and financial accountability (PEFA) assessment (2016), Uganda's public finance management performance has improved in budget credibility, transparency, policy-based budgeting and budget execution controls. This is attributed to several reforms that were undertaken by the Government of Uganda such as the enactment of public finance management Act (2015), Operation of the Treasury Single Account (TSA), payroll reforms, adoption of Program-Based Budgeting (PBB) and rolling out of the Integrated Financial Management System (IFMS). These interventions received significant support through the Government's Financial Management and Accountability Programme (FINMAP) which started in 2007.



Legal and Regulatory Reforms;



These reforms were instituted by GOU in order to restore budget credibility, predictability and transparency, harmonise all public finance management legislation into one Act, strengthen accountability and oversight, operationalise good practices undertaken over the years as well as enhance proper management of petroleum revenue. The major legal and regulatory reforms undertaken by GOU include the enactment of the Constitution (1995), Local Government Act (1997), PPDA Act (2003), National Audit Act (2008), Accountants Act (2013), Anti- Money Laundering Act (2013), PPDA Regulations (2014) , Public Private Partnerships Act (2015), Public Finance Management Act (2015) and Public Finance Management Regulations (2016). Ongoing legal and regulatory reforms include the amendment of the PPDA Act (2003) to address existing inefficiencies, preparation of an assets management policy and petroleum management regulations.

Systems and Processes Reforms;

Systems and Processes Reforms: These reforms were undertaken by the government to enhance transparency during budgeting and budget execution, re-engineer business processes to create efficiency, promote reliable reporting for day to day management decisions, strengthen internal controls in different votes, enhance proper cash management practices and take advantage of the global trends to modernise and automate government systems and processes.

The main systems and processes reforms undertaken by GoU include rolling out of the Integrated Financial

Management System (IFMS) and the Integrated Personnel And Payroll System (IPPS), Interfacing of IPPS with IFMS, Decentralization of payroll processing and salary payments to different votes, operation of the Treasury Single Account (TSA) and Treasury Single Sub Accounts (TSSA), supplier E-registration, introduction of the e-cash platform, adoption of Programme Based Budgeting (PBB) approach, rolling out of the Programme Budgeting System (PBS), direct transfer of funds to service delivery units, publication of quarterly releases made to different votes, budget monitoring by the Budget Monitoring and Accountability Unit under the Ministry of Finance, Planning and Economic Development (MOFPED), creation of the Budget Information website (www.budget.go.ug), Operation of the Debt Management and Financial Analysis System (DMFAS), and rolling out of the Academic Information Management System (AIMS) to some public universities. Ongoing systems and processes reforms include piloting of the E-procurement system in 10 government entities, implementation of the Government E-Payment gateway and integration of donor funds under the Treasury Single Account (TSA) framework to further improve cash management.

Financial Reporting Reforms;

Government undertook these reforms to enhance comprehensive public sector financial reporting through aligning the financial reports to international reporting formats. These include the introduction of the Local Government Financial and Accounting Manual (2007), GoU Chart of Accounts (2016), Treasury Instructions (2017), GoU Financial Reporting Templates (2018) and the GoU Financial Reporting Guide (2018). Currently, GoU is in a process of adopting International Public Sector Accounting Standards (IPSAS) and this will require every vote to prepare its financial statement in accordance with the accrual basis of accounting.

Human Resource Development Reforms;

These reforms were aimed at enhancing professionalisation of civil servants, fostering capacity building of staff to implement other reforms and ensure that there is proper alignment of supporting structures. These include sponsoring government staff to undertake professional courses in accounting, audit, information communication technology (ICT) and procurement, specialised and post-graduate training of staff in ICT and Petroleum accounting, establishment of an internal training facility at MOFPED, encouraging staff to undertaken continuous professional development training courses and benchmarking studies.

Despite the improvements and successes as a result of implementing the above reforms, there are still some challenges especially in relation to tax compliance, management of public investments, management of public assets, alignment of development plans and annual budgets, regulatory compliance, delays in public procurement process, accumulation of domestic arrears, integration of different information systems and lack of legislative scrutiny of audit reports and follow up.

The Government has made substantial investments in implementing public financial management reforms to improve fiduciary assurance and strengthen public financial management systems. However, the above challenges make it difficult to realise the anticipated benefits of implementing the public financial management reforms.

By CPA Mustapha B. Mugisa,
Mr. Strategy, Team Leader at Summit Consulting Ltd

CREATIVE THINKING:

LEADING YOUR TEAM DURING HARD TIMES

The world is experiencing yet another crisis that is more aggressive and pervasive. Unlike the financial-economic crisis of 2008, the COVID-19 pandemic has disrupted all industries, while giving advantages to select few like technology companies to thrive. Sectors such as aviation, hospitality, tourism, entertainment, and main-stream businesses have suffered the wrath of the pandemic.

It seems to worsen by the day.

Did the economic crisis find you as a business leader? Or to put it another way, are you managing a business during the present COVID-19 “tsunami” times? If yes, I bet your goal is to navigate this period safely while supporting your business to continue serving your customers, and other stakeholders without being driven to its knees. More than ever, cash is king during these times. So many opportunities are coming up. However, to tap into them, the business needs cash flow. Following the market uncertainties, many African economies have seen their credit scores downgraded. In Africa, large economies such as South Africa had a downgraded country risk rating by Moody’s following the Coronavirus reported cases. This meant that banks and other businesses operating in such an economy found it difficult to receive foreign capital, as the country is seen as high risk by investors.

