

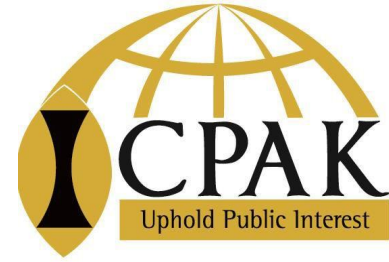


Practitioners' Induction Workshop

By
CPA Rose Mwaura
Convener, PDC Committee and Council Member,
ICPAK

at
The CPA Centre 11th floor, Nairobi
28th January, 2019

MEMORABLE QUOTE



“

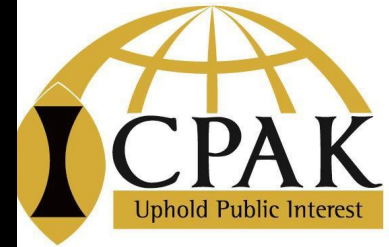
Investing should be more like watching paint dry or watching grass grow. If you want excitement, take \$800 and go to Las Vegas.

”

— Paul Samuelson

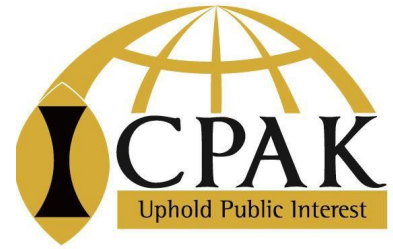
- Over view of ICPAK
- Firm Management Guide
- ICPAK/Safaricom- MOU
- Professional Indemnity
- SMOs
- New requirements on firm licensing

Background Information



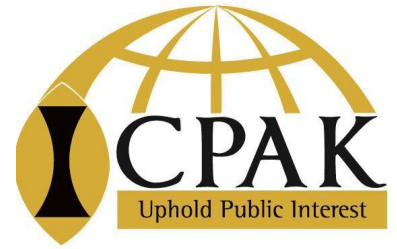
The Institute of Certified Public Accountants of Kenya (ICPAK) was established in 1978. The Institute is a member of the Pan-African Federation of Accountants (PAFA) and the International Federation of Accountants (IFAC) since 1980, the global umbrella body for the accountancy profession.

Vision & Mission



- Vision - A world class professional accountancy Institute
- Mission - Develop and promote internationally recognized accountancy profession that upholds public interest through effective regulation, research and innovation”
- CREDO - Uphold Public Interest

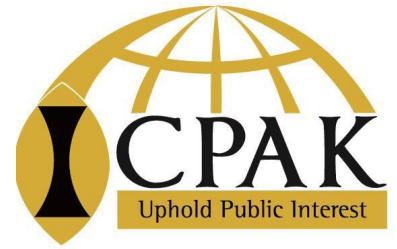
CORE VALUES



The Institute is guided by the following core values:

1. Credibility,
2. Professionalism and
3. Accountability

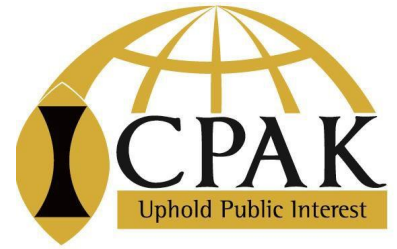
ICPAK Mandate



The Institute draws its mandate from the Accountants Act (no 15 of 2008).

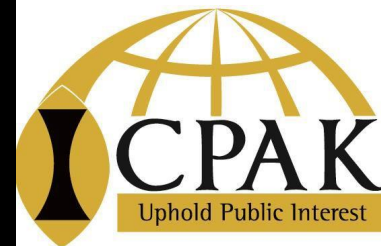
The Act prescribes the following as the functions of the Institute:

Mandate



1. To promote standards of professional competence and practice amongst members of the Institute
2. To promote research into the subject of accountancy and finance and related matters, and the publication of books, periodicals, journals and articles in connection therewith;
3. To promote the international recognition of the Institute.
4. To advise the Examination Board on matters relating to examinations standards and policies;

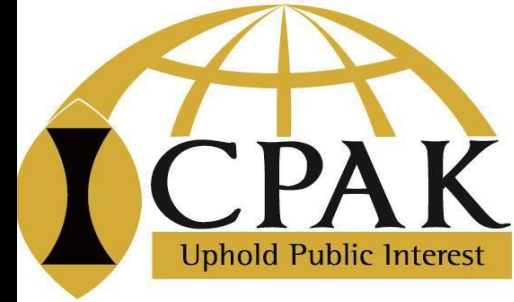
Mandate Con't...

