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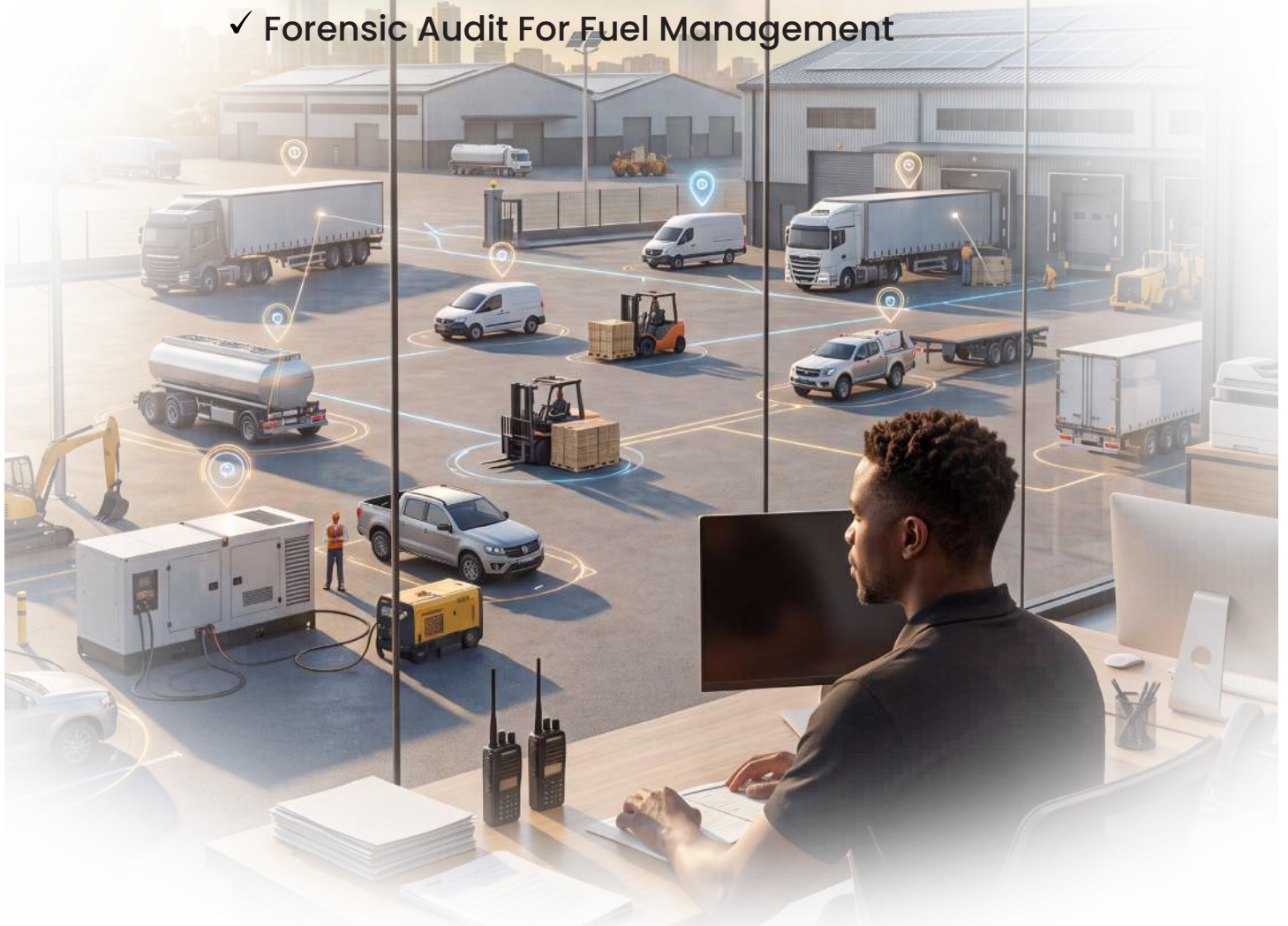
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Dear Reader!

Kenya's FY2026/27 Budget and Finance Act arrive amid global uncertainty and ongoing domestic fiscal adjustment. The policy framework sets out ambitious development priorities, supported by tax, digital, and public finance reforms to strengthen revenue mobilisation and improve accountability.

Yet outcomes will rest on steady growth, disciplined execution, and the management of external pressures, from commodity price volatility to climate risk. These assumptions, and the way policy translates into delivery, will shape the Budget's real economic impact. Our cover story examines the opportunities, risks, and execution choices that will define the year ahead.

Change at the global standard-setting level is no longer marginal. Recent updates from IFAC, alongside consultations issued by the IAASB and IPSASB, point to rising expectations across audit, ethics, sustainability, and public-sector reporting. Through a Kenyan lens, this piece explores what those shifts mean for financial reporting and assurance, highlighting ICPAK's continued alignment with international requirements and the growing demands placed on the profession in an increasingly complex environment.

Data analytics is reshaping audit practice in Kenya, moving assurance beyond traditional sampling toward fuller interrogation of digital records. As mobile money, automated systems,

and integrated platforms redefine financial data, analytics has become central to audit quality, fraud detection, and compliance. This (audit) section considers the promise and the constraints of that transition, from data integrity and skills gaps to governance and cyber risk.

In petroleum retail, inventory control is a daily operational discipline in which small, repeated variances quietly erode margins and distort performance. The Business Practice and Development section examines how fuel losses arise long before figures reach the trial balance and why accountability depends on connecting finance, operations, systems, and people. Grounded in IAS 2 and operational reality, it argues for clearer policies, disciplined documentation, and finance teams that follow every litre from ordering to sale.

As fuel tax revenues weaken and the cost of maintaining and expanding road infrastructure continues to rise, transport financing has moved firmly into the tax policy arena. The Tax section examines the renewed role of road tolling as a complement to fuel taxation within a road finance system facing structural change. It considers how fuel efficiency, electric mobility, and electronic charging are loosening the traditional link between fuel consumption and road use.

Rising non-performing loans and heavier provisioning are increasingly shaping the performance of Kenya's banking sector. The Economy section traces how gaps in credit appraisal,

monitoring, and recovery lead to higher expected credit losses, thereby weakening profitability and shareholder value. It follows the issue across the credit cycle, from lending decisions and customer engagement to regulation, recovery, and the growing role of technology.

Meanwhile, the health pages examine blood as the body's primary transport system and how everyday strain can quietly undermine it over time. The piece explains why fatigue and poor recovery often appear long before illness, and why simple, consistent habits remain central to restoring balance. Travel then takes readers to Bomet's waterfalls, reflecting on the relationship between landscape, memory, and stewardship, and on how what is protected today shapes what endures. Youth insight focuses on financial literacy, explaining that teaching money early is not about wealth, but about giving future generations the tools to live with security, choice, and dignity.

The pen-off returns to practical frugality, making the case that financial stability is shaped less by income than by everyday choices. It closes the journal with a reminder that independence comes from reducing reliance on monthly earnings through saving, investment, and disciplined financial management, which together provide flexibility and resilience.

Editor

Mercelline Maroma 

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Keeping up With The International Federation of Accountants (IFAC)

Since 1 January 1999, Every Set of Financial Statements in Kenya Must Be Prepared in Accordance with International Financial Reporting Standards (IFRSs)

By Jim McFie, a Fellow of ICPAK

The International Federation of Accountants (IFAC) has published extensive material recently, and each member of the Institute of Certified Public Accountants of Kenya (ICPAK) should be aware of what IFAC is currently engaged in.

Some of you will remember the IFAC Connect Global Events Series entitled “Shaping the future of Accountancy Governance and corporate Success” on August 19-20 at the Radisson Blu in Nairobi last year. The event dealt with “The Interconnectedness of the Global Sustainability Disclosures”, “What are the African Company and Investors’ Expectations with Sustainability Reporting”, “Building a Global, Harmonised System for Sustainability Reporting - Experiences and Perspectives

from Africa”, “Global and Regional Regulatory Developments Impacting the Accountancy Profession: Implication of Africa integration” and “Attracting and Retaining Talent in Africa”. I mention these topics because they are close to ICPAK’s heart.

On 12 May 2026, IFAC reminded its members of a document published on 31 March 2026 containing material that became effective the following day, 1 April 2026. An updated set of Statements of Membership Obligations (SMOs) was promulgated. SMOs set global benchmarks for IFAC member Institutes of Accountancy to support the adoption and implementation of international standards, as well as robust quality assurance, investigation and disciplinary systems. IFAC member organisations, of which ICPAK is one, are required to fulfil the SMOs’

requirements. The revisions introduce refinements that reflect developments in quality management, professional education pathways, and expanded corporate and public sector reporting.

IFAC aims to support the continued modernisation of the IFAC Member Compliance Program. The revisions follow a rigorous global due process, including an Exposure Draft and extensive public consultation in 2025, reinforcing the SMOs’ global credibility and authority. A booklet of the new SMOs was published in February 2026. SMO one deals with the quality assurance review system that ICPAK has in place: it monitors compliance with policies and procedures related to a quality management system in audit firms. For the purposes of ISQM 1, a quality management system addresses eight components:

the firm's risk assessment process; governance and leadership; relevant ethical requirements; acceptance and continuation of client relationships and specific engagements; engagement performance; resources; information and communication; and the monitoring and remediation process. SMO states that the International Education Standards (IESs) are authoritative for IFAC member organisations and serve as a global baseline for professional accountancy education by prescribing requirements for: (a) Entry to professional accounting education programs; (b) Initial Professional Development of aspiring professional accountants; and (c) Continuing Professional Development ("CPD") of professional accountants. The IESs are principle-based standards that provide IFAC member organisations flexibility in determining the entry points and pathways to develop the required level



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of technical competence, professional skills, and professional values, ethics, and attitudes. The implementation of the IESs includes significant consideration of the local context, flexible entry points and professional development pathways, and a focus on developing a consistent baseline for professional accountants.

Every audit carried out in Kenya in the private sector must be based on the International Standards in Auditing and the International Code of Ethics for Professional Accountants (including International Independence Standards), which means that ICPAK is 100% in compliance with SMO 3 and SMO 4. SMO 5 deals with International Public Sector Accounting Standards (IPSASs) set by IPSASB and IPSASB Sustainability Reporting Standards: once again ICPAK is 100% compliant with this SMO due to the close relationship that ICPAK has with the Kenya Public Sector Accounting Standards Board, a Government Agency under the Ministry of National Treasury and Economic Planning.

ICPAK has functioning Committees for Registration, Quality Assurance, and Disciplinary matters, which means full compliance with SMO 6.

Since 1 January 1999, every set of financial statements in Kenya must be prepared in accordance with International Financial Reporting Standards (IFRSs). The IASB promulgated the IFRS for Small and Medium-sized Enterprises (SMEs) on 9 July 2009, and ICPAK adopted it shortly after that date. In addition, ICPAK will require all entities to use Environmental, Social and Governance (ESG) Reporting as promulgated by the International Sustainability Standards Board (ISSB) with effect from 1 January 2029. ESG reporting will be mandatory for Public Interest Entities (PIEs) with effect from 1 January 2027. ESG reporting is already mandatory for companies listed on the Nairobi Securities Exchange and for commercial banks; it will become compulsory for insurance companies and Saccos on 1 January 2027. These reporting requirements in Kenya mean that ICPAK complies fully with SMO 7. We must conclude that ICPAK is an IFAC member in good standing.

On 6 May 2026, the International Auditing and Assurance Standards Board (IAASB) released for public consultation an Exposure Draft that [proposes revisions to the International Standard on Review Engagements \(ISRE\) 2410: Review of Interim Financial Information by the Independent Auditor of the Entity's Annual Financial Statements](#). These reviews of interim financial statements are not required in Kenya, but some companies listed on the Mauritius Stock Exchange do have their interim financial statements reviewed: if a company engages its auditors to review interim financial statements, they must be reviewed in accordance with the International Standard on Review Engagements (ISRE) 2410. Some years ago, accounting and auditing regulations were seldom changed; today, the situation is very different. However, the proposed revisions to ISRE 2410 represent the first comprehensive review of the standard since its issuance in 2005. These proposed revisions reflect changes in the global environment and improvements to the audit and assurance model made over the last two decades.

One week prior to IAASB's releasing its latest public consultation, IPSASB released [Exposure Draft \(ED\) 97, IPSAS Practice Statement, Making Materiality Judgments](#) for public comment by August 28, 2026. In October 2018, IASB issued a new definition of Materiality, which required amendments to IAS 1 Presentation of Financial Statements and IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors. The amended definition of material states that: *"Information is material if omitting, misstating or obscuring it could reasonably be expected to influence the decisions that the primary users of general-purpose financial statements make on the basis of those financial statements, which provide financial information about a specific reporting entity"*. One can conclude that materiality is a fundamental concept in financial reporting, functioning as a filter that ensures the financial information provided is relevant for accountability purposes and useful for decision-

making. The IPSASB notes that, in practice, applying this concept can be challenging, and some stakeholders have used the disclosure requirements in IPSAS Standards as a checklist rather than applying professional judgment. On 27 October 2025, IPSASB issued a [Definition of Material \(Amendments to IPSAS 1, IPSAS 3, and the Conceptual Framework\)](#). Ian Carruthers, IPSASB Chair, stated at that time that “*The amendments aim to bring consistency into our guidance on the definition of material, helping organisations apply it more effectively. A clear and well-understood definition will serve as a solid foundation for our planned guidance on how to make materiality judgments to*

be developed during the [second phase of this project](#)”. Now, IPSASB proposes non-mandatory guidance in ED 97: the ED describes a practical, four-step approach to identifying, assessing, organising, and reviewing potential material information. The guidance does not change existing requirements but supports more consistent and informed application of materiality across IPSAS Standards.

On 21 May 2026, IFAC reported that Regional and Global Leaders had convened in Buenos Aires, Argentina, to Drive Economic Transformation Across Latin America, a Latin America version of the IFAC conference in Nairobi on 20-21 August 2025. The conference brought together regulators, standard setters, investors, business leaders, and professional accountancy organisations from across Latin America to strengthen trust, transparency, and resilience in the region’s economic and reporting ecosystem. Lee White, the IFAC CEO,

whom those who attended last year’s IFAC meeting in Nairobi know, stated in Buenos Aires: “*For an international organisation like IFAC, global impact depends on the strength, insights, and leadership of our regions. IFAC Connect Latin America is an important opportunity to listen closely to our members and stakeholders, understand the priorities shaping the profession across Latin America, and work together to mobilise the accountancy profession in support of trust, transparency, and sustainable economic growth. By connecting regional perspectives with global priorities, we can ensure the profession remains relevant, responsive, and united in serving the public interest.*”

There are many other matters that IFAC has been dealing with. But including these matters would make this article excessively long. You are now up to date with the main recent developments in IFAC

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Rethinking Inventory Accountability in Petroleum Retail

From Fuel Losses to Financial Control

By CPA Edwin Atandi Ondoro

In petroleum retail, every litre has a financial consequence. It is ordered, loaded, transported, offloaded, stored, measured, sold and finally reported. By the time fuel appears in the trial balance, many operational decisions have already shaped the number.

Inventory accountability in this sector cannot, therefore, be reduced to a month-end stock count. A tank balance is only the end result. The real control question is whether the business can explain what was bought, loaded, received, transferred, sold, lost and recovered.

In multi-station operations, small variances can easily become normalised. A few litres short on one delivery, an unsupported adjustment, a missing offloading report, a driver shortage not recovered, or a late station report may appear minor. Over time, these issues reduce margins, weaken cash flow and compromise management reporting.

For a finance manager, the responsibility is not only to post the adjustment. The responsibility is to help the business understand what happened, quantify the loss, assign accountability, and improve the failed control.

IAS 2 must meet the reality of operations

IAS 2 Inventories provides a useful foundation for inventory accounting. It requires inventories to be measured at the lower of cost and net realisable value. It also guides what should form part of inventory cost, including purchase costs and other costs incurred in bringing inventory to its present location and condition.

For a petroleum retailer, this is not theory. Fuel cost is not always limited to the supplier invoice. Depending on the company's policy and the

transaction, directly attributable costs such as transport, handling and related purchase costs may affect the cost of getting fuel to a station or depot. If these costs are not captured consistently, gross profit by product or station may be misleading.

IAS 2 also requires the carrying amount of inventory sold to be recognised as an expense in the same period as the related revenue. When purchase receipts, stock transfers, station sales, and adjustments are not properly linked, the cost of sales becomes a guess rather than a controlled number.

“

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The hidden cost of “small” losses

Fuel losses are often attributed to evaporation, temperature differences, handling issues, or normal operational leakage. The risk is that genuine shortages can be masked by these explanations when controls are weak.

A 50-litre loss may not alarm management. But if the same pattern appears across several stations, drivers or products, it becomes a material business problem. At the cost, the shortage reduces inventory value and gross profit. At the selling price, it represents revenue the business will never realise.

The bigger danger is cultural. Once teams know that unexplained shortages can be adjusted without a detailed review, discipline weakens. The accounting system then becomes a place where losses are hidden rather than a tool for protecting assets.

Finance must move closer to stock movement

A stronger finance function follows the transaction from the point of ordering. The finance team should understand purchase orders, supplier invoices, loading documents, delivery notes, offloading reports, station dips, meter readings, stock movement reports and inventory adjustments. These are not just operational papers. They are the evidence behind inventory, revenue, cost of sales, recoveries and write-offs.

Consider a purchase order for 40,000 litres, with the station confirming receipt of 39,850 litres. The missing 150 litres should not be posted as a routine adjustment without explanation. The business must establish whether the difference arose at loading, in transit, during offloading, due to measurement error, or during system posting.

When finance understands this trail, management reporting improves. Normal losses can be separated from negligence. Timing differences can be separated from real shortages. System errors can be separated from operational control failures.

A fair but firm stock loss policy

One of the most important tools in fuel inventory control is a clear stock loss policy. Without a policy, every shortage becomes a debate. With a policy, the business has a common basis for measurement, approval and recovery.

A good policy should define the allowable loss threshold, the basis of measurement, approval levels for write-offs and the circumstances under which a manager, driver or transporter may be surcharged. It should also state the documents required before a loss is accepted.

The policy must be fair because petroleum products may be affected by volume, handling conditions and operational realities. But it must also be firm because a lack of accountability becomes expensive. A high-volume station may justify limited tolerance, while a low-volume station may be expected to maintain tighter control. The rule must be clear up front.

The policy should also distinguish between correcting inventory records and resolving responsibility. Posting an inventory adjustment may correct the stock balance, but it does not answer the accountability question. A well-controlled business adjusts the records and follows through on causes, recoveries, or approved write-offs.

Systems should be designed as controls

ERP and accounting systems can strengthen inventory control, but only when designed around the business process. A system cannot compensate for poor account mapping, unclear product naming, unsupported adjustments or weak approval procedures.

In petroleum retail, each station should be a meaningful reporting unit. Products should be named consistently. Transfers from depot, buffer or bulk storage should be traceable to the receiving station. Inventory adjustments should carry clear references. User activity should be visible. Reports should show stock movement, shortages, recoveries and profitability by station and product.

The chart of accounts also matters. Direct fuel-related costs should be separated from administrative expenses. Purchase discounts should be mapped to reflect their relationship to inventory or purchase cost. Recoveries from staff, drivers, or transporters should be posted transparently so that management can see the original loss, the recovered amount, and the unrecovered balance.

Documentation before payment

A simple but powerful control is documentation before payment. Transporter or driver payments should not be processed merely because an invoice has been submitted. Finance should first confirm that the delivery

was completed, that the offloading report was signed, that any shortage was quantified, and that any recovery decision was documented.

This protects the business from paying fully for disputed or incomplete deliveries. It also supports audit, tax review and internal accountability. Good control sometimes begins with a simple statement: payment will proceed only when the supporting documents are complete.

Valuing losses: litres must be converted to money.

Operations usually discuss shortages in litres. Finance must translate those litres into money. This shows the commercial weight of the issue.

For financial reporting, losses are generally considered at inventory cost because that is the value carried in the books. For management decisions, it may also be useful to show the impact on the selling price. Cost supports accounting accuracy, while the selling price highlights the lost commercial opportunity.

IAS 2 maintains disciplined accounting treatment. Inventory should not remain overstated where a confirmed loss has occurred. If recovery is expected from a responsible person, the recovery should be recognised and supported by approval. What should be avoided is hiding shortages in broad expense accounts, unexplained journals or informal deductions that cannot be traced later.

The finance manager as a control architect

The modern finance manager is not only a report preparer. In a fuel business, the role is closer to that of a control architect. It requires the ability to connect standards, systems, operations and people.

This means asking why numbers do not agree, challenging unsupported adjustments, insisting on complete offloading documentation before payment, and ensuring that the ERP

structure produces reports management can actually use. It also means building a culture where every litre is treated as a company value.

A finance manager in petroleum retail must speak two languages: the language of IAS 2, cost of sales, inventory valuation and recoverability; and the operational language of tanks, dips, meters, trucks, stations and delivery documents. When those two worlds are connected, financial reporting becomes more reliable, and accountability strengthens.

Conclusion

Fuel inventory accountability is not achieved by a single report or system setting. It is built through clear policies, disciplined documentation, proper system design and timely financial review.

IAS 2 provides the accounting foundation by requiring that inventory be measured properly and expensed in the correct period. But strong businesses go further. They ensure that every litre purchased, moved, received, sold, lost, or recovered is properly accounted for.

The future of accounting is not only in reporting what happened. It is in helping businesses prevent avoidable losses before they become permanent numbers in the profit and loss account.

In petroleum retail, that future begins with a simple principle: every litre must be accounted for.

The writer is the Finance Manager at Melaka Oil Tanzania Limited. His work focuses on financial reporting, inventory controls, tax compliance, ERP implementation and strengthening controls in multi-branch petroleum retail operations.

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ERP and accounting systems can strengthen inventory control, but only when designed around the business process. A system cannot compensate for poor account mapping, unclear product naming, unsupported adjustments or weak approval procedures.



Managing Non-Performing Loans - The 360 Loan Process

Impact Of NPLS on Profitability & Liquidity

By CPA Robert Mwangi

In credit management, risk refers to the likelihood that a borrower will default on a loan. A bank must devise a risk management strategy as a key part of the credit management cycle.

The risk management strategy and the effectiveness and adherence of the credit policy will determine the level of NPLs and loan provisioning by the bank.

While presenting the 2023 audited financial statement, Equity bank CEO, Dr. James Mwangi explained that the bank raised its loan loss provisions late in 2023 to Kes 19.5B after noticing that real estate, manufacturing and transport & logistics sectors were deteriorating among other factors. The increased loan provision saw Equity Bank (Kenya) profit after tax and exceptional items and minority interest reduce from 33.4B recorded in 2022 to 26.7B in 2023. Equity bank (Kenya) loan loss provision

stood at Kes 8.5B in 2024, representing 13.6% of the total operating expenses

The same trend was observed in KCB Bank, where loan provision tripled to 25Billion in 2023, eroding shareholders' value, as profit after tax (PAT) and exceptional items declined from 34.7Billion in 2022 to 25.4Billion in 2023.

These figures underscore the importance of dealing decisively with Non-Performing Loans to increase the lender's profitability and shareholder value.

To deal with NPLs and reduce expected credit losses (ECL), the credit process and bank credit policy must be fully adhered to. A stringent credit management process, from appraisal to repayment follow-up, is key to reducing overall loan write-offs. Any gap in the process can only lead to increased provisions and, eventually, write-offs.

Credit Appraisal

The credit appraisal process begins with the credit analyst, who obtains relevant information from the client, Credit Bureaus (CRBs), financial statements, public information, and references, and analyses it against the bank's set policy and the Central Bank of Kenya (CBK) prudential guidelines on lending. Most banks employ the CAMPARI and CCPARTS framework to assess the creditworthiness. CAMPARI measures the character of the borrower, the Ability to repay, the borrower's capacity to obtain sufficient capital to invest in the business, the purpose of the loan, Repayment sources, and Insurance or collateral to cover the loan in case of default. The credit analyst must follow the established policy to ensure credit is extended to those who can repay the loan, thereby reducing default risk and NPLs.

Credit Approval

The credit analyst escalates the credit appraisal outcome to credit approvals for further review, particularly regarding credit risks and mitigation. After the approvers give the loan a clean bill of health, the credit committee will approve or reject it. The loan is then disbursed.

Importance of appraisal, KYC and adherence to bank lending policy

One of the biggest contributors to the high number of NPLs is poor KYC collection. The proof of residential address, KRA PIN certificate, Business Verification Documents (for corporate accounts), including the incorporation certificate, CR12, business KRA PIN certificate, Memorandum and Articles of Association and most importantly, contact information, tend to be of utmost importance when following up on NPL accounts.

Walking with the customer

Imagine getting a call from your bank account manager after you have taken a business loan to expand your business, not because you have defaulted on an instalment, but just following how the business is progressing. This will definitely make you feel good and valued. For the account manager, even though they have not asked you about the loan repayment, it has subconsciously registered in your mind that your instalment is coming up soon, which greatly reduces the chance of default. In my previous article on the Nov/Dec edition, on 'Dealing with Trade Receivables', I explained why it's important to keep in touch with a credit customer immediately the invoice is sent or goods delivered/services rendered, not to ask for payment, but just to ask if everything is in order. It's no different from loans.

Monitoring

TIME IN DAYS	STATUS	ACTION	RESPONSIBLE PARTY	ECL PROVISION
0 - 30	Current	Check up call/email/Message	Credit Assistants	-
31 - 45	Early Watch	Follow up call/email/Message	Credit Assistants	5%
46 - 60	Watch	Escalation to credit manager	Collections	5%
61 - 75	Watch	Review by collection manager. Demand.	Collections	5%
76 - 90	Substandard	Follow up by recovery department	Recovery	5%
91 - 180	Substandard	Early outsource to Debt Collection Agencies (DCAs)	DCA/Credit Manager	25%
181 - 360	Doubtful	Outsource to DCAs	DCA/Credit Manager	50%
OVER 360	Loss	Outsource to DCAs, Legal	DCA, Legal, CFO	100%

Early warning signs/Delinquent Accounts

There are early signs of defaults that, when detected early, can be cured. Monitoring borrowers helps detect these early warning signs and can start as early as 31-45 days, which means the borrower is at least late on the first instalment. Some of the early warning signs are: delayed **repayment**, even if it is for a day, should be treated with as much interest as multiple defaults. **Change in borrower behaviour:** When borrowers avoid engagement, become unreachable, or change contacts and/or business/office location, escalations on the account should be initiated immediately. Behavioural changes are signs of distress and should never be ignored. Lenders that invest in early detection record lower NPL ratios.

Debt Collection Agencies (DCAs) and Factoring

In Kenya, there are several DCAs whose sole objective is to recover bad debts and/or to intervene before loans become bad debts. Collection Africa Ltd, the oldest debt collection company in Kenya, has helped multiple financial institutions manage their NPLs by recovering loan defaults for their clients. Banks, SACCOSs, Fintechs, merchandising firms, and manufacturers prefer to use debt collection companies to collect debts on their behalf owing to their expertise in the area, efficiency, and cost, since they are paid on commission based on amounts recovered.

Balancing recovery and customer trust

Effective NPLs management is not only about maximising recoveries but also about preserving customer relationships and institutional reputation. Aggressive recovery tactics may deliver positive short-term results but can damage customer trust, brand image, and future business. Financial institutions must therefore adopt a customer-centred approach that

balances firm recovery action with respectful and empathetic engagement.

Lenders must also ensure that internal recovery teams and outsourced Debt Collection Agencies (DCAs) comply with ethical standards and the Data Protection Act, 2019. Harassment, intimidation and unauthorised disclosure of debt information expose institutions to legal and reputational risks. Institutions that prioritise ethical recovery practices are more likely to achieve sustainable recoveries while maintaining long-term customer confidence and loyalty.

