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# STRATEGIC PLAN 2021/22 – 2025/26

## **VISION**

Globally acceptable standards on public sector financial accountability

## **MISSION**

To prescribe and promote adoption of financial reporting, internal auditing and risk management standards in the public sector

## **TAG LINE**

Promoting Accountability

## **CORE VALUES**

Integrity  
Professionalism  
Teamwork and Collaboration  
Responsiveness  
Transparency  
Accountability

## **FOREWORD**

The PFM Act, 2012, Section 192 to 195 provides for the establishment of the Public Sector Accounting Standards Board (PSASB). The PSASB unveiled its first Strategic Plan (2015/16-2020/21) in September 2016 to provide a blueprint for actualisation of its mandate. During the period, the Board achieved a lot in laying the foundation for sound accounting standards in the country and implemented accounting and internal audit standards for use in the public sector. These standards include the International Public Sector Accounting Standards (IPSAS), International Financial Reporting Standards (IFRS) and the International Professional Practice Framework (IPPF). To enable the public sector entities to adhere to the pronounced and gazetted standards, the Board organised a series of training workshops to publicise the standards.

The Board has thus made great strides towards creating efficiencies in preparation and audit of annual financial statements, promoting transparency and completeness of financial reporting.

Additionally, the Board developed and approved financial reporting templates, enhanced capacity building for accountants on PFM Act requirements, improved financial reporting in Government Owned Enterprises, partnered with Internal Auditor General Department/National Treasury to provide technical support to the public sector entities on their internal audit function, among others.

A review of the maiden 2015/16-2020/21 Strategic Plan (SP) indicates that the Board achieved 70 percent of its strategic objectives despite a few teething bottlenecks that come with new establishments.

Indeed, such a feat could not have been attained without the enormous support from the National Government, specifically The National Treasury and Planning, Public Financial Management Reforms (PFMR) secretariat, all the County Governments and other stakeholders. I would like to thank them for their support and look forward to our continued partnership as we implement the new Strategic Plan.

The new Strategic Plan primarily seeks to consolidate the gains made over the last 7 years by championing the implementation of accrual basis of accounting and internal audit standards by all Government entities for transparency and accountability in management of public resources. The Strategic Plan also provides an opportunity for the Board to continuously engage the National and County Governments and provide them with necessary support in adopting and implementation of the prescribed standards. As we embrace this Strategic Plan, let us focus on attaining the PSASB's vision towards globally acceptable standards in public sector financial accountability.

**CPA Stephen Masha**  
**INTERIM BOARD CHAIRMAN**

## PREFACE

The 2021/22 - 2025/26 Board Strategic Plan is anchored on the success and lessons learnt during the implementation of the previous Strategic Plan (2015/16-20120/21). The Plan sets out result-oriented goals and objectives which the Board endeavours to achieve. Great emphasis will be placed upon the adoption of the accrual basis of accounting by the National and County Government entities. This Strategic Plan (SP) is informed by the Government's development blueprints, the Kenya Vision 2030, Medium Term Plans III, the Big 4 Agenda, The Constitution (2010) and the PFM Act (2012).

While formulating the strategies of achieving the Board's objectives in the next five (5) years, due consideration was given to the environmental factors under which the Board operates to surmount any impediment that may hinder the achievement of the set goals and targets. The development process of this SP involved broad consultation with stakeholders (internal and external) through various workshops at the Board level and the technical level, thus providing an opportunity to the Board, Senior Management and the Staff to fully inform the development of this Strategic Plan.

The degree of involvement in the process and the quality of contributions received ensured that the Plan entrenched stakeholders' interests in safeguarding and generating the necessary ownership and commitment in its implementation. The Plan, therefore, provides a credible component for the realisation of the Board's vision towards "***Globally Acceptable Standards on Public Sector Financial Accountability***".

On behalf of the Board, I would wish to express my sincere gratitude to all those who provided the necessary support in preparing this Strategic Plan. I particularly want to humbly recognise the guidance and policy direction provided by the Directorates' headship. My appreciation also goes to members of the technical team responsible for collating diverse information and compiling the ultimate edited version of the Plan.

Additionally, I acknowledge the contribution of technical officers – Mr. Samuel Kimote, Mr. Michael Mwangi and Mr. Joseph Malonza, Economists from the State Department for Planning, National Treasury and Planning. The team offered immense technical advice and support towards the development of this Plan.

We are confident that based on this SP, the Board is on a firm footing to discharge its mandate and attain its mission and vision.

Let us remember that "**Prior Proper Planning Prevents Poor Performance**".

**FCPA Fredrick Riaga**  
**Chief Executive Officer**

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## ABBREVIATIONS

AC	Audit Committee
CBK	Central Bank of Kenya
CMA	Capital Markets Authority
DAS	Directorate of Accounting Standards
FY	Financial Year
FiRe	Financial Reporting Awards
GOE	Government Owned Enterprises
ICPAK	Institute of Certified Public Accountants of Kenya
ICPSK	Institute of Certified Public Secretaries of Kenya
IFMIS	Integrated Financial Management Information System
IFRS	International Financial Reporting Standards
IPPF	International Professional Practices Framework
IPSAS	International Public Sector Accounting Standards
IPSASB	International Public Sector Accounting Standards Board
IRA	Insurance Regulatory Authority
KASNEB	Kenya Accountants and Secretaries National Examinations Board
KSG	Kenya School of Government
KSH	Kenya Shillings
MDAs	Ministries, Departments and Agencies
MoU	Memorandum of Understanding
MTP	Medium Term Plan
NSE	National Stock Exchange
TNT	The National Treasury
OSHA	Occupational Safety and Health Act
PE	Personnel Emoluments
PFM	Public Financial Management
PFMRS	Public Finance Management Reform Secretariat
PSASB	Public Sector Accounting Standards Board
RBA	Retirement Benefits Authority
SDGs	Sustainable Development Goals
SP	Strategic Plan
SRC	Salaries and Remuneration Commission
SWOT	Strengths, Weaknesses, Opportunities and Threats
UFAA	Unclaimed Financial Assets Authority

## EXECUTIVE SUMMARY

The Public Sector Accounting Standards Board (The Board) is a semi-autonomous Government agency established under Sections 192 to 195 of the Public Finance Management Act of 2012. The Board's mandate is to set generally accepted accounting and financial system standards for the public sector, prescribe and pronounce generally accepted internal auditing standards, and mainstream best practices for good governance, internal controls and risk management in the public sector.

The Board's inaugural Strategic Plan (SP) covered five (5) years (2015/16 to 2020/21). A review of the previous Plan established that the Board mostly achieved its planned activities. The feat could not have been possible without the enormous support from the National Government, specifically The National Treasury and Planning, Public Financial Management Reforms (PFMR) Secretariat, all the County Governments and other stakeholders. The review of the first SP helped identify the successes, challenges and lessons learnt during the implementation period, which were thus taken into account in developing this second Plan.

To fully implement the functions of the Board, a Strategic Plan is an essential roadmap to guide the Board's operations and prioritise projects, programmes, and activities to be implemented. The Plan sets out the vision, mission, strategic focus areas, strategic objectives, and strategies to deliver outputs and outcomes. To ensure that the results are achieved, the Board undertook an environmental analysis to identify strengths, opportunities, weaknesses and threats. The PESTEL analysis was also carried out.

The Board is committed to upholding professionalism, teamwork and collaboration, responsiveness, transparency and accountability in its operations towards setting globally acceptable standards on public sector financial accountability. The Board also remains focused to prescribe and promote adoption of financial reporting, internal auditing and risk management standards to enhance transparency and accountability in the public sector.

In the implementation of this second SP covering a period of five years (2021/22-2025/26), the Board has identified and is committed to pursuing four (4) thematic areas to achieve its mandate and continue playing its role in the national development agenda. These key focus areas are standards-setting and research, capacity building, monitoring compliance, and institutional strengthening.

A monitoring and evaluation (M&E) framework has been developed to achieve the identified objectives. The framework spells out the outcomes, key performance indicators and the targets for every key result area.

To implement this SP over the five (5) year period, the Board will require approximately **Kshs. 4,717 million**, a large proportion of which will be funded by the exchequer. Due to constraint in resources, the Board will continue to lobby the National Treasury for more financial resources and implement other resource mobilisation strategies as defined in this SP.



The successful implementation of this SP will depend on how effectively the planned outputs and outcomes will be monitored and evaluated. In that regard, the Board will put in place a M&E system to assess progress. Various reports will be generated, including quarterly compliance status and annual review reports.

# CHAPTER ONE

## INSTITUTIONAL REVIEW

This chapter provides a brief historical background of the Public Sector Accounting Standard Board (PSASB) and its mandate. It highlights the global, regional, and national context within which the strategic planning is undertaken. Finally, the chapter discusses the organisation's development role vis-à-vis the national development agenda and the rationale for developing this Strategic Plan (SP).

### 1.0 Background

Kenya's public financial reporting and internal audit standards have traditionally been built on the frameworks inherited from the United Kingdom at independence, with a powerful and omniscient Treasury and Ministry of Finance. The National Treasury (NT), by virtue of control over the exchequer, was considered to be the senior ministry compared to others in the cabinet. The NT issued circulars and guidelines to all other Ministries, Departments and Agencies (MDAs) of the public sector, including all arms of Government. These circulars provided policy guidelines and detailed regulations on the accounting and reporting for public funds to be executed by the various ministries, departments and agencies of the public sector. These circulars provided policy guidelines and detailed regulations to be executed by the various MDAs of the public sector on the accounting and reporting for public funds.

In 2003, Kenya experienced a significant political change after the election of the first-ever opposition leader since independence. One of the key drivers in the transformation of Government was the perception of dysfunctional public financial management, with public resources poorly accounted for, inequitably shared and ineffectively reported. The new Government had an undisputed mandate to reform and transform public financial management to address the accumulated challenges. The focus was on transparency and accountability and was entrenched in law with the enactment of the Government Financial Management Act of 2004 and supported by regulations and Treasury Circulars that attempted to address the challenges in public financial management. Consequently, the new Government improved resource mobilisation significantly, enhanced transparency in the management of financial resources, and commenced a set of comprehensive reforms in the public financial management systems (in 2006). There was also an immediate desire to replace the much-amended independence constitution with a new constitution in which aspirations for transparency, accountability and public participation in the management of public finances was entrenched.

The Constitution of Kenya, 2010, introduced fundamental changes to the country's governance structures and how public finances were managed. The Kenyan Constitution distinguishes itself from many others with specific mention of public financial management. This was in response to the challenges that had been experienced in public financial management since independence (see above). The Constitution in Chapter 12 (i.e. Sections 201 to 231) outlines the scope and institutional framework of public financial management in considerable detail. Broadly,

it is established that the country's financial management should be focused on entrenching the following principles: openness, accountability, public participation, equitable sharing of expenditure, revenue and tax burden, prudent and responsible utilisation of public funds, responsible borrowing, effective financial management, and transparent fiscal reporting.

