



22nd ICPAK CHAIRMAN'S UPDATE

FAREWELL EDITION

MAY - JUNE 2019

CONTRIBUTION STATEMENT



ICPAK Council 2017 - 2019



FCPA Julius Mwatu
ICPAK Chairman 2017-2019
Convener, Public Policy & Governance Committee
"24 Key Priorities in 24 Months working 24 Hours a day"



CPA Rose Mwaura
Vice Chairman 2017-2018

- Convener, Practitioners Development Committee 2017-2019
- Convener, Nominations Committee 2017-2019
- Convener, Devolution Sub-committee 2017-2019
- Co-convener, Public Policy & Governance Committee 2017-2019
- Member, Accountants Act Amendments Implementation Committee 2018-2019
- Member, Elections 2018-2019

"Thank you CPA Rose Mwaura for serving as my first vice chair. Rose will be remembered for steering the devolution agenda, practitioners' development and the role she played in the amendments to the Accountants Act. Congratulations for becoming the first elected woman ICPAK Chairman after 40 years"



CPA Edwin Makori
CEO & Secretary to Council 2017-2019
"The CEO and a friend. Thank you for supporting me."



CPA Denish Osodo
Vice Chairman 2018-2019

- Convener, Accountants Act Amendments Implementation Committee 2018-2019
- Convener, Audit & Risk Committee 2017-2019
- Convener, Internal Auditors Sub-committee 2017-2019
- Co-convener, Practitioners Development Committee 2017-2019
- Member, Nominations Committee 2017-2019
- Member, Elections Committee 2017-2019
- Member, KCAU Committee 2017-2019

"Much appreciation to CPA Denish Osodo for serving as my second vice chair. Denish was instrumental in guiding council on risk management and governance, internal auditors agenda and played a lead role on implementation of the amendments to the Accountants Act"



CPA Obare Nyaega

- Elected Council Member
- Convener, Research and Development Committee 2017-2019
- Convener, Finance & Strategy Committee 2019
- Convener, Elections Committee 2017-2019
- Member, Member Services Committee 2017-2019
- Member, KCAU Committee 2017-2019

"The Governance Champion. CPA Obare guided council on research & development"



CPA Susan Oyatsi

- Elected Council Member
- Co-Convener, Member Services Committee 2017-2019
- Member, Elections Committee 2018-2019

"CPA Susan Oyatsi will be remembered for the Whistle blowing policy"



CPA Samuel Okello

- Elected Council Member
- Convener, Member Services Committee 2017-2019
- Member, Elections Committee 2017-2018
- Member, Public Policy & Governance Committee

"CPA Samuel Alala was very passionate on member welfare issues"

ICPAK Council 2017 - 2019



CPA Anne Wangeci

- Elected Council Member
- Co-convenor, Finance & Strategy 2017-2019
- Member, Member Services Committee 2017-2019

"CPA Wangeci was a voice of reason and balance"



CPA Geoffrey Malombe, HSC

- Representing National Treasury 2017 – 2019
- Member, Audit & Risk Committee 2017-2019
- Member, Nominations Committee 2017-2019
- Member, KCAU Committee 2017-2019

"CPA Geoffrey Malombe will always play by the book – the law, policy and procedure. Compliance is never optional."



FCPA Dr. Nicholas K. Letting'

- Representing kasneb, May 2019
- "Just one month old – Karibu ICPAK Council Dakitari. It is not for the faint hearted but you are fit for the job."*



FCPA Wycliffe M. Shamiah

- Representing Capital Markets Authority 2017 – 2019

"FCPA Shamiah, the Regulator. Very uncompromising on matters regulation"



Ms. Damaris Kimosop

- Representing other Professions 2017 – 2019
- Convener, Adhoc HR Committee 2018-2019
- Member, Member Services Committee 2017-2019
- Member, Audit & Risk Committee 2017-2019

"Ms. Damaris Kimosop, an HR expert, was instrumental on HR matters. She was also the Chairman of council welfare. Thankyou for organising and reorganising the accountants"



FCPA Pius M. Nduatih, OGW

- Representing kasneb 2008 - 2018
- Convener/Co-convenor, Finance and Strategy Committee 2017 – 2018
- Member, Adhoc HR Committee 2017-2018

"FCPA Pius Nduatih, a great man of wisdom. FCPA will always make things look easier than they are."



CPA June Kivinda

- Elected Council Member 2017-2018
- Convener, Finance and Strategy Committee 2017 – 2018
- Co-convenor, Research & Development Committee 2017-2018
- Member, KCAU Committee 2017-2018
- Member of Public Policy & Governance Committee 2017-2019

"CPA June Kivinda, firm and bold. She will be remembered for mainstreaming ICPAK Members Enabled Differently"



CPA Isaac Njuguna

- Representing kasneb Jan 2019 – April 2019

"CPA Isaac Njuguna, a gentleman, spot-on on issues"



FCPA Julius Mwatu
ICPAK Chairman

CONTRIBUTION STATEMENT

Every two years the dawn of June signals the birth of a new Council under the new leadership. Time has come to hang my boots. As I do so, I can only look back with pride and contentment. Accordingly, the Council under my stewardship was entrusted with the duty of continuing the activities of the Institute beginning on 9th of June 2017. I must admit that after I took over the Chairmanship, I have received enormous support from members and stakeholders. I take this opportunity to

thank all the members of ICPAK for their support and best wishes without which I could not have achieved my 24 priorities-pronged agenda. Further, I express my sincere thanks to all my colleagues in the Council for reposing confidence when I took over the position of Chairman of this reputed Institute. I congratulate CPA Rose Mwaura and CPA Denish Osodo for having served the position of Vice-Chairman respectively.

My Agenda was hinged on the following 5 Pillars and 24 Key Priorities:

- 1. Member Services**
- 2. Advocacy & CPA Brand Recognition**
- 3. Strengthening the Regulatory Framework**
- 4. Support Branches (& Chapters) and the Devolution Agenda**
- 5. Institutional Sustainability**

Members of the Council:

Chairman
FCPA Julius Mwatu

Vice Chairman
CPA Denish Osodo

Chief Executive Officer
CPA Edwin Makori

Council Members
FCPA Wycliffe Shamiah

*CPA Geoffrey Malombe
CPA Rose Mwaura
CPA Obare Nyaega
CPA Susan Oyatsi
CPA Samuel Okello*

*CPA Anne Wangeci
FCPA Dr. Nicholas K. Letting'
Ms Damaris Kimosop
Head of Editorial
*Mbugua Njoroge**

Editorial Assistants
*Valerie Alusa
David Isiye
Nelson Ogalo*

PILLAR 1: ENHANCED MEMBER SERVICES

1) Continuous member profiling & needs analysis

The Institute successfully conducted the Know Your Member (KYM) survey that provided critical data and profiles of our members. Most of the members participated in this survey, a fact that has enabled us to classify our members in line with

their unique needs, expectations and specializations. The Institute carried out a member profiling survey which yielded interesting findings; that ICPAK members are spread across different age sets, sectors and specialisations. The study indicated that in terms of gender, we have 33% women and 67% men. The youth (35

years and below) stand at 36%. About 40% of CPAs are in public sector with the other 60% shared between the remaining sectors.

This calls for a variation in strategies while dealing with the various categories of our members in their unique needs and preferences.

ICPAK members attending the 2018 Annual Seminar.



We advanced the following member focused initiatives:

a) College of Fellows

The Institute actively engaged the college of Fellows through individual and collective meetings and public forums where their contribution towards the profession was considered and appreciated. There are only 135 Fellows of the Institute in 40 years. I am

delighted to note that we held a dinner for our Fellows on 9th March 2018. The constitution of the College of Fellows, seeks to incorporate a community of ICPAK members who have been in the Institute for years. As you may be aware, Fellowship is the highest honor offered to a member of the institute and limited to those persons who are sufficiently advanced in their careers to have demonstrated a consistent

pattern of professional performance. It is hoped that the inclusion of these distinguished members in the College of Fellows will bring added distinction to the Institute. To us in the Institute, the College of Fellows is what the ancient Greeks called Parthenon; a place of perfection and environs inhabited by immutable and immortal gods. I am proud to note that during my two year stint, I have been literally standing on the shoulders of giants.



ICPAK Former Chairmen who attended the dinner, from Left (FCPA Joe Muchekhu, FCPA Benson Okundi, FCPA Rose Ogega, FCPA Ameerally Kassim Lakha, FCPA Stephen Luglia, FCPA Daniel Ndonye, FCPA Ndung'u Gathinji, FCPA James Mugujiyi, FCPA Amos Kimunya, FCPA Nguru Wachira and ICPAK current Chairman FCPA Julius Mwatu.

b) Internal Audit Work-stream

As part of our focused service to our members, I established the first ever internal audit sub-committee of council under the Practitioners Development Committee. This has further led to signing of an MoU with Institute of Internal Auditors, which enabled the two Institutes collaborate in serving our shared members.

c) Members Enabled Differently

In order to mainstream our members enabled differently, the youth committee was restructured to include two members enabled differently. These members were very instrumental in drafting of a policy document which will guide the Institute going forward. The policy was reviewed by council and sent back to member services committee for more input before finalization. For the first time, our members enabled differently were appropriately facilitated during the 2018 AGM.

d) Supporting the Woman Accountant and the Association of Women Accountants of Kenya (AWAK)

I note that out of the first 1,000 registered accountants, only 3 were women. However, this number has consistently increased over the years. Women accountants currently stand at 33% of our members.