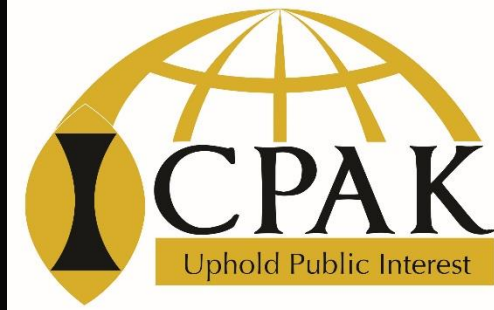


5. To advise the Minister on matters relating to financial accountability in all sectors of the economy; To carry out any other functions prescribed for it under any of the other provisions of this Act or any other written law and

6. To do anything incidental or conducive to the performance of any of the preceding functions

Life Cycle of a Practitioner





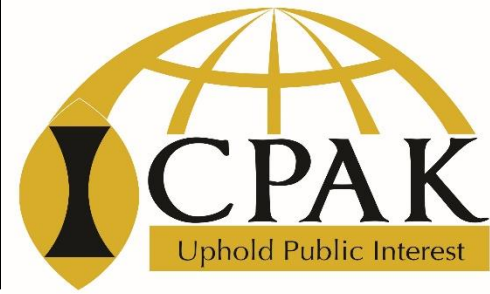
FIRM MANAGEMENT GUIDE

Uphold.

Public.

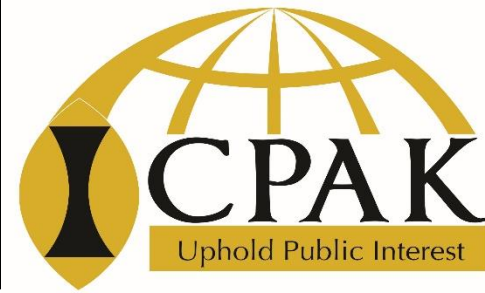
Interest.

Firm Mgt Guide- Objectives



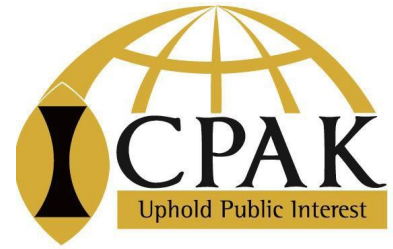
- The main objective of this guide is to prepare practitioners for holistic professional growth. Specific objects include:
 - Equip ICPAK practitioners with technical skills and knowledge to be competent and efficient in the market;
 - Expose practitioners to soft career skills such as human resources development and retention, branding and marketing that are essential for the growth of their firms;

Firm Mgt Guide- Objectives (Cont'd)



- Impart the professional accountant with practical knowledge on partnerships, mergers and acquisitions in the accountancy profession.
- Leverage on partnerships with other professionals to complete the value chain to clients
- Capacity build practitioners on important firm operational aspects such as revenue management, work flow management and utilization of audit techniques and tools.

