

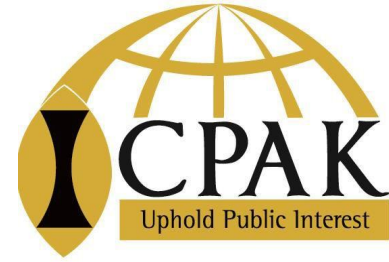


# SMP Practitioners Forum

By  
CPA Nebart Avutswa  
Chief Manager  
Professional Services Division, ICPAK

at  
The Crown plaza, Nairobi  
16th July, 2019

# MEMORABLE QUOTE



“

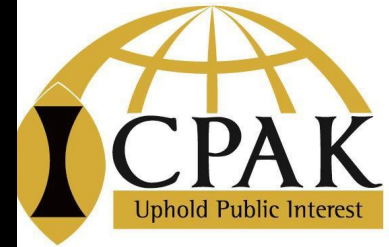
Investing should be more like watching paint dry or watching grass grow. If you want excitement, take \$800 and go to Las Vegas.

”

— Paul Samuelson

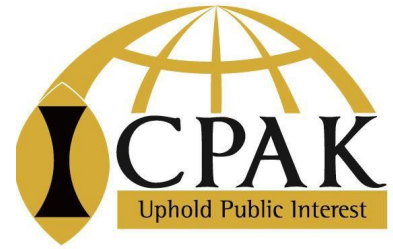
- Over view of ICPAK
- Firm Management Guide
- ICPAK/Safaricom- MOU
- Professional Indemnity
- ICPAK Audit software
- New requirements on firm licensing

# Background Information



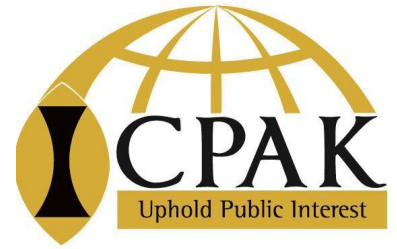
The Institute of Certified Public Accountants of Kenya (ICPAK) was established in 1978. The Institute is a member of the Pan-African Federation of Accountants (PAFA) and the International Federation of Accountants (IFAC) since 1980, the global umbrella body for the accountancy profession.

# Vision & Mission



- Vision - A world class professional accountancy Institute
  - Mission - Develop, promote and regulate the accountancy profession to meet international standards and safeguard public interest
- C**REDO - **C**redibility **P**rofessionalism  
**A**ccountability

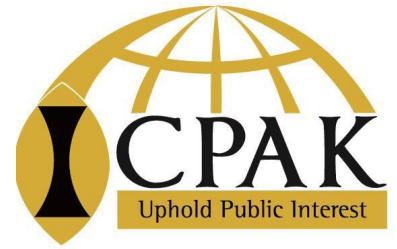
# CORE VALUES



The Institute is guided by the following core values:

1. Credibility
2. Professionalism
3. Accountability
4. Integrity
5. Inclusivity

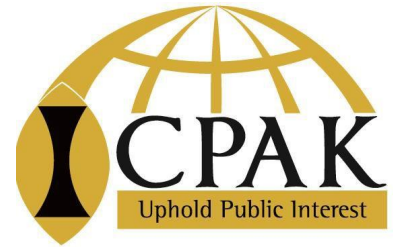
# ICPAK Mandate



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

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

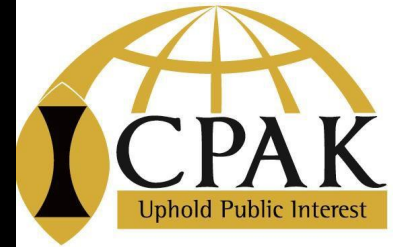
# Mandate



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;



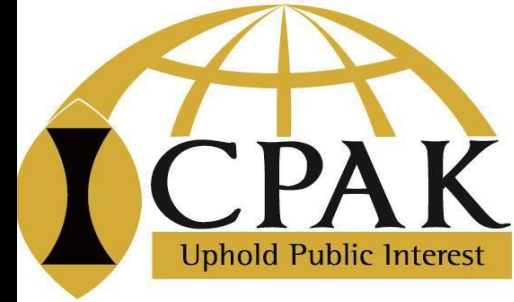
## Mandate Con't...

