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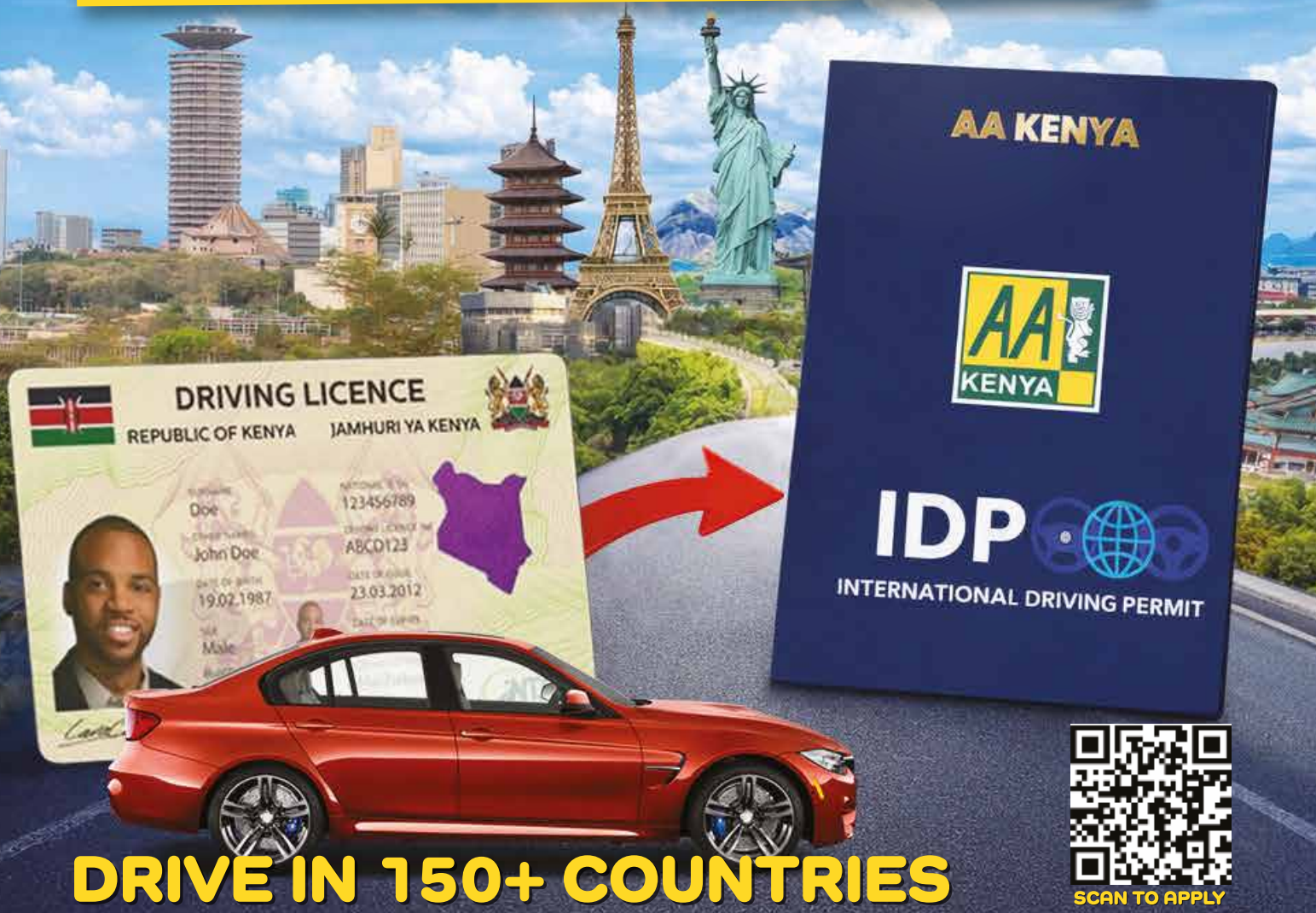
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Dear Reader!

Kenya's economy enters 2026 with cautious confidence. Our cover story analyses how the country has continued to expand despite a slowdown from earlier highs, supported by agriculture, services, trade, and real estate.

Drawing on recent data and projections, it reveals that trade performance is improving as infrastructure investment, digital adoption, and regional trade increasingly shape the economic outlook.

At the same time, it offers a sober view of the pressures ahead. Public debt remains a key constraint, climate-related shocks are increasingly disruptive, and political tensions are rising as the 2027 elections approach. Set against an unsettled global environment, Kenya's path forward will depend on careful policy choices and the ability to translate reforms into steady, long-term growth.

In the business feature, rapid automation and artificial intelligence are transforming how organisations plan, manage risk, and ensure continuity. It discusses how artificial intelligence and related technologies are redefining business processes, exposing the limits of traditional forecasting, control, and risk models, while raising critical concerns around governance, security, fairness, and accountability.

It argues that AI is not replacing audit and assurance functions but strengthening them. As internal audit shifts from a reactive role to a proactive partner, new approaches to risk, resilience, and antifragility are emerging. With real-world examples from business and public finance, the article emphasises the

need for skills, standards, and responsible adoption to help institutions manage uncertainty and extract lasting operational effectiveness from innovation.

On the digital front, as first impressions increasingly happen online, the Information Technology article explains why a basic digital presence is no longer optional for Kenyan businesses and how no-code website tools are changing who can compete in the digital economy. Set in an SME-driven market, the report shows how websites have become a key layer of trust, often shaping customer decisions before any physical interaction, and why clarity, mobile-first design, local visibility, and ease of action matter more than technical complexity. It notes that while no-code platforms have lowered barriers, they do not replace strategic thinking, positioning the website not as a future upgrade but as a practical business asset that supports customer trust, operational efficiency, and sustained resilience.

Meanwhile, the feature on tax looks at hybrid financial instruments and how they create tax challenges when countries treat the same payment differently, as either interest or dividends. Because these instruments combine features of debt and equity, they can lead to situations where a payment is deducted in one country but not taxed in another, or even deducted twice. The story explains how these gaps come from differences in national tax rules and how they have been used in cross-border structures. It also outlines global responses, such as the OECD's BEPS Action 2 and the EU's Anti-Tax Avoidance Directive, which aim to close these gaps by aligning tax treatment across countries. As these rules expand, the space

for using classification differences to avoid tax is becoming more limited.

Turning to wellness, the health segment scrutinizes how many people worsen skin problems through self-treatment and delayed medical care, and stresses the importance of proper diagnosis, simple hygiene habits, and timely professional help for effective recovery and prevention.

Reviewing personal development, the inspiration feature studies how fear, self-doubt, and external pressures quietly shape professional decisions, often draining energy and limiting potential even among capable individuals. It stresses the importance of recognising internal and external sources of strain, letting go of unnecessary mental weight, and recalibrating choices toward mental clarity, focus, and alignment with personal values.

Finally, the pen off captures how digital assets are becoming a central part of the global financial system, changing how value is stored, transferred, and reported through blockchain-based technologies like cryptocurrencies, stablecoins, tokenised assets, and central bank digital currencies. As adoption grows and regulation strengthens, accountants face a shift from traditional models to real-time, technology-driven verification in valuation, reporting, taxation, and audit practices.

We hope these stories offer useful perspectives on a fast-changing market, and spark your curiosity for what's ahead.

Editor

Mercelline Makoma 

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The Updated Version of IPSAS 22, Disclosure of Financial Information About the General Government Sector

By Jim McFie, a Fellow of ICPAK

The International Federation of Accountants (IFAC), headquartered in New York, is the global organization for the accountancy profession, dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies.

Through its Boards it sets international standards on Audit and Assurance, the Code of Ethics for Accountants, Education and Public Sector Accounting. The Institute of Certified Public Accountants of Kenya (ICPAK) is one of over 180 member and associate institutes in more than 135 countries and jurisdictions. These institutes represent over 3 million accountants. IFAC institute members must comply with the Statements of Membership Obligations (SMOs), which ensure the adoption of these international standards. IFAC's work includes promoting quality assurance for accountants worldwide.

The International Public Sector Accounting Standards Board (IPSASB),

which is supported by IFAC, has recently initiated updates to IPSAS 22, *Disclosure of Financial Information About the General Government Sector*. In early 2026, IPSASB issued Exposure Draft (ED) 94, *Linkages Between IPSAS Standards and the Government Finance Statistics Manual 2014 (Amendments to IPSAS 22)*. The proposed changes aim to strengthen the link between IPSAS accounting standards and the Government Finance Statistics Manual 2014 (GFSM 2014), helping governments use audited accounting data to create statistical reports.

The Government Finance Statistics Manual 2014 (GFSM 2014) is a comprehensive framework published by the International Monetary Fund (IMF) designed to compile, report, and analyze fiscal data for the general government and public sectors. It provides international standards for recording revenue, expense, assets, and liabilities on an accrual basis to enhance fiscal transparency, policy evaluation, and international comparability. The purpose of GFSM 2014 is to provide accurate data for evaluating government fiscal health,

monitoring debt, and conducting economic surveillance, particularly in response to the 2007–09 financial crisis. GFSM 2014 is aligned with the 2008 System of National Accounts (2008 SNA), ensuring consistency with other macroeconomic statistics. The System of National Accounts, 2008 (2008 SNA) is a statistical framework that provides a comprehensive, consistent and flexible set of macroeconomic accounts for policymaking, analysis and research purposes. It was produced and released under the auspices of the United Nations, the European Commission, the Organisation for Economic Co-operation and Development, the International Monetary Fund and the World Bank Group. It represented an update, mandated by the United Nations Statistical Commission in 2003, of the System of National Accounts, 1993, which was produced under the joint responsibility of the same five organizations. Like earlier editions, the 2008 SNA reflects the evolving needs of its users, new developments in the economic environment and advances in methodological research. The GFSM 2014 is recognized as the global

standard for public sector reporting, encouraging transparency and aiding in the development of sound fiscal programs.

The proposed improvements to IPSAS 22 over the 2001 edition include updated guidance on recording public-private partnerships (PPPs), recognizing military weapon systems

as capital assets rather than expenses (when one sees how easily military assets can be turned in scrap-metal in the ongoing wars around the world, one can question the advisability of this change in accounting policy), and improved methods for recording tax credits. The new IPSAS 22 outlines a complete accounting system including a Statement of Government Operations, a Statement of Sources and Uses of Cash, and a Balance Sheet. Comments on these proposed amendments to IPSAS 22 are requested by June 22, 2026. While the final amended standard is part of the 2026 work plan, the current IPSAS 22, as included in the 2025 Handbook (which has just been published), includes previous amendments

IPSAS 22 is a unique standard. Its primary objective is to provide a bridge between two different ways of looking at government finances: General Purpose Financial Statements (GPFS), which follow accrual accounting, and Government Finance Statistics (GFS) which are used for macro-economic analysis and policy-making.

The Core Objective of IPSAS 22 is transparency. In many jurisdictions, the “General Government Sector” (GGS) is the primary focus of political and economic debate. However, a full set of consolidated financial statements often includes Government Business Enterprises (GBEs), which can cloud the view of the government’s core service-delivery activities. IPSAS 22 allows an entity to disclose GGS information within its GPFS to enhance transparency.

The General Government Sector (GGS) consists of all government units and non-profit institutions that are controlled and mainly financed by government. Key characteristics include: (i) They provide services for free or at prices that are not economically significant; (ii) They are primarily funded by taxes or other compulsory transfers; (iii) Public corporations (like a state-

owned power supplier, airline or other utility) that operate on a commercial basis are generally excluded from the GGS. If an entity elects to disclose GGS information, IPSAS 22 mandates specific requirements to ensure consistency: (i) Accounting Policies: The GGS disclosures must be prepared using the same accounting policies as the consolidated financial statements, with one major exception: the treatment of GBEs; (ii) Investment in GBEs: Under IPSAS 22, the GGS’s investment in GBEs is presented as an asset and accounted for as a net investment; (iii) Reconciliation: The entity must provide a reconciliation between the GGS disclosures and the consolidated financial statements for: (a) the surplus or deficit; and (b) the assets and liabilities (the financial position).

Crucially, IPSAS 22 does not require a separate set of financial statements. It requires disclosures within the existing statements. This is usually achieved through additional columns in the primary statements or detailed notes.

Implementing IPSAS 22 is rarely a “walk in the park” for two reasons: (i) Data Alignment: Gathering data that satisfies both the accrual-based IPSAS requirements and the classification requirements of GFS (like the IMF’s GFS Manual) can be a significant administrative burden; (ii) Eliminations: Standard consolidation requires eliminating all intra-group transactions. When separating the GGS, accountants must carefully identify which transactions were with GBEs (which stay) and which were within the GGS (which are eliminated).

It is important to note that IPSAS 22 is optional. An entity is not required to provide these disclosures unless it chooses to do so to improve the relevance and understandability of its financial reports. But like many other regulations that, at one time were optional, they tend to become mandatory.

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Where IFRS 16 Falls Short on Lease Maintenance Costs

End-of-Lease Maintenance Requirements for Heavy Equipment

By CPA Pius Muturi Macharia

IFRS 16 was issued in January 2016 and came into effect on 1st January 2019, with some companies opting for earlier application. IFRS 16 replaced IAS 17, Accounting for leases.

This was hampered by the Covid-19 pandemic, which disrupted its roll-out; however, the accountancy profession braved to make it happen. This necessitated the board to issue rent concession amendments to the standard. It was a game-changer because it made a total turnaround from the previous treatment in the financial statements, especially for the lessee.

The main purpose of the IFRS 16 is to make sure that the parties in the contract disclose all the material information relating to that lease. The paragraph B9 clearly states that such disclosures include the right to control the leased

asset, in exchange for consideration to the lessor. The standard sets out the guidelines in evaluating whether a contract contains a lease or not in paragraphs B9 to B33, such conditions include:

- i) There needs to be a definite lease term.
- ii) There should be an identified asset owned by the lessor.
- iii) The lessee has the right to control the asset.
- iv) The lessee has the right to obtain a substantial economic benefit from the use of the asset.

However, the IFRS 16 scope does not cover exploration of minerals, biological assets, licenses for intellectual property and rights licensed under IAS 38. These are well illustrated in paragraphs B3-B8.

Paragraphs B9 – B33 conditions make it clear that leased heavy machinery, such as aircraft, heavy-duty lorries and trucks, are within the scope of IFRS 16. Therefore, the leasing of this machinery should be accounted for under this standard. However, the way such lease contracts are designed makes it challenging with regard to maintenance clauses, otherwise known as the agreed level of maintenance conditions. Especially if it is not a lease-to-own contract.

In engineering accounting, maintenance events are generally divided into two categories: major and minor events.

Major maintenance events – Sometimes referred to as “heavy events”. These are events whose economic benefits are derived in more than one accounting period. Take, for example, an engine overhaul of a truck, intended to cover a

period of 2 years; another example is an engine C-Check for an aircraft.

Minor maintenance events – These are simple repairs which are done routinely. For instance, changing the engine oil.

For owned assets or assets under finance leases, the best practice is to capitalise and depreciate maintenance costs for major events. This is well illustrated under IAS 16, Property, Plant and Equipment. Under operating leases, this is where the challenge lies.

Paragraph 24 indicates that the lessee shall recognise the lease liability and the corresponding Right of Use (RoU) as an asset at the commencement date. The cost of dismantling the asset or reinstating the asset in its original form should also be included in RoU. The RoU is amortised on a straight-line basis up to the end of the period.

The challenge comes when the heavy machine lease clauses require the asset to be maintained up to a certain level at the end of the contract. For instance, the lessor of an aircraft may require that at the end of the lease period, the aircraft shall fly for the next 1000 hours. This obligates the lessee to have a maintenance provision of up to 1000 hours of this asset. Another challenge: the cost of maintenance is not very specific. Assume that the aircraft lease contract is for 4 years, running from 1st January 2021 to 31st December 2024, and it requires the maintenance of engine components to have 1000 hrs as at 31st December 2025, which the lessee has projected accurately and within the budget as at the commencement date. However, as of 30th November 2024, a key component of the engine has broken down. This makes the whole arrangement a failure, with no remedy.

IAS 37: Provisions, Contingent Liabilities and Contingent Assets

The agreed maintenance-level return condition provisions should therefore not be accounted for under IFRS 16 because of the complications and uncertainty they pose. It should be accounted under IAS 37, provisions, contingent liabilities and contingent assets. The main objective of this standard is to ensure that users of the financial statements have sufficient information. As a rule, IAS 37 is used when there is a legal or constructive obligation, where the payment is probable and can be reliably estimated, and the future losses and expenses that are avoidable should not be provisioned. Therefore, the maintenance costs for the leased machinery squarely meet the requirements for IAS 37. However, the owned machinery does not meet the requirements, as these costs can be avoided by selling the machinery.

There are varying practices for applying IAS 37 from one organisation to another. In aviation specifically, there are significant costs associated with engine overhaul, airframe inspection, propeller

and APU checks, main landing gear, etc. These are costs that occur from time to time, depending on the cycles the aircraft has run and the hours since new. This is no different from the leases of other machinery when there are major maintenance events. If the conditions are specified in the lease contract, then there is an increase in obligations that should be reflected in the financial statements.

The International Air Transport Association (IATA) was approached after IFRS 16 was issued and provided three approaches. The approaches are;

i) Expenses as incurred approach

The maintenance event expenses are recognised in the profit and loss account as incurred. Then provide over the lease term any expected cash compensation requirements at the end of the lease.

If used for a major check, it won't present a true and fair position, as it would overstate expenses for one period. The method generally favours short and middle-term maintenance expenses that don't roll over to the next period. For instance, minor aircraft checks, engine oil changes on a truck, etc.

ii) Components Approach

The maintenance costs are broken down into the individual replaceable components. Each component is treated separately for maintenance execution and planning. The major maintenance events are capitalised (a notional asset is created in the statement of financial position) and depreciated until the next major maintenance event or the end of the lease term. Then provide any lease maintenance compensation requirements at the end of the lease term.

When the component undergoes maintenance, the provision is released, and another is created for the next event or for a condition specified in the lease contract.



The main purpose of the IFRS 16 is to make sure that the parties in the contract disclose all the material information relating to that lease. The paragraph B9 clearly states that such disclosures include the right to control the leased asset, in exchange for consideration to the lessor.

“
the maintenance cost cannot be accounted for under IFRS 16 but should be accounted for under IAS 37. The lessee should develop a simple, practical model and use the best approach to account for lease maintenance costs

The approach seems best suited to major maintenance events, such as engine overhauls, that have economic benefits over two or more accounting periods.

iii) Provisions Approach

Recognising the provisions for major events over the intervals from the start of the lease or an event until the next one or at the end of the lease, whichever comes first. This is either for the maintenance performance or cash in lieu.

The association, however, stated that these approaches are not exhaustive. Therefore, organisations can find the best ways to account for their maintenance costs under IAS 37.

In conclusion, the maintenance cost cannot be accounted for under IFRS

16 but should be accounted for under IAS 37. The lessee should develop a simple, practical model and use the best approach to account for lease maintenance costs. Further, parties entering into the lease contract should keep in mind the maintenance and return conditions. The maintenance conditions affect the economic benefits derived from the leased asset and the overall business profitability. If not well analysed, it can be detrimental to the business.

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ACCOUNTABILITY

The Impact of INPAS and IFRS S1 & S2 on Reporting and Compliance

A New Era of Accountability

By CPA Francis Ugango

The global accounting landscape is evolving rapidly, driven by an urgent demand for transparency, sustainability, and accountability.

Over the past two years, two major developments have emerged with far-reaching implications for Kenya's private and non-profit sectors: the adoption of the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards S1 and S2, and the introduction of the International Non-Profit Accounting Standard (INPAS), the world's first dedicated global accounting framework for non-profit organisations. These developments,

guided by the Institute of Certified Public Accountants of Kenya (ICPAK), promise to transform how entities in Kenya report on financial performance, sustainability, and social impact.

The IFRS S1&2 Roadmap

In September 2023, ICPAK announced its intention to adopt the International Sustainability Disclosure Standards (IFRS S1 and IFRS S2) issued by the International Sustainability Standards Board (ISSB). IFRS S1 sets out the general requirements for disclosure of sustainability-related financial information, while IFRS S2 focuses specifically on climate-related disclosures. The standards became

effective globally for reporting periods beginning on or after 1 January 2024, with Kenya adopting them in phases. Under this plan, voluntary adoption began in 2024; public interest entities (PIEs) will adopt mandatorily by 1 January 2027, large non-PIEs by 2028, and SMEs by 2029. Guidance for the public sector will follow once ICPAK concludes consultations with the relevant authorities.

This roadmap reflects Kenya's commitment to align with global sustainability reporting practices and to embed Environmental, Social, and Governance (ESG) principles into corporate accountability. Early adopters—particularly listed companies

and those seeking international capital—will enjoy enhanced investor confidence and improved access to funding. The ability to communicate how sustainability risks and opportunities affect enterprise value is fast becoming a prerequisite for investment. Companies that act early can expect a competitive advantage in sectors such as manufacturing, financial services, and agriculture, where ESG factors strongly influence stakeholder perceptions.



The implications of INPAS for African and Kenyan non-profits are profound. Many Kenyan NGOs receive funding from European, American, and multilateral agencies, where financial transparency and governance standards are increasingly stringent. INPAS bridges the gap between international expectations and local practice, empowering Kenyan NGOs to produce financial reports that meet donor requirements while reflecting local realities.

However, the transition will not be without challenges. Businesses will need to strengthen internal reporting systems, train staff, and upgrade IT infrastructure to collect, manage, and disclose sustainability data. While the initial costs may be considerable, the long-term benefits—greater transparency, better risk management, and alignment with global capital markets—are expected to far outweigh the investment. As sustainability reporting matures, ICPAK's leadership ensures that Kenyan businesses remain competitive and credible in the global market.

Bridging the Standards Gap for Non-Profits

For decades, the non-profit sector has operated without a globally accepted accounting framework tailored to its unique financial and operational characteristics. Existing standards, such as IFRS, designed primarily for profit-oriented entities, and IPSAS, developed for the public sector, fail to address the nuances of non-profit activities. Issues such as fund accounting, donor restrictions, and detailed narrative reporting have long required bespoke treatment.

To close this gap, Humentum, in partnership with the Chartered Institute of Public Finance and Accountancy (CIPFA) in the United Kingdom, launched the IFR4NPO initiative. This initiative culminated in the development of INPAS, which provides a comprehensive, principle-based financial reporting framework specifically designed for non-profit organisations. The standard was approved by the Technical Advisory Group on 23 July 2025 and officially launched in Geneva on 21 October 2025, marking a watershed moment in international financial reporting for the sector.

The CPAK's INPAS Roadmap

ICPAK, Kenya's statutory regulator of the accountancy profession, played a pivotal role in shaping INPAS through its active participation in the Technical Advisory and Governance Groups. In its Technical Advisory on the Adoption of INPAS, ICPAK confirmed that Kenya would formally adopt the new standard and issue a detailed national adoption roadmap by 1 January 2026. The Institute's participation ensured that Kenyan and African perspectives were embedded in the final document, particularly around donor funding dynamics, accountability to beneficiaries, and the diverse operating environments of civil society organisations.

ICPAK's advisory outlines a pragmatic and inclusive transition approach. Following the publication of INPAS, each jurisdiction is expected to determine its adoption timeline and implementation process. Kenya has signalled a two-year transition period, during which non-profit organisations may produce financial statements compliant only with the financial-reporting aspects of INPAS, while deferring the full narrative reporting requirement until the third year. From that point, entities will issue a comprehensive "Financial Report" encompassing both financial statements and a narrative report.

The narrative report will provide a qualitative perspective on organisational activities and performance, governance structures, risk management, and sustainability initiatives. This balanced approach recognises that smaller and mid-sized organisations will require time to build capacity, systems, and awareness. ICPAK, in collaboration with the Public Benefit Organisations Regulatory Authority (PBORA), plans to roll out nationwide sensitisation programmes from 2026 onwards, providing training and technical guidance to non-profits, auditors, and donors.

