Mandela’s Legacy

“A good head and a good heart are always a formidable combination.”

February - March 2014

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**THE ACCOUNTANT**

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**THE ACCOUNTANT**

FEBRUARY - MARCH 2014
Dear reader,

Happy New Year!

2013 is now behind us. But we are without our icon former South African President and joint winner of the Nobel peace Prize, Nelson Mandela who died in December 2013.

He left us with powerful messages that underscore the underlying goodness of human kind and in retrospect, clear pointers on what we need to emulate to transform our lives and of those around us. One of the significant issues that concerned Mandela was the discriminatory aspect of apartheid. In the South African context, the divisions between people by virtue of race and color were most pronounced.

If we equate this with our own tribal and racial overtones, his words tell us that this is not a creation of our genetics but our teachings that have influenced the next generation: “No one is born hating another person because of the color of his skin, or his background, or his religion. People must learn to hate, and if they can learn to hate, they can be taught to love, for love comes more naturally to the human heart than its opposite.” This is the topic we engage in on our cover story. The author cites several electrifying anecdotes from this quotable leader who never tired of reminding us that “Man’s goodness is a flame that can be hidden but never extinguished.”

The provision of public infrastructure and public utility services are some of the prime mandates of Governments all over the world. And infrastructure like roads, power, rail, water and sanitation, as well as seas and airports, are initial requirements for economic growth and development.

Find out how the traditional role of Government as the primary infrastructure and public service provider is gradually being supplemented with private sector expertise and financing. Accordingly the government is implementing a combination of policy and legal reforms; it is also financing mechanisms, incentives and institutional support. Doing this helps to bolster private sector participation in provision of public infrastructure and utility services. Discover more about this interesting development in the governance segment under the title public private partnerships.

In the environment section, we discuss how the quest for new sources of energy to drive Kenya’s economic growth is bringing challenges that will have to be overcome if environmental degradation, violent conflict and social spherical are to be avoided. The writer argues that with no certainty that oil finds in Turkana will prove commercially viable, the country is experimenting with new technologies to fill the growing demand for all types of energy. But some of the new technologies carry the risk of severe impact on food security and the environment. However, the writer tells us that it is vital in company human relations and corporate governance.

Meanwhile, in the management section we bring you a fascinating article concerning the value of proper communication in bringing about success. The writer tells us that it is a philosophy that says we are the reason for our success and others are the reason for our failures.

As always, we continue to bring you interesting feature titled no one can do press-ups for you. We are guided through an interesting explanation that says you are your own doctor when it comes to curing cold feet, a headache and a negative attitude. But many leaders have developed a philosophy that says we are the reason for our success and others are the reason for our failures.

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By Jim McFie, a Fellow of the Institute of Certified Public Accountants of Kenya

“I think from my perspective, everyone in the SEC from devoting time to deciding on IFRS,” Paul Beswick said that rulemaking duties... from revisiting the use of International Financial Reporting Standards by the SEC since the SEC staff proposed the changes to accommodate the PCAOB’s proposed expansion of auditor reporting. In some cases, they called for disclosure by auditors of more information than the PCAOB proposed... to the SEC or FASB to consider whether such reporting is useful. It [the proposal] is not in the PCAOB’s proper domain,” the NACD said.

But many of the investor groups and advocates who sent comment letters... about IFRS is required for all or most domestic listed companies in 101 of 122 jurisdictions represented in a study whose results were released recently by the International Accounting Standards Board, which oversees the IASB... certain issuers based in the U.S. would be required to use IFRS for their financial reporting. A 127-page report said the standards produced by the International Accounting Standards Board (IASB) were of high quality despite areas that need further development. But it questioned the funding of the IASB and the timeliness of responses to widespread accounting issues by the IFRS Interpretations Committee, and said adoption would be costly for US public companies.
F or a start, communication is very important activity in human relationships. The same is of paramount importance in business corporate governance and management. It is vital at a strategic planning and decision making. The same is vital in company budgeting and implementation processes. Communication calls for a meeting of minds. In other words the board, management, staff and external stakeholders must communicate to cultivate a way forward and develop good orientation. This means that as communication signals are transmitted from one source, they must flow in a medium that will be received by the other party. Subsequently, the source of communication must have a meeting of minds and act appropriately. Purpose of communication is to achieve response from the receiving party. As communication takes place, the sender must send appropriate signals that the recipient receives, acknowledges and then act as instructed or advised. For example, a fire siren communicates that there is danger and the respondents, should immediately act as instructed or advised. Communication is a key element in corporate governance and management. It is the board which sets the strategy and direction of work and communication flow to achieve planned results. Communication needs to be structured and carried out with decorum. The dialogue should create peace and harmony. It should be well done in order to achieve intended results.

A good flow of work programmes will create a good working atmosphere for board, management and staff. The tone at the top of good and positive staff will be cascaded into an organization. The departmental functions like finance, operations, human resource, ICT, ERM, CSR etc will find their level under the principle of good goal congruence in an organization. As a consequence of this, the strategic goals for a company will be achieved and work plans will flow smoothly to achieve the targeted results.

Modern methods of management communications and dialogue are many. They include board, management and staff meetings, Circulars, internal memos, e-mails, intranet, sms etc are all part of communication tools. At board level, all these will assist the board in achieving its major objectives which are:

i. Oversight role
ii. Fiduciary responsibility, iii. Duty of care

Good communication makes all departments read from the same script and sing a well coordinated chorus. It should not be as they say in bad management that a board sees the world as flat while the employees see the world as round.

All parties need to dialogue and communicate at same frequency every FM, short wave and many more. The company vision, mission, strategy and work plans should be like the script which is read by all and applied by all as far as management and board are concerned. The board must set the tone of the strategy. They must act in congruence and set direction of work and communication for the whole organization. As this process continues, one must not forget that there are many external forces that will influence company dialogue and communication plan. These are many and include economic, political, socio-cultural, technological, legal and regulatory factors. Therefore a board, management and staff need to have an effective and efficient method of dialogue and communication. This need to be structured and must be choreographed to achieve the intended results. Communication must be structured and above all have a good chain of command. Like in the military set up, a chain of command directs a communication flow to achieve planned results and outputs.

For example, in the army, commands move from the top down. Otherwise you could end up having a chaos situation. In other words they become risk averse. They consider hard economic factors but get more personal and some decisions are made based on other factors that are economic. This therefore means that consistency is not easy to achieve. It is not as logical as a statistical outcome. Yet in good management practice it is what the general public and stakeholders expect from an organization.

Experience has shown that there are instances where management have made certain decisions based on such circumstances, however the reality is that if you change the aspect of time and place, the decisions so arrived at will be different. In other words the variables of available facts, time, place and interest, would reduce the consistency and predictability of a decision. Decisions are therefore dependent on many factors, but consistency would make it possible to predict a possible outcome based on facts of a situation.

In a real world, such inconsistency and unpredictability due to wrong information can make employees suffer a great deal. For example an unpredictable manager makes employees live in fear and trepidation. In such organizations survival of an employee is to receive instructions in writing and insistence on following every instruction in writing. Similarly, a CEO might also insist on getting every instruction from a board through written confirmation of a full board meeting.

This means lack of trust. This also concludes that in such a setting there is no synergy and trust to move forward and embrace change. In such a setting, it becomes difficult to introduce change.

In a good set up, consistency and predictability need to be exhibited by a board of directors and top management. This means that the organization has good documented policies on operation, finance, marketing, human resources and many more. Therefore, the decisions so arrived arrive with a logical trail on genesis of action progression and eventually predictable outcome. This would encourage consistency in management.

At corporate governance level, the degree of inconsistency and unpredictability is very dangerous for an organization. It makes the organization divide from vision and mission. It sometimes makes the board and management unable to meet corporate strategic objectives successfully due to lack of trust.

Inconsistency in decision making by board and management does reduce staff motivation. Staff becomes less interested in taking any business risk, lest they commit minor errors which management can use to punish them unfairly. They fear to lose their jobs and benefits due to minor mistakes. In other words they become risk averse. The fear of being sacked or reprimanded increases the disease of procrastination. This epidemic of procrastination can become epidemic due to fear. At the end of it all an organization will fail to meet its strategic objectives.

In conclusion, when there is no business risk, then there is no impetus to achieve an organization’s objectives. An organization cannot be expected to achieve its objectives if the disease of procrastination. This disease can be epidemic and eventually endemic. Such a business cannot be managed profitably. Shakespeare wrote in the play of Hamlet that “Procrastination is the theft of time”. Such a business can only be managed profitably if the management of time takes precedence. Time management is very important in decision making. All decisions made need to be confirmed minutes of a full board meeting.

By Felix Owaga Okatch. Photo: Courtesy

By Felix Owaga Okatch. Photo: ICPAK Library

The judgement of King Solomon

Value of Consistency and Predictability of Decisions

By Felix Owaga Okatch. Photo: Courtesy
to the government the authority to issue detailed regulations and instructions.

**Budget planning and preparation**

Budget planning and preparation is at the heart of good public expenditure management. To understand this process in any given country, it is important to assess the basic soundness by judging the budget preparation system against certain internationally accepted standards, known as “budget principles”. This can be judged on comprehensiveness, whether the coverage of government operations is complete; transparency, that assesses the usefulness of the budget classification. For instance, is it easy to connect policies and expenditures through a program structure? Finally, soundness of the budget can be judged by realism: the budget should be based on a realistic economic framework. This will point out to some critical questions such as, is there a realistic costing of policies and programs and hence expenditure? Is there a clear separation between present and new policies?

As outlined earlier, the budget process is already underway having started in August 30th with the issuance of a circular, by the National Treasury, setting out guidelines for the process. Sections 35(1) and 125 of PFM Act elaborately outline the stages in the budget process at the national and county government levels respectively in any financial year. For instance, between September 1 and February 15 of every financial year, the National Treasury and the various ministries and agencies should undertake consultation with the public to solicit proposals on the budget. Subsequently, the following key documents are developed, namely, the Bills Review and Outlays growth paper, Budget Policy Statement and the County Fiscal Strategy Paper, and the Debt Counters strategy Paper.

It is mandatory that after the budget estimates are submitted to Parliament and County Assembly, the Controller of Budget and the Auditor-General respectively, should be forward looking and responsive to the cash flows of the spending agencies; and be comprehensive, covering all inflows of cash resources. In conclusion, the national and county governments must maintain a vigilant and level financial management system should include all aspects of public expenditure management in Kenya. Article 201 provides the principles that shall guide all aspects of public finance namely, there shall be openness and accountability, including public participation in financial matters; the public finance system shall promote an equitable society; the burdens and benefits of the use of resources and public borrowing shall be shared equitably between present and future generations; public money shall be used in a prudent and responsible way; and, financial management shall be responsible and fiscal reporting shall be clear. In addition, the Constitution reorganizes the budget process by transferring some executive powers to Parliament. Article 221 gives the National Assembly powers to consider, review and make recommendations on budget estimates submitted by Treasury together with estimates submitted by the Parliamentary Service Commission and the Chief Registrar of the Judiciary.

Besides, the Public Finance Management Act 2012 is the vehicle for establishing principles of public financial management. The Act provides fiscal responsibility principles for both the national and county governments. Furthermore, it establishes important institutions in the budget process such as the National Treasury, Public Debt Management Office, County Treasuries, and the County Budget and Economic Forum among others. The law also gives

**Budget execution**

Budget execution is another essential process in public expenditure management. It’s important to understand any weaknesses in the country’s budget execution process. Is it transparent? Are there lines of accountability? Is information on execution of the budget available on a timely, reliable, and accurate basis? Is it consistent with the principles of good governance?

The budget execution process follows six main stages. First, once parliament approves the budget, ministries and government agencies are authorized to spend money. This is called the authorization stage. The second stage is commitment. This is where a future obligation (liability) to pay is incurred. Good budget systems maintain data on commitments that can be monitored, because these will (for the most part) ultimately be reflected in actual expenditure. The third stage is verification, that signifies the partial or full delivery of goods according to the agreed contract or the service has been rendered and the bill has been received. This is followed by payment authorization or payment order stage. After verification, the spending unit must then hand it on to the public accountant, and request that the bills be paid.

The fifth stage is payment. The bill is paid by cash, check or electronic transfer. Finally, the sixth stage is accounting. The cash transactions are recorded as complete in the books. Countries can use either cash accounting or accrual accounting. Currently, most countries and institutions are moving to accrual-based accounting due to its superiority in accounting for real assets and financial assets. Budget monitoring, auditing and evaluation

Article 228 of the constitution establishes the office of the Controller of Budget to oversee the implementation of the national and county budgets by authorizing withdrawals from public funds under Articles 204, 206 and 207. Every four months, the Controller of Budget should submit to each House of Parliament a report on the implementation of the budgets of the national and county governments.

**Cash planning and management**

The final integral element of public expenditure management is cash planning and management. Cash planning aims to achieve three main objectives, namely, ensure that the expenditures are smoothly financed during the year to minimize borrowing costs; enable the initial budget policy targets, especially the surplus or deficit, to be met; and contribute to the smooth implementation of both the fiscal and monetary policies. An effective cash planning and management system should include the recognition of the time value and the opportunity cost of cash; enable line ministries to implement fiscal targets; to be forward looking and responsive to the cash needs of the spending agencies; and be comprehensive, covering all inflows of cash resources.

