

Keeping you on the know

Implementation of International Public Sector
Accounting Standards (IPSAS) in Kenya

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Over 11 years of experience

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Educational and Professional Background

Membership of Professional Associations:

- ❑ Institute of Certified Public Accountants of Kenya (ICPAK)
- ❑ Member of ICPAK Public Policy and Governance Committee

Education:

- ❑ Bachelor of Commerce
- ❑ Certified Public Accountant of Kenya, CPA(K)

Countries of work experience

- ❑ Kenya, Tanzania, Uganda, Ethiopia, Rwanda, Burundi

Major Projects

Sam provides key support in the delivery of the following services by Deloitte:

- ❑ Technical assistance and capacity building of PSE in financial reporting – IPSAS, IFRS, GAAPs, Technical advisor to PSASB.
- ❑ Economic and Public Financial Management.
- ❑ Monitoring, Evaluation and Learning
- ❑ Systems Strengthening and Compliance reviews.
- ❑ Setting and running Project Management Offices (PMOs), Project Delivery Units (PDU), Result Management Office (RMO) framework set up

Brief description of professional trajectory

- ❑ Kirenge provides various services to Public Sector Entities including technical assistance and capacity building on areas of Economic and Public Financial Management for entities reporting under International Public Sector Accounting Standards (IPSAS), International Financial reporting Standards (IFRS) and special purpose framework as well as risk assessments. FiRe award evaluator.
- ❑ His advisory and audit experience is particularly wide with respect to Public Sector Entities based in Eastern Africa with operations in the Africa region. In addition, Kirenge has been involved in various advisory of donor funded projects and Non Governmental Organizations.
- ❑ Kirenge is a specialist in audit of public sector entities and is familiar with the reporting requirements of various donors and bilateral and multilateral agencies operating within the region.
- ❑ He has wide experience in performance and financial audits and manages teams that work on grants funded by Global fund, European Commission, United States International Development agency (USAID), World Bank, DANIDA and Centre for Disease Control (CDC).
- ❑ Kirenge has been involved in delivering results using initiatives RRI, lead Capacity assessment of IPs and Program Management.

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Brief Overview of IPSAs, application in the Public Sector and Trends

Introduction to International Public Sector Accounting Standards (IPSAS)

Introduction

- The International Public Sector Accounting Standards Board (IPSASB) focuses on the ***accounting and financial reporting needs of national, regional and local governments, related governmental agencies, and the constituencies they serve.***
- It addresses these needs by ***issuing and promoting benchmark guidance*** and facilitating the exchange of information among accountants and those who work in the public sector or rely on its work.
- *IPSASB is responsible for the issue of IPSAS.*

Types of IPSAS

There are two types of **IPSAS**;

- ***Cash basis***: Allows for transparent financial reporting of ***cash receipts, payments and balances***, under the cash basis of accounting.
- ***Accrual Accounting***: Focuses on revenue, cost, assets, liability and equity, instead of cash flow only.
- Most IPSAS are on accrual basis which is in line with **IFRS**.

Cash-Basis IPSAS

- The IPSASB has developed standards specifically for jurisdictions that continue to prepare financial statements on a cash basis.
- The IPSAS Board encourages governments to ***progress to the accruals*** basis of accounting.
- If a government uses the cash basis, IPSAS Board suggests the ***adoption of the cash-basis IPSAS Standard***.
- Financial statements under the cash basis show the ***sources*** of cash raised during the period, the purposes for which cash was ***used***, and the cash ***balances*** at the reporting date.

Cash-basis IPSAS

- IPSAS Financial Reporting Under the Cash Basis of Accounting is in two parts: **Part 1 addresses mandatory reporting requirements**, and **Part 2 sets out encouraged disclosures** to support information reported under Part 1.
- The standard encourages an entity to **voluntarily disclose accrual-based information**. An entity in the process of **moving from cash accounting to accrual accounting** may wish to include particular accrual-based disclosures in the process of transition.

Cash-basis IPSAS

- Financial statements under the cash basis consist of the following components:
 - Statement of cash receipts and payments
 - Accounting policies and explanatory notes –should include descriptions, detailed schedules, and analyses of amounts shown on the face of the statements.
 - Comparison of original budget, revised budget, and actual amounts on a comparable basis (***only when the entity makes publicly available its approved budget***) – IPSAS 24 will apply for such.
- When an entity elects to disclose information prepared on a different basis (e.g., modified cash, modified accrual, or full accrual) such information should be disclosed in the **notes to the financial statements.**

Cash-basis IPSAS

- Key Disclosures include:
 - Cash balances held but not available for us at year end.
 - Undrawn borrowings and loan facilities.
 - External assistance received – loans and grants.
 - External assistance debt rescheduled or cancelled.
 - Significant terms and conditions of external assistance – loans or grants not complied.
- An entity which intends to **migrate to the accrual basis of accounting** is encouraged to present a statement of cash receipts and payments in the same format as that required by **IPSAS 2 Cash flow statements**.

IPSAS - Accrual

- ***Accrual Accounting:*** Focuses on revenue, cost, assets, liability and equity, instead of cash flow only.
- Most IPSAS are on accrual basis which is in **line with IFRS.**
- Applied to all general purpose financial statements prepared and presented under the accrual basis of accounting in accordance with IPSASs.
- ***Does not*** apply to condensed interim financial information.
- Applies to ***all public sector entities other than Government Business Enterprises (GBEs).***

IPSAS - Accrual

Government Business Enterprise means an entity that has **all** the following characteristics:

- a) Is an entity with the **power to contract** in its own name;
- b) Has been assigned the **financial and operational authority** to carry on a business;
- c) Sells goods and services, in the normal course of its business, to other entities at a **profit or full cost recovery**;
- d) Is **not reliant** on continuing government funding to be a going concern (other than purchases of outputs at arm's length); and
- e) Is **controlled** by a public sector entity.

IPSAS – Public Sector Entities and GBEs

- There is an ED 56 – on applicability of IPSAS which seeks to amend the classification of GBEs.
- Profit oriented - GBEs
- Non GBEs - Service oriented – Entities that are totally dependent on Government Funding, provide public services to achieve outcomes which enhance or maintain well being of citizens.
- In between the profit oriented and service oriented there are other entities that are **difficult to classify** and hence the need for ED.
- PSE description – Responsible for **delivery of services to benefit the public** and redistribute income and wealth; **Mainly finances their activities directly or indirectly by taxes or transfers** from Govt, Social contribution, debt, fees and do **not have capital providers that are seeking return on their investments.**
- Do not have a primary **objective to make profit.**

IPSAS - Accrual

- All IPSAS accrual are based on IAS/IFRS except the following:
 - **IPSAS 21**: Impairment of Non-cash-generating Assets
 - **IPSAS 22**: Disclosure of Financial Information about the General Government Sector
 - **IPSAS 23**: Revenue from Non-Exchange Transactions (Taxes and Transfers)
 - **IPSAS 24**: Presentation of Budget Information in Financial Statements
 - **Cash Basis IPSAS**

Why IPSAS?

- Compliance with the IPSAS ***guarantees that the financial reporting of public bodies conveys what is termed a “true and fair view”*** of the financial status of an organization as is.
- IPSAS – Accrual - are modeled around the International Financial Reporting Standards (IFRS.) The use of IPSAS also ensures that financial statements are ***comparable for organizations that adopt them.***
- IPSAS take account of the **characteristic features of the public sector**. They are ***high quality global financial reporting standards*** for the application by public sector entities other **than Government Business Enterprises. (GBEs).**

Why IPSAS ?

- The application of the IPSAS gives the financial reporting by bodies incorporated under public law greater significance through ***comparability with internationally recognised regulations*** for submitting financial statements.
- The greater **transparency raises the quality of financial management, facilitates dealings with financiers and simplifies communication with the general public.**
- **Increasing demand for public accountability and transparency** by all stakeholders in the Public Sector.
- The preparation of transparent and understandable financial statements is an important way for ***Government bodies to demonstrate their accountability to their taxpaying stakeholders and development partners.*** This communication is an important part of building trust.

Benefits of IPSAS adoption

Quality and comparability

The adoption of IPSASs by governments ***improve both the quality and comparability of financial information*** reported by public sector entities around the world. It improve the comparability of reports ***between various government agencies, parastatals, donor funded projects*** etc. Reports prepared in accordance with IPSASs provide for comparability between different **financial periods**, even within the same institutions, hence **facilitating management decisions**.

Transparency

Disclosure information requirements of various reports facilitate **transparency in the financial dealings of public institutions**. These disclosures will enable users of financial information interpret the reports in the right context and better decision making processes.