During my tenure, we have relentlessly supported AWAK culminating into signing of an MoU. Some of the issues agreed in the MoU are:

- Mutual recognition of CPD earned from both AWAK and ICPAK
- Identification of opportunities for women accountants
- All programs focused towards women accountants will be harmonized
- To partner and participate together in Stakeholder Engagement to avoid duplication of efforts.
- Collaborate on Mentorship of Students and Young Accountants
- Collaborating on Joint Advisory and Research opportunities

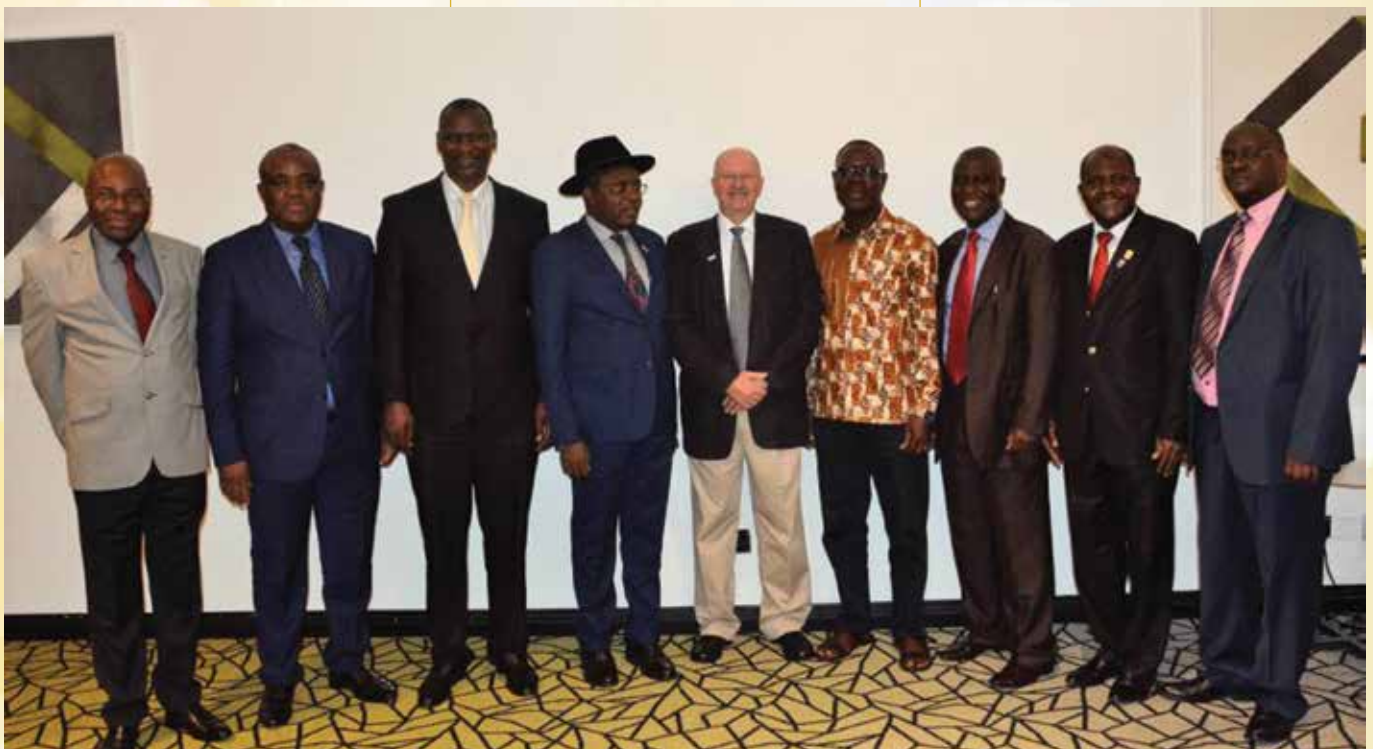


ICPAK engagement with AWAK.



The profiling further led to more focused CPD programs. Below are the key CPD events introduced in 2017/8 and 2018/9:

2017/8	2018/9
Financial Management Seminar for Millennials	Beyond Management Summit
National Conference for Lady Accountant	Regional Accountants Convention
Australia Chapter Seminar	Financial Reporting for Construction Industry



ICPAK Chairman FCPA Julius Mwatu (Far right) pose for a photo with a section of PAFA Board members in 2018.

2) Focus on customer service to create opportunities for members

a) Redefining the Accountant & Accountancy

For 40 years the Accountant has been defined as the auditor and the Institute would only issue annual licenses to the 1,220 or so practicing auditors. Following extensive advocacy and lobbying, the Finance Act 2018 introduced significant amendments to the Accountants' Act No 15 of 2008. Accountancy is now defined to include practice in accounting, financial reporting, control systems, systems auditing, auditing, assurance, forensic accounting and auditing, finance, financial management, public finance management, taxation, financial risk management, management accounting and advisory services related thereto. This revised definition recognizes the growth in Accountancy over the years and extends the regulation of the profession to emerging areas.

The expanded definition of an Accountant means that the Institute will now issue multiple licences to all the 24,000 members in their area of specialisation. This will enable all accountants to specialise and practice under the ICPAK banner. It will also imply regulating the unregulated accountancy services. The new licenses are not expected to attract any additional charge.

The long awaited non practicing allowance for our members in public service will now be technically achievable because the public sector accountants will all have practicing licences from 2020 but will not be able to practice. We have already initiated this discussion with Salaries & Remuneration Commission (SRC).

b) Nomination Committee

It is instructive to note that my council established and institutionalized the first ever nominations committee. The committee is charged with



AMENDMENTS TO THE ACCOUNTANTS ACT HERALDS A NEW DAWN FOR ACCOUNTANTS IN KENYA

The Finance Act 2018 introduced significant amendments to the Accountants Act No 15 of 2008. These are aimed at strengthening the profession as well as help the government in the fight against graft. Proper regulation of the profession is essential for enhanced accountability and governance. Among the amendments which are now in force are:

Definition of Accountant

To start with, the Finance Act amended the definition of an Accountant which was previously ambiguous and constrained the application of the Act. To cure this mischief, the new definition provides that "accountant" is a person registered as an accountant under Section 24 of the Accountants Act and is a member as defined in section 4 (2) (a) and (b) with expertise achieved through formal education and practical experience and shall be held to a high professional standard.

The Act now clearly distinguishes who an accountant is by classifying them into the following categories: Trainee Accountants, Associate Accountants and a Certified Public Accountant (CPA). The Institute will define the role and advise the scope of each category for ease of engagement with the users of accountancy services.

Definition of Accountancy

Accountancy is now defined to include practice in accounting, financial reporting, control systems, systems auditing, auditing, assurance, forensic accounting and auditing, finance, financial management, public finance management, taxation, financial risk management, management accounting and advisory services related thereto. This revised definition recognizes the growth in Accountancy over the years and extends the regulation of the profession to emerging areas.

Trainee Accountants

Students intending to pursue Accountancy examinations administered by KASNEB will be required to register with the Institute prior to sitting the examinations. The Examinations Board will now, prior to registering a person to undertake any Accountancy examinations, require that the person be registered as a member of the Institute of Certified Public Accountants of Kenya (ICPAK).

The amended Act defines a trainee accountant as a person registered by the Examinations Board and who has commenced professional accountancy education or training or is practicing accountancy as part of initial professional development required for qualification as an accountant. The trainee accountant will also be subjected to practical training by the Institute before completing their examinations. The new requirement is in tandem with the International Accounting Education Standards Board (IAESB) standards. The standards prescribe the pre-qualification and post-qualification requirements for aspiring and qualified accountants.

In addition, all individuals practicing accountants but who have not registered with the Institute or are working while pursuing their accountancy qualification will be required to register with the Institute as Trainee Accountants. The Trainee Accountant will not pay

any fees or subscriptions to the Institute. The Institute will be issuing a membership card for all Trainee Accountants for use in the market and shall not designate themselves as professional accountants.

Moreover, for those who have passed their final CPA examinations but do not meet the criteria for admission as Certified Public Accountant (CPA), they will be registered under associate member category. They shall not hold themselves as professional accountants.

The public and employers are cautioned against the use of the designation accountant. In the recent past, there has been abuse of the professional qualification by having persons with examination qualification of part I, II or III purportedly referring themselves as "CPA I, II or III". There is no such designation in the profession. The employers should cease and desist from using such designations which are not anchored in law. Employers will be required to pay hefty fines of up to two million shillings and a further fine of two thousand shillings for every day the offence continues.

Prescription of the Remuneration Order

The amended Act now empowers the Treasury Cabinet Secretary on the advice of ICPAK Council, to prescribe a remuneration order. The Law provides that the Council shall, "prescribe the remuneration order for the accountancy profession with the approval of the Cabinet Secretary responsible for finance." The Institute is confident that this provision will not only provide consistency and predictability among the practicing professionals but will insulate users of accountancy services from vagaries of unregulated fee regime. This will enhance uniformity of services rendered by accountants. The law now provides a framework for prescribing minimum rates based on speciality, scope of work and capacity to undertake the work rather than on the pricing.

