



**INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
OF UGANDA**

**MEMBERS' SURVEY
REPORT ON
ORGANISATIONAL
RESPONSES TO COVID-19**

MEMBERS' SURVEY REPORT ON ORGANISATIONAL RESPONSES TO COVID-19

1.0 Introduction

ICPAU conducted a survey of its members to explore organisational responses to the COVID-19 global pandemic. The survey was administered electronically to members by email and on social media from 10–24 April 2020.

Members were invited to share their experiences on the actions taken by their organizations in response to COVID-19. A total of 154 responses were analyzed. This survey report describes responses, based on completed surveys.

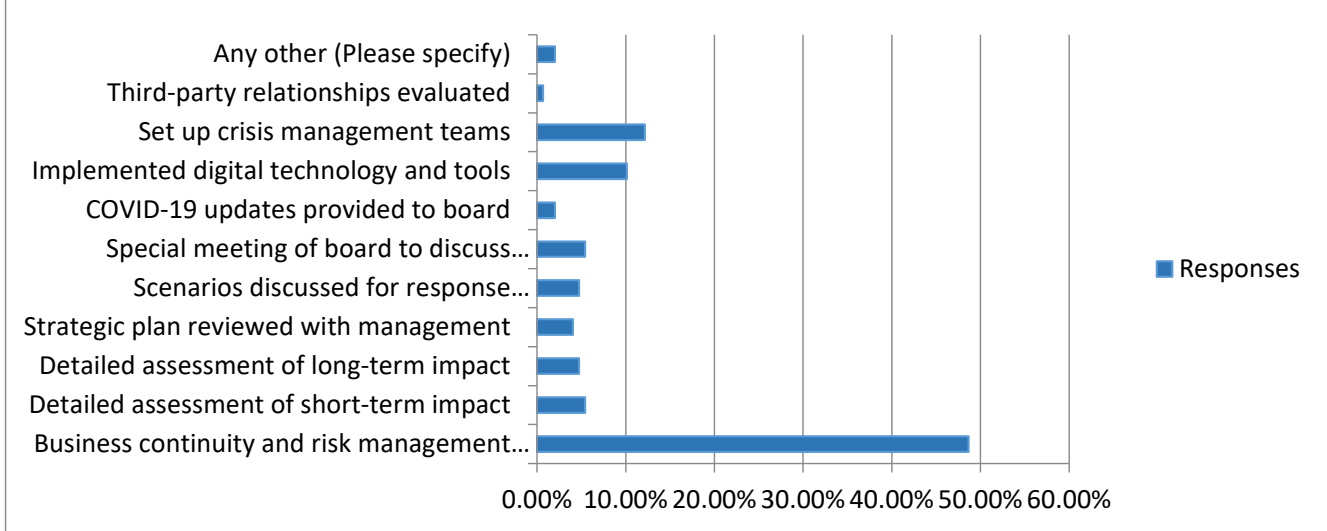
The focus is mainly on reporting the data with minimal interpretation, recognizing that the readers will be able to interpret the results most applicable to them. Results are provided here below for:

- Strategic responses
- Financial and operational responses
- Human-resource responses
- Customer/stakeholder-focused responses
- Sufficiency of resources to respond to Covid-19
- Planning for recovery (post- COVID-19) phase
- Lessons learnt & Recommendations for the future

2.0 Strategic Responses

Initial strategic responses are focused on reviewing organisations' business continuity plans and assessing effectiveness of risk management strategies. Over 48% of the respondents indicated that their organisations had reviewed/ implemented business continuity and risk management plans in view of COVID-19, about 12% had set up crisis management teams and about 10% implemented digital technology and tools (see below for detailed responses).