Benefits of IPSAS adoption

Consistency

IPSASs improve consistency in preparation and reporting of financial information. This will in turn enable users to draw consistent conclusions given similar sets of financial statements.

Accountability

Adoption of IPSASs ***improve accountability and ease the audits of public institutions.*** This will translate into timely audit reports, better information to donors and countries providing external assistance, *better quality and credibility of financial reports.*

Governance

IPSASs result in stronger governance procedures and a framework for the accounting practice in the public sector. This will ***strengthen the financial management of public institutions.***

Challenges in adoption of IPSAS

There are a number of challenges envisioned in the adoption of IPSAS. These include;

- The IPSASs concept needs to be ***embraced by stakeholders*** such as Parliament, National Audit Office, Treasury, Government Departments, Development Partners as well as Non – Governmental Organizations (NGOs).
- It is essential to have a ***legislative backing*** for the adoption of IPSASs among the public sector entities.
- There are ***varying levels of national regulations relating to auditors*** and preparers of financial statements, as well as a history of developing ethics codes to meet local requirements.

Challenges in adoption of IPSAS

- There are ***cost to be incurred in the implementations of IPSASs***. Statutory bodies responsible for enforcing accounting regulations require ***funding*** to roll out implementation of IPSAS. These costs include research, training, capacity building, technology and consultancy costs.
- There is ***call for political goodwill*** in the implementation of better accountability in the Public Sector due to divergent views on accountability.

Trends in adoption of IPSAS

- **East and Southern Africa** — The ESAAG (East & Southern African Association of Accountant-Generals) member states' aim to **adopt IPSAS**. The association's member states are Botswana, Kenya, Lesotho, Malawi, Mauritius, Mozambique, Namibia, Rwanda, South Africa, Swaziland, Tanzania, Uganda, Zambia, and Zimbabwe.
- **Gambia** — In the process of adopting the cash-basis IPSAS, will then move to adopt accrual-basis IPSAS.
- **Zambia** — Process in place to adopt cash-basis IPSAS. Member of ESAAG. The aims of ESAAG member states include the adoption of the cash-basis IPSAS.

Trends in adoption of IPSAS

- **Rwanda** — The financial statements and accounting policies adhere, to the extent possible, to the cash-basis IPSAS. Deviations include recognition of accounts payable (invoices for goods and services which are outstanding on the date of the closure of the fiscal year are recognised as liabilities), loans receivable and advances are recognised as assets, interest payable on public debt is accrued, and consolidation.
- **Croatia** — Applies modified cash basis. No plans to adopt IPSAS.
- **Cyprus** — Process in place to adopt cash-basis IPSAS.
- **Indonesia** — IPSAS-compliant government accounting standards are in the process of being developed.

Trends in adoption of IPSAS

- More than 70 countries have ***agreed processes or have a project in place*** to adopt IPSASs or align with IPSASs as part of wider reforms to adopt accrual accounting e.g. Rwanda, Kenya, Uganda, Tanzania, Algeria, South Africa, Ghana, Brazil, Switzerland, Russia, India, China, Britain, USA, etc.
- The UN Group made the decision to adopt IPSASs in 2005. A number of other ***supranational organizations*** are also using IPSASs for their financial reporting. These include the European Commission and the OECD, NATO, IFAC and INTERPOL.

Trends in adoption of IPSAS

- **Tanzania** — The Government of Tanzania migrated to cash-basis IPSAS in 2006. In 2008, the Accountant General started a project to ensure full compliance with Parts I and II of the cash-basis IPSAS. The Government of Tanzania is now planning to migrate and prepare financial statements under accrual-based IPSAS. Local government authorities and government business enterprises are already complying with accrual-based IPSAS/IFRS. The plan is to be able to consolidate the local government authorities and government business enterprises.
- **Uganda** — Arrangements are underway to commence transition from modified cash basis of accounting to adoption of full accrual IPSAS. A phased implementation approach is planned. This will entail a phased implementation approach initially focusing on updating the legal and regulatory framework for budgeting, financial management and reporting, review of the chart of accounts, and development of comprehensive accounting policies and reporting guidelines.

Trends in adoption of IPSAS

Some of the Countries that have adopted full accrual basis of accounting:

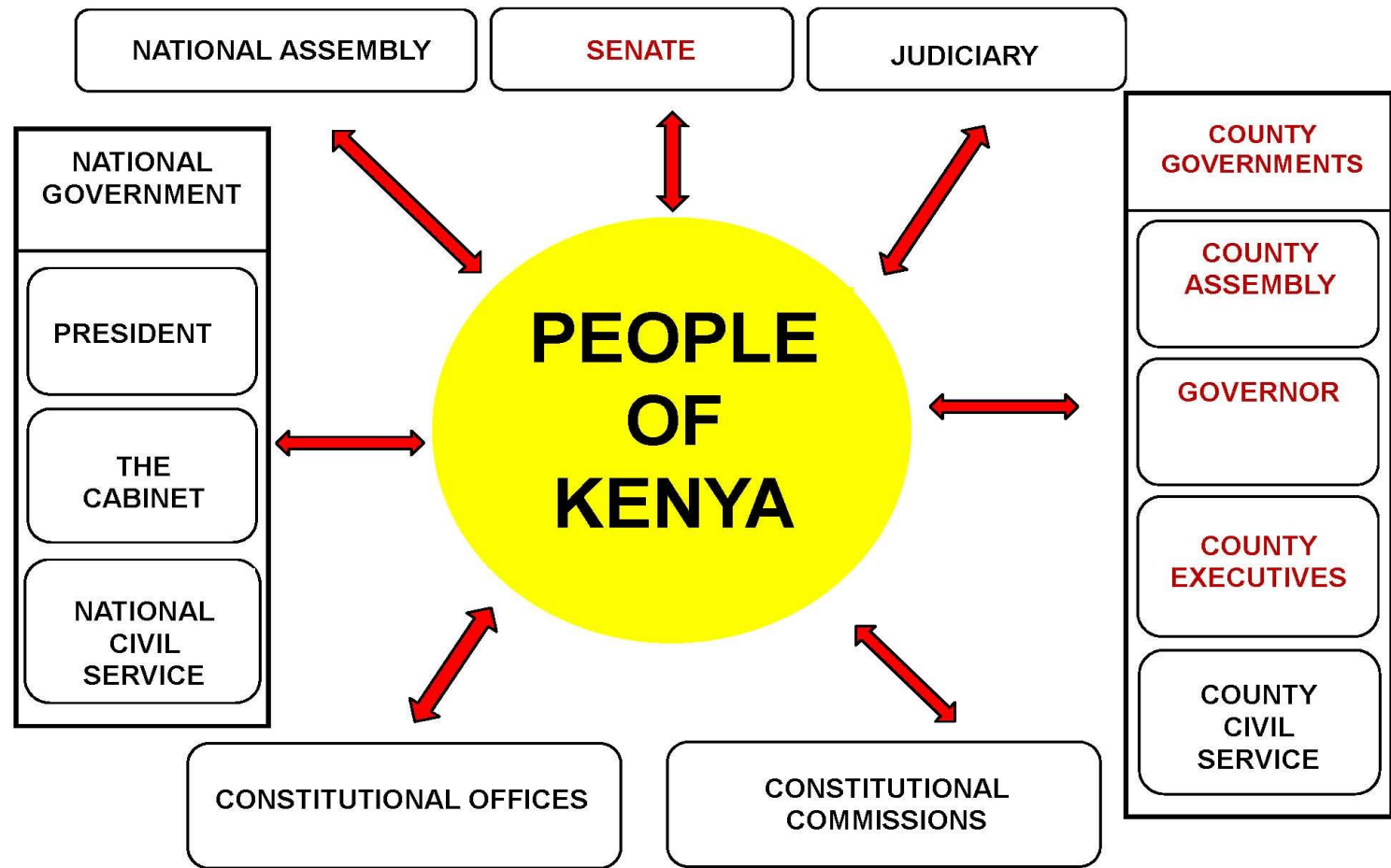
- Australia
- Canada
- Colombia
- France
- New Zealand
- UK
- US

How can Deloitte assist?

- Deloitte has the ***technical skill and capacity to help the Public Sector Entities adopt IPSAS***. Having practiced in the Public Sector for many years, we have in depth understanding of the Public Sector needs in respect to financial reporting.
- We have a network of global firms with whom we can leverage on to assist the IPSAS implementation in Africa in general.
- Deloitte has worked with the private sector to assist them in the adoption of IFRS. We still hold seminars and workshops for business leaders and accounting practitioners to consult on implementation of IFRS and provide updates on recent changes. We can also assist the Public sector achieve the same.