Firm Mgt. Guide



The Management guide is intended to equip practitioners with:

- The practical knowledge in Accountancy
- Understanding of Branding and Marketing techniques
- Client Relationships
- Staffing and Human resources Management
- Mergers and Acquisitions
- Revenue and Cost Management
- Work flow Management
- Documentation and Audit Evidence
- Audit techniques and tools
- Audit programs for SMEs, Listed and General Purpose entities

Link to firm Mgt Guide

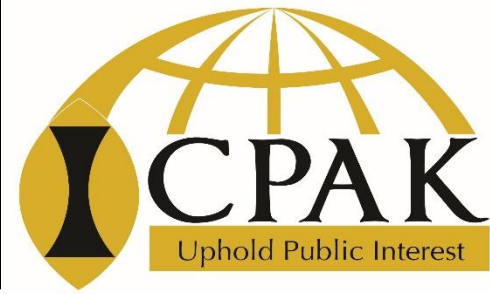


Please refer to the link below for the full guide:

<https://www.icpak.com/resource/firm-management-guide/>

SAFARICOM MOU

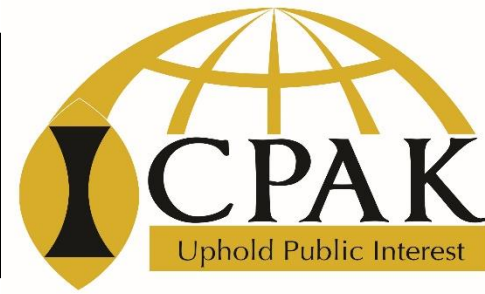
Safaricom/ICPAK Partnership



Objective is to promote the growth of the Small and Medium Practitioners SMP (SMP's) by providing the SMP's with access to affordable Information and Communication Technology (ICT) products, training services and business advisory services.

Aimed at growing the SMP market segment and to provide a forum where SMP's can access a variety of products and services which are designed for the SMP sector

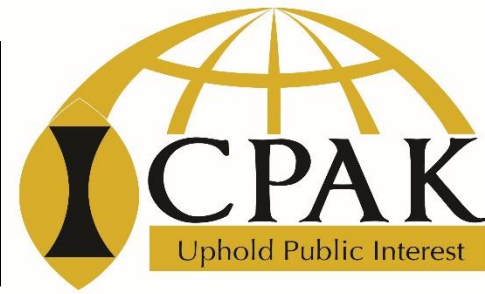
Initial Service Scope



Corporate Domain and Web Hosting for SMPs

- Registration of corporate domain
e.g. **abccandcompanycpas.co.ke**
- Corporate Web hosting – hosting of corporate website online
- Corporate Email Hosting – hosting of corporate emails

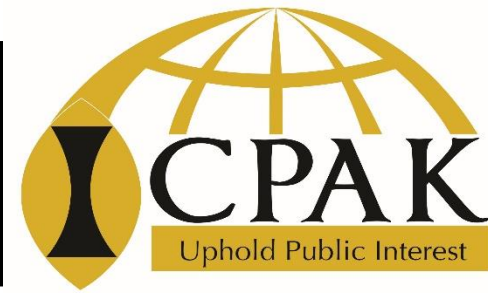
Benefits of Domain Registration



Online Presence

- **A customized** domain and website will give you a truly online presence and it will establish your business as a brand. You can publicly host details about your company e.g. products and services, contacts etc.
- Having your own domain name will **increase your website's positioning** under search results on top search engines like Google, Yahoo and Bing.

Benefits cont.



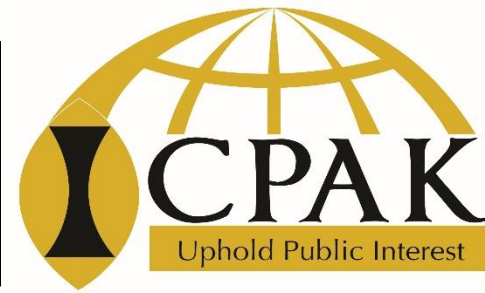
Enhanced Online Interactivity

- Having a customized domain and website enhances online interaction between your company, customers and public. This is made possible by online portals, forms and linkages with social media platforms to enable sharing of information between your company and the public.

Greater Credibility

- Prospective customers will more readily transact with businesses with a **professional, established online presence** – made possible with a personalized domain.

Benefits (cont.)



