### ACADEMIC PROGRAMMES

<table>
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<tr>
<th>Bachelor of Commerce (BCom)</th>
<th>Minimum Entry Requirements</th>
<th>Tuition Fee Per Semester</th>
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<td>Specialization options: Accounting, Business Administration, Credit Management, Human Resource Management, Entrepreneurship &amp; Enterprise Development, Finance, Marketing, Purchasing and Supply Chain Management. Note: The BCom programme allows students to take extra courses and graduate with double major or major / minor combinations such as BCom(Double Major, Accounting and Finance) or BCom (Finance Major, Accounting Minor); BCom (Marketing Major, Finance Minor) etc thus saving time and money. Exemptions at no charge for ATD, DCM or part II CPA/CS/CCP/CIFA to join in 2nd year while part III CPA/CS/CCP/CIFA join in 3rd year.</td>
<td>KCSE C+ (plus); Holders of relevant KNEC Diplomas join in 2nd year of study; Holders of relevant KNEC higher Diplomas join in 3rd year of study; provided credit transfers granted do not exceed 40% of credits offered in the respective degree programme.</td>
<td>Kshs.51,000 (Full-time, Evenings &amp; Weekends) Kshs.45,000 (Distance Learning)</td>
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| Bachelor of Science in Hospitality Management | Dinsooms | Kshs.55,000 (Full-time, Evenings & Weekends) Kshs.45,000 (Distance Learning) |
| Bachelor of Science in Computer Science | Dinsooms | Kshs.50,000 (Full-time, Evenings & Weekends) Kshs.45,000 (Distance Learning) |

| Bachelor of Arts in Community Development | Dinsooms | Kshs.50,000 (Full-time, Evenings & Weekends) |

| Bachelor of Education (Arts) Teaching Courses: English & Linguistics, Literature, Geography, History, Philosophy & Religious Education, Kiswahili, Mathematics, Business Studies. | KCSE C+ (plus) with at least C+ (plus) in two teaching subjects or a diploma in Education (Arts) | Kshs.50,000 (Full-time, Evenings & Weekends) |

### DIPLOMA AND CERTIFICATE PROGRAMMES IN:

| Business: Accountancy, Banking & Finance; Agricultural Enterprise & Project Management; Business Information Technology; Business Management; County Governance & Management; Credit Management; Entrepreneurship & Enterprise Development; Food Security & Livelihoods; Human Resource Management; Marketing Management; Sales Management; Project Management; Public Administration; Public Relations; Purchasing & Supply Management; Quality Assurance & Standardization. Computing: Computer Science; Desktop Publishing & Graphics Design; Information Technology; Software Systems Development Education, Humanities & Social Sciences: Counseling Psychology; Diplomacy & International Relations; Journalism & Mass Communication; Social Work & Community Development; Education (Early Childhood Education); Education (Special Needs Education); Education (Arts) in any two of the following Subjects: English, Literature in English, Kiswahili, C.R.E, History, Geography, Mathematics, Business Studies, Agriculture. Health Sciences: Community Health; Community Nutrition & Dietetics; Environmental Health; Health Records, Information Technology & Medical Laboratory. Hospitality & Tourism: Food & Beverage Management; Food Production; Hotel & Restaurant Management; Travel & Tourism Management. Library and Information Sciences: Library & Information Science; Records & Information Management. | Diplomas, KCSCE C-(minus) or a certificate qualification | Diplomas: Kshs.25,000 (Full-time, Evenings & Weekends) Kshs.22,000 (Distance Learning) |

| Certificates, KCSCE D+(plus) or an artisan certificate | Certificate: Kshs.25,000 (Full-time, Evenings & Weekends) Kshs.22,000 (Distance Learning) |

### INTAKES IN:

- JANUARY
- MAY
- SEPTEMBER SEMESTERS
CONTRIBUTORS
TO THIS ISSUE

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From the CEO’s desk

Information is a key resource for organisational growth. Information feeds an organisation’s knowledge management framework whose focus is on locating, understanding, enabling and encouraging learning by creating the environment, culture and processes where knowledge is shared and created.

On the other hand, organisation learning can be viewed as the process of creating, retaining and transferring knowledge within an organisation. Knowledge management links with organisational learning by supporting processes including innovation, individual and collective learning and decision making.

In this era of dynamic market changes creating new frontiers in competition, the benefits of continuous organisational learning cannot be gainsaid. It has been argued that organisations lose grip of their core focus not due to lack of knowledge, but due to poor knowledge management and uncoordinated organisational learning. Indeed, learning is at the core of organisational and individual survival, as aptly captured by Alvin Toffler, a businessman and futurist who postulated that “The illiterate of the 21st century will not be those who cannot read and write, but those who cannot learn, unlearn and relearn”.

The above background sets the tempo for the lead article in this edition of the kasneb Newsline titled Organisational and Individual Learning. The writer brings to the fore topical issues on the subject area such as the principles of organisational learning, the processes involved, types of learning and the differences between learning, training and development.

The second article dwells on information technology (IT) security governance and the role of internal auditors in monitoring the same in organisations. The writer also sheds light on cyber security, which is one of the trending topics in IT today. In addition, the writer provides insight on the role of the executive in IT security governance.

This edition also features an updated write-up on the Trainee Accountants Practical Experience Framework (TAPEF) which will be implemented jointly by kasneb and ICPAK with effect from 1 July 2018. All new and continuing CPA students will be required to log in their practical experience which will be evaluated at the point of applying for membership of ICPAK.

The above and other features in this edition of the kasneb Newsline have been carefully selected to provide our readers with an educative, informative, entertaining and empowering experience.

Enjoy your reading

If an organisation wants to survive in an era of rapid and complex changes - it has to be a “learning organisation.”

Peter Siege
Organisational learning theory is concerned with how learning takes place in organisations (Armstrong, 2009). A learning organisation is difficult to describe, except to say that development occurs through shared information, culture, leadership that values learning, employees who want to learn and develop new skills (Mathis and Jackson, 2003). According to Argris (1992), organisations do not perform the actions that produce learning; it is individual members of the organisation who behave in the ways that lead to it, although organisations can create conditions that facilitate such learning.

Organisational learning takes place within the wide institutional context of inter-organisational relationships and refers broadly to an organisation’s acquisition of understanding, know-how, techniques and practices of any kind and by any means (Argris and Schon, 1996). Organisational learning is concerned with development of new knowledge or insights that have the potential to influence behaviour. Organisational learning, according to Marsick (1994), is a process of co-ordinated systems changes with mechanisms built in for individuals and groups to access, build and use organisational memory, structure and culture to develop long-term organisational capacity. Probst and Buchel (1997) say it is the ability of the institution as a whole to discover errors and correct them and to change the organisation’s knowledge base and values so as to generate new problem-solving skills and new capacity for action.

From individual to organisational learning

- **Learning**
  - Individual learning
  - Team learning
  - Organisational learning

- **Knowledge**
  - Personal knowledge
  - Team knowledge
  - Organisational knowledge

**Individual**

- **Group**

- **Organisational**
ORGANISATIONAL AND INDIVIDUAL LEARNING

Principles of organisational learning

There is need for a powerful and coherent vision for the organisation to be communicated and maintained across the workforce in order to promote strategic thinking at all levels. The following should also be noted:

- The need to develop strategy in the context of a vision that is not only powerful but also open-ended and unambiguous. This will encourage a search for a wide rather than a narrow range of strategic options, will promote literal thinking and will orient the knowledge creating activities of employees.
- Within the framework of vision and goals, frequent dialogue, communication and conversations are major facilitators of organisational learning.
- It is essential to continuously challenge people to re-examine what they take for granted.
- It is important to develop a conducive learning and innovation atmosphere.

The process of organisational learning

According to Dale (1994), organisational learning can be described as an intricate three-stage process consisting of knowledge acquisition, dissemination and shared implementation. Knowledge can be acquired from direct experience, experience of others or organisational memory. Organisational learning occurs under two conditions: when an organisation achieves what is intended and when a mismatch between intentions and outcomes is identified and corrected. According to Argris (1992), there are two ways through which organisational learning takes place: single loop or adaptive learning and double loop or generative learning. Single loop or adaptive learning does no more than correct deviations from the norm by making small changes and improvements without challenging assumptions, beliefs or decisions. Organisations where single loop learning is the norm, define the governing variables, that is, what they expect to achieve in terms of targets and standards and then monitor and review achievements and take corrective actions as necessary, thus completing the loop. Double loop or generative learning involves challenging assumptions, beliefs, norms and decisions rather than accepting them. On

Organisations may apply the learning processes to three types of learning:

1. Single-loop learning
   - Where an objective or goal is defined and an individual works out the most favoured way of reaching the goal. However, the goal itself is not questioned (Argyris, 2002).

2. Double-loop learning
   - Where an error is detected and corrected in ways determining why the error occurred in the first place (Sessa and London, 2006).

3. Deutero learning
   - Where members of an organisation learn how to carry both single and double loop learning (Sessa and London, 2006).
this basis, learning occurs when the monitoring process initiates action to redefine the governing variable, to meet the new situation, which may be imposed by the external environment. The organisation has learnt something new about what has to be achieved in the light of changed circumstances and can then decide how this should be done. In this case learning is converted into action.

According to Easterby-Smith and Araujo (1999), single loop learning could be linked to environmental change where an organisation tries out new methods and tactics and attempts to get rapid feedback on their consequences in order to make continuous adjustments and adaptations.

Double loop learning is associated with radical change which might involve a major change in strategic direction,
organisational and individual learning

possibly linked to replacement of senior personnel and wholesale revision of systems. Organisational learning contributes to the development of a firm’s resource capability. This is according to the principle of human resource management which states that it is necessary to invest in people in order to develop intellectual capital required by the organisation and thus increase its stock of knowledge and skills.

**Deutero learning**

This is the highest organisational learning level of the model according to Argyris and Schon. It can be regarded as learning to learn. The members of an organisation ask more and more fundamental questions about their organisation, reflect on and inquire previous contexts for learning. Schon writes that this mode of organisational learning refers to the organisational capacity to set and solve problems and to design and redesign policies, structures and techniques in the face of constantly changing assumptions about self and the environment.

Organisational learning can occur in all three levels but the 2nd and 3rd learning levels are assumed to be of critical importance to enhance the survival and success of organisations.

**Individual learning and development**

Many theorists have come up with various definitions of individual learning. John Dewey described learning as an interactive cycle of invention, observation, reflection and action.

“It is the capacity to build knowledge through individual reflection about external stimuli and sources and through the personal re-elaboration of individual knowledge and experience in light of interaction with others and the environment”(Sinitsa, 2000).

It encompasses creation of knowledge through transformation of experiences, that is, individual learning develops from the individual experiencing personal growth and the knowledge gained by working together with those surrounding the individual. Individual learning is a continuous activity and the individual learner has the sole responsibility for his/her own development.

Individual learning covers increase in knowledge, achieving of higher/better skills and competencies and changes in values and attitudes. Learning is quite complex and varied covering issues like knowledge, values, skills, attitudes, insights, beliefs and habits.

Learning is essentially an individual effort but it can be collectively achieved in groups/organisations. It could be as a result of experience, failures and successes. It should be transformational bringing about positive change in human welfare.

Individuals learn from themselves and from others, learning as teams or by interaction with others both within and without the organisation (Argyris, 1998). Effective individual learning does not necessarily result in a learning organisation rather individual learning should lead to behavioural changes that clearly improve organisation performance by becoming part of the organisation culture and processes.
Learning and development within organisations is not going to be delivered unless there is a development need.