Auction

For secured loans, Auctioneering is one of the most powerful tools available to lenders. When a borrower fails to regularise the loans despite restructuring and demand letters, the lender may exercise its statutory power to sell.

Auctioneering is governed by the Auctioneers Act, 1996 and the Land Act for charged properties.

A lender is required by the Act to send a statutory notice, and after the expiry of the notice without remedy, the property/asset is valued by a registered valuer, and a 45-day redemption notice is issued by a licensed auctioneer, and afterwards, the property will be advertised in the dailies for sale.

Pursuing Loans after the Failure of the Auction

The High Court Commercial and Tax division, in its December 2025 judgement in the case of Bank of India v We Hotel and Suites Limited & two others, ruled that unsuccessful auctions of assets linked to loan defaulters do not preclude lenders from enforcing personal guarantees once the principal borrower defaults. This provided a reprieve for banks, especially in cases where the security is insufficient or fails to attract bidders.

Authority to sell assets even after the buyer's claim of having a buyer

The High Court dismissed a suit by Korara Highlands Tea Factory and two of its directors, who sought to bar KCB Bank Ltd from exercising its statutory power to sell several properties pledged as security. Korara has argued that they had secured a buyer for the assets at USD 10 million (Kes 1.29 billion), which would enable it to settle the loan balance. The court ruled that an anticipated transaction could not override a lender's accrued right and that the borrower had failed to justify an injunction. This ruling sets a precedent for lenders especially when dealing with borrowers who try to

delay the realisation of a security after a loan default.

Legal

After all collections and recovery measures have been exhausted, including outsourcing to DCAs, the bank may proceed with legal action. A formal demand letter must be sent before the bank takes legal action.

The Small Claims Court Act, 2016, operationalised the Small Claims Courts (SCCs) to facilitate the quick and efficient resolution of small claims, with a limit of Kes 1,000,000.00.

IFRS 9, Financial Instruments. Expected Credit Loss (ECL)

IFRS 9 was introduced for annual periods beginning 1st January 2018 to replace IAS 39. The standard introduced the ECL.

CBK issued a guidance note to banks on the implementation of IFRS 9. All provisions under the ECL model should be charged to the income statement; however, provisions relating to performing loans should be added back over a five-year period. All provisions under the ECL for loans issued after 2018 shall be accounted for in accordance with IFRS 9. The banks were given a five-year transition period beginning in January 2018 to fully comply with IFRS 9 in calculating regulatory capital.

Compliance with the Data Protection Act, 2019.

The Data Protection Act, 2019, which gave effect to Article 31 (c) and (d) established the Office of the Data Protection Commissioner (ODPC) to make provision for the regulation of data controllers and processors. This meant that traditional debt collection strategies that violated customers' data privacy had to be shelved in favour of more consumer-friendly practices.

Over the last few years, the ODPC has highlighted several issues that contradict the standard use of data and data handling practices,



One of the biggest contributors to the high number of NPLs is poor KYC collection. The proof of residential address, KRA PIN certificate, Business Verification Documents (for corporate accounts), including the incorporation certificate, CR12, business KRA PIN certificate, Memorandum and Articles of Association and most importantly, contact information, tend to be of utmost importance when following up on NPL accounts.

- Calling or messaging third parties without prior authorisation.
- Sending demand letters that reveal contents to unauthorised third parties.



In Kenya, there are several DCAs whose sole objective is to recover bad debts and/or to intervene before loans become bad debts. Collection Africa Ltd, the oldest debt collection company in Kenya, has helped multiple financial institutions manage their NPLs by recovering loan defaults for their clients. Banks, SACCOs, Fintechs, merchandising firms, and manufacturers prefer to use debt collection companies to collect debts on their behalf owing to their expertise in the area, efficiency, and cost, since they are paid on commission based on amounts recovered.

- Purpose limitation of data. One of the data protection principles is **purpose limitation**, which requires that personal data be collected and processed only for an explicit, specific, and legitimate purpose determined at the time of collection.
- Retaining data longer than necessary. The principle of storage limitation provides that personal data should be reviewed periodically and erased or anonymised when it is no longer needed.

Processors and handlers of data in the credit management realm, be it in lenders' recovery departments or debt collection agencies, must use appropriate data handling techniques, which include the following,

- Ethical communication. Collectors should refrain from sending messages outside working hours and from sending demand letters that expose private debt information without secure addressing.
- Third-party communication. Debt information should not be divulged to third parties, including spouses, employers, friends, etc.
- Relevance. Only information relevant to debt recovery should be used to recover the debt, and any irrelevant data should not be collected.
- Discard all data when the purpose ends. Once the debt is recovered, all data relating to the customer or the debt should be archived or deleted where necessary.

In the case of Abdul Karim Osiche (complainant) vs Fin Africa t/a trustgro sca limited (respondent), the complainant purported that the respondent, through their staff member, unlawfully shared his personal data and sensitive personal data with a third party's general contact address. The ODPC found the respondent liable and ordered them to pay the complainant Kes 150,000 as compensation.

Artificial Intelligence (AI) in Customer Scoring and Debt Collection

AI is increasingly transforming credit management by enabling lenders to make faster, more accurate and data-driven decisions. AI-powered systems can analyse large volumes of customer data, including transaction patterns, repayment behaviour, and alternative financial data, to assess creditworthiness and predict the probability of default more effectively than traditional methods.

AI and machine learning models also help lenders identify early warning signs of delinquency before loans become non-performing. This allows financial institutions to intervene early through reminders, restructuring discussions or proactive follow-up. In debt collection, AI can segment borrowers by risk profile and recommend tailored recovery strategies, improving recovery efficiency and reducing operational costs.

However, financial institutions must ensure that AI systems comply with the Data Protection Act, 2019 and CBK regulations by maintaining transparency, protecting customer data and avoiding discriminatory or biased decision-making. Responsible use of AI can significantly reduce NPLs while improving customer experience and overall credit risk management.

The author is the Finance Manager at Collection Africa Limited, a professional credit management (debt collection) firm.

He holds a Master of Science in Finance from UON and a Bachelor of Commerce (Finance) degree from KCAU. He has over eight years of progressive experience in finance, accounting and credit management.

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Fincorp Redefines Credit - Only Lending In Kenya

From Asset Quality and Regulation to Capital Markets Growth

Kenya's credit-only lending sector is becoming more disciplined. Tighter regulation, a careful economic recovery, and a revived focus on portfolio sustainability are shaping this shift.

As MSMEs stabilise, lenders are moving from rapid growth to prudent capital deployment, asset quality, and long-term trust.

In this interview, CPA Gibson Wachaga, Chief Executive Officer of Fincorp Credit Limited, explains how his firm is managing the new terrain. A Certified Public Accountant with advanced training in investments, Wachaga founded Fincorp in 2020 and has built it into an important player in Kenya's credit-only market.

He discusses MSME borrowing trends, risk management, regulation, and Fincorp's strategy as it expands into capital markets and regional financial services.

You are a Certified Public Accountant with advanced training in investments, and you've built Fincorp from the ground up since 2020. How has this technical grounding shaped your leadership style and the way you think about risk, growth, and capital allocation?

My background in accounting and investments has given me a disciplined approach to decision-making. Financial services is fundamentally a business of managing risk, allocating capital efficiently, and creating sustainable value. As a CPA, I have always viewed growth through the lens of governance, financial prudence, and long-term sustainability rather than short-term gains.



CPA Gibson Wachaga

Chief Executive Officer of Fincorp Credit Limited

When we founded Fincorp, our focus was not merely on building a lending institution, but on creating a resilient financial services platform capable of supporting individuals, SMEs, and emerging businesses. Every investment decision, product launch, and expansion initiative is evaluated against its risk-adjusted return and strategic value.

This technical grounding has also reinforced a culture of accountability, data-driven decision-making, and prudent resource allocation across the organisation, ensuring that growth remains sustainable and profitable.

Kenya's economy is showing signs of macroeconomic recovery. From your vantage point in the credit-only sector, how is this rebound translating into MSME borrowing behaviour, credit demand, and default trends—and what does it reveal about the health of the real economy?

We are witnessing a gradual but encouraging improvement in business confidence across several sectors. MSMEs are increasingly borrowing for expansion, stock replenishment, working capital, and asset acquisition rather than solely for survival, a positive indicator.

Credit demand has remained strong, particularly among traders, transport operators, contractors, and service providers. At the same time, repayment behaviour has improved as businesses benefit from a more stable economic environment, easing inflationary pressures, and improved cash flow cycles.

However, the recovery remains uneven across sectors, and access to affordable financing remains a challenge for many small businesses. The real economy is recovering, but sustained growth will require continued support for

entrepreneurship, innovation, and financial inclusion.

With over 350 active credit-only lenders in the market, what strategic and risk-assessment choices—particularly around data, underwriting, and portfolio management—have enabled Fincorp Credit to remain a top-tier, high-influence player without compromising asset quality?

Our philosophy has always been that growth without quality is unsustainable. We have invested significantly in technology, data analytics, portfolio monitoring, and robust underwriting frameworks.

Rather than relying solely on traditional credit-scoring models, we assess customer behaviour, cash-flow patterns, industry dynamics, and repayment capacity. We continuously review portfolio performance and adjust our risk appetite in response to emerging trends.

Additionally, our customer-centric approach allows us to build long-term relationships rather than focusing on one-off transactions. This combination of disciplined underwriting, proactive portfolio management, and strong customer engagement has enabled us to maintain healthy growth while safeguarding asset quality.

Through your partnership with KNCCI and the Jenga Business product, you engage closely with local traders. Which SME sectors are currently showing resilience and growth, and which still require more structured, cushioned financing models?

Trade and commerce remain among the most resilient sectors, particularly wholesale and retail distribution, agribusiness value chains, logistics, healthcare services, and technology-enabled enterprises.

We are also seeing growing opportunities in manufacturing support services, renewable energy, and specialised professional services.

On the other hand, sectors such as agriculture, transport, and certain informal enterprises remain vulnerable to external shocks, seasonality, and cash flow fluctuations. These sectors require

more tailored financing structures, flexible repayment schedules, and complementary business advisory support to enhance sustainability and resilience.

At Fincorp, we believe financing should not only provide capital but also empower entrepreneurs to build stronger, more resilient businesses.

As regulatory oversight tightens under CBK supervision and as legislative reforms continue, how has Fincorp strengthened its governance framework, particularly in ethical lending, consumer data protection, responsible collections, and borrower education, to build long-term trust?

We view regulation as an enabler of industry credibility and consumer confidence. Fincorp has embraced a governance-first approach by strengthening internal controls, compliance systems, risk management structures, and customer protection frameworks.

We have implemented robust data protection measures aligned with legal and regulatory requirements and continue to invest in staff training to ensure ethical conduct across all customer interactions.

Equally important is our commitment to responsible lending. We focus on affordability assessments, transparent disclosures, fair collection practices, and continuous financial literacy initiatives to ensure customers make informed borrowing decisions.

Trust remains the most valuable currency in financial services, and our governance framework is designed to protect and nurture that trust.

Fintrust Securities' recent licensing marked Fincorp's entry into the capital markets. What is the strategic vision behind integrating credit solutions with investment banking, and how will this expand access to bonds, equities, and wealth-building opportunities for young and first-time Kenyan investors?

The future of financial services lies in providing integrated solutions that help customers not only access credit but also create, preserve, and grow wealth.

The licensing of Fintrust Securities as an Investment Bank marks an important milestone in our long-term strategy to build a diversified financial services ecosystem. Through this platform, we intend to bridge the gap between traditional financing and capital market participation.

We see significant opportunities to democratise access to investment products, financial advisory services, wealth management solutions, and capital markets education, particularly for young professionals, entrepreneurs, and first-time investors.

Our objective is to make wealth creation more accessible while contributing to deeper capital market participation across the region.

As Fincorp expands its physical footprint into counties such as Meru, Thika, and Kitengela while pursuing regional opportunities beyond Kenya, where do you see the organisation in five years: a deposit-taking institution, or a diversified, tech-led pan-African financial services group?

Our vision extends beyond becoming a traditional financial institution. We are building a diversified, technology-driven financial services group with a strong presence across multiple markets and customer segments.

Over the next five years, we expect to strengthen our position in credit, trade finance, insurance, investment banking, digital financial services, and Islamic finance while leveraging technology to improve accessibility, efficiency, and customer experience.

Regional expansion remains a key pillar of our growth strategy, and we are actively exploring opportunities across Africa. Our ambition is to become a trusted pan-African financial services partner that empowers businesses, investors, and communities through innovative, inclusive, and sustainable financial solutions.

Ultimately, our success will be measured not only by financial performance but by the positive economic impact we create for customers, businesses, and the communities we serve.



Climate Change and ESG in Kenya: From Scientific Reality to Policy Action

By CPA Gladys Mueni Masai

Environmental, Social, and Governance (ESG) considerations have become central to global, regional, and national development planning as climate risks intensify.

From a scientific perspective, climate change is accelerating global environmental degradation, driving more extreme weather patterns, threatening ecosystems, and exposing socio-economic vulnerabilities. This article examines the global outlook, Africa's climate vulnerability, and Kenya's evolving environmental challenges before offering policy recommendations to strengthen ESG-aligned climate resilience.

Scientists warn that global warming is intensifying the hydrological cycle: higher temperatures increase evaporation, thereby loading the atmosphere with more water vapour, leading to both more intense rainfall and longer drought periods. This phenomenon, often termed "climate whiplash," has triggered unprecedented

swings between dry spells and heavy storms in many cities around the world. As a result, land degradation, soil erosion, and ecological instability are rising globally. These patterns reflect long-established atmospheric science: warmer climates generate greater variability and more extreme weather, destabilising human and natural systems.

Africa is warming faster than the global average, with temperature increases of approximately 0.3°C per decade. Despite contributing minimally to global greenhouse emissions, African nations face disproportionately high climate impacts, ranging from prolonged droughts to destructive flooding and heatwaves. According to the World Meteorological Organisation, African countries are increasingly allocating between 3%–9% of their GDP to disaster recovery and climate adaptation (Reuters, 2024). The strain on livelihoods, agriculture, water resources, and infrastructure reflects the continent's heightened vulnerability.

Across East Africa, extreme heat,

erratic rainfall, and deteriorating land stability have disrupted food systems and household economies (IPP Media, 2024). Degraded soils and diminishing vegetation cover have reduced natural resilience, increasing the risks of floods and landslides.

In Kenya, climate change is no longer abstract; it is evident in the frequency and severity of environmental hazards. The Government of Kenya estimates that more than 70% of natural disasters are climate-related, particularly floods and droughts (GoK, 2024).

During the 2023–2024 El Niño episode, Kenya experienced catastrophic flooding that displaced over half a million households and damaged extensive farmland (IMPACT, 2024). Flood-prone counties such as Mandera, Wajir, Garissa, and Tana River, as well as Nairobi's informal settlements, experienced extensive damage to homes and infrastructure (WRI Africa, 2024). Urban areas with poor drainage were especially hard hit, highlighting the need for climate-sensitive infrastructure planning.

The intensity of rainfall has triggered deadly landslides in regions previously considered moderately safe. In Elgeyo Marakwet County, a major landslide in November 2025 killed at least 26 people and washed away farms and homes (Africa News, 2025). Earlier, in 2019, West Pokot suffered one of the deadliest landslides in Kenya's history,

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claiming 52 lives. These events illustrate the interaction among degraded land, extreme rainfall, and slope instability, consistent with soil and geotechnical scientific findings (Arxiv, 2022).

Kenya's climate is becoming increasingly unpredictable. Cycles of extreme heat harden the soil, followed by sudden heavy rains that trigger flash floods, a pattern driven by interactions among global warming, El Niño, and the Indian Ocean Dipole (Tuko, 2024). These variations affect agricultural output, water availability, and public health.

Effective ESG frameworks integrate scientific principles that explain how environmental degradation occurs and how nature-based solutions support resilience: Warmer air holds more moisture, so higher temperatures lead to heavier rainfall. Conversely, the same warming increases evaporation, causing drought. Vegetation cover enhances soil structure, stabilises slopes, increases water infiltration, and reduces runoff. Deforestation or land misuse reduces this natural buffer, increasing the risks of floods and landslides. Trees absorb carbon dioxide, reduce atmospheric greenhouse gases, and moderate local microclimates.

FLOCCA and County-Level Climate-Smart Innovations

The Kenya National Treasury has spearheaded the Financing Locally-Led Climate Action Program (FLOCCA), supporting counties in large-scale climate-smart agriculture. These county projects support local employment, food systems resilience, and reduced vulnerability to climate shocks.

In Laikipia County, large-scale cultivation of Boma Rhodes grass supports pastoral livelihoods by providing nutritious, drought-resistant fodder that can be harvested multiple times per year. Organised fodder farms reduce reliance on unpredictable natural pastures, stabilising livestock productivity and income, while the grass's deep roots prevent soil erosion and aid ecological restoration in overgrazed rangelands (Graduate Farmer, 2025).

In Kajiado County, a KSh 159.5 million investment under the County Climate

Resilience Grant supports landscape restoration, improved pastures, and fodder systems to mitigate feed shortages. Pastoralists grow highvalue Juncao grass and use rotational grazing to enhance soil fertility and sustainable land use. The county's 2023–2033 livestock feed strategy, in partnership with FAO and SNV Kenya, also addresses feed deficits and restores degraded pastures affected by invasive species (Kenya Tribune, 2024).

Vihiga County has invested over KSh 300 million in more than 20 solar-powered water schemes, benefiting over 10,000 households and ensuring a reliable water supply for crops and livestock during dry periods. The county's Agroecology Policy promotes contour farming, organic manure use, and erosion control, enabling the cultivation of fodder crops such as Napier grass and legumes (e.g., Calliandra) in ways that minimise soil erosion, improve fertility, and support sustainable dairy farming (Vihiga County, 2024).

In Siaya County, four major water schemes—Abura Dam, Ahono/Sinaga, Wichlun, and Got Matar—have been rehabilitated and expanded, with 72 solar panels installed at Ahono/Sinaga serving over 15,000 residents. The county has drilled and solarised more than 70 boreholes and upgraded over 20 water-supply systems, raising safe water access from 45% to approximately 70%. Additionally, 40 water pans support irrigation and climate-smart agriculture, while 11 community groups received solar-powered pumps and incubators valued at KSh 3.5 million to boost irrigation and poultry production (Siaya County Assembly, 2024).

In Kiambu County, KSh 99 million has been allocated to drilling and solar-powered boreholes in Githunguri, Gichamu and Kikuyu. It is constructing farm ponds for rainwater harvesting, elevating water storage tanks, and protecting catchment areas through reforestation to support climate-smart agriculture. The Climate Change Ward Committees and a Grievance Redress Mechanism ensure local participation, transparency, and sustainability. The county's solar street-lighting initiative, "Angaza Kiambu," reduces carbon

emissions and reinforces renewable energy adoption. (Kiambu County, 2024).

Bomet County is supporting the solarisation of watersupply infrastructure to reduce reliance on diesel or mains electricity for water pumping, a project managed by Bomet Water and Sanitation Company (BOMWASCO), which will install solarpowered pumps in Bomet, Sotik, and Longisa ([Bomet Climate Change Kenya News](#)). It is distributing over 19,500 avocado seedlings to farming

groups in 11 wards, including Konoin, Sotik, Bomet East, and Bomet Central, fostering climate-smart agriculture and boosting household resilience. ([Bomet NewsWire](#))

In Tharaka Nithi County, include the Naikara, Kerara, Gatonto Gravity Sand Dam, and Muthambi Gitije Irrigation Project, aimed at enhancing water storage and watershed restoration to better withstand droughts and flooding. Complementing this infrastructure, the county partners with ACEECA to rehabilitate forests through the planting of bamboo and acacia, restore river lines, and strengthen community groups, including women, youth, and local forest associations, to sustainably manage natural resources in a climate-resilient manner (Mount Kenya Times, 2024).

The Kenyan government's ambitious plan to plant 15 billion trees by 2032 aims to restore degraded landscapes, boost carbon sequestration, strengthen watersheds, and create green jobs. This initiative enhances SDG 13 (Climate Action), SDG 15 (Life on Land), SDG 1 & SDG 2 (No Poverty / Zero Hunger), SDG 12 (Responsible Consumption and Production) and aligns with global biodiversity goals.

A compelling testimony shared by H.E. Prime Cabinet Secretary Musalia Mudavadi during Mazingira Day 2025 illustrated the environmental transformation in Vihiga's Maragoli Hills. Historically, rains failed to reach communities near the forest; however, following reforestation, rainfall patterns improved, streams such as River Inyanza began flowing again, and community groups now rely on these water sources for dry-season irrigation. Local groups benefit through seedling production, land preparation, tree planting, forest protection, and climate education, creating sustainable livelihoods.

Policy Recommendations

- The Kenya Forest Service and National Treasury should jointly develop costing frameworks to ensure fair compensation for smallholder farmers and community groups, reducing exploitation and ensuring sustainable forest restoration.

- Support for local groups involved in tree planting, seedling nurseries, and forest conservation should be embedded in county budgets to ensure continuity and ownership.
- Expand FLOCCA and other carbon-financed agricultural programs to promote large-scale fodder production, regenerative farming, and water-harvesting technologies.
- Counties should adopt ESG reporting standards to track environmental outcomes, social impact, and governance effectiveness within climate initiatives.
- Strengthen data-driven disaster preparedness for floods, landslides, and heatwaves, and enhance public awareness on climate risks.

Conclusion

The global climate crisis presents profound risks, but also opportunities for countries like Kenya to lead in sustainable development. ESG-driven actions rooted in science, community engagement, and strong governance can help restore ecosystems, safeguard livelihoods, and ensure climate-resilient growth. FLOCCA projects, reforestation efforts, and local innovations demonstrate Kenya's commitment to climate action; however, sustained investments, policy coherence, and fair compensation frameworks remain essential for long-term success.

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Balancing Fiscal Ambition With Economic Reality

Kenya's FY2026/27 Post-Budget Analysis

By CPA Peter Kibet Kitur

The Budget comes at a particularly uncertain time for the global economy. Escalating geopolitical tensions across the Middle East, the continuing conflict between Russia and Ukraine,

growing strategic rivalry between the United States and China, increasing trade protectionism, and persistent disruptions to global supply chains continue to reshape international trade and financial markets. These developments have heightened uncertainty over commodity prices, capital flows, inflation, and investor confidence. As a highly import-dependent economy with significant external financing needs, Kenya remains particularly vulnerable to these global shocks.

Although Kenya has demonstrated resilience, the domestic economy has not been immune. According to the Kenya National Bureau of Statistics (KNBS), real GDP growth slowed from 5.7 per cent in 2023 to 4.7 per cent in 2024, with growth estimated at approximately 4.6 per cent in 2025. Agriculture, financial services, construction, transport, mining, real estate, and tourism remained the principal drivers of economic activity. While exports increased to approximately KSh 1.1 trillion, Kenya continues to record a substantial trade deficit and relies heavily on imported fuel, industrial inputs, machinery, pharmaceuticals, and food products. This dependence exposes the country to external inflationary pressures that remain largely beyond domestic policy control.

The FY2026/27 Budget provides for expenditure of KSh 4.82 trillion against projected revenues of KSh 3.63 trillion, resulting in a fiscal deficit of KSh 1.146 trillion, which will mainly be financed through domestic borrowing. Although the Government aims to reduce the fiscal deficit to 3.3 per cent of GDP by FY2028/29, achieving this objective appears increasingly challenging. Revenue projections depend on successful tax reforms, stronger compliance, and sustained economic expansion—assumptions that have consistently proven optimistic. Kenya has repeatedly experienced revenue shortfalls due to delayed reforms, administrative inefficiencies, tax avoidance, and a narrowing effective tax base. Unless economic growth substantially exceeds recent performance,

revenue targets may once again fall short.

The Finance Act, 2026 gives legal effect to the revenue measures supporting Kenya's FY2026/27 Budget and advances the Government's Bottom-Up Economic Transformation Agenda (BETA). It amends key tax laws, including the Income Tax Act, Value Added Tax Act, Excise Duty Act, Tax Procedures Act, Stamp Duty Act, Miscellaneous Fees

The Finance Act, 2026 gives legal effect to the revenue measures supporting Kenya's FY2026/27 Budget and advances the Government's Bottom-Up Economic Transformation Agenda (BETA). It amends key tax laws, including the Income Tax Act, Value Added Tax Act, Excise Duty Act, Tax Procedures Act, Stamp Duty Act, Miscellaneous Fees and Levies Act, and provisions of the East African Community Customs Management Act. The Budget continues significant investment under BETA, allocating KSh 395.15 billion to healthcare, housing, agriculture, the digital economy, and MSMEs, alongside substantial funding for education, infrastructure, security, environmental conservation, and programmes supporting women and youth. While these investments remain important for long-term development, fiscal pressures may increasingly constrain their effective implementation.

and Levies Act, and provisions of the East African Community Customs Management Act.

The Budget continues significant investment under BETA, allocating KSh 395.15 billion to healthcare, housing, agriculture, the digital economy, and MSMEs, alongside substantial funding for education, infrastructure, security, environmental conservation, and programmes supporting women and youth. While these investments remain important for long-term development, fiscal pressures may increasingly constrain their effective implementation. Historically, ambitious budget allocations have often been undermined by delayed procurement, pending bills, funding shortfalls, and weak project execution.

Public financial management reforms remain a positive feature of the Budget. The Treasury Single Account, accrual accounting reforms, electronic procurement, strengthened public investment management, and improved public asset management are expected to enhance transparency and accountability. Nevertheless, Kenya's history demonstrates that institutional reforms alone rarely guarantee better service delivery. Without stronger oversight, reduced political interference, and improved enforcement, governance weaknesses may continue to dilute the expected benefits.

The Finance Act further expands digital tax administration through eTIMS, Virtual Electronic Tax Registers, Artificial Intelligence-enabled compliance systems, Ushuru GPT, electronic customs systems, and pre-populated tax returns. The number of active taxpayers has increased from 6.5 million to 6.6 million, while more than 655,000 taxpayers have joined eTIMS. Although these reforms improve tax administration, technology cannot fully overcome structural weaknesses. A large informal economy, widespread cash transactions, tax evasion, compliance costs, and limited administrative capacity continue to constrain revenue mobilisation. Digital enforcement may improve compliance among

formal businesses while leaving significant portions of the informal economy largely outside the tax net.

For businesses, the Finance Act presents both opportunities and additional obligations. The reintroduced tax amnesty offers relief on historical tax liabilities, while sector-specific incentives encourage investment. However, enhanced digital surveillance and data-driven compliance substantially increase regulatory obligations. Many MSMEs already contend with rising energy costs, expensive credit, exchange rate uncertainty, and weak consumer demand. Additional compliance requirements may therefore increase operating costs without necessarily stimulating greater investment.

The Government's macroeconomic assumptions also deserve careful scrutiny. Growth projections rely heavily on a significant recovery in private investment despite persistently high lending rates, elevated electricity costs, infrastructure bottlenecks, and policy uncertainty. More importantly, they assume a relatively stable global environment at a time when international risks continue to intensify. Further escalation of conflicts in the Middle East could disrupt global oil supplies, sharply increasing fuel prices and transport costs. Continued instability in Eastern Europe may prolong food and fertiliser price pressures, while worsening trade tensions between major economies could weaken global demand and reduce foreign investment into emerging markets such as Kenya.

