

**ICPAK PRESS STATEMENT ISSUED TO PRESS ON THE SIDELINES
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MOMBASA**

October 11, 2017

Preamble,

We, the Institute of Certified Public Accountants of Kenya, share the great concern of all Kenyans regarding the ongoing electoral processes as well as economic, social and political wellbeing of our country. We are also committed the successful implementation of devolution processes. In this regard, we will be commenting on the Presidential elections and will send out an appeal to county governors to appoint professional accountants in offices and positions that require their expertise.

Elections/peaceful demos and Impact on the Economy

During the hearing of the presidential election petition arising from the 2017 General Election, the Supreme Court annulled the August election and ordered for a fresh election within 60 days. Subsequently, the Independent Electoral & Boundaries Commission (IEBC) has designated Thursday, 26th October 2017 as the date for the repeat polls. However, the planned repeat election is in a state of limbo following the withdrawal of one candidate. The Institute is waiting for Supreme Court interpretation of what this means. The envisaged elections have undoubtedly heightened the uncertainty in the country. We are concerned that the continued political uncertainty is hurting our economy. The prolonged political activities have seen GDP growth slow down markedly to 5% in the last few months. The 2017 Budget Review and Outlook Paper (BRON) indicates that KRA is missing revenue collection target by almost 2.6 billion per month due to these activities. Additionally, the private sector entities are grappling with lost business opportunities while workers are staring at job cuts in months ahead.

Respect for the Constitution

It is against this background that the Institute wishes to reiterate that the political leaders, institutions of governance and general populace should carry themselves in a way that inspire confidence as well as by promoting national values and principles as encapsulated in Article 10 of Constitution. We ask the

candidates and all players to put the national interests of the country above their partisan interests.

While the Constitution allows citizen to picket and hold demonstrations, we urge political leaders to ensure that their followers hold such demonstrations peacefully and in line with the constitutional provisions, the political leaders should consider putting Kenya first by adopting a bipartisan approach in resolving the current electoral quagmire.

Upholding Governance, Integrity and Public Finance Management

The country would have achieved much more had there been strict adherence to the letter and spirit of the Constitution and particularly adherence to the values and principles of good governance, provisions on leadership and integrity, and principles of public finance. Strict adherence to these values and the provisions will certainly consolidate national cohesion and build a foundation for a prosperous nation. Prudent use of public resources and use of public funds in a responsible and accountable manner will address fears about the cost of implementation.

There is generally limited or poor adherence to the values and principles of good governance that constitute the main pillar of building a strong Kenya. Public officers are often cited in breach of these values, but there are no sanctions for their behaviour. The failure to punish public officers and other persons who fail to live by these values has reduced the momentum for commitment to ethical and integrity principles. The Ethics and Anticorruption Commission should ready itself to implement ethics and ensure stronger commitment to principles of leadership and integrity by all persons in public office.

It is imperative to constantly remind all political leaders that the future of the nation lies in how well we navigate the current process. We must remember that we have a country to safeguard and we are obligated to reach out to one another in this critical moment of our country's history.

Appointment of ICPAK members to key organs at county level

The Institute of Certified Public Accountants of Kenya (ICPAK) congratulates county governors following their successful election on 8th August 2017. As they settle down in office, the Institute implores them to appoint ICPAK members who are in good standing to key positions and offices requiring financial expertise such as; County Executive in Charge of Finance, Chief Officer in Charge of Finance, Chairman of Audit Committee and County Budget and Economic Forums.

It will be prudent to ensure that County Audit Committees have at least one ICPAK member with demonstrated experience and understanding of audit, risk management and control and extensive knowledge in accounting with at least five years of experience. In accordance with the Mwongozo Code, the Chairperson of the Audit Committees in all public-sector Institutions must be a registered member of the professional accountancy organization recognized by law in Kenya, in this case ICPAK.

We further advise county Governors to always seek reference from the Institute to verify the authenticity of their appointees' CPA qualifications and professional membership before they are sworn into the office.

Finally, Governors, county governments and other employers should take comfort in the fact that, ICPAK members operate under a regulated environment, hence the Institute is obligated by law (the Accountant Act of 2008) to step in and take remedial disciplinary action in case of professional misconduct by any of our members. The Institute will not hesitate to de-register any member found culpable of professional misconduct.

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