The mixture of factors that lead to development learning

- Imposed change: Change that happens within an organisation either internally or externally driven and leads to a need for different skills, knowledge and behaviours to be demonstrated.
- Performance review: Development needs that arise as a result of reviewing current performance against standards and results (actual or desired).
- Personal motivation: when an individual decides to improve their knowledge and skills or alter their behaviour in order to achieve personal goals, which may be to achieve a promotion, take on a different career, increase their happiness or make other significant life changes.

Differences between learning, training and development

(a) Learning is the process of increasing knowledge and skills thus developing the individual’s attitudes or beliefs so that he has the opportunity for increased choice. Learning at all levels is crucial for organisational continued existence. It involves acquiring skills, that is, the know how – physical ability to produce some action and knowledge, that is, know why – and the ability to articulate a conceptual understanding of an experience.

(b) Training is an instructor-led, content-based intervention leading to desired changes in behaviour.

(c) Development is the process of growth and learning, resulting in change or progression.

Employee training and development

Employees should take the necessary steps to hone their skills and stay on top of their professions or fields of work. Employee training and development initiatives can transform organisations. Providing extra skills to employees not only increases safety and productivity but also leads to higher job satisfaction, which shows up in better corporate performance.

Purpose for training and development

(i) Creating a pool of readily available and adequate replacements for personnel who may leave or move up in the organisation.

(ii) Enhancing the company’s ability to adopt and use advancements in technology because of sufficiently knowledgeable staff.

(iii) Building a more efficient, effective and highly motivated team. This enhances the company’s competitive position and improves employee morale.

(iv) Ensuring adequate resources for positioning the firm to new programs.

In a learning organisation, leaders are designers, stewards and teachers. They are responsible for building organisations where people continually expand their capabilities to understand the complexity, clarify vision and improve shared mental models - that is, they are responsible for learning. - Peter Senge
ORGANISATIONAL AND INDIVIDUAL LEARNING

The training process (steps)

(i) Understand the organisation’s objectives
(ii) Undertake a needs assessment
(iii) Determine any gaps
(iv) Set the training objectives
(v) Select the trainee
(vi) Select the training methods and mode
(vii) Choose a means of evaluating
(viii) Administer training
(ix) Evaluate the training

General benefits from employees training and development

(i) Increased job satisfaction and morale among employees.
(ii) Increased employee motivation.
(iii) Increased efficiencies in processes, resulting in financial gain.
(iv) Increased capacity to adopt new technologies and methods.
(v) Increased innovation in strategies and products.
(vi) Reduced employee turnover.
(vii) Enhanced company image such as through conducting ethics training.
(viii) Risk management.

For employees training to be successful, management should:

• Provide a well-crafted job description. It is the foundation upon which employee training and development activities are built.
• Provide training required by employees to meet the basic competencies for the job. This is usually the supervisor’s responsibility.
• Develop a good understanding of the knowledge, skills and abilities that the organisation will need in the future.

Organisations learn only through individuals who learn. However, individual learning does not guarantee organisational learning. But without it, no organisational learning occurs – Peter Senge, The Fifth Discipline

CONCLUSION

A learning organisation remains competitive and adaptive to market changes. To achieve this, employees should support the learning culture by being receptive to new ideas and developing a thirst for gaining new knowledge. The result is a motivated team leading to achievement of organisational objectives.
Introduction

The threat to technology-based information assets is higher now than it has been in the past. As technology has advanced, so too have the tools and methods employed by those who seek to gain unauthorised access to data or disrupt business processes. Attacks on any organisation are inevitable.

But the sophistication and persistence of those attacks depend on the attractiveness of that organisation as a target, primarily its role and assets. Today, threats originating from misguided individuals have been replaced by highly skilled international organised crime groups or foreign nation states that have the skills, personnel and tools to conduct sophisticated covert cyber espionage attacks.

In today’s era of lightning-quick social media sharing, brand protection has become even more important for technology, media and communications (TMC) companies. In the face of social media and mobile applications use by customers and employees and the relentless tide of cyber threats, including growing public disclosures of data leaks and breaches, many TMC companies are beginning to re-evaluate how they interact with other organisations and how they safeguard against breaches. Without question, loss or theft of any type of high-value data can have lasting, negative effects on an organisation from both operational and brand perspectives. Everything negative that happens to a company and becomes public can damage its brand and cyber breaches and loss of internet protocol are some of the fastest ways for this damage to occur.
What is cyber security?

Cyber security is the body of technologies, processes and practices designed to protect networks, computers, programs and data from attacks, damage or unauthorised access. The term “cyber security” refers to business function and technology tools used to protect information assets. Data is increasingly digitised and the internet is being used to save, access and retrieve vital information. Protecting this information is no longer a priority but has become a necessity for most companies and government agencies around the world.

Reliance on security technology

We live in a world driven by technology. It is not uncommon for companies to first turn to technical security solutions without addressing how those solutions are going to be implemented, maintained and managed on a day-to-day basis. Too often we see organisations implement technical security safeguards, such as firewalls or intrusion detection, but fail to implement proper security policies or procedures. As a result weak practices persist that undermine security and expose assets to significant risk. The following are just a few examples of such practices:

- Non-existent security policies or procedures.
- Outdated and/or ignored security policies, where they do exist.
- Poor awareness of security practices at all levels.
- Lack of effective network zoning, or compliance thereof.
- Inadequate hardening and patching.
- Poor access control practices such as uncontrolled group passwords, shared accounts, proliferated privileges, shared root access, absence of an authorisation process (except at a low operational level).
- Lack of security compliance audits and reviews.
- Absence of an authority figure for decisions affecting the security and integrity of infrastructure and information assets.

5 steps to increase a company’s cyber security awareness

Below is a list of steps an organisation can take towards better cyber security practices and increased awareness. It is important to keep in mind that cyber security is an ongoing process that starts with awareness.

1. Executives and Board Members set the example
2. Authorisation and Access
3. Update and Backup Files
4. Deploy and Engage Cyber Security Awareness Program
5. Employee Cyber Security Awareness Training

A cyber security policy is a formal set of rules by which those people who are given access to company technology and information assets must abide. The cyber security policy describes the technology and information assets that we must protect and identifies many of the threats to those assets.

The user is the MOST IMPORTANT SECURITY MEASURE

Are my cyber policies documented?
Are they reasonable?
Are my employees actually following the policies?
Am I using technology that helps enforce these policies?
The end result is an enterprise that feels secure because it has invested in security solutions, but has so many inherent vulnerabilities that little meaningful security protection is achieved. In this case, a dangerous sense of false confidence exists, but the organisation remains extremely vulnerable to attacks, with intruders exploiting those weak practices to circumvent technical security solutions and gain control of systems. This is not theoretical; it is a common scenario that has been observed as a root cause in many well publicised and successful attacks on major corporations and government agencies.

Security governance is the glue that binds together all the core elements of cyber defense and effective risk management. Without it, dangers persist and the resulting compromise of assets is inevitable. Moreover, senior leadership is unaware of their organisation’s risk exposure, for which they will ultimately be held accountable.

Security cannot exist in a vacuum and must be part of a larger risk management strategy, driven by the organisation’s business goals, objectives and values. Organisations must be aware of their risk tolerance threshold, or “level of acceptable risk.” This threshold may vary by asset grouping. For example, an organisation may tolerate a certain amount of risk when the impact is considered low, but may be very risk averse regarding anything that might adversely impact its reputation.

Governance is the mechanism by which those risk-related values are reflected in direction and judgement that shape business plans, information architecture, security policies and procedures, as well as operational practices. However, providing direction without having any means to ensure that it is followed is meaningless. Thus, compliance is the critical feedback loop in security governance. It ensures that everyone is working according to plan, as a team, to deliver business activities and ensure the protection of assets within the context of risk management and security strategy and direction. Where that is not possible, it ensures that variances that result in risk exposures are made known at the leadership level, so that they can either decide to accept these risks, or provide mitigating direction and the resources necessary to address them.

Executive responsibility for IT security governance

In the past, security was often left to managers and administrators at the technical and operational levels. However, as both technology and the nature of threats
have increased in scale and complexity, the ultimate responsibility for protecting an organisation’s mission and assets is now being laid at the doorstep of senior management.

It is interesting to note a potential divide in the perspectives of CEOs and line managers. While we have seen senior management in organisations insist on the creation of security policies and procedures in response to the industry recognition of increased threat and the importance of security best practices, we have also seen instances where adequate policies and procedures exist, but have not been implemented consistently (or at all) at the operational level.

The end result is that senior leaders are confident that their responsibility for diligence has been satisfied and that risks are being managed effectively. Yet the reverse is often true, and they are unaware that their organisation remains extremely vulnerable through endemic failures in the governance process. Ultimately, critical risks persist, where senior management may have been uninformed, but is still held accountable. This false sense of security is extremely dangerous for an organisation and results in an uncontrolled state of risk and liability.

To meet modern security challenges, organisations must consistently apply effective risk management practices at all levels. Risks must be made visible to senior management. These executives must play a key role in either accepting those risks or directing activities and enabling resources to mitigate them to acceptable levels from a business, legal, legislative and regulatory standpoint. To do that, senior management must have visibility regarding responsibility and accountability in each instance.

Defining internal audit’s role in cyber security

Effective risk management is the product of multiple layers of risk defense (See diagram overleaf). Internal audit should support the board in understanding the effectiveness of cyber security controls.

These three lines of defense for cyber security risks can be used as the primary means to demonstrate and structure roles, responsibilities and accountabilities for decision-making, risks and controls to achieve effective governance risk management and assurance.

Business operations perform day-to-day risk management activities such as risk identification and risk assessment of IT risk. They provide risk responses by defining and implementing controls to mitigate key IT risks and reporting on progress. An established risk and control environment helps accomplish this.

Risk management is the process of drafting and implementing policies and procedures, ensuring that existing procedures are kept up to date, responding to new strategic priorities and risks, monitoring to ensure compliance with the updated policies and
As the 3rd line of defense, what steps can internal audit take?

1) Work with management and the board of directors to develop a cyber-security strategy and policy.

2) Identify and act on opportunities to improve the organisation's ability to identify, assess and mitigate cyber security risk to an acceptable level.

3) Recognise that cyber security risk is not only external; assess and mitigate potential threats that could result from the actions of an employee or business partner.

4) Leverage relationships with the audit committee and board to heighten awareness and knowledge on cyber threats, and ensure that the board remains highly engaged with cyber security matters and up to date on the changing nature of cyber security risk.
5) Ensure that cyber security risk is integrated formally into the audit plan.

6) Develop and keep current an understanding of how emerging technologies and trends are affecting the company and its cyber security risk profile.

7) Evaluate the organisation’s cyber security program against the NIST Cyber Security Framework, recognising that because the framework does not reach down to the control level, the cyber security program may require additional evaluations of ISO 27001 and 27002.

8) Seek out opportunities to communicate to management that, with regard to cyber security, the strongest preventive capability requires a combination of human and technology security; a complementary blend of education, awareness, vigilance and technology tools.

9) Emphasise that cyber security monitoring and cyber incident response should be a top management priority; a clear escalation protocol can help make the case for; and sustain, this priority.

10) Address any IT/audit staffing and resource shortages as well as a lack of supporting technology/tools, either of which can impede efforts to manage cyber security risk.