Government Structure of Kenya

Kenya's system of devolved government



*RED - NEW GOVERNMENT ORGANS

*BLACK - EXISTING GOVERNMENT ORGANS

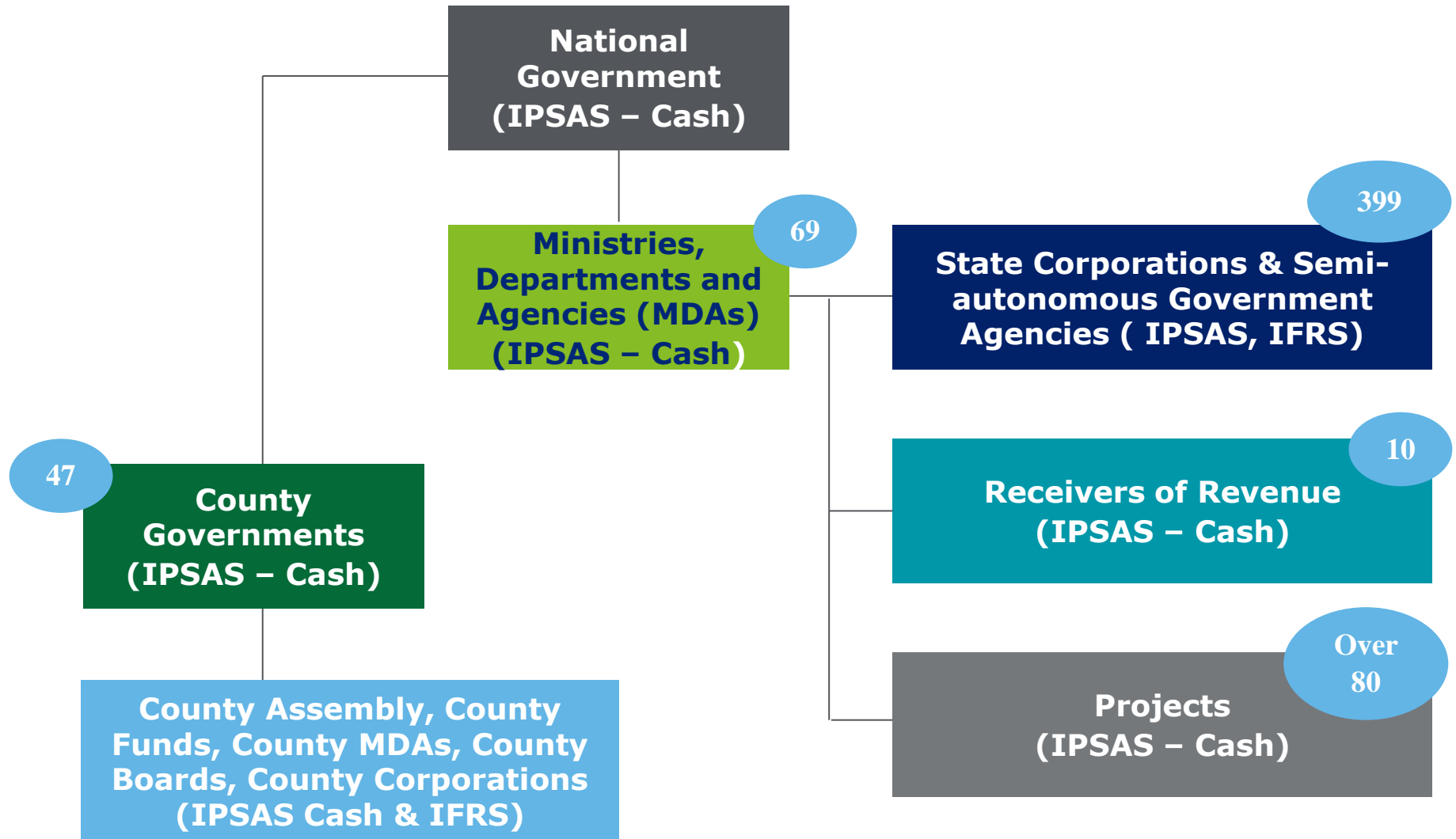
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CoRA

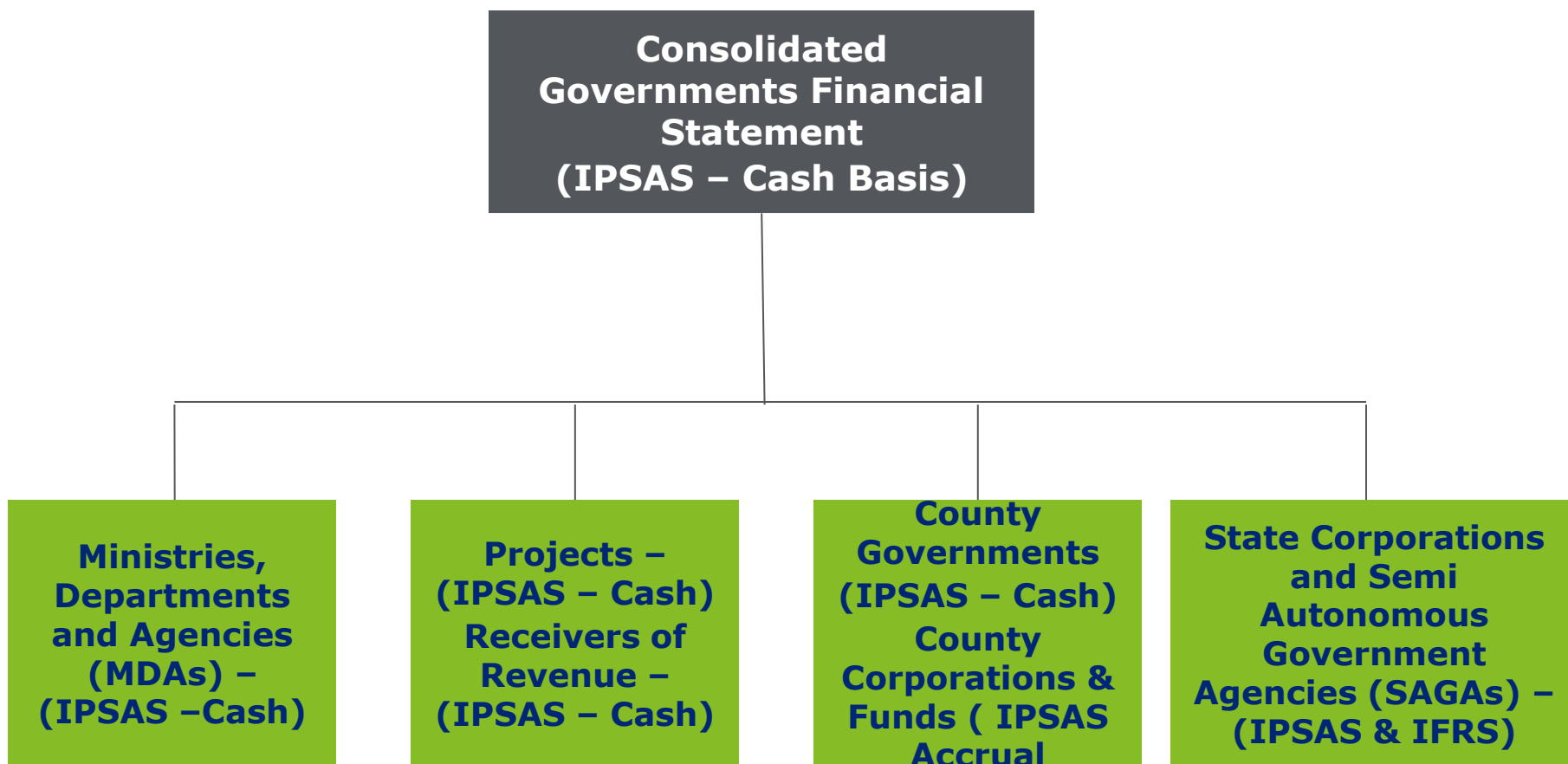
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Government of Kenya structure



