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Dear Reader,

Financial inclusion has progressively become a subject of considerable interest among policy makers, researchers, and other stakeholders. In international forums, such as the Group of Twenty (G-20), financial inclusion has moved up the reform agenda. At the countries' level, regulatory and supervisory agencies are engaged in enhancing it. In recent years, some 50 countries have set formal targets and goals for it. The heightened interest reflects a better understanding of the importance of financial inclusion for economic and social development. It indicates a growing recognition that access to financial services plays a critical role in reducing extreme poverty, boosting shared prosperity, and supporting inclusive and sustainable development. The interest also derives from a growing recognition of the large gaps in financial inclusion. According to the Global Financial Development Report of 2014, half of the world's adult population—more than 2.5 billion people did not have an account at a formal financial institution; though this is believed to have narrowed down. Inclusive financial systems which allow access to various financial services are especially likely to benefit entire populations - particularly disadvantaged groups. This is our cover story. Meanwhile, in the coming years, internal auditors may be expected to expand their operations to assume more responsibilities in improving risk management, reducing organizational complexity and costs, and participating in developing strategic and governance processes. Read about this in the audit section.

In the finance and investment segment, we find out how counties can gain from parking fees. It is a substantial source of Own Source Revenue (OSR) for urban and semi-urban devolved units like Nairobi, Mombasa, Kisumu, Nakuru, Uasin Gishu, Nyeri and Kiambu, among others. The writer says parking fees can increase the OSR of rural counties with scattered urban areas and market centres if well managed. Proper strategies should be deployed to enhance the efficiency of the collection, reporting, projection, oversight and enforcement processes for both rural and urban counties. It is worth noting that for urban counties the unrealized revenue from the levy gap from parking fees could be as high as 30-40% and for rural counties this could go as high as 70%.

If the statistical data on waste management is anything to go by, the government of Kenya needs to work on getting its citizenry to opt for single-use masks to avert an environmental crisis in the future. It can be helpful if the government can reduce or zero rate taxes on raw materials used to make masks so that more of them can be manufactured cheaply using cotton to meet the required standards and retail affordably for everyone. This is our environment story.

In the pen off piece, the author explains how the use of the International Public Sector Accounting Standards (IPSASs) has increased since 2018. Of the 49 jurisdictions that used the accrual basis in 2020, 28 (57%) used IPSASs in one of these three ways: 4 jurisdictions adopted IPSASs with no modifications; 8 modified IPSASs to comply with local requirements; and 16 used IPSASs to develop their own national standards. Some jurisdictions not categorized as reporting on accrual still make use of accrual IPSASs or the cash basis IPSAS in their financial reporting framework. In addition to those countries which use IPSASs, IPSASs are also used by a number of international organizations, including the European Commission, the International Federation of Accountants (IFAC), the International Criminal Police Organization (INTERPOL - an international organization that facilitates worldwide police cooperation and crime control; headquartered in Lyon, France, it is the world's largest international police organization, with seven regional bureaus worldwide and a National Central Bureau in all 195 member states.

Finally, find out about accountability and transparency in the work place, and emerging technologies that will reshape the future of commerce under information technology. We have in addition, included all your regular features in this last Journal of 2021.

We wish all our readers a happy, blessed and prosperous New Year!

Rose Tinderet

A new auditing standard: simplification or complication?

By FCPA Dr. Jim McFie

The second section of the majority of audit reports of entities in Kenya reads: *"Basis for Opinion: We conducted our audit in accordance with International Standards on Auditing (ISAs).* Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated and Separate Financial Statements section of our report". An auditor can make this claim only is s/he has followed all the ISAs applicable to the audit.

The Council of the Institute of Certified Public Accountants of Kenya (ICPAK) decided in a meeting in 1997 to adopt International Accounting Standards, now International Financial Reporting Standards (IFRSs), and International Standards on Auditing (ISAs) with effect from 1 January 1999. The Council decided that it would cease developing Kenyan Accounting and Auditing Standards for a number of reasons. In particular it had become clear to the Council that developing home-grown standards was not putting its limited resources to best use: the Council communicated this decision to the members of ICPAK in the following terms: *"Updating Kenyan Standards to comply with International Standards and to cover areas which are not covered currently is a monumental task. The Institute just does not have the resources, human or financial, to carry out this task to a satisfactory level of proficiency; and even if it did, what purpose would this serve? Council believes that an effort to update Kenyan Standards will merely reproduce International Standards under a different name. In the circumstances therefore, the resources available to ICPAK could be put to better use if they were used to interpret International Standards, to assess their implication on local practice and, where necessary, to issue technical bulletins and local guidance on those Standards".* I repeat this statement because I have seen and heard arguments by some Kenyans that we should have continued to develop Kenyan Accounting Standards: recently I listened to part of a speech in the Scottish Parliament given by a young lady in Gaelic, the language of Scotland; I and all the Members of the Parliament had to listen to its translation in English – in my opinion, make life simpler for all of us by communicating in a language we all understand. IFRSs are required for financial reporting in more than one hundred and forty jurisdictions and permitted in many parts of the world: the IFRS Foundation on its website states that *"To assess our progress towards the global adoption of IFRS standards, we monitor the application of those standards in each jurisdiction. Updates are made on an ongoing basis. Currently we have complete profiles for 166 jurisdictions."* What exactly this last statement means is a moot point: the curse of politics has invaded the world of the professions.

One country which does not use IFRSs is the United States of America: there United States Generally Accepted Accounting Principles (US GAAP), laid out in a 25,000 page tome, are the norm. Many persons of high rank in the finance industry in the US state that US capital markets are the widest and deepest in the world, which is true at the present time. In relation to financial reporting, the Chartered Financial

Analyst (CFA) Institute points out that: *"In 2008, the US Securities and Exchange Commission (SEC) issued a preliminary "roadmap" that may lead the United States (US) to abandon GAAP in the future, and to join more than 100 countries around the world in using the International Financial Reporting Standards (IFRSs). As of 2010, the convergence was underway with the US Financial Accounting Standards Board (FASB) meeting routinely with the International Accounting Standards Board (IASB), which administers IFRSs. The SEC expressed at that time its desire to fully adopt IFRSs in the US by 2014. With the convergence of the US GAAP and the IFRS accounting systems, as the highest authority, the IASB is becoming more important in the United States. Although convergence efforts have stalled since FASB and IASB completed projects that better align accounting rules in US GAAP and IFRS in February 2013—including revenue recognition, leases, and credit losses on financial instruments— former SEC Chair Mary Jo White said in January 2017 just prior to her departure that collaboration between the two boards should continue. She called for renewed emphasis on global accounting standards that would best serve investors through collaboration between FASB and IASB. Investors increasingly make their investment decisions in a global context of comparing investments in companies located in many countries that use different accounting, auditing, and other business practices. Making such comparisons is difficult, time-consuming, complex, and risky, even for seasoned professionals. The current SEC reconciliation requirement (that is, reconciling an IFRS set of financial statements to a US GAAP based set) is an important tool that allows them to compare companies in different countries on an apples-to-apples basis. To the extent accounting standards have not yet converged (or new differences develop) investment professionals rely on the reconciliation as an efficient and cost effective way of bringing to their attention the material differences in accounting. For that reason, the CFA Institute has long supported, as well as actively engaged in, the development of global accounting standards. Our objective has always been to encourage the IASB in developing financial reporting standards that meet the needs of investors, investment professionals, and other users. We also support the memorandum of understanding between the IASB and FASB to work together on converging IFRSs and US GAAP. The current reconciliation requirement for IFRS to US GAAP serves as a primary tool for identifying the material differences in practice as well as in principle. We believe that the removal of that requirement would severely impede the Boards' efforts to converge and improve financial reporting standards. We believe that the elimination of the reconciliation requirement could be expedited when the IASB and FASB complete their work on key projects, such as the conceptual framework, financial statement presentation, revenue recognition, and financial instruments".*

"The importance of Kenyan companies' financial statements being prepared in accordance with IFRS can be seen when one thinks a little about what the CFA Institute state: the foresight of Charles Muchene and John Njiraini in 1997 was prophetic when they steered the Council of ICPAK to the decision of adopting IFRSs and ISAs for Kenya.

The importance of Kenyan companies' financial statements being prepared in accordance with IFRS can be seen when one thinks a little about what the CFA Institute state: the foresight of Charles Muchene and John Njiraini in 1997 was prophetic when they steered the Council of ICPAK to the decision of adopting IFRSs and ISAs for Kenya.

However, when one has fourteen intelligent and highly paid individuals in IASB, sitting in a building on a full-time basis, they will tend to look for something to do to justify their large salaries. The result is that International

Financial Reporting Standards have become more and more complex; a tax practitioner who used to work in a Big Four firm states that a set of financial statements prepared using IFRSs cannot be understood: these financial statements become more and more complicated with each passing year.

The same applies in auditing. The idea of having International Standards in auditing can be traced back to 1969 when the Accountants International Study Group published a number of reports on international auditing: these studies compared auditing in Canada, to that in the UK and in the US.

The International Accounting Standards Committee, the forerunner of the International Accounting Standards Board, was established in 1973: this provoked calls for a similar body to be established for auditing. Some of the older members of ICPAK will remember studying auditing from a book by Maurice Moonitz. In 1978, when he was the Director of Accounting Research at the American Institute of Certified Public Accountants (AICPA), he wrote a book entitled 'International Auditing Standards' which set out the case for a set of international standards. In addition, he recommended the establishment of an International Auditing Standards Committee (IAudSC).

On 7 October 1977, the International Federation of Accountants (IFAC) was founded in Munich, Germany, at the 11th World Congress of Accountants. At that first meeting of the IFAC Assembly and Council in October 1977, a 12-point work program was developed to guide IFAC committees and staff through the first five years of its activities. Many elements of this work program are still relevant today. Beginning with 63 founding members from 51 countries in 1977, IFAC's membership has grown to now include over 175 members and associates in 130 countries and jurisdictions worldwide. Today, IFAC 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.

After that meeting, the Council of IFAC created the International Auditing Practices Committee (IAPC) which would be a standing committee of the IFAC Council and subsequently the IFAC Board (in May 2000 the IFAC Council was renamed the IFAC Board). Between 1980 and 1991 the IAPC issued International Auditing Guidelines (IAG), and addendums to these. The first International Standard on Auditing (ISA) was issued in 1991, and this has remained the series to the present day. The IAPC was renamed as the International Auditing and Assurance Standards Board (IAASB) in 2002. Membership of the organisation was widened to include non-auditors.

"IAASB had always insisted that an "audit is an audit". But insistence by the Nordic, Sri Lankan, French and Belgium Institutes paid off: on 12 September 2019 IAASB published a discussion paper entitled "Audits of Less Complex Entities: Exploring Possible Options to Address the Challenges in Applying the ISA". Feedback was requested from anyone interested: there were ninety three responses, including one from EY Global, PKF and three others from South Africa, and one from Ghana, Nigeria, Uganda and Zimbabwe.

The first ISAs were simple: the latest Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements, the 2020 edition, consists of Volume One of 1,480 pages containing the International Standard on Quality Control (ISQ 1 – which will be replaced by the International Standard on Quality Management 1 with effect from 15 December 2022), 37 International Standards on Auditing, a set of International Practice notes, and five standards which are not yet effective. 480 page Volume Two contains two International Standards on Review Engagements, seven International Standards on Assurance Engagements, two International Standards on Related Services and one New and Revised Standard Not Yet Effective. Volume 3 is a one hundred and two page Supplement to the Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements. To read the whole serving, one has to read 2,062 pages.

The 2006 Companies Act in the UK abolished the requirement for a small company (mainly if turnover is less than £10.2 million and gross assets less than £5.1 million) to have its accounts audited. Kenya has followed this route for small companies (mainly if turnover is not more than Kes 50 million and net assets at the year-end are not more than Kes 20 million).

However, other countries think differently. On 1 July 2015, the institutes of public accountants in Sweden, Denmark, Finland, Iceland and Norway (the Nordic institutes) published a draft of the standard for audits of small entities that they had developed: it is titled the *"Nordic Standard for audits of small entities". It is a 28 page document: "This standard is a principles based, stand-alone auditing standard, tailored specifically to audits of the financial statements of small entities. . . . . The standard has been developed based on general auditing principles and uses a risk based audit approach. The application of the standard requires the auditor's judgment and professional skepticism. . . . . When applying this standard the auditor shall comply with relevant ethical requirements, including those pertaining to independence, and with the requirements of The International Standard on Quality Control (ISQC 1). The standard is applicable for audits of small entities below the mandatory audit threshold in the EU accounting directive (annual turnover of €10 million, year-end total assets of € 10 million)".*

The Norwegian Institute (on behalf of the group) requested observers to submit their comments. IAASB's response was not enthusiastic: the general thrust of their comments were "Any such efforts cannot be undertaken at the expense of audit quality, which we believe is a strong possibility if the proposed Nordic Federation Standard for Audits of Small Entities (SASE) is put into practice. . . . . The IAASB believes that the proposed SASE is very different than ISAs and audits performed under the SASE could differ significantly from an ISA audit in terms of audit quality".

IAASB had always insisted that an "audit is an audit". But insistence by the Nordic, Sri Lankan, French and Belgium Institutes paid off: on 12 September 2019 IAASB published a discussion paper entitled "Audits of Less Complex Entities: Exploring Possible Options to Address the Challenges in Applying the ISA". Feedback was requested from anyone interested: there were ninety three responses, including one from EY Global, PKF and three others from South Africa, and one from Ghana, Nigeria, Uganda and Zimbabwe.

On 23 July 2021, IAASB issued an exposure draft for public comment on its "Proposed International Standard on Auditing for Audits of Financial Statements of Less Complex Entities" - a separate, single standard - the ISA equivalent to the IFRS for SMEs. IAASB would appreciate your feedback: the exposure draft is open for comments until 31 January 2022. Let us make an effort to ensure that some responses are received from Kenya.

The Writer is a Fellow of ICPAK

REPUBLIC OF KENYA

RESTORING & PRESERVING KENYA'S ROAD ASSET

ANNUAL PUBLIC ROADS PROGRAMME FOR THE FINANCIAL YEAR 2021/2022

Statement from the Cabinet Secretary

Kenya has emerged in recent years as one of the fastest growing economies in the world. Given the strategic importance of its road networks, the country has often been referred to as the key economic and commercial hub of East Africa. The Government of Kenya is working towards positioning Kenya as a regional transportation hub in Africa in line with Kenya Vision 2030 and the African Union Agenda 2063 goals. Further, the Government has adopted the Big Four Agenda to accelerate development through affordable housing, food security, universal health care and manufacturing. A good road network is a primary enabler to achieve these goals.

The Government has embarked on major infrastructural development programmes targeting roads among other projects. The Nairobi expressway will be completed by February 2022 - six months ahead of our previous schedule. Earlier, His Excellency President Uhuru Kenyatta commissioned the 114 Kms Garsen - Lamu Road that will among other things ensure swift transportation of cargo from the port of Lamu. KShs. 5.8 billion has also been set aside for upgrading 444 Kms access roads in informal settlements within Nairobi County.

These are just but a few of the many projects that the Government is working on in its efforts to upgrade the regional transport corridors and enhance regional integration as well as national connectivity.

This Annual Public Roads Programme (APRP) 2021-2022 prioritizes road maintenance for posterity and preservation of our road investments

The Government has invested in low volume sealed roads (LVSR) across the country to open up rural areas and so far about 4,500 Kms of LVSR projects have been completed with a further 3,800 Kms under construction. In total, there are over 5,900 Kms ongoing national road development programmes across the country.

To supplement these efforts, there is need to continuously preserve our existing road assets which is valued at KShs. 3.5 Trillion. This Annual Public Roads Programme (APRP) 2021-2022 prioritizes road maintenance for posterity and preservation of our road investments. In support of "The Big Four" this APRP will improve service levels support access and mobility to industrial parks, hospitals, markets, agricultural farms, schools and other public institutions.

The Ministry of Transport, Infrastructure, Housing, Urban Development and Public Works (MoTIHUD&PW) will coordinate and oversee the smooth implementation of this Annual Public Roads Programme for timely delivery of the works. This APRP is being implemented while the country is still fighting the Covid-19 pandemic and necessary measures are being taken to alleviate the economic impact of the pandemic. To ensure that value for money is achieved, Kenya Roads Board will monitor the implementation of the APRP through Technical, Financial and Performance audits.

James Macharia, EGH
Cabinet Secretary- Ministry of Transport, Infrastructure, Housing, Urban Development and Public Works

Statement from the Principal Secretary

The State Department of Infrastructure is responsible for development maintenance and management of road infrastructure in the country. The Department delivers the road maintenance function through the following state corporations:

- Kenya Roads Board (KRB), which is responsible for overseeing the road network and co-ordinating the maintenance, rehabilitation and development using Roads Maintenance Levy Fund (RMLF)
- Kenya National Highways Authority (KENHA) which is responsible for the management, development and maintenance of National Trunk Roads in Classes S, A, and B
- Kenya Rural Roads Authority, (KeRRA), which is responsible for the management, development and maintenance of National Trunk Roads in Class C.
- Kenya Urban Roads Authority, (KURA), which is responsible for the management, development and maintenance of Urban Roads in Cities and Municipalities.
- Kenya Wildlife Service (KWS), which is responsible for management, development and maintenance of roads in National Parks and National Game Reserves

Kenya's road network is 161,451 Kms and constitutes one of the country's largest public investments. There is therefore need for the road network to be continuously developed and maintained in a prudent and cost-effective manner. In this regard, the State Department of infrastructure implements various Programmes for road developments and maintenance across all parts of the country.

Kenya's road network is 161,451 Kms and is valued at over KShs. 3.5 trillion. This constitutes one of the country's largest public investments

During this Financial Year 2021-2022, the projected total collection from Road Maintenance Levy Fund (RMLF) which will be applied for Road Maintenance is KShs. 69,119,918,367. The funds will be disbursed by KRB to the Road Agencies for the maintenance of roads throughout the country. The budget estimates are further broken down per Road Agency in this Annual Public Roads Programme (APRP).

The APRP for financial year 2021/22 has been prepared based on projected collections of the Kenya Roads Board Fund (KRB-F) and Budget Policy Statement as approved by The National Treasury & Planning

APRP will complement the investments made in the road network's improvement and upgrading by the National Government using exchequer funds and development partner funds.

The APRP has been published in order to inform the public of the various road maintenance Programmes to be undertaken by the ministry through Road Agencies during the Financial Year 2021-2022.

Prof. Arch. Paul M. Maringa, (PhD), CBS, F.A.A.K, MKIP
Principal Secretary, State Department for infrastructure, Ministry of Transport, Infrastructure, Housing, Urban Development and Public Works

KENYA VISION 2030

THE BIG 4

EMPOWERING THE NATION

An efficient road network for a prosperous nation www.krb.go.ke

REPUBLIC OF KENYA

RESTORING & PRESERVING KENYA'S ROAD ASSET

ANNUAL PUBLIC ROADS PROGRAMME FOR THE FINANCIAL YEAR 2021/2022

Foreword

Kenya Roads Board (KRB) was established by KRB Act No.7 of 1999, with the mandate to oversee the road network in Kenya and coordinate the maintenance, rehabilitation and development using Road Maintenance Levy Fund (RMLF) and to advise the Minister responsible for roads on all matters related there to.

This Annual Public Roads Programme (APRP) for Financial Year 2021/2022 has been prepared in line with the Board's vision of "an efficient Road network for a prosperous nation". The APRP has been prepared in close consultation with Road Agencies (RAs) to ensure the Government's strategic objectives of attainment of the Big Four Agenda and realization of Vision 2030 are incorporated in the programme. Consideration of priorities as set out in the second Road Sector Investment Plan (2018 – 2022) and the Government's road maintenance and development policies has been made.

The APRP outlines the planned Road Maintenance Works that will be carried out by the Road Agencies during Financial Year 2021/2022. The APRP has been prepared based on printed estimates for collections of the Kenya Roads Board Fund (KRB-F) amounting to KShs. 69,119,918,367. The funds will be disbursed to various Road Agencies released in tranches throughout the year.

The road network that has been covered in this APRP is 48,418 Kms which is about 30% of the entire road network. The total planned length comprises of various works categories which include routine maintenance on 25,361 Kms, periodic maintenance on 916 Kms, performance based maintenance contracts on 9,422 Kms, spot improvement on 7,695 Kms and upgrading on 24 Km of roads across the country.

The road network to be covered in this APRP is 48,418 Km which is about 30% of the entire road network in the country

Additionally, approximately 5,000 Kms will have their intervention decided and planned for in the course of the financial year.

The works have been prepared based on sound technical, engineering and economic considerations. Implementation of this APRP will sustain and improve the condition of the country's core road network at the end of the plan period.

To ensure that value for money is achieved, the Board will monitor the implementation of the APRP through Technical Compliance, Financial and Performance audits.

The Board acknowledges the continued support it continues to receive from the Ministry of Transport, Infrastructure, Housing, Urban Development and Public Works, the National Treasury, Road Agencies, Development Partners, and other stakeholders in the Roads Sub-Sector.

The full-version APRP FY 2021/2022 can be accessed and downloaded from the KRB website: ***https://www.krb.go.ke/***

Rashid Mohamed, MBS
DIRECTOR GENERAL

1 Introduction

Good road networks have increased from 10% to 18%

Background

Section 19 (4) of the KRB Act requires the Board to review individually the annual road programmes submitted by the Road Agencies and consolidate the Annual Roads Works Programmes (ARWPs) into Annual Public Roads Programme (APRP) which shall:-

i. **Specify** the amount allocated for the maintenance, rehabilitation and development of each class of roads;

ii. **Match** the cost of implementing the APRP with revenues collected or estimated to be collected by the Board and within the Fund; and

iii. **Identify** roads requiring maintenance, rehabilitation or development in order of priority, taking into account social and economic requirements of the country or any part thereof in which roads are located.

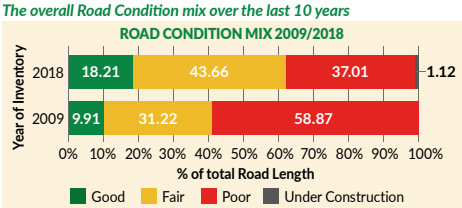
Further, Section (5) of the Act requires the Board to submit the APRP to the Cabinet Secretaries for Roads and Finance for approval. The approved APRP shall form the basis for funds allocation and auditing of works by the Board and shall not be varied by the Road Agency without the prior written approval by the Board. The APRP 2021/22 sets out targets of the road maintenance programs funded by the Kenya Roads Board Fund which will be implemented by Road Agencies in FY2021/22.

Road Condition Mix

Over the last ten years, the Government has invested heavily in road development and maintenance. This has resulted in an overall improvement of the road conditions as shown in figure 1 where the road condition mix is compared for 2009 and 2018.

Though the poor network has declined from 58.87% to 37.01%, the recorded figure is still significant and requires a big investment to bring that network to maintainable standards.

The overall Road Condition mix over the last 10 years



Roads Sector Institutional Framework

The State Department of Infrastructure is responsible for development and maintenance of road infrastructure in the country. The Department delivers the Road maintenance function through the following agencies:

Kenya Roads Board (KRB), which is responsible for coordination of its oversight of the road network, and manages the Road Maintenance Levy Fund (RMLF)

- **Kenya National Highways Authority (KeNHA)**, which is responsible for the management, development and maintenance of National Trunk Roads in Classes S, A and B
- **Kenya Rural Roads Authority (KeRRA)**, which is responsible for the management, development and maintenance of National Trunk Roads in Class C
- **Kenya Urban Roads Authority (KURA)**, which is responsible for the management, development and maintenance of Urban Roads in Cities and Municipalities
- **Kenya Wildlife Service (KWS)**, which is responsible for the management, development and maintenance of roads in National Parks and National Game Reserves.

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RESTORING & PRESERVING KENYA'S ROAD ASSET

ANNUAL PUBLIC ROADS PROGRAMME FOR THE FINANCIAL YEAR 2021/2022

KENYA ROADS BOARD KRB

2 APRP FY 2021/22 Budgets

The APRP for financial year 2021-2022 has been prepared based on projected collections of the Kenya Roads Board Fund (KRB-F) and Budget Policy Statement as approved by The National Treasury & Planning. The budget estimates are further broken down per Road Agency as shown in the following pie chart:

KRBF allocation to Road Agencies

- KENHA (Road Classes S, A,B) **KShs. 26,053,551,020**
- KENHA Transit **KShs. 539,000,000**

KENHA TOTAL FUNDS KShs. 26,592,551,020

- Road Sector Investment Programme Gaps **KShs. 6,513,387,755**
- KWS (Roads within National Parks & Game Reserves) **KShs. 651,338,776**
- KERRA – (Road Class C) **KShs. 14,590,870,343**
- KURA – Urban Roads (Road Classes UA, UB & UC) **KShs. 6,651,970,473**

GRAND TOTAL KShs. 55,000,118,367

3 APRP Preparation Guidelines and Priorities

The APRP 2021-2022 has taken into consideration priorities as set out in the Road Sector Investment Plan (2018 – 2022), KRB-F works planning guidelines and is aligned to the Government Medium Term Expenditure Framework. The key considerations include:-

i. ***Road Asset Preservation*** - routine and periodic maintenance will be applied to the roads in good and fair condition as far as possible in order to preserve the existing road assets.

ii. ***Road Asset Restoration*** - some critical roads which are in poor condition have been included in FY2021-2022 APRP to receive full scale/partial rehabilitation or reconstruction. In addition, spot improvement will be undertaken on selected roads which are in poor condition or those that have failed in order to keep these roads in a motorable condition until major interventions are undertaken.

iii. ***Road Improvement and Development*** - to respond to traffic growth, the capacity of roads will be improved through upgrading, widening, junction improvement and new construction. Other improvements include provision of non-motorized transport facilities such as cycle tracks, footpaths and construction of pedestrian crossings. A maximum of 10% KRB-F will be applied for road improvement and development.

iv. ***Multi-year road projects*** - All ongoing multi-year projects are included and are adequately resourced.

v. ***Support Big 4 Agenda Initiatives*** by prioritizing maintenance of Trunk roads, major arterials in urban areas, critical links and feeder roads network. These will improve access to agriculturally rich areas, access to markets both locally and internationally, thus spurring growth of manufacturing sector. Improved road network will also increase accessibility to health facilities, schools, and residential areas.

vi. ***Support Government Post Covid-19 Economic Recovery Strategy*** - the Board issued guidelines to promote local resource based approaches as set out under R2000 strategy and Kazi Mtaani program.

vii. ***Emergencies*** - Funds have been set aside for emergencies to ensure that the network is passable throughout the year.

