Strategic drift
From the CEO’s desk

An organisation’s strategy defines its direction and purpose. On the other hand, organisational culture is a system of shared assumptions, values and beliefs which govern how people behave in organisations. The nexus between strategy and culture is derived from the interaction between strategy implementation and the organisation’s human capital.

At its core, strategy is rational and logical. However, a strategy that is at odds with an organisation’s culture, among other factors, is doomed. Indeed no matter how good a strategy is, when it comes down to it, people always make the difference. It is not uncommon to find a strategy that is at cross-purpose with the ingrained practices and attributes of its culture. In a nutshell, strategy drives focus and direction while culture is the emotional, organic habitat in which an organisation’s strategy lives or dies. Strategic drift occurs when the strategy is misaligned with various key implementation drivers, including the organisational culture and macro-environmental factors.

In order to provide our readers with more insight on the connection between strategy, organisational culture and other key variables, we feature a lead article on the topic of strategic drift in this edition of the KASNEB Newsline. The writer explores the reasons why for some organisations, the established strategy may remain largely unchanged in spite of changes in the environment. The writer further explains why this inertia in strategy change may lead to a disconnect with the key implementation drivers including the organisational culture.

The second article is based on the practice of enterprises outsourcing their bookkeeping function. The writer investigates the reasons for this trend particularly among small businesses. In addition, the writer sheds light on some of the risks associated with this practice.

The third article traces the key steps in undertaking a first-time audit engagement. The writer navigates readers through the process of setting objectives for the audit, conducting a preliminary survey, developing an audit programme to conducting the audit and follow-up review.

This edition also features other articles including on the administration of customs and excise duty, the role of monitoring and evaluation in organisational performance management and recent developments with regard to implementation of International Educations Standards (IESs). We have also featured other updates of relevance to our students and other stakeholders.

Welcome and enjoy your reading.

A leader is one who knows the way, goes the way and shows the way - John C. Maxwell
Strategic drift is the tendency for strategies to develop incrementally on the basis of historical and cultural influences, but fail to keep pace with a changing environment. The reasons and consequences of strategic drift are important to understand, not only because it is common, but because it helps explain why organisations often ‘run out of steam’. It also highlights some significant challenges for managers which, in turn, point to some important lessons. Strategies of organisations tend to change gradually. There is a tendency for strategies to develop on the basis of what the organisation has done in the past – especially if that has been successful. In most successful businesses there are usually long periods of relative continuity during which the established strategy remains largely unchanged or changes very incrementally. The reasons for this trend are explained below.

Are you drifting away from your strategic vision?

(a) Alignment with environmental change. It could well be that the environment, particularly the market, is changing gradually and the organisation is keeping in line with those changes by such incremental change. It would make no sense for the strategy to change dramatically when the market is not doing so.

(b) The success of the past. There may be a natural unwillingness by managers to change a strategy significantly if it has been successful in the past, especially if it is built on capabilities that have been shown to be the basis of competitive advantage.

(c) Experimentation around a theme. Indeed managers may have learnt how to build variations around their successful formula, in effect experimenting without moving too far from their capability base. This is akin to what some writers have referred to as ‘experimentation without moving too far from their capability base’.

Over time, paradigms about “what works” to deliver success can become entrenched. However, reality of what is required may drift away from organisational “position.”

Everything you do either takes you closer to or further away from your target - Bill Price
as ‘logical incrementalism’. This poses challenges for managers, however. For how long and to what extent can they rely on incremental change building on the past being sufficient? When should they make more fundamental strategic changes? How are they to detect when this is necessary?

Whilst an organisation’s strategy may continue to change incrementally, it may not change in line with the environment. This does not necessarily mean that there has to be dramatic environmental changes. The problem that gives rise to strategic drift is that, as with many organisations, the strategy may not keep pace with environmental changes. There are at least five reasons for this:

(i) **The problem of hindsight.** How are managers to be sure of the direction and significance of such changes? Or changes may be seen as temporary. Managers may be understandably wary of changing what they are likely to see as a winning strategy on the basis of what might only be a fad in the market, or a temporary downturn in demand. It may be easy to see major changes with hindsight, but it may not be so easy to see their significance as they are happening.

(ii) **Building on the familiar.** Managers may see changes in the environment about which they are uncertain or which they do not entirely understand. In these circumstances they may try to minimise the extent to which they are faced with such uncertainty by looking for answers that are familiar, which they understand and which have served them well in the past. This will lead to a bias towards continued incremental strategic change.

(iii) **Core rigidities.** Success in the past may well have been based on capabilities that are unique to an organisation and difficult for others to copy. However, the capabilities that have been bases of advantage can become difficult to change, in effect core rigidities. There are two reasons. First, over time, the ways of doing things that have delivered past success may be taken for granted. This may well have been an advantage in the past because it was difficult for competitors to imitate them. However, taken-for-granted core competences rarely get questioned and therefore tend to persist beyond their usefulness. Second, ways of doing things develop over time and become more and more embedded in organisational routines that reinforce and rely on each other and are difficult to unravel.

(iv) **Relationships become shackles.** Success has probably been built on the basis of excellent relationships with customers, suppliers and employees. Maintaining these may very likely be seen as fundamental to the long-term health of the organisation. Yet these relationships may make it difficult to make fundamental changes to strategy that could entail changing routes to market or the customer base, developing products requiring different suppliers or changing the skill base of the organisation with the risk of disrupting relationships with the workforce.

Examples of businesses that suffered from strategic drift

- **Kodak**: failed to respond to rapid development and take-up of digital photography - despite having created such technology!
- **Nokia**: lost dominant global market leadership in mobile phones by failing to respond to smartphone technology
- **At one stage, the world’s leading social media platform**: failed to respond to changing social trends and lost leadership to Facebook

![Graph: Incremental Change vs. Strategic Drift](image)
(v) Lagged performance effects. The effects of such drift may not be easy to see in terms of the performance of the organisation. Financial performance may continue to hold up in the early stages of strategic drift. Customers may be loyal and the organisation, by becoming more efficient, cutting costs or simply trying harder, may continue to hold up its performance. So there may not be internal signals of the need for change or pressures from managers, or indeed external observers to make major changes. However, over time, if strategic drift continues, there will be symptoms that become evident: a downturn in financial performance; a loss in market share to competitors perhaps; a decline in the share price. Indeed such a downturn may happen quite rapidly once external observers, not least competitors and financial analysts, have identified that such drift has occurred. Even the most successful organisations may drift in this way.

Too much success gets you resting on your laurels and creates a kind of quicksand that you can’t get out of. Always remember that the past is a place of reference; not a place of residence

Colin Wilson

As things get worse it is likely that the outcome will be one of three possibilities:

• The organisation may die (in the case of a commercial organisation it may go into receivership, for example);
• It may be taken over by another organisation; or
• It may go through a period of transformational change.

Such change could take the form of multiple transformations related to the organisation’s strategy: for example, a change in products, markets or market focus, changes of capabilities on which the strategy is based, changes in the top management of the organisation and perhaps the way the organisation is structured. Transformational change does not take place frequently in organisations and is usually the result of a major downturn in performance. Often it is transformational change that is heralded as the success story of top executives; this is where they most visibly make a difference. The problem is that, from the point of view of market position, shareholder wealth and jobs, it may be

When strategic drift has gone so far, there are only two options left; death or transformational change.

Strategic change happening at the same speed with environment change
rather too late. Competitive position may have been lost, shareholder value has probably already been destroyed and, very likely, many jobs will have been lost too. That is the time when ‘making a difference’ really matters most. The problem is that, very likely, such drift is not easy to see before performance suffers. So in understanding the strategic position of an organisation so as to avoid the effects of strategic drift, it is vital to take seriously the extent to which historical tendencies in strategy development tend to persist in the organisation. If the tendency for strategic drift is to be understood, the history of organisations needs to be taken seriously by strategists. There are also other reasons why understanding history can help in interpreting the strategic position of an organisation and in the management of strategy. These reasons are explained below.

- **Managers’ organisational experience**: Managers may have spent many years in an organisation or in an industry. The experience on which they base their decisions may be heavily influenced by that history. It is helpful if managers can ‘stand apart’ from that history so as to understand the influence it has on themselves and their colleagues.

- **Avoiding recency bias**: Managers can give too much weight to recent events or performance, forgetting past patterns, resulting in either undue optimism or undue pessimism. Understanding the current situation in terms of the past can provide useful lessons. For example, have there been historical trends that may repeat themselves? How have competitors responded to strategic moves in the past? A historical perspective may also help managers see what gave rise to events that were seen as surprises in the past and learn from how their organisation dealt with them.

- **Misattribution of success**: Is it clear where current bases of success originate, how they developed and how this might inform future strategy development? The danger is that there may be a misattribution of causes of success, which may lie elsewhere than thought or even be the result of luck. Such misattribution could in turn lead to the reinforcement of wrong behaviours. For example, the future strategy of an engineering firm stressed the importance of proactively managing innovation of new products and services. This was because managers saw that its current growth was coming from just such an innovation, whilst the rest of its offering was showing no growth. However, a study of the origins of innovatory products in the firm showed that the limited extent to

The dismal results are due to our failure to consult the witchdoctor this year.
which they occurred was largely due to what appeared to be happenchance, or as a result of technologies inherited from acquisitions happening to be relevant to the business's core activities. Historically there was no evidence of innovation being internally planned or proactively managed. This historical perspective raised important questions about what the firm saw as its capabilities for managing future innovation.

• ‘What if’ questions: History can also encourage managers to ask the ‘what if’ question. It can encourage them to imagine what might have happened had there been other influences in the environment, different responses from customers or competitors, or different initiatives or leadership within their organisation. It makes the present more evidently a product of circumstances and thus less fixed. So potentially it opens up the possibilities for changes in the future. “What if we could change everything, just by having the courage to ask “what if?” - venspired.com

• Detecting and avoiding strategic drift. If managers sensitise themselves to the influence of the history of their organisation they stand a better chance of seeing current strategy as part of what Henry Mintzberg describes as ‘a pattern in a stream of decisions’. As such, managers are more likely to be able to question the extent to which the strategy they are seeking to develop is usefully informed by that history as distinct from being driven or captured by it.

Strategy and organisational culture

Corporate culture means different things to different people. It is emotional, ever-changing and complex. Culture is human, vulnerable and as moody as the people who define it. Culture trumps strategy every time – culture eats strategy for breakfast. It can be intimidating and frustrating, often leaving leaders dodging it, neglecting it or discounting it. Because so many companies are run by people whose expertise is heavily skewed to the rational, financial and legal side of the equation, culture is often subordinated or misunderstood. Leaders may underestimate how much a strategy’s effectiveness depends on cultural alignment.

So what is the relationship between culture and strategy:

• Strategy drives focus and direction while culture is the emotional, organic habitat in which a company’s strategy lives or dies.

• Strategy is just the headline on the company’s story – culture needs a clearly understood common language to embrace and tell the story that includes mission, vision, values and clear expectations.

• Strategy is about intent and ingenuity and culture determines and measures desire, engagement and execution.

• Strategy lays down the rules for playing the game and culture fuels the spirit for how the game will be played.

• Strategy is imperative for differentiation, but a vibrant culture delivers the strategic advantage.

• Culture is built or eroded every day. How you climb the hill and whether it’s painful, fun, positive or negative defines the journey.

• When culture embraces strategy, execution is scalable, repeatable and sustainable.

• Culture is a clear competitive advantage.

• Culture must be monitored to understand the health and engagement of an organisation.

Conclusion

For a strategy to remain relevant, it must be aligned to the external and internal environment. Internally, the management style and broader organisational culture plays a critical role in ensuring the successful implementation of a strategy. Although alignment is both ways, more often than not, it is the management style and organisational culture that need to fit with the strategy, as the latter represents the agreed long-term direction of the organisation.
Bookkeeping is the number one task in a small business that owners routinely neglect and struggle with managing in their operations. Do not let this happen to your small business. By the 15th of the month, you need to know how well your business did last month so you can make any adjustments. By outsourcing your basic accounting services to a seasoned bookkeeper, you will have the ability to use updated financial information to run your small business. A bookkeeper can do your accounting work a lot faster and more accurately than you can and is affordable.

Bookkeeping is not accounting. It is the process of preparing the information that the accountant will use to prepare financial statements and interpret them. Bookkeeping consists of recording the day-to-day transactions of a business such as sales, purchases, revenues and expenses. Bookkeepers can also write cheques, make deposits and reconcile bank statements. This information is then provided to the accountant.

Outsourcing is the contracting out of a business process to a third-party. The term “outsourcing” became popular in the United States near the turn of the 21st century. Outsourcing sometimes involves transferring employees and assets from one firm to another, but not always. Outsourcing is also used to describe the practice of handing over control of public services to for-profit corporations.

Outsourcing includes both foreign and domestic contracting, and sometimes includes offshoring or relocating a business function to another country. Financial savings from lower international labour rates is a big motivation for outsourcing/offshoring.

The opposite of outsourcing is called insourcing, which entails bringing processes handled by third-party firms in-house, and is sometimes accomplished via vertical integration. However, a business can provide a contract

**The benefits of OUTSOURCED BOOKKEEPING**

Mustafa Musa Leseio, CPA graduate

Outsourcing is a practice used by different companies to reduce costs by transferring portions of work to outside suppliers rather than completing it internally. Outsourcing is an effective cost-saving strategy when used properly.
service to another business without necessarily insourcing that business process.

**Why outsource your bookkeeping functions?**

Outsourcing the accounting functions of your business saves payroll expense, overhead expense and frees up your valuable time. The expenses for an employee-bookkeeper include wages, paid time off, payroll taxes, unemployment taxes, worker compensation insurance and benefits. In addition, you must provide workspace, office furniture, office supplies, software and computers. The average business owner spends five or more hours per week managing bookkeeping personnel. By outsourcing your accounting functions, you receive services from a professional at a fraction of the cost.

It is a common misconception that an owner will lose control if they outsource bookkeeping. In a properly designed system, only the owner decides what bills will be paid, makes management decisions and signs cheques.