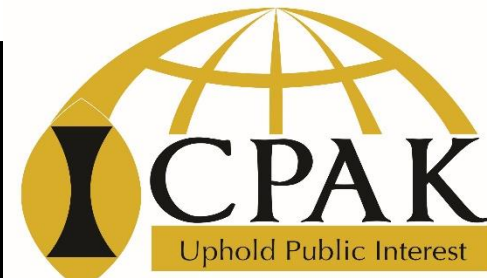
Correspondence

- Once you acquire a domain, your email addresses will appear as **“info@abcandcompany.co.ke ”** for example. This can go a long way in maintaining professional communications with your customers.

Simplicity

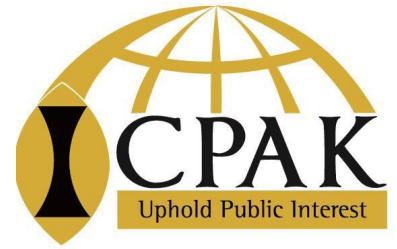
- A custom domain such as www.abcandcompany.co.ke or say **info@abcandcompany.co.ke** is **easier to remember** than a generic, cobranded domain such as **abcandcompany@gmail.com**

Service Details



PACKAGE NAME:	NORMAL PACKAGE DETAILS:	ICPAK OFFER	PRICE / YEAR LOCAL (.CO.KE, .ME.KE)	PRICE/YEAR INTERNATIONAL (.COM, .INFO, .ORG)
BRONZE PACKAGE	500 MB Disk Space, 10 Email Accounts, 5 Sub Domains, 2 FTP Accounts	2 GB Disk Space, 10 Email Accounts, 5 Sub Domains, 2 FTP Accounts	Kshs. 2,800	Kshs. 2,499
SILVER PACKAGE	2GB Disk Space, 50 Email Accounts, 50 Sub Domains, 5 FTP Accounts	5 GB Disk Space 50 Email Accounts 50 Sub Domains 5 FTP Accounts	Kshs. 3,800	Kshs. 3,499
GOLD PACKAGE	500 MB Disk Space, 100 Email Accounts, 100 Sub Domains, 20 FTP Accounts	10 GB Disk Space, 100 Email Accounts, 100 Sub Domains 20 FTP Accounts	Kshs. 5,300	Kshs. 4,999

Safaricom MOU



Please use the link below to access the full details of the MoU

<https://www.icpak.com/resource/memorandum-of-understanding-icpak-safaricom/>



SMOs

Uphold.

Public.

Interest.

- Statements of Membership Obligations (SMOs or Statements) are issued by the IFAC Board:
 - They provide clear benchmarks to current and potential IFAC member organizations.
 - They cover a member body's obligations to support the work of IFAC, the work of the International Accounting Standards Board, and obligations regarding **quality assurance and investigation and discipline.**

SMOs (cont'd)



- **Applicability**

- Apply to full and associate members of IFAC.

- **Best Endeavors**

- Require member bodies to use their best endeavors to meet the obligations.
- A member body will have been considered to have used “best endeavors” if it could not reasonably do more than it has done and is doing to meet the particular membership obligation.

SMO 1 – QUALITY ASSURANCE



- *Subject Matter*

- Applied by member bodies of IFAC to quality assurance review programs for their members performing certain audit engagements of financial statements.
- Applicable whether the member bodies carry out such programs on their own behalf, on behalf of the profession, or on behalf of governments.

SMO 2



INTERNATIONAL EDUCATION STANDARDS FOR PROFESSIONAL ACCOUNTANTS AND OTHER EDCOM GUIDANCE

- *Subject Matter*

- Sets out the obligations of member bodies of IFAC in relation to International Education Standards for Professional Accountants (IESs), International Education Guidelines for Professional Accountants

SMO 3



INTERNATIONAL STANDARDS, RELATED PRACTICE STATEMENTS AND OTHER PAPERS ISSUED BY THE IAASB

• *Subject Matter - ISAs*

- Sets out the obligations of member bodies of IFAC in relation to quality control, **auditing and assurance standards** for its members.
- Applicable whether the member bodies issue such standards, or whether the standards are issued by another body.