Benefits and Implications for NGOs in Kenya and Africa

INPAS represents a transformational response to the long-standing challenges of financial reporting within non-profits. One of its core achievements is the standardisation of financial statement formats, promoting global comparability and transparency. The standard introduces clear guidance on the accounting treatment of grants, restricted funds, and income recognition, reducing ambiguity that has historically hindered consistency across organisations and jurisdictions.

Another milestone is the inclusion of Practice Guide 1 (PG1) – Harmonised Grant Reporting, which links donor-specific reports to the audited financial statements of the organisation. This innovation aims to reduce duplication and simplify compliance for grantees, who often face multiple donor reporting

templates. Under PG1, grant financial reports will be aligned with the same classifications used in organisational accounts, ensuring clarity, reducing administrative burden, and improving audit efficiency.

The broader benefits of INPAS are equally significant. By adopting a globally recognised framework, non-profits can enhance donor confidence and credibility. Transparent and comparable reporting can attract greater funding opportunities from international development partners who value accountability and assurance. For donors, INPAS provides a consistent benchmark to evaluate performance across grantees, enhancing sector-wide trust. The standard also promotes better governance by embedding accountability and risk-management principles into the reporting process.

The implications of INPAS for African and Kenyan non-profits are profound. Many Kenyan NGOs receive funding from European, American, and multilateral agencies, where financial transparency and governance standards are increasingly stringent. INPAS bridges the gap between international expectations and local practice, empowering Kenyan NGOs to produce financial reports that meet donor requirements while reflecting local realities.

Adoption of INPAS will require capacity-building investments. Organisations must review accounting policies, revise chart-of-accounts structures, upgrade systems, and train finance personnel to interpret and apply the new requirements. Auditors and regulators will need to develop new assurance approaches aligned with INPAS principles, particularly around narrative reporting and fund-based accounting. ICPAK's leadership in training and technical guidance will be crucial in ensuring a smooth transition.

Integrating Sustainability and Accountability: IFRS Meets INPAS

While IFRS S1 and S2 primarily target corporate entities, their ethos of transparency and sustainability resonates strongly with the principles of INPAS. Both frameworks aim to provide stakeholders with comprehensive insights into how organisations create and sustain value over time. For non-profits engaged in social and environmental programmes, sustainability reporting can complement financial reporting by highlighting impact, governance, and long-term viability.

As Kenya implements IFRS S1 and S2, NGOs and social enterprises operating in hybrid models—combining business and development goals—will find increasing convergence between sustainability and accountability frameworks. International donors and development finance institutions are also aligning their funding requirements with sustainability principles, creating opportunities for harmonised disclosure practices across sectors. ICPAK's dual leadership in sustainability and non-profit reporting places Kenya at the forefront of integrated, purpose-driven reporting in Africa.

The adoption of INPAS and the phased implementation of IFRS S1 and S2 mark a transformative era for reporting and compliance in Kenya. For the private sector, sustainability disclosures will become a hallmark of responsible governance and access to global capital. For non-profits, INPAS offers a long-awaited solution to fragmented and inconsistent financial reporting, paving the way for enhanced trust, comparability, and efficiency.

To prepare for these changes, organisations should begin by conducting comprehensive gap assessments of their current reporting frameworks against the new standards.



Auditors and regulators will need to develop new assurance approaches aligned with INPAS principles, particularly around narrative reporting and fund-based accounting. ICPAK's leadership in training and technical guidance will be crucial in ensuring a smooth transition.

They should engage auditors and professional advisers early, review their information systems for compatibility, and build capacity through training and peer learning. Donors and regulators should support this transition by harmonising their reporting requirements with INPAS and IFRS S1/S2 principles.

The Role of ICPAK

ICPAK has demonstrated its strategic role by proactively engaging with global standard setters and its commitment to strengthening professional competence position Kenya as a continental leader in transparent and sustainable financial reporting. As the world embraces greater accountability, ICPAK, Kenya’s private and non-profit sectors stand ready to demonstrate that robust reporting is not merely a compliance exercise but a strategic enabler of trust, resilience, and impact.

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95 Years Strong

How First Assurance is Shaping the Future of Insurance

First Assurance Company Limited is 95 years old. In an industry where trust is everything, that kind of longevity has nothing to do with luck; it's proof of resilience and commitment.

For nearly a century, the company has been a fixture in Kenya's insurance market, with a footprint spanning personal, corporate, and specialized risk coverage. Reaching 95 places it among the country's most enduring financial service players.

But what drives this staying power? **Chief Financial Officer, CPA Reuben Bundi** walks through the mechanics: how data drives decisions, how the company builds future leaders, and why integrity remains the non-negotiable baseline.

He explains how the firm balances regulatory compliance with digital innovation, adapts its product offerings to a younger customer base, and addresses emerging risks like cyber threats and climate change.

This conversation provides a clear view of how the insurer positions itself to remain relevant, resilient, and future-ready as it moves into its next chapter. These insights shed light on the company's forward-looking approach.

What does First Assurance's 95th anniversary represent for you and the organisation?

Reaching 95 years is a significant milestone, especially in an industry built on trust and financial reliability.

For First Assurance, it represents financial resilience and consistent value delivery. The company has operated through decades of economic shifts, regulatory reforms, and shifting customer expectations while



“Reaching 95 years is a significant milestone, especially in an industry built on trust and financial reliability” - CPA Reuben Bundi Chief Financial Officer First Assurance.

maintaining a strong presence in Kenya's insurance sector. That longevity reflects a sustained commitment to protecting clients, partners, and employees while delivering dependable value at every turn.

The anniversary also provides an opportunity to acknowledge the vision of the company's founders, who established a strong foundation for successive leadership teams and employees to build upon. This recognition highlights the founders' foresight and discipline, whose groundwork enabled First Assurance to thrive for generations.

It also reflects trust from customers, employees, and partners. Many clients have engaged with the company for decades, which is evidence of the reliability of its services. Employees, past and present, have contributed to sustaining this legacy through professionalism, innovation, and dedication.

At the same time, the milestone offers an opportunity to reaffirm commitment to innovation and customer-centric growth. As customer expectations change, the company focuses on improving service delivery, expanding digital access, and developing products that address emerging risks, keeping insurance relevant, accessible, and practical.

“Beyond traditional offerings, the company has expanded into contractors' all risk insurance and directors' liability insurance.”

How has your professional journey shaped your leadership at First Assurance?

I began my career with six years at Deloitte, where I developed rigorous accounting discipline and financial insight. That foundation instilled the importance of precision, transparency, and accountability, principles that remain central to my role today.

Over time, my leadership approach has become a blend of accounting discipline and strategic thinking. Finance must support business growth while maintaining strong oversight, balancing technical expertise with an understanding of broader organisational goals.

This requires a focus on transparency, efficiency, and mentorship. Transparent processes build confidence across teams, efficient systems allow employees to perform effectively, and mentorship cultivates capable leaders for the future. I approach my role with a sense of service. You must always aim to leave a place better than you found it.

My career has provided experience across regulatory, risk, and financial management areas and offered a comprehensive view of the industry. This perspective allows me to anticipate challenges, strengthen frameworks, and guide innovation while maintaining robust compliance standards.

Which leadership values guide your decisions as CFO?

Viewing my work as service to the Lord rather than to man transforms how I approach everything I do. It shifts my motivation from seeking approval, recognition, or reward from people to pursuing a higher standard rooted in purpose and calling. In this perspective, my gifts and talents are not just tools for personal success, but offerings—expressions of stewardship and gratitude. Each responsibility, no matter how small, becomes meaningful because it is done with intention and devotion. This mindset cultivates in me a deeper sense of fulfillment and alignment. Work is no longer merely a duty or a means to an end, but a daily practice of purpose—where attitude matters as much as output, and where

serving others reflects a greater commitment to serving God.

Integrity and accountability are at the heart of how I lead. Policyholders trust insurers with their premiums and maintaining that trust means exercising disciplined oversight and ethical judgment. Our financial strength, commitment to customers, timely claims settlement, and responsiveness, often within 48 hours, have kept us in good standing. We've also made insurance payments more manageable through flexible instalment options and maintained a disciplined, customer-focused approach to handling motor and medical claims.

After the COVID-19 pandemic, we introduced affordable retail medical products, adding a new dimension to our offerings. On top of that, most services can now be completed online through our digital platforms, so claimants don't need to come into our offices.

Data-driven decision-making is another key focus for me. Insurance generates vast amounts of information, and when analysed properly, it provides valuable insights into customer behaviour, emerging risks, and operational performance. We track KPIs across departments to measure success and ensure our strategies deliver real results. Using data in this way helps us make decisions that support long-term sustainability.

I focus on empowering teams and nurturing an ethical leadership culture. When employees feel trusted and valued, they take ownership of their work and contribute ideas that strengthen the organisation. I often draw inspiration from The Five Dysfunctions of a Team by Patrick Lencioni, which shows that trust is the foundation for effective teamwork, open debate, accountability, and results-focused collaboration. To keep our culture strong, we track employee performance and development KPIs, ensuring our teams remain high-performing and engaged.

How do you balance regulatory compliance with innovation in finance and insurance?

We start with building strong governance

frameworks that support innovation. Clear policies and controls create a safe environment to explore new ideas while managing risk responsibly.

We are using technology to improve compliance monitoring, including automated reporting systems and analytics that identify potential issues early. These tools strengthen oversight and streamline operations without slowing innovation.

At the same time, we align innovation with risk management and policy standards. Every new product or process undergoes review against regulatory requirements and client value, allowing confident innovation that meets high standards.

What are the proudest achievements in First Assurance's 95-year journey?

Foremost is consistent market presence and customer trust. Maintaining long-term client relationships in a competitive sector demonstrates the reliability and quality of our services.

Equally important is growth in the product portfolio and digital transformation. Beyond traditional offerings, the company has expanded into contractors' all-risks insurance, and directors' liability insurance. Digital platforms now let clients purchase policies online, track claims in real time, and access services remotely, improving convenience and transparency.

We've developed systems in the compliance sandbox that allow us to test new products safely and remain fully compliant. We work closely with the regulator and have an internal innovation committee. Our goal is simple: create solutions that truly help customers. This includes green energy products that are accessible, flexible, and solve real problems, like lost phones. Innovation is ongoing, and we continually research and roll out solutions that meet market needs.

We also celebrate our contribution to the development of Kenya's insurance sector. By adopting IFRS early, pioneering digital solutions, and promoting financial inclusion, First Assurance has influenced industry standards. Corporate social responsibility programs, including free

medical camps, further reinforce our commitment to communities.

How is First Assurance adapting to serve younger, tech-driven customers?

Younger clients expect convenience, speed, and flexibility. We are expanding our digital platforms and mobile accessibility, enabling customers to obtain quotes, purchase policies, and manage claims on the go.

We are also introducing personalised and flexible insurance products, including mobile-first solutions and micro-insurance for small businesses and individuals. These innovations integrate seamlessly into modern, digitally connected lifestyles.

How does customer feedback influence your financial and product strategies?

Customer feedback drives our strategies. We use data and KPI's to spot issues like claims delays or unclear communication, and to track improvements. This feedback informs product development, ensuring affordability, simplicity, and inclusivity. We engage clients through calls, emails, questionnaires, and annual surveys, keeping their perspectives at the heart of everything we do.

What strategic priorities will define the company's growth in the next five years?

Our growth strategy targets expanding market share through innovation, especially in underserved areas like the Coast and among MSMEs and the informal economy. Insurance penetration is still low (at around 2.2% to 2.3% as of H1 2025). We are strengthening our digital and risk management systems, upgrading ICT infrastructure and analytics tools to support personalisation, detect and deter fraud, and gain operational insights. At the same time, we are driving sustainability and efficiency, ensuring growth is responsive, profitable, and aligned with environmental, social, and governance principles.

How is First Assurance managing emerging risks such as cyber threats and climate change?

Emerging risks demand proactive strategies. We are investing in advanced

cyber security infrastructure to safeguard our systems and information.

We are also developing products addressing environmental and societal risks, including livestock insurance solutions for pastoralist communities in partnership with Reinsurance Providers.

In addition, the company is developing adaptive risk frameworks using predictive analytics to anticipate exposures and price coverage appropriately amid emerging risks.

What message would you share with stakeholders as the company enters its next century?

First, we express our gratitude for the long-term trust and partnership of our clients, employees, and partners. They are the foundation of our 95-year journey.

Looking ahead, we remain committed to excellence and innovation, delivering services that stay relevant and effective as the industry continues to advance.

Ultimately, our vision is to promote financial inclusion and leadership in Kenya's insurance future. We intend to make reliable coverage accessible to more individuals, businesses, and communities. This builds on the founders' vision and reinforces First Assurance's long-term legacy.

The Next Chapter

For First Assurance, 95 years is more than a milestone. It is proof that trust endures when leadership remains disciplined, and innovation never stops. With a dedicated leadership team driving strategy and innovation, the company is building on its legacy while embracing digital transformation and addressing emerging risks like cyber threats and climate change.

With a full portfolio covering individual & Family health, motor, travel, professional indemnity, group medical, property, marine, WIBA, and other specialised products for sectors like construction and aviation, First Assurance is ensuring that its next chapter is just as resilient as its first.



First Assurance

Insure · Secure · Assure

Makosa Hufanyika

Be ready for the unexpected

Stay protected with solutions that **keep you moving**



Motor Private Cover	First-Med Cover	Professional Indemnity Cover
<ul style="list-style-type: none"> ✓ Comprehensive ✓ Third Party Fire & Theft 	<ul style="list-style-type: none"> ✓ Inpatient benefit ✓ Outpatient benefit 	<ul style="list-style-type: none"> ✓ Legal defence costs ✓ Compensation cover

Other covers include:

- Home Insurance
- Bima Taasisi
- First- Afya Biashara
- Travel Insurance

Stay Safe and Keep Going



ESG Assurance: The New Test of Corporate Credibility

By Dr. Kasole Wasonga

As companies race to showcase their sustainability credentials, one question is rising to the forefront: *Who verifies that all these environmental and social claims are actually true?*

The growing demand for ESG assurance—independent verification of sustainability information—reflects a broader shift in how society evaluates corporate performance.

For years, sustainability reporting was largely voluntary. Companies could highlight selective achievements, omit inconvenient details, and measure progress using bespoke methods. Without external scrutiny, ESG reporting lacked the rigor expected of financial statements, leaving investors and the public unsure of what to trust.

That era is ending. Regulators around the world are tightening rules and pushing companies to disclose standardized, verifiable sustainability information.

The European Union's new Corporate Sustainability Reporting Directive (CSRD) now requires companies to subject their ESG data to independent assurance, with other jurisdictions moving in the same direction. The message is clear: sustainability reporting must be as reliable as financial reporting.

Market forces are reinforcing this shift. Investors increasingly view climate risks, labour issues, and governance failures as financial risks. Banks and rating agencies, too, depend on trustworthy sustainability information to price risk and allocate capital. Without credible data, markets cannot distinguish meaningful commitments from marketing gloss. Assurance provides that confidence.

This rising demand is reshaping the assurance profession. Traditional auditors are expanding into ESG services, often collaborating with environmental scientists, engineers, and human-rights experts. Sustainability data is complex, often non-financial, and

spans everything from carbon emissions to supply-chain ethics. Assuring it requires more than accounting expertise demands multidisciplinary scrutiny.

Inside companies, governance is evolving as well. Boards are assuming greater oversight of ESG disclosures, and internal auditors are testing the systems and controls behind sustainability metrics. ESG assurance is no longer an add-on; it is becoming integral to risk management and strategic decision-making.

Ultimately, ESG assurance is about trust. As stakeholders grow more skeptical of corporate sustainability claims, independent verification offers a crucial safeguard. Companies that embrace assurance earn credibility. Those that resist risk being left behind in a market that increasingly rewards transparency and accountability.

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How to Achieve Effective Corporate Leadership and Good Governance In Today's Business Dynamics

By CPA Boaz Kinara

Most business establishments that command the commercial space today wouldn't have occupied that coveted position without agile and transformative leaders at the helm.

Since their infancy, successful business empires are usually guided by the need to tap seasoned talent and tact from the job market to navigate the turbulent business environment. To that end, it goes without saying that such entities are usually keen to incorporate the core values and principles of corporate governance alongside having skilled personnel in the driving seat.

It is noteworthy that since the advent of the Industrial Revolution in the 18th and 19th centuries, the ground has shifted significantly, with even more interest and scrutiny of those charged

with governance. To lend credence to this assertion, a brief look back at what transpired on the leadership stage during the industrial revolution, vis-à-vis what is demanded of a corporate leader in today's fast-paced business environment, would suffice.

The industrial revolution is often divided into two: the First Industrial Revolution lasted from the mid-18th century to about 1830 and was centred in Britain. The second Industrial Revolution lasted from the mid-19th century until the early 20th century, spreading to continental Europe, North America, and Japan. The third and fourth industrial revolutions feature a unique spectrum of technological advancements that will be discussed later on. As earlier stated, it's notable that most multinational corporations that control global markets in various

sectors today mushroomed from the muddy waters of limited technology and skilled labour that bogged down most start-ups during the Great Industrial Revolution.

Therefore, to draw concrete conclusions, it's imperative to retrospectively examine the historical dynamics of corporate leadership, which have, over time, shaped the concept of effective leadership that most firms seek in today's economy. This begs the following questions, which this article seeks to address: How was leadership then? How has it evolved? What opportunities does it present in today's business environment? What needs to be done as we head into the future, which abounds with endless risks and uncertainties?

The First Industrial Revolution was decisive in transitioning from traditional manual production to a machine- and

mechanised-labour system. An essential feature of the first Industrial Revolution was the mechanisation of industries and the introduction of steam power to replace manual labour (Broadberry et al., 2011; Clark, 2010). The factory system replaced artisanal production and shaped mass production and standardisation. This replacement led to the development of transportation infrastructure, including railroads and steamships, thus facilitating trade and transportation.

The period of the First Industrial Revolution was defined by centralised management and autocracy, where

strategic decision-making was simplified and concentrated in the hands of rulers.

The main emphasis in management under an autocratic leadership style was the organisation of the workforce, the mechanisation of production, and the management of large factories. Leaders, often owners, had absolute power over decision-making. The task was to ensure the effective functioning of mass production. In this context, the autocratic management style proved effective and appropriate to the era's requirements. Leadership focused on ensuring standardisation, efficient resource use, and increased productivity through top-down control.

The Second Industrial Revolution was marked by the widespread adoption of electrification and new energy sources, such as oil and gas, which revolutionised manufacturing processes and methods. In this period, new forms of transportation emerged, including automobiles and aeroplanes, which expanded the scope of trade. Around the world, industries became more mechanised and automated, and mass production became even more critical. This period was also characterised by the emergence of large monopolies and conglomerates, leading to the need to regulate markets and corporate activities.

Organisational leadership in this period needed effective management of large corporations that emerged, which led to the development of transactional leadership and strategic management. The primary focus of business leaders was on transactional relations between managers and subordinates, mainly to control the production process, standardise, and optimise activities.

The Third Industrial Revolution defined the second half of the 20th century. The main characteristics of this period were automation and the use of electronics, which led to increased automation of production and the development of new technologies such as computers

and information systems. In this period, transformational leadership stimulated employees' creativity and personal development. Transformational leaders in this period began to emphasise the personal development of subordinates and the stimulation of staff creativity. Instead of focusing on control and standardisation, transformational leaders prioritised developing their teams' potential, promoting personal growth, and creating conditions for the expression of creative initiative.

The Fourth Industrial Revolution represents the current period of technological and production innovation. The main features of this stage are high-tech automation and increased interaction among digital technologies, artificial intelligence, and actual production. Currently, we have the Internet of Things (IoT), real-time data processing, sophisticated software and applications for running business operations, large-scale analytics, and enhanced interaction between humans and machines.

In these modern times, we also have a young and aggressive generation christened as Gen-Z, a demographic cohort born roughly between the mid-1990s and early 2010s, succeeding the Millennials. Their approach to thorny issues is often defined by their signature fiery character. They will, at the slightest provocation and without hesitation, speak truth to power with little or no regard to the brutal response that's often meted out to politically dissenting voices in many countries around the world.

A case in point is the recent youth-led uprising that toppled the government in Nepal. They are always ready to ruffle the feathers of the political elite whenever they feel their country lacks political will to fix thorny issues like runaway corruption and bad leadership - even if it means putting their lives on the line. But one thing that sets them apart is their tech-savvy nature. They

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are recognised as “digital natives” who grew up with the internet, smartphones, and social media. Nevertheless, this generation is known for being pragmatic about work, valuing diversity and inclusion, and having a strong focus on mental health and well-being – a trait that today’s leaders can harness to boost productivity.

From the foregoing analysis of leadership evolution, corporate leaders are presented with a wide

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But one thing that sets them apart is their tech-savvy nature. They are recognised as “digital natives” who grew up with the internet, smartphones, and social media. Nevertheless, this generation is known for being pragmatic about work, valuing diversity and inclusion, and having a strong focus on mental health and well-being – a trait that today’s leaders can harness to boost productivity.

array of opportunities from good corporate governance, which include: enhanced access to capital and investor confidence, improved risk mitigation and operational efficiency, strengthened reputation and stakeholder trust, better decision-making, increased staff retention, and alignment with regulatory compliance and sustainability goals. These benefits foster innovation, productivity, and long-term growth, contributing to broader economic dynamism.

In summary, the evolution of the concept of leadership culminates in the following principles of corporate governance that entities can implement in their systems:

- **Accountability:** The board and management are accountable to shareholders and other stakeholders for their actions and decisions, ensuring they serve everyone’s best interests.
- **Transparency:** Information about the company’s operations, finances, and decision-making processes should be clear, open, and disclosed in a timely manner.
- **Fairness:** All stakeholders, including shareholders, employees, customers, and the community, should be treated equally and equitably, with their interests balanced.
- **Responsibility:** The board and management have a duty to act ethically and in the best interests of the company and its stakeholders, and to adhere to legal and ethical standards.
- **Independence:** Board members should be able to make objective and impartial decisions without being unduly influenced by personal interests or external pressures.
- **Risk Management:** A crucial element is the effective monitoring

and management of risks, ensuring potential challenges are identified and mitigated.

- **Shareholder Rights:** Effective governance protects shareholders’ rights and promotes equitable treatment.
- **Stakeholder Engagement:** Encouraging and considering the interests of all stakeholders, not just shareholders, is vital for long-term success and sustainability

The upshot is that, in today’s environment, the importance of empathy and the ability to understand staff’s needs and expectations comes to the fore. In contrast to the First Industrial Revolution, where subordinate staff played second fiddle, transformative leaders in the current industrial revolution understand that human capital is a significant asset, and the ability to empathise plays a critical role in interacting with a team.

Empathetic leaders actively listen to their employees, consider their needs, and take into account the personal and professional aspects of their lives. They strive to create working conditions that promote self-expression and creativity, essential elements of any successful business in today’s competitive commercial landscape!

Boaz Kinara is an Internal Auditor at Kencream Sacco, bringing over ten years of experience in audit, accounting, and finance to the role. He has worked with various organisations across the sector since earning his Bachelor of Commerce (Finance) degree and CPA (K) certification from KCA University. Beyond his core responsibilities, Boaz actively contributes to corporate affairs through experience sharing and knowledge transfer.

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Auditing Beyond Numbers in the Modern Environment

By: CPA Maroa Julius Mwita

Since history, most audits have concentrated on numbers since they form the main components in the financial statements and through the financial statements the financial health of a company is easily measured.

This sounds a great idea but with the current trends where cyber security issues, climate related issues among other operational issues are knocking in from time to time, it's a signal that modern audits should be much broader, risk-based, and include qualitative aspects. Writing an audit report off qualitative aspects is not feasible because in any audit mostly for external audits, the audit's goal is to provide a "true and fair" view of an entity, and for internal audits is to provide assurance on various aspects ranging from internal controls, compliance, risk management, fraud which cannot be achieved solely through numerical data. Whereas quantitative data (numbers) shows *what* happened, qualitative aspects—such as management behavior, corporate structure, organizational system, control environments, and compliance culture—explain *why* it happened, providing the context necessary behind the numbers for stakeholders to make informed decisions. This means that when the condition is pointed out but the cause is silent then an organization may remain financially ill for long.



