



25th ICPAK CHAIRMAN'S UPDATE NEWSLETTER

Contribution Statement





CHAIRMAN'S *message*

Every two years, as June ushers in a new season, the Institute marks a pivotal moment of transitioning leadership and welcoming a new Council. That moment has once again arrived. As I conclude my tenure as Chairman of the Institute, I do so not in departure from the profession, but with a reaffirmed commitment to accountancy, which remains my lifelong vocation and passion.

Looking back on the past two years, I reflect with a deep sense of fulfillment. In September 2023, I was entrusted with the honour and responsibility of chairing this esteemed institution. It has been a journey defined by shared purpose, meaningful progress, and the privilege of serving a profession I hold dear.

I remain profoundly grateful for the support extended to me throughout this journey. To the members of ICPAK, thank you for your trust, engagement, and steadfast commitment to our shared vision. Your confidence in our mission has been a powerful catalyst for the strides we have made together.

To my colleagues on the Council, I extend sincere appreciation for your partnership, integrity, and collective resolve. Our collaboration has been grounded in unity of purpose, and it is through that unity that we have delivered on our mandate. I would like to convey special thanks to CPA Prof. Elizabeth Kalunda, who served with distinction as Vice Chairman and now assumes leadership as Chairperson. Her wisdom, integrity, and steady hand will undoubtedly steer the Institute with purpose and vision.

Dear members, my manifesto upon which you elected me was anchored on six foundational pillars:

- Accountancy Development and Regulation
- Collaboration and Stakeholder Engagement
- Transparency and Accountability
- Institutional Sustainability
- Opportunities and Benefits to Members
- A New Member-Centric Culture and Welfare

These were not merely campaign rhetoric, they were guiding themes that informed deliberate action and measurable progress. Together, we strengthened professional and ethical standards, enhanced member value, supported the growth of our branch network and chapters, and laid a foundation for institutional resilience and inclusive advancement.

As I pass the baton, I do so with both gratitude and confidence in the future of the Institute. I am certain that under the capable leadership of CPA Prof. Kalunda, ICPAK will continue to thrive and transform in service to its members and the nation.

To each of you, thank you for the privilege of serving as your chairman. It has been one of the most defining and enriching chapters of my professional life of which i will forever be indebted.

CPA Philip Kakai
ICPAK Chairman (2023–June 2025)



CEO'S *message*

As we reach the concluding chapter of our cherished Chairman's Newsletter, marking the end of tenure for the 25th chairman of ICPAK, CPA Philip Kakai, I want to take a moment to reflect on the incredible journey we have shared. This final edition is not merely a farewell; it is a celebration of the remarkable achievements we have accomplished together and the relationships we have built within our community.

Over the years, we have navigated challenges, seized opportunities, and nurtured an environment of learning and growth. Each article and update in this newsletter showcases the dedication and passion that define our organisation. I am immensely proud of our collective efforts and the lively discussions we have sparked.

In this spirit, I pay tribute to the exceptional leadership of our outgoing Chairman, CPA Philip Kakai. His tenure at the helm of ICPAK has been characterised by transformation, courage, and a profound commitment to professional excellence and public accountability. Under his stewardship, ICPAK has achieved significant progress in regulation, standard setting, compliance, innovation, and member empowerment.

A cornerstone of Chairman Kakai's leadership was his commitment to future-focused planning. He championed and oversaw the incubation of the ICPAK 2025–2029 Strategic Plan, securing the long-term direction and sustainability of the Institute. This Plan, anchored on well-defined strategic pillars, outlines ICPAK's roadmap for professional excellence, regulatory effectiveness, public interest impact, sustainability, innovation, and institutional resilience. His foresight in guiding this process has ensured that the next

Council inherits a clear, actionable vision with bold priorities to drive ICPAK forward in an evolving professional landscape.

One of the defining legacies of CPA Kakai's term has been the significant advancement in regulatory reform. Through determined advocacy and collaborative effort, the Institute successfully spearheaded the development of the Accountants (Amendment) Bill, 2025, currently undergoing stakeholder engagement after national public participation. This critical reform is designed to align the Accountants Act with the 2010 Constitution, eliminate regulatory loopholes, and ensure the entire spectrum of professionals in accounting functions — including unqualified practitioners — are appropriately regulated and held to professional standards.

In parallel, ICPAK has been central to public financial management reforms, particularly through its active role in implementing IPSAS Accrual accounting in Kenya. The Institute's representation on the Treasury-led steering committee and the successful IPSAS Accrual Workshop in Naivasha earlier this year underscored our technical leadership in strengthening financial reporting in the public sector.

The Chairman also championed a renewed focus on standard setting. Through technical bulletins, industry engagements, and national committees, ICPAK has led the adoption of major international standards, including IFRS 17, IFRS for SMEs, and the newly introduced IFRS S1 & S2 Sustainability Standards. His leadership also oversaw the formation of the Multi-Stakeholder Sustainability and Climate Reporting Committee, which delivered Kenya's first National Sustain-

ability Reporting Roadmap — a landmark guide for sector-wide adoption by 2029.

Chairman Kakai took an unapologetic stand in defending the profession's integrity. His efforts reinforced our regulatory framework, from crack-downs on unlicensed practitioners to the launch of the UDIN system to verify the authenticity of professional reports. The 2024 Audit Quality Review Report, covering 14 firms, further underscored our commitment to enhancing audit practice and restoring public trust in financial reporting.

Beyond regulation and technical standards, he was equally passionate about advancing public interest. Under his leadership, the County Public Audit Review Report, launched in November 2024, addressed critical accountability gaps in county governments and reaffirmed the Institute's role as a credible voice in public sector reform.

In his quest to make Continuing Professional Development (CPD) more accessible and affordable, Chairman Kakai initiated the transformation of the 11th floor of the CPA Centre into an ultramodern conferencing facility. This facility will host in-house CPD programs at reduced costs for members—a visionary investment currently 60% complete and set for completion by 30 July 2025. This initiative will significantly lower compliance costs for our members while enhancing access to quality training.

He also steered critical improvements in licensing automation, enabled robust engagements on anti-money laundering guidelines, and led ICPAK's bold stand against discriminatory audit firm profiling, always upholding fairness, professionalism, and the rule of law.

Research and innovation were not left behind. The 5th ICPAK Research Conference provided a dynamic platform for bold ideas shaping the profession's future in a digital era. At the same time, our growing media visibility — with over 200 appearances in 2024 — further solidified ICPAK's position as a thought leader and policy influencer.

Chairman Kakai fostered a collaborative relationship between the Council and the Secretariat throughout his term, rooted in mutual respect and strategic alignment. This unity has been the driving force behind the delivery of impactful initiatives serving both members and the wider community society.

As we close this chapter, let us carry forward the spirit of collaboration and innovation that has propelled us thus far. Thank you, CPA Philip Kakai, for being essential to our story—all the best in your future endeavours.

With sincere appreciation,

CPA Dr. Grace Kamau
ICPAK CEO



ICPAK COUNCIL MEMBERS



CPA Philip Kakai
Chairman – ICPAK



CPA Prof. Elizabeth Kalunda
Vice Chairman – ICPAK



CPA Dr. Grace Kamau
CEO – ICPAK



FCPA CS, Prof. Nicholas Letting
Council Member



FCPA CS, Georgina Malombe
Council member



FCPA Hesbon Omollo
Council Member



CPA Jona Wala
Council Member



CPA Matthew Mukisu
Council member



CPA Olive Gitau
Council Member



CPA Risper Olick
Council Member



CPA Wycliff Bichang'a
Council Member

PILLAR 1:

ACCOUNTANCY DEVELOPMENT AND REGULATION

Strengthening the profession through robust regulation, compliance, and innovation.

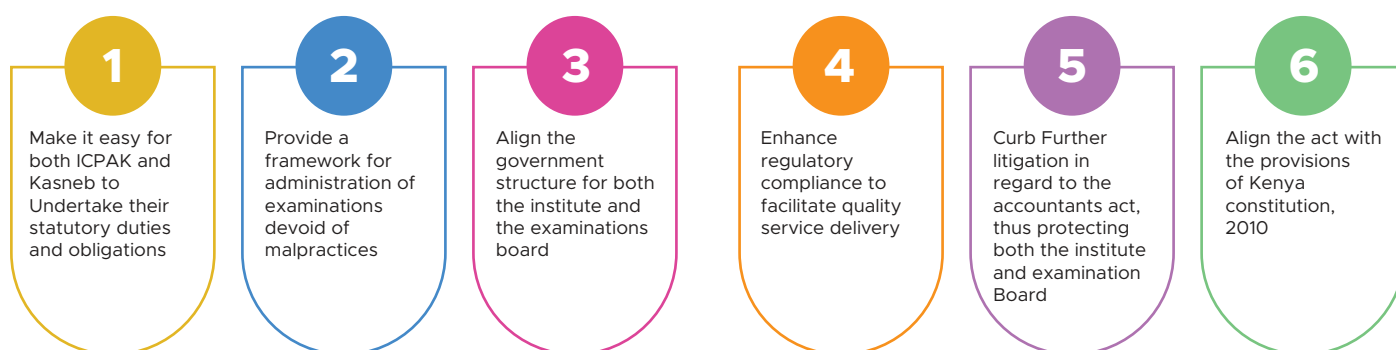
KEY FOCUS AREA: REVAMP THE REGULATORY ROLE OF THE INSTITUTE

AMENDMENT OF THE ACCOUNTANTS ACT, CAP 531

The Accountants Act, 2008 has been in operation for the last sixteen (16) years without major amendments. Inherently this posed a number of restrictions to effectively regulate the profession.

The Institute, vide the Finance Act 2018, amended the Accountants Act providing deterrent and stiffer penalties to be applied where professionals are found culpable. These were further enhanced through the Accountants, Regulations 2022 approved by Parliament.

With the request from the Institute, the National Treasury established a Multi-Agency Taskforce in 2023 to review the Act, enhance both operational and governance aspects of the Institute's administration which could only be addressed through review or amendment of the Accountant Act and propose a Draft Bill. The multi-agency task force comprising of officials from the National Treasury, Kasneb, Office of the Attorney General and the Institute was constituted and developed an Accountants (Amendment) Bill, 2025 which was subjected to public participation in the month of April 2025. The amendments are geared to –



The amendment proposes additional measures to enable members and the Institute to tame quacks operating as accountants and encourage the use of qualified accountants in the discharge of the finance, auditing and accounts functions in both private and public sector.

Other amendments proposed are geared towards ensuring that the whole spectrum of accountants are regulated, including persons currently discharging the roles but have no professional qualifications. These persons will then be grandfathered to adhere to professional ethics and uphold professionalism.

ICPAK PARTICIPATION IN THE IPSAS ACCRUAL IMPLEMENTATION IN KENYA

One of the key mandates of the Institute is to promote standards of professional competence and practice amongst its members. As a member of IFAC, the Institute ensures compliance to all the statements of member obligations and as such promoting compliance to standards within the practice of members and the country at large. The Institute participates actively in the global standards setting process that enhance the competence of professional accountants while strengthening the worldwide accountancy profession and contributing to strengthened public trust.

The National Treasury vide Gazette Notice No.10892 of 20th August 2024, made appointment of various representatives including ICPAK representatives to steer the transition from cash to accrual in the country. The Steering committee is to spearhead speedy implementation of IPSAS Accrual in the country and ensuring proper and just transition for all the government entities as per the standards thus fostering transparency and reliability on the financial reports prepared.

ICPAK, being the Country's Standard Setter and Professional Accountancy Organization as recognized by the International Federation of Accountants and the one tasked with overseeing the work done by all accountants in the country including capacity building them on new standards and reviewing the

STANDARD SETTING IN KENYA

Developed and disseminated technical bulletins and guidance materials on new and existing accounting standards (e.g., IFRS, IPSAS). Some of the notable bulletins include: Future Ready Accountant, Reliefs on IFRS S1 & S2 sustainability standards, Fostering an ethical culture in accounting among other technical bulletins.

Formed a Multi Stakeholder Committee on Sustainability Reporting to guide on the roadmap for implementation of IFRS Sustainability Standards adoption across different sectors.

Participation in Standard Setting meetings and responding to exposure drafts positioning the Institute as a key voice in the standards setting process. Some of the key Exposure Drafts include Exposure Draft (Ed) 86, Exploration for And Evaluation of Mineral Resources, Addendum to the Exposure Draft Third edition of the IFRS for SMEs Accounting Standard and IFR4NPO- International Non-profit Accounting Guidance (INPAG) Exposure Draft 3. Effectively:



Hosted in January 2024 the PAFA, AU, and World Bank Roundtable of Key Stakeholders in the Accountancy Ecosystem in Nairobi



CRACKDOWN ON UNLICENSED ACCOUNTANTS

The Institute raided an illegal accounting firm in Embu town, Embu County, following a tip from the public. The raid is part of the ongoing efforts by ICPAK to address concerns about professional ethics and regulatory compliance. Under the Accountants Act, Section 18, practising as an accountant without a valid ICPAK practising certificate and firm license is a criminal offence. This legal framework is designed to ensure that all practising accountants meet the rigorous standards set by the Institute.



REFLECTING ON ICPAK'S ANNUAL SEMINARS (NOVEMBER 2023 – MAY 2025)

ICPAK's Annual Seminar has continued to grow in scale and impact, now attracting over 3,500 delegates per edition in Mombasa. Over the last two years, four successful editions have provided a platform for professional dialogue and national discourse.

The 40th Annual Seminar – Edition 2 (November 2023), themed “Towards a Future-Ready Accountancy Profession,” was officiated by H.E. Rigathi Gachagua and focused on equipping accountants for an evolving landscape.

In May 2024, the 41st Annual Seminar – Edition 1, themed “Accountants and the Public Interest: Strengthening Trust in Institutions,” was graced by Rt. Hon. Moses Wetang'ula, who called for greater integrity and accountability in public service.

The 41st Annual Seminar – Edition 2 (November 2024), themed “Sustainability and the Future: Positioning Accountants as Change Ambassadors,” featured Hon. John Mbadi, urging the profession to lead in ESG and climate-conscious reporting.

Most recently, the 42nd Annual Seminar – Edition 1 (May 2025), themed “Beyond the Profession: Accountants in All Spheres of the Economy,” was headlined by Rt. Hon. Raila Odinga, who encouraged accountants to broaden their influence across key sectors of the economy.