The same is happening across many African countries. Capital hates uncertainty like that caused by Coronavirus. For Uganda, here is the Credit Risk Outlook, to quote from, Fitch Credit Rating the report, dated June 2020:

“

Fitch Ratings changed its outlook on Uganda's 'B+' sovereign credit rating to 'negative' from 'stable' on June 24th, 2020, saying the decision reflects downside risks to public finances and growth from the Coronavirus shock amid a build-up of government debt and persistent twin deficits, which are expected to continue into the medium term. The agency considers relatively high the current government's budget deficit estimate of 7.5% of Gross Domestic Product (GDP) in 2020 (from 5% in 2019) and projects it to widen to 9.4% in 2021. Meanwhile, the GDP growth is seen slowing sharply to 3% in 2020 from 5.6% in 2019 because of sweeping Coronavirus-related disruptions. Standard & Poor's credit rating for Uganda stands at B with a stable outlook. Moody's credit rating for Uganda was the last set at B2 with a stable outlook.

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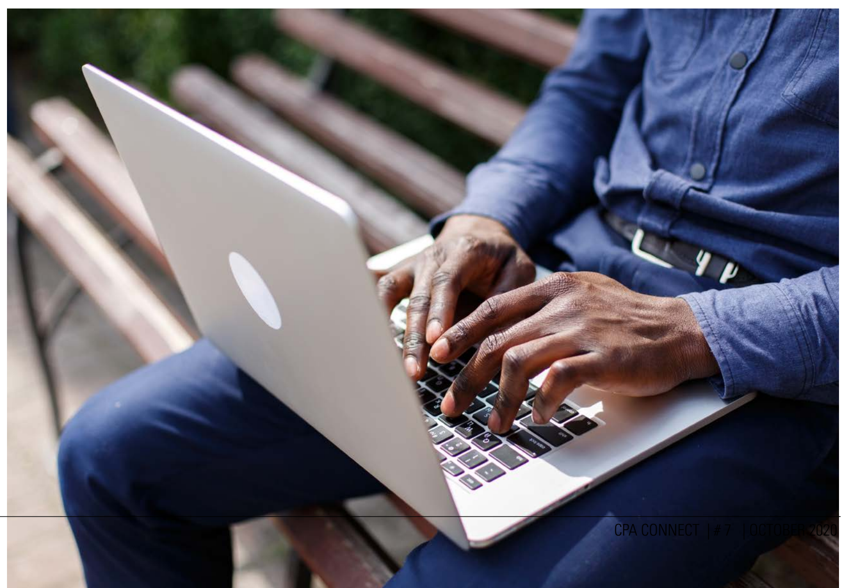


As explained, a credit rating for a country is used by sovereign wealth funds, pension funds, and other investors to gauge the creditworthiness of Uganda thus having a big impact on the country's borrowing costs." In times like these, the economy needs foreign capital inflows to ease any pressure on the Ugandan shilling exchange rate against major currencies. Businesses need funds to improve their liquidity. And that is what makes the Coronavirus pandemic a bad one. Where do you get funds to create capabilities to win?

Q&A

What lessons have you learned?

The COVID-19 pandemic has created a lot of uncertainty and shaped business winners and losers. Some businesses have thrived (despite being declared non-essential), while others have remained closed, for months now. Unfortunaltely, some will not open again. To separate the businesses that have struggled or closed from those that have survived and thrived, what factors matter the most?

Let us first examine the factors that do not matter. First, is size. Small businesses (which are the engine of growth for Uganda) may be considered more vulnerable, but this may not necessarily be true. While they may have smaller revenues, they are unlikely to have a large debt burden and a sudden customer flight shock. Because such businesses have built agility and nimbleness, they are more prepared to adapt to the new business order compared to large firms.

Second, pre-hard times financial conditions and performance also do not matter. Market leaders go under during hard times even when they were doing well financially before. It requires more effort to respond to a crisis than it is for a small firm. In times like these, the speed at which decisions are made is key.

What about the number of years the business has been in existence?

No. Not at all. Historical pre-existence does not necessarily provide immunity to the troubles caused by hard times. The corporate graveyard is full of dead companies that failed to respond to the modern VUCAP – volatile, uncertain, complex, ambiguous, and pandemic times. Many others are on their sickbed.

Then what matters?

It is the behaviour of business leaders and managers that matters the most!

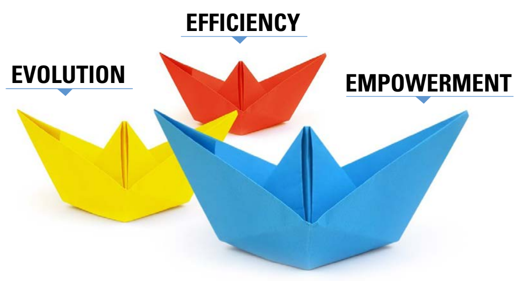
It is about the response and recovery decisions taken by business leaders during and after the hard times have struck.