**Internal audit focus areas**

Organisations must constantly monitor cyber security practices, policies and plans. This is where internal audit plays a crucial role. Once cyber security plans are created, organisations should enlist internal audit to do what it does best – test for effectiveness and efficiency of controls and protocols and provide the board and management with assurance about those protections. There are four areas where internal audit focuses on cyber security:

1) Provide assurance over readiness and response. According to The IIA Audit Executive Center’s 2016 North American Pulse of Internal Audit report, just one in four respondents who reported having a business-continuity plan said it provided “clear, specific procedures for responding to a cyber-attack.” What’s more, 17 percent reported their plans had no such procedures at all. This is the kind of data that should keep the C-suite and board up at night.
Reasons why internal audit departments do not audit cybersecurity

- **Internal audit lacks the competencies (skills and knowledge) necessary to provide audit services related to cybersecurity** (65%)
- **Internal audit lacks the tools to audit cybersecurity** (55%)
- **Internal audit has not assessed risk related to cybersecurity** (26%)
- **Internal audit does not have the support of executive management to audit cybersecurity** (22%)
- **Internal audit is assessed by an external assurance provider** (19%)
- **Internal audit is assessed by another internal assurance provider** (16%)
- **Internal audit has assessed risk related to cybersecurity as a low risk to the organisation** (7%)

Source: Global Perspectives and Insights

Internal audit can help organisations review and test cyber security, business-continuity and disaster-recovery plans. The potential for reputational harm that poorly managed business disruptions create is significant, and it is far better to find faults through mock exercises than in a real-life scenario.

2) Communicate to the board and executive management the level of risk to the organisation and efforts to address such risks. Understanding how much of a risk cyber-attacks pose and what is being done to mitigate them is essential to managing the risk.

3) Work collaboratively with IT and other parties to build effective defenses and responses. Cyber risk is a business risk, not just an IT risk. Too often, it is magnified, modified and mystified by being supported solely by IT systems. Building strong, collaborative relationships between internal audit and IT will help ensure mitigation efforts and responses are effective.

4) Ensure communication and coordination. This may be the most valuable benefit internal audit can offer. Because a well-resourced and effective internal audit function has a broad perspective about organisational risks, it is in an ideal position to promote communication and coordination about cyber risks across the organisation.

Turf battles over who "owns" the cyber security risk are counterproductive and weaken the

**Action items for Risk and Internal Audit**

Given internal audit’s key role in effective cyber-security, there are ten actions that IA can take

1. **Develop strategy and policy**
   - Work with management and the board to develop a cyber-security strategy and policy

2. **Become “very effective”**
   - Seek to have the organisation become “very effective” in its ability to identify, assess and mitigate cyber-security risk to an acceptable level

3. **Recognise “internal” threats**
   - Recognise the threat of a cyber-security breach resulting from the actions of an employee or business partner

4. **Board awareness and engagement**
   - Leverage board relationships to:
     - Heighten the board's awareness and knowledge of cyber-security risk
     - Ensure that the board remains highly engaged with cyber-security matters and up to date on the changing nature and strategic importance of cyber-security

5. **Audit plan integration**
   - Ensure cyber-security risk is formally integrated into the audit plan
organisation’s cyber security efforts. A unified effort where roles are clearly defined creates the best conditions for deterring cyber-attacks, executing business-continuity plans when cyber breaches occur and building cyber-resilient organisations.

Building effective cyber-resilience plans

Despite its complexity and formidable challenge, effective cyber security is within the reach of most organisations. By using the “Four Rs” – resist, react, recover and re-evaluate – organisations can build effective cyber-resilience plans.

(a) Resist
The recent WannaCry cyber-attack provided a shocking wakeup call that even the most basic phishing attacks still can have devastating impacts. The ransom ware virus, which claimed more than 200,000 victims in 150 countries, could have been successfully rebuffed with basic cyber security measures.

• Instruct employees on defensive cyber etiquette, and enlist internal audit to test for compliance.
• Take advantage of available frameworks and guidance, such as NIST’s Framework for Improving Critical Infrastructure Cyber security or the Nymity Privacy Management Accountability Framework.
• Understand the process and importance of software and data updates, and enlist internal audit to test for compliance.
• Test IT controls regularly.

(b) React
When a cyber-breach occurs, a crisis-management plan is an essential component of effective business-continuity management.

• Immediately assess the scope of the breach and method for addressing it.
• Ensure that each part of the organisation understands and carries out its role in crisis-management and business-continuity plans.
• Communicate with transparency and with a single voice.
Internal audit should monitor and assess the response.

(c) Recover
Strong business-continuity planning and proper execution of those plans can help an organisation quickly recover from a cyber-breach.

• Identify necessary steps to safely and quickly restore business operations.
• Ensure frequent internal communications throughout the recovery.

(d) Re-evaluate
Analysis of processes, procedures and their execution is essential once the crisis has passed and operations are restored and secure.

• Look for ways to improve the crisis response.
• Determine training/retraining needs.
• Consider what role, if any, corporate culture played in contributing to the breach.
• Review data and security privacy policies.
• Consider what role, if any, third-party risks played in contributing to the breach.

Successful cyber security requires a unified and coordinated effort. Management and boards can manage the effort effectively if they understand the scope of the challenge, commit the necessary resources to develop and execute an informed strategy, support internal audit’s independent oversight and review and nurture open communications and cooperation among the key players.

Conclusion

Most people think that IT Security and Internal Audit are two different fields within the solid structure of a company, so they aren’t related and work in a totally different mechanism. However, it turns out that internal audit can actually play an important part in strengthening cyber security and the accountant doesn’t need to understand the whole technical terms at all.

With the increasing threats in cyber security and more breaches within the past years to not only international companies but the local companies as well, the internal audit department must start to see the possible opportunities of how their expertise can be used in the company’s risk management and assessment. When the auditor understands the whole concept of the business, the objectives, the strategies, the information the company produces, and what matters the most for them, the auditor can help in strengthening the most important aspects and elements of the structure, resulting in better and stronger cyber security.

Internal audit needs to “rebrand” itself as a strategic partner that delivers more value than what stakeholders would traditionally expect, particularly in emerging risk areas like technology advancements, cybersecurity and privacy threats and more.

David Toh
PwC Singapore’s Internal Audit Leader
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

Courses Offered

- Certificate in Accounting and Management Studies (CAMS)
- Certified Public Accountants (CPA)
- Certified Investment and Financial Analysts (CIFA)
- Certified Credit Professionals (CCP)
- Accounting Technicians Diploma (ATD)
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INTEREST RATES: SHIFT FROM PRICE MECHANISM TO PRICE CONTROLS

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Most individuals or business entities often find themselves with either an excess or deficit in supply of funds, hence creating the need to lend or borrow (rent) money. The rent price of money is called the interest. It is the monetary compensation made to the lender for having provided surplus funds to the borrower. Interest is usually expressed as an annual percentage of the nominal amount of money borrowed. In the factor markets characterised by the four factors of production: land, labour, capital and entrepreneurship, interest is the factor reward or earnings for capital. Interest is thus considered to be payment to or return on capital in the sense that it is payment to those who provide loanable funds, which are used for the purchase of capital assets. The payment of interest to the providers of loanable funds may be justified on the following grounds:

- Compensate the lender for having postponed present consumption to the future. The future is characterised by uncertainties hence the lender needs to be compensated for having foregone present consumption.
- Compensate the lender for the lost income from the investment. Since the lender would have invested the borrowed funds to generate returns.
- Compensate the lender for the risk of default that may occur if the borrower fails to pay the amount borrowed.
- Compensate the lender for the loss of purchasing power due to increases in prices over time.

Interest rate determination

There are two broad approaches to the determination of the prevailing interest rates in the market:

1) Price mechanism (equilibrium approach)
2) Interest rate controls.

1. Price mechanism
INTEREST RATES

This approach uses the concept of equilibrium to determine the interest rate to prevail in the market over a given period. Using this approach, the interest rate is determined using the forces of demand and supply, that is, at the point of intersection between the demand for loans and the supply for loans in the market. There are two theories that explain the rate of interest according to the demand and supply of money.

(a) The classical (loanable funds) theory.
(b) The Keynesian (liquidity preference) theory.

(a) Classical theory of interest

This theory argues that one of the key functions of money is to act as a medium of exchange. Thus, the demand for money is a result of the demand for capital assets required for production. The demand comes from firms that wish to acquire capital assets for investment. In determining the amount of investments, firms would compare the real cost of investment with their marginal productivity. Thus, at low interest rates the demand for capital would be high and as the interest rate increases the demand for capital would reduce. Therefore, the demand curve for funds will slope downwards from left to right.

The major determinant of the supply of loanable funds is the amount of savings by individuals in the economy. Individuals have time preference and would prefer present consumption as compared to future consumption. To encourage savings, there is need to compensate them for having forgone present consumption and for the loss in purchasing power. Thus, at high interest rates, people will be encouraged to save and lend. If the interest rate is low, people will be discouraged from saving and lending. Hence, the supply curve of loanable funds slopes upwards from left to right. The equilibrium interest rate is determined by the interaction between demand and supply for loanable funds as shown below.

The demand for loanable funds is negatively related to the level of interest, that is, the lower the interest rate, the higher the demand for loanable funds. The supply of loanable funds has a direct relationship with interest rates, that is, the higher the interest rates the higher the supply of loanable funds. Equilibrium interest rate is determined at the point of intersection between the demand for loans and the supply for loans.

Limitations of the classical theory

Despite the fact that the theory provides a logical argument on interest rate determination, it has been criticised on the following grounds:

- It assumes that the demand for loanable funds is mainly from the firms for investment purpose. This is not the case since individuals and governments may also borrow. Equally the supply for loanable funds is assumed to be entirely from individual savers which may not be the case as firms may also have savings.
- It assumes a simplistic linear relationship between the demand for capital and the interest rates which is not realistic as projects are influenced by many factors including social and political factors.
- It assumes that money is borrowed entirely for the purchase of capital assets. This is not true because money can be borrowed for the purchase of consumer goods such as cars or electronics.
- It assumes that the decision to save depends entirely on the rate of interest, that is, simple linear relationship between savings and interest rates. However, this is not true for people can save for purposes other than earning interest, such as going for holidays or for precautionary motive against future unforeseen events.
• Ignores the credit creation process by commercial banks by assuming that its only what is saved that is loaned out. However, in reality commercial banks are able to give out more than what is available as deposits. Equally not all that is saved is automatically given out as loans.

(b) Liquidity preference theory

This theory is also referred to as the Keynesian Theory and was put forward by the Lord John Maynard Keynes in 1936. Keynes used the concept of liquidity preference to refer to the demand for money or the desire to hold money in liquid form rather than other forms of wealth. He used this concept to explain how interest rates can be determined in the economy. Keynes argued that the rate of interest is determined through the interaction between the supply of money and the desire to hold money. In his argument the desire to hold money in liquid form has three motives:

(i) Transactions demand for money (Tdm): According to Keynes, money plays an important function of acting as a medium of exchange. Individuals need money to purchase goods and services and firms need money to purchase raw materials and hire other factors of production. People receive income periodically either on monthly, weekly, or yearly basis but spend daily, therefore money is needed in liquid form to meet their day to day expenses. The higher the income of an individual the higher the amount kept for transaction purpose. Thus, the transaction demand for money is an increasing function of income, that is, Tdm=f(y)

(ii) Precautionary demand for money (Pdm): Individuals and businessmen require money for unseen contingencies. In this case, money is kept in liquid form to cater for unplanned expenditure such as illness, job loss and accidents. The higher the income of an individual, the higher the amount kept for precautionary purpose. Thus, the precautionary demand for money is an increasing function of income, that is, Pdm=f(y).

