

The Accountant

LEARN • EXPLORE • SHARE

JULY - AUGUST 2016

www.icpak.com

Ksh 300
Ushs 9,000
Tshs 5,700
RWF 2,400

The 2016 Budget Review

*Is the Government
borrowing sustainable?*



**IS YOUR ENTERPRISE
FINANCIALLY SECURE?**

8

**SOLITUDE
IN FINANCE**

24

**OCCUPATIONAL
FRAUD**

26

**UNDERSTANDING
YOUR HEADACHE**

40

ICPAK

PREMIER EVENTS

2016

C-Suite Seminar

28th - 30th
September 2016
Singapore

Continental Board Accountability Seminar

6th - 8th July 2016
Livingstone, Zambia

Annual Chapter Seminar

5th - 7th
October 2016
London, United
Kingdom

Executive Seminar

22nd - 25th
November 2016
Kuala Lumpur,
Malaysia



For more information or enquiries please call
Tel: +254 (0) 20 2304226, 2304227
Mobile: +254 (0) 727 531006 /
0733856262 / 0721 469796/ 0721469169

Email: makokha.wanjala@icpak.com or
visit www.icpak.com. For Exhibitions
and Sponsorships, please get in touch with
CPA Makokha Wanjala on the above lines or email.



36

WORK PLACE

Issues that will kill
your career



28

COVER STORY

The 2016 Budget



70

PEN OFF

Accounting Research



62

TRAVEL

The imperial city that
americans love to hate



4

MANAGEMENT

Importance of
the tone at
the top



www.icpak.com

Members of the Council

Chairman
FCPA Fernandes Barasa

Vice Chairman
FCPA Julius Mwatu

Chief Executive
CPA Dr. Patrick Ngumi
(PhD)

Council Members

FCPA Pius Nduatih
CPA Wycliffe Shamiah
CPA Geoffrey Malombe
CPA Obare Nyaega
CPA Rose Mwaura
CPA Susan Oyatsi
Ms. Damaris Kimosop
CPA June Kivinda
CPA Samuel Okello

Head of Publication/Editor

Mbugua Njoroge
stanley.mbugua@icpak.com

Editorial Consultant

Angela Mutiso

Marketing & Advertising

Ideation Marketing
info@ideationmarketing.co.ke
Tel: +254 719 650 423

Staff Writer

Valerie Alusa

Design, Layout & Print
Colour Print

Publication and Circulation

ICPAK, CPA Centre, Thika Road
P.O. Box 59960-00200 City Square, Nairobi Kenya
Tel: +254 20 230 42 26/7
Mob: +254 721 469 796/169,
+254 727 531 006, +254 733 856 262
Fax: +254 20 856 22 06,
Email: memberservice@icpak.com

SHARE YOUR VIEWS



We are pleased to inform you that you can now get a copy of **The Accountant** journal from leading stores, supermarkets and vendors countrywide.

Email: accountant@icpak.com, Address: ICPAK, CPA Centre, Thika Road, P. O. Box 59963 - 00200 Nairobi Kenya

THE INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF KENYA (ICPAK) OPENS A STATE OF THE ART BUILDING

Following the successful completion of the CPA Centre, the CS for the National Treasury Mr. Henry Rotich officially opened the building on Friday 3rd June 2016. The project started in May 2012 and has costed over Kshs 1.2 billion to construct. The new building will largely be used for income generation in order to diversify the Institute's revenue sources and partly accommodate the ICPAK secretariat. Close to 90% of the office park will be let out with the balance being occupied by ICPAK secretariat. This will ensure sustainable long term development and sustainability of service delivery to CPAs in the country enabling the Institute achieves its mandate of developing and regulating the accountancy profession in Kenya. The project will further help the Institute to build capacity and be in a better position to achieve its mandate as laid down in the Accountants Act of 2008.



CS National Treasury Mr. Henry Rotich cuts ribbon signifying official opening of CPA Centre. Looking on is FCPA Fernandes Barasa (Chairman) and CPA Dr. Patrick Ngumi (Chief Executive)

It has been observed that it is never easy to prepare a summary of the Budget numbers because the format of the numbers changes from one year to the next and the numbers are combined by Government officers into different groupings, such as “General Economic and Commercial Affairs”, “Social Protection”, “Agriculture, Rural and Urban Development”, etc.

The numbers which appear in the cover story have been shown as they appear in different Treasury documents. The author of this article notes that the deficit lies between the number shown on “The Mwananchi Guide” and the number that would be arrived at if the absorption rate is as predicted by Treasury. He says that despite the ignorance of some journalists on economic affairs and the fact that they may have never been responsible for running an organization, with the problems of ensuring that ends meet, where many are in touch with reality is their stating that some of the money collected disappears into the pockets and handbags of Government officials and their connected parties.

He explains that one professional firm in Nairobi, as reported by a newspaper in Kenya, claims that 50% of Government revenue is stolen; the actual number will never be known because fraud by its nature is concealed; and in Government there are different sets of documents in different areas of Government – it would be a monumental task to reconcile these numbers right through the system. The people who steal these funds really do the population of Kenya a great disservice.

In management, we discuss Tone at the top; a word used both in accounting and auditing to refer to the attitude of an organization's senior leadership towards internal financial controls. This concept became popular during major corporate scandals such as those affecting Enron, Tyco international, Adelphia and World com and has continuously become a global issue. In Kenya we have heard several scandals; they include the fall of Uchumi supermarket, currently the closure of Kisii branch, closure of some Tuskys supermarkets outlets, Kenya Airways, Mumias Sugar Company, Imperial bank, Dubai bank, Pan paper millers ltd (Webuye), Akamba Bus Service, several community financial services that were initiated by IFAD and recently Chase bank, to mention but a few.

Many have been put under receivership because of worrying working capital/liquidity position others asking the government for bailout. The question is, who is to blame in this kind of mess, is it the auditors who audit the books or the management who prepare the books or both? Many questions have recently arisen raising concern on the professional conduct of auditors who are seen to issue misleading financial reports and or statements which tend to be appealing in the short run but turn out to be an issue in the long run.

In business practice and development, we find out five ways debt/credit departments lose money and how to avoid them. The writer says in our country everyone is talking about the government losing money in one way or another but put to an organization perspective, the credit department may also lose money. In a perfect world, debtors would pay what they owe and collectors would have better results. But in many debt scenarios and environments, the only element you can control is how your collections department

works. Even a gain of just a few percentage points in collections performance delivers serious results in some situations, organizations starting from a low base may even see double or triple digit gains. That statistic cuts both ways: a drop of even a few percentage points can significantly damage your bottom line.

In health, we talk find out intriguing revelations about headaches. A headache is one of the most common medical complaints. It can be caused or aggravated by stress, anxiety, depression, and other psychological factors. Headache pain can result in difficulties in relationships, at work or school, and with daily living. Most people get headaches from time to time, whether they're mild annoyances or skull-crushing distractions. Treatment varies depending on the type of headache you're experiencing. In many cases a headache can be a sign of an underlying problem. Learn what you can do about it.

In the society segment, we look at career and life progression. A career involves an individually perceived sequence of separate but related positions that a person occupies over time. You will find that within each stage, mastery of certain tasks allows people to function successfully within that stage while preparing them to move on to the next task. Each stage is loosely affiliated with a chronological period and is characterized by work attitudes, behaviors, types of relationships, and the aspects of work that are valued. This is a fascinating topic.

We also bring you your regular features, including travel, institute news, finance and investment and pen off.

Mbugua Njoroge

Editor



By CPA Maroa Julius Mwita
juliusmaroas@gmail.com

IMPORTANCE OF THE TONE AT THE TOP

Tone at the top is a word used both in accounting and auditing to refer to the attitude of an organization's senior leadership towards internal financial controls. This concept became popular during major corporate scandals such as those affecting Enron, Tyco international, Adelphia and World com and has continuously become a global issue.

In Kenya we have heard several scandals; they include the fall of Uchumi supermarket, currently the closure of Kisii branch, closure of some Tuskys supermarkets outlets, Kenya Airways, Mumias Sugar Company, Imperial

bank, Dubai bank, Pan paper millers Ltd (Webuye), Akamba Bus Service, several community financial services that were initiated by IFAD and recently Chase bank, to mention but a few. Many have been put under receiver ship because of worrying working capital / liquidity position others asking the government for bailout. The question is, who is to blame in this kind of mess, is it the auditors who audit the books or the management who prepare the books or both?

Many questions have recently arisen raising concern on the professional conduct of auditors who are seen to issue misleading financial reports and or statements which

tend to be appealing in the short run but turn out to be an issue in the long run. To my understanding the role of Preparation and Presentation of financial statements lies with the management and not with auditors. The auditor's role is mainly to express an opinion as to whether the financial statements reflect a true and fair view with respect to all material aspects.

Of late, the banking industry has become an issue of concern to shareholders and depositors with many shareholders unable to tell the connection between tone at the top versus corporate failure and fraud and who to blame for the fall; thus becoming an agency problem between

shareholders vs. managers, shareholders vs. auditors, shareholders vs. government e.t.c.

The concept of the tone at the top was emphasized in the Sarbanes –Oxley Act of 2002 as an important tool in prevention and detection of fraud. Tone at the top is often considered to permeate an entire organization and a good tone at the top is considered a prerequisite for solid corporate governance and the boards of directors have a sole role in creating code of conduct and living by them.

A good organizational tone is set through hiring policies, codes of ethics a commitment of hiring competent employees and development of reward structures that promote good internal controls and effective governance. In the current Kenya we wholesomely need ethical leaders in management of government and private entities and according to KPMG analysis on ethical leaders, ethical leaders are those who are receptive to employees' ethical concerns, value ethics and integrity over short -term business goals and respond appropriately if they become aware of misconduct. This is true because the role of prevention and detection of fraud lies with management. The tone at the top should always ensure that the governance structure is well formulated and codes of ethics are complied with by all employees.

It is also the role of the tone at the top to set the pace for the rest to follow. According to experts, poor tone at the top may include a disdain for internal controls, an overemphasis on profits at the expense of ethics, a belief that compliance with the law is sufficient for defensible ethical conduct, the canvassing and accommodating of some stakeholders but not others, blaming higher –ups or colleagues for unethical practices due to conflict of interest and misunderstanding of and lack of adherence to public expectations of what constitutes ethical behavior for executives.

The National Commission on Fraudulent Reporting (called the Tread way Commission) released a ground breaking study in 1987 that reported the causal factors that lead to fraudulent behavior and financial statement fraud. According to the commission, the tone at the top plays a crucial and influential role in creating an environment in which



fraudulent financial reporting is ripe to take place.

If the tone at the top set by managers upholds ethics and integrity, employees will be more inclined to uphold those same values. However, if upper management appears unconcerned with ethics and focuses solely on the bottom line, employees will be more prone to commit fraud because they feel ethical conduct is not a focus or a priority to organization. In setting the right tones at the top the following four key elements must be adhered to;

- Those in top positions of management have to communicate to employees what is expected of them
- Lead by example
- Provide a safe mechanism for reporting violations
- Reward integrity

A good tone at the top normally has the following benefits to both government and private entities:

1. Sets an organization's guiding values

and ethical climate as per Nicole Sandford.

2. Helps in binding an organization together.
3. Acts as an important driver of audit quality.
4. Helps in risk management e.t.c

The following officers should play a key role in setting tone at the top;

The Board- The board sets the tone at the top right by hiring the right CEO, approving strategy, monitoring execution of the plan, setting risk appetite and exercising appropriate oversight regarding risk mitigation, with the underling goal of preserving and creating shareholders value.

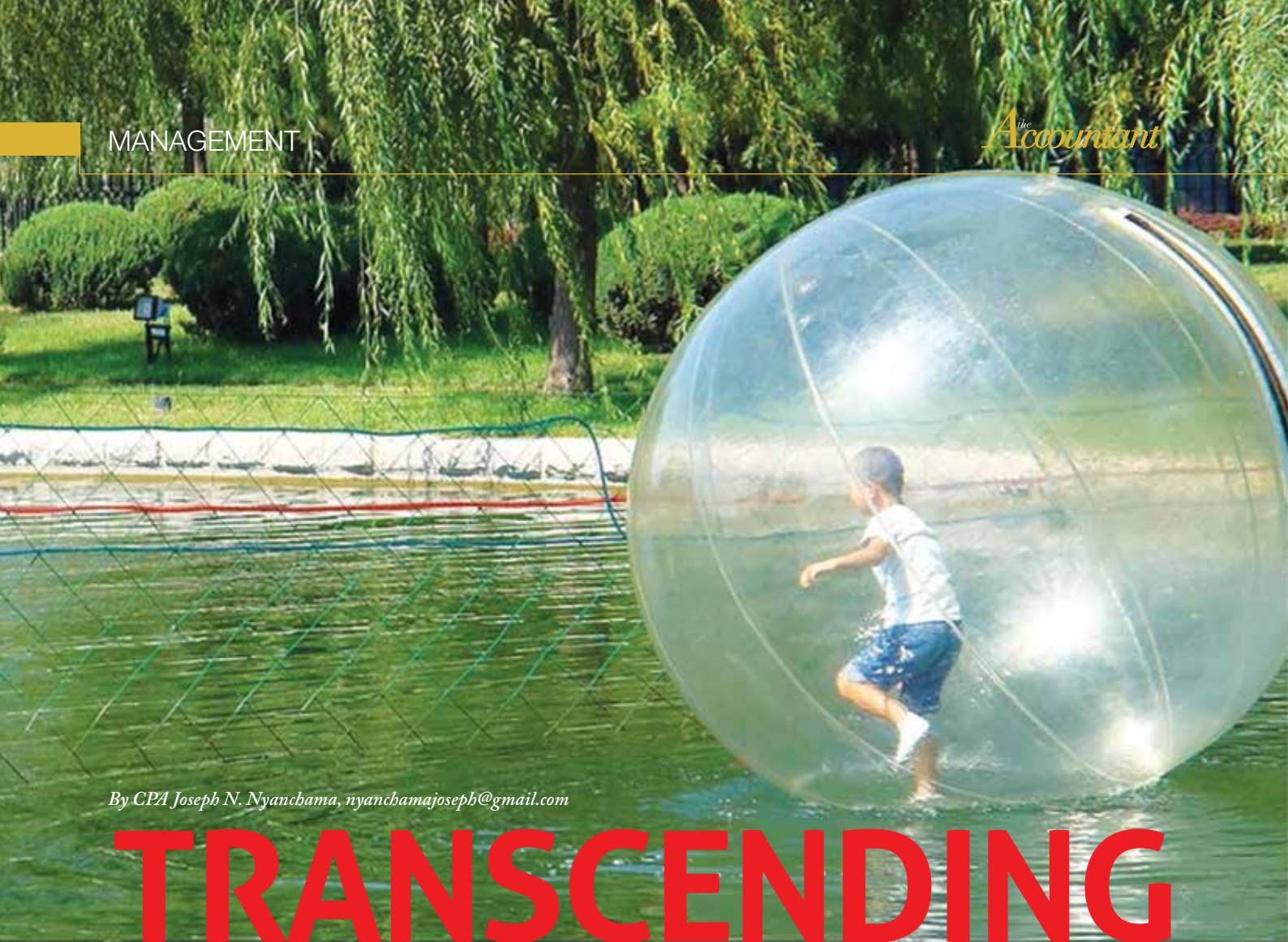
The CEO- As a key individual in an organization, his behavior tells employees what counts, what's rewarded and punished.

The CCO- The Chief Compliance Officer plays a major role in setting and reinforcing the tone at the top. The character of the CCO positions sends a powerful statement about the organization's commitment to ethics and compliance as does the organizational positioning of the person within the executive leadership team.

To sum up, management should be blamed entirely in case of business failure and incase auditors are involved; there is need to conduct a thorough investigation on their professional misconduct as they are supposed to exercise;

- Due Care
- Professionalism
- At most Good Faith
- Professional skeptics and it's the role of auditors to question the integrity of the tone at the top and conduct a thorough interview in terms of goal setting, target achievement and remuneration of the people at the top.

Action should be taken over them in case they are a party to it and remember news papers may be appealing in terms of yearly financial statement presentations but no reliance should be placed on them unless one gets the advice of an expert to interpret the postings. This was evident in the case when National Bank posted mega profit only to turn into losses again for a short period.



By CPA Joseph N. Nyanchama, nyanchamajoseph@gmail.com

TRANSCENDING THE LIMITS OF COMFORT

I watched a movie a while ago called 'Boy in a Bubble', starring a young John Travolta. The movie was based on a true story about a kid who had to live in a totally sterilized environment because his immune system stopped working. Doctors built a 10 foot square, clear plastic sterilized bubble for the boy to live in. Everything that entered had to be germ-free. People would see him and talk to him through the plastic bubble but they could never enter his world for fear of passing along a fatal virus.

At the end of the movie, the boy is faced with an agonizing choice. He can either remain in the bubble and stay alive for years alone or he can choose to leave and not conform to the bubble and live his life, no matter how brief, to the fullest.

What do you think the boy chose to do? As you ponder that question, many leaders too find themselves in various organizations in a bubble kind of environment. They have been held hostage by a clique of individuals who make sure that anybody who does not toe the line of thinking of the leader is labelled anti-establishment. They convince the leader that such a person's thinking is not conforming to those of the leader and should be ignored at all times.

These people surrounding the leader wear those beautiful tailored suits with the latest "power" ties. They look energetic, vivid, illuminant and affectionate, but looks can be deceiving. For what appears to be gentle friends of the leader are just men full of malice in their hearts with no ideas in their minds for the leader to use and grow the

organization. They agree with everything the leader says and cannot help him to grow. They have no idea about Zig Ziglar's advice which goes, "If you and your boss reason the same, one of you is redundant". In other words, they are all redundant save for the leader.

I say so because they lie to the leader that there can only be one sun (leader) at a time and therefore no one should rival the sun's brilliance in the name of new ideas. To reverse this kind of thinking so that growth can be realized, we need to borrow a leaf from Abraham Lincoln, the sixteenth president of The United States. President Lincoln came to power when the nation was in trouble and he had the intelligence and self-confidence to know that he needed independent and creative

people by his side. He brought people like Stanton into the cabinet in 1862 as secretary of war. For example; Stanton was much tougher and secretive than him. Their opposite temperament balanced each other out. Even Barrack Obama did the same thing by choosing his chief rival Hillary Clinton to be Secretary of State and Joe Biden as the Vice President. He also included powerful Republicans in the cabinet like Robert Gates and Ray Lahood. The major reason in my view for these two leaders doing this was that they wanted people who were free to question their authorities and who were unafraid to argue with them. They wanted to work with people who were original in thought and who don't imitate others. Herman Melville wrote, "It is better to fail in originality than to succeed in imitation." As long as you are trying to conform to someone else, the best number you will ever become is number two. You cannot reach your destiny when you take another man's road. Several counties in Kenya face a challenge of managing waste because

they always want to conform to known methods of managing waste without being innovative. Take a country like Sweden for example, it has an innovative waste management program where it uses 96% of its garbage to generate electricity. In fact, in 2012, it faced a crisis because it ran short of garbage. It had to start a process of importing it from neighbouring countries. What I learn from this case is that; there is the conforming thinking- focusing on setting up disposal boards with a scramble for appointments to figure out how to deal with garbage problems; and there is the innovative thinking that sees garbage as a blessing and cannot get enough of it.

John Henry Fabre placed caterpillars in a circle. For twenty four hours the caterpillars dutifully followed one another around and around. Then Fabre placed them around saucer full of pine needles (favorite food). For six days the mindless creatures moved around and around the saucer, dying from starvation even though abundance of choice of food was located

two inches away. All they were simply doing was conforming and none of them was innovative enough to discover a great opportunity around there. This means if you simply conform you will never make the situation you are in any better and hence no growth. I think now it is time to answer the question I asked earlier arising from the movie story entitled, 'Boy in a Bubble.' The question I asked you is whether you thought the boy chose to live in the bubble and live a longer life or he chose to leave the bubble and live his life to the fullest no matter how brief. For the record, Travolta's character chose to leave the security of his bubble. He knew that in order to truly live, he had to leave his protective bubble and embrace life, no matter how short it was.

What about you? Where would you choose to live? More to the point, where are you living? Therefore, let us all be transformed and not conformed. Remember if everyone in your organization agrees with you, there is no need for them to be there.



THIKA GATEWAY LTD.

Empress Building, 4th Floor
Jalaram Road, Westlands
P.O. Box 38524 - 00623
Nairobi, Kenya

FOR A VISIT CALL US

+254 735 707 707

+254 717 304 497



FOR SALE

A New Lifestyle for Thika

Plaza Completing Soon

Thika Gateway Plaza

Thika Gateway Residency

OWN A PIECE OF THIKA !

THIKA GATEWAY PLAZA | THIKA GATEWAY RESIDENCY

Apartments Available From

KSh 10m only *

Limited time offer Pay 20 % now & balance on completion*

The most modern 3 bedroom apartments with: Gym | Clubhouse | Swimming Pool Generator | Borehole and many other facilities

Shops / Offices Food Court | Kitchens & Restaurant Available From

KSh 5m only *

Location Map

opening new horizon for Thika!

Project Bankers:

Relationship beyond banking

Mortgage Providers:

BANKRUPTCY WORKSHEET

By CPA Millicent Omukaga , Omukaga@iss.nl

**IS YOUR
ENTERPRISE
FINANCIALLY
SECURE?**

Upon recommendation of the Association of Women Accountants in Kenya (AWAK), I recently had a chance to facilitate a workshop for ICPAK participants on Financial Management (FM) for Small and Medium Enterprises (SMEs). The event which occurred from March 31- April 1, 2016 at Meridian Hotel in Nairobi had a diverse audience including Officers in charge of Finance Function in organizations from both private and public sector. My role was simply to facilitate the discussion and offer some practical ways of how SME growth could be driven through an evolving Financial Management Function. The key areas of my sharing were around the objectives and functions of FM as well as some of the modern techniques in FM function.

Of course the main relevant experience I could bring on board was from our Travel Agency, Seguro Tours and Travel. With the permission of the Board, I was allowed to share practical insights of how Seguro has traversed a very competitive travel industry because of its effective financial management function. Just to clarify, Seguro is one of our family businesses on whose Board I sit as a Director. The Company's core business is provision of information, advice and support on air travel matters and one of its critical success factors has been FM.

After participants' self introduction and sharing their expectations from the workshop, I probed volunteers to share why they felt their organizations existed. Interesting responses like money, profit and wealth were elicited. I'm sure you can identify with one of the reasons. It took us sometime to explore why some of our institutions were called SMEs. In fact, one of the participants sought my permission to search in Google, the criteria for SME. Interestingly, even the lending institutions present struggled to explain what they meant by 'financing SMEs'. As an entrepreneur, it may help to know for certain whether you run a small, medium or even a micro enterprise.

Borrowing from my training, I described Financial Management as planning, organizing, directing and controlling financial resources of the enterprise. FM has got to do with how you procure, allocate and control business finances and should be guided by financial policies approved by the Board. I then highlighted the elements

of FM with regards to investment, financial and dividend decisions. For readers of different background, investment decisions include capital budgeting (fixed assets) and working capital management (current assets), financial decisions involve raising finance from various sources depending on factors like type, period, cost and returns while dividend decisions relates to net profit distribution either as dividends or retained earnings.

For Seguro, the key objectives of FM had to do with ensuring regular and adequate supply of finance, returns to shareholders and optimum use of finances. For the other enterprises, objectives varied from safety and return on investments (balance risk and return) to sound capital structure that encompasses optimum composition of debt and equity, long and short term. FM is not just an internal organizational concern; it touches on relationship with various other external stakeholders including financial intermediaries (banks, insurers), external auditors, credit rating agencies, security analysts and tax authorities among others. FM function is not one of those afterthought decisions enterprises make when they get into trouble. It should be part of the business from the start. As you will realise, some of the functions of FM are critical right from the business conception. For instance you need to estimate capital requirements considering the expected costs, profits and programmes; you may want to determine capital composition as how much of short term, long term debt-equity balance; you may need to make choice of sources of finance whether from sale of shares or borrowed loans; later on you may want to invest surplus funds in profitable, safe avenues with regular returns; eventually you must dispose of surplus funds as dividends and other benefits like bonus, retain or reinvest in expansion, innovation, diversification of the business. At an operational level, you may still need proper management of cash to ensure maximum use, in the best possible manner at least cost for maximum return for your business as well as financial controls like ratio analysis, financial forecasting, cost and profit control. In a travel agency like Seguro, it is the FM function that implements financial policies including cash and credit control. It must be clear who qualifies for credit and on what terms so that it's not left for the client service staff to figure out.

It is also important for an enterprise

to identify its key cost centres. Seguro for instance expends substantial financial resources on integrated ticketing platforms, its highly experienced staff and personalized client attention that includes offsite client support. The integrated ticketing platforms help the travel agency to provide efficient and cost effective planning of flight booking while avoiding unnecessary connections for travelers. The highly experienced staff come at a cost and herein lies the paradox of travel business. Clients will not come to an agency with incompetent travel staff, travel staff will not come to an agency that does not pay well and an agency will not pay well unless it has business income from satisfied and loyal advocates. So far, Seguro is proud of its staff for offering personalized client attention including VIP service as well as confidentiality of travel plans. Seguro has an Account Manager responsible for each Corporate and segments of individual clients. The FM function negotiates with airlines directly for lowly priced fares including net fares advantage that is passed to clients. The Key staff have iPads and tablets fully loaded for offsite client support, including outside office hours and weekends.

