



Promoting Professionalism in Accountancy

INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF UGANDA

AUDIT PRACTICE GUIDELINES

DECEMBER 2012

**Plot 42 Bukoto Street, Kololo, P.O. Box 12464, Kampala, UGANDA
Tel. 041-4540125, 031-2262333, 031-2265590, Fax: 041-4540389**

icpau@icpau.co.ug

www.icpau.co.ug

Table of Contents

ABOUT ICPAU	3
INTRODUCTION.....	4
1.0 REGISTRATION.....	5
1.1 Eligibility Criteria.....	5
1.2 Application for a Practising Certificate.....	5
1.3 Name of the Firm.....	5
1.3.2 Firm Letterhead	6
1.4 Cessation of Registration.....	6
2.0 AUDIT PRACTICE.....	6
2.1 Competence Requirements.....	6
2.2 Continuing Obligations.....	7
2.3 Continuing Professional Development.....	7
2.4 Part-time Practice	8
3.0 SETTING UP OFFICE PREMISES	8
3.1 EQUIPMENT.....	8
4.0 STAFFING.....	9
5.0 LITERATURE.....	10
6.0 QUALITY CONTROL PROCEDURES.....	10
7.0 COMPLIANCE WITH STATUTORY REQUIREMENTS.....	11
8.0 PROFESSIONAL INDEMNITY INSURANCE	11
9.0 CONDUCT OF AUDIT WORK.....	12
10.0 PRACTICE CONTINUITY AGREEMENTS.....	12
11.0 PRACTICE MANAGEMENT COURSE	12
12.0 PROFILING OF ACCOUNTANCY FIRMS.....	12
13.0 EFFECTIVE DATE.....	13
APPENDIX I: SELF ASSESSMENT QUESTIONNAIRE.....	14
APPENDIX II: REQUIREMENTS FOR AN AUDIT FIRM	19
SAMPLE CONTINUITY OF PRACTICE AGREEMENT	21

ABOUT ICPAU

The Institute of Certified Public Accountants of Uganda (ICPAU) was established in 1992 by The Accountants Act, Cap 266. The functions of the Institute, as prescribed by the Act, are to regulate and maintain the standard of accountancy in Uganda and to prescribe or regulate the conduct of accountants in Uganda. Under its legal mandate, the Institute prescribes professional standards to be applied in the preparation and auditing of financial reports in Uganda.

Vision

To be a world class professional accountancy institute.

Mission

To develop and promote the accountancy profession in Uganda and beyond.

Core Values

- 1) Professional Excellence.
- 2) Integrity.
- 3) Commitment.
- 4) Good Governance.
- 5) Social Responsiveness.

International Affiliations

The Institute is a member of the International Federation of Accountants (IFAC) and the Pan African Federation of Accountants (PAFA).

INTRODUCTION

Only members registered as Certified Public Accountants with valid Practicing Certificates can describe and hold themselves out as public practitioners and are able to set up firms providing public practice services. Members in public practice may carry out public practice services such as accounting, audit, insolvency practice, taxation, consultancy and other related services.

The objectives of ICPAU in issuing these Guidelines are to ensure that:

- a. Auditors maintain a high standard of professionalism while handling audit work.
- b. The reputation of auditors within the public is increased.
- c. There is consistent and fair application of the Guidelines.

Auditors have a duty to ensure that they:

- a. Carry out work with integrity.
- b. Are and are seen to be independent.
- c. Comply with the International Standards on Auditing and other IAASB pronouncements adopted by ICPAU.
- d. Their staff and themselves are competent and continue to be competent in carrying out audit work.

To become a Registered Practitioner (Auditor):

- a. Complete an application form from ICPAU.
- b. Ensure that you meet the eligibility criteria.
- c. Determine the legal form of your practice.
- d. Obtain adequate professional indemnity insurance (PII).
- e. Ensure that the firm's employees have sufficient competence to enable them do the work.
- f. Ensure that the firm's practitioners and qualified firm employees comply with the CPD Guidelines.

The Audit Practice Guidelines are applicable to all practitioners (and their respective audit firms) seeking registration or registered by ICPAU.

A practitioner who is not working to the expected technical and professional standards might be regarded as not meeting the requirements of these Guidelines.