Strategic actions taken by organisations in response to COVID-19

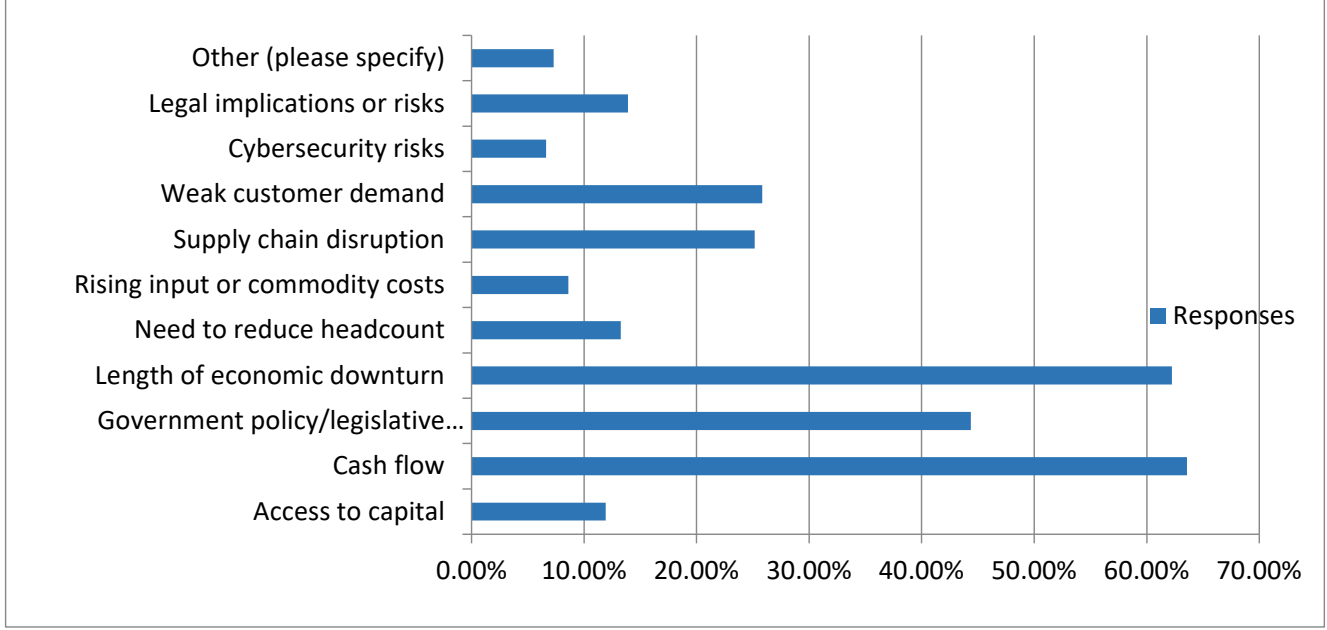


- **Qtn:** Which of the following strategic actions has your organization taken in response to COVID-19? Survey responses collected April 10-24 2020, from ICPAU members, n= 148.

3.0 Financial/ Operational Responses

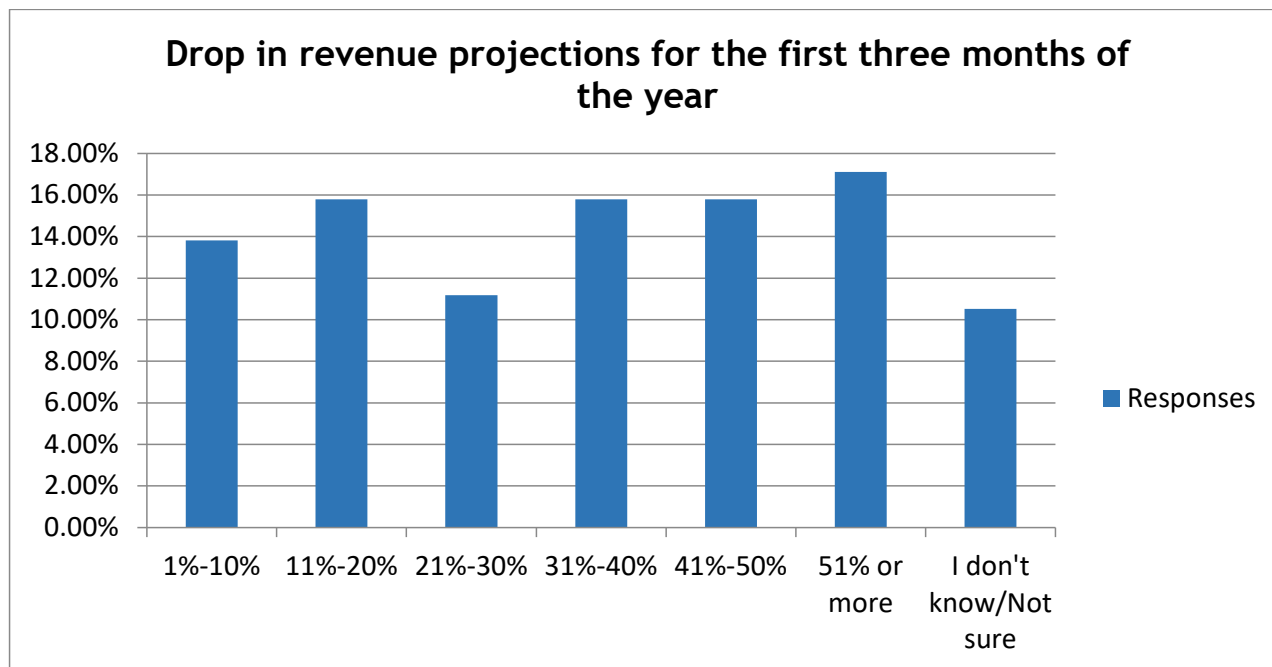
Majority of members indicated that the top three most pressing concerns for their organisations’ top management teams were; cash flow concerns (63%), uncertainty around the length of economic downturn (62%) and issues of government’s COVID-19 related policies/ legislation (44%). The graph below provides the details.