For purposes of this workshop, some of the relevant financial considerations shared with the participants had to do with pricing, terms of trade and modes of payment. When quoting for travel and related services, prices are normally inclusive of all taxes, fees and charges. While advising clients on available flights for the relevant bookings, they are provided with the most convenient low priced flights and connections to and from the destinations as required. This includes providing fare quotation for the different classes: First, Business and Economy as required. There is an approved service fees schedule that is transparently availed to clients. For this global kind of business, Seguro manages the risk of foreign exchange fluctuation. Fares are mainly quoted in US Dollars and Kenya Shillings. For foreign destinations, fare conversion rate applicable is the exchange rate of International Air Travel Association (IATA) as indicated in the ticketing platform on the issuing date. I also shared about Seguro terms of payment which is cash for individual clients and credit for institutions which has to be formalized in a contract. In such cases the credit period has been for maximum of 30



Borrowing from my training, I described Financial Management as planning, organizing, directing and controlling financial resources of the enterprise. FM has got to do with how you procure, allocate and control business finances and should be guided by financial policies approved by the Board.

days from satisfactory delivery of service and submission of the invoice. No deposit is required from the client. For clients' convenience and safety, Seguro has in place various modes of payment that range from mobile phone payment to direct bank

transfer.

Amidst the interesting conversation on what participants could learn from Seguro, I could not hesitate to caution on some of the bad financial management practices to be avoided. From the floor examples were given of doctored accounts, falsified figures, concealing debts and poor financial reporting among others. These are practices that should not be found in ICPAK members of good standing.

I could not end my session without sharing some of the modern techniques in FM that I have observed at Seguro, for instance effective budgeting and budget monitoring. I have seen prioritization of expenses where money is only spent on the right things. Whenever there is an FM decision whether financing or capital budgeting Seguro negotiates terms like cost, amount and repayment period. There was an instance where a reduction of 1% interest rate on borrowing made a big saving on interest expense. Seguro has made its mistakes as well and when books don't look Seguro has had to implement cost cutting measures. If your enterprise has to go this unpleasant route, bear in mind the consequences that come with austerity measures. Remember that you need workforce to deliver the business so unless they are lazy, workforce reduction should be the last consideration. In this age of credit referencing, enterprises must build their credit worth, while minding the credit score. Understand that credit score is for assessing credit worth. If your business has not registered with Credit Reference Bureau, you cannot get a credit report. If your business has not taken credit, you will get a report but with little or no score. A good credit score is an indication that you are good at borrowing and honouring your credit obligations. A good saver is not necessarily a good borrower hence you should not expect a good credit score if you have only been saving and not borrowing from formal sources. As a banker, I said this with caution but I had to advise the entrepreneurs to avoid regular use of high interest sources like credit cards. Lastly, I encouraged businesses to use other people's money, but cautiously with the proper guidance of the FM function.

Finally, if you want to know the financial health and future of your enterprise, ask your financial management function.

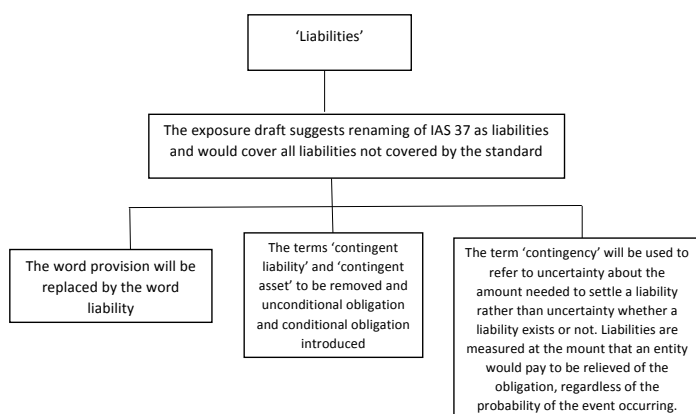
CPA Derrick Majani, majani35@gmail.com

REPORTING OF NON FINANCIAL LIABILITIES

IAS 37 Provisions, Contingent Liabilities and Contingent Assets

Proposed amendments to IAS 37

An exposure draft(ED) issued in June 2005 proposed amendments to IAS 37. These were supplemented by a further ED in January 2010.



The purpose of these amendment would include

Contingent Liabilities

- To clarify that only present obligations (rather than possible obligations) of an entity give rise to liabilities and that liabilities arise from unconditional obligations.
- To require uncertainty about future events that affect the amount that will be required to settle a liability to be reflected in the measurement of the liability.

Contingent Asset

- To clarify that only resources currently controlled by the entity as a result of past transaction or event (rather than possible assets) give rise to assets, and that assets arise from unconditional rights.

Auditing Provisions and Contingencies

Much of the audit work here is focused

on ensuring that the recognition and treatment of these items is in accordance with IAS 37.

- Obtain detailed analysis of provisions showing opening balances and closing balances
- Determine for each material provision whether the company has a present obligation as a result of past events by;
 - Review correspondences relating to the item.
 - Discussion with the directors, have they created a valid expectation in other parties that they will discharge the obligation?
- Determine for each material provision whether it is probable that an outflow of resources will be required to settle the obligation by;
 - Checking whether payments have been made after the end of the reporting period in respect to the item.
 - Review correspondences with solicitors, Banks, customers, insurance company

and suppliers both pre and post year end.

- Third party confirmation where relevant
- Discussing the position of similar provisions with the Directors.
 - Re-compute all provisions made
 - Consider the clients business, would you expect to see any other provisions,
 - Consider whether disclosure of provisions, contingent liabilities and contingent assets are correct and sufficient.
- Regarding litigation claims:-
 - Make appropriate inquiries of management and those charged with governance including obtaining representations
 - Review Board minutes
 - Examine legal expense account

*The writer is an ACA Student Strathmore University
Msa County Representative ICPAK*

Credit cards can help build your personal finance discipline

Did you know that credit cards are some of the most effective personal finance planning tools? With credit cards individuals can easily track their expenses; providing an ideal snapshot of your spending habits.

Armed with such information, personal finance coaches agree that one is able to make conscious decisions on what items to curb spending on and which items to raise spending on subject to a cost effect analysis.

For example, your credit card statement presents an accurate account of your outside dining habits or supermarket expenses, allowing you to align your spend and personal monthly budget.

A simple run through your records can help you figure out what you spend your money on and how much it is you are spending.

On the other end, financial

knowledgeable credit card holders are always conscious that these are credit tools, and therefore should put in place mechanisms to ensure they don't default in credit card repayments. Another advantage of using a credit card for budgeting is that it gives you an opportunity to accumulate reward points for your everyday purchases that you wouldn't otherwise earn.

Card holders can control their expenditure by setting maximum spending limits on additional credit cards that are opened on their account.

This could be useful if an additional card is needed for a family member for instance a spouse, a college student, or another member of the household.

This helps keep family spending down and enables them control their budget.

Equity Bank and American

Express® launched the first American Express-branded Cards in Kenya.

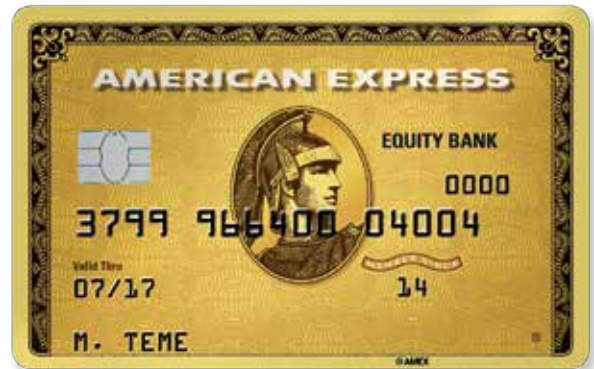
Equity Bank offers Kenyan consumers two distinct American Express-branded Cards which carry rich rewards and benefits – the Equity Bank American Express® Gold Card and the Equity Bank American Express® Green Card.

The American Express Cards have tools that help customers monitor their spending which automatically sort transactions into categories such as bills, food, fun, shopping and transport.

In addition to helping you manage life's expenses, the American Express Gold Card provides you with the quality of service and security of the American Express brand.

Get yourself an American Express Card at your nearest Equity Bank branch and begin enjoying these benefits.

Equity Bank brings the **American Express®** experience to Kenya



You can now start to experience and benefit from a world of rewards with the Equity Bank American Express® Green Card and the Equity Bank American Express® Gold Card.

These new Credit Cards provide financial flexibility with a friendly credit limit and a range of travel benefits, dining and hotel offers as well as a Membership Rewards® programme that allows you to redeem points for gifts and experiences.

To learn more visit www.americanexpress.co.ke and make the American Express Card your constant companion.

**Visit your nearest Equity Bank branch
and apply for your Card today.**

Call 0763 063 333  **AmericanExpressKE**



Equity Bank (Kenya) Limited is regulated by the Central Bank of Kenya.



My life. My card.

American Express is a trademark of American Express.
The Card is issued by Equity Bank (Kenya) Limited pursuant to a license from American Express.

By Wasilwa Miriongi, wmiriongi@gmail.com

FIVE WAYS CREDIT & DEBT DEPARTMENTS LOSE MONEY

In our country everyone is talking about the government losing money in one way or another but put to an organization perspective, the credit department may also lose money.

In a perfect world, debtors would pay what they owe and collectors would have better results. But in many debt scenarios and environments, the only element you can control is how your collections department works.

Even a gain of just a few percentage points in collections performance delivers serious results in some situations, organizations starting from a low base may even see double or triple digit gains.

That statistic cuts both ways: a drop of even a few percentage points can significantly damage your bottom line.

Here are the top five ways that debt collections departments lose money and how to avoid them.

1. Poor Personnel Management

Personnel theft is not uncommon in today's workplaces, and it is often the employee you least suspect that is the culprit.

Open up your daily newspaper on just about any given day and there is a very good chance you will see an article about one or more employees caught stealing in some form from their place of employment or a publicized photo of employees wanted by authorities for crimes at their workplace.

As is common in the collections industry, the largest expense is personnel. Collector productivity is the key metric to watch here: often, collections success is a function of how many times you contact customers. But poorly managing personnel is one major way collections departments sink into the red.

If too many collectors are hired to work accounts, you will lose money; If you under staff, you will leave collections revenue on the table. Use regression modeling to link forecasting with capacity planning for the best results.

Additionally, staff should always be organized for efficiency: for instance, one supervisor for every fifteen collectors or one dedicated trainer for every group of seventy five to one hundred collectors. Decisions around whether to organize around a pool or ownership approach also matter here.

Lastly, collectors must be motivated by smart incentives, both financial and non-financial. If strengths aren't rewarded and weaknesses not corrected, you'll start losing money fast as underperforming collectors run the show and rock stars leave the organization.

Do not hesitate to define simple,

Kenya Power invests Shs700 million in Live Line Maintenance Technology

Kenya Power has deployed Live-Line Maintenance technology of its network in an effort to minimize power interruption, enhance supply and generate more sales. The technology will enable the energy utility to carry out maintenance of its electricity distribution network without switching it off.

"Scheduled power interruptions account for about 50% of power outages. The new initiative we are deploying will minimize and eventually eliminate the need to switch off our customers to undertake repair works, routine maintenance, system reinforcement and connection of new customers," said Kenya Power's Managing Director and Chief Executive Officer Dr. Ben Chumo at the launch of the technology in early June.

Kenya Power is the second utility company in Sub-Saharan Africa after Eskom of South Africa to deploy live line maintenance technology. A pilot phase for the project is being carried out in Nairobi before subsequent rollout in other regions.

The utility has invested Shs720 million in the first phase of the project while the World Bank has injected an additional Shs202 million towards implementation of the second phase. The first phase involves training of 72 technicians to operate on distribution lines. The technicians will mainly operate on 11kV, 33kV and 66kV distribution lines.

"Live line technology will cut on the time it takes to uproot and replace rotten poles, repair broken jumpers, undertake routine maintenance work and connect new customers without interrupting power supply to current users," said Dr Chumo.

The Live Line Maintenance project is expected to boost efficiency in power supply, and increase customer's satisfaction. "We are focused on bringing down energy losses in our network from the current 17% to less than 10%. Live Line Maintenance is key to achieving this because every time we switch off a line for maintenance we lose on efficiency," Kenya Power Chairman Hon. Kenneth Marende said.

"The technology is also part of Kenya Power's network update program we are implementing across the company at a cost of Kshs10 billion which involves replacement of wooden poles with concrete poles, enhancement of conductor capacity to carry more load among other things," Hon Marende added.

"Live Line Maintenance will see our 4.7 million customers enjoy better and reliable

supply of power. It will ride on our heavy investment in infrastructure where we have invested Shs119 billion in 252 capital projects. The projects include construction of over 100 substations, construction of additional redundancy distribution lines to ensure our customers have alternative power sources such that when one supply line is down, they get supplied from another line. So far we have constructed 200 alternative lines for our large customers," Hon Marende said.

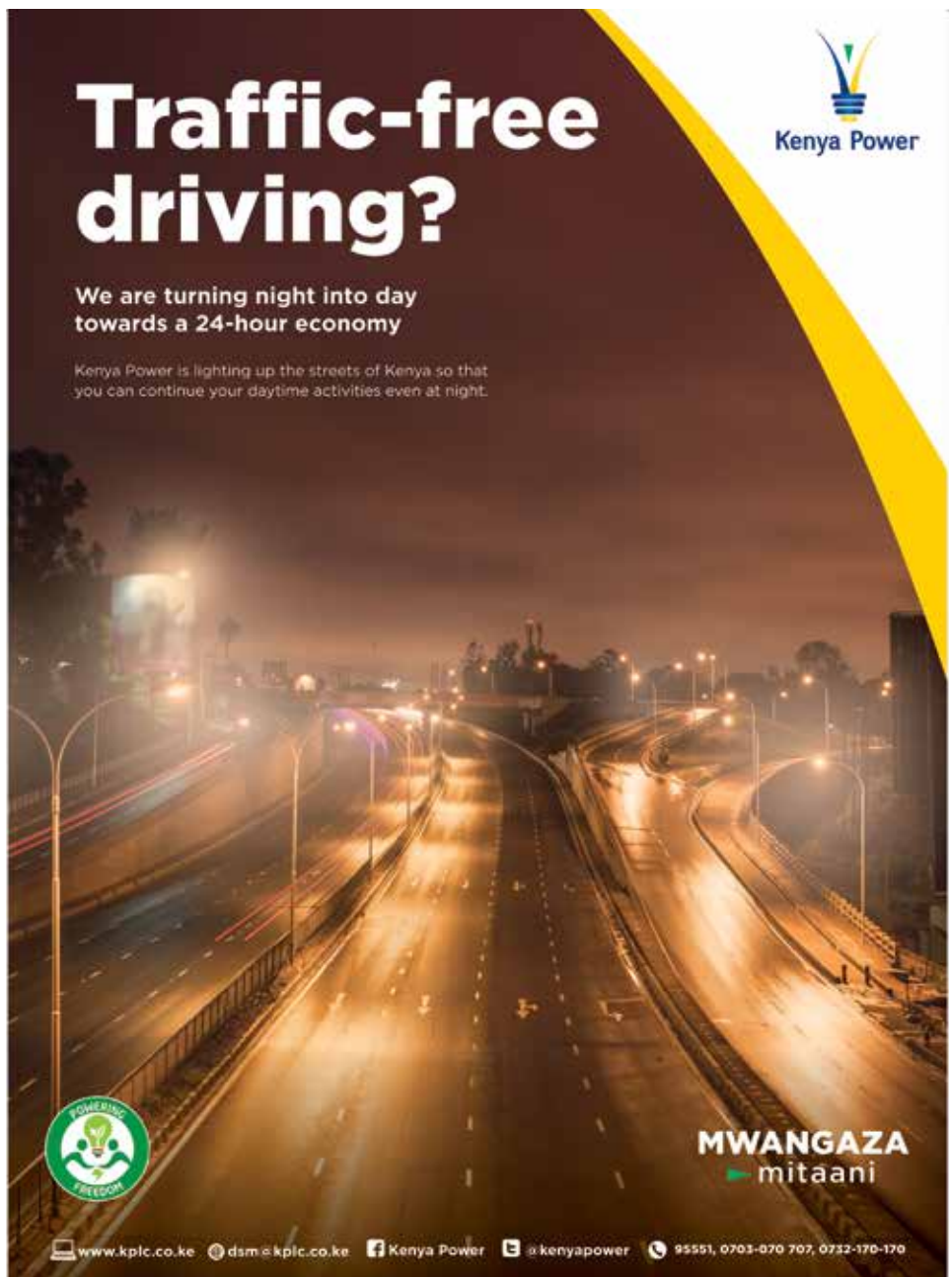


Kenya Power Technicians using Live Line Maintenance Technology


Traffic-free driving?

We are turning night into day towards a 24-hour economy

Kenya Power is lighting up the streets of Kenya so that you can continue your daytime activities even at night.



MWANGAZA
mitaani



www.kplc.co.ke ds@kplc.co.ke [Kenya Power](#) [@kenyapower](#) 95551, 0703-870 707, 0732-170-170



appealing incentive schemes that stress continuous improvement.

2. Lack of a Centralized System

As it is common practice, a collector's main goal is to reach an agreement with a customer to pay an overdue invoice. All agreements are different and need to be managed in one place.

Collectors, who use ad hoc systems risk losing customer communications and going against compliance guidelines and control systems.

A single authority helps manage the collections process through recovery or abandonment, and is crucial to house communications visible to all collectors. This way, collectors can vary their approach and avoid being repetitive when contacting someone. With knowledge of how a customer has been approached in the past, the collector does not waste time or hurt the relationship your department has with customers.

Collections departments need a centralized system to:

- Ensure accuracy
- Hold collectors accountable
- Remain compliant
- Stay efficient and productive
- Automate processes
- Manage documents such as communications scripts

3. Managing Third-Party Debt Collectors

A collections department may find it economical to hire third-party collectors. But it's crucial to hire the right people for the job. If you do not, you may lose more

money than when you leave accounts unworked.

If a third-party collector doesn't perform, breaks the law or harms the customer relationship, it is your name on the line. And they must be monitored closely to ensure performance. Your department could face charges (both legal and financial) when someone you don't know is improperly managing collections. Third-party collectors must be selected based on their reputation and experience, then managed closely throughout their contract if you want to avoid losing money.

4. Lack of user friendly Debt Collection Software

People want to help themselves. Especially in sensitive situations involving personal debt, it's easier for people to pay off debt without having to face another person. High-pressure tactics are outdated and contradict consumer preferences. A user friendly debt collection software solution responds to consumer demands and behavior, while reducing personnel cost.

Without one, you will find yourself losing money fast. Lack of a user friendly option, will have the end result of leaving potential revenue with the customers. It also increases kept-promise ratios, since consumers often prefer to resolve debts on their own.

5. Failure to Manage Collections by Phase

Customers have different behaviors and expectations during each phase of the credit lifecycle. What works in pre-delinquency might not work in the litigation process. That is why dividing

the lifecycle into phases is important. By taking a different approach to each phase, collectors maximize their chances of producing settlements and outcomes.

Management must define an approach for each phase so collectors have the knowledge to offer debtors the right offer at the right time. Profitable collections departments use static and behavioral metrics to segment portfolios. This allows them to approach them as efficiently as possible.

But without phased management, it is easy for collectors to miss delinquency prevention opportunities. Failure to manage by phase also harms self-cure rates and increases costs, since more effort is expended for less optimal results.

Without phases, collectors use tone-deaf or ineffective approaches for certain debt scenarios. This can be avoided, but potentially alienates customers in the long-term.

Many cite two key factors that contribute to the large losses suffered by companies such as lack of basic accounting controls and a greater degree of misplaced trust. More often than not it is the long-trusted employee; the person you least suspect who usually commits the crime. All in all this losing money by collectors or collections department needs to be stemmed out for the good of any company.

The collections industry has many costs, but there are ways to prevent your department from being wasteful. For the best collections results and ways to prevent lost money, start implementing best practices by setting standards. One way could be by coming up with a well crafted credit policy.



ACADEMIC PROGRAMMES

Doctor of Philosophy in Management and Leadership

Philosophy of the programme

The Doctor of Philosophy in Management and Leadership is an interdisciplinary programme designed for those who intend to advance their careers, to more complex leadership positions in both industry and academia.

Target Group

The programme targets master's degree holders or its equivalent and PhD holders in any other relevant business disciplines.

Minimum Entry Requirements

Holder of any other relevant masters' degree in any other relevant field provided measures will be taken or have been taken to redress deficiencies in business and/or management and leadership education.

Programme Duration

The programme shall be offered in three (3) academic years. A student must complete the doctorate degree within a minimum of three (3) years or a maximum of seven (7) years.

Undergraduate Programmes

1. Bachelor of Commerce (B.Com)

With the following Options:

Entrepreneurship; Human Resource Management; Marketing; Accounting; Finance; Business Administration and Management; Insurance and Risk Management

2. Bachelor of Management and Leadership (BML)

With the following options:

Business Administration and Management; Human Resource Management; Marketing Management; Purchasing and Supplies Management

3. Bachelor of Arts in Development Studies (BDS)

With the following options:

Entrepreneurship Development
Environmental Management
Economic Development and
Project Management

Admission Requirements for undergraduates

1. KCSE Mean Grade C+ with C plain in both Mathematics and English or Kiswahili; Mean Grade C or its equivalent with diploma in the relevant area of study from a recognized institution.
2. IGCSE 5 Upper levels passes (equivalent to C+)
3. GCE Five (5), O' Level (equivalent to C+) with a pass, C in Maths & English or Kiswahili
4. 12th GRADE GPA of 2.5
5. KACE 2 Principal passes & a minimum Pass of 7 in Maths & English or Kiswahili at KCE.

INTAKES
JAN, MAY,
SEPT

Postgraduate Programmes

1. Master of Business Administration (MBA)

With the following options:

Banking and Finance; Strategic Management; Human Capital Development; Marketing; Logistics and Supplies Chain Management

2. Master of Management and Leadership (MML)

Targeted at those who aspire to be leaders in public, private and Non-governmental organizations at higher levels.

Admission Requirements for Masters programmes:

- First Class Honours or Second Class Honours, Upper Division from any Recognized University.
- Second Class Lower Division from any recognized University with at least Two (2) years experience in Research, Administration, Management or the public sector, as evidenced by at least one published paper in a refereed Journal or Technical reports and patent documents.

Executive Masters Programmes

1. Executive Masters of Business Administration (EMBA)

Admission Requirements:

Bachelor degree in any field of study plus three years working experience in a senior Management position Or, higher diploma and/or professional qualifications plus three years working experience in a senior management position.

2. Executive Master of Science in Applied Management & Leadership (EMSc-AML)

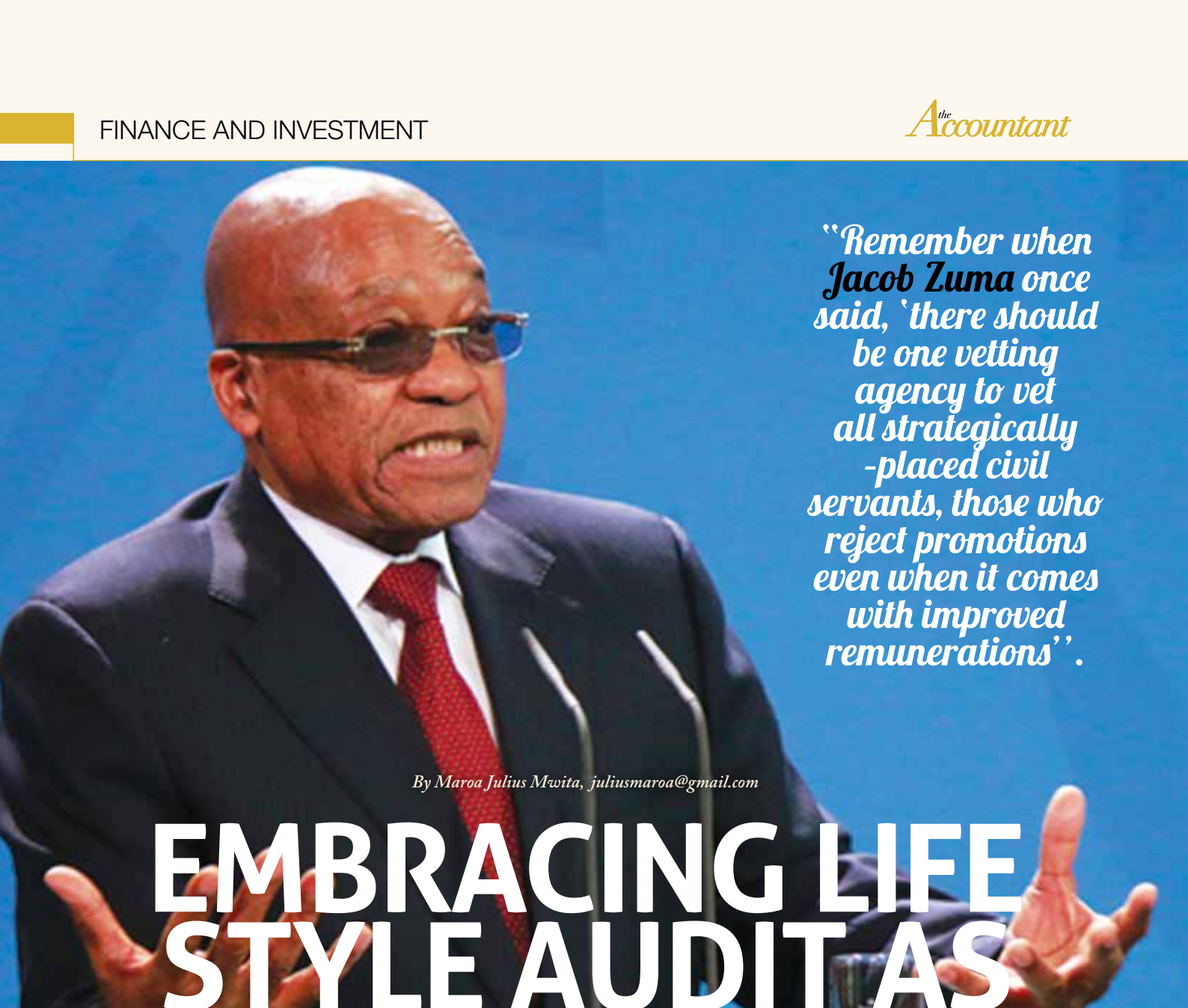
Admission Requirements

- Bachelor degree in any field
- Working experience in a management position

Executive Capacity Development Programmes (ECDP)

MUA Directorate of Executive Capacity Development Programmes (ECDP) designs and develops capacity building and enhancing programmes for organizations and individuals. It undertakes business process re-engineering for organizations to make them more competitive in the dynamic environment.