1.0 REGISTRATION.

Section 20 (1) of the Accountants Act states that “No person shall practise accountancy in Uganda unless he or she possesses a Practising Certificate or a Practising Licence issued under this Act.”

No member of the ICPAU may accept appointment as an auditor or practice accountancy unless they have been issued with Practising Certificate or a Practising Licence by ICPAU.

ICPAU’s position paper on Practice of Accountancy describes circumstances when one is considered to be engaging in accountancy practice.

1.1 Eligibility Criteria

To be eligible for registration one shall:

- a. Be enrolled and registered as a member of ICPAU.
- b. Possess three (3) years of relevant and sufficient experience.
- c. Have obtained 40 CPD hours, in accordance with ICPAU’s CPD Guidelines, in the year prior to the application for a Practising Certificate.
- d. Obtain professional indemnity insurance.
- e. Foreign nationals should possess valid work permits.
- f. In case of a partnership, there shall be a valid partnership deed.

1.2 Application for a Practising Certificate

Section 21 (2) of the Accountants Act states that “An application for a Certificate of Practice shall be in a form prescribed by the council and addressed to the Secretary”.

Prior to application for Practising Certificate, one must consider whether or not they are ready to carry out public practice. See **Appendix I** for a self-assessment form.

A registered practitioner shall conspicuously display their practicing certificate in their firm premises.

1.3 Name of the Firm

Members who wish to set up a practice shall first confirm with the Institute of Certified Public Accountants of Uganda (ICPAU) on the use of the firm's name.

- The name of the firm shall be consistent with the dignity of the profession.
- The name shall not be misleading.
- The name shall not make any reference, actual or derived, to any symbolic, cultic, political, religious, sectarian, discriminatory or specialty classification.

- The name shall not be offensive.
- The name shall not be directly or indirectly associated with or suggest any connection with any government, parastatal or non-government organisation.

1.3.1 Use of Generic Names

A generic name is a name other than the name of the practitioner or partner in the firm, or their initials. An audit firm shall not use generic names.

1.3.2 Firm Letterhead

The headed paper of every firm shall bear the name(s) of each practitioner/partner at the firm. The headed paper shall not bear any words or descriptions additional to “Certified Public Accountant” or “Certified Public Accountants”.

1.4 Cessation of Registration

A practitioner shall cease to be registered if:

- a. He/she has been suspended from ICPAU membership.
- b. Their ICPAU membership has cancelled.
- c. He/she applies for cancellation of their Practising Certificate, or fails to renew their Practising Certificate as required by the Accountants Act.
- d. Their certificate or licence of the accountant has been suspended.

2.0 AUDIT PRACTICE

2.1 Competence Requirements

Audit practitioners require specialist knowledge and skills in order to carry out the assurance function. Audit practitioners should develop skills in applying the following professional skills in an audit environment: identifying and solving problems; undertaking appropriate technical research; working in teams effectively; gathering and evaluating evidence; presenting, discussing, and defending views effectively through formal, informal, written, and spoken communication.

Audit practitioners must develop professional skills at an advanced level in an audit environment in the following areas: applying relevant audit standards and guidance; evaluating applications of relevant financial reporting standards; demonstrating capacity for inquiry, abstract logical thought, and critical analysis; demonstrating professional skepticism; applying professional judgment; and withstanding and resolving conflicts.

Before applying for a practicing certificate, an accountant should complete a period of relevant practical experience (at least three years). This period should be long enough and intensive enough to permit them to demonstrate that they have acquired the necessary

professional knowledge; professional skills; and professional values, ethics, and attitudes. A substantial proportion of the period of practical experience should be in the area of audit of historical financial information. The required audit experience should be obtained with an organization that can provide suitable audit experience under the guidance of an engagement partner.

