



Republic of Kenya



Ref: PSASB 1/3 Vol. II (66)

Date: 18th May, 2022

To All Accounting Officers
Constitutional Commissions and Independent Offices
State Corporations
Semi-Autonomous Government Agencies

REQUEST FOR COMMENTS ON THE DRAFT PUBLIC SECTOR ENTITIES INTERNAL AUDIT MANUAL

The Public Sector Accounting Standards Board (PSASB) is mandated by sections 194 of the Public Finance Management (PFM) Act, 2012 to prescribe frameworks and set generally accepted standards for the development and management of accounting and financial systems by all State organs and public entities. The Board prescribes internal audit procedures and mainstreams best practices for good governance, internal controls and risk management. The PFM Act, 2012 and the National Government PFM Regulations mandates internal auditors to use standards prescribed by the PSASB. The Board prescribed International Professional Practices Framework for application by all public sector internal auditors through Gazette Notice number 5440 of August 2014.

Pursuant to the above mandate, the Board of PSASB at its meeting of 10th May 2022 approved draft Public Sector Entities Internal Audit Manual and templates. The aim of the model manual is to attempt to standardize internal audit processes within public sector entities. The objective of the manual is to promote effective internal audit functions that will enhance compliance with International Professional Practices Framework.

PSASB acknowledges centrality of stakeholder input in providing valuable insights to refine and enrich the draft internal audit manual. The Board in a bid to solicit input from key stakeholders as enshrined in Article 10 of the Constitution of Kenya, hereby invites all internal auditors in the Public Sector Entities including the general public to provide comments and suggestions on the draft internal audit manual. The comments will be considered to revise the manual prior to a validation workshop whose date shall be communicated in due course.

The draft Public Sector Entities Internal Audit Manual can be downloaded from www.psasb.go.ke. Comments and clarifications should be emailed to auditstandards@psasb.go.ke by **Thursday 9th June 2022**. Respondents are encouraged to submit their feedback electronically to ensure timely receipt.

Kindly tabulate your responses in the format provided below.

No.	Internal Audit Manual Chapter, Section and Page	Current Status as captured in the Draft Manual	Proposed Revision	Justification
1.				

Promoting Sound Financial Reporting and Internal Audit Standards in the Public Sector

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Republic of Kenya



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Thank you and we look forward to your continued support.

FCPA FREDRICK RIAGA
CHIEF EXECUTIVE OFFICER

CC:

All Internal Auditors in the Public Sector Entities.