It’s understood that a business should focus its resources on tasks that add value to the customer relationship and revenue stream. If you maintain good books or sloppy books, chances are your customers will never know. Yet books that do not reflect the true shape of your business provide no clue to managing your business. Not knowing where you are making or losing money places you out of control. Cash flow is not a problem; it is a symptom of other problems.

If there are companies that can do it better, faster and cheaper than you, then why waste your resources on the non-revenue producing function of accounting? By outsourcing these functions, you now have the ability to become more profitable, more efficient and far more competitive by focusing on the tasks that are most important to your business.

**Advantages you get from outsourcing your bookkeeping**

But now, because of that great availability factor that the online world provides, it’s becoming more and more practical for companies to take this one step further. Instead of having in house bookkeeping services or doing it yourself, many businesses are finding the multitude of advantages outsourcing bookkeeping operations has. Here are the top seven benefits you can enjoy as well:

(i) **More time:** Outsourcing your business’s bookkeeping operations frees up valuable time that can be put into bettering the company. Backend office functions can be a heavy distraction from the day-to-day running
of things and having your bookkeeping in-house can lead to a conflict of interests. All of these time-wasters and distractions need to go - out of sight, out of mind.

(ii) Saving money: The bottom line is that by outsourcing your bookkeeping operations, you save money on paying full-time or part-time wages and benefits to an employee. Further, you also save on lost productivity costs that come along with hiring employees onto the payroll. By outsourcing your bookkeeping, you only pay for what you need—nothing more, nothing less.

(iii) Expertise on your side: Outsourcing gives you a great way to have full-time knowledge on your team without having to pay for it around the clock. By putting your books into the hands of a highly skilled staff who understand the best practices and how to properly staff for certain tasks, your job becomes a whole lot easier—and effective.

(iv) Focused work staff: By eliminating the distractions of the office from their jobs, places that take bookkeeping jobs are able to provide clients with more focused work. It’s hard for a bookkeeper to do their jobs around the hustle and bustle of a business—removing them from the site by outsourcing not only helps you focus on your business, it helps them focus on your business as well.

(v) Team staff versus individual: When you outsource your bookkeeping, you’re placing your financial records in the hands of a staff that thrives on teamwork. Unfortunately, one bookkeeper is often not enough to find every subtle nuance that can benefit your company. But when you outsource, you have a team of workers and managers checking and double checking each other’s work, helping to ensure that you receive the best services possible. This also helps keep a separation of duties for instance human capital and purchasing functions are as individually accountable as credit services and customer care. When you have your sections running smoothly, they join together to produce a better and more cohesive unit.

(vi) Access to top systems: Outsourcing your bookkeeping operations gives you more access to the top tools in the industry. Most businesses can’t afford to pay for the extremely expensive bookkeeping programs nor can they afford to spend the time keeping up with changing laws and regulations. By outsourcing, you’re essentially purchasing those tools and that knowledge by proxy, but it’s even better—you don’t have to actually do any of the work! Plus, these top systems create nightly backups and keep organised records and books for years, ensuring that if revenue service ever does come knocking for the audit, you’ll be more than prepared for them.

(vii) Scalability options: Finally, outsourcing your bookkeeping allows you to expand or cut back in the blink of an eye. Whether you’re looking to grow your business or cut down on spending, having a reliable team at your behest, providing you with different plans and options will help you achieve your goals. Outsourcing provides flexibility that in-house bookkeepers just can’t provide.

The risks

Anytime you give someone else responsibility for an aspect of your business, whether a full-time new hire or an outside vendor, there is risk involved. Did I hire the right person/company to do the job? Will they do what they are supposed to do? How will they “fit” with existing employees?
OUTSOURCED BOOKKEEPING

or departments? These are the questions that nag owners of small businesses when handing over the reigns to a new employee or vendor.

These risks are discussed below.

(a) *Some accounting functions are not easily outsourced:* Accounting affects an entire organisation; from the simple tasks employees do every day to the complex automated aspects. Be sure the outside vendor is qualified to take care of your greatest needs.

(b) *Control may be lost:* Critics argue that an outside vendor will never be as effective as a full-time employee who is under the same management as other employees. Other concerns include confidentiality of data and disaster recovery. However, a supervisor that is knowledgeable in managing an ICT staff member will usually be required.

(c) *Employee morale may be affected:* This is particularly true if you will be laying off employees to replace their job functions with an outsourced firm. Other employees may wonder if their job is at risk, too.

(d) *You may get “locked in.”* If the vendor does not document their work on your network and system, or if you’ve had to purchase their proprietary software, you may feel like you can’t go anywhere else or take back your network. Many outsourced companies require you to sign a year to year contract which limits flexibility.

Most of these risks can be avoided altogether if you know what to look for in a vendor and ask the right questions. Wondering how your current or prospective accounting service provider stacks up?

The rewards

Still not sure whether to outsource or not? There are many rewards you can expect when you outsource your company’s accounting functions as well. These are summarised below.

(a) *Access to the latest and greatest in technology:* You may have noticed how rapidly software and hardware becomes obsolete in this industry. How is one staff going to keep up-to-date with everything? Outsourcing gives you the benefit of having more than just one accounting professional. And since it’s the core competency of the company, they can give you sound advice to put your accounting shillings to work for you.

(b) *Cost savings:* Outsourcing your accounting services provides financial benefits such as leaner overhead, bulk purchasing and leasing options for hardware and software, and software licenses, as well as potential compliance with government regulations.

(c) *High quality of staff:* Since it’s their core competency, outsourced accounting vendors look to hire staff with specific qualifications and certifications. You may not know what to look for if you’re hiring someone to be on staff full-time, so you may hire the wrong person for the job.

(d) *Flexibility:* Vendors have multiple resources available to them, while internal staff may have limited resources and capabilities.

(e) *Job security and burnout reduction for regular employees:* Using an outsourced accounting company removes the burden from your staff who has taken on more than
he or she was hired for because “someone needs to do it.” You will establish a better relationship with your employees when you let them do what they do best and what they were hired to do.

Outsourced versus insourced

Maintaining the receipt and payments, ensuring departments have access to accounting resources, updating cashbooks and ledgers and any number of accounting issues can arise on a daily basis.

So does it make sense for small businesses to hire a full-time accounting staff er or outsource their accounting needs? That depends. Weighing the pros and cons in both scenarios can help determine which option is likely to best serve small businesses.

In-sourcing bookkeeping support: pros

Easy access: An accounts support person on staff can address issues immediately. Other clients won’t be competing for your accounting staff er’s time, though there may be other departments doing so.

Cost control: As a full-time employee, your accounting support staff er’s salary remains the same, regardless of the tasks undertaken. For example, running to the bank, paying suppliers or staying late on a Thursday night to complete an online return. This means that your costs remain steady even as your technology needs change. This can be a double-edged sword, however.

Limited technological expertise: Your accounting staff er may be good with Excel and handy when it comes to figuring out why the trial balance isn’t balancing, but may not be as savvy when it comes to diagnosing software security issues or upgrading accounting software. It’s unlikely that one accounting professional will be able to provide expertise for all of your accounting needs. If having one full-time person is costly, you might not want to calculate the cost for a small team of specialists!

Outsourcing bookkeeping support: pros

Less expensive: All things considered, outsourcing tends to be less expensive than hiring a full-time accounting employee. Many costs such as overhead are spread over several clients via the agency model. Additionally, your small business doesn’t have to worry about costs associated with training or certifying accounting staff.

Round-the-clock service: Most professional accounting support firms offer their customers 24/7 access to accounting support specialists, either by phone or through remote computer access. This means that you’ll have someone to walk you through your accounts even at 2 a.m. What’s more, if your main contact is sick, there will be a substitute that you can count on.

Outsourcing bookkeeping support: cons

Upfront and hidden costs: Hiring a full-time accounting professional is an expensive endeavour. Providing that pro with a computer, desk, telephone extension, payroll account and benefits drives the cost up even higher. For many small businesses, having a full-time accounting staff er with a full-time salary working on staff is too cost-prohibitive to even be considered a viable option. Not to mention the costs associated with ongoing training for accounting personnel.

Language or cultural differences: Struggling to understand your accounts support specialist can make a frustrating situation even worse. Unfortunately, many small businesses...
choose offshore outsourcing as their least-expensive option, while not considering the time and aggravation spent on communication issues. This can be mitigated either by carefully interviewing various offshore firms and giving them a “test drive,” or by hiring a local firm. The latter may also allow you to have the specialist on-site, which is highly recommended for handling most accounting support needs.

Not part of the team: Because outsourced accounting specialists are there only when scheduled or when you need them to fix a problem, you’ll spend time bringing them up to speed when issues do arise or when you want them to provide advice on future accounting initiatives. Again, there is a solution: get an outsourced firm involved in your accounting needs on an ongoing basis via “managed services.” This way, the firm can help with routine help desk and accounting support issues.

And the winner is: outsource locally

Certainly, small businesses have a variety of options for solving their accounts support issues. For most small businesses, however, outsourcing is the best option. Outsourcing accounting support needs allows businesses to stay focused on their own core offerings without getting sidetracked on projects. It also allows businesses access to cutting-edge resources and expertise, without the costs typically associated with staying ahead of the technology curve.

For many small businesses, outsourcing to a local firm provides the right combination of cost savings, flexibility and round-the-clock support without the language or cultural issues that sometimes arise with offshore firms. Outsourcing locally also provides small business owners peace of mind that when they need on-site accountants, they can get it, thus allowing them to manage their business, not their network.

Conclusion

Now that you have seen the risks, advantages, the concept and rewards associated with outsourcing the bookkeeping function of your business, there is a lot to think about. Whether you choose to outsource or hire internally, one thing is certain, you must know how to manage successful working relationships with your bookkeeping service providers. Let’s face it, they're not always the easiest people in the world to understand and deal with, right? Here are some tips:

- Clearly form and communicate the goals and objectives of your project or business relationship.
- Have a strategic vision and plan for your project or relationship.
- Select the right vendor or new hire through research and references.
- Insist on a contract or plan that includes all the expectations of the relationship, especially the financial aspect.
- Keep open communication with all affected individuals/groups.
- Rally support and involvement from decision makers involved.

Outsourced bookkeeping service work flow

- **01** Send us scanned documents: The process starts with you sending us scanned documents. There are multiple formats in which you can send us relevant documents.
- **02** Data entry and auditing: Once we receive the documents, our bookkeeping professionals will start to enter data in software of your own choice. Once relevant data is entered into software, our staff will review the information.
- **03** Review: Review once data is entered correctly in the software, our quality analyst will review if data is entered correctly and make changes if needed.
- **04** Delivery: Once review is done, final books are transferred back to your server via secured file transfer protocol.
Introduction

Wouldn’t it be great if you knew exactly what a hiring manager would be asking you in the next interview? It is unfortunate that we cannot read other peoples’ minds. However the question “describe the audit process for a new engagement” is a very common question for those intending to join the auditing profession. The question seems so simple, yet so many people fail to answer it. In most audit interviews, it is the central point of reference as companies wish to hire people who are passionate about the job.

I first encountered this question during my quest to shift departments; from Operations to Internal Audit. It looked so simple but I later learnt that it was the deciding question after shifting. All the three candidates had the same qualifications academically, professionally and experience wise. It’s for this reason that I wrote this short article reflecting back on the interview. Though the internal processes may not be the same across organisations, most individual internal auditing engagements take the following steps.

Step 1: Set objectives for the audit
Step 2: Conduct a preliminary survey
Step 3: Develop an audit programme and budget
Step 4: Conduct the fieldwork
Step 5: Determine findings and conclusions
Step 6: Communicate results to appropriate parties
Step 7: Follow-up

The first three steps constitute the “planning” phase of the audit. The fourth and fifth steps are commonly referred to as the “fieldwork” phase. Step 6 is commonly called “reporting” and Step 7 is referred to as “follow-up.”

Of these phases, most auditors recognise the importance of the “planning” phase because subsequent phases are dependent on its results. Many if not most of the audit findings will be discovered during the planning phase because auditors identify the areas of high risk during this phase for later investigation during the fieldwork phase.

Poor planning cannot be overcome without a tremendous amount of wasted time and effort, of which internal auditing departments do not have a surplus.
These steps are further explained below.

**STEP 1 - SET OBJECTIVES FOR THE AUDIT**

The first step in conducting the individual audit engagement is to know the objective or purpose of the audit. This will depend on the type of audit to be conducted: operational audits will seek to determine if the auditee’s operations are being run effectively and efficiently, financial audits will seek to determine if the auditee’s financial records are accurate or fairly stated and compliance audits will seek to determine if the auditee is in compliance with laws, regulations, policies and procedures, or contracts. Internal audits may be conducted with one, two or all three of these objectives.

The Chief Audit Executive (herein referred to as “CAE”) is responsible for determining the objectives for the individual audit engagement. It is up to the auditors who will actually perform the audit to ensure the CAE communicates the objectives clearly to them.

In addition, the CAE should communicate other information that will make the auditor’s job of planning the audit easier. Examples of such information would include: a list of auditee personnel, a list of personnel who will receive the final report and a description of the activities to be audited.

**STEP 2 - CONDUCT A PRELIMINARY SURVEY**

Once the objectives of the audit are set, auditors can then begin the planning process. This entails gathering relevant information (the preliminary survey) to determine the areas of high risk (risk assessment) and then developing an audit programme and budget. The preliminary survey is usually comprised of the following steps:

(i) Initial study
(ii) Preliminary meeting
(iii) Detailed information gathering
(iv) Risk assessment.

The first step, “initial study” involves examining all information available to the auditors without contacting the auditee. In most cases this may involve organizational charts, policies and procedures manuals and financial records. The information obtained should be used to develop a list of questions for the preliminary meeting or interview.

The preliminary meeting or interview takes place between auditee personnel and internal auditors, usually at the auditee’s location. The meeting is often the first time both parties have met. Much of the meeting is devoted to introductions.

