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Monday, 21 July 2014

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 Stephanie,

Re: IPSASB Strategy Consultation 2015-2019

The Institute of Certified Public Accountants of Kenya (ICPAK) welcomes the opportunity to comment on the IPSASB Strategy Consultation 2015-2019, issued by the International Public Sector Standards Board (IPSASB) of the International Federation of Accountants.

We agree with the proposed strategy and believe that it will enable the board to focus on the crucial projects which will ensure financial statements are of high quality and fairly presented. Review of the Cash basis IPSAS and introduction of timelines for transition from cash basis to accrual basis will assist the board in achieving its strategic objective.

We have included our responses to each of the Specific Matters for Comment and IPSASB's Preliminary view in an appendix to this letter.

If you would like to discuss these comments further, please contact the undersigned on icpak@icpak.com or the undersigned at nixon.omindi@icpak.com.

Yours Faithfully,

Nixon Omindi
For Professional Standards Committee

1. Do you agree with the IPSASB's tentative view on its strategic objective for the period from 2015 forward? If not, how should it be revised?

We agree with the IPSASB's tentative view on its strategic objective for the period 2015 forward, strengthening public financial management knowledge and awareness is crucial in ensuring accountability, high quality reporting standards and transparency in government reporting.

2. Do you think that the two outcomes identified are appropriate for achieving the strategic objective? If not, what outcomes do you think are more appropriate?

Yes, the outcomes identified are appropriate for achieving the strategic objective.

3. Do you think that the outputs identified will assist in achieving the outcomes? If not, what outputs do you think the IPSASB should focus on?

Yes, the outputs will achieve high quality financial statements and enhance public awareness.

4. What changes to feedback mechanisms should the IPSASB make to ensure it is fully informed about the views of its stakeholders?

Conduct surveys through national standard setters to collate feedback from the preparers and users of financial statement; this would enable the board to identify key issues in a more comprehensive manner and perhaps the way forward through publishing exposure drafts.

5. Do you agree with the five key factors the IPSASB considers in deciding to initiate a project and assessing its priority? Are there other factors you think should be considered?

We agree with the key factors the IPSASB considers in deciding to initiate a project and assessing its priority.

6. Do you think the Cash Basis IPSAS is a valuable resource in strengthening public finance management and knowledge globally by increasing the adoption of accrual-based IPSASs?

Yes, the Cash basis IPSAS is a valuable resource in strengthening public finance management and knowledge globally since the Cash basis IPSAS has been entry for first time users before they change to the accrual basis.

7. Of the three options identified in relation to the Cash Basis IPSAS, which would you recommend the IPSASB select? Please provide the rationale for your recommendation.

Option A

The cash basis IPSAS should be reviewed and a timeline given within which transition should occur ,For example after two years the reporting should have shifted from cash basis to accrual reporting.

8. Considering the various factors and constraints which projects should IPSASB prioritize and why? Where possible explain your views on the description and scope of the project.

i. Public sector conceptual framework project-Accrual Basis

This project is applicable to the preparation and presentation of general purpose financial reports for all public sector entities. It is important because it will include modifications to address public sector circumstances as well as developing requirements and guidance on public sector specific issues.

ii. First-time Adoption of IPSAS

This project is aimed at developing an IPSAS that will provide guidance for entities adopting IPSASs for financial reporting for the first time. This will give guidance to first time adopters of IPSASs.