Example

The department XYZ had issued a total of Kshs. 5,400,000 as imprests for various purposes out of which only a total of Kshs. 2,100,000 had been accounted for leaving Kshs. 3,300,000 unaccounted despite the lapse of the activity timelines.

From these we can easily tell that the quantitative aspect (What) is

clear but the qualitative (why) aspect has not been addressed and if this reported to management and finally to responsible committees like internal audit committee it will be hard to diagnose the problem faster since many aspects could contribute to the delay in accounting ranging from management culture of not to account, holding several imprests at a time, etc.

It's worth noting that there are several qualitative factors that are silently killing businesses and the entities that are not uniquely being mentioned by various audit reports including;



It worth noting that overreliance on documents won't give much on the true picture of the company and that's why you find a company having a negative working capital but still surviving in business and one wonders why. This calls for another aspects that is continuously being ignored called interviews. An audit is not conclusive without interviews why? The answer is, in most cases documents give information but interviews reveal the reality which can unlock a major milestone which may call for review of audit scope, methodologies etc.

1. Leadership and Management Failures

- **Weak Leadership & Incompetence:** The top cause of failure, where leaders lack the skills to navigate crisis, fail to delegate, leading to operational bottlenecks and eventually the competitive advantage is eroded.
- **Founder Syndrome/Management Bandwidth Collapse:** The business grows beyond the owner's personal capacity to manage it, causing decision-making to slow down, errors to rise, and the owner to burn out.
- **Reactive Management Attitude:** Failing to proactively anticipate market changes, technology shifts, or competition, resulting in blames rather than strategic planning.

2. Strategic and Market Failures

- **Creating of a product without conducting a customer needs assessment.** Creating products or services that customers do not actually want, need, or understand. This is a primary killer of startups.
- **Poor Strategic Alignment of Technology:** Adopting each and every new technology without understanding the need and whether the technology aligns with the goals of the business or organization
- **Adaptability issues:** Failure to shift swiftly with changing consumer behaviors, technological disruption, or market shifts.

3. Operational and Organizational Failures

- **Lack of Systems and Structure:** The absence of standardized, repeatable processes means the business cannot run efficiently without constant di-

rect supervision, leading to inconsistent quality.

- **Over expansion / Rapid Scaling:** Growing too quickly without the need to, which strains operational capacity, breaks supply chains, and results in poor customer service.
 - **Weak Internal Controls & Fraud:** Internal theft and embezzlement, often enabled by a lack of proper accounting, inventory tracking, and oversight.
- ### 4. Reputation and Ethical Failures
- **Reputation Damage & Low Trust:** A bad reputation, often stemming from poor customer service, public scandals, or unethical behavior, can cause a rapid decline in customer loyalty.
 - **Ethical Lapses & Governance Failures:** Fraud, corruption, or conflict of interest by directors and management that destroys investor confidence and invites legal penalties.
 - **Customer Service Failures:** Ignoring complaints and failing to maintain customer relationships, thus making customers shift from one brand to another especially in the telecommunication industry, banking industry and hotel industry
- ### 5. External and Environmental Factors
- **Existence of Geopolitical & Regulatory Instability:** Unstable political environments, continuous policy changes e.g. on taxation, or excessive, unpredictable regulations that disrupt operations.
 - **Continuous Cybersecurity Attacks:** Increasing, sophisticated cyberattacks (ransomware, data

breaches) that can paralyze operations, particularly as criminals use AI to identify vulnerabilities.

- **Overreliance on a Few Customers/Suppliers:** Relying on a single

Remember in our line as auditors our reports should win public confidence in that they should be clearer with no need of a third-party interpretation meaning it should always reflect in one's mind- so that's how the situation is and not what is the auditor trying to mean. The auditor, the intended user and the responsible party should always understand the reports in terms of evaluating the subject matters covered and there raising a quantitative finding should go hand in hand with a qualitative statement addressing the WHY aspects for quick decision. Therefore, the relationship between the three parties should be viewed in the context of each audit.

client for the majority of revenue, which leaves the business in limbo when the customer exits.

6. **Poor financial planning-**Most entities have huge budgets that cannot be supported in terms of how they will be financed thus making many activities going without being implemented due to liquidity issues.

It worth noting that overreliance on documents won't give much on the true picture of the company and that's why you find a company having a negative working capital but still surviving in business and one wonders why. This calls for another aspects that is continuously being ignored called *interviews*. An audit is not conclusive without interviews why? The answer is, in most cases documents give information but interviews reveal the reality which can unlock a major milestone which may call for review of audit scope, methodologies etc.

Example

On review of the policies governing revenue collection, ICT, asset management and employee welfare to ascertain compliance level in company BNA, we confirmed that all policies were in place as per our checklist and were being implemented accordingly. A case in point is the use of revenue policy that has seen the company collect Kshs.However, on interviewing the top management on the level of understandability of the policies we confirmed that that 2 out of 5 top level managers were not aware of some policies whereas 1 out of 5 could not tell revenue raising measures as per the policy within their department thus pointing a management gap.

From this, the auditor gave a positive attribute to the company management on policies development but

additionally he went further to test the understandability where a management gap was revealed that as much as we may be collecting revenue or our policies are working some people may not be aware of them as it could be a one person's document from requisition to development and it would be prudent to interview officers at different cadres and their level of involvement in policy development process.

Remember in our line as auditors our reports should win public confidence in that they should be clearer with no need of a third-party interpretation meaning it should always reflect in one's mind- **so that's how the situation is and not what is the auditor trying to mean.** The auditor, the intended user and the responsible party should always understand the reports in terms of evaluating the subject matters covered and there raising a quantitative finding should go hand in hand with a qualitative statement addressing the WHY aspects for quick decision. Therefore, the relationship between the three parties should be viewed in the context of each audit.

Others factors like internal control weaknesses should clearly be pointed out. Qualitative evidence is also crucial for evaluating internal audit effectiveness, particularly in assessing areas like governance, organizational culture, risk management. Unlike quantitative data, which is easily measurable (e.g., number of audits completed), qualitative evidence is derived from methods such as interviews, focus groups, and surveys, providing depth to performance assessments.

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Davis and Shirliff at 80: Grit, Growth, and Green Energy

From three branches to a continental platform - how Davis & Shirliff built Africa's most trusted water and energy brand - D&S Group CEO, CPA George Mbugua on the strategy behind Africa's water and energy champion.

Congratulations to Davis & Shirliff on 80 years of improving lives across Africa. What began as a small Kenyan operation has become one of the continent's most durable water and energy enterprises.

Founded in Kenya in 1946, the company has grown from a small operation in Westlands into a regional water and energy champion, operating over 110 outlets across ten countries. A pioneer of solar pumping for more than two decades and now embedding IoT and AI into its solutions, D&S has built the Dayliff brand into a byword for dependability, while its #ImprovingLives initiative has reached over 1.7 million beneficiaries.

To understand the discipline, values, and long-term strategy behind this longevity, we spoke to Group CEO, CPA George Mbugua, a 30-year veteran of the company, on leadership, growth, and the road to D&S' centenary.

Q&A:

You served as the Group CFO for over 25 years before becoming the CEO in 2022. How did your background in financial discipline and information management prepare you to lead a technical engineering giant like Davis & Shirliff?

I joined Davis & Shirliff in 1996 as Chief Accountant, just as the company began regional expansion into Uganda and accelerated expansion of its Kenyan branch network. These developments required robust operational and reporting systems, including a fully integrated ERP and strong internal controls. My background in external and internal audit had equipped me to support these objectives. Rising to CFO, I oversaw Finance, ICT, and Internal Audit, gaining hands-on experience across key business processes and participating in strategy formulation. These roles, along with continuous personal development, prepared me for the CEO responsibility.

Having been with the company for nearly three decades, what is the single most significant change you have witnessed in the "Corporate DNA" of D&S since you first joined?

D&S' core DNA hasn't changed in 30 years; its consistency has enabled growth and adaptation. When I joined, there were just three Kenyan branches. Now, there are over 110 outlets in 10 countries. The main shift has been decentralization - empowering local Business Unit leaders to manage teams and resources effectively, driving growth across diverse markets.



CPA George Mbugua

Group Chief Executive Officer - Davis and Shirliff Group

You took over the mantle during a period of global economic recovery. What was your immediate priority in your first 100 days to ensure the Group stayed on its upward trajectory?

I stepped into this role in mid-2022, during a period of high inflation, currency shortages, and a weak Kenyan shilling. Liquidity shortages and reduced government spending disrupted business in many markets. My initial priority was to energise the teams, especially middle managers, who drive the company's performance. We launched a Groupwide mentorship program led by senior executives and rolled out a detailed Business Development plan to increase engagement with customer groups. This mentorship evolved into a coaching program where Business Unit managers coach their teams to raise productivity and contribute to results.

We also accelerated digital platform development, rolling out tools for trade customers - now the preferred channel for larger clients. These initiatives helped the Group capture more market opportunities during challenging times.

Working alongside the Group Chairman, Alec Davis, has been a core part of your journey. What is the most valuable leadership lesson you have learned from him that you now pass on to the next generation of D&S leaders?

Group Chairman Alec Davis' leadership has driven the business's growth. The most valuable lessons: stay true to purpose and values, treat stakeholders fairly, and avoid bad business. His mantra - 'no business is better than bad business' - remains my guide. Continuous improvement will help future leaders drive the company higher.

Very few indigenous Kenyan companies reach their 80th anniversary. To what do you attribute the “staying power” of Davis & Shirliff in a market that has seen many competitors come and go?

D&S’ staying power comes from its values: Integrity, Quality, and Altiora Peto -“I seek Higher Things.” Each business unit sets annual objectives, ensuring the continuous development of resources, systems, products, sales, and people. This approach enables D&S to adapt, maintain quality, and build a trusted brand. Product expansion includes solar pumping, irrigation, chemicals, and digital engineering. Solar has evolved from an alternative to a strategic necessity, as customers seek cost management and sustainability. Longevity depends on spotting and adapting to opportunities, which D&S does well.

D&S now operates in over 10 countries. Which of these markets has surprised you the most in terms of growth potential, and what are the plans for further continental expansion?

The Group operates in 10 countries across Eastern Africa. Kenya is the largest contributor to revenue, but Zambia, despite its lower population size, has outperformed Uganda and Tanzania. Early market entry and strong local leadership have driven Davis and Shirliff’s success in Zambia. The Group continues to focus on a logical expansion into the remaining parts of Africa and will adopt suitable models for doing so.

The inauguration of the Tatu Distribution Centre was a massive investment. How has this centralised hub revolutionised your supply chain and distribution efficiency across the region?

D&S has long used a central-stocking model in Nairobi. The opening of the Tatu Distribution Centre about five years ago expanded warehousing capacity and improved operational processes, enabling faster order fulfillment, better inventory management, and more efficient logistics. This has optimised use of working capital and boosted business performance.

You have mentioned that solar is no longer an “alternative” but a “strategic necessity.” How is D&S

positioned to help industries and households navigate the rising costs of grid electricity through renewable integration?

The solar industry is fast-evolving. D&S, with 25 years’ experience, has built strong technical capacity in designing and installing solar solutions. Adoption has surged, with solar now used for new projects and retrofits, cutting costs and ensuring sustainability. D&S’ installations, including a 1.2MW project, help beneficiaries access affordable, reliable power. The company continues to strengthen its solar capabilities.

Dayliff has grown from a range of pool chemicals to a comprehensive brand of pumps and solar equipment. What is the strategy for ensuring Dayliff remains the “default brand” for water and energy in Africa?

In 30 years, Dayliff has expanded from pool chemicals to a full range of pumps and solar equipment. Consistent promotion, strong warranties, and after-sales support have built trust and shifted perceptions from “expensive” to “dependable.” The brand’s unique, accessible solutions underpin the Group’s strategy for regional growth and market leadership.

Given that Africa is one of the most affected regions by climate change, how is D&S innovating its product range to provide “climate-resilient” water management for ASAL (Arid and Semi-Arid Lands) regions?

ASAL regions lack infrastructure but have strong solar potential. D&S improves water management there through solar-powered pumping and water treatment. By partnering with communities and organisations, the company delivers innovative, efficient, and affordable solutions - like converting hand-pump installations to solar systems.

Your CSR (and ESG) impact has reached over 1.7 million beneficiaries. How do you balance the commercial goals of the Group with the social mission of providing clean water to the most vulnerable?

The company’s purpose is clear: “To Improve Lives by Providing Water and Energy Solutions Across Africa.” Our #ImprovingLives initiative brings

this to life, providing solutions to communities in need. Dedicated teams and partnerships with organisations like Britam and Safaricom Foundations help us reach more beneficiaries. Each business unit runs at least one CSR activity annually, and staff engagement is high, which is evident in the formation of a corporate Rotary Club by our staff.

As you look toward the next decade, how do you see the “Internet of Things” (IoT) and AI influencing the way Davis & Shirliff designs water and energy systems?

IoT is central to D&S’s digital transformation. Our iDayliff platform enables remote equipment monitoring and proactive maintenance, driving efficiencies and data insights. The Digital Engineering Segment integrates building and infrastructure management for customers. We are also introducing AI to make these systems smarter and more efficient, requiring minimal human intervention.

The Engineering Division is relocating to a new centre in Tatu to expand expertise and collaborate with research institutions. IoT and AI will be key to providing localised solutions for Africa’s water and energy needs.

As you celebrate 80 years, what is your ultimate vision for Davis & Shirliff when it hits its 100th anniversary? What legacy do you hope to leave behind as the CEO who led the Group through its 8th decade?

I’m grateful to have contributed to the Group’s growth over the past 30 years. While much has been achieved, more remains to be done. By the 100th anniversary, the aim is to have achieved significant Pan-African expansion, entering new markets across the continent.

I hope the next generation of management builds on the current momentum, making Dayliff the leading brand for water and energy solutions in Africa. Greater digital adoption will keep the company relevant with emerging customer bases. Sustained focus on our core values and employee engagement will drive further growth and strong stakeholder relationships.

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Transformation of Audit and Assurance Landscape

By Phares Chege and Daniel Njogu

The emergence of unanticipated technological changes has significantly increased the degree of error in forecasting models and human imaginations about the future.

It has also brought a sort of equity, as now we are all drifting through murky waters in the perspective of what the future holds. The development of blockchain, generative Artificial Intelligence (AI) tools and quantum computer has redefined our day-to-day lives. AI technologies have been integrated into devices we are using making them more responsive and capable of interacting in ways that feels helpful and natural.

This article proposes deconstructing fallacies around AI on business

processes and continuity. According to ISO/IEC 22989:2020, AI is the capability to acquire, process, create and apply knowledge held in the form of a model to perform tasks. AI applications are revolutionizing business operations through innovation and processes optimization. Machine learning and deep learning have drastically created a paradigm shift in almost every economic sector. As AI grows exponentially, there are deep concerns about privacy, inequality, bias, safety and security. There is also concerns on transparency and fairness in AI algorithmic processing. The risks and complexity of AI call for robust governance mechanisms and frameworks to guide businesses on sustainable adoption and management of AI technologies.

Organizations are walking a tightrope between embracing AI models opportunities and related risk exposures. As AI innovations are disrupting business, audit processes and methodologies are expected respond to changing business needs. Internal audit just like the business will be required to leverage technology by being agile and innovative to be in position to redefine new ways of doing business. For a harmonized growth and management of AI associated technologies, governance and regulatory guidelines need to keep up the speed. The future auditor should continuously learn or upskill to keep abreast of new trends and standards in order to help businesses derive maximum value from the use of AI.

Internal audit has changed from the

tradition practices where the auditor would wait for the business to explore, acquire and adopt technologies then evaluate compliance to internal controls and regulations later. The internal audit of the future will have to walk with the business in every stage of acquisition, implementation and operationalization of new technologies for timely if not real-time assurance of effective controls and legal compliance. This will promote provision of proactive insights and enhance organization's resilience to navigate dynamic risk landscape.

There is a gap in the practical integration of AI with the existing cybersecurity frameworks like National Institute of Standards and Technology Cybersecurity Framework (NIST-CSF) and The International Organization for Standardization (ISO) especially in e-commerce sector (Obisesan, S. M., 2024). The traditional risk management approaches and business continuity planning are becoming obsolete as quickly as the threats they are designed to address. Dynamic business environment has led to adoption of antifragile approach in risk management. The traditional risk management focused on threat mitigation, emphasized protection, reduced uncertainty and values stability while antifragile risk management identifies growth opportunities, encourages controlled exposure, embraces uncertainty and values adaptation. The technology-driven risk landscape has led to redesigning of risk approaches from Volatile, Uncertain, Complex and Ambiguity (VUCA) to Brittle, Anxiety, Non-linearity and Incomprehensible (BANI). The approach underscore the importance of organizations to adapt proactively to disruptions by integrating strategic foresight with operational adaptability. Risk management and business continuity plan should be integrated in order to leverage their benefits in creation of comprehensive strategy for actualization of preparedness and effective response. The following depict the difference between traditional business continuity, organizational resilient and antifragility approaches in managing disruption:

Traditional Business Continuity	Organization Resilience	Antifragility
Emphasis on maintaining critical functions	Focuses on adaption to changing conditions	Gains from disorder
Strives to return to normal operations	Maintain core capabilities	Improves through stress
Focuses on survival through disruption	Aims at returning stronger after disruption	Transforms challenges into advantages
Relies on a predefines response plan	Develops agile response capabilities	Creates opportunity from uncertainty

Misconceptions are like old habits, they are great until it is time to switch gears. AI is not competing but collaborating with the existing audit processes to enhance performance. It is helping auditors in handling and evaluating big data. Unprecedented AI applications autonomous ability in testing entire population is empowering auditors to provide accurate findings that will enable organizations thrive amid multifaceted disruptions. Machine learning models are helping auditors to be efficient and effective in risk assessment by integrating insights from internal and external data sources. AI is also automating routine tasks like extraction of data, reconciliation and document classification. These has enabled auditors to focus on complex judgment-based areas. Natural Language Processing (NLP) has enabled auditors to analyse unstructured data for key insights such as emails, contracts and invoices. AI models support prescriptive and predictive analytics, enhancing quality of decisions while promoting professional scepticism. The technology advancement can be collaborated with the Five P's of Internal Auditors, that is, purpose, people, process, progress and performance to guide in empowering teams and promoting audits that are aligning with strategic business goals.

The standards and frameworks guiding audit profession emphasis on the need of adopting technology in auditing. In an effort to meet better evolving business needs, Internal Audit profession through International Internal Audit Standards Board replaced International Standards Professional Practice of

Internal Auditing with Global Internal Audit Standards (GIAS). To ensure professional uniformity and consistency with PFM Act 2012 and International Standards, the Public Sector Accounting Standards Board (PSASB) updated internal audit guidelines. Section 194 of the PFMA, 2012, mandates PSASB to prescribe Internal Audit procedures. The revised International Standards for the Professional Practice of Internal Auditing (IPPF) 2024 includes GIAS, topical requirements and Global guidance. In performance of their responsibilities, internal auditors must possess sufficient knowledge, skills and competencies in technology-based audit techniques, and information technology risks and controls (IIA Standard 1210.A3, & 2010). The internal audit is also required to evaluate the effectiveness and efficiency of controls, including Information Technology control on automated processes (IIA Standard 2130). Rapid uptake of AI has made ISO/IEC 42001 an integral part of institutions by guiding on safety and efficient utilization of AI for maximum derivation of value. Auditors also leverage on frameworks like Control Objectives for Information and Related Technologies (COBIT), NIST Cybersecurity Framework, ISO 27001 (standards on information security) and ISO 31000 (standards in risk management) in mapping their reviews. To maximise utilization of AI in auditing, Institutions are encouraged to embed AI in providing services by:

1. Encouraging staff to train on AI self-training and organised trainings.

2. Deliberate steps on research and benchmarking with other entities.
3. Encourage the use of AI in audit work and proposals on innovative ideas using AI to improve processes.
4. Participation in taskforces on AI related projects.

Great power calls for great responsibility, nations globally have been losing revenue through tax evasion. The traditional tax enforcement mechanisms have been rendered inefficient by complexity and sophistication of modern financial systems that span across several jurisdictions. Kenya Revenue Authority has made steps towards embracing technology in its operation.



Great power calls for great responsibility, nations globally have been losing revenue through tax evasion. The traditional tax enforcement mechanisms have been rendered inefficient by complexity and sophistication of modern financial systems that span across several jurisdictions. Kenya Revenue Authority has made steps towards embracing technology in its operation. There are efforts that have been made in implementing technologies like blockchain supported processes in tax administration and data analytics.

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Tax administrations like Australia, United States and India have embedded AI technologies on language processing and predictive analytics (Rawanda, Nisa et.al, 2025). China has employed AI systems in provision of real-time analysis on financial transactions. This enables proactive enforcement by providing insights on potential tax evasion cases.

Developing countries are facing infrastructure and regulatory barriers in accessing data and integration of AI in their tax systems (Aggarwal, 2024). AI helps in streamlining data processing and enhance precision of decisions on fraud detection and tax audits. It enables creation of robust risk models and scores by inclusion of additional data and variables. The predictive capability helps in ensuring proactive measures are designed to counter forecasted tax non-

compliance cases before they manifest (Yalamati, 2024). Cooperation between tax administrations in integration of AI tools with international tax systems will be important in improving international tax fairness and curbing tax evasion (OECD, 2020). This will also help in enforcing global Anti-money Laundering and Counter Terrorism Financing (AML/CFT) policies.

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Youth at the Crossroads

Redefining Accounting, Risk, And Value in An Era of ESG And Geopolitical Uncertainty

By CPA Meshack Mutinda Mulei

A Generation Entering a Complex Financial World the global accounting profession is undergoing a profound transformation.

At the center of this shift is a generation of young professionals entering a landscape shaped not only by financial reporting standards but also by environmental, social, and governance (ESG) imperatives, rapid technological disruption, and intensifying geopolitical instability.

For youth in accounting, auditing, tax, and risk management, the profession is no longer confined to compliance and historical reporting. Instead, it is increasingly defined by forward-looking risk assessment, sustainability reporting, and strategic advisory roles.

This transformation is happening against a backdrop of global uncertainty. From climate change to conflicts such as the ongoing tensions involving Iran, the United States, and Israel, the global

economy is experiencing shocks that demand new competencies. For young professionals, this is both a challenge and an unprecedented opportunity to redefine value creation.

The Youth Employment Landscape: Opportunity Amid Structural Gaps

Globally, youth employment has shown signs of recovery following the COVID-19 pandemic. According to the International Labour Organization (ILO), approximately 64.9 million young people (aged 15–24) were unemployed in 2023, representing a global youth unemployment rate of 13%—the lowest in 15 years.

However, beneath this improvement lies a more complex reality. Nearly one-fifth of young people globally are not in employment, education, or training (NEET), and many of those employed are engaged in informal or insecure work. This is particularly relevant in developing economies, including Kenya, where the accounting profession continues to expand but is increasingly competitive.

A key issue is the skills mismatch. The World Economic Forum highlights that the gap between academic qualifications and market-required skills—particularly in digital technologies, AI, and sustainability—is a major barrier to youth employment.

For the accounting profession, this signals a shift in expectations: technical accounting knowledge alone is no longer sufficient. Young professionals must now combine financial expertise with data analytics, ESG literacy, and strategic thinking.

The Rise of ESG: From Compliance to Core Strategy

Environmental, Social, and Governance (ESG) considerations have rapidly moved from peripheral concerns to central pillars of corporate strategy. This shift has significant implications for accountants and auditors, especially those entering the profession.

Recent data indicates that 77% of organizations report increased customer loyalty due to sustainability

initiatives, while 63% have experienced revenue growth linked to ESG strategies. Additionally, the global green technology and sustainability market is projected to exceed USD 105 billion by 2032, growing at a compound annual growth rate of 22.4%.

From a professional standpoint, ESG is redefining the scope of accounting work in several ways:

- Sustainability Reporting - Integration of financial and non-financial metrics.
- Assurance Services - Verification of ESG disclosures and impact metrics.
- Tax Strategy - Alignment with green incentives and carbon pricing frameworks.
- Risk Management - Identification of climate and social risks as financial risks.