2.2 Continuing Obligations

A registered practitioner shall continue to meet the requirements of the Audit Practice Guidelines. In doing so a Registered Practitioner shall:

- a. Cooperate with the Institute and its Committees.
- b. Comply with the requirements of the Institute's Audit Monitoring Programme.
- c. As soon as practicable, inform the Institute of any change in the name of the firm, addresses of the firm's office, names and addresses of the firm's practitioners.
- d. Behave with integrity in all professional and business relationships.
- e. Accept or perform work which they are competent to do unless outside help is obtained.
- f. Maintain professional knowledge and skill at a level required to ensure that work is performed diligently and in accordance with the applicable technical and professional standards.
- g. Demonstrate competence in: leadership responsibility for audit quality; formation of conclusions on compliance with applicable independence requirements; acceptance and continuation of client relationships; assignment of engagement teams; direction, supervision and performance of audit; consultation, review and discussion of work performed; and development of the audit report.
- h. Respect the confidentiality of information acquired as a result of professional work and not to disclose any such information unless there is a legal or professional right or duty to disclose nor use it for personal advantage.
- i. In case of a sole proprietorship, plan for completion of any professional work in case of incapacitation.
- j. Devote reasonable time to the practice.
- k. In the case of a partnership, have at least one of the partners as a full time practitioner.

Audit firms should ensure that the senior members of their engagement teams obtain qualification as members of ICPAU, and maintain professional competence through appropriate Continuing Professional Development.

A registered practitioner shall not practice in more than one firm. Practice in more than one firm may be professionally offensive and increase the risk of conflicts of interest.

2.3 Continuing Professional Development.

All ICPAU members are required to meet their Continuing Professional Development (CPD) requirements and file the CPD returns periodically. The CPD requirements are set out in the Guidelines to Continuing Professional Development.

Audit Practitioners are required to undertake CPD appropriate to their responsibilities. Audit practitioners conducting audits involving more complex industries, operations or reporting requirements must undertake CPD relevant in these areas. Audit practitioners should ensure that their staff obtain and maintain competence required to carry out their audit roles.

2.4 Part-time Practice

The Institute discourages practitioners from running an audit practice on a part-time basis. The professional demands of running an audit practice require the practitioner to provide continuous supervision and review of engagements.

An applicant for a practicing certificate who is engaged in full-time employment shall be required to provide a letter of no-objection from their present employer.

3.0 SETTING UP OFFICE PREMISES

The practitioner's office premises shall be well maintained with a professional appearance. Whatever office options one chooses, the following need to be considered:

- a. That the firm has sufficient office space for its staff, a reception area for the guests, a meeting place, and sufficient space for storage of the working files.
- b. A firm has a sign post at its offices that best describes it. Where it is sole practitioner the description shall be 'Certified Public Accountant' and where it is a Partnership, the description shall be 'Certified Public Accountants.'

3.1 EQUIPMENT

The firm's office premises shall be appropriately furnished and equipped. Basics to be considered shall include:

- A suitable desk and chair for a practitioner.
- Desks and chairs for the staff.
- Desks and chairs for visitors in the reception area.
- Filing cabinets.
- Conference table and chairs for a meeting area.
- Secretary or receptionist desk and chair.
- Computer(s), software and stand(s).
- Printer.
- Fax machine.
- Telephone(s) and answering machine or service.
- Reference library.

A Checklist for setting up an audit firm, can be found in **Appendix II**

4.0 STAFFING

Determining staffing is one of the most critical elements in an audit firm. In making staffing decisions, the following shall be considered:

- a. Can you handle all aspects of the business yourself?
- b. Is it the best use of your time to be answering phones, scheduling appointments, sending correspondence and handling general office duties, as well as professional services?
- c. Do you offer a competitive salary and benefits package to attract and retain quality staff?

Other considerations include but are not limited to the following:

- i. A firm shall keep information about its staff in separate staff/personal files. Such files shall contain information like:
 - a. The employee's application letter and curriculum vitae,
 - b. Employee's photographs,
 - c. Copies of the employee's academic papers,
 - d. The employee's appointment or rejection papers,
 - e. Background verification/reference letters,
 - f. Leave requests,
 - g. Training records,
 - h. Performance appraisal forms,
 - i. Disciplinary records,
 - j. Other personal details like; next of kin, place of residence, map to residence,
 - k. Termination/resignation letter among others.
- ii. The firm shall provide an employment contract to its employees. The employment contracts shall comply with the requirements of the Employment Act, 2006. This shall clearly spell out the nature of the relationship, including but not limited to the following:
 - a. Full names and addresses of the parties to the contract.
 - b. The date on which the employment contract began.
 - c. The title of the employee's job.
 - d. The place where the employee's duties are to be performed.
 - e. The wages to be paid, the means by which they will be calculated, the timing of the payment and deductions to be made.
 - f. The rates of any overtime pay applicable to the employee.
 - g. The employee's normal hours of work.
 - h. Conditions relating to incapacity for work due to sickness or injury, including provisions for sick pay, provision for sick leave, etc.
 - i. The number of days of annual leave to which the employee is entitled and their entitlement to pay during such leave.
 - j. Provision for maternity/paternity leave.