Government of Kenya consolidated structure



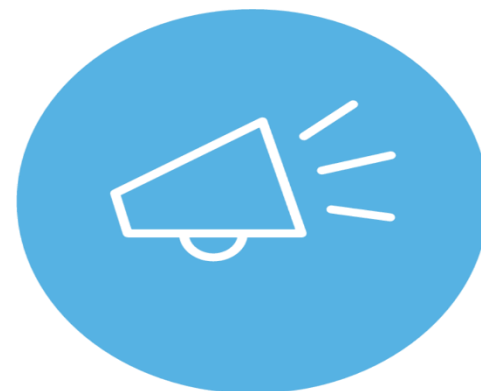
PFM Reforms in Kenya - Brief

PFMR strategy – 2013 - 2018

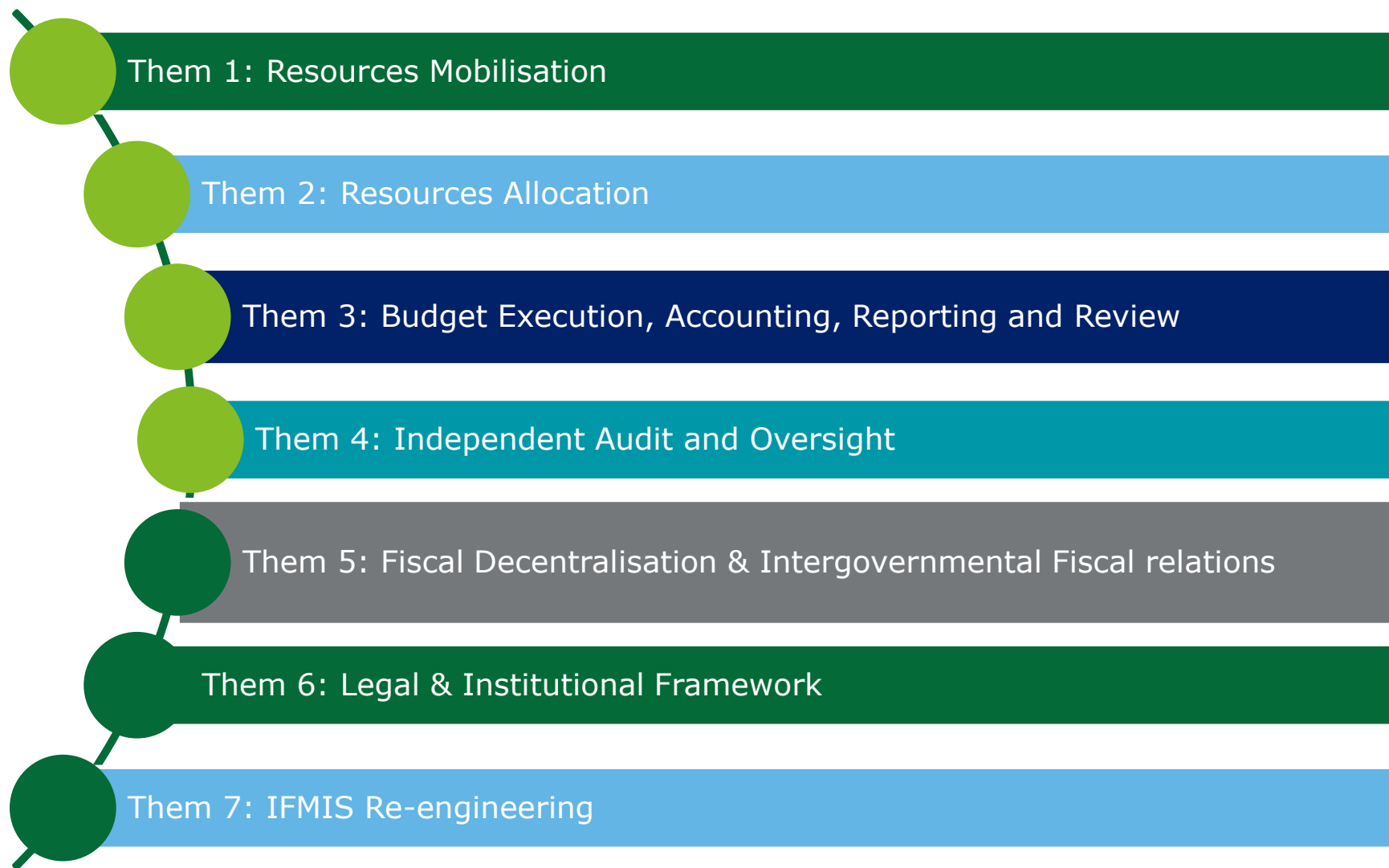
- Previous PFM strategy covered the period 2006 - 2011.
- The current PFM reform strategy covers 2013-2018 and came in after the new constitution. The strategy addresses gaps identified after the implementation of 2006-2011 strategy and the realities of the new constitutional order.
- The vision of the current reforms conforms to Cap 12 of the constitution: - ***A Public Financial Management System (PFMS) that is efficient, effective and equitable for transparency, accountability and improved service delivery.***

PFMR strategy – 2013 - 2018

- 7 themes, 1st 4 themes relate to annual budget cycle, while 3 themes are cross-cutting.
- Each theme is **linked** to implementation of the constitution and the PFM Act 2012.
- The DG/AG is in charge of Theme 3 and 7 and provide **support** responsibilities for all other thematic areas due to its cross cutting functions.
- Cost **Kes. 20.3 billion for the 5 years** – Government resources and Development Partners contribution.



PFMR Strategy – Key thematic areas



PFMR strategy – Key thematic areas

- For reforms to be effective, each of the thematic area has **key activities, expected outputs and the Implementing Agencies.**
- All reforms are geared towards obtaining **Value for Money** for the citizens – 4Es as well as achieving good governance and accountability.
- Key Implementing Agencies include National Treasury, Office of the Auditor General (OAG), Internal Audit, EMU, Inspectorate of State Corporations, EACC etc.

PFMR Strategy – Key thematic areas

- PFM Reforms are **motivated by developing partners and foreign governments providing aid** – They require minimum standards for financial reporting in order to account for financial aids.
- Countries with **better PFM practices are able to borrow** and fund large infrastructures cheaply.
- PFM reforms help government to achieve **greater efficiency** in use of public resources/funds.
- The **PFM reforms are key building block in achieving better governance** in Africa by enabling greater accountability and efficiency in the use of scarce public funds for benefit of citizens.

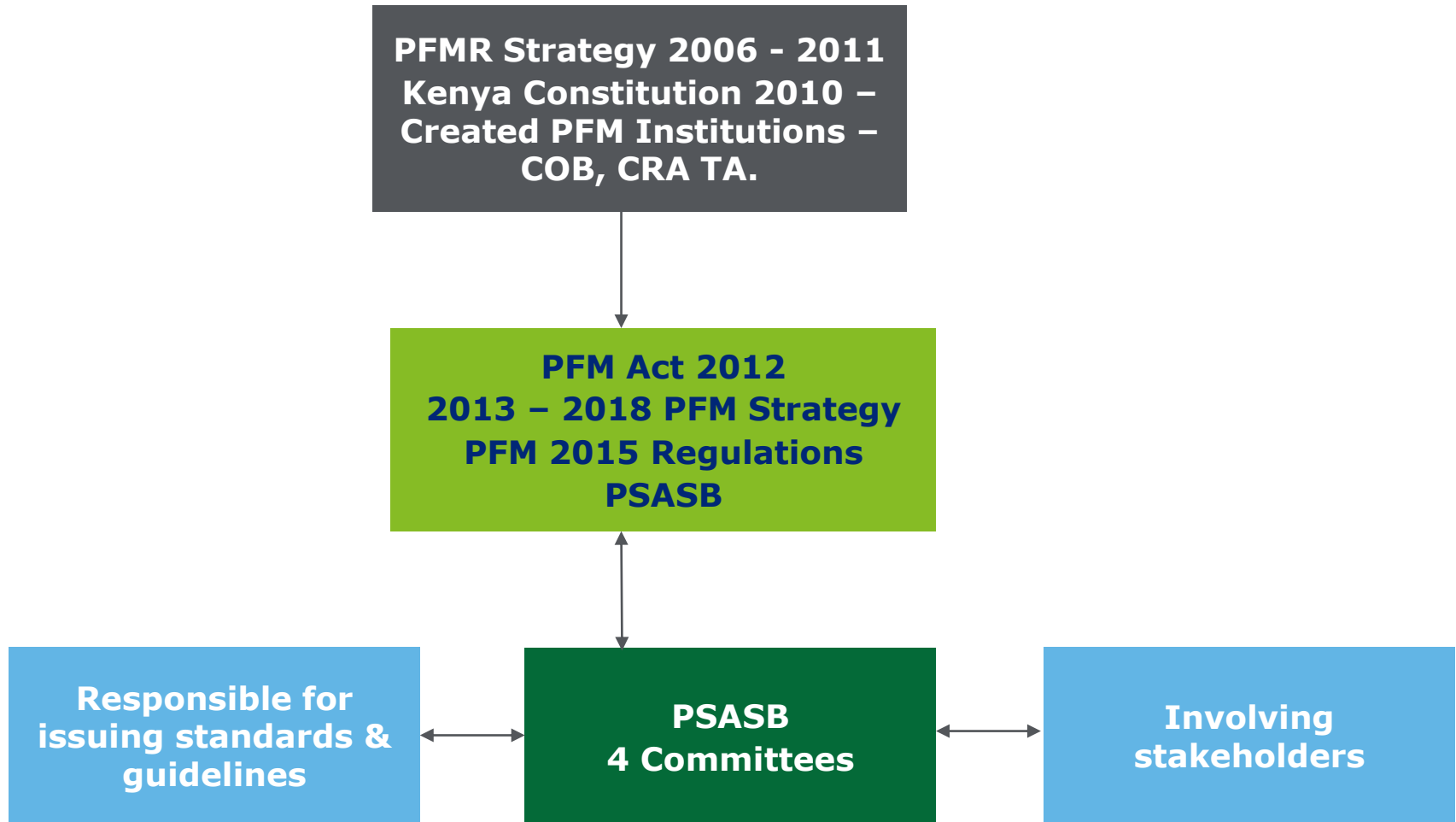
PFMR Strategy – Key thematic areas

In PFM reforms, consultants bring a solution but along the way there has to be capacity building, otherwise reforms will collapse when they exit.