Top three most pressing concerns for organisations’ top management team



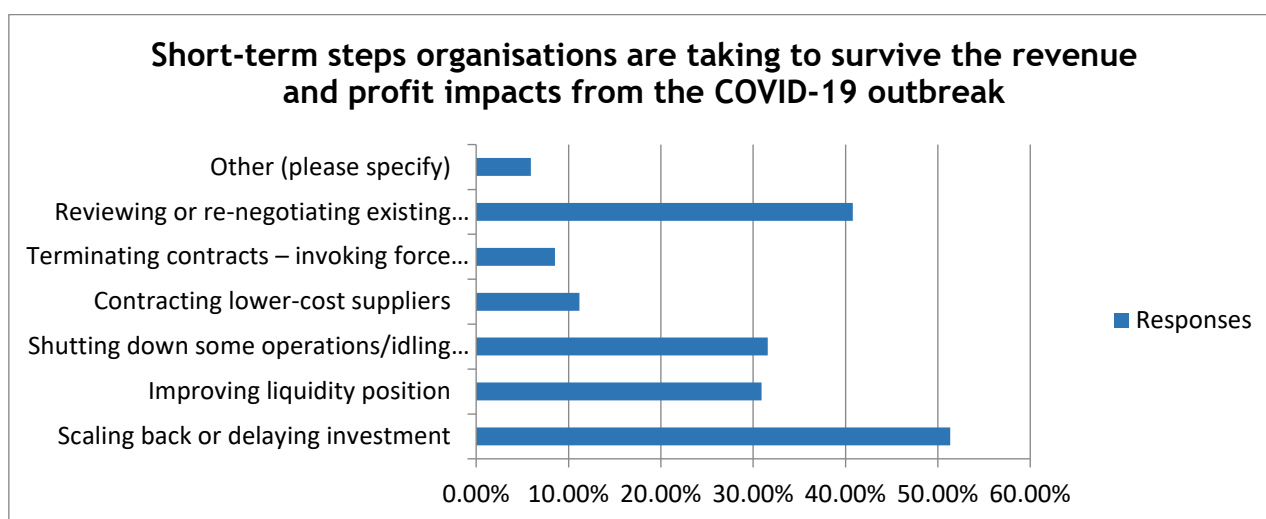
- **Qtn:** What are the top three most pressing concerns for your organisation’s top management team? Survey responses collected April 10-24 2020, from ICPAU members, n= 151.

While 10% of the respondents were not sure by how much their revenue was expected to drop from what was initially projected for the first three months of the year, about 17% thought it would drop by 50% or more and only about 13% believed their revenues would only drop by between 1-10% from projected. Below is the detailed presentation of members' responses.



• **Qtn:** *By how much do you expect your revenue to drop from what was initially projected for the first three months of the year? Survey responses collected April 10-24 2020, from ICPAU members, n= 152*

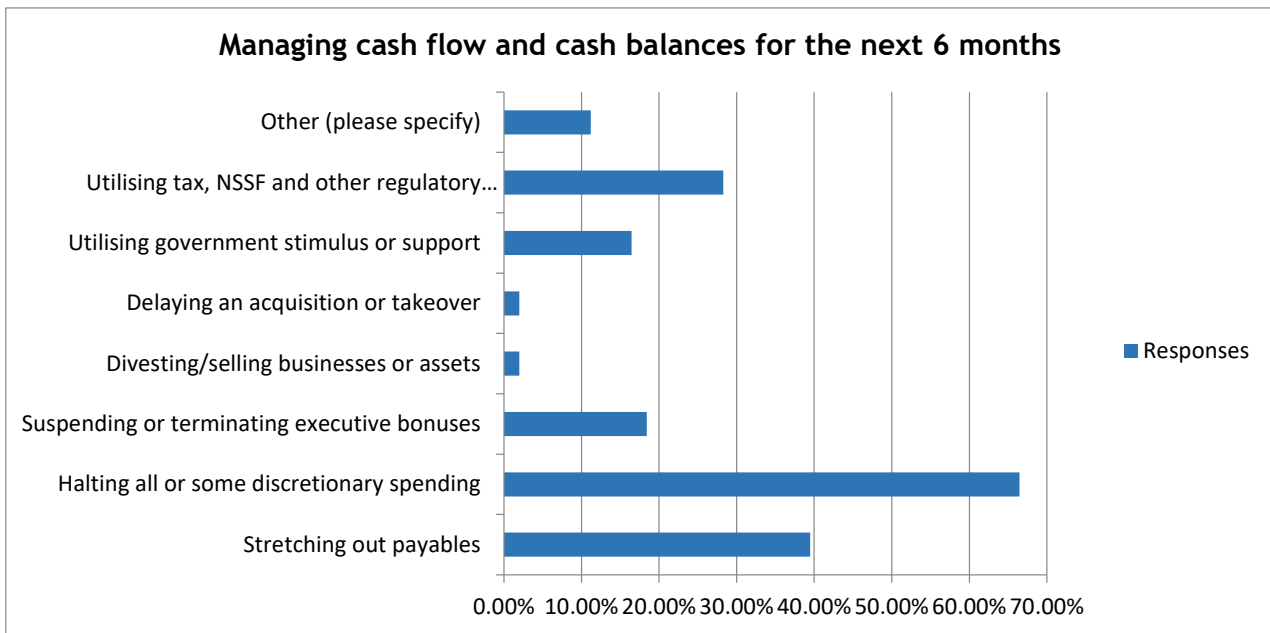
Members also shared some of the short-term steps taken by their organisations to survive the revenue and profit impacts resulting from the COVID-19 outbreak. About 5 in 10 respondents said they had scaled back or delayed investment and 4 in 10 said they had reviewed or re-negotiated existing contracts (see below for details).