It is very important during this meeting for the two parties to “hit it off correctly” to ensure the successful completion of the audit. Internal auditors need to ensure that they make a favourable professional impression with the auditee.
Key auditee personnel should be noted to ensure the auditor consults the correct individual for information during the audit. In addition, the auditors should determine the auditee’s areas of greatest concern.

After the preliminary meeting, the auditors will gather the remaining information necessary to plan the audit. This will entail examining documents, observing operations and interviewing key personnel. The basic objective of this phase is to obtain an understanding of the auditee’s operations, financial statements, applicable laws, regulations, policies and procedures, contracts and document that understanding in working papers. Once this is accomplished areas of risk can be assessed and the adequacy of controls evaluated.

**STEP 3 – DEVELOP AN AUDIT PROGRAMME AND BUDGET**

The audit programme and budget are the result of the risk assessment performed at the conclusion of the preliminary survey. The audit programme is a step by step description of the tests (audit procedures) to be conducted during the fieldwork phase of the audit.

To produce an audit programme the auditor relates the audit objectives to audit evidence to audit procedures. The budget is an estimate of the resources necessary for completing the audit. These may include the auditor’s time, travel costs and supplies. It should be based on a sound estimate for completing the audit program and compared to preconceived estimates contained in the annual audit plan.

The budget developed after the preliminary survey will usually be more accurate than the one developed during the annual planning process. However, the CAE may decide to limit the amount of time spent. If this happens then the scope of the audit should be reduced and this decision should be fully documented in the working papers.

**STEP 4 – CONDUCT THE FIELDWORK**

This phase should consist of completing the audit program developed during the planning phase of the audit. However, the auditors performing the fieldwork should be sensitive to conditions which may be uncovered that require a change in the audit plan. These should be brought to the attention of the supervisory auditor and the CAE. Of particular importance is the presence of factors indicating that fraud could be present (red flags). These should be investigated fully to determine if fraud is actually occurring.

**Audit Programme: Purchases**

<table>
<thead>
<tr>
<th>Procedures</th>
<th>Check list</th>
</tr>
</thead>
<tbody>
<tr>
<td>Check purchase requisition for serial numbering</td>
<td></td>
</tr>
<tr>
<td>Check whether purchase requisitions were signed by (name of the person authorised)</td>
<td></td>
</tr>
<tr>
<td>.....(and other procedures for this area)</td>
<td></td>
</tr>
<tr>
<td>Were quotations called by (name of the person authorised)?</td>
<td></td>
</tr>
<tr>
<td>Obtain evidence of comparative statement prepared by (name of person authorised)</td>
<td></td>
</tr>
<tr>
<td>.....(and other procedures for this area)</td>
<td></td>
</tr>
<tr>
<td>Check whether goods ordered were same as mentioned in purchase requisition. If not then inquire for reason and document it.</td>
<td></td>
</tr>
</tbody>
</table>

**STEP 5 – DETERMINE FINDINGS AND CONCLUSIONS**

This phase consists of evaluating all the information gathered by the audit, identifying key findings and reaching an overall conclusion concerning the audit objectives.
STEP 6 – COMMUNICATE RESULTS TO APPROPRIATE PARTIES

The findings and conclusions reached in the previous step must be communicated to the auditee and members of management. Audit findings should first be discussed with auditee personnel as soon as they are identified during the audit. An open discussion of a finding will ensure both sides are aware of the issue and prevent erroneous findings from reaching the final report.

At the completion of the audit, a draft report will be produced and presented to the auditee at an exit meeting. The auditee then is given a period of time to respond to the draft report. Their responses are then evaluated and the revised audit report is then issued to upper management, containing the auditee comments.

STEP 7 – FOLLOW-UP

The internal auditing organisation should follow up with auditees to determine that appropriate action is taken on reported audit findings. Internal auditing should determine that corrective action was taken and is achieving the desired results, or that management or the board has assumed the risk of not taking corrective action on reported findings.

The Statement of Internal Auditing Standards No. 13 defines follow-up as “a process by which internal auditors determine the adequacy, effectiveness and timeliness of actions taken by management on reported audit findings.” Such findings also include relevant findings made by external auditors and others. Responsibility for follow-up should be addressed in the internal auditing department’s charter. Management is responsible for deciding the appropriate action to be taken in response to reported audit findings. The lead auditor is responsible for assessing such management action for the timely resolution of the matters reported as audit findings. In deciding the extent of follow-up, internal auditors should consider procedures of a follow-up nature performed by others in the organisation. Senior management may decide to assume the risk of not correcting the reported condition because of cost or other considerations. The board of directors should be informed of senior management’s decision on all significant audit findings.

The nature, timing and extent of follow-up should be determined by the lead auditor. Factors which should be considered in determining appropriate follow-up procedures are:

(i) The significance of the reported finding.
(ii) The degree of effort and cost needed to correct the reported condition.
(iii) The risks that may occur should the corrective action fail.
(iv) The complexity of the corrective action.
(v) The time period involved.

Certain reported findings may be so significant as to require immediate action by management. These conditions should be monitored by internal auditors until corrected because of the effect they may have on the organisation.

There may also be instances where the lead auditor judges that management’s oral or written response shows that action already taken is sufficient when weighed against the relative importance of the audit finding. On such occasions, follow-up may be performed as part of the next audit.

CONCLUSION

Conducting a successful audit requires meticulous planning. Each of the activities is critical and should interlink with both the prior and subsequent activities.

The reliability of the audit findings, which are reflective of the quality of the audit, is best assured with an effective audit plan covering all the key areas and activities.
Customs and Excise Duty
A practical review

ISAAC T. MAINA (CPA), Lecturer, Excel Institute of Professionals, Thika

Customs duty is the duty or tax paid for goods imported through ports (air, sea or lake) and border entry points of a country. In Kenya, the duties are specified in the first schedule of the Customs and Excise Act, Cap 472.

Specifically, the Customs and Excise Act, the East Africa Custom Management Act of 2004 and the provisions of COMESA Treaty govern the administration of customs duty in Kenya.

Requirements for importation:
(i) Pre-shipment inspection and production of clean report of findings (CRF).
(ii) A declaration to customs on prescribed forms and payment of duty and value added tax (VAT) and execution of guarantee (bond).

Examples of goods subject to customs duty include:
- Machinery - vehicles
- Electronics
- Textile - food commodities
- Vehicles
- Food commodities

Import customs duty may be specific or *ad valorem*.

A specific customs duty is a given amount of money per unit of goods imported. On the other hand, *ad valorem* duty is the percentage of the value, for example, 20% of the value of goods imported.
Terminologies under customs duty

(a) Custom control

This refers to any measures taken by the Commissioner of Customs and Excise (CCE) in relation to goods specified in section 12 of Cap 472 to ensure compliance with provisions of the Act.

Sec 12 of Cap. 472 specifies the following goods, which are subject to customs control:

(i) Imported goods through post office from time of importation to delivery of goods for home or importation whichever happens first.
(ii) Dutiable goods (goods subject to customs duty) and excisable goods (subject to excise duty) or which has not been paid.
(iii) Goods, which have been seized and all goods under notice seizure.
(iv) Goods on board an aircraft or used within a part or place in Kenya.
(v) Goods under drawback from time of claim of drawback. 
   NB: Drawback refers to refund of all or part of import duty paid in respect of exported goods or used in manner or purpose of granting a drawback or refund.
(vi) Goods subject to export duty from time of bringing them to the port for export to the time of exportation.
(vii) Goods subject to restriction on exportation (restricted export).
(viii) Goods pending exportation and are stored in customs area with permission of a proper officer.

(b) Forfeiture

Forfeiture of goods means the seizure or confiscation of goods by the government of imported goods in default. In addition to any other circumstances the following goods shall also be liable to forfeiture:

• Prohibited goods.
• Restricted goods, which are dealt with contrary to any condition regulating their importation, exportation, or carriage coast wise.
• Unacustomed goods.
• Goods which are imported, exported or carried coastwise contained in a package of which the entry, application or load does not correspond with the goods.
• Goods which are imported, exported or carried coastwise concealed in a manner appearing to deceive the officer.

Customs area is the area of deposits of goods subject to customs control.

Goods which are subject to customs control may/shall

• Be examined by any officer any time.
• Not be interfered with in any way by the officer.

(c) Customs warehouse

This is approved by CCE for deposits of:

• Detained or seized goods.
• Goods pending payment to duty.
• Goods stored in the warehouse for security purposes.
• Unaltered or unclaimed goods

(d) Bonded warehouse

This is a warehouse licensed by CCE for deposit of dutiable goods on which duty has not been paid and they have been entered into the warehouse. A bonded warehouse includes
duty free shop, that is, a room or premises situated in a port and licensed by CCE for deposits of goods chargeable with duty on which;

- Duty has not been paid.
- Goods have been entered to the warehouse for use as ship stores.
- The goods on for sale to passengers departing to places outside Kenya.

A bonded warehouse is important to:

- Facilitate domestic/local production of goods for exports.
- Ensure proper handling of transit goods.
- Reduce clogging of goods at the ports.
- Store unaccustomed goods (dutiable goods).

**Purpose of customs and excise duty**

(i) To raise revenue for the government.
(ii) To protect local industries by imposing high custom duty to discourage consumption of imports.
(iii) To prevent dumping of goods into the Kenyan market
(iv) To discourage production of harmful goods, for instance, excise duty imposed on beer and cigarettes.

**The powers of CCE and custom and excise officers**

Section 9 of Cap. 472 states that the CCE has the power to:

(i) Appoint and fix the limits in Kenya gazette of:
- Ports.
- Customs airports.
- Customs area (area of deposits of goods subject to customs control).
(ii) Power to require the vessel to depart from Kenyan port within 12 hours failure to which a maximum fine of Shs.100,000 is imposed and the vessel is liable to forfeiture.

(iii) Power to patrol freely and move the vessels, that is, he can take aircraft or vessel to a place convenient for investigation of smuggling or evasion without any legal liability to the officer.

(iv) Power to board a vessel and make a search. If the master of the ship refuses, he is liable to:
   - A fine not exceeding Shs. 500,000 or
   - 3 years imprisonment
   - Forfeiture of goods.

(v) Power to require persons entering or leaving Kenya to answer questions concerning their luggage.

(vi) Power to search persons where he/she has reasonable grounds to believe that the person has excisable goods or unaccustomed goods. However, a female officer can only search a female person.

(vii) Power to seal and search premises. The officer may also require the owner of goods to produce books and documents relating to imported/exported goods and:
   - Examine the books and accounts
   - Seize and detail such books and documents.
   - Require containers or envelope to be opened.
   - Open and examine any package or goods or materials.
   - Take reasonable samples of goods in packages.

(viii) Power to have search warrant issued by magistrates to enable the officers to enter, day and night, the premises to seize and carry away unaccustomed goods, plants or documents.

dumping and subsidy

dumping

Imported goods are deemed to have been dumped into Kenya if:

(i) Goods are sold in Kenya at a price lower than their cost of importation, insurance cost, freight, duties, cost of goods and other charges in the country exporting the goods.

(ii) The export price in the country which is exporting the goods is less than the fair market value of price of goods in that country.

(iii) The country exporting goods into Kenya had imported the goods and:
   • The export price in the original country of export is less than the fair market price in that country.
   • The export price of goods in the country, which is exporting is less than the fair market price in that country.

anti-dumping measures imposed by the government

- Imposing high dumping duty
- Imposing a quota (limiting the amount of imports) on particular persons or any organization dumping in Kenya.
- Having a pre-shipment inspection at the ports. The inspection of the imported goods is to ensure that:
  - There is no evasion of duty/tax.

The imported goods, which are being shipped inland, have been acquired legally.
Subsidy

This comes in form of a direct or indirect reduction on:

(i) Production or output by way of grants or loans.
(ii) Tax relief relating to the goods themselves or the material used to make the goods.

Subsidy may also come in form of:

- Special treatment.
- Giving favourable treatment to producers or exporters, which reduces the price of the goods offered for export.

Customs documents

The following documents are required with regard to customs transactions:

(a) Customs entry

It is a form used to fill all the details relating to goods being imported or exported. It is commonly known as C63. It shows the following details:

- Owner of the goods and his details
- Clearing and forwarding agent (if any) and address
- Cost of goods
- Country of origin
- Country of destination
- Description of goods
- Duty payable on the goods
- VAT payable on the goods.

(b) Bill of lading

It is the ownership certificate of goods being transported from one country to another. It is to identify who owns the goods on board a ship or plane. For air carriage, the bill is known as an airway bill.

(c) Clean report of findings

It is certificate issued by the pre-shipment inspection company. It is used to show that the goods are fit for importation and also gives value of the goods. This value is important because it is used to calculate duty payable on the goods. The following goods are exempted from pre-shipment inspection:

- Ammunition
- Goods belonging to the government
- Charitable goods
- Goods to diplomats
- Goods exempted from duty/taxation.

(d) Purchase invoice

It is the purchase transaction document issued by the seller to the importer. It shows the selling price and details of the goods. If the goods are acquired free of charge, the value on the CRF is considered.

(e) Port release order

It is issued by KPA to allow the release of the goods from the port. This helps in avoidance of theft of goods while at the port.
(f) Import declaration form (IDF)

It is a form issued to a person who intends to import goods. It is issued on payment of a fee known as IDF fee or Government of Kenya (GoK) fee.

(g) Customs receipts

These are vouchers issued by the customs department on payment of any duties payable, customs charges and VAT on imported goods.

(h) Refund on duty

The duty paid on imported goods may be refunded under the following circumstances:

- Where goods are returned to the seller.
- Where goods are lost or destroyed by accident.
- Where goods are damaged, destroyed, stolen during voyage or while under customs control.
- Where duty has been paid in error or overpaid or there is cancellation of a bond given as a security.
- Where goods have been abandoned to customs department by an importer who had paid duty.
- Where imports are used in the production of exports or specified duty exempt goods.
- Duty paid by privileged persons and institutions such as United Nations and the Armed Forces.

(i) Bonded security

A bond is a commitment to honour certain terms and conditions and fulfill obligations relating to an agreement. The failure to honour the commitment leads to consequences, which include forfeiting the asset that may have been given as a security.

