



Republic of Kenya



## RESPONSE TO IPSASB EXPOSURE DRAFT 85

### Improvements to IPSAS, 2023

#### Introduction

The Public Sector Accounting Standards Board in Kenya (PSASB) is a Semi-Autonomous Government Agency under the National Treasury Kenya. We are established in accordance with section 192 of the Public Finance Management Act of 2012. Our core mandate is to set generally accepted accounting standards and internal audit standards for public sector entities in Kenya.

PSASB-Kenya consulted with several public sector accountants on the proposed amendments. The consultations were geared towards gathering a wide range of responses from both preparers and users of financial statements.

Below is our response to the proposed amendments:

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#### Amendments to IPSAS 1, Presentation of Financial Statements

We agree that the classification of Liabilities be as follows: Current or Non-current and non-current liabilities with covenants.

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#### Amendment to IPSAS 43, Leases

We support the amendment on temporary exception arising from interest rate benchmark reform and we also support the changes relating to the lease liability in a sale and leaseback.

The amendment to the illustrative examples accompanying IPSAS 43 are helpful to the preparers of the financial statements.

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We look forward to having the amendments fully approved by IPSASB.

**FCPA FREDRICK RIAGA**  
**CHIEF EXECUTIVE OFFICER**