- k. Length of notice prior to termination of the contract.
- iii. The firm shall have a technical training programme for its staff.
- iv. The firm shall have an independence, integrity, confidentiality and ethical confirmation arrangement to be completed by the staff periodically.
- v. The firm shall provide for workman's compensation for its employees.
- vi. The firm shall have a disciplinary code/policy.

5.0 LITERATURE.

Employees are required to be familiar with the applicable Professional Standards which clearly prescribe ethical and other requirements for professional accountants. The literature a firm must be up-to-date. This shall include but not limited to the following:

- a. International Auditing and Assurance Standards Board Pronouncements.
- b. International Financial Reporting Standards.
- c. International Public Sector Accounting Pronouncements.
- d. International Financial Reporting Standards for Small and Medium-sized Entities.
- e. The IESBA/IFAC Code of Ethics.
- f. ICPAU's Code of Ethics.
- g. A full set of the Laws of Uganda.
- h. The Constitution of the Republic of Uganda.
- i. An Audit Manual.
- j. A Quality Control Manual.
- k. A Human Resource Manual.
- l. An Administrative Manual.
- m. Internet facilities.
- n. National newspapers (daily, weekly etc).
- o. Professional journals.
- p. Subscription to the Uganda Gazette.

6.0 QUALITY CONTROL PROCEDURES

A firm shall have well documented quality control procedures and policies addressing areas of:

- a. Leadership responsibilities for quality within the firm.
- b. Ethical requirements.
- c. Acceptance and continuance of client relationships and specific engagements.
- d. Human resources.
- e. Engagement performances.
- f. Monitoring.

The policies and procedures shall be updated to ensure that they continue to be relevant and complete. The policies and procedures shall be communicated to the firm's personnel regularly.

7.0 COMPLIANCE WITH STATUTORY REQUIREMENTS

It is incumbent upon members who are in practice to have the requisite knowledge and to comply with all the ethical and statutory requirements. The statutory enactments and the subsidiary legislations shall be referred to consistently.

Generally members shall keep themselves informed of current laws and applicable legislation relevant to their practice and work and in particular relevant to a specific type of engagement. The firm shall;

- a. Have a valid trading licence.
- b. Comply with the relevant legislations regarding its activities. The firm shall make PAYE, NSSF and VAT returns and deductions, as appropriate.

8.0 PROFESSIONAL INDEMNITY INSURANCE

As an audit practitioner today, Professional Indemnity insurance is critical. Lawsuits are a fact of life in the business and professional world. You must protect your practice and your personal assets against legal liability resulting from errors or omissions occurring during the provision of professional services.

The audit practitioner must assess the level of insurance cover that is appropriate for their business activities, taking into account their clients' specific requirements and also the potential risks associated with their specific clients and specific assignments. They should record the reasons for the level and type of cover selected, and inform their clients of this information.

An audit practitioner must ensure that they hold cover, which is adequate to address their practices' risk profile. The Institute recommends a minimum level of insurance cover of UGX 50 million.

This level of insurance cover may be lower for a firm with low gross fee income. In such a case, the practitioner will be required to explain, in writing, why he/she has obtained a lower than recommended Indemnity Insurance cover.

Practitioners may also be required to confirm that they have actively assessed the risks and potential cover needed and recorded this assessment for review.

9.0 CONDUCT OF AUDIT WORK

Practitioners and their audit firms are required to comply with appropriate professional standards. These include the following;

- a. The ICPAU Code of Ethics;
- b. International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB);
- c. International Financial Reporting Standards Interpretations (IFRICs) developed by the International Financial Reporting Standards Interpretation Committee of the IASB;
- d. International Standards on Auditing (ISAs) and other engagement standards issued by International Auditing and Assurance Standards Board (IAASB) of IFAC;
- e. International Education Standards (IESs) issued by the International Accounting Education Standards Board of IFAC;
- f. The Professional Code of Ethics issued by the Internationals Ethics Standards Board for Accountants (IESBA) of IFAC;
- g. Provisions of the Companies Act;
- h. Provisions of other relevant Acts, Statutes, Regulations, Notices and other legal Instruments, which are applicable in the context of the specific engagements being reviewed; and
- i. Notifications, Advisories and Guidance of a technical nature, issued by the Institute.