Kenya Government Journey on IPSAS implementation and Overview of the Legal Framework for Public Accountability in Kenya

Enabling Legislation



Framework for public accountability in Kenya

The Constitution of Kenya (2010)

Article 201 sets out the principles of **public finance** as follows:

- Openness and accountability, including public participation in financial matters.
- Promote an equitable society, and in particular
 - Fair share of the burden of taxation;
 - Equitable sharing of revenue raised nationally among national and county governments; and
 - Equitable development of the country, including by making special provision for marginalized groups and areas.

Framework for public accountability in Kenya

The Constitution of Kenya (2010)

Article 201 sets out the principles of public finance as follows:

- The burdens and benefits of the use of resources and public borrowing to be **shared equitably between present and future generations.**
- Public money shall be used in a **prudent and responsible way.**
- Financial management shall be **responsible, and fiscal reporting shall be clear.**

Article 226 bestowed the duty on the National Assembly to pass a law governing the Accounts and Audits of public sector entities which the National Assembly fulfilled through the ***enactment of the Public Finance Management Act, 2012.***

Framework for public accountability in Kenya

Objectives of the Public Finance Management Act, 2012

- To ensure that public finances are managed at both the national and the county levels of government in accordance with the **principles set out in the Constitution**;
- To ensure that public officers who are given responsibility for managing the finances are accountable to the public for the management of those finances through **Parliament and County Assemblies**.
- The Public Financial Management Act of 2012 provides for the **effective management** of public finances by the national and county governments; the **oversight responsibility** of Parliament and county assemblies; the different responsibilities of government entities and other bodies, and for connected purposes.

Implementing agencies and enabling legislation

What have we done in Kenya?

- The 2010 Constitution
- Public Finance Management Act 2012
- Institutional Framework – The National Assembly; The County Assemblies; The National Treasury (Directorate of Accounting Services);
- Public Accounts Committee; Public Investments Committee;
- The Anti-Corruption Authority; Office of Auditor General; Public Sector Accounting Standards Board;
- The Institute of Certified Public Accountants of Kenya (ICPAK); Ministries/Government Departments;
- Commissioner of Revenue Allocation; and Controller of Budget.

Public Sector Accounting Standards Board (PSASB)

- The Public Sector Accounting Standards Board (PSASB) was established **as part of PFM reforms** in Kenya following the promulgation of the **new Constitution in 2010** and the subsequent enactment of the **Public Finance Management (PFM) Act in 2012**.
- The PSASB is a statutory, **standard setting body** established under the Sections 192 to 195 of the Public Financial Management Act, 2012.
- The PSASB through a Gazette notice No. 1554 dated 8th August 2014, signed by the Cabinet Secretary on 8 July **2014**, adopted IPSAS, IFRS and IPPF for use by public sector entities.
- **Retrospective application** for the year ended June 2014 was encouraged by PSASB.

Public Sector Accounting Standards Board (PSASB)

- The use of IFRS, IPSAS and IPPF was therefore formally adopted and applied for the first year in the year ending 30th June 2014.
- FY 2016/2017 is the 4th year of implementation of the standards that were gazetted by PSASB in Yr 2014.
- The Board constitutes representatives from different stakeholders as follows:
 - Chair **representing** the National Treasury - AG
 - **Representative from** the Controller of Budget
 - **Representative from** the Office of Auditor General
 - **Representative from** the Institute of Certified Public Accountants of Kenya (ICPAK)
 - **Representative from** the Association of Professional Societies of East Africa
 - **Representative from** the Capital Markets Authority
 - **Representative from** the Institute of Internal Auditors
 - **Representative from** the Institute of Certified Public Secretaries of Kenya

Public Sector Accounting Standards Board (PSASB)

Functions of PSASB are set out in Section 194 of the PFM Act 2012 and these include:

- Set generally accepted accounting and financial **standards**;
- Prescribe the **minimum standards** of maintenance of proper books of account for all levels of Government;
- Prescribe **internal audit procedures** which comply with this Act;
- Prescribe **formats for financial statements** and reporting by all state organs and public entities;
- **Publish and publicise the accounting and financial standards** and any directives and guidelines prescribed by the Board;
- In consultation with the Cabinet Secretary on the **effective dates of implementation of these standards**, Gazette the dates for application of the standards and guidelines; and
- Perform any other functions related **to advancing financial and accounting systems management and reporting in the public sector**.

Public Sector Accounting Standards Board (PSASB)

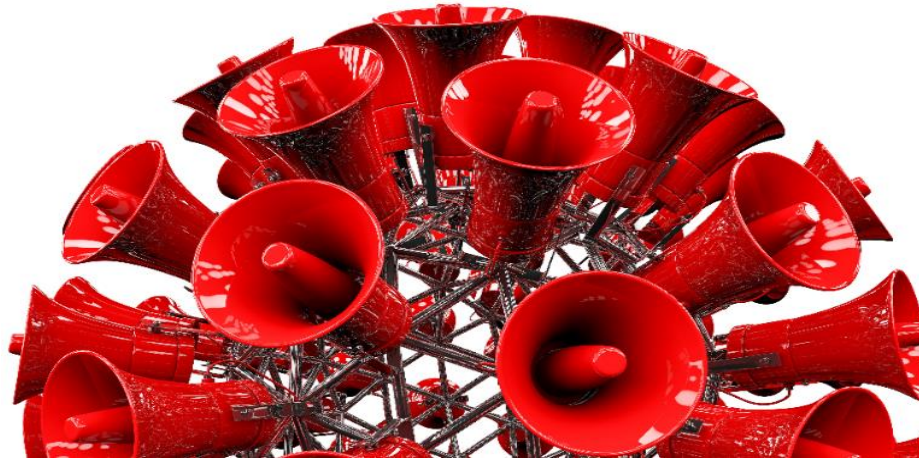
- PSASB approved the adoption of the International Financial Reporting Standards (**IFRS**), the International Public Sector Accounting Standards (**IPSAS**) and International Professional Practice Framework (**IPPF**) for Internal Auditing Standards by all **State organs and Public Sector Entities**.
- Effective date was 1st July, 2014 through a Treasury circular.
- The National and County Government and their respective entities to apply **IPSAS cash based**.
- The Regulatory and other non-commercial entities shall apply **IPSAS Accrual based standards**.
- The State and County Corporations carrying out *commercial activities* shall apply **IFRS**.

Public Sector Accounting Standards Board (PSASB)

- The Board has set up **4 committees** to assist in the Execution of the mandate:
 - Government Owned Enterprises Committee
 - National and County Government Committee
 - Internal Audit Committee
 - Governance and Strategy Committee
- The committee assist in **fast tracking the implementation** of the new reporting framework.

Public Sector Accounting Standards Board (PSASB)

The National Treasury, the PSASB and Kenya Accountants and Secretaries Examination Board (KASNEB) and ICPAK have gone further and **included Public Finance** and Taxation papers in both professional and Technician level of **Accountant courses**.



Benefits to Government Of Kenya – National Treasury

Benefits to Government of Kenya

- Continued improvement in financial reporting by entities which is evidenced by:
 - Better Presentation and Disclosures in the financial statements.
 - Compliance with the PSASB prescribed reporting standards frameworks.
 - Scoped FiRe Awards by Public Sector Entities.
- Better accountability and decision making out of financial information.
- Financial transparency; Improves public trust.
- Trained finance personnel > 1,744 of Public Entities in Financial reporting and other areas such as procurement, corporate governance etc. The knowledge transfer is expected to be reflected in subsequent financial reports.

Benefits to Government of Kenya

- Similar public sector entities are able to compare performance based on the standardized reporting frameworks, eg Regulatory, non-commercial entities.
- For all the trainings all CPAs qualified for CPD hours.
- Consistency in financial reporting by entities based on the earlier foundation laid in Year of the technical assistance.
- Standardization of quarterly reporting by public entities through developing an in-year reporting template that is in line with IPSAS.
- The level of compliance with the PFM Act is gradually increasing based on the enlightened accounting personnel of the public entities through the trainings during the years.