In conclusion, the national and county governments must maintain a vigilant and level financial management system should include all aspects of public expenditure management in Kenya. The law also gives

**Effective Public Financial Management in Kenya**

Kenya is already implementing the first budget in the new developed system of government. Currently, the budget making process for the 2014/15 fiscal year is ongoing. For effective service delivery at both levels of government, it’s imperative to understand essentials of public expenditure management. Governments can realize good public sector management by instilling the following forms of fiscal and financial discipline. First, there is need for governments to control aggregate expenditure to ensure affordability as far as consistency with the macroeconomic constraints. Secondly, government must strive to establish effective means for achieving a resource allocation that reflects overall policy priorities. Public budgeting is the first step to demonstrate whether the public expenditure management system is good or bad. We must assess a good public expenditure management framework through the three crucial budget making stages of budget preparation, budget execution, and cash planning and management.
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Internal factors - How is your organization governed and compliant? Reputational Risk - Impact on organizations

Technology in Investor Relations
Technology to enhance communication IR websites and webcasts of earnings calls like divisional descriptions, management videos and investor facebook.

Agenda

External factors - IR Best Practices – the sell and buy side view Capital Markets trends

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External factors - IR Best Practices – the sell and buy side view Capital Markets trends
Provided public infrastructure and Public utility services is one of the primary mandates of Governments all over the world. Infrastructure (roads, power, rail, water and sanitation, sea and airports, among others) is a fundamental prerequisite for economic growth and development. In addition, social and community infrastructure including education and health facilities, public housing and buildings, cultural facilities and environmental infrastructure are essential in modern societies. All across the world studies have consistently shown the close relationship between infrastructure and economic output.

However, fiscal constraints experienced by countries have resulted in the development of new and innovative approaches to the provision and financing of public infrastructure and services.

The provision of public infrastructure and services has the potential to offer enhanced value for money and enables the Government to use the private sector’s delivery and project completion expertise and capability for the betterment of the people. In addition, it helps the Government to control costs.

The “Vicious Cycle” of Public Services Management

In summary therefore, a PPP can be alternatively defined as “...a contractual arrangement between a government and a private party for the provision of assets and the delivery of services that have traditionally been provided by the public sector.”

PPPs involve a number of players from different sectors, representing a variety of interests, and thus the partnership needs to be formalized and processes need to be followed in a systematic and transparent way.

The benefits of PPPs include the following: They:

- Lead to improved operation and maintenance of public infrastructure.
- Facilitate technology transfer and employment possibilities.
- Enhance economic growth and widen public funds.
- Ensure good quality public services and services traditionally provided by the public sector.
- Increase international and domestic investments.
- Enable sharing of risk with private sector partners.
- Ensure good quality public services and their wider availability.
- Provide financial benefits reflected in reduction in the initial public capital outlay, and a better utilization and allocation of public funds.

Common Misconceptions about PPPs

One wonders whether the Government can deliver services more cheaply and efficiently than private sector.

In determining this, the following misconceptions about PPPs are common:

That:

- PPPs are inherently more efficient and effective than traditional government procurements.
- PPPs are less costly than traditional public service procurement options.
- PPPs allow governments to place obligations off balance sheets.
- PPPs will help reduce the size of government and replace redundant public sector employees.

These misconceptions are far from the truth as evidenced in reality.

C. THE CONCEPT

A PPP (Private Public Partnership) is a contractual arrangement between a public entity and a private sector party, with clear agreement on shared objectives for the provision of public infrastructure and services traditionally provided by the public sector.

In a PPP arrangement, the private sector party participates in the service delivery functions, and assumes the associated costs and risks.

In a nutshell, the following types of PPPs exist:

- Design-Build
- Design-Build-Operate
- Design-Build-Own-Operate
- Design-Build-Operate-Maintain
- Build-Ops Transfer (BOT)
- Build-Operate-Maintain (BOM)

The “Vicious Cycle” of Public Services Management

In summary therefore, a PPP can be alternatively defined as “...a contractual arrangement between a government and a private party for the provision of assets and the delivery of services that have traditionally been provided by the public sector.”

PPP Development Process

In developing PPPs, a Contracting Authority should bear in mind the following flow chart that handles the preparation, financial and approval of deals.

- PPP Identification and Screening
- Feasibility Study
- Framework
- Identification and Pre-Drafting
- Project Development
- Business Case Screening
- Contract Preparation
- Project Management
- Transactional Review
- Review

There are several well-defined models of PPPs, differing in purpose, service scope, legal structure and risk sharing, and increasingly, permutations and combinations of them. Specific forms of PPPs are often referred to by special names. However, a single PPP can have the characteristics of different forms and new types may emerge from time to time. One end of the spectrum can be an outsourcing of some routine operation, while the other could involve the private sector conceiving, designing, building, operating, maintaining and financing a project, thereby assuming a considerable proportion of risks. For the sake of clarity prioritization is not a PPP. Also outsourcing without a significant transfer of risk to the private sector over a period of time is not a PPP.

In a nutshell, the following types of PPPs are utilized globally with their attendant risks indicated herein:

- Public Sector
  - Service Contracts
  - Management Contracts
  - Design-Build
- Private Sector
  - Design-Build-Operate-Maintain
  - Build Operate Transfer (BOT)
  - Build Operate Concession (BOC)
  - Design Build Finance Operate

D. MODELS AND TYPES OF PPPs
Here in below is a description of some of them:

(ii) Service Contracts:
Are contracts between a public sector entity and a private contractor to provide specific technical services based on an agreed set of goals and objectives. Much of the risk element is retained in the Public domain.

(iii) Management Contracts:
These are contracts between the private contractor and a government entity where the entity surrenders management level decision-making and responsibilities to the private contractor and compensate the private company based on measurable improvement in the performance of the public entity.

(iii) Leases or Affirmage:
These are contracts between the public entity and a private party where the private utility operates a publicly owned system, and collects fees which it shares with the public entity to cover the latter’s investments in the utility.

(iv) Concessions:
These are long term contracts between a conceding public entity and private company to provide public services where the private party assumes most if not all of the financing risks for expansion or development of new facility while a concession normally applies to a pre-existing government facility.

In legal terms, Concessions can be defined as follows:-

• A concession may be granted in relation to existing assets, an existing utility, or for the development of the facility. The difference between a BOT and concession is that a BOT involves the construction and operation of new facility while a concession normally applies to a pre-existing government facility.

• Concessions are contracts between a BOT and concession – and so there will immediate ownership remains with the authority. Assets revert to the authority at the end of the concession period, including assets purchased by the operator.

• Because the concession confers certain exclusive rights to the private party both the government and the private party will be under an obligation to avoid doing anything to undermine the economic value of the concession. The exclusivity obligations are usually limited in time to the period of the build-out of the facility.

Concession V. Management Contracts
Unlike most management contracts, concessions are focused on outputs – i.e., the delivery of a service in accordance with performance standards.

There is less focus on inputs – i.e. the service provider is left to determine how to achieve agreed performance standards, although there may be some requirements regarding frequency of asset renewal and consultation with the awarding authority or regulator on such key features as maintenance and renewal of assets, increase in capacity and asset replacement towards the end of the concession term.

(v) Build Operate Transfer (BOT):
In a BOT project, the private sector grants to a private company the right to develop and operate a facility or system for a certain period (the “concession period”), in which would traditionally be a public sector project. Usually a discrete, Greenfield new build project. The Operator finances, owns and contracts the facility or system and operates it commercially for the concession period, after which the facility is transferred to the authority.

BOT is the classic tool for project finance. As it relates to new build, there is no revenue stream from the outset. Leaders are therefore anxious to ensure that project assets are ring-fenced within the operating project company and that all risks associated with the project are assumed and passed on to the appropriate actor. The operator is therefore usually special purpose vehicle.

Is it a BOT or a Concession?
• The rule of thumb is that BOT apply to new or greenfield projects involving a major construction contract while concessions may not have a required construction schedule. In practice the two contracts are often difficult to distinguish because of the liberal use of the term. e.g. a Highway Project may involve a schedule construction and financing requirement for an existing facility.

• In determining the legality, modus operating and financial structuring of the various types of PPPs, the following table may be referenced.

<table>
<thead>
<tr>
<th>PPP Structure</th>
<th>Average Contract</th>
<th>Provides the Service or the Management</th>
<th>Provides the Working Capital</th>
<th>Receives the Net Income Covers Net Loss</th>
<th>Provides Long Term Finance</th>
<th>Legally owns the Assets</th>
<th>Provides Sectors Planning &amp; Regulates Services</th>
</tr>
</thead>
<tbody>
<tr>
<td>Service Contract</td>
<td>2-3 years</td>
<td>Private</td>
<td>Public</td>
<td>Public</td>
<td>Public</td>
<td>Public</td>
<td>Public</td>
</tr>
<tr>
<td>Management Contract</td>
<td>2-5 years</td>
<td>Private</td>
<td>Public</td>
<td>Public</td>
<td>Public</td>
<td>Public</td>
<td>Public</td>
</tr>
<tr>
<td>Lease</td>
<td>7-15 years</td>
<td>Private</td>
<td>Private</td>
<td>Private</td>
<td>Private</td>
<td>Public</td>
<td>Public</td>
</tr>
<tr>
<td>BOT</td>
<td>20-30 years</td>
<td>Private</td>
<td>Private</td>
<td>Private</td>
<td>Private</td>
<td>Private</td>
<td>Public</td>
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<tr>
<td>BOO</td>
<td>20-30 years</td>
<td>Private</td>
<td>Private</td>
<td>Private</td>
<td>Private</td>
<td>Private</td>
<td>Public</td>
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<tr>
<td>Concession</td>
<td>20-30 years</td>
<td>Private</td>
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<tr>
<td>Divestiture</td>
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<td>Private</td>
<td>Private</td>
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</tbody>
</table>
E. PRINCIPLES FOR PPPs

In Practice, PPPs are based on the following guiding Principles:

(i) Value for money: Value for money is paramount and PPPs should give greater value for money than the best realistic public sector project designed to achieve similar service outputs. Achieving value for money is key requirement of government at all stages of a project’s development and procurement and is a combination of the service outcome to be delivered by the private sector, together with the degree of risk transfer and financial implications for government. Value for money is the driver for adopting the PPP approach, rather than capital scarcity or the balance sheet treatment.

(ii) Risk allocation: Am efficient risk allocation is vital in determining whether value for money can be achieved in PPP projects. CoCs principal with regards to risk allocation shall be used to optimize, rather than maximize, the transfer of project risks to the private party. Risks will therefore be allocated to the party best able to control and manage them in such a manner that value for money is maximized. The allocation of risk will therefore determine the chosen method of private sector involvement and allocation of responsibilities, which shall take into account the protection of the public interest.

(iii) Ability to pay: End user ability to pay shall be a key consideration for all PPP projects. The PPP option must demonstrate long-term affordability to the public and overall Government budgetary sustainability, forward commitments in relation to public expenditure and the potential for returns on private sector investment, given other priorities and commitments.

(iv) Local content & technology transfer. As much as possible, the PPP arrangement shall facilitate the promotion of local industries and the private sector in Ghana.

(v) Safeguarding Public Interest and Consumer Rights: GoG is committed to ensuring that each PPP project shall have positive impact upon the public interest.

The following principles shall be addressed in PPP transactions:

- Safeguards to users particularly vulnerable groups;
- Setting affordable user charges and tariff structures.
- Environmental, Climate and Social Safeguards: The Government shall ensure that PPP activities conform to the environmental laws of Ghana and the highest standards of environmental, climate and social safeguards.
- Furthermore, all PPP projects shall be governed in accordance with the following Parameters:
  - Clear objectives and output requirements: PPP projects shall take into account the expected outputs of each project, allowing for optimal risk transfer to the private party and thereby ensure greater vaje for money for the public sector.
  - Accountability: As a means of good governance PPP projects must ensure accountability:
    - Every stage of the PPP arrangement shall follow laid-down procedures and regulations.
    - Decisions must be objective and in consonance with law and government policies.
    - Public sector entities undertaking PPPs must follow prescribed processes for decision-making within their organizations.
    - Transparency: Principles of transparency shall guide all PPP projects:
      - There must be a well-defined procurement process for the PPP. Instructions to bidders must be clear and unambiguous to prevent manipulation and abuse of the process. The bid conditions and evaluation criteria must lead to the attainment of value for money, economy, and efficiency and must be made available to all interested private sector parties.
      - Where a decision is taken to consider an unsolicited bid, there must be clear and objective reasons supporting the decision which shall be in conformity with this policy.
      - The process shall be accessible to the public to the extent allowed by law except where national security would be prejudiced.
      - Equal opportunity and access to information must be given to all interested bidders.
      - Competition: As much as feasible all PPP projects should be subjected to a competitive process so as to obtain value for money and efficiency.

Contracting Authority, ownership and commitment: Contracting Authorities shall have the primary responsibility for managing the process and implementing the project.

Stakeholder Consultation Process: Contracting Authorities shall ensure adequate stakeholder consultation, understanding and support in advance of entering into a PPP arrangement and shall endeavor to identify relevant stakeholders and undertake comprehensive consultation and awareness of PPP projects under consideration.