10.0 PRACTICE CONTINUITY AGREEMENTS

A practice continuity agreement is necessary in order to protect the practitioner in the event of incapacitation. The practice continuity agreement will help to protect the practice assignments, and the integrity of the profession. A sample Continuity Agreement can be found in **Appendix III**.

11.0 PRACTICE MANAGEMENT COURSE

ICPAU has developed a practice management course for all audit practitioners. The course covers: the regulatory environment governing accountancy practice; introduces key aspects of practice management; and explains how a firm can be managed as a business. The course is aimed at preparing accountants for their audit practice roles and responsibilities.

The course is mandatory for all new applicants for practicing certificates. All registered practitioners shall undertake the course at least once every three years.

12.0 PROFILING OF ACCOUNTANCY FIRMS

ICPAU has commenced the process of profiling of accountancy/audit firms. The profiling of firms is will enable ICPAU to obtain a better understanding of the firms; their business

activities; specific capabilities; and the risks that they face. Profiling will greatly facilitate the operations of the Institute's Audit Monitoring Programme.

Each firm shall be required to complete an annual return detailing information about the firm, its partners, clients and staff. The ICPAU Guidelines on Profiling of Accountancy Firms provides further information about profiling of firms and includes a copy of the annual return.

13.0 EFFECTIVE DATE

These guidelines become effective on or after **1 January 2013**.

APPENDIX I: SELF ASSESSMENT QUESTIONNAIRE

The purpose of the self assessment form is so that you can satisfy yourself that you are ready for public practice. The form is intended to prompt you to consider carefully whether you are fully prepared for public practice. If you decide that you are ready, the next step is to apply for a practising certificate (this form is not part of your formal application for a practising certificate but you should retain it for future reference, ICPAU may request a copy of it).

The matters in the form are equally relevant if you are setting up on your own or joining an established practice. However, in the latter case some of the matters referred to may not be your responsibility. If that is the case then mark the particular fields as not applicable.

1. Have you been an ICPAU member for at least three years?	
	Yes <input type="checkbox"/>
	No <input type="checkbox"/>
2. Why do you need a practising certificate?	
	Tick all those that apply
a. Setting up own practice	
b. Joining an existing practice	
c. Promotion to partner in current firm	
d. Private work while remaining employed	
e. Retiring from industry/commerce but wanting to remain professionally active	

3. Areas of accounting practice:								
	What are my intended areas of practice?			What is my level of competence in the services that I will offer?				If necessary, what actions have I planned to increase my level of competence?
	Will not do	Part of practice	Major part of practice	None	Little	Medium	High	
a. Statutory audit								
b. Preparation of financial statements.								
c. Preparation of management accounts.								
d. Bookkeeping (i.e. entry of originating transactions into the accounting records).								
e. Advice on accounting and management reporting systems								
f. Payroll services								
g. VAT procedures.								
h. Personal taxation								
i. Business taxation								
j. Preparation of business plans								
k. Business finance								
l. Compliance services (including file reviews) for firms of accountants								
m. Training services								

4. What is my level of experience in the following areas (when answering this topic please consider it in the light of the above work areas).				
	None	Little	Medium	High
a. Planning how a particular piece of work should be undertaken.				
b. Organising that the work takes place.				
c. Reviewing work to check properly carried out and that it has dealt with all of the issues.				
5. Is there a close relationship between the areas that I have experience in and the areas of intended practice?				
				Yes <input type="checkbox"/>
				No <input type="checkbox"/>
6. If the answer to the above question is 'no', how do I intend to obtain the necessary experience?				
	Tick all those that apply			
a. Undertake appropriate CPD				
b. Establish a 'mentoring' relationship with another practitioner				
c. Use an external reviewer to review work while experience is gained				
d. Subcontract out this type of work				
7. Managing a practice - what is my level of experience / expertise in the following areas				
	None	Little	Medium	High
a. Managing staff				
b. Recruiting staff				
c. Obtaining new clients				
d. Setting charge rates				
e. Obtaining new work from existing clients				
f. Negotiating fees with client				
g. Getting fees paid				
h. Budgeting for your firm				

8. Have I considered how I will obtain clients? For example by:

a. Word of mouth	
b. Advertising	
c. Approaching other firms for sub-contract work.	