These seminars reaffirm ICPAK's commitment to shaping a resilient, ethical, and forward-looking profession that actively contributes to Kenya's development.



ACOA 2025

The 8th Africa Congress of Accountants (ACOA) took place from May 6th to 9th, 2025, at the Kigali Convention Centre in Rwanda, drawing over 2,000 delegates from 65+ countries. The event sparked dynamic discussions on the future of the accountancy profession, with highlights including keynote speeches, panel discussions, and workshops on topics such as digital transformation and sustainability reporting. The opening ceremony set a powerful tone, emphasizing the evolving role of accountants in driving economic growth and embracing technological change. ACOA 2025 provided valuable insights and fostered global collaboration in shaping the future of accountancy.



Banking Sector Stakeholders Launched IFRS S1 and S2 Reporting Template, Ushering in a New Era of Sustainability Disclosures

On April 23rd, 2025, Kenya's banking sector marked a key milestone in advancing sustainability and climate-related financial disclosures with the launch of the IFRS S1 and S2 Disclosures Reporting Template for Banks. The initiative was a joint effort by the Kenya Bankers Association (KBA), the Institute of Certified Public Accountants of Kenya (ICPAK), WWF-Kenya, and FSD Kenya.

The template was developed to standardize how banks report sustainability and climate-related information, aligning with international best practices while enhancing transparency, decision-making, and accountability across the financial sector. It also aimed to support banks in identifying opportunities within Kenya's transition to a low-carbon and socially inclusive economy.

Grounded in four key pillars—governance, strategy, risk management, and metrics and targets—the template enabled financial institutions to embed sustainability into their core business processes. Its adoption strengthened banks' ability to assess, manage, and disclose environmental, social, and governance (ESG) risks in both the short and long term.



KCA UNIVERSITY'S 16TH GRADUATION CEREMONY



On behalf of ICPAK and Council, ICPAK Chairman CPA Philip Kakai had the honor of attending KCA University's 16th graduation ceremony on July 17th, 2024. In his remarks, he reflected on how this moment allows us to pause and consider our aspirations. He highlighted the university's 35 years of growth, determination, and remarkable achievements, reminding us that success is never final—it is a continuous journey. He warmly welcomed students, parents, and families to the ceremony, themed "Charting New Horizons in Research and Academic Excellence for Lifelong Learning." Congratulations to the class of 2024!

DEVELOPMENT OF A CONSOLIDATED AQR REPORT FOR KENYA

The Audit Quality Review (AQR) Report is a crucial tool for assessing and improving audit practice across firms in Kenya. In 2024, ICPAK developed a consolidated AQR Report aimed at enhancing audit quality and regulatory oversight. This report provides a detailed evaluation of audit quality across reviewed firms, identifies the root causes of audit deficiencies and remedial actions for all firms reviewed during the year. By offering key recommendations and policy insights, the report is aimed at strengthening regulatory oversight while enhancing public confidence in the integrity of financial reporting in Kenya. Fourteen (14) Audit Quality Assurance Reviews were carried out in 2024. Twelve (12) reviews were first-time quality assurance reviews and two (2) were second-time quality assurance reviews. Two (2) reviews were conducted virtually while ten (12) reviews were conducted physically.

ICPAK PRESS STATEMENT ON THE SENATE'S PUBLIC ACCOUNTS COMMITTEE REVIEW OF AUDITOR GENERAL REPORT ON COUNTY GOVERNMENTS

ICPAK held a press conference on The Senate's Public Accounts Committee Review on Auditor General Reports on County government's.

ICPAK called upon its members regardless of their position and role to adhere to the prescribed Professional Standards, Code of Ethical Conduct for Professional Accountants and Accountability Frameworks. Some of the recommendations for action included.

1. Establishment of Financial Reporting units which should be headed by members of ICPAK in good standing.
2. Nominations of Qualified members of ICPAK to PAC hearings to provide technical expertise on accounting matters
3. Establishment of an ad hoc Committee to review County Public Audit Reports.
4. Strengthen oversight through Internal Audit and Audit Committees.
5. Disciplinary and legal action for unethical practices



LAUNCH OF COUNTY PUBLIC AUDIT REVIEW REPORT



ICPAK conducted an extensive review of the financial statements for the 47 county governments, comprising both County Executives and County Assemblies, covering the financial years 2020/21, 2021/22, and 2022/23. This review was prompted by concerns raised by the Senate Public Accounts Committee, which questioned the accuracy, reliability, and professionalism of the financial statements presented by counties. In its review, ICPAK developed recommendations to ensure that the financial reporting processes in counties align with the highest professional standards and advocated that financial statements to be prepared by Certified Public Accountants in good standing and in accordance with relevant laws and regulations.

The reports were launched on 15th November 2024 in a colorful ceremony led by the Chairman CPA Philip Kakai and attended by representatives from the Senate Public Accounts Committee, Office of the Auditor General, Intergovernmental Relations Technical Committee, National and County Governments and other state actors and Civil Society organizations.

ANTI-MONEY LAUNDERING GUIDELINES FOR ACCOUNTANTS

In partnership with Financial Reporting Centre and GIZ (Deutsche Gesellschaft für Internationale Zusammenarbeit), the Institute revamped the Anti-Money Laundering Guide for Accountants. These Guidelines are issued pursuant to Sec 8(f) of the Accountants Act, as read together with section 36C (1) (d) of Proceeds of Crime and Anti-Money Laundering Act (POCAMLA) which mandates the Institute of Certified Public Accountants of Kenya (ICPAK) to issue instructions, directions, guidelines or rules for combating money laundering, terrorism financing and countering proliferation financing by reporting institutions regulated or supervised by it. These Guidelines serve as a comprehensive resource tailored to assist Accountants to fulfill their anti-money laundering, combating the financing of terrorism and countering proliferation financing obligations.

ADOPTION OF IFRS SUSTAINABILITY DISCLOSURE STANDARDS SUSTAINABILITY REPORTING



On 6 September 2023, the Institute as the country's standard setter and accountancy regulator, announced the intention to adopt of these sustainability standards in Kenya as it carried out various forums and engaged various stakeholders. A sustainability road map for the country was developed and launched on 14th November 2024 recommending a phased approach. ICPAK established a Multi-Stakeholder Sustainability and Climate Change Reporting Committee to develop a roadmap for this adoption and is actively providing guidance and training to facilitate the transition. The roadmap was launched on 14th November 2024

Phase 1 (Voluntary Adoption): Commenced on January 1, 2024, allowing all organizations to voluntarily adopt the standards.

Phase 2 (Mandatory Adoption): Set to begin on January 1, 2027, for Public Interest Entities (PIEs); large non-PIEs will follow in 2028, and SMEs in 2029.

Phase 3 (Government Organizations): Timelines to be determined by ICPAK.

REGISTRATION WITH THE OFFICE OF THE DATA PROTECTION COMMISSIONER

The Institute is officially registered as a Data Controller and Processor with the Office of the Data Protection Commissioner, which affirms our commitment to upholding the principles of the Data Protection Act. This registration mandates that we adhere to stringent guidelines and best practices in managing and processing personal data. Our policies are designed to ensure that all data handling activities prioritise the privacy and security of individuals, equipping us to manage data risks and foster transparency in our operations effectively. This compliance reflects our organisational integrity and builds trust with our stakeholders by demonstrating our dedication to protecting personal information.

Drive public financial management reforms (Accrual Accounting)

THE IPSAS ACCRUAL WORKSHOP

The IPSAS Accrual Workshop, held from March 3rd to 7th, 2024, in Sawela-Naivasha, focused on the theme “Navigating the Challenges of Transitioning to IPSAS Accrual.” The workshop was specifically designed to equip financial statement preparers with the necessary tools and insights to manage the complexities associated with IPSAS accrual.

This initiative aimed to strengthen their contributions to public financial management by enhancing their understanding and application of the IPSAS framework. By fostering collaboration, the workshop encouraged participants to embrace the transition, ultimately leading to better governance, enhanced transparency, and more sustainable financial practices in the public sector.



Push for legislative reforms for better governance, representation, and service delivery

MEDIA APPEARANCES

ICPAK has successfully communicated its key initiatives, thought leadership, and contributions to the accounting profession in Kenya and beyond. This section provides an overview of ICPAK's visibility in traditional and digital media, showcasing how the Institute has reinforced its role as a trusted authority, enhanced its public image, and shared insights on industry trends, regulatory changes, and strategic goals. Through these appearances, ICPAK continues to foster stronger relationships with stakeholders and promote the value of professionalism in accounting. Public Interest Discussions Budget and Accountability Regulatory Mandate Technical Standards Total Number of Media Appearances In 2024.

Public Interest Discussions - Media Appearances in 2024

Category	Number of Media Appearances
Public Interest Discussions	73
Budget And Accountability	86
Regulatory Mandate	21
Technical Standards	21
Total Number of Media Appearances In 2024	201



Support practitioners to stimulate job creation

AUTOMATION OF THE LICENSING PROCESS (PRACTITIONER AND FIRM LEVEL)

ICPAK has successfully automated the licensing process for both individual practitioners and audit firms, marking a significant step towards digital transformation. This initiative aimed to:

- Enhance Efficiency - The automated system has drastically reduced the time required for application, renewal, and approval of licences, replacing manual interventions with a streamlined digital workflow.
- Improve Transparency & Compliance - The system ensures that all applicants meet the established regulatory requirements by integrating compliance checks, reducing errors, and minimising subjectivity.
- Provide Real-time Status Updates - Practitioners and firms can now track the progress of their applications in real time, reducing delays and the need for follow-ups. Additionally, the public can receive real-time updates regarding practitioners and firms in good standing.
- Ensure User Convenience & Accessibility - With a digital-first approach, the licensing system allows accountants to submit and renew their licences from anywhere, eliminating the need for physical paperwork and office visits.

ICPAK CONDEMNS DISCRIMINATORY PROFILING OF AUDIT FIRMS

The Institute issued a press statement condemning the irregular and unlawful practice by some financial institutions of only accepting audited financial statements from the 'Big Four' audit firms. The Institute noted that this discriminatory profiling undermined the credibility of other duly licensed audit practitioners. ICPAK emphasized that all licensed auditors are legally authorized to offer audit services and called on institutions to uphold fairness, professionalism, and the law in recognizing audit reports.

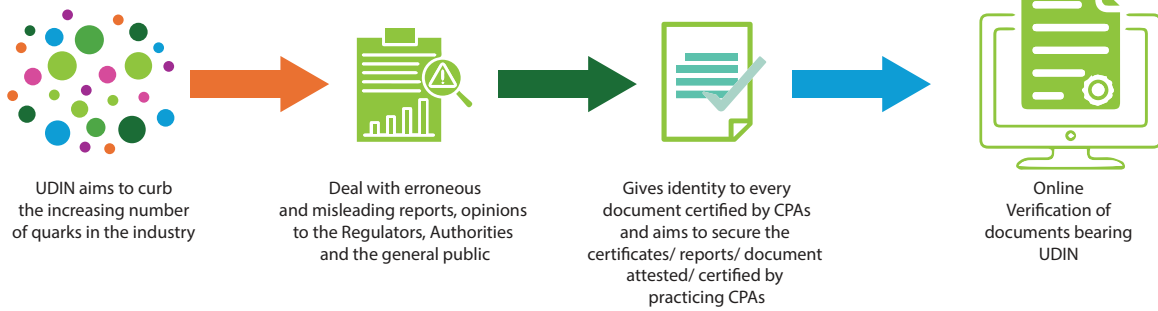
SMO 1- QUALITY ASSURANCE

ICPAK has direct responsibility for the establishment and implementation of a quality assurance (QA) review system and has been conducting QA reviews since January 2006. Therefore, it focuses on supporting members in understanding the QA review process and reviewing the QA framework to continuously be in line with SMO 1 requirements. The Institute developed an audit manual and a model audit file to assist members' compliance with international standards.

The model audit file provides an illustrated example of an audit file should look. Additionally, the institute has a self-review tool in place to assist small and medium-sized practices. With the change to new quality management standards, the Institute organized continuous sensitization workshops and training on the QA system for firms and members. An ISQM implementation checklist has also been developed to assess the level of compliance for all firms in scope. ICPAK carries out both online and physical quality reviews and compliance. In 2024, the institute conducted Fourteen (14) Audit Quality Assurance Reviews that were carried out in 2024. Twelve (12) reviews were first-time quality assurance reviews and two (2) were second-time quality assurance reviews. Two (2) reviews were conducted virtually while ten (12) reviews were conducted physically.

LAUNCH OF ICPAK UDIN

The Institute is launching a Unique Document Identification Number (UDIN) to its Practicing Accountants signing documents or reports.



This will enable the Regulators, Banks, third parties and Stakeholders to check the authenticity of the certificates, reports, documents anytime and anywhere.

Promote research and development

THE 5TH ICPAK RESEARCH CONFERENCE



The ICPAK 5th Research Conference themed “Rethinking Accountancy Research, Innovation, and Technology for Sustainable Development,” was hosted by the Kenya School of Government from 21st -23rd August 2024. The main objective of the conference was to deepen understanding of how the accountancy profession can evolve, build resilience, and sustain growth in the digital era, both within the profession itself and in the broader economy.