(iii) Speculative demand for money (Sdm): Keynes equally argued that money acts as a store of value. Thus, an individual may prefer to keep stock of liquid cash in order to take advantage of profitable investment opportunities that may come up in the financial markets such as an issue of high return government bond. The speculative demand for money varies inversely with interest rates, that is, Sdm=f(r). The total demand for money (Dm) is the sum of all the three types of demand for money:

\[ Dm = Tdm + Pdm + Sdm \]

The demand for money has a negative slope because of the inverse relationship between the speculative demand for money and the interest rates. This implies that at high interest rates the demand for money is low while at low interest rates the demand for money is high. Money supply in the economy is assumed to be fixed by the government and the size is perfectly inelastic with respect to the change in interest rates. The level of interest rates in the economy would be determined through the interaction of the fixed money supply and the liquidity preference curve as shown below:
one individual to another. The horizontal part of
the liquidity preference curve is referred to as the
liquidity trap. It represents a situation where at
abnormally very low interest rates individuals will
hold their money in liquid form with the expectation
that interest rates will rise to the normal level. Thus,
the curve flattens out at the lower end because
there must be a minimum rate of interest payable
to the people to persuade them to part with money.

Limitations of the Keynesian theory

- Critics of the Keynesian theory argue that just like
  the classical theory the theory is indeterminate. It
does not disclose the amount that needs to be kept
in liquid form for transaction, precautionary and
speculative motive.
- The theory ignores the real factors that influence
  interest rates. The theory views interest rates as
purely a monetary phenomena.
- Interest is independent of demand for investment
  funds. In reality this is not the case as demand for
  funds is largely influenced by the demand for capital.
- Liquidity preference is not the only motive that
  influences the interest rates.
- The theory does not explain the existence of multiple
  interest rates and the frequent fluctuations of interest
  rates.
- Keynes ignored the fact that in reality, savings
  exist. Without savings there cannot be liquidity to
  surrender.
- It ignores the fact that individuals can hold cash and
  bonds at the same time to diversify their portfolio.
- The Keynesian theory is a short run concept whose
  applicability is limited in the long run.

2. Interest rate controls

A price control refers to a deliberate attempt by the
government to set either a minimum or maximum price
for a commodity or service in the economy. Maximum
prices are set with the aim of protecting the consumer
from exploitation by the producer while minimum
price control is set to guarantee the producer a certain
minimum income and hence protect the producer
especially in a period of declining prices in the market.
Minimum prices (price floor) are imposed above the
equilibrium price since the government considers that
the price determined by the forces of demand and
supply are too low and if let to prevail it may lead to
the exploitation of the producers.

Maximum prices (price ceiling) are imposed below the
equilibrium since the government considers that the
prices determined by forces of demand and supply are
too high and if let to prevail they may lead to exploitation
of the consumers.

In August 2016, Kenya introduced price controls on
interest rates charged by commercial banks through
the signing into law of the Banking Amendment Act
2016. Effectively, Kenya joined the league of close to
forty countries that exercise such controls across the
globe. According to the new law:

(i) A bank or financial institution shall disclose the
charges and the terms relating to the loan before
granting a loan to a borrower.

(ii) The maximum interest rate chargeable for any
credit facility in Kenya at no more than four percent
above the base set and published by the Central
Bank of Kenya (CBK). The minimum interest rate
granted on deposits held in an interest earning
account to be at least 7% of the base set and
published by the central bank.

(iii) A fine of one million shillings and/or a jail term of one
year for the Chief Executive of the financial institution
The passing of this law was aimed at protecting the consumers, more especially the uninformed low-income consumers of credit facilities from the exploitation by financial institutions through high interest rates and other hidden charges that are not disclosed to the consumers at the time of entering into the loan contract. The law equally limits the spreads made by financial institutions depending on the base rate set by the Central Bank of Kenya. However, critics of interest rate controls argue that the negative effects of such controls are more detrimental to the economy than the ills that the law seeks to remedy.

According to Habil Olaka (CEO of the Kenya Bankers Association), “Capping the cost of loans has sapped energy from banks hence slowing down growth.” He further adds that “once the full effect of the law becomes clear, the push to have the law revised would gain momentum.” The proponents of regulating interest rates on the other hand argue that the financial markets are imperfect and cannot regulate themselves adequately. Leaving the determination of interest rate to the free forces of demand and supply would lead to the exploitation of consumers since commercial banks would collude to charge the consumers exorbitant rates.

### Effects of controlling interest rates

#### Positive effects

(i) Protects the consumers of credit from high interest rates charged by the financial institutions. Thus, it makes credit affordable to the consumers.

(ii) Access to cheap credit by consumers would lead to increased investment hence increased economic growth.

(iii) Interest rate control helps in managing increased inflation in the economy.

(iv) Instills discipline in the banking industry as it avails full information to the public on the expected repayment value on credit.

(v) Full information disclosure and affordability of credit reduces the cost of default since consumers are fully informed of the actual cost and duration of payment.

(vi) Access to cheap credit aids the growth of the small and medium enterprises hence supports the industrialisation agenda of the country.

### Negative effects

According to Olaka, “The capping of interest rates is an outcome of an interplay of many factors some structural and others policy. If high interest rates persist in the economy, the remedy lies in addressing the policy and structural issues. Capping of interest rate does not address a market failure problem but rather it introduces several other negative effects in the economy.” Such effects include:

- It discourages innovativeness aimed at developing credit facilities targeting the high-risk borrowers.
- Households and business firms would rush to the banks to access cheap credit which leads to credit rationing. This is especially to the detriment of the
small and medium enterprises.

- Banks may introduce tight credit conditions so as to price risk within the limits of the caps.
- It discourages the supply of funds to the financial system thus encouraging black markets where loans are issued at high interest rates with stringent conditions.
- Banks may introduce additional charges or modify the loan terms hence effectively increasing the cost of credit.
- Leads to credit concentration among the large borrowers with sufficient security.
- It has the effect of reducing access to credit and this may ultimately hamper economic growth.
- It complicates the application of the monetary policy. This is due to the fact that for the effect of the monetary policy to be felt, the interest rates have to be flexible.
- If the interest rate is too low, it may not cover the cost of credit hence banks may be suffering losses. This may threaten the survival of small banks.
- It may have a negative effect on the stability of the capital markets since commercial banks control up to thirty percent stake of the Kenyan stock market.
- It slows down credit to the private sector and the small firms. This may lead to plant closure, layoff of employees and relocation of some shared functions especially in international banks.
- Poor performance of industries that rely on credit such as the motor vehicle industry.
- It may lead to crowding off effect. This occurs when the commercial banks prefer to lend to the government as compared to lending to private firms and individuals. The increased demand for loanable funds by the government will shift the demand curve rightwards and upwards increasing the real rate of interest. This increases the opportunity cost of borrowing money decreasing the amount of interest sensitive expenditure such as investment and consumption. Thus, the government crowds out private investment.

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Conclusion

While regulation of interest rates may have the benefit of improving access to information and making credit affordable to the consumers, it should be noted that it has the effect of limiting access to credit especially by the risky small-scale borrowers. This would eventually lead to the emergence of black markets where credit will be offered under very stringent measures. Equally, it is important to note that very low interest rates may not cover the overall cost of credit and this may discourage investment in the banking industry which may eventually hamper economic growth. Thus, the government and other stakeholders need to consider other innovative methods that may ease the cost of credit hence lowering the interest rates in the market. The stakeholders should also consider the publication of interest rates by all the commercial banks. This would improve access to credit information and hence consumers will make informed choices. In the long run this will lead to increased competition and low interest rates.
Many organisations still do not fully understand and appreciate the important role played by credit professionals. It is still lost to these organisations that having well-trained credit professionals is vital to realisation of their missions. This article seeks to throw more light on this critical role.

If you are a Certified Credit Professional (CCP), one of the papers you sat for is Practice of Credit Management. This paper usually tests your understanding of credit issues within an organisation. The issues tested range from credit policies, handling a collection department, risk assessment among others. The paper deeply explores the cold realities that a credit department deals with. For a well-trained credit professional therefore, identifying a poorly run credit department is not difficult and you should be equal to the task of addressing the situation.

To a well-trained credit professional, three most important hallmarks of wonderful business are: happy customers, profitable sales and positive cash flow. A true credit professional will deliver all three. As such, credit professionals should be recognised as the heroes/heroins of business. They deserve much support in carrying out their duty.

Quoting Roger Mason’s book Credit Controller’s Desktop Guide: “Generals throughout the ages have known that their troops will fight more effectively if they believe that God and the folks at home are on their side. This is another way of saying that soldiers fight best when they believe in the cause, and it is why an army of volunteers is usually better than an army of conscripts.” A credit manager requires the support of other departments for their work to be successful.

Credit is a challenging office and requires men and women who are truly passionate about this role; people who push themselves to achieve. Results can be sometimes hard to come by in this department. No wonder some credit officers feel like impostors just because they didn’t start out to work in credit. The reality
is that no one sets out to work in credit, they fall into it. Some hate every moment and last only a short time while those who have what it takes go on to a long and rewarding career.

There are various perceptions about a credit department. The sales people will sometimes refer to credit people as “sales prevention department’ whereas the finance people will refer to them as the “bad debts people´. This kind of reference is improper and serves to alienate the credit department.

Gone are the days when organisations had the mentality of “sell first; the rest will take care of itself.” Those who eschewed that philosophy suffered bad debts, which in some cases accumulated to unsustainable levels. This hastened the realisation that collection is as important as selling and that none of them can be seen in isolation. Credit needs as much support as any other department.

As a credit professional practicing debt collection, I find it quite surprising that many organisations I visit do not have a written credit policy. This means that most of these organisations are lacking the services of real credit professionals to advise them on best practices.

For those who have listened to P. K. Kairu’s presentations, you must have heard a common analogy he draws between a credit manager and a priest: “A credit manager is like a priest who takes all the problems of the organisation; when the managing director has no money, he blames it on the credit manager; when the sales people have no allowances or are not selling, they blame the credit department; when salaries are delayed by the HR department, it is blamed on the credit department. They all blame it on the credit manager and he has to listen to all, just like a priest takes all the problems of the parishioners.”

It is worth remembering that credit control and collection are critical aspects of an organisation. Credit managers are the individuals who sit in the middle office and deal with credit limits and credit support arrangements among other roles.

In the past, credit departments have been poorly recognised for the valuable work that they do. The principles of best practice in credit risk management need to be more understood and embraced.

To carry out their work effectively, credit professionals require to possess the following basic skills:

- Knowledge of the financial ability of customers.
- Hands-on customer assessment by understanding how to assess how much credit to allow; process orders quickly; collect funds on time.
- Interpersonal, numeracy and literacy skills.

Credit management also incorporates:

- The art of integrating with sales colleagues.
- Cultivating/meeting customers.
- Automated risk assessment integrated with order processing.
- Thorough knowledge in collection techniques including email, fax and videophone; electronic transfer of funds.
- A good understanding of external services: credit reports (online), insolvency warnings, credit insurance, factoring, collection agents, temporary staff, outsourcing, shared service centres, call centres, query resolution and analysis.
- Knowledge in international payments; cross-border computer literacy, trade, using EDI documents and credit training needs to concentrate on all these as well as focusing on the impact of any actions.
on customer relationships and the needs of the business.
• There are many aspects of changes in legislation which require the credit manager not only to keep up to date with what is going on, but also be in a position to advise sales and marketing, production, transport and distribution – in other words, be very much part of the eyes and ears of the company.

These perhaps apply to the business environment as a whole, it important to note that this will affect the proper functioning of a credit department.

So, what makes a great credit professional? Great credit professional are:

• Good communicators - Dealing with customers can be challenging. Dealing with the other departments within your own business can be frustrating.
• Being a natural problem solver. So much time in credit is spent solving problems and correcting things that have gone wrong. Rather than getting annoyed by the issues, a true professional will relish the challenge to get things done, not only fixing the problem at hand but making the necessary adjustments to prevent recurrence.
• Being the go-to person - No doubt he has to be the source of all information within your business, the go to person when information is required.
• Keen attention to detail. Mundane tasks like cash entry and allocation, customer account and bank reconciliations have to be 100% accurate at all times.
• Keeping an eye on the big picture at all times
• An understanding of systems both manual and computerised to maintain the required controls and to keep things moving seamlessly is a prerequisite for a forward looking credit professional
• Self-driven - one should work and behave as if an auditor is looking over your shoulder at all times.