The CCE may require a person to give a security for the following reasons:

- Ensure due compliance by the person with provisions of Cap 472.
- For protection of customs and excise revenue on imported goods.
- To cover any transactions entered into by the person within a specified period.

Forms of security:
- Cash deposits: A taxpayer can deposit cash with the customs department to ensure compliance with payment of tax.
- Bond security: A taxpayer may be required to deliver a document indicating the legal ownership of compliance and payment failure to which he will loose the asset.
- Use guarantors or sureties: This is where a third party gives his guarantee that a taxpayer will comply with terms and conditions of the Act.
- Partly by bond and partly by cash deposits.

Discharge of bond security

A bond may be withdrawn if:

- The conditions of the bond are fulfilled or performed.
- On expiry of 3 years the CCE may discharge the bond.

When can a CCE require a fresh bond:

- Where a surety or guarantor dies.
- When the guarantor is declared bankrupt or enters into a scheme of compensation with his creditors.
- When a surety departs from Kenya without leaving sufficient property to satisfy the whole amount of the bond.
- On expiry of 3 years and the CCE deems it responsible to ask for fresh security.

<table>
<thead>
<tr>
<th>BASIS</th>
<th>REBATE</th>
<th>DRAWBACK</th>
</tr>
</thead>
<tbody>
<tr>
<td>MEANING</td>
<td>Rebate is a refund of terminal excise duty paid on excisable goods exported or excise duty paid on inputs used in manufacture of export goods</td>
<td>Drawback is refund of customs duty paid on imported goods and excise duty paid on inputs used in the manufacture of export goods</td>
</tr>
<tr>
<td>SANCTIONING</td>
<td>Rebate is sanctioned by the excise department</td>
<td>Drawback is sanctioned by customs department</td>
</tr>
<tr>
<td>DEPARTMENT</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Prohibited imports

- False/counterfeit money.
- Indecent/obscene prints books, painting.
- Articles marked with ceremonial ensigns or Court of Arms of Kenya.
- Advertisements to promote sale of medicine to cure cancer, TB or AIDS.

Restricted imports

- Tear gas.
- Traps for killing or capturing game animals.
- Silencers or firearms and sound moderators.
- Articles bearing boys scouts and girls guides budge, emblems or tokens.
- Postal franking unless permitted by the manager of postal Kenya.

EXCISE DUTY

It is a duty imposed on goods and services manufactured in Kenya or imported into Kenya as specified in the 5th Schedule of the Customs and Excise Act Cap 472 of the Laws of Kenya. The excise duty on locally manufactured excisable goods and services is payable to the commissioner of Domestic Taxes at the rates specified in the 5th Schedule. Excise duty on imported goods and services is accounted to the commissioner, Customs Service Department.

Some goods and services liable to excise duty

<table>
<thead>
<tr>
<th>Description</th>
<th>Rate of duty (Kshs)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Juices</td>
<td>7% of the excisable value</td>
</tr>
<tr>
<td>Mineral water, ice blocks</td>
<td>5% or Kshs. 3 per liter</td>
</tr>
<tr>
<td>Sodas</td>
<td>7% of the excisable value</td>
</tr>
<tr>
<td>Cosmetics</td>
<td>5% of the excisable value</td>
</tr>
<tr>
<td>Petroleum jelly</td>
<td>5% of the excisable value</td>
</tr>
<tr>
<td>Other non-alcoholic beverages</td>
<td>7% of the excisable value</td>
</tr>
<tr>
<td>Malted beers</td>
<td>Kshs. 70/=per litre or 40% of RSP</td>
</tr>
<tr>
<td>Beer not made from malt</td>
<td>Kshs. 70/=per litre or 40% of RSP</td>
</tr>
<tr>
<td>Wine</td>
<td>Kshs. 80 per litre or 40% of the excisable value</td>
</tr>
<tr>
<td>Spirit</td>
<td>Kshs. 120 per litre or 35% of the excisable value</td>
</tr>
<tr>
<td>Mobile cellular phone services</td>
<td>10% of the excisable value</td>
</tr>
<tr>
<td>Other wireless telephone services</td>
<td>10% of the excisable value</td>
</tr>
<tr>
<td>Plastic shopping bags</td>
<td>50% of the excisable value</td>
</tr>
<tr>
<td>Processed tobacco</td>
<td>130% of excisable value</td>
</tr>
<tr>
<td>Ready to drink beverages</td>
<td>Kshs. 1, 200/=per mile or 35% of RSP</td>
</tr>
<tr>
<td>Cigarettes</td>
<td>Kshs. 1, 200/=per mile or 35% of RSP</td>
</tr>
<tr>
<td>Money transfer fees</td>
<td>10% of the excisable value</td>
</tr>
</tbody>
</table>

NOTE

- RSP means retail selling price, 1 mile equals 1000 sticks.
- Senator keg has 50% remission subject to conditions contained in the Act.
- Beer made from sorghum or millet has 50% remission.

Types of duties

(a) Specific duty rate: refers to where a specified amount of tax is charged per unit of measure of an excisable product such as Ksh. 120 per litre of spirit.

(b) Advalorem duty rate: refers to a percentage rate of duty charged on the value of an excisable product. For imports the tax is charged on the CIF (cost insurance and freight) determined in accordance with customs valuation and for locally manufactured excisable goods advalorem rate is charged on the ex-factory selling price.

Where a product or service attracts advalorem and specific tax rates, the rate yielding higher duty shall be applied.

Who should pay excise duty

All manufacturers, providers and importers of excisable goods and services should pay excise duty.

Taxation of spirits

Excise duty on spirit shall be charged and collected upon delivery of the spirit from the compounders (bottlers). Duty paid on neutral spirit upon delivery from the distillery or importation shall be deducted in accordance with section 149A. Where a compounder is also a distiller, duty shall be charged only once at the point of delivery of the finished spirit product from the Excise Stock Room (ESR).

 Licensing of manufacturers

All manufacturers of excisable goods must be licensed by the Commissioner of Domestic Taxes upon application and payment of the prescribed fees. The licenses are renewable each year before 31st of December.
Collection and payment

The duty on locally manufactured excisable foods is charged at the rate in force when goods liable are delivered from an excise stock room or when services are rendered. The amount of duty charged is payable, through an excise return, to the commissioner on or before the 20th day of the month following the month in which the goods/services were sold or offered.

Penalties

A person, who fails to file a return, is liable to a default penalty of 10,000 shillings or 5% of the amount of duty payable, whichever is higher as provided for under section 96.

This is in addition to interest of 2% per month or part thereof charged on the amount that remains unpaid. The interest should however not exceed the principal amount.

Excise stamps on wines and spirits

The application of excise stamps are governed by Custom and Excise (Excisable Goods Management System) Regulations. It is the requirement to affix excise stamps on packets or containers of cigarettes, wines and spirits.

How the stamps are fixed

The stamp shall be affixed on the tearing joint of all bottles or containers of cigarettes, wine and spirits in such manner that it shall be clearly visible when the container is displayed for sale, and damaged on opening the bottle or container.

Source of excise stamps

Excise stamps are supplied by KRA to manufacturers and importers of cigarettes, wine and spirits registered by the commissioner for the purpose of affixing the stamps as covered in the Customs and Excise (Excisable Goods Management System) Regulations 2013.

Prohibition and offences

A person shall not:

(i) Import any excisable goods on which excise stamp should be affixed without being registered with the commissioner in accordance with the Regulations.
(ii) Fail to maintain excise stamp register or records as the commissioner may prescribe.
(iii) Fail to affix an excise stamp on the package of excisable goods in such secure manner as the commissioner may prescribe.
(iv) Print over or deface an excise stamp affixed on a package.
(v) Knowingly submit a return that is incorrect.
(vi) Fail to furnish any information that the commissioner may require.
(vii) Be in possession of excisable goods on which the excise stamps have not been affixed and which are not exempted under these Regulations.
(viii) Attempt to acquire or acquire an excise stamp without authority from the commissioner.
(ix) Counterfeit, or print, make or in any way create an excise stamp without the authority of the commissioner.
(x) Be found in possession of an excise stamp printed, made or in any way acquired without the authority of the commissioner.
(xi) Be found in possession of, convey distribute, sell, offer for sale or by way of trade expose excisable goods without affixing excise stamps in accordance with these Regulations.

A person who contravenes the provisions of above paragraphs commits an offence and shall be liable upon conviction to a fine not less than one hundred thousand shillings and not more than one million five hundred thousand shillings or to imprisonment for a term not exceeding three years or to both.

Process of being registered by the Commissioner for purposes of affixing the stamp

A manufacturer licensed by the commissioner to manufacture cigarettes, wines and spirits qualifies to affix excise stamps. An importer may apply for registration for purposes of affixing excise stamps and may be registered after fulfilling the conditions prescribed by the commissioner.

Subject to being registered, an importer or manufacturer shall make an application for excise stamps at least 60 days prior to the date of importation or manufacture.

How to apply for registration

Application for stamps shall be forwarded to the commissioner as provided under the Excisable Goods Management Systems (EGMS) Regulations.

Rebate and remission of excise duty

Remissions are granted to licensed excise manufacturers and registered service providers of goods and services to privileged and approved persons and institutions. The commissioner may grant rebates upon proof of delivery of excisable goods/services for export or to other legally exempt bodies. Remission shall be granted upon application and fulfillment of the requirements prescribed by the commissioner.

Licensed manufacturers and service providers are required to provide details of all remissions and rebates in the excise return for the month.

Application for rebates is made on Form E9 not more than 12 months from the date excise duty became due and was paid.

Excise refunds

Excise refunds are granted to local manufacturers that use plastic bags and sacks, on which excise duty has been paid, in the packaging of goods. Refunds may also be granted for duty paid in error and to exempt persons who are entitled to remission and who for good reason paid duty for goods purchased or services received. It is also applicable where excise duty has been paid on spirits which have subsequently been used in the manufacture of un-excisable goods.

Application for refunds shall be made to the Commissioner on Form E9 not later than 12 months from the date the duty became due and was paid.

Customs agents licence

This is a licence issued by the Commissioner of Customs Service Department authorising the holder to transact business relating to the declaration or clearance of any goods or baggage other than accompanied non-manifested personal baggage of a person traveling by air, land or sea.

The license shall expire on the 31st of December each year.
The requirements for a customs agents license are:

(i) Must have an office the physical location of which is to be indicated in the licence application form; any change of location should be notified to the Commissioner within 30 days. Inaccurate information may lead to disqualification or cancellation of the licence.

(ii) Must be a member of a recognised clearing and forwarding association.

(iii) Must not at any time be a director of a clearing and forwarding company or sole proprietor or a partnership which has been deregistered or has its licence canceled due to misconduct.

(iv) Should be registered by domestic taxes identification number (PIN) and VAT Certificate.

(v) Must obtain a certificate confirming their compliance status with Domestic Taxes Department.

(vi) Must have a bank account of the said firm particulars of which have to be indicated in the applications.

(vii) Shall present a competent customs expert for interview who must be an employee of the applicant.

(viii) Must have a letter of introduction from each of the company directors banks.

Attachments to the application forms:

• Copy of the company’s registration certificate.
• Copy of the company’s memorandum and articles of association.
• In case of partnership, a partnership deed is required.
• Copies of identity cards or passport of the directors.
• Passport size photographs of all the directors duly certified by a notary public or commissioner for oaths.
• Evidence of membership in a recognised clearing and forwarding association.
• Letter from the bankers confirming that the company maintains an account with them.
• Copy of PIN certificate for the company.
• Copy of PIN certificate for the directors.
• Copy of VAT registration certificate for the company.
• Certificate of good conduct for all directors.
• Tax compliance certificates for each of the directors.
• Certificate or diploma in customs training from a recognised institute with a minimum of 5 years experience in customs operations.
• A letter of introduction from each of the company directors.
• Valid tenancy agreement for suitable office accommodation or proof of ownership.

Renewal of custom agent licence

The renewal is subject to demonstration of good performance in the previous year which shall include:

(i) No unduly outstanding security bond.
(ii) No serious offenses have been committed.
(iii) Quick responses to queries so that none is left pending unduly.

Attachments for renewal application forms:

(i) Valid licence for the preceding year or the year before.
(ii) Valid Cb11.
(iii) Current certificate or tax compliance for the company.
(iv) Current certificate or tax compliance for each of the company’s directors.
(v) Copy of CR12 from the Registrar of Companies.
(vi) Audited annual accounts for the company for the previous year.

Vetting Committee

All applications for customs agent licence will be vetted by the vetting committee constituted by the Commissioner and selected members from all departments of KRA.

Rejection of application and appeals

• Where an applicant fails to fulfill the necessary conditions the application will be rejected and no refund application fee will be granted.
• However if unsuccessful, an applicant may appeal to the Commissioner for review of the matter.
• An appeal panel will then be constituted and another vetting process will be conducted.

Approval and fee payable

Successful applicants will be notified in writing through a letter authorising them to comply with the following:

• Pay a fee of four hundred US dollars ($400)
• Furnish a bond in form CB11 or cash deposit as may be assessed by the Commissioner but which shall not be less(a) than five thousand US dollars (US$5, 000) within thirty days of authorisation.
• When one complies and the licence is issued, a fee of Kshs. 15,000/= is paid for Simba training and a further Kshs. 15,000/= for Simba Access.

Continued on Page 30
Summit Institute of Professionals
Centre of excellence

ACCOUNTING COURSES OFFERED
ACCRREDITED BY THE MINISTRY OF EDUCATION AND KASNEB

* Accounting Technicians Diploma (ATD)
  • Level I, Level II and Level III
* Certified Public Accountants (CPA)
* Certified Secretaries (CS)
* Certified Credit Professionals (CCP)

• Fees is payable in four installments.
• Single subjects also offered
• Examinations Body - KASNEB

Minimum Qualifications
For ATD - KCSE with a minimum of C- (minus)
For CPA/CS/CCP - KCSE with a mean grade of C+ (plus) and C+ (plus) in English and Mathematics

Intake
In-Progress

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Excellent faculty of studies

Mr. Karani Giture
(MBA, B.Ed, MCIPS, CPA(K))

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Valuation of imports and exports

VALUATION OF EXPORTS

The value of export goods whether exempt from duty, liable to specific duty or liable to ad valorem shall include:

- The cost of goods to the buyer outside Kenya
- Packing charges
- Any levy
- Cess duty
- Tax
- Transport and all other charges up to the time of delivery of goods on board the export aircraft or vessels at the place of exit from Kenya.