• **Qtn:** *What short-term steps are you taking to survive the revenue and profit impacts from the COVID-19 outbreak? Survey responses collected April 10-24 2020, from ICPAU members, n= 152.*

Other responses included, seeking to establish fundraising facility that could be accessible to clients to ensure resilience and business continuity, cost cutting initiatives and taking advantage of moratoria on statutory obligations for filing and payments.

To manage their cash flow and cash balances for the next 6 months, about 66% of the respondents said they were halting all or some discretionary spending and nearly 40% of the respondents said that they were stretching out payables. The table below provides the detailed responses.



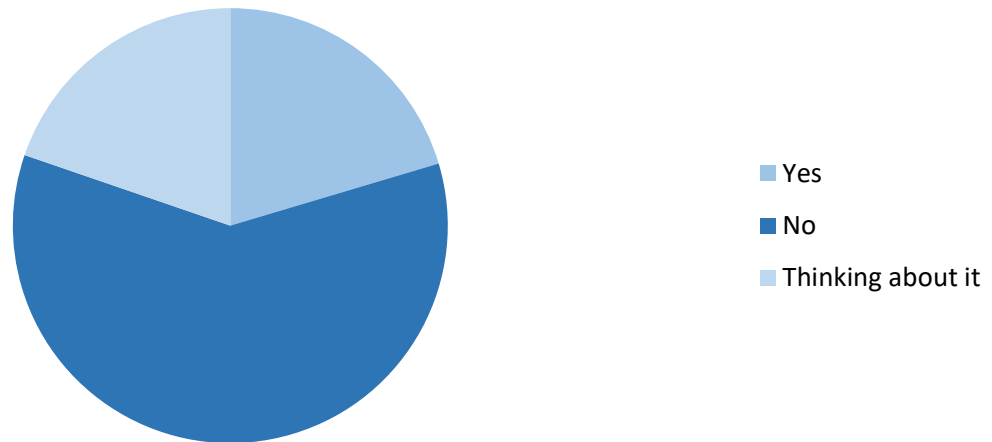
- **Qtn:** *What else is your organisation doing to manage your cash flow and cash balances for the next 6 months? Survey responses collected April 10-24 2020, from ICPAU members, n= 152*

Other responses included,

- Setting up a global facility for clients and commencing fundraising.
- Requesting for supplementary budget approval by parliament for state enterprises.
- Calling on reserves to sustain normal operations for the next 8 months.
- Accepting monthly cash transfers instead of the usual quarterly transfers for those in government agencies.
- Re-negotiating payment terms with creditors
- Reviewing budgets & forecasts to prioritise only critical line items.

About 2 in 10 respondents said their organisations had drawn on existing lines of credit or tapped another source of liquidity because of the COVID-19 outbreak, nearly 6 in 10 had not, while 2 in 10 indicated that they were thinking about it as illustrated in the graph below.

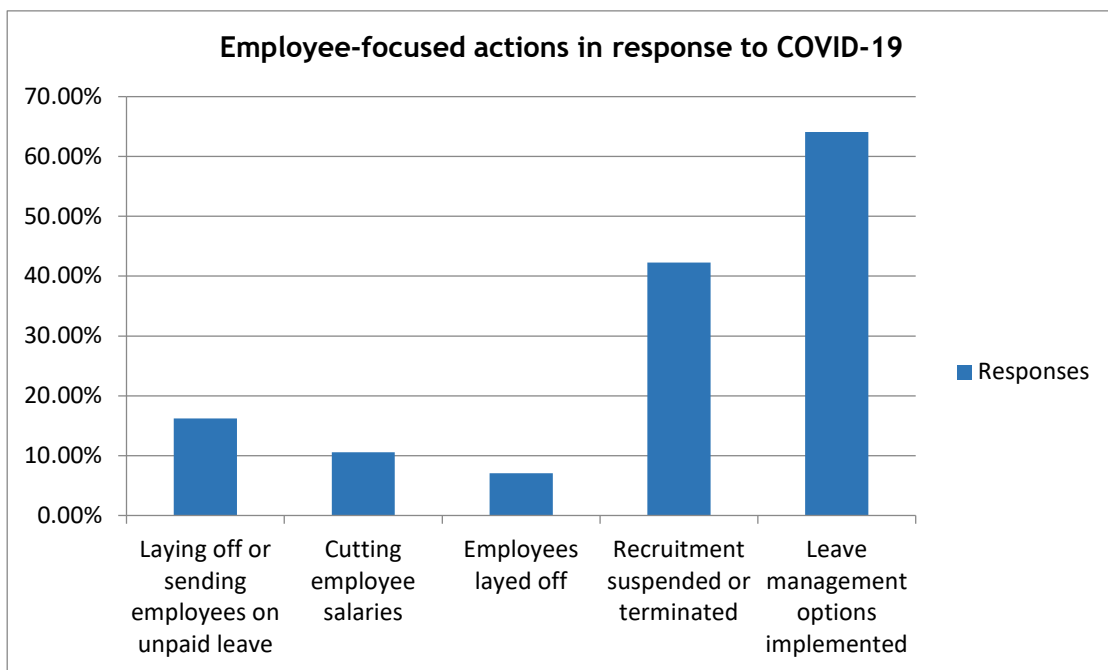
Drawn on existing line of credit or tapped another source of liquidity because of the COVID-19 outbreak?