The conference centred around four thematic areas that are key to the future of the accounting profession: Accounting, Financial Reporting and Sustainability; Auditing, Assurance and Risk Management; Technology and Innovation; and Economy and Public Finance. Over the course of the three-day conference, 12 research papers were presented to a total of 175 delegates who attended both in person and virtually

Advance public finance and tax frameworks

ICPAK MAKES SUBMISSIONS ON AFFORDABLE HOUSING BILL 2023





SUBMISSION OF MEMORANDUM ON THE BUDGET POLICY STATEMENT 2025

SUBMISSIONS TO THE NATIONAL ASSEMBLY COMMITTEE ON FINANCE AND NATIONAL PLANNING ON THE FINANCE BILL 2024



LEGISLATIVE SUBMISSIONS SUMMARY

NO.	Legislation	Key submissions
1	Affordable Housing Bill 2024	The Institute gave proposals on this bill. One of the proposals was the definition of affordable housing as housing that is both adequate and costs no more than thirty percent of an individual's monthly income to rent or acquire. In principle, any residence, regardless of its cost, qualifies as affordable housing if the associated rent or mortgage payment constitutes less than 30.0% of a person's monthly income.
2	IEBC Amendment bill 2024	The Bill amended the Independent Electoral and Boundaries Commission Act, 2011 and for connected purposes. The Institute proposed that the Chairperson's position be opened up to other professions.
3	Senate on Division of Revenue Bill 2024	The Bill shares revenue between the two levels of Government. The Institute proposed the need to utilize the latest audited financial statements in determination of sharable revenue
4	Budget Proposals FY 2024/25	The Institute engaged with the National Treasury Budget team to review the Budget Proposals FY 2024/25 proposals. During the meeting, the Institute discussed several changes to; <ul style="list-style-type: none"> Enhance compliance and deductibility of allowable expenses A fair distribution of the tax burden

		<ul style="list-style-type: none"> • A review of the tax-deductible on pension contributions • Consideration of reducibility of excise duty on imported goods by all manufacturers
5	County Finance Amendment Bill 2024	The Bill aimed at guaranteeing financial autonomy of the County Assembly. The Institute opposed this Bill and noted that currently there are statutory provisions to guarantee financial autonomy of the County Assembly. Article 185 of the Constitution vests the legislative authority of a county is vested in its county assembly. There are frameworks through the county budgeting process to guarantee independence of the County Assembly
6	The Draft Public Audit (Amendment) Bill, 2024	The Institute submission focused on role of the envisaged Advisory Board and its impact on the operation and independence of the Office of the Auditor General, operationalization of the fund, the nexus between Internal Audit and External Audit and Post-retirement Benefits for the holder of the Office of the Auditor General
7	County Governments (Amendment) Bill 2024	The Institute supported the establishment of a County Public Service Board Consultative Forum. The role of the forum was to facilitate seamless movement of officers between county public services while safeguarding their benefits.
8	National Tax Policy	ICPAK in October 2023 submitted proposals to the National Assembly Departmental Committee on Finance and National Planning regarding the National Tax Policy. The submission focused on measures to broaden the tax base, leverage on technology for compliance, enhance tax efficiency and promote collaboration. The Committee led by Hon. CPA Kuria Kimani lauded the Institute's recommendations and committed to working together to finalize the National Tax Policy as a solid Framework that would underpin taxation in Kenya.
9	County Wards (Equitable Development) Bill 2024	The Bill seeks to provide a framework for the promotion of equitable development in the wards within the counties by providing for the allocation of funds for ward-based development projects. The Institute opposed this Bill since the country has sufficient legal framework to support equity in the distribution of resources at the County Level.
10	Public Finance (Amendment) Bill No. 2 2024.	Submission on Finance (Amendment) Bill No. 2 2024. The Bill seeks to reduce the timelines for submission of financial statements to the Auditor General from three months to one month. The Institute proposed to reduce this period to two months.
11	Public Finance (Amendment) Bill No. 4 2024.	The Institute proposed an extension of the transition period from cash-basis to accrual basis of accounting from three to five years
12	Public Finance (Amendment) Bill No. 3 2024.	The bill provided for the framework for transfer of functions between article 187 of the constitution and for connected purposes.
13	Public Finance (Amendment) Bill No. 26 of 2024	The Submission on Public Finance (Amendment) Bill No. 26 of 2024. The Bill seeks to synchronize the dates of the County Finance Bill to that of the National Assembly. The Institute supported this Bill in its entirety.
14	Division of Revenue (Amendment) Bill 2024	Made submissions on the Division of Revenue (Amendment) Bill 2024. The bill seeks to address the country's revenue shortfall and ensuring county governments receive their fair share of funding for the financial year 2024/2025. The Institute opposed the reduction of allocations to Counties of Kshs.20 billion since this will curtail service delivery at the county level. The Institute proposed an equitable allocation of Kshs.411 billion.
15	Insurance Professionals Bill 2024. The Bill	Submission on the Insurance Professionals Bill 2024. The Bill which proposed the establishment of a regulatory framework for insurance professionals in Kenya. The Institute gave proposals on harmonization of mandates to curb duplication of roles in the insurance sector.

16	Business Laws Amendment Bill	The Business Law Amendment Bill 2024 introduces important updates to various key legislative frameworks, including the Central Bank Act, Microfinance Act, and Scrap Metal Act, with the aim of modernizing business operations. These amendments are intended to bolster financial stability, improve access to credit, and enhance financial inclusion, particularly for small businesses
17	Unclaimed Financial Assets (Amendment) Bill, 2024	The Bill seeks to address the challenge of unclaimed financial assets, which, as of March 2024, amounted to Ksh. 62 billion. The Institute supported certain provisions of the Bill.
18	Livestock Protection And Sustainability Bill 2024	To provide for the development of the livestock sector and regulation of livestock inputs and products, research and capacity building in the livestock sector and establishment of livestock agencies and training agencies. The Institute opposed this bill.
19	Legislative Reforms To Revenue Administration & County Governments (Amendment) Bill 2024	Made submissions to the National Treasury and Economic Planning. Proposals focused on: 1. Funding of County Governments; 2. Legislations on improvement of the social and economic well-being of all Kenyans; 3. Legislation to ensure equity and fairness in taxation 4. Reforms to enhance tax administration and compliance
20	Public Participation Bill 2024	The primary aim of the Public Participation Bill is to establish a comprehensive framework for effective public involvement in governance. The Institute supported the Bill.
21	Whistleblower Protection Bill 2024	The Bill aims at providing a framework for the protection of whistleblowers in Kenya. The Institute gave proposals supporting this bill.
22	The Constitution of Kenya (Amendment) (No. 2) Bill of 2024	The Institute opposed the proposal to increase the tenure from five (5) to Seven (7) years. Globally, most democracies have a tenure or election cycles of 4- 5 years for the executive and Parliament.
23	Public Procurement and Asset Disposal	The Institute submitted proposals for consideration in the reform of the Public Procurement and Asset Disposal Law.
24	Tax Procedure Amendment Bill -2024	The bill was amending sections of the Act with the aim of raising revenue and expansion of the tax base. The Institute proposed: Amendment of the staggering period indicated in clause 3 subsection 37E from 31st December 2022 to 31st December 2023 aimed to extend the amnesty period in order to increase the period under which the proposed amnesty covers to ensure that more taxpayers take advantage in fulfilling their tax obligations without incurring interest and penalties and earn the Government more revenue in terms of taxes.
25	The Breastfeeding Mothers Bill,2024	The bill was to provide for employer's obligation towards breastfeeding mothers in the workplace to provide for baby changing facilities for use by the public. The Institute supported the Bill.
26	The Equalization Fund (Administration) Bill (Senate Bill No.14 Of 2023)	The bill sought to create a board to provide for the administrative structures for management of the equalization fund and to create an advisory board. The Institute supported the Bill.
27	The Tax Laws (Amendment) Bill (National Assembly Bill No.47 Of 2024)	The bill was introducing amendments on various tax laws with the aim of raising revenue and expansion of the tax base.
28	Anti-Money Laundering Bill 2025	The Anti-Money Laundering & Combating of Terrorism Financing Laws (Amendment) Bill, 2025, aims to address technical compliance gaps within the existing legal framework. The proposed amendments are intended to enhance Kenya's alignment with international standards, particularly through the re-rating and review processes led by the Eastern and Southern Africa Anti-Money Laundering Group (ESAAMLG) and the Financial Action Task Force (FATF).

29	Division of Revenue Bill 2025	The Bill shares revenue between the two levels of Government. The Institute proposed the need to utilize the latest audited financial statements in the determination of sharable revenue
30	County Governments (Amendment) Bill, 2025	The Bill aimed at introducing functions for the Deputy Governor to ensure a smooth operation for County Governments. The Institute supported the Bill with additions to clarify the instances when a Deputy Governor may represent the Governor.
31	Supplementary Budget Estimates 2024	<ol style="list-style-type: none"> 1. The Estimates sought to implement necessary austerity measures and actualize expenditure cuts across the three arms of Government, Constitutional Commissions and Independent Offices. The Estimates were underpinned by an envisaged shortfall of revenues for FY 2024/25 amounting to Kshs. 344.3 billion. 2. County Wards (Equitable Development) Bill 2024: The Bill principally sought to promote the decentralization of development within the counties by creating a framework for identifying projects that are beneficial to the residents of the respective wards and the county general. 3. Breastfeeding Mothers Bill, 2024: The principal object of this Bill is to provide a legal framework on mothers who may wish to breastfeed their children at the workplace 4. Insurance Professionals Bill, 2024: Submitted ICPAK proposals before the National Assembly National Planning Committee. The main objective of this Bill is to provide a legislative framework for the regulation of professionals in the insurance sector to enhance the standards of service in the sector, promote professionalism and address concerns regarding professional misconduct in the insurance industry. 5. Legislation and policy drive at the County Level: Through the Branch network, the Institute made submissions on the following: <ol style="list-style-type: none"> a. Eastern Branch Submission on Kitui County Annual Development Plan 2025/26 b. Eastern Branch Submission on Makueni County Annual Development Plan 2025/26 c. North Rift Branch Submission on Trans-Nzoia County Annual Development Plan FY 2025/2026
32	Cooperatives Bill 2024	The Bill aimed at introducing a legal framework that supports a sustainable and competitive cooperative sector within a devolved governance system. The Institute supported the Bill submissions to enhance regulation and oversight within the cooperative sector in Kenya.
33	Pensions (Amendment) Bill 2024	The Bill seeks to include an automatic cost of living adjustment to the pensions earned by all retired public servants. The Institute gave proposals on how the Government can manage the cost of administration given the high pending Bills on pension payments in both Counties and State Corporations.
34	Excise Duty (Amendment) Bill, 2025	The proposal to eliminate the 25% excise duty on imported electric transformers sparks diverse opinions. While the intention aims to reduce costs and improve access to quality transformers, concerns emerge that this move could undermine local manufacturing and endanger Kenya's efforts to achieve self-sufficiency in critical infrastructure.
35	VAT (Amendment) Bill, 2025	<p>The Value Added Tax (Amendment) Bill (National Assembly Bill No. 11 of 2025) seeks to remove ambiguity in the commencement of exemptions granted before 1st January 2024 on capital goods whose value is not less than two billion shillings, for the promotion of investment in the manufacturing sector.</p> <p>The manufacturing sector in Kenya experienced moderate growth in 2023, with an increase of 2.0% compared to 2.6% in 2022 according to the KNBS Economic Survey 2024. The report further reveals that the sector's contribution to GDP has been on a decline from 10.7% in 2013 to 7.6% in 2023, reflecting a reduction of approximately 29%.</p>

36	Budget Policy Statement 2025	<p>Among its recommendations, the Institute proposed the following actions in mitigating the fiscal risks:</p> <ol style="list-style-type: none"> Implement a single and predictable national tax policy to reduce compliance costs and boost business investments Invest in irrigation infrastructure, climate-resilient crops, and weather forecasting systems to reduce dependency on rain-fed agriculture. Prioritize policies that improve access to credit for MSMEs and reduce interest rates; encourage public-private partnerships to spur private sector investment.
37	Finance Bill 2025	<p>The Institute presented its proposals on the Finance Bill 2025 to the Finance and National Planning Committee of the National Assembly. ICPAK acknowledged the difficult economic environment and commended the government for steps taken under the Medium-Term Revenue Strategy (MTRS) 2024/25–2026/27, including recent tax law amendments.</p> <p>ICPAK recommended:</p> <ul style="list-style-type: none"> Reducing VAT and corporate tax rates to 14% and 25% respectively, in line with MTRS goals. Expanding PAYE tax bands to five tiers (10%, 15%, 20%, 25%, and 28%) to increase disposable income and align with regional practices like those in Ghana and South Africa. Revising the TPA 2015 to provide procedures for administration of the VAT Special Table for the benefit of taxpayers and tax authority Emphasized the importance of predictability in tax policy and; Raised concerns over privacy issues in proposed changes to the Data Management and Reporting system section, among others.
38	Fourth Basis of Revenue Sharing among counties for FY 2025/26 to 2028/29	<p>The Institute recommended that the Formula should place emphasis on service delivery. According to Section 232(b) and (c) of the Constitution, the core values of public service and the effectiveness of service delivery should be assessed and guided by the following key parameters:</p> <ol style="list-style-type: none"> Population density- expressed as the number of people per square kilometer, helps assess the demand for services in a given area therefore influencing resource allocation. Cost- the cost of providing services should reflect the level of infrastructure development in each county. Counties with underdeveloped infrastructure will require higher expenditures to deliver services compared to those with established infrastructure. Time efficiency is measured through efficiency, accessibility and responsiveness while delivering a service. Moreover, it includes the stages of service provision, from the start to the time the service is actually delivered. For example, in healthcare, time efficiency could refer to how quickly medical supplies are delivered from point A to point B in a specific county.

No.	Bill Title	Parliamentary Committee	Key Issue	Outcome
1	Public Finance (Amendment) Bill No. 26 of 2024	National Assembly, Finance & National Planning Committee	Seeks to synchronize timelines for County Finance Bills with those of the National Assembly.	Provided input supporting harmonization for better budget alignment.
2	Division of Revenue (Amendment) Bill, 2024	Senate, Finance & Budget Committee	Proposes a Ksh. 20 billion reduction in county allocations.	Opposed the cut, highlighting its negative impact on service delivery at the county level.
3	Insurance Professionals Bill, 2024	National Assembly, Finance & National Planning Committee	Proposes establishment of a regulatory framework for insurance professionals.	Submitted recommendations on the scope, governance, and operationalization of the proposed regulatory body.
4	Equalization Fund (Administration) Bill, 2024	National Assembly, Finance & National Planning Committee	Seeks to establish an administrative structure and advisory board to oversee Fund operations.	Submitted input to support efficient and transparent fund administration.
5	County Finance (Amendment) Bill, 2024	Senate, Finance & Budget Committee		Provided commentary and recommendations on the proposed amendments affecting county fiscal management.

The Institute through the Public Finance & Tax and the Legislative Affairs Committees made submissions to the various Committee of parliament on:

SUBMISSION TO THE NATIONAL ASSEMBLY

ICPAK in October 2023 submitted proposals to the National Assembly Departmental Committee on Finance and National Planning regarding the National Tax Policy. The submission focused on measures to broaden the tax base, leverage on technology for compliance, enhance tax efficiency and promote collaboration. The Committee led by Hon. CPA Kuria Kimani lauded the Institute's recommendations and committed to working together to finalize the National Tax Policy as a solid Framework that would underpin taxation in Kenya.