Professional conduct, protection in practice and enhanced integrity

Accountants have been on the receiving end in the wake of never-ending graft related cases. They have been accused of being complacent and passive participants in these heinous economic crimes. To address this problem, the amendment provides a new section that protects Accountants from vindictive employers and clients in case they detect issues and inform authorities on such malpractices.

Section 30 introduces several sub sections that give effect to this requirement. Subsection (2)—(2A) requires and obligates an accountant to observe the ethical guidelines and applicable standards in the discharge of duty. Subsection (2B) states that the ethical guidelines and applicable standards of the accountancy profession shall take precedence over any instructions from a client or other person. While subsection (2C) insulates an accountant from any form of harassment, civil suit or being subjected to a disciplinary action for taking such actions or decisions or rejecting instructions from a client if such action, decision or rejection is in pursuance of the provisions of subsections (2A) and (2B).

Fines and remedies

The amendments have enhanced fines to a new threshold. The Amendments enhance these fines up to a maximum of Kshs 2 million depending on the severity of professional misconduct.

AMENDED SECTION	AMENDMENT IN THE FINANCE ACT	LEGAL IMPLICATION
Under Section 18 (2) of the Accountants Act the requirements for a practicing certificate is: (2) Any person who contravenes subsection (1) commits an offence and is liable on conviction to a fine not exceeding one hundred thousand shillings or to imprisonment for a period not exceeding three years or both.	Under S. 78, Section 18 of the Accountants Act, 2008 is amended in subsection (2) by deleting the words "one hundred thousand" and substituting therefor the words "five hundred thousand".	This amendment has enhanced the penalty of practicing without a license from one hundred thousand shillings to five hundred thousand shillings.
Under the Accountants Act, S.21 (7) Where a practicing certificate ceases to be in force under subsection (3), the person to whom the certificate was issued shall deliver it to the Institute within fourteen days after the date on which he ceases to be registered. S. 21 (8) Any person who, without reasonable excuse, contravenes subsection (7) commits an offence and is liable on conviction to a fine not exceeding five thousand shillings.	Under S. 79, Section 21 of the Accountants Act, 2008 is amended in subsection (8) by deleting the words "five thousand" and substituting therefor the words "five hundred thousand".	This amendment has enhanced the penalty for not returning the practicing certificate that ceases to be in force within fourteen days from five thousand shillings to five hundred thousand shillings. This is to deter unlicensed practitioners or accountants from acting as bonafide accountants.
In the Accountants Act, S. 24, Application for registration (1) A person wishing to be registered as an accountant shall apply to the Registration Committee. (2) An application to be registered as an accountant shall be in the prescribed form and shall be accompanied by the prescribed fee. (5) A person who, in an application to be registered, willfully makes a false or misleading statement commits an offence and shall be liable on conviction to a fine not exceeding fifty thousand shillings or to imprisonment for a period not exceeding eighteen months or to both.	S.80 Section 24 of the Accountants Act, 2008 is amended in subsection (5) by deleting the words "fifty thousand" and substituting therefor the words "five hundred thousand".	This amendment has enhanced the penalty for a person who willfully makes a false or misleading statement on application for registration commits an offence. The penalty has been enhanced from fifty thousand shillings to five hundred thousand shillings.
41. Offences (1) A person who— 1. (a) assumes or uses the title or designatory letters referred to in section 41(2)(a) and who is not a Fellow of the Institute of Certified Public Accountants of Kenya; or 2. (b) assumes or uses the title or designatory letters referred to in section 41(2)(b) and who is not a member of the Institute of Certified Public Accountants of Kenya; 3. (c) assumes or uses the title "Honorary Fellow of the Institute of Certified Public Accountants of Kenya" and who is not such Honorary Fellow; or 4. (d) otherwise falsely assumes or uses any title or designatory letters prescribed by the Institute, commits an offence. (2) A corporate body (whether incorporated in Kenya or elsewhere) which falsely uses any of the titles or designatory letters referred to in section 41(2) (a) or (b) commits an offence. (3) Where a firm uses the title or designatory letters referred to in section 41(2) while each of the partners in the firm are not entitled to use the title or designatory letters, each of the partners of the firm commits an offence. (4) A person who commits an offence under this section is liable on conviction to a fine not exceeding fifty thousand shillings, and, in the case of a continuing offence, a further fine not exceeding four thousand shillings for each day on which the offence continues.	82. Section 41 of the Accountants Act, 2008 is amended by deleting subsection (4) and substituting therefor the following new subsection— (4) A person who commits an offence under this section is liable on conviction to a fine not exceeding two million shillings, and, in the case of a continuing offence, a further fine not exceeding two thousand shillings for each day on which the offence continues.	This amendment has enhanced the penalty for a person or firm or employer that uses wrongly the designation of CPA, CIPA and HCPA to a fine not exceeding two million shillings, and, in the case of a continuing offence, a further fine not exceeding two thousand shillings for each day on which the offence continues.
4. (1) For the purpose of the conduct of the inquiry the Disciplinary Committee has power: 1. (a) to administer oaths; 2. (b) to summon persons to attend and give evidence; 3. (c) to order the production of relevant documents, including court judgements; and 4. (d) to recover in whole or in part the costs of the inquiry not exceeding one hundred thousand shillings from any or all the parties involved in the proceedings. 8. (1) A person served with a summons to appear as a witness at the inquiry who, without reasonable excuse fails to attend as required by the summons, is guilty of an offence. (2) A person appearing as a witness at the inquiry who, without reasonable excuse— 1. (a) refuses or fails to be sworn; 2. (b) refuses or fails to answer a question that he is required to answer by the Chairman of the Disciplinary Committee; or 3. (c) refuses or fails to produce a document that he was required to produce by a summons under this Act, served on him, commits an offence. (3) A person convicted of an offence under this sub-paragraph is liable on conviction to a fine not exceeding twenty thousand shillings.	The Fifth Schedule to the Accountants Act, 2008 is amended in (a) in paragraph (4) by deleting the words "one hundred thousand" appearing in subparagraph (1)(d) and substituting therefor the words "one million"; and (b) in paragraph (8) by deleting the words "twenty thousand" appearing in subparagraph (3) and substituting therefor the words "five hundred thousand".	This amendment has enhanced the penalty for disciplinary on a person or firm to recover in whole or in part the costs of the inquiry not exceeding one million from any or all the parties involved in the proceedings. This amendment has enhanced fines from twenty thousand shillings to five hundred thousand shillings for a person who refuses to be sworn, fails to answer questions, fails to produce documents or is held liable for a disciplinary liability under this sub-paragraph.

Conclusion

The leadership of the Institute is confident that these amendments present a new dawn not only to the accountancy profession but also to the general public. It is expected that these amendments will go a long way to enhancing accountability and corporate governance across all sectors of the economy. Kenyans can now expect a more responsive, professional and expansive accountancy services from our members.

CPA Edwin Makori, Chief Executive Officer, Institute of Certified Public Accountants of Kenya
 The Institute of Certified Public Accountants of Kenya (ICPAK) is the statutory body of Accountants established in 1978 and draws its mandate from the Accountants Act No.15 of 2008. It is also a member of the Pan African Federation of Accountants (PAPA) and the International Federation of Accountants (IFAC), the global Accountancy umbrella body.

the responsibility of vetting and nominating qualified members to represent the Institute in a number of boards, committees and task forces. The committee has been premised on the principles of equity and equal opportunities. This has enabled qualified members to be nominated on these boards with all nominations fully supported by council minutes. Key achievements since its establishment are:

- Established the first policy and framework representation by ICPAK members to other boards
- Set up processes and guidelines on how nominations for ICPAK appointments are carried out – how they are advertised, evaluated and responded to
- Established a performance management policy and evaluation process for ICPAK representatives on boards

- Completed a stock take of all ICPAK members sitting on various boards

3) Continuous Council Dialogue with members

ICPAK members were continuously updated on council progress on all activities pertaining to the Institute. This created an opportunity for me and the council to interact one on one with members and to listen to their issues



A section of ICPAK Council Members: From left: CPA Obare Nyaega, CPA Rose Mwaura, FCPA Pius Nduatih, CPA Anne Wangeci, CPA Samuel Okello, CPA Denish Osodo, CPA Edwin Makori and FCPA Julius Mwatui.

and concerns. This was done during all major events held by the Institute.

4) Expand Value Proposition to members

ICPAK continued to seek more value for its members through partnerships and initiatives that put forth products and services for CPAs. These included:

a) Benevolent Scheme

Pursuant to members' resolution approving the establishment of a Benevolent Scheme during the 2016 AGM, I am pleased to announce that the Scheme is operational. Currently as approved, 50 members have so far been able to benefit since its inception. The scheme covers last expense for member and registered dependants, but my vision is that the scope should

be expanded in the future to cover other areas of munificence. Establishment of a benevolent trust was approved by ICPAK Council to create independence in the administration of the benevolent funds. Member Services Committee has embarked on deliberations to guide on the best way to restructure the benefits/scheme given that in the two years of its existence, a benevolent fund of KShs. 45 Million has been created.