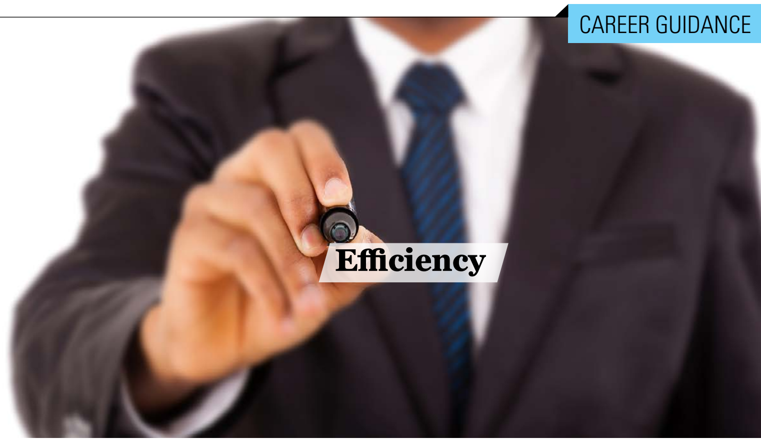
At Summit Consulting Ltd, during this period, we have been working with business leaders to respond and recover businesses during the hard times using *"The Power of Three"* (the 3Es model). We responded well and adapted our working approaches using remote delivery channels. Before the pandemic, we had created capabilities for the mobile office, each of our staff with a mobile device (laptop). So when the lockdown was announced, we immediately discontinued the office fixed Internet, and instead channelled the money to mobile data bundles. And since over 90% of our clients have never visited our offices, we made a quick decision to reduce our floor space and channelled the savings to cloud hosting and digital solutions into a platform for remote working. Our quick decisions have eased our cash flow pressures and given us cost-cutting initiatives we would have never considered. In the past, a large floor size was a measure we tracked – it was common for some of our staff to boast about our company's success in terms of the size of our offices. How wrong we were! Now our measures are number whitepapers downloaded from our website (this shows our thought leadership and leadership influence), and client inquiries via our digital channels.

This shift to creativity has been the silver lining brought about by the pandemic.

To win, we have applied our summit3Es + ACT model of winning behaviours for creative and successful business management during hard times. We have witnessed this model shape and transform businesses since the disruptive COVID-19 control measures were issued by the President on 18th March 2020.

The summit 3Es + ACT stands for Efficiency, Evolution, and Empowerment. And ACT stands for Assess, Change , and Transform – the brand promise of Summit Consulting Ltd.





Efficiency does not necessarily mean cost reduction. Efficiency is about focusing on organisational fitness and maintaining the right resources that will enable it to survive the hard times.
When the President differentiated essential products and services during his national address on 18th March, we assume his technocrats had assessed "organisational fitness", at the country level.

Organisational fitness is measured by considering every area and culture (including communication, leadership, and motivation) of the business, linking them to growth and profit. Efficiency also involves crafting the right mix of resources in terms of manpower, machines, materials, money, and markets to have the business win through a tough time.

> "To achieve efficiency, this year, the idea of 'tweaking your budget' need not happen."

Recently, at Summit Consulting, while guiding one of our FMCG clients to focus or organisational fitness, we tasked the Top Management Team to provide answers to each of the following questions:

a) How will your customers' spending patterns be impacted?

b) Which of your products will experience a surge in demand?

c) How will your distribution channels be impacted?

d) Will the hard time habits of your customers stick, or will they wane, and things get back to the old normal?

e) Has a new competitor emerged (or an old one closed shop) during this period?

f) To win, what core competencies do you need to retain and what competencies can you afford to shed off?

And the CEO of one of our other clients in the financial services sector has been experiencing financial upsets caused by the COVID-19 pandemic and had to approach us. "Usually in June, we re-valuate and tweak our budget", he told us. "So, what do we do this year"?

"To achieve efficiency, this year, the idea of 'tweaking your budget' need not happen". "Re-write it"! We advised. The intention was to help our client achieve organisational fitness. The traditional approach of horizontal extrapolation of numbers cannot work. No company had expected and budgeted for a pandemic. It happened as a shock and has turned the world upside down across all industries.

If you are to win, you must throw the old strategy out of the window. And get back to the drawing table. Re-write the strategy. And now more than before, you cannot just go to an offsite venue or hotel and put over 9-20 people in a room and discuss strategy. First, do a thorough business assessment, by engaging with all the key strategic units/ departments in the business.

Evolution

Evolution is transformation, modification, reconstruction, and adaptation. Evolution is not necessarily innovation. In hard times, winning businesses twist and adjust their products, services, marketing, and distribution channels and campaigns.

For your business, what new technologies will you adopt to continue delivering your goods and services to your customers?

To survive, your business and brand must evolve in different ways.

One of our key clients had not considered embracing social media advertising before the current COVID-19 hard times.

When they contacted us on our COVID-19 recovery and response strategy, we advised that to thrive in the new normal, our client would have to deliberately embrace social media marketing as one of the tools to maintain and expand their customer base. Also, we set for them a business intelligence and data analytics tool, that is custom to their business and affordable so that they have full visibility into their critical accounts and transactions to avoid the risk of fraud, which has increased, due to the financial pressures caused by the pandemic.

We managed our client's social media strategy to not only advertise but also expand their reach and give consumers a chance to express their feelings, share their experiences, and interact with the brand. We also continue to offer business intelligence and data analytics, which insights they can receive in real-time on their mobile devices – smartphones and laptops or iPads if they have an internet connection. The ability to get visibility into the business, monitor top accounts and key data tables, is so critical to CEO and EXCO (executive committee) peace of mind.

Above all, our custom low-cost summitBI® tool – that combines the powers of PowerBI, SQL, Python, Tableau Visualization, and R2 was able to help our client save over the US $12,000 monthly licences of off-the-shelf tools and another over the US $120,000 in a one-off payment. Such savings are critical to navigate tough times like these.

Indeed, social media and deep business insights can reverse and turbocharge the communication flow of your brand's messages. Here, we fixed both the strikers and the defense teams at the same time. A business without visibility could easily collapse. But it does not matter how much money you have. If you don't protect it through real-time monitoring, it may never accumulate and become enough.

Today, our client is privy to consumer conversations that used to happen in private. The communication about our client's brand is on a viral megaphone –social media! Imagine just knowing the minimum number of customer transactions per day at a given branch. You cannot only set the right targets for your team but decide with confidence the closure of a particular branch or channel. And many other insights that many leaders are blind to.

Empowerment

Do you have a leadership operating system that empowers people?

Are you an empowering leader who detests micromanagement?

Instead of centralising control, do you release it through decentralisation to allow decisions to be taken at the lower level?