9. Financial matters

	Yes	No
a. Have I produced a profit and loss forecast for the start up of my practice?		
b. How will I monitor my firm's performance		
c. Will my practice produce sufficient income for my personal needs?		
d. Have I produced a cash flow forecast?		
e. Do I know my working capital requirements?		
f. Have I considered sources of working capital (e.g. own funds, bank loan)?		

10. Have I considered matters such as:

	Yes	No
a. Structure of the firm (sole practitioner or partnership)		
b. Location of office		
c. Need for staff and how many, if so.		
d. Professional indemnity insurance		
e. Other forms of insurance		
f. Need for alternate arrangements		
g. Need for consultation arrangements		
h. Need for office equipment		
i. Need for appropriate computer software		
j. Content of a technical library		

12. Taking all the above into account, do I believe I am ready for public practice?

Yes	<input type="checkbox"/>
No	<input type="checkbox"/>

If Yes	Apply for your practising certificate
If No	Reconsider the various areas that need to be addressed and start to plan how you can do so

Action plan to deal with issues raised above.

	Issues to Resolve	Planned Action	Timetable	Outcome
1				
2				
3				
4				

APPENDIX II: REQUIREMENTS FOR AN AUDIT FIRM

NO.	PROCEDURES	STATUS	NOTES
1.	Adequacy of office space <ul style="list-style-type: none"> - Reception area. - Meeting area. - Store for files. 		
2.	Available equipment <ul style="list-style-type: none"> - Desks & chairs. - File cabinets. - Visitors' chairs. - Computers & printers. - Telephone. - Reference library. - Work tables. 		
3.	Management of the firm <ul style="list-style-type: none"> - Availability of practicing certificate. - Availability of partnership deed. - Availability of succession plan. - CPD attendance & returns. 		
A4.	Firm's staff <ul style="list-style-type: none"> - Number of full & part-time staff. - Staff qualification. - Employment contracts. - Staff training. - Staff files. - Human resource manual. - Disciplinary code/ policy. - Workman's compensation. 		
5.	Literature <ul style="list-style-type: none"> - International Auditing, Assurance and Ethics Pronouncements (IAAEPs). - International Financial Reporting Standards (IFRS). - International Public Sector Accounting Standards (IPSAS). - International Financial Reporting Standards for Small and Medium-sized Entities (IFRS for SMEs). - Audit Manual. - Quality Control Manual. - Administrative Manual. - A complete set of the Laws of Uganda. 		

	<ul style="list-style-type: none"> - The Constitution of the Republic of Uganda. - The IFAC Code of Ethics. - ICPAU's Code of Ethics. - Subscription to the Uganda Gazette. - Professional journals. 		
6.	Quality Control Procedures <ul style="list-style-type: none"> - Availability of documented quality control procedures as per ISQC 1. 		
7.	Insurance <ul style="list-style-type: none"> - Availability of Professional Indemnity insurance. - General insurance. 		
8.	Legal and Tax Requirements <ul style="list-style-type: none"> - Tax registration - Income tax returns. - PAYE returns. - NSSF returns. - VAT returns. - Trading licence. 		

SAMPLE CONTINUITY OF PRACTICE AGREEMENT

THIS AGREEMENT is made the _____ day of _____, 2011

BETWEEN:

_____ of _____
(herein after referred to as the **Appointer**)

and

_____ of _____
(herein after referred to as the **Alternate**)

WHEREAS the Appointer wishes to appoint the Alternate for the purposes of providing services to clients in the event of the Appointer's incapacity (or where the Appointer is a firm or company that firm or company's dissolution) and the Alternate is willing to accept the appointment, all subject to the terms of this Agreement:

IT IS HEREBY AGREED that:

1. Definitions

In this Agreement headings do not affect construction, the singular includes the plural and the masculine includes the feminine and, unless stated otherwise:

Appointer means the practice for whose clients continuity cover is to be provided under this Agreement

Appointer's representative includes an executor or attorney if the Appointer is a sole practitioner and a liquidator where the practice is a partnership or company.