ICPAK ENGAGES WITH THE NATIONAL TREASURY

The Institute engaged with the National Treasury Budget team to review the Finance Bill FY 2024/25 proposals. During the meeting, the Institute discussed several changes to;

- Enhance compliance and deductibility of allowable expenses
- A fair distribution of the tax burden
- A review of the tax-deductible on pension contributions
- Consideration of reducibility of excise duty on imported goods by all manufacturers

PILLAR 2: COLLABORATION AND STAKEHOLDER ENGAGEMENT

COURTESY CALL TO THE CABINET SECRETARY FOR NATIONAL TREASURY AND ECONOMIC PLANNING, HON. CPA JOHN MBADI, EGH.

The Institute visited Cabinet Secretary Hon. CPA John Mbadi. They congratulated him on his appointment and offered support for his responsibilities. ICPAK requested the quick formation of their committees, advocated for the approval of the Accountants Remuneration Order, and supported public sector accountants. Hon. CPA Mbadi appreciated ICPAK's support for the National Treasury and welcomed continued collaboration to address the country's fiscal deficit issues. support of ICPAK and promised to address the issues 5raised by ICPAK to enable the Institute to function optimally.

SINGAPORE HIGH COMMISSIONER TO KENYA VISITS ICPAK

ICPAK hosted a courtesy visit from the newly appointed Singapore High Commissioner, FCA Dr. Ernest Kan. The visit follows a recent engagement in Singapore during the ICPAK's Senior Leadership Development Seminar, which focuses on strengthening partnerships in the business and service sectors.

Discussions explored how Dr. Kan's office can support deeper collaboration with the Institute of Singapore Chartered Accountants (ISCA) and expand professional service opportunities between Kenya and Singapore.

As a former Institute of Singapore Chartered Accountants (ISCA) President and passionate advocate for the profession, Dr. Kan brings valuable insights into advancing global accountancyties.



ICPAK AND KRA TO HAVE A COLLABORATIVE APPROACH ON TAX MATTERS

The Institute paid a courtesy call to the Commissioner General of Kenya Revenue Authority Mr. Humphrey Wattanga to discuss areas of collaboration between the two Institutions. During the meeting, ICPAK sought collaboration with KRA on implementing the National Tax Policy, resolving technical matters that may impede tax compliance, and building the capacity of KRA staff. They also sought partnership in training SMEs and MSMEs to enhance taxpayers' compliance, the involvement of the Institute in research-based advocacy and registration of tax agents, among other areas

On his part, the Commissioner lauded ICPAK as a key partner in promoting tax compliance through tax advisory, tax agents, and accountants and agreed to work more closely with ICPAK to achieve their objectives. The two institutions aim to develop a Memorandum of Understanding to create a clear working framework on the areas discussed.



Further, on 9th June 2025, ICPAK, led by Council members FCPA Georgina Malombe, CPA Wycliffe Bichang'a, and CEO Dr. Grace Kamau, met with KRA's Commissioner in charge of Micro and Small Taxpayers Department Mr. George Obell, MBS and team to discuss tax administration challenges. Key issues deliberated included legacy balances challenge; listing of taxpayers in the VAT Special Table, System Downtime, Agency Notices and delays in VAT refunds due to Credit Adjustment Vouchers.

Other concerns included penalties from system downtime, delayed ticket resolutions, and tax-loss carry-forward restrictions.

KRA appreciated the feedback given and provided insights on the issues raised. The meeting resolved to continuously engage to ease tax administration challenges in the country.



DEVOLUTION AND STRENGTHENING THE BRANCH NETWORK

REVIEW OF THE BRANCH GOVERNANCE POLICY

The Council reviewed and approved the revised Branch Governance Policy. Among the changes introduced are the provision of residence and working conditionality for branch officials, the terms of reference for the Branch EXCOM Subcommittee, amended provisions on awarding Branch CPDs, and amended eligibility criteria for members participating in the branch electoral process. Provisions concerning facilitation to ICPAK Events were also reviewed, and Branch Boundaries were amended to include Kajiado County as part of the Eastern Branch.

BRANCH LEADERS' FORUMS



In February 2024 and 2025, the Institute held the Council-Branch Leaders Forum to promote collaboration and alignment of branch activities with ICPAK's strategic plan and other initiatives. The forum aimed to build the capacity of ICPAK branch leaders for effective participation, advocacy, and engagement with county stakeholders. It also served to update branch leaders on the status of administrative matters and to familiarise them with the existing policies and operational guidelines of ICPAK. Additionally, it provided a platform for sharing experiences, mentoring, and networking with the Institute's Council, fellow branch leaders, and the Secretariat, strengthening coordination and ensuring the smooth operation of ICPAK branches.



ICPAK MOU with Narok County Government

COURTESY CALL TO MOMBASA COUNTY GOVERNOR H.E ABDULLSWAMAD SHERIFF NASSIR

ICPAK paid a courtesy call to the Governor Mombasa County H.E Abdullswamad Sheriff Nassir. The meeting discussed various areas of partnership and collaboration including the appointment of CPAs to key positions in the county.



COURTESY CALL TO KWALE COUNTY GOVERNMENT

The Chairman, CPA Phillip Kakai paid a courtesy call to the Governor, Kwale County H.E Hon. Fatuma Achani where they discussed several issues including signing of an MOU with the County, employing of CPAs in the boards and county, in house training for senior accountants and CEC in the county, facilitating of training of the accountants in the county who are CPA's.

ICPAK CHAIRMAN GRACES THE INAUGURAL ANNUAL NATIONAL CONFERENCE OF ECONOMISTS 2024

The Chairman CPA Philip Kakai gave a keynote address on the journey to building a professional body: A case study of ICPAK. Speaking at the Inaugural Annual National Conference of Economists 2024 organized by the Economists Society of Kenya, CPA Philip Kakai encouraged the Economy to start the Journey indicating that the Journey of a thousand mile always starts with one. The conference was organized at Pridelnn Paradise, Mombasa. CPA Kakai spoke alongside H.E FCPA Fernandez Barasa the Governor, Kakamega County and Hon. Ndindi Nyoro, the Chairman, Budget and Economic Planning at the National Assembly



ICPAK CHAIRMAN GRACES KETSA'S 3RD ANNUAL LEADERS' SUMMIT 2024 ON ECONOMIC RESURGENCE

ICPAK Chairman, CPA Philip Kakai, was honored to be the keynote speaker at the 3rd Annual Leaders' Summit 2024 in Naivasha, hosted by the Kenya Teachers SACCO Association- KETSA on 29th February. The summit's theme, "Economic Resurgence for Saccos through Strategy and Innovation," resonated with CPA Philip Kakai's emphasis on the vital contribution Saccos make in delivering affordable financial services and fostering the economy through innovative customer-focused approaches.



PAFA CONVENES STAKEHOLDERS FOR SUSTAINABLE ACCOUNTANCY STRATEGIES ACROSS AFRICA



The PAFA Roundtable of Key stakeholders in the Accountancy Ecosystem, titled "Accountants for People, Planet, Prosperity, and Partners," was held at Safari Park Hotel from the 22nd to the 25th of January 2024. The event brought together stakeholders to formulate a comprehensive plan for enhancing the accountancy profession's capabilities in supporting a resilient sustainability reporting and assurance ecosystem across Africa.

THE 4TH EAST AFRICA CONGRESS OF ACCOUNTANTS (EACOA 2024)

The Institute of Certified Public Accountants of Rwanda (ICPAR) hosted the 4th East African Congress of Accountants (EACOA) with the theme "Beyond Borders: Exploring Global Perspectives" in April 2024 at the Kigali Exhibition and Congress Village. The East African Congress of Accountants (EACOA) is a biennial event jointly organized by the five East Africa Community Institutes of Accountants (EACIAs) namely; the Institute of Certified Public Accountants of Rwanda (ICPAR), the Institute of Certified Public Accountants of Kenya (ICPAK), the National Board of Accountants and Auditors (NBAA) - Tanzania, the Institute of Certified Public Accountants of Uganda (ICPAU) and the Ordre des Professionnels Comptables Du Burundi (OPC). The congress brought accountants together to deliberate on various issues impacting the Accountancy Profession in the region.



ICPAK COURTESY CALL TO NAIROBI GOVERNOR

The Institute of Certified Public Accountants of Kenya delegation led by the Chairman CPA Philip Kakai paid Nairobi City County Governor, His Excellency Hon. Johnson Sakaja a courtesy call at City Hall. The meeting explored collaboration in areas of County Public Finance Management, strengthening MSMEs, and the appointment of CPAs in positions of accounting, finance, and audit, as well as county legislative support. Governor Sakaja welcomed this initiative which aims to support the county government's transformation agenda. During the visit by the ICPAK leadership, the two entities committed to signing an MoU soon. This should enhance the working relationship of the two entities.



COURTESY CALL TO THE CLERK, COUNTY ASSEMBLY OF NAKURU

ICPAK Delegation paid a courtesy call to the Clerk, County Assembly of Nakuru, Hon. CPA Jane Njoki Waweru in October, 2023. The discussion focused on building a partnership aimed at capacity building of county assembly committees, reviewing and providing input on relevant Bills to ensure that they align with public interests, and contribute to sound financial governance at the county level.



COURTESY CALL TO H.E. HON. AMOS NYARIBO, GOVERNOR, NYAMIRA COUNTY

On 9th May 2024, the Chairman CPA Philip Kakai led the Institute delegation in paying a courtesy call to H.E. Hon. Amos Nyaribo, the Governor of Nyamira County. The meeting deliberated on areas of partnership, including capacity building on accrual accounting, setting up the Financial Reporting Unit, and research on own source revenue, among other areas of mutual interest.

ENGAGEMENT WITH H.E DR. MAHIRI GIMUNTA, DEPUTY GOVERNOR, MIGORI COUNTY

On 9th May 2024, the Chairman of the Institute, CPA Philip Kakai, held a engagement with H.E Dr Mahiri Gimunta, the Deputy Governor of Migori County Government to initiate collaborative engagement with the County.



ICPAK PAYS A COUTESY CALL TO HOMA BAY COUNTY ASSEMBLY

On 2nd May 2025, the Institute led by Chairman CPA Philip Kakai, paid a courtesy call to Hon. CPA Polycarp Okombo, Speaker of the Homabay County Assembly, to discuss potential areas of collaboration aimed at strengthening public finance management within the Assembly.

Chairman CPA Kakai was accompanied by Vice Chair CPA Prof. Elizabeth Kalunda, Council Members FCPA Hesbon Omollo, CPA Risper Olick, CPA Georgina Malombe, and CPA Wycliff Bichanga. Also present were Nyanza Branch leaders led by CPA David Okumu and representatives from the ICPAK Secretariat, led by CEO Dr. Grace Kamau.

During the meeting, the Speaker noted that such a partnership would enhance the Assembly's legislative agenda and build the capacity of its committees. He expressed the Assembly's readiness to work closely with the Institute. In response, the Chairman reaffirmed ICPAK's commitment to supporting the Assembly, particularly in areas aligned with the Institute's mandate and expertise.



COURTESY CALL TO THE OFFICE OF THE GOVERNOR OF BUSIA COUNTY

The Chairman of the Institute of Certified Public Accountants of Kenya, CPA Philip Kakai, paid a Courtesy call to the office of the Governor of Busia County HE. Dr. Paul Otuoma. The ICPAK delegation was received by the County Secretary Advocate John Oscar Juma on behalf of H.E. Hon. Dr Paul Otuoma. The meeting deliberated on the Institute and County mandates, noting areas of mutual interest that will culminate in an agreement. Specifically, it reviewed different areas of capacity building, empowering MSMEs through the Ward-Based Economic Development program, Research, and input to the Budget process.



COURTESY CALL TO H.E. HON. KENNETH MAKELO LUSAKA EGH, THE GOVERNOR BUNGOMA COUNTY

The Institute paid a Courtesy call to H.E. Hon. Kenneth Makelo Lusaka EGH, the Governor of Bungoma County Government. Led by the Chairman, CPA Philip Kakai, the meeting discussed areas of partnership with the County in areas of mutual interest, such as enhancing county service delivery, productivity, and public financial management, capacity building of accountants, MSMEs, and businesses within the County, and research in the field of accountancy. The meeting also agreed on the County's early adoption and implementation of Accrual Accounting, establishing a CPA Centre and Centre of excellence, and continued professionalism and accountability at the County.



COLLABORATIVE AGREEMENT WITH TRANS NZOIA COUNTY EXECUTIVE

H.E Hon. George Natembeya , Governor, County Government of Trans Nzoia, hosted ICPAK delegation and discussed partnership in areas of mutual interest. The discussion focused on financial management, MSME training, OSR enhancement support, risk assessment & mitigation and appointment of CPAs in finance positions, among others. Present during the meeting included CECM Finance and Economic Planning Hon. CPA Boniface Wanyonyi, CPA Emmanuel Masungu Chief Officer, Finance and Economic Planning, FCPA Hesbon Omollo Council Member ICPAK, Sarah Chumba Chair ICPAK North Rift Branch, Hillary Onami, Director Public Policy & Research, Secretariat and other North Rift Branch Executive Committee Members



PARTNERSHIP WITH THE NYERI COUNTY GOVERNMENT

The Institute of Certified Public Accountants of Kenya (ICPAK) is gearing up to forge a robust partnership with the Nyeri County Government to enhance financial management and accountability in the region. ICPAK team led by the Chairman CPA Philip Kakai joined forces with county officials, led by Deputy Governor H.E. David Waroe Kinaniri and the County Secretary Mr. Benjamin Gachichio to explore collaborative strategies aimed at bolstering the technical capacity of county staff and personnel.

ICPAK chairman CPA Philip Kakai observed that partnership with the County will foster initiatives towards transparency and fostering public trust in financial systems.

On his part, the Deputy Governor H.E. Kinaniri Waroe hailed ICPAK's initiative affirming that it will elevate its financial management capacity, ultimately leading to more effective service delivery for residents.