ICPAK former Chairmen holding their self portraits during ICPAK’s 35 years Anniversary Gala Dinner


Those not in the group photo above:
AUDIT QUALITY REVIEW PROGRAMME (AQR) – FOCUS ON AUDIT DOCUMENTATION

By CPA Georgina Malombe Photos: Courtesy

The culmination of the Audit Quality Review Programme in May 2004 brought a new perspective to the accounting profession especially to the Practising Accountants who are expected to gather enough audit evidence through adequate ‘documentation of the audit process.’ The programme’s objective was and still is to ensure members in practice maintain appropriate quality control policies and procedures and comply with them to ensure the quality of their work meets the minimum expectations and that members in practice issue reports that are applicable in the circumstances.

AQR programme seeks to raise standards and restore public confidence in the quality of performance while auditing engagements by professional accountants in practice by maintaining professional skepticism throughout the audits. The programme continues to seek to achieve its goal through education and remedial corrective actions. To date over 400 audit firms have been reviewed and over 60 firms revisited to measure progress made since the first review was conducted. Out of the firms reviewed less than 20% of firms have been found to be in compliance with the applicable standards even for the firms visited for the second time.

AREAS OF NON-COMPLIANCE

The review programme has established that audit documentation has been the greatest challenge in gathering adequate audit evidence to affirm the independent auditor’s opinion. Most practitioners knew what was expected of them but failed to document. ISA 230 outlines the content, form, and extent of audit documentation. The size and complexity of the entity.

When ICPAK Reviewers visit audit firms, what do they expect with regard to documentation?

• As professional accountants are we keeping pace with the changing standards and developments affecting our accountability specifically in documenting our audit processes and procedures?

AQR focuses on two types of reviews i.e. Firm Review and Engagement Review. Firm Review is guided by International Standards on Quality Control 1 (ISQC 1) and ISA 220, quality control for an audit of financial statement. From these two standards a firm is expected to develop and implement quality control policies. These policies looks at the internal processes within the firm and focuses on documentation on areas of leadership responsibilities within the firm, human resource functions, ethical requirements, acceptance and continuance procedures, engagement performance, documentation and monitoring. All these need to be documented and applied in practice. Engagement Reviews on the other hand focuses on the documentation of the audit process and expression of an opinion that is applicable in the circumstances. They focus on compliance with the International Standards on Auditing (ISAs) and the requirements of applicable legal and regulations provisions.

The guiding standard on Audit Documentation is the International Standards on Auditing (ISA) 230 which emphasizes on documentation that is sufficient to enable an experienced auditor, having no previous connection with the audit, to understand the basis upon which the audit opinion was issued. This is to a large extent what reviewers look out for when conducting reviews.

What then is Audit Documentation and what do you need to document?

Audit documentation is the record of audit procedures performed, relevant audit evidence obtained, and conclusions the auditor reached in the course of carrying out an engagement. In this view therefore, proper audit documentation is the only sure way that there is enough evidence of the auditor’s basis for a conclusion about the achievement of the overall objectives of the audit; and Evidence that the audit was planned and performed in accordance with ISAs and applicable legal and regulatory requirements. In each engagement, the auditor must document how he planned for the audit, his assessment on whether to accept or decline and audit engagement, the understanding of the entity and the control environment, risk assessment and how risks identified can be responded to; and the nature and extent of exceptions identified.

What then is the link between the Audit Quality Review Programme and Audit Documentation?

• What is it that you need to document?

The nature of the audit procedures to be performed.

The size and complexity of the entity.

What is then the link between the Audit Quality Review Programme and Audit Documentation?

• What is it that you need to document?

The need to document a conclusion not readily derivable from the documentation of the work performed or audit evidence obtained.

What is the Essence of Audit Documentation?

Audit documentation is very vital in evaluating the auditor’s opinion. Most practitioners perceive it to be of great importance to form an informed evidence of the opinion issued. To a large extent, all audit files should have the minimum the following aspects of documentation:

• Agreement on audit engagement terms:

The terms of engagements are usually specified in the audit engagement letter. It may require documentation of such matters like the objective and scope of the audit of the financial statements, the responsibilities of the auditor, the responsibilities of management and identification of the applicable financial reporting framework for the preparation of the financial statements; and reference to the expected form and content of any reports to be issued by the auditor and
statement that there may be circumstances in which a report may differ from its expected form and content.

- Quality Control for an Audit of Financial Statements: The auditor should include in the audit documentation aspects of issues identified with respect to compliance with relevant ethical requirements and how they were resolved, conclusions on compliance with independence requirements that apply to the audit engagement, and any relevant discussions with the firm that support these conclusions; conclusions reached regarding the acceptability of the continuing relationship with and the nature and scope of, and conclusions resulting from, consultations undertaken during the course of the audit engagement.

In cases where there is an engagement quality control review, he should document that: the procedures required by the firm's policies on engagement quality control review have been performed, the engagement quality control review has been completed or before the start of the auditor's work; and the reviewer is not aware of any unresolved matters that would cause the reviewer to believe that the significant judgments the engagement team made and the conclusions it reached were not appropriate.

- Assignment of Engagement Teams and the Auditor's Responsibilities Relating to Fraud in an Audit of Financial Statements: Under this the auditor is expected to document the assessment of the personnel taking the assignment in terms of their ability to be given significant engagement responsibilities and the auditor is assured of the risk of material misstatement due to fraud for the engagement; evaluating whether the selection and application of accounting policies by the client, particularly those related to subjective measurements and complex transactions, may be indicative of fraudulent financial reporting; the sources of information from which the understanding was obtained; and the risk assessment procedures performed; the identified and assessed risks of material misstatement at the financial statement level and at the assertion level, and the risks identified, and the basis for that conclusion.

- Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures: Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures: As an auditor concludes the audit he should document the basis for his conclusion about the reasonableness of accounting estimates and the disclosure that give rise to significant audit risk and the nature of potential management bias, if any.

- Related Parties: When the auditor is auditing a group which has components of related party transactions, he should include in the audit documentation the names of the identified related parties and the nature of the related party relationships including the overall effect to the financial statements. He should also seek and document any adjustments that arise and any significant transactions and arrangements with related parties.

- Auditing of Group Financial Statements: Where an auditor is involved in the audit of financial statements of a group which includes work of component auditors, the group engagement team should include in the audit documentation an analysis of components, including those that are significant, and the type of work performed on the financial information of the components, the nature, timing, and extent of the group engagement team's involvement in the work performed by the component auditors on significant components including, where applicable, the group engagement team's review of relevant parts of the component auditors' audit documentation and conclusions thereon. The auditor should also include written communications between the group engagement team and the component auditors about the group engagement team's requirements.

- Using the Work of Internal Auditors: A client may have an internal audit function which the auditor may find it necessary to rely on the work of the client's internal auditors. The auditor, being an independent party is expected to be skeptical in the performance of the audit and at a minimum he should document the conclusions reached regarding the evaluation of the adequacy of the work of the internal auditors and the audit procedures performed by the external auditor on that work to determine its adequacy for the external auditor's purposes (ISA 310:8-10).

It should be noted that Audit Documentation, however, is not a substitute for the entity's accounting records. Oral explanations from the auditor, on their own, do not represent adequate support for the work the auditor performed or conclusions the auditor reached, but may be used to explain or clarify information contained in the audit documentation.
The business of business is corporate social responsibility (CSR) as part of business (Friedman, 1970). CSR refers to firms achieving commercial success in ways that honor ethical values and respect people, communities and natural environment (Tsoutsoura, 2004). CSR is also concerned with governance, product safety, equal opportunities, human rights, community involvement, and environment preservation (Tilt, 2010). Corporate philanthropy as a component of CSR refers to the charitable donations by firms of their profits and resources to charitable activities. The donations are made directly by the corporation or through foundations created by the corporations (www.businessdictionary.com). CSR activities enhance brand image, reduce production cost due to emphasis on recycling of waste and mitigates the risks of negative events (Tsoutsoura, 2004). Other not very positive reasons for CSR activities include: donors deriving pride amongst peers from the publicity. Donors can also fulfill their religious obligations that can be for selfless and selfish reasons such as current sacrifice for eventual reward. By participating in CSR, firms can also avoid paying taxes since charitable donations are tax deductible (Roeskau, 2003). By firms participating in CSR activities, the Government is happy with the participating firms and this improves on the agency relationship between shareholders and Government.

There are schools of thought that believe that in a free society private firms should not participate in CSR activities as it is not their business instead they should focus on generating profits as long as they do so in a competitive and corruption-free environment. Philanthropy in this case is deemed as a waste of the firm’s resources (Friedman, 1970). It is also believed that private firms that engage in CSR, lack the skills and jurisdiction to participate in community welfare activities (Tsoutsoura, 2004).

Accountants’ role in CSR depends on the type of accounting function: financial accountants are concerned with reporting the social and environmental aspects of assets and liabilities in a standard manner. Management accountants are concerned with the costs and benefits of social and environmental aspects of assets and liabilities while auditors are concerned with providing assurance of the social account produced.

There is a growing concern about the materiality or significance of CSR activities by firms. If CSR is not material then the society is being short changed and should petition the corporates for more participation. This is to ensure fair sharing of the firm’s success output between itself and the society that provides it with an enabling environment for success.

According to ISA 320 on Audit Materiality, information is deemed as material if its omission or misstatement can influence the economic decisions. This definition is deemed as qualitative and may be susceptible to bias. Quantitative definition of materiality provides precise thresholds of materiality and is as follows: information is deemed as material if it constitutes at least 1% of total assets, 5% of shareholders’ equity and 5% of net profits (Rittenberg, Johnstone and Gramling, 2012).

A review of published information on corporate philanthropy by Kenyan listed firms reveals that the cost of CSR is either: vague, scanty or completely missing. This is with exception of a listed Kenyan firm whose private foundation had over 700 projects during a 10 year period that ended on 29th October 2013. The firm had spent Kshs.1.8 billion in CSR activities during that decade. Donations from the firm thus average Kshs.180 million per annum. Highlights of financial statements of the firm in year 2012 indicated that total net assets amounted to Kshs.184.2 billion, profit before tax amounted to Kshs.17.4 billion and shareholders’ equity amounted to Kshs.72.6 billion (NSE Handbook, 2012-2013).

Despite the annual average donations of Kshs.180 million appearing as significant in absolute terms, its materiality amounted to only 0.23% of total net assets 1.03% of profit before tax and 0.25% of shareholders’ equity, which are all below the set materiality thresholds of 1%, 5% and 5% respectively (Rittenberg, Johnstone and Gramling, 2012). The implication is the Kshs.180 million per annum is not material as the firm’s performance indicators were relatively very large. The seemingly financially immaterial corporate philanthropy may have been mitigated by non-financial corporate donations.

The Government of Kenya encourages corporate philanthropy through public private sector partnerships (PPP). However there is no accounting standard that regulates corporate philanthropy leaving firms with the discretion to do as they please.

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WHY VENDOR FRAUD GOES BEYOND EMPLOYEE INVOLVEMENT

For most companies vendor fraud is perpetrated by employees specifically those handling the supply chain function colluding with suppliers. In the event of suspected fraud, these employees will be subjected to unnecessary investigation, interviewed, and in some cases, legally prosecuted. The repercussions of such expedited prosecution have resulted to companies losing more money to pay for damages as a result of malicious prosecutions. But looking through some of these cases, you will find that vendors have been at the center of accomplishment. They are the mandarins of the sharp practices in procurement, distribution and the business. The customers we tend to value too much and fighting to retain often could be perpetrators of fraud against your company.

One case where vendors would come together to perpetrate fraud against your company is something that county governments should be alive to when engaging suppliers on the provision of good and services within their counties lest they lose their revenue to fraud. In most of these set ups the vendors are community business men who many a times may have common clan lineage, are siblings or business partners. Most of them operate more than one business in the name of General Supplies Limited or General contractors Limited etc and are capable of supplying everything needed by organizations. Their capacity not questionable but prices exorbitant and quality very low.

The reality is that it is possible for vendors to commit fraud against your company without involvement of employees. The following are five scenarios that will help an organization know if their employees, companies can do the following:

1. **Bid rotation.** It is very common in small towns where bidders are few and understand each other’s operations. This is where vendors who have been working with the company for a quite some time exploit the existing trust and conspire to have each one of the vendors submit the lowest bid in turn thus allowing each other to have stake in different company businesses. The rest of the vendors will each submit bid with higher prices enabling their collusion to win. Normally what is lowest bid will be more than double the ordinary price of such goods and services in the market. And because there are no other competitors around at least one of this unscrupulous vendors will be awarded the contract. They will thereafter share the loot or even do sub-contracting so as to enable other parties have a share of the proceeds. In the next tender another one of them will quote the seemingly lowest bidder.

2. **Bid reversal.** There will be an initial competition between the vendors. Before the bids are opened by the purchasing company, through a calculated scheme, some bidders will withdraw their bids by giving very convincing reasons like I may not be able to complete the task within time, I got other tenders or travelling for holiday abroad just to appease the purchasing company. And because projects have an implementation time frame, the company having run out of time, will have no option rather than award whoever emerges the lowest bid. This therefore leave the highest bidders to win the tender. The proceeds from such black mail will be shared by both the winners and those who dropped the bids.

3. **Ex-employee antics.** A company employee resigns from employment and forms a syndicate to supply goods/services to his former employer. From the outset this gentle man will convince his former colleagues how he had been very successful in doing business outside employment. He thus uses his networks and knowledge of the company controls, plans and budgets to circumvent procurement processes thus reaping at the expense of the former employer.