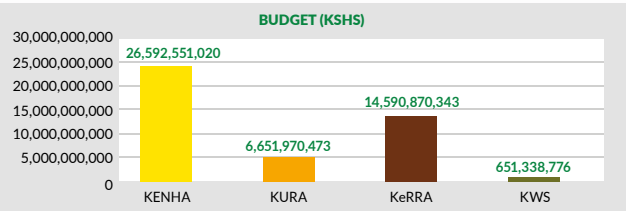
48,417.79 Kms of national trunk road network is to be covered in FY2021-2022 APRP

The national trunk roads to be covered in FY2021-2022 APRP is **48,417.79 Kms**. This represents 99% of the classified national trunk road network and 30% of entire road network of 161,451 Kms. The roadworks budget of **KShs. 55,000,118,367** will result in the following broad outputs:

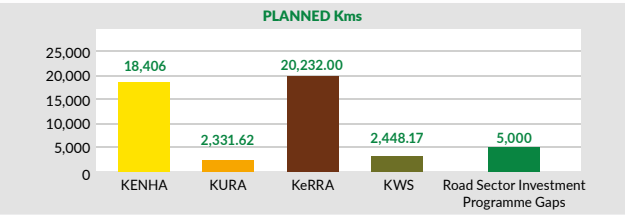
APRP FY 2021- 2022 Outputs

Road Agency	Road Network	Routine Mtce.	Periodic Mtce.	Spot Improv.	Performance Based Contracting	Up Grading	Total Length (Km)	Budget (KShs.)
KENHA	21,441	9,086	596	-	8,724	-	**18,406**	26,592,551,020
KURA	3,880	1,327.23	320.17	-	660.77	23.45	**2,331.62**	6,651,970,473
KeRRA	18,597	12,537	-	7,695	-	-	**20,232.00**	14,590,870,343
KWS	4,853	2,410.97	-	-	37.2	-	**2,448.17**	651,338,776
Road Sector Investment Programme Gaps	-	-	-	-	-	-	**5,000**	6,513,387,755
TOTAL	**48,771**	**25,361.2**	**916.2**	**7,695.0**	**9,422.0**	**23.5**	**48,417.79**	**55,000,118,367**

KRBF Allocations to each Road Agency



Road Agencies and Kilometres planned



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ANNUAL PUBLIC ROADS PROGRAMME FOR THE FINANCIAL YEAR 2021/2022

KENYA ROADS BOARD KRB

ROAD AGENCIES WORK PLANS

KENYA NATIONAL HIGHWAYS AUTHORITY

The funds available to KeNHA for road works amount to KShs. 24,039,303,020/- and shall be applied as shown in table below:

KeNHA ARWP FOR FINANCIAL YEAR 2021-2022 GRAND SUMMARY

INCOME/CEILINGS	BUDGET FY 2021/22	KMS
40% RMLF	26,053,551,020	
Transit Tolls	539,000,000	
TOTAL INCOME	**26,592,551,020**	
Less: Operations 4% of KRB FUND	2,553,248,000	
BALANCE FOR ROAD WORKS	**24,039,303,020**	
EXPENDITURES		
HEADQUARTERS		
Development Works	2,100,000,000	
Axle Load Activities	1,804,730,052	
Emergency Works	470,000,000	
Other activities	369,170,878	
TOTAL FOR HEADQUARTERS	**4,943,900,930**	
REGIONS/CORRIDORS		
Corridor A (Mombasa-Museum Hill; Athi river-Namanga	1,908,220,728	779
Corridor B (Rironi -Busia; Mau Summit-Malaba; Maai Mahiu-Kisii	1,643,594,063	979
Corridor C (Nairobi-Thika-Mwingi-Garissa; Thika-Kenol-Moyale	1,829,038,480	955
Nairobi	1,293,794,556	608
Central	1,252,544,190	1,109
Coast	1,360,502,244	1,373
Upper Eastern	1,431,110,957	2,700
Lower Eastern	1,264,334,587	1,321
North Eastern	1,350,160,404	2,636
Nyanza	1,932,863,704	1,134
South Rift	1,411,223,916	1,025
North Rift	1,452,044,240	2,872
Western	965,970,021	915
TOTAL PLANNED FOR REGIONS/CORRIDORS	**19,095,402,090**	**18,406**
GRAND TOTAL	**24,039,303,020**	**18,406**

Transport CS James Macharia inspecting the Nairobi Expressway

FY2020/21 → FY2021/22

15,890 Kms → **18,406 Kms**

A network of 18,406 Kms will be covered in FY2021/22 Work Plan against a network size of 21,441 Kms representing 86% KeNHA network coverage

The average unit costs of the different intervention measures are:

Performance Based Contracting (PBC)	Routine Maintenance	Periodic Maintenance
Kshs. **1.6 Million** per Km	Kshs. **404,000** per Km	Kshs. **2.3 Million** per Km

These are within acceptable range as may be obtained by application of the Cost Estimation Manual and PBC Manual

In addition to the planned network under maintenance, KeNHA is currently undertaking development on **2,330 Kms** of its network bring the total network under intervention to **20,736 Kms (96.7%)** which is a commendable coverage.

The Development allocation from RMLF amounting to Kshs. 2.1B shall be used to fund 6No. development projects namely:

KeNHA RMLF Development Allocations

Road Name	Length (Km)	Amount
Isebania – Mukuyu – Kisii – Ahero Road (A1) Lot 1 & 2	340	250,000,000
Kibwezi – Mutomo – Kitui Road (B7)-	420	150,000,000
Nutrip: James Gichuru Junction – Rironi (Uhuru Highway)	26	700,000,000
Mau-Mau Road	100	250,000,000
Garsen – Witu – Lamu Road (C112)	135	650,000,000
Lamu Port Access Road	10	100,000,000
Total	**1,031**	**2,100,000,000**

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KENYA ROADS BOARD KRB

KENHA DETAILED WORK PLAN

Kenha Detailed Work Plan For Projects Above 100 Million Shillings				
Region/Activity	Road Class	Road Section	Kms	Budget FY 2021/2022
Head Quarters				
HQ Activities		Emergency Works	-	470,000,000
		Special Allocation	-	200,000,000
Axle Load Activities				
Axle Load Activities	A104	Gilgil, Mai Mahiu & Network	-	247,508,108
	A104	Webuye, Malaba, Eldoret & Network	-	190,769,000
	A109,B8	Mariakani, Mtwapa & Network	-	290,684,747
	A2,A104	Athi River, Juja, Isinya & Network	-	376,239,230
	B1,A1	Kisumu, Busia, Isebania & Network	-	221,766,467
	N/A	Installation and Management Virtual Weigh Bridge Stations	-	415,000,000
Central Region				
PBC Maintenance	A4	Gilgil - Olkalou	33	100,000,000
	A4	Nyahururu -Rumuruti	42	100,000,000
	B25	Sagana - Kagio - B24 Kianjiru	23	144,000,000
Coast Region				
PBC Maintenance	A7	Lunga Lunga - Ukunda	76	215,000,000
	A7	Saba Saba-Malindi	116	250,000,000
	A7	Ukunda - Likoni	25	110,000,000
	B89	Garsen - Hola	95	190,000,000
Corridor A				
PBC Maintenance	A2	Athi River -Bisil	81	116,666,667
	A2	Bisil - Namanga	56	238,466,834
	A8	Athi River-Kyumvi	23	150,220,000
	A8	Kyumvi - Sultan Hamud	65	130,333,333
	A8	Mtito Andei - Tsavo River	49	210,088,834
	A8	Museum Hill - Athi River	41	125,370,715
	A8	Sultan Hamud - Makindu	61	110,334,667
	A8	Tsavo River - Voi	47	210,785,231
Corridor B				
	A12	Busia - Ugunja	42	380,677,683
	A12	Ugunja - Kisian	59	500,000,000
	B7	Amala River-Kaplong	54	446,630,850
Corridor C				
PBC Maintenance	A2	Isiolo-Merille River	136	100,000,000
	A2	Lewa-Isiolo	30	100,000,000
	A2	Merille River - Marsabit	120	100,000,000
	A2	Nairobi-Thika - Section1 - [Nairobi - Ruiru]	26	200,000,000
	A2	Nairobi-Thika - Section2 - {Ruiru - Thika}	24	250,000,000
	A2	Nairobi-Thika - Street Lighting PBC		100,000,000
	A2	Nanyuki - Lewa	53	175,000,000
	A3	Mwingi - Ukasi	62	130,000,000
	A3	Thika Kilimambogo	25	225,000,000
Lower Eastern Region				
PBC Maintenance	B87	Chuluni - Mwitika	46	110,000,000
	B60	Katumani - Ukia - Wote	63	180,000,000
	B60	Wote - Makindu	72	130,000,000
	B62	Kyumvi - Wamunyu Road (Including Mwala Embui Road)	61	117,000,000
	B63	Kamulu - Koma - Tala	28	100,000,000
Nairobi Region				
Routine & Spot Improvement	B19	Ol Tepesi - Magadi	50	160,000,000
PBC Maintenance	B20	Njabini - JN A2 (Thika): Gatakaini - Thika Section	45	100,000,000
	B32	Kiambu - Limuru	27	150,000,000
North Eastern Region				
PBC Maintenance	B89	Bilbil - Junction Bura Turnoff	20	100,000,000
North Rift Region				
PBC Maintenance	B77/C636	JCT A8 (Eldoret) - Nyaru - Kamwosor	57	100,000,000
Periodic Maintenance	B72	A1 Lodwar - Kalokol	56	200,000,000
Nyanza Region				
PBC Maintenance	B3	Rongo - Homa Bay	31	100,000,000
	B9	Luanda Kotieno - Bondo	44	150,000,000
Periodic Maintenance	C862	Ndiwa - Karungu	20	100,000,000
	C862	Rodi Kopany - Ndiwa	20	249,000,000
South Rift Region				
PBC Maintenance	B17	JN A104 Nakuru - Emining	56	130,000,000
	B18	JN A8 Ngata - Njoro - End of Tarmac	50	150,000,000
	B18	Nakuru - Subukia	30	100,000,000
	B18	Subukia - Nyahururu	29	100,000,000
Periodic Maintenance	B129	Njoro - Mau Summit	43	140,000,000
Upper Eastern Region				
PBC Maintenance	B66	Meru - Kangeta -Kangeta - Laari - Mutuati - A10 Kachulu	39	110,181,039
Periodic Maintenance	C364	Ruiri - Isiolo	39	200,000,000
Western Region				
PBC Maintenance	B127	Namwela - Kamukuywa	32	105,000,000

To support axle load activities, 10No. virtual weighbridges have been installed and 13No. are under installation. During the FY 2021/2022, a total of 23No. virtual weighbridges and 11No. static weighbridge stations will be in operation.

Transport CS James Macharia (second right) inspecting the ongoing construction of the 84Km Kenol-Sagana-Marua Road.

Transport CS James Macharia (centre) inspecting the initial construction of road expansion works of the 84Km Kenol - Sagana - Marua Highway into a four-lane dual carriageway way.

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KENYA ROADS BOARD KRB

KENYA URBAN ROADS AUTHORITY

The funds available to KURA for road works amount to KShs. 4,759,720,473 and will be applied as shown in table below:

KURA ARWP FOR FINANCIAL YEAR 2021/22 GRAND SUMMARY		
INCOME/CEILINGS	**BUDGET FY 2021/22**	
10.2% RMLF	6,651,970,473	
TOTAL INCOME	**6,651,970,473**	
Less: Operations	1,892,250,000	
BALANCE FOR ROAD WORKS	**4,759,970,473**	
EXPENDITURES		
REGIONS	**BUDGET FY 2021 /22**	**Kms**
Headquarters	250,000,000.00	-
Central Region	269,999,997.60	118.52
Coast Region	635,375,885.82	364.07
Lower Eastern Region	337,795,432.30	168.70
Nairobi Region	1,430,266,211.74	535.06
North Eastern Region	112,764,306.00	16.80
North Rift Region	376,388,700.85	343.55
Nyanza Region	470,453,595.48	360.11
South Rift	387,988,985.80	179.40
Upper Eastern Region	215,542,460.24	114.20
Western Region	273,394,897.16	131.21
GRAND TOTAL	4,759,970,473	2,331.62

FY2020/21 → FY2021/22

1,934.62 Kms → **2,331.62 Kms**

The Work Plan covers 2,331.62 Kms which represents 60% of KURA's network of 3,880 Kms after the reclassification

Additionally, KURA is undertaking development on 204 Kms of its network funded under exchequer development vote resulting into a total network of **2,535.62 Kms (65%)** under intervention

The average unit costs of the different intervention measures are:

Performance Based Contracting	Routine Maintenance	Periodic Maintenance	Upgrading
KShs. **1.9 Million** per Km	KShs. **1.05 Million** per Km	KShs. **4.6 Million** per Km	KShs. **15.3 Million** per Km

These are within acceptable range as may be obtained by application of the Cost Estimation Manual and Performance Based Contracting Manual.

KENYA RURAL ROADS AUTHORITY

The funds available to KeRRA for road works amount to KShs. 11,080,154,343/- and will be applied as shown in table below:

KeRRA ARWP FOR FINANCIAL YEAR 2021/22 GRAND SUMMARY				
Income/ Ceilings	Total Budget	Admin. Exp	Road Works	Allocation/ Constituency
	KShs.	KShs.	KShs.	KShs.
15% RMLF	9,756,223,361	2,413,617,250	7,342,606,111	25,319,331
6.8% RMLF	4,434,646,982	1,097,098,750	3,337,548,232	11,508,787
Development works	400,000,000		400,000,000	
TOTAL	**14,590,870,343**	**3,510,716,000**	**11,080,154,343**	**36,828,118**

During FY 2021/22, KeRRA will allocate **KShs. 36,828,118/-**

which comprises of

KShs. 25,319,331/- under **15%** Allocation

&

KShs. 11,508,787/- under **6.8%** Allocation

The Work Plan is estimated to cover **20,232 Kms.**

The planned maintenance interventions for KeRRA comprises mainly of:

Routine Maintenance	Spot Improvement
KShs. **185,000** per Km	KShs. **1.1 Million** per Km

These are within acceptable range as may be obtained by application of the Cost Estimation Manual and Performance Based Contracting Manual.

KENYA WILDLIFE SERVICES

The funds available to KWS for road works amount to KShs. 651,338,776/- and shall be applied as shown in table below:

KWS ARWP FOR FINANCIAL YEAR 2021/2022		
Park	**Kms**	**Amount**
KWS Head Quarters	-	28,300,131
Aberdare National Park	165	62,085,163
Amboseli National Park	196	49,498,725
Kora National Park	95	31,879,100
Marsabit National Park	26	17,260,983
Meru National Park	121	26,438,875
Mt Kenya National Park	60	29,273,992
Nairobi National Park	52	21,682,720
Ol-Donyo Park	11	7,164,508
Chyulu National Park	30	8,519,040
Shimba Hills National Reserve	39	30,621,453
Tsavo East National Park	951	166,531,885
Tsavo West National Park	477	63,455,944
Mt Elgon National Park	57	40,961,080
Ruma National Park	95	48,831,650
Saiwa National Park	73	18,833,526
Grand Total	**2,448**	**651,338,776**

FY2020/21 → **6% increase** → FY2021/22

2,310Kms → **2,448Kms**

the Work Plan covers 2,448 Kms which represents 53% of the classified road network. 2411 Kms is either fair or good while only **37 Kms** is in poor condition.

The proposed maintenance interventions are aimed at ensuring that movements within the Park roads remain motorable throughout the year.

KWS has introduced Performance Based Contracts in Nairobi National Park of **37.2 Kms** at a cost of

KShs. 11,727,600.00

This is to ensure that high service levels of the road network within the Park are maintained in line with the ongoing Government Transformation programme of the Nairobi National Park.

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Unlocking the OSR Potential for Structured Revenues – Parking Fees

By CPA David Mutoro Busaule

Counties should enhance compliance and service delivery to their citizens Parking fees is a substantial source of Own Source Revenue (OSR) for urban and semi urban devolved units like Nairobi, Mombasa, Kisumu, Nakuru, Uasin Gishu, Nyeri, Kiambu etc. For rural counties with scattered urban areas and market centres parking fees still has a huge potential to increase its share of the respective county's OSR if well managed.

For both urban and rural counties, there still exist substantial potential to increase the collection of parking fees if proper strategies are deployed to enhance the efficiency of the collection, reporting, projection, oversight and enforcement processes.

For urban counties the unrealized revenue from the levy gap from parking could be as high as 30-40% and for rural counties this could go as high as 70% thereby denying the counties the much-needed revenue to improve service delivery to the citizens and support other development projects.

The unrealized revenue from parking fees for counties who had reported data on parking fees was as high as 61% translating to about Kshs 7.686 Billion of unrealized revenue in the FY 2016/2017 as per a report commissioned by the World Bank on behalf of the National Treasury.

The share of OSR to the total revenue for all the counties has been declining since 2015 thereby increasing the reliance by county governments on allocations from the national government as their main source of revenue for both recurrent and development expenditure.

The strategies to increase collection of parking fees will be based on the following overarching objectives.

1. Need to enhance the levy base.
2. Need to enhance compliance through effective data driven monitoring, surveillance, oversight and enforcement.
3. Need to entrench an effective performance management culture, continuous business process improvement, accountability, transparency and integrity of the collection and reporting process of parking fees.
4. Need to optimize the OSR within the existing rules of Public Finance Management (PFM) and Article 175(b) of the Constitution.
5. Need to ensure secure parking areas for all citizens.

> **"The share of OSR to the total revenue for all the counties has been declining since 2015 thereby increasing the reliance by county governments on allocations from the national government as their main source of revenue for both recurrent and development expenditure.**

The following strategies will assist devolved units like Nairobi County achieve an increased, optimum and sustainable collection of parking fees both in the short term and long term.

I. Mark all parking spaces/slots to ascertain the total number of parking spaces in Nairobi County (CBD, Westlands, Upperhill, Industrial area and all the suburbs and estates where parking is chargeable. Establish a framework to add more parking slots as and when they become available.
II. Register all PSVs (Matatus, Buses, Taxis) and Boda bodas(motorbikes) loading bays and restricted parkings in the county.
III. Assign unique parking numbers to each slot. If parking on Moi Avenue, then have a unique number like MA0001, if on Harambee Avenue then HA0110 should be a mandatory field when making payments. In case you move from one section to another, you should update the same through the USSD without making further payments so the system can update the available parking slots again and allow an inquiry of the parking.
IV. Enhance the payment process through both the web and USSD functionalities to drill down further e.g if a user selects CBD, option one is narrow down to Parliament road and enter the parking slot number or option two is a user does not select the area like CBD without narrowing down to the street and enter the unique parking slot number, system will be able to know you have parked on parliament road(this will avoid parking on pavements and other restricted corridors and common spaces within the county). System will already have all the available parking slots in different areas and a real time report can be available real time. This can enable anyone looking for parking to query the available parking spaces available at a given location through the USSD functionality hence enhancing transparency of the overall parking process, eliminate cartels, reduces aimless driving within CBD looking for parking.
Given that the demand of parking in Nairobi especially in CBD, Upperhill, Westlands, Industrial area etc exceeds the supply, it is expected that in certain areas the county will collect more parking fees than the number of slots because of short term parking (Someone comes to run a few errands in town or industrial area for about 3 hours or so and leaves yet parking had already been paid for and another person comes later and parks at the same place and pays parking again).
V. Enhanced surveillance and oversight using licence plate recognition software where part of the enforcement/oversight team will be moving round the city with a gadget picking the images of all parked cars and relaying the same back to central team through the recognition system. Once relayed, the system will flag any vehicle and send a message to the vehicle owner to pay parking within 15 minutes if the same vehicle number has ever been parked in Nairobi. If parking remains unpaid the clamping team is notified through an SMS alert indicating where the vehicle is actually parked. The clamping teams will be stationed in different parts of the county and will be randomly assigned duties to avoid familiarity and collusion with parking attendants, parking boys and vehicle owners. This oversight can be random and done at least twice a day (Morning hours and Afternoon). There will also be a targeted monitoring of those areas where there is a huge variance between parking slots paid for and number of available parking slots.
VI. A daily report to be generated at close of business/midnight on all the collections received, how many vehicles were parked in Nairobi and how many parking slots were utilized broken down per street, ward, constituency, Sub County etc. This report will also form part of the performance management reports for each parking attendant.
VII. Automate any Nairobi County Parking space e.g Sunken, space next to Kenya RE on Taifa road and align them to best practice including installation of licence recognition software and parking management system to enhance collections.
VIII. Assign targets to parking attendants as per the parking slots under their area of jurisdiction.
IX. Assign targets to enforcement officers as per the inconsistency reports generated by system.
X. Have an independent oversight team to monitor this new process to enable continuous business improvement and sustainability before hand over to the county.

XI. Enter into partnerships with the private sector and donors to develop parking spaces in prime parcels of land owned by Nairobi County to bridge the gap between demand and supply of parking space in the county.

XII. Automate all PSV stages and Taxi parking bays to ensure any vehicle entering such designated spaces has paid the respective parking charges and where parking is not paid then a notification alert is relayed to the enforcement team.

XIII. Request for data from other respective government agencies to complement the collection of parking fees e.g Data from Insurance companies on all PSVS, Data from NTSA on all vehicles registered as commercial PSV, Data from KRA on all vehicles who have paid advance tax, Data from all PSV SACCOS operating in Nairobi County or whose destinations of some of their vehicles is Nairobi County.

XIV. Address any legislation gaps if any affecting collection of parking fees especially in areas which may not be leasehold properties or other legal challenges exist which may inhibit collection of parking fees.

XV. Consider usage of drones to enhance parking compliance in downtown and the outskirts.

XVI. Enable online payment for fines relating to parking offences and swift removal of the clamp from the car. This may require each clamp to be uniquely marked to a given street so as the payment can be mapped to the clamped vehicle location and notification sent to the enforcement team to remove the clamp.

XVII. Provide an opportunity for those who have exited early to report the parking slot as available through USSD and Mobile App functionalities.

XVIII. Consider a parking reward scheme where your wallet/account gets a discount on your next parking if you exit early and you had reported the parking slot as available and someone else parks at the same slot and pays parking too.

XIX. Have a structured engagement with parking boys and organize them in formal groups so the county partners with them in ensuring security of all the parked vehicles and other enforcement activities at a predetermined cost.

With the increased OSR arising from parking fees, counties like Nairobi in conjunction with the National Government should install more CCTVs covering parking areas to deter breakages and theft of valuables left in the cars and establish a covert surveillance team deployed in areas with persistent cases of break- ins and theft.

Enhancing OSR capabilities for devolved units will require them to adopt radical steps to entrench a high performance organization culture to enhance the delivery of efficient public services to mwananchi.

Counties are required to reengineer the processes, procedures, update their legislations and by laws, digitize and automate their end-to-end processes relating to management of all types of OSR, continually adapt and improve their processes to enable them to achieve their goals of fiscal independence and to enhance compliance and service delivery to their citizens.

The writer is a Certified Public Accountant, Business Process Reengineering and Improvement Specialist and Own Source Revenue Enthusiast and Specialist.
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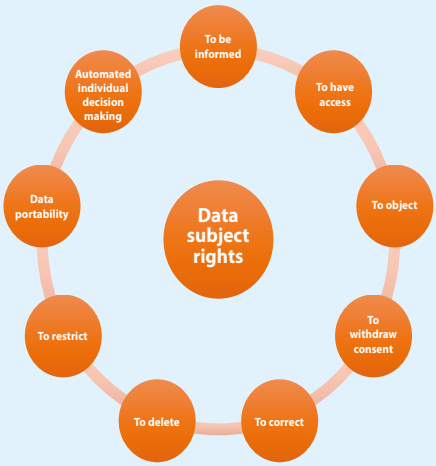
The risk & data Governance nexus (pt. 2)

Prepared by; Karumba Kinyua

Losing even a single data point is a data breach!

In the previous article, we discussed the relatively new Data Protection Act and the first two tenets of lawful data processing. In this follow up article, we'll connect the dots to the risk and data governance nexus by diving into the last tenet – data subject rights – as well as data protection pitfalls and what you can do to improve your data protection.

Data subject rights



The Act outlines the rights data subjects have and how they can be exercised. Data subjects have the right:

a) to be informed of the use their personal data will be put;
b) to access their personal data in the custody of a data controller or processor;
c) to object to the processing of all or parts of their personal data;
d) to withdraw consent
e) to correct false or misleading data;
f) to delete false or misleading data about them;
g) to receive personal data concerning them in a structured, commonly used and machine-readable format;
h) to transmit the data obtained under to another data controller or processor without any hinderance; and
i) not to be subject to a decision based solely on automated processing, including profiling, which produces legal effects concerning or significantly affects the data subject.

The list gives the broad strokes of the rights contained in the DPA sans exceptions and special circumstances e.g. conferring the rights of a minor to another person.

Data protection pitfalls

Despite having the best interests of clients at heart, there are various pitfalls that organisations stumble into. One of the more prominent and dangerous ones is assuming that the DPA does not apply to the organisation or that the data the organisation handles is not important. Even though some regulations are still up for public participation at the time of writing, the Act has come into force – everyone that handles data obtained from Kenyans must comply with it.

Organisations that outsource services should be especially careful since they share data with third-parties. Banks, for instance, are known to outsource their customer service operations, thus exposing their clients to the risk of an outsider gaining access to their information.

According to Hoogmoed, a Deloitte & Touche LLP principal in the Information and Technology Risk Management practice, outsourcing can affect the confidentiality of information and regulatory compliance, among other crucial areas . You may have

received a text or call from someone posing as an employee of a bank or telecom provider. Most likely, they had a surprising amount of information on you to back up the claim that they aren't con men (or con women). They of course were, but the information was likely obtained from an inside source – such as an employee working for a customer service outsourcing firm.

BYOD (bring your own device) also poses a high data protection risk. For example, if an employee stores sensitive client data on their device and carries the device to and from work every day, they expose that data to the threat of theft, destruction and alteration assuming the device is stolen, lost, damaged or tampered with in any way. According to experts, 40% of data breaches were attributed to lost or stolen employee devices while 50% of companies with a BYOD policy were breached via employee-owned devices .

It would therefore be safer to store the data on office devices and use cloud solutions such as Google Drive for some data while using virtual data rooms for sensitive information. Additionally, see to it that data is cleared from an ex-employee's device.