Sec 127(b) states that where the goods for exportation or re-exportation are below the normal price, the CCE or any other authorised officer will cause the goods to be revalued or appraised in accordance with the rate and price at which the goods of similar kind and quality have been exported or imported. Re-exportation occurs when goods have been imported outside Kenya and without being used in Kenya. The value of goods for exportation purposes consists of:

- Landed cost at the time of importation.
- Transport and all other charges up to the time of delivery of goods on board the exporting vessel or aircraft at a place of exit in Kenya.
- Once goods are re-valued or appraised, a certificate of appraisal shall be granted indicating the appraisal value.

To determine the value of export goods in Kenya shillings, the exchange rate shall be higher of:

- The prevailing current bank rate of signed drafts as last notified by CBK.
- The rate applied by banks or financial institutions.
- The commissioner may use weighted average of prevailing bank exchange rates in force during the previous week subject to any revaluation as notified by CBK.

VALUATION OF IMPORTED GOODS

For the purpose of levying duty of imported goods, the value shall be the sum of:

- The value ascertained for the purpose of import duty.
- The amount of duty if any.

When determining the value, the following assumptions are made:

- Imported goods are delivered to the Kenyan buyer at the port of importation.
- The seller bears the freight, insurance, commission and other charges, expenses and costs relating to sale of goods.
- The buyer/importer shall bear any duty/tax chargeable in Kenya.
- The proceeds from resale of imported goods in Kenya shall not accrue directly or indirectly to the seller or the person related to him.
- The price of imports is not influenced by commercial, financial or other relationship between the seller and the buyer (importer).

For the purpose of levying ad valorem excise duty the value of locally manufactured goods shall be the factory selling price. Ex-factory selling price is the price at which goods can be sold from the factory exclusive of VAT and excise duty. It consists of:

- Cost of wrapper, package, box bottle or other container in which excusable goods are packed.
- Cost of any other good contained or attached to the wrapper, package, box, bottle and so on.
- Any incidental costs on sale of goods including transportation costs, advertising costs, financing cost, commission given to seller or any cost incurred in delivery of goods to the purchaser.

Conclusion

Custom and excise duty contribute significantly to the government’s revenue kitty. It is important that professionals involved in assessing or in the remission of custom and excise duty understand the underlying legal provisions. This will not only ensure accuracy of computations but will also serve to seal any loopholes through which the government might lose revenue.
Have you ever stepped into your workplace feeling so positive, energetic and with great aspiration, only to be turned down by some of the people you work with or even work for?

This feeling of disappointment makes you feel so weak and useless. It hurts you so much. It makes you feel like you do not know anything. It lowers your self-esteem and worse still it may spoil the whole of your day or even the rest of your stay in the organisation.

Disappointment is one thing none of us would wish to experience. Everyone has an invisible sign saying “make me feel important.” This is a fact all of us should never forget when dealing with people. What we should remember is that it will always be part of life especially when working with people. It is not everyone who will always accept what you do. We will always have a character or two that will always be seeing you as a waste of time.

I have experienced it not once and not twice. I am sure you have experienced it a number of times.

After weeks of hard work and determination, my friend had now completed the given assignment. This was not just an easy task, but he had tried the best he could to make it complete. All the necessary workings had been done and what remained was the approval of the boss.

He positively, stepped into the manager’s office with his files. He was ushered into a seat as the manager went through the file to see what he had done.

“You said this has taken you two weeks to complete?” The manager asked him.

“Yes it has taken me two weeks.” He answered with a smile. The weight of the job could not have allowed him to take a shorter period than that.

“My friend you have done nothing.” The manager told him. “You said you have some prior
experience on this, further more you are a graduate. Presenting to me this kind of work is just a mere joke.”

My friend had always been a strong guy. He had worked in more challenging environments. These were just strong words that hurt so much. The work that had consumed so much of his time and energy was all going to waste. Furthermore the manager handed back the files to him not even telling him which areas needed correction. His efforts to ask for an explanation on what to amend were turned down. He was left gazing at the boss who was now busy doing other “important” tasks for the organisation.

Welled up with tears he stepped out of the office not knowing the step to take next.

This is just an example of the disappointments we face in our careers. Disappointments vary from situation to situation.

Below are some of the types of rejection we may face in our careers.

- Not receiving an applied promotion.
- Being publicly criticised and blamed for errors.
- Not being assigned a project of desire.
- Being turned down for a date by that attractive colleague.
- Facing a cold shoulder from your co-workers.
- Boss’ rejection.

Once you encounter this kind of a situation, you may not control anger and the feelings of unhappiness. It is tough at any age. You have even seen children cry when they are rejected. The fact is, you may never know what made this kind of a situation happen to you.

Overcoming disappointment may not always be so easy. For you to perform in your career you always have to act as if nothing happened. Motivate yourself and remind yourself that you still shine despite the ugliness in attitude from those who reject you.

The following are some of the steps you can take to overcome it.

1. Gather up your courage

Remain positive. Say it happens. You are not the first to face it. Furthermore man is born with the attitude to bias. You have even seen children prefer one parent over the other.

2. Manage your emotions

This is not the time to shout, cry or even remain sad. Look for an activity that can control your disappointment.

3. Learn from the disappointment

Do not hate yourself or even hate the one who caused the disappointment. Learn from it. Look for the positive and move on. Hating will only make the situation worse. Remember that in most of the situations you are the party in need and may be your main aim is to obtain the best from your career. If you hate you will only be seeing the bad side of the other party and you may never grow.
4. Develop from the feedback you received

Lay strategies on how you are going to positively take an action from the feedback you received. At times you have to assume that you knew nothing and maybe that’s why you failed. Remind yourself that you will not repeat the same mistake again if that is what is causing you lack of happiness in your career.

5. Let them know you are improving yourself

They will help you in the journey if they are positive enough. Else they will feel shy of doing it again to you or to any other person. Seek assistance from them instead of just keeping quiet. Be ready to listen to their advice and improve on the areas they point out.

6. Avoid excuses

Excuses prevent you from positive improvement. Stop justifying yourself and move. This also helps you avoid the problem of self-criticising.

7. Do not complain too much

Complaining will not heal the pain. Complaints help you just see the negative. Accept the truth that God can use your hurt to help others.

Aren’t these easy ways of overcoming rejection in our careers?

Conclusion

Never let rejection tamper with your growth again.

If someone makes you feel so worthless today, just remain silent. Smile if you can –furthermore no one can ever do it for you. Remain positive and silently remind God to see the desire of career excellence in your heart. Work hard to improve your performance.

Complaining

The only thing complaining does is convince other people that you are not in control.
INTRODUCTION

Decision makers and stakeholders in organisations wish to ensure that programmes accomplish their intended purpose. They are interested in assessing the effect of programmes by asking questions like “what changes occurred?” or “are we satisfied with the results?”. Programme evaluation is utilised by organisations to periodically assess their processes, procedures and outcomes. The file of programme evaluation provides processes and tools that the management can apply to obtain valid, reliable and credible data to address a variety of questions about the performance of programmes.

What evaluation is and how it should be conducted depends on different views. There is no agreed definition of evaluation.

As a result, various prescriptions or evaluation models have been developed and circulated and have to a great extent influenced present practices. Some of the contemporary evaluation models and approaches are the subject of this article.

SOME KEY DEFINITIONS

(a) Evaluation

Evaluation is the systematic collection, analysis, interpretation and presentation of data about the nature, value and effectiveness of the entity being evaluated with a view of facilitating the decision making process.

(b) Monitoring

It is the process of collecting information at regular intervals of an on-going project or activity concerning the nature and level of its performance. It seeks to know whether activities are taking place as planned and whether they are leading to the intended results.

(c) Model

A model is a mental picture that helps users understand something we cannot see or experience directly. A model may also refer to a conception or approach or even a method of doing evaluation.

(d) Theory

It is a general explanation for observations that are made over time. It attempts to explain and predict behaviour based on observations and conclusions on the data that is systematically collected, analysed and interpreted. In other words a theory is a system that explains a phenomena by stating constructs and the laws that inter-relate these constructs to each other. Theories are based on observations and conclusions that have stood the test of time.

What is Focus of Monitoring and Evaluation?

<table>
<thead>
<tr>
<th>Goals</th>
<th>Objectives</th>
<th>Activities/inputs</th>
<th>Outputs</th>
<th>Outcomes</th>
<th>Impacts</th>
</tr>
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</table>

Focus of Monitoring

Focus of Evaluation
1. Evaluation theories

Project evaluation is based on learning theories because the main goal of evaluation is to come up with lessons learnt which are behavioural, cognitive and constructive. An evaluation theory is a theoretical framework or approach that guides evaluation of programmes, projects and products.

2. Theory of change (ToC)

The theory of change emerged from the field of programme/project theory and programme evaluation in the mid-1990s as a new way of analysing the theories, motivating programmes and initiatives working for social and political change. The theory of change is focused not just on generating knowledge about whether a programme is effective, but also on explaining the methods it uses to be effective. The theory of change as a concept has strong roots in a number of disciplines, including environmental and organisational psychology, but has also increasingly been connected to sociology and political science.

The theory of change describes the types of interventions that bring about the outcomes as per the framework or the pathway of a change map. Each outcome in the pathway of change is tied to an intervention. The theory explains the interconnectedness of intervention and the goals or the results. The theory of change would not be complete without an articulation of the assumptions that stakeholders use to explain the change process represented by the change framework. Assumptions explain both the connections between early, intermediate and long term outcomes and the expectations about how and why proposed interventions will bring them about. The theory of change is highly valued by the stakeholders because it is through the theory that stakeholders are able to understand the vision of the long-term goals, how they will be reached, and what will be used to measure progress along the way.

The theory differs from any other method of describing initiatives in a few ways:

- The change theory shows a causal pathway from here to there by specifying what is needed for goals to be achieved.
The change theory requires you to articulate underlying assumptions which can be tested and measured.

The change theory changes the way of thinking about initiatives from what you are doing to what you want to achieve and starts there.

The theory of change provides a roadmap to get you from here to there. A complete roadmap of the change process gives one a chance not only to see the expected results but also to see in advance the process.

3. Decision theory

This is a branch of statistical theory concerned with quantifying the process of making choices between alternatives. It is applicable to monitoring and evaluation because monitoring and evaluation is about making the right choice in terms of changing a process, adopting new methods of project implementation among others. In statistics and related subfields of philosophy, the theory and method of formulating and solving a general decision problem is specified by a set of possible states of the environment or possible initial conditions, a set of available experiments and a set of possible outcomes for each experiment, giving information about the state of affairs preparatory to making a decision; a set of available acts depending on the experiments made and their consequences; and a set of possible consequences of the acts, in which each possible act assigns to each possible initial state some particular consequence.

THE MODELS/ APPROACHES IN MONITORING AND EVALUATION

These models/approaches include:

- Objective - oriented model
- Management - oriented model
- Goal-free - oriented model

These are further explained below:

1. OBJECTIVE - ORIENTED MODEL

This model of evaluation has dominated the thinking and development of evaluation since the 1930s because of its straightforward procedures of letting achievement of objectives determine successes or failure and justifying improvements, maintenance, or termination of program activities. This model has been used in the following areas, among others.

Summative evaluation of students

Behaviourally stated objectives and relevant behaviours are measured using either standardised or evaluator- (teacher-) constructed instruments at the summative level. The outcome data of these instruments are used to determine the extent to which performance is congruent with expectations of the system. Results of such evaluations are used for placement of students into the next level, certification and teachers also use them to change or adopt a teaching method.

Evaluation of Projects/Programmes

Many educators use the objective model to evaluate the quality of projects/programmes, specific school programmes, schools and individual educators by inferring that high scores reflect successful efforts and low scores reflect poor efforts. This has also been used
MONITORING AND EVALUATION

must be clearly outlined in the project document prior to the implementation of the project, the project is then implemented and evaluation comes at the end of the project to determine whether the set objectives were achieved.

Piloting of the curriculum

Before a curriculum is implemented in the whole republic, a pre-test is given to both the control and experimental groups. The curriculum is then introduced during piloting and at the end a post test is administered to the two groups. Results are then compared to determine the relevance of the curriculum.

Establishment of performance trends over time

The objective model is used to determine whether achievement is better than in prior years and the results of such trends have led to curriculum review in some instances.

Ranking of schools Though this has been abolished in Kenya, ranking of schools after summative evaluation is based on how ‘well’ a school has prepared her candidates. This is inferred from the performance of the students in relation to the curriculum objectives. Once a curriculum is introduced a final examination (summative evaluation) is administered at the end of the course and the scores are compared with the set objectives to determine the ‘best’ school.

2. MANAGEMENT (DECISION MAKING) ORIENTED MODEL

According to this theory, evaluation is meant to serve decision makers. While carrying out an evaluation, the evaluator, ‘working closely with the program manager, would identify the decisions the latter must make and collect sufficient information about the relative advantages and disadvantages of each decision alternative to enable the decision maker to make a judgment about which is best in terms of specified criteria’ Thus, evaluation became an explicitly shared function dependent on good teamwork between evaluators and decision makers.

The basic purpose of management model is to provide a knowledge and value base and being accountable for decisions that result in developing, delivering and making informed use of cost-effective services. Thus evaluators must interact with representative members of their audience, discern their questions and supply them with relevant, timely, efficient and accurate information. Some of the applications of this model include:

Program Improvement

Project or programme managers are guided by this theory through program planning, operation and review. Using such data, the managers are able to take corrective measures as the project continues.