The Public Finance Management Act (PFMA) was enacted in 2012 as one of the statutes that operationalised key sections of the Constitution. The PFMA was established to "provide for the effective management of public finances by the national and county governments; the oversight responsibility of Parliament and county assemblies; the different responsibilities of Government entities and other bodies, and for connected purposes" (PFMA Act, 2012 – preamble). The PFMA is the statutory framework for the formation of the Public Sector Accounting Standards Board (PSASB). The PSASB is established through Section 192 to 195 of the PFMA which outlines its composition, mandate and functions, procedures for appointment and removal of board members and general principles for the Board's operations. The PFMA is expected to be supported by detailed regulations which further operationalise the implementation of the PFMA. In 2015, the PFMA regulations were gazetted through gazette notice No.34 and No.35 of 2015 to give the Act legal force. These regulations replaced existing Government financial regulations and various Treasury circulars, including those related to financial reporting and internal audit.

From 2016 to 2021, implementation of PFMA Act, PFMA Regulations and prescribed standards in public financial management Kenya has been characterised by the following:

***Differences in interpretation of the standards:*** Different stakeholders have different views on the interpretation and application of accounting standards as has been evidenced by clarifications being sought by the preparers of the financial statements.

***High number of qualified audit opinions from OAG:*** There has been improvements in the number of audit opinions from OAG and yet a large percentage of the public sector entities are still obtaining un-favourable audit opinions.

***Slow uptake of prescribed standards:*** There has been a challenge with public sector accountants resisting change to fully embrace the prescribed accounting standards and the reporting timelines.

***Differences in views in relation to accounting matters:*** There have been instances of varying reporting dates posing challenges on consolidation of financial statements where applicable. A point in case is with reporting templates for Secondary schools where the school calendar ends in 31st December, parallel with the normal calendar whereas the financial year ends in 30th June.

***Varying levels of technical expertise within GOEs:*** Whereas there are entities that are doing very well in financial reporting, there are others lagging behind.

**Budgetary constraints:** Lean budget especially for monitoring adherence to standards tends to affect to a large extent implementation of various projects such as transition to accrual which requires significant resources.

**Internal controls and governance:** There have been noted poor internal controls and lapse in governance especially under the county governments. This has affected the quality of reliability of financial reports being generated from these entities.

## **1.1 Mandate of the Board**

The mandate and functions of the PSASB are articulated in Part VI of the Public Financial Management Act 2012, Sections 192 to 195. The mandate of the Board can be summarised as follows:

1. Set generally accepted accounting and financial system standards for the public sector.
2. Prescribe and pronounce generally accepted internal auditing standards.
3. Mainstreaming of best practices for good governance, internal controls and risk management in the public sector.

The PSASB is, therefore, established as the '*de facto*' and the only authorised setter of financial accounting and internal audit standards for the public sector in Kenya.

## **1.2 Function**

The specific functions to be undertaken by the Board are clearly outlined in Section 194 of the PFMA, 2012.

1. The Accounting Standards Board shall provide frameworks and set generally accepted standards for the development and management of accounting and financial systems by all State organs and public entities, and shall in particular perform the following functions:
  - i. Set generally accepted accounting and financial standards;
  - ii. Prescribe the minimum standards of maintenance of proper books of account for all levels of Government;
  - iii. Prescribe internal audit procedures which comply with the PFM Act;
  - iv. Prescribe formats for financial statements and reporting by all state organs and public entities;
  - v. Publish and publicise the accounting and financial standards and any directives and guidelines prescribed by the Board;
  - vi. In consultation with the Cabinet Secretary on the effective dates of implementation of the standards, gazette the dates for application of the standards and guidelines; and
  - vii. Perform any other functions related to advancing financial and accounting systems management and reporting in the Public Sector.
2. In setting the standards under subsection, the Board shall take into account any relevant factors including:
  - i. International accounting best practices; and

- ii. The capacity of the relevant entity to comply with the standards.
3. The Board may set different standards for different categories of entities to which these standards apply including to develop content, structure and format of county frameworks and accounting and financial guidelines which are in line with the setting of county standards.
4. The Board shall monitor the adherence to the standards by all State organs and public entities.
5. The standards set by the Board shall promote transparency and other Constitutional values and principles in effective, prudence and efficient management of revenue, expenditure, assets and liabilities of the institutions to which these standards apply.

### **1.3 Global, Regional and National Development Challenges**

Globally, the SDGs call for the integration of biodiversity into national accounting and reporting systems in the implementation of the system of environmental-economic accounting. However, these standards and reporting systems are inadequate.

At the national level, several challenges have continued to impede the effective execution of the Board's mandate. These challenges include:

**Inadequate technical capacity in the application of International Public Sector Accounting Standards:** Standard setting is a relatively new field in accounting. As a result, PSASB adopted IPSAS as prescribed by IPSASB. As we roll out the application of these standards, the public sector has inadequate capacity to apply international Public Sector Accounting Standards (IPSAS). Despite Kenya boasting a vast number of qualified Accountants, the demonstrated level of application of IPSAS is still low. As such, there is a need for continuous training and certification in IPSAS. Therefore, PSASB has adopted that capacity-building model to ensure that public sector accountants can effectively apply the prescribed standards as and when they become applicable for implementation.

**Minimal value addition of internal audit units:** internal audit is an essential component of a good governance framework for all public institutions. It is widely used as a key mechanism to assist institutions in managing risks and improving efficiency and effectiveness. The Government of Kenya is keen to promote good corporate governance, particularly accountability, in the management of public funds.

However, the internal audit within the public sector entities still face several challenges. These challenges include the effective application of the International Professional Practices Framework standards as prescribed by PSASB in demonstrating operational independence, appropriately positioning of the internal audit unit within an entity's governance framework, optimally staffing the internal audit function and demonstrating a close alignment of the internal audit work plan to the entity's objectives and risks. Additionally, and of significant concern since the promulgation of

the Constitution of Kenya, 2010, are the County Governments that are yet to embrace and benefit from value addition expected of internal audit units.

**Conceptualisation of risk management systems within the public sector:** Risk management is enacted in law, although its implementation has not been systematic and structured across entities. While some entities have included risk management systems, other entities have no formal processes in place.

**Inadequate funding:** Key strategic projects will need resources to ensure successful implementation. In particular, the transition of the cash reporting framework to accrual reporting framework requires investment in both human capital in the public sector and the accounting information management system for adoption. This spans the broader space of applying internal audit standards and adopting the risk management framework.

#### **1.4 The Board's Development Role Vis-à-vis the National Development Agenda**

The development aspirations of the people of Kenya are provided for in the Constitution of Kenya (2010), Kenya Vision 2030, Sustainable Development Goals (SDGs), the "Big Four Agenda", Third Medium Term Plan (MTP 2018-2022) and Africa's Agenda 2063.

The MTP III calls for risk-based supervision and strengthening the regulatory framework within which public institutions implement and report on financial aspects. Towards this goal, the Board broadly contributes to the National Development Agenda by setting accounting, internal audit standards and risk management in all public sector entities. Application of these standards will lead to:

- a. Increased transparency and accountability:** Decision making by the Government will be based on more complete and meaningful information.
- b. Better relationship with development partners:** Improved transparent reporting may assist the Government to attract more investments and grants from the development partners.
- c. Effective assets management:** Government will be able to assess the quality, condition and adequacy of its assets and, therefore, manage them better through replacement, guarding against theft and misappropriation and repairs.
- d. Prudent liabilities management:** Government will be able to accurately assess, account and plan for the existing Pending Bills and manage them effectively.

## **CHAPTER TWO**

### **SITUATION ANALYSIS**

This chapter provides a review of previous PSASB's Strategic Plan (2015/16 – 2020/21). It presents the key milestones, challenges experienced, and lessons learnt. It also outlines a detailed analysis of PSASB operating environment using SWOT, PESTEL and stakeholder analysis.

#### **1.1 Review of the Previous Strategic Plan (2015/16-2020/21)**

##### **1.1.1 Key Milestones**

The Board, in the Strategic Plan for 2015/16 – 2020/21 period, reported key milestones as outlined below:

- a. Prescribed financial reporting and internal audit standards to public sector entities.
- b. Developed a road map to full IPSAS accrual and/or IFRS.
- c. Developed internal audit manuals and templates for National and County Governments.
- d. Reviewed and analysed financial reports to assess compliance in collaboration with the AGD.
- e. Reviewed and contributed to exposure drafts issued by international standards setting bodies.
- f. Developed MoUs with critical stakeholders for structured engagement.
- g. Developed and implemented annual training programme to support National and County Governments.

##### **1.1.2 Challenges**

During the implementation of the previous Plan, various challenges were experienced which affected the achievement of planned activities. These included:

- a. Lack of better understanding of the mandate and functions of PSASB by stakeholders.
- b. Audit opinions sometimes took time making the assessment of compliance a challenging exercise.
- c. Capacity constraints in terms of skills.
- d. Funding constraints.
- e. Lack of representation in international standard setting bodies.
- f. Lack of legal competency framework for internal auditors in Kenya.
- g. Lack of IPPF monitoring tool to check its implementation.
- h. Delay in gazettment of the new board, thus hampering the policy direction.
- i. Lack of an agreed implementation plan of the signed MOU's.
- j. Delay of implementation of the training programs due to the Covid-19 disruptions.

### 1.1.3 Lessons Learnt

A number of critical lessons were learnt in the previous plan implementation period, which have informed the formulation of the 2021/22-2025/26 Strategic Plan (SP).

- a. Engagement of all staff and stakeholders in the development of a SP is critical for ownership and its successful implementation.
- b. The existence of an effective resource mobilisation strategy is key in bridging the gap between resource requirements and allocation.
- c. Leveraging on technological advancement improves the Board’s visibility.
- d. Integration of risk management in the Board’s operations significantly helps mitigate their impact.
- e. Attracting and retaining the right talent requires a re-think on training investment, entrenching long-term support and growth.
- f. Effective engagement of stakeholders and collaborations is essential in the implementation of key strategies through MOUs.
- g. Periodic review of a SP enables accommodation of emerging issues during implementation.

## 1.2 Environmental Scan

### 1.2.1 SWOT Analysis

The SWOT analysis identifies:

- a. **Strengths:** The areas of key internal capabilities that PSASB can take and build on in implementing its SPs.
- b. **Weaknesses:** The areas in which the organisation needs to improve, and which should be addressed in the SP.
- c. **Opportunities:** Areas in the external environment that represent opportunities that PSASB can take advantage of in the next 5 years.
- d. **Threats:** Areas in the external environment that may pose a strategic threat to PSASB in the next 5 years and for which the Board must mitigate against.