4. **Market specialization.** Normally vendors will meet and persevere through the company’s profile, geographical distributions and the business to establish fraud hotlines for existing and potential vendors to report irregularities on their part of the colleagues. Crosscheck vendor addresses with those of other vendors to establishing if there is any significant relationship between vendors and helping weed out double bidding or single sourcing.

5. **Community involvement to lock out outsiders.** In this scenario the community in which the organization or company is investing in will demand a fair share of the company businesses. They will threaten to paralyze business if tenders are not directed to the local community. Within the same set up they will dictate which particular clan or person should be given the particular tender at any particular time. In that process the organization will be forced to single source for its goods and services. This people, normally community tyrants, will price their goods whimsically since they have received protection and endorsement from the community members. This is very common when it comes to employment of staff. The community leaders will want the company to employ specific persons from the community regardless of their qualification and academic background. This in the long run threatens the operations of the organization and may be forced to shut down.

In the above cases you will realize that there is absolutely no employee involvement. To come over the fraud cases above and to stop laying blame on their employees, companies can do the following:

1. **Realize that the company can lose millions of dollars through such unchecked engagements, projects stall thus impairing implementation and affect the growth of crucial business units and eventually losing out on profits, thus they should engage a fraud expert to help them review their procurement processes in order to advise on the fraud risk areas and those supplier who have engaged in fraud.

2. **Moving forward organizations must investigate vendors who purchase several bids using different business names.** The customer should not be a sounding red flag. Ideally vendors are in competition to win tenders of a company but when such tenders are called in batches it is possible that companies are working together.

3. **Ex-employees posing as vendors.** This is certainly a threat. In some instances they should be blocked from bidding. This is however challenging as one can be blocked only if the company has an established policy that bar ex-employees from engaging in any profitable business venture with the company.

4. **Establishing fraud hotlines for existing and potential vendors to report the organization out.** This people, normally community tyrants, will price their goods whimsically since they have received protection and endorsement from the community members. This is very common when it comes to employment of staff. The community leaders will want the company to employ specific persons from the community regardless of their qualification and academic background. This in the long run threatens the operations of the organization and may be forced to shut down.

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s the candle that marked one of the highs of this century for Africa blew out on 5th December, 2013, from the outpouring of grief came the acclamations that Mandela had set the bar high for Africa’s leaders. More importantly, he left us with powerful messages that underscore the underlying goodness of human kind and in retrospect, clear pointers on what we need to emulate to transform our lives and of those around us.

The former president of South Africa, joint winner of the Nobel peace Prize, champion of African nationalism, was an inspiration to many. As icons of ethical behavior, credibility and accountability, the professionalism of accountants can draw from this icon’s teaching. We can learn a lot from this humble man who saw inequality in his world and strove to make it right. Let us contemplate on his words and try to understand his philosophy.

Laying into just about doing something for yourself, but what you do for others as well. In his book, The long walk to freedom, Mandela says “For to be free is not merely to cast off one’s chains, but to live in a way that respects and enhances the freedom of others.” As we celebrate fifty years of our independence, these words live in a way that respects and enhances the freedom of others. “For to be free is not in never falling, but in rising every time we fall.”

Few words uttered by Mandela in 1998, summarize what leaders need to do for us: “Real leaders must be ready to sacrifice all for the freedom of their people.” Real leaders must also learn to weigh their words carefully before they speak. “It is never my custom to use words lightly. If twenty-seven years in prison have done anything to us, it was to use the silence of solitude to make us understand how precious words are and how real speech is in its impact on the way people live and die.”

In a speech to the European parliament in 1990, he remarked that “Great anger and violence can never build a nation. We are striving to proceed in a manner and towards a result, which will ensure that all our people, both black and white, emerge as victors.” Mandela was always reflecting on the goodness of mankind and he extolled this as a virtue, one which would help bring about true change in society. In Long Walk to Freedom, he explains that “Man’s goodness is a flame that can be snuffed out. But it cannot be completely extinguished. In any society, Education is the most powerful weapon which you can use to change the world.” The second ingredient for change is to be brave.” I learned that courage was not the absence of fear, but the triumph over it. The brave man is not he who does not feel afraid, but he who conquers that fear.”

As Madiba stated, “When people are determined they can overcome anything” and “Without democracy there cannot be peace.” As we embark, on the next phase of our independent Kenya, his words become important in that we need to reflect on where we are and where we need to be. As we take the next steps in developing our great nation further, we should realize that “We have not taken the final step of our journey, but the first step on a longer and even steeper, difficult road.” We need to safeguard the freedoms our founding fathers fought for and delivered to us. We need to protect the bill of rights we enshrined in our current constitution.

As professionals, we owe a duty to our fellow citizens and to our Country, we need to speak up and speak for, we need to be diligent and determined, ethical yet emphatic and must embody the ends of ICPAK: credibility, professionalism and accountability. Nelson Rolihlahla Mandela, fondly known as Madiba (his Xhosa clan name) and also Tata (father), born on 18 July 1918, is a symbol of his ideals. Nelson Mandela never wavered in his devotion to democracy, equality and learning. Despite terrible provocation, he never answered racism with racism. His life has been an inspiration to all who are oppressed and deprived, to all who are opposed to oppression and deprivation. He will be remembered as a visionary and transformational leader, an example to Africa and a mentor to the whole world. In his humility, he reminded us that “When a man has done what he considers to be his duty to his people and his country, he can rest in peace.”

Rest in peace, Madiba.

MANDELA’S LEGACY

By CPA Shabir Issak Photos: Courtesy

In the South African context, the divisions between people by virtue of race and color were most pronounced. If we equate this with our own tribal and racial overtones, his words tell us that this is not a creation of our genetics but our teachings that have influenced the next generation. “No one is born hating another person because of the color of his skin, or his background, or his religion. People must learn to hate, and if they can learn to hate, they can be taught to love, for love comes more naturally to the human heart than its opposite.” In his unpublished autobiographical manuscript, he has articulated why we should not be prejudicial notions. That will be a sign of a human heart than its opposite.” In his unpublished autobiographical manuscript, he has articulated why we should not be prejudiced either. Mandela’s words are and how real speech is in its impact on the way people live and die. In a speech to the European parliament in 1990, he remarked that “Great anger and violence can never build a nation. We are striving to proceed in a manner and towards a result, which will ensure that all our people, both black and white, emerge as victors.” Mandela was always reflecting on the goodness of mankind and he extolled this as a virtue, one which would help bring about true change in society. In Long Walk to Freedom, he explains that “Man’s goodness is a flame that can be snuffed out. But it cannot be completely extinguished. In any society, Education is the most powerful weapon which you can use to change the world.” The second ingredient for change is to be brave.” I learned that courage was not the absence of fear, but the triumph over it. The brave man is not he who does not feel afraid, but he who conquers that fear.”

As Madiba stated, “When people are determined they can overcome anything” and “Without democracy there cannot be peace.” As we embark, on the next phase of our independent Kenya, his words become important in that we need to reflect on where we are and where we need to be. As we take the next steps in developing our great nation further, we should realize that “We have not taken the final step of our journey, but the first step on a longer and even steeper, difficult road.” We need to safeguard the freedoms our founding fathers fought for and delivered to us. We need to protect the bill of rights we enshrined in our current constitution. As professionals, we owe a duty to our fellow citizens and to our Country, we need to speak up and speak for, we need to be diligent and determined, ethical yet emphatic and must embody the ends of ICPAK: credibility, professionalism and accountability. Nelson Rolihlahla Mandela, fondly known as Madiba (his Xhosa clan name) and also Tata (father), born on 18 July 1918, is a symbol of his ideals. Nelson Mandela never wavered in his devotion to democracy, equality and learning. Despite terrible provocation, he never answered racism with racism. His life has been an inspiration to all who are oppressed and deprived, to all who are opposed to oppression and deprivation. He will be remembered as a visionary and transformational leader, an example to Africa and a mentor to the whole world. In his humility, he reminded us that “When a man has done what he considers to be his duty to his people and his country, he can rest in peace.”

Rest in peace, Madiba.
1. This man that changed the world grew up in a tiny village and was the first member of his family to attend school. His father, who served as a counselor to tribal chiefs, died when he was 9, and the boy was adopted by the Thembu regent, Chief Jongintaba Dalindyebo.

2. He started off as a pacifist — then took up arms. Though he was initially committed to non violent protest, Mandela changed his stance in the early sixties and began advocating a sabotage campaign against the government. In 1961, he co-founded “Spear of the Nation” or MK, the militant wing of the African National Congress.

3. Mandela was a master of disguise and a genius at evading arrest. He was the Black Pimpernel for his legendary ability to escape capture. He frequently disguised himself as a fieldworker, a chauffeur, or a chef. He was later arrested and imprisoned in 1962.

4. In prison, he was highly skilled at secretly passing notes. During his incarceration on the infamous Robben Island, Mandela and the other prisoners would communicate by leaving notes in discarded matchboxes, under piles of dirty dishes, and taped in toilet tanks. Using these methods, Mandela and the other prisoners organized and succeeded in their effort to improve their living conditions.

5. He had a choice to get out of prison — and declined, on principle. In 1985 South African President P.W. Botha offered Mandela his freedom if he would agree to renounce armed struggle. He refused, saying, “What freedom am I being offered while the organization of the people remains banned? Only free men can negotiate. A prisoner cannot enter into contracts.”

6. When he finally got out, he only strengthened his fight against Apartheid. Immediately after his release from prison on February 11, 1990, Mandela urged supporters to reject South Africa’s white minority government, and called on the international community to maintain its sanctions.

7. He worked as hard to make peace as he did to bring down Apartheid. Prior to the ANC’s triumph, many feared that South Africa would descend into civil war and that there would be mass acts of violent retribution. But President Mandela established the Truth and Reconciliation Commission to investigate human-rights abuses under Apartheid and largely averted bloodshed.

8. He used sports to bring the racially divided country together. Mandela saw national reconciliation as one of the most important tasks of his presidency. One key moment came when South Africa hosted the 1995 Rugby World Cup. While black South Africans despised the national rugby team, Springboks, Mandela encouraged them to support the team. When they faced New Zealand in the final, Mandela appeared in a Springboks jersey with captain Francois Pienaar’s number on the back and the mostly white crowd erupted in cheers. After the team’s win, Pienaar was asked what it was like to have “62,000 fans supporting you here in the stadium.” He answered, “We didn’t have 62,000 fans behind us. We had 43 million South Africans.”

9. He probably won more awards than anyone in history. In addition to the 1993 Nobel Peace Prize, Mandela has received, including honorary degrees from more than 50 universities worldwide. In 2001, he became the first living person to be made an honorary Canadian citizen, and he was the last person to receive the Lenin Peace Prize from the Soviet Union.

10. There’s now a global holiday in his honor. In 2009, the United Nations declared that Nelson Mandela International Day will be celebrated every year on July 18 (his birthday). The purpose of the day is to honor Mandela’s legacy and promote community service.

Adapted from the New York Magazine
new and unexpected data indicate Voyager 1 has been traveling for about one year through plasma, or ionized gas, present in the space between stars. Voyager is in a transitional region immediately outside the solar bubble, where some effects from our sun are still evident.

“Now that we have new, key data, we believe this is mankind’s historic leap into interstellar space,” said Ed Stone, Voyager project scientist based at the California Institute of Technology, Pasadena. “The Voyager team needed time to analyze those observations and make sense of them. But we can now answer the question we’ve all been asking -- ‘Are we there yet?’" he said.

Voyager 1 does not have a working plasma sensor, so scientists needed a different way to measure the spacecraft’s plasma environment to make a definitive determination of its location. A comonal mass ejection, or a massive burst of solar wind and magnetic fields, that erupted from the sun in March 2012 provided scientists the data they needed. When this unexpected gift from the sun eventually arrived at Voyager 1’s location 13 months later, in April 2013, the plasma around the spacecraft began to vibrate like a violin string. On April 9, Voyager 1’s plasma wave instrument detected the movement. The pitch of the oscillations helped scientists determine the density of the plasma. The particular oscillations meant the spacecraft was bathed in plasma more than 40 times denser than what they had encountered in the outer layer of the heliosphere. Density of this sort is to be expected in interstellar space.

“We literally jumped out of our seats when we saw these oscillations in our data -- they showed us the spacecraft was in an entirely new region, comparable to what was expected in interstellar space,” Gurnett said. “Clearly we had passed through the heliopause, which is the hypothesized boundary between the solar plasma and the interstellar plasma.”

The new plasma data suggested a timeframe consistent with abrupt, durable changes in the density of energetic particles that were first detected on August 25, 2012. The Voyager team generally accepts this date as the date of interstellar arrival. The charged particle and plasma changes were what would have been expected during a crossing of the heliopause.

Voyager 1 and its twin, Voyager 2, were launched 16 days apart in 1977. Both spacecraft flew by Jupiter and Saturn. Voyager 2 also flew by Uranus and Neptune. Voyager 2, launched before Voyager 1, is the longest continuously operated spacecraft. It is about 9.5 billion miles (15 billion kilometers) away from our sun.