- **Qtn:** Has your organisation drawn on your existing line of credit or tapped another source of liquidity because of the COVID-19 outbreak? Survey responses collected April 10-24 2020, from ICPAU members, n= 152.

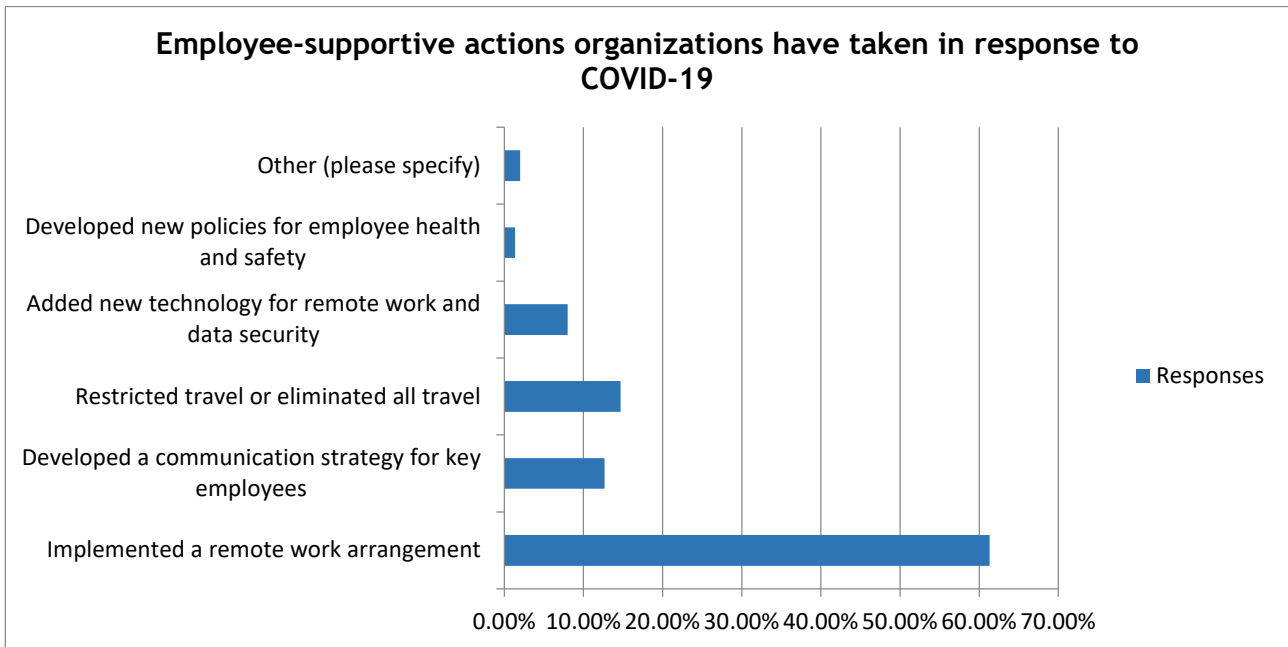
4.0 Employee-focused Responses

Survey results showed that organisations had taken the following employee-focused actions in response to COVID-19. Majority of respondents said their organizations had considered leave management options for employees (64%) and about 42% said they were suspending or terminating recruitment processes (see table below for details).



- **Qtn:** Which of the following actions has your organization taken in response to COVID-19? Survey responses collected April 10-24 2020, from ICPAU members, n= 142