The Management University of Africa, Popo Road,
Off Mombasa Road, Bellevue, South C. Postal Address:
P.O Box 29677-00100, Nairobi, Kenya.
Tel: +254 20 2361160/1
Mobile: +254 706 035299, +254 722 224193
Email: info@mua.ac.ke • Website: www.mua.ac.ke



“Remember when Jacob Zuma once said, ‘there should be one vetting agency to vet all strategically -placed civil servants, those who reject promotions even when it comes with improved remunerations’”.

By Maroa Julius Mwita, juliusmaroa@gmail.com

EMBRACING LIFE STYLE AUDIT AS A TOOL TO CURB CORRUPTION

Life style audit is a tool commonly used by forensic auditors and management in companies to describe the tests that are performed to determine if the lifestyle of an employee is commensurate with that person's known income stream. Life style audit is that technique that was used by G-men in the 1930s to investigate and imprison AL CAPONE. Life style audit is simply an amalgamation of reports from a variety of databases, which provide management as well as investigators with a snap shot of the life of an employee.

We understand that Fraud and Corruption is usually committed by means of ‘OFF BOOK’ transactions or manipulated accounting records. It is very difficult to detect and dishonestly inclined professionals are able to conceal their frauds with disturbing alacrity and ease, particular in work environments with weak internal controls or limited segregation of duty. Sometimes the only clue to the illicit activities is a sudden unexplained change in an employee's lifestyle.

We need to understand that lifestyle audit alone is not conclusive but is an

indicator or a clue that something may be amiss but can never, without further evidence be regarded as conclusive proof of illicit activity. Some extravagant lifestyle may be explanatory as some is due to inheritance, a wealthy partner or family member providing financial support that may not be known to the employer.

Therefore, when conducting lifestyle audit, one needs to approach it with caution and professionalism as some employees may have inherited the wealth but may not explain themselves with ease due to fear of unknown.

Of recent, the diaspora has been hit with fraudulent activities that amount to corruption with Kenya facing the same. With inception of lifestyle audits, we have seen that many individuals attained their wealth through dubious means with NYS being a good example.

In October last year, the president called for a life style audit of Kenya Revenue Officers as a way of fighting corruption. This happened also in Zimbabwe when Zimbabwe Revenue Authority (ZIMRA) called for lifestyle audit on high net- worth of individuals and corporate leaders as it seeks to smoke out tax evaders, while raising money for cash – strapped government. This was also evident when South African president Jacob Zuma called for public servants' lifestyle audit. This was seen with Kenya Ports Authority calling for lifestyle audit of their staff in order to weed out corrupt officials and also when the National Treasury Cabinet secretary called for vetting to include lifestyle audit of all officers at top positions in government to include procurement and finance.

Also the Inspector General of police called for lifestyle audit of junior police officers as a measure to combat graft in the police service. This poses the question, what about the senior officers? Through the recent police vetting, we can see that most transactions affect the senior officers too and this acts as an indicator to prove that graft usually happens through a network and it rarely affects a single individual. Based on the above position that the government sector is undertaking, the question is, are the final results made public and if not, are measures put in place to recover the suspected amounts or transactions back to the government?

Public Officers Ethics Act (2003) requires all public officers and their families to declare their wealth, by filling returns every two years. The law has however been challenged severally as the Ethics and



Anti-Corruption Commission need to pursue the suspects have been stopped by the court of arms in several circumstances raising the question of what next.

In performing life style audit, we should understand that no single style is ideal in all situations as the tactics of crime keep on changing; various investment schemes are in place. Forensic auditors should understand the history of an individual first before conducting a life style audit and this can be done through issuing questionnaires to various individuals with information on the suspect.

Lifestyle audit is essential in the following ways;

1. It provides information on the suspect
2. It enables easy follow up of the money lost by understanding the mechanisms used
3. Helps identify further suspects
4. Helps identify the first step in an investigation process
5. Helps to identify other related crimes
6. Identifies irregular transactions
7. Helps understand the compliance of an officer in terms of paying taxes

On failure to conduct lifestyle audit the implications may be as follows;

1. Unable to build a comprehensive profile for the suspect
2. Failure to identify other suspects and perpetrators
3. Failure to identify flow of funds
4. Failure to recover misappropriated assets
5. Limits success of an investigation
6. Failure to solve a crime.

7. More taxes may go un taxed

I believe while conducting a life style audit, the following should be looked at;

1. Garbage checks- Means secure the dustbin of the subject and review the contents of these bags e.g. credit cards.
2. Surveillance (physical visit of the suspect's address for surveillance, photographs and video recording.

3. Witness enquiries
4. Criminal background check
5. Email reviews
6. Review of telephone records including mobile phones
7. Review of HR files in case of an employee
8. Bank statement perusal
9. Property searches with relevant bodies e.g. motor vehicle checks with KRA
10. Credit Bureau Searches

'Remember one man cannot gain wealth at the expense of the majority's wellbeing because he/she has political influence'.

Lifestyle audit should be conducted with reasonable care in order not to limit an individual success into amassing wealth and should also not limit economic growth of a country.

As a country we need to embrace life style audit as a better step in combating corruption; a move that has been appreciated by Machakos county staff through their governor when he presented his lifestyle audit report for Machakos staff to Ethics and Anti-Corruption Commission.

Therefore, it's my advice that lifestyle audit should not be limited to the public sector alone but should be extended to the private sector a watchdog committee and or a single vetting committee should be in place to spearhead the process.

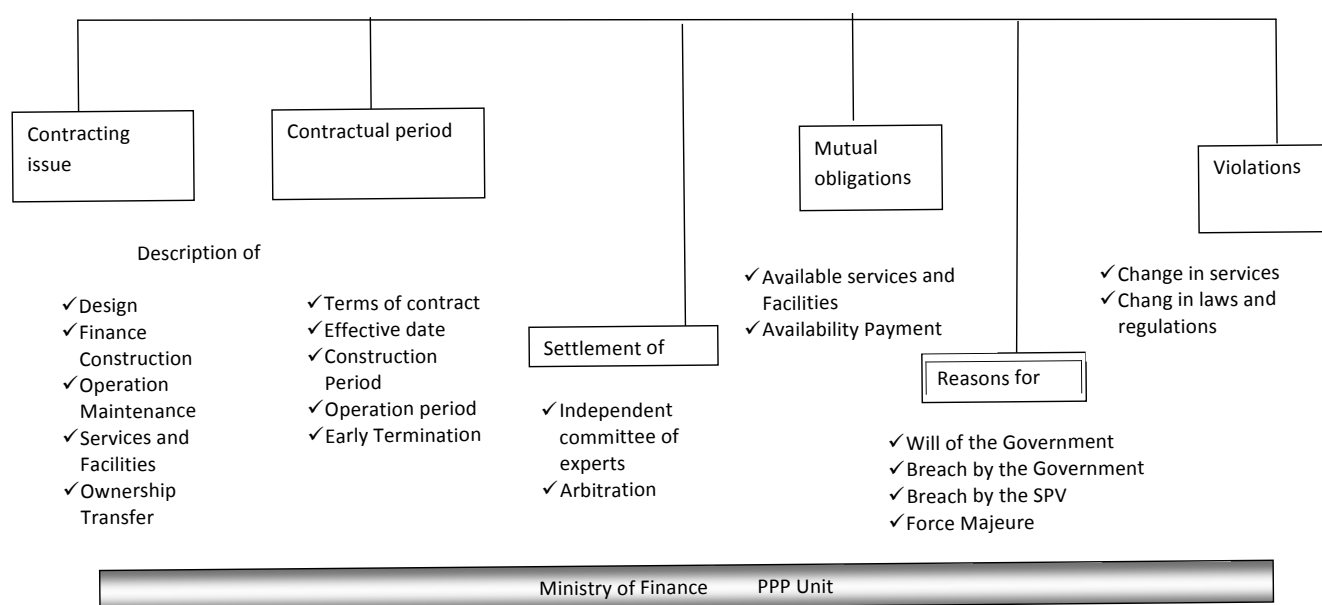
Remember when Jacob Zuma once said, 'there should be one vetting agency to vet all strategically –placed civil servants, those who reject promotions even when it comes with improved remunerations'.

By CPA Simon Peter Ole Nkeri

DEVELOPING SPECIAL ECONOMIC ZONES THROUGH PPPS

Continued from May – June issue...

A PPP Contract: Important Contractual Clauses



Where a Special Economic Zone is to be developed through a public private partnership, the provisions of the PPP Act that are deemed to be of immediate concern and that require to be understood are those that relate to the following matters:-

- Assessment of Contracting Authority's technical expertise to procure services;
- Privately Initiated Investment Proposals
- Undertaking of a Feasibility Study;
- The Negotiations process between the contracting authority and the private party;
- The establishment of a Project

Company or a Special Purpose Vehicle (SPV); and

- Execution of a Contract.

Impact of Incentives on Industrial Development through SEZs

- 1) Increase contribution of manufacturing sector to GDP from the current 11% to

20% by 2030.

- 2) To attract both local and foreign investments.
- 3) To expand and diversify production of goods and services for domestic and export markets.
- 4) To promote value addition
- 5) To promote local entrepreneurship

through Small and Medium Enterprises (SMEs).

- 6) To enhance technology development and innovation.
- 7) To promote rural and regional industrialization by exploiting comparative advantage of local resources.

SEZ's Potential Contribution to GDP

- 1) Employment – increased job opportunities, and an informed labour force.
- 2) Industrial hub – an avenue for 'bringing' Dubai into Kenya
- 3) Prospects to double the manufacturing sector's contribution to GDP from the current 10%.

4) Comparative advantage in terms of accessibility to raw materials, labour and geographical locations of Kenya's ports are critical to stopping importation of second hand clothes and boosting the local textile industry.

5) Main consumer of the planned 5,000 Megawatts of power to be generated through geothermal and coal, among other new sources of power.

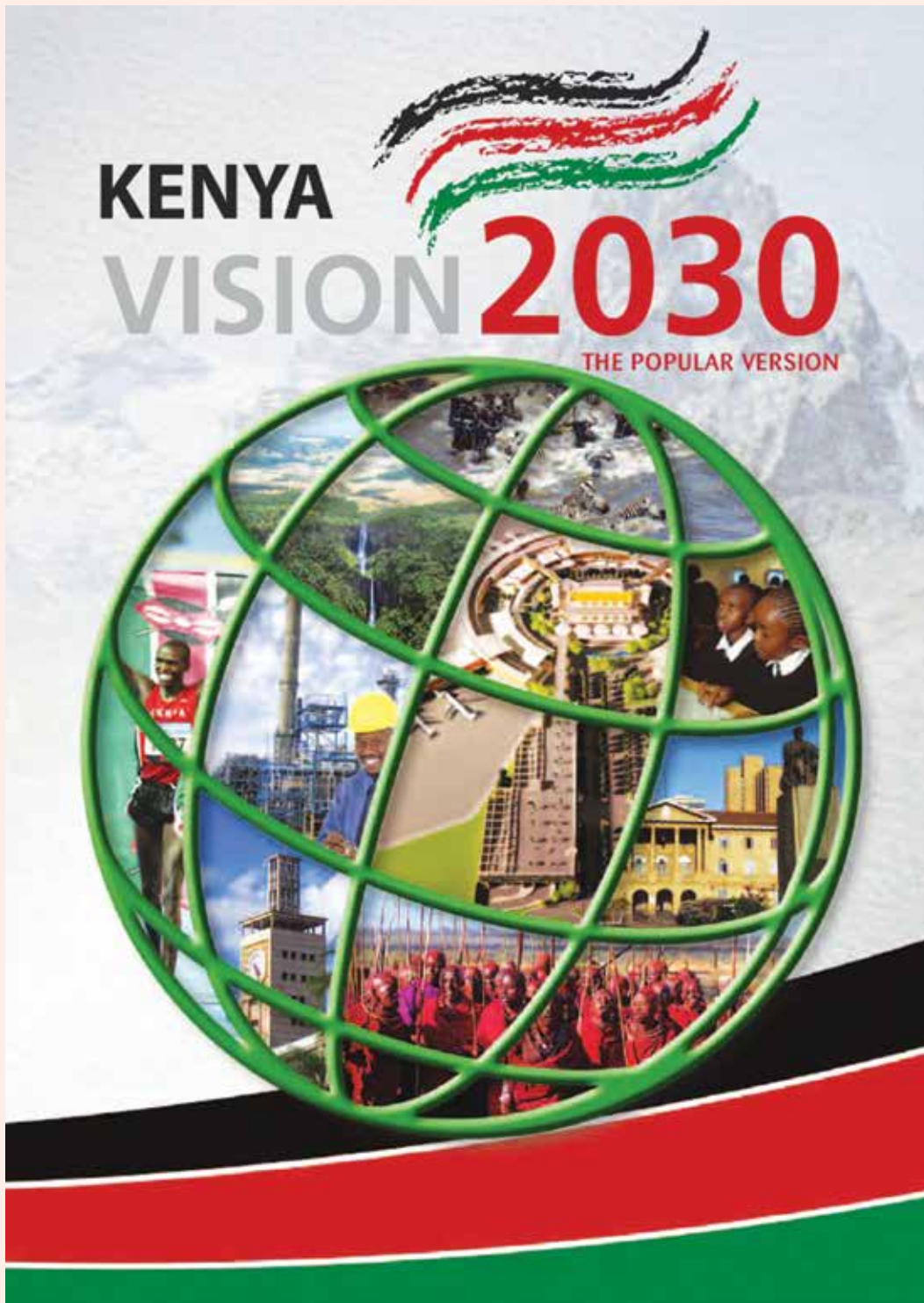
6) The land use for SEZ is open to any feasible industries.

7) SEZs are a catalyst for infrastructural (roads, railways, ports, etc.) and regional or county development as well as promulgating the enhancement of PPPs and capital markets.

8) Facilitation of an enabling environment conducive for business through the amendment of restrictive legislative parameters such as the customs, KEBS, KRA and EPZ frameworks.

9) Ease of doing business and reducing the high cost of business ventures in terms of taxes, wages, compliance costs, idle capacity in plants, land costs and high costs of borrowing.

10) An enabler for achieving and fast tracking Vision 2030's development blue print.

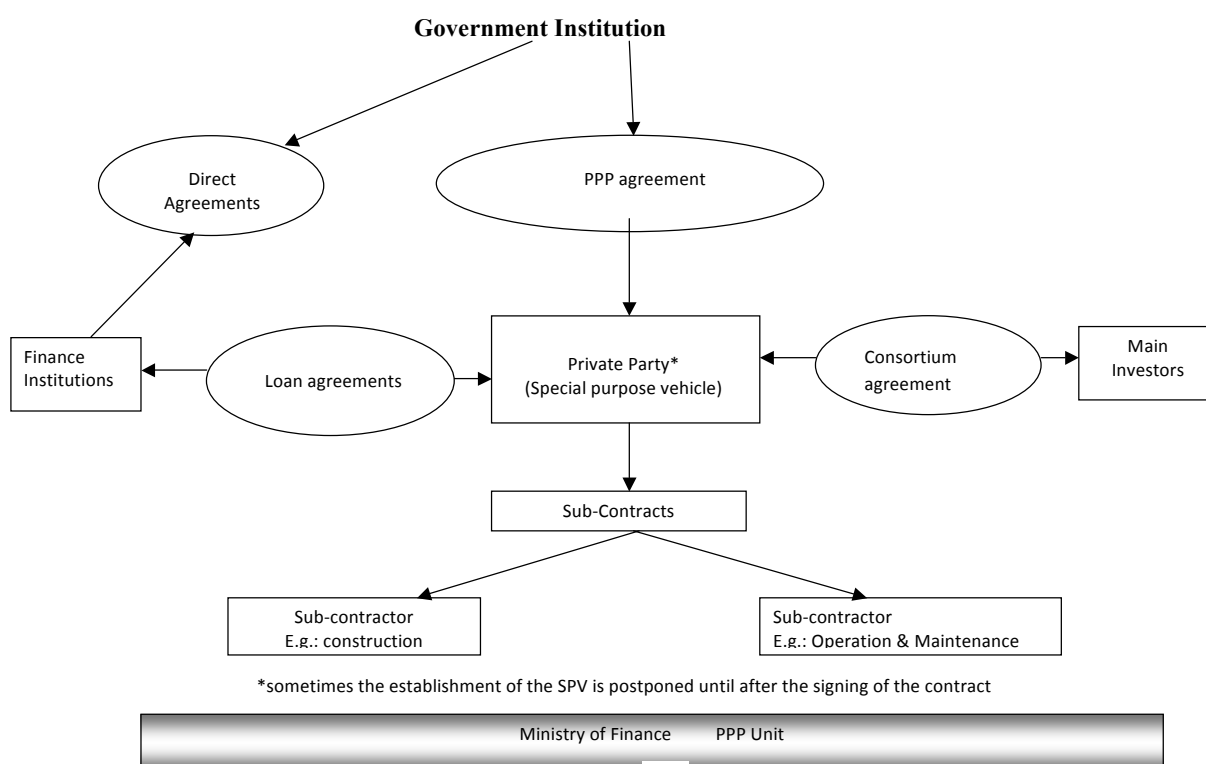


It is suggested for purposes of this article that although Special Economic Zones developed through public private partnership (PPP) arrangements could potentially be competitively sourced, the easiest route that might yield immediate traction is the one where the private party initiates an unsolicited proposal, also referred to as the

privately initiated investment proposal, and then goes ahead to execute a project agreement with the contracting authority in relation to the said proposal. This is a route that is provided for in the PPP Act but one that has not been fully explored by the parties involved. It is therefore recommended that parties consider avoiding the competitive

framework that could be delayed by legal challenges, provided the parties fully comply with the requisite PPP legislative on the unsolicited proposals as herein enumerated. We shall attempt to compare the Kenyan legislative framework with the experiences of a few selected jurisdictions globally with regard to unsolicited proposals.

A TYPICAL PPP PROJECT STRUCTURE



Section 36 of the PPP Act: - Assessment of Contracting Authority's technical expertise;

A **Contracting Authority** is defined in the PPP Act to mean "a State Department, Agency, State Corporation or County Government which intends to have a function by it performed by a Private Party".

A **Private Party** means a party that enters into a project agreement with a contracting authority and is responsible for undertaking a project on behalf of the contracting authority under the PPP Act.

1) The PPP Unit shall assess the technical expertise of the Contracting Authority to procure the development of a project under the PPP Act.

2) Where the PPP Unit finds that the Contracting Authority does not have the technical expertise to procure the project under the Act, the Contracting Authority shall appoint a transaction advisor to assist the authority in the procurement process.

3) The engagement of a transaction advisor shall be based on the principles of disclosures, transparency, equality, free competition and equal opportunity in accordance with the procedure prescribed

by the Cabinet Secretary under the PPP Act.

Sect 61 of the PPP Act: - Non-Compete Process: Privately Initiated Investment Proposals

The PPP Act defines a **privately initiated investment proposal also known as unsolicited proposals**, as a proposal that is originated by a Private Party without the involvement of a Contracting Authority and may include information that enables a complete evaluation of the proposal as if it were a bid.

1) A Contracting Authority may

The PPP Act defines a privately initiated investment proposal also known as unsolicited proposals, as a proposal that is originated by a Private Party without the involvement of a Contracting Authority and may include information that enables a complete evaluation of the proposal as if it were a bid.

consider a privately initiated investment proposal for a project and procure the construction or development of a project or the performance of a service by negotiation without subjecting the proposal to a competitive procurement process where:

(a) there is an urgent need for continuity in the construction, development, maintenance or operation of a facility or provision of a service and engaging

in the competitive procurement process would be impractical: Provided that the circumstances giving rise to the risk of disruption were not foreseeable by the contracting authority or the result of an unreasonable failure to act by the contracting authority;

(b) the costs relating to the intellectual property in relation to the proposed design of the project is substantial;

(c) there exists only one person or firm capable of undertaking the project, maintaining the facility or providing the service or such person or firm has exclusive rights over the use of the intellectual property, trade secrets or other exclusive rights necessary for the construction, operation or maintenance of the facility or provision of the service; or

(d) there exists any of the circumstance as the Cabinet Secretary may prescribe.



To be continued in next issue...



SOLITUDE IN FINANCE

By Okana Ouma, okanaouma@gmail.com

Accountants are boring. ..Oh such awfully dull people. They dream about numbers. And on and on they go the typical stereotypes about finance professionals who are lumped by many a layperson to be generally accountants. However, the finance world is a broad spectrum of many different professionals all working with numbers one way or another: bookkeepers, auditors, accountants, financial analysts just to mention a few.

What does it mean to be part of this profession though? I have heard it said

that it's lonely at the top. Is the finance world a lonely one too for the finance professional at the work place? Let's delve into the day to day duties of your average finance professional that may isolate them at the workplace.

First and foremost, the nature of information that the finance professional comes across in the line of duty is more often than not of a highly sensitive nature hence needing a high level of confidentiality. Even though such information may eventually become public, most finance professionals will get to know of this much earlier than everyone

else. Sometimes, this information may never even become public, but it's already in their hands and have to ensure it never gets to the public if it wasn't intended.

A lot of big business decisions like mergers, acquisitions, major restructuring and some smaller ones like pay hikes often hinge on the financial situation of an entity. If management is considering making certain employees redundant or undergoing a huge cost cutting process by laying off some employees often the first step is to get the cost to the company of the affected employees. This information will often be requested from the finance

department as they are the bookkeepers of the organization. Now, having been requested for a colleague's cost details in the morning, finance professional cannot share this during lunch to the said employee or any of their colleagues during lunch. Nobody wants to hear that management is asking about them even if it could be for all the right reasons for example an impending promotion. Such information is only likely to cause apprehension among staff hence finance professionals have to be wary of disclosing information to their colleagues prematurely.

The finance people will know the payroll details of everyone in the organization – from the CEO to the janitor along with any liabilities they may be having that are usually effected through the payroll. Obviously, this is not information they can discuss outside the confines of the finance office and with other non-finance colleagues. Even within the same finance department, not every member may be privy to this payroll information – most times it's the senior most member of the department or there's a dedicated individual who deals with the payroll processing. In some of the bigger entities like large multinationals there might be a whole department due to the volume of employees in the organization. So while other employees may know the CEO just at face value, the finance people may know more about him say how many organization loans he is servicing, if his Mercedes is on loan and such like details that only come to their knowledge due to the nature of their duties.

Usually, if an organization is in form of any troubles with the tax authorities or any other regulatory body, the finance staff is bound to be privy to these issues. If a company has been charged hefty fines and penalties for whatever violation has been committed, the finance staff is likely to know right down to the amounts in question. This is because sometimes it might be necessary to have provisions in the books to cater for this payments and this is the finance people who make these entries into the books.

Whenever statutory audits of an organization are done and unqualified reports are given due to malpractices or other reason in the organization, the finance staff is again the first to know this. Sometimes they even get to know long before the auditors uncover it if there's any rot being perpetrated in the

organization. Again let's not forget that they are the same people who cook the books so as to get good audit reports thus pulling the wool over stakeholders' eyes. That's the reason why finance staff are always the first to be cut loose if an organization is brought to its knees financially and yet the audit reports have been consistently clean.

Some employers extend credit facilities to their staff which is then recovered via the payroll by the finance staff. It is not unusual to find an employee who is heavily indebted trying to befriend the finance person entrusted with these recoveries ostensibly to try and ask them to be lenient with their recoveries on months when things are 'hard'. Off course if one has a loan from a bank or any other lending institution, the repayments are automatically deducted regardless of one's financial situation. However, it's human nature to try and negotiate where the 'recoverer' is just an office away. Thus if the finance staff responsible for this duties have too much of a camaraderie with the said employee (s), it might be easy for them to be compromised in the name of helping out a 'friend in hard times'.

Closely tied to the point above is that finance staff will always be entrusted with any form of cash float either for the organization's dispensation depending on the policies or as reimbursements to be banked. Whichever form this float takes, it is strictly for the organization and not for personal use to be used and refunded into the organization kitty later. There are staff members who might try to convince the finance staff to 'loan' them some cash from the petty cash which will be refunded 'tomorrow morning'. Oblivious to the fact

that these petty cash are subject to random spot counts to verify that the responsible party is not mishandling the organization monies.

Another major issue which further distances the finance personnel from their colleagues is compliance of company policies and procedures. Quite often finance staff is expected to be at the frontline when it comes to compliance with company policies and procedures. In many cases, they are in fact expected to enforce and ensure compliance of these policies and procedures. Case in point is as regards company policy on expense reimbursements while on official duty. The policy will stipulate what are allowable and what are non-allowable to be incurred on company tab and hence claimable or not. A company's policy might for example forbid reimbursement of any alcoholic expense claims but since it's the finance personnel who are responsible for checking this, they can easily overlook a few expenses here and there to keep up good relations with their cronies.