Moreover, ESG is no longer just about environmental compliance. According to the Thomson Reuters Institute, corporate governance has

gained renewed importance due to AI adoption, geopolitical complexity, and regulatory pressures. This highlights the interconnectedness of ESG with broader risk and governance frameworks.

Youth and ESG: A Generation Driving Accountability

Young professionals are not passive participants in this transformation—they are actively shaping it. A KPMG global survey found that 66% of young professionals feel responsible for driving ESG impact, yet only 10% feel empowered to act within their organizations.

This disconnect presents both a risk and an opportunity:

- Risk - Organizations may fail to harness the innovative potential of young professionals.
- Opportunity - Firms that empower youth can gain a competitive advantage in sustainability transformation.

Furthermore, ESG considerations are increasingly influencing career choices. Nearly 48% of young professionals would consider leaving an organization that lacks a strong sustainability commitment.

This has direct implications for accounting firms and corporate finance teams. Talent retention is no longer solely about compensation—it is about purpose, impact, and alignment with global sustainability goals.

Geopolitical Uncertainty: Expanding the Risk Landscape

While ESG is shaping the future, geopolitical instability is reshaping the present. Conflicts such as the ongoing tensions involving Iran, Israel, and the United States have far-reaching economic implications, including:

- Volatility in global oil prices
- Disruptions in supply chains
- Currency fluctuations
- Increased sovereign and credit risks

For accountants and risk professionals, this introduces new dimensions of uncertainty. Traditional financial

risk models must now incorporate geopolitical risk factors, scenario analysis, and stress testing.

The World Bank reports that global external debt in low- and middle-income countries reached a record USD 8.9 trillion in 2024, with rising interest payments straining fiscal space. Such macroeconomic pressures are often exacerbated by geopolitical instability.

Young professionals entering the field must therefore develop competencies in:

- Macroeconomic analysis
- Geopolitical risk assessment
- Scenario-based financial modelling

This is particularly relevant for African economies, where external shocks can significantly impact exchange rates, inflation, and public debt sustainability.

Digital Transformation and the Future of Work

Another defining feature of the modern accounting landscape is digital transformation. Technologies such as artificial intelligence, blockchain, and cloud computing are reshaping traditional roles.

According to the World Economic Forum, 75% of companies are adopting technologies such as big data, cloud computing, and AI. These technologies are not only automating routine tasks but also enabling more sophisticated analysis and decision-making.

For young accountants, this means:

- Routine bookkeeping and compliance tasks are increasingly automated.
- Value is shifting toward advisory roles, including data-driven insights and strategic planning.
- Continuous learning is essential to remain relevant.

Importantly, digital tools are also enhancing ESG reporting. Technologies such as blockchain are improving transparency and accountability, with some estimates suggesting a 25% improvement in ESG data transparency through decentralized systems.

“From climate change to conflicts such as the ongoing tensions involving Iran, the United States, and Israel, the global economy is experiencing shocks that demand new competencies. For young professionals, this is both a challenge and an unprecedented opportunity to redefine value creation.”

The African Context: Youth, Sustainability, and Opportunity

Africa is home to the world’s youngest population, presenting both challenges and opportunities. The continent is experiencing what has been termed a “youthquake,” with a rapidly growing young workforce.

At the same time, Africa faces significant challenges, including:

- High levels of informal employment
- Climate vulnerability
- Limited access to capital

However, these challenges also create opportunities for innovation. Young professionals in accounting and finance can play a critical role in:

- Supporting green financing initiatives
- Enhancing public financial management
- Strengthening corporate governance frameworks

In Kenya, institutions such as ICPAK have a crucial role to play in equipping young professionals with the skills needed to navigate this evolving landscape.

Reimagining the Role of the Accountant

The traditional image of the accountant as a record-keeper is rapidly becoming obsolete. Today’s accountant is:

- **A strategic advisor**
- **A risk manager**
- **A sustainability champion**
- **A data analyst**

For young professionals, this requires a shift in mindset. Success in the profession will depend on the ability to:

1. **Integrate Financial and Non-Financial Data**
Understanding how ESG factors impact financial performance.
2. **Adopt a Global Perspective**
Recognizing the interconnectedness of economies and risks.

3. **Embrace Technology**
Leveraging digital tools for efficiency and insight.
4. **Champion Ethical Leadership**
Upholding integrity in an increasingly complex environment.

A Defining Moment for the Next Generation

The convergence of ESG imperatives, technological disruption, and geopolitical uncertainty marks a defining moment for the accounting profession. For young professionals, the path ahead is both demanding and full of promise.

They are entering a profession that is no longer confined to numbers but is deeply intertwined with global challenges such as climate change, social inequality, and economic instability.

The question is not whether the profession will change—it already has. The real question is whether the next generation of accountants will rise to meet this moment.

If empowered, equipped, and inspired, today’s youth have the potential to redefine accounting—not just as a profession, but as a force for sustainable and inclusive growth.

CPA Meshack Mutinda Mulei, MBA, Bcom, CISA - A Member of ICPAK

The convergence of ESG imperatives, technological disruption, and geopolitical uncertainty marks a defining moment for the accounting profession. For young professionals, the path ahead is both demanding and full of promise. They are entering a profession that is no longer confined to numbers but is deeply intertwined with global challenges such as climate change, social inequality, and economic instability.





Changing the Room: Why Growth Demands New Perspectives

Sometimes Growth Is Constrained Not by Strategy but By Culture

By CPA Samwel Baraka Ochieng

I'm not going there to fit in. I am going there to see what they have stopped seeing. When everything feels comfortable, nothing is growing."

Those words stayed with me long after the call ended. I have known Valarie, (not her real name), since our college days. She is not someone who speaks for effect. What I heard was not ambition but conviction, a deep belief that real growth rarely comes from blending into established rhythms. It comes from examining them.

Valarie carries a quiet discipline: the willingness to question routines that no one revisits, to test assumptions that

have quietly hardened into doctrine, and to interrogate practices defended only by a familiar phrase: "this is how we have always done it." Her perspective reflects one uncomfortable truth about leadership and growth: organisations stagnate not because they lack effort, but because they grow too comfortable with what once worked. I've often seen this play out in boardrooms, where everyone nods politely but no one questions the assumptions that underpin their decisions.

Growth is seldom accidental. It emanates from deliberate choices and often begins by introducing new voices into the room. However, many organisations gradually drift toward

a form of stability that discourages challenge. Policies, processes and practices become so familiar that leaders stop asking whether they still serve the organisation's purpose. In many work environments, especially in finance and governance, stability is king. But transformative leaders are meant to be way makers, not gatekeepers, because stability left unexamined eventually turns into stagnation. At times, the most strategic decision a leader can make is simply to introduce a fresh perspective into the system.

In this quest, leaders must refresh the leadership lens, as growth often requires viewing situations from a different perspective. I recall a meeting

where an outsider's question shifted the discussion entirely. It opened ideas no one in the room had considered. That day, I noticed firsthand how even small changes could ripple across the team, changing habits that had persisted for years. It requires stepping away from familiar ideas, loyalties and habits. Only then can a leader encounter perceptions that provoke insight.



Growth is seldom accidental. It emanates from deliberate choices and often begins by introducing new voices into the room. However, many organisations gradually drift toward a form of stability that discourages challenge. Policies, processes and practices become so familiar that leaders stop asking whether they still serve the organisation's purpose. In many work environments, especially in finance and governance, stability is king. But transformative leaders are meant to be way makers, not gatekeepers, because stability left unexamined eventually turns into stagnation. At times, the most strategic decision a leader can make is simply to introduce a fresh perspective into the system.

Institutionally, “the room” is shaped by shared assumptions and unwritten rules—by how things are done, who gets heard, and what projects resources are applied to. Over time, norms acquire the weight of tradition. They feel stable, even safe. However, safety builds a silent but powerful resistance to renewal and growth, as what once protected progress can begin to prevent it. To change the room is to interrupt that tendency toward sameness and to create space for different questions to be asked and different answers to be considered. Introducing new perspectives and challenging established norms is not merely a leadership choice but a necessity for meaningful growth. Fresh voices can disrupt stagnation, inspire innovation and cultivate a culture where continuous improvement becomes the norm rather than the exception.

As an anchor for this discussion, consider the words of management thinker Peter Drucker, who observed, “The greatest danger in times of turbulence is not the turbulence; it is to act with yesterday's logic.” When this insight is intentionally applied, it becomes more than theory; it becomes a guiding principle for leaders. I've learnt from experience, and history has shown that growth only favours those willing to explore new approaches, whether by repositioning themselves, inviting fresh perspectives or reshaping culture. This often requires changing the room by creating spaces where ideas can be shared openly without fear of reprisal. It also means acknowledging that the logic, reasoning, and vision that brought an organisation here may not be enough to take it forward, particularly in the fluid environments in which businesses operate. The examples that follow illustrate how such shifts can help organisations correct strategic drift, reallocate capital more objectively, reset culture and renew leadership for sustained growth.

New rooms break strategic drift.

Strategic drift happens when an

organisation fails to adapt its strategies to the changing external conditions. This stems from the overreliance on past successes rather than leveraging new trends or technologies. Old brooms may sweep clean, but they struggle to keep up with shifting landscapes. In long-tenured environments, underperformance can at times normalise because decline happens slowly and subtly. An external leader, who is less emotionally invested in legacy strategies, can make sharper course corrections. For example, when Satya Nadella became Chief Executive Officer (CEO) of Microsoft in 2014, the company was facing stagnation due to its heavy reliance on Windows licensing. Nadella shifted the company culture from a “know-it-all” to a “learn-it-all,” emphasising empathy, a growth mindset, and a cloud-first strategy that repositioned the company beyond its historical reliance on Windows. I infer from this that culture shifts fundamentally change how teams approach problems and collaborate across silos. This significantly impacted Microsoft's market value growth in subsequent years and transformed the company into a modern, dominant, high-growth technology leader. This change in leadership context created a new strategic lens, and growth followed strategic reorientation.

External leaders reallocate capital more objectively

Capital is the lifeblood of a business. It fuels growth initiatives, enables acquisitions, supports research and development, meets debt obligations and rewards shareholders through dividends or share buybacks. Capital allocation is the strategic process of allocating a company's scarce resources across projects, assets, or investments to maximise long-term shareholder value and generate strong returns on investment (ROI). However, internal systems often protect legacy projects and entrenched power centres, making it challenging to redirect capital toward

the highest-value projects, growth investments, and/or opportunities with superior risk-adjusted returns.



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A new leader, who is less bound by internal loyalties, can redirect capital to higher-yield priorities. For example, Alan Mulally left Boeing Commercial Aeroplanes to lead Ford Motor Company in 2006 when the company was in deep crisis. Ford Motor Company was losing billions due to bloated, outdated product lines, and its corporate culture was dysfunctional. He eliminated overlapping brands such as Jaguar, Land Rover, Volvo, and Mercury, and consolidated strategy under the “One Ford” plan. These disciplined capital decision initiatives, enabled by a change in leadership, allowed Ford Motor Company to avoid bankruptcy during the 2008 financial crisis, unlike its competitors, which sought Federal bailouts.

Cultural reset unlocks performance.

Sometimes, growth is constrained not by strategy but by culture. Organisational culture is the shared values, beliefs, norms and practices that shape people’s behaviour and interaction within a company. As Peter Drucker said, “Culture eats strategy for breakfast.” In other words, no matter how strong a company’s strategy may be, its underlying culture ultimately determines whether it succeeds or fails. A new leadership environment can dismantle such norms. For example, after Travis Kalanick stepped down as Chief Executive Officer of Uber Technologies Inc. in 2017, Dara Khosrowshahi took over as CEO and prioritised governance reforms, regulatory compliance, and financial discipline. These changes led to Uber’s first annual operating profit in 2023. The shift in leadership context recalibrated accountability and restored investor confidence, which demonstrates that sustainable growth requires not only strategic focus but also a deliberate change of the room.

New leadership sparks growth.

As Jim Collins argues in his book *Good to Great*, transformation begins with getting “the right people in the right seats.” Changing the room does not always mean moving yourself, but every

so often, it means replacing leadership that has become synonymous with stagnation. Leadership transitions can reshape an organisation’s risk appetite, decision velocity, and investment time horizon, enabling bolder choices and more focused resource deployment. For example, Steve Jobs co-founded Apple Inc. in 1976 alongside Steve Wozniak and Ronald Wayne. He later left the company following a power struggle with directors, but when he returned later in 1997 after years away, the American technology firm was financially troubled and neared bankruptcy. In the years that followed, Jobs streamlined the company’s product line, eliminated underperforming projects, focused the company on design and user experience, and introduced iconic products such as the iMac, iPod, and, later, the iPhone, which together transformed Apple into one of the most valuable companies in the world. The same individual, in a renewed context and leadership environment, catalysed exponential growth. The leadership shift reset vision, restored discipline and accelerated innovation.

In conclusion, in today’s disruptive business environment, every leader seeks growth, strategizes for growth and often fundraises to achieve it. The constant buzz can be both financially and mentally exhausting. Nevertheless, without making tactical moves, whether through strategic refocusing, capital reallocation, cultural reform or leadership renewal, growth will remain elusive.

Changing the room, however, creates the conditions for meaningful innovation and sustained organisational success. As Valarie observed, and history repeatedly confirms, nothing grows in spaces that prioritise comfort over curiosity. Leadership thinker Marshall Goldsmith famously said, “What got you here won’t get you there.”

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Public and Private Entities to Put in Place Procedures for Prevention of Bribery and Corruption

By CPA Ondimu Stanislas

One of the manifestations of corruption, common in Kenya, is bribery. The private sector (the supply side) initiated the Anti-Bribery Act, Cap 79B, which was enacted into law and came into force on 13th January 2017.

The Anti-Bribery Act Cap 79B is modelled on the United Kingdom Anti-Bribery Act and was enacted to aid in the prevention, investigation and punishment of bribery in Kenya. Its ambit covers both public and private sectors. The Act provides for a wide range of bribery offences and grants the Ethics and Anti-Corruption Commission a robust mandate to combat bribery in the public and private sectors. The Act also

provides protection for whistle-blowers to encourage disclosure of not only bribery but also all forms of corruption. The scope of application of the Act covers the public sector, private sector, private persons, registered businesses, partnerships, foreign public officials, and non-governmental organisations, among others.

The Anti-Bribery Act, Section 9 (1), requires all public and private entities to put in place procedures **appropriate to their size, scale, and nature of operations** for the prevention of bribery and corruption.

To fully operationalise this law, the Anti-Bribery Act Cap 79B, under sections 12(1) and 22, requires the Attorney General to publish Regulations and Guidelines to assist private and public

entities in preparing procedures for the prevention of bribery and corruption. The Anti-Bribery Regulations, 2022 were published on 24th May, 2022, via Kenya Gazette Supplement No. 82 as Legal Notice No. 88, while the Guidelines to assist private and public entities in the preparation of procedures for the prevention of bribery and corruption were gazetted on 27th May, 2022, via Kenya Gazette Vol. No. CXXIV-NO. 96 as a Gazette Notice No. 6022.

It's a requirement under this legislation that the established procedures for the prevention of bribery and corruption in both public and private entities must be in writing, in the official languages, and may also be translated into any other language. Surprisingly, many entities have not put these procedures

in place, contrary to Anti-Bribery Regulation 13(1), which requires that the procedures for the prevention of bribery and corruption be established within six months of the publication of the Guidelines, which was 27th November, 2022.

Guiding principles

Regulation 13(2) provides the minimum guiding principles to be incorporated into procedures for the prevention of bribery and corruption. These are:

- (i) bribery and corruption risk assessment and management;
- (ii) communication and training processes;
- (iii) internal mechanisms for reporting acts of bribery and corruption;
- (iv) mechanisms for the protection of whistle-blowers, informants and witnesses; and
- (v) compliance, monitoring and review mechanisms.

Liability for failure to put in place Procedures

Private Entities that fail to establish and put in place the procedures for prevention of bribery and corruption commits an offence under section 9 (2) of the Anti-Bribery Act Cap 79B and the private entity or its directors, senior officers or other responsible person are liable, on conviction, to a fine not exceeding one million shillings or imprisonment for a term not exceeding ten years, or to both under section 19 of the Anti-Bribery Act Cap 79B. Although public entities are required to put in place procedures to prevent bribery and corruption, there is no prescribed offence or liability for failure to comply with this provision.

Important Features of the Procedures

1. Top-level management to commit to prevent and foster a culture in which bribery and corruption are not acceptable (zero tolerance) and to communicate internally and externally. It will foster an ethical environment and provide leadership in determining resistance to bribery and corruption. It will implement the prevention of bribery and corruption measures that are put in place.

2. Appoint a senior officer/manager to be in charge of compliance and ensure that bribery and corruption is detected and appropriate action is taken against the violation of the Anti-Bribery Act Cap 79B.
3. The entity should develop well-documented policies that explain how employees, business partners, and third parties should behave. Clearly specify unacceptable and non-compliant behaviour. These policies may include: Anti-bribery and corruption, Codes of conduct and ethics, Whistleblower protection, Conflict of interest, Hospitality, gifts and donations, Collections and harambees, Anti-fraud policy and other related policies.
4. The bribery and corruption risk assessment and management are a precondition for determining the entity's risk exposure. The entity should identify, assess, and map potential bribery and corruption risks in its operations; design and implement intervention measures to mitigate those risks; monitor, evaluate, and review the intervention measures; and document and maintain a record of the bribery and corruption risk assessment and mitigation process.
5. The entities should provide mechanisms for bribery and corruption reporting. These should include various reporting channels, such as in-person, by writing, email, telephone, reporting boxes, an anonymous reporting system, third parties or agents, and a web portal. The reports should be handled promptly with utmost confidentiality, and feedback given. Section 14(1) of the Anti-Bribery Act requires that every state officer, public officer or any other person holding a position of authority in

It's a requirement under this legislation that the established procedures for the prevention of bribery and corruption in both public and private entities must be in writing, in the official languages, and may also be translated into any other language. Surprisingly, many entities have not put these procedures in place, contrary to Anti-Bribery Regulation 13(1), which requires that the procedures for the prevention of bribery and corruption be established within six months of the publication of the Guidelines, which was 27th November, 2022.

a public or private entity report to the Ethics and Anti-Corruption Commission within a period of twenty-four hours any knowledge or suspicion of instances of bribery.

6. Provide an elaborate and effective mechanism for protection of whistle-blowers, informants and witnesses by maintaining confidentiality of the identity details and sources of the bribery and corruption reports; establishing reporting channels on acts of retribution, victimization and intimidation for reporting acts of bribery or corruption within the entity; taking appropriate action on reports of retribution, victimization or intimidation and putting in place measures for protection such as anonymous reporting and Whistle Blower Policy.
7. Continuous communication and training programmes to all members of the entity and the stakeholders. This includes having effective internal and external channels of communication, training on the prevention of bribery and corruption for the governing body, top management,

and all employees, and carrying out regular sensitisation, awareness creation, and dissemination to all stakeholders.

8. Explore opportunities for collaboration and co-operation with other entities within the sector or industry to prevent bribery and corruption.
9. The entities are to put in place a monitoring and evaluation framework to ensure compliance with and the effectiveness of the procedures, identify emerging risks, and make improvements where necessary. The procedures are to be reviewed periodically.

Advisory

The Ethics and Anti-Corruption Commission is given the role of assisting private entities, public entities, and any interested person to develop and put in place procedures for the prevention of bribery and corruption, and for the implementation of procedures under Section 9(3) and Section 12(3) of the Bribery Act. To this end, the Commission has developed Model Procedures that can be customised

and are available on the EACC website (www.eacc.go.ke) under the downloads section.

Further, the Chief of Staff & Head of Public Service has issued Circular Ref No. OP/CAB.3/7 dated 30th June 2025 addressed to all Principal Secretaries/ Accounting Officers, which requires public entities to put in place the Procedures for Prevention of Bribery and Corruption in the Public Service by 30th September 2025 and report to EACC. The accounting officers shall be held accountable for failing to comply and for deliberately taking no efforts to eliminate bribery and corruption. He directs that henceforth, Corruption Prevention be a target in the Performance Contract w.e.f 1st July 2025.

Ignorance of the law is not a defence; it's important that both public and private entities note this requirement and ensure that procedures to prevent bribery and corruption are in place.

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Hybrid Financial Instruments and the Architecture of Cross-Border Tax Avoidance

By CPA James Mugambi

Hybrid financial instruments become relevant for tax purposes at the point where a country must decide whether a financial return should be treated as interest or as a dividend, because that classification determines whether the payment is deductible for the issuer and how it is taxed in the hands of the recipient.

When two countries classify the same instrument differently, the interaction of their rules can result in little or no tax being paid on the same stream of income.

Hybrid financial instruments are securities that combine features traditionally associated with both debt and equity, positioning them somewhere along the spectrum between fixed-return lending and residual ownership.

Debt typically carries a fixed return, priority in liquidation, and deductibility of interest, while equity carries residual risk, voting rights, and non-deductible dividend distributions. Hybrids may be subordinated, perpetual, convertible into shares, or linked to profits, yet tax systems usually require a binary classification. Differences in how jurisdictions draw the line between debt and equity create the space within which tax planning occurs.

Common examples include convertible bonds, preferred shares, redeemable preference shares, subordinated or perpetual loans, participating debt, and contingent convertibles (CoCos), each blending elements of creditor protection and equity participation in different proportions. Hybrid arrangements also extend beyond the instruments themselves. Hybrid transfers, such as repurchase agreements (repos) and securities lending transactions, may

be treated as sales in one jurisdiction and secured loans in another. Hybrid entities, including certain partnerships and limited liability companies, may be treated as transparent in one country and as separate taxable entities in another. Dual resident entities may simultaneously qualify as tax residents in two jurisdictions and, under certain consolidation rules, generate duplicate deductions.

Tax avoidance using hybrids generally produces one of three outcomes that tax authorities now monitor closely. A deduction-without-inclusion result arises when a company deducts a payment as interest in one jurisdiction while the recipient jurisdiction treats the same receipt as a tax-exempt dividend or otherwise excludes it from taxable income. A double deduction result arises when the same expense is deducted in two jurisdictions, often through hybrid entities or dual residence structures.

Indirect mismatches occur where a deductible payment is used to offset income that itself benefits from another hybrid arrangement, compounding the erosion of the tax base.

A frequently cited structure involves a subsidiary issuing a hybrid instrument



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that is treated as debt in the source country and as equity in the parent company's jurisdiction, thereby allowing the subsidiary to deduct payments as interest while the parent treats the receipt as an exempt dividend under a participation exemption regime. From the perspective of each country considered in isolation, the domestic rules may be applied correctly; however, from a consolidated group perspective, the same income may effectively escape taxation. The reduction in overall tax liability arises not from concealment, but from differences in legal characterization across systems.

These outcomes are made possible by structural gaps in the global tax framework, which evolved through separate domestic legal traditions and policy choices rather than coordinated design. Countries rely on different criteria to distinguish debt from equity, including maturity, subordination, voting rights, enforceability of repayment, and participation in profits. Accounting standards and income recognition rules also differ, which can create timing mismatches that defer or reduce taxation. Participation exemption regimes were designed to prevent double taxation of corporate profits, and tax treaties frequently reduce withholding taxes to facilitate cross-border investment; when combined with classification mismatches, these features can produce double non-taxation rather than relief from duplication.

In response to these risks, coordinated international reform has sought to neutralise rather than harmonise domestic classification rules. The Organisation for Economic Co-operation and Development addressed hybrid mismatch arrangements under BEPS Action 2 by introducing linking rules that deny deductions where the corresponding income is not included, or require inclusion where the payer jurisdiction grants a deduction. The approach focuses on eliminating

the mismatch outcome rather than redefining the instrument itself.

At country level discussions, the European Union for instance has implemented these principles through the Anti-Tax Avoidance Directive (ATAD), which obliges Member States to incorporate hybrid mismatch rules into domestic law. These provisions cover financial instruments, hybrid entities, imported mismatches, and dual resident entities, and they operate by denying deductions or requiring income inclusion where inconsistent treatment arises. Similar measures have been adopted in other jurisdictions, and hybrid mismatch rules now interact with broader reforms such as interest limitation regimes and global minimum tax standards.