• Being naturally curious. Getting as much information as you can to make the best possible decisions.
• Being results-focused. Hitting the monthly cash targets (provided they are set correctly!) is what drives them. You have to feel the “buzz” - when a payment arrives, when an account is cleared, when an old balance is resolved - celebrate!
• Being confident in his/her own position. There is need for courage to stand up for what is right, even when faced with opposition. This is more common where interdepartmental conflicts are concerned.
• Empathy for customers (internal and external). Make sure they are looked after courteously and professionally at all times.
• An understanding of the entire cash cycle of the business.
• Being positive at all times - The credit manager needs to present a positive picture of their achievements to the senior management team. Tell them what they have done (for example, cash collected, issues resolved) and avoid telling them what you didn't do (for example, overdue debt, provisions and write offs). Most credit professionals focus exclusively on what they didn't do and wonder why they are not appreciated!

CONCLUSION

As is evident, credit professionals shoulder heavy responsibilities. Their role in an organisation is quite demanding and as such, they need as much support as any other department. A credit professional will perform best if he believes that he is a valuable member of the staff doing a vital job and if he believes that the requests being made are entirely fair and reasonable. He should feel that his work is appreciated and that his bosses take an interest in it.
Human Resource Management (HRM) is the strategic and coherent approach to the management of an organisation’s most valued asset - the people working there who individually and collectively contribute to the achievement of the objectives of the business.

Human Resource Architecture (HRA) is defined as the way the human resource department has been designed to function in line with an organisation’s vision, mission, objectives, strategies, plans, policies and activities. In any organisation, there exists a set of interrelated consequences that affect the control of human behaviour. Some of these consequences are embodied in formal policies, programs or procedures, but many are an unwritten part of the organisation’s culture.

What is HR?

Human resources is the set of individuals who make up the workforce of an organisation, business sector or economy.

Other terms sometimes used include “manpower”, “talent”, “labour” or simply “people”.

The Human Resource Architecture is one of three architectures that form the infrastructure of an organisation. The others are metric architecture and information architecture. The metric architecture consists of policies and practices that establish how things are measured while the information architecture consists of policies and practices establishing how we know things.
The ideal HRM architecture should clearly state out how various HR functions should be conducted within an organisation. It should provide the infrastructure that supports virtually every decision-making or problem-solving process in the organisation. The HRA should play a key role in establishing the organisational behaviour norm, that is, how people are expected to act. It should clearly state the norms for the following:

- **Selection criteria** - recruitment criteria, promotion criteria, assessment centers, selection tools, new hire orientation, new leader training.
- **Policies and procedures** - work rules, paid time off, non-paid time off, absenteeism and tardiness, work location, overtime, problem solving/ grievance, progressive discipline, work scheduling: hours, days, cycle, breaks, lunches, coordination.
- **Staffing** - strategy, layoffs/displacements, outplacement, reassignment, right sizing.
- **Diagnostics** - employee surveys, focus groups, ongoing involvement, HR effectiveness surveys, assessment centers, HRIS information systems.
- **Union relationships** - mutual gains bargaining, union avoidance, adversarial versus collaborative, negotiation, contract interpretation, union security and employee involvement.
- **Job description** - describing requirements, assigning work, valuing work, teamwork versus individual, work, dynamic job redesign, dynamic compensation.
- **Performance evaluation** - individual-based, team-based, supervisor-generated, team-generated, multi rater, establishing expectations, performance criteria, measuring performance.
- **Training and development** - new work process, team building, communication, participation, decision-making, problem-solving, interpersonal skills and supervisory skills.

Strategic workforce planning involves analysing and forecasting the talent that companies need to execute their business strategy proactively rather than reactively. It is a critical strategic activity, enabling the organisation to identify, develop and sustain the workforce skills it needs to successfully accomplish its strategic intent whilst balancing career and lifestyle goals of its employees.

Strategic workforce planning is a relatively new management process that is being used increasingly to help control labour costs, assess talent needs, make informed business decisions and assess talent market risks as part of overall enterprise risk management. Strategic workforce planning is aimed at helping companies make sure they have the right people in the right place at the right time and at the right price.

Through strategic workforce planning, organisations gain insight into what people the organisation will need, and what people will be available to meet those needs. In creating this understanding of the gaps between an organisation’s demand and the available workforce supply, organisations will be able to create and target programmes, approaches and develop strategies to close the gaps.

Ideal HRA should be planned to create the following deliverables:

- People management philosophy.
- Value creating HR strategy.
- Performance enhancing HR management and development plans.
Human resource positioning (HRP)

Human resource positioning is defined as the position of the human resource department in an organisation and also how it is set up to function. The organisation and staffing of the HR function clearly depends on the size of the business, the extent to which operations are decentralised, the type of work carried out, the kind of people employed and the role assigned to the HR function. With regards to the ideal HRP, there are no absolute rules for organising the HR function, but current practice suggests that the following guidelines should be taken into account:

(i) The head of the function should report directly to the Chief Executive Officer and should be on the board, or at least be a member of the senior management or leadership team, in order to contribute to the formulation of corporate strategies and play a big part in the formulation of and integration of HR strategies and policies.

- Computerised HR information systems.
- Individual level performance standards.
- Intellectual and human capital.
- Line managers with HRM competencies.
- HRM planning systems and tools.
- Reward management systems and tools.
- Human resources development policy and procedures.
- Employee health and safety policies.
- Future management functional leaders.
- Work life balance.
- Team spirit and team working values and beliefs.
- Democratic and empowering HRM practices.
- Innovative, creative, change-oriented, proactive and dynamic employees.
- An incentivising package for staff attraction and retention.
- Employees achieving self-actualisation.
(ii) In a decentralised organisation, subsidiary companies, divisions or operational units should be responsible for their own HR management affairs within the framework of broad strategic and policy guidelines from the centre.

(iii) The central HR function in a decentralised organisation should be slimmed down to the minimum required to develop group human resource strategies and policies. It will probably be concerned with resourcing throughout the group at senior management level and advising on both recruitment and career development. It may also control remuneration and benefits policies for senior management. The centre may coordinate industrial relations negotiating if bargaining has been decentralised, especially where bargaining is related to terms and conditions such as hours of work, holidays and employee benefits.

(iv) The HR function has to be capable of delivering the level of advice and services required by the organisation. Delivery may be achieved by the direct provision of services but may be outsourced.

(v) The function will be positioned and organised in accordance with the level of support and services it is required to give and the range of activities that need to be catered for which could include resourcing, management development, training, reward management, employee relations, knowledge management and HR services in such areas as health and safety, welfare, HR information systems and employment matters generally.

Conclusion

The most important principle to remember about the positioning of the HR function is that it should fit the needs of the business. Proper HR policies serve to ensure that the organisation has the right people, in the right places, at the right cost. Like all other policies, HR policies and strategies should be regularly reviewed to ensure they remain relevant and valid.
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NOTE

Please note that kasneb DOES NOT offer notes or study packs. Note that the learning materials may not be specifically aligned to the kasneb syllabuses. Learners are advised to use their syllabus to identify the relevant materials from the rich eLibrary collection. kasneb will endeavour to guide on the relevant materials through eLibrary reading lists which will be periodically communicated through kasneb students emails.

For any clarification please email to library@kasneb.or.ke
ACCOUNTING COURSES OFFERED

* Certificate in Accounting and Management Skills (CAMS)
* 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 CAMS - KCSE D+
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

- Early Morning Classes ~ 6.15am - 7.50am
- Day Classes ~ 8.30am - 4.00pm
- Evening Classes ~ 5.45pm - 7.45pm
- Late Evening Classes ~ 7.45pm - 9.45pm

Excellent faculty of studies

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

Mr. George Kimani
(MBA, B.Ed, CPA, CFA (USA))

Mr. Wafula Wanyonyi
(MBA, B.Com, CPA(K) PhD. Fellow)

Mr. Charles Kimondo
(MBA, B.Com, CPA)

Visit us at:
Bank House, 6th floor
Moi Avenue Kenyatta Avenue Junction
next to Nairobi Sports House

For more information please contact
Director of Studies: Tel: 0721627388 / 0721627388
P. O. Box 621 - 00300 Nairobi - Kenya

www.summitinstitute.ac.ke
Snapshots of how to open a kasneb account on an android platform

SIGNING UP

For new students

Login using the email and password created

REGISTRATION
EXEMPTION APPLICATION

STANDARD PAYMENT PROCEDURE FOR ALL SERVICES

EXAMINATION BOOKING
**kasneb SERVICES AVAILABLE AT HUDUMA CENTRES**

**kasneb** services are available at the following Huduma Centres:

<table>
<thead>
<tr>
<th>NAME OF OFFICER IN CHARGE</th>
<th>HUDUMA CENTRE</th>
<th>SAFARICOM</th>
<th>AIRTEL</th>
<th>Email address</th>
</tr>
</thead>
<tbody>
<tr>
<td>Anthony M. Kimani</td>
<td>Nyeri</td>
<td>0701698213</td>
<td>0737256315</td>
<td><a href="mailto:akimani@kasneb.or.ke">akimani@kasneb.or.ke</a></td>
</tr>
<tr>
<td>Caroline M. Makutwa</td>
<td>GPO, Nairobi</td>
<td>0701699013</td>
<td>0737315992</td>
<td><a href="mailto:cmakutwa@kasneb.or.ke">cmakutwa@kasneb.or.ke</a></td>
</tr>
<tr>
<td>Christine M. Ndwiga</td>
<td>Meru</td>
<td>0701699017</td>
<td>0737422739</td>
<td><a href="mailto:cndwiga@kasneb.or.ke">cndwiga@kasneb.or.ke</a></td>
</tr>
<tr>
<td>Collins M. Okomo</td>
<td>Kisumu</td>
<td>0701699026</td>
<td>0737492586</td>
<td><a href="mailto:cokomo@kasneb.or.ke">cokomo@kasneb.or.ke</a></td>
</tr>
<tr>
<td>Edith A. Were</td>
<td>Mombasa</td>
<td>0701699078</td>
<td>0737516847</td>
<td><a href="mailto:ewere@kasneb.or.ke">ewere@kasneb.or.ke</a></td>
</tr>
<tr>
<td>Egrah K. Masese</td>
<td>Kisii</td>
<td>0701711465</td>
<td>0737543023</td>
<td><a href="mailto:emasese@kasneb.or.ke">emasese@kasneb.or.ke</a></td>
</tr>
<tr>
<td>Modesta C. Langat</td>
<td>Nakuru</td>
<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

**kasneb CONTACTS**

<table>
<thead>
<tr>
<th>CONTACTS</th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>+254 020 4923000</td>
<td><a href="http://www.kasneb.or.ke">www.kasneb.or.ke</a></td>
<td></td>
</tr>
<tr>
<td>0722201214</td>
<td>kasnebOfficial</td>
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<td>0774201214</td>
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<td>0792002351</td>
<td></td>
<td></td>
</tr>
<tr>
<td><a href="mailto:info@kasneb.or.ke">info@kasneb.or.ke</a></td>
<td>@kasnebOfficial</td>
<td></td>
</tr>
</tbody>
</table>

**kasneb Towers, Hospital Road, Upper Hill**
P.O. Box 41362 - 00100 Nairobi - Kenya
**STUDENT FEE COLLECTION ACCOUNTS WITH BANKS**

Students, trainers, parents/guardians/sponsors, employers and other stakeholders are hereby informed of kasneb’s student fee collection accounts with the following banks:

(a) Kenya Commercial Bank Ltd. (KCB)
   Account Number: 1203681194

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

(c) Equity Bank Ltd.
   Account Number: 0170299238025

(d) Kenya Post Office Savings Bank Ltd. (Postbank)
   Account Number: 074413009246

(e) Co-operative Bank of Kenya Ltd.
   Account Number: 0112912853590

(f) UBA Kenya Bank Ltd.
   Account Number: 55030160004156

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.