Having enumerated all the issues above, it is safe to say that indeed to work in the finance profession requires individuals with the highest form of integrity who can always maintain their independence regardless of change in status quo with their colleagues. This means a finance professional cannot be one who is always seeking for approval from everyone and wanting to be part of the gossip circles during coffee break. They may seem aloof, standoffish even but cut them some slack, if you were in possession of the kind of information that finance professionals have, you might be just a tad bit disconnected as well, yes?





By CPA David Kariuki Gitare, gdkariuki@gmail.com

TACKLING OCCUPATIONAL FRAUD

The Case For A Whistle-Blowing Hotline

Desolate as it may be, the Chase Bank debacle massively affirms the findings of the 2016 Report to the Nations published by the Association of Certified Fraud Examiners (ACFE). The findings in the 2016 Report to the Nations have not been any different, at least not significantly, compared to the prior years' reports. In a summary extract, the consistent findings have been that;

- Fraud incidents involving the highest leadership in an organization, in this case the Board of directors, results in the

highest financial losses

- The most common fraud detection method was tip offs
- Organizations that had reporting hotlines were much more likely to detect fraud through tips than organizations without hotlines
- Fraudulent financial statement schemes resulted in the highest financial losses
- The longer the fraud lasted, the greater the financial loss that was incurred
- Whistle blowers were most likely to report fraud to their direct supervisors or company executives

- The most common fraud concealment methods were creating and altering physical documents

Considering that the 2016 Report to the Nations (the Report) is the ninth report issued by the ACFE, it is about time individuals charged with fraud risk management responsibilities revisit the earlier reports, identify occupational fraud and abuse trends and craft or recommend suitable fraud risk management strategies for their organizations.

It has variously been reported that the Chase Bank sham was anonymously

Underpinning the proper design and establishment of a whistle blowing hotline is the right tone from senior management and the Board. A zero tolerance culture and practice against occupational fraud would go a long way in supporting individual rationalizations to report fraud incidents.

reported through a letter to the Bank's foreign directors. This serves to reinforce the findings in the Report on the usefulness of whistle blowing mechanisms in uncovering occupational fraud. Whistle blowing mechanisms are just as important in the public sector. Recall that major government scandals such as the Goldenberg scandal and the Anglo-Leasing scandal reported were discovered through whistle blowing. The question that begs is how seriously company executives and their Boards in both the public and private sectors view the substance of whistle blowing mechanisms in the wake of the reported financial shambles and the consistent findings in the report.

Looking at some of the highly regulated industries for instance, the regulators have issued guidelines that address risk management. You may find in the guidelines, the regulator requires that the regulated entity establishes an independent Compliance function that among other things, is responsible for promoting an ethical culture within the organization. Along the same lines, the Compliance function is responsible for establishing and maintaining a whistle blowing hotline. To ensure the independence of the Compliance function, the head of the function should have unfettered access to an Ethics and Compliance committee of the Board to among other things report on material non-compliances or fraud incidents involving senior management. Organizations operating in a less regulated environment may borrow from these practices in their effort to manage occupational fraud.

At the onset, a well-planned out marketing campaign about the presence of a whistle blowing hotline should be executed. However, the success of a whistle blowing hotline is critically dependent on

the confidence its users place on it. For instance, in designing an internal whistle blowing hotline, attention should be given to the integrity and capacity of resources available to investigate or at least follow up on all the cases reported. If the users experience is such that complaints or tip offs are not investigated, users may cease reporting potentially credible information that would uncover fraud. If through a risk assessment process it is determined that there is insufficient trust or capacity to support a whistle blowing hotline within the organization, consideration should be given to external contractors. Additionally, hotline users should be provided with the option of reporting anonymously to encourage reserved whistle blowers to file their reports. An organization that has established a successful whistle blowing hotline affords the risk management support staff a database of crucial information to guide its risk assessment plans. Internal auditors, external auditors, risk and compliance practitioners and fraud investigators all stand to benefit from the wealth in data recorded in whistle blowing hotlines.

Underpinning the proper design and establishment of a whistle blowing hotline is the right tone from senior management and the Board. A zero tolerance culture and practice against occupational fraud would go a long way in supporting individual rationalizations to report fraud incidents. This may mean organizations reconsidering their stance of not suing fraud perpetrators, for exemplary purposes with the ultimate aim of indoctrinating an anti-fraud culture.

The Board should ensure that a whistle blowing policy is documented and communicated within the organization. It would also be useful to inform external business partners about the organization's anti-fraud stance and instruct them

on how to file actual or suspect fraud incidents. The policy should expressly state that whistle blowers will not be retaliated against. For instance, that employees will not face adverse employment action or retaliatory action from the employer as a consequence of blowing the whistle. Additional consideration should be given relating to rewarding whistle blowers.

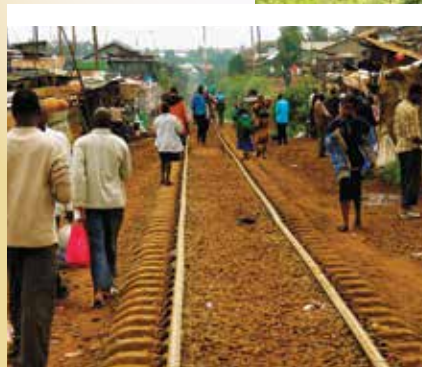
Where fraud incidents involve the highest level of management or even Board members as has been publicly cited in the Chase Bank muddle, the whistle blower should consider blowing the whistle to outside parties such as the police or other governmental or regulatory agencies.

In conclusion, Board committees in discharging their risk governance responsibilities should evaluate the structures in place within the organization against research findings from professional associations such as the ACFE and the documented mega-frauds and insist that effective mechanisms be put in place where control gaps are identified. The Board Audit Committee may for instance, consider including in its terms of reference its responsibility for overseeing the organization's whistle blowing policy and being available to receive tip offs from potential whistle blowers. Risk management professionals should then report back to the Board committees on the effectiveness of whistle blowing mechanisms implemented by senior management. For regulated entities, the regulator should act as an additional governance tier in assessing the design and operating effectiveness of fraud risk mechanisms in place, including the operationalization of a whistle blowing hotline. The value proposition for whistle blowing hotlines may also provide a business case for professional services firms to offer this facility for a fee.

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

The 2016 Budget Review

***Is the Government
borrowing sustainable?***

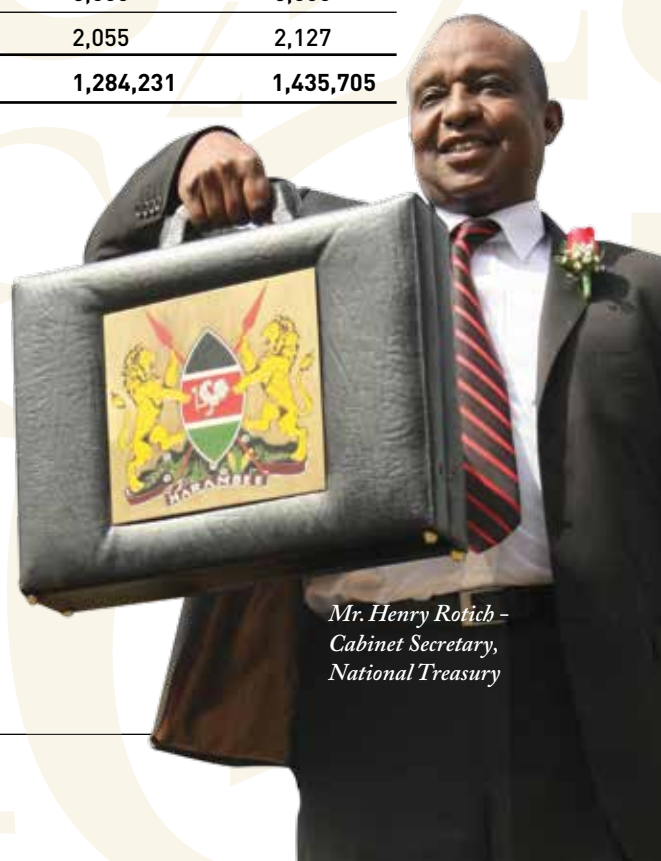


SUMMARY OF EXPENDITURE: RECURRENT	2015-16 KShsm	16-17 Pos'n	2016-17 KShsm	2016 as % 2015	Inc/(Dec) KShsm
Teachers Service Commission	181,212	1	186,544	102.94%	5,332
State Department for Interior	88,028	2	98,002	111.33%	9,974
Ministry of Defence	92,329	3	96,952	105.01%	4,623
State Department for Science and Technology	59,352	4	60,560	102.04%	1,208
State Department for Education	59,033	5	59,411	100.64%	378
The National Treasury	43,216	6	46,732	108.14%	3,516
State Department of Infrastructure	29,953	7	31,596	105.49%	1,643
Ministry of Health	28,520	8	28,940	101.47%	420
National Intelligence Service	20,142	9	23,846	118.39%	3,704
Independent Electoral and Boundaries Commission	4,198	10	19,321	460.24%	15,123
State Department for Coordination of National Government	16,967	11	19,291	113.70%	2,324
State Department for Planning	19,792	12	18,492	93.43%	(1,300)
National assembly	15,157	13	15,448	101.92%	291
State Department for Environment And Natural Resources	13,390	14	14,616	109.16%	1,226
Ministry of Foreign Affairs and International Trade	13,136	15	13,232	100.73%	96
The Judiciary	12,624	16	12,860	101.87%	236
Ministry of Labour Social Security and Services	9,315	17	9,220	98.98%	(95)
Parliamentary Service Commission	8,920	18	9,058	101.55%	138
State Department for Agriculture	7,475	19	7,199	96.31%	(276)
The Presidency	5,951	20	6,973	117.17%	1,022
State Department of Transport	5,799	21	5,793	99.90%	(6)
State Department for Water and Irrigation	4,491	22	4,161	92.65%	(330)
Office of The Attorney General and Department of Justice	4,095	23	4,010	97.92%	(85)
Ministry of Land Housing and Urban Development	3,940	24	3,969	100.74%	29
Auditor-General	3,736	25	3,850	103.05%	114
Ministry of Information, Communications and Technology	3,046	26	2,930	96.19%	(116)
Ministry of Sports Culture and Arts	2,947	27	2,850	96.71%	(97)
Ethics and Anti-Corruption Commission	2,312	28	2,691	116.39%	379
State Department for Commerce and Tourism	2,892	29	2,683	92.77%	(209)
Ministry of Industrialization and Enterprise Development	2,569	30	2,487	96.81%	(82)
State Department for Devolution	2,301	31	2,242	97.44%	(59)
Ministry of Energy & Petroleum	2,049	32	1,973	96.29%	(76)
State Department for Livestock	1,948	33	1,968	101.03%	20
Office of the Director of Public Prosecutions	1,964	34	1,953	99.44%	(11)
State Department for East African Affairs	1,666	35	1,598	95.92%	(68)
State Department for Fisheries	1,369	36	1,576	115.12%	207
Public Service Commission	1,126	37	1,113	98.85%	(13)

SUMMARY OF EXPENDITURE: RECURRENT	2015-16 KShsm	16-17 Pos'n	2016-17 KShsm	2016 as % 2015	Inc/(Dec) KShsm
National Land Commission	1,101	38	1,081	98.18%	(20)
Ministry of Mining	729	39	760	104.25%	31
Controller of Budget	581	40	573	98.62%	(8)
Salaries and Remuneration Commission	723	41	543	75.10%	(180)
Registrar of Political Parties	506	42	507	100.20%	1
The Commission on Administrative Justice	481	43	474	98.54%	(7)
Kenya National Commission on Human Rights	459	44	454	98.91%	(5)
Judicial Service Commission	473	45	450	95.14%	(23)
National Police Service Commission	438	46	430	98.17%	(8)
Independent Police Oversight Authority	419	47	416	99.28%	(3)
Witness Protection Agency	365	48	360	98.63%	(5)
The Commission on Revenue Allocation	346	49	341	98.55%	(5)
National Gender and Equality Commission	314	50	307	97.77%	(7)
Commission for the Implementation of the Constitution	312	51	-	0.00%	(312)
Casting error	(4)		-		
Total voted expenditure	784,203		832,836		48,629
Interest on Government Debt	185,325		250,800		

Pensions and gratuities	43,429	60,157
Total national Government recurrent expenditure	1,012,219	1,143,793
County allocation	264,219	284,785
Contingency fund	5,000	5,000
Net lending	2,055	2,127
Total recurrent expenditure	1,284,231	1,435,705

Capital or development expenditure is planned to decrease by almost Shs. 65 billion, with the State Department of Transport having the largest decrease in the amount of Shs. 34 billion



Mr. Henry Rotich -
Cabinet Secretary,
National Treasury

SUMMARY OF EXPENDITURE: DEVELOPMENT/CAPITAL	2015-16 KShsm	2016-17 KShsm	2016 as % 2015	Increase/ (Decrease)
Teachers Service Commission	200	100	50.00%	(100)
State Department for Interior	14,296	15,181	106.19%	885
Ministry of Defence	42	42	100.00%	-
State Department for Science and Technology	14,047	13,431	95.61%	(616)
State Department for Education	22,408	21,974	98.06%	(434)
The National Treasury	49,770	44,711	89.84%	(5,059)
State Department of Infrastructure	104,013	102,949	98.98%	(1,064)
Ministry of Health	30,664	30,636	99.91%	(28)
National Intelligence Service	-	-	-	-
Independent Electoral and Boundaries Commission	98	103	105.10%	5
State Department for Coordination of National Government	1,011	1,050	103.86%	39
State Department for Planning	61,713	54,684	88.61%	(7,029)
National assembly	-	-	-	-
State Department for Environment And Natural Resources	11,702	11,680	99.81%	(22)
Ministry of Foreign Affairs and International Trade	1,402	1,000	71.33%	(402)
The Judiciary	4,064	4,448	109.45%	384
Ministry of Labour Social Security and Services	15,580	15,433	99.06%	(147)
Parliamentary Service Commission	3,200	3,200	100.00%	-
State Department for Agriculture	10,445	16,127	154.40%	5,682
The Presidency	1,846	1,741	94.31%	(105)
State Department of Transport	158,455	124,960	78.86%	(33,495)
State Department for Water and Irrigation	47,741	42,122	88.23%	(5,619)
Office of The Attorney General and Department of Justice	550	494	89.82%	(56)
Ministry of Land Housing and Urban Development	28,119	23,872	84.90%	(4,247)
Auditor-General	402	300	74.63%	(102)
Ministry of Information, Communications and Technology	8,943	8,288	92.68%	(655)
Ministry of Sports Culture and Arts	3,641	2,646	72.67%	(995)
Ethics and Anti-Corruption Commission	300	100	33.33%	(200)
State Department for Commerce and Tourism	7,790	3,267	41.94%	(4,523)
Ministry of Industrialization and Enterprise Development	6,265	5,261	83.97%	(1,004)
State Department for Devolution	9,389	7,994	85.14%	(1,395)
Ministry of Energy & Petroleum	92,412	89,108	96.42%	(3,304)
State Department for Livestock	5,171	4,868	94.14%	(303)
Office of the Director of Public Prosecutions	254	150	59.06%	(104)
State Department for East African Affairs	115	65	56.52%	(50)
State Department for Fisheries	3,139	3,119	99.36%	(20)
Public Service Commission	167	50	29.94%	(117)
National Land Commission	439	300	68.34%	(139)
Ministry of Mining	1,496	1,215	81.22%	(281)
Total voted expenditure	721,289	656,669	91.04%	(64,620)

Budget numbers	2014-15 KShsbns	2015-16 KShsbns	2016-17 KShsbns
Income tax from individuals (PAYE)	299.8	330.2	359.6
Income tax from businesses (net of refunds)	242.1	293.0	311.5
Value added tax (VAT) net	267.1	310.3	345.6
Excise duty net	119.8	142.1	169.3
Import duty net	77.7	82.2	96.3
Import declaration & inspection fees	31.0	32.3	30.5
Railway development levy	22.9	25.7	20.2
Stamp duty less refunds	11.8	15.2	13.1
Traffic licences, mining fees and interest	1.5	3.7	7.5
Petroleum development levy	1.5	1.4	1.5
Road maintenance levy	24.9	26.5	25.7
Road maintenance levy (annuity fund)	0.0	0.0	12.7
Interest, dividend and rental income from land & buildings	20.1	13.2	21.7
Capital gains tax	0.0	10.0	6.2
Sundry items	15.4	72.1	15.2
Total ordinary revenue	1,135.6	1,357.9	1,436.6
Deduct: A figure necessary to reconcile two Govt numbers	(48.7)	-	-
	1,086.9	1,357.9	1,436.6
Total grants and management fees	58.0	73.4	72.6
Total revenue	1,144.9	1,431.3	1,509.2
Total revenue	1,144.9	1,431.3	1,509.2
Recurrent expenditure	(1,092.8)	(1,284.2)	(1,435.7)
Recurrent surplus	52.1	147.1	73.5
Capital (development) expenditure	(476.4)	(721.3)	(656.7)
Deficit	(424.3)	(574.2)	(583.2)
Domestic borrowing	191.1	191.2	241.0
Overseas borrowing	233.2	383.0	342.2
Financing gap	-	-	-

It is always difficult to prepare a summary of the Budget numbers because the format of the numbers changes from one year to the next and the numbers are combined by Government officers into different groupings, such as “General Economic and Commercial Affairs”, “Social Protection”, “Agriculture, Rural and Urban Development”, etc. But I have shown

the numbers above as they appear in different Treasury documents. The deficit lies between the number shown on “The Mwananchi Guide” and the number that would be arrived at if the absorption rate is as predicted by Treasury.

There is such a “shortage” of news to write about each week that a number of journalists choose to deal with the Budget in detail. What not a few of these

journalists do not realise is that their discourse very often shows their ignorance of economic affairs and the fact that they have never been responsible for running an organisation, with the problems of ensuring that ends meet. But where many are in touch with reality is their stating that some of the money collected disappears into the pockets and handbags of Government officials and their connected

Interest on Government debt is planned at 16.62% of total revenue income for 2016, up from 12.95% for 2015: interest on Chinese loans rises from Shs. 4.7 billion to Shs. 16.2 billion an increase of 244.68%; interest on the sovereign bond rises from Shs. 16.4 billion to Shs. 19.4 billion; on the Standard Chartered syndicated loan it rises from Shs. 2.5 billion to Shs. 5.0 billion, a 100% increase; foreign borrowing used to be at very low rates of interest; but when foreign borrowing is done commercially, the Government will obviously have to pay a higher price for the money.

parties: one professional firm in Nairobi, as reported by a newspaper in Kenya, claims that 50% of Government revenue is stolen; the actual number will never be known because fraud by its nature is concealed; and in Government there are different sets of documents in different areas of Government – it would be a monumental task to reconcile these numbers right through the system. The people who steal these funds really do the population of Kenya a great disservice: a shortfall in the actual revenue available to be spent on necessities, for example the salaries of medical staff, teachers, police persons, army personnel, etc., additional tax has to be raised from those who pay – the producers of goods and the suppliers of services: this makes it impossible for Kenya to compete with countries like Dubai – where not only much transit trade is now based, but where tourism and manufacturing are booming: last year 75 million people passed through Dubai – 20 million more than the number who passed through Heathrow, the busiest airport in Europe. As the immense number of single mothers in Kenya continue to produce children who have almost no chance of getting a job, crime levels in Kenya will rise to an almost unbearable level. But let us get back to the present and the immediate future.

In the first table above, it can be seen that the largest single line item of expenditure continues to be the salaries paid to Government teachers by the Teachers Service Commission. 31% of



total Government expenditure in Kenya is on education: spending by the “State Department for Science and Technology” is for tertiary education, with universities consuming the lion’s share at Shs. 56 billion; Shs. 51 billion for free primary and secondary education is included in the “State Department for Education” number. Where the 2016 number is greater than its 2015 equivalent, I have displayed both numbers in bold italics: you can see that “Voted expenditure” has increased by almost Shs 49 billion; in many cases the 2016 number is actually smaller than its 2015 equivalent: the amount that has increased proportionally the most is that entity which is giving overseas persons such a bad impression of Kenya – the “Independent Electoral and Boundaries Commission” – where 2016 expenditure is planned to be 460% of the 2015 number – obviously because of the forthcoming

election.

Capital or development expenditure is planned to decrease by almost Shs. 65 billion, with the State Department of Transport having the largest decrease in the amount of Shs. 34 billion: expenditure in 2016 on the Standard Gauge Railway will decrease for the 2015 figure of Shs. 147 billion to a planned 2016 amount of Shs. 109 billion – a decrease of Shs. 38 billion.

Interest on Government debt is planned at 16.62% of total revenue income for 2016, up from 12.95% for 2015: interest on Chinese loans rises from Shs. 4.7 billion to Shs. 16.2 billion an increase of 244.68%; interest on the sovereign bond rises from Shs. 16.4 billion to Shs. 19.4 billion; on the Standard Chartered syndicated loan it rises from Shs. 2.5 billion to Shs. 5.0 billion, a 100% increase; foreign borrowing used to be at very low rates of interest; but when foreign borrowing is done commercially, the Government will obviously have to pay a higher price for the money. What about the sustainability of the Government’s borrowing? The American Institute of Certified Public Accountants has warned the US government about the level of its borrowing; the US government has ignored the warning: it is likely that much the same would happen in Kenya: one Cabinet Secretary told me that he would look into a matter of national concern – he did nothing; let “the blood be upon our heads and those of our children” – familiar, isn’t it?



By Esther Kiilu, estherkiilu@yahoo.com

Fact is discrimination is beyond plausible! You will have all manner of people discounting your capability for a while. Until they realize you can get on with it and then they will reluctantly appreciate your work.

WOMEN IN THE C-SUITE

So in the 21st century where freedom and equality for all is expected to be the norm, how are women fairing in the C-suite? Is the C suite equitable? In terms of representation? Is it a level playing ground? On a personal judgment I think we are not there yet. Let me explain;

After reading Sheryl Sandberg's book "Lean In", I found myself agreeing with her on all issues that women in leadership positions face. And pleasantly surprised to know that this is a worldwide phenomenon!. Too sad to admit that it is true!

Truth is that it's not all neatly laid out for women, competent and ambitious enough to be in the C-suite. Fact is discrimination is beyond plausible! You will have all manner of people discounting your capability for a while. Until they realize you can get on with it and then

they will reluctantly appreciate your work. Sadly, because of discrimination, most women haven't believed in themselves.

Matters are even worse if you happen to be young. When you nailed at school, earned good grades, worked your head off, accumulated a wealth of experience and then happen to supervise colleagues older than you. Doesn't matter how knowledgeable you are! From what I have heard and experienced, this is the bigger challenge. But guess what; no matter how young you are, no matter how old everyone else is, you must take your seat at the table! You must deliver fearlessly until the skepticism melts away! And then guess what? At the other side you emerge stronger.

The issue of pay gap is also real. Women in the C- suite are paid far much less than their male counterparts in the exact position. It will not be a surprise to have a woman earn less than

the employees she supervises. And don't get it wrong! It is not her fault. It is not that she does not ask for a better pay! It is a systematic problem; her fault is that she is 'she': and everything she does has to be discounted! The pay gap sometimes implies that C suite for women has been used to just promote gender gaps for PR, and not genuinely give a competent human being a chance to lead.

Good thing is that the imaginable barriers have been broken down. Progress is being made! Years ago it would have been unimaginable to have women sitting in the boardrooms! So the first step was to get there. And oh come, they did come; the Mutoko's, Sheryl's and, Stella Kilonzo's of this world, with brains and nailed their jobs well and continue to raise the bar. Next is for every individual woman, to fight the other seemingly less battles to ensure a world of equality, respect & possibility and the c suite!



KASNEB

Providing globally competitive professionals



The mandate of KASNEB is the development of syllabuses, conduct of professional, diploma and technician examinations and certification of candidates in accountancy, finance, credit, governance and management, information technology and related disciplines; the promotion of its qualifications nationally and internationally and the accreditation of relevant training institutions.



PROFESSIONAL QUALIFICATIONS



Certified Public Accountants (CPA)



Certified Secretaries (CS)



Certified Information Communication Technologists (CICT)



Certified Investment and Financial Analysts (CIFA)



Certified Credit Professionals (CCP)

Minimum entry requirements for professional qualifications:

- Kenya Certificate of Secondary Education (KCSE) with a mean grade of at least grade C+ (C plus) provided the applicant has obtained a minimum of grade C+ (C plus) in both English and Mathematics or equivalent qualifications.
- A degree or diploma from a recognised training institution.