COUNTY STAKEHOLDER ENGAGEMENTS

DELIBERATIONS AND OUTCOMES

NO	Stakeholder	Engagement	Outcome
1	Governor, Murang'a County Government – H.E. Dr. Irungu Kang'ata	Partnership meeting	Agreed on areas of collaboration, particularly in strengthening county financial management systems.
2	Speaker, County Assembly of Murang'a – Hon. Mukuha	Partnership meeting	Agreed on collaboration to build capacity and strengthen operations of county assembly committees.
3	Nyeri County Executive – H.E. Deputy Governor Kananiri & County Secretary Mr. Benjamin Gachichio	Partnership meeting	Discussed collaboration in enhancing county financial management frameworks.
4	Regional KRA Engagement – Western Region Commissioner Ms. Patience Njau	Roundtable technical engagement with KRA management and staff	Discussed areas of collaboration to improve tax administration and compliance in the region.
5	County Assembly of Migori – Hon. Speaker Christopher O. Rusana & Clerk CPA Elder Collins Bala	Consultative engagement	Explored partnership in strengthening the legislative and oversight functions of the County Assembly.
6	County Governments of Vihiga and Bomet	Signing of collaborative MoUs	Formalized partnerships aimed at strengthening financial reporting and governance within the county governments.
7	Governor, Kakamega County – H.E. FCPA Fernandes Barasa	Stakeholder engagement meeting	Discussed areas of mutual interest including public finance management and professional development.
8	Governor, Bungoma County – H.E. Hon. Kenneth Lusaka	Collaborative meeting facilitated by ICPAK Council	Explored joint initiatives to support good governance and financial accountability at the county level.
9	County Government of West Pokot – H.E. Hon. Simon Kachapin	Collaborative engagement meeting facilitated by ICPAK Council	Explored potential areas of partnership between ICPAK and the county, with a focus on governance and financial management.

10	County Government of Trans Nzoia – H.E. Hon. George Natembeya	Collaborative engagement meeting facilitated by ICPAK Council	Discussed mutual areas of interest and potential collaboration in strengthening county public finance practices.
11	County Government of Kwale – H.E. Hon. Fatuma Achan	Courtesy call by ICPAK Chairman, CPA Philip Kakai	Discussed key areas of cooperation, including plans to formalize a partnership through an MoU.
12	County Government of Kisumu – Deputy Governor Hon. Owili	Consultative meeting	Follow-up engagement aimed at expediting the signing of a collaborative agreement between ICPAK and the county.
13	County Assembly of Homa Bay – Speaker Hon. Gaya	Consultative engagement	Discussed collaboration to strengthen the legislative agenda and capacity of the County Assembly.
14	Narok County Government	Signing of Collaborative MoU	<p>Formalized a partnership aimed at strengthening financial management, reporting, and governance within the county government.</p> <p>The collaboration also includes provisions for creating internship and employment opportunities for CPAs and fostering professional development.</p>
15	Busia County Government	Strategic Engagement Meeting	ICPAK held a courtesy meeting with Busia County officials to explore a strategic partnership. Discussions focused on capacity building, empowering MSMEs through the Ward-Based Economic Development Program, and providing research and input into the county's budget process.
16	Mombasa County Government	Strategic Engagement Meeting	ICPAK paid a courtesy call to Governor H.E. Abdullswamad Sheriff Nassir to discuss potential areas of partnership. Key among the discussions was the appointment of CPAs to strategic positions within the county and broader collaboration to strengthen financial management and governance.

ICPAK AND KAJIADO COUNTY ASSEMBLY SIGN MOU TO STRENGTHEN PUBLIC FINANCE MANAGEMENT

On June 3, 2025, the Institute signed an MoU with the county assembly of Kajiado in a landmark move aimed at improving public finance management in the county assembly.



MEMORANDUM OF UNDERSTANDING WITH VIHIGA COUNTY GOVERNMENT

On 29th April 2024, the Institute signed a Memorandum of Understanding with the Vihiga County Government. Led by the Governor, H.E. Dr Wilber K. Ottichilo E.G.H and the Chairman of the Institute CPA Philip Kakai, the two Institutions agreed to actualise the provisions of the MoU in enhancing professionalism, financial reporting, and accountability of the County.



ICPAK CHAIRMAN CPA PHILIP KAKAI AND H.E. FCPA FERNANDES BARASA FORGE STRATEGIC PARTNERSHIP FOR KAKAMEGA COUNTY DEVELOPMENT

On 11th April 2024, the Chair of Institute CPA Philip Kakai paid a courtesy call to H.E. FCPA Fernandes Barasa, OGW to discuss the continuation of partnership with the County in areas of mutual interest. The meeting focused on enhancing county service delivery, productivity and public financial management, Capacity Building of MSMEs and businesses within the County as well as research in the field of accountancy profession. The meeting agreed on early adoption and implementation of Accrual Accounting by the County, the establishment of a CPA Centre and centre of excellence and continued professionalisation and accountability at the County.



GOVERNOR KACHAPIN OF WEST POKOT COUNTY DISCUSSES STRATEGIC COLLABORATION WITH ICPAK DELEGATION



H.E Hon. Simon Kachapin, Governor, West Pokot County Government, on 25th April 2024, hosted the ICPAK delegation and discussed partnership in areas of mutual interest. The discussion focused on financial management, MSME support, and the appointment of CPAs in finance positions, among others. Present during the meeting included CECM Finance and Economic Planning, Hon. Joshua Rutto, Priscilla Chebbet, Chief Officer, Finance and Economic Planning, CPA Sarah Chumba Chair ICPAK North Rift Branch, Hillary Onami, Director Public Policy & Research, Secretariat and other North Rift Branch Executive Committee Members.

ICPAK SIGNS MOU WITH WEST POKOT COUNTY TO BOOST FINANCIAL ACCOUNTABILITY



The County Government of West Pokot has inked a partnership with the Institute of Certified Public Accountants of Kenya (ICPAK), marking a major step towards strengthening transparency, accountability, and good governance in county operations.

The Memorandum of Understanding (MOU) was signed on 25th April 2025 during a brief ceremony led by ICPAK Chairperson CPA Philip Kakai and Governor Simon Kachapin, alongside other senior officials from both sides.

Speaking during the signing, both the Institute's Chairman and Governor Kachapin underscored the role of sound financial management in service delivery. The MOU paves the way for a joint technical team to be set up, bringing together experts from ICPAK and the county government to guide implementation. Key focus areas include continuous professional training for staff, supporting small and medium enterprises (SMEs), and building the capacity of local accountants and contractors.

SIGNING OF A COLLABORATIVE AGREEMENT WITH BOMET COUNTY GOVERNMENT

The Institute signed a Memorandum of Understanding with the County Government of Bomet. Led by the Governor, Prof. Hillary Barchok and the ICPAK Chairman CPA Philip Kakai, the two institutions agreed to partner and collaborate on capacity building of county staff, technical advice on budgetary processes, research, accountancy support to community groups and the MSMEs at the county level among others.



ICPAK INKS MOU WITH TRANS-NZOIA COUNTY GOVERNMENT

On 25th April 2025, ICPAK led by the Chairman CPA Philip Kakai, Council members and the CEO proudly inked an MOU with the Trans Nzoia County Executive, led by the CEC Finance and Economic Planning, CPA Wanjala, on behalf of the Governor.

This ceremony formally cemented the partnership the two have been enjoying, marking the beginning of a long-standing mutual collaboration. The Chair challenged the County Executive to take advantage of the MOU to ensure that they are able to get an unqualified audit opinion, like their counterpart, the Transnzoia County Assembly. Additionally, the Council emphasized the need to work together with the MSMEs in the county through the Nawiri programme to enlighten them on matters of taxation, amongst other areas of the Institute's expertise.

The County Executive expressed their excitement to

partner with the Institute, with the CEC committing to continue supporting the continuous learning of the CPAs at the county. In addition, they sought support in matters legislative summons, environmental sustainability by adopting a forest to enable the county achieve a total of 11.9 million trees in the year, among others.



ICPAK PAYS A COURTESY CALL TO THE CLERK, TRAN NZOIA COUNTY ASSEMBLY.

On 25th April 2025, ICPAK led by the Chairman CPA Philip Kakai, Council members and the CEO paid a courtesy call to the Transnzoia County Clerk, CPA Lupao.

During the call, the Chairman congratulated the County Assembly for getting unqualified audit opinions 4 years in a row and for winning an accolade from the ICPAK FIRE Award Ceremony.



46TH ANNUAL GENERAL MEETING HELD

The Institute held its 46th Annual General Meeting on June 7th at the Safari Park Hotel. Chaired by Institute Chairman CPA Philip Kakai and as supported by Vice Chairman CPA Prof. Elizabeth Kalunda, along with ICPAK Council Members and CEO CPA Dr. Grace Kamau, the event transpired successfully. Noteworthy announcements included the re-election of FCPA Hesbon Omollo and FCPA Georgina Malombe as council members, alongside the introduction of newly elected council member CPA Wycliff Bichanga. CPA Anne Wangeci concluded her term and bid farewell during the proceedings. On the same vein, ICPAK Vice Chairman CPA Prof. Elizabeth Kalunda secured a second term as Vice Chairman of the Institute.



FiRe AWARD CEREMONIES

The Institute of Certified Public Accountants of Kenya (ICPAK), in partnership with the Capital Markets Authority (CMA), the Nairobi Securities Exchange (NSE), the Retirement Benefits Authority (RBA), and the Public Sector Accounting Standards Board (PSASB), successfully delivered two impactful editions of the Financial Reporting (FiRe) Award in 2023 and 2024.

These prestigious events play a critical role in promoting transparency, accountability, and excellence in financial reporting across both the public and private sectors. The FiRe Award serves as the gold standard for evaluating the quality of financial and non-financial disclosures in Kenya and the region.

During his tenure, CPA Philip Kakai played a pivotal role in championing financial reporting excellence. Notably, he spearheaded the integration of sustainability reporting into the 2024 FiRe Award framework, reinforcing the profession's role in driving responsible business practices.



ICPAK LEADS CSR INITIATIVE AT SAMITSI SPECIAL SCHOOL IN KAKAMEGA COUNTY

As Part of its Corporate Sustainability and Social Responsibility, the Institute launched a Modern Kitchen at Samitsi Special Primary School on 12th April 2025. The facility is within a special public educational institution located in Shirugu, Kabras- Kakamega County. While launching the Kitchen, the Institute's Chairman CPA Philip Kakai noted that the facility will go a long way in helping the Special needs children in the school access hygienic dining and foster learning. The project was spearheaded by the Institute's Western Branch. The local community leadership, the School's Board of Management and the Headmaster appreciated the Institute noting that the successful handover of the project was a clear testament of the Institute's commitment to creating meaningful change in the community.



CONSTRUCTION OF A MODERN KITCHEN AT KEDOWA

ICPAK Chairman, October 2023, the Institute officially opened a Modern Kitchen constructed with the support of ICPAK to Kedowa Special Secondary School for the Deaf, at Kedowa, in Kericho County. The school administration led by the principal, Madam Margaret Amanya, expressed gratitude to ICPAK for this support.



CSR ACTIVITY OF CONSTRUCTION: A MODERN KITCHEN AT SAMITSI



On 11th April 2024, the Institute, to give back to the community, engaged in a groundbreaking CSR activity of constructing a modern Kitchen at Samitsi Special School in Malava Constituency in Kakamega County. This aligns with the Institute's CSR policy under the thematic area of education. The Institute also planted trees at the school. The school's management board, parents, and the principal, Madam Eunice Wamocho, appreciated the Institute's gesture.

MSMES AND WOMEN GROUPS TRAINING-KWALE COUNTY

On 5th Friday 2024, the Chairman CPA Philip Kakai joined the Governor, Kwale County, H.E Hon Fatuma Achani and her County Executive in the official closing of a 2- day training of MSMEs and Women Groups in the county. Over 200 participants were trained on basic bookkeeping, taxation, credit management and record keeping as part of the partnership between the County and ICPAK.



INAUGURATION OF A NEW CLASSROOM AT PARUBURUSH IN NAROK

The Institute inaugurated a new Early Childhood Development (ECD) classroom in Parburush Primary school, at Maji Moto area in Narok County built by ICPAK through South Rift Branch. The event was held on 13th February 2025.

The event was graced by Narok County Deputy Governor H.E Tamalinye Koech and ICPAK Chairman, CPA Philip Kakai and Council Members. The CSR initiative aligns with ICPAK's mission to promote public interest through capacity building and sustainable practices. The new classroom is expected to enhance early childhood education in the area, providing a conducive learning environment for young learners.



GROUND-BREAKING CEREMONY AT SIMBIYWET



The Institute officially launched the construction of a new Early Childhood Development (ECD) classroom at Simbeiywet Primary School in Chepalungu Constituency, Bomet County on Friday 14th February 2025.

The groundbreaking ceremony, led by ICPAK Chairman, CPA Philip Kakai, ICPAK Council Members, and officials from ICPAK South Rift Branch. The event was graced by the County Executive Committee (CEC) Member for Finance and Economic Planning, CPA Rosa Bett, who spoke on behalf of the Bomet County Governor, H.E. Prof. Hillary Barchok.

The school community and local leaders expressed gratitude for the support as they look forward to a completed classroom. The ICPAK chairman was accompanied by ICPAK vice chairman CPA Prof. Elizabeth Kalunda, council members FCPA Georgina Malombe, FCPA Hesbon Omollo, CPA Wycliffe Bichang'a, and CPA Olive Gitau, alongside South Rift Branch Chairman CPA Kipkemoi Ng'etich, among other Branch leaders and Institute senior officers



ICPAK HANDS OVER MODERN KITCHEN FACILITY IN HOMABAY

On 2nd May 2025, the Institute officially handed over a modern kitchen facility to Leita Mixed Secondary School in Homa Bay County. Initiated in 2024 by the Nyanza Branch as part of its CSR, the project seeks to promote hygiene and support the school's capacity to provide regular meals to students.

The handover ceremony was graced by ICPAK leadership including Chairman CPA Philip Kakai, Vice Chair CPA Prof. Elizabeth Kalunda, Council Members FCPA Hesbon Omollo, CPA Risper Olick, CPA Georgina Malombe, CPA Wycliff Bichanga, and Nyanza Branch officials led by CPA David Okumu. The ICPAK Secretariat was led by CEO Dr. Grace Kamau.

The school's Chairman for Board of Management CPA Andrew Grohney and Principal Mr. Dennish Achieng hosted the ceremony, which concluded with a tree planting exercise on the school grounds.