Another snare is poor organisation. Having documents strewn about or randomly stored means that personal data is likely to be easily exposed. For instance, if sensitive data is not kept in a secure and dedicated area, odds are someone will come across it. It also becomes difficult to comply with any requests to see a compilation of all the data your organisation has on a data subject – a right which the DPA has accorded data subjects.

A data subject's right to see the information a controller or processor relating to them, enacted through a data subject access request (DSAR), means that data controllers and processors must be careful when documenting anything on the subject as it can be demanded. For example, if the subject is mentioned in a negative light in an email, that email has to be given to the data subject as is and

A common misconception is that one needs to be a law or IT expert to act as a data protection officer. While having a background in either law or IT is helpful, it is not necessary – what is necessary is a good understanding of the DPA and the processes that involve data at an organisation.

can be used as grounds for slander proceedings.

There is also the prevalent view that cybersecurity and data protection are one and the same – they are not. In fact, cybersecurity is a facet of data protection and, while it is advised to have a strong cybersecurity team and infrastructure, it cannot pass for comprehensive data protection.

Another pitfall is having an insecure filing system, and this tends to stem from poor organisation and a lack of knowledge on the nature of data breaches. A data breach refers to any instance data is lost, altered, disclosed and/or accessed without authorisation, as well as when it is accidentally or unlawfully destroyed – this means that losing even a single data point is a data breach! Therefore, it is important to ensure that data is stored securely.

Building on this, an organisation can be penalised for a data breach if it is found they did not employ sufficient data protection measures. British Airways and Marriott International were fined $26 million and $23.98 million respectively for hacks they could have prevented. Not only did they suffer the breaches, but they had to pay fines for not sufficiently protecting their data. While the fines in Kenya may not amount to such large figures, they are still hefty – violation of the DPA (e.g. through haphazard data protection) can cost you up to Ksh 5 million and up to 10 years imprisonment. If that figure has not scared you yet, section 65 of the DPA provides for damages to data subjects and no cap is set on the amount, even if the damage was not financial.

Last, but definitely not least, many organisations skimp on acquiring the services of a data protection officer (DPO). While it is possible to comply without designating a DPO, chances are some crucial things will be overlooked or ignored due to either a lack of time, incentive or knowledge.

Next steps

So, what next? One of the most significant steps you can take is getting a data protection officer.

A common misconception is that one needs to be a law or IT expert to act as a data protection officer. While having a background in either law or IT is helpful, it is not necessary – what is necessary is a good understanding of the DPA and the processes that involve data at an organisation. Article 24 of the DPA states that a DPO can be designated or appointed on the terms and conditions the data controller or processor sets and that relevant academic or professional qualifications (including knowledge and technical skills) in matters relating to data protection may be considered. The DPO can be a staff member of the controller or processor as long as their other duties do not lead to a conflict of interest.

> **First, as an operating expense, you only pay for the time that you use. Since they're not employees, an organisation never needs to meet the cost of ongoing training, benefits packages, absence, holidays or sickness, and you avoid all employment liabilities.**

That said, employing a full-time in-house DPO may be costly (as much as Ksh 200,000 a month or more). It is possible to outsource the role; in fact, having an external DPO has certain advantages over having an internal one.

First, as an operating expense, you only pay for the time that you use. Since they're not employees, an organisation never needs to meet the cost of ongoing training, benefits packages, absence, holidays or sickness, and you avoid all employment liabilities.

An external DPO also offers increased accountability. Since they are independent, they are less likely to be biased or pursue a secret agenda. Furthermore, regulatory authorities may view the introduction of an external DPO as a sign of an organisation's high level of accountability and transparency. Given that external DPOs' reputations are linked to the efficacy of their work and their ability to offer high quality service, they hold confidentiality in high regard.

Outsourced DPOs also have access to specialised personnel. Their teams are flexible and can be structured to suit different client's needs e.g. healthcare,

A common misconception is that one needs to be a law or IT expert to act as a data protection officer. While having a background in either law or IT is helpful, it is not necessary – what is necessary is a good understanding of the DPA and the processes that involve data at an organisation.

data breaches, Data Protection Impact Assessment's, etc. that an in-house DPO might not have access to, bringing in additional experts as necessary. Since an outsourced DPO service is usually offered to multiple clients, they can also bring good practice methods and concepts from their whole client base to aid you with compliance. Moreover, an experienced DPO may have templates available that are built on and updated with good practices from their client base.

DPO teams also offer both remote and on-site services. This means their services can be quickly accessed despite issues like distance and time, ensuring continuity of service while still having the option of on-site support for more serious issues.

External DPOs build redundancy into your business, providing coverage for employee absences, public holidays and other out-of-hours situations. This can prove very useful in the case of data breaches or other pressing matters.

Lastly, outsourced DPO agencies have useful networks and relationships at their disposal that can be leveraged when drafting compliance materials. They develop relationships of mutual respect with the regulatory authorities with them on behalf of various clients.

Conclusion

The Data Protection Act is here to stay, and if you want to keep your head above the water, it's best you move with the times. Remember: no one is above the law, and a stitch in time... Data protection is an ever-evolving process and it can take a while to start, but be sure to begin with getting a DPO (internal or external) – this is one of the most important steps you can take to comply with the DPA.

The Writer is the Managing Director PineHill Consulting, a Risk, Strategy and Investment Consulting firm

SASRA guarantees stability & prosperity of saccos

"Getting the regulatory environment right is critical to the financial stability of the sacco sub-sector. Collaboration between regulators, policymakers, industry leaders and other key professional stakeholders is key in ensuring the success of an industry"

CPA Peter Kahunyo Njuguna - *CEO SASRA*

There are several things to consider when you want to develop your organization and offer quality services to members. Sacco Societies Regulatory Authority's (SASRA) Chief Executive Officer CPA Peter Njuguna spoke to the Accountant Journal on a wide range of issues; including what SASRA is doing to ensure financial stability and growth.

1. ***Comment briefly on the performance and compliance of SACCOs in the country.***

   Since the advent of prudential regulation in the year 2010, regulated Deposit-Taking SACCOs (DT-SACCOs) have experienced massive growth, driven by improved financial stability. Currently, the DT-SACCO segment which controls close to 80% of the entire SACCO industry has a total asset base of Kshs.667billion, mostly comprising of loans to members at Kshs.503billion. This is heavily financed by internally mobilized savings and retained earnings with external financing standing at an average of 4% on aggregate.

   The Subsector is financially stable, having met all the key regulatory stability indicators which include capital adequacy, Asset Quality, Management, Earnings and Liquidity. Over the years there has been remarkable improvements in both key absolute performance indicators and the prudential standards.

   Despite the impressive performance, SACCOs still face a number of challenges which remain a hindrance to the desired stability levels as the sub-sector is fast approaching maturity. Some of these include: Lack of economies of scale due to small size and geographical diversity of the SACCOs; Lack of emergency liquidity and resolution mechanisms for financially troubled institutions; governance and management

capacity; lack of proper accounting and internal control systems; high cost of acquiring and maintaining core banking systems among others.

2. ***What is the role of Accountancy and Audit Professionals in the stability of Saccos?***
SACCO'S business model is anchored on savings mobilization from members and advancing credit to members. For any SACCO to be successful, it must establish proper accounting and financial reporting mechanisms that guarantees accurate and reliable financial information and reports. The Sacco must be focused on maintaining transparency and accountability to all stake holders in order to build trust and confidence of the depositors. These cannot be achieved without employing professional accountants and auditors.

Professional accountants and auditors play a critical role in determining the strategic focus of a Sacco based on the compliance status of a respective SACCO. While accountants are focused on the establishment of sound and proper financial record and reporting systems, auditors are focused on ensuring that internal control systems and risk are controlled at all times.

3. ***How does the adoption of sound financial management practices affect the performance of SACCOs?***
SACCOS being financial institutions, deal in very delicate and sensitive products and services. For effective mobilization of deposits, members must have confidence that the money saved is safe, secure and can be accessible when needed. On the other hand, credit once issued and the money has left the Sacco to the member, the Sacco loses control over whether it will be repaid as per the contractual terms (credit risks). Without sound financial management practices, member confidence will be eroded hence less savings leading to liquidity challenges. On the other hand, loans issued will have high risks of losses through defaults leading to financial instability.

Adoption of proper and sound financial systems will therefore guarantee high public and member confidence and hence high rate of savings mobilization, while at the same time loans granted have higher chances of being repaid thus, increased income and overall good performance of a SACCO.

Further sound financial management improves on efficiency and effectiveness of service delivery and hence overall good performance. Good performing Saccos have the ability to attract capital and retain more income to build on their financial stability.

4. ***How does the quality of financial records affect the financial stability of SACCOs?***
The emphasis of quality and accuracy in financial records is based on the premise that it results in timely accurate and reliable financial reports which informs management decisions. Accurate reports are critical in planning, execution, and monitoring performance. It also informs appropriate remedial measures to achieve financial stability.

5. ***What qualifications and training do SACCO accountants and auditors require to produce and maintain such records?***
SACCO accountants and auditors must be well conversant with accounting, risk management, Information Technology and more so the Sacco business model can be efficient and effective in their roles and duties. Therefore, qualifications in accounting, IT, Co-operative business will be appropriate.

6. ***How can these professionals offer financial stewardship to grow and sustain the wealth of SACCOs?***
   a) Accountants and Auditors can assist Sacco's maximize and sustain the wealth of SACCOs by applying professional standards and work ethics in-ensuring,: Compliance with industry standards; providing professional guidance to the board of directors, participating in strategic planning and constantly reviewing systems and policies so as to improve service delivery.

b) By ensuring quality systems and reports to mitigate inherent risks in the business model.

7. ***What role can these professionals play to mitigate the risk of cybercrime and fraud?***

Auditors play a vital role in detecting, preventing and reporting computer frauds - Auditors who specialize in fraud auditing and investigations. The forensic accountants are auditors trained in Information Technology Security Control Knowledge. These specialized auditors need to detect and prevent frauds to protect the information system of an organization. Auditors have to make use of fraud prevention techniques by making fraud less likely to occur, by increasing the level of difficulty for committing frauds by improving detection methods, by reducing fraud losses and finally identifying sufficient appropriate audit evidence to sentence fraud perpetrators with penalties upon the white-collar crimes.

8. ***What can accountants and auditors do to ensure timely remittance of check- off from their employers to the SACCOs?***

a) Accountants and auditors of parent institutions that is institutions that are obligated to make SACCO deductions and remit to respective SACCOS have a direct role in making sure that member deductions are remitted within the statutory deadlines. They owe a professional duty of care to Saccos to promote their financial stability.

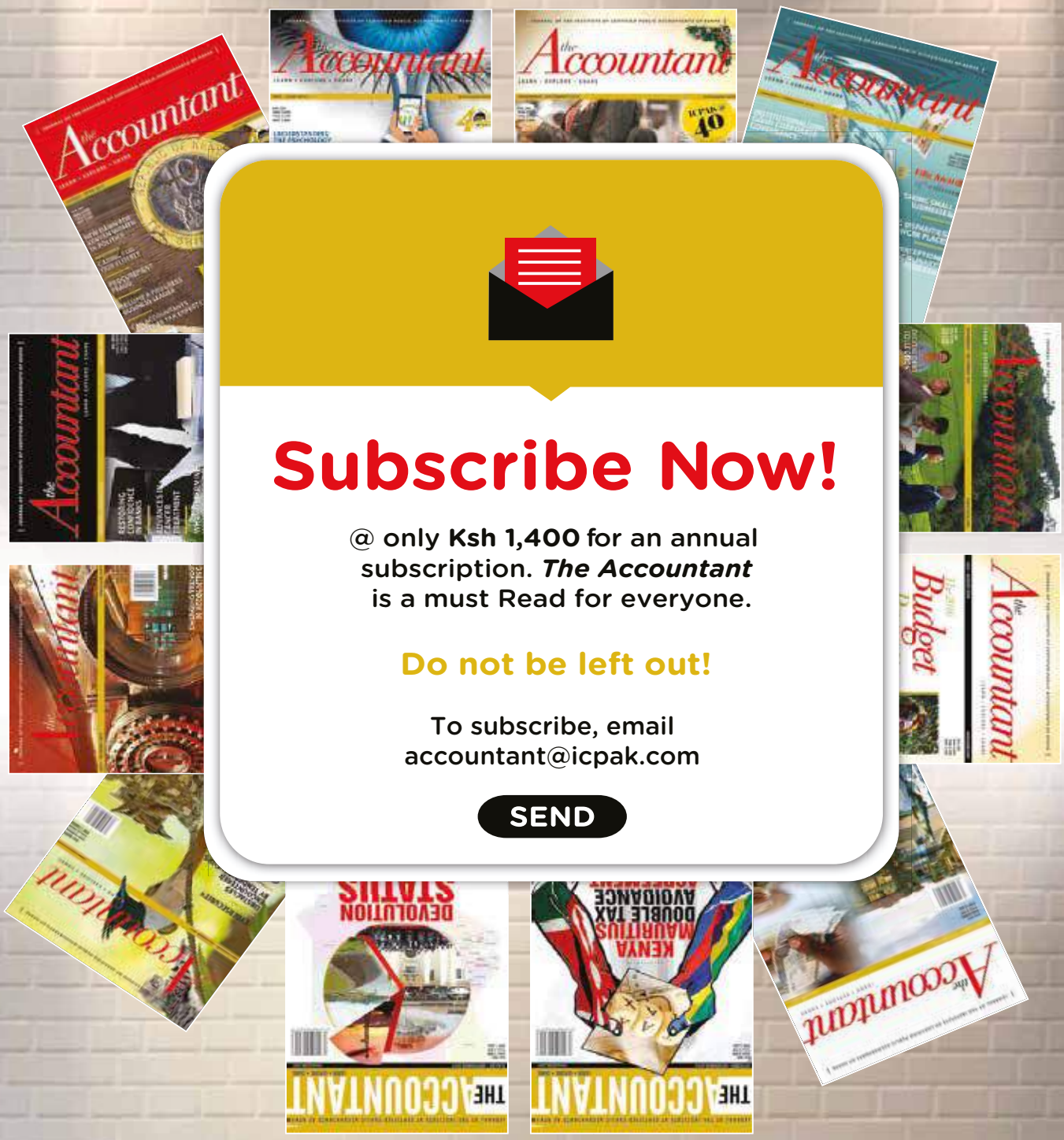
b) They also have a role to ensure correct data capturing and up-to-date statements of SACCO accounts. They should ensure proper planning and budgeting to secure Sacco deductions from the risks of diversion to other expenditures.

9. ***How can these professionals collaborate with SASRA to ensure the stability and prosperity of SACCOs?***

Getting the regulatory environment right is critical to the financial stability of the Sacco sub-sector. Collaboration between regulators, policymakers, industry leaders, and other key professional stakeholders is key in ensuring the success of an industry.

It is through effectively structured collaboration with key stakeholders that people exchange great ideas and views and identify best practices that positive transformation can occur. SASRA is willing and ready, and has engaged diverse stakeholders in various policy reforms in the industry. Key among them are; the draft co-operative bill 2021, draft guidelines for approval and appointment of external auditors for SACCOs developed through collaboration with ICPACK and the proposed Shared Digital Services framework for DT-SACCOs among others.

It is envisaged that through effective collaboration with professional stakeholders, the sector will be more stable and prosperous.



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Community input in county integrated development plans and annual development plans

By CPA Moses Macharia Gakuru

There has been unending public outcry by some communities regarding unequal distribution of project funding in certain areas in their counties. Comments have been made to the effect that some sub counties are benefitting more than others in terms of development projects. The communities have at times laid the blame on some Governors who they accuse of favoring some areas in terms of distribution of project funds. But very few are aware of two important documents that shape the planning and budgeting process of counties namely County Integrated Development Plan and Annual Development plans.

Very few members of these communities are aware that they have a significant role to play in the formulation of these documents to ensure that their projects are included in these papers. This article aims to enlighten citizens on the two documents and their roles in ensuring that projects identified through them are fairly considered and those that pass the approval stage are factored into the budget and implemented to completion through public participation. It will also highlight some challenges identified through studies and recommend some probable solutions.

> **"The CIDP should contain information that will inform the annual budget process, particularly the preparation of annual development plans, the annual county fiscal strategy papers, and the annual budget estimates.**

The Ministry of Devolution defines Public Participation as the process where individuals, governmental and non-governmental groups influence decision making in policy, legislation, service delivery, oversight and development matters. It is a two-way

interactive process where the duty bearer communicates information in a transparent and timely manner, engages the public in decision making and is responsive and accountable to their needs. The public gets actively involved in the process when the issue at stake relates directly to them.

Article 1 of the Constitution provides that sovereign power belongs to the people of Kenya. Such power may be exercised directly or indirectly. Public participation is a direct exercise of sovereignty. Article 174 (c) gives the power of self-governance to the people. It can derive direct benefit from meaningful public participation as this contributes to better informed decision-makers armed with additional facts, values and perspectives obtained through public input.

Principals of Public Participation

According to the Ministry of Devolution (2016), Public participation is based on the following broad principles which are to be institutionalized in every process of county governance. Firstly it is to give timely access to information, data and other documents relevant or related to policy formulation, implementation and oversight. Secondly it should provide protection and promotion of interest and rights of minorities, marginalized groups and communities and their access to relevant information. Thirdly it should provide for multiple opportunities for public participation. Fourthly it should offer legal standing of interested or affected persons, and organizations, with particular emphasis on traditionally marginalized communities, including women, youth, and disadvantaged communities. Lastly it should strike a reasonable balance in the roles and obligations of county governance and non-state actors in decision making processes and provide complementary authority and oversight.

County Integrated Development Programme (CIDP)

County Integrated Development Programme (CIDP) is a document prepared by each County Government every five years to articulate its priorities and outline the policies, programmes and projects it intends to implement during the five years. This should improve services like health care provision, food security, job creation, road network and living

standards of the residents of the County.

A good CIDP must encourage public participation and inclusion of all stakeholders not only before and during preparation but also during implementation of projects, programmes and policies thereafter.

The Public Finance Management Act (2012) provides that no public funds shall be appropriated outside this county's planning framework. It is from this CIDP that annual plans are drawn and acts as a key reference document in subsequent budget preparation processes. By providing an overall development agenda for the county, the CIDP specifies projects to be funded by the National or County Government, as well as the care being taken to ensure that there is no duplication of effort between the two levels of government other than building of synergies. It also provides an implementation, monitoring and evaluation framework with clear timeframes, baselines, targets, as well as indicators for programmes and projects. The CIDP should contain information that will inform the annual budget process, particularly the preparation of annual development plans, the annual county fiscal strategy papers, and the annual budget estimates.

Annual Development Plans

Section 126 of the Public Finance Management Act provides for the development of County Annual Development Plan (ADP) which is a single extract of the CIDP. Every financial year the Annual Development Plan (ADP) should provide strategies that will guide the process of identifying and prioritizing programs of the county. Possible sources of projects for an ADP include proposals from public participation, projects identified in the CIDP and projects derived from sector plans. This should be supported by reliable and accurate data as well as research and feasibility studies. The ADP should also provide information on how the public was involved in the formulation of the ADP. Counties are required to among other things; inform members of the public, stakeholders and other interested parties when the ADP is being prepared.

Challenges

MODP (2016) in their document - Devolution and public participation in Kenya, identified the following challenges to effective public participation;

Negative attitude or apathy from the public

This was brought about by lack of a common understanding of what constitutes public participation and the processes and content needed to ensure effective engagement. It may also have been because of lack of feedback, from previous consultations.

Difficulties in accessing information

Communities often lack adequate information on policy, plans and budgets that are needed for effective public participation.

Inadequate representation

Certain community groups are not adequately included in decision-making processes, particularly, women, youth, persons with disabilities and other marginalised groups.

Domination by local Elites

This refers to a situation where a public participation process is dominated by a few people who will influence the direction of decision-making for their own personal interests.

Language and literacy

Meaningful public participation is a challenge when there are high levels of illiteracy and inadequate civic education in the local language.

Inadequate decentralization of public consultations

Public consultations by the county governments are mainly conducted at the sub-county level, and do not always reach the ward or village level. Community members find transport costs to the venue of events expensive. The MODP document seems to agree with a study done by Troicaire (2019) that revealed that ordinary citizens have little knowledge about the planning, budgeting, implementation and appraisal of CIDPs due to inadequate information and involvement, low capacity for mobilization, lack of transparency and the need to comply with set budgeting timelines over citizen involvement. This lack of awareness undermines participation and ability to exercise accountability among citizens. The ADP and its process which essentially should provide the link between CIDPs and county budgets are virtually unknown to ordinary citizens.

Recommendations

A county government's duty is to make public participation accessible in terms of time, location and format.

An increase in the amount and quality of civic education that citizens receive, particularly through civil society mechanisms, can help to raise awareness and inspire action within local communities to be more involved in county government processes.

County Public Participation Acts should be enacted in every county to address issues that include a diverse range of community groups and make specific provisions for how these groups can be adequately represented in public participation processes.

Public participation planning needs to ensure a diversity of methods and opportunities for input that will ensure a wide range of voices can be heard, without one group dominating the process and its outcomes.

County governments should make information available in simplified formats and translated into local languages wherever possible.

Ideally, county governments should organize the citizens for purposes of public participation at more decentralized levels, preferably the village level. They should also make sure that public forums are held at venues closer to the citizens rather than at county or sub county level.

And lastly when the citizen becomes conversant with the budgeting process they should understand that budgetary allocations are done against a resource that is scarce. They should be prepared to lobby for their preferred projects. This should be done right from the CIDP stage to the project implementation. A community that has identified a health centre as their priority project should ensure that it is included in the CIDP, follow it up to be included in the annual development plan and also factored in the annual budget. The lobbying should not stop there. Approval for implementation should be sought at the earliest opportunity.

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Parliament and the budget making process

By CPA Peter Kibet Kitur

All tax proposals of the central government must be approved by Parliament

From 1990s to date, countries of the world continue revising their constitutions to include and expand the role of their legislatures /parliaments. Public financial oversight is a major aspect that continues to receive significant attention. This has been occasioned by the need to ensure proper utilization of public resources for the benefits of citizens and for the overall development of a country. In most countries, parliament is constitutionally mandated as the institution through which governments are held to account to the citizens. The legislature can use several avenues such as questioning of government officials including ministers, the review and confirmation of executive appointments, impeachment and/or the power to dismiss the government, the establishment of parliamentary committees and the formation of commissions of inquiry where public resources are suspected to have been inappropriately utilized. The accountability mechanisms available to legislature depend upon the constitutional provisions regarding the specific powers of the legislature, the institutional arrangements between the different branches of government and the division of authority between national, regional and county governments. Budget making process and participation of parliaments is one of the avenues of enhancing accountability.

Every year, legislatures across the globe consider the annual public budget and authorize governments to raise revenues and carry out expenditures. Following budget execution, independent audit institutions produce reports that inform the legislature whether the budget it approved was properly implemented. While circumstances and challenges differ, many legislatures express a need to strengthen their role in public resources management form Budget making to the resource's proper utilization. Some legislatures have taken active steps to do so.

An overview of some selected countries including the United States of America, India, South Korea, South Africa and Kenya is as follows:

Unites States of America's context: Legislature and Budget Making

The US Congress has broad constitutional powers in financial matters, makes budgetary decisions through a complex system of specialized committees in both houses, and has access to extensive analytical support in the Congressional Budget Office (CBO).

India's Context: The Budget:

The Constitution clearly spells out the sources from which the central and state governments may collect taxes. All tax proposals of the central government must be approved by Parliament. Similarly at the state level, proposals to raise taxes must be approved by the concerned legislature. During the last week of February every year, the finance minister presents a budget which contains estimates of tax and non-tax revenues collected and expenditure incurred by the central government during the current financial year. It also contains a ministry- wise and department -wise estimate of the expenditure likely to be incurred during the coming financial year and the amount of money that is likely to be collected in the form of taxes. The finance minister may propose to collect new taxes; or raise the rates of the existing taxes; or reduce the existing rates; or do away with a tax entirely in his budget. In the states, finance ministers follow the same process, though the timing of the presentation may vary. The finance minister consults captains of industries, trade unions and consumer

forums and other economic interest groups before formulating the annual budget. But the actual proposals for raising or reducing taxes are kept secret until they are presented to Parliament.

South Korea's Context: Legislature and budget making.

The 1948 constitution requires the draft budget to be presented to the National Assembly 90 days before the start of the fiscal year and adopted 30 days before the new fiscal year begins. This provides the National Assembly with 60 days for scrutinizing and debating the President's draft budget. The constitution does not allow the National Assembly to introduce amendments to the budget that increase any expenditure item or create a new expenditure item without the consent of the executive. In contrast, the National Assembly can amend revenue proposals without any restriction. The National Assembly Act 1948 established a Special Committee on Budget and Accounts, with 50 members, whose role is to review the draft annual budget, the draft fund management plan and all budget-related matters. Currently, sectoral committees make recommendations to the Special Committee on Budget and Accounts, which accepts or rejects the recommendations after reviewing them, although this may change somewhat to reflect the National Assembly's wish to institute a more "top-down" format. A Finance and Economy Committee examines tax proposals. Some reports of these two committees are published. Committee meetings where the budget is discussed are generally open to the public. The two budget-related committees have 20 to 30 full-time staff working for them.

South Africa Context: Parliament and budget Making.

The period following democracy introduced significant changes in the nature of the public budget process in South Africa. The Constitution of the Republic of South Africa, 1996, commits government departments to the progressive realization of various socio-economic rights within the constraints of available resources. Budgetary work is one of

> **While circumstances and challenges differ, many legislatures express a need to strengthen their role in public resources management form Budget making to the resource's proper utilization. Some legislatures have taken active steps to do so.**

the most important oversight functions of Parliament. The budget reflects the choices that government has to make, and is the tool it uses to achieve its economic and development goals. In the budget, government sets out what it is going to spend (expenditure) and the income it collects (revenue), which it needs to finance expenditure.

Kenya's context: Parliament and budget making

The legislative 'power of the purse' is so important for democratic government. Following the promulgation of the Constitution of Kenya, 2010, the role of the Parliament in the budget process expanded from being merely the review and approval of projects and plans to being involved at all stages of the budget process – from the planning and formulation, approval, execution and oversight to the audit and evaluation stages. Through this, the Parliament is able to exercise the powers vested in it by the people, to hold the executive accountable and, to consult the public for their views at various stages of the budget process through public participation at both the national and county levels, at which the public is able to consider where government revenue comes from (when Parliament passes legislation regarding taxes through the finance bills), how these resources are allocated and distributed between the two levels of government-County and national governments. The Constitution of Kenya, 2010 is the overarching law that sets out the role of the Parliament of Kenya. The core functions of Parliament include representation of the people, enactment of legislation, appropriation of funds for expenditure by national government and state organs, and provision for oversight of government expenditure during and after execution of the budget.