Revenue projections are similarly exposed to downside risks. Kenya's fiscal history suggests that ambitious revenue targets are often exceeded in practice due to delayed implementation, administrative weaknesses, litigation, and slower-than-expected economic activity. Previous tax amnesties have generated temporary gains but have not fundamentally expanded the tax base. Should economic growth weaken further because of global or domestic shocks,

revenue performance could deteriorate significantly, widening the fiscal deficit beyond current projections.

Exchange rate stability also remains highly uncertain. Although the Kenya Shilling has recently stabilised against the US Dollar, global financial markets remain exceptionally volatile. Any strengthening of the Dollar, capital flight from emerging markets, or sustained increase in oil prices could place renewed pressure on the Shilling. Currency depreciation would increase import costs, accelerate inflation, raise external debt-servicing obligations, and further strain already stretched public finances.

Inflation risks also appear tilted to the upside. Expectations that inflation will remain within the Government's target range depend on stable weather conditions, adequate food production, and

moderate international fuel prices. Yet climate change continues to increase the frequency of droughts and floods across East Africa, while geopolitical tensions continue to threaten global energy markets. A combination of poor harvests and sustained increases in oil prices could significantly raise the cost of living, weaken household purchasing power, reduce business profitability, and ultimately suppress economic growth.

Heavy reliance on domestic borrowing presents another significant concern. While domestic financing reduces foreign exchange exposure, sustained government borrowing risks crowding out private sector credit through higher interest rates. This could discourage private investment precisely when Kenya requires stronger business expansion to create employment and stimulate growth. Simultaneously, rising debt-servicing costs continue to absorb an increasing share of government revenue, reducing fiscal space for essential development expenditure.

Ultimately, the greatest risk facing the FY2026/27 Budget is not the quality of its policy proposals but the increasingly uncertain economic environment in which they must be implemented. Even well-designed reforms may struggle to deliver their intended outcomes if global geopolitical tensions intensify, commodity prices remain volatile, climate shocks persist, or investor confidence weakens. Combined with domestic governance challenges and fiscal constraints, these external pressures significantly increase the risk that revenue targets, growth projections, and development objectives may not be fully realised.

Conclusion

The FY2026/27 Budget and the Finance Act, 2026 present a comprehensive policy framework intended to preserve macroeconomic stability while supporting long-term development. Continued investment in agriculture, healthcare, education, housing, infrastructure,

digital transformation, and MSMEs demonstrates the Government's development priorities. Likewise, reforms in tax administration and public financial management represent important institutional improvements.

However, the broader outlook is considerably less reassuring than the Budget suggests. The underlying assumptions depend on a favourable combination of strong domestic implementation, improving private investment, stable global commodity markets, contained geopolitical tensions, and continued external financing—conditions that appear increasingly uncertain. The world economy is entering a period of heightened geopolitical fragmentation, slowing growth, elevated debt levels, and persistent climate risks, all of which disproportionately affect import-dependent developing economies such as Kenya.

Consequently, while the Finance Act introduces several practical and business-friendly reforms, its success will ultimately depend on factors extending well beyond domestic tax policy. Unless Kenya strengthens fiscal discipline, accelerates structural reforms, improves governance, and builds greater resilience against external shocks, the country's fiscal ambitions may once again outpace economic reality. The true measure of success will not lie in the Budget's policy announcements, but in its ability to withstand an increasingly volatile global environment while delivering tangible improvements in livelihoods, business confidence, employment, and sustainable economic growth.

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Data Analytics In Audit In 2026

Strengthening Audit Quality in Kenya

By CPA William Wachira Waruingi

The history of data analytics can be traced to the early development of statistics in the 18th and 19th centuries, when governments began systematically collecting demographic and economic data to inform fiscal and social policy.

The 20th century introduced computing technology, enabling organisations to process increasingly large volumes of data efficiently. By the 1990s, Enterprise Resource Planning (ERP) systems centralised financial and operational information, fundamentally transforming corporate record-keeping. In the 2000s and 2010s, cloud computing, automation, and artificial intelligence accelerated the growth of analytics into a strategic business capability.

By 2026, data analytics will have become embedded in virtually every sector of the economy. In auditing, it has evolved from a supplementary tool to a core methodological pillar. The profession in Kenya now operates within a digital economy characterised by mobile

money platforms, integrated accounting systems, e-commerce transactions, and automated internal controls. Traditional audit techniques based primarily on manual procedures and selective sampling are increasingly inadequate. Data analytics is therefore not simply an enhancement—it is a necessity for maintaining audit quality, relevance, and public trust.

Data Analytics Within the International Standards on Auditing

Kenyan auditors apply International Standards on Auditing (ISAs) as adopted locally. Several standards directly support the use of analytics.

ISA 200 requires auditors to obtain reasonable assurance that financial statements are free from material misstatement. Analytics enhances this objective by increasing the sufficiency and appropriateness of audit evidence through expanded data coverage.

ISA 315 requires auditors to understand the entity and its environment, including internal controls. Data analytics enables auditors to analyse entire transaction populations, identify unusual

patterns, and detect systemic control weaknesses, thereby strengthening risk identification.

ISA 330 requires appropriate responses to assessed risks. With analytics, auditors can design targeted procedures based on risk indicators derived from data patterns rather than relying solely on traditional sampling.

ISA 240 addresses fraud risks and management override. Full-population journal entry testing, anomaly detection, and user-access analysis significantly strengthen fraud detection procedures.

ISA 520 on analytical procedures and ISA 500 on audit evidence further reinforce the use of structured, data-driven analysis to obtain reliable audit evidence.

Thus, data analytics does not replace ISAs; rather, it enhances compliance with them.

From Sampling to Population Testing

Historically, auditors relied on sampling due to time and cost constraints. However, modern analytics tools allow examination of 100% of certain

transaction populations. Journal entries, supplier payments, payroll records, and revenue transactions can now be analysed comprehensively.

Population testing reduces detection risk and enhances assurance, particularly in high-volume sectors such as banking, SACCOs, NGOs, public institutions, and manufacturing entities. Although sampling remains relevant in some contexts, analytics allows for smarter stratification and risk-focused selection.

Benefits of Data Analytics in Audit

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Second, analytics reduces sampling risk. Testing larger data populations lowers the probability of overlooking material misstatements. Even when full testing is not feasible, analytics enables precise targeting of high-risk transactions, strengthening the reliability of audit conclusions.

Third, fraud detection capabilities are significantly improved. Fraud schemes often leave digital footprints that may not be visible through manual review. Analytics can detect duplicate payments, round-figure postings, unusual posting times, override patterns, and suspicious user activity. Enhanced fraud detection reinforces the auditor's public interest mandate.

Fourth, efficiency and productivity improve. Automation reduces time spent on repetitive procedures such as recalculations and reconciliations. Audit teams can focus more on areas requiring professional judgment, estimates, and complex accounting matters. Over time, this efficiency can translate into cost savings and improved engagement turnaround times.

Finally, analytics provides value-added insights. Beyond statutory compliance, auditors can identify operational inefficiencies, control weaknesses, and performance trends to help management strengthen governance frameworks.

Data Quality, Integration and Preparation Challenges

Despite its potential, data analytics is heavily dependent on data quality. Many organisations in Kenya operate multiple systems that are not fully integrated, leading to fragmented and inconsistent datasets. Differences in data formats, incomplete records, duplicate entries, and weak documentation can compromise analytical outputs.

Significant effort is often required to extract, clean, and reconcile data before meaningful analysis can begin. Poor data governance within client organisations may delay audit timelines and reduce the reliability of conclusions. Audit firms must therefore establish structured data validation protocols and collaborate with client IT departments to ensure the completeness and accuracy of extracted data.

Skills Gap and Talent Shortage

A major barrier to analytics adoption is the shortage of professionals with combined expertise in accounting, auditing, and data science. Many practitioners were trained under traditional audit methodologies and may lack advanced technical competencies in data extraction, visualisation, and algorithmic analysis.

Bridging this gap requires sustained investment in training and continuous professional development. Universities and professional bodies must integrate data analytics modules into accounting curricula. Audit firms should encourage certifications in analytics tools and foster mentorship programs that blend accounting knowledge with technological skills. Without deliberate capacity building, the profession risks falling behind technological advancements.

Governance Considerations

Effective governance is critical in analytics implementation. Audit firms must update internal methodologies to incorporate standardised procedures for data extraction, documentation, and review. Engagement quality control reviewers should possess sufficient understanding of analytics techniques to evaluate their appropriateness.

Clear policies regarding data access, model validation, and documentation standards are essential. Governance frameworks ensure consistency, transparency, and compliance with professional standards. Without proper oversight, analytics processes may become inconsistent or inadequately documented.

Data Security and Cyber Risks

The use of analytics increases exposure to cybersecurity risks. Audit firms handle large volumes of sensitive financial information, making them potential targets for cyberattacks. Weak security controls can result in data breaches, reputational damage, and regulatory penalties.

Firms must invest in secure file transfer protocols, encryption technologies, multi-factor authentication, and regular cybersecurity assessments. Staff awareness training is equally important to mitigate phishing and social engineering risks. In an increasingly digital environment, cybersecurity resilience is inseparable from audit quality.

Regulatory and Ethical Frameworks for Analytics and AI

As analytics and artificial intelligence become more prevalent, ethical

considerations grow in importance. Auditors must ensure that automated tools are used responsibly and transparently. Professional scepticism remains fundamental; analytical outputs must be critically evaluated rather than accepted at face value.

Documentation should clearly explain assumptions, methodologies, and limitations. Issues of confidentiality, independence, and objectivity remain paramount. Regulators may increasingly issue guidance on AI usage in audits, requiring firms to remain adaptable. Ethical deployment of technology safeguards public trust and protects the profession's reputation.

Changing Audit Expectations

Stakeholder expectations are evolving. Investors, regulators, and boards expect deeper insights, faster reporting cycles, and enhanced fraud detection. There is a growing demand for auditors to demonstrate technological competence and data-driven assurance approaches.

Failure to adopt analytics may lead to perceptions of outdated practice and diminished credibility. Conversely, effective integration positions audit firms as forward-looking and capable of addressing complex digital risks. The future audit landscape will reward firms that combine professional judgment with technological sophistication.

Conclusion

Data analytics is fundamentally reshaping audit practice in Kenya. By enhancing compliance with ISAs, strengthening fraud detection, improving efficiency, and reducing detection risk, analytics elevates audit quality in a rapidly digitising economy.

However, successful implementation requires addressing challenges related to data quality, skills shortages, governance, cybersecurity, regulatory adaptation, and evolving stakeholder expectations. Through strategic investment in training, technology, and internal controls, audit firms can overcome these obstacles.

As Kenya advances toward a more digital economic environment, the audit profession must evolve accordingly. By embracing data analytics while upholding the enduring principles of integrity, objectivity, professional competence, and due care, auditors will reinforce public trust and ensure the profession's continued relevance in 2026 and beyond.

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Understanding the Relationship Between Finance and Investment

By CPA Daniel Kiplangat Sigilai

Finance is a concept that covers the management, creation and study of money and the financial systems. Investment is a part of finance that focuses on growing wealth by distributing resources into various assets.

We have to understand the difference between the two to make informed financial decisions. The terms are normally used interchangeably, but they have distinct meanings and applications.

Finance is the management of money, including saving, spending, and budgeting. It encompasses everything in personal, corporate, and public finance.

Investment is the use of money to generate returns over time. Those in business will use borrowed money, dividends, or other income from various sources to purchase stocks and bonds, build real estate, and pursue other income-generating projects to create and expand their wealth.

The two are different, but they work closely together; good financial management creates investment opportunities. The availability of money results from sound financial planning, which leads to investment.

Wealth is generated through sound investment, which improves an organisation's overall financial health.

Investment risks are minimised through financial strategies, including diversification and emergency funds.

Difference between finance and investment

Finance is the management of money and the systems that support it. Investments involve allocating funds to assets in anticipation of future returns.

Finance is broad, covering budgeting, debt, and investment planning, which is a subset that focuses on wealth growth.

The main objective of finance is to maintain financial stability and planning, while investment is to generate profit and build wealth.

The risk level is lower since it involves managing existing funds, whereas investing exposes funds to market fluctuations, which carries higher risk.

In investment, the time frame depends on the organisation's goals and objectives, and investments are normally long-term to maximise returns.

Finance and Investment

In any business, to get started, an organisation has to get it right by tracking its income and monitoring its expenses, enabling it to move its business to a healthier level.

The organisation has to set its goals to achieve the objectives that justify its being in business; without goals, there will be no meaningful achievement.

An organisation should always maintain a reserve and build an emergency fund for any eventuality, lest it fails halfway through before it is fully operational.

The organisation's main objective should be strictly achieved, with the fundamentals and expectations met,

and unnecessary diversionary spending should be reduced.

There should be defined goals for any organisation to achieve its investment purpose.

To reach a destination, there are several routes or avenues, and those aiming to reach it should choose the right vehicle or means. In investment, one should choose the right means to achieve their expectations.

Due to current economic turbulence, portfolio diversification is helpful; if one portfolio fails, the organisation can continue with the others, which might be performing well.

There is a need to monitor, evaluate, and adjust our investments regularly in response to changing economic conditions to enable the organisation to continue its business.

Types of Investments

There are four types of investment categorised as Equities (stock), fixed income (bonds), Real Estate, and Alternative investment (like commodities, private equity or cryptocurrency)

They offer different risk and reward profiles that allow investors to build diversified portfolios aligned with their financial goals and risk tolerance.

Equities (stocks)

This is ownership in a company by an individual or other stakeholders, enabling them to hold shares and thereby entitle them to profits and growth. Shares are purchased from the Nairobi Stock Exchange.

Fixed -Income (Bonds)

It involves the lending of money by individuals or corporate firms. A bond, offered by most brokerage platforms, is a fixed-income investment product issued at a specified interest rate for a predetermined period; in return, individuals are paid interest in addition to the bond's original face value. Bonds are fixed-income investments issued by governments or corporations to raise funds. They are used by states and sovereign governments to finance projects and operations. Those who own the bonds are creditors. Details include the end date for paying the principal to the bondholders and usually include terms for fixed interest.

Interaction of Finance and Investments

The two are like blades of a pair of scissors; they interact to cut the pie called income into proportions. They encompass three major areas of spending in the aggregate economy: Gross National Product (total spending in the nation). Finance and investments traditionally have been viewed as separate and distinct disciplines.

Finance is concerned primarily with the source of the money, the amount required, the period over which the money is needed, and the cheapest source. Risk is included in all financial decisions, while investment is traditionally concerned primarily with budgeting money rather than seeking the cheapest source.

Elements of Typical Investment

The total amount of money to invest should be known, as should the allocation between current consumption (e.g., dividend payouts) and reinvestment of retained earnings. We should know the specific assets to be purchased and the proportion of funds to be used for their purchase.

An optimal investment decision can be made only after the source and the cost of financing have been determined.

Since the cost of financing depends upon the expected profit and risk of the project to be financed, the total cost can be determined after the investment decision has been made. The two decisions, finance and investments, are required for solutions; one is not sufficient for decision-making purposes.

Theories of Investment

Nobel Laureate economist James Tobin proposed the que theory of investment that links a firm's investment decision to fluctuations in the stock market. A firm that finances its investments by issuing shares in the stock market has share prices that reflect its investment decisions.

Theories in finance and investments include;

1. The efficient Market hypothesis, Modern portfolio theory and the capital asset pricing model provide frameworks for understanding market behaviour and investment strategies.

2. Modern Portfolio Theory (MPT)

Developed by Harry Markowitz, it emphasises the importance of diversification in constructing investment portfolios. MPT suggests



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that investors can optimise their portfolios by balancing risk and return through diversification among various assets.

1. Capital Asset Pricing Model (CAPM)

This is a pivotal model that describes the relationship between risk and expected returns in investment. The model provides a framework for pricing risk assets and evaluating investment opportunities, helping investors understand the trade-off between risk and returns.

These theories form the foundation of modern finance and investment strategies, guiding investors in making informed decisions.

Types of Investors

In the economy, there are four types of investors: households, businesses, the government, and the world at large; other types include retail and institutions. Retail and institutions are those with small amounts to invest,

whereas institutions invest millions. Individual investors include us and households, while institutional investors include mutual funds, banks, insurance companies, and other financial institutions.

Objectives of Investors

Investors must know their priorities and the investment alternatives, just as consumers prioritise their wants, necessities, and luxuries and select those that give them greater utility or satisfaction.

There are risks involved in investing that need to be explained: the term 'risk' and the three attitudes or appetites it entails. Risk is the probability of an unfavourable fluctuation in the return of a security due to unexpected cash flows from the assets. The three attitudes towards risk are risk-loving, where one would take a fair game. Risk-averse equal chances of winning or losing, or where the payoff is zero. Risk-averse means a reluctance to accept risk. Risk-neutral: the investor cares little

about risk. The individual's objectives regarding financial investments pertain to what they want to achieve.

Investment and finance interact; finance concerns the sources of money and the associated risks.

Investment decisions are primarily concerned with the use or budgeting of money, rather than with locating the cheapest source of money.

Therefore, the two decisions, finance and investment, together are required for a solution; either one alone is insufficient for decision-making purposes.

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When Business Leadership Becomes Challenging

A Case Study on Authority, Empathy, and Organizational Growth

By Derek Mutiso

Ask most people what makes a business successful, and they will point to the idea, the funding, or the timing of the market. But spend time inside organizations that actually endure, and a different truth emerges.

The difference is rarely what they pursue. It is how they are run.

Business success is rarely determined by ideas alone. Capital can be raised, strategies refined, and markets analysed, yet organisations continue to fail with unsettling regularity. When these failures are examined closely, the reasons are often less about innovation or funding and more about leadership execution. Across industries and geographies, one reality keeps resurfacing: businesses that endure pressure, scale sustainably, and survive turbulent environments tend to be led by individuals who understand the uncomfortable demands of authority as much as the human side of leadership.

Despite decades of research and countless confirmations, leadership

remains widely misunderstood. Contemporary business culture often promotes a simplified ideal of the successful leader as endlessly empathetic, universally approachable, and emotionally accommodating. While these traits are valuable, they do not fully explain why some organisations remain disciplined, resilient, and productive long after their early momentum fades, while others unravel despite positive cultures and good intentions.

Those who have spent time around high-performing enterprises often notice a more nuanced pattern. Many successful businesses are led by individuals who are

respected before they are liked, trusted before they are popular, and firm before they are warm. Their leadership may not always feel comfortable, but it provides clarity. And clarity, in business, is often what sustains performance.

This reality is illustrated powerfully in the story of a young professional who accepted what appeared to be a remarkable opportunity early in his career. Fresh out of university and just twenty-five years old, he was appointed warehouse manager for a large logistics operation in West Africa, responsible for overseeing close to one thousand employees. The operation was



complex, labour-intensive, and deeply embedded in local work culture. While he possessed academic qualifications and ambition, he had little real-world experience managing authority at such scale.

The man he replaced could not have been more different. The outgoing manager, well into his seventies, was known for his stern disposition, rigid discipline, and uncompromising enforcement of rules. He was not popular among workers, but his authority was unquestioned. Operations ran on time, standards were clear, and expectations were rarely debated.

Determined to lead differently, the young manager believed that morale and modern leadership were the missing ingredients. He prioritised approachability, spent long hours

socialising with staff during operations, and encouraged informal interactions. He laughed easily, joined conversations on the warehouse floor, and positioned himself as relatable rather than distant. In the early weeks, the atmosphere felt lighter. Employees appeared happier. The workplace seemed more relaxed and positive.

Yet business performance has a way of revealing deeper truths over time. Gradually, subtle changes emerged. Instructions were followed less promptly. Deadlines became flexible. Informal jokes began appearing in moments that once required focus. What had started as friendliness slowly blurred into familiarity, and familiarity began to dilute authority.

Workers tested boundaries without open rebellion. Instructions were questioned casually. Some employees delayed compliance, while others quietly ignored directives. Discipline did not collapse dramatically; it eroded quietly. The young manager sensed that something was wrong but struggled to identify it. He had been taught that people-centred leadership produced results, yet productivity was becoming inconsistent and operational control was slipping.

It took a conversation with an older mentor to bring clarity. Authority, the mentor explained, does not need to be harsh, but it must be visible. Leadership can be humane without becoming invisible. When standards are unclear or inconsistently enforced, organisations drift. Employees may enjoy the environment, but uncertainty creeps in, and performance suffers.

The lesson became unavoidable soon afterwards. During a routine walk through the warehouse, the manager overheard a group of casual workers loudly mocking him, using a nickname they had created. What might have once passed as harmless humour had crossed into open disrespect. The behaviour was public, unapologetic, and clearly directed at his authority.

In that moment, the young manager understood a fundamental truth about leadership: what is tolerated today

becomes the standard tomorrow. He acted immediately, disciplining the workers involved and imposing a two-week unpaid suspension. The decision was swift, decisive, and deeply uncomfortable.

One of the suspended employees later came to his office in tears, explaining that he had a family to support and could not afford to lose income. The manager listened. He empathised. He understood the human consequences of his decision. Yet he did not reverse it. He knew that doing so would undermine the message he had just sent, not only to the individuals involved but to the entire organisation.

Later, when he discussed the incident with his mentor, the older man reportedly laughed and said, “Now you’re beginning to understand management.” The comment was not dismissive. It was instructive. Leadership, he implied, is not about avoiding discomfort; it is about carrying responsibility when discomfort is unavoidable.

From a business perspective, the outcome was striking. Word of the disciplinary action spread quickly across the warehouse. The message was unmistakable: approachability did not equal weakness, and friendliness did not cancel authority. Behaviour changed almost immediately. Instructions were followed. Standards were respected. Informal conduct retreated to appropriate spaces. Productivity stabilised, not because fear had been introduced, but because clarity had been restored.

Perhaps most importantly, trust in leadership increased. Employees understood where the line was. Expectations became predictable again. Contrary to fears that firmness would damage morale, the environment became more secure. People knew what was required of them and what would happen if standards were ignored.

This paradox sits at the heart of effective business leadership. While leniency is often framed as kindness, unchecked leniency creates uncertainty. People rarely thrive in environments where rules are ambiguous and accountability

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Many successful businesses are led by individuals who are respected before they are liked, trusted before they are popular, and firm before they are warm. Their leadership may not always feel comfortable, but it provides clarity. And clarity, in business, is often what sustains performance.

is inconsistent. In contrast, fairness, predictability, and disciplined authority often generate greater psychological safety than excessive accommodation.



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Management thinkers have long recognised this tension. Peter Drucker famously argued that management is fundamentally about responsibility and results. While empathy matters, organisations exist to perform. Leaders are entrusted not only with people's wellbeing but with the survival and success of the enterprise itself.

This does not mean that effective leaders are cold or punitive. The most successful businesses rarely operate through fear. Research consistently shows that fear-based leadership may generate short-term compliance but damages organisations over time. Creativity declines. Mistakes are hidden. High performers disengage or leave altogether. Cultures built on intimidation rarely sustain innovation or loyalty.

The distinction, therefore, is not between kindness and toughness, but between balanced authority and destructive behaviour. Firm leadership enforces standards without humiliating people. It preserves dignity while protecting structure. It separates discipline from personal power.

Employees are often inspired not by warmth alone, but by fairness. They respond to leaders who are consistent, transparent, and willing to make difficult decisions in the long-term interest of the organisation. Respect grows when authority is exercised responsibly, not when it is avoided.

In the warehouse, the young manager did not lose his humanity. He remained approachable and supportive. What changed was his understanding of responsibility. He learned that leadership sometimes requires decisions that feel emotionally difficult in the moment but prevent deeper harm later. Over time, his confidence grew, and so did the organisation's stability.

For business owners, founders, and executives, the lesson is both practical and uncomfortable. Businesses rarely fail because leaders care too much about people. They fail when leaders avoid accountability in the name of comfort.

They fail when harmony is prioritised over discipline, and when authority becomes negotiable.

At the same time, organisations also fail when leaders mistake authority for dominance and firmness for cruelty. Sustainable success exists in the narrow space between these extremes.

The leaders who build enduring businesses are those who know when to listen and when to decide, when to support and when to enforce, when to empathise and when to draw a line. This balance is not intuitive. It is learned, often through moments that test character and resolve.

Modern business narratives often seek simplicity, presenting leadership as a choice between softness and strength. Reality is more demanding. Leadership is psychological work. It requires emotional resilience, tolerance for conflict, and the courage to accept temporary discomfort for long-term stability.

The story of the young warehouse manager endures because it reflects what many leaders eventually discover. Effective leadership is not about being liked. It is about being trusted to protect the future of the organisation. Employees may forget humour and gestures, but they remember fairness, consistency, and leaders who were steady under pressure.

In the end, businesses are not built by popularity. They are built by leaders willing to carry authority with humility, enforce standards with fairness, and make difficult decisions without losing sight of human dignity. That balance, uncomfortable as it may be, is often what separates businesses that struggle from those that succeed.

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Beyond the Pump: The Real Economic Lesson from Kenya's Fuel Crisis

Fuel is not merely a commodity consumed at the pump. It is a strategic enabler of productivity, trade, mobility, food security, manufacturing, and public service deliver and when its price rises sharply, every sector of the economy and every household feels the strain.

Earlier this month, petrol in Nairobi rose to KSh 214.25 per litre and diesel climbed to a historic KSh 242.92 per litre. The immediate reaction from transport operators, businesses, and consumers reflected the central role fuel plays in determining both the cost of living and the cost of doing business. The Government's subsequent engagement with stakeholders and measures aimed at easing diesel prices were therefore timely and welcome, but it was a response, not a solution. The real economic lesson from this crisis lies beyond the pump.

The numbers make our dependence plain. According to the 2026 Kenya National Bureau of Statistics Economic Survey, the transport and storage sector alone consumed petroleum products valued at approximately KSh 550.7 billion. National demand grew from 5.2 million tonnes in 2024 to 5.7 million tonnes in 2025, with diesel consumption exceeding 2.4

million tonnes. Kenya imports every litre of its refined petroleum, leaving us fully exposed to global oil market volatility, geopolitical tensions, and the depreciation of the shilling, which ensures that even when global crude prices ease, relief at the pump is partial at best.

The consequences are particularly severe for Small and Medium Enterprises (SMEs), which form the backbone of Kenya's economy. Many lack the financial buffers necessary to absorb sudden cost increases. Higher fuel

prices translate directly into reduced profitability, constrained growth, and increased pressure on employment. Rising logistics and production costs also undermine Kenya's competitiveness within the region. But 80 per cent of Kenya's workforce in the informal economy boda boda operators, market traders, jua kali artisans are hit harder still. Their losses do not appear in corporate accounts. They appear in fewer trips made, thinner margins, and children kept home when school fees cannot be met.



Perhaps the most pressing issue exposed by the fuel crisis is the shrinking disposable income of Kenyan households. Even before the recent fuel price increases, many salaried workers were already grappling with reduced take-home pay due to PAYE obligations, Affordable Housing Levy contributions, SHIF deductions, and higher NSSF rates. The result is a narrowing of household purchasing power at precisely the moment when the prices of essential goods and services are rising. A more progressive PAYE structure with wider tax bands and lower marginal rates would restore spending power, stimulate demand, and ultimately broaden the tax base. Protecting household incomes is not a welfare measure; it is an economic stabilisation tool.

The urgency of these interventions becomes clearer when viewed against Kenya's recent progress in managing inflation. Inflation declined from 4.5 per cent in 2024 to 4.1 per cent in 2025, while transport inflation fell from 5 per cent to 3.2 per cent. These hard-won gains are now directly at risk. Fuel shocks cascade into food prices, manufacturing costs, and public service delivery budgets at the county level. Allowing them to pass through unchecked is a policy choice, not an inevitability.