During hard times, great leaders harness the power of their teams to address business challenges. They work through structures and teams and aim at making individuals feel heard.

They give credit to their teams.

Empowerment yields the positive effect of keeping businesses close to their customers and other key stakeholders. Nevertheless, the empowering leaders maintain an upward flow of communication to keep in the know of what is happening.

Empowering leaders do it through an environment of:

a) Trust
b) Clarity and
c) Momentum.

Re-establishing trust by owning up to business mistakes demonstrates care, reliability, and fairness and thereby drawing customers closer.

Clarity is achieved through effective communication. Communication of values, strategies, key roles, and routine updates provides a connection with employees.

Momentum is the energy, drive, and zeal and dynamism exhibited by business leaders. Good business momentum will not only make a business thrive, but it will also get employees to fulfill their potential in unimaginable ways.

Momentum transforms the way business is done and the transformation is fast!

The CEO should not be the one to approve a decision regarding a reversal in a transaction where someone's account has been debited in error with a Ugx.20,000! The Teller should be empowered to rectify such operational problems.

Actions for you:

COVID-19 has also created many opportunities, especially for creative and responsive leaders!

As several businesses are experiencing a period of slowed business and economic growth and loss of key customers, dynamic business leaders are moving forward and thriving despite the backward push and roadblocks created by COVID-19.

Will you join the dynamic and creative business leaders who have embraced the summit3Es + ACT and made them part of their new normal?

Will you adjust your business' operating systems and survive the current and future hard times?

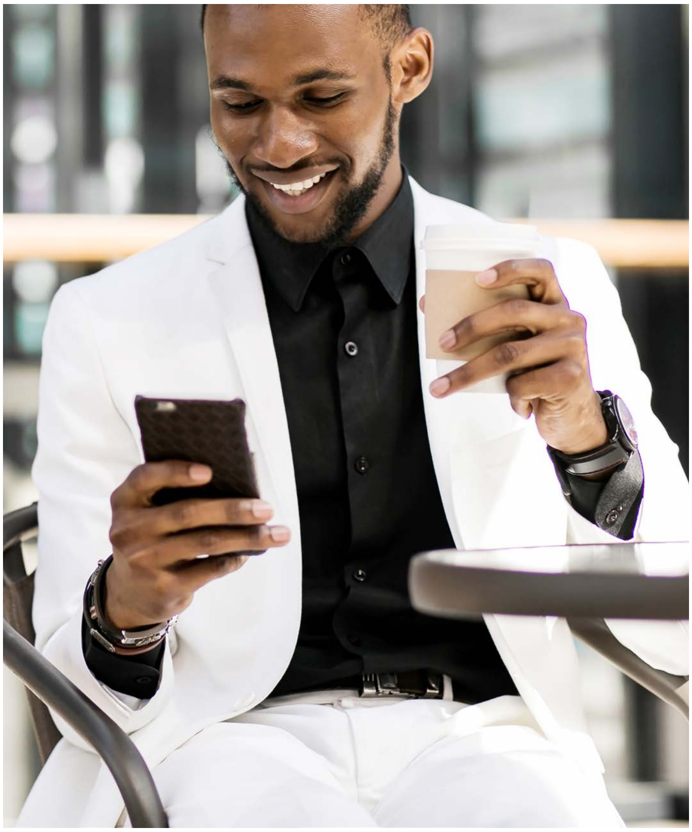
For the upcoming business leader, will you be part of the surge of business start-ups that will spring up in the next six months (as a response action) to make the most of the new opportunities?

Remember, when hard times hit, your response actions matter more than all your pre-existing factors and conditions before the hard times. And whatever you do, put people at the centre of your response strategy. ACT. Assess. Change. Transform. And win.

For more, visit www.summitcl.com or visit www.mustaphamugisa.com.

By Eric Zachary Mugisha,
Communications Officer - Digital Platforms, ICPAU

SOCIAL MEDIA WILL LIFT YOUR BUSINESS IN THE POST COVID19 ERA



Uganda has seen significant growth in internet usage with the latest IPOS report indicating a 43% internet penetration. The same report highlights key populations and how they consume data on the various internet platforms including websites, social media and search engines.

Uganda has maintained a 2,500,000 audience as daily social media active users representing roughly 2.7% of the population. It is safe to note that this audience is predominately male and resident in towns (Kampala Metropolitan, Central Uganda, Jinja, Mbarara, Gulu, Arua, Fort Portal) and present limitless opportunities for entrepreneurs, services providers, and accountants.

Here are four reasons why you should maintain social media platforms for your business.

1. Almost Free

Setting up a social media account for a business is as easy as ABC, and comes at no cost at all. A Facebook business page goes a long way in helping you to create an audience (of buyer personas) for your business, your accounting practice, your training institution a CPA tuition provider. I will quash one overly pronounced misleading detail, Social Media Marketing is not free, Posting on your accounts is not marketing. I will discuss this further the 3 points.

2. Free tools in native apps

Social Media platforms like Facebook, Twitter, Instagram come with a variety of tools that can help you create impacting content. Facebook with the Creator App and Facebook Page manager can help you create a virtual shop for products/ services even when you do not have e-commerce websites. Such tools can help business owners to provide key information to audiences that visit their pages.

3. Cheap/ as if free Marketing (in comparison to other media i.e. Radio, Print, Tv or Billboards)

The single most important aspect of social media marketing is when well executed it will deliver that best ROI on advertising, 10 times better than the other rudimentary platforms. A single dollar on Facebook will help your business reach an estimated audience of 660 - 1,900 people per day. Should such an advert be done with the best ranges of audiences in mind, a business will see substantial growth in product awareness.