ICPAK INAGURATES A NEW JSS CLASSROOM IN CHEPKOIYA PRIMARY SCHOOL IN KESSES SUB COUNTY UASIN GISHU COUNTY ON 24TH APRIL 2025

The Institute of Certified Public Accountants of Kenya (ICPAK) on 24th April 2025 inaugurated a JSS classroom, in Kesses sub-county.

This significant step towards enhancing the learning environment was graced by Rev David Kemei, ICPAK Chairman CPA Philip Kakai, ICPAK council member FCPA Georgina Malombe, Educational officer Kesses sub-County, Uasin Gishu County Mr. Thomas Opumbi, the School Headteacher Mr. David Sengwer among others.

As part of the day's activities, the Institute also took part in a tree planting, reinforcing the Institute's dedication to environmental sustainability.



Also present during the ceremony were ICPAK North Rift branch leaders led by Branch Chairperson CPA Leonard Kibet, Director Public Policy and Research Mr. Hillary Onami and other officers from the Secretariat, the Board of Management of the school, teachers and pupils.



Enhance international relations through active chapters

ICPAK HOSTS DELEGATION TO ADVANCE ACCOUNTANT PLACEMENT IN JERSEY AND GUERNSEY

The Institute hosted a delegation from the State Department of Diaspora and GR8, a recruiting agency from Jersey, for a collaborative framework that will allow the placement of accountants in Jersey and Guernsey. The meeting agreed on further engagement with the State Department for Diaspora Affairs to support the establishment of Mutual Recognition pathways and agreements with other jurisdictions of interest to ICPAK Members.

ESTABLISHMENT OF A DIASPORA DESK

The institute established the Diaspora Continuing Professional Development (CPD) Desk with the aim of enhancing engagement with our diaspora community and supporting their professional development and growth. This initiative is designed specifically for accountants working abroad, providing them with updates on CPD opportunities and addressing queries related to their professional standing, including guidance on reinstatement to good standing.

The ICPAK Diaspora CPD Desk was established to strengthen connections with members living abroad, supporting their professional growth and career development. This initiative offers a variety of services, including:

- Reinstatement to good standing – Assistance with reinstatement to good standing and resolving professional queries.
- Recommendation & Reference Letters – Get official letters to support your career advancement.
- Work permit support & linkage to Global Professional Bodies.
- CPD Training & Speaking Opportunities – Share your expertise as a trainer in CPD events or participate in insightful training sessions.
- Continuous Professional Development – Stay ahead with structured CPD programs designed for diaspora members.
- Networking & Mentorship – Connect with fellow professionals, exchange knowledge, and grow within the global ICPAK community.

KASNEB INTERNATIONAL CONFERENCE ON PROFESSIONAL PROGRAMMES



The Institute made a presentation at the KASNEB International Conference on Professional Programmes today at the beautiful Pride Inn Paradise Beach Resort. The presentation centred on the critical issues surrounding money, banking, and finance in the evolving global landscape. He highlighted the global economy's interconnectedness and stressed the importance of fostering positive global finance to benefit our interconnected world.

PILLAR 4. INSTITUTIONAL SUSTAINABILITY

Securing ICPAK's future through capacity and innovation.

Ensure financial sustainability

ASSET BASE

From 2021 onward, the Institutes assets remained relatively stable with incremental growth, rising from 2.02 billion in 2021 to 2.05 billion in 2022, and further to 2.20 billion in 2023. By 2024, it reached 2.33 billion, indicating sustained asset accumulation. Overall, the trend suggests a healthy and expanding asset base, with a brief dip in 2019, followed by continuous growth. This pattern reflects strong financial management, investment in assets, and resilience despite occasional fluctuations.

STATE OF THE ART TRAINING CENTRE AT THE CPA CENTRE.

The Institute is proud to announce the beginning of a significant project: transforming the 11th floor of our towering CPA Centre edifice into a state-of-the-art training facility. We aim to create a dedicated area where ICPAK and other organisations can host training seminars, conduct presentations, and hold meetings. Our commitment is to provide a safe and conducive learning environment that ensures the best possible training experience for our members at an affordable cost. Our spacious and well-equipped training Centre will be designed to facilitate interactive and engaging training sessions.

Formulate a long-term strategic plan

LAUNCH OF STRATEGIC PLAN (2025-2029)

In September 2024, the Institute launched a transformative 2025-2029 Long-Term Strategic Plan aimed at shaping the future of the accountancy profession and reinforcing its role as a globally recognized and influential professional body. This roadmap is designed to enhance professional excellence, ethical standards, regulatory compliance, and sustainability while fostering public trust in financial accountability. These pillars are underpinned by a clear vision to drive professionalism, ethical excellence, and global competitiveness and focus on specific strategic actions

- Accountancy development and regulation
- Member value
- Public interest
- Sustainability



Digitalization Strategy

USE OF TECHNOLOGY TO SECURE THE ACCOUNTANCY PRACTICE LANDSCAPE – CASE OF UNIQUE AUDIT OPINION AUTHENTICATION:

Dealing with quacks in the accountancy profession has been one of the challenges that the Institute has been trying to tackle for a long time. To address this challenge, the Institute intends to use technology to address this challenge through the creation of a platform for verification of all audit opinions issued by Practising Members.

ICPAK-USAID PARTNERSHIP TOWARDS STRENGTHENING THE INSTITUTIONAL CAPACITY OF ICPAK

The Institute and USAID held joint discussions to strengthen the institutional capacity of ICPAK, especially in regulating the profession. Led by the Chairman, CPA Philip Kakai, and Terence Kalloo, USAID Financial Controller, accompanied by Isaac Kitaka (USAID), the two organisations agreed to work together to enhance regulation and build the Institute and its members' capacity to provide quality services. The Chairman was accompanied by the Vice Chairman, CPA Prof. Elizabeth Kalunda-Muvui; the CEO, CPA Dr Grace Kamau; CPA Benjamin Mbolonzi, ICPAK Director of Regulation, Licensing, and Compliance; Hillary Onami, ICPAK Director of Public Policy and Research; and CPA Dan Mugo, ICPAK Ag. Director of finance and strategy.



ICPAK STAFF APPRECIATES CHAIRMAN

During the December 2024 Staff Dinner, ICPAK staff members honoured Chairman CPA Philip Kakai with a symbolic installation, presenting him with a spear, shield, seat, and Maasai shuka. The gesture was a heartfelt token of appreciation for his outstanding support and commitment to staff welfare throughout his tenure.



CHAIRMAN'S BALL 2023-2024

The institute successfully held the 10th and 11th Chairman's Ball to honour exemplary leadership within the profession. These occasions saw the conferment of Fellowship and special commendations to distinguished members who have made outstanding contributions to the accounting field. Among those recognized were Molo MP CPA Hon. Kimani Kuria, Water and Irrigation PS CPA Ephantus Kimotho, former Senator Farhiya Hajji, Auditor General FCPA Nancy Gathungu, Controller of Budget Dr. Margaret Nyakang'o, and Cabinet Secretary for National Treasury and Economic Planning FCPA Hon. John Mbadi.



DEVELOPMENT OF AN AUTOMATED INVESTIGATION AND DISCIPLINARY TRACKER

To enhance the oversight and enforcement of professional conduct, ICPAK has developed an automated investigation tracker that is awaiting rollout. This system will improve the handling of disciplinary cases in the following ways:

- Improved Case Management- The platform will enable ICPAK to log, categorize, and track cases from initiation to resolution, ensuring timely action on reported violations.
- Enhanced Transparency & Accountability Stakeholders, including complainants, members under investigation, and regulatory bodies, will benefit from a structured tracking system that prevents case backlogs and ensures due process. In the year 2024 the During the year 2024, the Registration and Quality Assurance Committee approved an investigation procedure to guide the Institute in conducting investigations. During the year 2024, 18 investigations were received. Two (2) investigations were considered and recommended for disciplinary inquiry.

Sustainability Reporting

PAFA ROUNDTABLE

Reporting and Assurance in Africa, hosted by the Pan African Federation of Accountants (PAFA) in collaboration with the African Union, World Bank, and the Institute of Certified Public Accountants of Kenya (ICPAK), marked a pivotal moment for the accountancy profession on the continent. By recognizing the transformative potential of ethical and sustainable business practices, the event aimed to unite key stakeholders in developing a strategic framework for the profession. It will also enhance its capacity to support a robust sustainability reporting and assurance ecosystem across Africa. The roundtable also emphasized the need for coordinated efforts, substantial funding, and the establishment of strategic partnerships to drive the advancement of sustainability reporting and assurance, aligning with the United Nations Sustainable Development Goals and Africa Union Agenda 2063



HOSTING OF ISSB'S CHAIRMAN & BOARD MEMBER IN KENYA AND ENGAGEMENT WITH THE PRESIDENT

The Institute in partnership with the International Sustainability Standards Board, Capital Markets Authority and the Nairobi Securities Exchange held a consultative forum in Nairobi on 18th March 2024 hosting the ISSB Chair, Emmanuel Faber, and ISSB board member, Dr. Ndidi Nnoli-Edozien. This event was held following Kenya's adoption of Sustainability Reporting Standards to discuss adoption readiness and preparations for Kenya, and to identify the resources and support needed for implementation. The ISSB Chair, Emmanuel Faber, and ISSB board member, Dr. Ndidi Nnoli-Edozien, met with Kenya's President, H.E Dr. William Ruto, to discuss the implementation of ISSB Standards and their potential to unlock capital flows. The discussions highlighted the importance of transparency in value chains, enabling investors to better assess sustainability-related risks and opportunities through consistent and reliable disclosures. A key area of focus was the role of Africa in shaping and implementing sustainability reporting frameworks. Emmanuel Faber emphasized the need for capacity building to support businesses in adopting these standards. He also addressed concerns about smaller enterprises, explaining that the ISSB Standards incorporate proportionality mechanisms to ensure their application aligns with a company's size and resources. This includes using reasonable and supportable information without imposing undue costs or effort.

The meeting brought together key industry leaders, including ICPAK Chairman CPA Philip Kakai, ICPAK CEO CPA Dr. Grace Kamau, CMA Chairman Ugas Sheikh Mohamed, CMA CEO FCPA Wycliffe Shamiah, PSASB Ag CEO CPA Georgina Muchai, as well as ICPAK Council Members and senior management. This engagement marked a significant step in advancing sustainability reporting in Kenya and across the African region, reinforcing the importance of collaboration in fostering sustainable and transparent business practices.

PILLAR 5.

OPPORTUNITIES AND BENEFITS TO MEMBERS

Empowering members with tools and platforms for success.

Create diverse opportunities, with a focus on youth empowerment

ICPAK MEMBER APPOINTED TO SERVE IN THE IEBC COMMISSION SELECTION

The IEBC (Amendment) Act, 2024 designates ICPAK as one of the institutions in the Selection Panel for the Appointment of Commissioners of the Independent Electoral and Boundaries Commission. The Institute was honoured to have FCPA Andrew Tanui appointed as a member of the Independent Electoral and Boundaries Commission (IEBC) Selection Panel. This nomination is a clear demonstration of the confidence bestowed on ICPAK as a professional body and the integrity of its members, within the public.

The Institute hosted 42 free CPD events, demonstrating its dedication to making professional development inclusive and accessible to all members, regardless of their economic standing. The events were informed by member feedback and focused on priority learning areas and emerging trends such as artificial intelligence, mental health, data analytics, and data protection. The caliber and diversity of the programs ensured they met the varied needs of members across different demographics, career stages, and sectors—delivering real value across the entire membership spectrum.

ICPAK AND ITS STAKEHOLDERS PAY A COURTESY CALL TO KENYA'S PRESIDENT



The Institute of Certified Public Accountants of Kenya and its stakeholders; the Nairobi Securities Exchange, Capital Markets Authority, Public Sector Accounting Standards Board, and International Sustainability Standards Board, paid a courtesy call to the President of the Republic of Kenya, H.E Dr William Ruto. They discussed sustainable development goals, how to attract investments, and how to ensure the prosperity of future generations. H.E. Dr Ruto hailed ICPAK for its underpinning role in sustainable finance and reporting on the effects of climate change through the reinforced collaborative efforts with CMA and NSE on the joint adoption of the new

standards—IFRS S1 & S2 that ISSB issued. The President noted that Kenya is keen to work with the International Sustainability Standards Board (ISSB) to mainstream climate change as a component of financial disclosure.

ICPAK CHAIRMAN MEETS RT. HON. (DR.) MOSES WETANGULA EGH, MP

On 16th May 2024, the Chairman of ICPAK, CPA Philip Kakai, had the honour of meeting with the Speaker of the National Assembly, Rt. Hon. (Dr.) Moses Wetangula EGH, MP. During the meeting, the Chairman updated the Rt. Honourable Speaker on the extensive planning and preparations for the 41st ICPAK Annual Seminar, where he would serve as the Chief Guest. The discussions further dwelt on collaboration to strengthen the oversight role of the National Assembly.



ISSB CHAIRMAN EMMANUEL FABER VISITS KENYA

Since 2021, the ISSB has introduced its initial two standards, IFRS S1 focusing on General Sustainability related Disclosures and IFRS S2 concentrating on Climate-related Disclosures, which received recognition from the International Organization of Securities Commissions (IOSCO). Notably, in Kenya, the Institute of Certified Public Accountants of Kenya (ICPAK), the Capital Markets Authority (CMA), and the Nairobi Stock Exchange (NSE) have demonstrated strong leadership by committing to adopting the ISSB Standards, making Kenya one of the pioneering countries to do so when the announcement was made on September 6, 2023. In collaboration with the International Sustainability Standards Board (ISSB), CMA, and NSE, ICPAK organized an awareness forum on the new standards on March 18, 2024, at Pride Inn Azzure Hotel in Nairobi. The event was honored by the presence of Emmanuel Faber, accompanied by Dr. Ndidi Nnoli Edozien, ISSB Board Member and Africa Representative.



TOWARDS A ZERO-FAULT AUDIT REGIME IN KENYA

The Institute made submissions during a Consultative Forum on Zero Fault Audit Regime organized by the Chief of Staff and Head of the Public Service Mr. Felix Koskei in Bomas of Kenya where the Head of Public Service called on auditors and chairs of boards in state departments to support the zero-fault audit initiative aimed at streamlining internal audits to prevent queries arising from the Auditor General. The zero-fault audit aimed at helping the government address most vices associated with corruption in the country. The Head of Public Service urged accountants to uphold integrity and resist any influence that may lead to manipulation of audit reports. The Chair urged all to strive for zero fault audits, fighting corruption, and strengthening financial reporting across the nation. "This collaborative approach, built on the pillars of Credibility, Professionalism and Accountability – our credo– will create a financial governance system that fosters economic growth for the benefit of all Kenyans" he said.