What Kenya requires is a structural reform. A Strategic Petroleum Reserve Act should mandate a minimum 90-day domestic reserve, funded through a transparent, auditable levy. A price-smoothing mechanism of the kind operating in Chile, Malaysia, and India should prevent global volatility from being transmitted immediately and in full to consumers. A review of the fuel tax architecture should seek a balance between revenue mobilisation and economic competitiveness. Inefficiencies in fuel clearance and supply chains must be addressed. At the same time, the country should accelerate investments in electric mobility, charging infrastructure, and strategic fuel reserves to strengthen resilience against future shocks.

Yet structural reform means little without accountability for what has already been collected. Parliament's Public Investment Committee on Commercial and Energy Affairs recently directed the Auditor-General to carry out a forensic audit of revenue generated by the Kenya Roads Board from the fuel levy for the financial years 2020/21 to 2022/23, a direct response to a KSh 2.76 billion unreconciled variance between what KRB recorded as payable to the Kenya Urban Roads Authority and what KURA recorded as receivable. The Auditor-General had already flagged that Road Maintenance Levy Fund receivables of KSh 5.18 billion "could not be confirmed." This is not an isolated discrepancy. A prior special audit found that KSh 18.14 billion from the Petroleum Development Levy Fund was illegally redirected to road construction projects, while a further KSh 4.54 billion was transferred to the Ministry of Energy for purposes unrelated to petroleum. In 2024/25, KRA collected a record KSh 119.7 billion from the Roads Maintenance Levy alone. Motorists are paying more than ever. The question is whether they are getting what they paid for.

ICPAK's role in this conversation extends beyond tax reform. As the professional body representing accountants in Kenya, we should be demanding accountability and transparency of the billions collected through fuel levies each year, including the Petroleum Development Levy and the Road Maintenance Levy. Accountability for public revenues is not merely a technical exercise. It is a civic and moral obligation, and we intend to pursue it.

Sustainable prosperity will come from a country that has built strategic reserves, reformed its price architecture, protected the purchasing power of its workers, and structured its institutions to manage energy as the national asset it is, not the revenue instrument it has become.

That is the real economic lesson from Kenya's fuel crisis. **The question is whether we are ready to act on it.**

"The writer, CPA Prof. Elizabeth Kalunda, is the Chairperson of the Institute of Certified Public Accountants of Kenya (ICPAK)."



Their Challenge Is Lack of Opportunities to Explore Their Exceptional Potential

Imagine a world where a Visually Impaired (blind) learner or accountant can “see” through a voice that reads every word, where a (Hearing impaired) deaf lawyer argues confidently in court as captions unfold in real time, where a child with autism finds a friend in a robot that patiently teaches him social cues, and where a paralyzed man takes his first steps with the help of an intelligent exoskeleton.



“Technology is best when it brings people together.” These words by Matt Mullenweg capture the essence of what Artificial Intelligence (AI) offers to persons with disabilities: a chance to connect, participate, and live with dignity. For centuries, disability has been associated with barriers to education, employment, healthcare, and even social belonging. Yet, AI is

A woman with dark hair in a bun is wearing VR goggles. The background is a vibrant, futuristic city street with glowing digital billboards and advertisements, including logos for Apple, Facebook, and ASIF. The scene is illuminated with bright, colorful lights, creating a high-tech, digital atmosphere.

For persons with **visual impairments**, AI restores independence and confidence. Smart glasses, AI-enabled navigation systems, and applications that can

read and describe text. Smart glasses, navigation apps, and text-to-speech systems open doors to classrooms, offices, and streets once closed to them. With these tools, a blind professional can read contracts, a student can access libraries, and a commuter can navigate public transport all without dependence on others. But for this promise to reach

every household, governments must subsidise costs, investors must fund inclusive innovation, and accountants must track impact so resources are allocated fairly.

For the **hearing impaired**, communication is often the greatest obstacle. AI has opened new channels through real-time transcription, captioning, and even sign language recognition. Imagine courtrooms, hospitals, or classrooms where AI ensures no word is missed, and no citizen is excluded. Nelson Mandela's words resonate here: "Talk to a man in a language he understands, that goes to his head. Talk to him in his own language, that goes to his heart." AI's role in bridging linguistic and sensory gaps affirms that persons with hearing impairments are not merely present, but fully engaged.

For persons who are **both deaf and blind (deafblind)**, the world can often feel like an impenetrable wall of silence and darkness. Yet, Artificial Intelligence is steadily chiselling away at this wall, creating pathways of connection. AI-powered tactile devices, such as smart gloves and haptic wearables, can translate speech or text into touch-based vibrations, allowing deafblind users to "feel" communication in real time. Similarly, intelligent Braille displays instantly convert digital content into tactile reading, while AI-guided navigation tools use vibrations and auditory cues to support safe mobility. Helen Keller, who herself lived with deaf blindness, once said, "Although the world is full of suffering, it is full also of the overcoming of it." Through AI, stakeholders can help deafblind people overcome isolation and achieve independence, but only if policymakers prioritise affordability and distribution.

People with **Autism Spectrum Disorders** often struggle with social cues and communication. AI is

helping reshape this journey through personalised learning platforms, therapeutic apps, and socially intelligent robots. These tools provide safe, supportive environments where autistic persons can practice interaction, manage emotions, and build confidence. As Temple Grandin, a prominent advocate with autism, reminds us, "The world needs all kinds of minds." Governments that embed AI support into classrooms and therapy programs are not only supporting persons but also enriching society with diverse talents and perspectives.



For persons with **mobility disabilities**, AI-driven robotics and assistive devices are breaking new ground. Robotic exoskeletons enable people with paralysis to stand and walk, while AI-controlled prosthetics respond intuitively to muscle signals, making movements feel more natural. AI-powered wheelchairs can now navigate environments with minimal user input, reducing the need for caregiver assistance. These advancements embody Stephen Hawking's assertion that "Intelligence is the ability to adapt to change." With AI, the body may falter, but autonomy is preserved.

Gifted and talented learners represent a unique group within the spectrum of special needs: their challenge is not a lack of ability but

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rather the lack of opportunities to explore their exceptional potential. Artificial Intelligence is proving to be a remarkable companion in this journey, offering adaptive learning systems that stretch beyond the limits of conventional classrooms. By analysing patterns in a learner's performance, AI can recommend advanced materials, design personalised projects, and even link them with global peers who share similar abilities. Intelligent tutoring systems can nurture creativity in art, science, or problem-solving at a pace matched to each student's capabilities. Albert Einstein's reflection is fitting here: "It is not that I'm so smart, but I stay with the questions much longer." With AI, gifted learners are not confined to one-size-fits-all education; instead, they are encouraged to linger over their questions, dig deeper into knowledge, and transform their brilliance into innovation.

Intellectual disabilities present unique challenges in learning, problem-solving, and daily functioning. AI addresses these through adaptive learning platforms that tailor content to the learner's pace and abilities. These systems can break down complex information into manageable steps, offering continuous encouragement and tracking progress. In workplaces, AI-powered assistants help individuals organise tasks, manage schedules, and communicate effectively. Such tools do not erase disability but honour diverse intellectual capacities, echoing Temple Grandin's reminder that, "The world needs all kinds of minds."

When it comes to **learning disabilities** such as dyslexia or ADHD, AI again acts as a silent tutor and guide. Voice recognition and predictive text software help those with reading difficulties express themselves without stigma, while focus-enhancing apps create personalised study environments. By reducing frustration and enhancing

confidence, AI tools ensure that learning disabilities no longer define a student's potential but rather shape new pathways of achievement.

Psychiatric (Intellectual and Developmental) disabilities, often hidden and stigmatised, also find support in AI. Mental health chatbots, powered by natural language processing, provide real-time counselling and emotional support, particularly for those who lack immediate access to therapists. AI can also analyse behavioural patterns, detecting early warning signs of conditions such as depression or anxiety and alerting caregivers or professionals before crises occur. This proactive approach echoes Franklin D. Roosevelt's moral challenge: "The test of our progress is not whether we add more to the abundance of those who have much, but whether we provide enough for those who have too little." Through AI, society can extend care to those whose struggles are often invisible.

For AI to fulfil this transformative promise, however, government intervention is not optional; it is essential. Policies that mandate accessibility standards, subsidies that make AI tools affordable, and investments in inclusive infrastructure all form the backbone of equitable progress. Governments must foster public-private partnerships that ensure innovation is driven not solely by profit, but by the pursuit of inclusion. As Mahatma Gandhi wisely said, "The true measure of any society can be found in how it treats its most vulnerable members." When AI is guided by compassion, justice, and shared responsibility, it becomes more than a technology; it becomes a moral commitment to human dignity.

Artificial Intelligence is rewriting what it means to live with a disability. It restores vision to the blind, voice to the silent, mobility to the immobile, and

confidence to those who have long been overlooked. Yet, its success depends on whether societies embrace it as a shared duty rather than a private luxury. AI does not remove disability; instead, it illuminates ability. It challenges the world to see beyond limitations and to create a future where, as Keller envisioned, vision is not defined by what one sees, but by the opportunities one is given.

Conclusion

The promise of Artificial Intelligence for persons with disabilities is undeniable: voices restored, barriers dismantled, and dignity renewed. Yet, the true test lies ahead: will governments, accountants, investors, and the communities embrace AI as a shared responsibility that ensures no one is left behind, or will it remain a privilege for the few? The suspense rests not in what technology can do, but in what humanity chooses to do with it.



The writer is a Certified Public Accountant (CPA), holds a Bachelor of Commerce (BCom) in Finance, and a Master of Science in Commerce (specializing in Finance and Accounting). He currently serves as an Internal Auditor at the Kenya Institute of Special Education (KISE).

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Is Road Tolling a Good Substitute or A Complement to Fuel Taxation?

By CPA James Mugambi

The question of how road infrastructure should be financed has become increasingly important as governments confront declining fuel tax revenues, rising maintenance costs, urban congestion, and the gradual transition toward electric mobility.

Transport networks underpin economic productivity, labour mobility, trade, and regional integration, making their financing a matter of broader economic policy rather than a purely technical issue. Within this context, road tolling has re-emerged as a prominent policy instrument. The debate is often framed as a choice between tolls and fuel taxes, yet the more relevant question is whether the two mechanisms serve distinct functions within a modern road finance system.

For much of the twentieth century, fuel taxation occupied a central position

in transport finance. Governments required a revenue source capable of funding the expansion of road networks without imposing significant administrative burdens. Fuel taxes fulfilled this role effectively. Collection occurred through a relatively small number of fuel distributors and retailers; compliance costs remained low; and motorists contributed indirectly based on their fuel consumption. The arrangement provided a practical approximation of the user-pays principle while avoiding the complexity of charging motorists directly for road use.

The effectiveness of fuel taxation depended on a close relationship between fuel consumption and vehicle usage. Motorists who travelled longer distances generally consumed more fuel and therefore paid more tax. This relationship provided a stable foundation for road finance throughout much of the motor vehicle era. Recent developments have weakened that

connection. Improvements in fuel efficiency, the growth of hybrid vehicles, and the increasing adoption of electric vehicles have reduced the extent to which fuel purchases reflect actual road usage. At the same time, infrastructure expenditure requirements have continued to grow, widening the gap between road financing needs and revenues generated by traditional fuel taxes.

Road tolling represents a much older approach to infrastructure finance. Long before the emergence of fuel taxes, governments financed roads, bridges, and trade routes through direct user charges. Medieval tolls and bridge levies were common across Europe and parts of Asia, while the turnpike trusts established in eighteenth- and nineteenth-century Britain demonstrated how road infrastructure could be financed through payments collected directly from users. Although these systems were gradually displaced by fuel taxation during the twentieth

century, they established the enduring principle that users of transport infrastructure can contribute directly to its financing.

The renewed interest in tolling reflects both technological and fiscal developments. Electronic toll collection systems have dramatically reduced the administrative costs associated with direct charging. Modern tolling no longer requires extensive toll plazas or manual collection processes. Charges can be collected electronically while vehicles remain in motion, making direct road pricing more practical than it was in earlier periods. These technological advances have expanded the role of tolling beyond revenue collection, transforming it into a broader policy instrument.



Transport networks underpin economic productivity, labour mobility, trade, and regional integration, making their financing a matter of broader economic policy rather than a purely technical issue. Within this context, road tolling has re-emerged as a prominent policy instrument. The debate is often framed as a choice between tolls and fuel taxes, yet the more relevant question is whether the two mechanisms serve distinct functions within a modern road finance system.

From an economic perspective, one of the principal advantages of tolling lies in its ability to price road use more precisely. Fuel taxes apply to all forms of driving, regardless of location, time of day, or road conditions. A litre of fuel consumed on an uncongested rural highway is taxed in the same manner as a litre consumed during peak-hour traffic in a major city. The social costs associated with these journeys vary widely. Congestion delays other users, heavy vehicles accelerate pavement deterioration, and traffic concentrations create environmental and health costs that vary substantially across locations and time periods.

Tolling allows governments to account for these differences more directly. Charges can be varied according to vehicle type, travel distance, route selection, or time of use. This flexibility enables road pricing systems to reflect infrastructure costs and congestion pressures more accurately than fuel taxes. The growing adoption of congestion pricing schemes in major cities illustrates this shift. In such systems, tolls are designed not only to raise revenue but also to influence travel behaviour by encouraging motorists to consider the broader costs their journeys impose on other users.

These characteristics place tolling within a broader tradition of economic policies aimed at addressing externalities. Economists have long argued that prices should reflect not only private costs but also the costs imposed on society. Fuel taxes capture some of these effects indirectly, particularly those associated with fuel consumption and emissions. Tolling provides a greater scope to address congestion and infrastructure wear, as charges can be targeted at specific locations and user categories. As a result, tolls can often achieve efficiency objectives that fuel taxes cannot.

The case for tolling nevertheless extends beyond efficiency considerations. Public finance decisions are also shaped by questions of equity and political acceptability. Fuel taxes have frequently been criticised for their regressive effects because lower-income households often spend a larger proportion of their

income on transport. This burden can be particularly significant in regions where public transport options are limited and commuting distances are long.

Road tolling raises its own distributional concerns. The effects depend heavily on network design, route availability, and travel patterns. Where toll roads provide faster journeys, improved safety, or superior infrastructure, users may view the charge as payment for a higher-quality service. Where alternative routes are limited, tolls may be perceived as unavoidable costs. The equity implications therefore, depend less on the existence of tolls themselves than on how the system is designed and how revenues are subsequently used.

These considerations help explain why road tolling is rarely viewed as a complete replacement for fuel taxation. Fuel taxes provide a broad revenue base that supports extensive road networks, including rural and secondary roads that would generate insufficient traffic volumes to sustain direct charging. Financing such networks entirely through tolling would require extensive coverage or complex mileage-based charging systems, both of which present administrative and political challenges.

Road tolling performs a different function. It enables governments to recover costs associated with specific infrastructure investments, manage congestion on heavily used corridors, and allocate costs more directly among different categories of road users. These functions become increasingly valuable as fuel tax revenues weaken and as policymakers seek stronger links between infrastructure usage and infrastructure financing.

The transition toward electric mobility reinforces this relationship. Electric vehicles use road infrastructure in much the same way as conventional vehicles while contributing relatively little through fuel taxation. As their share of the vehicle fleet expands, governments will face growing pressure to identify alternative sources of transport revenue. Tolling provides one mechanism through which infrastructure contributions can be maintained regardless of vehicle

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propulsion technology. The increasing interest in distance-based charging and network-wide road pricing reflects this emerging fiscal challenge.

Viewed within a broader historical and economic context, road tolling is best understood as a complement rather than a substitute for fuel taxation. Fuel taxes remain an effective, relatively simple mechanism for generating broad-based revenue across entire transport networks. Tolling provides a degree of pricing precision that allows governments to address congestion, infrastructure financing needs, and differences in road usage more directly. The strengths of one instrument correspond closely to the limitations of the other.

The future of road finance is therefore likely to be characterised by hybrid systems rather than exclusive reliance on either mechanism. Fuel taxation will continue to provide foundational revenue across national road networks, while tolling will play an expanding

role in financing major infrastructure projects, managing congestion, and compensating for the gradual erosion of fuel-based revenues. Such arrangements reflect the reality that modern transport systems serve multiple economic functions and therefore require multiple financing instruments to support them.

The writer is a Finance, Operations and Tax Professional with more than a decade of experience in the profession. He currently heads the Finance & operations departments of two sister companies in Nairobi. He holds a Masters degree in Tax Administration from Moi University and is a member of ICPAK.

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CAPITAL GAINS TAX

Capital Gains Tax At a Glance

Rules, Exemption and Emerging Changes

By Bryson Makau

Capital Gains Tax (CGT) remains one of the most significant yet overlooked taxes that applies to property transactions in Kenya.

Despite its significance, many taxpayers (both individuals and companies) still struggle to understand when the tax applies, how it is calculated, and the exemptions available under the law.

CGT is a tax charged on gains arising from the transfer of property situated in Kenya. The tax applies to both individuals and companies and is currently levied at 15 per cent of the net gain realised from the transfer.

For CGT purposes, the term *property* is broadly defined and includes land, residential and commercial buildings, and investment shares, among other assets. Importantly, a transfer may attract CGT even where no consideration is received. For instance, gifting property to another person constitutes a transfer under the law and may trigger CGT if there is a realized gain.

The tax is calculated on the net gain arising from the transfer as follows:

Net Gain = Transfer Value less the Acquisition costs and other incidental costs, if any

The adjusted cost generally comprises the acquisition cost together with incidental expenses directly related to the acquisition or disposal of the property. These may include legal fees, valuation charges, advertising expenses, commission fees and stamp duty incurred during acquisition. While CGT generally applies to property transfers, the law provides several exemptions that taxpayers should be aware of.

First, one of the crucial exemptions involves corporate reorganisations. No gain or loss is recognised where property is transferred as part of an approved corporate restructuring, including incorporations, recapitalisations, acquisitions, amalgamations, separations, dissolutions, and similar transactions. The exemption applies where the restructur-

ing is undertaken pursuant to a legal or regulatory requirement, a government directive, a compulsory acquisition, an internal group reorganisation involving entities that have been related for at least twenty-four months and where no transfer to a third party occurs, or where the transaction is approved by the Cabinet Secretary on public interest grounds.

The rationale behind this exemption is straightforward: such transactions typically involve a reorganisation of business structures rather than the realisation of economic gains. Another notable exemption applies where an individual transfers land property, provided the transfer value does not exceed KES 3 million.

Agricultural land transferred by individuals also qualifies for CGT exemption when the land measures less than 50 acres and is situated outside a municipality, gazetted township, or urban area.

This exemption presents a practical challenge in today's devolved governance framework. Over the years, many areas previously considered rural have been elevated to municipal and urban centre status. Consequently, landowners may be uncertain whether their property still qualifies for the exemption. Before concluding a transaction, it is therefore advisable to confirm the area's status with the Ministry of Lands, Public Works, Housing and Urban Development.

CGT relief is also available in respect of private residences. A residential property occupied continuously by its owner for at least three years immediately preceding the transfer is exempt from CGT. Temporary absences from the residence are generally disregarded when assessing continuous occupation.

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The law further provides relief for transactions involving the estates of a deceased person. Property, including investment shares, transferred or sold for purposes of administering a deceased person's estate is exempt from CGT, provided the transfer or sale is completed within two years from the date of death. Where the administration of the estate is delayed due to court proceedings, the two-year period begins running upon the final determination of the dispute. The Commissioner may also grant an extension of this time where appropriate.

Similarly, transfers of property into a registered family trust are exempt from CGT. This exemption is becoming increasingly relevant as more families embrace trusts as vehicles for succession planning, wealth preservation, and intergenerational wealth transfer.

Inherited property presents another area that often causes confusion among taxpayers. While the inheritance itself does not attract CGT, the tax arises when the beneficiary subsequently disposes of the inherited property at a gain within 5 years of the inheritance transaction.

A common question is how to determine the acquisition cost of inherited property when computing the gain. Is it the historical cost incurred by the deceased, or the market value at the date of inheritance?

The law provides that where inherited property is disposed of within five years of inheritance, the historical acquisition cost incurred by the deceased forms part of the adjusted cost. However, where the beneficiary disposes of the property after five years, the market value of the property at the time of inheritance is treated as the adjusted cost. This distinction is particularly important given that Kenya's CGT regime does not provide for inflation indexation.

Looking ahead, the Finance Bill, 2026 proposes to broaden the scope of CGT

by introducing taxation of certain indirect transfers of Kenyan assets by non-residents. The proposal seeks to tax gains arising from the disposal of shares that derive their value from assets located in Kenya, or from transactions that result in a change in ownership or group membership of Kenyan companies holding Kenyan property.

Once enacted, the proposal would bring many offshore share transactions and cross-border group restructurings within Kenya's tax net, limiting opportunities to tax-plan through foreign holding structures.

Many taxpayers also wonder how the Kenya Revenue Authority (KRA) becomes aware of property transfers. In practice, KRA receives information through the stamp duty process, as property transfers must generally be assessed for stamp duty, and the stamp duty thereon paid before registration. This enables KRA to monitor property transactions and verify whether the vendor/seller has met their CGT obligations.

Although the law provides a range of exemptions, taxpayers should approach property transactions carefully. Failure to properly account for CGT may expose taxpayers to penalties and interest. Seeking professional advice before undertaking a transaction can help ensure compliance and identify legitimate tax-planning opportunities.

As property transactions continue to grow in Kenya, a clear understanding of CGT and its exemptions is essential not only for tax compliance but also for informed investment, business restructuring, and succession planning decisions.

The views expressed are those of the author and do not necessarily reflect the views of Ichiban Tax & Business Advisory LLP. The author is a Tax Advisor at Ichiban Tax & Business Advisory LLP.

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When Life Moves Too Fast For The Human Body

Why Healthy Living Is Not a Trend, But a Return to Balance in a Fast-Paced World

Compiled by Angela Mutiso

Have you ever felt that there are days when life seems to move faster than you can handle? Morning comes before our minds have caught up from the night, and by evening, many of us are still chasing messages, deadlines, unfinished thoughts, and worries that stay.

Our bodies go through the motions, but our minds often feel a step behind and somewhat overwhelmed.

If this goes on for too long, things start to shift. Living becomes just coping, and days feel like something to survive rather than enjoy. But deep down, most of us know we need balance, even if it's hard to put into words. We are not always meant to rush. Our bodies, minds, and hearts work best together, not fighting for our attention.

That's why people often misunderstand healthy living. It's usually seen as a list of rules or habits, but really, it's more about returning to what feels right. You listen to your body, and your mind will help guide you.

This return to balance starts with sleep, one of the most overlooked aspects of well-being. Sleep is not just about resting; it's when your body repairs itself, your mind sorts out the day, and your emotions settle. If you keep skipping sleep for work, worry, or scrolling on your phone, you might not notice the effects right away. Over time, though, you lose clarity, run out of patience, find decisions harder, and find your emotions harder to manage.

Whenever we are tired, our bodies seek stability, and food is often where the imbalance shows up first. We often see food as just fuel, but it's also about memory, culture, comfort, and

real nourishment. In busy lives, meals are rushed, skipped, or chosen for convenience rather than care. But our bodies remember what we eat. Fresh, natural foods give us an equilibrium that processed foods can't. When we eat better, our energy evens out, our moods improve, and our minds find a steady pace again.

What do we need to do to enjoy life?

Movement is a basic need that we often forget in modern life. Our bodies are made to move because it is a natural part of being alive. Walking, stretching, using our hands, dancing, or just moving throughout the day helps us stay connected to ourselves. When we spend long hours sitting, stuck in traffic, or looking at screens, moving becomes a way to reconnect and remember that our bodies matter too.

But good physical habits are not the

whole story. You can eat well, get enough sleep, and stay active, but still feel uneasy if you're tense inside. Health is just as much about emotions and relationships as it is about the body. Tension can settle in your body, making your muscles tight and your mind tired. Love does the opposite; it softens life's hard moments and helps us get through tough times. On the other hand, hate, whether you show it or keep it inside, becomes a burden that can lead to stress, fatigue, or even illness.

This is why relationships matter more than we think. Friends and family can heal us in ways we can't measure but can definitely feel. Talking to someone who hears without judging can lift a weight that silence only makes heavier.

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Laughing together can brighten a tough day. Even with all their flaws, families help ground us and remind us who we are beyond our daily roles. But in our busy lives, these connections are often the first to fade. Digital chats replace real presence, conversations become quick transactions, and over time, loneliness can grow even when we're surrounded by people.

Work often fills the gaps left by lost connections. Targets, deadlines, and expectations squeeze our time until days meld together and we feel worn out. But work itself is not the problem. We need to serve and create; it's part of being human. The trouble starts when we forget our boundaries and value productivity more than the people doing the work. Without balance, work can drain us instead of giving back.

The same kind of tension shows up in education. Learning should open our minds, but it can feel overwhelming when it's all about competition and constant testing. Real education is more than just passing on facts -it helps us understand. When we let curiosity lead, learning becomes interesting rather than tiring, and our minds start to explore rather than just take in information.

Appreciate Nature

Outside of our busy schedules, nature still has a quiet power. Fresh air, open skies, and everything else nature gives us bring a calm that modern life can't match. In nature, nothing is rushed, but everything keeps moving. Growth happens slowly and quietly; this helps us feel more balanced. Farming reflects this truth with particular clarity. Whether one works the land or simply observes it, farming makes us realise this lesson clearly. Whether you work the land or just watch it, farming reminds us that life moves in seasons, not by deadlines. Seeds don't grow faster if we're impatient, and soil doesn't respond to force. Growth comes from care, steady effort, and respecting the right timing. This simple truth holds wisdom for our

bodies and minds—they do best when cared for, not pushed too hard. We feel as though time has become even more elusive. We are better connected than ever, yet many people feel increasingly isolated. Information is plentiful, yet clarity is scarce. Over time, the pace becomes so familiar that stress stops feeling like a warning and starts feeling like a way of life, while calm begins to feel distant.

Even in this fast-paced world, life still gives us small chances to change. Change doesn't come all at once. It starts quietly, with noticing things—like how shallow our breathing is, how often we put off rest, or how easily we let distractions take the place of real connection.

Once we become aware, small changes start to happen almost naturally. We let ourselves rest without guilt, choose real nourishment over convenience, talk to others when we feel down instead of staying silent, and make time for nature in our daily lives; not as an escape, but as something we truly need. When we look at it this way, healthy living isn't just for a few disciplined people. It reminds us that we are physical, emotional, social, and spiritual all at once, and if we ignore one part, the others suffer. When all these parts work together, life feels less forced and more meaningful.

In the end, healthy living becomes visible in the small choices we make every day. It grows through learning, caring, how we spend our time, how we approach work, and how we care for our relationships. When we make space for these things, life feels less rushed and more connected.

As we slow down, we start to see that living well is really about how we affect the people around us. When we choose balance, we make space for meaning, connection, and a steady life that lasts even after the busy times pass.

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The Finance Architecture Behind Beta Healthcare's Regional Growth

Finance as a Strategic Partner in Multi-Market Expansion

At Beta Healthcare, the finance function has consistently served as a key driver of scale, discipline, and value creation.

This foundation has been further strengthened following the appointment of CPA Sharon Wamuni as Regional Head of Finance in September 2025, having previously served as Head of Finance for Beta Healthcare from June 2024, reinforcing the company's commitment to robust financial leadership and sustainable growth.

Founded in 1942, Beta Healthcare has grown from a local pharmaceutical manufacturer into a multi-market regional leader with manufacturing, sales, and distribution spanning East and Southern Africa, West Africa, and French-speaking markets. Driven by a strong export focus, the company supplies high-quality, affordable medicines to more than 10 African countries, including Kenya, Tanzania, Uganda, Rwanda, Burundi, Mozambique, Malawi, Zambia, Congo, Nigeria, and French West Africa.