Alternate means the practice appointed to provide the services to the Client after the Event

Client means any or all clients of the Appointer

The Event means the incapacity or death or dissolution of the Appointer

Services means the services being supplied to the Client at the date of the Event

2. Purpose and scope of Agreement

- 2.1 ICPAU Members in Practice must abide by the rules of the Institute. They must in particular *'ensure continuity of the work of their practice in the event of illness, disability, or death'*. This Agreement is designed to ensure the continuity of services to, and protection of interests of, clients of the Appointer.
- 2.2 This Agreement contains the entire agreement between the Parties, who confirm that they have not entered into it on the basis of any representation that is not expressly included in the Agreement. Nothing in this Agreement limits or excludes liability for fraud.
- 2.3 This Agreement shall not constitute or create a partnership, joint venture or employer and employee relationship between the Parties.
- 2.4 This Agreement may be issued in any number of counterparts.

3. Responsibilities of Alternate

- 3.1 The Alternate, on notification of the Event, shall as soon as practicable:
- 3.1.1 notify the Client of the Event and advise the Client of the Client's right to refuse the Alternate's services at that point in time.
 - 3.1.2 provide services to the Client on the terms of engagement issued to them by the Appointer; and, if updated or new terms of engagement are to be issued, explain any differences to the Client.
 - 3.1.3 provide services to the Client in accordance with the regulations of ICPAU.
- 3.2 In the event of ceasing to be able to provide the services to the Client, the Alternate shall take all necessary steps to ensure that the Client's needs and interests are met, without loss of continuity, by another provider acceptable to the Client.

4. Responsibilities of Appointer

- 4.1 The responsibilities of the Appointer are to:
- 4.1.1 appoint a Representative who will notify the Alternate if the Event occurs, and will facilitate the Alternate's access to client information and records, subject to any legal restrictions;
 - 4.1.2 allow the Alternate access to Client information as stated in clause 6.1.
 - 4.1.3 notify ICPAU of this Agreement and the names of the Parties.
- 4.2 The Appointer recognises and accepts that the Alternate will not be responsible for or liable in respect of any services provided to the Client prior to the Event.

5. Specific details

This section should cover any specific requirements, such as:

5.1 the Alternate is a Certified Public Accountant

5.2 the Alternate will be a holder of practicing license issued by ICPAU

5.3 the Alternate's fees will be determined based on the net income generated from engagements being finalized.

5.4 the Alternate will have authority over the Appointer's business regarding engagements in force.

6. Confidentiality and Client Records

6.1 In pursuance of clauses 4.1.1 and 4.1.2, the Alternate shall be granted access to Client lists and records of the Appointer's practice.

6.2 Any information about the Client shall be kept confidential from third parties and in accordance with Data Protection law.

6.3 If the Appointer recovers from incapacity, the Alternate shall cease to provide services to the Client and shall return all Client records to the Appointer.

7. Insurance

7.1 Each Party is responsible for its own Professional Indemnity Insurance.

7.2 The Alternate shall maintain such insurance as is appropriate for the purposes of acquiring obligations in relation to the Client in pursuance of this Agreement

8. Applicable Law and disputes

8.1 This agreement shall be governed and construed in accordance with laws of Uganda. If a dispute or claim arises it shall be resolved by negotiation between the Parties or by an arbitrator appointed by the Parties

8.2 If any clause of this agreement becomes illegal or obsolete it shall have no likewise effect on any other clause.

9. No transfer of duties and no Third Party rights

9.1 The duties and powers of a Party under this Agreement shall not be transferred to a third party without the prior written consent of the other Party.

10. Termination

10.1 Subject to clause 10.2 this Agreement shall terminate on a date to be agreed in writing between the Parties.

10.2 Either Party may terminate this Agreement with a one month notice to the other (such period to run from the date the notice would be delivered in the ordinary course of the post).

SIGNED by Appointer
(Name , address, etc)

IN THE PRESENCE of Witness
(Name , address, etc)

SIGNED by Alternate
(Name , address, etc)

IN THE PRESENCE of Witness
(Name, address, etc)