DIPLOMA QUALIFICATIONS



Accounting Technicians Diploma (ATD)



Diploma in Information Communication Technology (DICT)



Diploma in Credit Management (DCM)

Minimum entry requirements for diploma qualifications:

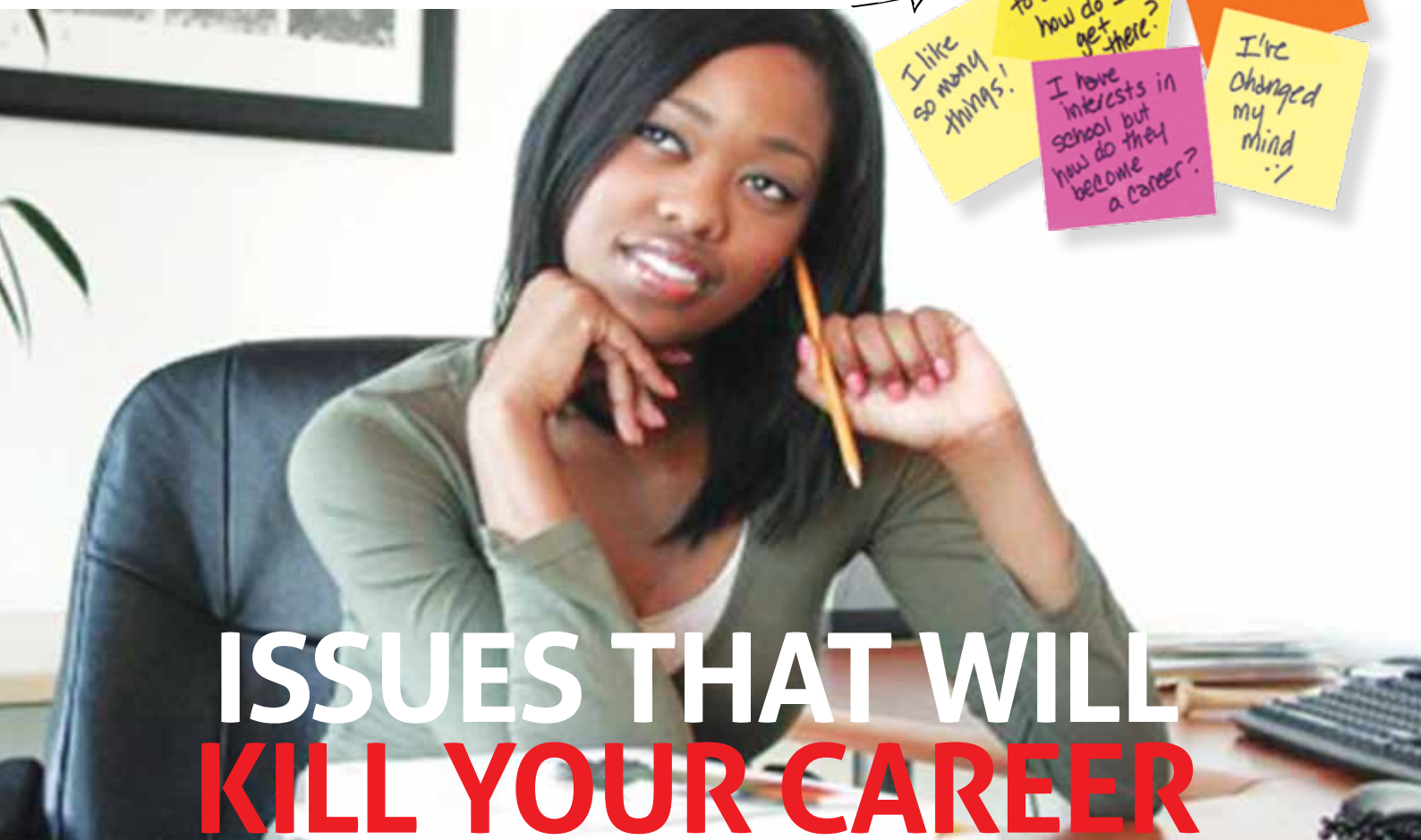
Kenya Certificate of Secondary Education (KCSE) with a mean grade of at least grade C- (C Minus) or equivalent qualifications.

Why pursue a KASNEB qualification

- Internationally recognised
- Highly rated by employers
- International mobility
- Membership to professional institutes of repute
- Credit transfers with institutions of higher learning

KASNEB invites eligible applicants to register for the above qualifications. Exemptions will be granted to holders of relevant degrees and diplomas from recognised universities, institutions of higher learning and other examination bodies.

By Wasikwa Miriongi, wmiriongi@gmail.com



ISSUES THAT WILL KILL YOUR CAREER

As you read this article you may have been in your career as long as it may be, be it ten years five years or you are just a beginner. You will find out that some of your peers are successful and you are not. You may need to examine this article with keenness and reflect on the behavioural aspects of your career.

There are so many things that can kill the careers of good, hard-working people. Honest mistakes often carry hard-hitting consequences. We usually only hear about the more egregious examples, such as when you as an employee becomes an Internet sensation for writing a blistering post criticizing the company's low pay and its Managing Director. To no one's surprise, you may quickly find yourself out of a job. Most people don't go down in a blaze of glory; they kill their careers in subtle, decidedly un-dramatic ways. And it's a shame because it happens all the time.

A survey in United States found that 83 percent of people had seen someone make a blunder that had catastrophic results for their career, reputation, or business, and 69 percent admitted that they themselves had done something that had damaged their careers:

- 31 percent said it cost them a promotion, a raise, or even a job
- 27 percent said it damaged a working relationship
- 11 percent said it destroyed their reputation

These numbers show how damaging you can be to your own career if you are not careful. There doesn't have to be a single, sickening moment when you realize that you just shoved your foot firmly in your mouth, either. Little things can add up over time and undermine your career just as much as (or more than) one huge lapse in judgment. The good news is that if you stay aware of them, these are all things that you can control before they creep up

on you and kill your career.

1. Over-promising and under-delivering

It is tempting to promise the moon to your colleagues and your clients, especially when you are honest and hardworking and believe that you can do it. The problem is that there's no point in creating additional pressure that can make you look bad. If you promise to do something ridiculously fast and you miss the deadline by a little bit, you'll most likely think that you did a good job because you still delivered quickly. But the moment you promise something to someone, they expect nothing less. You end up looking terrible when you fall short, which is a shame, because you could have done the same quality work in the same amount of time with great results if you'd just set up realistic expectations from the beginning. This is one of those situations where perception matters more

than reality. Don't deliberately undershoot your goals; just be realistic about the results you can deliver so that you're certain to create expectations that you will blow out of the water.

2. Complacency

Complacency as a term is not new or rarely applied. How long has it been since you proactively learned a new skill, reached out to your networking contacts, or even polished up your resume? If you can't remember, you might have become a bit complacent, and complacency is a real career killer. It is what happens when you're just along for the ride and assume that nothing will ever change. But we've seen enough disruption -- technological and otherwise -- over the last few years to realize that change is inevitable. If you're always too busy to learn something new or to expand your network, you've got your priorities mixed up. However, if you make continuous growth and development a priority, you'll be ready for whatever comes your way.

3. Fear of change

Fear of change or resistance is complacency's evil twin. It actively works to keep things the same. I'm sure you have seen this one first hand at work when someone uttered the dreaded words, "But we've always done it this way." Things are changing too fast these days to latch on so tightly to the status quo, and the costs of doing so can be huge. In one survey, 91 percent of respondents said that the most successful employees are the ones who can adapt to the changing workplace. Change is a constant part of our lives, both personally and professionally. It doesn't matter whether you think things should change or whether you prefer the old ways -- change just is. You do not have to learn to love it, but you do have to learn to stop resisting it and to start adapting to it.

4. Having an inflatable ego

Did you ever work with someone who had a string of successes and started thinking that they were the be-all and end-all of superstardom? Success is great. It definitely boosts your career, and it feels really, really good. The problems start once you let it go to your head. You start thinking that success is going to last forever and that you're entitled to it. Never, ever be content with resting on your laurels. Once you start thinking that you are the cat's meow,

you are setting yourself up for very painful failure.

5. Losing sight of the big picture

Losing the vision happens commonly it is easy to become head-down busy, working so hard on what's right in front of you that you lose sight of the big picture. But smart people learn how to keep this in check by weighing their daily priorities against a carefully calculated goal. It's not that they don't care about small-scale work; they just have the discipline and perspective to adjust their course as necessary. Life is all about the big picture, and when you lose sight of it, everything suffers.

6. Negativity

Sometimes when you are feeling negative and down, your mood can leak out and affect other people, even if you don't intend it to. You were hired to make your boss's and your team's jobs easier, not harder. People who spread negativity through their department and complain about the work or other people complicate things for everyone else. If people always have to tiptoe around you so as not to dislodge that massive chip on your shoulder, they

A lot of people make the mistake of thinking that they can only damage their careers by making one huge misstep, but the reality is that it is usually not that dramatic. It may just take small things that add to ruin your career.

are unlikely to be willing to do it for very long.

7. Low emotional intelligence (EQ)

As you may have good papers, emotional intelligence is key to any endeavor, the question of attitude comes into play. Everyone knows that you can get fired for being unable or unwilling to play nicely with others, but what trips up a lot of people is having a poorly developed poker face. If everyone can tell when you're bored or irritated or that you think something a colleague says is stupid, this will catch up with you. Emotional outbursts, belittling others, shutting co-workers down when they speak, low self-awareness, and just generally being difficult are other ways that a lack of emotional intelligence will do great harm to your career.

8. Sucking up to your boss

Some people suck up to their boss and call it managing up, but that isn't the case at all. Sucking up has nothing to do with a real relationship built on respect; it is sneaky and underhanded. Suck-ups try to get ahead by stroking the boss's ego instead of earning his or her favor. That doesn't go over well with colleagues who are trying to make it on merit. Yes, you want to bolster your relationship with your boss, but not by undermining your colleagues. That's the key distinction here. For a boss-employee relationship to work, it has to be based on authenticity. There's no substitute for merit.

9. Playing politics

Working hard to build strong work relationships is very different from instigating conflict, choosing sides, undermining colleagues, spreading rumors, and all of the other things that fall under the umbrella of "playing politics." Again, it comes down to authenticity. If you find yourself sneaking around or if you are embarrassed if some of your behind-the-scenes manipulations come to light, that's politics. Stick to strategies you'd be proud to discuss in front of your colleagues.

Bringing It All Together

A lot of people make the mistake of thinking that they can only damage their careers by making one huge misstep, but the reality is that it is usually not that dramatic. It may just take small things that add to ruin your career.

By Angela Mutiso, cananews@gmail.com

BE CONTENT

Accepting Who You Are

'He who is contented is rich.' ~Lao Tzu

"I have learned in whatsoever state I am in therewith to be content."

Philippians 4:11

When we are in our comfort zones, it is hard to imagine that something can remove us from there. Indeed many people take contentment for granted until something goes terribly wrong.

Contentment is a mental or emotional state of satisfaction. It may be drawn from being at ease in one's situation, body and mind. Contentment could be a state of having accepted one's situation and is a milder and more tentative form of happiness. Joyce Meyer in her writings on contentment gives us some food for thought over the following topics: 1. Have no anxiety or care, 2. Tell God your need, and 3. Be thankful. In several citations of the bible her underlying theme is "Stop allowing yourselves to be agitated and disturbed; do not permit

yourselves to be fearful and intimidated and cowardly and unsettled."

Zenhabs.net in a post written by Leo Babauta and quoting Lao Tsu, gives an amazing and life changing guide on contentment, when you read his story, you begin to look at life from a totally different and refreshing perspective. In his little guide to contentedness he notes that; There has been little in his life that has made as much an impact as learning to be content with his life, where he is, what he is doing and who he is. This little trick changes everything. He said before contentedness he loved junk food, was overweight and unhealthy and bought too many things on impulse. He did not like who he was and wanted to change to be like other people, in the process, he tried several books and different programmes.

Do what makes you happy

He was always concerned that he was missing out on exciting things, and wanted so much to be out doing the fun things everyone else was doing. It looked greener on the outside. But as he learned

to be content, he learned to be happy with healthier food, with less food, and his health improved and waistline shrunk. He read books he loved, spent time with people he loved, would go for a nice run; his debt began to be reduced as he learned he didn't need to spend money to enjoy himself. With contentment came happiness, with himself, with what he was doing, and he no longer needed self improvement books or talks.

He became happy with himself and with those around him, and with what he had and so didn't need to struggle to change everything; Letting go of goals, helped to simplify things; so there was less to worry about and less to do.

Accept and love yourself

That's just the start. Zenhabs.net says further that there is no way to account for the tremendous change that happens when you learn to accept who you are, when you tell yourself you are perfect just as you are, when you love yourself and everything about yourself. You stop criticizing yourself, you are happier, you are a better person to

be around, and you can now help others and work without the insecurities you had before. This is not a magical state, it's simple. He learned to appreciate what he had, instead of dwelling on the things he didn't have or didn't like. He was now grateful for his health, for the people in his life, for having food and being alive. If you can learn to develop the right attitude, you can be happy now, without changing anything else. You don't need to wait until you've changed everything and made your life perfect before you're happy. You have everything you need to be happy right now. The mindset of waiting for happiness is a never-ending cycle. You get a better job and then immediately start thinking about what your next promotion will be. You get a nicer house and immediately start looking at how nice your neighbors' houses are, or the faults in the house you have. You try to change your spouse or kids, and if that works you'll find other things about them that need to be changed. It keeps going, until you die. Instead, learn that you can be content now, without any external changes.

Here's how to start:

1. Take a moment to be grateful for something; Find the little things that can give you simple joys. Find the things about yourself that you're happy with; Do the same with others in your life. Assume that you, others, and life are perfect. Improve your self image and relationships. If you are content with yourself, you are more likely to be a good friend, partner and parent. You are more likely to be happy and friendly and loving, more likely to be as accepting of others as you are of yourself. Relationships improve, especially when others learn to be content with themselves, from your example.

2. Much of our culture's unhealthiness comes from unhappiness. Possessions will give us comfort, coolness, happiness, security, an exciting life. When we become content with ourselves and our lives, we realize none of that is necessary, and we can start getting rid of these extraneous crutches.

3. Much of our busy-ness comes from fear that we should be doing more, that we might be missing out, that we aren't enough already. But we are enough, and we don't need more, and we are not missing out. Give yourself space and time to enjoy your life. 'Be content with what you have; rejoice in the way things are. When you realize there is nothing lacking, the whole world belongs to you.' ~Lao Tzu

You may, in addition realize that something negative you went through

in the past may be preventing you from feeling whole, and keeping contentment at bay. So it is important for you to identify these self defeating attitudes and do away with them in order to attain gratification.

Avoid self-defeating behavior

In their book; unlocking the secrets of your childhood memories, Dr. Kevin Leman and Randy Carlson say if most people are honest, they realize they engage in self-defeating behavior of some kind, at least some of the time. Under the veneer of their public selves are the hidden pockets of private and personal weakness- the habits and hang-ups that are counterproductive. Over the years we've heard all kinds of confessions from our clients;

- I can't keep my temper- I'm always blowing my cool.
- I always forget to think before I speak.
- I know I should stop drinking it is killing me.
- I'm always keeping things off-procrastinating. I guess they will call it.
- I worry about everything-I lose a lot of sleep
- I know the divorce was my fault
- I'm too strict with my kids-I get too rough on them
- Yes I work fourteen hours a day, and I'm never home, but it's for Mary Ann and the kids!
- I can't stay away from food-it's my pacifier

They note that the above list of admissions is only the tip of a huge iceberg of self-defeating behavior, but it is representative of negative theme songs that mature, educated people pick up along their way to becoming adults. Their early memories give them glimpses of how they started learning these destructive tunes that now constantly play in the back of their minds. Why don't they just change those tunes to something more positive? It can be done if they are willing to confront the lies they have been telling themselves and replace them with truth.

They further state that reaching the place where you can confess a certain habit or hang-up is a good start on truth therapy. You accept the fact that at least parts of your lifestyle are not helping you at all. You are able to spot the habitually negative self-talk that you have been feeding yourself daily at the rate of over one thousand words a minute. You understand that this kind of self-talk is full of lies and you want to believe the truth about yourself and other people. Move from this mindset and see what happens.

In fact having the attitude described

by Dr. Kevin Leman and Randy Carlson means deliberately taking the lead in your life, re-branding yourself and re-training your mind. Let your mind be your gate keeper; that receives and filters issues that can affect your well being. This is one of the benefits of clear thinking, it makes you consistent and puts you in the right mind frame to take what you need and leave out what you do not need. It keeps clutter out of your mind and out of your life and gives you the right focus. If truth be told, we are responsible for the choices we make and how they affect us. We are accountable for our reaction to our challenges. The way we handle these challenges actually reflect the way we interpret and react to several events in our lives.

In conclusion we can take a look at becomingminimalist.com - The Unmistakable Freedom of Contentment and How to Find It by Joshua Becker;

"Contentment is natural wealth, luxury is artificial poverty."—Socrates

1. Become grateful

2. Take control of your attitude; Remember, your happiness is not reliant on the acquisition of any possession. Your happiness is based solely on your decision to be happy – and this may be one of the most important life lessons you can ever learn.

3. Break the habit of satisfying discontentment with acquisitions; We have gotten into the habit of satisfying our discontent by simply spending more money. We must break that habit. Understand that material possessions will never fully satisfy the desires of your heart (that's why discontent always returns).

4. Stop comparing yourself to others. Comparing your life with someone else's will always lead to discontentment. There will always be people who "appear" to be better off than you and seemingly living the perfect life.

5. Help others. When you begin helping others, sharing your talents, time and money, you will find yourself learning to be content. The practice will give you a finer appreciation for what you own, who you are, and what you have to offer.

Be content with what you have, never with what you are. Never stop learning, growing, or discovering. Take pride in your personhood and the progress that you have made, but never become so content that you cannot find room for improvement. Contentment is not the same as complacency. As soon as you stop growing, you start dying.

By Angela Mutiso, cananews@gmail.com

UNDERSTANDING YOUR HEADACHE

Headache is one of the most common medical complaints. It can be caused or aggravated by stress, anxiety, depression, dehydration and other psychological factors. Headache pain can result in difficulties in relationships, at work or school, and with daily living.

Wiki notes that most people get headaches from time to time, whether they're mild annoyances or skull-crushing distractions. Treatment varies depending on the type of headache you're experiencing.

A headache is a lingering pain in the head. It could also be a thing or person that causes worry or trouble. In many cases a headache can be a sign of an underlying problem. Headache can be caused by fever, watching television or looking at a computer screen for a long time and even feeling tired or sleepy. It can come about as an effect of stress. It can also be triggered by other neurological conditions (touching the nerves and the brain) like with epilepsy. (Wiki) A thunderclap headache for example is a headache that is severe and sudden-onset. It is defined as a severe headache that takes seconds to minutes to reach maximum intensity. It can be indicative of a number of medical problems. Webmed describes a headache as a pain in the head with the pain being above the eyes or the ears, behind the head (occipital), or in the back of the upper neck. Headache, like chest pain or back ache, has many causes. A headache may appear as a sharp pain, a throbbing sensation or a dull ache. Headaches can develop gradually or suddenly, and may last from less than an hour to several days.

Mayo clinic staff has researched well on the causes of headaches and what can be done about them. You will notice that

their findings compare well with several others and are a reliable benchmark in understanding this subject.

They explain that your headache symptoms can help your doctor determine its cause and the appropriate treatment.

Most headaches aren't the result of a serious illness, but some may result from a life-threatening condition requiring emergency care. We are aware of different types of headaches in three categories.

Here, wiki points out Primary

Headaches, for example Migraine, tension headache and cluster headache. Secondary Headaches like Cranial Neuralgias, Central and Primary Facial Pain and Other Headaches. A headache can also be used as a figure of speech, to describe something that is very difficult to do. Many headaches can be relieved with analgesics like aspirin.

Headaches are generally classified by cause: Mainly, there are primary and secondary headaches.

Primary headaches

A primary headache is caused by over activity of or problems with pain-sensitive structures in your head. A primary headache isn't a symptom of an underlying disease.

Chemical activity in your brain, the nerves or blood vessels surrounding your skull, or the muscles of your head and neck (or some combination of these factors) can play a role in primary headaches. Some people may also carry genes that make them more likely to develop such headaches.

The most common primary headaches are: cluster headache; Migraine, cluster headache Migraine, tension headache. Trigeminal autonomic cephalalgia (TAC), such as cluster headache and paroxysmal hemi; A few headache patterns are also

are generally considered types of primary headache, but are less common. These headaches have distinct features, such as an unusual duration or pain associated with a certain activity. Although generally considered primary, each could be a symptom of an underlying disease. They include: chronic daily headaches. There are also cough headaches, exercise headaches and sex headaches. Some primary headaches can be triggered by lifestyle factors, including: Alcohol, particularly red wine, certain foods, such as processed meats that contain nitrates, changes in sleep or lack of sleep, poor posture, skipped meals and stress.

Secondary headaches

A secondary headache is a symptom of a disease that can activate the pain-sensitive nerves of the head. Any number of conditions varying greatly in severity may cause secondary headaches.

Webmed says headaches can be more complicated than most people realize. Different kinds can have their own set of symptoms, happen for unique reasons, and need different kinds of treatment.

Once you know the type of headache you have, you and your doctor can find the treatment that's most likely to help and even try to prevent them.

Possible causes of secondary headaches include: Acute sinusitis, arterial tears (carotid or vertebral dissections) blood clot (venous thrombosis) within the brain — separate from stroke, brain aneurysm (a bulge in an artery in your brain), brain AVM (brain arteriovenous malformation) — an abnormal formation of brain blood vessels... others are:

- Brain tumor, carbon monoxide poisoning, chiari malformation, (structural problem at the base of your skull), concussion, dehydration, dental problems, ear infection, brain inflammation), inflammation of the lining of the arteries, glaucoma.
- Hangovers, high blood pressure, influenza, and other febrile (fever) illnesses, blood vessel

ruptures with bleeding in or around the brain, medications to treat other disorders, meningitis, (inflammation of the membranes and fluid surrounding your brain and spinal cord)

- Spinal headaches (caused by low pressure or volume of cerebrospinal fluid, possibly the result of spontaneous cerebrospinal fluid leak, spinal tap or spinal anesthesia)
- Thunderclap headaches (a group of disorders that involves sudden, severe headaches with multiple causes)

Meanwhile Tylenol.com says that with so much going on, it can be difficult to avoid headaches, but there are a few common and unexpected things you can learn to avoid and prevent pain in the future. Tylenol.com also lists 10 most common headache triggers as: food sensitivities, which could include, caffeine, chocolate, alcohol, cheese and aspartame among others. Hormones like estrogen drops, posture, lack of exercise, some medications. Your eating and sleeping patterns also have to be right. You should try to have calming and gentle music. Also avoid glare, from the sun, computers, overhead lights, etc. Avoid anxiety as stress can take a toll on you. They advise that you breathe, relax and take a stroll. Most importantly, it is important to know what works for you and what does not. This can help you avoid headaches in the future. In order to determine what works for you, you need to experiment.

Who is at Risk? MeMD explains that tension headaches are caused by muscle contractions brought on by a variety of factors, especially stress, anxiety and depression. Other variables include excessive alcohol, caffeine or tobacco use, cold or flu, nasal or sinus congestion and strained eyes. Risk factors for migraines include family history, age, gender (women are more likely to be migraine sufferers) and hormonal variations. Women are also more likely to suffer tension headaches than men. While cluster headaches affect only a small percentage of the population, most cluster-headache sufferers are men, and smoking, alcohol use and specific foods can trigger a cluster headache.

How often do headaches occur?

Pub med reveals that 14.2% of US adults 18 or older reported having migraine or severe headache in the previous 3 months in the 2012 NHIS. The overall

age-adjusted 3-month prevalence of migraine in females was 19.1% and in males 9.0%, but varied substantially depending on age. The prevalence of migraine was highest in females 18-44, where the 3-month prevalence of migraine or severe headache was 23.5%. The 3-month prevalence of migraine or severe headache has remained relatively stable over the period of 2005-2012, with an average prevalence of 20.2% in females, 9.4% in males, and 14.9% overall [corrected]. During this time, the average female to male sex ratio for migraine or severe headache was 2.17.

Key facts from WHO

- Headache disorders are among the most common disorders of the nervous system.
- It has been estimated that almost half of the adult population have had a headache at least once within the last year.
- Headache disorders, which are characterized by recurrent headache, are associated with personal and societal burdens of pain, disability, damaged quality of life, and financial cost.
- Worldwide, a minority of people with headache disorders are diagnosed appropriately by a health-care provider.
- Headache has been underestimated, under-recognized and under-treated throughout the world.

To deal with headache, Wiki advises the following;

Health Tips

Know when to seek medical assistance immediately; Use caffeine carefully - it can be a double-edged sword; Drink plenty of water; Find a quiet, dark place to take a break; Practice progressive muscle relaxation; Use a cool compress; massage your face and scalp; Massage your neck and shoulders; Do neck exercises; Use acupressure techniques; Practice relaxation techniques; Use breathing exercises; Get plenty of sleep. Having good "sleep hygiene" getting plenty of good quality sleep can help you feel better generally and can reduce headache occurrences. Adults should get at least 7-8 hours of sleep each night. If you have trouble sleeping, try some of the following techniques: Limit your "screen time" before bed, only use your bed for sleep and intimacy, limit caffeine consumption in the later part of the day and begin dimming the lights and giving yourself time to "wind down" before preparing for bed. Change your diet; although this won't alleviate your headache straight away, making dietary changes in the longer term can potentially remove a source of headaches for you in the future. If you don't know where to begin, see your doctor or a dietician/nutritionist. Quit smoking. Prevent an allergy or food-induced headache by knowing your triggers. Prevent other headaches by changing your personal care routine.



Media Consultancy & Publishing • Creative Services • Branding & Events • Marketing Support & Promotional Services

GROW YOUR BUSINESS

*With Ideation Marketing,
you'll know that successful
advertising plays an
important part in increasing
sales. We guarantee to reach
active consumers as we offer
exceptional value for Money.*



1st Floor, Design Centre
Tausi Road, Westlands
Tel: +254 719 650 423

Email: info@ideationmarketing.co.ke



By Ruth Gatwiri, ruthkgatwiri@gmail.com

STAGES OF CAREER MANAGEMENT

CAREER AND LIFE PROGRESSION

A career involves an individually perceived sequence of separate but related positions that a person occupies over time. From the psychological perspective, career development can be defined as “the formation of a work identity or progression of career decisions and/or events as influenced by life or work experience, education, on-the-job training, or other factors.” Within each stage, mastery of certain tasks allows people to function successfully within that stage while preparing them to move on to the next task. Each stage is loosely affiliated with a chronological period and is characterized by work attitudes, behaviors, types of relationships, and the aspects of work that are valued.