Its portfolio includes prescription medicines, over-the-counter products, and established branded generics such as Maramoja, Action, Good Morning Lung Tonic, Hedex, Cofta, Coldril, Mucolyn, and Koflyn.

Beta Healthcare is wholly owned by Aspen Pharmacare Group, through Aspen Pharmacare Holdings Ltd, a South Af-



CPA Sharon Wamuni

Regional Head of Finance, Beta Healthcare International Ltd.

“With integrity as our compass, excellence as our standard, and value addition as our purpose, we not only build success but a sustainable legacy that endures.”

rica-headquartered, listed multinational with annual revenues exceeding €2 billion. Since Aspen's acquisition in 2012, its capital strength, technical expertise, and governance frameworks have enabled Beta Healthcare to transition into a multinational regional hub within

Aspen Sub-Saharan Africa, alongside Shelys Pharmaceuticals in Tanzania and Kama Industries in Ghana.

The region is led by CEO Bernhardt Nicklaus, whose results-driven and people-centric leadership has accelerated operational performance, strength-

ened internal controls, advanced digital transformation, and driven market expansion. This approach culminated in Beta Healthcare and Aspen Sub-Saharan Africa being named Aspen Group's Business Unit of the Year for FY2025 at the Group Awards held in April 2026.

Supporting this agenda is a cross-functional regional leadership team comprising Sharon Wamuni, Regional Head Finance; Muhul Jotaniya, Regional Head of Sales and Marketing; Gurcharan Matharu, General Manager Technical (Beta Healthcare); Duncan Abwawo, Head of Human Resources (Beta Healthcare); Chirag Patel, General Manager Technical (Shelys Pharmaceu-

ticals); and Nissa Mwaipyana, Head of Human Resources (Shelys Pharmaceuticals). The leadership team is further supported by a dedicated workforce of approximately 300 employees across Beta Healthcare, providing the operational depth required to execute the organisation's regional growth strategy.

In this Q&A, CPA Wamuni discusses how finance is shaping strategy, reinforcing governance, enabling scalable growth, and positioning Beta Healthcare for sustained performance across an increasingly complex regional operating environment.

As Regional Head of Finance at Beta Healthcare International, how does the

finance function contribute to shaping long-term strategy and supporting the company's growth ambitions within Kenya's expanding pharmaceutical manufacturing ecosystem?

The finance function at BHIL operates as a strategic partner to executive leadership and has evolved from the traditional role of data entry and financial reporting into a value-adding function that influences key strategic decisions and propels business growth.

By facilitating sound financial and business processes, the finance function has helped optimise profitability while maintaining strong cash flows. This has supported long-term strategic objectives by ensuring that funds generated



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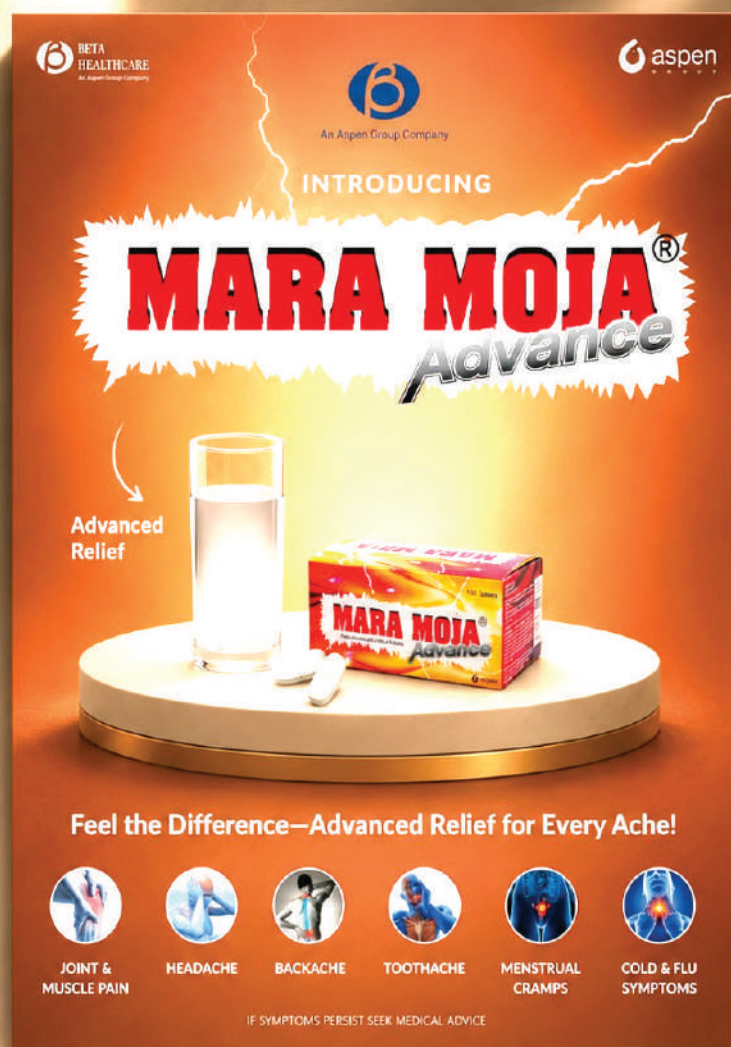
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from business operations are available for strategic capital projects, such as acquiring new, efficient production machines with higher output, as well as other investments, including brand acquisitions.

Finance also drives a comprehensive annual budgeting and forecasting process, including five-year plans, by coordinating and aligning inputs from all departments. This process plays a critical role in shaping long-term organisational objectives. Controlling business costs to ensure value for money and viable expenditure has resulted in higher free cash flow generation, translating into more discretionary funds for growth and expansion.

In addition, comprehensive evaluation and analysis of new business opportunities, supported by strong commercial insights and business acumen from key finance leaders, have enabled the company to assess the viability of new business development initiatives. Finance also manages commercial risks through effective credit control measures to ensure timely collections and supports competitiveness by working closely with commercial teams on various requests.

Monthly, comprehensive management reviews of company performance highlight and address areas for improvement, ensure KPIs are achieved, and keep all departments aligned to strategic growth objectives, profit maximisation initiatives, and risk mitigation measures. A strong focus on export market revenue growth analysis during these reviews has helped increase exports of manufactured products by almost 120% over the last two years, positioning Beta Healthcare as a regional hub for supplying quality, effective, and affordable pharmaceutical products.

Finance leaders are increasingly expected to be strategic partners to the business. How has your department strengthened decision-making across the organisation, and where possible, how has this translated into measurable improvements in performance or efficiency?

Through the development of a strong business mindset and transformational leadership initiatives, the finance team

has evolved into a key strategic partner to the business. The timely provision of comprehensive financial analysis, advice on business process improvements, and growth insights for investment projects has enabled executive leadership to make critical decisions promptly, improve business process efficiency, and position the company for growth.

By coordinating monthly, comprehensive management reviews of company performance and highlighting areas of concern, the finance team has helped improve performance and efficiency across various departments. The team has also played an instrumental role in cross-functional alignment with departmental leaders on business growth initiatives and operational matters.

This collaborative approach ensures that inputs from other leaders and their teams are considered before key decisions are made. As a result, teamwork across departments has strengthened significantly, leading to improved efficiency and effectiveness in business processes.

With government policy encouraging local pharmaceutical manufacturing, how has the finance function aligned capital planning and investment priorities to support capacity expansion and long-term value creation?

Over the last three years, finance has facilitated investment in new, modern, and efficient production machines through disciplined cash flow planning and capital expenditure budget allocation. These investments have significantly increased production capacity and efficiency, enabling the company to produce more and support export sales while aligning with long-term value-creation objectives.

When assessing major initiatives such as new product launches, manufacturing expansion, or regional market entry, what financial frameworks guide these decisions, and how do you evaluate their impact on returns, margins, or capital efficiency?

Assessment of major growth initiatives, including new product launches and product or company acquisitions, is guided by Discounted Cash Flow models. These assess the intrinsic value of

investments based on future cash flow projections, using Net Present Value and Internal Rate of Return metrics.

Regional market entry decisions are guided by a strategic risk framework that evaluates product viability, the patient need being addressed, product cost, patient purchasing power, and overall market viability or available market segment relative to competing brands. This ensures that investments meet expected returns.

The impact on margins and returns is evaluated through monthly revenue and gross profit margin analysis, based on expected selling prices and product cost structures. Performance is tracked monthly after launch to assess whether new products are delivering against expectations. Manufacturing expansion initiatives are guided by capital-rationing frameworks that consider profitability, expected output, efficiency gains, and the available cash to fund such investments.

Operating in a highly regulated and competitive environment, how does the finance team support cost optimisation, inventory management, and supply chain efficiency while maintaining high standards of quality and regulatory compliance?

Finance is the key department mandated with reviewing and approving business costs and purchase orders for inventory and all other business purchases. This ensures compliance with regulatory requirements, quality standards, and company policies.

Through meticulous review of costs and purchase orders by the Head of Finance and the Regional Head of Finance, the finance team has ensured procurement policies are strictly adhered to, and expenses are properly supported and justified as necessary for business operations. This disciplined approach has enabled effective cost optimisation and strengthened inventory management while maintaining high standards of regulatory and quality compliance.

In the context of inflation, currency volatility, and regional economic uncertainty, what steps has your department taken to strengthen financial resilience,

and how have these measures improved predictability or risk management outcomes?

For foreign currency payments, we obtain real-time comparative quotes from various banks based on prevailing exchange rates. This approach helps hedge against foreign exchange losses. In addition, we utilise sweep and fixed deposit accounts that generate attractive interest on cash balances maintained, strengthening liquidity management and overall financial resilience.

Digital transformation is reshaping finance globally. What systems, analytics tools, or automation initiatives has the company adopted, and how have these improved reporting quality, cycle times, or management decision-making?

Over the last two years, our IT and finance departments have automated several business processes, significantly improving efficiency across departments. These initiatives include online document approvals through Adobe, which have simplified approval workflows and improved managerial efficiency.

We have also implemented an online leave and payroll portal to manage employee data more efficiently, automated daily sales reports that provide managers with real-time insights into daily performance relative to comparable periods, and automated daily inventory reports that show the products are available for sale.

In addition, the recent automation of the annual stock-take process, moving from manual physical counts to a technology-driven solution, has improved efficiency and significantly reduced errors.

Can you share an example where data-driven insights from the finance function influenced a strategic or operational decision, and what tangible results followed?

Analysis of sales and new business development initiatives through detailed product and brand growth reviews led to a strategic decision to subscribe, under a formal non-disclosure agreement (NDA), to an external pharmaceutical

sales data platform (IQVIA) in Kenya. This platform provides advanced analytics and clinical research data, including disease patterns and prescription trends, enabling critical evaluation of the viability of new products for acquisition or development.

A detailed review of inventory holding also led to enhanced controls on detailed stock liquidation data supporting the procurement of raw and packaging materials. This resulted in significant improvements in inventory management, reduced over-procurement and excess stockholding, and has also led to a substantial reduction in inventory write-offs over the last two years. It also informed the strategic decision to subscribe to a global external data platform on Active Pharmaceutical Ingredients (APIs), providing insights on supply, pricing, and major importers into East Africa, ensuring raw materials are sourced at globally competitive prices.

ESG considerations are increasingly important to investors, regulators, and government stakeholders. How does the finance function track, integrate, and communicate sustainability and governance outcomes, and why is this important for long-term value creation?

Through coordinated monthly technical reviews, finance tracks ESG metrics related to energy consumption and savings from solar use. This analysis has supported increased investment in solar panels to reduce energy costs. Waste management, waste sales, and water consumption are also tracked monthly.

Our business unit KPIs include diversity and inclusion metrics for minority groups, while governance structures are strongly guided by ethical business conduct for leaders, managers, and all stakeholders. Governance performance is a key KPI tracked quarterly and annually at the Group level, reinforcing long-term value creation and stakeholder confidence.

Looking ahead, what capabilities do finance professionals need to remain strategic leaders? How are you developing the next generation of finance talent within the organisation, and what excites you most about the company's role in shaping Kenya's pharmaceuti-

cal manufacturing future over the next three to five years?

To remain relevant and impactful, finance professionals must evolve beyond transactional accounting into strategic partners who actively shape business outcomes. This requires a strong combination of analytical expertise to simulate future scenarios and advise executive leadership on business continuity and relevance, as well as commercial insight and business acumen to understand market dynamics, assess risks, and align budgets and forecasts with strategic and operational goals.

A transformational leadership mindset is equally critical. Finance leaders must be trusted advisors to non-finance teams and executive leadership by guiding change management initiatives and translating complex financial metrics into clear, compelling narratives that support informed decision-making and improve financial health.

The initiatives I continuously undertake to develop the finance team include regular leadership and management training for personal growth, bi-weekly one-on-one sessions with direct reports to discuss improvement initiatives and mindset development, and monthly team meetings focused on leadership, work approach, and effective management of finance responsibilities. I also engage the team in quarterly or semi-annual activities such as team-building sessions and team dinners, creating forums for shared learning and wisdom. All these initiatives aim to replicate leadership within the finance function and embed a strong business mindset across the team.

What excites me most about the company's role in shaping Kenya's pharmaceutical manufacturing future over the next three to five years is our focus on innovation, launching new products that directly address patient needs, alongside targeted capital investments in efficient, higher-output production machinery to meet growing market demand. In parallel, our ongoing and intentional scientific engagement with healthcare practitioners remains critical to ensuring patient needs are met through modern, effective pharmaceutical solutions.

From Finance to Enterprise Strategy

That future-facing focus extends beyond the finance function to the business's wider strategic direction. **Bernhardt Nicklaus**, Chief Executive Officer of Aspen Pharmacare's Sub-Saharan Africa operations, which include Beta Healthcare International Ltd, brings that broader perspective to the strategic decisions shaping the company's regional expansion, long-term value creation, and leadership culture.

Beta Healthcare's growth into a multi-market regional pharmaceutical player has been driven by Aspen Group's strategic initiatives, including targeted product acquisitions, a focus on high gross-profit products, cost optimisation, and sustained investment in people development. Together, these priorities have underpinned the company's current business growth and success, while positioning Beta Healthcare to play a more influential role within Kenya's pharmaceutical manufacturing ecosystem.

As the organisation pursues new products, manufacturing expansion, and regional market opportunities, investment decisions are guided by a long-term perspective. In particular, analysis of new product and expansion initiatives is anchored in a minimum five-year planning horizon to ensure long-term value creation. Sustainability remains a core consideration across all initiatives, supporting enduring relevance and resilience in an increasingly complex operating environment.

In a sector where precision is critical, operational efficiency is pursued without compromising quality, compliance, or patient safety. Accordingly, vendor audits are conducted for raw material and packaging material suppliers in line with Good Manufacturing Practice (GMP) standards to ensure full compliance. At the same time, increased batch output and detailed batch-yield analysis across manufacturing facilities have

played an important role in improving efficiency and reducing costs. This is reinforced by dedicated Quality Control and Quality Assurance teams that test every batch produced and oversee compliance throughout the production process, supported by modern laboratory equipment that enables efficient and rigorous quality control.

Macroeconomic volatility has further sharpened the organisation's focus on resilience. To manage this, selling selected imported traded products in US dollars and Euros has helped hedge against foreign currency fluctuations, complemented by ongoing monthly exchange-rate reviews to assess the need for additional hedging measures in response to significant movements.

Digital transformation has become a critical enabler of informed decision-making across the business. Given that quality and investment decisions rely on both historical and forward-looking data, access to timely information is essential. To support this, system improvements now enable daily access to real-time data, including sales analysis reports, while investment in global data platforms such as IQVIA provides advanced analytics and clinical research insights into disease patterns and prescription trends. These insights support rigorous evaluation of new product acquisition and development opportunities. In addition, subscriptions to Zenrics.com further enhance visibility into Active Pharmaceutical Ingredient supply, pricing, and key importers into East Africa, ensuring raw materials are sourced at globally competitive prices. At the same time, technology investments are pursued with discipline, carefully aligning data and process requirements to ensure value for money.

Looking ahead, sustained success will depend on leadership and culture as much as strategy. A people-centric and



Bernhardt Nicklaus
Chief Executive Officer
Aspen Pharmacare's
Sub-Saharan Africa operations

transparent culture where employees are valued and empowered, has already been instrumental in creating an enabling environment for high performance. This is reinforced by a transparent, accountable, and results-oriented leadership approach that strengthens cross-departmental teamwork, aligns contributions with growth objectives, and embeds shared accountability. Looking to the next three to five years, continued emphasis on employee empowerment and mentorship will remain a priority, supported by structured training needs assessments and role-specific development to ensure teams are fully equipped to excel.



The Science of Clean Blood

How The Body Keeps Blood Healthy and Why It Matters

Compiled by Angela Mutiso

Mwikali woke up tired for the eighteenth month in a row. She was forty-one, ran a small accounting firm in Machakos, and had come to accept fatigue as part of adulthood.

Deadlines, staff pressures, children, rising costs, responsibility. Most people she knew were tired. So, she kept going.

What unsettled her was not the exhaustion itself, but how little relief rest brought. Eight hours of sleep did not restore her. Weekends passed without recovery. By mid-afternoon, her concentration thinned, and she found herself yawning through meetings she once handled with ease.

The comment came casually.

“Mama, that white thing on your tongue

never goes away.”

Her house-help had noticed it. Mwikali laughed it off, then later stood in front of the mirror. The coating was there, thick and yellow-white, stubbornly clinging each morning. Scraping did not shift it. Around the same time, her gums began bleeding when she brushed. Small paper cuts stayed on for days, then weeks. Her skin itched without a rash. She drank coffee to stay alert, but still felt heavy and foggy.

When she eventually saw a doctor, the results were uncomfortable but clear. Elevated urea. Increased blood viscosity. Early markers of kidney strain. There was no dramatic diagnosis and no single toxin to blame. Just accumulation. Her blood was overloaded.

Not poisoned, but burdened by years of mild dehydration, ultra-processed

foods, constant stress, and never quite allowing the body time to recover. Her organs had compensated quietly. Now they were signalling strain. For a long time, she had not been listening to her body.

Why blood matters more than most people realise

Blood is not symbolic. It is mechanical, essential, and unforgiving. It is the body's only transport system. There is no alternative route. Oxygen reaches roughly thirty trillion cells because blood carries it from the lungs. Nutrients reach tissues that cannot store them because blood delivers them. Hormones, immune cells, clotting factors, electrolytes, and signalling molecules all travel through this same fluid. Waste travels back along the

same route: carbon dioxide to the lungs, nitrogenous waste to the kidneys, toxins to the liver.

An adult carries about five litres of blood. At rest, that volume circulates the body roughly once every minute. During exertion, circulation accelerates sharply. No tissue tolerates interruption for long. Brain cells begin to suffer irreversible injury within minutes without oxygenated blood. The kidneys, which filter the entire plasma volume dozens of times daily, begin to fail within hours if circulation is compromised.

This is why blood quality is not a wellness slogan. It is a physiological requirement. Blood that becomes thick, inflamed, or overloaded with waste does not fail locally. It slows everything at once. Energy drops. Cognition dulls. Healing delays. Hormonal signalling weakens.

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The decline is gradual enough to be mistaken for normal ageing until damage is well established.

Large population studies have repeatedly demonstrated this. Blood viscosity independently predicts heart attacks and strokes. Higher circulating toxin levels correlate with poorer memory, slower processing speed, and reduced executive function. These are not abstract associations, but measurable outcomes.

How the body keeps blood usable

The body does not rely on intention or willpower to maintain blood quality. It relies on continuous filtration. Two organs do most of this work. The liver receives roughly 1.5 litres of blood per minute. It performs hundreds of documented functions, many of which are related to detoxification. It converts ammonia, a highly toxic by-product of protein metabolism, into urea, which the kidneys can then remove. It modifies fat-soluble chemicals through enzyme systems, making them water-soluble and easier to excrete. It packages waste into bile and directs it toward elimination.

The kidneys handle precision and volume. Each kidney contains about one million filtering units called nephrons. Blood enters under pressure. Water, electrolytes, urea, creatinine, and small molecules are filtered. What the body needs is reclaimed. The rest becomes urine. In a healthy adult, roughly 60 grams of urea and 2 grams of creatinine are excreted daily through this process. These systems are remarkably efficient. They are also finite.

Modern life steadily increases its workload. Highly processed food introduces oxidised fats and chemical additives. Dehydration concentrates waste. Alcohol demands detoxification priority. Environmental pollutants add a chemical burden. Chronic stress alters blood flow and inflammatory signalling. None of this causes immediate failure. Instead, it pushes the system closer to its limits year after year.

When demand consistently exceeds capacity, waste accumulates in circulation. Blood becomes harder to move, harder to filter, and less able to deliver nutrients to tissues.

What happens when blood quality declines

Research consistently identifies several overlapping mechanisms; Increased viscosity is one of the earliest. When blood thickens, whether due to dehydration, elevated fibrinogen levels, or changes in red blood cell behaviour, the heart must work harder to move it. Thick blood flows poorly through small vessels, encouraging cell aggregation and microcirculatory damage. People with the highest viscosity carry significantly higher cardiovascular risk.

Retention of nitrogenous waste follows. Urea and creatinine are not inert. Even mild elevations affect nerve function, skin receptors, and cognitive clarity. Fatigue, itching, nausea, and mental slowing often appear long before overt kidney disease.

Protein glycation adds another layer of damage. Excess glucose binds to proteins and vessel walls, forming advanced glycation end products. These stiffen arteries, damage capillaries, and impair oxygen delivery. Elevated glycation predicts faster cognitive decline even in people without diabetes.

Lipid oxidation contributes to vascular injury. Oxidised fats trigger inflammation inside blood vessels. Over time, this leads to plaque formation and instability. When plaques rupture, clots form. This is the biological basis of most heart attacks and strokes.

Low-grade exposure to toxic metal compounds the problem. Lead, mercury, and cadmium are present at measurable levels in most adults. Even concentrations once considered acceptable are associated with higher blood pressure, mood disturbances, and memory impairment. None of these processes announces itself dramatically. They accumulate quietly.

Habits that consistently improve blood quality

The encouraging reality is that the most effective interventions are ordinary. Hydration matters more than most people realise. Adding even two additional cups of water daily reduces blood viscosity within weeks. Morning hydration is especially important. Overnight fluid loss thickens blood measurably by morning. A single glass upon waking helps restore baseline flow.

Sweating is another overlooked pathway. Sweat contains measurable amounts of heavy metals. Regular sauna use has been shown to reduce circulating levels of arsenic, cadmium, and lead. Even one sustained heat session per week promotes elimination pathways that fibre alone cannot reach.

Breathing patterns influence inflammation. Slow, controlled breathing with longer exhalations



This is why blood quality is not a wellness slogan. It is a physiological requirement. Blood that becomes thick, inflamed, or overloaded with waste does not fail locally. It slows everything at once. Energy drops. Cognition dulls. Healing delays. Hormonal signalling weakens. The decline is gradual enough to be mistaken for normal ageing until damage is well established.

activates parasympathetic pathways. Over several weeks, this reduces inflammatory markers associated with vascular damage.

Movement after meals is deceptively powerful. Ten minutes of walking after eating blunts triglyceride spikes dramatically. Muscle contraction clears fats from the bloodstream without relying on insulin. This repeatedly protects blood vessels, meal after meal.

Dietary composition matters, but not in extreme ways. Regular intake of cruciferous vegetables measurably increases liver detoxification enzyme activity within days. This improves waste processing efficiency without the need for supplements.

Periodic fasting allows a deeper clean-up. Extended intervals without food activate autophagy, the process by which cells dismantle damaged proteins and dysfunctional components. Even once-weekly longer fasts significantly increase markers of cellular repair.

Avoiding industrial seed oils reduces oxidative load. Oils high in unstable polyunsaturated fats generate lipid peroxides when heated. These circulate and damage vessel walls. Traditional fats such as butter and olive oil produce fewer oxidative by-products under normal cooking conditions.

When to see the Doctor

There are times when natural filtration is no longer sufficient. Hemodialysis replaces kidney filtration when kidney function fails, removing the majority of circulating urea and creatinine several times weekly. Chelation therapy binds heavy metals under strict medical supervision. Plasmapheresis removes harmful antibodies in autoimmune conditions. Lipid apheresis filters LDL cholesterol in rare genetic disorders. These interventions save lives. They do not reverse years of overload. They are rescue measures, not maintenance strategies.

Signs the body may be struggling

Laboratory testing is definitive. Symptoms are early warnings. Persistent tongue coating correlates with elevated urea and inflammation. Dark urine despite hydration suggests concentrated waste. Sweet breath indicates high blood glucose. Ammonia-like breath suggests urea accumulation. Itching without rash often reflects circulating waste irritating nerve endings. Bleeding gums correlate with systemic inflammation. Excessive daytime yawning despite sleep suggests impaired gas exchange. Slow wound healing reflects blood thickness and cell rigidity. Difficulty retrieving common words often accompanies microvascular damage.

A simple capillary refill test offers clues. Press a fingernail until it turns white, then release. Colour should return within two seconds. Longer suggests sluggish microcirculation.

Mwikali had many of these signs. She did not require machines or medication. Over three months, she drank water consistently, walked after meals, fasted weekly, and removed heavily processed foods. Her tongue cleared. Her gums healed. Her laboratory values normalised. Nothing dramatic happened. That was the point.

To summarize, blood maintains itself when the body is not overwhelmed. The liver and kidneys are not fragile. They are overworked. The evidence is consistent. Reduce the burden. Hydrate steadily. Move regularly. Allow periods of rest from constant intake.

No herb replaces these foundations. No hospital machine repairs long-term neglect. The solutions that endure are simple, repetitive, and low-key.

That is why they work.

Health Tips

Turmeric: Lowers systemic inflammation and reduces blood cell stickiness.

Burdock root: Increases bile produc-

tion, helping remove waste from the blood. (*Burdock root is the long, slender root of the burdock plant, traditionally used in herbal medicine for its detoxifying properties. It is known to support liver function and promote the removal of waste from the bloodstream.*)

Red clover: Improves lymphatic flow for better clearance of cellular debris.

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Dandelion root: Supports liver detoxification enzymes without depleting potassium.

Neem: Reduces blood urea and glucose levels.

Use these herbs as supportive measures alongside healthy habits, and always check for medication interactions before use.

Remember; Always consult your doctor if symptoms continue.

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What is different about the 2026 FIFA World Cup?

The 2026 FIFA World Cup is the largest and longest tournament in history. For the first time, the competition has expanded from 32 to 48 teams. It is also the first time the tournament is jointly hosted by three nations; the USA, Canada, and Mexico, spanning 16 cities and lasting 39 days.

Source: Aljazeera



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Nigeria to seek compensation for fleeing citizens

Nigeria says it will seek compensation from South Africa for citizens who abandoned homes and businesses while fleeing the recent anti-illegal migration protests. Officials say the matter will be raised through diplomatic channels at the highest levels of government. Meanwhile, Nigeria's Acting High Commissioner to South Africa stated that authorities have begun cataloguing homes, vehicles, and businesses left behind, urging evacuees to record their losses carefully. More than 600 Nigerians have already been repatriated, while hundreds more await evacuation. South African authorities maintain that many returnees were in the country illegally, a claim Nigeria disputes. The protests, led by groups demanding tougher action against undocumented migrants, have prompted about 25,000 foreign nationals to leave South Africa.