ICPAK staff registering delegates using the QR code system at the Annual Seminar in 2018.

b) Other Benefits

The Institute also signed an MoU with the Standard Media Group to ensure that ICPAK members attending events are well informed of national events through access to newspapers. Through an MoU with Yana Tyres, members have been able to access discounts on various products and services for their vehicles.



5) Focus on the Youth - the future of the profession

The Institute signed a memorandum of understanding with kasneb that paved the way for the roll out of Trainee Accountants Practical Experience Framework (TAPEF). This programme will help aspiring accountants to fulfill the practical

experience required for all aspiring accountants. It will also enable them to seamlessly know practical aspects of the profession the moment they register for CPA exams. This development is in line with the International Education Standards, IES 5 issued by International Federation of Accountants (IFAC),

which obligates PAOs to ensure practical aspects are ingrained within the Accountancy syllabus.

The Institute also introduced the online CPD events that allow members and especially young people to meet their professional requirements online at an affordable fee.



ICPAK CEO CPA Edwin Makori with FCPA Pius Nduatih presents a gift at launch of TAPEF Framework in 2018.

Following the successful Know Your Member (KYM) exercise, the Institute has embarked on engaging our senior members to provide internships for our youth accountants.

6) Develop the Small & Medium Practitioner (SMP) and create opportunities for members in practice

a) Audit Software for Practitioners

The Institute further launched an audit software for practitioners. The purpose of ICPAK Audit Software is to help ICPAK practitioners improve their audit quality while conducting the audit process. The software aims to enhance audit quality as well as members' compliance with the requirement of auditing standards while conducting the audit process. It is hoped that

through this software, audit quality will improve compliance, knowledge on partnerships, mergers and acquisitions in the accountancy profession. It will also 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, workflow management and utilization of audit techniques and tools.



Launch of ICPAK Audit Software



b) Opportunities for Practitioners

ICPAK and UFAA began to undertake capacity building sessions for accountants on unclaimed financial assets law. ICPAK and the Unclaimed Financial assets authority (UFAA) held workshops and professional forums across the country to sensitize practicing auditors on the provisions of Unclaimed Financial Assets Act, 2011 and their role in ensuring the holders comply. The Institute has also undertaken to provide best practices and a pool of experts to undertake collaborative audits on holders of unclaimed assets with UFAA. This follows a Memorandum of Understanding (MoU) that was signed by the two institutions to explore possible areas of collaboration in deepening UFAA's mandate. Over thirty practitioners were trained and certified in 2017/8 and some have already been awarded jobs by UFAA.

The Institute met with the Office of the Auditor General (OAG). During the meeting it was agreed that the Institutes continue to engage robustly with the OAG's office. The two entities agreed to collaborate in the provision of audit work that may entail the development of a framework where OAG shall seek the services of ICPAK practitioners on a contractual basis. The Parties committed themselves to provide professional quality review and assurance and to provide a platform for engaging private auditors who are sub-contracted to do public audit work. Additionally, the parties agreed to develop jointly an accreditation programme to qualify auditors to audit the identified sectors in the economy. The parties shall exchange and share information through technical bulletins, journals, holding of joint workshops, seminars, exchange visits and attachments of the staff of the two parties where relevant.

Subsequently several practitioners were prequalified and awarded jobs based on the various classification of audit firms agreed between ICPAK and OAG.



ICPAK CEO CPA Edwin Makori (left) and UFAA CEO FCPA Kellen Kariuki during signing the MoU in 2017.



ICPAK Chairman FCPA Julius Mwatu, Auditor General FCPA Edward Ouko and ICPAK CEO CPA Edwin Makori pose for a photo after the meeting.

c) ICPAK/Safaricom MoU

The Institute signed an MoU with Safaricom. The MoU established a framework for collaboration by the

parties to grow the Small and Medium Practices (SMP) market segment and to provide a forum where SMP's customers can access a variety of

products and services which are designed for the SMP sector. The MoU has particularly enabled practitioners set up customised websites.



ICPAK CEO CPA Edwin Makori with CPA Rose Mwaura presents a gift at the launch of Safaricom MoU.

d) Launch of firm Management Guide

Professional accountants play a crucial role in the country's economic development. They contribute to the credibility of the financial statements which in turn builds the confidence of shareholders, regulators and financiers in financial reporting. As such, delivery of high-quality work should be the guiding principle for a practitioner. The International Financial Reporting Standards and International Standards on Auditing have shaped financial reporting and the auditing profession. Frameworks built on these technical accounting standards can only be delivered by persons with the technical know-how on the workings of these standards.

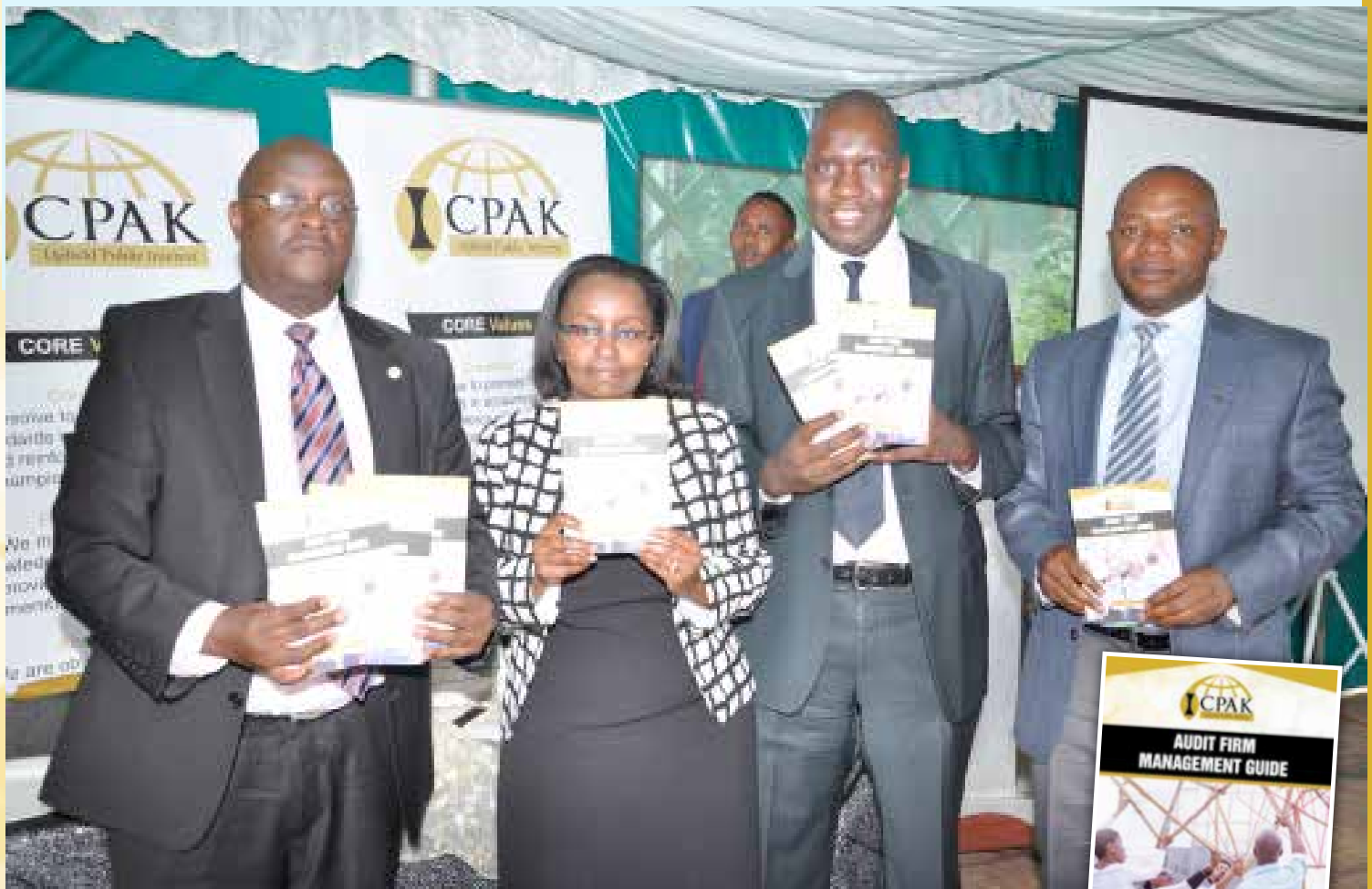
Towards this end, the Institute launched

the 'Audit Firm Management Guide,' that aims to help practitioners in their professional assignments. The guide will among other things; 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 as well as branding and marketing that are essential for the growth of their firms; impart the professional accountant with practical knowledge on partnerships, mergers and acquisitions in the accountancy profession. It will also 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, workflow management

and utilization of audit techniques and tools.

In summary, the guide aims to hone the skills of practitioners to be efficient in the ever-competitive global economy. It will also enhance compliance with professional requirements of practitioners in providing assurance services. It will, in addition, improve the understanding of practicing members on their professional requirements. This, in turn, will lead to improved quality of services provided by practitioners.

It will also help practitioners to address opportunities and challenges; improve their competitiveness and profitability, and create an environment conducive to the provision of high-quality services.