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.

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**BANNING OF MOBILE PHONES FROM THE EXAMINATIONS ROOM**

All students are hereby informed that mobile phones are banned from the examinations room.

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.
INTRODUCING
THE TRAINEE ACCOUNTANTS PRACTICAL EXPERIENCE FRAMEWORK (TAPEF)

A joint kasneb-ICPAK initiative being implemented from 1 July 2018

Isaac M. Njuguna - Examinations Director, kasneb

Introduction

The umbrella body for professional accountants globally is the International Federation of Accountants (IFAC). One of the independent standard setting boards under IFAC is the International Accounting Education Standards Board (IAESB). IAESB is responsible for developing and promoting International Education Standards (IESs) for professional accountants and aspiring professional accountants globally. These standards are grouped into two; Initial Professional Development (IPD) standards which relate to the accounting qualification process, including entry requirements and required competencies, and continuous professional development (CPD) which relates to post qualification professional growth.

The IESs issued by the IAESB are highlighted below:

(i) IES 1 - Initial Professional Development: Entry requirements to a programme of professional accounting education.
(ii) IES 2 - Initial Professional Development -Technical Competence.
(iii) IES 3 - Initial Professional Development – Professional Skills.
(iv) IES 4 - Initial Professional Development – Professional Values, Ethics and Attitudes.
(v) IES 5 - Initial Professional Development – Practical Experience.
(vi) IES 6 - Initial Professional Development - Assessment of Professional Capabilities and Competence.
(vii) IES 7 - Continuing Professional Development.
(viii) IES 8 - Competence Requirements for Audit Professionals.

IES 5 prescribes the practical experience required of aspiring professional accountants (in this case, CPA students) by the end of the qualification process (IPD). Aspiring professional accountants are required to acquire sufficient practical experience to enable them demonstrate that they have gained technical competence, professional skills and professional values, ethics and attitudes necessary for performing a role of a professional accountant. The practical experience should be recorded in a consistent form, supported by verifiable evidence and subjected to a periodic review by a workplace training supervisor.

The practical experience acquired will be evaluated as to relevance and sufficiency at the point of application into membership of the Institute of Certified Public Accountants of Kenya (ICPAK). All CPA graduates are expected to join ICPAK either as associate members (if they have not met the required practical experience requirements), or as full members where they have met the mandatory experience requirement.

kasneb and ICPAK, working jointly in an effort to ensure full compliance with IES 5, have developed the Trainee Accountants Practical Experience Framework (TAPEF) to guide aspiring professional accountants in sourcing for relevant practical experience and ensuring that such experience is properly documented for evaluation. The TAPEF is expected to be rolled out with the commencement of the revised syllabuses following completion of the ongoing mid-term review of the syllabuses.

As part of preparations to ensure smooth roll out of the TAPEF, piloting of the framework was undertaken among one hundred (100) CPA students with their respective work place supervisors. The overall experience from the pilot phase was good. The challenges noted during the pilot phase have also been addressed to ensure a smooth roll out.

Details of the TAPEF and its implementation are provided below.
Practical experience requirements under TAPEF

(a) Suitable employment experience
The practical experience gained has to be relevant in the accountancy or finance related roles. It is expected that significant, if not all, of the work days required to meet the TAPEF requirements would be spent on activities and tasks related to accounting, finance, audit and assurance or in other related technical areas such as taxation and management accounting. Internships and placements are generally relevant experience provided adequate records are maintained.

(b) Minimum experience
(i) Start date – a trainee accountant is eligible to commence the practical experience requirements as soon as he/she has registered for the CPA programme.
(ii) Minimum duration – to become a full CPA (K), a trainee accountant must complete 450 practical work experience days which are normally expected to comprise of 3 years of full time work. Each day constitutes 7 hours and of the 450 days of practical experience required, 150 days must be post examination qualification (that is, the last 150 days of this experience must have been obtained after satisfying fully the requirements of the examination.

For persons working on a part time basis, the experience required remains at 450 days. It is therefore expected that a person working only half a day, would take up to 6 years to obtain the required experience.

The 150 day post examination requirement applies to both full time and part time employees. Relevant experience in an accounting or finance role as an intern would also qualify for purposes of meeting the 450 days of practical experience provided the other criteria have been met.

(iii) End date – the practical experience of 450 days must have been obtained within 6 years of completion of the CPA qualification.

(c) The work place training supervisor
Experience only qualifies if there is a qualified work place training supervisor who is able to monitor, review and sign off the full 450 days of practical experience obtained. The training supervisor at the work place must at a minimum be a qualified accountant and a full member of an IFAC registered accountancy body (such as ICPAK, ICPAU and ICAEW). Such membership must be held throughout the experience period being signed off. ICPAK will from time to time issue separate guidelines relating to accreditation of such supervisors.

A trainee accountant need not have one single work place training supervisor that covers the full 450 days of experience. Indeed this may not be possible as the trainee accountant may be obtaining such experience from a number of different employments. As long as each employment period is covered by a separate qualified training supervisor, the requirement for the 450 days will be cumulatively met.

Because of the above requirement, self-employed experience does not meet the minimum requirements.

(d) The Competency Framework
The competency framework sets the minimum standard of work or experience a trainee accountant is expected to achieve and demonstrate in a work place. It basically describes the nature of work activity to be carried out and the values and attitudes trainee accountants are expected to demonstrate before they are ready to become members of the Institute.

A trainee accountant is required to meet 13 competencies in total, of which 10 competencies are compulsory and 3 out of 9 elective competencies.

(i) Compulsory competencies
The compulsory competencies focus on professional values and ethics and professional skills as shown in Table 1. It is expected that the above compulsory competencies will be demonstrated as having been met in each of the 6 months review cycles that are included within the overall 450 days of experience.
Elective competencies

The elective competencies focus on technical areas: financial accounting and reporting, management accounting, financial management, taxation and audit and assurance. A minimum of 3 out of 9 competencies shown in Table 2 need to be achieved. The selected elective competencies will be considered to have been met as and when the necessary work experience has been obtained.

(e) Competencies for trainees wishing to acquire practising certificates

For trainees wishing to obtain practising certificates after obtaining membership they must have achieved the following competencies:

- Competency objective 8 - Apply relevant auditing standards to the audit of financial statements.
- Competency objective 9 - Evaluate and report on the audit both in terms of external reporting and reporting to those charged with governance.

Table 1: Compulsory competencies

<table>
<thead>
<tr>
<th>Competency category</th>
<th>Competency objective</th>
<th>Explanation/specific objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>Professional ethics and values</td>
<td>Professional judgement and scepticism</td>
<td>Demonstrate the ability and understanding of professional judgement and scepticism. Demonstrate the application of good governance and its interaction with risk management, internal control and public interest</td>
</tr>
<tr>
<td>Ethical principles</td>
<td>Application of professional ethics in day-to-day work</td>
<td></td>
</tr>
<tr>
<td>Governance, risk management and internal control</td>
<td>Demonstrate the application of good governance and its interaction with risk management, internal control and public interest</td>
<td></td>
</tr>
<tr>
<td>Professional skills</td>
<td>Leadership</td>
<td>Ability to lead a team</td>
</tr>
<tr>
<td></td>
<td>Communication</td>
<td>Ability to effectively communicate internally and externally</td>
</tr>
<tr>
<td></td>
<td>Managerial</td>
<td>Manage self and others to meet objectives effectively and efficiently</td>
</tr>
<tr>
<td></td>
<td>Information technology</td>
<td>Use information technology in day to day tasks to achieve efficiency and effectiveness</td>
</tr>
<tr>
<td></td>
<td>Business strategy</td>
<td>Understand business strategy and actively develop solutions to achieve strategic objectives</td>
</tr>
<tr>
<td>Financial accounting</td>
<td>Accounting skills</td>
<td>Demonstrating an understanding of the effects and implications of accounting for a broad range of transactions</td>
</tr>
<tr>
<td>Financial reporting</td>
<td>Understanding financial reporting</td>
<td>Preparing and demonstrating an understanding of financial statements prepared under IFRS/IFRS for SMEs/other framework for external reporting purposes</td>
</tr>
</tbody>
</table>
Recording practical experience training

(a) Recording of practical experience by trainee accountants
Wherever one works, it is important to look for the opportunities that will help meet the practical experience requirements. Part-time/internship/exchange programmes experience is acceptable provided that it can be verified. This experience should cover the relevant areas of competence and should be properly supervised and signed off by the work place training supervisor.

Similarly if one changes jobs during the training period then he/she should make sure the competencies achieved at the previous work place have been signed off.

All relevant practical experience obtained must be recorded in the Practical Experience Training (PET) form. The PET form should have a detailed narrative description of the work undertaken and the elements of the competency achieved. For those subsequently planning to apply for practicing certificates, the competencies required to be met for the same must be demonstrated in detail.

There is no time limit for achieving a competency, but a trainee accountant must be able to demonstrate that they can carry out all the work activities that contribute to that competency, to a consistent standard.

The Practical Experience Training (PET) form should be completed on an on-going basis and sign off obtained from the training supervisor at a minimum of six monthly intervals.

In completing the form, care should be exercised in ensuring that the narrative description of the experience undertaken demonstrates all of the following:

- A practical description of the actual work/activity undertaken using examples/illustrations.
- A clear link between the work undertaken and the competency objective being achieved.
- The time period covered by the activity, in days.

Table 2: Elective competencies

<table>
<thead>
<tr>
<th>Competency objective</th>
<th>Explanation/specific objectives</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Financial analysis</td>
<td>Interpret financial statements and reports</td>
</tr>
<tr>
<td>2. Management accounting</td>
<td>Prepare and evaluate financial information for management decision making</td>
</tr>
<tr>
<td>3. Financial planning</td>
<td>Manage an organisation’s cash flows</td>
</tr>
<tr>
<td>4. Financial and transaction evaluation</td>
<td>Evaluate financing and other business opportunities</td>
</tr>
<tr>
<td>5. Taxation – tax laws and regulations</td>
<td>Demonstrate understanding of the tax laws and regulations</td>
</tr>
<tr>
<td>6. Taxation – compliance</td>
<td>Compute taxes payable and prepare the necessary returns and submissions</td>
</tr>
<tr>
<td>7. Tax strategy</td>
<td>Develop tax strategy for the organisation</td>
</tr>
<tr>
<td>8. Audit and assurance – financial audits</td>
<td>Apply relevant auditing standards to the audit of financial statements</td>
</tr>
<tr>
<td>9. Audit and assurance – reporting</td>
<td>Evaluate and report on the audit both in terms of external reporting and reporting to those charged with governance</td>
</tr>
</tbody>
</table>
Any further information which would help the reviewer understand the achievement of the objective.

Every six months from the date of joining employment, the trainee accountant and work place training supervisor must meet and discuss the documentation of the competencies met during that period. Upon agreeing on the same, the trainee accountant will then detail the same on to the PET form and the work place training supervisor includes his/her comments and signs off the same.

It is recommended that performance objectives for the six month period be discussed and agreed upon at this meeting between the trainee and the work place training supervisor.

The experience recorded in the PET forms must be supported by physical records such as time sheets or any other relevant proof of experience gained. While such records are not required to be submitted to ICPAK on application of membership, ICPAK retains the right to request for such documents for independent verification of the PET form.