Source: BBC

UN reports growing M23 force

A new United Nations report finds that Rwanda-backed M23 rebels have grown to roughly 30,000 fighters and are strengthening their grip on eastern Congo, despite a US-brokered peace agreement. UN experts say the accord has produced little real progress, describing recent troop movements as mere repositioning rather than genuine de-escalation. The report accuses Congo's government of continuing to cooperate with a Rwandan rebel faction in breach of its commitments. It also accuses M23 of building parallel governance and financial systems in occupied territory and recruiting from refugee camps and local communities. Both sides are increasingly using armed drones, heightening risks to civilians. Rwanda's government has rejected the report's framing, accusing it of ignoring Congo's own alleged militia ties.

Source: Bloomberg



UK's Africa strategy faces uncertainty

Keir Starmer entered office in 2024 promising to rebuild Britain's relationship with Africa through investment, trade, and long-term partnerships. While his government strengthened ties with countries such as South Africa and Nigeria through initiatives in infrastructure, technology, and critical minerals, many projects failed to deliver measurable results before Starmer resigned in June 2026. Internal reshuffles removed key architects of the Africa strategy, while global crises in Ukraine and the Middle East diverted attention and resources. Shrinking UK aid spending, expected to fall further by 2027, compounded the drift. While the UK remains an influential diplomatic partner, particularly through the UN Security Council, experts argue the next government must demonstrate greater consistency if it hopes to rebuild trust and sustain meaningful engagement across Africa.

Source: DW



MEMORABLE QUOTES

One of the strongest messages emerging across Africa today is that transformation will not be accelerated by competition alone, but by collaboration between governments, professionals, business leaders, academia, development partners, and civil society.

Remarks by CPA Prof. Elizabeth Kalunda, Chairman- ICPAK, During the Official Opening of the 43rd Annual Seminar Edition I.

“As we begin this 43rd Annual Seminar, may we challenge ourselves to think beyond routine professional practice. May we think about the kind of institutions we are helping to build, about the influence we carry in boardrooms, organizations, governments, and communities, and recognize that in moments of uncertainty, professions are not judged only by their technical competence — they are judged by the trust they inspire.”

Remarks by CPA Dr. Grace Kamau, CEO- ICPAK, During the Official Opening of the 43rd Annual Seminar Edition I.

“The Accountancy profession is in the very heart of those who influence growth in the continent of Africa.”

Chief Guest, and Keynote Speaker of the 43rd Annual Seminar Prof. PLO Lumumba.

“Influence must be grounded in ethics because competence without integrity is dangerous. True professionalism goes beyond skill to accountability, transparency, and commitment to the public good.”

Hon. Lady Justice Philomena Mwilu, EGH Deputy Chief Justice & Vice President of the Supreme Court of Kenya during the closing of the 43rd Annual Seminar Edition I.

“As I escorted you to school, you hugged me twice and those will be my memories of you; it is very difficult to say these words from my mouth; rest in eternal peace, my love.”

Dennis Nyakeri, the father of 15 year-year old Sheryl Onderi, who passed away during the Utumishi Girls’ Academy fire, which claimed the lives of 16 students and injured several others. He was overwhelmed during her burial.

Source: Phoenix

“I am definitely not of the school of automatically giving my kids some shares of the companies, even if they have no interest or inclination or ability to manage the company... I think that’s a mistake.”

These words were spoken by Elon Musk. He holds multiple executive and leadership positions across the global technology and space industries. He is the Chief Executive Officer (CEO) and product architect of Tesla, Inc., and serves as the founder, CEO, and CTO of SpaceX. He became the World’s richest individual and has been described as a trillionaire following a surge in valuation tied to SpaceX.

Rethinking the Internet of Things

Title: Rethinking the Internet of Things:
A Scalable Approach to Connecting Everything.
Author: Francis daCosta (with Byron Henderson)

Reviewed by Angela Mutiso

Category: Information Technology
Publisher: Apress

Here's the problem. The internet we use today was never designed for billions of tiny sensors, valves, and machines. This book explains what to do about it.

Francis DaCosta explores an important but often overlooked idea: the Internet of Things is not simply a larger or faster version of today's internet. Rather than extending familiar web logic, it requires a different way of thinking about communication.

Across eight tightly argued chapters, the book builds from this premise and guides readers toward a new framework for how connected devices should interact as their numbers scale into the billions. It notes that the Internet of Things requires a new solution. The architecture of the original Internet was created long before communicating with billions of very simple devices, such as sensors and appliances, was ever envisioned.

The first chapter, titled "*It's Different Out Here*," sets the stage. DaCosta encourages readers to look beyond familiar screens and consider where most connected devices are: in fields, factories, pipes, roads, and machines. These devices don't browse, search, or consume content. Instead, they sense, measure, and act. DaCosta uses subtle humour to point out that treating a soil sensor or a pressure valve like a laptop is a mistake the industry often makes. This chapter is important because it challenges common assumptions and helps readers see connectivity in a new way.

Chapter 2, "*Anatomy of the Internet of Things*," deepens that argument. In this chapter, daCosta breaks IoT down into its main parts: end devices, communication layers, data handling, and decision systems. Instead of making things more complicated, he shows where complexity already exists and explains that much of it comes from old habits rather than real needs. In a field full of buzzwords, this chapter stands out by treating IoT as a whole system and showing how inefficiency often starts before devices are even used.

Chapter 3, "*On the Edge*," pushes the critique further by examining where most IoT devices actually operate. These sensors and actuators are small, cheap, and low-power, but they are often expected to use complex internet protocols designed for desktop computers. DaCosta argues, both technically and simply, that forcing these small devices to use full protocol stacks raises costs, uses more energy, and tries to solve problems they don't have. He compares this to asking a bicycle to do a freight vehicle's job. As edge computing becomes more important, this chapter feels especially relevant.

Running quietly through these chapters is a progressively unsettling idea, sometimes framed in the book as "*humans need not apply*." DaCosta is not arguing for the removal of people from the internet, but for a change in its centre of gravity. The traditional internet is built around human attention, screens, clicks, and interaction. The IoT internet he describes is largely machine-to-machine, autonomous, and indifferent to whether a human is watching. Signals are exchanged and decisions triggered without pause for interpretation. The implication is subtle though firm: unless humans understand this new logic and position themselves where design, interpretation, and oversight occur, they risk becoming peripheral to systems they once controlled.

From there, the book builds its alternative vision. Chapter 4, "*Building a Web of Things*," leads into Chapter 5, "*Small Data, Big Data, and Human Interaction*," and introduces the idea of "chirps" - small, efficient machine signals that make up most IoT communication. Humans do not sit in the middle of these exchanges; they appear later, when patterns are aggregated, and meaning is extracted.

Chapter 6, "*Architecture for the Frontier*," offers the book's most concrete proposal: an alternative structure built around end devices, propagator nodes, and integrator functions, designed to coexist with the existing internet rather than replace it. Chapter 7, "*Examples and Applications*," then grounds these ideas in real-world settings,



while Chapter 8, "*Pathways to the Internet of Things*," closes by looking ahead and offering direction rather than prediction.

What gives the book its lasting weight is its perspective. Francis daCosta writes from experience in networking and distributed systems, not from fascination with novelty. He understands the internet as infrastructure, with limits, trade-offs, and consequences.

More than a decade on, as automation and AI increasingly shape decision-making systems, *Rethinking the Internet of Things* reads less like speculation and more like early instruction. It reminds us that the future internet will not wait for human comfort. This book reframes how we think about the Internet of Things. It explains why IoT cannot rely on the same architecture as the traditional internet, introduces a new "chirp"-based approach to communication, and shows where IP falls short at massive scale. Readers learn the core building blocks of IoT and what it takes to design networks that unlock its real potential rather than constrain it.

It is written for decision-makers and builders shaping the future of connected systems: executives, architects, standards leaders, and developers, as well as organisations looking to adapt existing products into intelligent devices without incurring unnecessary cost or complexity. This book serves as a blueprint for engineers and researchers to design future-proof IoT systems that can handle billions of connected devices without collapsing under the weight of inefficiency. Above all, it speaks to anyone who wants to understand how the internet must grow, and how to stay relevant as that change accelerates.

Most people will try to build the future the old way. That won't work. This book shows another way.

This book is available online and in leading bookshops.



The Roaring Silence: A Journey to the Waterfalls of Bomet County

“Take Care of The Land, And the Falls Take Care of Us”

By Alfrique O. Mwana

A local Swahili proverb says, *kutembea kwingi ndiko kuona mengi - the more you travel, the more you experience*. Bomet County is a perfect example of this. Bomet, known for fresh produce, has more to offer than just food.

Here, the land opens wide, and the waterfalls sing a sound you can feel in your bones.

Its lyrics are water, falling from great heights, hitting rocks and pools with a sound that feels older than time. When the waters roar, the mind goes quiet.

Bomet County is green – the kind that hurts your eyes in the morning sun. Tea plantations roll over the hills like a soft, endless blanket. Maize farms climb the slopes. The air is cool and sweet, even in the dry months. Rivers run everywhere,

some wide and lazy, some narrow and angry. But the best are the ones that fall: the waterfalls of Bomet – Cheploch, Nyangores, and Kapkatet. Each fall has its own voice, its own story. Together, they speak to the people of Bomet. But these days, the people are also speaking back to them – guarding them, worrying over them, planting trees along their banks.

Cheploch – The Guardian That Growls

The Cheploch Gorge features a series of cascading waterfalls, where the river forces its way through a narrow rock cut. The water is brown, heavy with soil from upstream. But when the sun hits just right, you see flashes of gold, as if the river carries treasure. The sound of Cheploch is a deep, constant rumble. It does not shout. It growls. You feel it first in your chest before it reaches your ears. The rocks are black and smooth, carved

over centuries by the water’s patience. Moss grows in the cracks. Small birds with bright yellow chests sit on the wet stones and sing back at the falls.

Local elders say Cheploch is the guardian of the county’s secrets. If you sit by the gorge long enough, the water will show you the truth you’ve been hiding. That’s why people come before making big decisions – marriage, travel, starting a business. They sit, listen, and often leave with a clear mind.

Cheploch is also dangerous. The rocks are slippery, the current is strong. Every few years, someone falls in; sometimes they are saved, sometimes not. The falls do not mean harm, but they do not make exceptions for carelessness.

What has changed is this: upstream, farmers have begun planting napier grass along the riverbanks. Not because anyone forced them. Because the soil

was washing away so fast that Cheploch's water turned from brown to red, and the gold flashes almost disappeared. A local water resources association now meets once a month under a fig tree. They monitor erosion. They fine a man

who cuts trees too close to the river. "Take care of the land," one elder told me, "and the falls take care of us." Ignore Cheploch, and it will still remind you who is stronger. But now, people are learning not to need that reminder.

Nyangores – Where You Go to Let Go

A few hours' walk from Cheploch, behind a wall of cedar trees, lies Nyangores. This waterfall is completely different. While Cheploch is loud and rough, Nyangores is soft and wide. Water spreads over a smooth rock face like a white curtain. It does not roar. It whispers and hums. The pool below is deep green, and so still that you can see your own face.

Locals say Nyangores is for thinking, grieving, remembering. People come alone – widows to cry, fathers to pray for children, young people to write poetry and fold it into boats to sail on the pool. The boats almost always sink before reaching the other side. That is the point. Nyangores teaches that some things are meant to be let go.

There is no railing, ticket booth, or shop. It is just you, the water, and the forest. A few years ago, a developer wanted to build a viewing deck and a snack kiosk. The community said no. Instead, they planted two thousand indigenous trees behind the cedar wall – podo, cordia, croton. Now, school groups come not just to see the falls, but to learn why some places deserve nothing but respect. A handwritten sign nailed to a tree says: "Carry out what you carry in." *Nyangores is not a bin.*

During the rainy season, Nyangores grows twice as wide. The whisper becomes a loud murmur, and the green pool turns brown, churning like boiling tea. But even then, there is peace. The falls simply become more of what they are.

Kapkatet – The Tallest, The Testing Ground

Then there is Kapkatet, which in the local dialect means *the place of the steep drop* – a modest name for something enormous. Kapkatet is the tallest waterfall in Bomet County, dropping nearly eighty metres – almost the height of a twenty-storey building. The water does not fall gently. It throws itself off the cliff with total abandon. The sound begins as distant thunder half a kilometre away. As you get closer, it becomes a roar. At the edge, it is everything – you cannot hear your voice, the birds, or the wind. All you hear is the thunder of water falling.

The spray rises like smoke. On sunny afternoons, rainbows live in that spray, appearing and disappearing like coloured doors. The ground near the edge is always wet. Moss and ferns grow thick here, loving the mist.

Local tradition says Kapkatet is the meeting point between the living and ancestors. Elders say the water carries messages from below to above. That is why, during drought or trouble, the community gathers here. They whisper prayers, believing the water carries them to the heavens.

Kapkatet is also a testing ground. In the old days, young warriors were brought

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Bomet County is green – the kind that hurts your eyes in the morning sun. Tea plantations roll over the hills like a soft, endless blanket. Maize farms climb the slopes. The air is cool and sweet, even in the dry months. Rivers run everywhere, some wide and lazy, some narrow and angry. But the best are the ones that fall: the waterfalls of Bomet – Cheploch, Nyangores, and Kapkatet. Each fall has its own voice, its own story. Together, they speak to the people of Bomet. But these days, the people are also speaking back to them – guarding them, worrying over them, planting trees along their banks.



here to prove their courage – standing at the edge for a full minute without stepping back. Those who failed trained more; those who succeeded took on new responsibilities. Today, some young people still do this privately. Not because anyone forces them, but because the falls still ask: *Are you ready to face what scares you?* That same courage now shows up in a different way. Young farmers from the Nyangores catchment now lead village tree-planting days. They say a person who respects the edge of a waterfall will also respect a river's source.

The Pressure Beneath the Beauty

But the waterfalls are not eternal in the way a first-time visitor imagines.

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What has changed is this: upstream, farmers have begun planting napier grass along the riverbanks. Not because anyone forced them. Because the soil was washing away so fast that Cheploch's water turned from brown to red, and the gold flashes almost disappeared. A local water resources association now meets once a month under a fig tree. They monitor erosion. They fine a man who cuts trees too close to the river. “Take care of the land,” one elder told me, “and the falls take care of us.” Ignore Cheploch, and it will still remind you who is stronger. But now, people are learning not to need that reminder.

Upstream, Bomet's population is growing. More tea factories mean more water drawn from the same rivers. During the driest months – January, February – Kapkatet's roar has softened to a whisper that worries elders. “The falls have never been this thin in my father's time,” a man named Kipruto told me, gesturing toward the spray. “That spray used to reach twice as high.”

Climate charts tell the same story: shorter long rains, hotter dry spells. The water that falls at Kapkatet travels through farms, past homesteads, through pipes to mulching sheds. By the time it reaches the gorge, it is already borrowed. The question is not whether the waterfalls will survive – they will. The question is what kind of falls will be left for the next generation, and who will choose to defend them.

The Seasons – When to Watch, When to Stay Back

The waterfalls change with the rains. From March to June, the long rains come, rivers swell, and the falls become giants. The sound of Kapkatet can be heard from villages two kilometres away. The water turns brown and angry – this is not the time for swimming or standing close, but for watching from a safe distance and feeling the power of nature.

From July to October, as the rains slow, the falls become clearer. The brown water turns greenish, then almost clear. You can see the rocks at the bottom of the pools. Families come with picnic baskets. Children play in shallow streams. Lovers take photographs. This is the gentle season, the friendly face of the waterfalls.

November and December bring short rains, and the falls wake up again, but not as fiercely. From January to February, the dry months, the falls become thin. Kapkatet, which once roared, now only whispers. That is when you see who really comes – not tourists, but locals. They sit a long time. They are

not disappointed. A thin rope of water still falls. A whisper still comes. And when the rains return, so does the roar.

How to Visit Bomet's Waterfalls Well

There are no big hotels, no guides with loudspeakers. Only footpaths. Some paths are treacherous. The value beyond is life-changing and memorable, but it depends on visitors who do not leave rubbish, do not carve names into wet rocks, and ask at the village elder's house before hiking to Nyangores. It is not a secret, but it is protected.

What the Waterfalls Leave Behind

The waterfalls are not just places to see. They are teachers. They teach patience – falling the same way every day. They teach humility – reminding you how small you are. And they teach hope, because even in the driest season, they do not stop completely.

Locals say the waterfalls do not end when you leave. They follow you – not as a sound, but as a feeling. When you are stuck in traffic in Nairobi, Kisumu, or Mombasa, you might remember how the light hit the spray at Kapkatet. When you worry about money, work, or love, you might hear the whisper of Nyangores. When you feel small, you might remember Cheploch's steady growl.

But if you listen long enough, you hear something else. A question. Not what the waterfalls can do for you, but what you will carry back to them. A traveller who remembers the spray of Kapkatet can also remember that a plastic bottle left behind takes 200 years to decompose. The people of Bomet say: the waterfalls do not need your awe. They need your hands.

That is the roar that turns into silence. And that is the silence that finally lets you hear yourself think – and then, to act.

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- INVEST Wisely
- SAVE Consistently
- ACHIEVE Financial Freedom

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- Share Ideas
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125 members, 3 online

Pinned Message
Our goal: Financial freedom through smart investments.

Mary W.
Just invested in a money market fund. Great returns! 📈 10:15 AM

James K.
I'm looking at REITs. Any recommendations? 10:16 AM

Sarah M.
Consistent contributions are key. Let's keep growing together! 🙌 5 ❤️ 2 10:17 AM

David O.
Here's our group performance update for May.

MAY PERFORMANCE
+8.7% 10:20 AM

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Smart decisions.
Stronger future.



The Illusion of Profit: Why You Should Beware of Online Investment Groups

If You Cannot Identify How Money Is Being Made, It Is Likely That the System Is Redistributing Funds Among Participants

By CPA Paul Chepkwony

In recent months, a growing wave of digital investment groups has swept across our communities, promising quick and impressive returns through stock trading, forex markets, or cryptocurrency ventures.

These groups are often presented through social media platforms, messaging apps, and even professionally designed websites that appear legitimate at first glance. They showcase screenshots of

profits, testimonials from supposed beneficiaries, and persuasive narratives of financial transformation.

However, beneath this polished exterior lies a dangerous reality. Many of these platforms are not genuine investment opportunities but carefully engineered schemes designed to extract money from unsuspecting individuals. They thrive on deception, manipulation, and the natural human desire for financial progress. As a financial professional, I

find it necessary to shed light on how these schemes operate, why they are so convincing, and how individuals can protect themselves from falling victim.

The Anatomy of the Ponzi Scheme

At the core of most of these online investment groups is a classic Ponzi scheme. Unlike legitimate investments, which generate returns through actual economic activities such as business operations, asset appreciation, or market trading, Ponzi schemes rely entirely

on new investor contributions to pay earlier participants.

There is no real profit being created. Instead, money is simply recycled within the system. This structure is inherently unsustainable and destined to collapse once the flow of new participants slows.

These schemes typically follow a predictable four-step pattern:

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However, beneath this polished exterior lies a dangerous reality. Many of these platforms are not genuine investment opportunities but carefully engineered schemes designed to extract money from unsuspecting individuals. They thrive on deception, manipulation, and the natural human desire for financial progress. As a financial professional, I find it necessary to shed light on how these schemes operate, why they are so convincing, and how individuals can protect themselves from falling victim.

1. The Bait

At the beginning, the organisers create an illusion of legitimacy by allowing small but consistent withdrawals. Early participants receive payments, sometimes even exceeding their initial deposits. These payouts are not profits but are drawn from the funds contributed by newer members. This stage is critical in building trust and credibility. Screenshots of successful withdrawals are widely shared, creating social proof that attracts more participants.

2. The Trap

Once confidence is established, participants are encouraged to invest larger amounts. They are often offered “premium packages” or “VIP tiers” with promises of higher returns. At this stage, individuals may commit significant resources, including savings meant for essential needs such as school fees, medical expenses, or business capital. The perception of low risk—reinforced by earlier payouts—leads many to overlook warning signs.

3. The Illusion

Participants are given access to dashboards that display growing account balances and daily “profits.” These interfaces are designed to mimic real trading platforms, complete with charts and transaction histories. However, these figures are often fabricated and not linked to any genuine market activity. The numbers exist only within the system and serve to keep participants engaged and hopeful.

4. The Collapse

Eventually, the scheme reaches a breaking point. This may occur when recruitment slows down or when the operators decide they have collected enough funds. At this stage, withdrawals are either delayed or halted entirely. Excuses such as “system maintenance,” “liquidity issues,” or “regulatory

compliance checks” are commonly used to buy time. In some cases, participants are asked to pay additional “processing fees” to access their funds. Ultimately, the platform disappears, leaving investors with losses.

The Psychology Behind the Scam

The success of these schemes is not based on financial sophistication but on psychological manipulation. Scammers understand human behaviour and exploit emotional triggers to drive participation.

One of the most powerful tools they use is the Fear of Missing Out (FOMO). When individuals see friends, colleagues, or family members reporting profits, they feel compelled to join in order to avoid being left behind. This social pressure is amplified in close-knit communities where trust is easily transferred from one person to another.

Additionally, these schemes often create a sense of urgency. Limited-time offers, countdown timers, and exclusive investment windows are used to push individuals into making quick decisions without proper due diligence.

Another key factor is the use of testimonials. Seeing real people—sometimes known personally—claim success adds credibility to the scheme. Unfortunately, many of these individuals are either early beneficiaries of the system or are unknowingly promoting the scam after receiving initial payouts.

In this way, victims are transformed into recruiters. They bring in new participants, not out of malicious intent, but out of belief in the system. This creates a self-sustaining cycle that fuels the scheme’s growth until its inevitable collapse.

The Financial Reality

A fundamental principle of finance is that returns must be tied to an underlying economic activity. Whether it is dividends from shares, interest from

bonds, rental income from property, or profits from business operations, legitimate investments have a clear and traceable source of income.

In contrast, these online investment groups often cannot clearly explain how profits are generated. Vague references to “advanced trading algorithms,” “expert traders,” or “AI-driven systems”

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are commonly used, but without verifiable evidence.

If you cannot identify how money is being made, then it is highly likely that the system is simply redistributing funds among participants. In such cases, the only consistent winners are the organisers, who extract significant amounts before the collapse.

Warning Signs to Watch For

There are several red flags that can help identify fraudulent investment schemes:

- i. *Promises of guaranteed or unusually high returns with little or no risk*
- ii. *Pressure to recruit others in order to earn more*
- iii. *Lack of transparency regarding the investment strategy*
- iv. *Unregistered or unregulated operations*
- v. *Requests for additional fees to process withdrawals*

Being aware of these signs can help individuals avoid falling into the trap.

Protecting Your Wealth

Financial security is built over time through discipline, patience, and informed decision-making. While the appeal of quick profits is understandable, it often leads to significant losses.

If you are currently involved in such a platform, it is advisable to withdraw your funds as soon as possible, especially if withdrawals are still being processed. Delaying may increase the risk of losing everything.

It is also important to seek regulated, transparent investment opportunities. Licensed financial institutions, reputable investment firms, and government-approved savings schemes provide a level of protection and accountability that these online groups lack.

Financial training plays a crucial role in financial protection. Understanding basic investment principles, risk

management, and due diligence can empower individuals to make better decisions and avoid scams.

Conclusion

The rise of online investment groups has highlighted both the opportunities and risks presented by digital finance. While technology has made investing more accessible, it has also created new avenues for fraud.

The illusion of profit is a powerful lure, but it comes at a high cost. By understanding how these schemes operate and recognising the warning signs, individuals can protect themselves and their communities from financial harm.

Ultimately, the path to sustainable wealth is not found in shortcuts or secret systems, but in sound financial practices, informed choices, and a commitment to long-term growth. Let caution guide your decisions, and remember that if something seems too good to be true, it most likely is.

CPA Paul Chepkwony is an Accountant at the Judiciary.





The Micro Lens; Ripple Effects Of Corruption

By CPA Sylvia Karaba

Senior Counsel Elisha Ongoya shared a relatable, profound lesson in an inspiring yet humorously delivered Engage Talk.

As he walked down his high school memories, a profound lesson was shared. "...remember that your conduct affects other people who do not know you. As such, as a matter of public trust, you must be a good trustee of the fate of others through your own conduct". In my opinion, this may be the antidote we need as a country to deal with the plague of corruption. Starting to drill down to the micro implications of corruption to actual human beings, beyond the macro consequences we always focus on. This suggestion of individual reflection may be the simplest way to hinder the corruption epidemic.

The fight against corruption requires living with integrity and making ethical

decisions in all aspects of our lives. This, however, seems to be a real struggle for us as a society. In the Kenyan context, corruption has become deeply entrenched and normalised in our national fabric, yet it is termed illegal. Surprisingly, Kenya is viewed as a deeply religious state and is also considered one of the top African countries for leadership training.

This statement from the Senior Counsel is a clear indication that we can indeed make the world a better place through our day-to-day actions. But this requires a mindset shift, especially in our generation, which is intentionally inward-focused. We have little or no thought of the impact of our actions, words or even intentions on others, known or unknown to us. Even those of us who ascribe to the good book, "... Love your neighbour as yourself". We only apply this when we view ourselves

as the neighbour in the circumstance. If we don't get our way, we quickly invoke karma.

Now, let's look at some examples we can all relate to as Kenyans. You get to a government office early, hoping to be served and to carry on with your day, especially those with a huge, welcoming billboard: "...This is a corruption-free zone". Then, delay tactics play out, blamed on a myriad of reasons; the system is down, your file is missing, the documents are not ready, the machine is down, the signatory is away, and the list goes on and on.

However, unsolicited standby help is always hovering around in the form of on-site 'brokers' to lend a hand in exchange for 'tea'. The tea can range from 50 shillings to millions or "sextortion" sexual favours, especially for women, depending on the service required. Based on your conviction, you decide to

wait or quicken the process. Ultimately, there is always the opportunity cost to consider; at the decision point, your true north is put to test, 'tea' or no 'tea'. If you are employed or run a business, the time spent waiting puts your income at risk, which leads to lost opportunities.



However, unsolicited standby help is always hovering around in the form of on-site 'brokers' to lend a hand in exchange for 'tea'. The tea can range from 50 shillings to millions or "sextortion" sexual favours, especially for women, depending on the service required. Based on your conviction, you decide to wait or quicken the process. Ultimately, there is always the opportunity cost to consider; at the decision point, your true north is put to test, 'tea' or no 'tea'. If you are employed or run a business, the time spent waiting puts your income at risk, which leads to lost opportunities.

Another face of corruption that is maiming our country is nepotism, which creates unfair advantage for people who are associated with power. These persons can be family members or close friends without prerequisite qualifications. These people are given priority in exchange for a favour. This generally sets the scene for corruption, particularly in the public sector. The negative effect of nepotism is felt heavily within and outside the country. This has had extremely costly repercussions for the country, and no legal redress is sought since the responsible persons are 'scared cows' who are held accountable. What we never want to bring to light are the severe effects; public disillusionment, service delivery crisis, democratic regression, poverty, increased inequality and stunted economic growth, among others.

For context, let's examine the micro implications of corruption in the medical service delivery space. We have watched in horror the inhumane treatment & medical negligence cases we see in our private and public hospitals. Failure to attend to patients due to lack of money "to open the file", misdiagnosis, refusing to attend to mothers ready to give birth or botched surgeries. What follows includes, without limitation, loss of life, children with birth injuries, psychological issues, increased financial burden and life-altering injuries. This is the lowest we have stooped to as a country; we choose to strip others of their dignity in their most vulnerable circumstances.

Focusing the lens now on the private sector, sextortion is becoming a common means to an end in the private corporate sector, including the Jua Kali sector. We all have watched investigative series on TV on women's sexual exploitation in the corporations, fishing, sports, mining, domestic work and agricultural work spaces. In some organisations, sex is the currency for hires and promotions as quid pro quo

situations are laid out. The impact of these sexual violations is never understood by most of us; it's the victims who have to bear the treacherous, lonely lifelong healing journeys. These victims suffer from lifelong diseases, broken marriages, societal stigmatization and out of these, the biggest blunt is borne by the children who generally lose out on education deepening poverty levels.

