Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting (ISAR)

35th SESSION
24 - 26 October 2018
Room XVII, Palais des Nations, Geneva

Friday, 26 October 2018
Morning Session

Agenda item 4.
Issues of practical implementation of international standards of accounting and reporting in the public and private sectors

Presented by

David Gichana
Deputy Auditor-General
Office of the Auditor General, Kenya

This material has been reproduced in the language and form as it was provided. The views expressed are those of the author and do not necessarily reflect the views of UNCTAD.
UNCTAD- ISAR 35
IPSASs Practical Implementation – Case of Kenya

By
David O. Gichana
Deputy Auditor General &
Member, Public Sector Accounting Standards Board
Presentation Map

- IPSASs Journey in Kenya
- IPSASs Implementation Challenges (4Ps)
- IPSASs Implementation Benefits
- Lessons Learned
- Way ahead
IPSAS Journey in Kenya

- Constitutional Change 2010
- PFM Act 2012
- Establishment of PSASB, 2014
- Launch of IPSAS Cash, IPSASs Accrual, IFRS for Public sector entities
- Sectoral Implementation (MDAs, Counties, SAGAS, SOEs)
- Intensive training and on the job coaching
4Ps - IPSAS Implementation Challenges

- Purpose
- Preparation
- Participation
- Partnerships
Purpose of IPSASs

- Adoption – Meaning & Scope
- Understandability -
- Relevance – Users evaluation of past, present and future
- Reliability
- Materiality
- Comparability
- Consistency
- Going Concern
- Fair Presentation
Preparation for IPSASs Implementation

- Structural & Legal Reforms
- Transformative change management – change, project mgmt., communication, culture
- Sustainability Assessment – initial and operational cost & time
- Governance Practices
- Stakeholder Engagement
- Implementation Approach – phased + bottoms up
Preparation for IPSASs Implementation

Technology and Infrastructure

- IT Systems
- Data structures
- Charts of Accounts
- Reporting Structures and Structures
Participation

- Management
- Governance and Policy Makers
- Legislators
- Executive (Government)
- Preparers (Millenials/Women)
- Assurance team
- Regulatory Bodies (e.g. FiRe Awards by ICPAK)
- Users/Investors
- Academia
Partnerships

- Professional Accountancy Organizations (PAOs)
- Auditors and Audit Firms
- Academia
- Development Partners
- Public – Private Linkages
Lessons Learned

- Adoption of IPSASs requires Credibility of the process and People
- Need for management of Stakeholder Expectations
- Enhancing Capacity and capabilities & Political Goodwill
- Visibility of enhanced Decision making and policy making
- Consistency & resilience in the face of obstacles (Be Present)
- Expanded Partnerships, participation, clarity of purpose and continuous preparation
- Inclusion - “US” United Status by all involved
Lessons Learned

- Interconnectedness of Integrated & Sustainability Reporting with IPSASs
- Application of Technology is vital
- Relevant Language use
- Culture of Integrity (Mindset change)
- Clear Roadmap with Appropriate Timelines coupled with Communication strategy
Way Ahead

- "Adoption" standards
- Value proposition for IPSASs - SDGs; New Currency - Information
- Trust and Integrity (People Issue) in the process and Results of IPSASs
- Engagement of all in Purpose, Preparation, Participation & Partnerships on IPSASs
- Effective Implementation of IPSASs is a linchpin for SDGs attainment
- Need for Technical and Resources support for IPSASs especially for developing economies
- Concerted efforts by all is a critical call
“Marry a woman who can cook. Don’t marry for love or beauty, because love dies and beauty fades, but hunger remains”

Luhya Proverb
Thank you!