Accountability

This model has been used for accountability purposes by providing a record-keeping framework that facilitates review of client needs, objectives, plans, activities and outcomes. Programme personnel are accountable for their program decisions and actions in terms of meeting the needs of the clients.

Inspection of schools

The Ministry of Education, Quality Assurance Department uses this model while inspecting schools either for registration or regular inspections.
**MONITORING AND EVALUATION**

**Needs assessment/situational analysis**

Before a programme is implemented, it is prudent to carry out a needs assessment to be in a position to identify the needs of the targeted group. Once needs are identified, the programme developers should delineate each need, prioritise them and propose to the managers the best plan of action that meet beneficiaries’ targeted needs.

**Cost-effectiveness**

Policymakers need to identify the most effective policies and programs to secure cost effective programs by understanding the effectiveness and cost-effectiveness of past policies and programs.

**Awarding of grades**

Institutions of higher learning use this model where managers (faculty board) sit and determine the grading system depending on the performance of the students.

**Budgeting**

Managers allocate funds to different votes in a financial year depending on the urgent alternatives.

**3. GOAL-FREE ORIENTED MODEL**

According to this approach, projects goals and objectives should not be taken as given instead, they should be evaluated. The evaluator focuses on the activity rather than its intended effects. The evaluator is not limited to the goals of the project, but on the actual outcomes.

Goal-free evaluation reduces bias in program evaluation by shielding the evaluator from knowing the goals of the program being evaluated. This causes the evaluator to concentrate on what the program is actually doing than on what it is trying to do.

The main proponent of Goal-free oriented evaluation theory is Micheal Scriven (1972). In his theory, he believes that the most important function of goal free evaluation is to reduce bias and increase objectivity. In objectives-oriented evaluation, an evaluator is told the goals of the project and therefore becomes immediately limited in his perceptions.

The goals act like blinders, causing the evaluators to miss important outcomes not directly related to the set goals.

Characteristics of Goal-Free Evaluation:

- The evaluator purposely avoids becoming aware of the programme goals.
- Predetermined goals are not permitted to narrow the focus of the evaluation study.
- It focuses on actual outcomes rather than intended programme outcomes.
- The goal-free evaluator has minimal contact with the programme manager and staff.
- Goal-free evaluation increases the likelihood that unanticipated side effects will be noted.

**CONCLUSION**

An understanding of the theoretical foundation of the monitoring and evaluation concept lays a foundation for its application in practice. Although they may sound academic, the three models discussed have to a large extent guided the design of various project evaluation tools.

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**RESOURCES:** Inputs such as time, money, materials, scarce skills

**ACTIVITIES:** What is done as part of the project by the people involved

**IMMEDIATE EFFECTS:** Outcomes of activities (intended/unintended)

**TARGETS/OBJECTIVES:** Identified project outcomes which are sought

**IDEALS:** Future vision to which it is hoped the project will contribute

---

That which gets measured, gets done.

Tom Peters
I. HOW TO CREATE A STUDENT ACCOUNT ON THE KASNEB STUDENT PORTAL

All students are required to open a student account on the KASNEB website.

To open the account, follow the steps below:

1. Click on the student login link then choose the student icon or proceed to click the student icon if you use the direct link (http://online.kasneb.or.ke) to the student portal.
2. Click on create account and select whether you have a Student Registration Number or not and proceed to provide names, preferred email address and a strong password (which will be used for future access to self information) and click save.
3. Provide the email address and password used when creating the account and click unlock to login in.
4. Select the “Registration Details” tab.
5. Access the “Course Choice” tab.
6. Select the examination from the dropdown box, click on the “Yes” checkbox and provide the registration number without the prefix (for example if your registration number is NAC/68148, provide 68148 as the registration number) and click save.

Benefits

You will be able to:

• Download authority to sit for examination/timetable
• Result summary.

Once the website upgrade is finalised in the near future, you will be able to:

• Edit your contact address
• Check payment status
• Book for examinations.

Students are hereby advised to ensure they have active student accounts given that soon, timetables, result summaries and other individualised communication will only be channelled through the student accounts.

II. STUDENTS ACCESSING ONLINE LEARNING RESOURCES UNDER A PILOT PROGRAMME

KASNEB has subscribed to online learning resources in various areas including accounting, finance, credit, governance and management and ICT. KASNEB is facilitating access to these resources free of charge to 4,500 of its students on a first come first served basis for one year from 1 January 2017 to 31 December 2017.

In order to be considered under this pilot programme, students are required to complete a form available on the KASNEB website under the link “Online learning resources pilot form”.
III. KASNEB STUDENT FEE COLLECTION ACCOUNTS WITH BANKS

Students, trainers, parents/guardians/sponsors, employers and other stakeholders are hereby informed that KASNEB has opened student fee collection accounts with the following banks:

a) National Bank of Kenya Ltd. (NBK)
   Account Number: 01001031572601

b) Equity Bank Ltd.
   Account Number: 0170299238025

c) Kenya Post Office Savings Bank (Postbank)
   Account Number: 0744130009246

d) Co-operative Bank of Kenya Ltd.
   Account Number: 01129128535900

The bank accounts are already operational.

Students are required to complete the appropriate KASNEB forms and relevant fee deposit slips (except for Postbank which does not use deposit slips). The students will be issued with one copy of the deposit slip and a computer generated slip for their records. However, for Postbank only a computer generated receipt will be issued.

Upon payment of the requisite fees to the bank, a cash deposit receipt will be issued to the payee. The completed KASNEB forms will be left with the bank for onward transmission to KASNEB together with one copy of the deposit slip.

**Students are advised that payment of fees at KASNEB offices will soon be phased out and therefore they should utilise the available channels through the banks.**

**Note:** Students should ensure that all documents requiring certification, such as copies of academic and professional certificates and identity card/passport are certified before being handed over to the bank.

IV. BANNING OF MOBILE PHONES FROM THE EXAMINATIONS ROOM

All students are hereby informed that mobile phones were banned from the examinations room with effect from the November/December 2014 sitting.

Students are further required to note that disciplinary action will be taken against any student found in possession of a phone in the examination room, regardless of whether the phone was in use or not at the time of its detection.

Possession of a mobile phone shall lead to severe action on the candidate.
We are pleased to inform our stakeholders that KASNEB services are now available at the following Huduma Centres:

<table>
<thead>
<tr>
<th>NAME</th>
<th>HUDUMA CENTRE</th>
<th>SAFARICOM</th>
<th>AIRTEL</th>
<th>Email</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anne K. Wandeto</td>
<td>Kibera, Nairobi</td>
<td>0701698149</td>
<td>0737018536</td>
<td><a href="mailto:awandeto@kasneb.or.ke">awandeto@kasneb.or.ke</a></td>
</tr>
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</tr>
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<td>0701699017</td>
<td>0737422739</td>
<td><a href="mailto:cnwanga@kasneb.or.ke">cnwanga@kasneb.or.ke</a></td>
</tr>
<tr>
<td>Collins M. Okomo</td>
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<td>0737492586</td>
<td><a href="mailto:cocomo@kasneb.or.ke">cocomo@kasneb.or.ke</a></td>
</tr>
<tr>
<td>Edith A. Were</td>
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<td>0737516847</td>
<td><a href="mailto:ewere@kasneb.or.ke">ewere@kasneb.or.ke</a></td>
</tr>
<tr>
<td>Egrah K. Masese</td>
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<td>0701711465</td>
<td>0737540323</td>
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<td>0737618421</td>
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</tr>
<tr>
<td>Modesta C. Langat</td>
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<td>0795431440</td>
<td>0735031908</td>
<td><a href="mailto:mlangat@kasneb.or.ke">mlangat@kasneb.or.ke</a></td>
</tr>
<tr>
<td>Timothy K. Rotich</td>
<td>Eldoret</td>
<td>0701713366</td>
<td>0737831524</td>
<td><a href="mailto:trotich@kasneb.or.ke">trotich@kasneb.or.ke</a></td>
</tr>
</tbody>
</table>

The services offered at the KASNEB counters at the Huduma Centres include:

(a) Inquiries
(b) Fee payment at the Huduma Centre using Posta Pay
(c) Student registration
(d) Examination entry
(e) Exemptions
(f) Registration renewal
(g) Request for dispatch of certificates
VII. REMINDER TO STUDENTS ON SOME POLICY REQUIREMENTS

(a) APPEALS FOR REVIEW OF MARKING

(i) Students are ADVISED not to make the appeal decision in a rush and to note that a candidate’s external circumstances that could have affected his or her performance are not considered during the review of marking.

(ii) All appeals should be on the designated form. The form is available for download on the KASNEB website.

(iii) The appeal form should be received by KASNEB within fourteen (14) days after the date of release of the examination results. This date is indicated in the examination result notification. Students paying through the banks or other agents are advised to personally send the forms attaching copies of deposit slips to KASNEB so as to be received within the stated deadline. Appeal forms received after the stated deadline will not be considered.

(iv) The candidate’s name should NOT appear anywhere on the form.

(v) A remarking fee shall be charged at Sh. 5,000 per paper for diploma level examinations and Sh. 7,500 per paper for professional level examinations.

(vi) A refund of the remarking fee, less an administrative charge of 15% shall be made if, after the remarking, the student’s results for a particular paper change from FAIL to PASS.

(vii) Feedback on remarking shall be provided to candidates within a period of between two and three weeks after the expiry of the deadline for receipt of appeals.

(b) DEFERMENT OF EXAMINATIONS

Deferment of fees shall be allowed subject to the following conditions:

(i) A formal application shall be made by the student for deferment of examination fees to the subsequent sitting.

(ii) Deferment of fees is not automatic and shall only be allowed on the basis of medical reasons, change of work station or similar extraneous circumstances as approved by the Secretary and Chief Executive.

(iii) All relevant evidence should be attached to the application letter. Applications received without any evidence attached SHALL NOT be considered.

(iv) A student shall be allowed to defer fees to the subsequent sitting only once in any particular level or section. The full amount of deferred fees not utilised in the subsequent sitting shall be forfeited to KASNEB.

(v) An administrative charge equivalent to 15% of the applicable examination fees shall be levied as a precondition for the deferment of the examination fees.

(vi) An application for deferment together with the supporting evidence must be received at least thirty (30) days before the commencement date of the examination, except for medical reasons.

(c) CHANGE OF REGISTRATION FROM ONE QUALIFICATION TO ANOTHER FOR NEW STUDENTS

Students who have applied and registered for a particular KASNEB qualification and who thereafter wish to change to another KASNEB qualification shall be allowed to do so without paying the applicable student registration fees provided that the following conditions are fulfilled:

(i) The application for the change is made before the date of the late examination entry for the sitting immediately following the date of registration. Such an application must state the reasons for the change and include a request for cancellation of the previous registration.

(ii) An administrative charge equivalent to 15% of the registration fees earlier paid shall be levied at the time of application.

(iii) Examination fees paid for the previous qualification shall be transferable to the new qualification, provided that all other rules relating to examination fees shall apply.

(iv) An application for change of registration under the above conditions shall only be allowed once for each student.

(d) ADHERENCE TO DEADLINES FOR PAYMENT OF REGISTRATION, EXAMINATION AND OTHER FEES

(i) All students are required to strictly adhere to the set deadlines for payment of fees including for registration, examination entry, exemptions and registration renewal. Details on the applicable fees and deadlines are available on the KASNEB website.

(ii) No student shall be allowed to sit for examinations unless he or she has paid all the applicable fees. Where in doubt, students are advised to confirm with KASNEB about their status with regard to registration and examination entry by latest thirty (30) days before the date of commencement of examinations.
(e) CERTIFICATION OF DOCUMENTS
(i) Students are required to ensure that all copies of academic and professional transcripts, testimonials, identity cards or passport documents and passport photos are duly certified by an authorized person before they are submitted to KASNEB.
(ii) All such documents should be certified by the same person.
(iii) Additional information on certification is available at the back of the registration and exemption forms and on the KASNEB website.

(f) INSTRUCTIONS TO CANDIDATES IN THE EXAMINATIONS ROOM
The following instructions are issued for the benefit of candidates. All candidates are advised to read carefully and understand the instructions. The candidates attention is also drawn to Section 42 of the Accountants Act, No. 15 of 2008 on examination offences.

(1) Candidates should present themselves for the examination at least 30 minutes before the scheduled time for the commencement of the paper they are taking (see note (a) and (b) below).

(2) Candidates will neither be allowed to take the examination if they arrive 30 minutes or more after the commencement of the examination nor will candidates be permitted to leave the examinations room until after the end of the first 30 minutes following the commencement of the examination. However, no candidate will be allowed to leave the examinations room during the last 15 minutes of the examination session.

(3) IDENTIFICATION: Candidates who are Kenya citizens will be required to produce their National Identity Cards and/or KASNEB Student Identification Cards. Non-Kenyans will be required to produce relevant identification documents such as Passports. Candidates who do not have the aforementioned identification documents will be required to avail other acceptable identification documents.

(4) Stationery will be provided but candidates must bring their own pens, pencils, rulers and ink. No stationery whatsoever may be removed from the examinations room.

(5) Each candidate has a registration number assigned at the time of registration. Each candidate must take his/her seat at the place allocated and indicated by the registration number. The registration number must be entered at the top right hand corner of each answer sheet.

(6) Candidates MUST NOT write their names on the answer booklet.

(7) Strict silence must be observed during the examination.

(8) Candidates MUST NOT retain any notes, printed papers or books during the examination, but must leave any such documents outside the examinations room.

(9) Candidates are allowed to use calculators provided that such calculators are noiseless and cordless. Calculators which are programmable are not allowed.

(10) During the course of the examination, no candidate may leave the examinations room without permission. Any candidate who does so will not be allowed back into the examinations room. Candidates who finish the paper before the invigilators announce the end of the examination session and who wish to leave the examinations room while the examination is in progress must hand in their scripts to the invigilators.

(11) Mobile phones are strictly NOT allowed in the examinations room.

(12) Candidates MUST NOT take away the examination question papers from the examinations room.

(13) Candidates MUST NOT collude in the examinations room by exchanging notes or keeping the answer booklet in such a way that another candidate can read or copy from the booklet.