(ii) Holding formal sessions with the trainee accountant no further apart than 6 months and carry out the following:

- A review of the PET forms and corroborating the contents of the forms to evidence of work done for example timesheets, work summaries on job evaluation forms.
- Critically review whether the experience gained by the trainee accountant during the review period meets the competency of the framework.
- Test the trainee accountant on the practical experience gained using means such as questions and answers, laying out scenarios and obtaining the trainees views on the same.
- Discuss the experience gained and progress of the trainee. Also understand the challenges faced by the trainee in achieving/making progress on acquiring the competencies in the framework.
- Establish the competency objectives to be met for the next six months.
- Signing off against the competencies met if achieved to their satisfaction.

(iii) Holding subsequent formal meetings to review progress against the objectives set.

Roll out of the TAPEF

As mentioned earlier in the article, the TAPEF will be rolled out with effect from 1 July 2018. All new and continuing students are required to enroll in the TAPEF Programme from that date. A comprehensive Students’ Handbook on TAPEF has been uploaded on the kasneb website. An access link will be emailed to all students.

For any inquiries, please contact the Examinations Director at isaac.njuguna@kasneb.or.ke. Any kasneb student who will not have received the above link by 31 July 2018 should contact the Examinations Director on the above email.
Step by step approach

Register with kasneb for CPA

Register on ICPAK website and create trainee account with login credentials

Find suitable employment/internship/attachment

Identify a supervisor at the place of work or refer to an ICPAK Member within your reach

Have a formal meeting with supervisor to agree on the competencies to be learned for the first 6 months

Document the experience as frequently as possible by logging into your ICPAK account

Have a formal meeting after 6 months to review the documented experience with your supervisor. Also agree on the competencies to be achieved in the following 6 months

Once this is achieved for 3 years (full time) or 6 years (part time), the practical experience will have been achieved and the trainee accountant will be ready for membership after completing the CPA examination.

Frequently asked questions

1. When is one eligible to join TAPEF?
   As soon as one registers for their CPA examination with kasneb.

2. Who is running this experience framework?
   The framework is being run jointly between ICPAK and kasneb.

3. What is the duration of the experience framework?
   3 years for someone working on a full-time basis and 6 years for someone working on a part-time basis.

4. Can I undergo the framework for a longer period?
   One is required to complete the framework in a maximum 6 years from the date of enrolment.

5. Can one do a crash program on the framework and finish in less than 3 years?
   This framework does not have a crash program, minimum duration is 3 years - working on a full time basis.

6. Can self-employment count as part of the relevant experience?
   Self-employment does not count due to lack of supervision.

7. Where can the relevant experience be obtained?
   Suitable experience can be obtained from employment, internship, attachment if the trainee accountant is assigned finance and accounting related duties.

8. What happens if a trainee accountant is changing jobs/internship/attachment?
   If one is changing place of experience, one is required to clear with the previous supervisor and have the experience signed off as per the last day of work. On joining the new organisation, one will need to get a new supervisor at the new place of work and continue with the experience. This therefore allows a trainee accountant to have multiple supervisors. Job rotation is also encouraged to allow acquisition of different practical experience in different departments.

9. What is the implication of not undergoing the framework?
   This framework forms part of ICPAK membership requirement. Upon launch, applicants for ICPAK membership will need to demonstrate having undergone the framework as per the transitional provisions.

10. Does ICPAK and kasneb charge Trainee Accountants for this framework?
    No, the framework is free of charge.

11. What if I am unable to get a supervisor?
    You can send an email giving your details to tapef@icpak.com for further assistance.

For feedback or further inquiries, you can contact kasneb at:
info@kasneb.or.ke, isaac.njuguna@kasneb.or.ke or contact ICPAK at tapef@icpak.com
## FULL ACCREDITATION

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3. African Institute of Research and Development Studies - Kisumu  
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6. Bartek Institute - Kabarnet  
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8. Century Park College – Machakos  
9. Coast Institute of Technology-Voi  
11. Comboni Polytechnic-Gilgil  
12. Dedan Kimathi University of Technology, Nyeri Town Campus - Nyeri  
13. Eldoret National Polytechnic - Eldoret  
14. Elgon View Commercial College - Eldoret  
15. Embu College – Embu  
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21. Institut Professionnel De Certification - Douala, Cameroon  
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26. Kaiboi Technical Training Institute - Eldoret  
27. KCA University, Kisumu Campus - Kisumu  
28. KCA University, Main Campus –Nairobi  
29. Kenya Coast Polytechnic-Mombasa  
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31. Kenya School of Credit Management-Nairobi  
32. Kenya School of Government-Baringo  
33. Kenya School of Government - Mombasa  
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36. Kigali Institute of Management, Kigali - Rwanda  
37. Kirinyaga University - Kerugoya  
38. Kisii National Polytechnic  
39. Kisumu National Polytechnic - Kisumu  
40. Kitale Technical Training Institute - Kitale  
41. Maaron Business School, Douala - Cameroon  
42. Machakos Institute of Technology - Machakos  
43. Machakos University - Machakos  
44. Masai Technical Training Institute - Kajiado  
45. Meru National Polytechnic - Meru  
46. Michuki Technical Training Institute – Kangema  
47. Mombasa Aviation Training Institute - Mombasa  
48. Mombasa Technical Training Institute - Mombasa  
49. Mount Kenya University, Nkubu Campus - Nkubu  
50. Muranga’s University - Muranga’s  
51. Mwangaza College - Nakuru  
52. Nairobi Institute of Business Studies - Ruiru Campus  
53. Nairobi Institute of Technology – Nairobi  
54. Nakuru Counseling and Training Institute - Nakuru  
55. North Eastern National Polytechnic - Garissa  
56. Nishkam Saint Purah Sighn Institute-Kericho  
57. Nkabune Technical Training Institute - Meru  
58. Nyandarua Institute of Science and Technology – Nyahururu  
59. Nyeri National Polytechnic-Nyeri  
60. NYS Technical Training College - Mombasa  
61. NYS Technical Training Institute - Naivasha  
62. O’lessos Technical Training Institute - Lessos  
63. Oshwal College - Nairobi  
64. PC Kinyanjui Technical Training Institute - Nairobi  
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66. Ramogi Institute of Advanced Technology - Kisumu  
67. Riara University - Nairobi  
68. Rift Valley Institute of Science and Technology - Nakuru  
69. Rift Valley Technical Training Institute - Eldoret  
70. Rongo University College - Rongo  
71. Royal Business School – Nairobi
72. Rware College of Accounts - Nyeri
73. School of Finance and Banking, Kigali - Rwanda
74. Shamberere Technical Training Institute - Kakamega
75. Sigalagala National Polytechnic – Kakamega
76. St. Paul's University, Main Campus - Limuru
77. St. Paul's University, Nairobi Campus - Nairobi
78. Star College of Management Studies - Nairobi
79. Strathmore University - Nairobi
80. Summit Institute of Professionals – Nairobi
81. Thika Technical Training Institute - Thika
82. Times Training Centre - Mombasa
83. University of Eastern Africa, Baraton – Kapsabet
84. University of Rwanda, College of Business and Economics (URCBE), Gikondo Campus, Kigali
85. Vision Institute of Professionals, Mombasa Campus-Mombasa
86. Vision Institute of Professionals, Nairobi Campus-Nairobi

INTERIM ACCREDITATION

1. Achievers School of Professionals - Nakuru
2. Adept College of Professionals - Nakuru
3. Adex School of Professional Studies -Kakamega
4. African Institute of Research and Development - Kericho
5. Africana College of Aviation - Nairobi
6. Africana College of Professionals - Thika
7. AIC Naivasha Technical Training Institute - Naivasha
8. Apogee Institute of Professional Studies - Nairobi
9. Arena Arts Multimedia College - Nairobi
10. Belmont International College - Ongata Rongai
11. Berinet College - Ol-Kalou
12. Bilingual Institute of Professional Studies, Douala -Cameroon
13. Bomet College of Accountancy - Bomet
15. Bright Star Institute of Professionals – Nakuru
16. Bumbe Technical Training Institute - Busia
17. Catholic University of Eastern Africa, Gaba Campus - Eldoret
18. Central Kenya School of Professionals – Nyeri
19. Chania Training Institute - Thika
20. Chuka Institute of Business Studies - Chuka
21. Cornerstone Training Institute - Nairobi
22. Destiny College of Accountancy - Kericho
23. Diakonia Institute - Nairobi
24. Digital Advisory and Learning Centre (DALC) - Nairobi
25. Dominion Training Institute – Bungoma
26. Dynamic College of Professional Studies - Ongata Rongai
27. East Africa Institute of Certified Studies – Nairobi
28. Ekerubo Gientei Technical Training Institute-Nyamira
29. Eldoret AIC Training College - Eldoret
30. Eldoret Aviation Training Institute - Eldoret
31. Elgonview College - Kisii
32. Esmart College - Kikuyu
33. E-smart College - Kisii
34. E-smart College - Mumias
35. Excel Institute - Kitale
36. Excellent Institute of Professionals - Kakamega
37. Frontier Institute of Professional and Management Studies - Garissa
38. Global Institute of Management and Commerce - Nairobi
39. GTI College of Professional Studies - Nakuru
40. Hekima Education Centre - Ngong
41. Hemland Computer Institute - Thika
42. Holy Rosary - Tala
43. Hosannah Institute of Professional Studies - Kerugoya
44. Intraglobal Training Institute - Nairobi
45. Jodan College of Technology - Thika
46. Jogima Business School - Ongata Rongai
47. Jomo Kenyatta University of Agriculture and Technology, Mombasa CBD Campus - Mombasa
48. Jusnet Business Institute - Malindi
49. Kakamega School of Professional Studies - Kakamega
50. Keiyo Technical Training Institute - Iten
51. Kentrac College – Nairobi
52. Kenya Aeronautical College-Karatina
53. Kenya College of Business Management - Eldoret
54. Kenya College of Commerce and Hospitality - Nairobi
55. Kenya Institute of Business and Counselling Studies - Nairobi
56. Kenya Institute of Professional Studies - Nairobi
57. Kenya Institute of Public Health - Ol-Kalou
58. Kenya Power Training School - Nairobi
59. Kenyatta University –Kitui Campus
60. Kericho County College of Accountancy - Kericho
61. Keroka College of Accountancy - Kisii
62. Kife School of Business Studies - Nairobi
63. Kisii College of Accountancy - Kisii
64. Kisii University - Kisii
65. Kisiwa Technical Training Institute - Bungoma
66. Kitengela Institute of Mangement Studies – Kitengela
67. Kitengela Institute of Professional Studies – Kitengela
68. Kitui Institute of Professionals - Kitui
69. Laikipia University - Naivasha Campus
70. Laikipia University - Nyahururu Campus
1. Lake Naivasha Institute - Naivasha
2. Lake Training College – Naivasha
3. Limuru Institute of Information and Technology - Limuru
4. Malindi College of Accountancy - Malindi
5. Malindi Institute of Business Studies – Malindi
6. Masinde Muliro University of Science and Technology Main Campus Kakamega
7. Mathenge Technical Training Institute - Nyeri
8. Matili Technical Training Institute - Kimilili
9. Meru University - Meru
10. Millennium School of Business Studies - Kisumu
11. Mutomo Institute of Accountancy - Mutomo
12. Nairobi County Institute of Management and Logistics - Nairobi
13. Nairobi Institute of Business Studies - Nairobi
14. Nanyuki Institute of Communication and Advanced Technology - Nanyuki
15. Nehema Institute of Science and Technology - Eldoret
16. Nyambene School of Professional Studies - Maua
17. NYS School of Catering - Gilgil
18. NYS Vocational Training Institute - Nairobi
19. Optic Computer College - Wanjohi
20. Palmax Business and ICT College - Karatina
21. Pan Africa Christian University - Nairobi
22. Path Institute of Technology and Entrepreneurship - Kitengela
23. PCEA Molo College of Professional Studies - Molo
24. Peak Institute of Professionals - Kerugoya
25. Pinnacle College of Professional Studies - Nyeri
26. Prince School of Professional Studies, Nairobi
27. Pwani Institute of Professional Studies - Voi
28. Ram Training College – Kisii
29. Regional Institute for Professionals and Technologists - Mombasa
30. Reward Institute of Professional Studies - Thika
31. Rhythms Music and Computer College – Nairobi
32. Ricatti Business College - Wote
33. Ricatti Business School- Nairobi
34. Rift Valley Institute of Business Studies - Nakuru
35. Riruta Business College – Nairobi
36. Royal College of Science and Technology - Ruiru
37. Ruiri Institute of Business Studies - Ruiru
38. Rwika Technical Training Institute - Embu
39. Sacred Training Institute - Bungoma
40. Sacred Training Institute – Nairobi
41. Sang’alo Institute of Technology - Bungoma
42. Serein Education Centre - Nakuru
43. Shanzu Teachers Training College - Mombasa
44. Shiners Institute of Professional Studies - Bomet
45. South Eastern Kenya University – Kitui
46. Springs Academy, Kigali – Rwanda
47. St. Anne’s Catholic Church-Nyahururu
48. St. Jude’s Technical Training College - Mumias
49. St. Mary’s Secretarial College-Isiolo
50. Star Institute of Professionals - Mombasa
51. Starehe Boys Centre – Nairobi
52. Steling College - Kitengela
53. Stockwell School of Finance - Nairobi
54. Tala School of Management Studies - Tala
55. Technical University of Mombasa - Lamu Campus
56. Tecqskills Professional Institute - Naivasha
57. The East African University - Nairobi
58. The Promise Computer College of Business and Research - Eldoret
59. Thika College of Banking, Accountancy and Computer Studies - Thika
60. Thika Institute of Business Studies -Thika
61. Timeless College - Nairobi
62. Tracom College - Nakuru
63. Uzuri Institute of Technology and Development - Thika
64. Victory College of Accountancy - Eldoret
65. Virtus Institute-Malindi
66. Wang Point Technologies, City Centre Campus - Nairobi
67. Wote Technical Training Institute - Wote
68. Zetech University

