



Republic of Kenya



## **PRESS RELEASE**

**9<sup>th</sup> Sept. 2021**

### **State Directs Public Secondary Schools to Adopt International Financial Reporting Standards.**

The Public Sector Accounting Standards Board (PSASB) in collaboration with the National Treasury has prescribed a financial reporting format (template) for use by public secondary schools in accordance with the International Public Sector Accounting Standards (IPSAS).

The move is aimed at tightening the loose gaps in the use of public resources in all public secondary schools. PSASB prescribed IPSAS for public entities in 2014 to enhance accountability and transparency and safeguard the use of public funds. Since then, the uptake rate has been going up.

“Transparency and accountability in financial management is paramount to the continuity and sustainability of learning institutions as they seek to provide knowledge to the current generations and in posterity,” Mr. Fredrick Riaga, PSASB Director of Accounting Standards said.

Following the release of the reporting format, the Ministry of Education has, through a circular, has directed all public secondary schools to comply with the new financial reporting format. This means all public secondary schools financial reporting period shall be from 1<sup>st</sup> July to 30<sup>th</sup> June, in line with the Government Financial Year. Previously, public secondary schools reported their finances over a calendar year that runs from January to December.

“The current school financial reporting calendar is aligned to the academic year which runs from 1<sup>st</sup> January to 31<sup>st</sup> December. Therefore, the schools financial reporting period shall be from 1<sup>st</sup> July to 30<sup>th</sup> June effective from 30<sup>th</sup> June 2021 and subsequent period,” reads the circular.

The circular further states that “schools that have submitted their financial statements for the financial year ending 31<sup>st</sup> December 2020 shall prepare six (6) months financial statements up from 1<sup>st</sup> January 2021 to 30<sup>th</sup> June 2021. Schools that have not submitted their financial statements for the year 2020 shall prepare the statements for a period of eighteen (18) months from 1<sup>st</sup> January 2020 to 30<sup>th</sup> June 2021.”



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Signed by Basic Education Principal Secretary Julius Jwan, the circular further states that the financial statements should be ready by 30<sup>th</sup> September 2021 in compliance with Section 81 of the Public Finance Management (PFM) Act. 2012.

The Ministry of Education has directed every head of a public secondary school to prepare financial report as per the financial reporting format and contain financial and non-financial information in the format prescribed by PSASB template. The ministry will organize sensitization programmes for officers Heads of Schools, bursars, Board of Managements, non-financial managers and stakeholders. To ensure successful implementation, the Ministry of Education in conjunction with PSASB and the National Treasury will continuously monitor the implementation progress and guide where necessary.

To enable public secondary schools adhere to the prescribed standards and reporting format, PSASB in collaboration with the National Treasury and the Ministry of Education has developed IPSAS implementation guidelines.

The financial reporting format and IPSAS implementation guidelines for Public Secondary Schools can be accessed and downloaded from any of the websites of the National Treasury ([www.treasury.go.ke](http://www.treasury.go.ke)), PSASB ([www.psasb.go.ke](http://www.psasb.go.ke)) and Ministry of Education ([www.education.go.ke](http://www.education.go.ke)).

### **About PSASB**

PSASB was established under sections 192 to 195 of the Public Finance Management (PFM) Act 2012. The Board is mandated to provide frameworks and set generally accepted accounting standards for the development and management of accounting and financial systems and internal audit procedures by state organs and public entities as spelt out under Section 194 of the PFM Act. The Board is also mandated to publish and publicize the accounting and financial standards and any other prescribed guidelines.

The mandate of PSASB is to set generally accepted accounting and financial system standards for the public sector. The Board also prescribe and pronounce generally accepted internal auditing standards. Besides, it mainstreams best practices for good governance, internal controls and risk management in the public sector.