Voyager mission controllers still talk to or receive data from Voyager 1 and Voyager 2 every day, though the emitted signals are currently very dim, at about 23 watts -- the power of a refrigerator light bulb. By the time the signals get to Earth, they are a fraction of a billion-billionth of a watt. Data from Voyager 1’s instruments are transmitted to Earth typically at 160 bits per second, and captured by 34- and 70-meter NASA Deep Space Network stations. Traveling at the speed of light, a signal from Voyager 1 takes about 17 hours to travel to Earth. After the data are transmitted to JPL and processed by the science teams, Voyager data are made publicly available.

“Voyager has boldly gone where no probe has gone before, marking one of the most significant technological achievements in the annals of the history of science, and adding a new chapter in human scientific dreams and endeavors," said John Grunsfeld, NASA’s associate administrator for science in Washington. "Perhaps some future deep space explorers will catch up with Voyager, our first interstellar envoy, and reflect on how this intrepid spacecraft helped enable their journey."

Scientists do not know when Voyager 1 will reach the undisturbed part of interstellar space where there is no influence from our sun. They also are not certain when Voyager 2 is expected to cross into interstellar space, but they believe it is not very far behind.

JPL built and operates the twin Voyager spacecraft. The Voyagers Interstellar Mission is a part of NASA’s Heliophysics System Observatory, sponsored by the Heliophysics Division of NASA’s Science Mission Directorate in Washington. NASA’s Deep Space Network, managed by JPL, is an international network of antennas that supports interplanetary spacecraft missions and radio and radar astronomy observations for the exploration of the solar system and the universe. The network also supports selected Earth-orbiting missions.

ByNASA Photos: Courtesy of The National Aeronautics and Space Administration

Sometimes my predictions are right. I don’t recommend it, though. It’s not good for the heart.
The first impression you get of CPA Jimmy Githere, Partner J.G Bailey & Associates (JGBA) is that he is an unassuming business man. But a chat with him reveals a serious strategist with great focus, a very pleasant persona and great vision.

His philosophy has always been focus, focus, focus, otherwise you may get swayed by the storms of life. And also having your strong faith and knowing that one day you will get there.

I established a consulting arm which is known as Bailey Consulting Group (first in South Sudan and later in Kenya). I left KPMG in 2009 and registered J.G Bailey & Associates. Later on, in concerted efforts with two close friends, I established a consulting arm which is known as Bailey Consulting Group (first in South Sudan and later in Kenya).

I believe in myself and my abilities, I wanted the working flexibility and challenges involved. I am inspired by those people who have always made a difference in society. I would like to build a system that will live long after me so the firm should go on even in my absence.

Professional Experience?
I joined KPMG in September 2003, after completing B.Com at Nairobi University in August of the same year. I worked as a senior auditor until 2007, when I joined KPMG advisory services where I worked until 2009. During this time we were doing assignments for the newly establish semi autonomous government of Southern Sudan. I left KPMG in 2009 and registered J.G Bailey & Associates. Later on, as in concerted efforts with two close friends, I established a consulting arm which is known as Bailey Consulting Group (first in South Sudan and later in Kenya).

What do you make your firm this name J.G Bailey & Associates? Any foreign link?
Not at all...The motivation behind the firm’s name was to eliminate misconceptions and prejudices created by first impression. Furthermore, I wanted a name that would align well with our goal of regional expansion am happy to say this strategy has not disappointed and has in fact been a platform for our ventures in the region, the market has been very receptive and easily identifies with it.

What kind of people come to you? What makes this firm stand out from the rest?
We are flexible and give good value for money. We bring to the table expertise and a wealth of experience as a result of seasoned professional experts. Through a blend of both local and international talents, we not only have clear understanding of challenges facing our target market, but we develop appropriate solutions to such challenges.

What do you think of the accounting profession in Kenya today?
It is progressing well, especially in the last 7 or so years when the institute started bringing in very vibrant secretariats, employees and active council members. However, its time accountancy as a profession embraces new strategies for the ever changing business models and technological environments.

What advice do you have for budding accountants?
Accounting is not your fall back plan when you have nothing else to do...You have to be passionate about it; it has to be your dream. Secondly, you need to maintain high level of integrity in order to be successful as an accountant.

What is your philosophy in life?
My philosophy has always been focus, focus, focus, otherwise you may get swayed by the storms of life. I am also indebted to my long time friend John Kimani, co-directors at Bailey Consulting Group, and our staff for sharing in my vision.

May the Glory and honor be to Almighty God for the gift of life and strength.
**NO ONE CAN DO PRESS-UPS FOR YOU!**

By Joseph Nyanchama
info@josephnyanchama.com
Photos: Courtesy

No great man said, “No matter how tall your grandchildren were, you must do your own growing.” The moral of this statement is that if you wish to reduce your weight it is only you and you alone who can do the exercise and you cannot delegate this task.

James Allan said, “you are the master of your thought; the modeler of your character, the maker and shaper of your thought, the moulder of your system, and maker of your destiny. By your actions you forge the Lodge that is to be your home for eternity.”

You are the master of your own destiny. No one can do your thinking for you, no one can do your work for you, no one can do your exercising for you. You have total responsibility for your own actions and your own successes.

ZigZigler has pointed out that we have all heard of the self made success but never of the self-made failure.

Abraham Lincoln, for months he let his cabinet debate about if and when slavery should be abolished. He listened to them, but finally he made up his mind to issue his historic Emancipation Proclamation to free the slaves. He did this because he knew it was his personal responsibility as president to guide and give direction to the nation concerning the issue at hand. When I studied Lincoln’s leadership, it seems to me, he had an extraordinary amount of emotional intelligence. He learned from his mistakes, shared responsibility for the mistake of others and at the same time was able to acknowledge errors.

Have you realized that every time you point an accusing finger at someone, you are pointing three fingers back at yourself, while the fifth one is pointing to God as witness? This implies that every leader is the cause of 75% of his problems. If someone else has a share, he can only be responsible for a maximum 25% of the blame. This implies that a leader would have still failed with or without anyone’s help! No wonder K.C. Price once said, “If you fail, it is your fault, if you succeed, it is your fault.”

Probably the best story I have heard illustrates the principle ‘one person responsible for all our woes.’

In other words, you are your own doctor when it comes to curing cold feet, a headache and a negative attitude. But many leaders have developed a philosophy that says we are the reason for our successes and others are the reason for our failures.

By mastering ourselves, we see the world from the highest most enlightened perspective. By improving, refining and perfecting our skills we will have made it to the summit.

The sooner we accept that the number one responsibility is to lead oneself, the sooner we will be able to transform our leadership. Winston Churchill once said, “Great leaders do not behave like this; they think like this.”

Great leaders do not behave like this. They think this very human tendency with every fiber of their beings. They take responsibility for their own actions in the leadership they hold. They are humble in victory, and reflective in defeat. Winston Churchill once said, “Responsibility is the price of greatness. The sooner we accept that the number one person responsible for all our woes is our self, the quicker we begin to make decisions that will change our leadership.”

Personal responsibility is not confined only to leadership of organizations or nations but also to individual citizens.

You remember the continual televised women in Korean television who was pleading for help from the government. For those who are not acquainted with her plea let me re-state what she said, “Ryu yugye ytes internda na majo – na bwana yungu siji amenda wapi. Niko tu na wantoto peke yungu. Senkali tafaalhif niisaale niko na shida mibya kabina.” (“All my goods have been taken way by water and I also do not know where my husband has gone, I am alone with the children. I appeal to the government to help me – I am terribly in a bad situation.”)

J.F. Kennedy said, “Ask not what your country can do for you, but what you can do for your country.”

In the dog food business? There was unprecedented silence. Finally one of the sales force employee gathered courage and said, “It’s those lousy dogs. They won’t eat the stuff!” The sales force blamed the dogs for not eating enough and that’s why the sales were quite low.

Great leaders do not behave like this sales force. They fight this very human tendency with every fiber of their beings. They take responsibility for their own actions in the leadership they hold. They are humble in victory, and reflective in defeat.

In the 17th century come from external factors like weather and drought, the number one responsibility is to lead oneself. And if they have gone themselves, for no one can travel without until he or she has travelled within. Indeed we are responsible for our own actions and nobody else.

A while back I was stranded in Moi International Airport Mombasa after a flight was cancelled. The guy next to me paced the floor for hours, fuming and cursing everyone associated with the airline. By the time we boarded the next flight, his face was red. His blood pressure must have been off the chart.

No one was responsible for all these but himself.

Lorus L. Amour, the prolific author who wrote scores of novels about the old west summed up how each of us shapes our own destiny by the choices we make. He said, “up to a point a man’s life is shaped by environment, heredity, and moments and changes in the world about him. Then there comes a time when it lies within his grasp to shape the clay of his life into the sort of thing he wishes to be. Only the weak blame parents, their race, their times, lack of good fortune, or the quirks of fate. Everyone has it in his power to say ‘I will be tomorrow’.”

I wish to state that L. Amour’s forthright wisdom boils down to this, choices have consequences. Make good ones in your leadership, you prosper. Makeousy ones, you fail.

Amed J. Tophaus said, “As human beings, we are endowed with freedom of choice, and we cannot shaffle responsibility upon the shoulder of God or nature. We must shoulder it ourselves.” Therefore no one can do press ups for you, but you.”
he gets so carried away you would imagine to be done is done to perfection. Indeed

difficult projects, is self-driven, meets available for any task, does most of the

he is never contented. He has everything life.

It’s hard for him to figure out why up short in many aspects of his

work, yet finds himself coming everyday to be exceptional at

and thorough person who strives on ventures that build you.

their. They need to re-examine themselves because they lack something vital in their

Their success is however incomplete be very supportive, loving and focused.

cope with. While such people may have area that you simply cannot understand or

control over a problem when they list them. So they need to write down what is most important to them and begin to appreciate and nurture them.

If you are like Jonathan, you should understand that nothing this simple task can haunts a great deal. If you don't address such issues, you may never have peace or total fulfillment in your life. Good human relations always work well for you. Sometimes the relief of simply being able to discuss your personal issues can be good enough. It helps to discuss vexing issues with people you trust because sometimes the verdict of the ill informed, only serves to worsen an already bad situation. So, to Jonathan you would say; insert emotional intelligence into the equation. In fact, our poverty curve is equal to our neglect of family; but no one tells us. Our families should essentially guide our success, but we tend to make work lead instead. He is convinced that there is a hidden problem when we call work money; you tend to dislocate priorities here.

He notes that these principles are essential to success in all facets of an individual's life. Even families must spend more time getting their value systems right and employees must appreciate the worth their employees place on their own families and where necessary, give them time to deal with home matters. This way, they will get their full potential. He says challenges like fraud and dishonesty are all reflective of what families are spending in value creation.

Jonathan is a bright, powerful and thorough person who strives everyday to be exceptional at work, yet finds himself coming short in many aspects of his life.

It's hard for him to figure out why he is restless, unpredictable and at times becomes dreadfully difficult to deal with.

Many people gain a sense of greater contentment in their life. Good human relations always work well for you. Sometimes the relief of simply being able to discuss your personal issues can be good enough. It helps to discuss vexing issues with people you trust because sometimes the verdict of the ill informed, only serves to worsen an already bad situation. So, to Jonathan you would say; insert emotional intelligence into the equation. In fact, our poverty curve is equal to our neglect of family; but no one tells us. Our families should essentially guide our success, but we tend to make work lead instead. He is convinced that there is a hidden problem when we call work money; you tend to dislocate priorities here.

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Building your spirituality

Murimi concludes that another aspect of your life that can keep you well organized is your faith. He says when you discover the power of prayer you can manage very difficult tests. These sentiments are also found in Dr.Kevin Leman's book: The Prayer of the Ages, where he gives the following tips:

(i) You should develop the spiritual side of your life. Get on speaking terms with God and thank Him for not making any mistakes, including you. If you already have a personal relationship with God, deepen that relationship by becoming more active in a house of worship where you can be comfortable not only with the theology but with the way the other members live their lives.

(ii) Use positive self-talk... dwell on the fine good things in yourself... What I think is important too.

(iii) Stop playing comparison games with your friends, neighbors and others in your life. While you are very angry and unsatisfied, there is a hidden problem when we call work money; you tend to dislocate priorities... It is imperative that you take some time to re-examine yourself, your goals and your attitude. This can be possible through reflection, self-teaching, and feasibility. Remain very relevant to those who know you well and love you, and to your parents, teachers, uncles, aunts and mentors, and don’t lose touch with your past.

Allow your inner power to grow and direct to the right causes. Otherwise, despite all the hard work, your best efforts at work will in the long run be in vain. Every business man could use someone who can work like you, but again you will realize it is not worth it if you do not direct your efforts to the right causes too. If you do not do so now, it will soon be clear to you that you have been wasted where it matters most. Finally, do permit real reform to take place within you. It is important to understand how much people need bolstering and to understand that they can never get enough.