**Table 2-1: SWOT Analysis**

<b>Strengths</b>	<b>Weaknesses</b>
<ol style="list-style-type: none"> <li>1. The Board is anchored on its governing statute i.e. the PFM Act 2012 (Sections 192 – 195) which provides a solid statutory and legal foundation for the Board.</li> <li>2. The composition of the Board of Directors has an appropriate diversity of technical skills and belong to a range of nominating agencies, representing a cross section of key stakeholders required to execute the Board’s functions and mandates.</li> <li>3. The Board has established solid relationships and strong links with all its key stakeholders</li> </ol>	<ol style="list-style-type: none"> <li>1. The current structure and composition of the Secretariat is lean with inadequate technical staff to effectively undertake its mandate. The structure has some key gaps in terms of critical skills, competencies and capabilities.</li> <li>2. There is inadequate awareness on the Board’s existence, its function and mandate among key stakeholders.</li> <li>3. The Board has inadequate resource mobilisation strategies.</li> <li>4. The Board has inadequate monitoring and evaluation framework system.</li> </ol>



<b>Strengths</b>	<b>Weaknesses</b>
<p>resulting in goodwill and support in executing its mandate.</p> <ol style="list-style-type: none"> <li>4. The Board has a conducive working environment in terms of space, working tools and equipment.</li> <li>5. It has established ICT infrastructure and automated processes.</li> <li>6. It has an established mechanism for ensuring high performance.</li> <li>7. Existence of staff skill diversity and competency</li> <li>8. It has a good reputation</li> <li>9. Strong internal communication mechanisms</li> <li>10. Existence of a stakeholder engagement framework.</li> <li>11. Staff capacities to undertake training of stakeholders in various accounting and internal auditing expertise.</li> </ol>	<ol style="list-style-type: none"> <li>5. The Board does not have sufficient resources to execute its mandate.</li> <li>6. The Board experiences delayed appointments hampering its operations to achieve its mandate.</li> </ol>
<b>Opportunities</b>	<b>Threats</b>
<ol style="list-style-type: none"> <li>1. The Board has received extensive support from the National Treasury including support processes and funding.</li> <li>2. Goodwill from key external stakeholders including development partners, National Treasury and other critical external entities.</li> <li>3. International standards for financial reporting in the Public Sector and internal audit already exist so PSASB does not have to deploy resources to develop standards for Kenya.</li> <li>4. There is a gap between existing financial reporting capabilities in the reporting entities and the agreed standards – opportunity to significantly improve the Public Sector financial reporting and internal audit.</li> <li>5. Leverage on ICT and value adding technologies to disseminate PSASB’s prescribed standards, execute key functions, automate reporting templates, checklists and communicate PSASB’s mandate.</li> <li>6. The Board has a capability to build a strong reputation as a standard setting body through prioritising brand positioning and visibility.</li> <li>7. Kenya’s membership to international accounting standards setting bodies gives PSASB an opportunity for collaboration, broad knowledge networks and research resources.</li> <li>8. Demand for timely and transparent financial reporting.</li> <li>9. Regulatory and constitutional requirements for robust public financial management.</li> <li>10. The Board has an opportunity to play a bigger role in enhancing governance through financial reporting.</li> <li>11. The Board has the capability of retaining the experienced personnel through the creation of a succession plan</li> </ol>	<ol style="list-style-type: none"> <li>1. Reduced funding due to pressures on Government funds e.g increased funding requirements.</li> <li>2. There are certain gaps in its governing statute e.g. on skills required, and on representation of some stakeholders.</li> <li>3. Adverse publicity with regard to public misuse of funds results in loss of confidence in financial reports.</li> <li>4. Adverse or competitive relationships with other regulators or public financial management actors.</li> <li>5. Perceived lack of independence of the Board which may impact negatively on its credibility.</li> <li>6. Inadequate technical capacity within implementing agencies.</li> <li>7. Weak and/or inadequate underlying systems used by implementers which may impact on ability to adhere to standards e.g. low uptake of IFMIS, automated systems etc.</li> <li>8. Change management challenges in implementation of standards by some reporting entities.</li> <li>9. Delays in appointment of leadership positions in constitutional office bearers impact on the implementation of PSASB mandate.</li> <li>10. Lack of implementation of policies in the event of terror attack, election violence among other instabilities may affect implementation of policies.</li> <li>11. The Government’s re-organising and/or merging of ministries, departments, offices etc. resulting in transfers of key expertise to other departments. The</li> </ol>

<p>12. The Board has the opportunity to be benchmarked by other entities through its efficient automation processes. This will elevate the Board's brand.</p> <p>13. The Board can take advantage of programs like Financial Reporting (FiRe) award conference to create awareness of its mandate and existence.</p>	<p>Board must align its resources to cushion against the adverse effects originating from this trend</p>
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### 1.2.2 PESTEL Analysis

The PESTEL analysis highlights the key factors which may impact on the Board's operations.

**Table 2-2: PESTEL Analysis**

CATEGORIES	ISSUES	DESCRIPTION
<b>Political</b>	Political instability	The Board is in the phase of transitioning from cash basis accounting to accrual accounting. This will require political support from both levels of Government.
	Political goodwill	The Board prepares standards which are subjected to an approval process by the CS, NT. This requires buy-in within the political establishment. Further, the adoption of these standards will call for political support at both levels of Government. Even though the Board has continued to enjoy technical support and funding from the NT, in the Plan period, the Board will require adequate funding for planned programmes at National and County level. Budget cuts by the National Assembly may affect some of the planned activities. The Board will continue to create awareness on its functions for buy-in.
	Devolution	Changing Government policies as a result of devolution calls for re-alignment of Board policies, procedures and standards to ensure compliance. The Board is expected to build capacity at the County Governments, a task that will depend on political stability and buy-in.
	Change in political leadership	Changes in political leadership may lead to change of governance structure of the Board affecting implementation of planned programmes. It has taken long to constitute the Board and this is likely to affect some of its activities.
<b>Legal</b>	Weak legal framework	Some of the regulations in place are not aligned to the international standards and do not support the mandate of devolved units. There are Board internal management and secretariat setup gaps not anticipated in

<b>CATEGORIES</b>	<b>ISSUES</b>	<b>DESCRIPTION</b>
		the PFM Act. The Board will propose its review.
	Compliance and adoption	The implementation of Board standards is a phased approach and continuous reviews are undertaken. This calls for continued sensitisation and capacity building of stakeholders. The Board will continue to collaborate with other key actors to ensure compliance. Currently, there is a gap in reporting by the NGOs which the Board should explore. NGOs reporting is expected under the law
	Existence of internal standards	The International standard setting process does not involve internal auditors in the Kenya jurisdiction. PSASB through the exposure draft response bring out issues affecting internal audit and controls.
	Duplication of roles	There is lack of clarity on some of the Board's roles with respect to public financial management in the existing legal framework. There is need to foster cooperation, avoid duplication and enhance independence. Most of the bodies anticipated are yet to fully transition since PFM Act came into being. The Board will work with the NT to champion its roles.
Economic	Continental and regional integration	Continental and EAC ambitions require oversight institutions that are properly anchored. There is, therefore, need for standardisation in reporting. Further, integration may require changes/harmonisation of financial management standards to include appropriate levels identified within the policies as well as factors affecting key economic indicators.
	Macro-economic stability	Change in macro-economic variables such as foreign exchange fluctuations and hyper-inflation reporting will require sensitisation and capacity building of stakeholders.
	Economic growth	Performance in the economy is likely to affect revenue collection, hence reduced Board allocation.
	Budget constraints	Inadequate funding will affect the Board in delivering on its mandate. The Board will continue to lobby for more funding from the Government and develop resource mobilisation strategies.
Social	Increased demand for transparency	Shifting public views on financial reporting, including rising demand for greater transparency and fairness. The Board will continue to clearly articulate the public interest importance of a multi-stakeholder standard-setting process, in which it lends its professional expertise and which

<b>CATEGORIES</b>	<b>ISSUES</b>	<b>DESCRIPTION</b>
		responds to emerging technologies, evolving forms of regulatory oversight, new reporting standards, and new business models. There is a need for increased awareness on the Board's role in enhancing PFM good practices.
	Inclusivity	Increased focus on the economic importance of greater inclusivity and diversity
	Governance	Increased loss of public trust places greater demands on the need for ethical leadership and behaviour and reinforces the importance of entrenching the Board's values in its operations.
	Covid-19 pandemic	The effects of Covid-19 pandemic has disrupted economic activity and slowed down implementation of the Board's activities. The Board will adhere to the Ministry of Health Covid-19 protocols for continued service delivery
Technological	Automation	Automation for internal business processes will enhance efficiency and effectiveness in service delivery. The Board will sustain the automation of processes. The Board will undertake comprehensive value proposition on innovative value adding strategies and cost-benefit analysis to ensure critical functions are prioritised.
	Emerging technologies	Emerging technologies and the increased focus on value protection requires professionals in the sector to have broader capabilities and skills. The Board will continue to capacity build officers
	Visibility	The scope of disseminating the Board's information is widening. The Board will tap into existing social media platforms to disseminate information for enhanced visibility.
	Cyber security	Emerging technologies give rise to increasing danger of cyber security. In the Plan period, the Board will continue to map areas of weakness and install security fireworks.
	ICT Infrastructure	The Board is implementing a robust, scalable and secure ICT infrastructure in line with the Government's enterprise architecture standards
Environmental	Accounting for natural resources	The transition from cash accounting to accrual accounting will require public entities to report on natural resources. There exist international standards on natural resource reporting. The Board will explore policy directions in collaboration with key stakeholders on natural resources reporting.

CATEGORIES	ISSUES	DESCRIPTION
		Further, there is a need for the Board to require actors to report on sustainability.
	Corporate Social Responsibility (CSR)	The Board will embed environmental sustainability in its programmes.
	Work environment	The Board will undertake environmental safety audits of its work place in line with OSHA and implement feasible recommendations. The Board will map DRM aspects and mainstream them in plans, policies and processes.

### 1.2.3 Stakeholder Analysis

PSASB operates within the wider Public Sector financial management ecosystem which is characterised by a number of institutions and organisations. These form the key stakeholders for the Board. The Board's stakeholders may be categorised by the nature of the cross relationship between the entity and the PSASB. PSASB's stakeholders are shown in the diagram below:

**Table 2-3: Stakeholders Analysis**

Type of Stakeholder	Name of stakeholder	Stakeholder expectation from the Board	Board's expectations from the stakeholder
Reporting Entities	<ul style="list-style-type: none"> <li>- National and County Governments</li> <li>- Independent constitutional bodies</li> <li>- Semi-autonomous Government Agencies</li> <li>- Regulatory Bodies</li> <li>- Commercial and non-commercial National and County State Corporations</li> <li>- Non-Governmental Organisations</li> </ul>	<ul style="list-style-type: none"> <li>- Timely update and issuance of templates and standards</li> <li>- Provision of adequate and best practice in financial reporting and internal audit standards</li> <li>- Continuous sensitisation on templates and standards</li> <li>- Capacity building</li> <li>- Timely provision of technical support</li> <li>- Guidance in implementing the standards</li> <li>- Timely feedback on financial statements review</li> </ul>	<ul style="list-style-type: none"> <li>- Timely and objective feedback</li> <li>- Compliance with the financial reporting and internal audit standards</li> <li>- Properly staffed accounting, financial reporting and internal audit units</li> <li>- Objective participation in capacity building programs</li> <li>- Submission of financial statements for review on adherence to standards</li> </ul>
Key users of Financial Statements	<ul style="list-style-type: none"> <li>- National Treasury</li> </ul>	<ul style="list-style-type: none"> <li>- Comprehensive financial reporting templates</li> </ul>	<ul style="list-style-type: none"> <li>- Collaborate in enforcement of</li> </ul>