Stages of career development

A detailed process of these stages can be seen below:

Infancy (Birth to 2 years) important career stage: Love and nurture/play

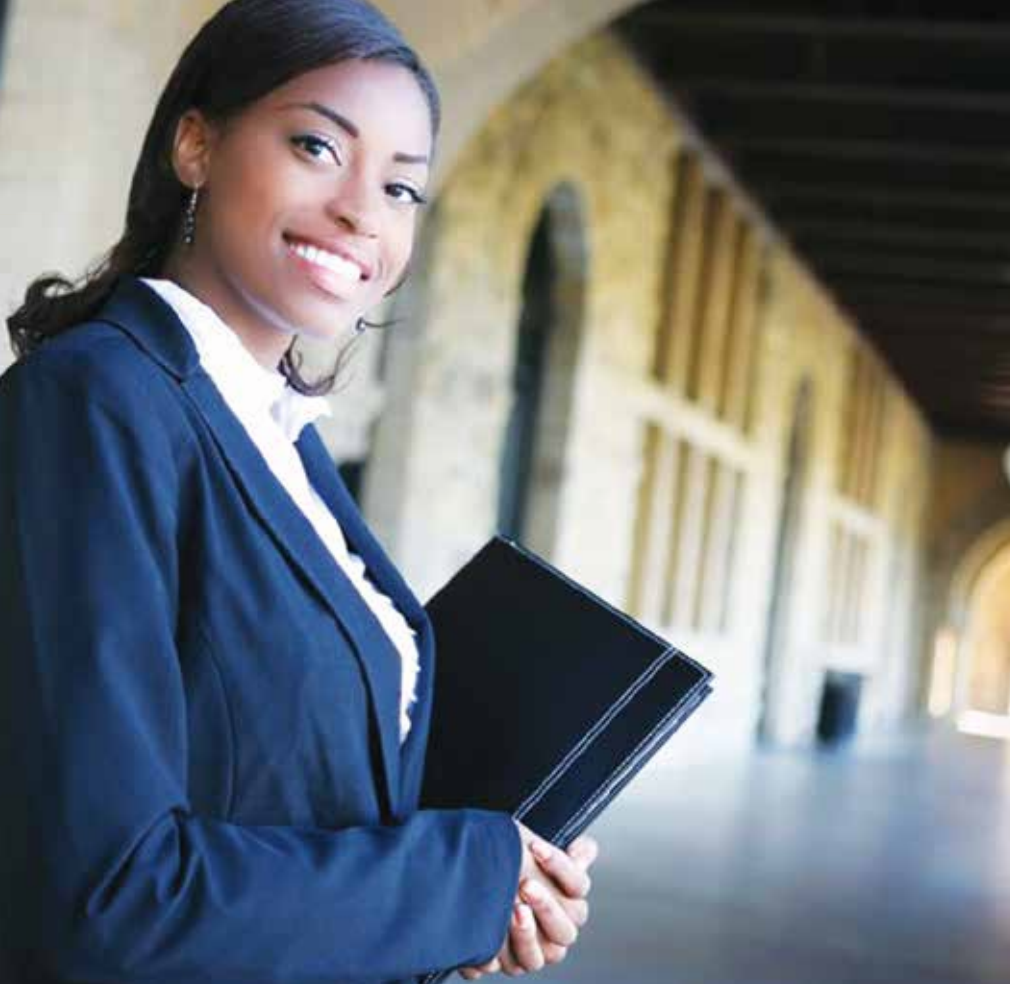
- Early skill development - these are the building blocks of all other skills needed throughout life. Feeding, sleeping, smiling, squealing, vocalising, sitting up and grasp reflex are all learned in the first 18 months.
- Watching people and objects and responding to taste, smell, voices, faces, and touch will help babies learn these early skills.
- A baby's brain development is very important in its first three years of life. Parents' and family's love, nurture and

affection are vital for the brain to develop properly.

Early childhood (2 to 5 years)

Important career stage: Early skill development/exploration

- Major milestones of skill development are reached in the early childhood years. Crawling, standing, walking, running, talking, toilet training, climbing, eating, dressing, drinking, skipping, hopping and drawing etc
- Participation in early childhood education begins from three to five years. Socialising with other children, sharing and playing are the foundation stones for teamwork and social behaviour later on.
- Children at this age are interested in jobs that people do. For example, the fireman



and the rubbish collector are jobs that they can see, hear and smell.

School age (5 to 9 years)

Important career stage: Literacy and numeracy development/forming work and study patterns

- May have narrow ideas about work, or excitement and interest in jobs and the adult world. At this age they are able to dream big.
- Role modeling is important - having an understanding of, and pride in what parents and do for work
- Opportunities for skill development outside of school. For example, sport, the arts.
- Ideas about work are expressed in play and based on the examples of adults. For example, playing doctors and nurses, teachers, shopkeepers

Pre-adolescence (9 to 12 years)

Important career stage: Developing skills and interests

- What they do in their free time is important to develop skills and talents.
- May have jobs and responsibilities around the house and in their community, for example, chores and babysitting which develops their work skills.
- Some may have hopes about possible

careers expressed as "I want to be when I grow up".

- If children can be exposed to positive workplaces, their experiences can be fun.
- Schools are required to begin career education and guidance from Year 7.
- Are influenced by peers -some of the negative influences are starting to become apparent, such as attendance and achievement at school.

Adolescence (12 to 18 years)

Important career stage: Social relationships/transition to higher education or training

- Career maturity may vary - some are ready to make decisions, and have clear and realistic plans, others don't have much experience at decision making and are not planning ahead. Decisions can be based on panic or sense of limited options.
- Many are employed in part-time work - first experience of paid employment.
- Some teenagers may be looking towards independence from parents - leaving home.
- Impact of parenting becomes evident: ranging from "helicopter parenting" - always hovering, to uninvolved parenting where child is left to manage processes themselves.
- Peer pressure can be a strong influence. Some risk-taking behaviour and experimentation.
- Falling behind at school may result in

leaving school without qualifications. Teenage pregnancy may interrupt career plans.

- Secondary schools are required to provide career education and guidance for all secondary students.

Young adulthood (18 to 40 years)

Important career stage: Establish career/relationships and parenting

- May become qualified in an industry or graduate from tertiary study. Could have a student loan to repay.
- Usually first full-time or career-focused job.
- May experience a quarter life crisis (a quarter life crisis is when a young person, usually around 25 years old, experiences a period of anxiety and uncertainty that may accompany their transition to adulthood).
- Eighteen to twenty-five year olds (particularly young men) may experiment and take physical risks.
- Some job-hopping to figure out what they like in a job. Overseas experiences may open up new ideas for careers.
- A time where they may physically work the hardest - to get where they want to go. May find it challenging to have work-life balance. With a longer work track record, may have a greater chance for promotion.
- Relationships with parents/older adults may change. May be expected to take responsibility for family and bring in income for household. May buy a house and take on a mortgage.
- Intimate relationships become increasingly important. May make longer term commitments.
- May start a family. Couples may be deciding how to manage on one income if having a baby. Women making decisions about when to have children and whether to continue working.

Middle adulthood (40 to 65 years)

Important career stage: Continued up skilling/work-life balance/parenting

- Stay-at-home parents may be thinking about re-entering the workforce after raising children. Those who have raised family may possibly have more time for themselves. Some older parents raising young children also.
- A time of reflection and reassessment. Attitude of no compromise anymore

Work-life balance may become very important.

- May be in greater leadership or management positions, which could result in greater financial reward, and/or increased responsibility and stress.
- Increasing divorce rate means home and income may be halved, resulting in greater financial stress and reliance on own career if split from a marriage or partner.
- May be more confident to take risks.
- May still be supporting young adult children financially through university, setting up house or weddings.
- Grandparenthood - and sharing care of grandchildren. May be supporting the extended family. The "sandwich" generation. May be caring for older parents also.
- The older worker may experience ageism in applying for jobs. More risk of redundancy and risk of outdated skills. However, skilled older workers may be in demand due to a labour and skill shortage.
- Retirement package may be an incentive to stay with an organisation. Some planning for retirement.
- Could be involved in greater community responsibilities, serving on committees, charities and volunteer clubs.
- Coping with changes such as ageing, menopause, death of parents, empty nest syndrome if children leaving family home. May experience a midlife crisis.
- The importance of keeping fit and challenging oneself physically - may feel pressure to stay youthful. Health issues may start to occur.

Maturity (65 onwards)

Important career stage: Retirement/reflection

- Some may still be working in the paid workforce. For some careers they may be able to work part-time, work from home or do contract work.
- Grandchildren and family focus is often very strong. Children may be working and grandparents may be involved in regular care of grandchildren.
- Keeping mentally and physically active. Interest in clubs and groups important for social contact. May take up new interests or hobbies, or even tertiary study.
- May consider downsizing the family home, or may move in with, or nearer to, relatives. May return to place of birth.
- Receiving government pension and/or retirement savings. Financial worries if not saved enough for retirement.

- Coping with death of spouse, friends and family members.
- Increasing likelihood of health concerns, e.g. hospital visits/check-ups.
- Sense of giving back to society - may become involved in voluntary work that has personal/family significance.

However, Career development can also be viewed through the following simpler stages: The main stages in a career cycle include: development stage, exploration stage, establishment stage, ageing stage and declination stage.

1. Development stage:

This stage begins from birth and normally lasts until 14 years old. This is the period in which children want to affirm themselves and have been affected very much by the relationship with family, school and society. In the beginning of this stage, games play an important role in developing children's recognition.

In the end of this stage, children have developed ideas about their own hobbies and abilities, maybe with some practical ideas about their future careers.

2. Exploration stage:

This stage often lasts from 15 years old to 24 years old. In this period, people have many different career choices and they often tend to choose job careers they have been counseled, tutored or the jobs they think will fit their abilities and wishes. The most important in this stage is that people need to develop a broad knowledge and a variety of job skills.

3. Establishment stage:

This stage is from the age of 25 to 44. This is the main stage in the career of a person. In the beginning of the stage, some people have found their suitable jobs and these helped them have long and settled standings in their career lines. As usual, people pursue their original career choices, but there are

still many people considering that this stage is only a trial period to continually test their skills and incentives for advancement in career.

Establishment stage includes 3 periods:

Trial period:

From the age of 25 to about 30, in this period, people work primarily to find out whether the career choice they made is suitable or not.

Stable period:

Normally from the age of 30 to 40, in this period, people often have identified their own career goals and have specific plans to decide what should continually be done to reach those goals. There are two tendencies, continuing the path chosen or turning to another job career.

Mid - Career crisis period:

This period lasts from mid thirties to mid forties. During this period, people often compare what they have tried to pursue, the difficulties in career they have, what they have to sacrifice, the loss they have endured to follow their career path as well as their career ambitions with the achievements they have got in career such as position, salary and so on.

4. Ageing stage:

This period continues from the age of 45 to 60. There are many people who jump directly from stable period to this stage without having experienced all the difficulties and failures in mid - career crisis period.

5. Declination stage:

Declination stage is the final stage when people are old and less healthy. In this period, the sense of responsibilities toward the job has decreased and they must accept the new role of the young generation.

Each stage is loosely affiliated with a chronological period and is characterized by work attitudes, behaviors, types of relationships, and the aspects of work that are valued.

ICPAK thanks all its 2016 Annual Seminar Sponsors

| You made it possible! |



KASNEB

Providing globally competitive professionals

Tally
POWER OF SIMPLICITY

sage



As we get back to our day to day life after the 32nd Annual ICPAK Conference, one of the points that stuck with me was the high priority of smart technology in the practice to stay competitive, grow the business and deliver higher quality work to clients.

CaseWare Africa can do exactly that with our software bundles, specifically designed to service either ICPAK members in practice, business or government with their Audit and Financial Statement drafting requirements.

CaseWare starts with the import of a trial balance from either excel or any accounting / ERP system. Once imported, the accounts can be mapped to produce an automated set of financial statements including automated lead sheets, notes, accounting policies and even adjusting journal entries. For the ICPAK members in practice the system offers an automated audit methodology, client CRM and electronic document storage facilities, as well as the ability to collaborate with staff and clients.

CaseWare is three times faster than any manual solution, which gives you the ability to service more clients, more efficiently. Besides the direct impact on your profitability and the built in compliance with IFRS, IFRS for SME, IPSAS and the ISAs, your quality and accuracy is also guaranteed.

Asanteni Sana!

"I am presently facing allegations of murder and, however grave the allegations may be, it cannot be a basis to deny me my basic rights." Affidavit from a Briton arrested and charged with murder following the death of a woman from a gunshot wound.

"I have been looking for a house since the disaster. I did not even wait for a notice from the city council to vacate because I realized the dangers of living here. But I have not yet found a house and I have three children. Where will I go with them in this weather? Who will accommodate four people and their property?" Emily Nduku; following the collapse of the Huruma building

"We do not know where to go. I have lived here for seven years and I just paid this month's rent yesterday. Night is fast approaching and I do not know where I will sleep." Roseline Atieno; a Huruma resident; She claimed she did not know what the X marked on the building meant.

"We tried to engage the county but nothing is forth coming". Cyprian Odera, Kenya National Union of Nurses Chairman following the nurse's strike; He said they went on strike after their talks with county officials collapsed

"With the allocation of sh 1,420 per pupil in the free primary education programme, only 724 goes to the purchase of instructional materials, including books. It means that with VAT, schools purchase fewer books with the same budget...Uwezo Kenya has published reports to the effect that 50 percent of children in Standard four and five cannot comprehend stories written for standard two pupils."

Kenya Publishers Association (KPA) Chairman David Waweru; upset with the National Assembly for rejecting a push to scrap the 16 per cent value-added tax imposed on text books some three years back.

"On a broader picture he (Central

Bank Governor Dr. Patrick Njoroge) has brought with him professionalism that other areas in the public service should emulate. He has been a true dedicated public servant and if his example should have been copied, Kenya would be miles ahead."

Analyst Robert Shaw; talking to the Nation regarding the CBK Chief; Dr. Njoroge was awarded the Africa 2016 Central Bank Governor of the Year Award for 'cleaning up' the financial sector in the country.

"This will address the up to eight-month delay and cushion cooperatives from being subsidized by millers as well as eliminate brokers who control prices." Report from the Presidential task force on reforming the coffee sector

"I 'm happy to be playing again, I really wanted to play tonight, I'm very happy with the result and the goals." Argentine Lionel Messi upon scoring a hat-trick; he had been suffering from a lingering back injury and had not been able to play football for some time.

"The government needs to find alternative means to increase its revenue collection instead of imposing extra levies on vital commodities that automatically leads to high cost of operating mechanized equipment; Cultivation of crops like maize and wheat is a mechanized process and increased fuel prices will escalate overall operating costs of farm equipment rendering agriculture unprofitable." Sentiments from a stakeholder from; Sergoit Uasin Gishu.

"I've never been poor, only broke. Being poor is a frame of mind. Being broke is only a temporary situation." -Mike Todd

"Don't wait for someone else to make your life terrific. That's your job." -Unknown

"You never achieve real success unless you like what you are doing"

-Dale Carnegie.

"All of the women on 'The Apprentice' flirted with me – consciously or unconsciously. That's to be expected."

U. S Republican Presidential hopeful Donald Trump
"Float like a butterfly, sting like a bee. His hands can't hit what his eyes can't see. Now you see me now you don't."

"Service to others is the rent you pay for your room here on earth."
"I'm young; I'm handsome; I'm fast. I can't possibly be beat."
"Don't count the days; make the days count."

"It's hard to be humble when you're as great as I am."

"It isn't the mountains ahead to climb that wear you out; it's the pebble in your shoe"

"I am the greatest; I said that even before I knew I was."
"A man who has no imagination has no wings."

"Hating people because of their color is wrong. And it doesn't matter which color does the hating. It's just plain wrong".
Memorable Quotes from the late Boxer and human rights crusader Mohamed Ali.





Why I would raise chickens *By Bill Gates*

Below are excerpts of what philanthropist Bill Gates said about rearing chickens: Their foundation is interested in helping with chicken rearing in parts of Africa. If you were living on \$2 a day, what would you do to improve your life?

That's a real question for the nearly 1 billion people living in extreme poverty today. There's no single right answer, of course, and poverty looks different in different places. But through my work with the foundation, I've met many people in poor countries who raise chickens, and I have learned a lot about the ins and outs of owning these birds. (As a city boy from Seattle, I had a lot

to learn!) It's pretty clear to me that just about anyone who's living in extreme poverty is better off if they have chickens. In fact, if I were in their shoes, that's what I would do—I would raise chickens. Here's why:

- They are easy and inexpensive to take care of. Many breeds can eat whatever they find on the ground (although it's better if you can feed them, because they'll grow faster). Hens need some kind of shelter where they can nest, and as your flock grows, you might want some wood and wire to make a coop. Finally, chickens need a few vaccines. The one that prevents the deadly Newcastle

disease costs less than 20 cents.

- They're a good investment. Suppose a new farmer starts with five hens. One of her neighbors owns a rooster to fertilize the hens' eggs. After three months, she can have a flock of 40 chicks. Eventually, with a sale price of \$5 per chicken—which is typical in West Africa—she can earn more than \$1,000 a year, versus the extreme-poverty line of about \$700 a year.

- They help keep children healthy. Malnutrition kills more than 3.1 million children a year. Although eating more eggs—which are rich in protein and other nutrients—can help fight malnutrition, many farmers

with small flocks find that it's more economical to let the eggs hatch, sell the chicks, and use the money to buy nutritious food. But if a farmer's flock is big enough to give her extra eggs, or if she ends up with a few broken ones, she may decide to cook them for her family.

- They empower women. Because chickens are small and typically stay close to home, many cultures regard them as a woman's animal, in contrast to larger livestock like goats or cows. Women who sell chickens are likely to reinvest the profits in their families. Zimbabwean banks forced to limit cash withdrawals.

Blackout hits Kenya

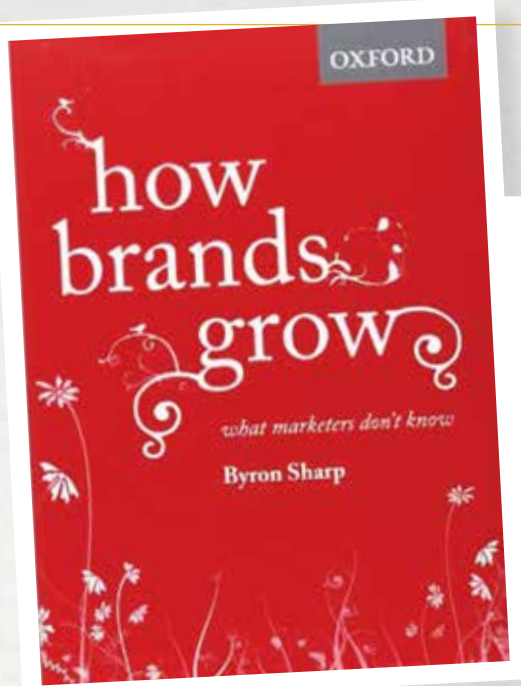
A nationwide blackout that hit Kenya recently was caused by a monkey tripping a transformer at a hydropower plant, leading to the loss of more than 180 megawatts from the grid, power producer Kenya Electricity Generating Company (KenGen) said.

Power distributor Kenya Power and KenGen said electricity supply was knocked out at 11.30 a.m. local time after a technical fault at Gitaru Hydro power station. KenGen, the East African country's biggest power producer, runs the station.

"A monkey climbed on the roof of Gitaru Power Station and dropped onto a transformer tripping it. This caused other machines at the power station to trip on overload resulting in a loss of more than 180 MW from this plant which triggered a national power blackout," KenGen said in a statement late on Tuesday.

"KenGen power installations are secured by electric fencing which keeps away marauding wild animals. We regret this isolated incident and the company is looking at ways of further enhancing security at all our power plants." - Reuters





Reviewed by Angela Mutiso, cananews@gmail.com

Title: How Brands Grow: What Marketers

Author: Byron Sharp

Category: Business

Publisher: Oxford University Press

How Brands Grow by Byron Sharp helps unlock several hidden facts about marketing that you have probably never even thought about. It gives you a broad and comprehensive insight to the principal ideas, perceptions and practice of marketing today.

Most reviewers pointed out just how insightful it is. As you read it, you realize how much is taken for granted in the marketing portfolio. It is a book that will revolutionize your thinking and make you look at marketing from a new light. It is interesting to note what it can do for you and what reviewers have said about it.

The most distinctive element to this book is that the laws presented are tried and tested; they have been found to hold over varied conditions, time and countries. This is contrary to most marketing texts and indeed, much information provides evidence that much modern marketing theory is far from soundly based. This book was voted best marketing read of Summer (2013) by Advertising Age readers. Advertising Age readers says 'How Brands Grow' is based on decades of research that has progressively uncovered scientific laws about buying and marketing performance. This book is the first to present these laws in context, and explore their meaning and marketing applications.

It is a myth-busting book, in the tradition of classic scientific discoveries. Unlike most business books it's based on extensive data, on real world buying. The Nielsen Company and TNS, in particular,

provided access to vast amounts of data covering hundreds of product categories and a number of countries. The laws presented in this book are therefore not the result of armchair theorizing, nor one-off case studies. (Marketinglawsofgrowth.com)

Meanwhile, global.oup.com says;

- This book brings science to marketing with practical findings that have been replicated, explained and generalised into 'laws' we can rely on. Until every marketer applies these learnings, there will be a competitive advantage for those who do
- Melding logic and science with compelling insight, this books lays out important principles that every manager should know and apply
- Employs an exciting evidence based approach to marketing
- Provides insight for all business professionals about how to market their brands effectively
- The author is Director of The Ehrenberg-Bass Institute which has many international big brand corporate members including British Airways, Mars, Coca-Cola, Colgate-Palmolive, ESPN, Kraft, Unilever, Procter & Gamble

Some Editorial Reviews

"How Brands Grow is a wonderful stimulant, a fascinating corrective to our tendency to follow fashion and let received wisdom go unchallenged."--MarketingWeek

"Marketers need to move beyond the psycho-babble and read this book... or be

left hopelessly behind."--Joseph Tripodi, The Coca-Cola Company, Atlanta USA

"A scientific journey that reveals and explains with great rigour the Laws of Growth."--Bruce McColl, Mars Incorporated

"This book puts marketing's myth-makers, of which there are many, in their proper place."--Thomas Bayne, MountainView Learning, London.

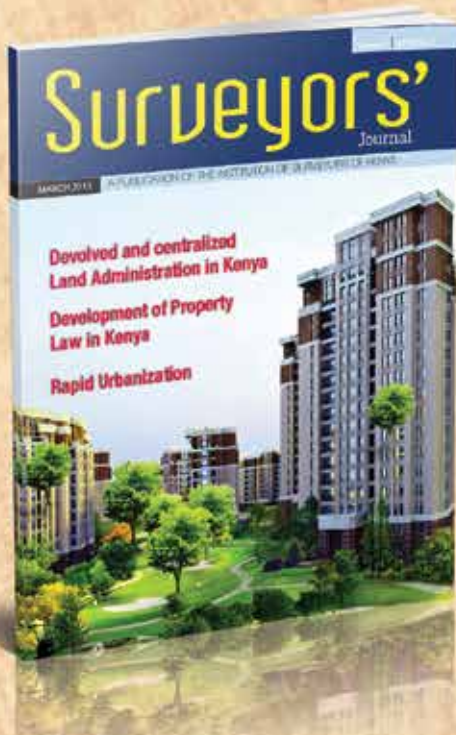
"A truly thought-provoking book."--Timothy Keiningham, IPSOS Loyalty

"The evidence in this book should make any marketer think hard about how they manage their brands."--Kevin Brennan, General Manager Snacks and Marketing Director, Kellogg UK

"There is competitive advantage here for those who understand and follow this book's lessons."--Jack Wakshlag, Chief Research Officer, Turner Broadcasting Systems, Inc.

John Smith III said on 7 Dec. 2015 that this is an outstanding book for anyone who is interested in selling - which since all business is selling, should be anyone in business. It debunks quite a lot of ideas around marketing - e.g. there is no such thing as loyalty - most big brands are big because they have massive distribution so it is more likely consumers will find them on the shelves when they're looking for something in the category. The nice thing is that much of the earlier chapters are backed by reasonable amounts of data (e.g. how easily consumers switch brands, etc) - something that is unusual in marketing.

This book is available at Amazon.com



For all your property needs, advertise in Kenyas
Professional Property magazine

For subscription and enquires contact :
0724929737 & 0733321499,

Now available in your nearest vendor

By CPA Patrick Kabuya, Chairman – South Africa Chapter
pkabuya@worldbank.org

THE INAUGURAL ANNUAL CHAPTER SEMINAR - SOUTH AFRICA

ACCOUNTANTS TO ENHANCE CONTRIBUTION TO BUILDING INSTITUTIONS

Theme: emerging pathways for the new generation of accountants

"Accounting profession is the lifeblood of financial systems and should play a leading role in building public institutions", said H.E Ambassador Jean Kamau, High Commissioner of Kenya in South Africa when opening the inaugural Annual ICPAK Chapter Seminar in South Africa on May 4 - 6, 2016. Quoting from President Obama's speech (Ghana 2009), "Africa does not need strong men, but strong Institutions", she challenged the delegates (and the accountancy profession) to enhance their contribution in strengthening public institutions in order to improve lives of citizens.