Social Media Marketing is not a matter of throwing dollars at any posts to have meaningful impact. It is a calculation on content, visuals, messaging, social listening, timeliness and the right audiences to have the best returns.

About the reach of the advert or impression, these cost different for every specific audience. I recently run an advert calling for accountants to register for a CPD webinar and spent $10. The Advert was able to reach nearly 4,000 people in Kampala for $0.001 per impression while costing me nearly $0.65 for every 3 people in Masindi. I was able to get the desired click rate for registrations, but this gives me guidance on where I should focus my top dollar when setting up locations as boost posts.

Facebook and Google can localize your Adverts to avoid vanity metrics. It is better to advertise my Juice business to working corporates around Acacia, Kololo Hill Drive, Kamwokya, Kitante and Mulago if my business is located on Bukoto Street. I will be happy with 40 likes and 10 comments if I sale out my 30 glasses a day than trying to reach everyone for 700 likes, 300 comments and 10 or nor sales.

4. Free Analytics

All social media platforms provide some level of analytics. These are key in assessing the efficiency of your content, visuals and advertising synergies.

Please note; Social Media Marketing is a science that involves data analytics, audience assessment and timely content follow to nudge audiences into the desired action.

Big corporations use complex data tools to help them understand their audiences. These tools are expensive and require skilled personnel which most Micro, Small and Medium Enterprises (MSMEs) and Small and Medium Practices (SMPs) may not afford but social media presents a balanced platform.

With a well-thought out mix of content, social media advertising and analytics, any business will attract audiences that are willing to spend quality shillings on their products and services in and after the COVID-19 pandemic.

Please note, today's buyer is looking for much more than a product, a service. Try to have a few experience enhancers through timely deliveries, customer care, product education and more. These will help you create referrals with word of mouth to expand your customer base.

For all those in the food chain/agribusiness, now is the best time to eliminate the market, the middle man and sell directly to potential customers with social media marketing.

For those trying to sell services, consider hiring a professional social media agency or personnel to help you create impacting digital strategies.

By CPA Kalinda Gonzaga Joseph,
A tutor for CTA Paper 9- Tax Audits, Investigations and Ethics - KKH Consultants

COVID-19 AND THE PREPARATION OF FINANCIAL STATEMENTS-

KEY RISKS TO CONSIDER

The Covid-19 pandemic has led to massive disruptions to organisations of all sizes across all industry sectors. Management and those charged with governance (TCWG) are having to make difficult decisions daily about operational, financial, and strategic matters.

The consequences on financial statement reporting and audit engagements are complex. There are multiple financial reporting implications that preparers of financial statements must consider for the purposes of reporting in the short and potentially medium term.

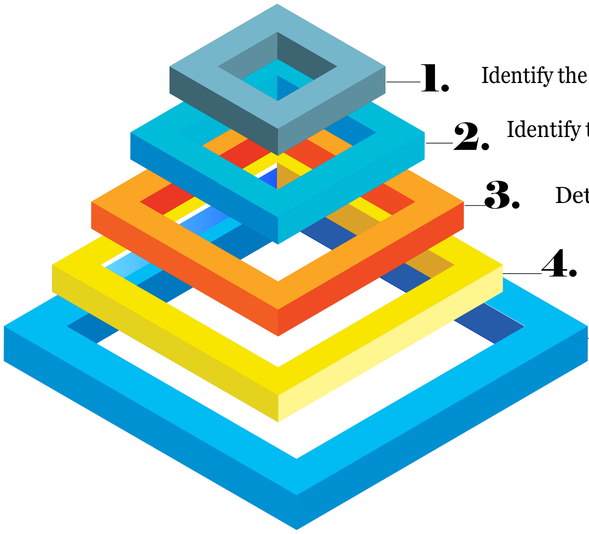
The responsibility for preparing and overseeing financial reporting is with management, with oversight from TCWG.

Auditors and or preparers of financial statements need to consider the following risks to produce quality Financial Statements in line with the requirements of International Financial Reporting Standards and ISCQ1.

Revenue Recognition

IFRS 15, Revenue from Contracts with Customers establishes the principles that an entity applies when reporting information about the nature, amount, timing and uncertainty of revenue and cash flows from a contract with a customer.

In accordance with IFRS 15, an entity will recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. An entity applies five steps:



1. Identify the contract(s) with a customer
2. Identify the performance obligations in the contract
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations in the contract
5. Recognise revenue when (or as) the entity satisfies a performance obligation

Covid-19 could affect the assumptions made by management in measuring the revenue from goods or services already delivered, particularly for variable consideration and for the anticipated outcome of contacts extending over multiple reporting periods.

Lease Accounting

The objective of IFRS 16, leases is to report information that represents lease transactions and provides a basis for users of financial statements to assess the amount, timing and uncertainty of cash flows arising from leases.

Lessees are required to recognise assets and liabilities arising from all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors classify leases as an operating lease or a finance lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of an underlying asset. Otherwise a lease is classified as an operating lease.

In the current environment, lessees may be seeking rent concessions from lessors. This may take the form of reduced or free rent for a period, a deferral of rent or some other type of relief (for example fixed rent payments becoming variable). The accounting implications of an agreed change to rent will depend on whether the change was envisaged in the original lease agreement.

Fair Value Measurements

A change in the fair value measurement affects the disclosures required by IFRS 13, Fair Value Measurement, which requires companies to disclose the valuation techniques and inputs used in the FVM as well as the sensitivity of the valuation to changes in assumptions. Disclosures are needed to enable users to understand whether Covid-19 has been considered for the purpose of FVM. A key question is: What conditions and the corresponding assumptions were known or knowable to market participants at the reporting date?

