



29 October 2012

Stephanie Fox,
IPSASB Technical Director,
International Public Sector Accounting Standards Board,
International Federation of Accountants,
277 Wellington Street West,
Toronto, Ontario M5V 3H2,
Canada.

Dear Madam:

RE: CONSULTATION PAPER - CONSULTATION ON IPSASB WORK PROGRAM 2013-2014

The Institute of Certified Public Accountants of Kenya (ICPAK) welcomes the opportunity to comment on the Consultation Paper Consultation on IPSASB Work Program 2013 – 2014 issued by the International Public Sector Standards Board (IPSASB) of the International Federation of Accountants.

We are pleased to have participated earlier in the IPSASB strategy consultation process and welcome this Consultation Paper which we feel represents a balanced response to a wide range of inputs.

The Institute is generally in agreement with the proposed projects for the period 2013 – 2014. We however make some suggestions, that we hope will further assist the IPSASB prioritise the projects identified.

The Institute wish to respond to the questions raised in this consultation paper as follows:

Question 1:

Considering the additional potential projects identified above and described in Appendix C, are there any other projects that you think need to be added to the list of potential projects?

We propose an inclusion of Interim Financial Reporting guideline to the list of potential projects, although it should not be prioritized. We believe that entities in our jurisdiction which have already adopted the Accrual basis of accounting in accordance with IPSAS, will soon wish or may be required to publish interim reports as the case may be occasioned by changes in the legislation in the Country.

We believe most of the critical items have been captured under the potential projects and also in the Appendix C essential overview of every potential project identified has been provided. We however wish that First time adoption of accrual IPSASs and public sector combination which are listed as current projects; be prioritized and probably have the final standards issued earlier than their indicated period; by December 2013 and March 2014 respectively.

Question 2:

Which projects do you think the IPSASB should prioritize for 2013-2014? In your response you could consider providing your assessment of the 3 most important projects or a ranking of all projects on the list. Please explain the reasons for your answers.

The order of priority suggested should be hinged on urgency to address existing and emerging financial reporting issues. We propose that the following projects should be prioritized in the order indicated:

1. Public Sector Conceptual Framework.
2. First time Adoption of Accrual IPSASs.
3. Public Sector Combinations.
4. IPSASs Government Finance Statistics Reporting Guidelines.

We are in agreement with priority that the Board has given this project. The conceptual Framework will explore possible course of action and thereby lay basis upon which other standards and guidelines will be issued.

First time Adoption of Accrual IPSASs will usher in the entities adopting IPSAS for the first time; it will guide on transition process by prescribing the treatment of opening balances and comparative information.

Governments have numerous entities which operate independently: ministries, parastatals and other institutions. Due to the nature of complexities involved would be in preparing consolidated financial statement, there is an urgent need to address the area.

IPSASs Government Finance Statistics Reporting Guidelines cuts across the general preparation and presentation of financial statement as opposed to treatment of a specific item in the financial reporting, as such should be prioritised as they provide the basis of reporting in Public sector in broader perspective. It will also enhance understandability and comparability of public sector financial statements, and improvements incorporated in annual improvement projects.

We suppose that GBE standard will be out by September 2014 as indicated in the program, in this case, the next guideline that govern the operations of the public sector in our jurisdiction; will be how to account for their revenue, regardless of their objectives. In this case consequently; it will be paramount to have the Revenue recognition standard in the pipeline to provide the guide in good time.

Question 3:

Please provide any further comments you have on the IPSASB's Work Program for 2013-2014.

We believe that the program is detailed enough and properly structured; we however wish to suggest the following:

1. The program should be bridged in such a way that it should indicate major projects that have been completed as per the previous Work Program priorities. In this case; projects already done with should be listed and the time frame they took indicated.
2. We propose that the sections indicating the potential projects should further provide details on why they were proposed as such and the time frame expected to be completed as done for current projects in Appendix B in the document.

In conclusion, we welcome the idea of all jurisdictions to prioritize their key projects. We deem that this is the way it should be done in arriving at a consensus; since this reliably touch on overall National governance issues in all the public sector entities.

We finally believe that the document highlight the foremost items that are essential to our jurisdiction.

We thank you for the chance to comment on the document.

Yours sincerely,



Nixon Oindi
For: ICPAK-Professional Standards Committee