SMO 4



IFAC CODE OF ETHICS FOR PROFESSIONAL ACCOUNTANTS

- *Subject Matter*
 - Sets out the obligations of member bodies of IFAC in relation to the IFAC Code of Ethics for Professional Accountants (the IFAC Code) and other pronouncements issued by the Ethics Committee of IFAC

SMO 5



INTERNATIONAL PUBLIC SECTOR ACCOUNTING STANDARDS AND OTHER PSC GUIDANCE

- PSAS

- *Subject Matter*

- Sets out the obligations of member bodies of IFAC in relation to International Public Sector Accounting Standards (IPSASs) and other guidance issued by the Public Sector Committee (PSC) of IFAC.

SMO 6



INVESTIGATION AND DISCIPLINE

- *Subject Matter*

- Applied by member bodies of IFAC in the investigation and discipline of misconduct, including, but not limited to, breaches of professional standards and rules by their individual members (and, if local laws and practices permit, by their member firms).

INTERNATIONAL FINANCIAL REPORTING STANDARDS IAS

- *Subject Matter*
 - Sets out the obligations of member bodies of IFAC in relation to International Financial Reporting Standards (IFRSs) issued by the International Accounting Standards Board (IASB).



Once
you've
started it's
like a
runaway
train...



New Requirements of Firm Licensing

Uphold.

Public.

Interest.

Requirements of Licensing a firm

- It is now mandatory that all firms are required to apply and be registered and listed as Auditors to be included in the list of firms for the year 2019.
- All qualifying firms whether sole proprietorships, partnerships or LLPs will now be required to register immediately after fulfilling the necessary requirements and pay the requisite fee on or before the 31st Dec 2018

Requirements of Licensing a firm

- Fill the application form online
- Must have requisite CPD before application
- The firm must have a valid professional indemnity based on turnover
- All partners must be in good standing
- Must have responded to ICPAK's AQA review comments (where reviewed and action plan put in place for remedies)
- Must have no outstanding debt with the Institute



Requirements of Licensing a firm

- The chart for fees applicable for registration of firms, including registration as Limited Liability Partnerships (LLPs) is shown in the next slides.

Requirements of Licensing a firm

- **FEE CHART** -The table below provides the scale of fees payable for the listing of firms based on the number of Partners per Firm and the type of the listing;

No. of Partners	Fees based on Turnover Per Annum - General Partnership/ Sole Proprietorship		Fees based on Turnover Per Annum – Limited Liability Partnership	
	Below KSh 1 Million	Over KSh 1 Million	Below KSh 1 Million	Over KSh 1 Million
1	KSh 10,000	KSh 20,000	N/A	N/A
2 – 5	KSh 30,000	KSh 50,000	KSh 30,000	KSh 50,000
More than 5	KSh 50,000	KSh 100,000	KSh 100,000	KSh 200,000

Professional Insurance Indemnity PII



- covers against a wide range of scenarios, including:
- Professional negligence (i.e. making a mistake in a piece of work for a client)
- Loss of documents or data
- Unintentional breach of copyright and/or confidentiality
- Defamation and libel
- Loss of goods or money (your own or for which you are responsible)

Negotiated rates with Heritage



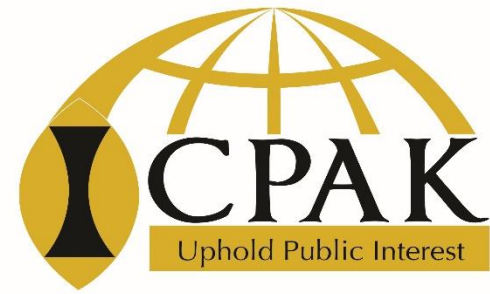
Microsoft Word
7 - 2003 Documer

Audit Software



- The PDC committee is in the process of developing an inhouse Software for use by the practitioners.
- The developments are at an advanced stage and will be rolled out before end of Quarter one this year.

The End



THANK YOU!