ICPAK ACCA MEETING



The Chair of the Institute CPA Philip Kakai hosted the ACCA Global President Joseph Owolabi, FCCA, PMIIA, MAICD on 5th October 2023. The President appreciated ICPAKs support and continued collaboration to advance the accountancy profession in Kenya and across the region.

ICPAK participated in a forum for Regulatory Authorities and Agencies in Kenya organized by the Executive Office of The President with the theme “Regulatory Authorities and Agencies (RAA) as Critical Agents in the Frontline of Achieving the Government’s Promise of Premier Service Delivery to Kenyans,” . The gathering successfully brought together Principal Secretaries, Chairpersons, and Executive Directors/Chief Executive Officers of Regulatory Authorities and Agencies to delve into performance issues and align strategies with government priorities. Discussions highlighted the significant role of regulatory bodies in advancing Kenya’s development agenda by implementing key government priorities outlined in the Fourth Medium Term Plan (MTP IV), Vision 2030, and the Kenya Kwanza Plan. The event emphasized the need to transform the public service into a more agile, effective, and efficient workforce to enhance service delivery to the people of Kenya.

ICPAK AND PAFA HOST WORKSHOP IN NAIROBI TO ESTABLISH AFRICAN SUSTAINABILITY REPORTING CENTRE

The ICPAK - PAFA workshop to capacitate a Sustainability Reporting Centre of Excellence in Africa was held on 29th April 2024 in Nairobi. The workshop aimed to provide scope, develop, and capacitate a sustainability reporting Centre of Excellence in Africa under the auspices of Kenya’s recently launched ISSB IFRS S1 and S2 implementation roadma



IRREGULAR AND UNLAWFUL PROFILING OF AUDIT FIRMS

The Institute of Certified Public Accountants of Kenya (ICPAK) is mandated by the Accountant’s Act to promote professional competence standards, international recognition, advise the Minister on financial accountability, and prescribe remuneration for the accountancy profession. It engages stakeholders and the public to continuously improve effectiveness, adopting internationally accepted standards and providing training programs for its members. Quality reviews ensure members maintain credibility, professionalism, and accountability.

The Institute has noted some Financial Institutions impose restrictions on the types of audited financial statements clients must provide, favouring audit reports exclusively from the ‘big four’ firms. The Institute clarifies that audit firms licensed under Category ‘C’ can perform a range of services, and those under Category ‘A’ are limited to Audit and Assurance Services. The term ‘big four audit firms’ is not recognised in its regulatory framework as a regulator of all accounting/ audit firms in Kenya.

The Institute categorises audit firms by the number of partners, Ensuring no preference for any firm. All auditors and accounting firms licensed by the Institute are thoroughly vetted and capable of providing their licensed services. Thus, any profiling of audit firms as ‘the big four’ or claims that only their audit statements are acceptable is discriminatory, biased, and anti-competitive, infringing on the Institute’s mandate. The Institute informs all members, practitioners, and relevant Financial Institutions to consider this notice. The licensed members are regularly vetted and published on the Institute’s website and in national newspapers. The Institute will contact relevant regulators for further action.

FINANCE BILL 2025

The Institute presented its proposals on the Finance Bill 2025 to the Finance and National Planning Committee of the National Assembly. ICPAK acknowledged the difficult economic environment and commended the government for steps taken under the Medium-Term Revenue Strategy (MTRS) 2024/25–2026/27, including recent tax law amendments.

ICPAK recommended:

- Reducing VAT and corporate tax rates to 14% and 25% respectively, in line with MTRS goals.
- Expanding PAYE tax bands to five tiers (10%, 15%, 20%, 25%, and 28%) to increase disposable income and align with regional practices like those in Ghana and South Africa.
- Revising the TPA 2015 to provide procedures for administration of the VAT Special Table for the benefit of taxpayers and tax authority
- Emphasized the importance of predictability in tax policy and;
- Raised concerns over privacy issues in proposed changes to the Data Management and Reporting system section, among others.

NOMINATION OF FCPA TANUI ANDREW KIPKOECH AS ICPAK REPRESENTATIVE TO THE SELECTION PANEL FOR THE APPOINTMENT OF IEBC COMMISSION



Articles 88 and 250 of the Kenyan Constitution, as well as sections 5 and 6 of the Independent Electoral and Boundaries Commission Act of 2011, outline the composition of the Independent Electoral and Boundaries Commission (IEBC) and the procedure for appointing its Commissioners. The IEBC Amendment Act of 2024 specifies that ICPAK is among the bodies authorized to nominate representatives to the Selection Panel responsible for recruiting the Chairperson and members of the IEBC. In response to a request from the Parliamentary Service Commission, the Institute initiated the nomination process and selected FCPA Tanui Andrew Kipkoech to represent ICPAK on the Selection Panel for appointing IEBC Commissioners. FCPA Tanui was chosen based on his qualifications, significant contributions to the accounting field and his leadership roles within the Institute.

FCPA MTANGE APPOINTED TO THE SRC SELECTION PANEL

FCPA Patrick Mtange, the former Chairman of ICPAK, has been appointed to the Selection Panel for the Recruitment of nominees for the Chairperson of the SRC, as announced in Kenya Gazette Notice No 10886 of 2024. These Selection Panels are established based on nominations from professional bodies, organizations, institutions, and State Offices, forming the statutory membership responsible for recruitment to various Constitutional Commissions and Independent Offices. Patrick Mtange served as the Chairman of ICPAK from 2011 to 2013. He brings extensive experience from both the public and private sectors to this significant role.



THE COLLEGE OF FELLOWS DINNER

The College of Fellows Dinner, held on the evening of October 16th at Serena Hotels, brought together distinguished guests for a memorable evening dedicated to promoting the growth of young accountants in Kenya. The event was honoured by the presence of FCPA Hon. Wycliffe Oparanya Ambetsa, EGH, the Cabinet Secretary, who served as the chief guest. He was joined by CPA Philip Kakai, the Chairman of ICPAK, the Vice Chairman, council members, notable speakers, and esteemed fellows of the Institute. Themed "Building Capacity for Young Accountants in Kenya," the evening focused on the importance of empowering young professionals in the accounting sector to ensure the sustainability and relevance of the profession. The chief guest, Hon. Oparanya, delivered an impactful keynote address, emphasizing the role of young accountants as "the gatekeepers of financial integrity and transparency, both today and in the future." He highlighted that developing the capacity of young accountants in Kenya is essential for enhancing their skills and professionalism, as well as for ensuring their contributions to the country's financial and economic systems. In his remarks, ICPAK Chairman CPA Philip Kakai emphasized the importance of this vision, underscoring ICPAK's dedication to developing a new generation of accountants who possess the skills, resilience, and ethical foundation necessary to lead Kenya's financial sector into the future. The event provided a platform for exchanging insights, fostering fellowship, and strengthening a collective commitment to advancing the accounting profession in Kenya.



PILLAR 6: NEW MEMBER-CENTRIC CULTURE & WELFARE

Key Focus Area 20: New improved Customer service through resourcing, capacity building and Culture Change

Key Focus Area 21: Welfare

The Institute continued to offer last-expense support to bereaved members and their families through the ICPAK Members Benevolent Scheme. In 2024, a total of 463 compensations were disbursed, providing timely financial relief during moments of loss.

Pictureorial



Media Engagement



Asante sana! ICPAK Staff members install CPA Philip Kakai as their elder



ICPAK Chairman presents a certificate of long service award to ICPAK Staff to George Wachira



The Instruments of Power; Inauguration of CPA Philip Kakai as chairman



Inauguration of CPA Philip Kakai as chairman



ICPAK makes submission on finance bill 2024



News Release

Banking Sector Stakeholders Launch IFRS S1 and S2 Reporting Template, Ushering in New Era of Sustainability Disclosures

Nairobi, April 23, 2025... Banking industry umbrella body, Kenya Bankers Association (KBA), in partnership with the Institute of Certified Public Accountants of Kenya (ICPAK), WWF-Kenya, and FSD Kenya, has launched the IFRS S1 and S2 Disclosures Reporting Template for Banks, in an initiative that seeks to standardize sustainability and climate-related risk reporting across Kenya's banking sector.

The template equips financial institutions to align with global benchmarks, enhance decision-making, and unlock opportunities in the transition to a low-carbon and socially inclusive economy. Developed through industry collaboration, the template is anchored on four pillars: governance, strategy, risk management, and metrics and targets. Through the template, banks will strengthen their capability to integrate mechanisms into their decision-making processes to effectively manage and mitigate climate and sustainability-related risks in both the short and long term.

Speaking during the launch event, KBA CEO Raimond Molenje acknowledged and lauded the International Sustainability Standards Board (ISSB) for its drive in developing a common reporting standard, noting that the move will, in many ways, reduce the disjointed global sustainability reporting landscape.

"I commend ICPAK for its leadership in rolling out a roadmap for the adoption of IFRS S1 and S2 Disclosure Standards in Kenya," he said. The template has been developed to provide guidance for general requirements of sustainability-related financial information (IFRS S1) and a thematic standard for climate-related disclosures (IFRS S2).

"At FSD Kenya, we are proud to have supported the development of this important tool, which will help Kenya's banks take a big step toward more transparent and consistent sustainability reporting. By enabling alignment with global standards, the IFRS S1 and S2 reporting template strengthens market confidence and opens the door for greater flows of climate finance. This initiative reflects our commitment to building resilient financial systems and supporting the private sector's role in driving Kenya's green transition," said Tamara Cook, CEO, FSD Kenya.

The ICPAK CEO, CPA Dr. Grace Kamau, highlighted the importance of the milestone and added, "At ICPAK, we steadfastly champion the development of sector-specific illustrative templates to guide sustainability reporting. The unveiling of the IFRS S1 and S2 disclosures template for banks is a significant stride toward enhancing consistency, comparability, and credibility in sustainability-related financial disclosures. This is a bold step in aligning the financial sector with global sustainability standards and strengthens climate resilience," she said.

On his part, Jackson Kiplagat, Head of Conservation Programmes at WWF-Kenya, said: “The IFRS S1 and S2 is more than just a compliance tool. These standards present a real opportunity to help investors and businesses recognize the material risks of environmental degradation, to steer finance towards low-carbon, nature-positive solutions, and to align Kenya’s economy with its climate goals. At WWF-Kenya, we are committed to supporting this journey by helping to connect science, finance, and policy.”

The initiative complements Kenya’s Sustainable Finance Principles and the Central Bank’s recently launched Climate Risk Disclosure Framework.

Ends.

About ICPAK

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 (PAFA) and the International Federation of Accountants (IFAC), the global Accountancy umbrella body.

About Financial Sector Deepening Kenya

Financial Sector Deepening Kenya (FSD Kenya) is an independent trust dedicated to the achievement of a financial system that delivers value for a green and inclusive digital economy while improving financial health and capability for women and micro and small enterprises (MSMEs). FSD Kenya works closely with the public sector, the financial services industry, and other partners to develop financial solutions that better address the real-world challenges that low-income households, micro and small enterprises, and underserved groups such as women and youth face.

About WWF Kenya

World Wide Fund for Nature Kenya (WWF-Kenya) is a locally registered non-governmental conservation organization; an affiliate of WWF International. WWF has been working in Kenya since 1962 alongside the government, civil society, private sector organizations, and local communities to contribute towards providing an enabling environment for the achievement of a healthy natural environment supporting people and sustainable development in Kenya.

About Kenya Bankers Association

KBA (www.kba.co.ke) was founded on 16th July 1962. Today, KBA is the financial sector’s leading advocacy group and banking industry umbrella body that represents total assets in excess of KES 7.7 trillion. KBA has evolved and broadened its function to include advocacy on behalf of the banking industry and championing financial sector development through strategic projects such as the launch of the industry’s first P2P digital payments platform Pesalink. In line with the Government’s policy on publicprivate partnerships, KBA and Central Bank of Kenya have implemented key projects such as modernization of the National Payments System through the Automated Clearing House, implementing the Real Time Gross Settlement System (RTGS), and the Kenya Credit Information Sharing Initiative. The KBA members are comprised of commercial banks and deposits taking microfinance banks.



INSTITUTE OF CERTIFIED PUBLIC ACCOUNTANTS OF KENYA (ICPAK)

PUBLIC NOTICE

ROADMAP FOR THE ADOPTION OF IFRS SUSTAINABILITY DISCLOSURE STANDARDS IN KENYA

The Institute of Certified Public Accountants of Kenya (ICPAK), established in 1978 under the Accountants Act No.15 of 2008, serves as the statutory body for setting standards and regulating the accountancy profession in Kenya. As a member of the Pan African Federation of Accountants (PAFA) and the International Federation of Accountants (IFAC), ICPAK is committed to maintaining high standards in financial and non-financial reporting.

On 6 September 2023, ICPAK announced the intention to adopt the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards, called S1 (General requirements for Disclosure of Sustainability-related Financial Information) and S2 (Climate-related disclosures) in Kenya. This significant event was attended by key stakeholders, including regulators, corporate users, preparers, representatives from PAFA, the African Union, International Sustainability Standards Board (ISSB) and the IFRS Foundation among others.

Currently, organisations worldwide face the challenge of navigating multiple fragmented sustainability reporting frameworks. Despite these initiatives, the absence of a unified reporting framework has hindered comparability. ICPAK, in collaboration with ISSB, is spearheading the adoption of a global baseline for sustainability-related disclosures that will provide consistent and comparable information for investors and other market participants.

ICPAK as the Kenyan standard setter, commenced collaboration with industry players, regulators, development partners and other stakeholders to ensure preparedness towards adoption of the IFRS Sustainability Disclosure Standards. To facilitate this, ICPAK established a Multi-Stakeholder Sustainability and Climate Change Reporting Committee to develop a Roadmap for Adoption of IFRS Sustainability Disclosure Standards in Kenya.