The successful Seminar, attended by 35 delegates' majority from public sector in Kenya, offered an opportunity for delegates from Kenya to interact and share experiences with their counterparts in South Africa. The seminar focused on sharing experiences on a number



of valuable and relevant topics by speakers from different industries and countries: infrastructure funding options, opportunities and challenges for accountants venturing in diaspora, taxation regime in South Africa, and evolving role of Chief Finance Officer in 21st century. As I listened and contributed to the discussions, I identified and noted three specific ideas of how accountants can accelerate their contributions in strengthening institutions: my takeaways. Firstly, the accountants especially those in public sector should actively change their roles to serve as co-drivers in strategy formulation and implementation in their respective institutions: a shift from currently presumed back-office role. Instead of just providing financial data, accountants should proactively provide management with evidence based relevant and reliable information and sustainable value add solutions that would



shape strategic discussions and enable management to make informed and quality service delivery decisions. Such moves would assure a seat for accountants at decision making table, and contribute in building trust and enhancing the brand of accountants with the rest of management team and in the sector. Similarly, the accountants should play an active role of creating awareness on the role of accountancy profession in the Public sector: not a bean-counter, but a trusted advisor who brings value to the Institution. As suggested during the sessions, ICPAK should create more opportunities where the accountants serving in public sector can share their experiences, formulate initiatives to build their brand in the sector and identify thought leadership initiatives – e.g. develop policy papers – that would contribute in shaping policy in public sector and in building credibility on role of accountancy profession. Preferably, it could involve establishing Public Sector CFO Forum, CFO community of practice, and actively involving many of the accountants in the Institute's Public Sector Committee.

Seminar Delegates

Secondly, the Chapter should create

professional networking forums where accountants in Diaspora can share experiences, and design and develop creative initiatives that can contribute in achieving ICPAK strategy and in building institutions in Kenya. Such forums would provide an opportunity to tap into in Diaspora's wealth of skills, knowledge and experience. The seminar welcomed FCPA Fernandes Barasa, the Chairman of ICPAK Council, message that one of the Institute strategic goal is to offer opportunities for the members to share their experiences and formulate sustainable solutions that would contribute in improving lives of Kenyans especially those living in poverty. He commended the Chapter and the Institute for hosting the inaugural Chapter Seminar in South Africa and committed to replicating similar seminars in other international Chapters, the next one being scheduled in UK in October 2016.

Thirdly, to assist CPA(K) who would like to explore career opportunities in South Africa, the Institute should accelerate its negotiations with South African Institute of Accountants (SAICA) to enter into qualification mutual recognition arrangement. Currently, a CPA(K) are required to

sit and pass Certificate in Theory of Accounting (fourth year of university) and 2 professional papers; and provide proof of monitored practical training before admission to CA(SA). The milestone will contribute to increased mobility of accountants in the two countries and ultimately more intra-country trade in accountancy professional services.

I cannot forget Alex Granger's, a professional speaker and Expert Maverick, impressive immersion presentation on "Unlocking future leadership". It was inspirational – especially the lyrics of the song that he taught and led us in singing: "You gotta be bad, you gotta be bold, you gotta be wiser. You gotta be hard, you gotta be tough, you gotta be stronger. You gotta be cool, you gotta be calm, you gotta stay together".

He challenged each of us to commit to stand up to be counted by enhancing our performance code: by applying what we learnt during the seminar to improve our lives and improve institutions that we are involved in for the benefit of greater good – improving lives of fellow Kenyans. I look forward to hearing the achievements of the delegates during the 2017 Annual ICPAK Chapter Seminar in South Africa.

"You gotta be bad, you gotta be bold, you gotta be wiser. You gotta be hard, you gotta be tough, you gotta be stronger. You gotta be cool, you gotta be calm, you gotta stay together".

By Staff Writer

THE ICPAK ACCOUNTING AND FINANCE SCHOLARSHIP



The ICPAK Accounting and Finance Scholarship was launched in 2015 to support needy students from disadvantaged backgrounds pursue university education in finance or accounting related courses.

Funding for the scholarship is derived from members' and other well-wishers' contributions and through participation fees raised through our annual fundraising golf tournament held in Nairobi. From this year, ICPAK will be hosting two editions of the golf tournament, namely the Nairobi and Mombasa editions.

Last year, three beneficiaries were selected and are currently under the scholarship pursuing their courses in different institutions. In 2016, the Institute wishes to double the number of new beneficiaries from the initial three to six. The Mombasa edition was held on 17th May, 2016 at the Mombasa Golf Club. The turnout for the tournament was good and members enjoyed playing at the course. It was an opportunity for members

to interact while enjoying the cool breeze and breathtaking view of the Indian Ocean.

The Nairobi edition will be held on the 5th of August 2016 at Muthaiga Golf & Country Club. ICPAK invites its members and other well-wishers to participate in this charity tournament towards raising funds to educating future accounting practitioners.

The charges are as below;

Fee:

- Individual player – Ksh. 3500
- Four-Ball- Ksh. 12,000.00
- Branded Hole – Ksh. 30,000

For more information on the tournament:

Visit our website:

www.icpak.com

For sponsorship:

linda.wambua@icpak.com or henry.ngetich@icpak.com

For registration:

Brenda.imali@icpak.com

ICPAK members will be awarded 3.5 CPD Hours.

Join us to create pathways of achievement for our future accounting professionals.

Fare thee well FCPA KARIITHI MURIMI




FCPA Kariithi Murimi (right) receives a token of appreciation from ICPAK Chairman, FCPA Fernandes Barasa (left) after making his presentation at Inaugural Public Audit Seminar in Mombasa last year.

The late FCPA Murimi was a Constitution and Governance expert in Strategic Risk solutions. He once served diligently in ICPAK Council and thereafter tirelessly supported the Institute as a popular and very resourceful speaker. He was also known for his advocacy for good governance in local media forums.

The late FCPA Murimi passed away at home on 13th June 2016. We join his family, relatives and friends in prayers.

By CPA Edwin Makori



ENCOURAGING RESEARCH AND CONSULTANCY IN ACCOUNTANCY

Background:

The Council of the Institute set up the Research and Development committee to oversee the research and consultancy functions at the Institute in 2014. This was derived from the mandate as per the Accountants Act section 8b, i.e.

“To promote research in the subject of accountancy and finance and related matters and the publication of books, periodicals, journals and articles ...”

The Research and Development Committee aims to promote research in the subject of accountancy and finance

and related matters and the publication of books, periodicals, journals and articles in connection therewith. The objectives of the committee are:

a) Receive, review and recommend ICPAK policies and guidelines on research and recommend for approval by Council



- b) Provide oversight on the implementation of the annual research plans
- c) Encourage pursuit of research interests among members of the Institute
- d) Identify and collaborate with research institutions for mutual benefit
- e) Receive, review and recommend research proposals, and requests for funding for Councils consideration
- f) Support members pursuing research beneficial to ICPAK, its members and the Accountancy profession

So far the committee has developed a number of research policies that will support the research activities. In addition, consultancy policies have been developed for the Institute and Council has approved these policies. The policies

developed are aimed at:

1. Encouraging and developing the Institute's links with industry, commerce and the wider community through high quality consultancy activities which will in turn enhance the expertise of Institute and members, facilitate new research opportunities and benefit our training programmes.
2. Providing a clear consultancy framework for all stakeholders.
3. Managing our external links effectively to ensure appropriate returns to members, employees and Institute for use of resources and intellectual endeavor.
4. Providing incentives for ICPAK members and staff to undertake consultancy work.

The research function have been undertaken through yearly work plan runs and are designed to plan the committee's various activities in such a way that:-

- a) They are in harmony with the Institute's long term mission and objectives, the committee's Terms of Reference and
- b) they achieve the committee's objective of undertaking to:

I. Receive, review and recommend ICPAK policies and guidelines on research and recommend for approval by Council

II. Provide oversight on the implementation of the annual research plans

III. Encourage pursuit of research interests among members of the Institute

IV. Identify and collaborate with research institutions for mutual benefit

V. Receive, review and recommend research proposals, and requests for funding for Councils consideration

VI. Support members pursuing research beneficial to ICPAK, its members and the Accountancy profession

Progress to Date:

The progress of the committee has been remarkable and has developed the following policies:

1. Institute's research policy
2. Institute's research guidelines
3. Institute's research ethical guidelines

4. Institute's Consultancy policy
5. Institute's research quality statement
6. Institute's Internal Research Review and peer review policy
7. Institute's Research Framework for Funding and Consideration of research proposals
8. Research grants and scholarship awarding policy
9. Research Funds Disbursement and Management policy

In addition the committee has undertaken research on the following:

1. Effect of M-pesa transfers on businesses in Kenya
2. IFRS 15: revenues from contracts with customers; the impact of revenue recognition practices in Kenya's listed companies and SMES

The following consultancy have also been undertaken:

1. Development of CPD framework and Ethical; guidelines for the Institute of Chartered Accountants of Sierra Leone under World Bank IDF Grant
2. Development of Financial reporting excellence (FiRe) award evaluation templates for the Public Sector in consultation with the Public Sector Accounting Standards Board (PSASB)

Key Priorities Objectives for the Year 2016

The committee's key priorities for year 2016 are:

1. Provide leadership in the implementation of Research activities, consultancy and innovation at the Institute
2. Coordinate the research and consultancy process by monitoring and facilitating work intended to build on the knowledge depository of the Institute
3. Aggressive engagement with other stakeholders to enhance collaboration on research and consultancy
4. Create the necessary impact in the accountancy profession through high quality research and innovation

*Rose Bosibori Osoro**Interviewed by Angela Mutiso, cananews@gmail.com*

BE THE BEST YOU CAN

Anyone familiar with the nature and volume of work at the Commission on Revenue Allocation (CRA) can empathize with CPA Rose Osoro when she says she is constantly

busy. CPA Osoro, a CRA Commissioner was appointed into office in 2010 and has been hard at work since.

Despite her busy schedule, she delights in serving the public and takes pleasure in helping to enforce devolution which by her

own admission is no mean feat. Her joy at her achievements in this very active office is discernible; but she notes despondently that not many Kenyan citizens appreciate their role in ensuring public resources are utilized prudently. She is nonetheless

We make a lot of effort to reach out to the general public and ensure money is properly used; but rarely do we feel appreciated. I would like to ask citizens to guard public money and hold our leaders responsible, especially those we have given the responsibility of caring for our resources. They belong to all of us.

encouraged by her conviction that the work they are doing, holds a brilliant prospect of a more outstanding and efficient future for this country, especially with regard to public financial management. Her secret to success seems to lie in her penchant for hard work, her good presentation, communication, and strong organizational skills and her deep Christian faith. She interacts easily with all classes of people and is an excellent team player who works well under pressure.

This accountant embraces her honors with pride. The awards she received from KASNEB include CPS part 11 Section 4 – best candidate in company law (June 1998), CPS part 111 section 5, best candidate overall (December 1998) and from KEFRI, Excellent Performance – (July 2007-June 2008) among others. She is a member of the Institute of Certified Public Accountants of Kenya (ICPAK), Kenya Institute of Management (KIM), and Association of Women Accountants in Kenya (AWAK). She advises that if you are given a job, do it to the best of your knowledge; adding that you should always remember that it is God who opens doors for you every day.

Below are excerpts from our fascinating interview;

What inspires you?

The realization that I am in this world for a purpose; God has defined my purpose and the way to go is to do the best in what I do; if I don't meet your expectations, don't ask me, ask my maker because I did the best I could through what he made me. I am here to actualize God's purpose for me.

What inspired you to take up accounting?

I would say that accounting has been following me. When I was in campus, I wanted to be a Human Resource Manager or a Company Secretary. Becoming a Certified Public Secretary was my first exposure to Accounting. But as I moved on, I did Finance and Marketing, then got my professional qualification in accountancy. It wasn't a straight one from campus into accounting. Now I love it and can't do anything else. It is dynamic and keeps changing and growing. Accountancy is challenging and that's what I like.

Your educational progression

I have a Masters in Business Administration from Nairobi University (2008-2010) and a Bachelor of Arts in Sociology and History from Kenyatta University (1990-1994). Other courses include Public Budgeting and Financial Management, Duke University: Stanford School of Public Policy – DCID -2015; Fiscal Decentralization and Local Governance, Georgia State University; Andrew Young School of Policy Studies; Senior Management Course, , Certified Public Accountant (CPA) (K); Performance Management and Appraisal; Certified Public Secretaries – Finalist (CPS (K) and a Diploma in Personnel Management and Industrial Relations.

Work experience

- Present Job: Commissioner; Commission on Revenue Allocation (from December 2010 to date)
- Constitutional Office whose

responsibilities include:

- Recommending the basis of equitable share of revenue raised by national government between national and county government.
 - Recommending the basis of equitable share of revenue raised by national government among county government.
 - Recommend on matters concerning the financing of and financial management of county government.
 - Define and enhance revenue sources of national government and county governments.
 - Encourage fiscal responsibility by national government and county governments
 - Publish and review policy that sets out criteria for indentifying marginal areas in actualizing the equalization fund.
- Other responsibilities include; Participation in drafting devolution and Public finance Bills since 2011; team leader, health and devolution in the commission; chairperson finance Committee of the commission; Member of budget committee under IEBC, Commission Representative to Commission on implementation of the constitution (CIC) and Council of Governors; Team leader KEGOSSES project –building Public Finance Management to county government; Presidential appointment to the taskforce identifying functions and funds for transfer to county governments.
- Other jobs include; Administrative Officer Budget Officer, (1, 2 and 3); Management Trainee Abercrombie and Kent Tour Company; Firm Administrator Osoro & Company Advocates. I also worked as Trust Secretary; KEFRI Staff Retirement Benefits Scheme (2009-2011)



What has been the most challenging part of your job?

Appreciation by my countrymen regarding what we do. We make a lot of effort to reach out to the general public and ensure money is properly used; but rarely do we feel appreciated. I would like to ask citizens to guard public money and hold our leaders responsible, especially those we have given the responsibility of caring for our resources. They belong to all of us.

Is the accounting profession in Kenya headed in the right direction?

Yes, and I will tell you why:

- Accountant's voices are being sought after in public discussions and discourses. For example, gone are the days when national budgets would be appropriated and finalized without accountants'

opinions.

- Kenyan accountancy is in the international realm; any accounting information generated in Kenya can be used anywhere in the world. We should be proud of this as a nation.
- In discussing the role of accountants in corruption; we are aware that most of the corruption laced incidences occur with our knowledge. However, what will happen to me if I blow the whistle? Will professional colleagues stand with us? Mostly corruption happens in our watch, but others look the other way because, they have children to feed and families to fend for. This matter should be looked at and dealt with.

What changes if any would you like to see at ICPAK?

- The room that is never full is the room for improvement. ICPAK needs to

streamline the qualifications of accountants in the public sector. It is only in the accounting profession that you can refer to someone who is not fully qualified as an accountant. So ICPAK needs to come up and give guidelines on who can be referred to as an accountant.

- If ICPAK can state the standards acceptable in the public sector, it will help with benchmarking and maintaining accounting standards because professionals can be held ethically accountable.
- ICPAK needs to be more dynamic; do not forget; there are new industries coming up, so we need to respond to emerging sectors like the extractive industries where specialized technical expertise is required. ICPAK should endeavor to build capacity in such areas. This will guarantee that our nation is getting value for our resources from emerging markets largely dominated by foreign companies.

My greatest achievement is the successful implementation of devolution in Kenya. I am happy seeing County governments standing on their own and knowing that I was part of it. What is happening in Kenya right now; moving from a centralized government to a devolved government is phenomenal and is not likely to happen again.

- There is some kind of generational shift, where we are getting very young people joining and actively participating in this profession. Their input is vital. They bring a lot of diversity and continuity and boost the profession's growth remarkably. I am glad to note that they are willing and ready for inclusion with their creativity and innovations.

What is your greatest achievement in your career and in your life?

My greatest achievement is the successful implementation of devolution in Kenya. I am happy seeing County governments standing on their own and knowing that I was part of it. What is happening in Kenya right now; moving from a centralized government to a devolved government is phenomenal and is not likely to happen again. So when devolution champions stand to be counted, I will be counted as one of the people who made a mark in this monumental transition.

Another achievement is seeing the young people I have taught and mentored doing well. I take it as my responsibility to nurture young talents with emphasis to values and servant leadership. I partner and volunteer with various organizations such as Kenyatta Trust, FENI and Inspiration Kenya to spread the message that young people have what it takes to morally achieve what God has destined for them. Success in life is a journey and we must be prepared to walk the talk. I have seen many of my mentees getting scholarships and joining some of the best universities in the world. I have encouraged them to come home

occasionally to mentor and encourage those they left behind. I like facilitating such events and I do that often.

What are your lowest moments?

I've got a policy that I don't dwell on low moments. And that is not to say that they are not there. I have simply decided that I am not going to be defined by my lowest moments. I soar above them. It's always good to exude a positive image that permeates other things and not allow negative things to define who you are. So I just live through them, and they leave no blemish in my heart.

Family life?

I am a wife and a mother of several children. I have a very sturdy family support system and I am grateful to my husband and children for being there for me. My husband is a professional in his field and my greatest defender. I believe I have brought up my children well and continue to guide them and lead them as a mother and friend.

Your hobbies?

I enjoy serving in my church. I have been the director for children's ministry for some time now. My best moments are seeing the positive transformation in children who had more or less given up hope. There is so much we can learn from children; Integrity, hope, innocence and joy. I enjoy volunteering my skills to serve young people. I am a Mentor to many. I volunteer for Inspiration Kenya, an organization that deals with University student leadership. It stems from the realization that as a country, student

leaders need to know and internalize the guiding principle of leadership and integrity.

At a glance

CPA Rose Bosibori Osoro holds a Masters in Business Administration from the University of Nairobi and a Bachelor of Arts from Kenyatta University. She is a Certified Public Accountant (CPA) and Certified Public Secretary (CPS). She holds certificates from Georgia State University, Andrew Young School of Policy Studies on Fiscal Decentralization and Local Governance and from Duke University, Stanford School of Policy on Budgeting and Financial Management in the Public Sector.

CPA Osoro has played a major role in designing the Kenyan devolution system particularly in fiscal decentralization. She was a key member in the formulation of various devolution related legislation; and is a member of intergovernmental budget and economic forum budget committee. Ms Osoro has made extensive contribution to county capacity building in budgeting and public finance and was the champion on implementation of the County budget and economic forums.

She has extensive work experience in public finance and financial management with emphasis on budgeting and financial allocation and chairs the Finance committee of the commission. She also serves as a member of the technical, human resource, procurement and ICT committees of the Commission.

Ms Osoro is a member of the Institute of certified Public Accountants of Kenya (ICPAK) and Kenya Institute of Management (KIM).

THE IMPERIAL CITY THAT AMERICANS LOVE TO HATE

By Clive Mutiso, cananews@gmail.com



Travel is not just about beaches, lakes, mountains, resorts, and nightclubs, it is about getting an insight into the culture of people in different parts of the world. To start to understand Americans, and why, especially in an election year, they see themselves at war with their capital city,

it can be instructive to visit Washington DC, and to learn something of its history. The United States of America may never have had a formal empire, but Washington DC has the style of an imperial city. Everything about the place is monumental, not in the sense of large in scale, but in the sense of a city destined from the

beginning to become a place to create an aura of permanence, of power, and of remembrance. The average American is both proud of the place, and at the same time deeply resentful of the influence that it has on his everyday life.

Washington has none of the structural engineering scale of the high-rise

Washington has none of the structural engineering scale of the high-rise metropolis of Manhattan, because it has no skyscrapers, or any structure at all that stands higher than the 169-meter tall obelisk that is the Washington Monument. By law, nothing can be built in the city that would be higher than the distinctive white pillar that stands at one end of the Reflecting Pool, and is best viewed from the steps of the Lincoln Memorial, which is at the other end of the pool.



metropolis of Manhattan, because it has no skyscrapers, or any structure at all that stands higher than the 169-meter tall obelisk that is the Washington Monument. By law, nothing can be built in the city that would be higher than the distinctive white pillar that stands at one end of the Reflecting Pool, and is best viewed from

the steps of the Lincoln Memorial, which is at the other end of the pool.

The city is very much the centre of America's Federal government, with the White House, the Capitol, and the Supreme Court all located within its boundaries. However, it is also designed to celebrate the achievements of the

American nation, and the sacrifices that some of its citizens have made over its short history to keep it in existence.

The aviation gateway to Washington is Dulles International Airport, 40 kilometres from the city centre, which was designed by the Finnish American architect and industrial designer Eero Saarinen, and

Smithsonian
Museum



is regarded as one of the most iconic functional buildings in the country. There are plenty of different transport options from the airport to the city centre – the Metrobus is \$7, with a taxi around \$50.

Compared with many other American cities, hotel accommodation in Washington is not cheap, reflecting the fact that many of the city's visitors are calling on government offices to discuss important legislation or lucrative contracts, and are backed by generous expense accounts. Basic accommodation can be found from about \$88 a night, but expect to pay \$400, \$500, and upwards most times of the year for a 4-star or 5-star hotel room. Most discerning visitors agree that the best address in town is The Jefferson on Dupont Circle, named after the principal author of the Declaration of Independence, and America's third President. But if The Jefferson is your choice, be ready to part with plenty of portraits of another America's Founding Fathers, Benjamin Franklin, whose image graces the \$100 bill.

Wherever you choose to stay, it is advisable to have a bucket list of the sights that you would like to see, because there is so much to do and see in the city that,

no matter how long your stay is, it would not be possible to fit in everything. A selfie at the railings in front of the White House is de rigueur and do not expect to leave without buying souvenir Washington T-Shirts from the women hawkers who throng the area calling "three for \$10, three for \$10." And while you are there, take the opportunity of visiting the National Air and Space Museum of the Smithsonian Institution, which is just a stone's throw away. It is well signposted, but if you are asking directions, use the full title because the Smithsonian is not a single museum, but a whole series of 19 different museums and galleries, and a National Zoological Park. The Smithsonian is the world's biggest museum and research complex, covering the whole gamut of human knowledge and culture.

The Air and Space Museum has an astonishing collection of exhibits covering every aspect of the history of aviation, and an enthusiast can spend two whole days in the place without exploring all there is to see. But for the most important artefact under the custody of the Smithsonian requires 40-kilometre trip along Interstate 66 and then U.S Route 50 to Chantilly in Virginia, where the space shuttle Discovery

is permanently housed in the James S. McDonnell Space Hangar in the Steven F. Udvar-Hazy Center.

Discovery flew 39 missions, and the scars of those 39 searing, bruising re-entries into the Earth's atmosphere are etched onto the fabric of the spacecraft, which, obviously, is the centrepiece of the exhibit, with other space artefacts arrayed around and above it. Aviation history buffs can also find a Concorde on display within the complex and other aircraft including the most historic Boeing B-29 Superfortress bomber of World War Two, the Enola Gay, which carried out atomic bombing of the Japanese city of Hiroshima, which ended the war but marked the start of a new era of ever-imminent oblivion for Mankind. Chantilly has a lot more to offer than Discovery and mass destruction delivery systems. A tour of the area can give a visitor a snapshot of some of the historical issues that still haunt modern America, and which lead many Americans to feel that less government is better government, and the Big Government that Washington DC represents is something that they must resist at every chance they get. More than 300 years ago, which is a long time by American standards, the Chantilly area

The aviation gateway to Washington is Dulles International Airport, 40 kilometres from the city centre, which was designed by the Finnish American architect and industrial designer Eero Saarinen, and is regarded as one of the most iconic functional buildings in the country.

was the location of several plantations, including the Sully Plantation, which is now the Sully National Historic Site. The site is furnished with antiques from the Federal Period, which flourished in the late 18th and early 19th Century, but which was swept away by the American Civil War.

Chantilly was the centre of one of the inconclusive battles of the Civil War, and one of the Confederate General Stonewall Jackson's division commanders who fought in the battle was the lawyer Jubal Early. Early later commanded an army corps, and survived the war, and in the 1870s wrote a series of articles for the Southern Historical Society which espoused the Lost Cause point of view, romanticising the lifestyle of the Old South, playing down the pernicious effects of slavery, and portraying the war as an honourable struggle to resist the tyranny of the Washington-based Union. It is this Lost Cause philosophy that has its echoes today in the anti-Washington, anti-federal, Tea Party movement, in which even candidates campaigning for Federal office do so while denouncing "Washington insiders".