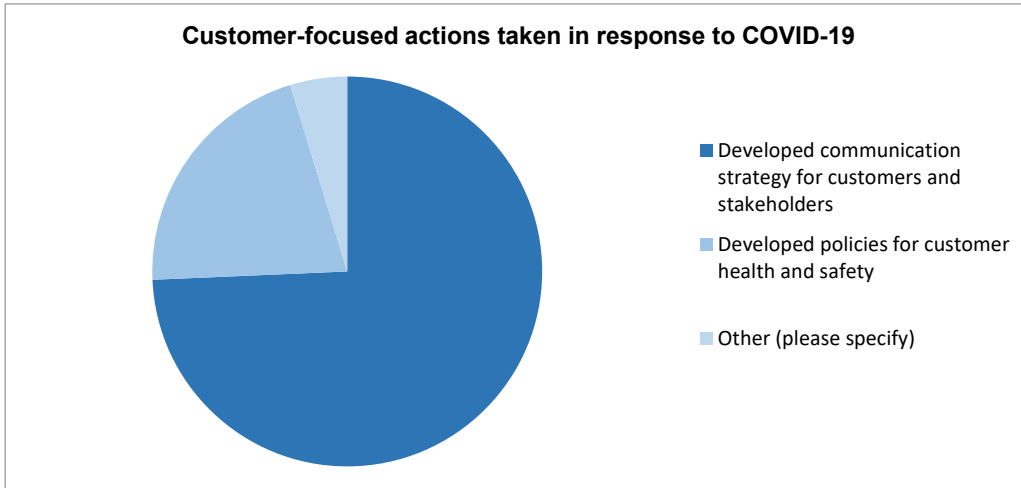
Some of the employee-supportive actions taken by organisations in response to COVID-19 included: remote work arrangements for employees (61%), 14% had restricted travel or eliminated all travel, while another 12% had developed a communication strategy for key employees (see below for details).



- **Qtn:** Which employee-supportive actions has your organization taken in response to COVID-19? Survey responses collected April 10-24 2020, from ICPAU members, n= 150

5.0 Customer/ Stakeholder-focused Responses

The survey results revealed that many organizations had developed a communication strategy for their customers and other stakeholders (68%), and less than half (26%) said they had developed new policies for customer health and safety (details are illustrated below).

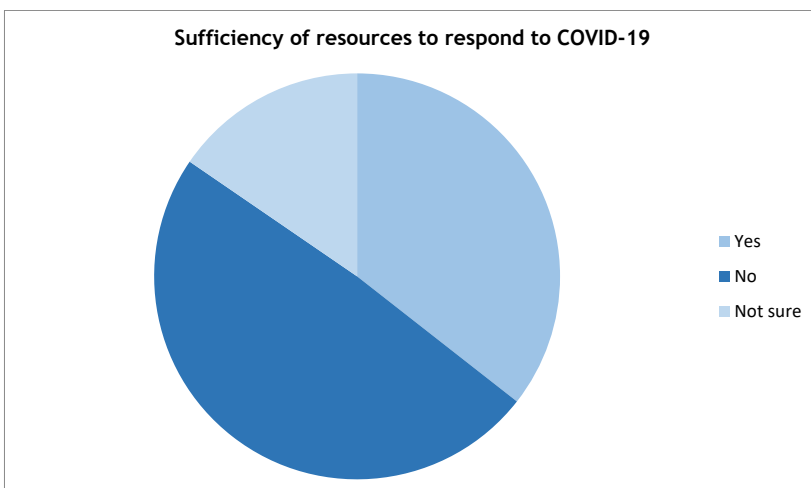


- **Qtn:** Which customer-focused actions has your organization taken in response to COVID-19? Survey responses collected April 10-24 2020, from ICPAU members, n= 148.

Included in other responses was the need to balance the needs of the many organizational stakeholders. Organizations must prioritize the needs of different stakeholder groups as they make business decisions related to COVID-19. Respondents considered employees and customers to be among their top 3 stakeholders.

6.0 Sufficiency of Resources to respond to COVID-19

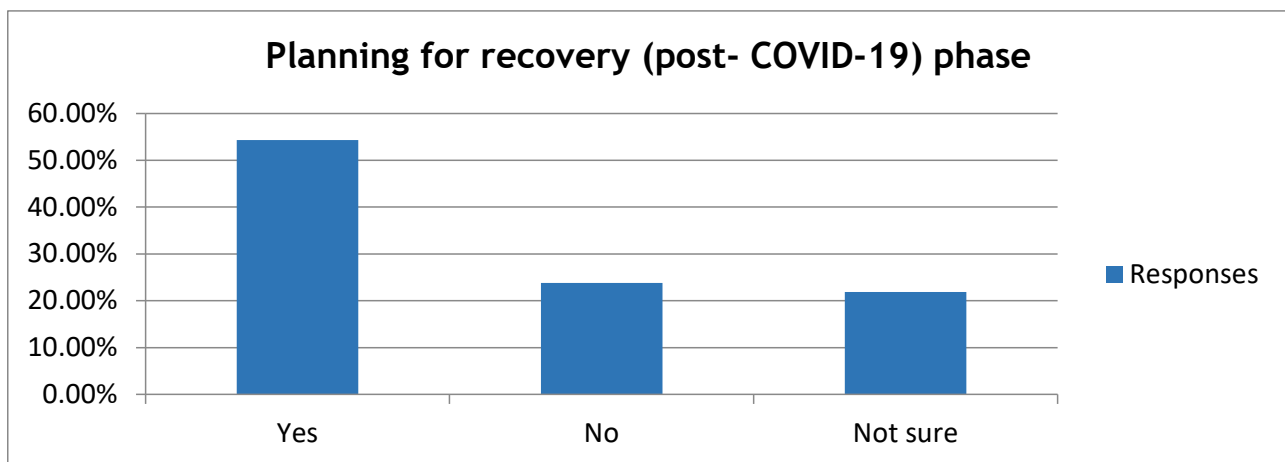
Not many showed confidence in resources availability. Among the survey respondents, only 3 in 10 respondents said their organizations had sufficient resources to respond to COVID-19, about 4 in 10 said they did not have sufficient resources to respond to COVID-19, while about 1 in 10 were ambivalent or unsure about their organization's resource sufficiency (see graph below).