So if you are in Jonathan’s shoes, retrace your steps. Now you know when you are starting going, so try to be very present where you are needed most. The result will be incredibly fulfilling for you and your loved ones. It's an amazing feeling of freedom when you eventually free yourself to love again.
The quest for new sources of energy to drive Kenya’s economic growth is bringing challenges that will have to be overcome if environmental degradation, violent conflict, and social upheaval are to be avoided. Right now Kenya imports all its oil, and is increasingly turning to neighbours like Tanzania, Uganda, and Ethiopia for electricity to cover a shortfall in generation capacity. Kenya needs electricity to power industry and to fill the growing demand for all types of energy. But diminishing reserves have pushed up the cost of extracting and refining finite supplies of fossil oil, the cost in energy for each unit of renewable energy from other sources has been even higher in many cases. Ethanol, or power alcohol, is one of the petroleum substitutes. Kenya has tried, blunting it with petroleum. The cost of producing one litre of ethanol from maize is about Ksh120, which is more than the cost of refined petroleum. In a country that is often afflicted by drought and consequent shortages of staple foods, growing maize to produce power alcohol might seem far-fetched. But in other countries it is already a reality – one third to one half of the maize grown in the United States is used for power alcohol production. Sugar cane and molasses, a by-product of sugar milling, are other potential sources of feedstock for power alcohol, and some African countries, like Ethiopia, are actively encouraging the growing of sugar cane for ethanol extraction. But Kenya, whose population of 45 million people is projected to double in the next 20 years, and whose land area is only 10 per cent arable, needs all the sugar that it is able to grow, and more, for human consumption. An exotic drought-resistant shrub indigenous to Central America, Jatropha curcas, was touted as a promising feedstock for the extraction of bio-diesel. Hundreds of Kenyan smallholder farmers were persuaded to plant it as a cash crop and in 2008 an Italian bio-fuel investor reportedly paid Sh12 million a year to lease 50,000 hectares in Malindi for Jatropha cultivation. The Makini project rang alarms bells in the environmental community and a commercial and environmental impact study of the proposed project was commissioned jointly by Nature Kenya, Action Aid, the Royal Society for the Protection of Birds, and Birdlife International. The study was carried out by North Energy, an international renewable and sustainable energy consultancy. Their findings were damning. The study assessed the life-cycle of greenhouse gas emissions from the Malindi project that was to be centred on the Dakatcha Woodlands, and intended to produce bio-diesel for export to Europe. The experts advised that “Assumptions typical conditions and yields, emissions are found to be 2.5 to 6 times higher than for fossil fuel equivalents, principally as a result of the destruction of woodland and scrubland that will be required to plant the proposed Jatropha. Under almost all scenarios it would not be possible to meet European ‘sustainability criteria’ of delivering a 35 per cent emission saving compared to fossil fuels, and under no scenario could the 50 per cent standard, which will be introduced in 2017, be met.” North Energy expressed surprise that a project being promoted by a European company, and aiming to sell to the European market, did not seem to have taken into account the need for compliance with European environmental standards “sustainability criteria are failing to influence practices across the globe. As a result, we are calling for all subsidies and targets for biofuels in developed countries to be scrapped and the proposed plantation in Dakatcha should be abandoned.” Acting on the report, the National Environment Management Authority refused to approve the project and it was halted.

Small-holder planting of Jatropha proved to be no more successful. Farmers had been led to believe that it was a hardy, simple crop to grow, and needed little attention once it had been planted. But experience taught them that the plant needed regular watering, and it could not be inter-cropped with maize, or any of their traditional food crops, because Jatropha competed for the same nutrients and led to soil fertility reduction. They had been told that the seeds of the tree could be crushed to produce a diesel substitute, but 79 per cent of farmers harvested only 100 grams of seed from each tree and some got nothing at all. With 4 kilograms of seed needed to produce just one litre of bio-diesel, the outcome was a failure. The experience of Kenyan small-holder farmers with Jatropha was studied by a team involving the Kenya Forestry Research Institute and the World Agroforestry Centre. The lead researchers, Miyuki Liyama, reporting in the scientific journal Agroforestry Systems, stated that: “in order for Jatropha to be grown successfully by small-holder farmers in Kenya, many of the uncertainties need to be removed. The low yields are partly because improved planting materials are not available, farmers’ management practices are sub-optimal, and the biophysical boundaries of high Jatropha yield are poorly defined.” With unthinkable rainfall making it difficult to increase hydro-electric power generation, with geothermal resources finite, and the cost of solar and wind power often a constraint, it is inevitable that there will be future attempts at “alternative” power plants. But the environmental impact of such efforts still presents a formidable challenge.
As a country and especially as leaders in both public and private institutions, we need to identify the important issues from both analogue and digital worlds that will give leaders visibility for clear game changers to spur economic growth. This can only happen through effective communication and not tearing apart the two worlds. Today’s employees not only need to know what’s going on inside their organizations, they expect to know. How could they not? We’re living inside their organizations, they expect to not only need to know what’s going on apart the two worlds. Today’s employees need for enormous effort to meet this convergence, where the globalized business world and they speak social. Hence the need for enormous effort to meet this new workforce where they are, the digital plane.

In a world of growing digital empowerment, institutions have had to become quick studies. Frontline managers see that digital technologies offer the promise not just of more cost-effective ways of doing things but of more meaningful and valuable relationships with customers. Richer communication channels and a wealth of customer data enable a new connectedness, and there’s a powerful imperative to make the connections before a competitive—perhaps an entirely new one—does so. Ironically, perhaps, these initiatives in digital marketing, social media and the like are often the work of pioneering units at organizations still largely anchored in the analogue age.

As it happens, these digital efforts are ramping up just as another major trend is peaking. For most of the institutions, the focus over the last decade has been on globalizing the business model and its constituent processes and services, from finance to HR to supply chain management. Migrating from local to customer-connected value chain. Instead of treating new digital efforts as isolated projects, companies have begun working its constituent processes and services, from finance to HR to supply chain management. Migrating from local to customer-connected value chain. Instead of treating new digital efforts as isolated projects, companies have begun working towards a holistic, integrated global digital business model, with shared digital assets and platforms and an overarching digital approach that clearly supports the business strategy. For those most adept at implementing it, the model will deliver significant competitive advantage in the form of scale, speed to market, agility and closeness to the customer.

Two main drivers give this transformation urgency: Call the first a digital arms race: More and more companies are striving to put the large amounts of customer data they now possess to strategic use. Automakers, for example, through the use of the GPS devices installed in the cars they sell, have been able to collect and monetize a wealth of data on customer driving habits. Even more significant is the rapid shift of the technological balance of power toward the consumer. At the turn of the millennium, companies spent twice as much on IT hardware per employee as consumers spent. By 2008, the two sides had reached parity.

The explosion of social media has underscored this shift. There are now more than 1 billion social media users worldwide, including 266 million in China alone. And that has serious implications for business. A recent study by market research company showed that 58 percent of Facebook users have “liked” a brand, and that 39 percent of Twitter users have tweeted about one. Given the millennial generation’s proven enthusiasm for social and mobile media, all those metrics are likely to rise.

Yet whatever the urgency, it is no small task for an established organization to thoroughly internalize a highly disruptive technology. Large, consumer-facing companies of every kind—in consumer products, retail, financial services, healthcare and beyond—are facing a journey unlike any they’ve experienced in the past. As they embark upon this journey, they’ll need to keep three key success factors, none of them technological, in mind.

First and foremost is leadership. Given the scope of this transformation, and the stakes involved, leadership must come from the C-suite. Though this may not be easy for senior executives who are still more at home with highly sequential, large-scale tasks than with the measure-test-learn-dynamic of a digital culture, it’s a challenge that must be met. The Chief Executive Officer, Chief Operating Officer, Cabinet Secretary, Principal Secretary, Governors, Senators or whoever else takes the lead, by whatever name they are referred may delegate day-to-day management of the effort, but he or she must be invested in, and accountable for, its success.

Then there is the ability to attract and retain digital talent. Employees at the fast-moving companies that lead in the application of digital technologies tend to work in a different environment than those at analogue ones. The differences have less to do with money than with culture, the attitudes toward innovation to the quality and flexibility of the work environment to what sorts of
keep all medicines out of the reach of children is a warning that harmful products should always be kept out of the reach of children. In fact, we come across many such cases around the world.

What are the different types of poison?

Iron Pills: They say adult-strength iron pills are very dangerous for children. They can cause a bad reaction. Your house must be well ventilated when you are handling dangerous chemicals to avoid inhalation poisoning.

What should you do when poisoning occurs?

Do not panic as fear can paralyze you and stop you from taking necessary action. Take down the name of the poison. Try to find out what you can about the person (his age, weight etc) so you can tell the doctor. Note down when the poisoning occurred, how much of it was taken, how the person is feeling and behaving, all these can be relayed to a doctor even on phone and you can get valuable advice on how to go about helping the patient out.

Always try to wear protective clothing when handling pesticides, direct the nozzle away from you, and always throw away unused pesticide and medicines.

What others say

The National Capital Poison Center, lists the following as the most dangerous poisons for children:

Medicines: these are OK in the right amount for the right person. They can be dangerous for children who take the wrong medicine or swallow too much.

Iron Pills: Nail primer can cause burns to the skin and mouth of children who tried to drink them. Some nail primers have caused cyanide poisoning when swallowed by children. Some nail primers have caused burns to the skin and mouth of children who tried to drink them.

Windshield washer solutions and anti-freeze; Small amounts of these liquids are poisonous to humans and pets. Windshield washer solution can cause blindness and death if swallowed. Anti-freeze can cause kidney failure and death of swallows.

Wild mushrooms: many types of mushrooms grow in many areas of the country. Some are deadly to eat. Only experts in mushroom identification can tell the difference between poisonous mushrooms and safe mushrooms.

Alcohol: when children swallow alcohol, they can have seizures, go into a coma, or even die. This is true no matter where the alcohol comes from. Mouthwash, facial cleaners, and hair tonics can have as much alcohol in them as alcoholic beverages.

Ps: The National Capital Poison Center is the American Association of Poison Control Center. Its mission is to prevent poisonings, save lives, and limit injury from poisoning. In addition to saving lives, the Center decreases health care costs of poisoning cases.

Health tips

• Acid stomach? Try taking a half cup of cooked rice as an antacid, or bread (Jean Carper)
• To prevent stomach upset, avoid: beer, wine, milk, coffee, even die. This is true no matter where the alcohol comes from. Mouthwash, facial cleaners, and hair tonics can have as much alcohol in them as alcoholic beverages.
• Nail remover and nail primer: some products used for artificial nails can be poisonous in surprising ways. Some nail glues have caused cyanide poisoning when swallowed by children. Some nail primers have caused burns to the skin and mouth of children who tried to drink them.

Hydrocarbons: this is a broad category that includes gasoline, kerosene, lamp oil, motor oil, lighter fluid, furniture polish, and paint thinner. These liquids are easy to choke on if someone tries to swallow them. If that happens, they can go down the wrong way, into the lungs instead of the stomach. If they get into someone’s lungs, they make it hard to breathe. They can also cause lung inflammation (like pneumonitis). Hydrocarbons are among the leading causes of poisoning death in children.

Pesticides chemicals to kill bugs and other pests; must be used carefully to keep from harming humans. Many pesticides can be absorbed through skin. Many can also enter the body by breathing in the fumes. Some can affect the nervous system and can make it hard to breathe.

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For the purpose of raising public awareness and demonstrating Chinese government Forestry Administration and the General Administration of Customs of China will hold the burning ceremony of confiscated ivory and other illegal wildlife products on January 6, 2014, in Guangzhou, Guangdong Province.

“We saw (Abedelkalias) Aziza trying to get hold of a gun and then there was a big explosion,” Habib Ali; A senior teacher at Aitzaz’s school; father as well. The young boy had saved his classmates from a possible grenade attack.

“It takes away resources meant for infrastructure, health, education as well as other public investments and service delivery. Therefore, to reiterate that wage increase must be consistent with the desired fiscal position of the government.”

“W e have lost our greatest son. Our nation has lost its greatest son. One person has lost a father. Although we knew that this day would come, nothing can diminish our sense of a profound and enduring loss.”

“Mandela’s death is a great loss for all the peoples of the world. Palestinians will never forget Mandela’s statement that the South African revolution will not achieve its goals as long as Palestinians are not free.”

“Mandela was a champion of the oppressed,” Zimbabwean President Robert Mugabe.

“Mourning Mandela”

As we got into December 2013, the world woke up to the distressing news that Africa’s and indeed the world’s icon Nelson Mandela had died aged 95. Mandela died on the 5th December 2013 and left the world grieving. In death just as he had while he was alive. Mandela brought together several world leaders, including those who could not see eye to eye. President Barack Obama, former US president Bill Clinton and Centre Both were all in attendance as was UK Prime Minister David Cameron and Zimbabwean President Robert Mugabe.

Many countries across the world declared official days of mourning in honour of the fallen leader fondly referred to as Madiba. It was a great consolation to know that some of his closest family members had been with him when he died. These included his third wife Graca Machel. She is said to have been with him play some of his children, grandchildren, step children, elders, and a priest. He had been ailing for sometime from what was said to be a lung infection. Around June 2013, he had been released to get further treatment at home where he was until his demise. When he died, a ten day mourning period began in South Africa, as other countries had their flags lowered to mark the death of this great leader.

His funeral on 15th December 2013, in the Eastern Cape village of Qunu where he spent his childhood, was one of the biggest funerals the world has ever seen with a mix of leaders from all over the world.

LUPITA’S JOY

Lupita Nyong’o, the 30 year old Kenya’s Oscar nominee has had a lot to be happy about lately. She defeated Hollywood stars to take the best supporting actress award in the Critics Choice Awards.