Hybrid financial instruments continue to play legitimate commercial roles, including capital flexibility, regulatory capital management, and tailored risk allocation between investors and issuers. The policy concern arises when differences in tax treatment across borders are used primarily to reduce tax without corresponding economic substance. As more jurisdictions implement coordinated anti-hybrid rules and minimum taxation frameworks, the scope for exploiting classification differences narrows, and cross-border financing structures are increasingly assessed against the principle that income should not disappear from the global tax base as legal systems describe it differently.

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Unlocking Urban Revenue

Value-Capture and Land-Based Financing for Municipal Growth

By CPA CS Nancy Mwacharo

Urban areas across Kenya and much of the developing world are under intense fiscal pressure. Municipalities must expand infrastructure and services to match rapid urbanization, yet their revenue sources, such as property rates, business permits, and parking fees remain insufficient.

Traditional intergovernmental transfers, while critical, are unpredictable and politically sensitive.

One underutilized approach is value-capture and land-based financing. These instruments allow municipalities to convert rising land and property values often created by public investment

into reliable revenue streams for reinvestment.

Value capture is the principle that public actions (such as building a road, expanding water networks, or zoning changes) increase private land values, and that part of this unearned gain should flow back to the public sector to finance further improvements. Rather than raising broad-based taxes, municipalities can structure fees, levies, or joint-development schemes tied directly to the increased value.

Global Examples

In Bogotá, Colombia, the city introduced a betterment levy. This is a fee charged to landowners when the government builds new roads, transit lines, or

other public projects that increase the value of their land. For example, if a new highway is built near someone's property, that land usually becomes more attractive and worth more money. Instead of letting only the landowner benefit, the city charges a portion of that "extra value" to help pay for the project. Over time, this approach has financed a large share of Bogotá's Road network.

In the United States, many cities use a tool called Tax Increment Financing (TIF). Here's how it works: when a new development project is planned, the government measures the property tax revenue in that area. That amount is frozen, and any extra tax collected as property values rise is used to pay for the project itself—often through

loans or bonds. Cities like Chicago and Denver have used TIF to fund billions of dollars in redevelopment. However, it requires careful financial management so that the city doesn't take on more debt than it can handle.

In Japan, a different model called land readjustment is common. Private

landowners in a neighbourhood agree to pool their land so that the government can redesign the area by adding new roads, parks, and other services. Once the improvements are complete, the land is returned to the owners. Even though each plot may be smaller than before, its value goes up because the area has better infrastructure and is more attractive for living or business. This way, both the community and the government benefit, and the government doesn't need to spend as much money upfront.

In Hong Kong, the government owns all the land and leases it to private developers for use. Developers pay large sums in lease premiums, and these payments make up a major share of government revenue—sometimes more than 30% in a given year. The money is then used to fund public services and development projects. This system works well in Hong Kong because of its unique land-ownership laws, but it may not be easy to replicate in countries where most land is privately owned.

Applicability in Kenya's Urban Context

In Kenya, municipalities such as Nairobi and Mombasa already have legal powers under the Urban Areas and Cities Act and the Public Finance Management Act to collect property rates, development charges, and user fees. These powers can be adapted to support land-based financing. For instance, Nairobi could introduce a form of betterment levy whenever major road expansions or new commuter rail stations are built. If a new BRT (Bus Rapid Transit) line or expressway increases land values along its corridor, a small charge on the benefiting landowners could help pay for the project.

Mombasa, with its busy port and surrounding road network, could also apply development charges on property developers who benefit from improved port access roads. Instead of relying

solely on national government transfers, these fees would capture a share of the increased land value resulting from public investment and reinvest it in additional infrastructure.

Counties around fast-growing areas, such as Machakos (Mavoko municipality), could experiment with land readjustment when planning new residential or industrial estates. By pooling land and then redistributing serviced plots of smaller but more valuable sizes, municipalities can expand roads, sewerage, and water systems without needing heavy upfront cash.

Meanwhile, though Kenya does not follow Hong Kong's full public land leasing model, municipalities could make better use of public-private partnerships (PPPs) on county-owned land. For example, leasing county land near transport hubs or markets to private developers, while retaining a share of the rental or sales revenue, would mirror aspects of Hong Kong's approach.

These methods are legally feasible within Kenya's framework if tied to county finance laws, property rating systems, and clear public participation. The challenge is not so much legal as political will, transparent land management, and building administrative capacity to value land fairly and collect these revenues.

Challenges and Safeguards

One of the biggest challenges with land-based financing is land management. For these tools to work fairly, municipalities must have accurate land valuations and clear land registries. If property values are not updated or records are incomplete, any levy charged may appear arbitrary and invite disputes. Strong land information systems are therefore the foundation for value capture.



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Another important safeguard is public participation. Asking property owners to pay extra levies for public projects can easily become politically sensitive. Without open communication, citizens may see it as an unfair tax. Municipalities must clearly explain why the charges are being introduced, how the money will be used, and the direct benefits to those paying. Transparency builds trust and increases compliance.

Equity concerns also need careful attention. While property owners often gain from rising land values, not everyone can afford new charges, especially low-income households. If not well designed, these levies

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Finally, there is the issue of fiscal discipline. Value-capture revenues are linked to real estate markets, which can rise and fall. If a municipality assumes overly optimistic projections and spends in advance, a market slump could destabilize its budget. The safer approach is to make conservative estimates, use these revenues as a supplement rather than a replacement of core funding, and ensure borrowing is managed within legal limits.

Here are Kenya-specific examples for each challenge: -

- Nairobi’s land valuation roll has faced delays in updates, leading to disputes over property rates and the fairness of charges.
- The County Governments Act (2012) requires public input in budget and project planning; failure to engage often leads to court challenges.
- In Mombasa, market relocation projects have shown how low-income traders can be displaced if affordability measures are not built in.
- Some counties have overestimated revenue projections in their finance bills, creating budget gaps when collections fall short.

Conclusion

Value capture and land-based financing offer municipalities innovative ways to fund urban growth without relying solely on unpredictable transfers or increasing conventional taxes. By aligning public investments with private

land value gains, cities ensure that the benefits of development are shared more fairly between government and property owners.

For Kenya’s municipalities, the potential is significant. Nairobi, Mombasa, and other fast-growing towns can adapt global models such as betterment levies, development charges, and land readjustment within existing legal frameworks, such as the Urban Areas and Cities Act and the Public Finance Management Act. These tools, if well designed, could unlock sustainable funding for roads, markets, transit, and other critical infrastructure.

However, success depends on strong land management systems, genuine public participation, equity safeguards, and conservative financial planning. Without these, value-capture could face resistance or even backfire. With them, municipalities can create steady revenue streams that reduce overdependence on national transfers, attract investment, and deliver tangible improvements to citizens.

In short, adopting land-based financing in Kenya is not just a financial option but a strategic move toward building resilient, inclusive, and self-reliant urban economies. The global examples offer a clear roadmap—what remains is local adaptation, political will, and professional management to make it work.

County executives and municipal boards should take the bold step of piloting at least one or two value-capture tools to demonstrate their potential and build public confidence in sustainable urban financing.

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Why Fear Holds You Back and How to Move Past It

The Mental Load You Don't Need

Compiled by Angela Mutiso

Notice what consistently drains energy and what restores it. Observe which interactions create tension and which encourage focus. Be honest about how much time is spent revisiting conversations or anticipating reactions beyond your control. Then begin to let go of what is unnecessary.

Palo did not think of himself as someone who would one day lead a company. Early in his career, he avoided visibility, hesitated to put forward ideas, and often assumed others were more capable.

By his own account, he spent more time preparing than acting, and more time second-guessing than deciding.

Those around him saw something different. His wife, in particular, recognised a pattern; not a lack of ability, but a reluctance to trust it. She challenged him to act before he felt fully

ready, to contribute before everything was certain. He did not become confident overnight. But he began to act differently. Years later, he leads a successful manufacturing business; something he once considered unlikely. What held him back is more common than it appears.

A persistent question follows many capable professionals throughout their careers. It surfaces in quiet moments, often late at night. Sometimes, it appears when circumstances seem most favourable.

Am I good enough?

Even those who appear successful contend with this uncertainty. Achievement does not automatically bring confidence. This challenges the common belief that certainty arrives once a certain level is reached.

It does not.

What often sits beneath this experience is not a lack of ability, but fear; subtle, persistent, and frequently misinterpreted. It influences decisions quietly, encouraging hesitation, restraint, and self-doubt, even in the presence of clear competence.

This is not a question of eliminating fear. It is about recognising it, understanding how it operates, and learning to move past it without allowing it to dictate your choices.

What Fear Actually Costs

What is often described as caution is, in many cases, fear. It can make vigilance feel responsible, hesitation feel justified, and overpreparation feel necessary. In reality, this pattern operates differently.

Have you ever done work of real quality, returned to it repeatedly, and still

believed it was not enough? That is fear at play. It keeps ideas hidden until they feel perfected, postpones opportunity until every box is ticked, and replaces engagement with overanalysis. In doing so, fear grants disproportionate power to the loudest or most critical voices, even when they lack credibility.

Rather than protecting progress, fear restricts it. It confines decision-making to what feels safe, and what feels safe is often well below what is possible. Research consistently shows that many professionals report low confidence in their roles. They hesitate to pursue leadership opportunities, avoid visibility, and question their judgment even when evidence supports their competence. Beneath these behaviours

are familiar concerns: fear of failure, fear of judgment, fear of exposure, and fear of change.

What makes this pattern costly is that the outcomes people fear rarely occur as imagined. Conversations are seldom disastrous. Mistakes are usually manageable. Rejection, when it happens, tends to be temporary. The lasting damage comes from anticipation: sustained stress, disrupted sleep, reduced focus, and gradually eroded confidence. Fear consumes energy without producing results.

The Influence of Difficult People

Most professional environments include at least one challenging individual. This is someone who undermines others, withholds recognition, dominates discussions, or consistently finds fault. While such people may be unavoidable, they do not need to occupy mental space beyond the interaction itself. The essential point is this: their behaviour is not a measure of your value.

When criticism or negativity becomes habitual, it often reflects unresolved issues in the person expressing it. Taking such behaviour personally extends its reach. Carrying it beyond the workplace can affect mood, confidence, and decision-making long after the moment has passed.

This does not require confrontation or correction. In many cases, those responses demand more energy than they return. A more effective approach is to adopt a perspective: observing behaviour without internalising it, releasing the expectation that certain individuals will change, and recognising that validation from the wrong sources has little value.

When approval is no longer sought, its influence diminishes. When expectations are grounded, disappointment loses its force. Emotional distance creates space for work that matters and for constructive relationships.

The Internal Critic

External pressure becomes harder to manage when reinforced internally. For

many professionals, the main obstacle is an inner narrative that questions readiness, competence, or legitimacy. It revisits past mistakes and magnifies minor missteps. It encourages constant comparison. This voice feels convincing, but it is not objective. It is learned.

Years of feedback, expectation, and cultural messaging accumulate until the narrative begins to resemble fact. Over time, it becomes automatic.

The goal is not to silence this voice, but to challenge its authority.

Awareness is the starting point. Notice the narrative without responding immediately. When it claims inadequacy, look for evidence. When it predicts failure, consider whether it reflects reality or habit. Ask whether you would accept the same commentary if it were directed at a colleague you respect.

Questioning creates distance. Distance restores choice.

Why Success Can Still Feel Unsatisfying

Many professionals reach a point at which external success no longer aligns with their internal experience. Careers advance, stability increases, yet a sense of dissatisfaction remains. Often, this disconnect originates early. From childhood, people adapt to meet expectations. They learn what earns approval and what avoids conflict. Over time, these adaptations harden into default behaviour.

The difficulty arises when those strategies continue to guide adult decisions long after they have served their purpose. This explains why individuals can appear successful yet still feel constrained. The issue is not a lack of ability, but a misalignment between values and lived experience.

The answer is not reinvention, but recalibration. Recalling preferences that were set aside. Recognising values that were postponed. Making decisions based on who you are now, not who you needed to be earlier.

As alignment improves, other areas of life naturally begin to adjust. Boundaries



Research consistently shows that many professionals report low confidence in their roles. They hesitate to pursue leadership opportunities, avoid visibility, and question their judgment even when evidence supports their competence. Beneath these behaviours are familiar concerns: fear of failure, fear of judgment, fear of exposure, and fear of change.

grow firmer, relationships settle into new rhythms, and the effort once required to maintain a particular image gradually eases. Freed of this constant strain, energy becomes available for work that feels meaningful rather than merely acceptable. This is renewal in practical terms - not a dramatic transformation, but a gentle process of subtraction, where doing less creates space for greater clarity and purpose.

For parents, this serves as a caution: the beliefs instilled in childhood, about worth, success, and approval, can endure well into adulthood, quietly shaping decisions long after the circumstances that formed them have been outgrown.

How to Reduce the Load; Change begins with attention

Notice what consistently drains energy and what restores it. Observe which interactions create tension and which encourage focus. Be honest about



Not every disagreement requires engagement. Not every opinion warrants a response. Not every assumption needs correction. There is no obligation to justify yourself to those unwilling to understand. What matters is presence: doing your work carefully, acting consistently, protecting your attention and capacity, and allowing some matters to remain unresolved.

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Then begin to let go of what is unnecessary.

Not every disagreement requires engagement. Not every opinion warrants a response. Not every assumption needs correction. There is no obligation to justify yourself to those unwilling to understand. What matters is presence: doing your work carefully, acting consistently, protecting your attention and capacity, and allowing some matters to remain unresolved.

When fear appears, respond deliberately. Consider what is actually at stake. Distinguish between discomfort and danger. Anxiety often accompanies growth; it is frequently a sign of expansion rather than error.

A Clearer Way to Think About Peace

Professionals who manage complexity with composure are not untouched by pressure. They experience uncertainty, criticism, and doubt like anyone else. The difference is, they do not carry these experiences forward. They allow difficult interactions to end when they end. Negative thoughts pass without becoming conclusions. They treat fear as information, not instruction.

They understand that what they carry affects how they operate.

When mental and emotional resources are not weighed down by unnecessary demands, judgment sharpens. Focus improves. Energy returns. Work becomes intentional, not reactive. This is not detachment. It is discernment.

Letting go is not a single decision. It happens repeatedly and quietly. Sometimes, it's a comment not revisited. Other times, it's a fear not indulged or a boundary maintained without explanation. Peace, in this sense, is not the absence of challenge. It is the ability to face a challenge without being absorbed by it.

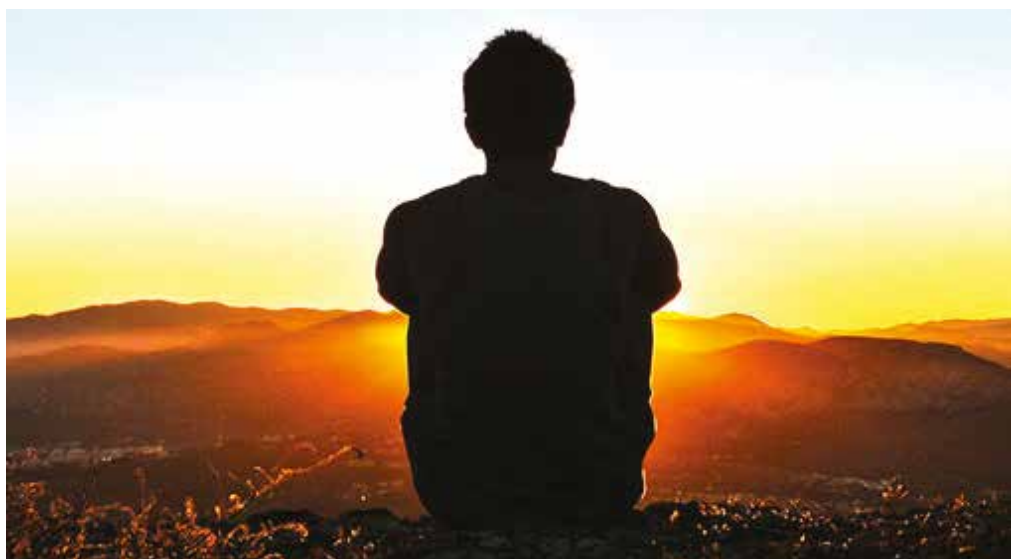
The relief many professionals seek is not located in the next title, role, or achievement. It is available now, with the choice to stop carrying what was never required in the first place.

Palo did not wait for fear to disappear. He learned that it did not need to. For many professionals, the same realisation changes everything: the weight they carry is often unnecessary, and progress begins the moment they decide to set it down. As Michelle Obama reminds us:

"Fear doesn't have to stop you. Letting go of the weight you're not meant to carry - that's how you start to rise." — Michelle Obama, *The Light We Carry*

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Dividend Illusion: Why High Sacco Dividends do not Always Reflect Financial Strength

By CPA Gitonga Mutethia Boniface

Savings and Credit Cooperative Organisations (SACCOs) in Kenya are widely known for paying attractive dividends to members, which are always seen as a sign of strong financial performance.

However, this perception may be misleading. This paper examines the concept of the dividend illusion, in which high dividend payouts may mask underlying financial weaknesses. Drawing on corporate finance theory and regulatory guidelines, the study argues that dividend policy alone is not a reliable indicator of financial strength (Brealey, Myers & Allen, 2020; SASRA, 2023).

Corporate finance theory holds that dividend policy does not determine an organisation's value. Instead, financial strength depends on investment decisions and the institution's cash flows. In Kenya, regulatory assessment focuses on capital adequacy, asset quality, liquidity and governance. The study also notes that membership growth, digital systems and competitive lending practices may improve short-term results while concealing underlying risks. The paper concludes that SACCO performance should be assessed using wider financial and governance indicators rather than dividends alone.

SACCOs play an important role in Kenya by helping members save and access affordable credit. One of the key features of SACCOs is the payment of annual dividends, which often range between 10% and 20% (SACCO Societies Regulatory Authority (SASRA), 2023). Many members view these dividends as proof that a SACCO is financially strong.

However, dividends reflect how surplus income is shared, not the institution's full financial condition. A SACCO may pay high dividends while still facing financial pressure. For this reason, regulators focus on key indicators such as capital strength, loan quality, liquidity and governance.

In some cases, SACCOs may focus on expanding membership and increasing lending to maintain attractive returns. While this may improve short-term performance, it can also increase financial risk. This creates a situation where high dividends do not fully reflect the true financial position of the SACCO, leading to what is referred to in this paper as dividend illusion.

Understanding Dividend Illusion

Dividend illusion is based on corporate finance theory. The Dividend Irrelevance Theory states that dividend policy does not affect an organisation's value. Instead,

value is determined by investment decisions and the cash flows they generate.

Principles of Corporate Finance explains that, in efficient markets, dividend policy does not affect a firm's overall value. Dividends are simply a way of distributing earnings and not a measure of financial strength.

However, in practice, investors often prefer regular cash dividends even when they do not increase total returns. Baker, Malcolm, and Wurgler, Jeffrey (2004) show that investors tend to value dividend-paying firms more due to perceptions and preferences rather than real financial performance. Similarly, Lintner John (1956) found that firms try to maintain stable dividends because investors expect consistency.

In SACCOs, this behaviour is more pronounced due to the SACCO business model, which centres on members. Members are both the owners, the decision-makers through elected leadership and the clients who use the services. Many members interpret high dividends as a sign of good management. This can shift attention away from important financial indicators such as loan quality, liquidity and capital adequacy. As a result, high dividends may create a false impression of financial strength.

Mechanisms Behind High Dividend Payouts

High dividend payouts in SACCOs may result from a combination of accounting practices, governance pressures and strategic decisions rather than strong financial performance. One key factor is under-provisioning for loan losses, which can inflate reported profits, especially when interest income is still recognised on non-performing loans (SACCO Societies Regulatory Authority (SASRA), 2023). In addition, cooperative governance structures may place pressure on boards to maintain high dividend payouts to meet member expectations (Wanyama, 2009).

Beyond these factors, modern SACCO operations introduce additional influences. Competitive credit policies, such as relaxed lending standards and faster loan approvals, are often used to attract and retain members. While these practices can increase loan growth and short-term income, they may also raise credit risk when not supported by strong loan assessment processes (World Council of Credit Unions (WOCCU), 2021).



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Similarly, the use of digital platforms and mobile lending has improved efficiency and widened access to financial services. However, rapid digital growth can also lead to rapid loan disbursement and member onboarding without commensurate improvements in risk controls. This may result in overstated performance and higher exposure to default risk. While dividend theory suggests that payouts do not reflect firm value (Brealey, Myers & Allen, 2020), weak credit risk management may further distort the true financial position of SACCOs.

Effective member growth and customer management strategies also contribute to this effect. Strong recruitment and retention of members can increase deposits and support dividend payments. However, when growth is not matched with proper credit assessment and monitoring, it may hide weakening loan quality. In such situations, strong growth and high dividends may exist alongside underlying financial weakness.

Risks Associated with Dividend Illusion

Dividend illusion exposes SACCOs to broader financial risks beyond short-term performance. One key risk is liquidity pressure from high dividend payouts. When a large portion of surplus is distributed, fewer internal funds are retained, reducing the institution's ability to manage unexpected cash flow needs and financial shocks.

Another major risk is weakened capital accumulation. SACCOs rely on retained earnings to strengthen their financial base over time. When dividend distribution is prioritised over retention, long-term sustainability may be affected, limiting the institution's ability to grow and remain stable.

International financial standards emphasise liquidity and capital adequacy as key drivers of institutional resilience (Basel Committee on Banking Supervision (BCBS), 2011). In cooperative systems, governance structures may also influence payout expectations due to member ownership dynamics (International Cooperative Alliance (ICA), 2020).

Over time, these pressures may create financial vulnerability, leading institutions to focus on short-term returns at the expense of long-term stability. This can weaken resilience and increase exposure to financial stress, particularly when economic conditions change.

Regulatory and Governance Perspective

In Kenya, the SACCO Societies Regulatory Authority provides prudential guidelines on capital adequacy, liquidity and loan provisioning to enhance financial stability. These regulations aim to ensure that SACCOs operate within safe financial limits and maintain sound risk management practices.

Despite this framework, governance challenges remain a key concern. Many SACCOs face capacity constraints, particularly in financial oversight and risk decision-making. Weak governance structures may reduce the effectiveness of internal controls and affect the quality of strategic decisions (Wanyama, 2009).

International governance standards emphasise the importance of board accountability, transparency and effective oversight in financial institutions. The Organisation for Economic Co-operation and Development (OECD, 2015) highlights that strong governance systems are essential for maintaining institutional stability and protecting member interests.

From a broader regulatory perspective, effective supervision requires not only compliance with prudential rules but also strong institutional governance structures that support risk management and accountability. The International Monetary Fund (IMF, 2022) notes that weak governance frameworks in financial institutions can reduce the effectiveness of regulation and increase systemic vulnerability.

Rethinking SACCO Performance Metrics

To address dividend illusion, stakeholders should adopt broader financial performance indicators beyond dividend distribution. The financial analysis literature emphasises the use of ratios such as liquidity, profitability, and asset quality to evaluate an institution's true financial condition rather than relying solely on payout levels (Subramanyam, 2014).

In addition, financial management theory highlights that sustainable performance depends on balancing returns with risk exposure. An evaluation of earnings quality, cash flow stability, and financial leverage provides a more accurate assessment of institutional strength than short-term distribution measures (Higgins, 2012).

From a broader financial system perspective, international banking standards emphasise risk-based evaluation approaches

that incorporate capital adequacy, liquidity coverage and asset quality as core indicators of institutional resilience (Bank for International Settlements, 2011). These indicators help distinguish between genuine financial strength and dividend levels that may not be supported by sustainable performance.

Incorporating credit risk assessment, operational efficiency and digital financial performance indicators further strengthens SACCO evaluation frameworks. This approach enables stakeholders to better identify whether dividend levels reflect real financial strength or are being sustained at the expense of long-term stability.