Chapter 12 of the Constitution of Kenya, 2010, 'Public Finance', elaborates the role of Parliament in the budget process, and covers PFM-related issues, which include involvement in the pre-budget debates, the review of the medium-term budget expenditure, approval of supplementary budget estimates and oversight of the Auditor General's reports. Kenya's Public Financial Management Act (PFMA) of 2012 enhances the role of the legislature by establishing and clearly defining the roles and responsibilities of Parliament in the oversight, management and control of financial matters. The PFMA specifies the responsibilities of the committees in Parliament. These include the National Assembly's Budget and Appropriations Committee, the Senate's Finance and Budget Committee, departmental committees of both houses, and audit committees responsible during the audit stages. The PFMA also outlines the role of the National Assembly committees in monitoring and reviewing budget proposals and approving such proposals, with or without changes.

> **The BPS is a document in which the government sets out its broad strategic priorities and policy goals, in accordance with Section 25(1) of the PFMA. It contains, in addition, an assessment of the current state of the economy, a financial outlook, proposed expenditure ceilings for the government, fiscal responsibility and a statement of specific risks.**

The committees involved in the budget process in the upper house include the following: the Budget and Appropriations Committee (BAC), which oversees the budget decision-making process during formulation, approval to implementation; departmental committees, which review and submit their recommendations on the budget policy statement and the budget estimates to the BAC before they are tabled in Parliament; and the Public Audit Committee (PAC), Public Investments Committee (PIC) and Special Funds Account Committee (SFAC), which provide oversight during the audit stages of the budget process.

The relationship between Parliament and the executive is important. Most of the bills and budget plans or proposals that Parliament approves come from the executive. In the budget process, the National Treasury is the originator of most of the budget proposals, bills and documents that Parliament reviews and amends. Ministries, departments and agencies (MDAs) are also involved in the budget process. For example, the National Treasury submits to Parliament the Division of Revenue Bill (DORB), which is the basis of division of the revenue raised at the national level by the national and county governments. The DORB is accompanied by an explanation of the proposed revenue allocation and a summary of any significant deviations from the recommendations of the Commission on Revenue Allocation (CRA), including explanation for such deviations. The CRA is an independent institution made up of a chairperson, vice chairperson and seven commissioners, who possess extensive professional experience in financial and economic matters and may not be a Member of Parliament.

The National Assembly is also involved at the planning and formulation stage of the budget following the submission of the Budget Policy Statement (BPS) by the National Treasury. The BPS is a document in which the government sets out its

broad strategic priorities and policy goals, in accordance with Section 25(1) of the PFMA. It contains, in addition, an assessment of the current state of the economy, a financial outlook, proposed expenditure ceilings for the government, fiscal responsibility and a statement of specific risks. The National Assembly's departmental committees review the BPS, and a report with recommendations is tabled in Parliament by the BAC. The National Assembly can pass a resolution for the adoption of the BPS as submitted by the National Treasury, with or without amendments. In the formulation of the budget and budget-related documents, both national and county governments are required to develop their annual budgets with annual estimates of revenue and expenditure, including recurrent and capital expenditures. Both Parliament and the judiciary are required to prepare their own budgets and to submit them to the executive for inclusion in the budget estimates. Furthermore, there are consultations between the national and county governments when preparing budget plans.

The National Assembly reviews and debates budget proposals submitted by the executive. These include the BPS, the Division of Revenue Bill, the Medium-Term Debt Management Strategy Paper (MTDMSP), tabled together with the BPS, the budget estimates and the finance bills. At this stage, the assembly can make amendments to the BPS and the budget estimates by increasing, decreasing or reallocating resources to other sectors and programs, if deemed necessary. The PFMA sets rules and procedures to be followed during this stage, and the extent to which the National Assembly is permitted to make amendments to the proposed ceilings in the BPS and the budget estimates. The rule of thumb is that any changes made in the house must not increase the budget deficit. Before the National Assembly considers the estimates of revenue and expenditure, the COK requires that recommendations from the BAC (some of which are based on views and representations of the general public) be considered by the house. The National Assembly approves the recommendations that form part of the Appropriation Bill, which is then passed and approved by the house to become the Appropriation Act or, rather, the approved budget.

Conclusion

Parliaments should have constitutional powers to oversee budget formulation and implementation. The challenge for legislatures in so doing is to both ensure that their influence and impact both reflects national as opposed to partisan priorities and should allow for input from citizens and that fiscal discipline is maintained. Legislatures should aim to promote fiscal discipline, improve the allocation of public money and stimulate public bodies to manage their financial operations more efficiently. In order to do this, it is necessary to, among other things, enhance the legislative capacity to deal with budget issues. Resourcing the legislature involves, inter alia, strengthening the "money committees", the establishment of dedicated research staff, the capacity enhancement of national audit offices and the encouragement of public input at the various stages of the budget cycle. Over the past decade or so, numerous organizations, including bilateral donors, multinational organizations and international financial institutions have assisted legislatures in carrying out such financial oversight and this is a welcomed move.

Happy New Year, 2022 to all Accountant's Journal readers. May more blessings come to you in the New Year!

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Internal audit opinion: a value addition plus

By CPA Abdallah Mambo Dallu

Internal auditors play an important role in their organization's corporate governance, internal control structure, risk management analysis, and financial reporting process. In spite of all confusions and dysfunctions, the theoreticians and practitioners in the field have remarked a rapid evolution of the internal audit. The internal audit, as a profession, has been redefined over the years and it has constantly complied with the changing needs of entities. In the past decade, auditors actively have provided management with consulting and assurance services to assist in compliance with regulations such as the U.S. Sarbanes-Oxley Act of 2002.

Trends in internal auditing

In the coming years, internal auditors may be expected to expand their role to assume more responsibilities in improving risk management, reducing organizational complexity and costs, and participating in developing strategic and governance processes. For example, the U.S. Securities and Exchange Commission's (SEC's) Proxy Disclosure Enhancements rules released in December 2019 require companies listed on U.S. exchanges to disclose their governance measures, including their board structure, the board's oversight of risk management, and its relationship with executive compensation policies and practices. These new proxy requirements will place greater pressure on hoards to demonstrate their role in the oversight of risk management, and by extension, this presents both challenges and opportunities for chief audit executives (CAEs) and their internal audit teams. The proxy disclosure rules create opportunities for internal auditors to report on and provide their opinions about their organization's compliance with;

a) corporate governance structures,
b) risk management, and,
c) Internal controls.

In expressing an opinion on these three areas, internal auditors can follow guidance set out in the IIA Practice Guide, Formulating and Expressing Internal Audit Opinions. Moreover, The IIA's Internal Audit Standards Board has recently proposed a new professional practices standard, Standard 2450: Overall Opinions that detail requirements for the work that internal auditors must do if they choose to provide an overall opinion.

a) Corporate Governance

Improving corporate governance and enhancing the reliability of financial statements are receiving significant attention from lawmakers, regulators,

the financial community, standards-setting bodies, and the accounting profession. This well-deserved attention stems from the financial crisis of the past two years, widely publicized business failures, high-profile financial statement frauds, the lack of vigilant oversight by boards of directors and audit committees, irresponsible management, inadequate governance structures, and ineffective audit functions.

A close working relationship between the audit committee and internal auditing can improve the effectiveness of corporate governance. First, the independence and objectivity of auditors can be strengthened when they report their findings and opinions directly to the audit committee. Second, by reviewing internal audit opinions before they are disseminated to the full board, management, regulatory bodies, and other intended users, audit committees ran fulfill their oversight responsibilities related to financial reporting, internal controls, risk management, external auditing, whistleblowing, ethics, and taxes.

b) Risk Management

Organizations of all types, sizes, and complexity arc facing a variety of risks that affect the reliability of financial statements and effectiveness of internal controls. Effective assessment and appropriate reporting on the organization's risk management requires internal auditors to understand the risk assessment process from start to finish.

Before auditors can formulate an opinion on risk management, they must identify and measure risks, and weigh those risks against potential rewards to create sustainable performance. Auditors should ensure that the established risk assessment process is improving strategic decision-making and supporting the achievement of organizational objectives. Also, they should provide adequate risk assessment information to the board and senior management to enable them to make risk-informed, strategic decisions. Moreover, auditors should provide assurance and consulting services to the board, audit committee, and management on the organization's risks and risk appetite as well as the effectiveness of the process designed to manage the risks and minimize their impact on financial reporting.

c) Internal Controls

Internal auditors traditionally have used a risk-based approach in auditing controls over their company's operational effectiveness, reliability of financial reports, and compliance with applicable rules and regulations. Sarbanes-Oxley Sections 302 and 404 and

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the U.S. Public Company Accounting Oversight Board's Auditing Standard No. 5 encourage internal auditors to focus on compliance-driven controls when assisting management in preparing reports on internal control over financial reporting. Although management's responsibilities for compliance cannot be delegated or abdicated, auditors can document the effectiveness of the design and operation of internal control over financial reporting as well as provide assurance and opinions on internal control.

The quality and reliability of internal audit opinions depends on transparency, constructive recommendations, and the objectivity, independence, and organizational status of the CAE signing the report. To be relevant, opinions and recommendations should be related to the identified risks and intended controls, and should be constructive, reliable, and concise in recommending improvements. Auditors can make such recommendations and express an opinion on internal control by:

i. Reviewing how management develops and maintains an internal control system that is adequate and effective in managing risks.
ii. Assessing the efficiency and effectiveness of risk management processes and controls.
iii. Reviewing entity-level controls that are relevant to the organization's integrity and ethical values, management's philosophy and operating style, the organizational structure, human resources policies and procedures, the competence and integrity of personnel, and the assignment of authority and responsibility.
iv. Challenging management's decisions pertaining to internal control when it is appropriate.
v. Working with the organization's board, audit committee, and management to facilitate improvements in the internal control structure. Expressed opinions on internal control should be included in annual reports.
vi. Providing internal audit opinions on internal controls is in its infancy.

> To be relevant, opinions and recommendations should be related to the identified risks and intended controls, and should be constructive, reliable, and concise in recommending improvements.

Opinions Add Value

By providing audit opinions and recommendations, internal auditors can better assist in the design and implementation of their organization's governance measures, risk management process, and internal control systems. CAEs should take a leadership role in educating and promoting their internal audit department to be proactive in formulating and expressing internal audit opinions.

Expressing Opinions

As more and more internal audit departments have begun providing audit opinions to stakeholders, a need for guidance has arisen. Proposed IIA Standard 2450 takes a step in that direction by describing the work auditors must do before they express an opinion. In addition, an IIA Practice Guide, Formulating and Expressing Internal Audit Opinions, provides considerable information and advice that auditors should study before they embark on offering audit opinions. In Summary the Practice Guide's gives the following key recommendations.

a) Relevance: - The Practice Guide provides guidance for internal auditors, boards, executive and operating management, regulatory bodies, and other assurance providers who have an obligation to form, review, or assess an opinion on an organization's governance, risk management, and internal control system. Internal audit opinions are important because they address stakeholders' concerns. Those opinions are likely to be disclosed to the public, which makes them a crucial communication channel. The criteria used to develop audit opinions should be transparent and stated in the audit report.

b) Planning: - Certain factors need to, be considered when planning for the opinion: Auditors should assess whether it will be a macro-level opinion based on the results of multiple audit projects, or a micro-level opinion based on a single project or a series of short-term projects.

i. If the opinion is positive, then more evidence and a broader work scope are required.
ii. Auditors should determine what kind of evidence they will need to prove that their opinion is correct.
iii. There should be agreement on the criteria that will be used in forming the opinion.
iv. Auditors should consider carefully the time that the opinion is issued and the scope of the coverage.
v. There must be appropriate management support for the internal audit plan.

c) Evidence Gathering: - When expressing macro-level opinions, auditors should:

i. Specify the purpose for which the opinion will be used.
ii. Detail the audit procedures and guidance that is used in formulating and expressing internal audit opinions.
iii. Gather sufficient and competent evidence relevant to the management of a strategic risk assessment process.
iv. Identify the criteria for satisfactory performance.

When expressing micro-level opinions, auditors should establish a clear criteria framework for drawing conclusions. Using a grading scale on any level requires a well-defined evaluation structure, and the scales must be consistent over the course of years in which the audit is conducted.

d) Reporting: - The chief audit executive is the best individual to provide assurance on a macro-level opinion. Positive assurance implies a lot of responsibility and should be used with caution and consideration. Grading or color coding is an appropriate way to formulate an opinion. Grades used in expressing an opinion should be agreed upon by the intended users.

Ideally, prior recommendations also should be included in opinions. An opinion may be qualified, which means that it is satisfactory overall but there are some concerns and reservations. When the results are ready for evaluation, auditors should consider:

i. Materiality--Residual risk that the business objective will not be achieved should be assessed.
ii. Impact--It is important to understand what kind of impact audit opinions will have on the business. The scope of the issues is also important.

Moreover, overall audit opinions should be expressed on corporate governance measures, internal controls, and risk assessments.

Conclusion

At the end of each audit engagement, an internal auditor should report a conclusion. Based on all audit reports throughout the year, an internal auditor may then provide an overall opinion. The assessment and conclusion shouldn't prevent senior management "from deciding what they want to do with it. They have the ultimate responsibility to correct, not to correct, change or modify the system of internal controls using the assessment established by the internal auditor

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Financial inclusion

A key enabler in the fight against poverty

By CPA Peter Kibet Kitur

Financial inclusion has progressively become a subject of considerable interest among policy makers, researchers, and other stakeholders. In international forums, such as the Group of Twenty (G-20), financial inclusion has moved up the reform agenda. At the countries' level, regulatory and supervisory agencies are now engaged in enhancing it. In recent years, some 50 countries have set formal targets and goals for it.

Financial inclusion is defined as the proportion of individuals and firms that use financial services. The heightened interest reflects a better understanding of the importance of financial inclusion for economic and social development. It indicates a growing recognition that access to financial services has a critical role in reducing extreme poverty, boosting shared prosperity, and supporting inclusive and sustainable development. The interest also derives from a growing recognition of the large gaps in financial inclusion.

According to Global Financial Development Report of 2014, half of the world's adult population—more than 2.5 billion people did not have an account at a formal financial institution though this has narrowed down to less 50% towards 2021 (Credible data not found by this research). Financial systems serve an important purpose, offering savings, credit, investment, and risk management products to people with a wide range of needs. Inclusive financial systems which allow access to various financial services are especially likely to benefit

entire populations and especially disadvantaged groups. Without inclusive financial systems, poor people must rely on their own limited savings to invest in their education or to start or run their businesses. They must rely on their limited earnings to pursue promising growth opportunities. This can contribute to persistent income inequality and slower economic growth. The report went on to state that not all the 2.5 billion unbanked need financial services, but barriers such as cost, travel distance, and documentation requirements are critical. For example, 20 percent of the unbanked, reported distance as a key reason they did not have an account. The poor, women, youth, and rural residents tend to face greater barriers to access. Among firms, the younger and smaller ones are confronted by more binding constraints. For instance, in developing economies, 35 percent of small firms report that access to finance is a major obstacle to their operations, compared with 25 percent of large firms in developing economies and 8 percent of large firms in developed economies. More so, according to the 2014 Report, financial inclusion is important for development and poverty reduction. Considerable evidence indicates that the poor benefit enormously from basic payments, savings, and insurance services. For firms, particularly the small and young ones that are subject to greater constraints, access to finance is associated with innovation, job creation, and growth. But dozens of microcredit experiments paint a mixed picture about the development benefits of microfinance projects targeted at particular groups in the population.

Until just recently, little had been known about extent of financial inclusion globally and the degree to which such groups as the poor, women, and youth are excluded from formal financial systems. Indicators of the use of different financial services had not been in existence. The Global Financial Inclusion (Global Findex) database provides such indicators.

According to World Bank's working paper, 2012, Measuring Financial Inclusion, worldwide, 50 percent of adults reported having an individual or joint account at a formal financial institution. But while account penetration is nearly universal in high-income economies, with 89 percent of adults reporting that they had an account at a formal financial institution, it is only 41 percent in developing economies.

G20 Financial inclusion

The Group of Twenty (G20) recognizes that financial inclusion is a key enabler in the fight against poverty. The pursuit of inclusive development is leading to a greater focus on financial inclusion policies and initiatives. Reliable data covering the major components of sustainable financial inclusion development is critical to inform these policies and to monitor the effect of initiatives. Data also provides a starting point on which to base ambitious financial inclusion targets. At the Cannes Summit in 2011, G20 leaders agreed to the recommendation by the Global Partnership for Financial Inclusion (GPFI) to support global and national financial inclusion data efforts. Subsequently, G20 leaders endorsed the G20 Basic Set of Financial Inclusion Indicators at Los Cabos Summit in 2012, born out of the work of the GPFI.

Financial inclusion Indicators as per G20

Financial inclusion is measured in three dimensions as per G20:

(i) access to financial services
(ii) usage of financial services
(iii) quality of the products and service delivery

Both supply-side and demand-side data is included to form a comprehensive view.

Kenya's perspective

Positioned as one of Africa's top-performing economies, growing at (a predicted) 6% according to 2019 African Development Bank (AfDB) figures, Kenya has led the continent in financial inclusion for well over a decade. According to Kenya Economic Report 2020, produced by the Kenya Institute for Public Policy Research and

Analysis (KIPPRA), a government think-tank, noted that national access to financial inclusion in Kenya had hit 82.9 percent, an improvement from 26.7 percent in a decade. It observed that 17 percent of the population which is still excluded from access to formal financial services is mainly in rural areas. The main barriers to financial inclusion in Kenya, according to the report, are proximity to financial providers, level of trust of financial providers, excessive documentation, financial literacy and cost of accessing financial services. However, the advent of mobile-based financial services has transformed financial systems in Kenya, helping more people to access financial services, as indicated in the report. It noted that mobile money agents present a potential solution to many of the barriers to closing the financial inclusion gap and reaching the excluded.

Rwanda's perspective

The major aim of policies and strategies for financial inclusion in Rwanda is increased access to formal financial institutions and increased uptake and usage of formal financial products and services (i.e., those provided by regulated service providers). The target of the Government of Rwanda is to increase the proportion of formally served adults to 100% by 2024.

With support from the Access to Finance Rwanda (AFR) initiated the fourth FinScope 2020 consumer survey. According to the FinScope Rwanda 2020 Survey, 93% (about 7 million adults) in Rwanda are financially included (plus both formal and informal financial products/services). Gender gap in financial inclusion is closing with only 8% excluded women compared to 7% amongst male counterparts. As expected, when comparing seniors and youth, youth within the age group of 16 – 24 years are financially excluded at 18% points, significantly higher compared to the national average of 7% exclusion. It is generally agreed that one of the core drivers to an inclusive economy is the constant fight against poverty and the inclusion of most of the population in the formal economy. Hence, the importance of a more financially included adult population is vital as it gives rise to financial stability. As more funds are channeled and flow in the formal economy, this allows for a more effective monetary stimulus while helping reduce costs of conducting financial transactions and increase oversight among other reasons.

Tanzania's perspective

Tanzania has made remarkable progress in expanding the opportunities for people to access and use financial services. According to FinScope Tanzania 2017, uptake of formal financial services has reached 65% in 2017 compared to 57.7% in 2013. Accessibility, measured by the proportion of the population living within 5 kilometers from where financial services are provided, has grown from 45% to 86% nationally and is at 78% for those living in rural areas. Notable also is the growth in active mobile wallets reaching over 21 million which are held by 16.6

> **Notable also is the growth in active mobile wallets reaching over 21 million which are held by 16.6 million Tanzanian adults as stated in the report. It is only when people and businesses derive value from financial services will they use them regularly as a matter of choice.**

million Tanzanian adults as stated in the report. It is only when people and businesses derive value from financial services will they use them regularly as a matter of choice. A responsive, deeper and sustainable financial sector is one which offers choice for individuals, households and enterprises and can make meaningful contributions to economic growth.

Honduras's perspective

In 2014, Honduras was undergoing serious economic and security problems, aspects that threatened the socioeconomic development of the country.

The Government of the Republic of Honduras undertook an aggressive recovery plan that included macroeconomic adjustments, with the support of the International Monetary Fund (IMF), Inter-American Development Bank (IDB), the World Bank (WB) and other international agencies. At the same time, strong expenditure-containment measures, investment promotion, national security, including socio-economic development programs in the poorest sectors of the country, were initiated under the umbrella of the Presidential VIDA MEJOR ("Better Life") Program, and in the National Plan, Plan 20/20 and other government strategies, aimed at fostering the country's socioeconomic development.

This country's vision 2020 developed by the Government of Honduras included the objective of improving access to credit to the lowest-income population of the nation, to promote their development. At this point, when they attempted to recruit people, they encountered varied and insurmountable barriers that hindered the financial system from achieving these goals of access and financial use that the government had set.

In October 2015, the Presidency of the Republic of Honduras launched the National Strategy of Financial Inclusion (ENIF) at the Regional Forum on Financial Inclusion, which was promoted by the CNBS and disseminated throughout the supervised financial institutions, governmental entities and civil society.

The ENIF HONDURAS established the objective, for a period of 5 years (2015 - 2020), to ensure that excluded persons have access to a wide range of financial services provided under favorable conditions and appropriate to their characteristics and needs.

To achieve this goal, there was a need for these people to have financial education and sufficient technical skills to optimize their access to, and the usage of, financial services, in order to reduce poverty.

Conclusion

Enhancing financial inclusion requires that policy and market problems that lead to financial exclusion must be addressed. The public sector can promote this goal by developing the appropriate legal and regulatory framework and supporting the information environment, and by educating and protecting users of financial services. Most public sector interventions are more effective if the private sector is involved. For example, improvements in the credit environment, disclosure practices, and the collateral framework can be more effective with private sector buy-in and support.

Technological innovations can lower the cost and inconvenience of accessing financial services. These technological innovations allow for a significant reduction in transaction costs, leading to greater financial inclusion. While much of the public discussion has focused on mobile payments and mobile banking, other new technologies are also promising.

Happy New Year (2022) to all Accountants Journal readers! May more blessings come to you in the New Year.

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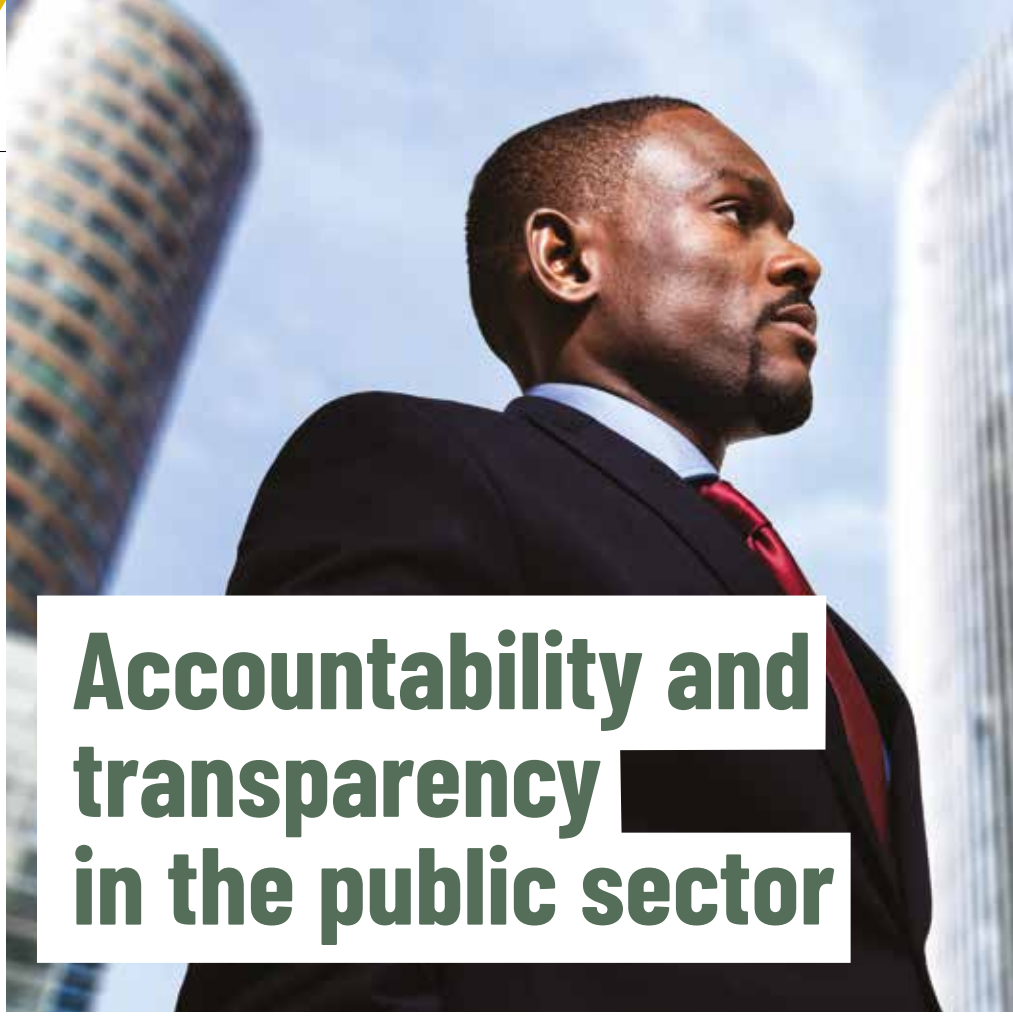

Accountability and transparency in the public sector

By Joan Ogeto

Public Office is for Serving Public Interest, not for Private Gain

Transparency and accountability are considered critical to the workings of government and the success of commercial businesses. Through the practice of internationally established standards of governance, private and public sectors can maintain economic growth.

Transparency refers specifically to administrative procedures through which institutions perform their functions. The focus is whether these procedures are documented and accessible. The government and publicly held companies would then be open to public scrutiny. Accountability on the other hand pertains to the relationship between citizens and government officials or in the commercial context, shareholders, and boards of directors.

There is a sense of obligation and a public service disposition among officials. Citizens or shareholders then have the power to sanction, impose costs, or remove officials for unsatisfactory performance or actions. One of the most important foundations of a democratic government is sound ethics management.