ICPAK Chairman FCPA Julius Mwatu (left), ICPAK Vice Chair CPA Rose Mwaura, ICPAK Council member CPA Denish Osodo and ICPAK Chief Executive Officer CPA Edwin Makori hold copies of Firm Management guide.

e) Other Initiatives for SMPs

In the two years of my chairmanship, I:

- Developed & approved Guidelines on establishment of Limited Liability Partnerships (LLP) that will encourage the growth of the small & medium practices (SMPs);
- Approved guidelines on Registration of Firms to create

a clear database of all Firms registered and practicing in Kenya;

- Following the amendments to the Accountants Act, we have developed Minimum Fees Guidelines which have been shared with members for public participation. Upon finalization,

the proposed guidelines will be presented to the Cabinet Secretary, National Treasury for approval and Gazettement. This is another big win for our practitioners who have had to wait for 40 years while other professionals: lawyers, doctors etc, already have fees guidelines.

PILLAR 2: ADVOCACY & CPA BRAND RECOGNITION

7) Enhanced Advocacy and Positive Visibility

Under my leadership, ICPAK continued to position itself as an influential voice in public policy and decision making at the county, national and global level.

Visibility of the CPA Brand was enhanced through ICPAK's participation in national policy dialogue on financial accountability and other public interest matters recognized and appreciated by

National and County Governments and MDAs. Notable achievements include:

- Petition to the Finance, Planning and Trade Committee on the removal of FCPA Edward Ouko from Office as Auditor General. This was successfully stopped.
- Various commentaries and engagements with IEBC and Joint Parliamentary Select Committee pushing for free, fair and credible 2017 General elections

ICPAK's issues on the financial accountability have been widely covered in print and electronic media – that is, Daily Nation, Business Daily, The Standard Newspaper, The Star Newspaper, People Daily. ICPAK Agenda has been aired on KBC TV, KTN, NTV, CITIZEN TV, K24, CNBC Africa, Capital FM, Radio Citizen, Inooro FM, Radio Nam Lolwe among other media channels.












I want to thank ICPAK Council for approving my proposal to have an expanded media engagement framework which allows media engagements beyond the Chairman and the CEO. Today, media engagements are open to the Council members, Branch chairmen, ICPAK Senior managers and our senior members making up a pool of experts to advance the advocacy agenda. I encourage more members to volunteer and participate in media engagements. All such media engagements are required to be pre-approved by the Chairman and/or the CEO.

8) Thought leadership on public policy, governance & accountability

In the last two years, the Institute developed Policy papers and submissions on financial accountability, tax policy and budgeting to the National Treasury, Kenya Revenue Authority and other government agencies. These include:

- Policy Proposals on Taxation of Incomes in Kenya;
- Budget submissions to the National Treasury 2017/18, 2018/19 and 2019/20;
- Joint study with ACCA on “Future Accountant”;

- Other position papers and opinion pieces on public debt, county public finance management, Auditor General and Controller of Budget Reports, pending bills, cost of doing business, corruption and accountability, expenditure rationalization;
- Initiated the first ever ICPAK’s Quarterly Economic Bulletins that present commentaries on financial accountability and economic performance to the National Treasury. This is in line with ICPAK’s mandate to advise the Cabinet Secretary on financial accountability

ICPAK Chairman FCPA Julius Mwatu called on the Senate Speaker Kenneth Lusaka at Parliament Buildings.



9) Enhance Brand Recognition locally and internationally

During my tenure, the Institute has continuously secured at least 12 nominations per year to boards, taskforces and committees at County level, National Ministries, Departments and Agencies and the private sector.

In the spirit of East African Community and as a thought leader in the region, we initiated support to grow the accountancy profession in Burundi. We currently have ongoing work to capacity build OPC Burundi.

We have also commenced discussions to support establishment and capacity building of Ethiopia and South Sudan Institutes.

In February this year, we entered into an MoU with the Institute of Chartered Accountants of India Indian (ICAI). This allows mutual collaboration between ICPAK and ICAI from 21st January 2019. Through the MoU, the two institutions will collaborate in the areas of research and exchange programmes targeting trainee accountants and Continuing Professional Development (CPD).

On the CSR front ICPAK engaged in

several activities including participating in students' mentorship talks, University Accounting Students' Associations (ASA) events, kasneb's Annual Fair and prize awarding ceremonies. Through such participation and exposure, the brand presence has continued to be enhanced. As a corporate citizen, ICPAK undertook several CSR activities. The Institute embraced the use of brand ambassadors to endorse and promote its activities which include CPD events.

At personal level, I have identified 26 university students who am personally mentoring with assistance of some ICPAK members. I want to thank the CPAs who have agreed to support me on this course.



ICPAK signed a Memorandum of Understanding (MoU) with the Institute of Chartered Accountants of India (ICAI) on 21st January 2019. The event was graced by India Deputy High Commissioner to Kenya Mr. Rajesh Swami, ICPAK Chairman FCPA Julius Mwat, ICAI President CA. Naveen N. D. Gupta, ICPAK Vice Chairman CPA Denish Osodo, ICPAK CEO CRA Edwin Makori among others.

10) Participation in the development of Kenya's Legislative Framework

On the legislative front, I redoubled ICPAK's effort to contribute to the legislative agenda at county, national and EAC level.

To this end, the Institute has given input and comments to more than 15 pieces of legislation in the past two years. More importantly, amendments to the Accountants Act 2018, strengthening the regulatory role of the Institute were affected through the Finance Bill 2018.

Other notable pieces of legislation include:

- EAC Cross Border Trade in Professional Services Bill 2016,
- Division of Revenue Bill 2018 and 2019
- Statute Law (Amendment) Bill 2019
- Elections Laws Amendment Bill 2017
- EAC Whistleblower Protection Bill 2018
- Public Finance Management (Amendment) Bill 2017 among others

In addition, I have initiated plans to proactively develop a Financial Laws (Amendment) Bill, an ICPAK-led omnibus legislation to strengthen accountability and ensure prudent utilization of public resources in Kenya

11) Pro-active stakeholder engagement

The Institute engaged stakeholders at the National level with a view to fostering partnerships for the benefit of the accountancy profession.

- Kenya Revenue Authority- entrenched partnership on tax policy and tax administration
- Office of the Majority Leader- National Assembly: - obtained buy-

in that resulted to amendments to the Accountants Act 2018

- Head of Public Service- partnership to recognize and support accountants in the public sector
- The Senate: agreed on partnership to support county public finance management and oversight of resources allocated to county governments



ICPAK Chairman FCPA Julius Mwatia presents research reports to Dr. Jane Kiringai, Chairperson of the Commission for Revenue Allocation (CRA) when he made a courtesy call to the commission.

- Commission on Revenue Allocation- joint research, enhancing fiscal discipline, strengthening County Budget and Economic Forums (CBEFs) and Audit Committees
- Controller of Budget Office: follow-up on implementation of OCOB Quarterly Budget Implementation Reports for the National and County Governments.
- Office of Directorate of Public Prosecutions – This will offer opportunities for our members to offer expert advice on forensic investigations
- Salaries and Remuneration Commission – lobbied for increase in allowances and recognition of audit committee members. Commenced discussions on non-

practicing allowance and scheme of service for accountants in the public sector

12) Support KCA University as part of ICPAK Brand

In my two years as Chairman of ICPAK and a member of KCA University (KCAU) Board of Trustees (BOT), I ensured that audited financial statements for KCAU were presented to ICPAK members during the AGM. I want to sincerely thank the KCAU Management, Governing Council and the BOT for the notable turnaround from a deficit in 2017 to a substantial surplus in 2018.

We have also commenced talks to offer a practical forensic accounting

qualification in partnership with KCAU, Office of the Directorate of Public Prosecutions, and Directorate of Criminal Investigations.

I have lobbied for complementary land from most of the county governments I have visited, and the Governors have been positive. The following counties have given positive offers on land:

- Laikipia County Government
- Narok County Government
- Bomet County Government
- Kericho County Government
- Garissa County Government
- Kakamega County Government
- Uasin Gishu County Government
- Nandi County Government
- Nyandarua County Government
- Makueni County Government



PILLAR 3: STRENGTHENING THE REGULATORY FRAMEWORK

13) Amendments to the Accountants Act

This was probably my biggest achievement in the two years. Following extensive advocacy and lobbying, the Finance Act 2018 introduced significant amendments to the Accountants' Act No 15 of 2008.

14) Revamp the Regulatory Role of ICPAK

a) Standards

The Institute continued playing its role of developing and promoting an internationally recognized profession which is rooted in the culture of Upholding Public Interest through effective regulation, research and innovation. The Institute in conjunction with kasneb hosted successfully for the first time

the International Accounting Education Standards Board (IAESB) meeting in Kenya. This event was a real testament of ICPAK's influence at the global level on the accountancy profession.

The Institute also took part in the standard setting process through the presence of representatives to the Annual Standard Setting Conference in London in September 2018. This is in addition to contributing on exposure drafts and consultation papers.

ICPAK Chairman FCPA Julius Mwatu together with the former Cabinet Secretary for Education Ambassador Amina Mohamed during the IAESB meeting in 2018.