Benefits to Government of Kenya

- Consolidated financial statements of all Government agencies in accordance with IPSAS reporting framework.
- Identification of assets and liabilities; scope to improve their management
- Better management of resources leading to better public services.
- Lower interest rates
- Right step to enhancing reporting of Government Finance Statistics (GFSM) required by IMF based on the consolidated financial statements of the Government.

Challenges

Challenges

- Change management – Resistance to change from key stakeholders meant to implement.
- Financial Reporting Systems – Some entities still using manual systems. This include IFMIS reconfiguration to IPSAS.
- Budgeting and financial statement basis different – Budget is cash based while the financial statements basis for some agencies are accrual.
- Accounting for Heritage Assets and Natural Resources.
- Identification and valuation of assets including ownership determination
- Taxation on Public Sector Entities.
- Adoption of IPSAS in Kenya Public Sector is meant to have led to increased transparency and accountability. There has been unclean audit reports which are mostly due to policy issues, internal controls and accountability issues. This are expected to reduce in future years.

How do we get there?

IPSAS Journey – How do we get there?



How to get there

Policy and/or legislative reforms



Gap analysis –present versus future

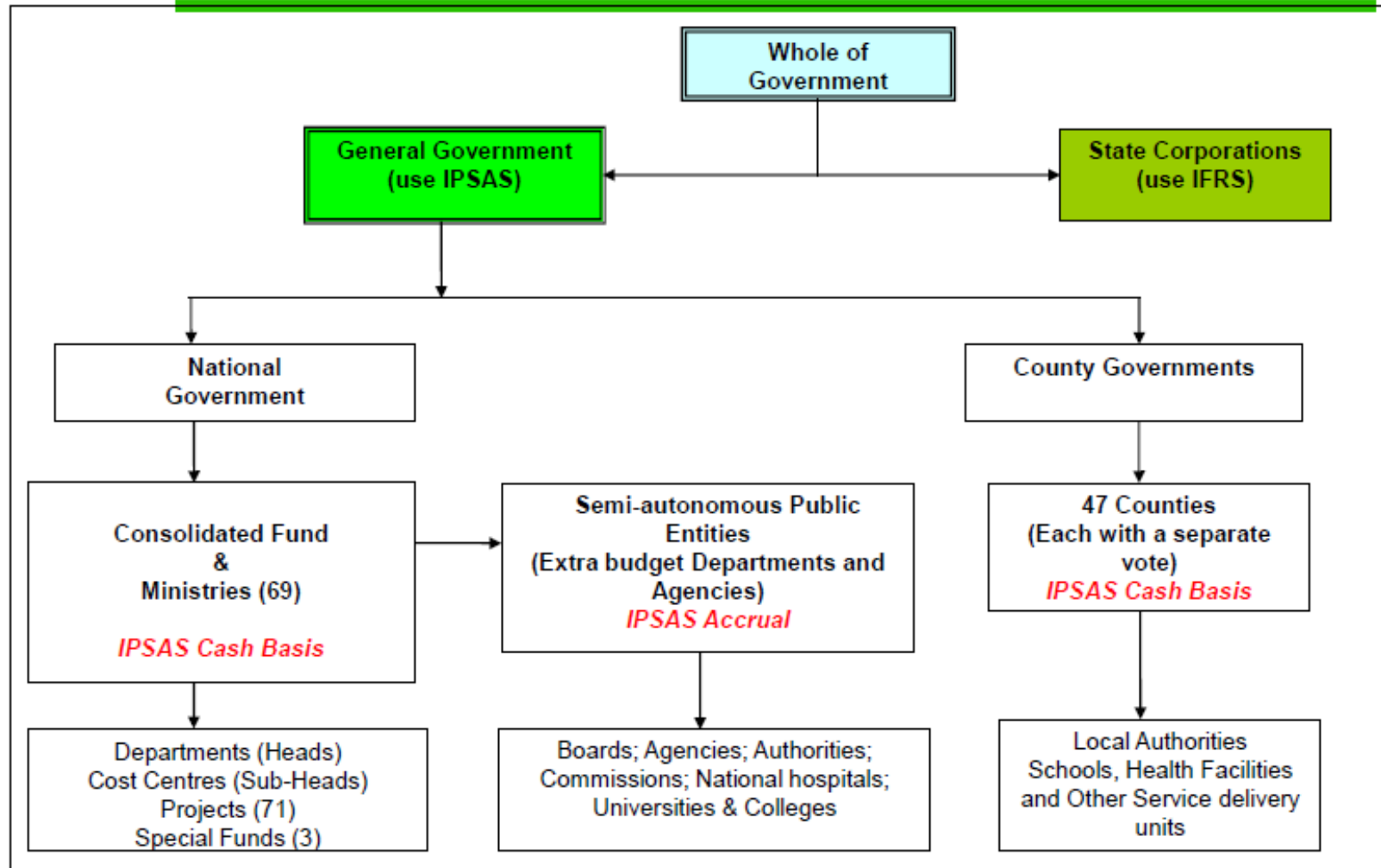
Develop a plan –which entities affected, when, how

Resources required –people, systems, funding

Develop clear policies and processes – Reach 'date of adoption' and start applying IPSAS

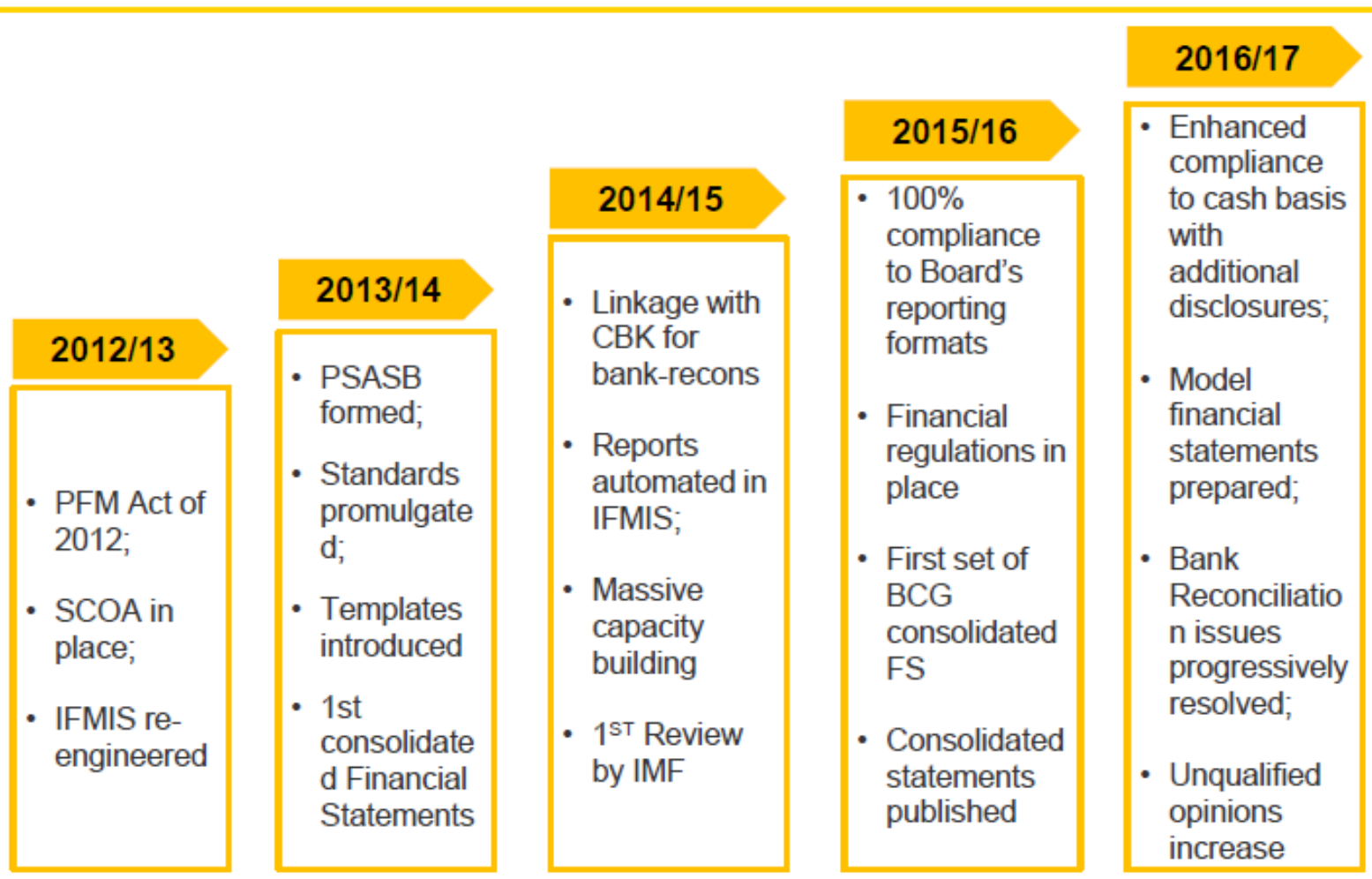
IPSAS Journey – Where are we?