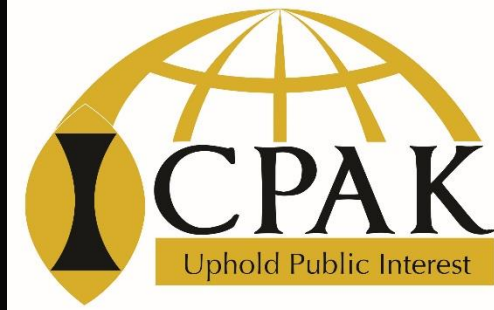


5. To advise the Minister on matters relating to financial accountability in all sectors of the economy; To carry out any other functions prescribed for it under any of the other provisions of this Act or any other written law and

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

# Life Cycle of a Practitioner





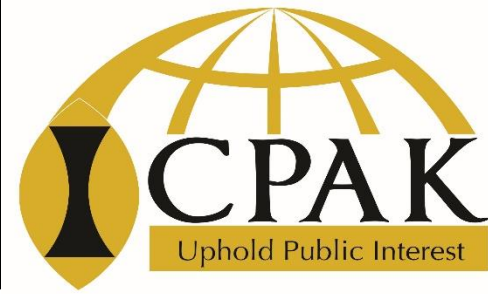
# FIRM MANAGEMENT GUIDE

**Credibility.**

**Professionalism**

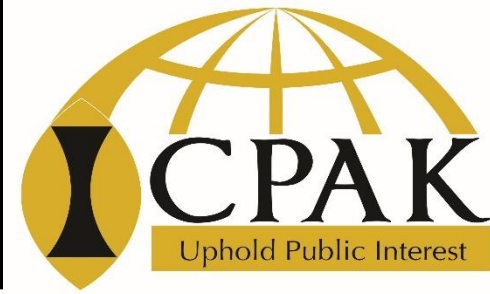
**Accountability.**

# Firm Mgt Guide- Objectives



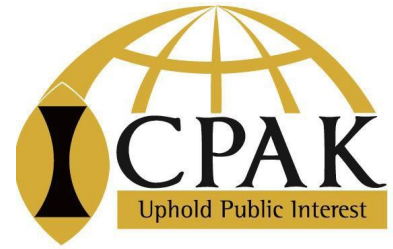
- The main objective of this guide is to prepare practitioners for holistic professional growth. Specific objects include:
  - Equip ICPAK practitioners with technical skills and knowledge to be competent and efficient in the market;
  - Expose practitioners to soft career skills such as human resources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

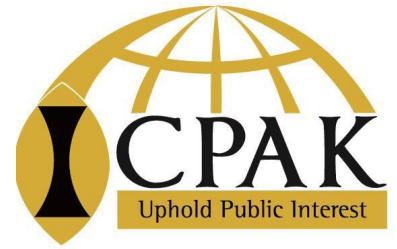
# Firm Mgt. Guide



The Management guide is intended to equip practitioners with:

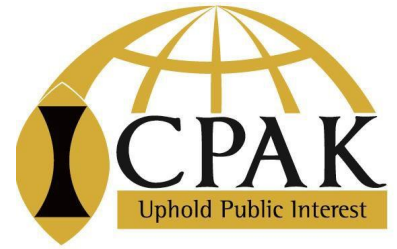
- The practical knowledge in Accountancy
- Understanding of Branding and Marketing techniques
- Client Relationships
- Staffing and Human resources Management
- Mergers and Acquisitions
- Revenue and Cost Management
- Work flow Management
- Documentation and Audit Evidence
- Audit techniques and tools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

# Practice of Accountancy



- It involves provision of a wide range of services.
- The firm should ensure compliance with:
  - the Code of Ethics for professional accountants
  - other relevant local legal requirements

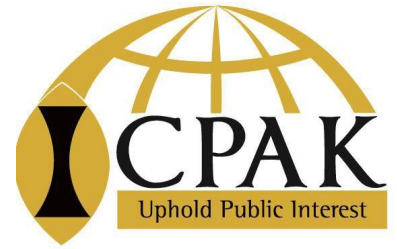
# Branding and Marketing



- Firms are required to adhere to the ICPAK guidelines and Code of Ethics for Professional Accountants.
- Firms may also utilize the following tools in branding:
  - Social media
  - Firm Website
  - E-newsletters