Phase	Timelines (Accounting period beginning on or after)	Organisations Involved
Phase 1 - Voluntary Adopters	1 January 2024	All organisations
Phase 2 - Mandatory Adoption	1 January 2027	Public Interest Entities (PIEs)
	1 January 2028	Non-PIEs (Large Enterprises)
	1 January 2029	Non-PIEs (SMEs)
Phase 3 - Public Sector Entities	To be determined by ICPAK	Public Sector Entities

ICPAK remains committed to supporting Kenya and all entities within the jurisdiction in understanding and implementing the IFRS Sustainability Disclosure Standards. Through ongoing training, guidance, and advocacy, ICPAK aims to facilitate a seamless transition to these standards, ultimately contributing to a more sustainable and resilient economy.

More details on the **Roadmap for Adoption for Kenya** can be accessed through the ICPAK website on www.icpak.com or through the below QR Code.

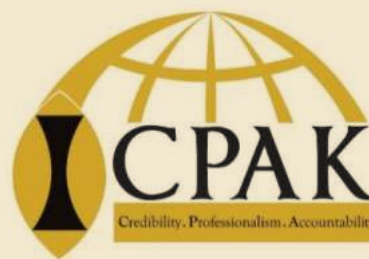


CPA PHILIP KAKAI
ICPAK CHAIRMAN

PRESS STATEMENT

FOR IMMEDIATE RELEASE

Nairobi, April 23, 2024



ICPAK PRESS STATEMENT ON THE SENATE'S PUBLIC ACCOUNTS COMMITTEE REVIEW OF AUDITOR GENERAL REPORT'S ON COUNTY GOVERNMENTS

Introduction

1. The Institute is mandated by the Accountants Act No.15 of 2008 to promote and regulate the accountancy profession in Kenya. This is done through prescribing standards of professional competence and practice amongst its members and by monitoring of compliance to professional, quality assurance and other standards published by the Council for observance by the members in line with the International Accounting Standards.
2. ICPAK as a champion of public interest appreciates the critical role of the Senate PAC as the oversight body, in scrutinizing public expenditures to promote fiscal responsibility and transparency. ICPAK has noted with great concern the issues raised regarding the audited financial statements and Auditor General's reports for county governments ranging from the financial years 2019/20 to 2022/23.

Preparation of Financial Statements and Audit Opinions

3. Considering how critical financial statements are in decision making process of organizations, governments, and other stakeholders as well as accountability framework of the public sector, ICPAK is committed to working with its members and other stakeholders to address these concerns in order to promote transparency and accountability in financial reporting.
4. We reiterate that all members of ICPAK regardless of their position or role, are expected to adhere to the prescribed professional standards, Code of Ethical Conduct for Professional Accountants, and accountability framework of the public sector.
5. Financial statements prepared under International Public Sector Accounting Standards (IPSAS) and prescribed by the Public Sector Accounting Standards Board serve as a critical link in the accountability framework linking Accounting Officers and Parliament (on behalf of the

people). The Auditor General expresses an opinion that helps Parliament make sense on whether the financial statements represent faithfully the state of affairs and transactions of a given public entity.

6. It is important to note that there are many organizations that have consistently been given clean opinions by auditors, in which case we applaud the institutions and our members who have achieved this over the years.
7. For instance, a quick review of the OAG Report for MDAs for the financial year 2022/23 indicates that 67% had a clean audit opinion, with 32% qualified opinion and 1% adverse opinion. This illustrates the fact that accountants in the public sector are striving hard to ensure prudent utilization of public resources. This is illustrated below:

Opinion	Number of entities	%
Unqualified	228	67%
qualified	109	32%
Adverse	2	1%
Disclaimer	1	0%
Total	340	

8. The opinions on county governments' financial statements have remained static over the years with the number of *qualified* opinions increasing and *disclaimer of opinion* decreasing. This is illustrated in the table below,

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
<i>Unqualified</i>	2	0	0	0	0	0
<i>Qualified</i>	30	38	41	42	35	41
<i>Adverse</i>	8	6	5	5	11	6
<i>Disclaimer</i>	6	1	1	0	0	0

9. However, there are a number that have received modified (qualified, adverse or disclaimer) opinion over the years. ICPAK is concerned that over the ten years of devolution in the Country, most of the County governments have consistently been issued with modified of auditor's report and for the few cases where unqualified reports have been issued, the same has not been sustained in the subsequent year. This calls for an analysis of the root cause not only of the preparers of the financial statements and other stakeholders in the financial management chain.
10. ICPAK will continue reviewing the Auditor General reports, to establish the basis of the audit opinions. These reviews will be to establish whether

the preparers of the financial statements adhered to the professional standards, laws and regulations that govern financial reporting. Where members are found to have failed to observe the Professional standards and laws as expected, the Institute's established disciplinary mechanism shall be applied in full.

ICPAK Membership Obligations

11. ICPAK is cognizant of the fact that the accounting profession carries significant responsibility in a strong national governance architecture that confronts corruption. In this regard, ICPAK calls for full commitment by its members to the Code of Ethics for Professional Accountants that requires them to uphold the highest standards of ethical conduct which include integrity, objectivity, professional competence and due care, confidentiality, and observance of good professional behaviour.
12. To ensure compliance, Accountants are advised to process only those transactions that possess the requisite supporting documents, have been properly approved and align with the organization's objectives and policies. This will help maintain the accounting process's integrity and foster trust between the organization and its stakeholders.
13. Membership in ICPAK signifies a commitment to the code of conduct. Organizations are urged to retain Accountant registered with the Institute and are in good standing, meaning they are free of disciplinary actions, have up to date current subscriptions, have completed their annual Continuous Professional Development (CPD) requirements. Upholding these standards fosters adherence to regulations and promotes the production of high-quality financial statements.

Transparency, Accountability and upholding Public Interest

14. ICPAK has a mandate in championing transparency and accountability by collaborating with other regulators and key players in financial reporting. This brings out the public interest role of ICPAK by ensuring the credibility of reports, vital for Kenya's economic development and investor confidence, ultimately creating a thriving business environment for youth. Our commitment extends beyond collaboration by actively combating corruption by promoting ethical practices within the profession. Our dedicated Public Sector Accountants Subcommittee plays a key role in this effort.
15. To empower its members, ICPAK has an elaborate CPD framework that is aligned to the International Education Standards for accountants. The trainings specifically meant for the public sector include but not limited to

Financial Reporting for County Government and other entities, Public Sector Accountants Conference, Public Sector Budgeting Seminar among other tailor-made courses. In addition, the program incorporates sessions on corporate governance, ethics and anti-corruption to continuously remind members of their role on promoting transparency and accountability in public and private organisations.

16. To encourage compliance with the highest standards in Financial Reporting, the Institute since 2002 in collaboration with the National Treasury, Capital Markets Authority, Public Sector Accounting Standards Board, Retirement Benefits Authority, Nairobi Securities Exchange among other players recognizes and rewards organizations that have complied with the reporting frameworks in a competition dubbed the FiRe Award every year. The Award has continued to enhance adherence to the appropriate financial reporting framework and ensure accurate disclosures on governance, social, and environmental reporting by private, public, and other entities operating in East Africa.

Review of the Accountants Act and National Treasury and other related Processes

17. The Institute is currently working with the National Treasury to amend the Accountant Act to deal with emerging issues both for the accountants in public practice and those in employment. The National Treasury is keen on supporting the Institutes role in monitoring compliance with the standards and laws by ICPAK members as well as ensuring that appropriate disciplinary actions are taken where misconduct has been reported.
18. In executing its function in advising the Cabinet Secretary National Treasury and Economic Planning, the Institute will continue to work closely with the National Treasury in reviewing recent reports by the Auditor General to establish the root cause of the modified opinions and design a remedial plan to avoid recurrence of the matters in the next audit cycle noting that quality reviews by the Treasury team for National Government entity's has yielded very good results.

Recommendations and Call for Action

- a. **Establishment of Financial Reporting Units:** ICPAK calls on all county governments and public institutions to establish Financial Reporting Units that shall have staff with the expertise required for Financial Reporting. Continuous development through training of such units' staff will lead to improved production consistent high-quality financial reports.

- b. **Technical Expertise for Senate Public Accounts Committee (PAC):** ICPAK proposes to nominate a qualified member of the institute to sit in the Senate Public Accounts Committee (PAC) hearings and to provide technical expertise on accounting matters.
- c. **Effective role of Accountants in the Public Procurement Process:** There is need to relook at the role and involvement of Accountants in public procurement process across the 28 stages of public procurement. Our review reveals that accountants are involved in the very last stages of payment hindering their effective assessment of price, value of the procured goods and services and the authenticity of documents provided.
- d. **Strengthen Oversight Through Internal Audit and Audit Committee Reports:** County governments should ensure internal audit reports and recommendations from the audit committees are taken seriously and acted upon. Treating these reports as formalities undermines their critical role in ensuring accountability and preventing future audit issues.
- e. **Disciplinary and Legal Action for Unethical Practices:** ICPAK has a well-structured independent disciplinary process that its members who fail professional conduct are taken through. Members of the public and institutions are encouraged to report these cases of misconduct for action.
- f. **Whistleblowing:** ICPAK calls for the establishment of a National Whistle blower Policy and enactment of Whistle blower Act even as it firmly supports whistle-blowers who utilize the established framework to report such misconduct, promoting ethical conduct within the profession. This comprehensive approach strengthens ethical conduct within the profession by holding both county heads and our own members accountable if found guilty.
- g. **Accounting Officers support:** Accounting officers play a central role in safeguarding public resources. ICPAK emphasizes the importance of these officers upholding the highest standards in financial management. This includes ensuring adherence to budgets and procurement procedures, as well as the accuracy of financial reports and value for money considerations.

Conclusion

ICPAK remains committed to leading the way in promoting financial reporting excellence and ensuring accountability across Kenya. We shall continue to ensure the highest professional standards are adhered to by vigilantly weeding out unqualified individuals and holding our members accountable through disciplinary actions. This commitment extends to firm support to the National Treasury, Auditor General, Controller of budget, Senate and Parliament among other Accountability Institutions.

Together, we strive for a future of zero-fault audits, fighting corruption, and strengthening financial reporting across the nation. This collaborative approach, built on the pillars of Credibility, Professionalism and Accountability – our credo– will create a financial governance system that fosters economic growth for the benefit of all Kenyans.

CPA PHILIP KAKAI
CHAIRMAN, ICPAK

ABOUT US

The Institute of Certified Public Accountants of Kenya (ICPAK) is a statutory body of Accountants established under the Accountants Act of 1978, and as repealed under the Accountants Act No.15. of 2008, with the mandate to develop and regulate the Accountancy Profession in Kenya. The Institute is also a member of the Pan Africa Federation of Accountants (PAFA) and the International Federation of Accountants (IFAC), the global umbrella body for the accountancy profession.

For further enquiries, please reach us at chairman@icpak.com and ceo@icpak.com.



PRESS RELEASE: FOR IMMEDIATE RELEASE

24TH JULY 2024

IRREGULAR AND UNLAWFUL PROFILING OF AUDIT FIRMS

1. The Institute of Certified Public Accountants of Kenya (ICPAK) is mandated by the Accountant's Act to among others, promote standards of professional competence and practice amongst members of the Institute, promote the international recognition of the Institute, advise the Minister on matters relating to financial accountability in all sectors of the economy and, to prescribe the remuneration order for the accountancy profession. The Institute may also do anything incidental or conducive to the performance of any of the above stated functions.
2. The Institute in the discharge of its mandate engages various stakeholders and the public to continuously improve and enhance its effectiveness. In addition to adoption and promotion of the internationally accepted standards of practice, the Institute rolls out robust training programme to update and capacity build its members for professional probity and effectiveness. Moreover, quality reviews are conducted to its members in practice to ensure Credibility, Professionalism and Accountability of their work to the public.
3. It has come to the attention of the Institute that some Financial Institutions are dictating and imposing restrictions on their clients regarding the kind of audited financial statements that those clients should provide to be considered as valid. Further, the Institute has noted concerns from its members and various stakeholders that some of the Financial Institutions only recognize financial statements that are audited by one of the 'big four' audit firms which, they deem, to be the only valid and acceptable audit reports.

The Institute wishes to clarify and notify the public as follows:

4. That audit firms and practitioners licensed by the Institute, under Category 'C' (Composite License) are authorized to perform Audit and Assurance Services, Tax Services & Accounting, Controls and Consulting Services, while those licensed under Category 'A' License are authorized to perform only Audit and Assurance Services. There are also category 'M' Licensees authorized to perform Accounting, Controls, and Consulting while Category 'T' Licensees are to be engaged in performing Tax practices.

5. That, the terminology, ‘the big four audit firms’ is a terminology that does not exist in its regulatory framework as a regulator of all accounting/ audit firms in Kenya.
6. That the Institute has categorized the audit firms with respect to the number of Partners, whereby there are Sole Practitioners, Two to Five Partner Firms, Six to Ten Partner Firms and over Ten Partner Firms to demonstrate their varying capacities. In categorizing the firms, the Institute does not in any way whatsoever, attempt to promote any firm or category of firms as being superior above the others. For the avoidance of doubt, all auditors and accounting firms licensed by the Institute have been thoroughly vetted, are constantly trained and are fully suitable to offer the services that they are licensed to offer under the various license categories.
7. That, having provided this clarification, any other profiling that attempts to designate some audit firms as ‘the big four’, or to determine that only financial statements audited by the said big four firms are valid or acceptable is discriminatory, biased, irregular and anti-competitive. It is hence unlawful and an unacceptable attempt to usurp the mandate of the Institute. The Institute wishes to inform its members, accountancy practitioners, members of the public, and particularly the Financial Institutions, to take note and apply accordingly.
8. The licensed members posted on the Institute’s website and published in a Newspaper of wide national circulation from time to time are duly vetted and cleared to perform such duties as prescribed in their respective licenses.
9. The Institute will be reaching out to other relevant regulators for appropriate action and remedial measures.



CPA PHILIP KAKAI
CHAIRMAN, ICPAK

The Institute of Certified Public Accountants of Kenya (ICPAK) is the statutory body of accountants established under the Accountants Act 1978. ICPAK draws its mandate from the Accountants Act No.15 of 2008. It is also a member of Pan Africa Federation of Accountants (PAFA) and the International Federation of Accountants (IFAC), the global umbrella body.

For further enquiries, please reach us at chairman@icpak.com and ceo@icpak.com or www.icpak.com



Institute Certified Public Accountants of Kenya, CPA Centre, Thika Road
P. O. Box 59963-00200 City Square, Nairobi Kenya

Tel: +254 719 074 000

Email: icpak@icpak.com | www.icpak.com

©ICPAK 2025