(14) Smoking is not allowed in the examinations room.
FULL ACCREDITATION

1. Achievers College of Professionals - Embu Alphax College - Eldoret
2. African Institute of Research and Development Studies - Eldoret
3. African Institute of Research and Development Studies - Kisumu
4. Bartek Institute - Eldama Ravine
5. Bartek Institute - Kabarnet
6. Catholic University of Eastern Africa, Main Campus - Nairobi
7. Century Park College - Machakos
8. College of Human Resource Management - Nairobi
9. Dedan Kimathi University of Technology, Nyeri Town Campus - Nyeri
10. East Africa School of Management - Nairobi
11. Eldoret Polytechnic - Eldoret
12. Embu College - Embu
13. Excel Institute of Professionals - Thika
14. Fomic Business School, Buea - Cameroon
15. Graffins College - Nairobi
16. Gusi Institute of Technology - Kisii
17. Institut Polytechnique De Byumba, Byumba - Rwanda
18. Institut Professionnel De Certification - Douala, Cameroon
19. Kitele Technical Training Institute - Kitele
20. Jaramogi Oginga University of Science and Technology, Main Campus - Juja
21. Jomo Kenyatta University of Agriculture and Technology, Main Campus - Juja
22. Jomo Kenyatta University of Agriculture and Technology, Nakuru CBD Campus - Nakuru
23. Kabete Technical Training Institute - Nairobi
24. Kaiboi Technical Training Institute - Eldoret
25. KCA University Kisumu Campus - Kisumu
26. KCA University, Main Campus - Nairobi
27. Kenya Institute of Management - Nairobi
28. Kenya School of Credit Management - Nairobi
29. Kenya School of Government - Mombasa
30. Kenya School of Government - Nairobi
31. Kiambu Institute of Science and Technology - Kiambu
32. Kibabii University College - Bungoma
33. Kigali Institute of Management, Kigali - Rwanda
34. Kirinyaga University College - Kerugoya
35. Kismu Polytechnic - Kismu
36. Maaron Business School, Douala - Cameroon
37. Machakos Institute of Technology - Machakos
38. Machakos University College - Machakos
39. Masii Technical Training Institute - Kajiado
40. Meru Technical Training Institute - Meru
41. Michuki Technical Training Institute - Kangema
42. Mombasa Aviation Training Institute - Mombasa
43. Mombasa Technical Training Institute - Mombasa
44. Mount Kenya University, Nakuru Campus - Nakuru
45. Murang’a University College - Murang’a
46. Mwangaza College - Nakuru
47. Nairobi Institute of Business Studies - Ruiru Campus
48. Nairobi Institute of Technology - Nairobi
49. Nakuru Counseling and Training Institute - Nakuru
50. NEP Technical Training Institute - Garissa
51. Nishkam Saint Puran Singh Institute - Kericho
52. Nyabunge Technical Training Institute - Meru
53. Nyandarua Institute of Science and Technology - Nyahururu
54. NYS Technical Training College - Mombasa
55. NYS Technical Training Institute - Naivasha
56. Ol’Lessos Technical Training Institute - Lessos
57. Oshwal College - Nairobi
58. PC Kinyanjui Technical Training Institute - Nairobi
59. Pinnacle Business School - Nairobi
60. Ramogi Institute of Advanced Technology - Kisumu
61. Riara University - Nairobi
62. Rift Valley Institute of Science and Technology - Nakuru
63. Rift Valley Technical Training Institute - Eldoret
64. Rongo University College - Rongo
65. Royal Business School - Nairobi
66. Rware College of Accounts - Nyeri
67. School of Finance and Banking, Kigali - Rwanda
68. Shamberere Technical Training Institute - Nakamega
69. Sigalagala Technical Training Institute - Kakamega
70. St. Paul’s University, Main Campus - Limuru
71. St. Paul’s University, Nairobi Campus - Nairobi
72. Star College of Management Studies - Nairobi
73. Strathmore University - Nairobi
74. Summit Institute of Professionals - Nairobi
75. Thika Technical Training Institute - Thika
76. Times Training Centre - Mombasa
77. University of Eastern Africa, Baraton - Kapsabet
78. Vision Institute of Professionals, Mombasa Campus - Mombasa
79. Vision Institute of Professionals, Nairobi Campus - Nairobi

INTERIM ACCREDITATION

1. Africa College of Aviation and Management - Nairobi
2. African Institute of Research and Development - Kericho
3. AIC Naivasha Technical Training Institute - Naivasha
4. Belmont International College - Ongata Rongai
5. Berinet College – Ol-Kalou
7. Catholic University of Eastern Africa, Gaba Campus - Eldoret
8. Chania Training Institute - Thika
9. Co-operative University College of Kenya, Karen Campus - Nairobi
10. Destiny College of Accountancy - Kericho
11. Digital Advisory and Learning Centre (DALC) - Nairobi
12. Dominion Training Institute - Bungoma
13. E-smart College - Kisii
14. E-smart College - Nyeri
15. East Africa Institute of Certified Studies - Nairobi
16. Eldoret AIC Training College - Eldoret
17. Frontier Institute of Professional and Management Studies - Garissa
INSTITUTIONS AWAITING ASSESSMENT / REASSESSMENT

1. Adept College of Professional Studies - Nakuru
2. Adex School of Business Studies - Kakamega
3. Blaise Institute of Business Studies - Nairobi
4. Chuka Institute of Business Studies - Chuka
5. DIMA College - Nairobi
6. Ekerubo Gietai Technical Training Institute - Nyamira
7. Eldo-Mwangaza Institute of Accountancy and Commercial Studies - Eldoret
8. Embu University College - Embu
9. Institute of Community Development/Centre for Accountancy and Business Management - Nairobi
10. Kenya School of Government - Baringo
11. Kenya Technical Trainers College - Nairobi
12. Kilifi Institute of Business Studies - Kilifi
13. King’s Medical College – Nyeri
14. Lake Naivasha Institute - Naivasha
15. Malava College of Computers Studies - Malava
16. Management University of Africa - Nairobi
17. Marist International University College - Karen
18. Masinde Muliro University of Science and Technology, Main Campus - Kakamega
19. Masinde Muliro University of Science and Technology, Nairobi Campus - Nairobi
20. Miramar International College - Nairobi
21. Multimedia University of Kenya - Nairobi
22. Nairobi Institute of Business Studies - Ongata Rongai Campus
23. Nyeri National Polytechnic - Nyeri
24. Nyeri South Institute of Professional Studies - Othaya
25. Participatory Development Centre - South Sudan
26. Regional Institute of Professionals and Technologists - Mombasa
27. Riccatti Business College of East Africa - Wote
28. RoyalNet Training Institute - Kitale (not registered)
29. South Western Teachers College - Kericho
30. Sterling College — Kitengela
31. Transom Institute of East Africa - Ongata Rongai
32. University of Kigali - Rwanda
33. Vlan College of Business and Technology - Nairobi
34. YMCA - Meru

INSTITUTIONS DENIED ACCREDITATION

1. Hi-Tec Institute of Professional Studies - Mombasa
2. Kagumo-Ngandu Commercial College - Karatina
3. Training for Juniors Consulting Association (TJCA) Kigali - Rwanda

ACCREDITATION

Accreditation is a validation process by which training institutions are evaluated against established standards to ensure a high level of educational quality. It is a legal requirement.
KASNEB has embarked on an initiative to promote the recognition of the CICT and DICT qualifications in both the public and private sectors and their regulation. For this purpose, the ACICT steering committee was elected by CICT finalists and graduates to work closely with KASNEB in this initiative.

KASNEB working jointly with the steering committee are in the process of exploring modalities for registration of the ACICT which is expected to ultimately grow into an institute.

Listed below are the elected officials of the ACICT steering committee.
EXAMINATIONS NOTICE - MAY 2017 EXAMINATIONS

Students of KASNEB, parents, sponsors, guardians, training institutions and other stakeholders are hereby notified of the following important dates and information.

1. Examination dates for the May 2017 examinations are as follows:
   
   (a) **Accounting Technicians Diploma (ATD), Diploma in Information Communication Technology (DICT) and Diploma in Credit Management (DCM) Levels I, II and III**
       Monday, 22nd May 2017 and Tuesday, 23rd May 2017
   
   (b) **CPA, CS, CICT, CIFA and CCP Parts I, II and III**
       Monday, 22nd May 2017, Tuesday 23rd May 2017, Wednesday, 24th May 2017, Thursday, 25th May 2017 and Friday, 26th May 2017
   
   (c) **Foreign Accountancy Qualifications (FAQ)** - Wednesday, 24th May 2017 and Thursday, 25th May 2017
   
   (d) **Foreign Secretaries Qualifications (FSQ)** - Wednesday, 24th May 2017
   
   (e) **Kenya Institute of Supplies Management -**
       (i) **Associate in Procurement and Supply of Kenya (APS-K) examination - Levels I and II**
           Monday, 22nd May 2017, Tuesday 23rd May 2017 and Wednesday, 24th May 2017
       (ii) **Certified Procurement and Supply Professional of Kenya (CPSP-K) examination - Parts I, II and III**
           Monday, 22nd May 2017, Tuesday 23rd May 2017, Wednesday, 24th May 2017, Thursday, 25th May 2017 and Friday, 26th May 2017

2. Closing dates
   
The closing dates for late registration, normal examination entry and late examination entry for the May 2017 examinations are as shown below:
   
   (a) **Late registration - Wednesday, 15 February 2017**
   
   (b) **Normal examination entry - Wednesday, 15 February 2017**
   
   (c) **Late examination entry - Friday, 31 March 2017**

3. Examination brochures and forms are obtainable on request, free of charge:
   
   (a) In Kenya:
       (i) Either in person at the offices of KASNEB, or through the post.
       (ii) Any Kenya National Library Service (KNLS) branches countrywide.
       (iii) Training institutions offering KASNEB courses.
       (iv) KASNEB Huduma Centres in GPO, Kibra and Makadara in Nairobi, Mombasa, Eldoret, Kisumu, Meru, Nyeri, Kisii and Nakuru
   
   (b) Outside Kenya at the following offices in Eastern and Central Africa:
       (i) In Uganda at DMK Associates, Sabina Baiga House, Bombo Road, 2nd floor suite 05 - Kampala, Makerere University Business School (MUBS) - Nakawa, Kampala International University - Kansanga, Busoga University - Ijanda, and Bugema University, Kampala Campus - Bombo Road.
       (ii) In Rwanda at Kigali Institute of Management - Rimera, University of Rwanda, College of Business and Economics, Gikondo - Kigali, University of Kigali, Kacyiru Campus and Kigali Independent University (ULK).
       (iii) In Cameroon at Maaron Business School, 10 Rue, Joffre, Akwa - Douala and Fomic Business School, Buea, Cameroon.
       (iv) In South Sudan, at the University of Juba and South Sudan Institute of Professional Studies.
   
   (c) Forms can also be downloaded from the website; [www.kasneb.or.ke](http://www.kasneb.or.ke)

4. Method of payment of fees
   
   Attention of students is drawn to the “Guide to the May 2017 examinations” regarding secure methods of paying fees to KASNEB.
   
   (a) In Kenya. Students are advised to pay through the KASNEB fee collection accounts in any branch of the following banks:
       (i) National Bank of Kenya Ltd. (NBK) - Account No.01001031572601.
       (ii) Equity bank Ltd. - Account No.0170299238025.
       (iii) Kenya Post Office Savings Bank (Postbank) - Account No.0744130009246.
       (iv) Co-operative Bank of Kenya Ltd. - Account No.01129128535900.
   
   Students may also make payment in person at KASNEB offices in cash, by cheques/bankers cheques/drafts drawn in the name of KASNEB or through the post. However, students are advised that payment at KASNEB offices will soon be phased out and therefore they should utilise the available payment channels through the banks.
   
   (b) Outside Kenya. Students are advised to pay the applicable fees in dollars at any branch of KCB in their countries to KASNEB KCB collection account number 1123096465, domiciled at Capital Hill Branch, Nairobi. Thereafter, students should submit their documents to KASNEB together with a copy of the bank deposit slip. Students are individually and personally responsible for ensuring that fees are paid to KASNEB. Consequently, students who pay fees through third parties should ensure that such parties are honest and reliable and will therefore remit the fees to KASNEB without delay. Bankers Cheques/Drafts should be drawn payable to KASNEB and Inter-State Money Orders should be payable at City Square Post Office - Nairobi. Examination entry/annual registration renewal forms and remittances which are sent by post should be posted at least one week before the closing date to ensure that they are received in time.

5. All students who sat for the November 2016 examinations should **ENTER** for the May 2017 examinations immediately upon confirmation of their November 2016 examination results.

6. All continuing students of KASNEB are required to update their annual registration renewal position by 1 July of each year. New students are required to note that the registration renewal fee is due on 1 July following the examinations sitting to which they are first eligible to enter.
MARKETING

Nairobi International Trade Fair held at Jamhuri Park, Nairobi from Monday, 3 October 2016 to Sunday, 9 October 2016

Kitale Trade Fair held from Wednesday, 26 October 2016 to Saturday, 29 October 2016

Career opportunities discussions with teachers and students in secondary schools in Matuga Subcounty held from Monday, 19 September 2016 to Friday, 23 September 2016

East Africa Youth Leadership Conference held in Kilimanjaro Region, Tanzania from Monday, 28 November 2016 to Sunday, 4 December 2016

ENTERPRISE RESOURCE PLANNING

KASNEB Enterprise Resource Planning workshop held on Monday, 5 December 2016 and Tuesday, 6 December 2016 at Sarova Stanley Hotel, Nairobi
CORPORATE SOCIAL RESPONSIBILITY

Visit to Tunyai Children’s Centre for monitoring and evaluation of construction of sponsored water tanks on Friday, 9 December 2016

END OF YEAR PARTY

End of year staff party, held on Saturday, 17 December 2016 at Safari Park Hotel and Casino, Nairobi
GUIDE ON IMPLEMENTATION OF A LEARNING OUTCOMES APPROACH IN PROFESSIONAL ACCOUNTING EDUCATION

The International Accounting Education Standards Board (IAESB) is an independent standard-setting board under the International Federation of Accountants (IFAC) that serves the public interest by establishing standards in the area of professional accounting education. These standards prescribe technical competence and professional skills, values, ethics and attitudes. Through its activities, the IAESB enhances education by developing and implementing International Education Standards (IESs) which increase the competence of the global accountancy profession and thus contributing to strengthened public trust.