<b>Type of Stakeholder</b>	<b>Name of stakeholder</b>	<b>Stakeholder expectation from the Board</b>	<b>Board's expectations from the stakeholder</b>
	<ul style="list-style-type: none"> <li>- Central Bank of Kenya</li> <li>- Kenya National Bureau of Statistics</li> <li>- Controller of Budget</li> <li>- Kenya Revenue Authority</li> <li>- Commission on Revenue Allocation</li> <li>- Auditor General</li> <li>- Parliament</li> <li>- County Assemblies</li> </ul>	<ul style="list-style-type: none"> <li>- Advisories on content and presentation in financial statements</li> </ul>	<ul style="list-style-type: none"> <li>- compliance with standards</li> <li>- Timely request for advisory</li> <li>- Timely feedback on the relevance and quality of financial reporting</li> <li>- Allocation of adequate funds (NT and Parliament)</li> </ul>
International and local standard setting bodies, professional bodies and regulators	<ul style="list-style-type: none"> <li>- International Public Sector Accounting Standards Board</li> <li>- International Accounting Standards Board</li> <li>- Institute of Internal Auditors Inc.</li> <li>- ICPAK</li> <li>- UFAA</li> <li>- NSE</li> <li>- CMA</li> <li>- CBK</li> <li>- KASNEB</li> <li>- ICPSK</li> <li>- RBA</li> <li>- IRA</li> </ul>	<ul style="list-style-type: none"> <li>- Feedback on draft international financial reporting standards, internal audit standards or Public Sector audit standards</li> <li>- Knowledge sharing and lessons learnt on implementation of standards</li> <li>- Guidance on any customisation of international standards</li> <li>- Compliance with regulations</li> <li>- Capacity building on standards</li> </ul>	<ul style="list-style-type: none"> <li>- Feedback on standard setting process</li> <li>- Collaboration in implementation and monitoring of standards</li> <li>- Capacity building of stakeholders on the standards</li> <li>- Issue guidelines on implementation of the standards</li> <li>- Update existing standards in line with emerging issues</li> </ul>
General financial reporting output users	<ul style="list-style-type: none"> <li>- General Public</li> <li>- DPs</li> <li>- Lenders</li> <li>- Rating agencies</li> <li>- Media</li> </ul>	<ul style="list-style-type: none"> <li>- Prudent utilisation of allocated funds</li> <li>- Timely and high quality financial reports that include relevant and appropriate data</li> <li>- Provision of timely and accurate information on application of the standards</li> <li>- Involvement of the public in guideline development</li> </ul>	<ul style="list-style-type: none"> <li>- Objective feedback and reporting</li> <li>- Factual representation and publicity</li> <li>- Technical advice on standards development (DPs)</li> <li>- Objective rating of the country (rating agencies)</li> <li>- Support and partnerships to achieve PSASB mandate and objectives.</li> </ul>

<b>Type of Stakeholder</b>	<b>Name of stakeholder</b>	<b>Stakeholder expectation from the Board</b>	<b>Board's expectations from the stakeholder</b>
Academia, research institutions and accounting practitioners	Universities, Tertiary institutions, KSG, KASNEB, ACCA	<ul style="list-style-type: none"> <li>- Collaboration in capacity building and research</li> <li>- Validation of training programs</li> <li>- Technical support in curriculum and course content development</li> </ul>	<ul style="list-style-type: none"> <li>- Collaboration in capacity building and research</li> <li>- Support in the development of standards and assessment of compliance</li> <li>- Validation of training programs</li> </ul>
Staff	PSASB	<ul style="list-style-type: none"> <li>- Conducive working environment</li> <li>- Commensurate pay for work done</li> <li>- Training and development</li> <li>- Career growth</li> <li>- Timely approval of policies and procedures</li> </ul>	<ul style="list-style-type: none"> <li>- Optimum performance</li> <li>- Safeguard image of the Board</li> <li>- Loyalty and engagement</li> <li>- Teamwork</li> </ul>
Service providers/vendors	Firms/companies supplying PSASB with goods and services	<ul style="list-style-type: none"> <li>- Timely settlement of bills</li> <li>- Open and transparent procurement processes</li> <li>- Competitiveness</li> <li>- Cost effectiveness</li> <li>- Fairness and equity</li> </ul>	<ul style="list-style-type: none"> <li>- Quality goods, works and services</li> <li>- Adherence to terms and condition of contracts</li> <li>- Compliance with applicable laws and regulations</li> </ul>
Statutory Bodies	SCAC, PPRA, NT, SRC, PSC, KRA, NHIF, NSSF, NCIC, NACC, NITA, NEA, EACC, NEMA, NCPWD etc	<ul style="list-style-type: none"> <li>- Timely and accurate compliance reports and returns</li> </ul>	<ul style="list-style-type: none"> <li>- Timely feedback</li> <li>- Capacity building</li> <li>- Guidelines</li> </ul>

## CHAPTER THREE

### STRATEGIC MODEL

This chapter discusses the strategic models that the Board has identified and on which it will leverage to achieve its vision and mission. To realise its objectives, the Board must strategically focus on its functions and operations through a vision, mission and core values, which are the guiding principles. The strategic objectives and the strategies to be pursued will be at the core of the Board's functions over the next five (5) years.

#### 3.1 Vision, Mission and Core Values

##### Vision Statement

Globally acceptable standards on public sector financial accountability.

##### Mission Statement

To prescribe and promote adoption of financial reporting, internal auditing and risk management standards in the public sector.

##### Core Values

1. **Professionalism** - The Board members and staff shall uphold highest moral standards and professional competence in their service delivery. The Board will ensure fair competition and merit as the basis of appointments and promotions.
2. **Responsiveness** - The Board is sensitive to and will deal with issues and situations affecting all our stakeholders in a proactive and timely manner using flexible decision-making processes.
3. **Teamwork and Collaboration** - The Board shall endeavour to provide an enabling environment to achieve desired results promptly. The Board is committed to participatory approach and remains customer focused on delivery of its mandate.
4. **Transparency and Accountability** - The Board shall conduct its business and render services to its stakeholders in a transparent and accountable manner.

##### Tag Line

Promoting Accountability

#### 3.2 Strategic Focus Areas

The Board has identified four (4) key result areas of focus. These are:

Key Result Area 1: Standards Setting and Research.

Key Result Area 2: Capacity Building and Development.

Key Result Area 3: Monitoring Compliance.



Key Result Area 4: Institutional strengthening and sustainability.

The strategic focus areas and their respective objectives and strategies are outlined below.

### Key Result Area 1: Standard Setting and Research

This key result area focuses on the core mandate of PSASB as laid out in the PFM Act, section 194. It recognizes the mandate of PSASB of setting generally accepted accounting and financial standards and prescribing internal audit procedures which comply with the PFM Act for all the Public Sector entities in Kenya. This result area is aimed at enhancing transparency and accountability in financial and internal audit reporting within public sector entities while realigning reporting to internationally best practices. PSASB has selected a phased approach to transition all public sector entities from IPSAS cash reporting framework to IPSAS Accrual reporting framework or appropriate international accounting standards like IFRS depending on the nature of the entity. PSASB approved the adoption of the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB), the International Public Sector Accounting Standards (IPSAS) issued by the International Public Sector Accounting Standards Board (IPSASB) and International Professional Practice Framework (IPPF) for Internal Auditing Standards issued by the Global Institute of Internal Auditors. PSASB will continuously engage in research activities that are aimed at contributing to standard setting. The critical objectives to be met during the 5-year period under this key result area are outlined below along with the proposed strategies.

Key Result Area(KRA)	Strategic Objectives	Strategy	Key Performance Indicators
KRA 1: Standards Setting and Research	1.1-To enhance uniformity and quality of financial information in the public sector	1.1.1-Continue to prescribe, review and disseminate financial reporting standards	<ul style="list-style-type: none"> <li>Number of reporting Categories transitioning to prescribed standards.</li> <li>Awareness levels by reporting entities on financial reporting standards.</li> </ul>
		1.1.2 Active participation in the accounting standards development process	<ul style="list-style-type: none"> <li>Number of exposure drafts commented by PSASB</li> </ul>
		1.1.3 Develop and review financial reporting templates	<ul style="list-style-type: none"> <li>Categories covered in development of new templates.</li> <li>Number of financial templates reviewed.</li> </ul>

Key Result Area(KRA)	Strategic Objectives	Strategy	Key Performance Indicators
		<b>1.1.4</b> Develop accounting standards implementation guidelines	<ul style="list-style-type: none"> <li>• Number of implementation guidelines developed</li> </ul>
		<b>1.1.5</b> Accrual Roadmap	<ul style="list-style-type: none"> <li>• Number of reporting Categories transitioning to accrual accounting.</li> <li>• Awareness levels by reporting entities on application of accrual reporting concepts.</li> </ul>
	<b>1.2</b> To enhance professional excellence in internal audit across all public sectors for efficient, effective and economic use of resources	<b>1.2.1</b> Prescribe internal audit standards (adopt, issue and disseminate standards)	<ul style="list-style-type: none"> <li>• Awareness levels by reporting entities of internal audit standards</li> </ul>
		<b>1.2.2</b> Active participation in the Internal Audit standards development process	<ul style="list-style-type: none"> <li>• Number of responses to exposure drafts</li> </ul>
		<b>1.2.3</b> Develop and review Internal Audit reporting templates	<ul style="list-style-type: none"> <li>• Number of internal audit reporting templates developed.</li> <li>• Number of internal audit reporting templates reviewed</li> </ul>
		<b>1.2.4</b> Develop internal auditing standards implementation guidelines	<ul style="list-style-type: none"> <li>• Number of implementation guidelines developed</li> </ul>
		<b>1.2.5</b> Develop internal audit programs	<ul style="list-style-type: none"> <li>• Number of audit programs developed</li> </ul>
	<b>1.3</b> To promote effective risk management, internal control frameworks and governance processes	<b>1.3.1</b> Develop, review, and disseminate risk management guidelines and manual	<ul style="list-style-type: none"> <li>• Awareness levels by reporting entities of risk management guidelines</li> <li>• Number of reporting entities implementing risk management guidelines</li> <li>• Existence of risk management manual</li> </ul>

Key Result Area(KRA)	Strategic Objectives	Strategy	Key Performance Indicators
		<b>1.3.2</b> Develop and disseminate internal control model framework	<ul style="list-style-type: none"> <li>• Existence of internal control model framework.</li> <li>• Awareness levels by reporting entities of internal control model framework.</li> <li>• Percentage of entities implementing internal control model framework.</li> </ul>
		<b>1.4</b> To conduct research on topical issues to inform policy and to support best practices as per the Board's mandate.	<p><b>1.4.1</b> Develop and implement a research policy</p> <ul style="list-style-type: none"> <li>• Existence of research policy.</li> <li>• Level of implementation of research policy</li> </ul> <p><b>1.4.2</b> Undertake research in topical areas relevant to the Board's mandate.</p> <ul style="list-style-type: none"> <li>• Number of research papers published.</li> </ul> <p><b>1.4.3</b> Partner with research institutions such as Universities, Professional bodies and standard setting institutions</p> <ul style="list-style-type: none"> <li>• Number of partnerships with research institutions</li> <li>• Level of implementation of agreements with partners</li> </ul>
	<b>1.5</b> To improve accuracy and completeness of accounting records	<b>1.5.1</b> Prescribe minimum standards of maintenance of proper books of accounts for all levels of Government	<ul style="list-style-type: none"> <li>• Number of manuals developed and disseminated</li> </ul>
		<b>1.5.2</b> Automate reporting templates	<ul style="list-style-type: none"> <li>• Level of automation of reporting templates</li> </ul>

## Key Result Area 2: Stakeholder Engagement and Capacity Building.

This key result area focuses on the commitment of the Board to employ strategies on engaging key stakeholders and undertaking comprehensive capacity building programs for reporting entities, in a bid to enhance capabilities to comply with financial reporting and internal auditing frameworks and standards prescribed by PSASB. The capability of the reporting entities is a fundamental measure of the Board success in executing its mandate as stipulated in the PFM Act. The critical objectives to be met during the 5-year period under this key result area are outlined below along with the proposed strategies.