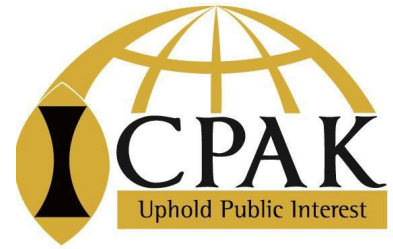


# Client Relationships



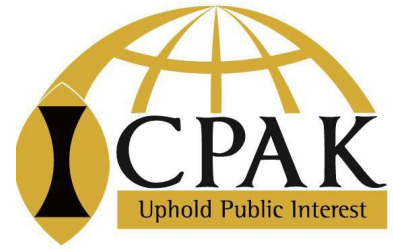
- Building Client relationships
- Challenges to building client relationships
  - E.g. Self-interest threat, Self review threat; Advocacy, familiarity
- Safeguards – e.g. Rotation

# Human Resources



- Strategies used by firms to attract and retain the right staff:
  - Recruitment and retention
  - Documentation and employee records
  - Planning and job allocation
  - Training and CPD
  - Staff appraisals and rewards
  - Succession planning

# Mergers and Acquisitions

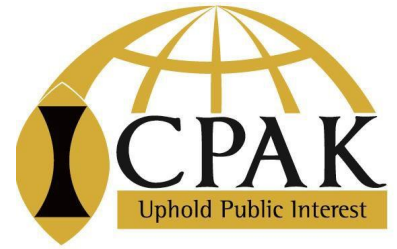


- Mergers - *2 or more firms combine to form one larger business entity.*
- Acquisition - *Involves outright purchase of controlling shares of another firm.*

## Purpose

- Increasing staffing requirements
  - Practice Development
  - Quest for Firm Growth and Expansion
  - Succession Planning
- Demergers

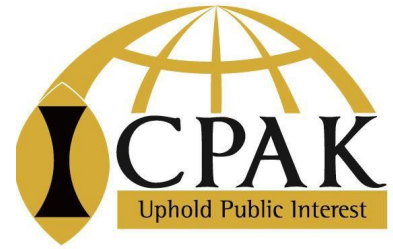
# Revenue Management



It involves enhancement of a firm's revenues through the management of operational overheads. It involves:

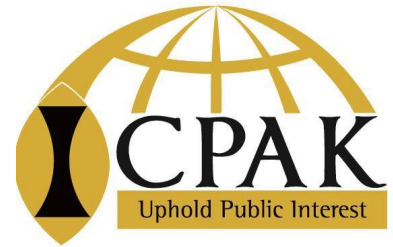
- Revenue generation – provision of professional services
- Recording of Revenue
- Management of costs

# Work flow management



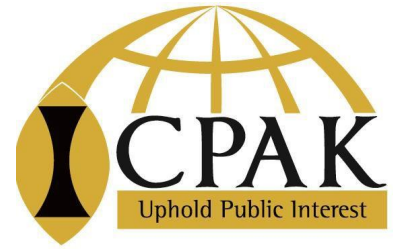
- Provides an infrastructure for the setup, performance and monitoring of tasks.
- It helps the firm take control of the routine processes
- Involves:
  - Initial Discussion with the client — *pre-engagement procedures*
  - Performance — *planning, risk assessment, respond to assessed risk, documentation,*
  - Completion and reporting — *management letter, audit report*

# Documentation



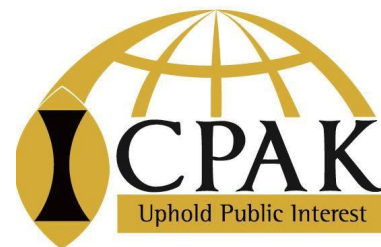
- ISA 230 requires sufficient and appropriate documentation to support the basis for the Auditor's report.
- Good documentation practice requires consideration of aspects outlined below
  - Permanent file
  - Current file
  - File retention - within the timelines required by the law

# Audit Techniques and Tools



- Computer Aided Audit Techniques (CAATs)
- Key areas for Automation
  - Pre-engagement procedures
  - Planning
  - Documentation
  - Completion and Reporting

# Link to firm Mgt Guide



Please refer to the link below for the full guide:

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



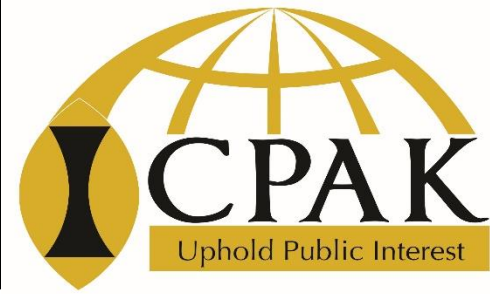
# SAFARICOM MOU

**Credibility.**

**Professionalism**

**Accountability**

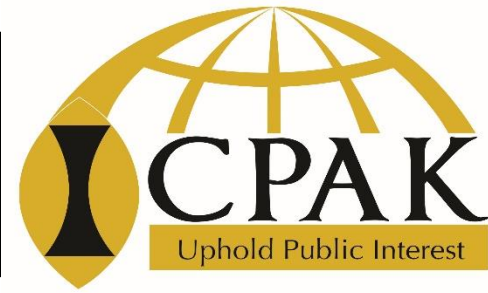
# Safaricom/ICPAK Partnership



**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

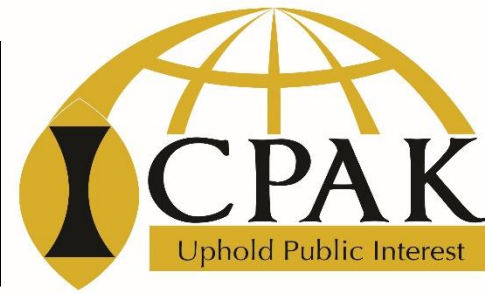
# Initial Service Scope



## 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

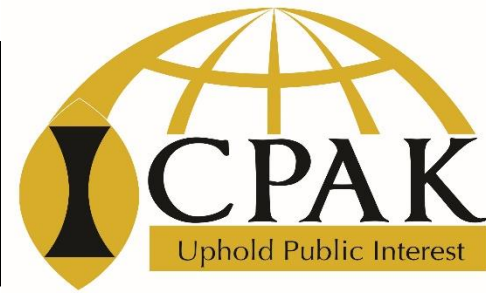
# Benefits of Domain Registration



## 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.



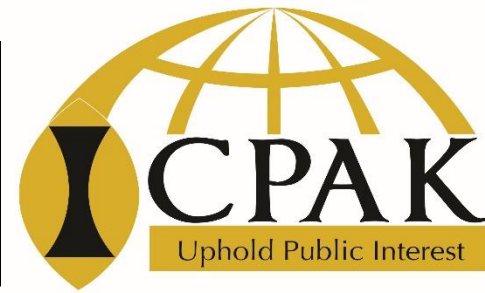
### Enhanced Online Interactivity

- 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.)



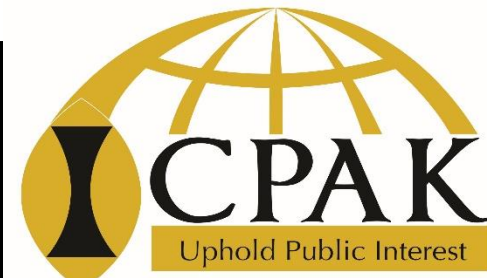
## Correspondence

- 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

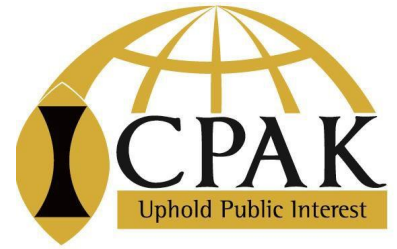
- A custom domain such as [www.abcandcompany.co.ke](http://www.abcandcompany.co.ke) or say **info@abcandcompany.co.ke** is **easier to remember** than a generic, cobranded domain such as **abcandcompany@gmail.com**

# Service Details



PACKAGE NAME:	NORMAL PACKAGE DETAILS:	ICPAK OFFER	PRICE / YEAR LOCAL (.CO.KE, .ME.KE)	PRICE/YEAR INTERNATIONAL (.COM, .INFO, .ORG)
<b>BRONZE PACKAGE</b>	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
<b>SILVER PACKAGE</b>	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
<b>GOLD PACKAGE</b>	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