- **Qtn:** Does your organization have sufficient resources to respond to COVID-19? Survey responses collected April 10-24 2020, from ICPAU members, n= 149.

7.0 Planning for recovery (post- COVID-19) phase

Nearly 5 in 10 respondents said their organisations had started planning for recovery, 2 in 10 said they had not started, while another 2 in 10 said they were not sure (see below for details).



- **Qtn:** Does your organization have sufficient resources to respond to COVID-19? Survey responses collected April 10-24 2020, from ICPAU members, n=151.

8.0 Lessons Learnt & Recommendations

This section provides general comments from members about lessons learnt and ways their organizations can adopt for the future.

Lessons learnt

- Unpredictability of life – uncertainty and risk as are part of every organisation’s business.
- Self-sufficiency matters for both organisations and governments.
- The importance of saving and building adequate reserves capable of sustaining organisations for at least 6 to 12 months cannot be underestimated.
- Public trust is a government’s most valuable asset in times like these.

Recommendations for the future

To organisations

There is need to:

1. Have business continuity plans in place and review them regularly.
2. Consider short-term investments to generate quick revenue.
3. Enhance available cash by borrowing against existing credit lines to bolster cash at hand.
4. Halt recruitment processes for non-essential positions and limit the use of consultants
5. Adopt very quickly technologies that support remote working and empower employees to have the basic infrastructure to support this.
6. Explore flexi-time work options to minimize costs of running physical offices.

7. Engage stakeholders at all levels
8. Utilise moratoria in place for statutory obligations including taxes and pension contributions (defer payment of statutory obligations).
9. Review of business strategy to;
 - (a) Integrate emergency planning and funding into strategic plans - put in place a disaster preparedness fund to manage such unexpected occurrences
 - (b) prioritize operations and only attend to critical areas that must be done in the current circumstances
 - (c) include post COVID-19 recovery initiatives in workplans and budgets
 - (d) Continued focus on expense control/reduction.
10. Utilise available information to make informed decisions.

To Government

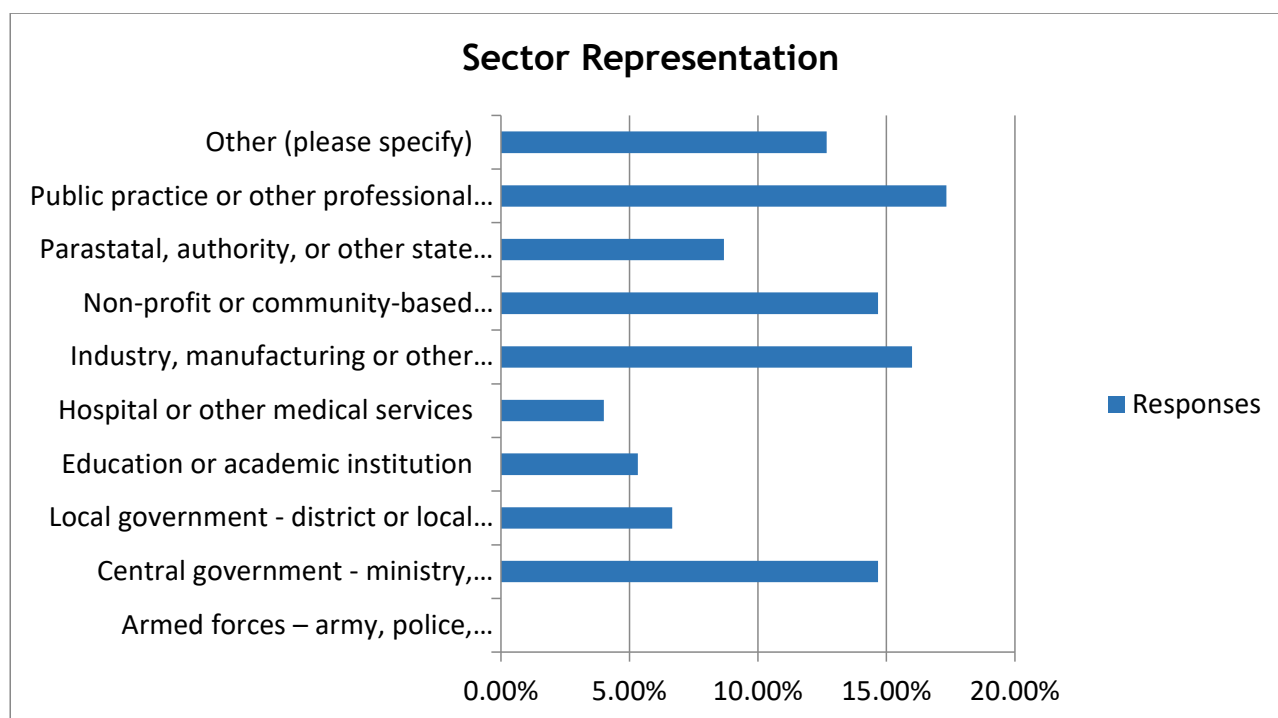
There is need to:

- Continue revamping the country's health infrastructure systems to become very strong to be able to sustain any kind of outbreak - improve the health spending to improve the infrastructure, staffing and supplies.
- Proactively engage the donors to allow for no-cost debt extensions and have more prudent budget re-organisations.
- Invest in ICT infrastructure and other digital tools to reduce cost of operations and internet access that supports remote working.
- Invest in both science and economic policy research to inform decision making - Invest in research and support researchers.
- Develop supportive legislation for employers and businesses (fiscal and monetary policy measures must be those that consider economic stimuli and business recovery. Carry out tax reforms especially for SMEs to realise their economic contribution and support growth).
- Re-align budgetary expenditure with focus on priority areas including; health, agriculture, education, ICT and Manufacturing.
- Build Local Business/Manufacturing Capacity to substitute Imports, for example through the industrialization/import substitution drive, implementing the Buy-Uganda-Build-Uganda strategy and local sourcing of Government procurement.
- Increased support to the private sector to improve on productivity and value chain addition.

9.0 Demographics

Responses came from members in organisations across different sectors. The represented sectors were: public practice or other professionals (17%), Industry & Business (15.9%), Not for profit (15.2%), Government – Central Gov't, Local Gov't, Parastatals & other state enterprises (29%), Educational services (5.5%), healthcare (4.1%) and others (13.1%).

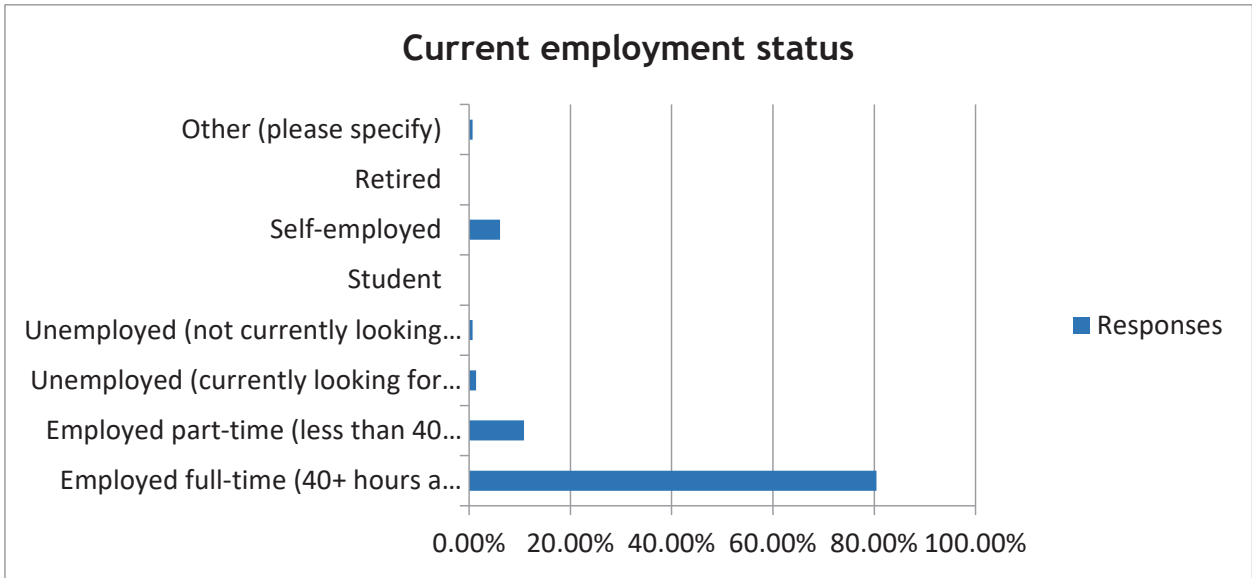
The details provided below are a breakdown of sector representation:



- **Qtn:** *What type of organization or agency do you work for? Survey responses collected April 10-24 2020, from ICPAU members, n= 150*

The 13% respondents included in the 'Others' section were; International Organisations, Consultancy Services, Financial & Insurance Services, Media & other Tele-communication Services.

Majority of the respondents (over 80%) indicated that they were currently in full-time employment, about 10% were employed part-time, 6% in self-employment, and just about 1% were not employed. See graph below for details.



- **Qtn:** What is your current employment status? Survey responses collected April 10-24 2020, from ICPAU members, n= 148

 PLOT 42 BUKOTO STREET, KOLOLO, P.O. BOX 12464, KAMPALA, UGANDA

 039-3262333, 039-3265590  standards@icpau.co.ug, icpau@icpau.co.ug

 www.icpau.co.ug

 @ICPAU1  ICPAU  Institute of Certified Public Accountants of Uganda