<b>Key Result Area</b>	<b>Strategic Objectives</b>	<b>Strategy</b>	<b>Key Performance Indicators</b>
<b>KRA 2:</b> Stakeholder Engagement and Capacity Building	<b>2.1</b> To establish effective relationships with key stakeholders	<b>2.1.1</b> Conduct stakeholder mapping	<ul style="list-style-type: none"> <li>Stakeholder Mapping Report</li> </ul>
		<b>2.1.2</b> Develop stakeholder engagement policy	<ul style="list-style-type: none"> <li>Approved stakeholder engagement policy</li> </ul>
		<b>2.1.3</b> Collaborate and partner with relevant stakeholders	<ul style="list-style-type: none"> <li>Number of MoUs signed</li> <li>Level of implementation of MoUs</li> <li>Agreed implementation plan with the partners</li> </ul>
		<b>2.1.4</b> Provide technical support to implementing agencies	<ul style="list-style-type: none"> <li>Proportion of technical support requests addressed</li> <li>Timely responses to technical queries received</li> <li>Number of technical trainings requested and undertaken</li> </ul>
		<b>2.1.5</b> Enhancing brand visibility through integrated communications strategies	<ul style="list-style-type: none"> <li>Results of the market surveys on brand visibility</li> <li>No. of IEC materials<sup>1</sup></li> <li>Newspaper articles</li> <li>Media briefs prepared and issued</li> <li>Newsletters</li> <li>Interactive website</li> <li>CSR Reports</li> <li>Customer satisfaction Survey reports</li> </ul>
	<b>2.2</b> To enhance skills and knowledge in financial reporting and internal auditing	<b>2.2.1</b> Undertake training needs assessment	<ul style="list-style-type: none"> <li>Training Needs Assessment Report</li> </ul>
		<b>2.2.2</b> Develop and implement training programmes for accounting, financial reporting standards and internal audit	<ul style="list-style-type: none"> <li>Extent of completion of the training programmes for accounting, financial reporting and internal audit.</li> </ul>

<sup>1</sup> Diaries, calendar, business cards, banners and bags

		implementers across the public sector	<ul style="list-style-type: none"> <li>Number of trainings undertaken.</li> </ul>
		<b>2.2.3</b> Develop and disseminate appropriate training/capacity building materials	<ul style="list-style-type: none"> <li>Approved curriculum</li> <li>Number of IPPF Books and IFRS/IPSAS Books disseminated to public entities.</li> <li>Timely distribution of training content to participants</li> </ul>
		<b>2.2.4</b> Conduct innovative capacity building interventions and sensitizations for implementing entities on prescribed standards	<ul style="list-style-type: none"> <li>E-learning platforms</li> <li>Number of onsite and offsite interventions achieved.</li> <li>Number of public sector categories receiving onsite/offsite interventions and sensitization.</li> </ul>
		<b>2.2.5</b> Undertake post training reviews	<ul style="list-style-type: none"> <li>% of survey feedback received</li> </ul>

### Key Result Area 3: Monitoring Compliance.

This key result area focuses on strategies that the Board will undertake to monitor, evaluate and report on the implementation of frameworks and standards by implementing entities as prescribed by PSASB. The Board's strategies in this key pillar will guide the systematic collection and storage of data to assess the efficiency, effectiveness, appropriateness and implementation of developed and prescribed frameworks and standards. Strategic decision making on the frameworks and standards will be informed by the reports from monitoring compliance. The critical objectives to be met during the 5-year period under this key result area are outlined below along with the proposed strategies.

Key Result Area (KRA)	Strategic Objectives	Strategy	Key Performance Indicators
<b>KRA 3:</b> Monitoring Compliance	<b>3.1</b> To enhance the execution of monitoring, evaluation and compliance for objectivity	<b>3.1.1</b> Develop monitoring, evaluation, and reporting policy	<ul style="list-style-type: none"> <li>Existence of monitoring, evaluation, and reporting policy</li> </ul>

	<b>3.2</b> To enhance compliance with accounting and financial reporting standards	<b>3.2.1</b> Develop monitoring, evaluation, and reporting tools	<ul style="list-style-type: none"> <li>Existence of tools to monitor, evaluate and report</li> </ul>
		<b>3.2.2</b> Collaboration with National Treasury to undertake quality review of financial reports	<ul style="list-style-type: none"> <li>Number of sectors reviewed</li> <li>Number field visits conducted to reporting entities</li> </ul>
		<b>3.2.3</b> Evaluate financial reports under the FiRe award scheme	<ul style="list-style-type: none"> <li>Number of financial reports evaluated.</li> <li>Number of feedback provided to reporting entities.</li> </ul>
		<b>3.2.4</b> Undertake annual compliance surveys	<ul style="list-style-type: none"> <li>Number of surveys undertaken</li> <li>Survey Report</li> </ul>
	<b>3.3</b> To enhance conformance with internal auditing standards	<b>3.3.1</b> Develop monitoring, evaluation and reporting tools	<ul style="list-style-type: none"> <li>Existence of tools to monitor, evaluate and report</li> </ul>
		<b>3.3.2</b> Develop quality assurance program model for state organs and public sector entities.	<ul style="list-style-type: none"> <li>Existence of QAIP model.</li> </ul>
		<b>3.3.3</b> Analyse quality assurance improvement program reviews	<ul style="list-style-type: none"> <li>Number of quality reviews undertaken.</li> <li>Number of field visits conducted.</li> </ul>
		<b>3.3.4</b> Undertake annual conformance surveys	<ul style="list-style-type: none"> <li>Number of conformance surveys undertaken</li> <li>Survey Report</li> </ul>
	<b>3.4</b> To enhance compliance with risk management guidelines, internal control frameworks and governance processes	<b>3.4.1</b> Develop monitoring, evaluation and reporting tools	<ul style="list-style-type: none"> <li>Existence of tools to monitor, evaluate and report</li> </ul>
		<b>3.4.2</b> Conduct annual compliance surveys and visits to reporting entities	<ul style="list-style-type: none"> <li>Number of visits conducted</li> <li>Survey Report</li> </ul>

#### **Key Result Area 4: Institutional strengthening and sustainability.**

This key result area focuses on the key strategies that the Board will leverage on, to successfully achieve its mandate while being compliant with the laws and regulations on financial management; being versatile to the innovative technologies and enhance the institutional governance frameworks. This Key Result area aims at providing an enabling environment to attract and retain a productive workforce. The critical

objectives to be met during the 5-year period under this key result area are outlined below along with the proposed strategies.

<b>Key Result Area</b>	<b>Strategic Objectives</b>	<b>Strategy</b>	<b>Key Performance Indicators</b>
<b>KRA 4:</b> Institutional Strengthening and Sustainability	<b>4.1</b> To enhance employee productivity and efficiency	<b>4.1.1</b> Provide a conducive working environment	<ul style="list-style-type: none"> <li>• Satisfaction index on work environment surveys</li> <li>• % of feasible recommendations implemented.</li> </ul>
		<b>4.1.2</b> Attract and retain competent staff	<ul style="list-style-type: none"> <li>• Employee satisfaction survey.</li> <li>• PSASB Perception index.</li> <li>• Car loan and Mortgage scheme implemented</li> <li>• Payment of Subscription fees to professional bodies</li> </ul>
		<b>4.1.3</b> Optimize the staff levels by resourcing the structure and approval of the human resource instruments	<ul style="list-style-type: none"> <li>• Reviewed Board's organizational structure</li> <li>• Competency based job descriptions developed.</li> <li>• Number of staff recruited.</li> <li>• Additional staff recruited and placed.</li> <li>• HR policies developed and implemented<sup>2</sup></li> </ul>
		<b>4.1.4</b> Implement ISO Quality Management system	<ul style="list-style-type: none"> <li>• ISO 9001:2015 Audits conducted</li> <li>• ISO 9001:2015 Quality Management System Certified</li> </ul>
		<b>4.1.5</b> Implement Staff Performance Management System	<ul style="list-style-type: none"> <li>• Annual performance appraisals</li> </ul>
		<b>4.1.6</b> Conduct training needs assessment	<ul style="list-style-type: none"> <li>• Training needs assessment report</li> </ul>

<sup>2</sup> Career guidelines; successional management manual; Policy to attract and retain top talent

			<ul style="list-style-type: none"> <li>• Annual Training plan implemented</li> </ul>
		<b>4.1.7</b> Develop and implement risk management framework; Business continuity plan and disaster recovery plan	<ul style="list-style-type: none"> <li>• Approved risk management framework; business continuity plan and disaster recovery plan</li> <li>• Risk management plan implemented</li> </ul>
		<b>4.1.8</b> Build team spirit and cohesion among all staff	<ul style="list-style-type: none"> <li>• Projects successfully completed by teams</li> </ul>
	<b>4.2</b> To leverage on technology to improve operational efficiency of the Board	<b>4.2.1</b> Adopt innovative technology to support business operations	<ul style="list-style-type: none"> <li>• Assessment report on automation levels and new technologies implemented.</li> </ul>
		<b>4.2.2</b> Upgrade ICT Infrastructure	<ul style="list-style-type: none"> <li>• Business process re-engineering completed</li> <li>• Studies on emerging technologies conducted and recommendations implemented</li> </ul>
		<b>4.2.3</b> Establish and implement the Board's information repository and knowledge management system	<ul style="list-style-type: none"> <li>• KM framework developed.</li> <li>• KM system developed.</li> <li>• E-repository established.</li> </ul>
		<b>4.2.4</b> Enhance Board's information security strategies	<ul style="list-style-type: none"> <li>• ISO 27001 on ISM Certification obtained</li> <li>• Backup and recovery solution developed and implemented.</li> <li>• Staff awareness undertaken in information security and controls</li> </ul>
		<b>4.2.5</b> Develop and implement the Board's strategic plan	<ul style="list-style-type: none"> <li>• Periodic review of the strategic plan Preparation and implementation of the annual work plan .</li> </ul>



	<b>4.3</b> To entrench good corporate governance and leadership practices	<b>4.3.1</b> Facilitate Board and Board Committees operations	<ul style="list-style-type: none"> <li>• Reviewed Board Charter</li> <li>• Board and Committees attendance rates</li> <li>• Results of independent Board evaluations</li> </ul>
		<b>4.3.2</b> Implement the Mwongozo code of governance	<ul style="list-style-type: none"> <li>• Governance audit report</li> </ul>
	<b>4.4</b> To strengthen legal and regulatory framework	<b>4.4.1</b> Carry out annual legal audit	<ul style="list-style-type: none"> <li>• Legal Audit Report</li> <li>• Legal Audit recommendations implemented.</li> </ul>
		<b>4.4.2</b> Recommend review of the PFM Act on areas that touch on the mandate of the Board	<ul style="list-style-type: none"> <li>• PFM Act amended as recommended by the Board</li> </ul>
	<b>4.5</b> To mobilise financial resources to bridge the gap between requirements and allocation	<b>4.5.1</b> Develop and implement a resource mobilization policy	<ul style="list-style-type: none"> <li>• Resource mobilization plan implemented</li> </ul>
		<b>4.5.2</b> Identify and engage development partners to jointly undertake projects	<ul style="list-style-type: none"> <li>• Donor funded projects implemented</li> </ul>
<b>4.5.3</b> Diversify sources of funding		<ul style="list-style-type: none"> <li>• Financial proposals and concept papers developed and implemented.</li> </ul>	

## **CHAPTER FOUR**

### **IMPLEMENTATION AND COORDINATION FRAMEWORK**

Chapter four explores the implementation and coordination framework of the Strategic Plan (SP). The implementation and coordination framework will be vital in ensuring that the set targets are achieved in the desired timelines. Human capital and capacity will be critical in the execution of the Plan. To implement this SP effectively, the Board will address any structural challenges and enhance capacity building within itself, engage all the stakeholders for their contribution and promote innovativeness, creativity and professionalism towards the realisation of the SP. The SP will be cascaded down to all employees through departmental work plans and performance appraisal targets annually.

