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

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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

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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

IPSASs 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 (Millennials/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



Quote

“Marry a woman who can cook. Don’t marry for love or beauty, because love dies and beauty fades, but hunger remains”

Luhya Proverb