For 2020, fair value measurements, particularly of financial instruments and investment property, mustbe reviewed to ensure the values reflect the conditions at the balance sheet date.

Impairment of Non-Financial Assets

IAS 36, Impairment of Assets ensures that a company's assets are carried at not more than their recoverable amount (the higher of fair value less costs of disposal and value in use) and requires companies to conduct impairment tests when there is an indication of impairment of an asset at the reporting date. Indicators of impairment include significant changes with an adverse effect on the company that have taken place during the reporting period or will take place soon in the market or economic environment in which the company operates.

Companies will need to assess whether the impact of COVID-19 has potentially led to an asset impairment.

Valuation of inventories is subject to IAS 2 Inventories - requiring measurement at the lower of their cost andNet Realisable Value (NRV). In the current environment, the NRV calculation will likely require more detailed methods or assumptions (for example companies may need to write-down stock due to less sales). Interim inventory impairment losses should be reflected in the interim period in which they occur, with subsequent recoveries recognised as gains in future periods.

Expected Credit Losses on Financial Instruments

The COVID-19 impact on credit risk will be more severe and immediate in various sectors.

IFRS 9, Financial Instruments requires companies to incorporate reasonable and supportable information about past events, current conditions and the forecast of future economic conditions into the assessment of Expected Credit Losses (ECLs) for financial assets not measured at fair value through profit or loss. Such an assessment should be based on information at the reporting date. Events after the reporting date should be considered for whether they provide additional evidence on the information already existent as at the reporting date.

The increased credit risk faced by banks and lenders is related to exposures to borrowers in highly affected sectors. Provisions should be estimated based on the ECL for the entire remaining life of a financial instrument, such as loans to borrowers whose credit risk has increased significantly since origination.

Deferred Taxes

IAS 12, Income Taxes deals with the accounting treatment for income taxes. It requires an entity to recognise a deferred tax liability or (subject to specified conditions) a deferred tax asset for all temporary differences, with some exceptions. Temporary differences exist between the tax base of an asset or liability and its carrying amount in the statement of financial position. The tax base of an asset or liability is the amount attributed to that asset or liability for tax purposes.

There may still be uncertainties at the year-end in estimating whether there will be sufficient future taxable profits against which to utilise the historic tax losses and this uncertainty will require the need for judgment when calculating deferred tax asset balances.

COVID-19 may impact projections of future taxable profits (some may reduce while others increase) and will be affected by various factors, such as:

- Changes in cash flow forecasts.
- Modifications in the company tax strategy.
- Changes in tax law due to government intervention measures (for example an extended period to use tax losses carried forward).

In addition, some of the changes may impact the timing of the reversal of temporary differences.

Government Assistance or Grants

Covid-19 has prompted various forms of government relief programmes. In general, government support can be split into two types — changes in tax laws vs. direct assistance via government grants or loans. In accordance with IAS 20, *Accounting for Government Grants and Disclosure of Government Assistance* there will be different accounting treatments for government funding depending on whether it is received through a tax concession or a government grant.

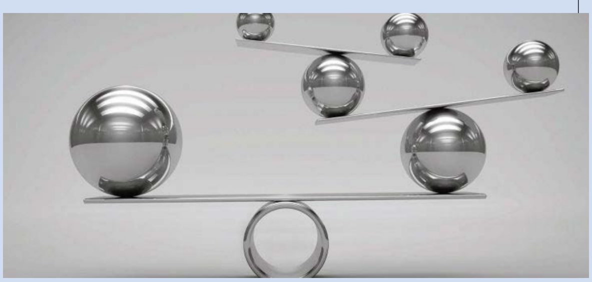
Government support often may be conditional on companies complying with specified conditions (for example, retain 70 per cent of employees on payroll). Professional accountants are required to understand and comply with any new laws or regulations introduced in response to the pandemic, as might apply to their particular circumstances.

Clear and transparent disclosures by entities about government support, both for amounts already obtained and in the future, together with assessments of compliance with conditions is helpful to users in understanding other aspects of financial reporting, such as the basis of going concern.

Hedge Accounting

Covid-19 may reduce the probability of a hedged forecast transaction occurring or affect its timing. Consequently, the hedge accounting criteria in applicable financial reporting standards may no longer be met, for example, if a hedged financial asset becomes credit impaired.

If a hedged forecast transaction is no longer highly probable to occur, hedge accounting is discontinued and the accumulated gains or losses on the hedging instrument need to be reclassified to profit or loss. Companies should be transparent in their disclosures on the use of hedge accounting, the effects of current and expected future conditions and amounts reported in the profit and loss account. For example, IFRS 7, *Financial Instruments: Disclosures* requires disclosure of defaults and breaches of loans payable, gains and losses arising from de-recognition or modification, and of any reclassification from the cash flow hedge reserve that results from hedged future cash flows no longer being expected to occur. Disclosures include quantitative data, for example, about liquidity risk, and narrative disclosure, for instance, how risk is being managed.



Events after Reporting Date

IAS 10 *Events After the Reporting Period* contains requirements for when adjusting events (those that provide evidence of conditions that existed at the end of the reporting period) and non-adjusting events (those that are indicative of conditions that arose after the reporting period) need to be reflected in the financial statements. Amounts recognised in the financial statements are adjusted to reflect adjusting events, but only disclosures are required for material non-adjusting events.

Judgment is required in determining whether events that took place after the end of the reporting period are adjusting or non-adjusting events.

With respect to reporting periods ending on or before 31 December 2019, there is a general consensus that the effects of the COVID-19 outbreak are the result of events that arose after the reporting date. For later reporting dates (for example February or March 2020 year ends), it is likely to be a current-period event which will require ongoing evaluation to determine the extent to which developments after the reporting date should be recognised in the reporting period.

