



INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF UGANDA

Our Ref: T/11

3 February 2015

Ken Siong
Technical Director
International Ethics Standards Board for Accountants (IESBA)
529 5th Avenue
New York, NY 10017
United States

Dear Mr. Siong,

**CONSULTATION PAPER: IMPROVING THE STRUCTURE OF THE CODE OF ETHICS FOR
PROFESSIONAL ACCOUNTANTS**

We are grateful for the opportunity to provide comments on the consultation paper on "Improving the Structure of the Code of Ethics for Professional Accountants".

Our detailed comments are provided in the attached appendix.

We hope that you will find our comments helpful.

Yours sincerely,

CPA Mark Omona
TECHNICAL MANAGER
FOR: SECRETARY/CEO

THE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF UGANDA
COMMENTS ON CONSULTATION PAPER - IMPROVING THE STRUCTURE OF THE
CODE OF ETHICS FOR PROFESSIONAL ACCOUNTANTS

Questions for Respondents.

- 1. Do you believe that the approach outlined in this Consultation Paper, as reflected in the Illustrative Examples, would be likely to achieve IESBA's objective of making the Code more understandable? If not, why not and what other approaches might be taken?**

We believe that the approach of distinguishing the requirements from application and other explanatory material serves an important step in enhancing the understanding of the IESBA Code and in improving compliance.

Indeed the other IFAC standard setting boards (IESBA and IAASB) have used a similar approach in their clarification projects.

We believe that the benefit of using this approach outweighs any risks. The IESBA would, in any case, endeavour to address the risk of loss of linkage between the requirements, application and explanatory material.

- 2. Do you believe that the approach outlined in this Consultation Paper, as reflected in the Illustrative Examples would be likely to make the Code more capable of being adopted into laws and regulations, effectively implemented and consistently applied? If not, why not and what other approaches might be taken?**

Since in a number of jurisdictions, ethical provisions are reflected in the laws and regulations, the approach would ease adoption of the IESBA Code.

Clearly distinguishing requirements would also ease the work of regulatory authorities and quality assurance review functions.

- 3. Do you have any comments on the suggestions as to the numbering and ordering of the content of the Code (including reversing the order of extant Part B and Part C), as set out in paragraph 20 of the Consultation Paper?**

We have no objection to a revised numbering and ordering of the content of the Code. We agree with the suggestion to reverse the order of extant Part B and Part C.

- 4. Do you believe that issuing the provisions in the Code as separate standards or rebranding the Code, for example as International Standards on Ethics, would achieve benefits such as improving the visibility or enforceability of the Code?**

At the moment, we do not support the approach to issue the Code as separate standards. Whereas some benefits may be derived from issuing the Code as separate standards, for partly historical reasons the Code in many jurisdictions exists as a single documentation.

In addition, in many jurisdictions the Code forms part of the law or regulation for the accountancy profession, and is defined as such. Rebranding the Code would raise many unintended consequences, including a need for amendment of laws and regulations.

5. Do you believe that the suggestions as to use of language, as reflected in the Illustrative Examples, are helpful? If not, why not?

We agree with the suggestions as to use of language. We believe that the approach would improve readability, clarity and implementation of the Code.

6. Do you consider it is necessary to clarify responsibility in the Code? If so, do you consider that the illustrative approach to responsibility is an appropriate means to enhance the usability and enforceability of the Code? If not, what other approach would you recommend?

Effective implementation requires identification and clarification of responsibility. Where it is not possible to prescribe responsibility due to size, structure and organisational differences, it will nonetheless be advantageous to provide explanatory and illustrative material.

We believe that the approach adopted is appropriate.

7. Do you find the examples of responsible individuals illustrated in paragraph 33 useful?

Whereas we agree with the approach, we believe assignment of responsibility needs to be as specific as possible. To enable easy implementation and enforcement, there should be clarity as to responsibility.

For instance, assignment of responsibility for establishing and maintain policies and procedures should not go wider than the most senior partners at the firm. This serves to reinforce the importance with which ethical matters are treated by the firm.

8. Do you have any comments on the suggestions for an electronic version of the Code, including which aspects might be particularly helpful in practice?

We believe that an electronic version of the Code will be useful for users. A number of benefits are already being derived from the HTML version of the IESBA Code.

We are neutral to whether the electronic or paper version is eventually adopted as the official version of the Code.

9. Do you have any comments on the indicative timeline described in Section VIII of this Paper?

We agree with the indicative timelines suggested.

10. Do you have any other comments on the matters set out in the Consultation Paper?

We have no further comments on the consultation paper.