In another example in the private sector, we look at the impact of a toxic team leader. Because of their perceived power, leaders intimidate those reporting to them, except for the bootlickers. This results in workplace toxicity. The toxicity ripple effects are largely ignored, as we tend to have a siloed view of the affected individual alone. This is just like the examples above; it has far-reaching, detrimental effects on persons who are not known to the team leader. Marriages break down due to the workplace toxicity's domino effect, and children feel the rejection from their parents due to the parental conflict emanating from the emotional withdrawal. Additionally, there are work-related suicides that result in orphans, widows and widowers' status. To the larger society, there may be increased mental health crises (substance abuse, public health challenges, social erosion).

Continuing with the private sector, we have increasingly seen land-selling and financial investment schemes that have pretexts, out of which investors suffer significant financial losses. As the victims seek legal redress, along the way, we have casualties of depression, suicide and those who suffer the most are the dependents. We also cannot forget the now all too common brainwashing happening in our worship spaces. The congregants lose their hard-earned wealth and health in pursuit of miracles, children are stopped from learning, and there is a tragic loss of lives. Same script, those most affected are those unknown to these unarmed religious embezzlers. Parents are tortured, giving

DNA samples to identify decayed bodies, caring for their distressed adult children (victims of these religious swindlers), parents developing medical complications as they watch their children waste away and the financial burden of parenting their grandchildren.

Lastly, we review how our individual actions at the home front affect those around us and beyond. Many families have land-related disputes, out of which some people are disinherited. We have seen widows and orphans being denied their inheritance, pushed out of their

homes even before flowers on the graves of the departed dry up. Sadly, these hostilities are meted out by close family members. For most victims, these atrocities affect them for life. Some of the children/women end up in the streets, children's homes or in relatives' homes, who usually turn them into a labour force in their homes. Out of these displacements, we are born goons, prostitutes, thieves, and despondent persons. However, in rare instances, some of these children/women do find their paths to success, albeit with wounded hearts.

We must then, individually and collectively as Kenyans, retrospectively and retroactively reflect on what has gone wrong vis-à-vis our desired future. This proposition by Senior Counsel then comes alive with the uncomfortable question for us all: what is the impact of our actions on those known and unknown to us? This requires us to quit the blame game and take personal accountability for changing our country through multi-pronged collaboration between the political and private sectors.

The political weaponization of anti-corruption efforts should cease, as

corruption cases arise or disappear depending on political alignment. This applies to individuals and corporate sector players as well, since they also significantly contribute to the corruption basket, even though they are the ones calling out the public sector on this vice. The proverbial idiom "The pot calling the kettle black" holds true for our country, and we must break free.

Conclusion

There is no silver bullet solution to the cancer of corruption. However, with individual resolve to be good trustees of others' fate through your own conduct, we will conquer this vice and become a thriving society. As I sign out, here are two introspective reflection quotes: Leo Tolstoy, "Wrong does not cease to be wrong just because the majority shares in it." John C. Maxwell, "Everything worthwhile is uphill"; as such, uphill goals cannot be supported by downhill behaviours and habits.

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Every Adult Wishes they had Been Taught Money in School

Why Financial Literacy Must Be a Core Part of The Curriculum

By Mourine Warui

wish they taught this in school.” A common phrase used by the new adults. That is the millennial and Gen-Z generations. You will hear it in every talk show, podcast, and any conversation involving these groups of people.

It is alarming that so many adults feel that the education system has failed them.

Most of them feel they spent many years in school studying and learning how to integrate well into society, only to come out and realise they are indeed missing key survival tools.

Aside from essential life skills like communication, personal development, and interpersonal relationships, they also failed to teach financial literacy. You will be struggling, living paycheck to paycheck, blowing off your salary on trivial things and knee deep in debt before you realise you need help.

Then, one day, you wake up, and it dawns on you that you don't have an emergency fund, any savings, or a pension scheme. If you are lucky, this hits you in your mid-twenties, as you head into your

thirties. That's when you realise you could use some personal finance classes. If not, you end up working even after retirement to remain afloat.

According to research by the Financial Times, only one in four adults' reports receiving any financial education at school. While a recent FICO survey shows that 98% of adults think learning about money is crucial to achieving financial stability, and two-thirds believe their current financial situation would be better if they had received personal finance education in school.

What Is Financial Literacy?

As defined by Investopedia, financial literacy is a skill set needed to handle money wisely. It is an essential foundation for a bright and healthy relationship with money. It is knowing the basics of money management, saving, budgeting, tracking and investing which enables a more successful and stress-free life.

The Cost of Ignorance

Often, people blame the economy, inflation, and greed when households buckle under financial stress. But if they are honest enough, the truth is: few were

taught how money actually works. As a result, they suffer.

Household Debts

In many nations across the globe, households are drowning in unsecured debt. This is due to the rise in credit cards, payday loans, and buy-now-pay-later schemes. Economists used to argue that debt cycles were consequences of economic downturns, but now it is safe to say that debt cycles are a symptom of **financial illiteracy**.

Borrowing money to live a particular lifestyle is unwise. So is frequent use of credit cards. If only you understood compounding interest at a tender age, you wouldn't treat a 30% APR credit card as normal. You wouldn't even take up such an offer. Similarly, if people knew the consequences of minimum payments, the buy-no-pay-later industry wouldn't have exploded in the manner that it did.

Retirement Crisis

Pension schemes are straining because people are entering adulthood with a culture of zero savings and habits. Hence, these schemes become underfunded.

Consequently, households without retirement savings become public burdens.

Obviously, financial education is not a magic pill that will solve systemic failures in pension designs. But it will significantly improve the saving and investing culture long before young people become adults and enter the workforce.

Small Business Failure

Entrepreneurship gets romanticised a lot. It is often seen as an escape from formal employment. It is also viewed as the gateway to innovation and job creation. That is true, but most small

enterprises fail within the first five years. Mainly because most founders fail to understand basic cash flow management and risk assessment, mistaking passion for planning.

Financial education will reduce that failure rate. If aspiring entrepreneurs learned budgeting, forecasting, and risk mitigation at 14 or 15, rather than at 34 and 40, startups would be healthier.

Impact On the National Economy

When households don't know how to manage money, it affects national prosperity. Thus, the effects of financial illiteracy ripple outward from households into the heart of national economic health.

Consumer Behaviour Drives Macro Instability

When most consumers lack budgeting and saving skills, the national savings rates fall. Low savings mean less capital for domestic investment. This then forces economies to borrow externally or tolerate inflated asset bubbles because cheap credit fills the ideological gap that should be occupied by productive investment.

It is unhealthy to assume macro conditions are just abstract. They are not. Savings rate, capital formation, investment cycles, and recessions are consequences of personal financial behaviours. Luckily, they can all be fixed with financial education.

Wealth Inequality Isn't Just Tax Policy

In matters of inequality, before you point at the tax brackets, look at education first. Households with financial literacy build equity. They invest intelligently and leverage credit to create wealth. However, those without get stuck paying debt service and renting, never accumulating assets.

You can redistribute tax burdens to infinity, but that only changes who pays what. But with financial literacy, it changes to who gets ahead at all.

Financial Literacy as a Core Part of the Curriculum

Gone are the days when teaching Mathematics equated to teaching money matters. Financial education involves more than just addition, subtraction,

multiplication, and division. But just like Mathematics, reading and writing, financial literacy should also be taught at a tender age.

Unfortunately, the schooling system left personal finance for parents and guardians to teach. Yet in many households, money was never a topic of discussion. It was a foreign concept, and frankly, most parents did not feel confident enough to teach it. And in households that did talk about money, you would hear a narrative of getting a job, saving and buying land.

However, as an adult, you realise there is more to financial success than just saving and buying land. And when you do get the courage to seek help with your finances and learn something, those offering this knowledge charge an arm and a leg for it. And with good reason, they saw a market gap and decided to capitalise on it.

Therefore, it is paramount to integrate financial education into the curriculum. And not just as an elective subject like French, Agriculture or Business, it should be a compulsory subject. This will allow the future generations to know about money at an early age, which is better for them and the economy at large.

What Should Be Taught

Budgeting

Budgeting is all about resource allocation. Students need to learn how to do that; perhaps it will reduce the number of future leaders who embezzle public funds. They need to distinguish between needs and wants when mapping irregular income to monthly obligations. Besides, students are also required to understand the psychological triggers that fuel spending. It is more than just learning how to balance a chequebook.

Tracking

Instead of teaching students to memorise dates, they ought to teach them to track their money flows throughout their lives. Most adults struggle because they never mastered tracking. If you can't measure where money goes, you can't improve the outcomes. In fact, students should keep mock accounts for months and keep track of their spending habits and the consequences of those habits.



However, as an adult, you realise there is more to financial success than just saving and buying land. And when you do get the courage to seek help with your finances and learn something, those offering this knowledge charge an arm and a leg for it. And with good reason, they saw a market gap and decided to capitalise on it.

Saving With a Purpose

Students should be taught about compound interest at age 10. We have all heard about compounding interest, but rarely do we hear an explanation of how to keep saving when income is low, and your expenses are glaring at you.

This curriculum needs lessons on emergency fund psychology, goal-based savings, and the tools of saving, such as money market funds and other safe vehicles.

Investing

Many people treat investing like gambling. That is because they were never taught or shown how the capital markets work. Financial education would demystify such notions. Students would understand risk vs return, diversification, index funds vs individual stock, behavioural biases in investment and fees and returns over decades.

Tax and Government Interaction

Basic tax rules are not enough. Students must understand how different taxes affect decisions. They should know how the government benefits and interacts

with personal finance. They don't need to be economists or accountants, but they should be financially literate citizens.

Credit and Debt

Most people fail to achieve financial success because they treat credit like free money. It feels like free money until it's time to pay up! Therefore, students need to understand how interest really accumulates, as well as when debt is productive and when it is not.

The Way Forward

People cannot just sit and wait for the government to fix things. Doing so, they also become part of the problem. The government indeed has its role to play, but so do the people. First, there is no need to keep crying over spilt milk. The education system failed you, yes, but now it's up to you to educate yourself. Invest in financial education or use online resources to manage your money better. Furthermore, you need to apply that knowledge to your everyday life.

Now that you are the new adults, teach your children what was not taught to you. As a parent, take it upon yourself to teach your children about money.

Let them grow up understanding and respecting it, rather than fearing it, as you did.

Likewise, as a collective, you should continue lobbying for new education policies that incorporate financial education into the curriculum. Everyone and the entire nation benefit if its citizens are financially literate.

The Take Away

Financial education should be integrated into the school curriculum. There are already too many adults living in bitter regret. That should not be the case for future generations. It is possible to have a generation that enters adulthood fluent in finance and not fearful of it. Financial literacy will lead to better governance. It will enable and enhance accountability of public funds, thus eliminating corruption. Besides, you can't fool people who are affluent in money matters. And maybe that's what the country needs.

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Financial education should be integrated into the school curriculum. There are already too many adults living in bitter regret.





ICPAK'S 43rd Annual Seminar - Edition 1

Leading with Influence – Accountants as Architects of Organisational Growth and Transformation

Compiled by Angela Mutiso

As professionals, we must never allow truth to become a casualty of noise. We must lead with facts. We must lead with courage. We must lead with integrity” - ICPAK Chairman, CPA Prof. Elizabeth Kalunda

For the 43rd time since its founding, the Institute of Certified Public Accountants of Kenya (ICPAK) convened professionals to address the accountancy profession's most pressing issues, from artificial intelligence and digital finance to ethical leadership and public trust.

Held in Mombasa and streamed virtually, the 2026 Annual Seminar marked a watershed moment as Kenya's mobile money transactions surpassed KSh 9 trillion, reinforcing the role of accountants as stewards of trust in a rapidly digitising economy. The Seminar attracted 3,551 in-person delegates across three venues and 571 virtual participants.

Under the theme, *Leading with Influence – Accountants as Architects of Organisational Growth and Transformation*, the record attendance reflected the profession's commitment to leadership that shapes financial statements, organisations, and the nation.

ICPAK Chief Executive Officer Dr. Grace Kamau welcomed participants to the 43rd ICPAK Annual Seminar – Edition I, including Chief Guest Prof. PLO Lumumba, keynote speakers, government and industry leaders, representatives of professional accountancy organisations, development partners, sponsors, and delegates attending both physically and virtually.

She noted that Nairobi's hosting of the Africa Forward Summit reflected Africa's growing focus on governance, strong institutions, and credible leadership as foundations for sustainable growth. Against this backdrop, she described accountants as custodians of trust, a critical role as Kenya's mobile money

transactions surpassed KSh 9 trillion in 2025, reshaping taxation, banking, commerce, and public service delivery.

Dr. Kamau observed that organisations now operate in an era of artificial intelligence, automation, cybersecurity threats, digital compliance, and real-time financial reporting, where trust has become the most valuable economic currency, shaping investment confidence and economic stability. She stressed the profession's responsibility to equip the next generation of accountants on a continent where more than 60 per cent of the population is under 25, noting that the World Economic Forum's *Future of Jobs Report 2025* identifies analytical thinking, AI literacy, resilience, leadership, and technological fluency among the fastest-growing workplace competencies. She also acknowledged the Seminar's sponsors for supporting professional development.

ICPAK Chairman, **CPA Prof. Elizabeth Kalunda**, welcomed delegates and noted that the Annual Seminar has



evolved into a national and continental platform for examining economic realities, institutional performance, and professional responsibility.

While Kenya's economy remains relatively resilient, with projected growth of about 5 per cent, she observed that households and businesses continue to face rising fuel and electricity costs, elevated taxation, and public debt exceeding KSh 11 trillion.

Drawing on the Seminar's theme, she described accountants as architects who design systems, anticipate pressure points, and build institutions for longevity. She highlighted Africa's opportunity under the African

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Continental Free Trade Area (AfCFTA), projected to create a market of more than 1.4 billion people with a combined GDP exceeding USD 3.4 trillion, alongside global trends including USD 30 trillion in ESG-linked assets and artificial intelligence's projected USD 15 trillion contribution to the global economy by 2030.

She stressed that while technology processes information, human judgment builds trust, and reminded delegates that ICPAK now represents more than 40,000 professionals across 44 countries. She concluded by calling for ethical leadership, institutional credibility, and professional courage as the foundations of Africa's next phase of growth.

Chief Guest **Prof. PLO Lumumba** challenged accountants to move beyond financial reporting and lead in governance, transparency, and sustainable transformation. He stressed that integrity is not a popularity test but requires moral courage, especially where ethical action faces resistance. He urged Africa to value its professionals and create an enabling environment for education, health, architecture, accountancy, and other essential services. Citing the impact of poor financial literacy on decision-making, he called on accountants to educate businesses and the public, adding that Africa's future depends on courageous professionals and governments that recognise accountants as key drivers of national development.

Seminar Proceedings Overview

The five-day Seminar, held in Mombasa and virtually in May 2026, brought together professionals from Kenya, East Africa, and beyond. Day Two explored the evolving role of accountants in national development, sustainability, leadership, and regional integration. Day Three focused on digital transformation, governance, risk, fintech, and regulatory change. Day Four examined ethics, integrity, accountability, and leadership as foundations of professional practice. Day Five addressed personal branding and professional influence. Closing reflections underscored that capability, ethics, and professional judgment remain the profession's greatest strengths, while sustainability, fiduciary responsibility, and financial literacy are increasingly central to long-term value creation and public trust.

In her closing remarks, keynote speaker **Hon. Lady Justice Philomena Mwilu, EGH Deputy Chief Justice & Vice President of the Supreme Court of Kenya** stated that: "Influence must be grounded in ethics because competence without integrity is dangerous. True professionalism goes beyond skill to accountability, transparency, and commitment to the public good."

Beyond technical sessions, the Seminar strengthened professional networks, mentorship, and collective identity, reinforcing the profession's readiness to lead amid disruption.





“Drawing on the Seminar’s theme, she described accountants as architects who design systems, anticipate pressure points, and build institutions for longevity. She highlighted Africa’s opportunity under the African Continental Free Trade Area (AfCFTA), projected to create a market of more than 1.4 billion people with a combined GDP exceeding USD 3.4 trillion, alongside global trends including USD 30 trillion in ESG-linked assets and artificial intelligence’s projected USD 15 trillion contribution to the global economy by 2030.

Post-Seminar Strategic Outcomes

The Seminar committed ICPAK to strengthening professional leadership, public policy engagement, ethical practice, capability development in technology, ESG, risk and leadership, and preserving the profession’s institutional legacy.

Institutional participation was led by the National Treasury (140), Judiciary (138), Nairobi County (135), Kisii County (78), Kericho County (57), KRA (54), KERRA (51), and Kiambu (43). International delegates included PAFA, Tanzania’s NBAA, ACCA, and representatives from several African countries. Local participation featured Deputy Chief Justice Hon. Lady Justice Philomena Mwilu, regulators, universities, training institutions, and corporate partners. The CEO also recognised the Secretariat and 28 sponsors for delivering a successful Seminar.

Conclusion

The 43rd ICPAK Annual Seminar reaffirmed that the accountant’s role has expanded far beyond ledgers. From ESG strategy to digital transformation, from ethics to public financial management and justice sector accountability, **leading with influence is no longer aspirational - it is the professional standard.**

The Seminar positioned professional accountants as architects of organisational growth, institutional credibility, and national transformation, equipped to guide societies through complexity with facts, integrity, and courage.

As ICPAK’s CEO stated: *“Increasingly, digital transformation is no longer being treated as a technology conversation alone. It has become a governance conversation. Because the more digital economies become, the more important integrity, assurance, transparency, cybersecurity oversight, and ethical leadership become. This places accountants at the centre of institutional resilience.”*





The Inaugural Luminary Men Accountants and Leaders Conference



From 11th to 15th May 2025, ICPAK hosted the inaugural Luminary Men Accountants and Leaders Conference, bringing together professionals and leaders for impactful conversations on leadership, growth, and influence.

Held under the theme *“Empowering Men for Transformative Leadership in Different Spheres,”* the conference highlighted

the important role men play in shaping stronger organizations, communities, and future generations through mentorship, accountability, intentional leadership, and service.

The conference provided a meaningful platform for networking, learning, and inspiring leaders to create positive and lasting impact across different spheres of influence.





Courtesy call to the County Government of Kisii

On 7th May 2026, ICPAK Pays Courtesy Call to Kisii County Government, The Institute led by its Chairman CPA Prof. Elizabeth Kalunda, Council Members, and Branch representatives paid a courtesy call to the County Government of Kisii and had fruitful deliberations with the Deputy Governor H.E. Elijah Obebo.

During the meeting, the Chairman encouraged the County Government to work towards attaining an unqualified audit opinion in the coming financial year, noting that the County received qualified audit opinions in FY 2020/21, 2021/22, 2022/23, and 2023/24.

In this regard, the Chairman urged the County to take advantage of the tailor-made training and capacity-building programmes offered by the Institute. She further encouraged the County leadership to appoint qualified accountants to key

positions within the County Government to promote prudence in the utilization of public resources.

The discussions also focused on supporting Micro, Small and Medium Enterprises (MSMEs) within the county, particularly boda boda riders, to achieve eTIMS compliance through support provided by ICPAK practitioners. It was noted that this initiative would also contribute to increasing the County's Own Source Revenue (OSR).

On his part, the Deputy Governor challenged the accountants to uphold professionalism and act with courage to deter financial malpractices.

In conclusion, both the ICPAK Chairman and the Deputy Governor emphasized the need to strengthen collaboration between the two institutions through the development of a Memorandum of Understanding (MoU).





ICPAK Launches Modern Kitchen at Iranya Primary School in Gesima Sub County, Nyamira County

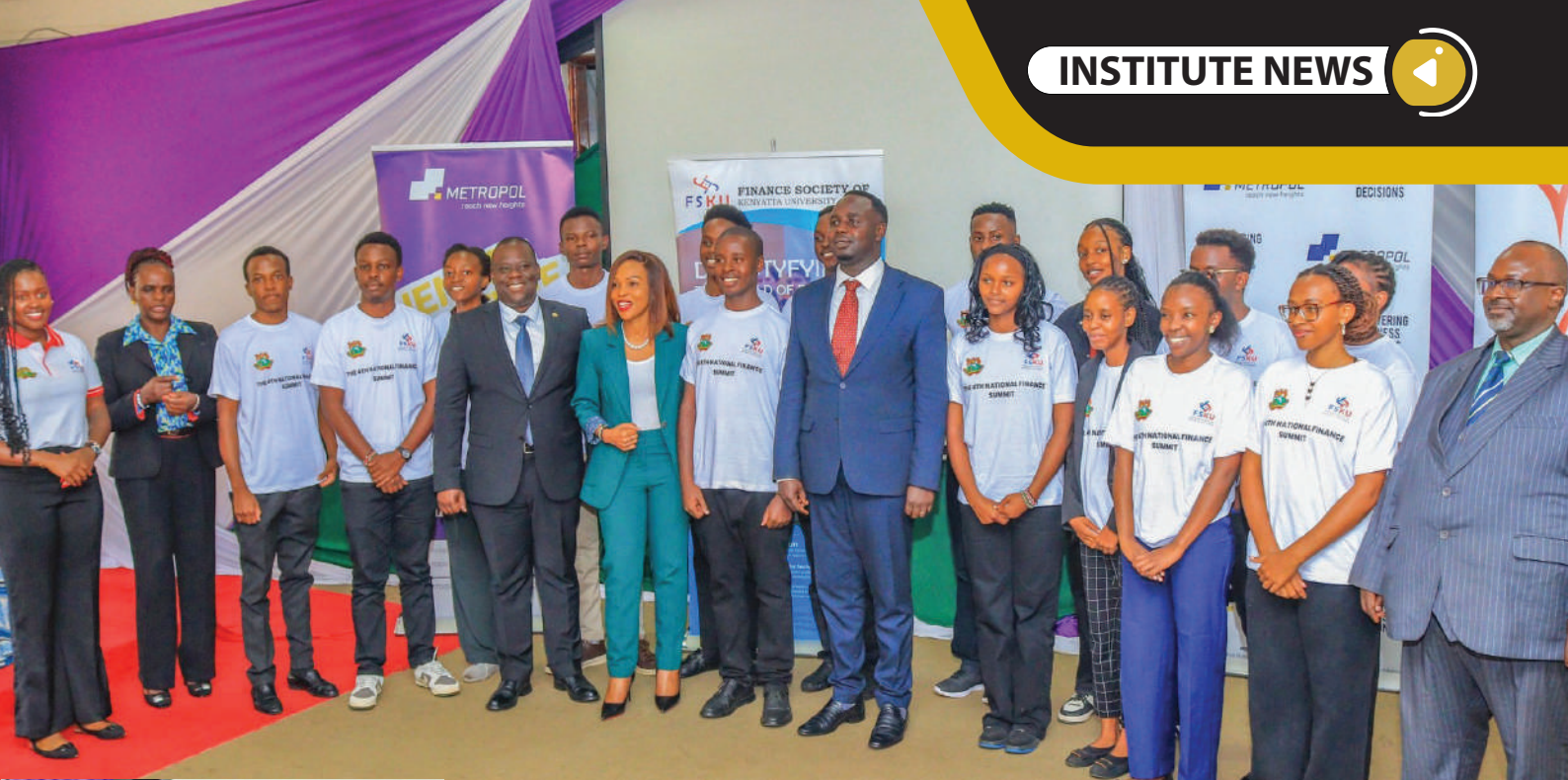
The Institute through its Nyanza Branch, officially launched a modern kitchen at Iranya Primary School in Gesima Sub County, Nyamira County, on 7th May 2026.

The initiative marks a significant step towards improving the nutrition and overall health of learners at the school enhancing the Institute's CSI footprint. The launch ceremony was graced by ICPAK Chairman CPA Prof. Elizabeth Kalunda, ICPAK Council Members FCPA Georgina Malombe and CPA Wycliff Bichang'a.

In their remarks, the Chairman and Council Members reiterated the importance of giving back to society and collaborating with key stakeholders and well-wishers to support community development initiatives. They also encouraged the pupils to uphold discipline, respect, hard work, and the fear of God in all their endeavours.

The school's Headteacher, Ms. Peninah, expressed her appreciation to the Institute for its generosity, emphasizing the positive impact the project will have not only on the school community but also on the morale and well-being of the pupils.





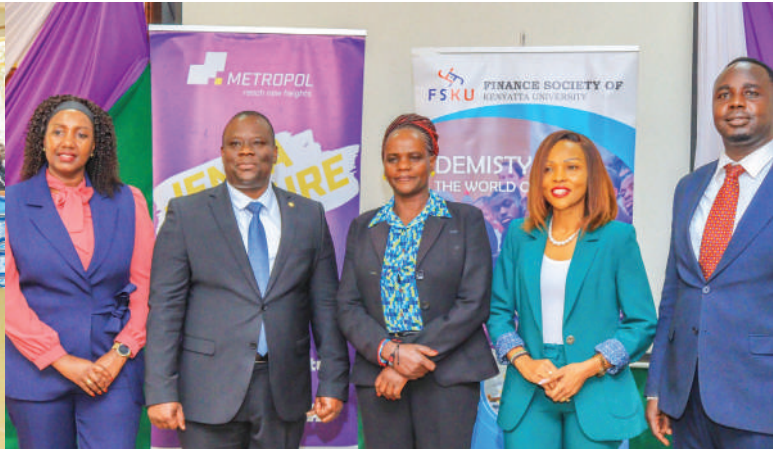
ICPAK Vice Chairman graces the 4th National Finance Summit at Kenyatta University

On 29th April 2026, the Institute of Certified Public Accountants of Kenya's Vice Chairman, FCPA Benard Amukah, graced the 4th National Finance Summit at Kenyatta University as the Keynote Speaker, delivering a compelling address on the future of finance in a rapidly evolving digital economy.

In his keynote address, he emphasized that the future of finance must be anchored on

trust, ethics, and sound regulation, stating that "Finance does not run-on technology alone, it runs on credibility."

He challenged students and young professionals not only to prepare for emerging opportunities but also to actively shape the future of investment through innovation, integrity, and continuous learning.





ICPAK Hosts Inaugural Strategic Breakfast with Nominated Board Representatives to Strengthen Governance Impact

On 29th April 2026, ICPAK, led by Chairman CPA Prof. Elizabeth Kalunda convened a hybrid strategic breakfast meeting at Hasibu Auditorium, CPA Centre, aimed at enhancing the visibility and positioning of ICPAK in the various boards and taskforces.

The engagement brought together Council Members, including Vice Chairman FCPA Benard Amukah, FCPA Georgina Malombe, FCPA Prof. Nicholas Letting, CPA Matthew Mukisu, CPA Olive Gitau, and CPA Chrispus Mbogo, alongside the Secretariat led by CPA Dr. Grace Kamau, CEO ICPAK.

The discussions focused on:

- Strengthening CPAs as ICPAK governance ambassadors

- Enhancing performance accountability through structured evaluation tools
- Expanding CPA representation locally, regionally, and globally
- Reinforcing ethical leadership, integrity, and value delivery in board engagements

The meeting reaffirmed ICPAK's commitment to positioning CPAs as key drivers of good governance and sustainable institutional impact.

ICPAK continues to champion excellence, professionalism, and purposeful participation of its members in leadership and governance spaces.