ICPAK CEO CPA Edwin Makori (left) together with other IAESB delegates addressing a press conference in 2018.

b) Raids on illegal practitioners

In 2019, the Institute conducted raids on illegal practitioners. The exercise is ongoing across the country.

c) Courtesy Call to DPP

The Institute made a courtesy call on Director of Public Prosecutions Mr. Noordin M. Haji at his office. The discussions held during the visit centered around the partnership between ICPAK and the Office of the Director of Public Prosecutions (ODPP) in enhancing accountability

in public finance management, establishment of a whistle-blower protection mechanism, and enhancing professionalism in the accountancy profession. The DPP expressed the readiness of his office to work closely with the Institute in enhancing accountability in Kenya through investigations and prosecution of economic crimes.

15) Member Protection

We developed a Whistleblower Policy as a member protection platform to

encourage and protect our members who whistle-blow.

16) Enhanced Technical Support to SMPs

During the period we developed the Firm Management Guide – a guidance on practice management, and launched the audit software to improve audit quality. We also introduced regular targeted quality trainings with annual mandates to enhance technical competence of practitioners.



The office of the Director of Public Prosecution has expressed its readiness to work closely with the Institute in enhancing accountability in Kenya through investigations and prosecution of economic crimes. Speaking during a courtesy call meeting with ICPAK at his office, Director of Public Prosecution Mr. Noordin M.Haji welcomed the call for partnership by the Institute.

PILLAR 4: SUPPORT BRANCHES AND THE DEVOLUTION AGENDA

17) Branch enhancement & empowerment

ALL physical branch offices are now open. We opened the remaining 8 branches in 2018/9. These, together with the Coast Branch office opened in 2014 completes the ICPAK branch network which means all the 47

counties are fully covered. To empower branch leadership, each branch office now has a dedicated branch co - ordinator and a mentor (Council member).

More CPD programs have been devolved and each branch will now

host at least one national CPD event.

As I exit the stage, I would wish to implore branch leaders and members to exploit the opportunities presented by these branch offices for the benefit of members, county governments and users of accountancy services.





ICPAK Chairman FCPA Julius Mwatu paid a courtesy call on Narok Governor, H. E Samuel K. Tunai. During the meeting the Governor expressed his willingness to engage and collaborate with the Institute on matters relating to public finance and governance. On his part, FCPA Mwatu noted that the Institute is keen to see successful realisation of devolution process through enhancement of capacity and expertise of professionals working in the county.

18) Enhanced Stakeholder engagements at the branches

During my tenure, I proactively engaged with County governments in order to create opportunities for members and enhance capacity and expertise of professionals working at the county level.

The Institute paid a courtesy call on Narok Governor, H. E Samuel K. Tunai. During the meeting the

Governor expressed his willingness to engage and collaborate with the Institute on matters relating to public finance management and governance. The two entities also agreed to enter into a Memorandum of Understanding. Under the proposed partnership, ICPAK is expected to provide technical support in the areas of budgeting, public finance management, building capacity of audit committees and playing an advisory role to the County government in related areas. On its part, the

Narok County shall incorporate the Institute as a technical partner in enhancing Public Finance Management at the County, enlist the County in Financial Reporting Excellence (FiRe) Awards scheme under the Counties category, facilitate qualified members of staff to be registered and sustain such membership by extending support in payment of annual subscriptions and technical trainings, and facilitate the development of a CPA Centre in Narok County.





ICPAK Chairman FCPA Julius Mwatu (second right) and CPA Rose Mwaura (far left) paid a courtesy call on Nyandarua county Governor Hon.Francis Thuita Kimemia.



ICPAK Chairman FCPA Julius Mwatu (seated far right) and ICPAK CEO CPA Edwin Makori (seated second left) during the branch opening in Northern branch. The CECM of Finance, Garissa county, CPA Ibrahim Roble signing the guest book. Looking on (far left) is CPA Abdalla.

The Institute made a courtesy call on H.E (Dr.) Joyce Laboso, Governor Bomet County. The Governor expressed her willingness to work closely with the Institute so as to improve the management of public resources in the county. The Institute committed to collaborate with -the county in order to improve its financial systems.

We also paid courtesy call to various

universities: Masai Mara University, Garissa University and Masinde Muliro University, among others. We agreed to collaborate in the areas of curriculum development, research and professional development.

In September 2018, I had an opportunity to pay a courtesy call on H.E. Anyang Nyongo, Kisumu County Governor. Hon. Nyongo invited the Institute

to partner with his government in advancing ideals of good governance at the County.

The Institute made a courtesy call on the Governor, Nandi County Government H.E Hon. Stephen Sang'. The Governor called on the Institute to partner with him in enhancing county development through a customized MoU.



CPA Edwin Makori ICPAK Chief Executive Officer hands over a token to H.E Joyce Laboso, Bomet Governor after she officially opened a CPD event targeting county officials in Mombasa.



ICPAK Chairman FCPA Julius Mwatu paid a courtesy call on H.E. Anyang Nyongo, Kisumu County Governor.

The Institute made a courtesy call on the Governor, Uasin-Gishu County Government H.E Hon. Jackson K. Arap Mandago who is also the Chairman for the North-Rift Economic Regional Block (NOREB). The Institute appreciated the Governor for professionalizing the County Government by appointing CPAs in the finance docket and called for enhanced collaboration in enhancing accountability across the NOREB counties. On his part the Governor called on the Institute to partner with him in capacity building, developing systems and controls as well as scaling up MSMEs within the County and also in aligning and defining accounting procedures to enhance the implementation of Devolution.

The Institute also made a courtesy call on the Chairman Council of

Governors and Governor, Kakamega County Government H.E FCPA Wycliffe Ambetsa Oparanya EGH CCJ. The Governor called on the Institute to partner with him in reviewing the PFM Act and other regulations slowing the implementation of devolution and capacity building of County Governments as well as making relevant templates to facilitate easier implementation.

We also paid courtesy visit to the Governor of Garissa, Makueni, Nyandarua, Wajir, Kericho and Laikipia and all agreed to work with ICPAK on capacity building SMEs and being their preferred partner on financial management matters. Following these engagements, a number of our members have been appointed to key positions in the county governments.

19) Position Our Branches as preferred Reference Points in the Devolution Agenda

Through the Council nominating committee which I established, we called for members to apply for consideration and nomination to the following posts:

- Audit Committees in both the County Executive and Assembly including all public institutions within the county;
- County Budget and Economic Forums
- Urban Areas and Cities Boards
- Water and Sewerage Boards

While a majority of the County Governments decided to competitively recruit members, we forwarded the nominated names for consideration and a number of our members were appointed.



ICPAK Chairman FCPA Julius Mwatu and CPA Rose Mwaura paid a courtesy call on H.E FCPA Wycliffe Ambetsa Oparanya.



ICPAK paid a courtesy call to the Leader of Majority's office. From left: ICPAK CEO CPA Edwin Makori, Leader of Majority in the National Assembly Hon. Aden Duale, CPA Rose Mwaura a council member, ICPAK Chairman FCPA Julius Mwatu, CPA Hussein Hassan and CPA Abdalla Abdi who serve the North Eastern Branch.



Chairman ICPAK in animated mood together with Vice Chairman, CEO, Council members and Nyanza branch officials.

20) Plant the Seed for a CPA Centre in Each of 9 branches

Established a Devolution workstream composed of leaders from the branch network which deliberated on this and developed a policy framework for the establishment of seed capital. The committee has tabulated options and proposed setting aside a % of branch surplus towards the seed capital.

Have lobbied for complementary land from most of the county governments I have visited, the Governors have been positive on the offer of land. Ten counties as listed on the key priority no. 12 have promised to grant us land to build a CPA Centre in future.

21) Profile Chapters to Enhance ICPAK Brand Recognition

Over 500 ICPAK members have migrated and are working beyond the borders of Kenya. Members of the Institute are present in 41 different countries around the globe. To assist in recognition of the CPA qualification in the respective countries, the Institute enters into Mutual Recognition Agreements with the host countries to facilitate acceptance of Kenya's qualification framework enabling members to access opportunities like the natives of the given country.

The Institute has continued to engage other global institutions for MRAs and MoUs and taken its position as a regional leader. In September 2017, the Institute entered into a Mutual Recognition Agreement (MRA) with South Africa Institute of Chartered Accountants (SAICA).

The MRA applies to members in good standing who have gained ICPAK or SAICA membership by completing the education, examination and practical experience requirements as prescribed by either ICPAK or SAICA. Nine ICPAK members working in South Africa have subsequently been recognized and registered as SAICA members.

Finally, in May 2019, the MRA with CPA Australia, which we have been negotiating since August 2017 when we established an ICPAK Australian Chapter, was finally approved. The MRA will be signed in the coming weeks. Members of ICPAK will only be required to sit for two papers – Public Finance and Tax, upon which CPA Australia will provide a pathway to membership.



ICPAK's Chief Executive Officer CPA Edwin Makori and SAICA's Chief Executive Mr. Terence Nombembe sign a Memorandum of Understanding as ICPAK's Chairman FCPA Julius Mwatu (far right) and other Council members look on.