#### **4.1 Structure of the Board**

The management structure of the Board comprises Chief Executive Officer's (CEO) Office, three Directorates (Accounting Standards, Internal Audit Standards and Training & Corporate Services). In order to enhance efficiency and effectiveness in implementation of its mandate, a complement organisational structure of one hundred and eight (108) officers would suffice as shown below:

##### **4.1.1 Directorates/Departments/Units**

The Board comprises the Executive Office with three directorates namely: Accounting Standards; Internal Audit Standards; Office of the CEO; and Corporate Services as elaborated below:

#### **A. Office of the Chief Executive Officer**

The CEO is the Accounting Officer of PSASB. The Accounting officer is responsible for the day-to-day management of the organisation and reports to the PSASB Board of Directors. All heads of directorates and specific units report to the CEO directly. The office shall have three (3) officers helping with the day to day running of the office. The following departments/units report directly to the office of the CEO:

##### **i. Corporation Secretary/Legal Services**

The department reports to the CEO and comprises two (2) officers headed by the Corporation Secretary. The functions of the department are as follows:

- a) Provision of secretarial services and legal advice to the Board of directors.
- b) Ensures statutory compliance of the Board and management of the litigation function
- c) Drafting and vetting legal instruments with third parties
- d) Legislative drafting

- e) Provision of legal advisory services relating to any review of legislation or regulations that impact the Board's operations.
- f) Liaison between the Board and the Attorney General.

## **ii. Supply Chain Management Unit**

The department reports to the CEO and comprises two (2) officers headed by the Principal Supply Chain Officer. The functions of the department are as follows:

- a) Statutory and regulatory compliance as per the PPAD Act (2015).
- b) Provides advisory/professional opinion on procurement matters to the accounting officer (CEO).
- c) Coordinates the preparation and implementation of the annual procurement plan.
- d) Maintains and periodically updates the list of registered suppliers.
- e) Prepares, publishes and distributes procurement and disposal opportunities.
- f) Coordinates receiving, opening and evaluation of quotations, bids, tenders and proposals.
- g) Reviews and maintains all records of purchased goods, works and services, including costs, deliveries and inventories.
- h) Undertakes market surveys, monitors contract management and maintains optimal stock levels.

## **iii. Communication & Public Relations Unit**

The department reports to the CEO and comprises two (2) officers headed by Principal Public Relations and Communications Officer. The functions of the department are as follows:

- a) Formulation and implementation of communications policies, strategies, plans and protocol.
- b) Promotion of a positive corporate brand image and visibility.
- c) Management of public relations activities and events.
- d) Coordination of Corporate Social Responsibility (CSR) programmes.
- e) Management of the Board's website and social media platforms
- f) Production of communication contents and materials
- g) Development of crisis communication plans and managing crisis.
- h) Managing stakeholder relationships
- i) Development of a feedback mechanism, and handling complaints from stakeholders.

## **iv. Research, Partnership and Capacity Building Department**

This department has a staff establishment of eleven (11) officers headed by Research, Partnership and Capacity Building Manager who shall report to the CEO. The functions of the department shall be as follows:

- a) To conduct research on topical issues to inform policy and to support best practices.
- b) Develop and implement a research policy
- c) Research papers in topical areas affecting standards setting, adoption and application conducted and reports disseminated
- d) Research papers to inform review of exposure drafts conducted and reports disseminated
- e) Make MoUs with research institutions/experts signed and implemented
- f) Mobilise research funds

**The table below shows staff establishment in the department:**

<b>No</b>	<b>Title of officer(s) in the department</b>	<b>Number of officer(s)</b>
1	Manager Research Partnerships & Capacity Building	1
2	Principal Research Officer	1
3	Principal Partnerships and Linkages	2
4	Principal Capacity Building Officer	1
5	Senior Officer	3
6	Officer	3
<b>Total number of officers</b>		<b>11</b>

#### **v. Administrative Department**

The administrative department shall be run by one (1) Senior Administrative Officer. The function of the department shall be to run the administrative operations of the institution.

#### **vi. Planning and Strategy Department**

The planning and strategy department shall be led by (1) Principal Planning and Strategy Officer. The officer will report directly to the CEO. The function of the department shall be to provide plans and strategies for the institution.

#### **vii. Internal Audit**

The unit functionally reports to the Board of Directors and administratively to the CEO. The unit has an approved establishment of two (2) officers: A Principal Internal Auditor and a Senior Internal Auditor. It is mandated with the following functions:

- a) Providing independent assurance to the systems and processes of corporate governance structure, risk management and internal controls put in place by the management and the board.
- b) Evaluating the Risk Management Framework and the corporate governance structures.
- c) Reviewing the financial management areas of the Board.

d) Offering secretarial duties to the Board Audit Committee.

## **B. Corporate Services Directorate**

The directorate is headed by the Director who reports to the CEO. The organization structure has an establishment of twenty-eight (28) officers for the directorate to operate optimally. The functions of the directorate are follows:

- a) Overall coordination of planning and executing financial, ICT and human resource and administration functions.
- b) Advises the CEO on best practices to be adopted in financial, ICT, administrative and human resource management to effectively and efficiently execute the Board's mandate.

**The table below shows staff establishment in the directorate.**

<b>No</b>	<b>Title of officer(s) in the directorate</b>	<b>Number of officer(s)</b>
1	Director Corporate Services	1
2	Manager Finance and Accounts	1
3	Manager, Human Resources and Development	1
4	Principal Officer, Finance and Accounts	1
5	Principal, Information Communication Technology (ICT)	1
6	Senior Information Communication Technology (ICT) Officer	1
7	Principal Human Resource Management Officer	1
8	Senior Human Resource Management Officer	1
9	Human Resource Management Officer	1
10	Senior Accountant	1
11	Senior Administration Officer	1
12	Office Administrator	2
13	Senior Records Management Officer	1
14	Customer Care Officer	2
15	Senior Assistant Office Administrator	2
16	Assistant Office Administrator	1
17	Records Management Officer	1
18	Senior Driver	2
19	Driver	3
20	Office Assistant	3
<b>Total number of officers</b>		<b>28</b>

## **C. Accounting Standards Directorate**

The Accounting Standards Directorate contains two departments, namely: Public Sector Entities and Government Commercial Entities. The staff establishment of the directorate comprises of thirty-one officers (31) headed by the Director. Its function entails:

- a) Setting generally accepted accounting and financial standards, prescribing minimum standards of maintenance of books of accounts, developing formats for financial statements and reporting, collaborating with international standard-setting bodies and advising the Board on effective dates on the implementation of standards.
- b) Prepares gazette notices on prescribed standards, research and publication; develops learning materials;
- c) Develops and implements a roadmap towards accrual accounting and ensures compliance and implementation of accounting standards.

**The table below shows staff establishment in the directorate.**

<b>No</b>	<b>Title of officer(s) in the directorate</b>	<b>No of officer(s)</b>
1	Director, Accounting Standards	1
2	Manager, Accounting Standards	2
3	Principal Accounting Standards	4
4	Senior, Accounting Standards Officer	8
5	Senior Standards Compliance Officer	8
6	Accounting Standards Officer	8
<b>Total number of officers</b>		<b>31</b>

#### **D. Internal Audit Standards Directorate**

To operate effectively and efficiently, the directorate requires an establishment of twenty-four (24) officers headed by the Director. The directorate comprises two divisions namely: Internal Audit Standards and Risk Management and Governance. The directorate's functions entail:

- a) Formulating and implementing internal audit standards.
- b) Developing guidelines for internal audit and risk management.
- c) Setting guidelines for audit committees.
- d) Providing assurance and advice on corporate governance.
- e) Researching and publishing on internal audit standards, risk management and governance.
- f) Monitoring and evaluating the implementation of internal audit standards and developing learning materials, publications and capacity building on standards, internal controls, risk management and governance.

**The table below shows staff establishment in the directorate.**

<b>No</b>	<b>Title of officer(s) in the directorate</b>	<b>Number of officer(s)</b>
1	Director, Internal Audit Standards	1
2	Manager, Internal Audit Standards	1
3	Manager, Risk Management & Governance	1
4	Principal Internal Audit Standards Officer	2
5	Principal Risk Management Officer	2

6	Principal Compliance Internal Audit Standards Officer	1
7	Senior Internal Audit Standards Officer	10
8	Internal Audit Standards Officer	6
<b>Total number of officers</b>		<b>24</b>

#### **4.1.2 Organisational Structure**

The organisation structure of the Board is as shown in **Figure 4-1**.