Media Engagements

Lulu HASSAN

MASKANI

BAJETI 2026/27

Alhamisi 10am 11/06/2026

BIZ CHECK

TOPIC: PRE-BUDGET ANALYSIS

BEN TROY NJUE
@BenTroyNjue

FCPA BENARD AMUKAH
Vice Chairman -ICPAK

ROBERT MAINA
Associate Director, EY Tax

Thursday, 9th April 2026
10.00am - 11.00am

BAJETI 2026/27

TV47 SAA TANO 11. JUNE

BUDGET 2026/27

TV47 BREAKFAST 11. JUN

BUDGET PRODUCTION

THE NATIONAL BUDGET 2026/27

Thursday, 11th June 9pm

UNPACKING THE SH4.8 T 2026/27 BUDGET

11th JUNE, 2026 | 2PM - 6PM



The Financial Reporting Week 2026 Edition 1

From 20th–24th April 2026, ICPAK hosted the Financial Reporting Week 2026 – Edition 1, bringing together finance professionals to explore the fast-evolving world of financial reporting.

With increasing demand for transparency, accuracy, and timely reporting, delegates engaged in insightful and prac-

tical discussions on IFRS, IPSAS, emerging technologies, and the growing importance of financial reporting in strengthening governance and informed decision-making.





Courtesy call to the Vice Chancellor of the University of Eldoret

On 17th April 2026, ICPAK, led by Council Members CPA Crispus Mbogo and CPA Wycliff Bichang'a, paid a courtesy call to the Vice Chancellor of the University of Eldoret, Prof. Thomas Cheruyoit. The delegation was received by the Deputy Vice Chancellor, Administration & Finance Prof. Wilson Ng'etich.

The discussions centred on potential areas of collaboration, including partnership opportunities for the ICPAK 7th Research Conference scheduled for August 2026, consideration of discounted programmes for CPA members pursuing studies at the University, strengthening linkages for accounting students to access professional opportunities, and capacity building initiatives for university staff.

Also in attendance were members of the ICPAK North Rift Branch including Vice Chairman CPA Dr. Ben Samoei, Secretary and CPD Convenor CPA Nelson Kore, Youth Representative CPA Elijah Yego, Uasin Gishu Representative CPA Vincent Limo, Nandi Representative CPA Collins Too, Former Branch Chairman CPA William Koech and ICPAK Secretariat.

Both parties agreed to hold regular consultative meetings to review progress and coordinate the implementation of the agreed outcomes.





ICPAK Participates in KRA MSMEs Engagement in Kakamega

On 17th April 2026, the Institute of Certified Public Accountants of Kenya (ICPAK) participated in the KRA Western Region Citizen Assembly Stakeholder Engagement held at Golf Hotel, Kakamega. The forum brought together Micro, Small and Medium Enterprises (MSMEs) and key stakeholders to enhance tax compliance and strengthen service delivery.

The ICPAK delegation was led by Executive Committee (ExCom) members CPA Lydia Kuloba, CPA Eunice Lisutsa, and CPA Hellen Anaya, accompanied by over 20 CPAs from the Western Branch, reflecting the Institute's strong commitment to stakeholder engagement at the county level.

Western Branch practitioners FCPA Wycliffe Kibisu, CPA Dr. Messo, and CPA Madesto presented key issues affecting MSMEs in their day-to-day operations, highlighting practical challenges in tax compliance, business sustainability, and engagement with tax systems.

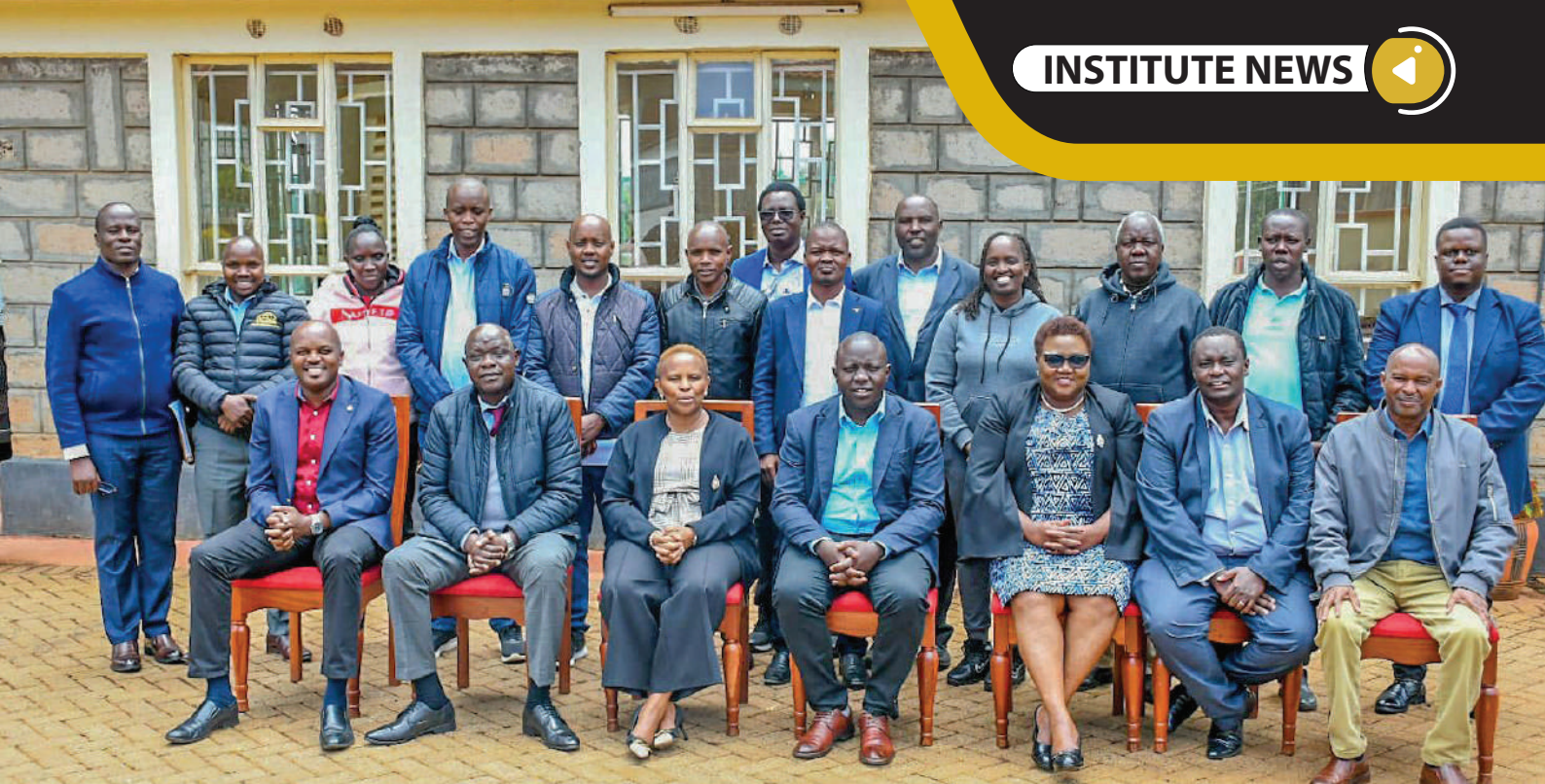
The engagement, themed “Strengthening Tax Compliance: Your Voice on Enhanced KRA Service Delivery,” provided a platform for constructive dialogue on tax administration matters, including Value Added Tax (VAT), Turnover Tax (TOT), and digital platforms such as eTIMS and eRITS. Participants underscored the importance of continued collaboration to promote fairness, equity, and efficiency in tax service delivery.

Commissioner for MSMEs, and CPA Nancy Ngetich, Commissioner for Shared Services, alongside Board Directors Shimaka Leonard and Richard Boro Ndung'u.

A media briefing was subsequently held by KRA, with participation from ICPAK members, reaffirming the shared commitment to strengthening taxpayer engagement and improving service delivery.

ICPAK remains committed to supporting MSMEs through strategic partnerships that promote tax literacy, compliance, and sustainable economic growth.





ICPAK Drives County Finance Reform Agenda in High-Level Elgeyo Marakwet Engagement

In a strategic push to strengthen transparency, accountability, and modern public financial management, the Institute of Certified Public Accountants of Kenya's leadership on 17 April 2026 paid a courtesy visit to the County Government of Elgeyo Marakwet, signalling renewed collaboration on financial reform and capacity development.

The delegation, led by ICPAK Chairman CPA Prof. Elizabeth Kalunda, and Council Members FCPA Georgina Malombe, CPA Wycliff Bichang'a, and CPA Chrispus Mbogo, was warmly received by County Secretary & Head of Public Service, Mr. Lazarus Chebii.

Discussions centred on strengthening public financial management systems, with a key focus on supporting the county's transition to accrual accounting through targeted capacity building, technical assistance, and sustained professional support.

Both parties also agreed on the need for structured follow-up engagements and the formalization of collaboration through a Memorandum of Understanding (MoU) to anchor long-term institutional support.

The engagement brought together ICPAK North Rift Branch leadership, including Vice Chairman CPA Dr. Ben Samoei, Secretary & CPD Convenor CPA Nelson Kore, Youth Representative CPA Elijah Yego, and branch representatives CPA Vincent Limo (Uasin Gishu) and CPA Julius Lokopu (Turkana).

On the county side, the team included CECM Finance and Economic Planning, Mr. Alphaus Tanui, alongside senior finance officials CPA Johnkeen Murkeu, CPA David Chebii, CPA Margaret Kiplagat, and CPA Philip Kiptoo.





ICPAK Drives MSME Empowerment and Climate Action in West Pokot

On 17th April, The Institute of Certified Public Accountants of Kenya (ICPAK), through its North Rift Branch, has stepped up efforts to empower micro, small and medium enterprises (MSMEs) through a targeted training programme and a tree planting initiative.

The engagement, officially opened by the County Executive Committee Member for Trade, Cooperatives and Industry, Mr. Joshua Rutto, brought together key partners to strengthen financial literacy and tax compliance among local businesses.

Implemented in collaboration with the County Government of West Pokot, the KRA, MSEA, and the kncci, the training equipped participants with practical skills in bookkeeping and key tax areas, including MRI, VAT, Advance Tax, Turnover Tax (TOT), and Withholding Tax (WHT).

MSEA also highlighted access to government programmes such as AGPO, the NYOTA Project, Women Enterprise Fund, and Youth Enterprise Fund.

In a demonstration of environmental stewardship, the team planted 2,000 trees in Karas Forest in support of the national 15 billion tree-growing initiative.

The ICPAK delegation was led by North Rift Branch chairman CPA Leonard Kibet, alongside Vice Chairman CPA Dr. Ben Samoei and Secretary and CPD Convenor CPA Nelson Kore, CPA Geoffrey Lokong and former Branch Chairman CPA William Koech.

The initiative underscores ICPAK's commitment to strengthening MSMEs and advancing sustainable economic growth across the country.





ICPAK Signs Mou With the County Assembly of Bungoma

On April 10, 2026, the Institute marked a significant milestone through the signing of a Memorandum of Understanding (MoU) with the County Assembly of Bungoma, reinforcing its commitment to strengthening public financial management at the county level. The Institute delegation was received by H.E. Hon. Emmanuel Situma, the Speaker of the County Assembly of Bungoma, the Clerk of the Assembly, Mr. Charles Wafula, alongside the County Assembly Secretariat.

The Institute delegation was led by the Chairman, CPA Prof.

Elizabeth Kalunda, accompanied by Council Members FCPA Georgina Malombe, CPA Chrispus Mbogo and CPA Olive Gi-

tau, together with the Western Branch leadership led by CPA Dauglas Muhati, the Vice Chairman and the ICPAK Secretariat led by Hillary Onami representing the CPA Dr. Grace Kamau CEO ICPAK.

Both parties emphasized the importance of effective and timely implementation of the MoU.

The Institute remains committed to fostering strategic partnerships that drive sustainable public sector reforms and promote excellence in public financial management across counties.





Accountants to Partner with IEBC to Strengthen Electoral Integrity

On 10th April 2026, ICPAK hosted officials from the Independent Electoral and Boundaries Commission (IEBC) during a courtesy call at the CPA Centre in Nairobi, led by the Commissioner in charge of Voter Registration and Stakeholder Engagement, Dr. Alutalala, and ICPAK CEO, CPA Dr. Grace Kamau.

The meeting focused on strengthening collaboration aimed at rebuilding public trust, enhancing transparency, and supporting voter registration efforts ahead of future electoral processes.

During the engagement, CPA Dr. Kamau reaffirmed ICPAK's commitment to supporting IEBC, noting that accountants

across the country can play a strategic role in promoting credible, transparent, and accountable elections.

The Commissioner proposed the establishment of a joint working committee to develop a formal Memorandum of Understanding (MoU) between the two institutions and pledged support for a mass voter registration drive targeting ICPAK members.

He also encouraged accountants to champion integrity and accountability, emphasizing the profession's important role in restoring public confidence in Kenya's electoral processes and democratic institutions.





ICPAK Engages Busia County Assembly End Advances Stakeholder Collaboration

On 9th April 2026, a high-level engagement took place between the Busia County Assembly and ICPAK leadership. Representing ICPAK were Council Member FCPA Georgina Malombe, Western Branch Vice Chairman CPA Douglas Muhati, and Secretariat member Hillary Onami on behalf of CEO Dr. Grace Kamau. The Assembly was led by the Speaker, H.E. Hon. Fredrick Wafula, alongside the Clerk, CPA Allan Mabuka.

The engagement focused on strengthening collaboration in Public Financial Management (PFM), particularly through enhancing legislative development processes, building the capacity and competence of County Assembly Committees and CPAs within the county, and providing technical support to Micro, Small and Medium Enterprises (MSMEs).

H.E. Hon. Wafula welcomed the engagement and expressed

strong support for formalizing a partnership with ICPAK to advance these initiatives and promote high standards of public finance management.

In a continued effort to deepen stakeholder collaboration, ICPAK, in partnership with the Busia County Government, the Kenya Revenue Authority (KRA), and the Kenya National Chamber of Commerce and Industry conducted a capacity-building session for MSMEs aimed at enhancing financial literacy, tax compliance, and business sustainability among local enterprises.

The day also featured a Corporate Social Responsibility (CSR) initiative, where ICPAK led a ground-breaking ceremony at Mundere Special School and participated in a tree planting exercise, reaffirming its commitment to community development and environmental sustainability.





48th Annual General Meeting

ICPAK convened its 48th Annual General Meeting (AGM) at Safari Park Hotel on 5th June 2026, bringing members together to reflect on institutional progress and key matters shaping the profession.

The AGM reviewed and confirmed the minutes of the 47th AGM, received reports on the Institute's performance, and provided a platform for members to raise questions and receive clarifications on governance, operations, and member-focused initiatives.

Members also noted progress made under the current Council leadership, with the Chairman presenting highlights of key milestones achieved since assuming office.

In the Council elections, CPA Olive Gitau was re-elected, reaffirming members' confidence in her continued service and leadership within the Institute.

The meeting reinforced ICPAK's commitment to transparency, accountability, and meaningful member engagement in advancing the accountancy profession.





ICPAK Engages Makueni University College

On 29th May 2026, ICPAK, led by Vice Chairman FCPA Benard Amukah, paid a courtesy call to the Principal of Makueni University College, Prof. Jonathan Muema Mwania. The delegation was accompanied by members of the ICPAK Eastern Branch EXCOM led by Chairman CPA Felix Mulwa, together with members of the Secretariat.

The discussions centered on potential areas of collaboration, including partnership opportunities in professional training and research, strengthening linkages between the accounting profession and academia, mentorship and career development opportunities for students, capacity building initiatives for university staff, and support for CPA students pursuing professional and academic advancement.

The engagement also explored opportunities for joint programmes aimed at enhancing financial management, governance, and leadership skills among students and professionals, while fostering closer collaboration between ICPAK and Makueni University College.

Both parties reaffirmed their commitment to continued engagement and agreed to hold regular consultative meetings to review progress and coordinate the implementation of the agreed areas of collaboration.

Later, ICPAK, in collaboration with the Kenya Accountants and Secretaries National Examination Board (KASNEB), conducted a mentorship session at Wote Technical Training Institute, where students were engaged on the accounting profession, examination pathways, career development, personal development and opportunities available through the CPA qualification. The session concluded with a tree-planting exercise to support environmental conservation efforts.





Frugality And Financial Well-Being

Thrift Remains One of The Most Important Yet Undervalued Virtues in Modern Society

By Jim McFie, a fellow of ICPAK

At the first international conference, on 13 and 14 May 2026, of the Department of Accountancy in the Alex Ekwueme Federal University, Ndufu-Alike, Ebonyi State, Nigeria, Julius Odida and Professor Rogers Matama presented a study entitled

“Frugal behaviour as a driver of financial well-being from national Sacco members in Uganda”. The event was a Conference on “Taxation and Accounting in a Digitalised Economy: Advancing Fiscal Sustainability and Inclusive Development through Contemporary Reforms in Nigeria”. Professor Rogers Matama works at Makerere University Business School (MUBS) in Kampala. He serves as an Associate Professor and the Head of the Department of Accounting.

Their presentation was heavily AI-assisted, with many pictures that made it difficult to summarise the findings of their study. But although frugality may be very pertinent in the circumstances in which we live today, it is not a new topic of study. A meta-analysis in the [Wiley Interdisciplinary Reviews](#) covering indexed empirical papers identified a core body of between sixty and seventy primary studies specifically dedicated to personal frugal lifestyles and anti-consumption since 1985. There are

several hundred articles within MDPI’s Sustainability journal that directly focus on or heavily incorporate the concept of frugality. MDPI is the acronym for the Multidisciplinary Digital Publishing Institute, an academic publisher based in Basel, Switzerland, that specialises in open-access peer-reviewed articles. These articles addressing frugality in the MDPI Sustainability Journal generally fall into three distinct sub-categories: (1) Frugal Innovation: A massive cluster of papers deals with “frugal innovation”—the process of creating sophisticated technological or business solutions while drastically minimising the use of scarce resources. (2) Frugal Consumer Behaviour: Many highly cited articles analyse frugality as a psychological trait or lifestyle choice. Researchers examine how the personal rejection of hyper-consumerism and the “new frugality” impact recycling habits, green spaces, and overall carbon footprints. (3) Frugal Economics and Architecture: Other subsets explore how low-budget, creative resource constraints can be deliberately leveraged to construct sustainable public infrastructure, green spaces, and circular architectural solutions. Another journal, [Frontiers in Artificial Intelligence](#), has over 400 published papers analysing how businesses create maximum value with minimum resources.

In many societies today, financial pressure

has become a defining feature of modern life. Rising living costs, easy access to credit, aggressive consumer marketing, and the desire to maintain certain lifestyles have created a culture in which spending is often encouraged more than saving. Against this backdrop, the virtue of frugality deserves renewed attention. Frugality is not merely about spending less money; it is about using resources wisely, avoiding waste, exercising self-control, and living intentionally. Properly understood, frugality is closely linked to financial well-being, emotional stability, and long-term prosperity.

For professionals, families, and communities alike, frugality is an essential foundation for financial security. Equally important is teaching children the value of frugality from an early age so they grow into financially responsible adults. A society that neglects this virtue risks creating generations burdened by debt, anxiety, and financial instability.

Frugality is often misunderstood. Some people associate it with deprivation, stinginess, or a refusal to enjoy life. In reality, genuine frugality is neither miserliness nor excessive austerity. Rather, it is the careful, thoughtful management of all resources. A frugal person spends money where it genuinely adds value while avoiding wasteful or impulsive expenditure. Frugality is therefore rooted

in discipline and wisdom. It encourages individuals to distinguish between needs and wants, between temporary pleasure and lasting value. It is not opposed to comfort or enjoyment; instead, it promotes moderation and prudent decision-making. A financially prudent person may still enjoy holidays, good food, education, or entertainment, but such expenditures are planned, affordable, and aligned with broader financial goals. Frugality is ultimately about intentional living rather than reckless consumption.

“

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Financial well-being refers to the ability to comfortably meet current financial obligations while also preparing for future needs and uncertainties. Individuals who enjoy financial well-being generally experience lower levels of stress, greater peace of mind, and increased freedom to pursue meaningful goals. Frugality contributes significantly to financial well-being in several ways.

The top five countries with the highest gross savings as an approximate percentage of GDP are: (1) Cambodia: 57.1%; (2) Brunei: 46.0%; (3) Norway: 43.2%; (4) Algeria: 41.2%; (5) Singapore: 40.9%.

Kenya's gross domestic savings (which measure what the economy saves internally) hover around 11% to 12%, while broader national savings reach closer to 15% to 17% when accounting for factors like remittances from abroad: these rates fall significantly short of the global average, which is over 23%, and are substantially lower than the target of achieving a 30% savings-to-GDP ratio to fully finance its infrastructure goals under Vision 2030.

One of the clearest benefits of frugality is the ability to save consistently. Small savings accumulated over time can produce substantial financial security. A person who regularly avoids unnecessary expenditure creates room for emergency funds, investments, retirement savings, and educational opportunities. In contrast, individuals who spend impulsively often live from paycheck to paycheck regardless of income level. It is important to recognise that financial difficulties are not always caused solely by low income. In many cases, poor spending habits and lifestyle inflation play a major role. Frugal habits enable individuals to live below their means rather than constantly stretching beyond them.

Debt has become a major challenge in many households. Kenya's banks make enormous profits – funded in large part by borrowing from Kenyans. Credit cards, digital loans, hire purchase arrangements, and consumer financing make it easy for individuals to acquire goods immediately without considering long-term consequences. Frugality helps reduce dependence on debt by encouraging patience and delayed gratification. A frugal person is more likely to save for purchases rather than relying excessively on borrowing. Reducing debt has important psychological benefits as well. Financial

anxiety, marital conflict, and mental stress are often linked to unmanageable debt burdens. By cultivating frugal habits, individuals can avoid many of these pressures.

Financial independence is achieved when individuals are no longer entirely dependent on a monthly income to survive. Savings, investments, and disciplined financial management provide flexibility and resilience.

Professionals who practise frugality are often better positioned to withstand economic downturns, job losses, or unexpected emergencies. During periods of economic uncertainty, those with strong savings and manageable lifestyles are generally more secure than those who are heavily dependent on credit and have high consumption patterns. Frugality, therefore, creates options and freedom. It allows people to make career choices, support charitable causes, invest in education, or pursue entrepreneurship without constant financial fear.

Major life goals such as home ownership, higher education, business investment, retirement planning, or family support require disciplined financial preparation. Frugality helps individuals align daily spending decisions with long-term aspirations. Many financial goals fail not because they are unrealistic, but because people consistently sacrifice the future for immediate gratification. Small daily expenditures, when uncontrolled, can gradually undermine important objectives. Frugality encourages individuals to think long-term. It teaches that sustainable prosperity is usually built gradually through consistency, patience, and disciplined resource management.

Modern consumer culture often discourages frugality. Advertising continuously promotes the idea that happiness, status, and success are closely tied to consumption. Social media has intensified comparison and lifestyle pressure, particularly among young people. Many individuals feel compelled to purchase expensive items not because they genuinely need them, but because they fear appearing unsuccessful or outdated. This culture of comparison can easily lead to overspending and financial distress. Professionals are not immune to these pressures. In some cases, career success creates expectations of conspicuous consumption — in Kenya, especially, luxury vehicles, expensive

gadgets, designer products, or lavish social events. Yet outward appearances may conceal severe financial strain. Frugality requires the courage to resist unnecessary social pressure. It involves recognising that genuine financial health is more important than projecting wealth. A person with modest possessions but strong savings and low debt may be far more financially secure than someone maintaining an expensive lifestyle through borrowing.

Perhaps the most important aspect of financial education is teaching children healthy attitudes toward money. Financial habits formed in childhood often persist into adulthood. Parents, schools, and communities therefore play a crucial role in shaping future generations. Unfortunately, many children grow up without structured financial guidance. They may learn spending habits from advertising, peers, or social media rather than from sound principles taught at home. As a result, some enter adulthood without understanding budgeting, saving, delayed gratification, or responsible consumption. Teaching children frugality

“Professionals who practise frugality are often better positioned to withstand economic downturns, job losses, or unexpected emergencies. During periods of economic uncertainty, those with strong savings and manageable lifestyles are generally more secure than those who are heavily dependent on credit and have high consumption patterns. Frugality, therefore, creates options and freedom. It allows people to make career choices, support charitable causes, invest in education, or pursue entrepreneurship without constant financial fear.”

is not about denying them happiness or opportunities. Rather, it is about helping them develop wisdom, responsibility, and self-control.

One of the earliest financial lessons children should learn is the distinction between necessities and luxuries. Food, education, shelter, and healthcare are needs. Many fashionable or impulsive purchases are wants. When children understand this distinction, they become more thoughtful consumers. They learn that not every desire requires immediate satisfaction. Parents can reinforce this lesson by involving children in simple household budgeting discussions appropriate to their age and maturity. Providing children with modest allowances can create opportunities to teach budgeting and saving. Encouraging children to save part of their money helps them understand patience and planning. Savings jars, bank accounts, or goal-based saving activities can make financial lessons practical and engaging. Children who experience the satisfaction of saving toward a meaningful goal often develop stronger financial discipline later in life.

Children learn more from observation than from instruction. Parents who constantly engage in impulsive spending may unintentionally teach poor financial habits regardless of what they say to their children. Conversely, parents who demonstrate budgeting, responsible purchasing, moderation, and thoughtful saving provide powerful examples. Family discussions about financial priorities can help children appreciate the importance of planning and discipline.

Modern culture often promotes instant gratification. However, one of the strongest predictors of long-term financial success is the ability to delay immediate pleasure for future benefit. Children should learn that worthwhile goals often require patience. Waiting before making purchases, saving gradually, and evaluating alternatives are important life skills which should be taught at home. Delayed gratification also develops resilience and emotional maturity beyond financial matters alone.

Frugality is closely connected to gratitude. Individuals who constantly compare themselves to others may never feel satisfied regardless of income level. Teaching children contentment helps reduce unhealthy materialism. Gratitude encourages appreciation for what one already possesses rather than endless

dissatisfaction. This mindset promotes healthier financial behaviour and greater emotional well-being.

Frugality also has ethical and social dimensions. Wasteful consumption can contribute to environmental degradation, unsustainable debt cultures, and distorted social values. Responsible resource management benefits not only individuals but society as a whole. Financially stable individuals are often better able to support charitable causes, assist family members, invest in communities, and contribute positively to society. Frugality can therefore enhance generosity rather than diminish it. Indeed, many respected leaders, entrepreneurs, and investors have emphasised the importance of disciplined financial habits, even with substantial wealth. They recognise that wise stewardship, rather than reckless consumption, is essential for lasting prosperity. Rockefeller, the richest man in the world in his time, gave his children a very small weekly allowance, for which they were required to keep a meticulous record book tracking every penny they earned, spent, and saved, were required to give 10% of their income to charity and to save 20%. The Rockefeller family remains one of the richest in the world, though their wealth is now spread among hundreds of descendants rather than concentrated in a single figure.

Frugality remains one of the most important yet undervalued virtues in modern society. Far from representing deprivation or excessive austerity, it embodies wisdom, discipline, moderation, and intentional living. Frugality promotes financial well-being by encouraging saving, reducing debt, supporting long-term planning, and strengthening financial independence. In an age characterised by consumer pressure and instant gratification, the practice of frugality provides stability and resilience. It allows individuals to live with greater peace of mind and reduced financial anxiety. Equally important is the responsibility to teach children sound financial values from an early age. By helping young people understand budgeting, saving, delayed gratification, and contentment, society can prepare future generations for healthier financial lives. Ultimately, frugality is not merely about money. It is about character, wisdom, and stewardship. A culture that values frugality is more likely to produce financially responsible individuals, stronger families, and more sustainable communities.



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