PILLAR 5: INSTITUTIONAL SUSTAINABILITY

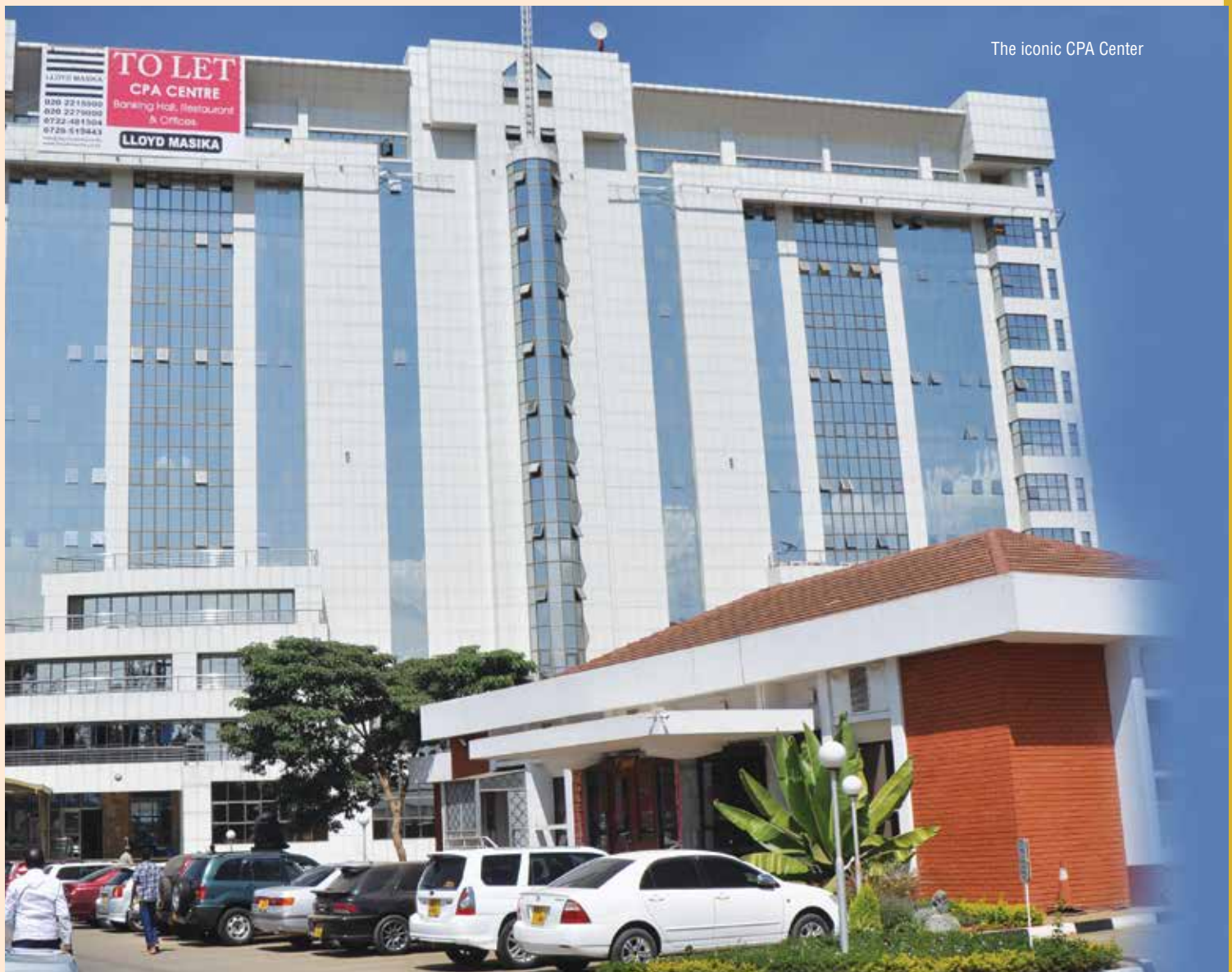
22) Secretariat Strengthening

The performance, passion and pride of the Institute's staff is a critical component of sustainable business. During the year, the Institute started by reviewing its staff's current status through a satisfaction survey to determine current satisfaction levels and get feedback on staff concerns. Based on this survey, the Institute devised strategies of improving staff satisfaction and enhancing service delivery to members. Geared toward a

sustainable existence, ICPAK also invested heavily on the improvement of service delivery to its stakeholders. This was done through customer service training and ICPAK business reengineering and process automation. Under this, the Institute introduced the integration of seminar booking system and the scanning process during its events, it also introduced automated receipting of payments and established an online annual license and automated processes for members to generate letters of good standing among others things.

Financial sustainability

The Institute continued to experience growth from the existing and newly introduced revenue streams with the exception of the CPA Centre rentals which declined significantly. The huge CPA Centre finance cost of KShs. 65 Million in each of the last two years has continued to stress the financial health of the Institute. This is however under control and the position is expected to improve now that the final claim against the construction was settled in the year.



The iconic CPA Center

23) Provide a clear Strategic Direction

The Council approved the Strategic Plan 2019-2021 which is guiding the Institute for the next three years. The strategic focus is:

- Accountancy Development and Regulation,
- Positioning for Influence
- Institutional Sustainability
- Enhanced Customer Experience

24) Establish a Centre for Finance & Tax

I established the Centre for Public Finance and Tax (CPFT) under the auspices of ICPAK. The Centre is intended to be a regulatory body for local tax and public finance professionals in Kenya. Its inception is aligned to the objective of raising the standards of public finance and tax practice in Kenya through capacity building, regulation, research and policy development. As an initially incubated component of ICPAK, the Centre is expected to bring a unique perspective to some

of the most important public policy, public finance and tax challenges of our time. The Centre will provide policy guidance on certification programmes for professional tax and public finance practitioners and make a distinction between the public finance and tax professionals through the prescribed standard of practice. This is expected to conform to the changing business models, management of fiscal and monetary policies as well as the development agendas of the counties' public finances, taxation and growth trajectories.

Strategic Plan 2019-2021:

PILLAR 1: ACCOUNTANCY DEVELOPMENT AND REGULATION

STRATEGIC OBJECTIVE	SUB-STRATEGIC OBJECTIVES/STRATEGIC ACTIONS (KRAs)
To develop competent professionals	• Enhance Initial professional Development to prepared future competent Accountancy professionals
	• Enhance TAPEF* programs uptake
	• Carry out competency-based trainings on accountancy profession
	• Increase members' compliance to professional requirements
	• Contribute to standards development and implementation at all levels
Safeguard public interest through regulation	• Enhance compliance inspection and case- follow-up on illegal practitioners
	• Licensing
	• Develop regulations
	• Enhance Audit Quality Monitoring
	• Publication of public interest matters through media networks
	• Review of the provisions of the Accountant Act 2018.
	• Enhance the Disciplinary process

PILLAR 2: POSITIONING FOR INFLUENCE

STRATEGIC OBJECTIVE	SUB-STRATEGIC OBJECTIVES/STRATEGIC ACTIONS (KRAs)
To be a Voice in Public Interest Matters	• Build communication capacity for the Institute
	• Strengthen media relations
	• Enhance Communication through conventional and social media platforms
	• Establish and operationalise a media centre
	• Collaborate and Create Synergies on National matters Affecting the Accountancy Profession
	• Contribute to legislative development in Kenya and the EAC
Robust Stakeholder Management	• Create a Robust Outreach and Stakeholder Engagement Framework
To Influence Public Policy on Finance, Accounting and Related Matters	• Develop State of the Economy Advisory Opinions for Discussion with the Cabinet Secretary for Finance
	• Support Monitoring of National and County Budget Making Processes
	• Support Oversight Role on Budget Implementation through Analysis and Dissemination of Controller of Budget and Auditor General Reports
	• Support oversight role on Private Sector Entities to uphold Public Interest
Contribute to implementation of Devolution in Kenya	• Capacity Build County Governments on Public Finance Management and Oversight
	• Collaborate and Create Synergies between Branches and County Governments on Financial Accountability and Governance
Re-position the CPA Brand for greater impact	• Lobby for increased representation by ICPAK Members on Boards, Committees and Taskforces
	• Identify and Engage CPA Brand Ambassadors
	• Promote international recognition of CPA brand through MRAs/ MoUs
	• Market the Institute's products for greater visibility and enhance professionalism
Be a Preferred source of Quality Research in Finance, Accounting and Related matters	• Undertake research on matters of public interest

PILLAR 3: INSTITUTIONAL SUSTAINABILITY

STRATEGIC OBJECTIVE	SUB-STRATEGIC OBJECTIVES/STRATEGIC ACTIONS (KRAs)
Financial Sustainability	• Enhanced Revenue Growth (Training revenue, sponsorship and consultancy, in-house training, Regulation fund raising, income stream diversification, investment income, fund raising for research and regulation)
	• Enhanced Cost optimization in Institute's operations
	• Enhance value for money in the supply chain processes
	• Support sustainable physical branch offices
Risk management and environmental sustainability	• Enhance Enterprise Risk management
	• Environmental sustainability
Transform to an institutional culture that enhances performance	• Attract, develop and retain top talents
Strengthen the Institute's governance	• Review and revamp the Institute's governance structure
	• Enhance accountability and disclosure reporting
Business process Re-engineering	• Benchmark and Revise all SOPs and SLAs
	• Develop and implement ICT Strategy
Knowledge and Records management	• Develop technology platforms to enhance internal collaboration and information sharing
	• Automate the Record management system
	• Enhance general data protection in compliance with global regulation