A high standard of management is essential, otherwise, there can be no trust or confidence in the integrity of public institutions or the value of democratic processes in promoting and protecting the interests of citizens. In addition, without checks and balances, a country and its political system face the threat of despotism. James Madison wrote in the Federalist Papers that; "In framing a government which is to be administered by men over men, the great difficulty is this: You must first enable the government to control the governed; and in the next place, oblige it to control itself." Transparency acts as an accountability mechanism on the behavior of public officials and therefore is often quite closely related to the issue of corruption.

One way transparency can be achieved is through the implementation of accrual accounting. This is the form of accounting where transactions are required to be recorded regardless of when actual cash flow for the transactions is received. This basis of accounting is practiced in the private sector but the introduction of the New Public Management (NPM) initiative has made it part of the financial management improvement programme in the public sector.

The New Public Management (NPM) initiative was founded in the United Kingdom in 1979 and by the year 1991, it became a major reform strategy that was adopted by many countries around the world and practiced by most member states of the Organization for Economic Cooperation and Development (OECD). The New Public Management initiative aims to measure efficiency and to facilitate competition with the private sector.

It applies private-sector management approaches and techniques to public sector management. In recent years, some governments around the world embraced the NPM and engaged in various reforms including financial management reforms. These reforms have been gradually shifting governments from the traditional cash basis accounting practice to the accrual accounting basis. The financial reforms were prompted by the desire to eliminate inefficiency, poor service delivery, overspending, and lack of accountability. It was also meant to promote transparency and improve the quality of service delivery in public service. The initiative follows the accrual accounting standards issued by the International Public Sector Accounting Standards Board (IPSASB).

There has been evidence suggesting a lack of accountability and transparency,

It was acknowledged in the Global Forum on governance that "nothing is more powerful in combating corruption than conducting transactions openly and with public knowledge of the rules and criteria to be applied...and ICT can be a powerful tool for good governance." If the right procedures are set up ICTs can be used to make administrative and financial transactions traceable and open to scrutiny.

especially in most African countries. Some government officials do not take responsibility for their decisions and actions, corrupt practices are widespread, government business is not transacted openly, financial reports are not prepared at the right time or openly and budgets are prepared on a cash basis. These issues led to the introduction of public sector financial reforms in 2003 by President Obasanjo's administration. Nigeria adopted the International Public Sector Accounting Standards (IPSAS) cash basis of accounting as a foundation for migration into accrual basis accounting because it enhances accountability and transparency. It also allows for enhanced monitoring of government debt and liabilities for their true economic implications.

Another way would be the implementation of international standards on transparency and the exchange of information. This would be done through proactive disclosure or affirmative publication. This ensures that information seekers or citizens get immediate access to public information and avoid the costs of filing a request or engaging in administrative procedures. It involves instances such as public institutions publishing information on how taxpayer money is spent. It prompts openness on policy formulation and implementation in the national budget. This is especially important because this document highlights policy objectives across all spectrums such as economic, social, or environmental. A budget reporting system or regime to highlight this would provide clarity.

The clarity gained by the public on spending decisions would foster trust in government stewardship of public money. It forces governments to adopt a more open functioning that is unshielded to public scrutiny. In this sense, information itself may not necessarily be important, but rather how the potential release of this information causes officials to essentially 'do the right thing'. It is therefore a vital tool in helping to reduce corrupt and rent-seeking behaviour.

It is important however to note that this public information is released in the first place by the government. In other words, there is no knowledge about whether the government might withhold information from the public. In addition, there is the possibility of a situation arising where public information could be over weighted in the minds of the general population and, if this information has a lot of noise, for example, GDP or inflation data, then it could be welfare-reducing.

One final means by which transparency could be achieved is through the use of new Information and Communication Technologies (ICTs) between the government and its citizens. It was acknowledged in the Global Forum on governance that "nothing is more powerful in combating corruption than conducting transactions openly and with public knowledge of the rules and criteria to be applied…and ICT can be a powerful tool for good governance." If the right procedures are set up ICTs can be used to make administrative and financial transactions traceable and open to scrutiny. It will make it easier to identify decisions and activities by the government. Provision of enhanced accounting, monitoring, and auditing systems will ensure that officials can be held accountable for policy decisions and strategies. ICT when used as a tool for consultation and information, guarantees that citizens can be aware of all aspects of the government and this creates a culture of trust and mutual interest.

For some developing countries, however, where not every individual has computer-based internet access, efforts could be made to make information available on public notice boards, mobile phone platforms, or mass media such as FM radio or any other mass institutions.

Summarily, to attain success in public governance, officials are required to have personal integrity on top of expertise in their specific areas of practice such as auditing, accounting, law, financial analysis, management, and public administration.
Awareness of the basic concept of public service should be raised which is; public office is for serving public interests and not private gain. Furthermore, public servants or the wider public could engage in the development of policy standards to ensure that these standards accurately reflect public expectations.

There should be an assurance that those who report violations like whistleblowers are protected. Furthermore, the establishment of an efficient and transparent budget system will be useful. Due to the direct link between the economic and social growth of a country and government performance,

a clear budget reporting system must be formulated. This would include a comprehensive financial reporting on the budget with an annual review of performance and budget by political decision-makers.

Finally, the existence of a strong public presence for scrutiny based on sound legal provisions on access to information will encourage an open government and improve the accountability and transparency of public administrators.

There exist many international best practices for informing and educating academics, business people, political leaders, the media, and others who can work together to advocate on behalf of this issue.
To gain perspective, certain questions need to be raised such as: What is the relationship between transparency, accountability, and poverty? What is the relationship between transparency and accountability and trade? These will help any society develop appropriate tools of transparency, including skills for auditing, accounting, enforcing, and so forth.

Accountability and transparency in the public sector allow a system of governance where government officials and administrators apply the principle of honesty in all areas whether locally or nationally. This ensures that governments are administered efficiently and are free of corruption. This is also an attempt to ensure that the parts of government that are supposed to prevent corruption in areas such as budgeting, monitoring, evaluation, and enforcement have not themselves become corrupted. The challenge that arises therefore is determining effective measures countries can take to ensure absolute accountability and transparency from public administrators and officials.

Good governance is a generally agreed principle which governments and organizations should aspire to accomplish while accountability and transparency are indispensable features of democracy.

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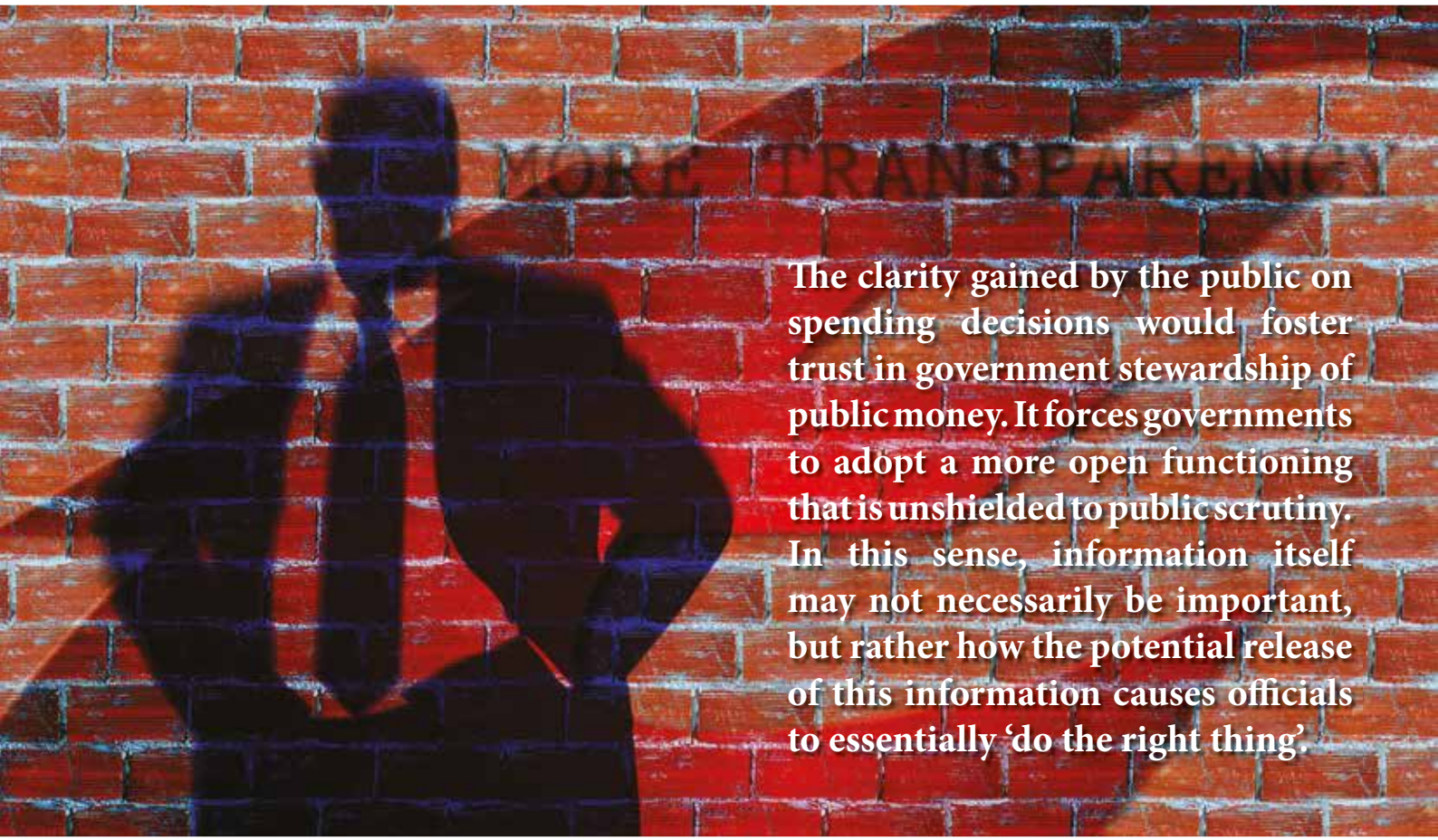

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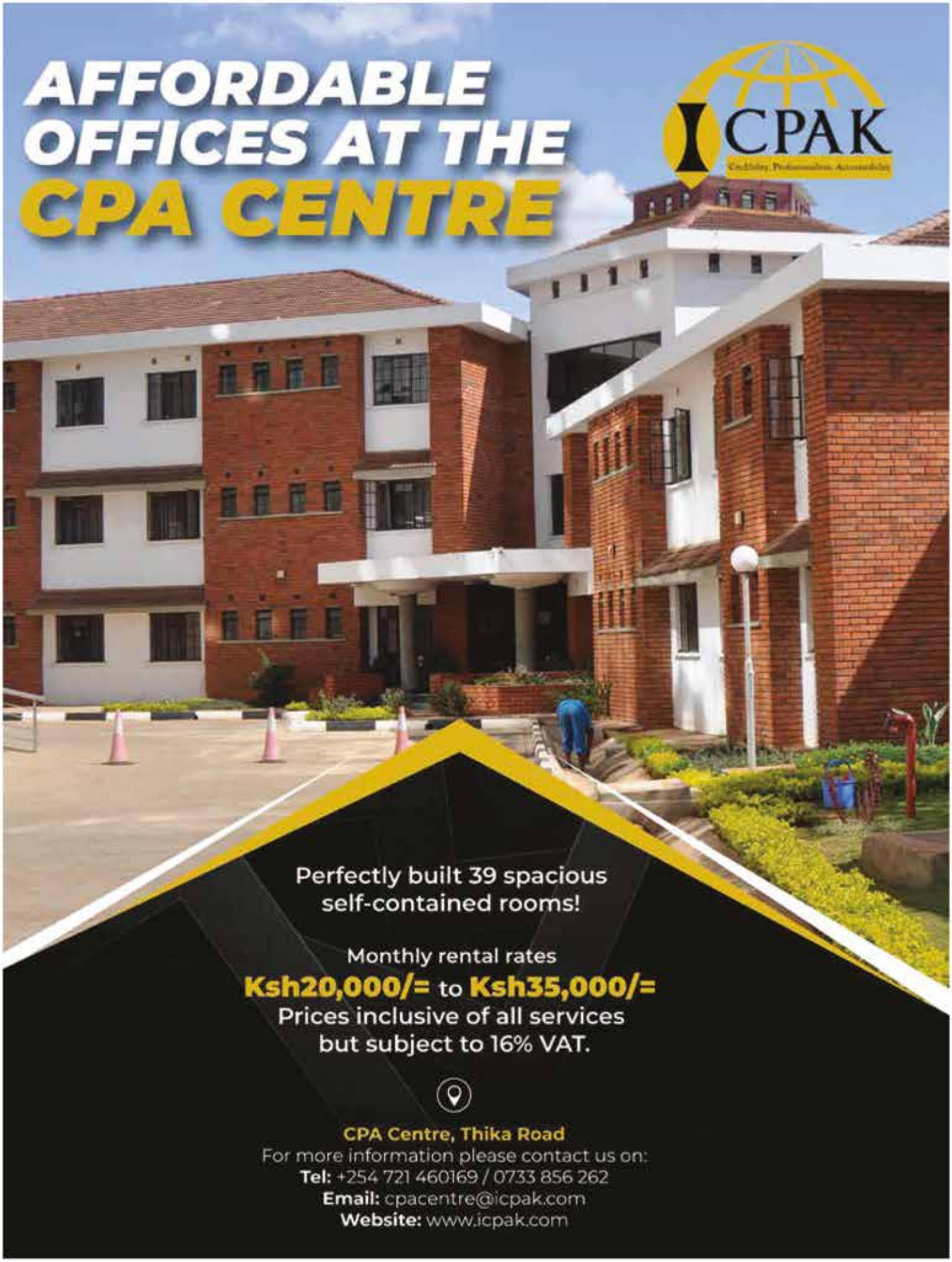
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Shackles of the fishing industry among locals in lake victoria!

By CPA Samwel Baraka Ochieng

In 2006 New Economics Foundation introduced the Happy Planet Index (HPI). HPI is a measure of ecological efficiency of providing human welfare. Nic Marks a renowned statistician and author tracks national well-being against how well countries use their resources. Nic insists, to live happily does not have to impact the planet negatively. According to the World Happiness Report (2020), Kenya ranks 23 out of the 43 African countries surveyed with a happiness index of 4.61 points. Among East Africans, Kenyans are the happiest according to the same report. Since Gross Domestic Product was conceived by Simon Kuznets in 1934 it has metamorphosed and currently it measures human well-being by supposing if we produce more goods and make more money we are better off. This doesn't consider any environmental degradation and climate change such actions pose.

In 1858 while exploring the source of river Nile, British explorer John Speke sighted a Lake and named it in honour of Queen Victoria of England, to date it is called Lake Victoria. The lake has since created rural-based employment opportunities and continues to provide rich source of animal protein among other immediate benefits. The two are part of Kenya's Big Four agenda and are close to the President's heart. The President has since committed his energy to ensure their success. The four pillars are food security, universal health care, affordable housing, manufacturing and Job creation. These, he envisaged would elevate the country to a better socio-economic state which in turn increase our HPI.

Economic success requires a careful blend of economic ingredients i.e. labour and capital, coupled with good infrastructure. Production without reliable access to ready markets often results into wastage. Many global south countries are natural resource rich mostly concentrated in the rural parts with poor infrastructure. For example, such areas have no access roads, no electricity connections, and no better health facilities etcetera. Maybe you doubt rural infrastructural impact on a region's economy, please join as we tour a rural setup. Uterere village is located in Gwasi North Ward, Suba South Constituency of Homabay County, a county boasting of picturesque hills and quaint shoreline. The major economic activity is fishing. However, the activity has little economic benefit to the locals as unscrupulous business men use locals, at best, as their ember tongs. Writing for African Great Lakes Information Platform, Miriti E.A.K. argues that Lake Victoria is the world's largest tropical lake and the largest lake in the African great lakes region and supports the largest freshwater fishery in the world. It produces 1 million tons of fish per year and employs two hundred thousand persons. Per estimate, it's supporting the livelihoods of about 4 million people. The data has since changed and keeps changing. If you cared to confirm, according to the 2019's Kenya Population and Housing Census data, the cumulative population of the lake region's five counties is past the 5 million mark and estimates over 10% of the Kenyan population as per that census.

The village is inhabited by the Abasuba. Abasuba are Bantus whose descendants were mainly refugees from Uganda after the death of Kabaka

Junju in around 1760. However, during my formative years we referred to the lake as Nam Lowe, Luo words loosely translated as "body of endless waters". It's a source of livelihood to many and treasured for its economic value -ironically a detested death trap. The roar of the colossal waters doesn't deter fishers from adventuring into the waters to eke a living, albeit with thin surety of return. Rolling angry waters wreak havoc, lack of personal floatation devices (PFDs), and poor state of fishing dinghies among other life threatening exposures make fishing abhorrent. Our great grandparents were fishermen and to date we practice fishing for consumption, sport and or as an economic activity, a treasure we religiously preserve as bequeathed. Then, fishing tools were primitive and fishing was mostly done by day. Nowadays, night and or day are a fishing stint. At night the lake is lit. The lighting bate is used in the trawling of Rastrineobola argentea, locally known as Omena and coveted for its delicacy. A fisher may toil the whole night for the precious commodity only to retire at break of day drenched with faces donned in scary looks of disappointment. Their Nile perch (Mbuta) counterparts equally share in their frustration. If it were in the days of the good Teacher, a similar question would offer a similar response from any a Simon, Luke Chapter five, "we have worked hard all night without catching anything." Such is synonymous of the days of low catch and as fate determines, not every day is dull. Unfortunately, and as would be the wish of every hard worker making hay when it shines, it's different for the locals. The state of poor infrastructure and unscrupulous merchants negatively impacts their venture.

> **Production without reliable access to ready markets often results into wastage. Many global south countries are natural resource rich mostly concentrated in the rural parts with poor infrastructure.**

In the year 2020, a 73km Mbita-Sindo-Magunga-Sori ring road was commissioned and currently under construction. The road will not be of much help either, but is a welcome improvement. Regrettably, the road connecting crucial fish landing sites, and in line with the government's bid to improve such sites as espoused in the 2021/22 fiscal year budget warranting allocation of Ksh. 326.6 million for rehabilitation which is about 8% of the total estimated Ksh. 41 Billion that went into agriculture and food. This is a drop in the ocean and even if it were to be sufficient for the rehabilitation of all the sites, commercialising all the sites would not be possible thanks to poor infrastructure. A key road that ought to share in the estimated Ksh. 183 Billion ear marked for construction, rehabilitation and maintenance of the country's roads fiscal year 2021/22 is Sindo - Nyagwethe - Uterere - Nyandiwa - Sori Road. This would open up many landing sites and consequently open access to ready markets. We so much pant for this road network as the deer gasps for the brook. Unfortunately, this may not be the case and perhaps our screams are not loud enough to attract attention of the key stakeholders i.e. Kenya Rural Roads Authority (KURA), Rural Electrification and Renewable Energy Corporation (REREC), Kenya National Highways Authority (KeNHA) etc. who have influence in allocating funds for such projects.

Many fish processing plants are located as far as Nairobi and Kiambu Counties and the poor infrastructure deters them from procuring directly from the fishers. Unscrupulous fishmongers have thus sprouted to bridge the gap, purchasing the precious commodities at very low prices and thereafter resell exorbitantly to the plants. The dwindling catch has also prompted the set-up of fish collection points where fish is collected, frozen and then transported to the processing plants. This is done by the brokers. The closest collection point is Nyandiwa, about 14.2 kilometres from Uterere and the road to the point is bad. Brokers buy a kilo of Nile perch for between Ksh 250 and Ksh500. Omena as well doesn't fetch much. In a day a fisher can catch about 15 Kgs on average per crew which if sold at Ksh350 per Kg, a crew unevenly shares the proceeds with the boat and net owners aversely retaining about Ksh. 900 for self. In addition, the long claws of government regulations haven't spared them i.e. stringent regulations on the fishing net mesh sizes have adversely impacted on their activity.

It is a few minutes into 6.00 a.m. and locals are quickening footsteps down the shoreline. I join in the bustle. A

middle aged man, an alien living at the village centre picks a conversation and after pleasantries he begins to dent my morning hopes. It has been a while since I participated in the trade and time seemed to have enfeebled my grip. Jogging me down the memory lane, careful enough to emphasize that in the trade, times are not relational as yesterday doesn't determine today anymore. Oblivious of what the future may hold, his thoughts are however adverse. A lot to discuss and the footsteps got even faster; I sporadically hopped to keep pace. We arrive at a beach referred to as Kadori, named after the antique home owner of the land bordering the shores at the spot. Kadori is a sub unit under Uterere Beach Management Unit (BMU). The beach is relatively small but economically dependable. Many a fisher here engages in Rimba fishing, a method of fishing where trawls are cast into the waters, many miles, then pulled from the main land shores. The huge number of fishers here necessitates a rotational fishing per crew per day.

Many with young families have bitter realities to contend with each day. They are pulped between poor fishing techniques, low catch, stringent regulations, and poor infrastructure which munch their earnings and as propagated by Rahul Gandhi that, surely a rising tide doesn't raise people who don't have boats. The locals need good infrastructure to rise with the tide. Currently they are starring, literally, at the rising tides but lack boats to rise with the tides. To maximise their returns from the lake's activities, rehabilitation of infrastructure is urgent. Access to reliable markets will be a guarantee; installation of modern freezers for fish collection depots will be realized etc. Fishers shall consequently cease to be ember tongs to the unscrupulous merchants and bargain for better returns for their commodities. In the words of Gautam Adani, "Infrastructure sector is all about building assets for the country. It is part of nation building."

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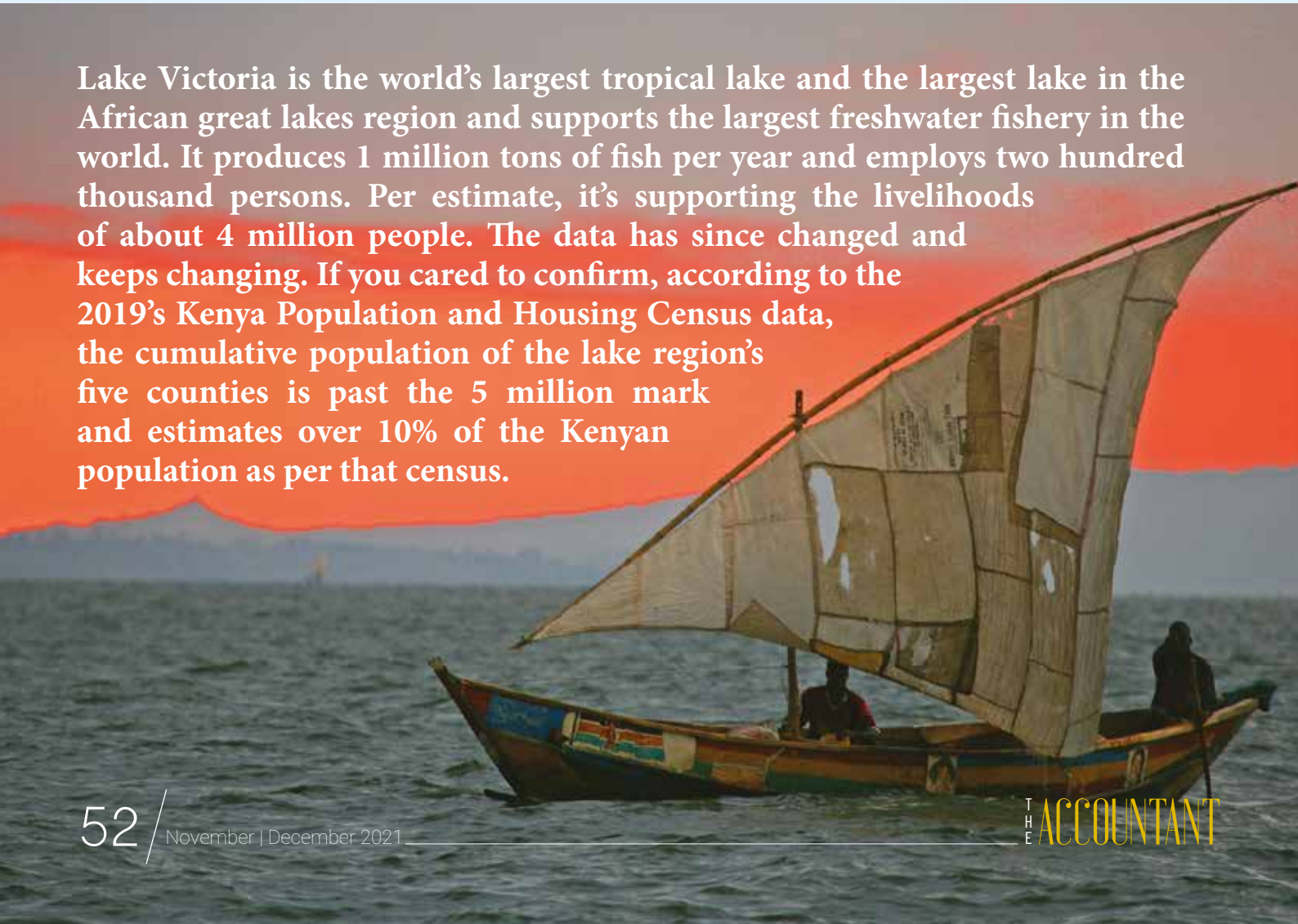

Lake Victoria is the world's largest tropical lake and the largest lake in the African great lakes region and supports the largest freshwater fishery in the world. It produces 1 million tons of fish per year and employs two hundred thousand persons. Per estimate, it's supporting the livelihoods of about 4 million people. The data has since changed and keeps changing. If you cared to confirm, according to the 2019's Kenya Population and Housing Census data, the cumulative population of the lake region's five counties is past the 5 million mark and estimates over 10% of the Kenyan population as per that census.

Emerging technologies that will reshape the future of commerce

By Derek Mutiso

Extended Reality Involves Technology that Immerses the User into a Virtual World

Technology is constantly changing; and along with it, the consumer buying process. Corporations need to continually adapt in order to maintain profitability and relevance in today's world. Both at home and in the workplace, customers and businesses alike are embracing up-and-coming technologies. As trends such as artificial intelligence and blockchain become increasingly pertinent, the world will look to companies that can step up and deliver products and services with efficiency and in a timely fashion.

Here are 7 emerging technologies that will play a huge part in how we will live our lives in the years to come.