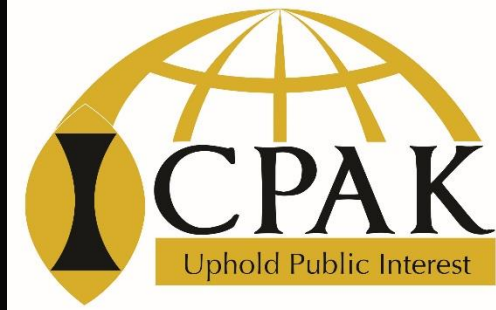
# Safaricom MOU



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

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





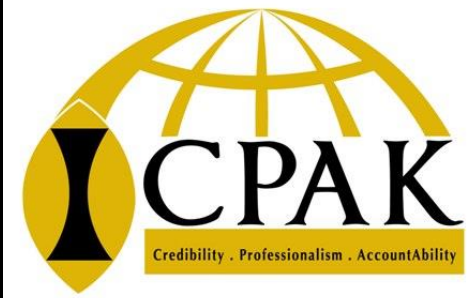
# ICPAK AUDIT SOFTWARE

**Credibility**

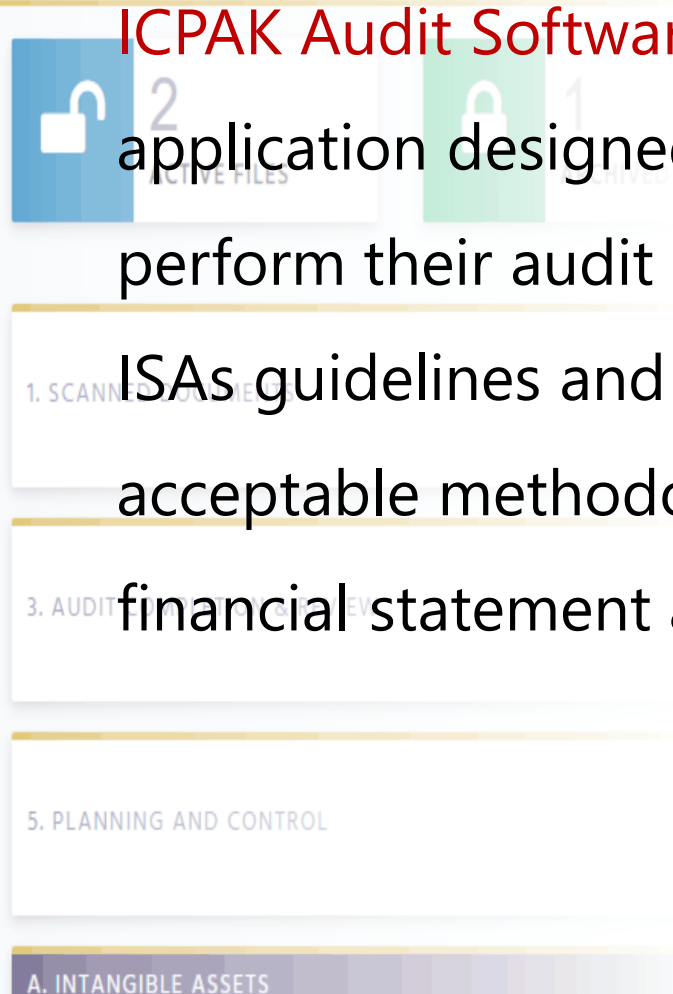
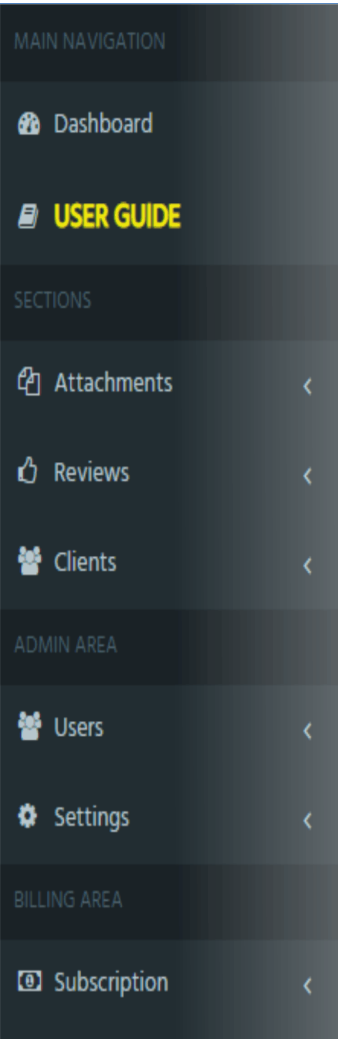
**Professionalism**

**Accountability**

# what is ICPAK audit Software



**ICPAK Audit Software** is a web-based software application designed to enable audit firms to perform their audit processes while adhering to ISAs guidelines and using the latest and acceptable methodologies, and to generate financial statement and reports.