Recommendations

- SACCO decisions should not be based on dividend rates alone. Evaluation should be anchored on IFRS-compliant audited financial statements, supported by regulatory and risk disclosures.
- Financial performance should be assessed holistically using indicators of capital adequacy, liquidity, asset quality, profitability, and operational efficiency.
- IFRS 9 expected credit loss provisions should be critically examined, as under-provisioning alongside high dividends may signal overstated earnings.
- IFRS 7 disclosures should be used to interpret exposure to credit, liquidity, and other financial risks beyond reported profit figures.
- Non-performing loan trends should be reviewed over time to detect deterioration in loan quality that may not be reflected in dividend levels.
- Loan portfolio concentration should be assessed to identify over-reliance on specific sectors or borrower groups, which increases default risk.
- Dividend sustainability should be evaluated against cash flow strength and retained earnings rather than accounting surplus alone.
- Liquidity position should be sufficient to meet withdrawal demands consistently, as liquidity pressure signals emerging financial stress.
- Capital adequacy should be maintained at levels that support loss absorption and long-term institutional stability.
- Governance effectiveness should be evaluated through board oversight, in-

ternal controls, transparency and audit outcomes.

- Compliance with SASRA prudential requirements should be used as an independent indicator of financial discipline and institutional resilience.
- Credit underwriting standards should remain strict and risk-based to prevent short-term growth from increasing long-term default exposure.
- Digital lending systems should integrate robust credit scoring and monitoring controls to prevent rapid, uncontrolled credit expansion.
- Customer acquisition and service quality should be balanced with credit discipline to avoid growth masking asset quality deterioration.
- Retained earnings should be prioritised alongside dividend payouts to support capital formation and future stability.
- AGM participation should focus on interrogating risk trends, loan quality, liquidity position and governance practices in addition to dividend declarations.

Conclusion

Dividend levels in SACCOs are often used by members as a primary indicator of financial strength. However, this may create a misleading perception of stability. The concept of dividend illusion holds that high dividends can coexist with weaknesses in liquidity, capital adequacy, and loan portfolio quality.

SACCO performance is also influenced by operational and structural factors. Technological systems, credit policies and customer management practices can improve efficiency and growth but may also expose institutions to hidden risks if not supported by strong risk management and governance.

True financial strength in SACCOs should therefore be assessed using a balanced approach that integrates financial indicators, IFRS-based reporting (especially IFRS 7 and IFRS 9), regulatory compliance under SASRA and governance quality. Members and prospective investors should prioritise long-term sustainability and institutional resilience over dividend levels alone.

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The Itch that Would not Quit

Clean Water, Personal Towels, A Doctor: That's What You Need

By Angela Mutiso

Hawi first noticed an itch he couldn't ignore. It began between his fingers, then spread to his wrists, elbows, and waistband. Within two weeks, he scratched constantly; during meetings, while cooking, even in his sleep, until his skin was raw and broken.

He later visited a clinic in Kampala, his sleeves were covering his hands despite the heat. He had tried every remedy he heard about; herbs from the market, bleaching soap, a neighbour's cream, and even kerosene, based on advice from a taxi park tipster. Each attempt only worsened his condition.

The doctor, Dr. Akuto, a gentle woman with twenty years of skin case experience, glanced at his hands and

asked him to lift his shirt. She ran a pen along his belly, checked the tracks between his fingers, and nodded.

Scabies, she said. You did not need kerosene. You needed a doctor three weeks ago.

Hawi's struggle is not rare. Many people endure unnecessary misery because they don't know what's causing their discomfort. To help you avoid desperate measures, here's what you should know about five common skin problems, and how to handle them appropriately. Let's start with a condition many have faced: acne.

Acne: More Than a Teen Problem

Acne is something almost everyone faces at some point, staring in the mirror at an unwelcome pimple. Contrary to myths, acne is not caused

by chocolate or poor hygiene. According to Dr. Margaret Lutaaya, a Ugandan dermatologist, acne happens when skin oil and dead cells clog pores, creating a perfect environment for bacteria. Redness is your body's way of fighting back. It's common during adolescence, thanks to hormonal surges, but adults get it too, often triggered by stress. Acne isn't contagious. For mild breakouts, over-the-counter salicylic acid washes may help. If it's affecting your self-esteem, consult a doctor for prescription treatments. Don't let anyone tell you to just wash your face more; real acne needs real solutions.

Boils: Painful and Persistent

Boils are another unpleasant skin issue. If you haven't had one, count yourself lucky. They start as small, painful lumps that swell with pus and can make sitting

or sleeping difficult if they're in sensitive spots. Boils form when bacteria, usually staph, enter the skin through a cut or hair follicle and multiply below the surface. Dr. Akuto notes that shaving with dull blades or wearing tight, rubbing clothes increases the risk. Diabetics are also more vulnerable.

Boils can be contagious, as the pus carries bacteria. If one breaks and the fluid comes into contact with another person's broken skin, it can spread. Never squeeze a boil; it can push the infection deeper. Instead, use warm compresses to encourage natural drainage. If a boil is larger than a ping pong ball, keeps coming back, or is accompanied by fever, seek medical attention. You may need

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Ringworm: A Fungus Among Us

Despite its name, ringworm isn't a worm at all; it's a persistent fungal infection. It usually appears as a circular, red rash with a clearer centre and raised, itchy edges. You can catch it from contact with infected animals, from walking barefoot in communal areas, or by sharing personal items like towels. That's why flip-flops in public showers and not sharing towels at home are more than just preferences; they're smart precautions.

Dr. Lutaaya explains that ringworm thrives in warm, damp environments. For most cases, over-the-counter antifungal creams work well, but you need to use them for the full course, even after the rash fades. Scalp or nail infections are more severe and require oral medication (medicine taken by mouth). If a cream isn't working after a week, consult a doctor. And remember: don't share towels, bedding, or combs. Otherwise, ringworm will keep making the rounds.

Scabies: The Hidden Itch

Scabies, the culprit behind Hawi's relentless itching, is caused by microscopic mites that burrow into the skin and lay eggs. The result is intense, often unbearable itching, especially at night. Tell-tale signs include fine, thread-like tracks, usually between the fingers or around the waist. The itch is not just a nuisance; it's an allergic reaction to the mites, their eggs, and their droppings.

Scabies spreads through close, prolonged skin contact; like hugging, sharing a bed, or frequent touch, making it common in families and crowded living spaces. No amount of washing or scratching will solve the problem. Treatment requires a prescription cream applied from the neck down, left on for 8–12 hours, and repeated as directed. Here's a crucial point: everyone in close contact needs to be treated at the same time, even if they don't itch yet. Otherwise, the infestation can keep coming back. Washing bedding

in hot water and sealing unwashed items in plastic bags for a week helps eliminate stray mites. With proper treatment, relief can come quickly - just as it did for Hawi, who finally slept soundly after months of misery.

Eczema: An Ongoing Battle

Eczema, also called atopic dermatitis (a long-lasting skin condition that causes inflammation and irritation), is a different kind of skin struggle. It's not an infection and can't be caught from others; it often runs in families. Eczema happens when the skin's barrier doesn't hold in moisture well, allowing irritants to get in. The result: dry, red, cracked, and extremely itchy skin, commonly found on the bends of the elbows and knees, the neck, and the hands. Children are frequent sufferers, and while some outgrow it, others don't.

Dr. Akuto explains that eczema flares are often triggered by certain soaps, sweat, dry harmattan air, or stress. The itch can be severe enough to disrupt sleep. Managing eczema requires daily care: use thick, tub-style moisturisers, avoid known triggers, and use mild or no soap on sensitive areas. During flare-ups, doctors may prescribe steroid creams, but use them sparingly. Finding balance is key.

After receiving proper treatment, Hawi told the nurses, "I never thought about my skin as something alive until it started screaming at me." He realised our skin is more than just a covering; it's a living shield, sensing heat, cold, touch, and even invisible germs. It works hard to protect us, and we often take it for granted until something goes wrong.

He's right: healthy skin doesn't demand much. Clean water, your own towel, and a visit to a doctor when things get out of hand are usually enough.

If you find yourself scratching endlessly or worrying about a stubborn rash, skip the risky home remedies. Seek professional advice. Relief might be closer, and simpler, than you expect.

Health Tips*Simple remedies*

- If you are scratching at night and cannot figure out why, think of Hawi. Scabies loves darkness and warmth. If others in your home are itching, too, do not wait three weeks. See a doctor.
- When someone in the house has ringworm, stop sharing towels. Stop sharing combs. Wash the sheets. Ringworm does not care that you are family. It will take everyone.

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Scabies spreads through close, prolonged skin contact; like hugging, sharing a bed, or frequent touch, making it common in families and crowded living spaces. No amount of washing or scratching will solve the problem. Treatment requires a prescription cream applied from the neck down, left on for 8–12 hours, and repeated as directed. Here's a crucial point: everyone in close contact needs to be treated at the same time, even if they don't itch yet. Otherwise, the infestation can keep coming back. Washing bedding in hot water and sealing unwashed items in plastic bags for a week helps eliminate stray mites.

- That small red lump that hurts when you touch it? Leave it alone. Do not squeeze it. Squeezing pushes the infection deeper and makes everything worse. Instead, apply warm compresses several times a day. Let it come to a head on its own. If it grows bigger than a ping pong ball, or if you get them often, see a doctor.
- If you use the same razor until it tugs and pulls, you are inviting bacteria in. Dull blades create tiny cuts. Staph lives on skin all the time. It just needs a door.
- For eczema, thick cream in a tub beats runny lotion from a pump. Apply when skin is still damp after washing. It seals moisture in, not just on top.
- Eat colours. Oranges, mangoes, leafy greens, things that grow in the sun. Your skin fights infections better when you feed it well. Sugar works against you. Keep that in mind.
- Sleep matters more than you think.

When you are run down, your skin barrier weakens. Things that normally would not bother you start flaring up. Rest is part of the routine.

- Change your bedsheet at least once a week. Dead skin cells accumulate where you sleep. So do dust mites. If you wake up stuffy or itchy, your sheet might be the problem.
- When you bathe, pay attention to the folds. Between toes, behind ears, under arms. Fungus and bacteria love warm, hidden places. Water and soap disrupt their party.
- If you have tried something from the pharmacy for two weeks and nothing has changed, stop guessing. Put down the home remedies. Go see someone who looks at skin all day. The answer is often simpler than you think, and the relief is worth more than the wait.

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International news includes some highlights from Africa.com for you to follow up on the web.

US and Iran Fail to Reach Agreement as Ceasefire Hangs in Balance

The United States and Iran concluded multiple rounds of talks in Pakistan without a deal, according to US Vice President JD Vance. The American side presented what it described as its final and best offer, but Iranian officials rejected it. Iran's chief negotiator later told state media that the US delegation had failed to earn his team's trust during the discussions. The outcome left the status of a two-week ceasefire that had began deeply uncertain. Without a commitment from Iran to reopen the Strait of Hormuz, global energy shipments will remain disrupted. Analysts say the coming days will determine whether the truce collapses or is extended under different terms. Meanwhile, Israeli strikes continued in Lebanon, causing casualties. The Israel Defence Forces reported that its aircraft destroyed a rocket launcher in southern Lebanon that was loaded and ready to launch.

Meanwhile, the following stories have been suggested by Africa.com for your perusal on the web.

Source: CNN



Fuel Prices Surge in Africa as Iran War Hits Supply



Due to the Iran war driving global oil prices sharply higher, African governments- many of which import most of their petroleum products - have been forced to raise fuel prices to manage supply disruptions and contain inflationary pressures.

- **South Africa** reduced its fuel levy for one month to curb April price rises.
- **Ghana** raised petrol by ~15% and diesel by ~19%, while considering consumer relief measures.
- **Malawi** hiked petrol by 34% and diesel by 35%.
- **Tanzania** raised petrol and diesel caps by 33% each.
- **Mauritania** increased petrol by 15.3% and diesel by 10%, offsetting impacts via minimum wage hikes and cash transfers.
- **Gambia** raised petrol by 18.8% and diesel by 12.2%.
- **Botswana** and **Mali** also announced sharp increases.

Source: Reuters

South Africa leads emerging-market comeback

South Africa is leading a sharp rebound in emerging markets after a ceasefire in the Iran conflict triggered a global relief rally. After taking the hardest hit among emerging markets since the Iran war began, the rand soared nearly 3% in a single day - its strongest daily gain in nine years. Bond yields plunged, and stocks jumped by over 6%—the most since 2016. The rally came as a two-week ceasefire agreement promised to reopen the Strait of Hormuz. Oil prices tumbled, giving energy-importing nations like South Africa massive relief. Investors who fled risky assets are now piling back in, betting the rand is the ultimate “de-escalation trade.” However, analysts caution the rally may be fragile, hinging on whether the ceasefire holds. For now, South Africa's high yields and relative insulation from direct conflict risks are drawing investors back.

Source: Bloomberg



Nigeria's growth holds firm despite economic shocks

Nigeria's economy is proving remarkably sturdy, with the World Bank confirming that its 4.2% growth forecast remains intact despite the Iran war. While the conflict and the Strait of Hormuz closure have sent global energy prices soaring, Nigeria's business activity continues to expand, bolstered by improving external reserves and a shrinking debt-to-GDP ratio. However, risks remain. Fuel costs have surged by over 50%, threatening to reignite inflation and squeeze household incomes. The World Bank urges policymakers to maintain tight monetary policy and save oil windfalls. It's a delicate balancing act of maintaining reform momentum while ensuring that rising transport and food costs don't stall the nation's path toward poverty reduction.

Source: Nairametrics



Zimbabwe unveils new gold-backed currency



Zimbabwe is taking another step to rebuild trust in its troubled currency with the launch of redesigned Zimbabwe Gold (ZiG) banknotes. The new BiG5 series -featuring iconic wildlife, aims to inspire national pride while reinforcing confidence in the gold-backed monetary system introduced in 2024. The rollout begins with 10, 20, and 50 ZiG notes, with higher denominations expected later based on demand. This aesthetic facelift is part of a high-stakes campaign to encourage citizens to reduce reliance on US dollars and South African rand. With inflation hitting historic lows of 4.1% and reserves swelling to \$1.2 billion, the central bank feels the timing is perfect. Old ZiG notes will remain valid, ensuring a smooth transition without disrupting everyday transactions.

Source: africanews.



MEMORABLE QUOTES

Easter Quote; “Let the light of the Resurrection shatter the darkness of war. Enough of the deafening silence of weapons. In the name of the empty tomb, I plead: lay down your arms, open your hearts, and walk the path of peace.” - *Pope Leo XIV Supreme Pontiff of the Catholic Church.*

Source: *Urbi et Orbi Easter blessing, St. Peter’s Square, Vatican City — April 5, 2026. (Official transcript published by the Holy See Press Office.)*

Ramadan Quote; “Ramadan is the month of mercy and peace. In these blessed days, we call on all parties to honor the sanctity of human life, to accept a truce, and to let the spirit of this holy month guide us toward reconciliation.” - *Sheikh Mohammed bin Abdulrahman Al Thani, Prime Minister and Minister of Foreign Affairs of Qatar*

Source: *Opening remarks at the Qatar National Ramadan Iftar Gathering, Doha — March 2, 2026. (As recorded by the Qatar News Agency / QNA.)*

“This kind of work encourages me as a Kenyan as it reminds us that even as we seek solutions from elsewhere, we have immense potential in our God-given diversity.”

Dr. Peter Njeru, the principal investigator of a study at the Kenya Medical Research Institute (KEMRI), which confirmed the potential anti-cancer properties of a plant traditionally used to manage breast and prostate cancer. The study shows that the plant, scientifically known as Grewia villosa, exhibits selective activity against cervical cancer cells without toxicity to normal cells - an important attribute for drug discovery.

Source: *Daily Nation*

“Under 8-4-4, a child’s abilities were measured by certificates, not what they had actually learned. CBE accommodates all learners. Not every child can pass an exam, but that does not mean they have not learned... (Even vocational and middle-level colleges were nearly collapsing; adopting CBE aligned the system with global shifts toward competency-based learning, where every learner matters.)”

Knut Deputy Secretary General Hesbon Otieno; he faulted the 8-4-4 system for focusing on ranking and exams at the expense of other competencies.

Source: *Daily Nation*

“The escalation must stop. We call on all parties to return to the framework of diplomacy. There is no military solution that does not end in ashes.”

French President Emmanuel Macron, in a joint press conference with German Chancellor Olaf Scholz in Paris on March 18, 2026. Macron has emerged as one of the most vocal European advocates for an immediate ceasefire, (in the Iran war) proposing a new round of nuclear-related talks that would include Gulf states as mediators.

Source: *Transcript published by the Office of the President of the French Republic (Élysée).*

“Enough. Entire cities are being hollowed out; families erased. The only path forward is a verified halt to hostilities and a political track that addresses the root grievances of all parties.”

Source: *UN Secretary General -António Guterres; Remarks to the UN General Assembly Emergency Special Session on the situation in the Middle East — March 22, 2026.*

“We believe no party truly wants a regional inferno. Our message is simple: sit at the table, even if it is in Doha, even if it begins with silence.” - *Sheikh Mohammed bin Abdulrahman Al Thani*

Source: *Opening address at the Doha Forum 2026 — March 15, 2026. Recording and official summary published by the Doha Forum organizing committee.*



The RoadMap to Build Wealth and Secure your future

Title: The RoadMap to Build Wealth and Secure your future

Author: CPA Simon Muchiri

Category: Finance and investment

Publishers: Comely Global Consulting

Reviewed by Angela Mutiso

Amid an abundance of financial advice that often feels technical, imported, or removed from daily experience, *The Roadmap to Build Wealth and Secure Your Future* stands out for its relevance.

In the book, Simon Muchiri addresses a familiar Kenyan reality; people work hard and earn, yet financial security remains elusive for many.

Muchiri's starting point is simple but often overlooked. The challenge is rarely how much people earn; it is how they manage what comes in, how they think about money, and how consistently they plan ahead. This perspective immediately sets the book apart. Rather than promising shortcuts or dramatic financial breakthroughs, it focuses on habits, structure, and decision-making over time.

One of the book's strongest qualities is its grounding in local reality. Much of the financial guidance available to Kenyan readers is shaped by Western economies with predictable incomes, mature social safety nets, and high financial literacy. This book takes a different approach. It acknowledges informal and irregular incomes, family obligations, and social expectations as everyday factors that shape financial choices. Instead of treating these as obstacles, it works around them, offering practical ways to budget, save, and invest within those constraints.

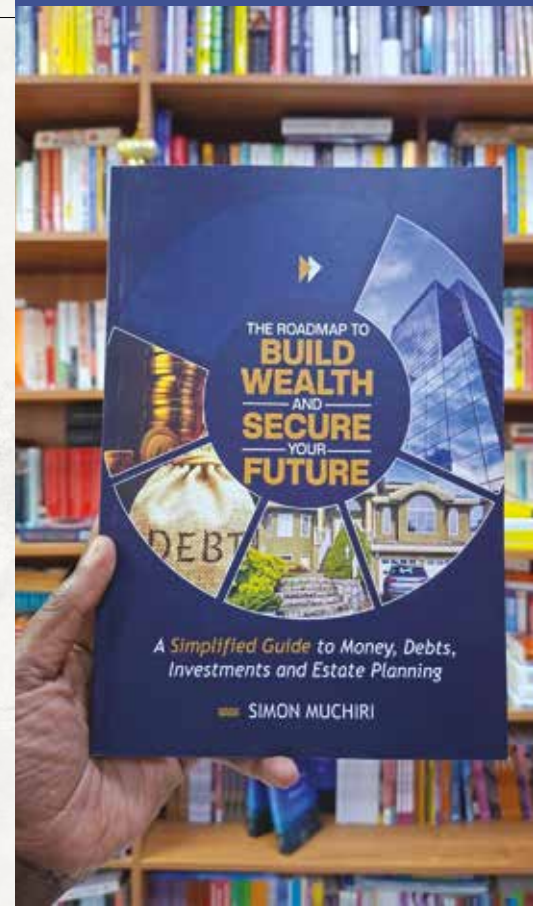
The book is deliberately practical. Readers are guided through understanding their cash flow, calculating net worth, managing debt, and setting realistic

financial priorities. The language is accessible, but the thinking is disciplined. Muchiri consistently returns to the idea that wealth is built through intention and consistency, not impulse or income alone. For professionals, the book quietly challenges the assumption that technical expertise automatically translates into personal financial competence.

There is also a clear emphasis on behaviour. Financial strain, the book suggests, often stems from reactive choices; borrowing without strategy, spending without clarity, and postponing planning until "later." By encouraging readers to confront their habits and assumptions about money, the book shifts the conversation from knowledge to accountability.

The book stands out from many others in its category for its attention to protection and continuity. Wealth, in this framework, is not just about accumulation but about safeguarding income, managing risk, and thinking early about retirement and succession. This long-term view is particularly relevant in a context where family responsibilities often span generations.

The inclusion of practical tools like the CGCent App and the Personal Financial Planner reinforces the book's action-oriented approach. These tools provide structure and visibility, especially for readers with irregular incomes, helping translate intention into measurable progress. Similarly, the discussion of familiar investment options such as land and SACCOs keeps the book anchored in what readers already understand while encouraging more deliberate, diversified decision-making.



The Roadmap to Build Wealth and Secure Your Future is not a book about becoming rich quickly. It is about becoming financially clear, disciplined, and intentional. For the reader, its value lies in what it offers at the most basic level: a way to organise your finances, understand where your money is really going, and make decisions with purpose rather than pressure. You come away not just better informed, but better equipped to build, protect, and sustain your financial future, one deliberate step at a time.

Simon Muchiri is a finance management expert, CPA-K, and author with over 20 years of experience in corporate finance, financial literacy training, and advisory services. As founder of Comely Global Consulting and Comely Global Insurance Agency, he focuses on making financial management, insurance, and wealth planning practical and accessible for individuals and organisations.

This book is available online and in leading bookstores.



Reclaiming the Wasteland: Haller Park's Journey to Biodiversity

By *Alfriqwe Mwana*

A Green-banded Swallowtail flits through the sunlit air, its wings flashing like polished emerald. An African Monarch, glorious in orange and black, alights on a bright floral print shirt, its trunk unfurling to taste the fabric.

This is not a scene from the remote jungles of the Amazon or the highland forests of central Kenya. This is the Butterfly Pavilion at Haller Park, a shimmering jewel of biodiversity nestled within the industrial landscape of Bamburi, Mombasa. It is a place where the air is alive with colour, and where the flapping of a thousand tiny wings tells an extraordinary story of rebirth, resilience, and the profound power of environmental stewardship.

Years ago, when this publication first told the story of Haller Park, such a sight was a hard-won victory. Today, it is simply the norm. Returning to this

restored sanctuary on the Kenyan coast reveals not just a landscape that has healed, but one that continues to thrive and expand in unexpected ways.

In the early 1970s, this land was not a garden; it was a wound. For decades, the Bamburi Cement factory had quarried the coral limestone to fuel Kenya's construction boom. What was left behind was a post-apocalyptic landscape: a barren, white crater of dust and rock, devoid of topsoil, life, or hope. Locals called it a desert, a lunar landscape where nothing could ever grow again. With the help of a Swiss ecologist, Dr. René Haller, Bamburi embarked on transforming the quarry from a wasteland. This is a transformation of an opportunity to rewrite the ecosystem's story. Haller planted casuarina trees, hardy Australian pines that could thrive in the poor soil, their falling needles creating the first layer of humus. He introduced millipedes to break down

organic matter. He dug fishponds to create moisture and attract bird life.

Decades later, his experiment became one of the world's most celebrated examples of ecological restoration. The quarry that was once dead now teems with over 160 bird species, as well as giraffes, hippos, and antelopes. In 2015, the Butterfly Pavilion added to this restored masterpiece: the first facility of its kind in Kenya. Founded by Jane Mwende, a local conservationist, the pavilion was meant to be more than just an attraction for local and international tourists.

The pavilion was designed as a barometer to measure the park's success. Scientists point out that butterflies are indicator species, which signal a healthy, diverse butterfly population; it means your entire ecosystem is thriving. It means you have the right host plants, the right nectar sources, and a balanced food chain.