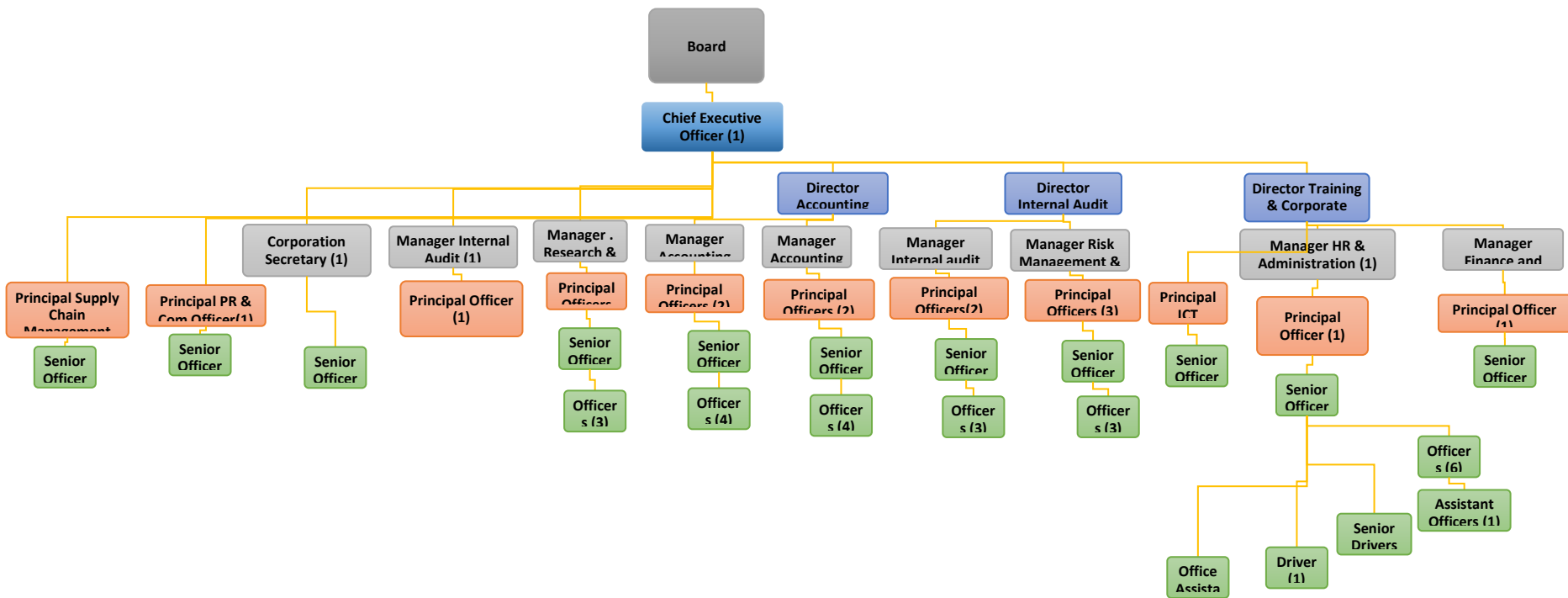


Figure 4-1: PSASB Organisation Structure



## 4.2 Staff Establishment

The staff establishment to complement the strategy is one hundred and seven. Currently, the Board has a total of twenty-two (22) staff as shown in table 4-1. With only 17% technical staff hired, the Board is operating below capacity. The Board will, therefore, hire more staff, through recruitment, to ensure it performs optimally.

**Table 4-1: Board Staff Establishment**

<b>Job Grade</b>	<b>Establishment</b>	<b>In-post</b>	<b>Variance</b>
ASB 1	1	1	0
ASB 2	3	3	0
ASB 3	9	3	6
ASB 4	20	5	15
ASB 5	41	2	39
ASB 6	24	1	23
ASB 7	1	0	1
ASB 8	3	2	1
ASB 9	1	0	1
ASB 10	4	2	2
<b>Total</b>	<b>107</b>	<b>19</b>	<b>88</b>

### 4.2.1 Human Resource Development Strategy

In order to effectively and efficiently implement this SP, the Board shall adopt the following human resource development strategies:

- i. Conduct training needs assessment and implement feasible recommendations.
- ii. Implement initiatives that promote staff welfare.
- iii. Enhance performance management by cascading the SP to all levels of management using clearly set targets and conducting an appraisal of the same on an annual basis.
- iv. Implement talent retention strategies including provision for mortgage and car loans.
- v. Hold annual team building sessions.
- vi. Develop and implement alternative work arrangements in response to COVID-19 pandemic and other unforeseen disasters/pandemics.
- vii. Develop and implement alternative work arrangements in response to COVID-19 pandemic and other unforeseen disasters/pandemics.
- viii. Conduct a satisfaction oversight surveys and implement feasible recommendations.
- ix. Review the HR policy instruments (organisation structure, career guidelines, staff establishment & HR manual) to align with the Plan and statutory requirements.

- x. Develop and implement ISO 9001:2015 Quality Management Systems.

### 4.3 Financial Resources

**Table 4-2: Financial Resource Requirement by Key Result Area**

Key Result Area	Resource Requirements					
	Baseline estimates (Kshs. Mn)	Projected				
		2021/22	2022/23	2023/24	2024/25	2025/26
Standards Setting and Research	x	87	31	21	18	18
Capacity Building and Development	x	68	73	58	58	58
Monitoring Compliance	x	53	52	52	52	52
Organisational Strengthening and Sustainability	x	56	184.5	81.5	64.5	51.5

To implement this SP over the five (5) year period, the Board will require approximately Kshs. 4,717 million a large proportion of which will be funded by the exchequer.

Table 4-3 shows a breakdown of the resource requirements for 2021/22 – 2025/2026.

	<b>GRADE</b>	<b>No</b>	<b>Basic Pay</b>	<b>House allowance</b>	<b>Commuter Allowance</b>	<b>Leave Allowance</b>	<b>Gross</b>	<b>Gratuity</b>	<b>Pension employer contribution</b>	<b>NSSF Employer contribution</b>
1	ASB 1	1	20,863,980.00	4,800,000.00	-	250,000.00	25,913,980.00	6,467,833.80	-	12,000
2	ASB 2	3	48,924,360.00	10,800,000.00	3,600,000.00	150,000.00	63,474,360.00	15,166,551.60	-	36,000
3	ASB 3	9	136,006,020.00	27,000,000.00	8,640,000.00	450,000.00	172,096,020.00	-	27,201,204.00	108,000
4	ASB 4	20	311,835,600.00	54,000,000.00	16,800,000.00	1,000,000.00	383,635,600.00	-	62,367,120.00	240,000
5	ASB 5	41	361,829,100.00	110,700,000.00	29,520,000.00	1,230,000.00	503,279,100.00	-	72,365,820.00	492,000
6	ASB 6	24	182,149,920.00	50,400,000.00	11,520,000.00	720,000.00	244,789,920.00	-	36,429,984.00	288,000
7	ASB 7	1	6,830,640.00	1,680,000.00	480,000.00	30,000.00	9,020,640.00	-	1,366,128.00	12,000
8	ASB 8	3	18,237,780.00	2,970,000.00	900,000.00	90,000.00	22,197,780.00	-	3,647,556.00	36,000
9	ASB 9	1	5,349,720.00	600,000.00	240,000.00	30,000.00	6,219,720.00	-	1,069,944.00	12,000
10	ASB 10	4	12,824,640.00	1,620,000.00	960,000.00	120,000.00	15,524,640.00	-	2,564,928.00	48,000
	<b>Sub Total Total emolument</b>	<b>107</b>	<b>1,104,851,760.00</b>	<b>264,570,000.00</b>	<b>72,660,000.00</b>	<b>4,070,000.00</b>	<b>1,446,151,760.00</b>	<b>21,634,385.40</b>	<b>207,012,684.00</b>	<b>1,284,000</b>

### Medical Premiums projections

Estimate	Year 0			Year 1			Year 2			Year 3			Year 4			Year 5		
M+3	staff	Average cost	Total cost	staff	Average cost	Total cost	Staff	Average cost	Total cost	Staff	Average cost	Total cost	staff	Average cost	Total cost	staff	Average cost	Total cost
Category 1	7	377,500.50	2,642,503.50	9	415,250.55	3,737,254.95	9	453,000.60	4,077,005.40	9	490,750.65	4,416,755.85	9	490,750.00	4,416,750.00	9	490,750.00	4,416,750.00
Category 2	13	369,632.50	4,805,222.50	31	406,595.75	12,604,468.25	51	443,559.00	22,621,509.00	71	480,522.25	34,117,079.75	86	480,522.00	41,324,892.00	98	480,522.00	47,091,156.00
	20		7,447,726.00	40		16,341,723.20	60		26,698,514.40	80		38,533,835.60	95		45,741,642.00	107		51,507,906.00

Due to constrained resourcing, the Board will continue lobbying for more funds from the National Treasury. In the Plan period, the Board will develop and implement a resource mobilisation strategy with a view to diversifying its revenue streams.

#### **4.4 Risks Analysis and Mitigation Measures**

To ensure effective implementation of the proposed strategies, the Board has developed and integrated into the SP a robust risk management strategy. The strategy shall ensure that risks are identified in a timely manner, and mitigation measures are promptly implemented to minimise their negative impact.

The Board has identified key risks that may affect its achievement of the Strategic Objectives as stated in the Plan. Consequently, the Plan has programmed strategies and activities to be implemented to mitigate the risks' effects. The risk types, risks and their mitigation measures are presented in **Table 4-3**.

**Table 4-3: Risk Analysis**

<b>Risk Type</b>	<b>Risk</b>	<b>Risk Category</b>	<b>Risk Description</b>	<b>Risk Drivers</b>	<b>Risk Mitigation Strategies</b>
Strategic	Budget constraints	High	Failure to mobilise adequate resources to finance the Board activities	<ul style="list-style-type: none"> <li>- Budget cuts after budgeting process</li> <li>- Delay in release of exchequer funds</li> </ul>	<ul style="list-style-type: none"> <li>- Lobby for additional budgetary allocation</li> <li>- Develop and implement resource mobilisation policy</li> <li>- Identify and engage partners to jointly undertake projects</li> <li>- Diversify sources of funding</li> </ul>
Strategic	Delayed gazettelement of the Board	High	The delay in gazettelement of the Board will delay policy directions and oversight of the Boards operations	<ul style="list-style-type: none"> <li>- Failure to nominate representatives to the Board</li> <li>- Delays in notification of the vacancies</li> </ul>	<ul style="list-style-type: none"> <li>- Seek approval from PS, NT</li> <li>- lobbying for gazettelement</li> <li>- Lobbying appointing authority to gazette names</li> <li>- Initiating the process of replacement of Board Members 6 months prior to expiry of their terms to provide a window for delays.</li> </ul>
Strategic	Board members composition falling short of a wide range mix of technical knowledge and skills	High	Failure for the Board members to have a wide range mix of technical knowledge and skills to execute the Board's mandate	<ul style="list-style-type: none"> <li>- Restrictive legislation</li> </ul>	<ul style="list-style-type: none"> <li>- Lobby for PFM Act</li> <li>- Co-opt members to enable the Board meet complimentary skills set</li> </ul>
Strategic	Inadequate research capability	High	Failure to conduct research on topical issues to inform policy and to support best practices as per the Board's mandate.	<ul style="list-style-type: none"> <li>- Lack of Research policy</li> <li>- Funding constraints</li> <li>- Limited Partnership with research institutions</li> <li>- Technical capacity constraints</li> <li>- Inadequate MOUs</li> </ul>	<ul style="list-style-type: none"> <li>- Develop and implement a research policy</li> <li>- Undertake research in topical areas relevant to the Board's mandate.</li> <li>- Partner with research institutions such as Universities, Professional bodies, and standard setting institutions</li> <li>- Monitor the implementation of signed MoUs</li> <li>- Recruitment of Competent researchers</li> </ul>
Strategic	Inappropriate application and non-	Low	Failure by users to apply standards as prescribed	<ul style="list-style-type: none"> <li>- Inadequate manpower and financial resources to conduct capacity</li> </ul>	<ul style="list-style-type: none"> <li>- Allocate additional manpower and financial resources for capacity building, training and sensitization</li> </ul>