So while the American public sometimes favour candidates who rail against Washington, they flock to the capital throughout the Spring and

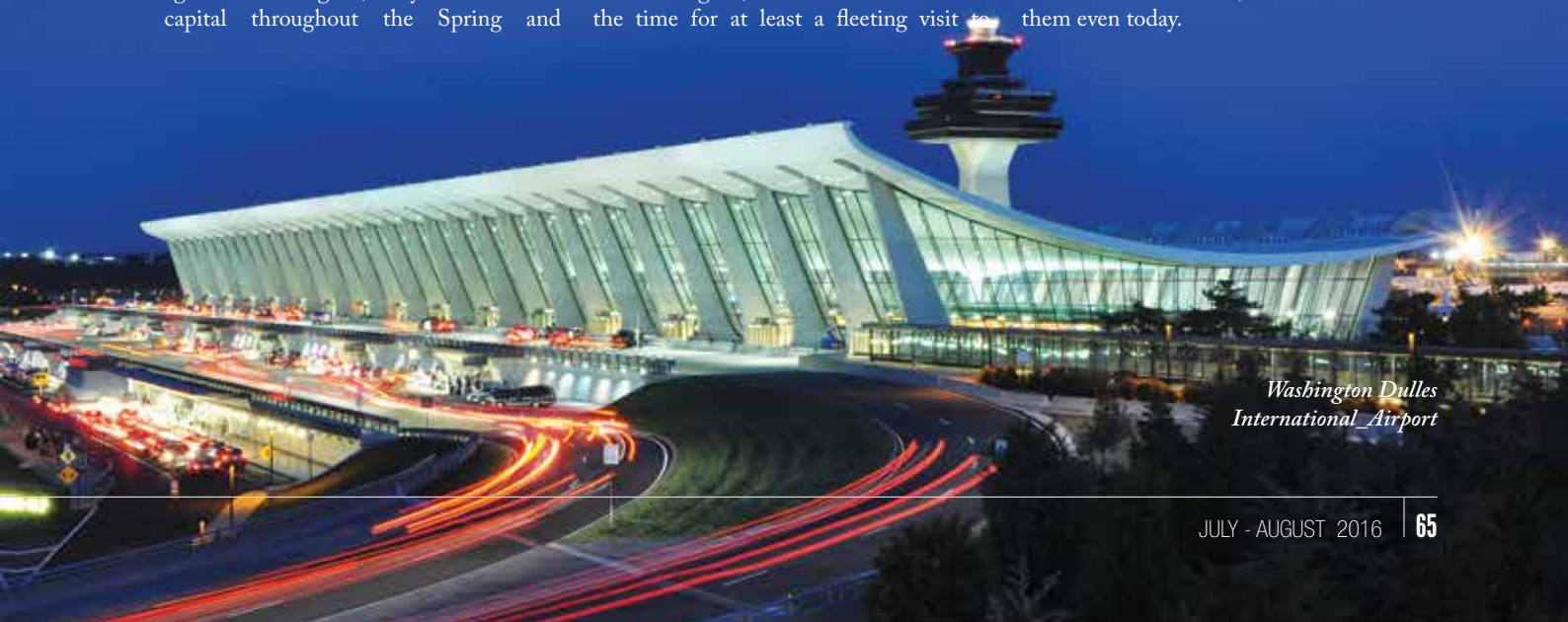
Summer to take in the sights and learn about the history of the Imperial City they affect to hate. There is plenty to see and do, and much of it can be seen and done either on foot, or from the Potomac River which flows through the city. There is an air about Washington that is reminiscent of Pretoria, another imperial city, but the scene changes totally if the visitor ventures into the shady lanes and cobbled byways of Georgetown, which is older than the District of Columbia itself and where local guides have an encyclopaedic knowledge of all the twists and turns of America's political history that have been played out in its taverns. The tour must be booked in advance, but there is no fixed price – when you are done, you decide what it was worth, and that is what you pay.

In a city populated by legislators, lobbyists, lawyers, and liars, it is inevitable that hospitality should be a big industry, and there is a seemingly limitless choice of restaurants serving every imaginable cuisine, with a huge range of prices. Washington is renowned not only for its food, but also for its small craft breweries, serving beer brewed on the premises. But it is not only food that is on the menu in Washington, and most visitors find the time for at least a fleeting visit to

the Vietnam Veterans Memorial, which sits in two acres off the National Mall in Constitution Gardens, and stands to the memory of more than 58,000 service personnel who fell in America's most bitter war of modern memory, and those who are still listed as Missing In Action.

Opposite a slightly larger-than-life bronze statue of three combat servicemen, and partially set into the ground, is the Memorial Wall, a stark expanse of polished black basaltic rock onto which are engraved the names of all who fell. The wall, designed by American Architect Maya Lin, is a place of pilgrimage for the families and surviving comrades of the people it commemorates, and 24 hours a day, throughout the year, visitors can be seen reverently running a finger over the name of a friend lost but not forgotten.

Amid the pomp, ceremony, and raw power of the most powerful empire the world has yet known, the memorial in the centre of the Imperial City is a grim reminder that no superpower on Earth can withstand the will of a people who have decided that it is time to take their destiny in their hands. It is a lesson that the Americans taught the British, and which, two hundred years later, they were to learn for themselves, and which haunts them even today.



Washington Dulles International Airport

By Sharon Gatonye
Sgatonye@outlook.com
The Black & White Kitchen

Cinnamon and Pear Muffin

A wow recipe for the ultimate weekday bakes off but with a fresh fruit sweetness. Do some quick baking to satisfy that mid week baked goods.

Cinnamon and Pear Muffin

300g (2cups) All purpose Flour
2 tsp (10ml) Cinnamon powder

1 tsp (5ml) Bicarbonate of soda
2 Pear, peeled and grated
6 Tbsp Sugar
100ml Vegetable oil
1 tbsp Vanilla

2 Eggs
250 ml Plain Yogurt

Preheat oven to 190°C. Prepare a 12-muffin tray.

Combine the Flour, Bicarbonate of soda, cinnamon powder and grated pear in a bowl.

In a separate bowl put together the vegetable oil, Yogurt, vanilla essence, sugar and Eggs. Whisk to combine. Pour the wet mixture into the dry ingredients bowl and fold in to mix.

Bake for ±25 minutes. Allow to cool.



Graduate Programmes

Mode of Study: Distance Learning, Part time and Weekend

PhD Information Systems

Master of Science in Data Communications

Master of Science in Data Analytics

Master of Science in Information Systems Management

Master of Science in Development Finance

Master of Business Administration (MBA) in Corporate Management

Master of Business Administration (MBA) with specializations in

- Marketing
- Human Resource Management
- Procurement and Supplies Management

Master of Science in Commerce with specializations in

- Finance
- Accounting
- Finance and Accounting
- Finance and Investment
- Finance and Economics
- Economics and Investment

Postgraduate Diploma in Corporate Governance

ICPAK TUITION DISCOUNTS

- ICPAK Members 20%
- Member's Spouse 10%
- Member's Dependents / Children 10%

For more information contact us:

The Registrar's Office, KCA University,

P.O. Box 56808 – 00200,

Nairobi, Kenya

Main Campus, Ruaraka

M: 0734 888 022 / 0715 532 187

City Campus, Monrovia Street,

Opposite Nakumatt Lifestyle

M: 0734 888 022 / 0715 532 187

Kisumu Campus, Swan Centre

M: 0720 169 799

Kitengela Campus,

Kitengela Capital Centre

M: 0713 219 001 / 0786 209 911

Amagoro, Malaba

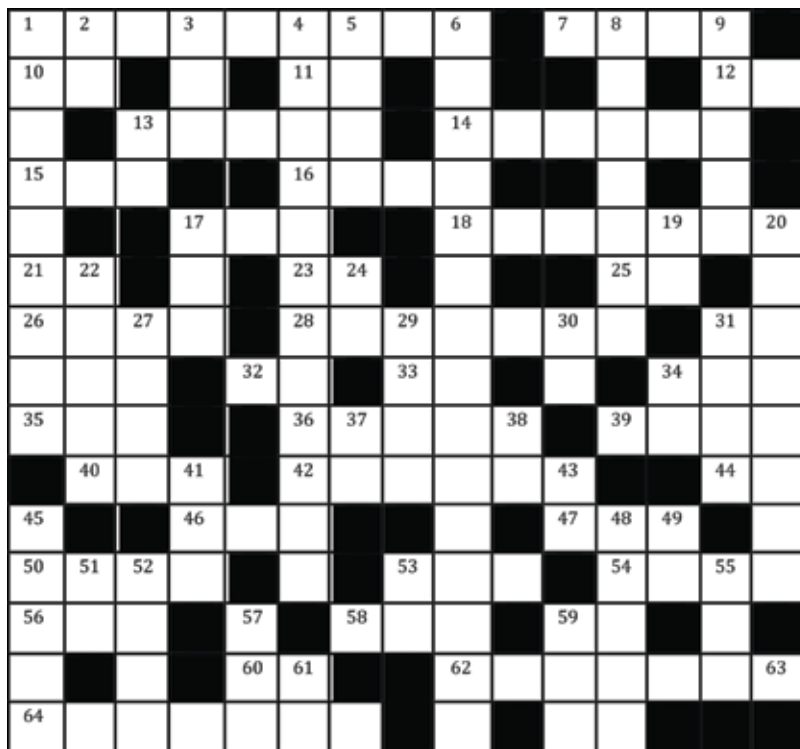
M: 0722 496 184 / 0725 983 644

Gikumene Girls' High School, Meru

M: 0712 962 963 / 0722 254 867

By CPA Derrick Majani

Break the ICE!



Answers for May-June 2016 Issue



Across

1. Using human characteristics in identity verification.
7. A felony of the Institute of Certified Public Accountants of Kenya
8. A fortress in a commanding position in or near a city-
10. Extended play (abbr)
11. Under IAS 36 impairment is measured on the lower of Carrying value and.... (abbr)
12. United Nations (abbr)
14. Joined together
15. Compulsory professional hours required to be in good standing
16. Fluorescent lighting-
17. British way of describing a foolish or stupid person
18. Companies being taken over in a merger
21. Accounts prepared for internal decision making (abbr)
23. Non portable computer (abbr)
26. Global professional accounting body offering the Chartered Certified Accountant qualification
28. One of the important accounting concepts.
31. Personal Assistant (abbr)
32. Goes together with either...
33. Instant message (abbr)
34. Enthusiast-fan
35. Legislative body in Kenya in charge of tax collection
36. Come or go into a place
39. Virtual space where software can be tested securely (goes with 47)-
40. Former sponsors for Manchester United Club
42. A body in Kenya in charge of campaign Against Alcohol and Drug Abuse
44. Throughput accounting.
46. East African Community (abbr)
50. A part of a plant that attaches to the ground
56. A final part of an event
58. Us Currency for short
60. African union
62. Method to counter credit card hacks
64. Extremely confident

Down

11. Standard for measurement of a system or process.
2. Internet protocol (Abbreviation)
3. Important chatter required for incorporating a company
4. A level of quality attainment
5. A fixed price paid or charged for something
6. Actions' taken to protect against threats.
9. Inspect, verify and make recommendations
13. A digital optical disc for data storage
17. Article of Association (Abbr)
19. Used a times to abbreviate a former in a relationship (see also 25 across)
20. A level of quality or attainment
22. Capital city of Ghana
24. Enjoin someone in an email conversation
27. Also used as a greeting at meeting or parting
29. Christian Industrial Training Centre (abbr.)
30. Attorney General
31. Breathe heavily
34. Accounts prepared for external users (abbr)
37. Not applicable (abbr)
38. Research and Development (abbr)
41. Offset two items
43. First two alphabetical letters in sequence
45. An area where debates or forums take place
48. Female reproductive organ
49. Hugs and kisses
51. Opposite of off
52. An actuary's concern
53. Used to refer something associated with one or more people
54. Not legally binding
55. An independent power producer.
57. A vehicle with four wheels
59. An important certification offered by ICEAW
61. United Emirates

Find your answers in the next issue

ICPAK HALL OF FAME



CPA Philip Kinisu,
Chairman of
the Ethics and
Anti-Corruption
Commission

**FCPA Wycliffe
Oparanya,**
Kakamega
Governor

**FCPA Dr. Martin Luke
Oduor-Otieno.**
ICPAK Chairman
(1997-1999)

**FCPA Billow
Kerrow,**
Senator,
Mandera
County

**FCPA Michael
Waweru,**
Former KRA
Commissioner
General

**FCPA Mrs.
Agnes
Odhiambo,**
Controller of
Budget

ICPAK walked with them in their careers.
Don't walk alone! Contact us on **+254 20 230 42 26/7,**
memberservices@icpak.com or log on to ***www.icpak.com***

BECOME AN
ICPAK
MEMBER



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

ACCOUNTING RESEARCH

All the universities in Kenya claim that they are research institutions: you are no-one if you are not “into research”. However, research is an extremely expensive process – not so much in terms of cash spent, but certainly in terms of time spent – and for employees, time is the same as money since a salary is paid for an employee’s time when all is said and done: students spend a lot of time writing up their “research”; their supervisors spend even more time trying to correct the grammar, spelling, logic, validity and presentation of the students’ writing – and sometimes trying to discern what the students are trying to say: the teaching of English in all but the better schools in Kenya is far below what is required to make graduates of those schools able to compete in the world market. The time lecturers spend directing research could in many cases be better utilized in teaching.

Some students are natural researchers: I remember reading the work of a young lady now working for Farmers’ Choice and that of another young lady now working with PricewaterhouseCoopers in Kigali – both pieces of research were outstanding. However, more recently I read the work of a very clever young man, who is widely read and who impresses anyone who speaks to him – his written work was awful. David Ndii tells how, a couple of years ago, he needed a research assistant to do a fairly sophisticated piece of statistical modelling. He searched the internet and came across a recently completed Master’s thesis in one of

Kenya’s public universities on precisely the work he needed. He tracked down the owner of the thesis to a policy research institution and offered her the assignment, which she accepted. It was just before Christmas; the lady agreed she would complete the assignment by the end of January. It should have been a piece of cake, since all she needed to do was update the data and replicate the work she had done in her thesis. She never did the work. Ndii was intrigued. \$4,500 was good money for someone at that level to pass up; the research would boost her CV. After several evasive maneuvers, she agreed to meet. Ndii sought to understand what the challenge could be. She gave no straight answer. He then delved into her thesis subject. It was soon apparent that she did not have even a basic grasp of the subject. She could not have written the thesis. Ndii had learned what many of us know – that there is a thriving thesis outsourcing industry in the country. Ndii was recently told an episode of a gentleman who made a living writing MBA theses for working people; the gentleman died in a road accident with several theses in his laptop, putting the students into the embarrassing situation of enquiring about the laptop from a grieving widow. Unfortunately for them, the laptop had been stolen at the scene of the accident.

So we have to ask a basic question: is academic research really worth all the money that taxpayers are unwittingly paying for it in public universities and that students – or their parents – are paying for it in private universities or in

fee-paying courses in public universities? The answer is no according to Larry Zicklin, former chairman of Neuberger Berman, a professor at New York University's Stern School of Business. He points out that if faculty members assumed larger teaching workloads, while doing less research, universities could deliver a college education at a fraction of its present cost. And all that would be lost would be a succession of what he sees as research papers that are of only marginal interest. Zicklin predicts that online education and other free-market forces will most certainly reverse this worrisome situation. He also wonders if students should have a say in how their tuition dollars are spent. When he reads academic literature, all too often by paragraph three he is lost in a morass of quantitative analysis that is far beyond not only his abilities but those

of almost every business person he has ever met. In his view, professors in US universities devote far too much of their time conducting research and writing about it in articles that only their peers understand and too little time actually teaching. As a result, their students are getting progressively less for their money, a guarantee of future serious trouble for higher education. As someone said about the North Pole, when you are there, every direction is down. He thinks that the American university system is on top of the North Pole now and the sides are steep. One solution? The value of a free market is, after all, one of the things business schools teach.

He gives an example of the extent to which things are going wrong. A couple of years ago, a valued faculty member who was responsible for a prolific output of

Zicklin gives a second example: a lecturer at another US university told him how she was reproached by her co-author for getting behind on their book. She tried to explain her lateness by pointing out the demands of her rigorous teaching load. "Are you kidding me?" the co-author said. "How can you teach that much and still get your work done?" In other words, teaching was not her job; research and writing was. People in the US are constantly reminded of the increasing cost of a college education and of the debt students take on to obtain a degree. According to the Chronicle of Higher Education, approximately 20 million people attend college every year and 12 million of them take out loans to help pay for it. Outstanding student-loan debt now stands at over \$1 trillion, divided among 37 million people. Of them, according to the Federal Reserve,

The government in Kenya will spend 31% of its total 2016-2017 budget on education. For Kenya to compete against other countries in the world, it is important that its population is well educated. In 2015, the total enrolment in (both government and private) pre-primary schools was 3.2 million, in primary schools 10.1 million, in secondary schools was 2.6 million, and in universities 507,700.

financial research at a well-known business school resigned. This caused great distress within the college, as the administration feared that the school's rankings would suffer because it would no longer be associated with his scholarship. But while he was the school's most successful scholar, he certainly did not teach anything related to his research. How practical was that research anyway? Zicklin has worked in the financial area for fifty years and he did not have a clue as to what his most recent articles were about — and nor did various business colleagues to whom he had showed them. If these experienced lecturers in finance could not decipher his writings, for whom were they intended? Zicklin's answer was that the research was for the community of scholars who write for one another but not for their students and certainly not for business executives who are interested in practical ideas that might actually work.

8.8 million are above the age of 50 and 2.2 million are over 60. HELB can take comfort from the fact that in the US, people in their 50s or 60s still owe money on their student loans. As for how much students need to borrow, former Ohio University economics professor Richard Vedder says that those attending four-year public universities now pay more than in previous years by double the inflation rate over the same period.

Zicklin states that this situation cannot continue. Resources from government funding in the US, individuals, foundation grants and well-to-do parents are not as available as in the recent past. He claims that sooner rather than later there will be an inflection point and colleges will be left with too much overhead, too few students and large budget deficits. The top 50 or so schools may be temporarily exempt from the pain, but even they will suffer when the squeeze intensifies. He points out

that in 2007, nobody could have forecast that Goldman Sachs, Citigroup and AIG would get caught up in a financial tsunami and require government assistance in order to survive. Train wrecks happen in slow motion and he believes the US is approaching just such a pile-up.

So where does the amount of time teachers devote to academic research come into the financial equation? A preliminary analysis of costs at the University of Texas at Austin by the Center for College Affordability and Productivity discovered that the 20% of the faculty with the highest teaching loads taught 57% of student credit hours and were responsible for 28% of total faculty costs; that worked out at \$662 per student taught a year. The 80% of faculty in the next four quintiles accounted for 43% of the school's teaching duties but 72% of all faculty costs, or \$2,142 per student. The least productive 20% taught just 2% of all student credit hours but accounted for 9% of total faculty costs, or \$3,794 per student. On average, the top 20% taught 318 students a year while the bottom 80% taught about 63.

One of the study's conclusions was that if the 80% of the faculty with the lowest teaching loads were to teach only half as much as the 20% with the highest teaching loads, the savings could result in a 50% cut in tuition costs. Numbers like these, if proven to be true, will not be lost on legislatures, donors or parents.

In the US, along with health care, academia is one of the few industries that have enjoyed pricing power in a desultory business climate and it has certainly availed itself of that power. Higher education is also one of the few industries that has not improved its productivity despite a turbulent economic climate. But Zicklin states that this will change. As economists tell their students, the free market may sometimes work slowly, but work it ultimately will, even in academia.

There is no doubt that the technological change has already started, with distance or online learning rapidly increasing its share of the market. According to a Sloan Consortium paper, more than 6.7 million students were taking at least one online course during the fall 2011 term, an increase of 570,000 from the previous year, while 32% of higher education students now take at least one course online. This is taking place with only 2.6% of higher education institutions currently offering MOOCs (Massive Open Online Courses)



Dr. Rudy Fichtenbaum, professor of economics at Wright State University

with another 9.4% in the planning stages. There is much controversy about the quality of online teaching, but there is also evidence that students are satisfied with it and learn just as much as they do with face-to-face courses and live professors.

Rudy Fichtenbaum, an economist, teaches at Wright State University, Fairborn, Ohio, and is president of the American Association of University Professors. He states that one of the most important factors driving price at public colleges and universities has been the decline in state support for higher education. Between 1987 and 2012, in real dollars, government support has declined from \$8,497 to \$5,906 per student. He adds that the second major culprit is rising costs. Critics of higher education often blame faculty salaries for rising costs. However, when measured in constant dollars, salaries for full-time faculty at public institutions have actually declined. What is driving costs is the metastasizing army of administrators with bloated salaries, and US university presidents who are now paid as though they were CEOs running a business—and not a very successful one at that. There is also the growth in entertainment spending and spending on amenities. Many universities claim that they must compete and therefore have borrowed millions to build luxury dorms, new dining halls and rock-climbing walls. They also spend millions

subsidizing intercollegiate athletics.

Richard Vedder (mentioned above), another economist, is now the director of the Center for College Affordability and Productivity in Washington, D.C., which examines cost and efficiency in higher education. He is blunt in his statement of the problem of unduly high rises in the cost of US university education. While stating that Prof. Fichtenbaum tells part of the story well, he points out that university lecturers are not all saints. At many universities, tenured lecturers have acquired low teaching loads to pursue trivial research published in journals no one reads, forcing administrators to hire cheap adjuncts who often do a fine job teaching at much lower cost. He claims that the role of sluggish state appropriation growth is somewhat exaggerated. When appropriations rise, universities have used a large portion of the money to fund unproductive bureaucracy. Moreover, he states that Professor Fichtenbaum ignores the 50-fold growth in federal student financial assistance programs since 1970: former Education Secretary Bill Bennett was mostly right when he said federal aid programs enabled colleges to raise tuition fees, helping to fuel the academic arms race.

The government in Kenya will spend 31% of its total 2016-2017 budget on education. For Kenya to compete against other countries in the world, it is important that its population is well educated. In 2015, the total enrolment in (both government and private) pre-primary schools was 3.2 million, in primary schools 10.1 million, in secondary schools was 2.6 million, and in universities 507,700. The number of Kenyans in formal employment in 2015 was 2,478,000, an increase of 107,800 over the 2,370,200 in 2014; do not forget that this number includes guards (all the guards in KK Security Limited are graduates), cleaners, drivers and messengers. How many of the people in formal employment need to be proficient in research? What is the valid and useful research output from Kenya's universities? Should universities in Kenya continue to claim that they are research institutions or should they concentrate on producing graduates who know how to work well in whatever field they have trained for and who are flexible enough to change from one area of knowledge to another because they can read and learn on their own?



COMPLEX

TO LET



Structure

- Eleven storey office tower.
- Basement parking facilities.
- Adequate washrooms with a provision for executive washrooms & superbly fitted kitchen facilities on each floor.
- High-speed service lifts.
- Spacious lift/staircase lobbies.
- Office suites available in flexible sizes.
- Generous floor heights allowing for suspended ceilings, facilitating the installation of air conditioning if required

Available for letting:

- **BANKING HALLS**
- **OFFICES**
- **RESTAURANTS**

Please contact Lloyd Masika Property Agents and Valuers
Tel: 0722 481 504, 0733 597 050



MUTHAIGA SQUARE

“ An Iconic Tribute to Nairobi with a Dream Location ”

FOR SALE

Muthaiga Square Plaza:

- * Plaza consists of spacious Showrooms, Banking Hall & Mini-Supermarket on Ground Floor. Food court on 1st floor. Space for Shops & Offices on 1st, 2nd & 3rd floors
- * 2 Lifts exclusively for Plaza access
- * Ample car parking facility available - 3 Basements
- * 24 hour security & CCTV
- * 24 hour back-up generator
- * Borehole water facility

Excellent Investment Opportunity

Integrated Development

Call for viewing sample Apartment & Offices



SIGNATURE DEVELOPERS LTD.
Spreading Acres of Joy

CALL US :

+254 735 707 707

+254 717 304 497



Construction In Progress

Muthaiga Square Residency:

- 3 Residential wings, each with 2 apartments per floor, served by 2 high speed elevators
- Three types of 3 bedroom (all en-suite) apartments to choose from
- All apartments with bright living spaces and functional design
- All the residential wings are independent and detached from each other, allowing total privacy to each segment
- Modular open plan kitchen + store and concealed clothes drying and utility area

- Family Fun Time on 4th Floor --> Communal Terrace Deck open to sky with possibility of multi-recreational facilities like jogging track, children's playing area, heated Infinity swimming pool, gym and clubhouse
- Private mini theatre on 13th floor for multi-purpose use by residents
- Landscaped garden area
- WC for domestic staff on each floor
- All modern amenities

Give yourself a deserving lifestyle...

Your Opportunity to own a piece of MUTHAIGA SQUARE

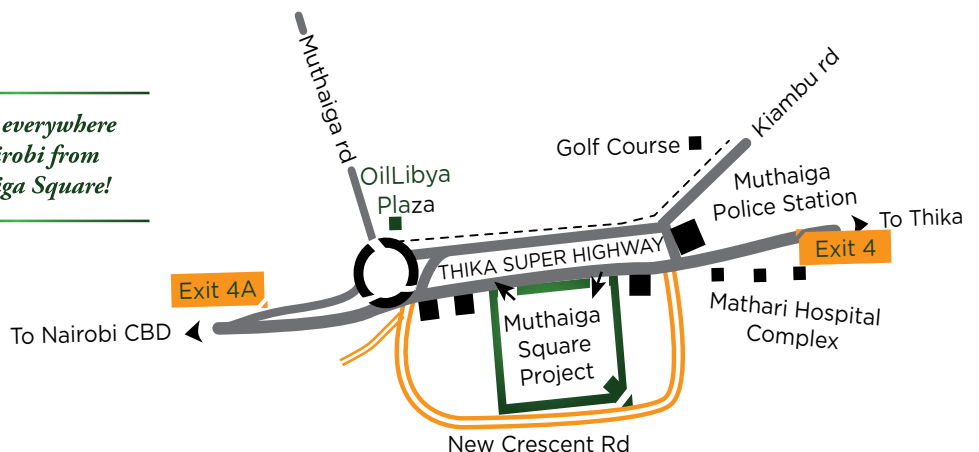
DEVELOPER

Muthaiga Courts Ltd
Empress Office Suites,
4th Floor, Jaralam Road.
Westlands

P. O. Box 38524 - 00623
Nairobi, Kenya

*You are everywhere
in Nairobi from
Muthaiga Square!*

www.muthaigasquare.co.ke
info@muthaigasquare.co.ke



Project banker and
Mortgage Providers:



Mortgage
Providers:



Disclaimer: Particulars not warranted