



Republic of Kenya



PUBLIC SECTOR ACCOUNTING STANDARDS BOARD (KENYA)

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Ross Smith

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International Federation of Accountants
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CANADA

Dear *Ross Smith*

EXPOSURE DRAFT 87 ON STRIPPING COSTS IN THE PRODUCTION PHASE OF A SURFACE MINE (AMENDMENTS TO IPSAS 12).

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

We thank the IPSASB for publishing the proposal to amend IPSAS 12 (Inventories) to include stripping Costs in the production phase of a surface mine.

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

Yours *Sincerely*

CPA GEORGINA MUCHAI
AG. CHIEF EXECUTIVE OFFICER

Responses to Exposure Draft 87: Stripping Costs in the Production Phase of a Surface Mine (Amendments to IPSAS 12).

The ED's objective is to propose amendments to IPSAS 12, *Inventories*, to include guidance aligned with IFRIC 20, *Stripping Costs in the Production Phase of a Surface Mine*.

Specific Matter for Comment 1

The IPSASB decided to propose IFRIC 20-aligned guidance in ED 87 (see paragraph [BC9](#)). Do you agree that amendments to IFRIC 20, for the public sector, are limited to terminology and other IPSASB-specific formatting and consistency amendments (see paragraph [BC10](#))?

If not, please explain your reasons, stating clearly what further amendments are necessary and why.

PSASB Kenya agrees with this proposal.

Specific Matter for Comment 2

The IPSASB decided to propose the IFRIC 20-aligned guidance in ED 87 as an amendment to IPSAS 12, *Inventories*, by including the guidance as an Appendix (see paragraph [BC11](#)). Do you agree with the IPSASB's decision?

If not, please explain your reasons, stating clearly where the guidance should be included and why.

PSASB Kenya agrees with this proposal.
