



REPUBLIC OF UGANDA

MINISTRY OF FINANCE, PLANNING & ECONOMIC DEVELOPMENT

State of the Accountancy Profession in Uganda

By: Lawrence Semakula
Accountant General

31st Annual ICGFM Annual International Training Conference

Miami Marriott Biscayne Bay
Miami, Florida, USA
May 14- 19, May 2017

31st ICGFM Annual International Training Conference



Overview of the Presentation

2

- ❑ Introduction
- ❑ State of the Accountancy Profession
- ❑ Challenges of the Accountancy Profession
- ❑ Emerging Issues and Way Forward
- ❑ Conclusion
- ❑ Comments and Discussion

Introduction



3

- ❑ Good PFM practices play a key role in the social and economic development of a country (OECD)
- ❑ World Economy still suffers from impact of the global economic of 2008
- ❑ Economic growth for Sub-Saharan Africa set to slow to its lowest in 20 years (IMF Economic out look 2016)
- ❑ Conference theme "Macroeconomic Benefits of Strong PFM Practices is relevant and timely



Public Financial Management

4

Strong Public Financial Management is Characterized by:

- Resource Management
 - Fiscal control and discipline
 - Resource allocation efficiency
 - Efficient and effective operations
- Use of Public Resources
 - Transparency and accountability
 - Stewardship and regulatory compliance

Public Financial Mgt. Continued



5

Strong Public Financial Management is Characterized by:

- Fiduciary risk management
 - Financial control framework
 - Capacity building
 - Oversight
- Accountancy profession plays a key role in development and implementation efficient PFM systems

Uganda: State of Accountancy



6

Brief background:

- ❑ No regulatory framework before 1970
- ❑ In 1970, the registered Accountants Act No. 5 enacted
- ❑ Institute of Certified Public Accountants of Uganda (ICPAU) established
- ❑ 1970 Act not implemented due to political instability
- ❑ 1970 Act repealed and replaced by Act No. 5 of 1992 subsequently replaced by Accountant Act 2013

ICPAU – Regulating Body



7

- ❑ ICPAU is the umbrella body responsible for regulating the accountancy profession in Uganda
- ❑ Cooperates with other professional accountancy bodies like ACCA and IIA
- ❑ ICPAU closely relates with public institutions like Ministry of Finance, Inspectorate of Government, Anti-Corruption Court, the Judiciary, Directorate of Public Prosecution, Criminal Intelligence and Investigations Directorate (CIID), Office of the Auditor General, and Directorate of Ethics.

Professional Accountants – Members



8

- ❑ ICPAU Membership comprises Accountants and Auditors
- ❑ Current ICPAU members – 2600 of which 600 are in the public sector
- ❑ ACCA members – 1400 (750 in 2008)
- ❑ IIAU members – 556 (33 in 2003)
- ❑ Heads of Finance and Internal Audit of Public Institutions are required to be members of ICPAU

Regional and International Coop.



9

Regional Membership

- ❑ Pan African Federation of Accountants (PAFA)
- ❑ Co-signatory of the Mutual Recognition Agreement (MRA) between Professional Accountancy Organisations in the East African Community (EAC) Common Market.

International Membership

- ❑ International Federation of Accountants (IFAC)



PFM Reforms in Uganda

10

- ❑ Regulatory and institutional framework
- ❑ Automation of financial management processes
- ❑ Decentralisation of payroll and pension payments
- ❑ Introduction of EFT
- ❑ Training and capacity building
- ❑ Treasury Single Account framework
- ❑ Planned e-GP system

Role of Accountants in PFM reforms



11

- ❑ Participation formulation Public Financial Management (PFM) policies, strategies and laws
- ❑ Issuing accounting and audit standards
- ❑ Issuing operational procedures, guidelines and manuals
- ❑ Championing implementation of PFM reforms
- ❑ Development of training and Continuous Professional Development (CPD) programmes



Accounting Standards

12

- ❑ ICPAU advises government on matters of financial accountability and management in accordance with the Accountants Act 2013.
- ❑ Accountant General approves public sector accounting standards for use in the preparation of government financial statements (PFM Act 2015) .
- ❑ Government of Uganda (GoU) implements a modified form of cash-basis IPSAS
- ❑ GoU plans to adopt full accrual IPSAS by 2020.

International Accounting Standards



13

ICPAU has adopted accounting and auditing standards set by IFAC. These include:

- ❑ Quality Assurance
- ❑ International Education Standards
- ❑ Code of ethics for Professional Accountants
- ❑ International Public Sector Accounting Standards (IPSAS)
- ❑ International Financial Reporting Standards (IFRS)

Financial Support to Accountancy



14

- ❑ Government of Uganda provided financial support to ICPAU during the initial stages
- ❑ Government continues to provide modest support to ICPAU as and when necessary
- ❑ Now largely depends on membership contributions
- ❑ World Bank and other Development Partners also provide support



Challenges

15

- Inconsistent compliance to set standards and regulations by public and private organizations
- Unethical practices by both the professional accountants and their business clients
- Adoption of international standards that do not effectively address local accounting and reporting needs
- Insufficient numbers of qualified accountants



Challenges

16

- Lack of uniformity in the application of accounting standards (Cash vs Accrual accounting, IPSAS vs IFRS)
- Prohibitive fees for acquiring and maintaining a professional accounting certification
- Weak regulatory and quality assurance mechanism to enforce compliance
- Poor record keeping
- Presence of a large informal sector that does not appreciate the value of a professional accountant.



Emerging Issues

17

- **The changing role of a professional accountant due to innovation and technology**
 - ▣ Need develop new skills and competences
- **Automation of processes and emerging cyber security threats**
 - ▣ Resources commitment and support to mitigate the risks
- **Emerging new economic activities (PPPs, Petroleum exploration, Oil revenue management)**
 - ▣ Requires development of new skills handle these areas
- **Change in budgeting procedures from input to outcome based budgeting – need training**

Conclusion



18

- As seen from the Ugandan perspective, the accountancy profession remains at the forefront of public financial management
- It is therefore critical for governments to continuously support the growth of the accountancy profession in order to build strong PFM practices that will lead to economic development and transformation of the economies in Africa



Thank You

Discussion

Comments/Questions