# How to acquire the ICPAK Audit Software



Register for user licences for your practicing firm by visiting  
<http://myaudit.icpak.com>

Once you have made the payment, you will receive an email with a unique link to login into your firm's Audit Software account

**Hint:** The payment details are available on the invoice downloaded.

Login into your account by clicking on the link sent in Step 2 and then you can start the audit process.

Create new clients and add user accounts for your staff

# What ICPAK software Can do



The ICPAK Audit Software allows you to do the following:

- ❖ Create a client profile and file
- ❖ Upload trial balance and map the items
- ❖ Fill in the Planning and Control forms
- ❖ Draft various audit reports
- ❖ Upload & attach files to the Working Papers
- ❖ Update Lead Schedule & Audit Programmes checklists
- ❖ Generate the financial statements

...and so much more

Read more on our **User Guide** <https://audit.icpak.com/manual>

# What ICPAK software Can do



Since the Audit Software is a web-based system, you can access it anywhere, provided you are connected to the internet



# Current Subscribers

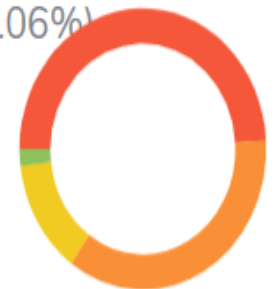


We launched the ICPAK Audit Software in April 2019, and by 15<sup>th</sup> July 2019, a total of 53 practicing firms have purchased the Software License



## Audit Firms Per Plan (53 total)

- Single User License (26 - 49.06%)
- 2-3 License (19 - 35.85%)
- 4-8 License (7 - 13.21%)
- 9-15 License (1 - 1.89%)



# Useful links



1 Purchase License: <https://myaudit.icpak.com>

2 User Guide: <https://audit.icpak.com/manual>

3 Our Website: <https://www.icpak.com/>



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



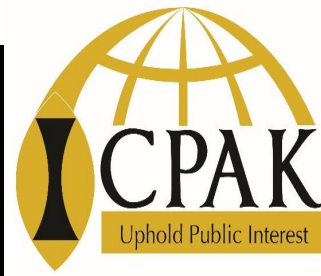
# Members Handbook

**Credibility.**

**Professionalism.**

**Accountability.**

# Overview of the members Handbook



- This handbook highlights the services we offer to Certified Public Accountants- CPA's that range from education and training, Corporate Social Responsibility(CSR) and Advocacy on internal issues to corporate events. Through interaction with ICPAK, you are guaranteed access to various networking opportunities, professional development amongst a host of other benefits.

# Key areas



- The Handbook covers the following but not limited to
- Categories of Membership
- Continuous Professional Development
- Role of the Council of the Institute
- Committees of the Institute
- Benefits of Membership

# Launch



- The Handbook was launched during the 35<sup>th</sup> ICPAK Annual Seminar and is available at the Institute offices



# New Requirements of Firm Licensing

**Credibility.**

**Professionalism.**

**Accountability**

# 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 31<sup>st</sup> 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



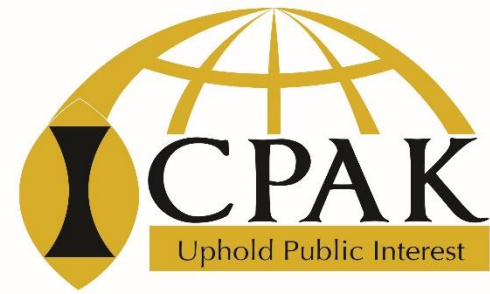
- covers against a wide range of scenarios, including:
- Professional negligence (i.e. making a mistake in a piece of work for a client)
- Loss of documents or data
- Unintentional breach of copyright and/or confidentiality
- Defamation and libel
- Loss of goods or money (your own or for which you are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

# Negotiated rates with Heritage



Microsoft Word  
7 - 2003 Documer

The End



**THANK YOU!**