Stepping into the pavilion, the paths wind through a jungle of lush greenery, specifically chosen flora that host plants like citrus and passion flower vines where caterpillars can feed and form their chrysalises, and nectar plants like lantana and bougainvillea. For a visitor, it is an immersive experience, butterflies are free, and you are the guest in their world. If you stand still long enough, watching and admiring the beauty, a Citrus Swallowtail might land on your shoulder, its wings slowly

fanning as if considering you a new part of the landscape. Children gasp in delight as the electric blue of the Blue Pansy flashes by, a streak of living paint against the green. But behind the beauty lies a rigorous conservation effort. The pavilion is not just a display case; it is a breeding hub.

The deeper you get into the park, the coastal heat of Mombasa softens into something more intimate, more humid, and infinitely more serene. The sounds of the city, the distant hum of traffic from the Malindi Road, the industrial clank of the cement factory fade into a muffled hush, replaced by the gentle trickle of hidden water features and the whisper of wings. Towering above are the true guardians of this sanctuary - ancient fig trees and mature casuarinas, their gnarled trunks wrapped in creeping vines and delicate ferns; not the original quarry-floor pioneers but planted decades ago. Their branches form a natural ceiling that filters the harsh equatorial sun into dappled, shifting patterns on the ground below. The path is a winding trail made of firm earth and small gravel. It curves gently instead of going straight, almost inviting you to slow down and enjoy the walk. On one side, the shade is deep and cool, like a quiet corner of twilight even in the middle of the day. The air feels damp and fresh, and ferns spread out their wide, ancient-looking leaves over the dark soil.

As you walk, run or cycle, there are resting points scattered throughout this living park, intentionally placed havens where visitors can sit, breathe, and simply watch the world flutter by. These are not mere benches tacked onto the landscape; they are integrated into the experience. Old trees are cut and nailed together to create seats and tables. Similarly, there is an area that can help visitors who work out stretch their muscles, such as an outdoor gym. The Park has sizable, sunny areas purposely created to enhance your experience. The place feels alive with colour, as

the amount of sunlight that reaches the ground varies. The rays form a beautiful mix of light and shadow as the leaves above move gently in the breeze. In the morning, sunlight pours into the pavilion's eastern side, making it bright and glowing. By afternoon, the light shifts to the western side. These spots are warm, and flowers like bright lantanas, fiery ixoras, and soft pentas grow happily in pots and garden beds spread around the enclosure. The flowers bloom, and butterflies gather in groups, eagerly sipping nectar with their long tongues while their wings flutter gracefully in the air.

For those who wish to linger longer, the pavilion offers small, designated picnic spots, not the crowded, noisy affairs of public parks, but intimate clearings where a blanket can be spread on the soft grass. These glades are carefully positioned in areas of dappled shade, where the canopy filters the sun to a gentle warmth. Families gather here, children lying on their backs watching the canopy dance overhead, parents unpacking simple meals of samosas, fresh mango, and chilled drinks. The magic of these picnic spots is the company. You are never alone. A butterfly may land on the edge of your blanket, investigating the bright colours of a water bottle or the sweetness of a fruit peel. The weaver birds chatter incessantly in the branches above, and if you are lucky, a shy suni antelope from the main park might wander to the edge of the clearing, curious about the visitors in its domain. The experience is one of complete immersion into nature.

The once-taunted wasteland is also home to various animal species. Just a short walk from the pavilion, shaded by the same towering casuarinas, lies the reptile park. It is designed to mimic the reptile's natural habitats. Massive Nile crocodiles bask motionless in the sun, their ancient eyes half-closed, their jaws frozen in perpetual grins. It is a humbling experience to stand beside them, separated only by a low wall. Beyond



The deeper you get into the park, the coastal heat of Mombasa softens into something more intimate, more humid, and infinitely more serene. The sounds of the city, the distant hum of traffic from the Malindi Road, the industrial clank of the cement factory fade into a muffled hush, replaced by the gentle trickle of hidden water features and the whisper of wings. Towering above are the true guardians of this sanctuary - ancient fig trees and mature casuarinas, their gnarled trunks wrapped in creeping vines and delicate ferns; not the original quarry-floor pioneers but planted decades ago.

the crocodiles, the snake pavilion houses pythons coiled in patient stillness, green mambas gleaming like polished jade, and puff adders camouflaged so perfectly against the leaves that visitors must search carefully to find them. The guides here are passionate educators, eager to dispel myths and explain the vital role these reptiles play in controlling rodent populations and maintaining ecological balance. For the brave, there is even the opportunity to hold a non-venomous snake, a moment of connection that transforms fear into fascination.

The fish ponds remain the heart of the park. These tranquil waters, shaded by overhanging palms, are home to

thousands of tilapia and catfish, their silver flashes visible beneath the lily pads. The ponds attract a constant parade of birdlife: kingfishers poised on overhanging branches, herons stalking the shallows with prehistoric patience, and egrets picking their way delicately along the edges. Adjacent to the fish ponds lies the hippo pool, where the enormous, amphibious mammals spend their days mostly submerged, only their nostrils, eyes, and ears breaking the surface. At feeding time, however, they emerge with a dramatic splash, their massive jaws yawning wide to receive vegetables from the keepers. It is a powerful reminder of the wildness that this reclaimed landscape now supports.

Then there is the most beloved attraction for families: the elevated giraffe-feeding platform. Beneath the shade of a massive acacia tree, a wooden deck rises to meet the level of the resident Rothschild's giraffes. These gentle giants, with their conical heads dusted with moss from reaching into the treetops, approach with a slow, deliberate grace and majestic steps. Visitors are given pellets of specially formulated food, and the moment of connection is magical. A giraffe's tongue, grabby, rough, and

surprisingly long, curls around the pellets and lifts them gently from an outstretched palm. Up close, you can see the individual pattern of their spots, each as unique as a fingerprint, and the long, sweeping eyelashes that frame their dark, liquid eyes. Children shriek with delight and awe, and adults find themselves grinning like children. It is a moment of pure, unfiltered joy, set against the backdrop of the forest that rose from a quarry.

In short, the Butterfly Pavilion and Haller Park are much more than tourist spots. They show that even land damaged by people can be brought back to life with vision, science, and care.

Every butterfly, bird, and mammal here prove that nature can recover when people act as caretakers instead of users. In busy Mombasa, surrounded by factories and city life, this sanctuary is a strong reminder that nature can be restored, no matter how big the challenge.

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Web Development for Beginners

The No-Code Revolution That's Changing the Business landscape

By Derek Mutiso

In 2026, it's no longer a question of whether your business should be online. The real issue is how quickly and effectively you can build a digital presence that customers trust.

These days, the bare minimum for any serious enterprise is a Google Business Profile, active social media pages, and a website. With first impressions now happening online more than ever, that first click really counts.

Not too long ago, building a website meant hiring designers and developers, waiting through endless revisions, and shelling out more money than most SMEs wanted to spend. But that's changed. Thanks to **no-code and low-code tools**, regular business owners can now build their own websites without a tech degree. Sure, there are still some bumps in the road, but the technical barriers are much lower than they used to be.

Kenya is fundamentally an SME economy. The MSME sector remains the backbone of the economy, shaping employment, income, and business activity nationwide. That reality should shape how we think about digital transformation. In Kenya, digital progress is not restricted to listed corporations or multinational firms. It is about traders, accountants, consultants, schools, clinics, agro-enterprises, logistics firms, training centres, and family-owned businesses competing in a marketplace that is more connected, more transparent, and more digital than before.

These days, websites are often the first layer of trust between a business and its potential customers. More first impressions are now happening on phone screens rather than in offices. Before walking into an office or making a call, a customer may search for a firm, compare providers, check directions, confirm contact details, scan reviews,

or simply decide whether the business looks legitimate.

The definition of success differs from one company to the next - for this reason, no single figure can tell us how much more successful businesses with websites really are. Success in business can mean more leads, more inquiries, more sales, more jobs, or stronger growth. But the research points in one clear direction: businesses with a stronger digital presence tend to attract more customer interest, generate more inquiries, and appear more credible to potential clients. A website alone is not a magic formula, but there's no doubt that it leads to stronger business outcomes.

No-code website building tools

Because of the high demands of running an up-and-coming enterprise, business owners need solutions that save them both time and money. This is where no-code website tools come in. They allow users to interact with visual tools

rather than with programming syntax. Instead of writing code, you work through templates, drag-and-drop sections, built-in forms, AI-generated layouts, and simple publishing controls. That difference is important. It means a business owner with limited technical knowledge can now focus more on brand image. The question is no longer, “Can I code?” but, “Can I present my business clearly?” For most SMEs, that is a much more manageable task.

No-code platforms to get you started

From personal experience, I have found that **GoDaddy** is often the easier

starting point for beginners because it simplifies getting a website online. You just pick a template from the website builder page and begin editing. Once you like what you have, you click on the publish button, and it goes live.

Elementor is somewhat more complex, but it offers a cleaner, more professional look and greater functionality. For SMEs, that progression can make practical sense: begin with a platform with a low entry barrier, then transition to one that offers greater flexibility and a stronger long-term digital presence.

Designing your website for Kenyan consumers

When you’re designing your website, keep in mind that it must reflect the realities of the Kenyan market. Most Kenyans use their phones to discover businesses, compare services, and decide whether to engage. A mobile-first approach is essential; websites should be designed first with smartphone users in mind, not as an afterthought. A site that looks good on a desktop but performs poorly on a phone will fall below your performance expectations.

The same applies to payments and transactions. For businesses that sell products, accept bookings, or receive deposits online, a website should reduce friction rather than add to it. In Kenya, that often means seriously considering payment options customers already trust and use, including mobile money and bank channels. Ease of payment is not separate from user experience; it is part of it.

Search visibility also needs to be considered from the start. Too often, businesses treat search engine optimization as something to think about after the website has already been built. In practice, SEO works best when it is built into the structure from day one: clear headings, relevant page titles, properly named images, location signals, fast page speed, and content that

answers the questions customers are actually searching for. For Kenyan SMEs serving specific towns, estates, counties, or regions, local discoverability can make the difference between being found and being overlooked.

Just as importantly, an effective website should guide visitors toward action. Good web design is not only about appearance; it is about helping the user know what to do next. That may mean calling the business, sending an enquiry, requesting a quotation, making a booking, or completing a purchase. Clear calls to action, visible contact details, strong trust signals, and a simple user journey all contribute to better outcomes. In that sense, the most successful websites are not always the most complicated ones. They are usually the clearest and easiest to use.

Businesses should also think beyond launch day. A website should not be treated as a static digital brochure that becomes outdated within months. It should be flexible enough to grow with the business, whether that means adding new services, event pages, blog content, customer support features, online ordering, or AI-assisted chat tools. This is one reason no-code platforms are so useful: they let SMEs start small and expand gradually, instead of forcing a full rebuild every time the business evolves.

Implications for accountants

For accountants and accounting firms, the implications are immediate. An accounting practice does not need a flashy website. It needs a useful one. A homepage, a short firm profile, a services page, office contacts, a map location, and a few clear notes on bookkeeping, payroll, VAT, tax filing, audit preparation, or business advisory can already do real work. A website can answer routine questions before they become phone calls. It can help clients understand what documents to prepare. It can reassure a potential buyer that the



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The same logic applies across the wider SME landscape. A clinic can publish its services and opening hours. A school

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can share admissions information. A consultant can explain expertise and booking details. A retailer can display product categories and ordering channels. A training centre can post courses and intake dates. An NGO can explain its mission and projects. Many of these organisations do not need complex, custom-coded systems. They need clarity, discoverability, and trust. No-code tools matter because they make those outcomes more accessible than before.

Still, no-code should not be romanticised. Easier does not mean effortless. In fact, one risk of modern website builders is that they make it possible to build a poor website very quickly. If the pages are cluttered, the messaging is vague, the contact details are buried, or the site is never updated, then the problem is no longer a technical difficulty. It is weak business judgment. The real advantage of no-code is that it removes the coding bottleneck. It does not remove the need for thinking.

Businesses still need to decide what their customers need to know, what action the visitor should take, and how the site supports the enterprise's actual goals.

The mindset change for Kenyan SMEs is now overdue. Too many businesses still think of websites as future projects, something to consider once the business is bigger, richer, or more stable. But in many cases, the website helps create that stability. It helps a business look established. It helps potential customers find it. It helps referrals convert more smoothly. It helps the owner move from saying, "Call me and I will explain everything," to saying, "Visit our site and see exactly what we do." In a crowded and rapidly evolving market, that shift matters.

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Kenya at the Crossroads: Opportunity and Risk Shape the 2026 Economy

By CPA Peter Kibet Kitur

Kenya's economy demonstrated notable resilience, as reflected in its trajectory from 2023 amid shifting global and domestic conditions.

While growth moderated from the previous year, the country sustained expansion across key sectors, including agriculture, financial services, transportation, and real estate. Recent reports from the *Kenya National Bureau of Statistics (KNBS)* show improvements in trade balances and export performance, underscoring a diversified economic base. As Kenya moves deep into 2026, its outlook is shaped by both domestic developments

and broader global forces — including technological shifts, geopolitical tensions, and environmental challenges. Understanding how these dynamics interact is critical to appreciating Kenya's evolving economic trajectory and identifying the opportunities and risks ahead.

Economic activity in Kenya continues to reflect a combination of domestic strengths and global pressures. According to the Kenya National Bureau of Statistics (KNBS) 2025 economic report, Kenya's real Gross Domestic Product (GDP) grew by 4.7 per cent in 2024, compared with 5.7 per cent in 2023, demonstrating a

moderation in growth but maintaining resilience. Key contributors included Agriculture, Forestry & Fishing (4.6%), Financial & Insurance Activities (7.6%), Transportation & Storage (4.4%), and Real Estate (5.3%), which collectively anchored the economy amid global uncertainties. Trade activity also improved: Kenya's total trade volume rose to KSh 3.8 trillion in 2024, with exports reaching KSh 1.1 trillion, driven by tea, coffee, apparel, oils, fruits, and jet fuel re-exports. Imports totalled KSh 2.7 trillion, including machinery, telecom equipment, plastics, rice, and aircraft. With exports outpacing imports, the trade deficit narrowed to KSh 1.594 trillion, and the export-

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Looking ahead, the Kenyan economy is expected to maintain a steady trajectory in 2026. According to the International Monetary Fund (IMF) and World Bank projections, GDP growth is likely to range from 4.9 per cent to 5.0 per cent, while forecasts from the Central Bank of Kenya (CBK) and the National Treasury indicate a slightly higher range of 5.3–5.5 per cent. Growth is expected to be supported by a recovering agricultural sector, increased efficiency in services, and a gradual easing of monetary policy, which will lower credit costs. Inflation is projected to remain stable at 4.8–5.2 per cent, and the Kenyan shilling is expected to trade between KSh 129 and KSh 132 against the US dollar. Despite positive projections, gross public debt is likely to remain around 70 per cent of GDP, continuing to influence fiscal decisions. Observers note that careful debt management, along with the recent launch of the National Infrastructure Fund, will play a key role in sustaining growth while channelling investments into strategic transport, housing, and energy projects.

Several structural factors underpin the expected growth momentum. Agricultural productivity is anticipated to improve due to favourable weather and government support, including fertiliser subsidies and investments in irrigation and extension programs. The increasing adoption of digital technologies and artificial intelligence across industries is expected to boost efficiency, particularly among small and medium-sized enterprises (SMEs) in the services sector. Infrastructure expansion, including government spending exceeding KSh 500 billion, coupled with the launch of the National Infrastructure Fund, is projected to

enhance connectivity and stimulate construction and related industries. Meanwhile, the sale of government-held Safaricom shares is expected to raise capital for public projects and diversify investment opportunities. Strengthening trade relationships with emerging markets in Asia and the Middle East, alongside the extension of AGOA (African Growth and Opportunity Act), is also likely to support export growth. According to Mastercard's 2025 Kenya Economic Outlook, these factors position Kenya to modernise infrastructure while leveraging regional trade and investment opportunities.

Key risks could temper this momentum. Fiscal assessments from the National Treasury emphasise that Kenya's high debt-to-revenue ratio limits funding for critical projects, while global volatility—including fuel price fluctuations and potential supply chain disruptions—remains a vulnerability. Domestically, the approach of the 2027 general elections has intensified political tensions, with rising confrontations between opposition and government supporters creating uncertainty that could dampen consumer spending and investment in the short term. Uneven rainfall patterns and the potential for droughts also pose risks to agricultural output. These considerations highlight the delicate balance between opportunity and risk, especially as Kenya seeks to diversify its economic base while maintaining fiscal discipline.

Kenya's national outlook is intertwined with broader global trends. The IMF World Economic Outlook Update (January 2026) projects global growth at 3.3 per cent in 2026 and 3.2 per cent in 2027, reflecting resilience amid mixed headwinds. Technological investments, particularly in artificial intelligence, are driving productivity in select sectors, while uncertainties from shifting trade policies, financial market fluctuations,

and geopolitical tensions continue to influence growth. Global inflation is projected to ease gradually, though adjustment rates differ across regions, with advanced economies such as the US converging more slowly toward targets than emerging markets. These global dynamics directly affect Kenya through trade linkages, capital flows, and inflationary pressures, underscoring the interconnectedness of domestic and international economic conditions.

Geopolitical tensions further complicate the economic landscape. Conflicts involving Iran and Israel have disrupted energy markets, contributing to price volatility that reverberates globally. Similarly, the prolonged war between Russia and Ukraine continues to affect the availability and cost of commodities,

Kenya’s economic outlook for 2026 reflects a complex but largely hopeful narrative. Domestic performance — supported by strong sectoral contributions, expanding trade activity, and ongoing infrastructure and digital transformation — shows the country’s ability to adapt in a volatile global context.

including grain, fertiliser, and energy. According to the World Bank’s 2025 Commodity Markets Outlook, these disruptions are increasing production costs and inflation pressures worldwide, affecting countries like Kenya that are dependent on imports. Consequently, fluctuations in fuel and grain prices directly affect transportation costs, food prices, and household expenditures.

Environmental factors have also affected domestic economic outcomes. Heavy rainfall and widespread flooding in parts of Kenya have disrupted agricultural production, damaged infrastructure, and strained supply chains, particularly in rural and flood-prone areas. These conditions underscore the role of climate variability in shaping short-term economic performance in a country where agriculture contributes substantially to GDP and employment. According to the KNBS 2025 Climate and Agriculture Report, ponding and soil erosion may temporarily reduce yields in maize, horticulture, and tea production, underscoring the need for strategic planning to ensure food security and economic continuity. Combined with global headwinds, such environmental challenges further emphasise the complexity of sustaining growth.

Both domestic and global dynamics present potential opportunities for strategic gains. Investments in technology, AI adoption, and digital transformation could boost productivity across sectors, while infrastructure projects financed through the National Infrastructure Fund and proceeds from the Safaricom share sale could enhance competitiveness and market access. Fiscal prudence, debt monitoring, and resilience planning to manage climatic, political, and geopolitical shocks remain critical for sustaining momentum. Taken together, Kenya’s economic outlook reflects a careful balancing of domestic policy, structural growth drivers, and

global conditions, suggesting moderate but resilient growth in 2026 despite persistent uncertainties and emerging challenges ahead of the 2027 general elections.

Conclusion

Kenya’s economic outlook for 2026 reflects a complex but largely hopeful narrative. Domestic performance — supported by strong sectoral contributions, expanding trade activity, and ongoing infrastructure and digital transformation — shows the country’s ability to adapt in a volatile global context. At the same time, persistent challenges such as fiscal constraints, geopolitical tensions, and climate pressures highlight the layered uncertainties that Kenya and many developing economies continue to navigate. Looking forward, the interplay between internal reforms and external conditions will be pivotal in shaping resilience and longterm growth. While global headwinds persist, strategic investments in technology, strengthened trade ties, and prudent economic management offer pathways for sustained progress and greater stability in the years ahead.

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The Difference Between The Successful and the Unsuccessful is One Word 'Courage'

When Courage Leads the Way

By CPA George Joseph Muema

Courage is defined as the quality of being confident, not afraid or easily intimidated, but without being incautious or inconsiderate, or the ability to maintain one's will or intent overcoming fear, frailty, or frustration; or the occurrence of adversity, defeat, or reversal.

Without the courage to try, all the other positive traits remain dormant. Courage is what makes a person show up no matter the circumstances, and when you show up, you are halfway to achieving the goal. In essence, courage is the fuel that allows a person to engage in all the other behaviors that lead to success: grit, perseverance, discipline, a growth mindset, and a willingness to learn.

A courageous, inexperienced person can go places a timid, intelligent person will never get. It gets to the heart of the idea that action beats inaction, even when the action isn't perfectly planned. A courageous, inexperienced person may

lack the foresight, knowledge, or strategy of the timid, intelligent person, but their willingness to *act* is their greatest asset. They are not paralyzed by the fear of making a mistake. They try, they fail, and they learn from direct experience in the subject they are focusing on. This is simply because failure is part of, not the opposite of, success. On the other hand, the "timid intelligent" person may have brilliant ideas and a comprehensive understanding of potential pitfalls, but their fear of failure keeps them from ever putting those ideas into practice. Their intelligence becomes a cage. They know all the reasons not to do something, so they end up doing nothing. Their fear of a single misstep robs them of a thousand opportunities. A timid person sees a risk, feels fear, and stops, while a courageous person sees a risk, feels the exact same fear, but takes action anyway.

This makes courage the catalyst and the force that turns potential into reality. While intelligence and knowledge are invaluable tools, they are useless without the courage to apply them.

The common misconception is that brave people feel no fear, but that is not true. Courage is actually not the absence of fear but acting with it. Many people believe that to be courageous, you must be a superhero who is never afraid. This belief is a major roadblock to action. When we feel fear, we often interpret it as a sign that we are not brave enough, and so we retreat or give up.

Courage isn't about the absence of fear; it's about the presence of a decision. It's about acting in the face of fear, uncertainty, or doubt. Unsuccessful people often feel the same fear as successful people, but they let it paralyze them. The successful person, on the other hand, decides to move forward despite their apprehension.

It's a conscious choice to move forward despite the fear. It's about acknowledging the potential for danger, failure, or discomfort and deciding that the goal is more important than the fear. It's not about being immune to fear, but about being willing to feel it and do what needs to be done anyway. This

reframing of courage makes it a skill anyone can develop, not an innate trait reserved for a few.

Many people have dreams, ideas, and even the necessary resources, but they remain stagnant because fear holds them hostage — fear of judgment, fear of loss, fear of not being enough. Success, in most cases, doesn't come to those who are merely capable, but to those who are willing to risk being uncomfortable. It takes courage to speak when your voice shakes, to continue after falling short, and to believe in yourself when no one else does. Every breakthrough, every innovation, every act of transformation in history has been fueled not just by brilliance, but by boldness.

Intelligence and talent are useless without the courage to take the first step, especially when facing a difficult or uncertain path. Fear of failure often paralyzes more people than a lack of ability. Success is rarely a straight line. It takes courage to try, fail, learn from the mistake, and try again, rather than simply quitting after the first setback. True success often requires thinking outside the box, challenging the status quo, and risking social disapproval. This requires the courage to stand alone.

How Courage Enables Other Traits of Success

Courage is the foundation upon which many other successful habits are built. For example:

- **Avoiding Procrastination:** Procrastination often stems from fear—fear of failure, the unknown, or not being good enough. Courage is what allows a person to overcome that fear and take the first step, even without being sure of what will happen.
- **Change management:** The world is dynamic and keeps on changing. Many people often embrace the comfort zone, fearing what a new direction might bring. Courage is what prompts one to step out of their comfort zone, learn new skills, and adapt to a changing world.
- **Risk Appetite:** People with a higher risk appetite often succeed. Every great achievement, from initiating a business to new innovations,

involves risk. Unsuccessful people are often risk-averse, fearing the potential loss. Courageous individuals are willing to take the risk because they see the potential that it can bring.

- **Embracing failure:** Failure is part of success, not the opposite of it, and is an inevitable part of the journey to success and to life generally. It takes courage to admit a mistake, accept responsibility, and try again. Unsuccessful people are more likely to engage in blame games and give up after the first failure.
- **Opportunity seeking:** It takes courage to face potential rejection and seize an opportunity. Opportunities often require you to put yourself out there, whether it's pitching an idea, applying for a promotion, or networking with new people.

How can courage drive individual employee success in the workplace/ organizations?