Standards landscape



IPSAS Journey – Where are we?

Progress under cash basis



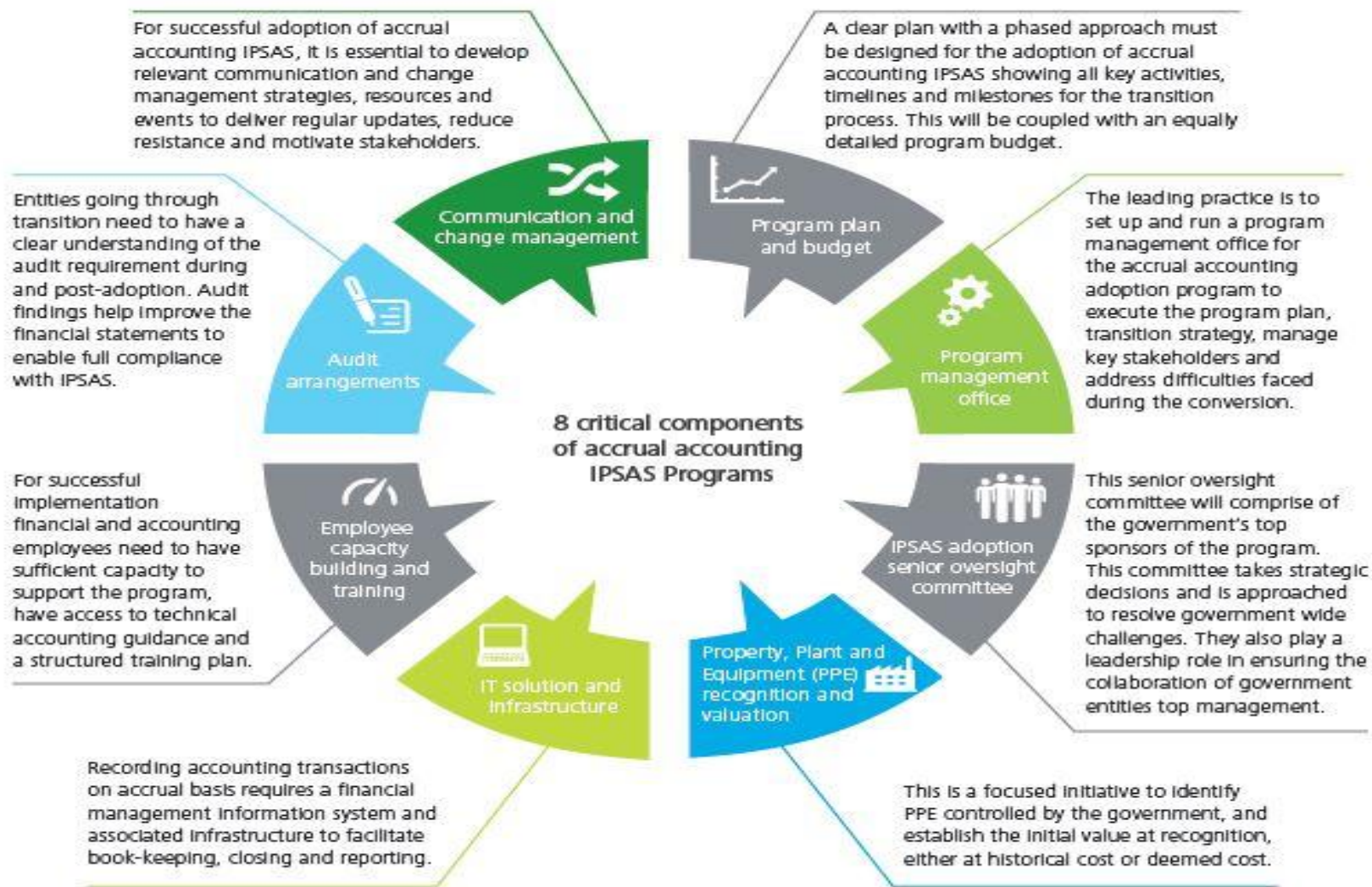
IPSAS Journey – Why move to accrual and what are key components to consider?

Key considerations are:

- How well we have complied with *Cash Based IPSAS*;
- Critical components for implementing IPSAS Accrual;- *Resources, Systems, Capacity and Skills; Political will, etc;*
- Benefits of IPSAS Accrual;
- Challenges of IPSAS Accrual;