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2. Aldai Technical Training Institute-Kapsabet
3. Bishop Kariuki Institute of Management-Wangige
4. Blaise Institute of Business Studies - Nairobi
5. Cofa Institute of Technology - Ongata Rongai
6. Cooperative University of Kenya-Karen Campus
7. Corat Africa Training Institute – Nairobi
8. Comerstone and Luthien Advisory-Rwanda
9. DIMA College - Nairobi
10. Eclipse College, Wamba - Samburu
11. Highrise State College-Nairobi
12. Institute of Community Development/Centre for Accountancy and Business Management – Nairobi
13. Intellects College –Kitui
14. International University of Equator, Bujumbura - Burundi
15. International University of Excellence, Bujumbura - Burundi
16. Javan Institute of Technology - Funyula
17. Kajiado College of Accountancy - Ongata Rongai
18. Katine Technical Training Institute-Machakos
22. Kilifi College of Accountancy - Kilifi
23. Kilifi Institute of Business Studies - Kilifi
24. Kings College - Eldoret
25. Kirinyaga Business and Technical Institute - Kerugoya
26. Kisumu Institute of Banking and Management Training - Kisumu
27. Kitale College of Business Studies - Lodwar
28. Maasai Mara Technical Vocational College - Narok
29. Malava College of Computers Studies - Malava
30. Management University of Africa - Nairobi
31. Marist International University College - Karen
32. Maseno University Kisumu Campus
33. Maseno University Main Campus - Maseno
34. Masinde Muliro University of Science and Technology, Nairobi Campus - Nairobi
35. MiraMar International College - Nairobi
36. Multimedia University of Kenya - Nairobi
37. Nairobi Institute of Ecommerce
38. Nairobi Institute of Entrepreneurship and Enterprise Development - Nairobi
39. Northern Institute of Professional Studies - Wajir
40. Novel Multi Media College - Westlands
41. Nyeri South Institute of Professional Studies - Othaya
42. Participatory Development Centre - South Sudan
43. Prasol College of Professional Studies - Isiolo
44. Red Sea University - Somali
45. Regional Institute of Professionals and Technologists - Nairobi
46. S.C.L.P Australian College - Nairobi
47. Samburu School of Professional Studies - Maralal
48. Shaloam Business School - Maralal
49. Sterling College - Kitengela
50. The Presbyterian University of East Africa - Nairobi
51. Traction School of Governance - Nairobi
52. Transom Institute of East Africa - Ongata Rongai
53. University of Kigali - Rwanda
54. Vision Institute of Leadership and Management Studies - Nairobi
55. Vlan College of Business and Technology - Nairobi
56. West Kenya College of Professional Studies - Bungoma
57. YWCA - Meru

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3. Certified Public Accountants (CPA) - kasneb
4. Certified Investment and Financial Analysts (CIFA) - kasneb

MANAGEMENT
1. Certified Secretaries (CS) - kasneb
2. Certified Credit Professionals (CCP) - kasneb
3. Purchasing and Supplies - KISM and kasneb and Chartered Institute of Procurement and Supply (CIPS)
4. Diploma and certificate courses - KNEC

COMPUTER AND INFORMATION TECHNOLOGY
1. Packages
2. Information Technology - KNEC
3. Computer Maintenance and Networking - KNEC

Pictorial-Staff & Students activities
kasneb held an Open Day on Friday, 26 January 2018 and Saturday, 27 January 2018 at the August 7th Memorial Park in Nairobi. The theme of the day was “Empowering Professionals for Posterity.” A number of partner organisations and colleges exhibited at the event.
kasneb Open Day
Held at the August 7th Memorial Park, Nairobi on Friday, 26 January 2018 and Saturday, 27 January 2018
Collection of certificates

kasneb students/graduates collecting their certificates in February and March 2018 at kasneb Towers
Career opportunities discussions
Naivasha Girls Secondary School career day held on Saturday, 10 March 2018

Mr. Cedric Dakayi (left), Secretary of the Cameroon Association of kasneb Students (CAKS) presents a package to Professor James M. Kobila, Deputy Rector, University of Douala during a courtesy call on Monday, 5 February 2018.
Career opportunities discussions

Kasneb in conjunction with the Ministry of Education, Science and Technology organised career opportunities discussions with teachers and students in various secondary schools in Kisii County from Monday, 22 January 2018 to Friday, 2 February 2018.

Career discussions in Gucha Sub-county, Kisii held from Monday, 22 January 2018 to Friday, 26 January 2018

Career discussions in Kenyenia Sub-county, Kisii held from Monday, 22 January 2018 to Friday, 26 January 2018
Career opportunities discussions

Career discussions in Kitutu Central Sub-county, Kisii held from Monday, 29 January 2018 to Friday, 2 February 2018

Career discussions in Sameta Sub-county, Kisii held from Monday, 29 January 2018 to Friday, 2 February 2018
Partial handover of the new Kasneb Towers II

Thursday, 22 February 2018
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- Investment forums
- All members to enjoy discounts in booking of accommodation in luxurious hotels during
- Seminars and Conferences.
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ATD LEVEL II
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Information technology has brought people much closer together than ever before, providing a democratising and mostly stabilising influence - Dan Quayle
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CPA PART I – SECTION 1
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CPA PART II – SECTION 3
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FINANCIAL MANAGEMENT
(COMMON PAPER)
NAC/288840
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FINANCIAL REPORTING
NAC/279295
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CPA PART II – SECTION 4
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NAC/266944
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MANAGEMENT INFORMATION SYSTEMS
(COMMON PAPER)
NAC/284509
JONATHAN MWANZIA WAMBUA
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It is not your salary that makes you rich; it’s your spending habits - Charles A. Jaffe
The word accounting comes from the word accountability. If you are going to be rich, you need to be accountable for your money - Robert Kiyosaki, Author, Poor Dad Rich Dad
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CERTIFIED INFORMATION COMMUNICATION TECHNOLOGISTS (CICT) EXAMINATION

CICT PART I - SECTION 1
INTRODUCTION TO COMPUTING
CTP/3067
ALLAN MASAVU PAUL
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COMPUTER APPLICATIONS – PRACTICAL
CTP/3071
JOSHUA OWINO ONDILI
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Management is about persuading people to do things they do not want to do, while leadership is about inspiring people to do things they never thought they could - Steve Jobs, Apple founder
The number one benefit of information technology is that it empowers people to do what they want to do. It lets people be creative. It lets people be productive. It lets people learn things they didn’t think they could learn before and so in a sense, it is all about potential - Steve Ballmer, Microsoft CEO
Stock market bubbles don’t grow out of thin air. They have a solid basis in reality, but reality as distorted by a misconception - George Soros
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BANKING LAW AND PRACTICE
CCP/1520
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CCP PART III – SECTION 6
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CCP/2107
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Information technology vocabulary challenge

ACROSS
5. Gain unauthorised access to data in a system or computer.
6. A structured set of data held in a computer.
8. A numeric system that only uses two digits - 0 and 1.
9. Start a computer and put it into a state of readiness for operation.
10. A network security system designed to prevent unauthorised access to or from a private network.
11. A pen-shaped handheld instrument used with touch screen input devices or graphics tablets.
13. A central computer from which other computers get information.
14. To get permission to use a software again after expiry of licence period.
17. Messages distributed by electronic means from one computer user to one or more recipients via a network.
18. Unsolicited bulk email.
20. A failure or interruption in use or functioning.
22. Acronym for information technology.
23. The route through a file system to a particular file.
25. A program that enters your computer and damages and destroys stored information.
26. A file which is linked to and sent with an e-mail message.
27. To write content to a CD or DVD.
28. A kind of malware that is able to copy itself, and spread.
29. A computer program that prevents unauthorised entry into a computer system, stealing information or causing damage.
32. The smallest unit of data.
33. Leave out or exclude.
34. The highest authority or privilege given to a user working with an operating system or other control program.
35. Device or data point on a larger network.

DOWN
1. Translate a photograph into a digital form.
2. An element in a HTML document that links to either another portion of the document or to another document.
3. A small amount of computer data sent over a network.
4. The unit of speed used for super computers.
5. A common connection point for devices in a network.
7. Plural of unit of memory.
10. Software that is free to use.
12. To install and configure hardware or software.
15. To store data in memory or onto a storage medium.
16. A graphical representation of the sequence of operations in an information system or program.
19. A string that fulfills the specified conditions of a computer search.
21. Program you launch to connect to the internet.
24. The clock rate of a CPU.
27. A procedure associated with a message and an object in object-oriented programming.
28. The program a personal computer’s microprocessor uses to get the computer system started after you turn it on.
31. Within or inside a network of computers that only connects people within a certain group.
32. The set of instructions forming a computer program.
33. A name for directories that contain files stored in binary format.
# FINANCIAL MODELING IN EXCEL COURSE

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

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<tr>
<th>OTHER COURSES OFFERED</th>
<th>MINIMUM REQUIREMENTS</th>
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<tr>
<td>Certificate in Accounting and Management Skills (CAMS)</td>
<td>D+ and above</td>
</tr>
<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>
<tr>
<td>Certified Secretaries (CS)</td>
<td>C+ with (C+ Maths &amp; English or kasneb Diploma/Technician qualifications)</td>
</tr>
<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>
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- **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

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