The IAESB adopted a learning outcomes approach both in the development and implementation of IESs. The learning outcomes approach is broadly based on clear achievement of specified competencies which are demonstrated through a reliable and objective assessment or evaluation.

To this end, the IAESB has issued a paper titled Guidance on Implementing a Learning Outcomes Approach to act as a reference to the IFAC member bodies, professional and academic accounting examinations bodies including universities and other stakeholders with interest in professional accounting education.

The key highlights of the Guidance paper are presented below. Additional details on the Guidance paper can be accessed on the IFAC website www.ifac.org.

The IAESB serves the public interest

- By promulgating high quality standards and guidance statements that are designed to enhance the education, development and assessment of professional accountants
- By promoting the adoption and implementation of International Education Standards (IESs)
- By developing education benchmarks for measuring the implementation of the IESs
- By advancing international debate on emerging issues relating to the education, development and assessment of professional accountants
What is a Learning Outcomes Approach in professional accounting education?

A learning outcomes approach focuses on the individual’s demonstrated achievement of the learning outcomes at the targeted level of proficiency and not on the learning process. Learning outcomes for professional accountants are prescribed by a number of International Education Standards including the following:

(i) IES 2 – Technical Competence
(ii) IES 3 – Professional Skills
(iii) IES 4 – Professional Values, Ethics and Attitudes
(iv) IES 5 – Practical Experience

Demonstrating the achievement of these outcomes provides evidence of the professional competence of the individual to perform the role of a professional accountant. A learning outcomes approach embodies the idea that learning and development experiences are most effective when based on what the individual needs to demonstrate. The learning outcomes can therefore be used as a framework on which to build professional accounting education learning and development experiences.

An outcome-based assessment aims to start with the ultimate objectives we want to achieve and then sets out the reforms most likely to achieve those objectives.

What are learning OUTCOMES?

- Statements of what is expected that a student will be able to DO as a result of a learning activity
- Explicit statements of what we want our students to KNOW, UNDERSTAND or be ABLE TO DO as a result of completing our courses
- Statements that specify what learners WILL KNOW or be ABLE TO DO as a result of a learning activity. Outcomes are usually expressed as knowledge, skills or attitudes
- An explicit description of what a learner should know, understand and be able to do as a result of learning

The Guiding Principles

The guiding principles for implementing a Learning Outcomes approach address the following critical areas in professional accounting education:

(i) Design
(ii) Assessment
(iii) Governance

The above elements are consistent with the requirements of the IESs, which include achievement of the prescribed learning outcomes, regular review and update of programs and establishment of appropriate assessment activities.

These guiding principles are further explained below.

Design

The design of a professional accounting education programme is based on the role to be performed by the individual. The role determines the identification of relevant competence areas and learning outcomes. The content of and instructional design methods used for the programme align with the achievement of the identified learning outcomes at the desired level of proficiency.

The design of a programme is regularly evaluated in response to available information on whether it is meeting the identified learning outcomes so as to continually improve its effectiveness.
Assessment

The achievement of learning outcomes by the individual is measured and evidenced using assessment activities. Assessment activities are designed to have high levels of reliability, validity, equity, transparency and sufficiency. An assessment activity involves a comparison of an individual’s performance to a defined level, standard or benchmark aligned with the desired level of proficiency.

Feedback on the results of assessment activities is provided to an individual to further their professional development. Assessment activities and the defined benchmarks and standards are regularly evaluated in response to available information on whether it is meeting the identified learning outcomes so as to continually improve their effectiveness.

Governance

Organizations responsible for the programme continually evaluate their programmes to improve their effectiveness.

Organizational structures and processes provide direction and oversight to ensure that the guiding principles in the areas of design and assessment are monitored.

The Value Proposition for a Learning Outcomes approach

The implementation of a learning outcomes approach will serve the public interest by enhancing the development of professional competence needed to perform a role as a professional accountant. A learning outcomes approach integrates learning outcomes, programme design, assessment activities and governance in a process of continuous improvement.

It embodies the idea that learning and development experiences are most effective when based on what the individual needs to demonstrate. A learning outcomes approach therefore provides an effective approach to developing professional competence - an important objective of professional accounting education and development.

An effective programme is critical to the development of competent professional accountants, strengthening the quality of services they provide. This is foundational to the trust that stakeholders place in professional accountants. It also enhances the reputation of the programme provider through the learning experienced by the individual.

The BENEFITS of learning outcomes?

- Help to explain more clearly to students what is expected of them and thus help to guide them in their studies - motivation and sense of purpose
- Help teachers to focus more clearly on what exactly they want students to achieve in terms of knowledge and skills
- Help teachers to clarify their thinking about what they want to achieve and the common language of learning outcomes helps to facilitate discussion with colleagues
- Helps to define the assessment criteria more effectively
- Help to provide guidance to employers about the knowledge and understanding possesses by graduates of programmes, that is, show the value of the programme in terms of programme learning outcomes and module learning outcomes
- Help to start discussions on teaching and learning in third level institutions.
The investment in implementing, maintaining, and continuously improving a learning outcomes approach will deliver long term and sustainable benefits in the public interest, preparing professional accountants for successful careers and enhancing the success of programme providers.

Further benefits of a learning outcomes approach for stakeholders include:

(i) Increasing the credibility of the accountancy profession
(ii) Increasing the quality of services provided by the accountant
(iii) Enhancing professional growth and confidence for the accountant
(iv) Providing a higher degree of accountability for the programme provider and the accountant
(v) Potentially improving less effective portions of a learning and development programme, increasing the time available for more critical areas
(vi) Reducing the reputational risk, or improving the reputation, of the programme provider.

Conclusion

The learning outcomes approach can be viewed as part of the broader competence based learning model which is the preferred learning model in most education systems today. For professional accounting education, a combination of theoretical and practical learning environments support the achievement of learning outcomes. In addition, the mode of testing including the use of case studies and scenario based questions enhances the realisation of learning outcomes.

Moving forward, KASNEB and ICPAK working jointly are set to introduce a Trainee Accountants Practical Experience Framework (TAPEF) through which students pursuing the Certified Public Accountants (CPA) qualification will be required to log in their practical experience as part of the initial professional development. The experience logged in will be evaluated at the point of application for membership to ICPAK.

It is also worth noting that the IAESB has uploaded on the IFAC website a number of examples on good practice in the implementation of a learning outcomes approach.

CPA Njuguna was also a member of the task force established by the IAESB to develop the Guidance on Implementing a Learning Outcomes Approach.

WHERE TO FIND US:
Maganjo House, 3rd & 4th Floors
Nyerere Avenue - Mombasa
Contact: 0704978271
Email. info@starinstitute.co.ke

COURSES OFFERED

A. Accountancy and Finance
1. Accounting Technicians Diploma (ATD) - KASNEB
2. Certified Public Accountants (CPA) - KASNEB
3. Certified Investment and Financial Analysts (CIFA) - KASNEB

B. Management
1. Diploma & Certificate Courses - KNEC
2. Certified Secretaries (CS) - KASNEB
3. Certified Credit Professionals (CCP) - KASNEB
4. Purchasing and Supplies - KISM/KASNEB & Chartered Institute Of Procurement & Supply (CIPS)
ACROSS

1. A supply or demand curve which responds to changes in price
2. A contract where one party grants another the right to use an asset for a specified period
3. Rate of change of a mathematical function
4. Preferential shares that don’t have a maturity date
5. A dedicated computer for storing data files for other computers in a network
6. A budget variance where actual incomes or expenditures are better than budgeted
7. An economy suffering from a severe slump or downturn
8. A self-replicating malicious code capable of damaging a computer’s operations
9. A tax levied on special goods whether locally manufactured or imported into the country
10. Auditing concept relating to the significance threshold of incorrect information
11. To illegally modify or access confidential information on another person’s computer
12. Technically delaying foreign currency payments in order to benefit from future movements in exchange rates
13. Type of company whose stock is not traded in a public exchange
14. Two or more joint owners of an unincorporated business enterprise
15. Business combinations of two companies after which one company ceases to exist
16. Using observed trend to estimate values outside the observed range
17. A network topology where each node is connected to every other node
18. Financial instrument whose price or value depends on the fluctuations of another asset
19. The process of classifying accounts receivable by due dates
20. In law, an act causing injury or harm to another
21. Shareholders in a company who do not have a controlling stake
22. A parent company and its subsidiary/associate/joint venture
23. Shareholders in a company who do not have a controlling stake
24. A parent company and its subsidiary/associate/joint venture

DOWN

1. A supply or demand curve which responds to changes in price
2. A contract where one party grants another the right to use an asset for a specified period
3. Rate of change of a mathematical function
4. Preferential shares that don’t have a maturity date
5. A dedicated computer for storing data files for other computers in a network
6. A budget variance where actual incomes or expenditures are better than budgeted
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21. A parent company and its subsidiary/associate/joint venture
22. A relationship between two numbers showing how many of one are contained in the other
23. Type of company whose stock is not traded in a public exchange
24. Two or more joint owners of an unincorporated business enterprise
25. A parent company and its subsidiary/associate/joint venture
26. A connection point or a communication end point in a computer network
27. Amount a seller adds onto the cost price of an item in order to generate profit
Being a **CPA** improves your career and life through sharing knowledge, networking you with the right people and gaining practical advice.

*Find out more at [www.icpak.com](http://www.icpak.com)*
THE ROLE OF YOUTH IN NATIONAL COHESION AND INTEGRATION

National cohesion and integration is a process and an outcome of instilling and enabling all Kenyans to have a sense as well as a feeling that they are members of the same community engaged in a common enterprise, facing shared challenges and opportunities.

What is the role of the youth in national cohesion and integration?

- Sustain peaceful co-existence and national unity, through respect for human dignity, patriotism and loyalty to the country.
- Take advantage of available education and training opportunities in national cohesion.
- Use their individual talents to contribute to socio-economic development (including through volunteerism) which is a key ingredient in the promotion of national cohesion.
- Make deliberate effort to break ethnic and cultural barriers to overcome stereotypes, distortions and misunderstandings among young people.
- Embrace, uphold, practice and disseminate national values as stipulated in Article 10 (2) of the Constitution of Kenya, 2010.
- Respect each others’ culture and engage in activities that promote coexistence amongst different ethnic groups.
- Disseminate the provisions of the Constitution on issues related to national cohesion and integration.
- Exploit the opportunities that are provided for in the Constitution of Kenya, 2010 that are geared towards the promotion of national cohesion.
- Shun violence as a way of solving problems or expressing dissatisfaction.
- Refuse to follow any agenda that are driven by selfish interests.
- Contribute to processes that ensure safe neighborhoods and participate in eliminating illegal gangs.
- Initiate and participate in campaigns that conserve and preserve the environment for sustainable development.
Finanial Modeling in Excel Course

* For those who want practical hands-on skills in Financial Analysis and Accounting

<table>
<thead>
<tr>
<th>Other Courses Offered</th>
<th>Minimum Requirements</th>
</tr>
</thead>
<tbody>
<tr>
<td>Accounting Technicians Diploma (ATD)</td>
<td>C- and above</td>
</tr>
<tr>
<td>Certified Public Accountants (CPA)</td>
<td>C+ with (C+ Maths &amp; English or KASNEB Diploma/Technician qualifications)</td>
</tr>
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<tr>
<td>Certified Investment and Financial Analysts (CIFA)</td>
<td>C+ with (C+ Maths &amp; English or KASNEB Diploma/Technician qualifications)</td>
</tr>
<tr>
<td>Associate in Procurement and Supply of Kenya (APS-K, KISM)</td>
<td>C- and above</td>
</tr>
<tr>
<td>Associate in Procurement and Supply Professional of Kenya (CPSP-K, KISM)</td>
<td>C+ with (C+ Maths &amp; English or APS-K)</td>
</tr>
<tr>
<td>Computer Courses</td>
<td>English Knowledge</td>
</tr>
</tbody>
</table>

The College is Open every day of the week to serve you.

**Modules Available:**
- Day (Full Time) Classes.........................8:30am - 4:00pm
- Evening (Part Time) Classes....................5:30pm - 7:30pm
- Early Morning (Mon to Sat)......................6:30am - 8:00am
- Weekend Only Classes.........................8:30am - 4:00pm

Kalyan House: Tubman Rd / Biasahara St. P.O.Box 837-00200, Nairobi. 020 334 1697/8,
Mobile: 0728 787 974 / 0732 787 974 / 0737 787 974
Email: admin@starcollege.ac.ke or info@starcollege.ac.ke
Website: www.starcollege.ac.ke

"Where talents are nurtured to build careers"
Background

Royal Business School is an institution founded on Christian values in January 2009. The school was established by a team of diverse forward thinking professionals with a vast experience and a deep passion for professional training. Royal Business School has experienced tremendous growth and continues to help students achieve their career goals in the shortest time possible.

Why Choose RBS?

Competent lecturers
Flexible classes for working students
Timely syllabus coverage
Free internet for students
Free revision classes
Free accounting packages

RBS is KASNEB accredited and fully registered with Ministry of Education

Others Courses Offered

Certified Credit Professionals (CCP)
Certified Investment and Financial Analysts (CIFA)
Diploma in Credit Management (DCM)

Entry Requirements

Diploma Courses: C- (minus)
Professional Courses: C+ (plus) mean grade and C+ (plus) in English and Mathematics

Registration in Progress

Early Morning Classes: 6:20am - 7:50am
Day Classes: 8:30am - 4:00pm
Evening Classes: 5:30pm - 7:30pm
Late Evening Classes: 7:30pm - 9:15pm