Republic of Kenya

Ref: PSASB I/12 Vol. VI (177) **Date: 22nd June 2026**

Ross Smith
Program and Technical Director
International Public Sector Accounting Standards Board
International Federation of Accountants
277 Wellington Street West
Toronto
Ontario M5V3H2
CANADA

Dear *Ross Smith,*

EXPOSURE DRAFT 94 - LINKAGES BETWEEN IPSAS STANDARDS AND THE GOVERNMENT FINANCE STATISTICS MANUAL 2014 (AMENDMENTS TO IPSAS 22).

The Public Sector Accounting Standards Board Kenya (PSASB) is mandated by section 194 of the Public Finance Management Act of Kenya, 2012, to prescribe frameworks and set generally accepted standards for the development and management of accounting and financial systems across all State organs and public entities. The Board mainstreams best practices in good governance, internal controls, and risk management.

We thank the IPSASB for publishing the proposal to amend IPSAS 22 (Disclosure of Financial Information About the General Government Sector) to provide additional non-authoritative guidance to facilitate disclosures and to use IPSAS Standards-based accounting data for GFSM 2014 reporting purposes.

PSASB's comments on the Exposure Draft are outlined in the appendix to this letter.

Yours *Sincerely,*

FCPA GEORGINA MUCHAI
CHIEF EXECUTIVE OFFICER

CPA Centre, 8th Floor, Thika Road, Ruaraka. P.O Box 38831 - 00100, Nairobi, Kenya. Tel: 020 251 1557
www.psasb.go.ke. email: info@psasb.go.ke

Republic of Kenya

PSASB
PUBLIC SECTOR ACCOUNTING STANDARDS BOARD (KENYA)

RESPONSES TO EXPOSURE DRAFT 94: LINKAGES BETWEEN IPSAS STANDARDS AND THE GOVERNMENT FINANCE STATISTICS MANUAL 2014 (AMENDMENTS TO IPSAS 22).

Responses to the Specific Matters for Comment

Specific Matter for Comment 1

Do you agree with the proposed non-authoritative amendments to IPSAS 22? If not, please explain your reasons.

PSASB Kenya agrees with the proposed non-authoritative amendments to IPSAS 22. Kenya currently compiles its government finance statistics largely from cash-based budget execution data recorded in the Integrated Financial Management Information System (IFMIS), run alongside the accrual framework now being phased in. The Question-and-Answer guidance in ED 94 is valuable to us because it identifies, on a standard-by-standard basis, where our future accrual-based accounting data can be used directly for GFSM 2014 reporting and where additional data collection will still be required. This allows PSASB Kenya and the National Treasury Kenya to plan the end-state chart of accounts now, rather than retrofitting it after accrual go-live.

PSASB Kenya further recommends that future iterations of this guidance address how budget-to-actual reconciliations under IPSAS 24 can be systematically tied to the GFSM 2014 Statement of Sources and Uses of Cash, to ensure complete fiscal transparency. While ED 94 excludes IPSAS 24 because GFSM 2014 has no corresponding guidance on this topic, the underlying reconciliation remains key to bridging the two reporting bases: public budgets are executed and reported on a cash basis, while financial statements are prepared on an accrual basis. The basis, timing, and entity differences disclosed under IPSAS 24 could be used directly by statistical compilers to populate the GFSM 2014 Statement of Sources and Uses of Cash, reducing duplicated reporting effort.

Specific Matter for Comment 2

Do you agree with the proposed non-authoritative amendments to IPSAS 22 with respect to providing guidance on measurement at the measurement basis level, rather than at the measurement technique level? If not, please explain your reasons.

PSASB Kenya agrees with this decision. Pitching the guidance at the measurement basis level, rather than the measurement technique level under IPSAS 46, Measurement, is appropriate for a capacity-constrained and still-transitioning environment such as Kenya's. Technique-level prescription would assume a depth of valuation infrastructure and actuarial or statistical capacity that many national and county entities are still developing. Principle-based, basis-level guidance allows PSASB Kenya to phase in closer alignment with GFSM 2014 as institutional capacity grows, rather than requiring full technical conformance from the date of initial adoption.

The proposed approach also aligns well with IPSAS 46 itself, which permits entities to apply the measurement technique best suited to the underlying measurement objective and the information available. This flexibility will allow accountants and statisticians to collaborate more effectively while remaining aligned with the core objectives of both IPSAS 46 and GFSM 2014. We agree, in particular, that historical cost information will require additional adjustment

CPA Centre, 8th Floor, Thika Road, Ruaraka. P.O Box 38831 - 00100, Nairobi, Kenya. Tel: 020 251 1557
www.psasb.go.ke. email: info@psasb.go.ke

when GFSM 2014 reporting strictly requires current market values — a practical reality in many public-sector environments, including Kenya's.

We would suggest one enhancement: the inclusion of two or three brief worked examples per Standard group, showing what basis-level guidance looks like when applied to a specific transaction (for example, property, plant, and equipment held at historical cost versus current value under IPSAS 45, and the resulting adjustment needed for the GFSM 2014 market-value figure). High-level guidance of this kind can be difficult for preparers without prior exposure to government finance statistics to operationalize without a concrete illustration.

Wider Benefit to Other African Jurisdictions

Beyond Kenya's specific position, PSASB Kenya believes ED 94 will be of considerable benefit to other African jurisdictions at varying stages of public financial management reform, for the following reasons:

1. Avoiding duplicate reporting systems. Several African states already produce GFS-aligned fiscal data to satisfy IMF program conditionality or debt transparency requirements ahead of completing their transition to accrual IPSAS Standards, a scenario the IPSASB itself recognizes in paragraph BC33. ED 94 provides these countries with a practical roadmap to converge financial and statistical reporting into a single, integrated system rather than sustaining two systems indefinitely, which represents a genuine cost saving for treasuries with limited accounting personnel.
2. Lowering the cost of first-time adoption of accrual accounting. For jurisdictions earlier in their cash-to-accrual journey than Kenya, the standard-by-standard Q&A format serves as a practical checklist for designing a first accrual chart of accounts, helping capture the necessary disaggregation once rather than rebuilding systems after the fact.
3. Strengthening credibility with external partners. Macro-fiscal data that reconciles to audited, IPSAS-compliant accounting records, rather than separately compiled statistics, carries greater weight in engagement with the IMF, the World Bank, and rating agencies, supporting African sovereigns in financing negotiations and program reviews.
4. Supporting regional harmonization. Regional bodies such as AFROSAI-E and the Pan African Federation of Accountants are actively promoting comparable public sector reporting across the continent. A common bridge to GFSM 2014 makes cross-country fiscal comparisons, including within regional economic communities such as the East African Community, considerably more meaningful.

CPA Centre, 8th Floor, Thika Road, Ruaraka. P.O Box 38831 - 00100, Nairobi, Kenya. Tel: 020 251 1557
www.psasb.go.ke. email: info@psasb.go.ke