She acted in the movie 12 years a slave and Pasey, a young woman who faces shocking cruelty at the hands of her owners. She had got the best supporting actress category. She earned a standing ovation from Oprah Winfrey and other stars. The award ceremony took place in Santa Monica, California on 16th January 2014.

NGUJLA WA THIONG’O WINS GLOBAL LITERARY PRIZE

Professor Ngugi wa Thiong’o has over the years thrilled Kenyans with his insightful books, has won the Nuel Gozin Lifetime Achievement Award for Philosophical Literature according to the awarding committee. He was selected for the literary award organized by the Caribbean Philosophical Association. The President of the Caribbean Philosophical Association Jane Anna Gordon said his works exemplified “the intellectual and political boldness and courage that we encourage.”

FOREWORD

Now as usual, we bring you some of Africa. com top stories. These are stories you can actually follow up for further details.

BACK TO THE BAD HABITS OF THE PAST?

Egyptians will be headed to the polls soon, just six months after former President Mohammed Morsi was removed from power by military forces.

Source: Economist

WHY YOU ARE STRUGGLING TO MAKE ENDS MEET

How government investments in infrastructure plans and projects is costing Kenyans way. As mediators work to establish peace and stability.

Source: The Guardian

NIGERIA IS AN ARTIFICIAL EDIFICE CRAFTING PEACE IN SOUTH SUDAN

As mediators work to establish peace between opposing sides in South Sudan, what should they focus on? One writer shares how a focus on the church, civic leaders and former combatants may help efforts to ease the country’s tensions.

Source: Foreign Policy
Hugh Trevor-Roper, the late Regius Professor of Modern History at Oxford, once asserted that Africa has no history. In his view “there is no history of Europeans in Africa. The rest is darkness.” The distinguished professor dismissed what was known of pre-colonial Africa as: “the unedifying creation of barbarous tribes in picturesque but irrelevant corners of the globe.”

While it is easy to characterise Trevor-Roper’s views on Africa as intellectual oneonism, it should be recognised that, by his own admission, he approached history as an art, rather than a science, and regarded imagination as a key attribute of any historian, particularly when faced by an absence of contemporary written records for a period under study.

Professor Robin Fleming, Chair of the Department of History at Boston College in the United States, is blessed with a powerful imagination, but it is dwarfed by the depth, breadth, and power of scholarship that she brings to her work. In this seminal book, Britain After Rome, the author tackles a period of Western European history noted for its lack of written records, due to the administrative collapse that followed the implosion of the Roman Empire and the interregnum which, long after the Romans had gone, their successors in positions of power aspired to what they imagined to have been a Roman lifestyle, and maintained a new Roman-endorsed religion, the Christian Church. Before long, the church, with the support of temporal leaders seeking the support of the new priesthood, was acquiring grants of land, and tithes of produce and commodities, which enabled it to establish residential abbeys, monasteries, and churches, where the priesthood was maintained in considerable luxury.

A recurrent theme of Professor Fleming’s seminal study is the extent to which, long after the Romans had gone, their successors in positions of power aspired to what they imagined to have been a Roman lifestyle, and maintained pretensions to a Roman colonial culture. But conquest, brigandry, and slave-holding were not the only routes to the acquisition of the land, resources, and endowments of wealth. As the traditional Roman gods were forgotten, and their shrines and temples fell into disuse, they were superseded by the establishment of a new Roman-endorsed religion, the Christian Church. Before long, the church, with the support of temporal leaders seeking the support of the new priesthood, was acquiring grants of land, and tithes of produce and commodities, which enabled it to establish residential abbeys, monasteries, and churches, where the priesthood was maintained in considerable luxury. The rest is darkness.” The distinguished professor dismissed what was known of pre-colonial Africa as: “the unedifying creation of barbarous tribes in picturesque but irrelevant corners of the globe.”
A BRIDGE
NOT TOO FAR AT ALL

By Clive Mutiso
Photos: Courtesy

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rague, the quaint Bohemian capital of the Czech Republic, has often been described as the Paris of Eastern Europe, but for some travelers, Prague is merely the Prague of Western Europe. The reason why the two great cities are compared with each other is that they are both historic settlements, with outstanding cultural and architectural features, and both divided by great rivers. The picturesque and romantic Kampa Island in Prague, is regarded as the second most beautiful city island in the world, trumped only by Paris’s St Ludwig Island.

A BRIDGE

While Paris stands on the River Seine and is spanned by 37 bridges, Prague, which commands the broad River Vitava, and is an important gateway for trade between Western and Eastern Europe, is a city with a wealth of bridges and towers. There are more than 100 stone towers in Prague, and the Vltava and smaller rivers Berounka, Botic, and Rokytka boast more than 300 bridges between them. But the undisputed king of Prague’s bridges is the Gothic 14th Century Charles Bridge, which spans the Vltava River to link the Old Town and the Lesser Quarter, where Prague Castle is located. Prague Castle, founded around 880AD, was to become the seat of the Holy Roman Emperor but long before that it was the home of a Czech that most children in the Western world sing about every December – Good King Wenceslas.

The Charles Bridge, named after the Holy Roman Emperor Charles IV, who laid the foundation stone in July 1357, is not only a pedestrian thoroughfare, but also a living art gallery for much of the year and one of the city’s principal tourist attractions. The parapet of the bridge is adorned with 30 Baroque statues, mainly of saints from Prague’s Catholic history, including St Ivo, the patron saint of lawyers, whose statue, carved by Matthias Braun in 1711, was paid for by the Faculty of Law of Charles University. Other professions and craft guilds put up cash over the years to commission some of the other statues in honour of their patron saints, but no one seems to have found the money to commemorate St Matthew, the patron saint of accountants. Over 400 years, the original statues were ravaged by the elements, and they are now housed in the National Museum, and replaced on the bridge by faithfully-carved replicas. But the Charles Bridge has a museum of its own, with exhibits that trace the construction and the long history of development of the bridge, as well as models, artefacts, and replicas that help the visitor understand the role that the bridge has played in the life of the city over the centuries.

However it is not just the religious monuments that make the Charles Bridge a must for visitors with an interest in the arts. The bridge is an open-air gallery managed by a civic non-profit organisation, the Charles Bridge Artists’ Association, that attracts painters working in oils, acrylic, and watercolour, sculptors, fine-art photographers, jewelers, engravers, potters, and handicrafts artists, who display and sell their wares to the public. The atmosphere is further enhanced by talented live musical performances. Art from the Charles Bridge is marketed by several specialist dealers around the world, but true enthusiasts often prefer to make the trip to the Czech Republic to browse the bridge themselves, to meet the artists personally, and buy their choice from the creators direct.

There is art and music of one genre or another in almost every corner of Prague, but it is not just the art that makes the city a great destination, served by 14 airlines out of Nairobi. The historic Estates Theatre in the Old Town is one of the most beautiful auditoriums in the world, and was the venue of the premiere of Mozart’s Don Giovanni, in 1787, conducted by the composer himself. And the Charles Bridge, prominent though it may be, is not the heart of the city. That honour is reserved for Wenceslas Square, at the border of the Old and New Towns, and overlooked by the National Museum. Originally known as the Horse Market, before being renamed in the 19th Century, it is more of a long, tree-lined, boulevard than a square, and the buildings that enclose it house an eclectic mix of offices, department stores, hotels, restaurants, clubs, bars, and souvenir shops.

Some of the souvenirs on offer are similar to the flags, t-shirts, and trinkets to be found in tourist spots around the world, and some are handicrafts imported from Russia, like sets of the popular, brightly-painted, wooden nesting dolls or matryoshka. One of the most popular and amusing designs of matryoshka features some of the prominent Russian and Soviet leaders going back through the 20th Century. The doll of Vladimir Putin opens to reveal Dmitry Medvedev nestled inside. Hidden within Medvedev, in successively smaller sizes, are Gorbachev, Andropov, Brezhnev, Khrushchev, Stalin, and a tiny, almost insignificant, Lenin.

But a more traditional and durable souvenir that has dominated Prague trade since medieval times is the exquisite decorative glass crystal ware produced in Bohemia and Silesia, that has commanded premium prices throughout the known world for more than 800 years.

There are myriad outlets in the vicinity of Wenceslas Square that specialize exclusively in Czech crystal, and they have pieces to match even the most modest budget – delicate glass bells and miniature figurines can be had for the equivalent of just a few Dollars. But some of the most impressive matched services of jugs, goblets, wine glasses, tankards, bowls, trays, centerpiece sculptures and coasters can run to tens of thousands of Dollars. The quality of Czech craftsmanship is reflected in the shops in some of the lanes that lead off Wenceslas Square, and which specialize in full-size hand-made replicas of antique photographic cameras.
There is art and music of one genre or another in almost every corner of Prague, but it is not just the art that makes the city a great destination, served by 14 airlines out of Nairobi. The historic Estates Theatre in the Old Town is one of the most beautiful auditoriums in the world, and was the venue of the premiere of Mozart’s Don Giovanni, in 1787, conducted by the composer himself.

Original antique cameras can cost a small fortune and a photography buff looking for a conversation piece to take back home can pick up a fraction of the price of the real thing. Avid collectors have been known to snap up, convinced that they have got pride of place in his home can pick up a hand-painted ceilings in some of the exquisite craftsmanship for which Prague is noted, be it the antique furniture, the ornate wooden-wheeled landaus. The lovingly-groomed horses all wear leather nappies, to prevent them from fouling the cobblestoned streets.

There are so many museums, galleries, towers, monuments, and other places of interest in Prague that a first-time visitor is advised to engage the services of a knowledgeable professional guide from one of the city’s many tour companies, which can advise on how much of the city can be seen during the time that the visitor has. One poignant venue is the old Jewish Town and its cemetery, which echoes the rich Jewish culture that thrived in Bohemia for nearly a thousand years until it was almost destroyed in The Holocaust.

Before the demise of the Soviet Union, the former state of Czechoslovakia attracted visitors mainly from the East, visas could be difficult to obtain, and choices of accommodation were limited. But over the past 20 years, tourism has boomed and there is now a vast choice of accommodation, from all the big-name hotel chains, through local hotels, boutique hotels, holiday apartments, quaint guest houses, and backpacker places. The four-star Hotel U 3 is right next to the Charles Bridge, and some of the 18 guest rooms in 500 year old building have close-up views of the bridge from the windows. Many of the features of the property reflect the exquisite craftsmanship for which Prague is noted, be it the antique furniture, the hand-painted ceilings in some of the rooms, or the oak-beam work. But the choice of where to stay and what to eat is so wide that a visit to www.booking.com can save a lot of time in planning a trip.
been delicately pitched up and adorned with the institute’s appealing colors. The pavilion was situated next to a big, structured garden that plunges down to many manicured pathways. The mature garden has wonderful features further enhanced by mesmerizing Makuti roofs. Many other lovely plants characterize the location. There were also various annuals that make a beautiful floral display that were simply stunning that night. It was exciting to watch the central pool that shapes an exciting focal point of the garden. Just the ideal place to chill out; and chill out...they did.

What with the rich variety of food and drink that made everyone well aware of the concerted effort organizers had put in, to make this momentous event an astonishing success. There were African, Oriental and European dishes, and you would not be off the mark, to say that guests were spoilt for choice at this ceremony, which had been preceded by several episodes, culminating into the massive feast that it was.

Then there was a special brochure to mark the event, and it was specially tailored to that occasion’s specific objective. The institute had accurately created and customized a booklet that clearly states its milestones and highlights its concerns and accomplishments since its inception. At a glance you note that in 1978 ICPAK was established; 1999 KCA University was born as KCA College; 1999 ICPAK moved to ICPAK centre; 2002 FiRe Award was launched, 2010 ICPAK rebranded and in 2012, ICPAK complex project commenced.

Other notable points are that in May, 1980, the institute registered as a member of the International Federation of Accountants (IFAC), January 1981, the institute registered as a member of the International Accounting Standards Committee (IASC) while in 1981-1984 ICPAK promulgated the first series of the Accounting Standards, By-Laws and the Guide to Professional ethics. In 2008, there was the enactment of the Accountants’ act number 35 of 2008, in the same year, Registration of Accountants Board (RAB) merged with ICPAK on 31st December. In 2012, the 10,000th member was registered, and during the same year, the institute signed MRA with other East African Community Institutes of Accountants (EACIA) and ICEAW.

The booklet features the now familiar black and white group picture of the first institute council which included; Pedlow M.H, Kassim Lakha, S.K Mbugua, Joe Githongo, Shah, Kerr R.E, Mathias Keah, AP Davies, Mr. Nyagah, Mr. Saini, RS Patel and Justin Ng’ang’a. The pamphlet is actually a great resource for people interested in acquainting themselves with the development of ICPAK.

During this time, several long serving employees were given awards in appreciation of their dedicated service. Peter Odener for example, has served the institute for 34 years while his counterpart James Muthia has served for 32 years. They were some of the first employees of ICPAK and have watched the institute grow from infancy. The event was fittingly wrapped up with a cake cutting ceremony to mark the 35 years that ICPAK has been in existence.

The occasion was also graced by PAFA President Musa Assad. Others were current ICPAK chairman CPA Benson Okundi and then Chief Executive CPA Caroline Kigen among many others. They lauded past chairmen for the enormous effort they had put into the institute to give it its high status and for their continued support. Guests were also entertained with documentaries that illustrated the progress the institute has made to date. There was also comedy and drama.