Examples of non-adjusting events that would generally be disclosed in the financial statements include breaches of loan covenants, management plans to discontinue an operation or implement a major restructuring, significant declines in the fair value of investments held and abnormally large changes in asset prices, after the reporting period.

Going Concern Issues

IAS 1 Presentation of Financial Statements requires management to assess a company's ability to continue as a going concern. The going concern assessment should be performed up to the date on which the financial statements are issued. There may be significant areas of uncertainty due to Covid-19 and it could be important to assess the impact of new information which only becomes available closer to the approval date. The assessment relates to at least the first 12 months after the balance sheet date, or after the date the financial statements will be signed, but the time frame might need to be extended.

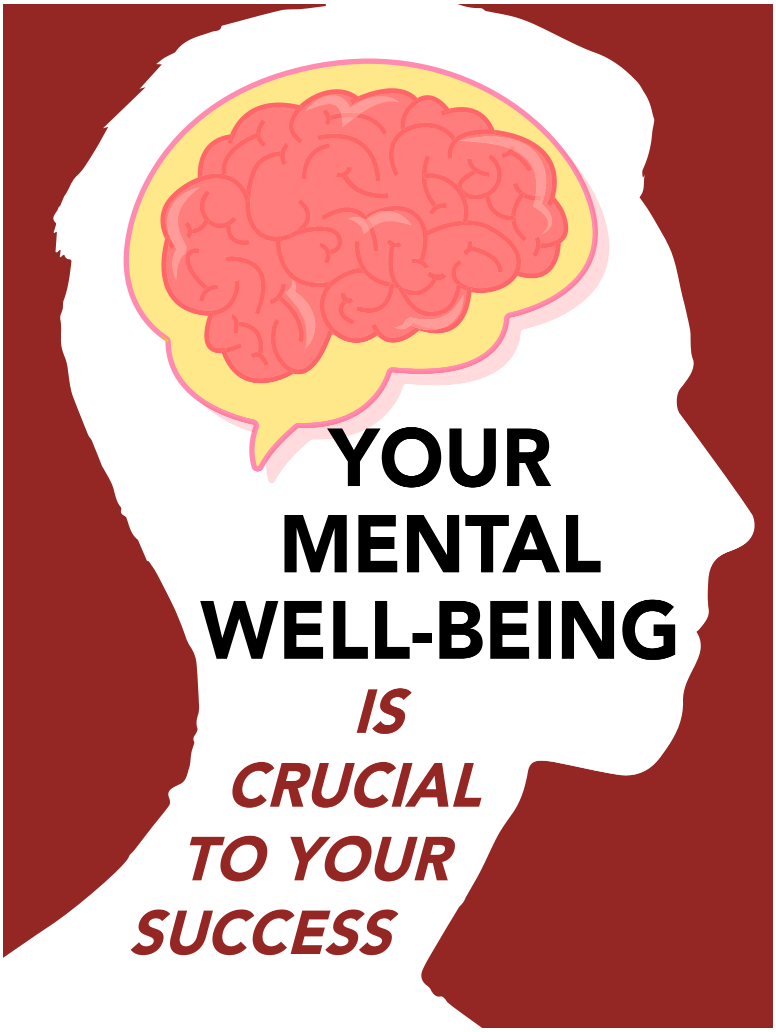
Material uncertainties that cast significant doubt on the company's ability to operate under the going concern basis need to be disclosed in the financial statements. It is highly likely that many companies large and small, and particularly in certain sectors, will have issues relating to the current situation that need to be considered by management and TCWG.

Taxation Impacts

Governments have issued several tax measures to assist affected organiations to overcome the impacts of the pandemic. Such measures include tax reliefs as is the case in Kenya and Rwanda, deferral of tax due dates, tax waivers, and extension of deadlines among others. Therefore auditors need to assess the impacts of such measures and also disclose the same in notes to the financial statements.

The writer is a Certified Public Accountant, Certified Tax Advisor and Practitioner with Kalinda & Associates, Certified Public Accountant of Uganda.

By Esther Nassali Masanso,
Has experience in publishing, digital marketing and top level management.



YOUR MENTAL WELL-BEING *IS CRUCIAL TO YOUR SUCCESS*

Many people think of success in financial terms. Society has its label of success and that is what it exerts on us. This is why we are all chasing that same idea of success. Yet it is such an abstract and subjective matter, meaning something different to all of us. Because everyone is aiming at achieving this socially acceptable status of 'successful', it ends up being done at the expense of our mental well-being especially when one feels like the areas they are really good at or that they like are generally deemed frivolous, unimportant and unacceptable. I think of success as the accomplishment of an aim or purpose. This purpose can be in the area of business, creative art, writing, music, politics etc.

One would wonder then why high performing people also struggle with mental illness. The answer may pose a bit of a chicken or egg conundrum — which came first? The mental illness or the success? Success comes with a price, whether it's high-stakes financial responsibility, performance expectations, or a level of fame and the resultant (and sometimes unwanted) public scrutiny. All that stress and pressure on top of growing demands can lead straight to the beginning of larger issues. You may not necessarily need success to have stable mental health but you need your mental health in check to achieve and maintain your success. The two are mutually inclusive.

The name Andrew 'Fimbo' Mukasa is synonymous with Ugandan football, SC Villa in particular. Whoever has an idea about local sports knows the extent to which this striker was a force to reckon with when it came to scoring brilliant goals and winning titles. At his prime, he was phenomenal. No defender could stop him from scoring. Fimbo plundered over 100 goals for the Jogoos during his four-year spell at Villa Park, winning two doubles. Whatever number of goals he said he would score he would. He turned promises into reality. Because of his brilliant shots while at Puma, his fans nicknamed him 'Fimbo', a Swahili word for a caning rod. The name got so popular that till today, very few people are aware that Kalyango is his surname.