Blockchain

Quite often, the words blockchain and cryptocurrency are used interchangeably. They are however distinctly different. Cryptocurrency is a digital currency that can be used to buy goods and services whereas blockchain is an information recording system that makes it difficult or impossible to change, hack, or cheat the system. The blockchain system is a digital ledger of financial transactions that is replicated and distributed across the whole network of computer systems on the blockchain. Each block in the chain has a certain number of transactions. Every time a new transaction is made on the blockchain, a record is made to every member's ledger.

The beauty of blockchain lies in its transparency. It enhances trust in both record keeping and financial transactions. Blockchain holds great promise for supply chain management. Businesses will be able to verify orders, purchases and returns. According to sloanreview.mit.edu, "Blockchain will transform how businesses are organized and managed. It allows companies to eliminate transaction costs and use resources on the outside as easily as resources on the inside. Sellers won't have to incur the cost of establishing trust — thus they can facilitate transactions that would have been risky or might not have been possible otherwise."

Digital Health

At the peak of the COVID-19 pandemic, hospitals and medical personnel were overwhelmed by the high number of patients they had to attend to. Digital health rose to fill the gap. People needed to access medical services without necessarily having to meet with a doctor face to face. Digital health incorporates software and hardware to enhance the efficiency of healthcare delivery as well as to make it more personalized and precise, it includes categories such as mobile health, health information technology, wearable devices, telehealth and telemedicine. Technology is driving a revolution in health care. Healthcare apps and software have been created to support doctors in their decision making process. Through machine learning and artificial intelligence, healthcare professionals are

able to diagnose diseases quickly and prescribe the right drugs.

By using computing platforms, software and sensors, medical professionals are able to ensure the general well-being of their patients, create different medical devices, carry out diagnostics and even develop or study medical products. These technologies can also be used to compliment other medical products (devices, drugs and biologics). The use of different technologies like social platforms, online applications and smart phones is not only bringing about a paradigm shift in how we communicate, but also providing new ways to monitor our health and giving us better access to data. In combination, these advancements are leading to a general convergence of information, connectivity, technology and people to greatly improve health care.

5G and enhanced connectivity

Stronger and more reliable internet doesn't just let you load your webpages quicker and spend less time waiting for YouTube videos to load, it allows you to do a lot more. Each successive advance in internet connectivity since 3G has opened up new capabilities. 3G enabled users to browse the internet and load data on mobile phones. 4G improved video and music streaming capacity due to increased bandwidth. Similarly, 5G will open many more doors for internet users. 5G connection means we will have better access to services that rely on advanced technologies such as augmented reality and virtual reality. It also enables users to use cloud-based gaming platforms like stadia or GeForce anywhere, anytime. Over time, 5G is likely to make cable and fibre based networks obsolete, due to their need for us to be tethered to a fixed location in order to use them.

5G and other newer, faster networks make all of the other trends I have discussed available anywhere, anytime. Complex machine learning and artificial intelligence applications that rely on real-time access to strong internet connections can be accessed in the field by automation. A good example is Salmar, a Norwegian fishery company that uses 5G internet to handle all its operations. The care and feeding of fish is fully automated.

By using image recognition algorithms, Salmar is able to detect which fish are over or underfeeding, they then regulate the amount of food each fish gets. Food and medicines are distributed automatically. Technologies like this will become increasingly important in the future as more and more businesses move towards reducing human intervention in their day-to-day operations.

> **They get to know exactly what their clients need as well as how best to reach and engage with prospective clients. Think of customer data platforms (CDP) as a kind of filter for customer data: collecting everything you have, removing excess clutter, and organizing it so that it actually makes sense for your business.**

Extended Reality (XR) – Virtual and Augmented Reality (VR/MR).

Extended reality is an umbrella term used to describe any technology that uses glasses, screens, tablets, smartphones or headsets to immerse the user into a virtual world where computer-generated images are projected directly into the user's field of vision.

Augmented reality (AR) describes a scenario where virtual information is overlaid on what the user is viewing in the real world. AR enhances the real world with images, text and animation When the user is placed into an entirely computer generated environment, it is called virtual reality (VR). When used together, these technologies present incredible opportunities for many industries. Extended reality can be extremely useful in tackling various challenges posed by the current world situation. The outbreak of covid-19 has brought about a need for medical solutions that don't involve direct physical interaction between health personnel and their patients
Extended reality enables medical diagnosis and examinations to be carried out remotely. Opticians are able to carry out eye tests using powerful virtual reality cameras. Augmented reality tools are then used by the patient to browse through a variety of glasses and order a pair to be delivered directly to their home. AR and VR tools will also change how teaching is carried out in years to come. Students will be able to sit in on their classes and even take part in group activities from the comfort of their homes.

As more and more data is collected on how COVID-19 is transmitted, AR tools will be used to give real-time warnings to reduce transmission. Simple steps like reminding us to wash our hands when we shake hands or issuing an alert when a device senses that we have touched our face without washing our hands, could help reduce the spread of disease.

Computer Vision

This is a scientific field that focuses on how computers can obtain high-level understanding from visual inputs like images or videos and use the data to automate tasks or make decisions without human intervention. Computer vision requires a huge amount of data in order to train algorithms to recognize minor differences between different visual inputs and signals.
This technology has been applied in self-driving cars, which are able to read different traffic signs, it is also useful in manufacturing processes and quality control. Computers are able to detect imperfections in products which would otherwise be invisible to the human eye.

One of the early adopters of computer vision technology was the military. They use technology to control missile guidance systems and autonomous weapons like combat drones (trail planning, adaptation to the environment), killer robots, etc. These weapons can carry out automated actions without any need for human intervention. They also offer better accuracy for the recognition of areas and objects of interest.

Customer Data Platforms

If data is the new currency, then customer data platforms are the new banks. A Customer Data Platform (CDP) is a software that combines and organizes customer data collected from first, second and third party sources, this data is then structured into individual, centralized customer profiles. By using customer data platforms, businesses are able to hyper-personalize each customer's experience. They get to know exactly what their clients need as well as how best to reach and engage with prospective clients. Think of customer data platforms (CDP) as a kind of filter for customer data: collecting everything you have, removing excess clutter, and organizing it so that it actually makes sense for your business.

Low-Code Technology

Low code brings software development to people who don't have a high level of technical coding knowledge. Traditional software development is a long and grueling process, it takes a lot of time, experience and advanced programming knowledge. With low-code technology, software can be developed by using a simple drag-and-drop interface rather than complex coding. Businesses can use the technology to handle issues which would otherwise require the assistance of professional software developers.

The benefits unlocked by embracing these emerging technologies extend throughout your entire business. By streamlining and organizing all your operations and utilizing the tools stated above, you'll have access to deeper customer insights that will allow you to engage customers more effectively – anticipating their needs and tailoring your products and services to suit them. Your organization will be more consistent, and profitable. As we move toward this new digital era, companies that work proactively to deliver personalized experiences and maximize consumer utility will stand out above the rest. This is a race any organization can win with a grand prize of customer loyalty and company-wide cooperation.

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The perils of indecisiveness

Compiled by Angela Mutiso

Do you have a Chronic Inability to Make Up your Mind?

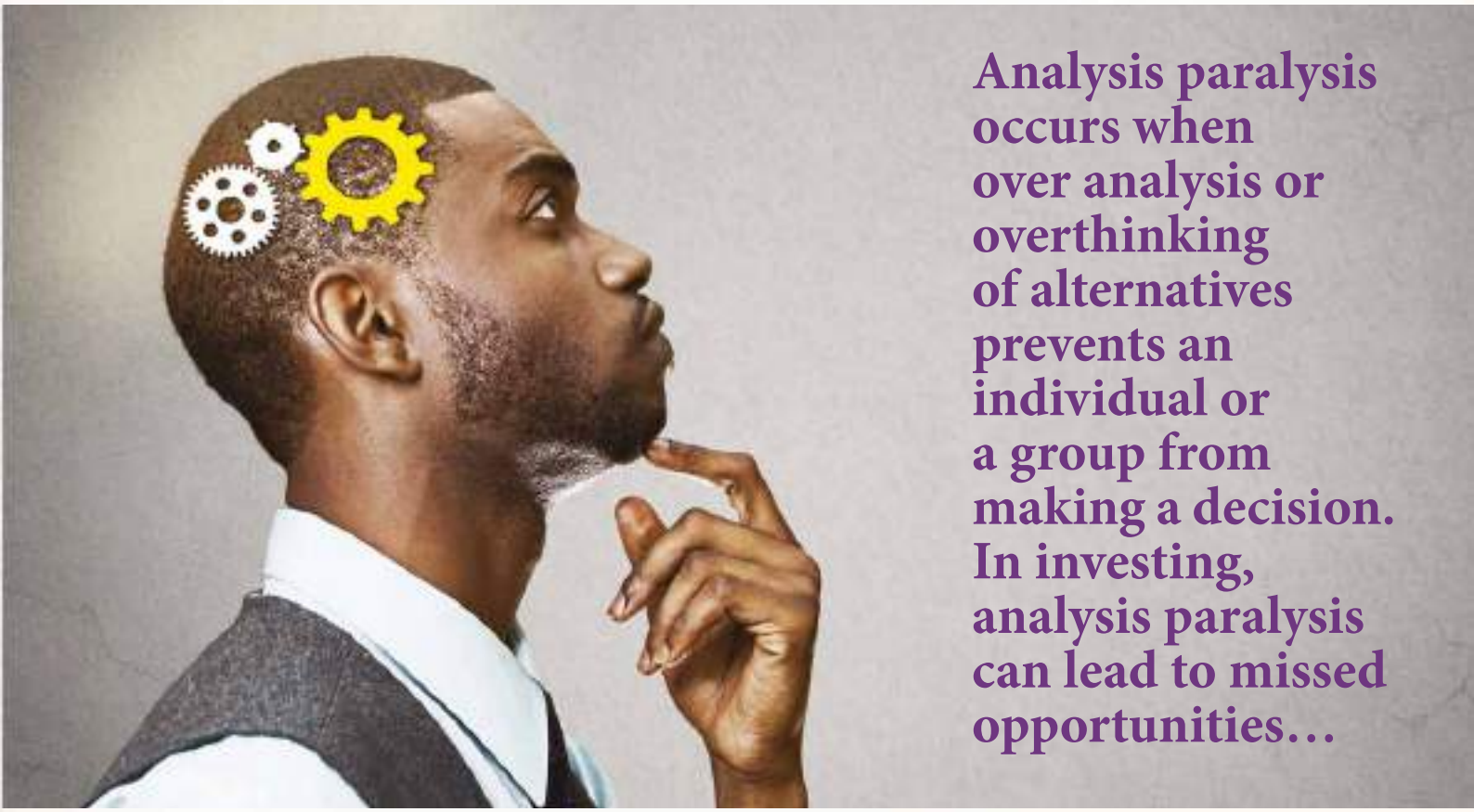
When forced into a hurried decision, the best answer is always No. For No can be more easily changed to Yes than Yes to No

"Reliving the past is saying no to the future."
Martin Uzochukwu Ugwu

Gweno's family was resolute that they would never seek his opinion on important matters again, because he could never instantly make up his mind. 35-year- old Gweno, is the firstborn in a family of eight. After his parents died in a dreadful road accident, his siblings assumed he would take up the mantle. He was quite unlike his father Nendo, who was firm, and decisive. Gweno's family however, appreciated his easy adaptability to any situation. Besides, this trait had come in handy when they were all mourning, because by pacifying them, he had made their sudden loss more bearable. He was also kind and amiable.

Being decisive is having the ability to make decisions or something that determines what comes next. An example of a decisive person is one who always makes up his/her mind firmly and quickly. Meanwhile, businessnewsdaily.com says a crucial aspect of being a successful leader is the ability to make decisions that are time-sensitive and well-informed.

If you're indecisive (like Gweno, or like most of us), you have a hard time making decisions. When you finally do make a decision, you may not be confident about it, or you might change your mind (Merriam-Webster). Why are decisions so hard to make? Indecisiveness has a deeper reason. You can have an empty feeling within you because you have not defined your life or even understood what you are in this world for. Unfortunately,



Analysis paralysis occurs when over analysis or overthinking of alternatives prevents an individual or a group from making a decision. In investing, analysis paralysis can lead to missed opportunities…

you can stay this way forever if you do not do something about it.

Courage has a lot to do with decisiveness. Howard E. Hill says in his book how to think like a millionaire and get rich that there are seven vitally important characteristics that compose the sum total of a really courageous man or woman. He discusses seven dynamics of courage as follows;

1. The first essential is – unrelenting search for facts should guide your every move.
2. The second essential – is to know how to weigh and compare all advantages and disadvantages of every move that you contemplate.
3. The third one is to escape the sticky bonds of wavering, or hesitation, once you have reached a conclusion, based upon information derived from the first two qualities.
4. Learn how to evaluate trends in human interest. Syndicated commentators will be of great help but only if you are willing to read established representatives of the extreme right, the extreme left, and the poised middle-grounders.
5. Create and maintain a risk capital account, be it $5, 00 or $5,000 – the principle is the same. This is a must. In brief, everlastingly be looking for Miss Opportunity. And don't be always waiting for her to knock. She's busy.
6. The sixth essential is - to learn the validity of one single economic fact of life: Never hesitate to sell or negotiate a deal if you'llmake a profit. Waiting for the big killing is no different than looking for the end of the rainbow.
7. The seventh one is – Never stop to count your gains or losses. Forward movement is the only energy that should be applied to your never-ending quest for growth, regardless of whether it is mind or millions.

Analysis Paralysis

In almost everything you do, decisiveness is key for successfully executing plans and achieving set goals. According to edexec an inherent fear of making a mistake is one of the most common reasons that lead to 'risk aversion,' or the inability to move forward with decisions. Another common setback is that many leaders get caught up in 'analysis paralysis'. This plays out in the form of incessant information-gathering which prolongs the decision-making process.

According to Investopedia, analysis paralysis occurs when over analysis or overthinking of alternatives prevents an individual or a group from making a decision. In investing, analysis paralysis can lead to missed opportunities… Analysis paralysis typically happens as an anxiety reaction. Studies show that it can trigger a cycle of worry, fear, and rumination that can be hard to disrupt on your own. You may need a therapist or someone close to you to help you think through what is disturbing you. Psychologists say the root cause of analysis paralysis is anxiety. We fear choosing the wrong option. It is worth noting that over-thinking and over-analyzing may lead to totally fruitless situations in which the cost of making a decision is so high that it eventually overwhelms the benefits of making it, whatever the decision is.

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Many people drift into confusion and depression after retirement or when their circumstances change undesirably because they do not plan for it and because they fail to rediscover themselves and their new world and/ or give their life purpose or meaning. In his acclaimed book, the pursuit of purpose, best-selling author Myles Munroe says; "a lack of purpose and the impending tragedy that results from its absence is found not only in people but in all things. When elements of nature lose their purpose, chaos and destruction are the results." When nations, societies, communities, organizations, friendships, marriages, clubs, churches, countries or tribes lose their sense of purpose and significance, then confusions, frustration, discouragement, disillusionment and corporate suicide – whether gradual or instant-reign." He goes on to say that purpose is the master of motivation and the mother of commitment. It is the source of enthusiasm and the womb of perseverance. Purpose gives birth to hope and instills the passion to act.

How do you judge your decisiveness/ indecisiveness?

Spare time for self-reflection of recent circumstances where you had to make

an essential decision. Try asking people close to you how they experience you in relation to timely decisions and predisposition towards action.

How to implement decisiveness

In another thought provoking book by Brian Tracy *'eat that frog'*, the great author of more than eighty books, says – thinking on paper is a great rule for success. This best-selling author who is the chairman and CEO of Brian Tracy International, addresses more than 250,000 people each year. He says only about 3 percent of adults have clear, written goals. These people accomplish five and ten times as much as people of equal or better education and ability but who, for whatever reason, have never taken the time to write out exactly what they want. He notes that there is a powerful formula for setting and achieving goals that you can use for the rest of your life. It consists of seven simple steps. Any one of the following steps can double and triple your productivity if you are not currently using it.

1. *Decide exactly what you want…* remember one of the very worst uses of time is to do something very well that need not be done at all. Stephen Covey says 'if the ladder is not leaning against the right wall, every step we take just gets us to the wrong place faster."
2. *Write it down. Think on paper…* When you write down a goal, you crystallize it and give it tangible form you create something you can touch and see. A goal that is not written is merely a wish or a fantasy. It has no energy behind it.
3. *Set a deadline on your goal...* A goal without a deadline has no urgency. Without a definite deadline accompanied by the assignment or acceptance of specific responsibilities for completion, you will naturally procrastinate and get very little done.
4. *Make a list of everything you can think of that you are going to have to do to achieve your goal…* A list gives you a visual picture of the larger task or objective. It gives you a track to run on.
5. *Organize the list into a plan…*organize your list by priority and sequence.
6. *Take action on your plan immediately…* Do something, do anything. For you to achieve any kind of success, execution is everything.
7. *Resolve to do something every day that moves you toward your major goal…* build this activity into your daily schedule….excerpts from Brian Tracy's book,' eat that frog."

Tracy's underlying message in this wonderful book that has sold more than 1.6 million copies, is that we should start with the biggest hardest and most important task. In other words, if you have to eat a live frog at all. It doesn't pay to look at it for very long. Your "frog" is your biggest and most important task. The one you are most likely to procrastinate on. Start with it.

We can see from Tracy's points that it is easy to look at the tasks before us as too big and to procrastinate in the process. Procrastination and indecisiveness are birds of the same feather. Gweno's indecisive nature is what made his family stop seeking his advice at crucial moments. Act immediately is Tracy's memorable tip.

You can't go far wrong with a good plan, especially when you can see and appreciate your potential.

What others say…

1. If your vision for life is measured by status, your upkeep will be your downfall. Vision is buried in purpose. *Myles Munroe.*
2. There are three types of decisions in business:
   - Strategic.
   - Tactical.
   - Operational. Source - BBC
3. Types of decision making - Routine, Strategic, Policy, Operating, Organisational, Personal, Programmed, Non-Programmed, Individual and Group Decisions.
   Source: economic discussion.net
4. Foster transparency in decision-making - Decisiveness alone is not sufficient to be seen as decisive by people around you. Others need to experience you as somebody who makes timely decisions and moves things forward. Foster transparency in your decision-making and decision-implementation process. Inform key stakeholders about important decisions taken and how your efforts towards implementation progress.
   Source; CQ Net C

Remember, by being decisive, you stop the spiral of obstinacy.

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Are masks the new plastic?

Disposable masks are a ticking bomb

Compiled by Angela Mutiso and Alfrique Mwana

Disposable masks have clumsily become part of our everyday trash in Kenya since the advent of COVID-19. We need them to control the spread of the virus. However, efforts by the Ministry of Health and National Environmental Management Authority (NEMA) to control the wrongful disposal of masks are waning as people are slowly going back to their old ways of carelessly disposing masks.

These once scarce and expensive items have become readily available and affordable. Unfortunately, masks are now a threat to our environment. They are also a health risk. They can accelerate infections. Masks that are not properly disposed of, have the potential of spreading other communicable diseases like tuberculosis, influenza, whooping cough, pneumonia, and other respiratory infections, whose transmission the masks may have stemmed. Children are most endangered; because out of curiosity, they usually pick up used masks while playing.

Statistics from the Ministry of Health indicate that efforts to contain the pandemic helped reduce infections among children and adults, thereby dropping the number of patients seeking medical treatment for respiratory and related diseases. A study by the European Journal of medical research concluded that "the implemented prevention measures and protocols might have reduced the incidence of influenza and some other common respiratory infections," (Dadras, et al.) If you walk into your local dispensary, you will realise that there are fewer people suffering from ordinary flu. When corona was first detected, there were more infections than now. Most of these infections were caused by poor sanitation and hygiene; which could be slowly recurring due to wrongful disposal of single-use masks. There can drawbacks in the strides made by government to combat TB, if proper guidelines on disposal of masks are not adhered to.

Some inappropriately disposed masks can be found in rivers, roadsides, gardens, forests, parks, protected areas, and storm water drainages; joining the plastic bottles that constantly clog drainage lines. These masks are non-biodegradable; in the rural setup they are a danger to the soil and can remain in the soil for a long time. Conservationists say masks will be as hard for governments to eradicate as single-use plastics bags and bottles have been. Within the home setup, it is advised that masks be burnt after they are used to reduce the numbers that go into the garbage bins and eventually end up in the Dandora dumpsite. Parents have to train their children during these times on how to dispose of them and not to pick them up while playing. Flushing them in toilets is discouraged because they might clog sewer lines. It is disappointing that adults contribute a lot to the number of wrongfully disposed masks, especially within residential areas and along roads and storm water ways, and this is quickly picked by children who are good imitators of what adults do. Remember; *'monkeys see, monkeys do.'*

According to a research by Gilbert Atuga of the Kenya Marine and Fisheries Research Institute (KMFRI), 23.8 million disposable masks are being used daily, and 714 million masks are being used monthly. He says these amount to tonnes of plastic, considering the increased usage of masks since March 2020 when cases of corona virus were reported in the country.

"If we assume that only 1% of the masks are not properly disposed of then it means 7.1 million masks are likely to end up on land monthly, with the bigger percentage in the rivers and the ocean because they are washed by runoff water," said Atuga. COVID-19 will be around for a long time and more masks are produced to cater to the needs of the public. With schools back in session, the situation might be worse because schools cannot handle health waste - in this case, used masks. Similarly, handling such wastes is costly to the schools since it involves waste segregation, disinfection, and purchasing of bin liners. Cleaners are more exposed because they must tidy up school compounds, and some do so without any protective gear.

Statistics from the Ministry of Environment indicate that Kenyans release 22 tonnes of waste daily; medical waste makes one percent of the waste. However, these numbers have increased since March 2020 when coronavirus pandemic protocols were announced in the country. Although the trends on covid-19 could be going down in Kenya, NEMA needs to enforce the guidelines set to facilitate proper disposal of masks to avert a crisis in the future. The government is still struggling to wipe out the usage of single-use plastic bags and plastic bottles that continue to blight the environment. The ban has not been very effective due to lack of cooperation from the public. Somehow, despite the strict guidelines and stiff penalties that can be imposed on those arrested, plastic bags can still be found in market places. Conservationists say this may be the case in the future if the government does not take action to ensure the proper disposal of masks. Moreover, civic education may be required to change the attitude of the public towards environmental conservation and motivate them to keep their surroundings clean since NEMA cannot police everybody to ensure they follow the guidelines on disposal of masks.

The situation is no different globally; countries are battling the side effects of using masks and gloves amidst the covid-19 pandemic. In Uganda, the Ministry of Tourism is decrying the irresponsible disposal of masks. They say it poses a danger to birdlife. Uganda Wildlife Authority says these things are blown away by wind and end up in areas that birds forage and nest. Already the grey-crowned crane that is facing extinction seems to be disappearing; it has become so rare to see the cranes since the virus hit Uganda. Global environmentalists say manufacture, transportation, and disposal of tonnes of single-use masks and other medical waste emit tonnes of carbon dioxide to the environment. Amanda Keetley in an interview with the independent newspaper says that there is no safe way of disposing of masks since anything manufactured for a single-use either ends up in landfills or nature since many countries' waste management systems cannot cope with the volumes of waste. She adds: "Unless you're in a medical situation, the best option is to get a reusable face mask that can be worn and washed again and again."

In Spain environmentalists' campaign dubbed 'a mask lives multiple lives' has been ongoing in the city of Cantabria, pharmacists consortium are carrying out a recycling campaign where masks from various households are collected in containers and placed in 261 pharmacies where they are packaged and sent to manufacturing companies to recover the useful materials. Other than promoting recycling, this campaign helps to inculcate environmental protection as a civic duty.

Discussions are on-going on how the manufacture of single-use masks can be stopped globally and replaced with re-usable ones that are environmentally friendly. Environmental pundits are pushing for the production of re-usable masks locally so that every country can recycle elements of plastic. Production of washable masks in Kenya was promoted by the Ministry of Health with strict guidelines during the upsurge of covid-19 cases and in a bid to reduce the cost of masks which at that time was 100 shilling a piece. This has led to the growth of several SMEs dealing in re-usable masks. However, production costs are high because of increased taxes on raw materials thus, making the price of a washable mask higher compared to the prices of a single-use mask. This has lessened the excitement of buying washable masks, instead more are more Kenyans are resorting to single-use masks because they are more accessible and affordable.

As part of global efforts to find a lasting solution to the harmful effects of single-use masks on the environment, the Queensland University of Technology in Australia is pursuing ways of making biodegradable masks from sugarcane waste. The university is currently running tests on materials made from weaving the sugarcane waste. According to the research, the cellulose fibers in the sugarcane waste can allow it to filter out nanoparticles the size of viruses while allowing you to breathe comfortably.

If the statistical data on waste management is anything to go by, the government of Kenya needs to work on getting its citizenry to opt for single-use masks to avert an environmental crisis in the future. It is prudent that government reduces or zero rates taxes on raw materials used to make masks so that more of them are manufactured cheaply using cotton to meet the required standards and retail affordably for everyone. This will reduce usage of single-use masks, decrease the amounts produced or imported, and eventually protect the environment. The ban on single-use plastic bags and bottles is causing the Ministry of Environment sleepless nights; continued wrongful disposal of single-use masks will compound the problem. A Swahili proverb aptly says… **"usipoziba ufa utajenga ukuta,"** *(if you do not seal the cracks on the wall, you will build a new wall).*

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DO YOU HAVE THE FLU?

Compiled by Angela Mutiso

A Diagnosis is Necessary in Helping Doctors Track Disease Patterns and Regularity

It's either the flu or the love the symptoms are the same

Charles M. Shultz

It was clear, especially in the last three months of 2021 that there had been an eruption of influenza in Kenya. Studies have shown that there was a noticeable increase in the number of children and adults getting the flu.

How do you feel when you have the flu? What should you do?

It is midday already, but Adam does not feel rested enough to get up. When he eventually does, he feels like going right back to sleep. Adam is sneezing and coughing, he is tired, his whole body is aching and his throat hurts; a touch of flu he believes he has brought with him from a dusty swampy area he had gone to for an assignment, or probably from the people around him, as most are coughing and sneezing.

Flu also known as influenza, can be debilitating, draining and raw, because of all the incapacitating symptoms that come with it. It is difficult to work or focus well when it attacks. Flu is a common viral infection that can be lethal, especially in high-risk groups. The flu usually gets into your lungs, nose and throat. Vulnerable groups include children, older people, expectant women and people with chronic disease or weak immune systems. At the outset, many people confuse flu with colds, covid-19 or even malaria, because symptoms include fever, chills, muscle aches, cough, congestion, and runny nose, headaches and fatigue. The flu is healed mainly by resting, taking lots of fluid and a lot of fresh air. The body gradually repairs itself. These steps also help the body to combat infection. Anti-inflammatory pain killers have been known to be beneficial, yearly vaccinations can be helpful too.