PILLAR 4: ENHANCED CUSTOMER EXPERIENCE

STRATEGIC OBJECTIVE	SUB-STRATEGIC OBJECTIVES/STRATEGIC ACTIONS (KRAs)
Inculcate Innovation culture	<ul style="list-style-type: none"> • Provide Incentives for innovation
Support members business environment through technology	<ul style="list-style-type: none"> • Dissemination of information through interactive digital systems • Establish a knowledge repository • Accreditation/Certification of Accounting and Audit software for use in Kenya • Develop partnerships for Domain and website hosting for members
To be a premier business partner	<ul style="list-style-type: none"> • Sign up more partners for value adds • Review and implement the Institute branding strategy • Create awareness about the role and mandate of ICPAK • Robust CSR program • Attract non-members as delegates / participants in Institute events
Deliver a consistent high-quality customer experience that enhances the Institute brand	<ul style="list-style-type: none"> • Attain a 75%-member satisfaction index • Enhance customer satisfaction • Develop member participation programs for the members in different segments



CSR Activities:

ICPAK PARK ELDORET



CSR Activities:

ICPAK CORNER MACHAKOS





Top: Immediate former ICPAK Chairman FCPA Julius Mwatu (fourth from left), Chairman elect CPA Rose Mwaura (fifth from left), FCPA Rose Ogega (sixth from left) together with other Council members during the 41st AGM and handing over ceremony.

Below: The first lady ICPAK Chairman FCPA Rose Ogega (middle) passing the chain to the 2nd lady Chairman, CPA Rose Mwaura (right)





Top: Immediate former ICPAK Chairman FCPA Julius Mwatu (far right) with Chairman elect CPA Rose Mwaura (middle) and ICPAK CEO CPA Edwin Makori (left) before handing over.
 Below: Immediate former ICPAK Chairman FCPA Julius Mwatu with current ICPAK Chairman CPA Rose Mwaura after official handing over.



MONEY & MARKETS

Accountants say tax breaks way to spur revenue growth

POLICY ICPAK believes that the current fiscal consolidation approach has failed

Charles Mwangi

Kenya can raise domestic revenue and develop growing fiscal deficit by using tax incentives to encourage investments in job-creating industries, which will create the country's tax base, says the Institute of Certified Public Accountants of Kenya (ICPAK).

The institute's chairman, Julius Mwatu, yesterday said the approach can work as an alternative to fiscal consolidation through

tax incentives, which has proven a futile effort in recent years.

Such incentives include tax holidays, exemption from duty and VAT on imports of raw materials and other imported

inputs for manufacturing and investment allowance on plant, machinery, equipment and buildings.

Employers can also get tax breaks for hiring local graduates, a scheme that is already being rolled out in the country.

"We think to have tax policies which encourage investors to not chase away jobs that will be lost to tax revenue. The government must also work hard to seal the tax loopholes that cause revenue leakage," said Mwatu.

The Treasury also needs to address the issue of revenue in the recurrent budget, which is the Integrated Financial Management Information System



ICPAK chairman Julius Mwatu and vice chairman Charles Mwangi speaking at a press conference on Public Debt, Budget Policy and the 34th ICPAK conference in Nairobi.

ICPAK when fully implemented will play a big role since it will allow the government to track public finance transactions all the way from payment to the job creator's bank account. Kenya's job creation has not kept up with the growing population, putting a heavier burden on those paying tax.

Icpak faults tax law amendments

Global average corporate tax is 22.5 per cent while in Africa it is 28.5 per cent



ICPAK chairman Julius Mwatu and vice chairman Charles Mwangi speaking at a press conference on Public Debt, Budget Policy and the 34th ICPAK conference in Nairobi.

Accountants have cautioned the state against rushing amendments to the Income Tax Act, saying it is a mistake to increase corporate tax rates to 28.5 per cent, which is higher than the global average of 22.5 per cent.

ICPAK CEO Julius Mwatu and chairman Charles Mwangi yesterday said the government should capture overall economic environment of the nation to grow the disposable income for households, said Mwatu.

BusinessHub

Kenya starts dollar bond sale despite IMF hurdle

Country cannot access standby credit facility at the moment because conditions have not been met

Kenya began a dollar bond sale yesterday that analysts said could reach \$1 billion, according to Reuters. The country's credit rating was downgraded to Baa1 by Standard & Poor's last month, which has led to a loss of access to the standby credit facility.

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ICPAK chairman Julius Mwatu and vice chairman Charles Mwangi speaking at a press conference on Public Debt, Budget Policy and the 34th ICPAK conference in Nairobi.

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ICPAK asks government to fast-track bills

by James Hwang

Institute of Certified Public Accountants of Kenya (ICPAK) yesterday urged the government to expedite the enactment of the Kenya Credit and Finance Bill (KCFFB) and the Kenya Credit and Finance Bill (KCFFB).

The institute's chairman, Julius Mwatu, yesterday said the government should expedite the enactment of the Kenya Credit and Finance Bill (KCFFB) and the Kenya Credit and Finance Bill (KCFFB).

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REGULATION

Accountants plan tighter rules to lock out quacks

James Ngunjiri
Ngunjiri@nationmedia.com

The Institute of Certified Public Accountants of Kenya (ICPAK) will amend the Accountants Act to get rid of quacks and implement a whistle-blowing policy to protect members from victimisation.

Newly elected chairman Julius Mwatu yesterday said the institute would prioritise amendment of the Act to redefine the profession and help deal with quacks.

"Amendment of the Accountants Act will be in sync with 2010 constitutional dispensation, development and implementation of a whistle-blowing policy to protect ICPAK members from victimisation, and establishment of a centre for development and accreditation of tax matters, for example where this approach will pay dividends," said Mr Mwatu.



NEW ICPAK chairman Julius Mwatu.

"It is our collective responsibility to open up the world of possibilities for the next generation of accountants - to recruit, retain and advance our members."

Mr Mwatu is taking over from Fernandes Barasa after expiry of the latter's two-year term this month. He will be the 22nd chairman of ICPAK.

Mr Mwatu has been in the ICPAK council for the last six years where he has served in various capacities, and was the vice-chairman for the last two years.

My Major Achievements in a Snapshot

1. **Amendments to the Accountants Act:**
 - Redefining the Accountant – Expanded the definition of an accountant and accountancy appreciating the diversity of the profession.
 - Multiple licenses - All accountants will be issued with practicing licenses from 2020.
 - Remuneration order - Practitioners will be provided with fees guidelines.
 - Trainee Accountants - All accounting students will be registered, trained and regulated by ICPAK.
2. **Devolution** - opened all the remaining 8 physical branch offices (total offices are 9) covering the 47 counties, strongly positioning ICPAK at the county level.
3. **Two Mutual Recognition Agreements (MRAs)** - SAICA (South Africa) signed in September 2017 and CPA Australia approved in May 2019 for sign off, strengthening CPA brand recognition at the global scene.
4. **Audit Software** - This goes a long way in supporting our SMPs who form over 80% of our practitioners.
5. **Whistle Blowing Policy** - Approved by Council in 2018. Now working on guidelines, this will enhance member protection.
6. **Land for establishment of 10 CPA Centres offered** - Narok, Makueni, Nyandarua, Garissa, Kericho, Uasin Gishu, Nandi, Bomet, Kakamega and Laikipia. Development could be done many years later but the seed has been planted.
7. **Nominations Committee** - First one of its kind, entrenching transparency and governance giving equal opportunity to all members to represent ICPAK in boards/committees.
8. **KCA University** - Turnaround from a financial deficit to a surplus of over KShs. 80M in 2018. Audited accounts have also been presented at ICPAK AGM in the last two years.
9. **Expanded Media Engagement Framework** – Today, our senior members, branch leaders and ICPAK senior managers participate in media engagements enhancing the CPA Brand Visibility.
10. **Centre for Public Finance & Tax (CPFT)** - To accredit and ultimately regulate experts in public finance and tax.
11. **Financial Laws (Amendments) Bill** – Initiated an ICPAK-led omnibus legislation to strengthen financial accountability.
12. **SME Support Program** - Program attaching an SME to an accountant, as a business advisor. Laikipia county has taken off, other nine governors have shown interest.
13. **Launched the Australian Chapter** - The 3rd Chapter, established in August 2017. This opens opportunities for CPA(K)s beyond the borders as we continuously reach out to the ICPAK members spread over 41 countries.
14. **Know Your Member (KYM)** – This was an extensive member profiling exercise that has enabled more focused service delivery to members.
15. **Big recognition to the Woman Accountant** in Kenya - First elected woman chairman of ICPAK and first Council with majority of women in 40 years, inaugurated in the 41st AGM of 7th June 2019.

“Servants who lead and leaders who serve are not the same – one uses a plan to serve people while the other uses people to serve the plan.”
- Bill Bennot

“Accountability is personal – 24 Key Priorities in 24 Months Working 24 Hours a Day.”
- FCPA Julius Mwatu

Thank You!

A stylized, handwritten signature in white ink, appearing to read 'Julius Mwatu', with several horizontal strokes underneath.

FCPA Julius Mwatu
ICPAK Chairman