Unfortunately, Andrew suffered and continues to do so with his mental health. It is common knowledge because he was known as the temperamental striker then and continues to be a regular visitor at a mental health hospital in Kampala. It is debatable whether he reached his full potential or not.

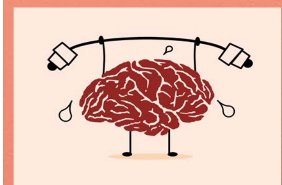
Andrew's story is just one of the millions of stories that we know about mental illness getting in the way of one's goals. It is not a trivial matter. What may start off as light episodes of stress will eat at you, creating a black fog that pervades several areas of your life plunging you into darkness. The symptoms will not just affect the professional or physical but all other areas of life. This is because all areas in our lives are linked and overlap. If left unchecked, the balance between success and mental health may tip from stress and burnout to a full-blown mental illness. This is why we need to keep this demon at bay. We have to stop sacrificing our mental health in the pursuit of success because it is only a matter of time before we lose everything.

Some scholars argue that one should not be regarded successful if they are not prioritising their health and wellbeing. Is it really success if one is stressed, exhausted and unhealthy? If one can not find the time to prioritise one's relationships? If one is ultimately unhappy?

How then does one make sure that in this pursuit of success, they do not go off the mental wellbeing road? How do you make sure that while rushing through life and chasing the next big checkpoint, you leave time to truly connect with one another and yourself for your emotional wellbeing and happiness? Below are some generally agreed upon ways to achieve a good mental health state.

By developing the courage to identify and admit our vulnerabilities

Society as a whole needs to get rid of the stigma that surrounds mental issues and purpose to have honest conversations about it. Let us accept that this is something that can happen to anyone. It is often in facing the deepest darkness that our eyes see the endless possibilities that await.



By accepting that taking on a little at a time is not laziness

This is especially difficult because we have been raised in a culture praising hard work and zero tolerance for laziness. Girls are at times raised to think that they will have no one to marry them if they do not work like slaves. As a result, you may take on so much more than you can handle. I am not encouraging laziness but hoping that you can know the difference. To be able to bite off what you can chew. When we take on too much, something will always suffer. It is the same case for boys who are raised in a culture that preaches doom for one who has nothing. No one will want them if they come with nothing.

By knowing that nothing exists in isolation

You need a support system to do life with. Family and friends. Talk about situations, share experiences, find time to just relax and have a good time.

Protecting your physical health

Research alone has proven many times over that exercise can improve your mental well-being far more than anti-depressants ever will. Working hours on end is not noble. Get enough hours of sleep too. Monitor and listen to your body using the messages that it is sending you. Where there are strong clues of pain, deal with them.

Getting distractions in form of hobbies

Find other things you love to do that are not particularly in the line of work. These will help to take your mind off work and reduce the stress levels. Join that club you have been procrastinating about joining for a while now, get into that fellowship, buy that equipment and play that sport.

Finally, put that peer pressure on eternal hold. Throw away the world's definition of success and make your own. Be at peace with the fact that you all cannot turn out the same way and that it is okey. There will always be more things to aspire to, more records to beat. Give yourself a big break!

In becoming your own mental health management expert, do not be surprised to see yourself achieving success beyond what you thought possible with a far greater sense of purpose and satisfaction. You are after all, only the best version of you.

INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF UGANDA

Tuesday 29 September 2020

Dear Student,

COMMUNICATION NO. 6: ICPAU EXAMINATIONS

1. INTRODUCTION

On 11 August 2020, there was a students' engagement webinar where updates on examinations arrangements were provided. At that time, there was no clarity on opening of educational institutions.

During the Presidential address of Sunday, 20 September 2020, the President allowed educational institutions to open for candidate classes. In our case, you are all candidates because of the course being modular.

2. EXAMINATIONS REGISTRATION

The Public Accountants Examinations Board (PAEB) has opened for examinations registration from 30 September 2020 to 15 November 2020 in preparation for December 2020 examinations.

The students who are not registered for examinations have an opportunity to register for the examinations. **Note that there will be no late registration.**

The students who are already registered need not register again unless they want to make adjustments on their registration e.g. change of Papers, withdrawal, or switching of examinations centres.

3. EXAMINATIONS DIETS

The PAEB has carefully considered the prevailing situation and agreed to hold an examinations diet before the year 2020 ends.

The Board further considered another examinations diet early next year to facilitate students' progression due to the lost diets.

The schedule for examinations is as follows:

S/N	Dates	Centres	Remarks
1	Friday, 18 – Tuesday, 22 December 2020	All examinations centres	Confirmed
2	Monday, 1- Friday 5 March 2021	All examinations centres	Tentative

We would like the students to appreciate and understand the prevailing circumstances that have drastically altered many aspects of operations. The examinations shall be conducted through a weekend because of venue challenges for Kampala centre. As you may all be aware, the usual venue, Nambole Stadium, is now a COVID-19 treatment centre, thus not available.

So, to observe the Standard Operating Procedures for educational institutions' activities, we need to secure another venue which will be communicated soon.

For your safety during examinations, expect a lot of changes in how the examinations will be conducted

4. CONCLUSION

It is PAEB's hope that you will utilise this time and opportunity to make thorough preparations and register on time for examinations.

Stay safe by observing the SOPs issued by the Ministry of Health.

Derick Nkajja

SECRETARY/CEO


COVID-19
WEAR A MASK
Stop
The SPREAD
#TugobeCorona
CPA Uganda
psfu
PRIVATE SECTOR FOUNDATION UGANDA
Business growth is our business


Secure
Your Future With CPA