Flu, and other kinds of viruses, can only be established by a doctor after a nose or throat wipe has shown positive results. Management is the same for any 'flu-like' ailment, but a diagnosis is necessary in helping doctors track disease patterns and regularity. It is also needed where difficulties have developed. Symptoms include, body and muscle aches, coughing, sore throat, runny or congested nose, headaches and tiredness. Children sometimes diarrhea and vomit when they have the flu. Other symptoms include loss of appetite, sweating sneezing and inflamed lymph nodes. You can develop fever, and aches

on your back and legs, difficulty in breathing could be another indicator. It is a terrible feeling. The bad feeling can at times go on for a week or two.

What medications should I take for the flu?

The flu is a viral infection so antibiotics will not be helpful and should not be taken for it. Antiviral medications, if started soon after symptoms start, can reduce the duration of your illness. These need to be prescribed by your doctor. Decongestants and simple pain relievers can help you feel better while your body's immune system fights off the septicity.

Tips for buying over-the-counter medications

Follow these tips for buying over-the-counter treatment for the flu: Buy medicine that treats only one symptom, review the medication label and check whether the active ingredient treats your symptoms, look out for possible side effects and possible interactions with any medications. If you are uncertain if a medication is appropriate for you to take, or if you have any other questions, share your concerns with your doctor or pharmacist. They can recommend a medication that is proper and harmless for you to take.

What should you do when you have the flu?

Try taking a lot of water and get plenty of rest. Staying at home good because if you get into contact with others, you may end up infecting them. Taking a lot of liquid is useful because when you sweat you lose a lot of fluids which must be replaced. Take note of the color of your urine, if it is dark, it could be a sign of dehydration, so you should increase your fluid intake. Take note that the period when most adults and children are most contagious is between 3-5 days. Rest – you will probably feel very weak and tired until your temperature normalizes; (about 3 days). Rest provides comfort and allows your body to use its verve to fight the infection.

Other useful tips for flu recovery

Other useful flu recovery tips include: Taking simple pain-relieving medication (like paracetamol or ibuprofen), as indicated on the packet, to ease muscle pain and bring down your fever (unless your doctor says otherwise). *Do not give any medications that contain aspirin to children or teenagers (under 18 years) with flu. The combination of the flu and aspirin in this age group has been known to cause Reye's syndrome;* a very serious condition affecting the nervous system and liver. Antibiotics are not effective against the flu because viruses are different from bacteria; they have a different structure and a different way of surviving. Viruses don't have cell walls that can be attacked by antibiotics; instead they are surrounded by a protective protein coat, explains *health.qld.gov.au.*

What's the difference between a cold and flu?

Cold

For a cold, symptoms normally appear gradually over a few days; fever is rare and mild if present; slight aches and pains; muscle aches; chest discomfort, (sickness felt in head and nose). Rare to slight lethargy and weakness, suffocating and gooey nose, sneezy and sore throat common, hacking cough usually responds to cough medication.

The Flu

Symptoms usually appear fast and are more austere, it comes with fever almost always and is usually high. It is also characterized by aches and pains, including muscle aches. Chest pains

Buy medicine that treats only one symptom, review the medication label and check whether the active ingredient treats your symptoms, look out for possible side effects and possible interactions with any medications.
If you are uncertain if a medication is appropriate for you to take, or if you have any other questions, share your concerns with your doctor or pharmacist. They can recommend a medication that is proper and harmless for you to take.

can be serious, (sickness felt over entire body). The patient also experiences moderate to severe tiredness and weakness, stuffy or runny nose may follow, sore throat, chills and headache are common. Dry is cough common and can become severe.

How it spreads

Information from Mayo Clinic tells us that you have many reasons not to hug anyone or shake their hands. Flu is generally spread by; airborne respiratory droplets (coughs or sneezes). By touching a contaminated surface (blanket or doorknob). By saliva (kissing or shared drinks).
By skin-to-skin contact (handshakes or hugs). It spreads in various ways partly avertable by vaccine… usually self-treatable, usually self-diagnosable, Lab tests or imaging is rarely required, and it resolves within days to weeks.

Jean Carper, regarded as one of America's most trusted source of cutting-edge nutritional advice says in her book 'Food your Miracle Medicine, that…"it seems eerie that age-old food remedies, passed down for centuries by medical sages and grandmothers, have stood the test of scientific inquiry when it comes to respiratory problems, like colds and flu." Carper says "the doctor who knows most about that is Irwin Zimnet, M.D Professor of medicine at UCLA. Dr. Zimnet's readings of early medical literature lead him to conclude that foods used to fight respiratory diseases for centuries are very similar to the drugs we now use. They have a common action: They thin out and help move the lung's secretions so they do not clog air passages and can be coughed up or normally expelled. Such foods and drugs are called 'mucokinetic' mucus moving agents, and include decongestants and expectorants." She goes on to say that-"reigning king of the food pharmacy for respiratory diseases is the chili pepper

and other hot, pungent foods. Even Hippocrates prescribed vinegar and pepper to relieve respiratory infections." Foods that may help, according to this author, are chicken soup, garlic, and horse-radish, hot chili peppers, hot curry spices, vitamin C rich foods and yogurt. Foods that may harm include milk.

What should you do? What shouldn't you do?

Meanwhile, the book Do's and Don'ts of Medicines (a CAP guide) says under the heading cough and cold cures- useless and dangerous, that medicine halls and pharmacies are full of 'medicines' – nearly 100 in all – that promise to relieve cough and cold. Most of them mix several drugs in a cocktail to treat symptoms you may not have. Some of the ingredients are unnecessary or even useless (like painkillers when there is no fever or a cough suppressant when there is no cough). Worse, some are dangerous. Some even fight each other.

Do's and Don'ts of Medicines states curiously, that none of these medicines can cure a cough or cold. Adding that there is nothing your doctor or the nearest medicine hall can give you which will prevent, cure or shorten your cold. But consumers still spend thousands of ringgit on these useless cures – risking dangerous side-effects to treat the untreatable. It names the following as some medicines to be avoided for the reasons mentioned above; expectorants, antihistamines, cough suppressants, decongestants, chloroform, and shotgun combination. Under the heading; cough drops- sweets at extraordinary prices, it says medicated sweets such as lozenges and cough drops are claimed to have therapeutic value for colds, sore throats and sometimes as breath fresheners. They contain about 60 percent sugar and antibacterial, anesthetic and soothing agents. But it notes out that the nature of the sore throat infection makes it improbable that these medicated sweets will benefit the patient at all.

A study by CAP on medicated sweets reveals that they are not recommended for various reasons including among other reasons that their pain relieving action is only temporary, some may cause allergic reactions, their high sugar content may damage your teeth, they may delay proper diagnosis or treatment and that sucking ordinary sweets may

have the same effect as you try to sooth your throat. The authors however stress that the book is not a guide to self-medication nor can it replace professional medical advice.

Health tips

- A properly balanced diet is the combination of carbohydrates, proteins and fats in such a way that sufficient energy, body-building materials, vitamins and minerals are eaten.
- Exercise plays an important part in the diabetic life. It improves one's general well-being as well as making the insulin more effective – the body cells are able to take up the blood glucose more effectively.
- Diabetics should note that just as important as the actual nutrients themselves is the timing of meals through the day. Three smallish meals, rather than fewer heavy meals, with large gaps in between, enables a better distribution of carbohydrate intake. It avoids either overloading the body with glucose (resulting in hyperglycemia), or starving the body of glucose (hypoglycemia). Insulin dependent diabetics often require an in-between meal snacks to prevent a severe drop in their blood glucose.
- Source; Theodora Fitzgibbon; Good food for diabetics.

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The world is always changing. We follow up these changes and compile them for you. Below are some business features selected by Africa.com for you to follow up in the web.

Africa's Aviation Industry is Highly Fragmented

The continent has hundreds of independent airlines, many of which are unprofitable and on the brink of collapse as they struggle to compete effectively with big global carriers. Further, the aviation business has been hit hard by the covid-19 pandemic. But airlines are trying to innovate and looking to consolidate to make the businesses sustainable.

Source: Quartz Africa

Increase the Capacity of African National and Regional Development Banks

Developing countries in general, and African countries in particular, confront an enormous financing challenge to meet the UN's sustainable development goals. This financing gap featured prominently at the 2021 United Nations climate change conference (COP26) and has been intensified by the impacts of the COVID-19 pandemic. The bulk of funding is needed to close gaps in electricity, transport, and water infrastructure. This must be done in ways that place the continent on a decisive trajectory towards net zero emissions. At the same time, substantial funding is required for agricultural modernisation and greener industrialisation. The moral case for international provision of large-scale concessional funding to Africa is overwhelming. Countries on the continent are projected to feel the impacts of climate change the most. This is despite the fact that they account for a minuscule share of cumulative global carbon dioxide emissions. Climate funding from multilateral development banks has been growing. But it comes nowhere near the estimated annual African financing gap of $200 billion to meet the development goals. Figures for the whole continent are not readily available. But the $7.4 billion of commitments by multilateral development banks to sub-Saharan African countries in 2019 is reflective of the scale of the gap.

Source: The conversation

Arab-African Trade has Enormous Potential but is Held back by a Few Bottlenecks

From Sokoto in northern Nigeria to Zanzibar on the coast of Tanzania, it could be argued that the Arab world has had the longest and most sustained influence on the African continent. These ties have translated into tangible economic and trade links in the modern day. In general terms, Arab countries, specifically in the Middle East, import precious metals and foodstuffs from Africa while exporting pharmaceuticals, machinery and plastics. A range of public development entities and private Arab companies work across Africa. One of the most well-known is the Dubai-based logistics company, DP World, which is set to invest more than $1bn in three African countries: Senegal, Egypt and Somaliland. But relative to the long history of trade and cooperation, the size of Arab-African trade today remains small. One of the largest opportunities in Africa for Arab investors is light manufacturing, with an estimated $80bn worth of potential on the continent.

Source: African business

South African Taxpayer Considers whether Crypto-assets should be Classified as Capital or as Revenue in Nature

Perhaps the greatest disruptor in the investment field, cryptocurrencies have attracted significant interest from both small private investors and from governments. But, because of their nature, it's been difficult for the authorities in countries across the globe to regulate them – and that includes how to treat them from a tax perspective. Among the difficulties are the fact that they are not bound by specific country borders and that they don't "fit neatly into established asset categories". Like many regulators worldwide, the South African Revenue Services (SARS) has sought to clarify the tax treatment of

cryptos in a recently published web page entitled Crypto Assets & Tax. This provides guidance to taxpayers on the taxation of crypto assets, says Ashika Nichha, an associate at legal firm CMS.

Source: Businesstech

Things are about to Change in How the US Relates to Africa

There's a notable shift to how the US sees and speaks about Africa if the speech by US Secretary of State Antony Blinken is anything to go by. He talked about partnerships and steered clear of the condescending lectures of the past. The declaration by America's chief diplomat that "Africa is the future" signals the continent can no longer be ignored. Africa is the world's youngest continent, estimates say by 2050 one in four people in the world will be African. This population dividend will shape the global affairs for decades to come but many challenges remain. Mr Blinken, who was unveiling the Biden administration's Africa policy, said the US will focus its engagement on five key areas: enhancing trade; dealing with the Covid-19 pandemic; climate change; promoting democracy and peace and security. He touted the Prosper Africa programme, launched by the previous US administration, which "aims to increase two-way trade and investment". There have been previous bids to achieve that including through the Clinton-era Africa Growth and Opportunity Act. Agoa, as it's more commonly known, grants preferential access to a number of developing countries to the US market.

Source: BBC

Kenya's Economic Growth Plans

With a debt already close to 70% of its GDP, the IMF projects that Kenya plans to borrow $12.4bn from foreign sources by June 2022. This, at a time when the country is at a high risk of debt distress and subject to zero limits on non-concessional borrowing. But the distress is also having a cause and effect on its population. According to the Central Bank of Kenya (CBK), commercial banks had 3.9 million mobile loan accounts as of April this year, with Kenyans borrowing about $468.5m. CBK Governor Patrick Njoroge said unregulated digital lenders disbursed loans estimated at KSh4bn within the period. "While unsupervised lending from the digital lenders accounted for less than one per cent of the banking sector's 3.2 trillion-shilling loan book, about two million people use them, on average eight times a year."

Source: The Africa Report

Burkina Faso Activists Challenge Mobile Networks

Opposition groups and the business community in Burkina Faso have expressed their displeasure over the recent extension of mobile internet suspension in the country. This comes a day after the 96 hour extension took effect in the country. Network data from NetBlocks confirm a significant disruption to mobile internet connectivity in Burkina Faso affecting cellular service. Metrics verified user reports of mobile data disruptions on providers including Orange. The data blackout is likely to limit the free flow of information online and disrupt news coverage. The Burkinabe government has cited public safety as the reason for the internet suspension. This decision has come at a time when the country is experiencing series of demonstrations and growing political uncertainties over insecurity.

Source: Africa News

Congolese Leader Wants to End Corruption and Squandering of Mining Assets

DRC President Felix Tshisekedi has ordered a ban on issuing and trading mining permits until the country's mining registry has been audited, a measure aimed at combating fraud within the sector. Tshisekedi told ministers he wanted to end the squandering of mining assets by unnamed political actors and officials involved in the administration of the mining register, which records mining concessions, according to minutes of the meeting seen by Reuters. The move is an escalation of Tshisekedi's ongoing review of deals struck by his predecessor Joseph Kabila, which includes a $6bn "infrastructure-for-minerals" deal with Chinese investors. The DRC is the world's top producer of cobalt and Africa's biggest copper producer, but more than 70% of its roughly 100-million people live on less than $1.90 per day, according to the World Bank. Transparency activists have estimated the DRC has lost out on billions of dollars of revenue from mining deals over the past two decades.

Source: Business Day Live

Accra's Sustainable Goals

Across Ghana's industries, from energy to agriculture, companies are using tech to go green. Earlier this year, the country's government pledged to create up to $2 billion in green bonds, which it says will help pay for environmental priorities and pave the road to sustainability. In a country that generates 1.1 million metric tons of plastic waste each year, the Accra-based company has turned over 40 million plastic sachets (small bags filled with drinking water) into products such as laptop covers, pencil cases and grocery bags since 2007. "We are creating employment, and also saving our environment," said Bright Biney, Trashy Bags country manager. "If it's good for the planet, then it's good for business."

Source: CNN

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"The tragic events that gave rise to this case might possibly have not occurred had the couple realized in good time when to walk away."

Justice George Odunga; said this while upholding the 30-year jail sentence on Stephen Ngila Nthenge who reportedly chopped off his wife's hands.

Source: Daily Nation

"We have witnessed a significant increase in (the) cost of wheat and this, coupled with the high cost of other ingredients that we use, has necessitated the price increase on bread."
Broadway Group of Companies Managing Director Bimal Shah; explaining why the company enforced the price change during that period.

Source: Daily Nation

"Many drugs can increase the risk of falls. The more drugs you take, the greater the chance that one or a combination of them will make a fall more likely to happen. Some medications are well known for side effects that increase a person's risk of falling."

Read more under 'Medications that increase your risk of falling' - Healthbeat HMS.

"Ethiopians had endured a difficult time over the past two years but there were positive signs for the future despite the troubles the country was going through…Industrial parks have especially brought about hope for many young Ethiopians, but specifically women…in so many areas- agriculture, transport, energy, the water sector, multisector — the support we have been getting for years from the African Development Bank, up to more than one billion dollars, has been very vital for Ethiopia."

Ethiopian President Sahle-Work Zewde; Said this when she met with African Development Bank President Dr Akinwumi A. Adesina while on a working visit to Côte d'Ivoire. She described the African Development Bank as Ethiopia's development partner of choice.
Source: Ventures Africa

"I have always been fascinated by the process of thinking and I like to look for extra dimensions."
Jim Slater – Return to Go

"Why must we use bully tactics and threaten to deny people services to force a solution unrelated to our current situation? The argument that 'but America and Europe are doing it' is an insult to our otherwise impressive intelligence and a criminal abandonment of basic good sense. We deserve better. CS Mutahi Kagwe."
Opinion -face the facts by Kamotho Waiganjo. Advocate of the High Court of Kenya.

Source: The Standard

"Early indications show this variant may be more transmissible than the delta variant and current vaccines may be less effective against it…we must move quickly and at the earliest possible moment."
British Health Secretary Sajid Javid. He said this after medical experts including the World Health Organization, warned against any overreaction before all elements were clear. Travelers arriving in the UK from South Africa, Namibia, Botswana, Lesotho, Eswati and Zimbabwe were required to self-isolate for 10 days.

Source: Saturday Standard

"The imaginative faculty functions in two forms. One is known as 'synthetic imagination' and the other is 'creative imagination." Napoleon Hill

"Sorry losers and haters, but my IQ is one of the highest - and you all know it! Please don't feel so stupid or insecure, it's not your

"When severe injury strikes the brain, consciousness may not return. A car accident, a fall, a combat wound, a drug or alcohol overdose, a near drowning –any of these can lead to profound unconsciousness."
Probing the mind of a patient…Scientific American mind. March/April 2013…
"Our minds are fantastic at holding information and that's very important for day-to-day life. But we are also good at holding on to things we don't need, both physical and, more importantly, mentally… doing something to stop you worrying is exhilarating and a much better use of your time."

Source: Jane Scrivner – Total Detox

"There is evidence that dietary fat may be a stronger risk factor for post-menopausal breast cancer than premenopausal breast cancer." Lawrence H. Kushi

Book title: The Last Tycoons

The secret history of Lazard Frères & co.
Author: William D. Cohan
Category: Banking & Finance
Publisher: Penguin Publishers

Trillions of dollars move through Wall Street investment banks every year. Bankers earn billions in fees and bonuses. Lazard Frères & Co. stood head and shoulders above all the other Wall Street giants. It was the go-to firm for European aristocrats and top-tier corporations in the US and beyond. Through tact, confidentiality, and sheer brilliance, it maintained its position at the top for decades.

The firm had strong Jewish roots. It was founded by three Lazard brothers who left France in the 1800s for New Orleans, where they made a fortune trading gold, silver, and currency, eventually establishing themselves as transatlantic bankers for the European elite. By the 1930s & 40s, the principals had set themselves up in New York. In the 60s and 70s, they became Wall Street's most powerful firm, specializing in corporate mergers and acquisitions. They played a major role in setting up IT&T as an early American conglomerate in the Richard Nixon era.

For close to 150 years, the air of mystery and reputation of the "Great Men" who worked there enabled the firm to acquire unimaginable profits, social influence, and friends in the halls of power. But in the mid-1980s, their enormous egos started getting in the way, everything came tumbling down and the Great Men of Lazard ruined all they had built.

Felix George Rohayn was regarded by many be to the world's most adept investment banker. For many years, he was Managing Director at Lazard. In the early 70s, he saved both Wall Street and New York City from bankruptcy. For close to three decades; he was in command at Lazard and made it one of the most esteemed and mysterious investment banking partnerships in America. Felix oversaw the most important mergers and acquisitions of the 2nd half of the twentieth century.

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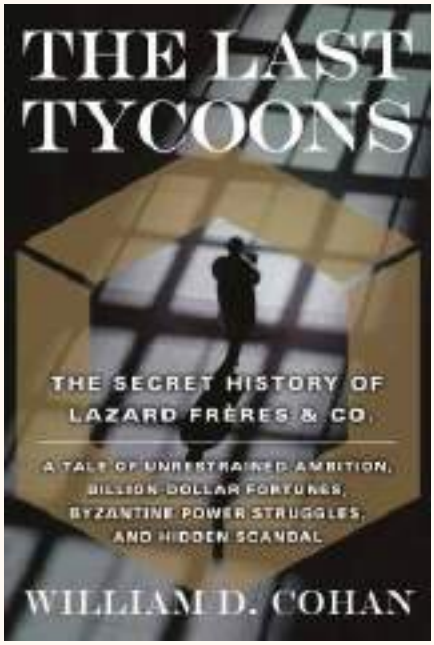

Not only did he offer his expertise and time to solve two of the major financial crises the US faced in the 2nd half of the 20th century, he also managed to generate hundreds of millions of dollars in fees for himself and his partners.

Another one of Lazard's great men was Michel David Weill, dubbed 'the sun king' by his colleagues, Weill was an avid cigar smoker, and had inherited a large amount of equity in Lazard from his ancestors who had founded the banking empire. In the year 2000, Forbes estimated that his net worth stood at about $2.2billion. The assets he controlled were worth at least 5 times as much. He was well known for his opulent and extravagant lifestyle. Weill was the eleventh wealthiest person in France, famous for his extensive portfolio of high-end properties and one of the world's finest art collections.

By the 1970s, Weill was in control of the firm. He made upwards of $100 million in a good year. A wave of corporate mergers in the 80s made Lazard more profitable and powerful than ever. To handle all this business, Weill hired a new crop of New Yorkers to handle his banking. They were far different from the civilized and refined crowd he was used to in Paris.

The arrival of Steve Rattner to Lazard shook things up in the firm. A former journalist from Long Island, he was young and ambitious. In 1989, he joined as a general partner. Soon after joining, Rattner became Lazard's top rainmaker – a term used in business to describe a person who generates new business and wins new accounts. His profound success in the business caused friction with the old guard. By the mid-1990s, as Lazard's 150th anniversary drew closer, the rift between Steve Rattner and Felix Rohayn had grown and they were now feuding openly. The internal discord caused by their disagreements could not be solved by the high-handed Weill; his manipulative management style only added fuel to the fire.

One of the last New Yorkers hired by Weill was Bruce Wasserstein. He was also the most effective. Born in Brooklyn, he made a fortune as an investment banker, and earned the nickname 'Bid em up Bruce', because his corporate acquisitions always ended up being very expensive. He eventually became Lazard's CEO, because he outmaneuvered Weill, forcing Lazard out of being a private partnership into a public company. In May 2005, Weill and his family walked away with only a fraction of what the company is worth today. However, Wasserstein gained control of the firm without spending any of his own money. The bankers at Lazard built huge fortunes. They were master deal-makers, and were very successful at what they did before things went south. This is the intriguing story of Lazard Frères', arguably the most elite and renowned investment bank in the world. In this extremely well-researched piece, William D. Cohan, the author of this book and himself a former high-level Wall Street banker, delves deeply into the cultish and secretive world of Lazard Frères' and takes the reader on an insider tour of this fascinating and revered Wall Street firm.

'The Last Tycoons' is a tantalizing page-turner that teleports the reader into a vicious and unforgiving culture that is an everyday part of doing business on Wall Street.

This book is available online and in leading bookshops
Reviewed by Derek Mutiso
derekmutiso@gmail.com

Adapted from the Star

Koome tells accountants to be whistle blowers to aid graft war

ACCOUNTABILITY: ***Chief Justice Martha Koome arrives at Whitesands Hotel Mombasa, to participate in the 38th Annual Seminar of the Institute of Certified Public Accountants of Kenya (ICPAK). She was accompanied by senior officials of the Institute.***

CHIEF JUSTICE SAYS CORRUPTION HAS A DEVASTATING EFFECT ON THE DEVELOPMENT OF A COUNTRY.

In Summary

- Corruption contributes to poor service delivery, economic retardation, political instability, low investor confidence and lack of equity and inclusiveness.
- Chief Justice Martha Koome says accountants can secure their workplaces with credible whistleblowing systems to disrupt intended acts of corruption.

Justice Koome has urged accountants to be whistleblowers in their places of work to aid the fight against corruption.

She said accountants play a crucial role as they are the professionals vested with the mandate of guaranteeing the quality of financial reporting both in the private and public sectors.

Corruption has devastating effects, including poor service delivery, economic retardation, political instability, low investor confidence and lack of equity and inclusiveness.

"You can also be whistleblowers or secure in your workplaces credible whistleblowing systems to disrupt intended acts of corruption before they occur. Wherever you are working, you can inculcate a culture that respects the rule of law by embracing good governance and accountability," Koome said.

She was speaking in Mombasa when she officially opened the 38th Annual Seminar of the Institute of Certified Public Accountants of Kenya (ICPAK) at Whitesands Hotel, Mombasa.

The theme of this year's seminar is 'Disruption and Uncertainty-Positioning Professionals as change agents in a dynamic environment'.

Justice Koome said accountants should be custodians of the integrity of financial reporting. She said the duty of accountants in society is to protect the public interest and live by the ethical standards put in place to guide their professional conduct.

"Be bold and courageous. An example that illustrates this point that easily comes to mind is the celebrated tenure of Edward Ouko as the Auditor-General of the Republic of Kenya. The trend he set is continuing with the current holder of the office," she said.

The CJ stated that corruption does not happen by accident but is mainly driven by individuals, systems, or situations that present an opportunity. She said graft is orchestrated through abuse or sabotage of systems, especially in the public sector.

Koome said one way through which the country can raise the standards of corporate governance and bring back public trust is by restoring trust in financial data.

Accountants are expected to make a professional judgement that protects the public interest and trust in financial information.

"This can be done when accountants uphold values that are dear to the accounting profession like integrity, objectivity, professional competence, due care, and expected professional behaviour at all times.

"Moreover, to serve as a 'change agent', a professional must operate within the set professional values and ethics at all times, including when making critical decisions," she said.

Koome said the accountancy profession, as a core subset of financial management, is critical in enhancing accountability and prudent management of public resources.

She proposed a closer partnership with Icpak in the different spheres of justice dispensation, including enhancing alternative dispute resolution mechanisms, calling on them to actively participate in mediation processes to tap into their expertise for the success of the mediation process.

"The nature and orientation of some of the technical issues involved require the expertise of accountancy professionals as they represent their clients as tax representatives, advisors, or auditors," she said.

ICPAK backs fight against money-laundering activities *by Nelson Ogallo*

(Centre) ICPAK Director for Public Policy and Research, Hillary Onami making submissions before the National Assembly committee on Finance and National Planning on the proceeds of crime and anti-money laundering (amendment) bill, 2021.

The Institute of Certified Public Accountants of Kenya has pledged its support for the criminalization of money laundering activities in Kenya.

While making submissions before the National Assembly Committee on Finance and National Planning on the proceeds of crime and anti-money laundering (amendment) bill, 2021 ICPAK Director for Public Policy and Research, Hillary Onami said ICPAK was committed to ensuring that money laundering activities and illicit financial flows are eliminated.