In the end, members and guests could feel nothing but joy at the thankful gesture of the institute, when as they left, after so much fun, they received souvenirs giveaways, in beautiful carrier bags. The gifts which included diaries and commemorative plates were affectionately decorated to mark the institute’s 35 years. That was a night that will no doubt stand out in the minds of many for a long time to come.
The Institute of Certified Public Accountants celebrated its thirty fifth birthday on 30th April 2013. This was a historic landmark for an institution that should last until the end of time. Let us look back at the history of ICPAK to see some of its notable achievements.

The first piece of legislation controlling accountants in Kenya was “The Accountants (Designations) Ordinance” (Chapter 524 of the Laws of Kenya) which took effect from 30th December 1950. An accountant could not be appointed the auditor of a company in Kenya unless he or she was a member of one of the designated bodies included in this ordinance. These were the Institutes of Chartered Accountants of Scotland, England and Wales (ICAEW), Ireland and India, the Association of Certified and Corporate Accountants and the Societies of Chartered Accountants in South Africa and in Southern Rhodesia (now Zimbabwe). The first Kenya African to be admitted to membership of one of the Institutes of Chartered Accountants was John Mwangi, who became a partner of Pannel, Bellhouse, Mwangi; John died in a car accident in Nakuru in 1976. Other early members of ICAEW were the late Mathias Keah, who became an Assistant Minister of Finance, and Daniel Ndonye, who became the senior partner of Deloitte and Touche before he retired from the practice recently.

In 1969, the Kenya Government established the Kenya Accountants and Secretaries National Examinations Board (KASNEB) to provide professional examinations leading to the Certified Public Accountant of Kenya qualification. Prior to this date, a number of Kenyans trained in the UK to become members of one of the UK Chartered Institutes. A second alternative was to sit the examinations of the Association of Chartered Certified Accountants (ACCA) and to train in Kenya.

The first Accountants Act (Chapter 531 of the Laws of Kenya) received Presidential Assent on 1st March 1977 and came into operation on 1st July 1977, by notice in the Gazette. It superseded the Accountants (Designations) Act. It established a Registration of Accountants Board (RAB) and the Institute of Certified Public Accountants of Kenya, and gave legal recognition to KASNEB. Mr. S. K. Mbugua was the first Chairman of the Registration of Accountants Board, and over 500 accountants had been registered by 17 November 1978, when the then Vice-President of Kenya, Mwai Kibaki, officially inaugurated ICPAK. Immediately following the inauguration ceremony, the first ACM of the new Institute took place. 350 registered accountants attended the inauguration and this meeting at the Kenyatta Conference Centre. Mr. S. K.
When ICPAK came into being in 1978, it set to work immediately. It joined the International Federation of Accountants (IFAC) and the International Accounting Standards Committee (IASC) at the AGM held on 26 May 1989, the newly elected Chairman James M. Muguiyi, noted that ICPA K had now been in existence for just over ten years. He pointed out that 14 Kenyan Accounting Standards and several Exposure Drafts had been issued. “One thing that has been glaringly lacking is input by both the public and private sectors to whom these standards are supposed to apply. It is my view that these matters are too important to be left solely to the profession to decide,” he added. All attempts to obtain comments on Kenyan Exposure Drafts failed to come to fruition, except from the Nairobi offices of the large international audit firms. A lecturer at the University of Nairobi, the late Mr Mwarania, pointed out that “the response is so pathetic that one wonders whether there is any need of circulating Kenyan Exposure Drafts.” evening lectures are arranged to explain to members why the standard is being proposed and what its contents are. The audience is composed of mainly the members of the Professional Standards Committee.”

The explanation for this seemingly uninterested attitude amongst the members of the Institute was that qualified accountants were busy producing accounts in their various places of work; they had little time to devote to the theoretical matters of developing accounting standards. Moreover, they had received IASs from the Institute where these had been promulgated and “Kenya is simply rewriting International Accounting Standards and christening them ‘Kenyan Accounting Standards’, as Mwarania put it.

It was inevitable that at some point the Council of the Institute would accept the reality of the situation and decide to adopt IASs in their entirety. This did not occur until 8 years later. In 1997 the Council made the decision to do so. The Council decided that it would cease developing Kenyan Accounting Standards for a number of reasons. In particular it had become clear to the Council of ICPAK that developing home-grown standards and putting its limited resources to best use.

“Updating Kenyan Standards to comply with International Standards and to cover areas which are not covered currently is a monumental task. The Institute just does not have the resources, human or financial, to carry out this task to a satisfactory level of proficiency; and even if it did, what purpose would this serve? Council believed that an effort to update Kenyan Standards will merely reproduce International Standards under a different name. In the circumstances therefore, the resources available to ICPAK could be put to better use if they were used to interpret International Standards, to assess their implication on local practice and, where necessary, to issue technical bulletins and local guidance on those Standards.”

Kenya adopted International Accounting Standards in full effect from 1 January 1999. Members of ICPAK were required to prepare the accounts of companies (whether public or private) non-trading companies or private parastatals and organizations such as co-operative societies, partnerships, sole traders, non-trading companies such as sports clubs and charities, and estates and trusts in accordance with IFRSs.

Could adopting IAS be viewed as a weakness on the part of the ICPA K? “ICPA K’s admission that it had not kept KASs up to date with the latest International Standards, was an admission that it had not followed best practices. It was also an admission that the Council had not kept its members informed about the latest developments in the field of accounting.”
to date with IASs was similar to the position of the accounting profession in a country such as advanced as the Netherlands, which acknowledged in late 1991 that "the current output of CAR (the Council for Audit Reform – the Raad voor de Jaarverslaglegging) is a problem and a certain backlog exists. More staff does not seem to be the problem. More international co-operation and using IASC standards as an input to the process seem to be more realistic ways of decreasing the backlog. International accounting standard setting is a very important ingredient of current national accounting standard setting. International comparability does not seem to be important only for the multinational companies". The Netherlands was ranked in the top 5 countries (along with the UK, the US, Canada and Sweden) in a survey of 17 countries' annual reports studied by an eminent accountant in 1984. Annual reports in the top 5 countries were described as "good" in this study. So Kenya can point to a much more economically developed country which also decided to leave the standard setting process to developed country which also decided to leave the standard setting process to the Professional Standards Committee: (1) compliance with the Kenya Companies Act; (2) compliance with Kenyan and International Accounting Standards in effect at the time when the accounts were prepared; (3) the clarity of presentation of the information contained in the accounts; and (4) the quality of the format adopted for the various financial statements. The name of the competition was changed in 2002 (in respect of the reporting year 2003) from the Best Presented Accounts Competition to the Financial Reporting Excellence (FiRe) Award, and was entitled the "FiRe Award 2001". The then Nairobi Stock Exchange and the Capital Markets Authority agreed to partner with ICPAK in running the competition. The following year, the competition adopted the year in which the Award was decided rather than the year for which the participating companies’ accounts were prepared (since this now covered the period from 30 June in one year to 31 March in the following year). With the inauguration of the FiRe Award, a report was published to coincide with the ceremony to award prizes to the Chief Financial Officers of the winning companies. The report details weaknesses of disclosure in all the various areas examined. In January 2006, ICPAK organized a "Financial Statements Disclosure Workshop" to educate members on the disclosure requirements of IFRSs. A team selected from the Institute’s Professional Standards Committee drew heavily from the findings of the 2005 FiRe evaluation exercise. The FiRe Award is now an East African competition, with participants from Rwanda, Tanzania and Uganda. It is necessary for practising accountants to be constantly reminded of their need to ensure "high quality disclosure". One way of doing this is to have a high-profile competition. Although an examination of the list of winners shows that those who tend to win, tend to win repeatedly, a challenge is given to all who participate to try to enhance the level and quality of their annual reports.

ICPAK is engaged in such a wide variety of training and updating activities for its members and influencing the world-wide profession of accountancy that it would take a very long article to explain all of them. But you can see from above that there is a lot of dynamism in ICPAK – and much more will develop as it celebrates many more years. William E. Balhoff, the Chairman of the Board of Directors of the AICPA (the speech was actually delivered by Jackson Day of Ernst and Young, who was the Conference Chair), opened the conference. He began with a comment that has become boiler-plate in the US with the passing of the years: ‘We are at a critical juncture in our country's financial reporting history. And each of us contributes to quality accounting and auditing – the bedrock of effective capital markets in the world’s largest economy’. But we must take seriously a comment made a few minutes later, because it is crucial for the business competitiveness of Kenya: ‘As chairman of the AICPA Board of Directors, my focus is on continuing our profession’s journey of greatness with a relentless commitment to quality (my emphasis). Quality is a concept that speaks to all of us, regardless of our job title or function. We all want to be the best, work with the best and deliver the best. Each of us knows that the only way to fulfill our common mission of upholding the public interest is to embody the time-tested values of integrity and objectivity. They are the calling cards of our profession and a promise that CPAs provide an unmatched level of service that the public can expect and rely upon’. I was thinking of paraphrasing some later remarks and of eliminating extraneous words but I think it is important to capture his spirit by reading his remarks in full: ‘The AICPA and its members have a long and recognized history of serving as a resource to regulators, legislators and standard setters. The goal is, and has always been, to help craft solutions that are effective and efficient for the marketplace and protect investors and other affected parties. I'll give you a couple of recent examples that demonstrate the value of the profession’s input. The first is going concern, where the Center forAudit Quality (CAQ) and the AICPA's Auditing Standards Board and Financial Reporting Executive Committee are working with the Financial Accounting Standards Board (FASB) and other standard setters. As part of this effort, we're listening closely to investors and other financial statement users to understand their expectations of financial statement preparers and their auditors. Their feedback tells us there is a desire for management to disclose earlier any material uncertainties that may lead to a company's inability to continue as a going concern. To accomplish such an early warning mechanism, we are working with the FASB and other standard setters, the firms, preparers and users to help ensure that the standards allow for the earlier capture of the needed information. In that same vein, we are also providing knowledge and insights to lawmakers as they discuss the critical elements of tax reform. The need for tax simplification is growing exponentially. Individual taxpayers now spend an estimated 6 billion hours each year filling out tax forms. From the corporate perspective, our tax system has to be viewed through a prism of global competitiveness. We're providing Congress and others with facts and analysis as they discuss moving toward a system that is both fair and workable. Importantly, the AICPA is taking steps to improve the audit process as well. We recently developed three voluntary audit data standards, which will help management and auditors obtain data in a usable format following a repeatable process. These standards, released in August, facilitate data transfer and automation of analysis. In a recent pilot test, Hewlett-Packard was able to...
He spoke about a topic which was dealt with in the previous edition of this magazine, Integrated Reporting: “Global movement is occurring in Integrated Reporting and we’re very excited about the prospects. Foreseeing the need for corporate reporting to go beyond financial information, the AICPA began exploring enhanced business reporting in the early 1990s. The concepts of Integrated Reporting are simple. Businesses, investors and other key stakeholders will gain a more complete and relevant picture of performance and the ability of a company to create value in the short, medium and long term. While other frameworks cover specific environmental, social and governance disclosures, the International Integrated Reporting Council’s framework links sustainability data and other non-financial reporting data to financial reporting data. That’s an important distinction and one that investors and customers will care about. CPAs should play a key role in Integrated Reporting and sustainability, from both the reporting and assurance perspectives. The AICPA is actively working with the IIRC, which has just released its new framework.

CPAs in business play important roles in advancing Integrated Reporting. They also have a critical role as trusted advisers within their organizations. About two years ago, the AICPA and the Chartered Institute of Management Accountants jointly launched the Chartered Global Management Accountant designation, or CGMA. The CGMA designation provides a way for CPAs to highlight their expertise in marrying knowledge and skills match up well with the needs of the engagement. Quality work and judgment can only be accomplished by talented people. Fortunately, we have a lot of talent coming into the profession. The AICPA Trends report for 2011 to 2012 shows that the profession broke three records. We saw the highest number of new student enrollments in accounting. We had the most accounting graduates ever. And in 2012 we had record hiring by public accounting firms. Still, we are continually looking to reach into every corner to find the people we need going forward. Our members consistently tell us that attracting and retaining top talent is a struggle for them. As Baby Boomers continue to retire, succession planning becomes even more essential, the need for new CPAs grows exponentially. In times like these, the necessity of a robust and sustainable pipeline cannot be overstated. A key part of building and maintaining a quality pipeline is diversity, because it creates a larger, broader pool of CPA candidates. The AICPA’s National Commission on Diversity and Inclusion is working hard to make the profession stronger by making sure the 21st century profession reflects the 21st century marketplace.

Steve Jobs once encouraged his employees to be what he called “a yardstick of quality,” explaining that some people aren’t cut out to be an environment where excellence is expected. In our profession we expect excellence on a daily basis. We expect it of ourselves, and we expect it of each other. That’s why the U.S. has the greatest capital markets in the world. For us, excellence is a habit, not an act. By ensuring the quality of our own work and demanding the same level of excellence from those around us, we can all elevate our game. But when we combine a commitment to performance with a willingness to come together, we improve understanding, increase efficiency and effectiveness, and achieve workable solutions. And isn’t that the ultimate goal? After all, quality speaks to everyone.”
Being a CPA improves your career and life through sharing knowledge, networking you with the right people and gaining practical advice.

Find out more at www.icpak.com