Courage is the foundational virtue upon which all other drivers of employee success are built. Without it, integrity remains untested, innovation stays a private thought, and ambition goes unexpressed, turning everyday professional life into a series of conscious, fear-driven choices. Individual success in any organization is ultimately a measure of courageous action. This is not about dramatic heroism, but rather the essential will to challenge the status quo, own mistakes, and take calculated career risks—making it the most active determinant of an employee's professional trajectory. These are some of the ways employees can leverage courage in the workplace for success: -

- **Speaking up** - to voice ideas, share concerns, or challenge the status quo. In many organizations, innovation does not stem from lack of creativity, but from fear: fear of being wrong, of being judged, or of facing backlash from authority. Employees should show courage to propose new solutions, point out inefficiencies, or challenge outdated processes — all of which contribute to organizational growth

and position them as valuable, proactive contributors.

- **Taking initiative and accepting responsibility** - In environments that reward caution, courageous employees should choose visibility and accountability. Employees should step up—volunteering for the high-stakes projects, initiating difficult conversations, and, critically, owning their mistakes without deflection. This consistent pattern of action builds the bedrock of trust and respect necessary to transition from a valuable team member to an influential leader.
- **Embracing discomfort and growing from it** - Growth in a role isn't passive; it's a direct result of choosing resilience over retreat when facing a challenge. Employees should courageously lean into learning new skills, navigating conflict, or adapting to major change, and rapidly develop a reputation for perseverance and adaptability, cornerstones of long-term career success.
- **Be ethical and of integrity** - Principled leadership is a function of courage, not title. When shortcuts or misconduct are tempting, the employee who stands firm and champions the ethical choice—regardless of unpopularity—is demonstrating this crucial form of bravery. These actions are a direct investment in the long-term health and moral reputation of the individual and the organization they serve.

Forget the notion of courage as mere bravery—it is the non-negotiable competency for success. As a multiplier of potential, courage accelerates skill acquisition, unlocks leadership ability, and cements team impact. In any competitive environment, it is the courage to act boldly and honestly—not just aptitude—that separates those who succeed from those who stay put.

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ICPAK 34th Economic Symposium



The 34th Economic Symposium took place at Safari Park from 18th to 20th February 2025, bringing together policymakers, regulators, and thought leaders to deliberate on Kenya's productivity agenda.

Theme: *Productivity to Prosperity: Re-shaping Key Sectors for a Future-Ready Economy*

The opening ceremony was led by ICPAK Chairman, CPA Prof. Elizabeth Kalunda, and CEO, CPA Dr. Grace Kamau, alongside

KRA Commissioner for the Tax Research & Analysis Unit, Mr. Alex Mwangi, representing KRA Board Chairman Hon. Ndiritu Muriithi.

Over the three-day forum, participants focused on sector transformation, governance, and strategies for sustainable economic growth, fostering dialogue on how Kenya can build a future-ready economy.



ICPAK Charity Golf Tournament

The ICPAK Charity Golf Tournament was held on 20th February 2026 at Ruiru Sports Club, where every swing supported a good cause. The tournament brought together golf enthusiasts for a day of fun, competition, and giving back.

Winners:

- Overall Winner: Macharia Njuguna (Hcp 29) – 61 Nett
- Men’s Winner: Peter Gichuru (Hcp 26) – 63 Nett
- Men’s Runners-Up: Isaac Githiri (Hcp 31) – 65 Nett
- Ladies’ Winner: Charity Wangui (Hcp 36) – 64 Nett
- Ladies’ Runners-Up: Esterina Kananu (Hcp 35) – 66 Nett
- 1st 9 Winner: Anthony Ng’ang’a (Hcp 33) – 31 Nett
- 2nd 9 Winner: Joseph Waruru (Hcp 30) – 31 Nett
- Sponsor Winner: Hosea Kiprop (Hcp 39) – 68 Nett

Congratulations to all winners and participants for making the event a success while supporting a meaningful cause!





ICPAK Courtesy Call with ACCA

The Institute of Certified Public Accountants of Kenya (ICPAK) today, 26th February 2026, hosted a courtesy call by ACCA Kenya at the CPA Centre to discuss areas of partnership and collaboration.

Key discussion points included professional development, technical capacity building, sustainability, and emerging

reporting frameworks. Both organisations explored ways to jointly position the accountancy profession for future demands.

The ACCA delegation was led by Chief Executive Helen Brand, while CPA.

Catherine Asemit, Director of Standards and Technical Services, represented the CPA. Dr. Grace Kamau, ICPAK CEO.





ICPAK Eastern Branch PFM & Emerging Issues Seminar

From 7th to 8th March 2026, the ICPAK Eastern Branch successfully hosted the PFM & Emerging Issues Seminar, convening professionals to discuss the latest developments in Public Financial Management (PFM) and the implementation of IPSAS Accruals.

The seminar focused on enhancing financial reporting, promoting transparency and accountability, and building the capacity of public-sector professionals to drive effective financial management.





ICPAK South Rift Tax Workshop

The ICPAK South Rift Tax Workshop held in Kericho from 7th to 8th March 2026 concluded successfully, drawing over 100 delegates. The workshop, themed “Strengthening Tax Compliance and Navigating Emerging Tax Risks in a Dynamic

Regulatory Environment,” provided participants with practical insights on the latest tax developments, delivered by our team of expert facilitators.





Media Engagements

KTN PRIME
With Leah Ngari

WHY THE MIDDLE EAST CONFLICT MATTERS TO KENYA

TUESDAY | 03rd MARCH
10.00PM

PROF. XN IRAKI
Economist

PROF. PETER KAGWANJA
Economist

CPA WYCLIFF BICHANG'A
ICPAK Council Member

Watch us on: GoTV Ch. 18 | StarTimes Ch. 522 | Bambu Ch. 2 | DSTV Ch. 272 | Signet Ch. 186



мбака OROMO

Host
Lydia OKEYO

Wendo
CPA BRIAN ONYANGO
Jakanyo, ICPAK

Wendo
MAUREEN ODIRA
Ja Ohala

Wendo
OTIENO PANYA
Jalony e weche ohala

RIEKNI MAG CHAKO OHALA

TICH ANGWEN
26/02/2026

10:30 AM - 1:00 PM



IPSAS Accrual Workshop



The 5-day IPSAS Accrual Workshop was successfully held at Sawela Lodge, Naivasha, from 16th to 20th February. The workshop, themed “IPSAS Accrual Reporting: Lessons, Challenges, and Practical Improvements after the First Year,” brought together professionals to reflect on their experiences during the first year of IPSAS Accrual implementation.

Participants engaged in in-depth discussions on practical applications, implementation challenges, and strategies to enhance

public sector financial reporting. The workshop provided a valuable platform for knowledge sharing, peer learning, and strengthening the capacity of public finance professionals to deliver transparent, accurate, and accountable financial reporting.

This event further reinforced the commitment of public sector accountants and auditors to improve reporting standards, ensure compliance with IPSAS, and drive better governance and decision-making.





Sustainability Reporting IFRS S1 & S2 Workshop

From 2nd to 6th, the Institute of Certified Public Accountants of Kenya held the Sustainability Reporting Workshop on IFRS S1 & IFRS S2 at Safari Park Hotel under the theme “From Standards to Statements: Practical Reporting under IFRS S1 & IFRS S2.”

The workshop brought together professionals to explore practical approaches to implementing IFRS S1 and IFRS S2. Participants engaged in discussions on sustainability disclosures, climate-related financial reporting, governance, risk management, and the integration of sustainability considerations into corporate reporting frameworks.





Taxation Masterclass 2025

The Taxation Masterclass 2026 Edition 1 was held at Sawela Lodge from 2nd to 6th March 2026. Under the theme “Strategic Tax Leadership for Compliance, Efficiency & Sustainable Growth,” delegates gained practical skills, strategic insights, and an in-depth understanding of the evolving tax landscape.

Over the week, participants explored key areas including corporate, personal, and international taxation; VAT, transfer pricing, and tax audits; digital transformation and ESG-linked tax trends; as well as ethics, dispute resolution, and leadership in taxation.



Hillary Onami
Director Public Policy and Research



FCPA Maurice Oray - Deputy Commissioner
Corporate Policy, KRA



FCPA Robert Waruiru, Convenor, ICPAK
Public Finance & Tax Committee



FCPA Rose Mwaura
Public Finance Sector Board, KEPSA



CPA Sandeep Main
Tax Partner, KPMG



FCPA Christine Kahema, Member, ICPAK
Public Finance & Tax Committee



CPA Fred Kimotho Member
Public Finance & Tax Committee



CPA Catherine Muema, Snr Officer Professional
Standards & Sustainability-ICPAK



ICPAK Roundtable Meeting with the Kenya Revenue Authority

On 11 February 2026, ICPAK held a roundtable meeting with the Kenya Revenue Authority to discuss current challenges and opportunities in tax policy and administration. Chaired by Commissioner George Obell and FCPA Robert Waruiru, the meeting deliberated on tax base expansion strategies, the phased filing of 2025 tax returns, the Ushuru Mashinani project, and the opportunities within the eTIMS platform.

CPA Obell emphasised the need to broaden the tax base, noting the declining tax-to-GDP ratio resulting from overreliance on a narrow base. He stated that this could be addressed by modernising compliance systems to increase revenue collection without raising tax rates. He further indicated that the Authority is integrating artificial intelligence (AI) and machine learning across all tax heads to seal revenue gaps. As part of the proposed tax reforms, KRA and the National Treasury are considering eliminating the KSh 5 million VAT threshold to enhance equity, streamlining tax exemptions, introducing a dual-assessment regime in which both the Commissioner and the taxpayer initiate tax assessments, and

establishing an eTIMS Transaction Hub to integrate processes such as supply chain traceability, geo-referencing, and auditing.

ICPAK emphasised the need for KRA to align the implementation of eTIMS with other tax laws, particularly income tax provisions on exemptions. The Institute also highlighted the need to review and increase the VAT threshold, undertake training initiatives, and develop sector-based solutions, among other recommendations.

On a positive note, ICPAK commended the Authority for implementing proposals from the previous meeting, including issuing notices before placing taxpayers on the special table and initiating discussions with the National Treasury regarding tax agents.

The meeting was attended by representatives from various KRA departments, including the Commissioner Large and Medium Taxpayers, members of the ICPAK Public Finance and Taxation Committee, and the ICPAK Secretariat.





CPA Prof. Kalunda Leads the Charge for Women’s Equity in HR

On 9th March 2026, the Chairman of the Institute of Certified Public Accountants of Kenya, CPA Prof. Elizabeth Kalunda, delivered the keynote address at the 2nd Women in HR Breakfast, hosted by the Institute of Human Resource Management.

In her speech, titled “Justice Begins at Home: Ensuring Equal Rights and Opportunities for Women in the HR Profession,”

she urged HR leaders to lead by example, making sure that the equity they promote within organisations is also reflected in their own professional ranks.

She further encouraged women in HR to continue balancing the scales, breaking barriers, and accelerating women’s leadership across workplaces in Kenya and beyond.





ICPAK Engagement with the Competition Authority of Kenya CAK

On 15th February 2026, ICPAK, led by the Chairman, CPA Prof. Elizabeth Kalunda, engaged the Competition Authority of Kenya (CAK) in productive discussions focused on mutual collaborations and safeguarding the accountancy practice.

The meeting explored collaboration between the two institutions to ensure that the accountancy profession remains protected, competitive, and aligned with national economic goals.

Key areas of focus included:

- Review of the Accountancy Remuneration Order
- Strengthening regulatory collaboration
- Promoting fair competition within the profession
- Safeguarding the integrity and ethics of accountancy practice

Also in attendance were Council member CPA Wycliff Bichang'a and members of management. ICPAK remains committed to engaging strategic partners to advance the profession and protect public interest.





The Financial Reporting for County Governments & Public Sector Entities 2026 workshop

The Financial Reporting for County Governments & Public Sector Entities 2026 workshop was held at Sarova Whitesands Beach Resort from 23rd to 27th March 2026, bringing together public finance professionals to strengthen capacity, exchange insights, and champion meaningful transformation across the sector.

Anchored on the theme “*Strengthening Public Sector Accountability through Enhanced Financial Reporting Practices*,” the workshop is empowering participants with practical expertise in budgeting, IPSAS application, risk management, audit preparedness, and sustainable financial planning.





ICPAK pays Courtesy Call to the Vice Chancellor of Garrisa University

On 27th March 2026, the Institute paid a courtesy call on the Vice Chancellor of Garissa University, Prof. Ahmed Osman Warfa, during which the two institutions exchanged ideas on how to improve the research culture among students. The Institute offered to provide a platform for Garissa University students to have their papers reviewed by industry experts and to present and publish their research findings in the ICPAK Accounting and Finance journal.

This will expose students to and enhance their understanding of real world issues. The Vice Chancellor also invited the Institute to train and mentor upcoming professionals, especially in business and finance. The two Institutions agreed to enter into a memorandum of understanding that would guide their interactions going forward. Further, the Institute also held an engagement with the Deputy

Governor of Garissa County, His Excellency Abdi Dagane, where the two Institutions agreed on the need for a framework to cement their strong working relationship. During the meeting, the Institute reiterated its commitment to supporting the County Government in attaining an unmodified audit opinion through training and capacity-building for County staff.

During the two engagements, the Institute was represented by Council members, FCPA Georgina Malombe, CPA Wycliff Bichang'a and CPA Chrispus Mbogo, Northern Branch leadership led by its Chairman, CPA Unshur and Mr. Hillary Onami, representing the CEO of the Institute. Also present was the CECM Trade, Investment & Enterprise Development Hon Mohamed Suleiman.





Legacy and Leadership | Forum for Senior and Retired Members

The ICPAK Legacy Leadership Seminar, held on 26th–27th March 2026 at the Haibu Auditorium, brought together insightful conversations on transitioning into retirement, embracing country living, prioritizing health and wellness, and securing one’s legacy through effective estate planning.

The discussions explored how to build a fulfilling life beyond the profession, through purposeful living, strong social connections, and thoughtful financial and lifestyle choices.





Mimi Ni Mkenya initiative by the Nation Media Group

On March 26th, ICPAK Vice Chairman FCPA Benard Amukah joined fellow leaders in the launch of the *Mimi Ni Mkenya* initiative by Nation Media Group, a civic platform aimed at bringing together citizens, institutions, and diverse voices for meaningful dialogue and engagement.

At ICPAK, we acknowledge the vital connection between governance and economic stability. Strong governance systems foster investor confidence, enhance transparency, and protect national resources, while weak governance can result in significant financial, social, and institutional challenges.



ICPAK Vice Chairman FCPA Benard Amukah engages with the media during the Mimi Ni Mkenya Initiative by Nation Media Group.



ICPAK Vice Chairman FCPA Benard Amukah giving remarks at the Mimi Ni Mkenya Initiative, hosted by Nation Media Group.



ICPAK UDIN Engagement

On 19th March, ICPAK convened a high-level Stakeholder Engagement Forum to officially introduce the Unique Document Identification Number (UDIN) initiative, marking a significant milestone in strengthening the integrity of financial reporting in Kenya.

The forum brought together a diverse group of stakeholders from both the public and private sectors, including regulators, practitioners, policymakers, and industry leaders. Their participation reflected a shared commitment to promoting transparency, enhancing accountability, and addressing the persistent challenge of professional malpractice within the financial ecosystem.

The UDIN framework represents a transformative step for the accounting profession. By assigning a unique identification

number to financial documents issued by certified accountants, the system will enable real-time, online verification of such documents. This innovation is expected to significantly curb document falsification, enhance the credibility of financial information, and provide stakeholders with greater confidence in the authenticity of financial reports.

Through this initiative, ICPAK continues to reinforce its mandate to safeguard the public interest. UDIN strengthens professional oversight, supports regulatory enforcement, and builds trust in the work of accountants. As the Institute advances reforms that uphold ethical standards and professional excellence, the UDIN initiative stands out as a critical tool in fostering a more transparent, accountable, and trustworthy financial reporting environment.



FCPA Benard Amukah
ICPAK Vice Chairman



CPA Dr. Grace Kamau
ICPAK CEO



FCPA Georgina Malombe
ICPAK Council Member



CPA Olive Gitau - ICPAK Council Member



CPA Wycliff Bichang'a - ICPAK Council Member



CPA Catherine Asemit
Director, Professional Standards & Sustainability - ICPAK



CPA Julian Nyong'o
Director of Regulation, Licensing, and Compliance - ICPAK



CPA Elvis Moenga, Manager,
Professional Standards & Sustainability - ICPAK



Pictured from left to right are Tony Juma, Jamlick Kogi (centre) and Benard Nyabiosi, a section of ICPAK Secretariat



Digital Assets: What Are They?

Do I Need to Know Anything About Them? Of What Relevance Are They to Accountants?

By Jim McFie, a Fellow of ICPAK

With the rise of Central Bank Digital Currencies (CBDCs), governments have “surgical precision” in tracking transactions, meaning non-compliance is almost immediately visible.

A digital asset is a digital record or representation of value that is stored and tracked on a digital distributed ledger, most commonly a blockchain.

A blockchain is a shared, digital ledger that stores information across a network of computers rather than one central server. It records transactions in “blocks” that are securely linked together, making it nearly impossible to alter or cheat the system. Instead of a bank holding one ledger, everyone in the network has a copy, ensuring transparency and trust. Transactions are gathered into “blocks.” Once filled, a block is added to the “chain” of previous records in chronological order. Once data is added,

the data cannot be changed or deleted. Any tampering is easily detected because the records are linked by complex mathematics or cryptography. New additions to the chain are agreed upon by the network, not by a single authority. While the blockchain is best known for its crucial role in cryptocurrency systems, maintaining a secure and decentralized record of transactions, blockchains are not limited to cryptocurrency uses. Blockchains can be used to make data in any industry immutable, meaning it cannot be altered.

The world of finance is currently at a historic tipping point. As of 2026, digital assets have transitioned from speculative “internet money” to the foundational architecture of the global financial system. For the modern accountant, these are not just line items on a balance sheet—they represent a total shift in how value is recorded, audited, and taxed.

The phrase, “a digital asset” has

expanded far beyond Bitcoin but let us consider the Bitcoin first. The Bitcoin is a decentralized digital payment system and an alternative to fiat currency, serving as an investment asset for investors seeking returns through price appreciation. A fiat currency is a national currency not backed by a physical commodity, such as gold or silver, but by government decree and public trust: it is declared legal tender, with its value derived from the issuing authority’s stability and economic strength, rather than intrinsic value. The Bitcoin utilizes peer-to-peer transfers on a digital network that records and secures all transactions. In recent years, Bitcoin has increasingly been accessed through regulated investment products, such as spot Bitcoin exchange-traded funds (ETFs), expanding its reach beyond crypto-native platforms. There is a lot going on behind the scenes in the Bitcoin network, but space and time prevent me from going into any depth about it. After surpassing Kes

12.9 million in late 2024, the Bitcoin has continued to experience sharp price swings, underscoring both its growth potential but also its volatility. As I write this article, the value of Bitcoin is Kes 9.6 million.

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Digital assets are generally categorized into four primary buckets: (i) Payment Tokens or Cryptocurrencies: These are assets like Bitcoin or Litecoin designed to act as a medium of exchange or a store of value; (ii) Stablecoins: Digital tokens pegged to a stable asset, such as the US Dollar; these have become the “digital oil” for corporate transactions due to their low volatility; (iii) Tokenized Real-World Assets (RWAs): This is the “everything-on-a-chain” movement. It involves creating digital versions of traditional assets like real estate, stocks, bonds, or even physical inventory. When one buys shares on the Nairobi Securities Exchange, one does so through a Central Depository System (CDS) account, which electronically records one’s ownership.

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Following a purchase, one receives a transaction confirmation from one’s broker. All shares are held electronically in a CDS account opened through a licensed stockbroker, serving as the official record of ownership. The stockbroker provides one with a statement showing one’s transaction history and current portfolio holdings. One can track one’s shares in real-time, including the number of shares and their value, via authorized apps like the [ZiiDi Trader app](#) or broker-specific platforms. Ownership is confirmed when one receives dividends directly into one’s bank account or M-PESA as listed in one’s CDS records. (iv) Central Bank Digital Currencies (CBDCs): Government-issued digital versions of fiat currency (like the Digital Yuan) that represent a direct claim on a central bank.

In 2026, the institutional adoption of digital assets is reaching new heights. Estimates suggest that over 75% of institutions in the US are now increasing their allocations to digital assets. This is not just for investment firms; companies are now using stablecoins for vendor payments, tokenizing their own supply chains for better transparency, and holding digital assets as treasury reserves.

Business leaders, investors, and professionals need to understand digital

assets because: (i) Speed and Cost are minimized. Transactions that used to take three days (T+3) can now be settled in seconds (T+0). (ii) Programmability: “Smart contracts” allow money to move automatically when certain conditions are met (e.g., an insurance payout triggered automatically by a weather event). (iii) Regulatory Clarity: In 2026 in the US, major frameworks like the CLARITY Act and the SEC’s Crypto Task Force guidance have provided the legal guardrails that were missing in the previous decade.

For the accounting profession, digital assets are the most significant disruption since the move from paper ledgers to spreadsheets. It is not just about “counting the coins”; it is about a new paradigm of Triple-Entry Accounting. One of the biggest shifts in 2026 is the divergence between US Generally Accepted Accounting Principles (GAAP) and International Financial Reporting Standards (IFRSs) in valuing digital assets. ASU 2023-08 (Intangibles—Goodwill and Other—Crypto Assets) promulgated by the Financial Accounting Standards Board (FASB) updates US GAAP and mandates fair value measurement for certain crypto assets, requiring changes in value to be recorded in net income. It improves financial reporting by replacing the cost-less-impairment model with fair value, enhancing transparency for assets like Bitcoin. Effective for fiscal years beginning after December 15, 2024, it requires separate balance sheet presentation and enhanced disclosures. Under IFRS, many digital assets are still treated as intangible assets (IAS 38) or inventory (IAS 2). This often requires measuring them at cost less impairment, which can lead to a “valuation gap” where the balance sheet does not reflect the true market value.

In a traditional audit, one verifies the bank account number by looking at a bank statement and by obtaining separate confirmation from the bank

itself. In the digital asset world, there is no bank. Accountants must now first verify Private Key Management: does the client actually control the “keys” to the wallet? Then the auditor carries out On-Chain Verification, which is using block explorers to prove that the assets exist on the blockchain at the stroke of midnight on the reporting date.



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Some tax authorities are no longer playing catch-up: KRA may need to do so. The Crypto-Asset Reporting Framework (CARF) is now a global standard. Every time a company uses a stablecoin to buy a service, it may trigger a capital gain or loss depending on the price of the coin at that moment. This requires meticulous, automated record-keeping. With the rise of Central Bank Digital Currencies (CBDCs), governments have “surgical precision” in tracking transactions, meaning non-compliance is almost immediately visible.

Because blockchain is an “immutable ledger” (meaning it cannot be changed once written), the role of the auditor is shifting from historical verification to real-time monitoring. If the data on the blockchain is reliable, the risk of “accuracy” errors drops significantly, allowing accountants to focus on higher-level strategic advisory roles. In “Traditional Accounting”, settlement was in T+2 or T+3 days; verification was achieved in monthly bank reconciliations; valuation was normally at historical cost; control was over internal database access. In

“Digital Asset Accounting”, settlement is instantaneous - (T+0); verification is real-time on-chain audits; valuation (in the US) is at fair value (Mark-to-Market); and controls are over the private key and custody protocols.

Digital assets are no longer a peripheral experiment; they are becoming the “architecture of global finance.” For accountants, this means the toolkit must evolve. Success in the years beyond 2026 requires a blend of traditional financial expertise and a deep understanding of cryptographic protocols and decentralized finance (DeFi). The Kenyan habit of leaving things to the last moment, the “wait and see” era is over.

Zipporah Mungai Chege, the Chief Finance Officer of ICEA Lion Insurance, a position she has held since August 2016, can tell you all about that tendency.

Whether it is managing a company’s stablecoin treasury or auditing a tokenized real estate fund, the digital asset economy is here, and it is being written in code. Prepare yourself for it.





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