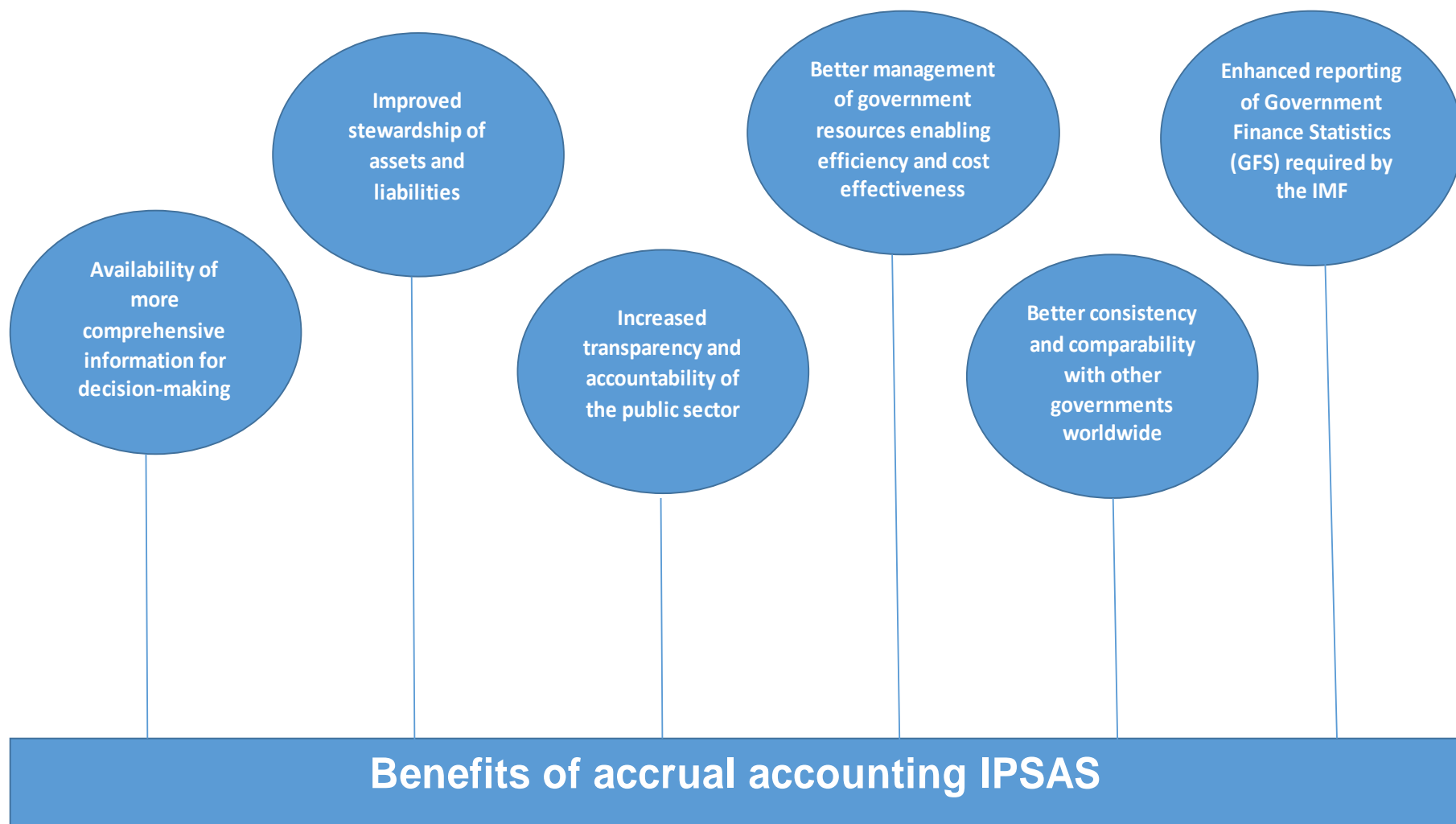
Critical Components of Accrual IPSAS

Figure 6 – Eight critical components of accrual accounting IPSAS programs

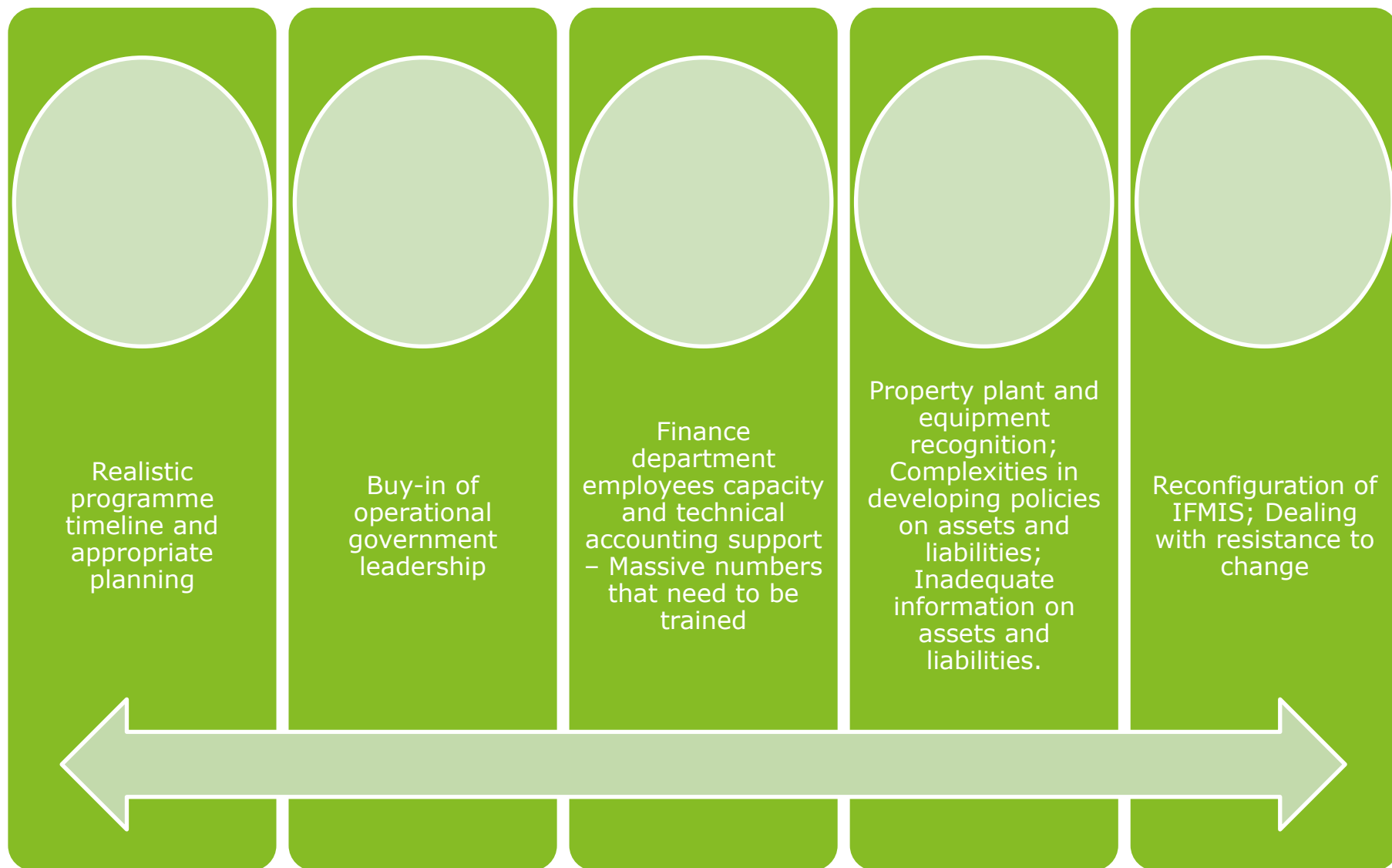


Benefits of Accrual IPSAS

Expected benefits of implementing accrual accounting IPSAS



Challenges of Accrual IPSAS



IPSAS Journey – Preparedness for accrual

Compliance and enhancement for cash basis

Ref	Activities	2017/18	2018/19
1	Enhance disclosure notes on:		
	o Contingent liabilities		
	o Property, plant and equipment		
	o Public Debt		
2	Reporting and consolidation enhancements:		
	o Require all government entities to prepare direct method cash flow statement		
	o Continue preparing Budgetary central government (= consolidated fund, MDAs, projects) consolidated report.		

IPSAS Journey – Preparedness for accrual

Preparatory Activities for Accrual Adoption

Ref	Management preparatory activities	2017/18	2018/19	2019/20
1	Obtain Cabinet approval for migration to accrual			
2	Prepare formal roadmap for migration			
3	Commence revision of chart of accounts			
4	Commence development of guidelines for identification and valuation of assets and liabilities			
5	Finalise, test and implement chart of accounts			
6	Finalize Guidelines for identification and valuation of assets and liabilities			
7	Commence identification and valuation of other assets and liabilities			
8	Resolve salient issues in IFMIS such as bank reconciliations			
9	Activating asset module in IFMIS			
10	Reconfigure IFMIS to generate information on cash - for budget - and accrual for reporting.			
11	Sensitization – road shows, training & capacity build			
12	Issue guidelines for migration to accrual			

IPSAS Journey – Preparedness for accrual

Compliance and enhancements to Accrual Basis

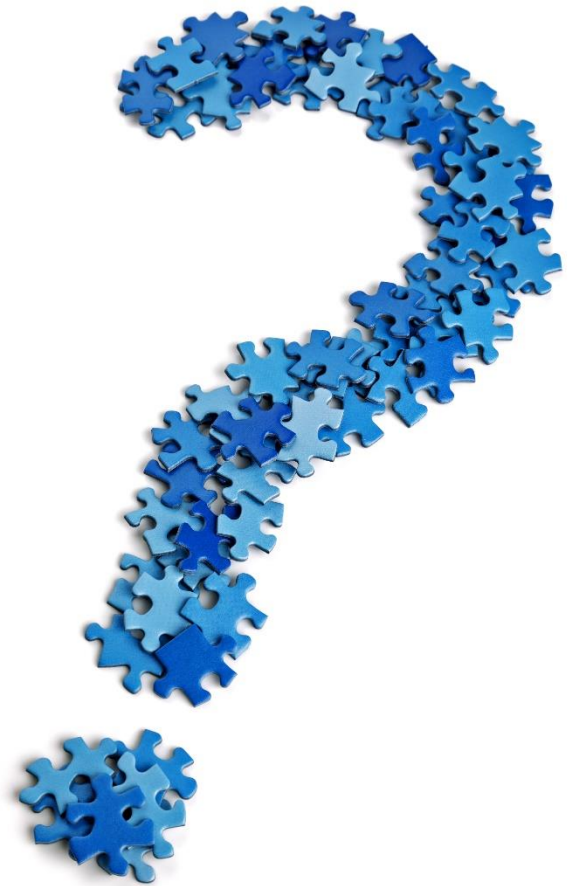
	2017/18	'18/19	'19/20	'20/21	'21/22	'22/23	2023/24
o Prepare opening balance as at 1 st July 2019 in IFMIS							
Recognitions:							
Financial assets & liabilities:							
o Investments							
o On-lent							
o Receivables, excluding tax rec							
o Payables							
o Public Debt							
o Pension liabilities							
Non Financial assets & liabilities:							
o Additional PPE			Add	Add	Add	ALL	ALL
o Inventories,							
o Intangibles							
o Public-private partnership assets and liabilities							
o Contingent Liabilities and Assets							
o Related Party							

IPSAS Journey – Preparedness for accrual

Sets of consolidated financial statements

Ref	Sets	'17/18	'18/19	'19/20	'20/21	'21/22	'22/23	'23/24
1	State corporations, SAGAs	x	x	x				
2	County governments	x	x	x	x	x	x	x
3	MDAs with projects in appendix	x	x	x	x	x	x	x
4	Consolidated fund	x	x	x	x	x	x	x
5	Budgetary central government (= consolidated fund, MDAs, projects)	x	x	x	x	x	x	x
6	State corporations				x	x	x	x
7	Central government (= budgetary central government, SAGAs)				x	x	x	x
8	General government (= budgetary central government, SAGAs, county governments)					x	x	x
9	Whole-of-government financial statements (= budgetary central government, SAGAs, county governments, state corporations)							x

Questions and Answers/ Comments/Plenary Discussions



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