"Kenya is on the risk of being outlawed by the international community and it is important that we as agents of accountability lend our voice in this important discourse to safeguard our county from being an epicenter of money laundering." Said Hillary

Among the submissions, ICPAK is also seeking to have a representation in the Oversight Board to be known as the Asset Recovery Oversight Board.

The Bill seeks to enhance the powers of the Financial Reporting Centre to impose civil penalties and take administrative action against non-compliance with the directives of the Centre. The Bill further seeks to enhance the operational independence of the Centre by removing any possibility of conflict of interest among other proposals.

Mr. Onami was accompanied by CPA Robert Kamwara, Legislative Affairs Aommittee member and Mr. Elias Wakhisi, Manager Public Policy and Research.

41 Pc of businesses yet to record return on digital investments – syspro & ICPAK

(L-R) Convener, Research and Development Committee ICPAK, Dr. Elizabeth Kalunda, Dr.Parmain Ole Narikae - Director General, Kenya Industrial Estate and Head of Customer and Ecosystem Enablement for SYSPRO Africa Doug Hunter.

NAIROBI, Kenya Nov 24 – A survey conducted by global software provider SYSPRO Africa among manufacturing and distribution financial leaders has revealed that 41 percent of Kenya's businesses are yet to record returns on their digital investments. The necessity to do this in business operations even during the pandemic was underscored.

The survey, which was conducted between September and November 2021 revealed that 31 percent of leaders were yet to measure and investigate their business returns while 7 percent were not sure if any returns were received.

Additionally, the report revealed that 51 percent of businesses considered management of cash flow to be the biggest priority in order to expand their revenue model while 40 percent felt that investment in research and development (R&D) was the top priority.

Thirty eight percent of businesses however believe that improving visibility into performance and operations was key to calculate expenditure returns while thirty seven percent believed more priority should be placed on managing governance and risk.

Speaking during the launch of the survey findings, Doug Hunter, Head of Customer and Ecosystem Enablement at SYSPRO Africa noted that the return on digital investments came down to how companies deploy the technologies they acquire.

"It is not how much you spend that matters; it is how you spend it. User experiences can also influence how technology is used and eventually affect the return on investment," Hunter said.

He further noted that due to the devastating impact the pandemic had on the economic sector, businesses were forced to upscale their digital technology with 30 percent reporting increased return of investment (ROI) compared to 28 percent who reported no ROI.

Also speaking during the launch event, the Chief Executive Officer of the Institute of Certified Public Accountants of Kenya (ICPAK), CPA Edwin Makori said that the pandemic required businessmen to diversify their businesses, largely in favor of uptake of enterprise technology.

"Kenya's unique position as a primary goods manufacturer means it was hit harder by the pandemic and innovation was seen as a likely solution to these hurdles, but the survey shows 60 percent of Kenyan businesses are aiming to support new initiatives through direct purchase, dwarfing other means such as 3rd party financiers (38percent) and pay for user subscriptions (20percent)," he said.

38th Annual Seminar pictorial

Chief Justice and President of the Supreme Court of Kenya Hon. Lady Justice Martha Koome makes a triumphant entry into the 38th Annual Seminar auditorium to address the thousands of delegates led by ICPAK chairman FCPA George Mokua.

Keen Eyes: A delegate reads through the 38th Annual Seminar Program at the Pride Inn Flamingo Beach Resort.

Plenary: A delegate gives a rejoinder at the 38th Annual Seminar which took place Between November 15th-19th 2021 at Sarova White Sands Beach Resort and Pride Inn Flamingo Beach Resort.

ICPAK Chairman FCPA George Mokua gives his opening remarks during the official Opening ceremony of the 38th Annual Seminar at Sarova White Sands Beach Resort.

Networking: It was a leisurely 38th Annual Seminar with lots of laughter and catching up.

ALL EARS: Delegates at the 38th Annual Seminar listening to the address by the Chief Justice of the Republic of Kenya and the President of the Supreme Court Lady Justice Hon. Martha Koome.

Chairman's Ball pictorial

ICPAK chairman (Centre) FCPA George Mokua cuts a cake with council colleagues to mark the 8th Chairman's Ball.

EYES ON THE PRIZE: ICPAK Chairman FCPA George Mokua presents the Public Sector Accounting Standards Board CEO, FCPA Fredrick Riaga with a certificate of Fellowship during his conferment to the Institute's College of Fellows.

THE COLLEGE OF FELLOWS: ICPAK Chairman (centre) FCPA George Mokua poses for a photo with the new FCPAs who had been inaugurated into the College of Fellows for the Institute.

ICPAK CEO, CPA Edwin Makori addresses members during the 8th Chairman's Ball event at Hilton Hotel.

ICPAK members share a moment at the 8th Chairman's Ball.

From Left: ICPAK chairman FCPA George Mokua and ICPAK CEO CPA Edwin Makori following proceedings of the 8th Chairman's Ball.

The rustic island luxury

By Alfrique Otieno

Mfangano Island located on the Eastern side of Lake Victoria has become a major tourist attraction that offers competition to the islands of Mombasa – a traditional tourist destination.

The once fishing village occupied by fishmongers has quickly metamorphosed into a fine destination for holidaymakers seeking to relax, unwind, and get new experiences. The island is dotted with fine accommodation facilities, built using locally available materials, decorated with local and exotic flora. Nights in Mfangano Island are now bright, well lit, and dazzling; different resorts have artistically installed lights to light up their compounds adding beauty to the entire island. An aerial view of the rustic island during the night is grandiose. Mfangano Island is unique because of its black sandy beaches.

Mfangano Island Lodge/Tented Camp is built on the secluded northern side of the island and hidden under the ancient fig trees and between boulders facing the lush hillside. The surrounding is covered in indigenous plants and flowers that fill the air with a sweet scent. Wake up every morning to this magical vista, as birds chirp on treetops, the canopies dance to the morning breeze. The golden sun rays refract on the sapphire blue waters and make the glitter of the water as multi-colored fishing boats sail past the bay into the deep waters. The shores of the lake are dotted with villages divided by banana plantations and multi-colored dhows lined up in their parking spots. Holidaymakers have an option of dipping in the blue lake or the pool beneath the fig trees and later enjoying meals besides the pool or on the beachfront. The evenings are equally golden, as the sun disappears in the unbroken horizon the whole water reflects the golden rays as the evening breeze takes control and the wavers begin to clobber the shores.

Nights at the lodge are quiet, the sounds of the waves meeting with the shores to sing lullaby tunes that would send you to sleep. The peace and tranquillity are amplified by the fact that there is only one road on the island with no vehicles; the mode of transport is mainly motorized canoes and dhows. All the nine rooms within the lodge have been strategically located to offer a spectacular view of the lake or green surroundings. The restaurant, cosy lounge bar, and conference room are located a stone's throw from the lake. Enjoy fresh vegetable meals right from the lodge's garden, and delicacy of fish right from the lake to the chef's cooking pots. The hammock located by the poolside overlooking the lake is a perfect site for book readers or meditation or yoga lovers. Occasionally, you will spot the hammerkop birds descend from their nest on the fig trees to quench their thirst in the cool waters. A vacation is considered fulfilling when there is value for money; the cottages are designed in Luo style and furnished artistically, meals at the lodge are beyond sumptuous and the chefs are at hand with cuisines that never disappoint.

The rooms are cosy, spacious and, fitted with artistically carved beds and furniture; some rooms can host a family or groups and are secluded for privacy. All other rooms are built in a manner that ensures your comfort and privacy. A standard room on a full board basis ranges between 27000kes-30000kes for a double room per night, while a triple room costs approximately 18000kes per night and a family room that can host four people, the fourth person tops-up 2500kes per night. During the early morning or afternoon treks to the Sacred Island through the rocks and boulders, you might spot the otters. These rarely seen animals feed on aquatic animals and plants, and other small mammals like rabbits. The Sacred Island is a protected area and no human activity is allowed. Lack of human disturbance has allowed birdlife to flourish and thousands of birds the greater cormorants and the long-tailed Cormorants are known in Luo

as Okog-Nam can be seen perched on top of trees turning the branches white with years of guano (excrement). In the more untouched parts of the island, you can spot pairs of fish eagles swooping to catch sunbathing cormorants, vervet monkeys feasting on ripening figs, and monitor lizards basking in the sunshine.

Enjoy boat rides deep into the lake, or fishing Boat rides allow you to connect with the rustic life of the Island; people bathing in the lake, others selling their day's catch, children splashing in the shallows, and men mending their nets. Donkeys and cows quench their thirst while dogs and chickens dart amongst people's legs. Cycling through the islands' narrow and bumpy roads is fun; you can ride 33 kilometres around the circumference of the Island or 20 kilometers to Sena village. The leisure ride allows you to internalize the views, take photos, come close to the villagers, and appreciate the scenery and the vibrant and colourful Island. After the ride, fall straight into the lake to cool down while relishing your cold Tusker beer, with an apt slogan *"brewed to go with the good times."*

> **Living in the city deprives many people of the opportunity to enjoy the village aura. The concrete jungles in the cities have eroded the village sensation and replaced it with a fast life;**

Siambi resort is located on the Island with a beachfront that overlooks the mfangano hills, the resort is picturesque; the green lawns artistically decorated with paved paths add to the beauty of the resort. The lake is clean, the water is clear and a breeze flows from the hills and over the lake, to cool the temperatures on the land. Living in the city deprives many people of the opportunity to enjoy the village aura. The concrete jungles in the cities have eroded the village sensation and replaced it with a fast life; hustle and bustles of the city people running up and down looking for bread and butter and after all this, you need time to relax and rejuvenate. Siambi is a word from the Abasuba community; the word was coined from Wasiambi which is a clan in Mfangano and which was named after its founder who is now the community's matriarch.

The aura at the Siambi resort is perfect for rejuvenation, soul searching, and for reawakening oneself. As the sun rises on the horizon the waters of Siambi glitter, fish come to the surface to pick their last bites and disappear below the waters. Cocks crow, and birds chirp to usher in the morning; the whistling of the morning breeze is sweet melody to the ears. The sunset is equally romantic, as the golden dull rays of the sun fade away on the horizon, the waves begin lapping at the shores and the cold evening breeze sweeps through the resort. From afar, you can see fishermen venturing into the already stormy waters for the night catch, their canoes swaying acknowledging the power of the waves. The nights at Island are deep-dark but the lights within the resorts illuminate the sky to form a beautiful pattern when seen from above. For weekenders, Siambi is the best place to relax and unwind whether individually or with family or with friends while appreciating the different food delicacies at affordable prices. Group travellers are charged special rates. Siambi resort is perfect for budget holidaymakers; the cottages are a mix of traditional and modern designs. With a budget of 5000 Kenya shillings per night, you will enjoy the comfort of a single room while a double room costs 6500kenya shillings for bread and breakfast.

The resort also offers camping as an alternative for camping lovers at a rate of 2000 Kenya shillings which includes a tent, its accessories, and the camping ground. You can enjoy Kenyan continental breakfast or brunch by the lakeshore. While at the resort, hill hiking, boat riding, and bird watching are the favourite activities. Enjoy a boat excursion to Takawiri Island known for its white sandy beaches; take a tour of Ndere Island a bird's paradise, known for over 100 species. It is a great place to see the African fish eagle. Grey-headed kingfishers and black-headed gonoleks dive into the lake waters to enjoy a meal of fish. The grassland makes the island scenic; enjoy the beautiful views of Homa hills, Mageta Island, and Kampala city. For 2500 Kenya shillings, Ndere Island also offers you an opportunity to get close to the hippos, Nile crocodiles, snakes, baboons, Sitatunga antelopes, waterbucks, warthogs, monitor lizards, zebras, impalas, and different species of fish.

The journey to Mfangano Island is very exciting. There are two routes; from Kisumu to Luanda Kotieno bay in Siaya county or through Mbita point in Homabay County. The Luanda Kotieno point is considered longer, though it offers an opportunity to enjoy the lake. The journey from Luanda Kotieno takes you to Mbita point, where you board another boat to Mfangano Island. Alternatively, you can travel to Mbita point by road and board a boat to Mfangano Island; the boat ride is 30 minutes the bus charges 200 shilling to Sena village. Once you reach Sena village on Mfangano Island, the Siambi resort is a kilometre away from Sena village, while Mfangano Island lodge is 20 kilometres away.

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The journey of christmas through the ages

By Derek Mutiso

Keeping Yuletude Alive!

The Christmas season is upon us again! It's probably the most wonderful time of the year —with sparkling lights, blissful carols, good cheer and warm fuzzy feelings. All around the world, families come together to enjoy the festivities and each other's company. Christmas trees, Santa Claus, candy, seem like they have been around forever. In fact, it's hard to imagine Christmas without all these things but like many Christmas traditions, they are relatively new additions to the Christmas story.

The origins of Christmas

Christmas Day is a Christian festival meant to celebrate the anniversary of the birth of Jesus of Nazareth. The English term Christmas is fairly recent. It is actually a shortened version of -"mass on Christ's day". The earlier term used for the season was 'Yule', a word which has both Germanic and Anglo-Saxon origins.

In the dictionary, the word 'Yule' is a noun meaning Christmas or the Christmas season. It was however derived from the Germanic word jōl. In ancient times, Germanic peoples would celebrate an annual 12-day festival to mark the winter solstice. Known to some as the December solstice, it is a period during which the sun travels its shortest path through the sky, resulting in a phenomenon where people living in the Northern Hemisphere experience the shortest day of the year, and therefore, the longest night.

At the start of the solstice, which was usually around 21st December, the Germanic peoples would celebrate light and birth during the darkest days of winter. The strongest men in these early Germanic settlements would head out into the forest and chop down the biggest log they could find and set it on fire. As the Yule log warmed, each spark was believed to represent a piglet, or calf to be born in the spring. In addition to the Yule log, Evergreens were also set on fire, as it was one plant that would make it through the harsh winter without losing all its leaves. The evergreens proved that life persisted in this dark time. Years later, the evergreen tree is still used by Christians around the world in Christmas celebrations.

Among the upper classes of Rome, solstice celebrations were significantly more sober. Many influential Romans worshipped Mithra, the god of the Sun. To this tight knit sect, Mithra's birthday was the holiest day of the year. December 25th was the winter solstice in that part of the world, it was also understood to be the birthday of the sun god, Mithra.

Why do we celebrate Christmas when we do?

Thousands of miles away, in Rome, December festivals were quite elaborate. A week before the winter solstice, the Romans would begin celebrating 'Saturnalia', a festival honoring the agricultural god Saturn. The lower classes were allowed to run wild, drink and make merry. One of the holiday's important feasts was Juvenalia, meant to celebrate the children of the empire. Children are very much a part of our modern Christmas as well.

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In the early years of Christianity, believers would mark the resurrection of Christ, but his birth wasn't as significant. There was no mention in the Bible of the date of His birth. However, in the 4th century AD, the church declared that from then on, the 25th of December would be the feast- day of the nativity. They picked this date because it was already a very important date in the Roman calendar.

The church couldn't outlaw all of the ancient Roman practices immediately, so

In the 18th century, America was growing fast. New York had become the centre for American commerce. Great fortunes were being built, but this new-found wealth also increased income inequality considerably. The Christmas season became a time for the lower classes to air their grievances and the city saw a series of violent protests year after year as disgruntled residents clashed with the police.

they set out to adopt them. The evergreens were brought in and decorated with apples to represent the Garden of Eden. Today, Christmas trees are decorated with bright red Christmas balls. *The holly ring,* a traditional winter decoration, was recast to represent Christ's *crown of thorns.* Today, it is hang on doors at Christmas or on Christmas trees.

In colonial America, Christmas was always thought of as a very English tradition, and as such, when the country gained independence, it was all but done away with. For the next 67 years, the young nation hardly had any holidays. This was because all holidays that had previously been mandated by the crown were done away with. It wasn't long before the general population grew weary of this state of affairs. America needed to populate its calendar with new holidays.

In the 18th century, America was growing fast. New York had become the centre for American commerce. Great fortunes were being built, but this new-found wealth also increased income inequality considerably. The Christmas season became a time for the lower classes to air their grievances and the city saw a series of violent protests year after year as disgruntled residents clashed with the police.

A Christmas story

The New York upper class grew more and more worried. They foresaw their beloved city falling into a state of anarchy. A few of them set out to change the way the holiday was celebrated. Washington Irving was the best- selling novelist in the country at the time. He wrote Bracebridge Hall, a series of stories about Christmas at an imaginary English manor. In his book, people mingled and interacted effortlessly, regardless of their background or class in society. The wealthy invited peasants into their homes where they sat at the same table and shared meals.

In 1843 , Charles Dickens, one of England's most celebrated authors tackled the Christmas problem in one of his most famous novels,' A Christmas Carol' it was a bestseller in both England and America . The lessons of the story struck a powerful cord in both countries. It showed them the importance of Christmas in a society which had until then been wholly consumed by materialism.

Ebenezer Scrooge, the main character in the book taught a valuable lesson to the upper classes. As the triumphant and touching end of the story goes, Scrooge is able to defeat a lifetime of selfishness and the worship of money to become a new man with an entirely new outlook on life. He learns how to be patient, kind

and generous. He learnt that charity and family could not be ignored at Christmas time. The themes addressed in the novel fueled a debate, it got people thinking about their moral debt to society, to their families, their employees and the poor as well.

In 1840, Queen Victoria of England wedded Prince Albert of Germany. When he moved in to Windsor Palace, Prince Albert brought with him some age-old German traditions. One of them was the evergreen Christmas tree that his ancestors had used in Yule celebrations for centuries, it was on display at their wedding. Illustrations from the occasion were published in newspapers which were circulated throughout the British Empire… the rest is history. Even today, the evergreens remain an important part of Christmas celebrations the world over.

Who is Santa Claus?

St. Nicholas was a Greek Orthodox Christian who became one of the most popular Saints of the middle ages. He was the first saint to be considered a philanthropist because of the way he distributed his wealth. He was still quite young when his parents died. As an only child, he inherited all their property. Famous for his anonymous gift-giving nature, St. Nicholas would randomly give strangers gifts throughout his life. Tales of the Saint's simple philanthropic acts spread rapidly throughout Christian Europe and this cause was emulated by Christians across the continent. Since St. Nicholas was the Patron Saint of Children, the distribution of gifts wasn't only limited to the poor, also but included well-behaved girls and boys.

Years later, St. Nicholas came to be known as Santa Claus thanks to a corruption of the Dutch way of referring to him as "Sinterklaas." The Dutch brought tales of "Sinterklaas" with them to North America when they founded New Amsterdam on the tip of Manhattan. English- speaking settlers further corrupted the name, which evolved into "Santa Claus."He would soon personify Christmas for generations to come. On December 25th, well-behaved children still wake up to gifts from the saint.

What does Christmas mean to you?

History aside, we as Christians living in the 21st century, need to keep in mind the real meaning of Christmas, and its significance to each of us. The Christmas spirit is all about being kind to others. It is the spirit of helping those in need. People who possess the Christmas spirit are cheerful and happy about celebrating the birth of Jesus Christ. One mark of a true Christian is a charitable spirit. The Bible encourages us to set the bar high in our own lives. God asks Christians not to worry about the future because he will provide everything as we go.

The perfect example of the generous spirit we should all emulate as Christians is from God Himself, who gave us His son, who died for our sins and promises life after death.

Christmas is all about giving. We need to show compassion to those who are hurting inside, give the gift of time to those who need someone to talk to. We need to Look them in the eye and really listen to what they are saying. Christians need to forgive always; all the while remembering that God forgives us all the time. We need encourage those who are frustrated or discouraged.

Remember to keep a place at your table and to share a meal with someone. It might just make their day.

Merry Christmas!

derekmutiso@gmail.com

Derek Mutiso is a business writer

The international public sector account ability index 2020

By FCPA Dr. Jim McFie

In June 2021, the International Federation of Accountants (IFAC) and the Chartered Institute of Public Finance and Accountancy (CIPFA) jointly published a document entitled "The International Public Sector Accountability Index: 2021 Status Report". It deals with the number of countries which, in 2020, used the various methods of accounting by their governments. It is the second International Public Sector Financial Accountability Index status report and provides an update on the progress made since 2018 in implementing accrual-based accounting. It is claimed that using the accrual basis of accounting, that is recording the economic substance of transactions when they occur rather than when cash is actually paid, is fundamental to good decision making, transparency and accountability. The document gives a snapshot of the position in 2020, as well as looking ahead by using currently available data to forecast the position in 2025 and 2030. The Index collects, verifies, and analyzes the financial reporting methods used by federal and central governments around the world. It also provides an overview of public sector reporting trends.

The 2020 Index deals with 165 jurisdictions, up 10% from the 150 in the 2018 Index. In 2020, 49 jurisdictions (30% of the total) used the accrual basis in their published financial statements compared to 39 (24%) in 2018: in the accrual basis of financial reporting, transactions are recognized when the underlying economic event occurs; all assets and all liabilities are reported on the balance sheet. The phrase "Partial Accrual" is used to describe the position in which an element of accrual accounting is used in the preparation of their financial statements: some transactions are recognized on the cash basis and some on the accrual basis. In 2020, 40% of the 165 jurisdictions used "Partial Accrual": the figure for 2018 was 45%. The balance, 30% in 2020 and 31% in 2018, used the cash basis: in the cash basis of accounting, transactions are recognized when cash is received or paid.

The use of the International Public Sector Accounting Standards (IPSASs) has increased since 2018. Of the 49 jurisdictions that used the accrual basis in 2020, 28 (57%) used IPSASs in one of these three ways: 4 jurisdictions adopted IPSASs with no modifications; 8 modified IPSASs to comply with local

There is accrual accounting adoption in all regions of the world. The regions expected to see the greatest increases in accrual adoption between 2020 and 2025 are: Africa - 9 jurisdictions (2 in 2020); Asia - 17 jurisdictions (7 in 2020); Latin America and the Caribbean - 15 jurisdictions (9 in 2020) As a result of current reform programs in the G20 (19 countries: Argentina, Australia, Brazil, Canada, China, Germany, France, India, Indonesia, Italy, Japan, Mexico, the Russian Federation, Saudi Arabia, South Africa, South Korea, Turkey, the UK, and the US: and the EU), 15 (75%) of the G20 members (13 in 2020) are forecast to be reporting on accrual by 2025, with several further members projected to move to accrual accounting by 2030. In Europe, the forecast position for European Union Member States reflects current reform programs, independent of a decision on the European Public Sector Accounting Standards (EPSASs) project.

requirements; and 16 used IPSASs to develop their own national standards. Some jurisdictions not categorized as reporting on accrual still make use of accrual IPSASs or the cash basis IPSAS in their financial reporting framework. In addition to those countries which use IPSASs, IPSASs are also used by a number of international organizations, including the European Commission, the International Federation of Accountants (IFAC), the International Criminal Police Organization (INTERPOL - an international organization that facilitates worldwide police cooperation and crime control; headquartered in Lyon, France, it is the world's largest international police organization, with seven regional bureaus worldwide and a National Central Bureau in all 195 member states; it was founded in September 1923 as the International Criminal Police Commission (ICPC), adopting many of its current duties throughout the 1930s; in 1956, the ICPC adopted a new constitution and the name Interpol, derived from its telegraphic address used since 1946), NATO - the North Atlantic Treaty Organization, or the North Atlantic Alliance, (an intergovernmental military alliance between 28 European countries, 2 North American countries, and 1 Asian country; the organization implements the North Atlantic Treaty that was signed on 4 April 1949), the OECD (the Organisation for Economic Co-operation and Development is an intergovernmental economic organisation with 38 member countries; it was founded in 1961 to stimulate economic progress and world trade; it is a forum of countries describing themselves as committed to democracy and the market economy, providing a platform to compare policy experiences, seek answers to common problems, identify good practices and coordinate domestic and international policies of its members; its members are high-income economies with a very high Human Development Index (HDI) and are regarded as developed countries), and the 26 United Nations System organizations.

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As is the case with many facets of life in 2020 and 2021, Covid 19 has had an impact on accrual reform programs and is a factor which causes uncertainty in 2025 forecasts. In a number of countries, dealing with Covid 19 will inevitably have diverted both financial and staff resources away from accrual reform programs. The precise impacts will vary between jurisdictions, and will emerge only in the coming years. These will be reflected in future index updates. The

2025 Forecast is based on reviews of the data supplied for the 2020 Index, as well as other available corroborative information to support predictions of where reform processes will have reached by 2025. The view of IFAC and CIPFA does not in all cases coincide with the current publicly announced plans. The drivers for instituting an accrual reform program will differ between jurisdictions. However there are certain factors that will always be crucial to ensuring the success of the program. Most importantly, the migration to accrual accounting and reporting has to be set in the context of public financial management reform—without that context there is a strong possibility that the migration will be seen as a purely technical accounting exercise. The way in which a jurisdiction migrates to an accrual reporting framework will depend on local circumstances— typical considerations include government structure; centralization of accounting functions; geographical issues; IT infrastructure; and entity reporting or consolidated jurisdiction reporting. As more jurisdictions contemplate, or start planning, a migration to accrual accounting, there has been an increase in requests for more practical guidance on how to plan the migration, how to transition, and what constitutes compliance with IPSASs. The International Public Sector Accounting Standards Board (IPSASB)'s publication entitled "Transition to the Accrual Basis of Accounting: Guidance for Public Sector Entities" has been an important reference point for governments in that situation. The current edition was published in 2011. Stakeholders report that the material, while still being theoretically sound, does not meet the detailed needs of practitioners as they start their migration from a cash accounting framework to an accrual-basis framework. IFAC is working with CIPFA to develop a new product, to be called "Pathways to Accrual". It is due to be released in the very near future. "Pathways to Accrual" will update the current transition document and develop it into a new interactive tool that will help jurisdictions to: (i) Promote the benefits of accrual accounting and reporting in the context of public financial management; (ii) Decide whether IPSASs should be adopted directly or indirectly, and how to implement that decision in practice; (iii) Give guidance on the interpretation of accrual-basis financial statements— users' needs vary depending on their roles; and (iv) Benefit from practical examples and case studies, with links to relevant documents and to the Implementation Guidance and Implementation Examples in IPSASs.

Our approach in Kenya is to simply adopt IPSASs as they are. I think there are valid reasons for this approach: work is important in the development of people: but unnecessary work costs unnecessary expenditure which has to be borne by someone: already Kenya is not as competitive as many of its neighbours: let us not add the unnecessary cost of producing Kenyan Public Sector Accounting Standards to Wanjiku's already over-burdened cost of living.

The Writer is a Fellow of ICPAK

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