<b>Risk Type</b>	<b>Risk</b>	<b>Risk Category</b>	<b>Risk Description</b>	<b>Risk Drivers</b>	<b>Risk Mitigation Strategies</b>
	compliance to set standards			<ul style="list-style-type: none"> <li>building, training, and sensitization</li> <li>- Lack of training curriculum and manuals</li> <li>- Inadequate capacity of implementing agencies and key stakeholders</li> <li>- Limited partnerships and collaborations with key stakeholders</li> <li>- Inadequate monitoring and evaluation</li> </ul>	<ul style="list-style-type: none"> <li>- Develop curriculum and training manuals</li> <li>- Identify capacity gaps in implementing standards</li> <li>- Provide technical support to implementing entities</li> <li>- Collaborate and partner with relevant stakeholders in standard setting and capacity building.</li> <li>- Develop and disseminate appropriate training/capacity building materials</li> <li>- Develop and implement monitoring, evaluation and reporting policy</li> </ul>
Strategic	Diversity of implementing agencies	High	Failure to meet all the variety expectations of the stakeholders	<ul style="list-style-type: none"> <li>- Lack of stakeholder engagement policy</li> <li>- Inadequate mapping of stakeholders</li> <li>- Inadequate engagement with the stakeholders</li> </ul>	<ul style="list-style-type: none"> <li>- Develop and implement a stakeholder policy</li> <li>- Proper mapping out of key stakeholders</li> <li>- Create awareness on the standards</li> <li>- Collaborate and partner with relevant stakeholders</li> </ul>
Strategic	Breach in information security	High	Failure in information security leads to business disruptions and loss of critical data	<ul style="list-style-type: none"> <li>- Inadequate ICT security mechanisms</li> <li>- Inadequate awareness on information security and control</li> </ul>	<ul style="list-style-type: none"> <li>- Strengthening information security investment in technology</li> <li>- Enhance staff awareness in information security and controls</li> <li>- Implementation and adherence to ISO 27001 on ISM system</li> </ul>
Strategic	Business disruptions	High	Inadequate business continuity and disaster recovery mechanisms leading to business disruptions	<ul style="list-style-type: none"> <li>- Lack of a business continuity and disaster recovery plan</li> <li>- Inadequate physical controls</li> <li>- Power outages</li> </ul>	<ul style="list-style-type: none"> <li>- Develop and implement a Business Continuity and Disaster Recovery Plan</li> <li>- Installation of physical access controls in all sensitive areas including ICT server room</li> <li>- Installation of power backup solutions.</li> </ul>
Strategic	Negative publicity by the media	Medium	Negative publicity by the media damages the Board's image	<ul style="list-style-type: none"> <li>- Lack of communication strategy</li> </ul>	<ul style="list-style-type: none"> <li>- Develop and implement a corporate communication strategy</li> </ul>

<b>Risk Type</b>	<b>Risk</b>	<b>Risk Category</b>	<b>Risk Description</b>	<b>Risk Drivers</b>	<b>Risk Mitigation Strategies</b>
Operational	Inadequate competent manpower to provide quality service	High	Failure for the Board to have adequate capacity in numbers and skills to execute the Board's mandate	<ul style="list-style-type: none"> <li>- High staff turnover</li> <li>- Inability to attract and retain top talent</li> <li>- Lean structure</li> <li>- Lack of competitive remuneration</li> </ul>	<ul style="list-style-type: none"> <li>- Develop and implement a retention and recognition policy</li> <li>- Proper succession management</li> <li>- Review current organisation structure</li> <li>- Develop and implement a competitive compensation policy</li> <li>- Undertake staff trainings</li> </ul>
Operational	Rapid technological advancements	Medium	Rapid advancements may render existing technologies obsolete	<ul style="list-style-type: none"> <li>- Emerging new technologies</li> <li>- Changing Government policy</li> <li>- Failure to cope with technological advancement</li> </ul>	<ul style="list-style-type: none"> <li>- Conduct studies on emerging technologies</li> <li>- Regular evaluation of ICT technologies to inform the need to adopt new technologies</li> <li>- Investment in value adding ICT solutions that can stand the test of time</li> </ul>



## CHAPTER FIVE

### MONITORING, EVALUATION AND REPORTING

This concluding chapter focuses on monitoring, evaluation and reporting. The Board will endeavour to review progress against the set targets in this Strategic Plan (SP). To actualise this, a monitoring and evaluation (M&E) framework has been developed. The framework will be used as a management tool to continuously track the implementation of the activities outlined in the Board's implementation matrix. The tool will aid the Board in the early detection of any deviations and identify where there is a need for adjustments. The M&E process will take into account emerging issues that may affect the implementation plan.

#### 5.1 Monitoring

The monitoring, evaluation and reporting process will be undertaken both at the Board of Directors level and management levels.

##### 5.1.1 Monitoring and Evaluation at Board of Directors Level

The implementation of the SP will be closely monitored through quarterly review meetings, which will be held between the senior management and the board. During these meetings, the board will review and analyse progress reports from the CEO, indicating overall progress made on key strategic objectives. The nature and scope of reporting will include:

- i. Progress made in implementation against what was planned.
- ii. Causes of deviation from the SP, if any.
- iii. Areas of difficulties and suggested solutions to challenges that may adversely affect implementation.
- iv. Proposed corrective measures.

##### 5.1.2 Monitoring and Evaluation at Management Levels

M&E at management level will be carried out by the Senior Management Team (SMT). SMT will meet quarterly and review progress made in implementation of the SP. Monitoring will involve routine quarterly data collection and analysis by the office of the **Public Relations and Communications** from the respective directorates and departments. The compiled report will be submitted to the Director Corporate Services to be presented to the SMT for analysis on the progress of the Strategic Plan Implementation.

The SMT meeting chaired by the CEO will be guided by the implementation matrix of the SP in scheduling activities to be undertaken on a quarterly and annual basis (work plans review). The recommendations will be factored in developing the work plan of the Board in the next financial year.

## 5.2 Evaluation

The SP sets the course and direction for the Board's operations for the next five (5) years. It prioritises the Board's forward programmes through successive annual work plans and other delivery mechanisms. To assess whether the Board will have realised its vision, key performance indicators have been defined for each of the five strategic pillars. Progress will be monitored through annual targets emanating from the SP, which will be set out within the annual work plans, and achievements against which will be published in quarterly and annual reports. The Board will be deemed to be realising its mandate when the strategic objectives have been achieved.

### 5.2.1 Monitoring and Evaluation Tools

In conducting M&E, the following tools will be applied:

- a. Mid-term year and end-term year implementation matrix review.
- b. Quarterly and annual **performance contracts** and work plans.
- c. Quarterly and annual budget and expenditure review.
- d. Annual staff appraisals.

## 5.3 Review of the Strategic Plan

The Board will conduct a mid-term review and end-term review of the Plan to ensure that its objectives, strategies, activities, KPIs and KRAs are still relevant and being adjusted to reflect realities. Additionally, the review will ensure that the plan remains relevant, feasible and delivers outputs that contribute to achieving the Board's mandate.

A mid-term review of the SP will inform the expenditure plans for the final implementation period, including any adjustments on activities that take account of changes in the operating environment. A review may be triggered by:

- i) Changes in Government policy and amendment to the Public Finance Management Act.
- ii) Changes in the International Public Sector Accounting Standards Board processes and Global Institute of Internal Auditors working environment.
- iii) Board's performance and progress in the implementation plan.

These factors can lead to refining or revising the strategic objectives, activities and budgets accordingly. An end-term review will evaluate the final performance of the Board in achieving the objectives of the SP.

## ANNEX I: IMPLEMENTATION MATRIX

Key Result Area	Strategic Objectives	Strategy	Output	Output Indicators	Target for 5 Years	Target					Budget (Mn)					Responsibility
						Y1	Y2	Y3	Y4	Y5	Y 1	Y 2	Y 3	Y 4	Y 5	
Standards Setting and Research	To enhance uniformity and quality of financial information in the public sector	Continue to prescribe, review and disseminate financial reporting standards	Financial reporting frameworks issued	No. of frameworks	13	3	3	3	2	2	2	2	2	2	2	Director, Accounting Standards
			Financial reporting templates developed/reviewed	No. of templates	60	12	12	12	12	12	3	3	3	3	3	
			MDAs reporting on IPSAS	Proportion of MDAs	100%				50%	50%						
			Counties reporting on IPSAS	Proportion of Counties	100%		100%									
			Accounting standards guidelines developed/reviewed	No. of guidelines	30	6	6	6	6	6	2	2	2	2	2	
			Model financial reports prepared and disseminated	No. of reports	60	12	12	12	12	12	3	3	3	3	3	
			Responses to exposure drafts	No. of responses to exposure drafts	100%	100%	100%	100%	100%	100%						
			Categories transitioning to accrual accounting	No. of reporting Categories transitioning to accrual accounting	100%	20%	20%	20%	20%	20%						
	To enhance professional excellence in internal audit across all public	Prescribe internal audit standards (adopt and issue/disseminate standards)	Internal audit standards guidelines developed, reviewed and disseminated	No. of guidelines	10	2	2	2	2	2	3	3	3	3	3	Director, Internal Audit Standards

Key Result Area	Strategic Objectives	Strategy	Output	Output Indicators	Target for 5 Years	Target					Budget (Mn)					Responsibility	
						Y1	Y2	Y3	Y4	Y5	Y 1	Y 2	Y 3	Y 4	Y 5		
	sectors for efficient, effective and economic use of resources		Internal Audit reporting templates developed and reviewed	No. of audit reporting templates	10	2	2	2	2	2	3	3	3	3	3		
			Internal audit programs developed and disseminated	No. of programs	100	20	20	20	20	20	2	2	2	2	2		
			Internal audit manuals developed/reviewed and disseminated	No. of manual	3	2	1				10	8					
			Responses to exposure drafts	No. of responses to exposure drafts	100%	100%	100%	100%	100%								
To promote effective risk management, internal control frameworks and governance processes	Develop/disseminate risk management guidelines	Approved risk management guidelines	Risk Management Guidelines	1	1										Director, Internal Audit Standards		
		Risk management guidelines piloted	Report	1	1					50							
		Risk management manual developed and disseminated	Manual	1		1					5						
To conduct research on topical issues to inform policy and to support	Develop and implement a research policy	Internal control model framework developed and disseminated	Model framework	1			1					3			Directors, Internal Audit Standards/Accounting Standards		
		Research policy	Approved research policy	1		1					2						
			Research papers in topical areas affecting standards setting, adoption and	No. of reports	10	2	2	2	2	2	2	2	2	2			

Key Result Area	Strategic Objectives	Strategy	Output	Output Indicators	Target for 5 Years	Target					Budget (Mn)					Responsibility		
						Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5			
	best practices.		application conducted, and reports disseminated															
			Research papers to inform review of exposure drafts conducted and reports disseminated	No. of Drafts	15	3	3	3	3	3	1	1	1	1	1			
			MoUs with research institutions/experts signed and implemented	No. of MoUs	5	1	1	1	1	1								
			Mobilise research funds	Amount (Kshs. Mn)	50	10	10	10	10	10								
	To improve accuracy and completeness of accounting records	Prescribe minimum standards of maintenance of proper books of accounts for all levels of Government	Accounting manuals developed/reviewing and disseminated	No. of Manuals	2	2					10							
			Automation of reporting templates	Level of automation of reporting templates	50%			50%					10					
Stakeholder and Capacity Building and Development	To establish effective relationships with key stakeholders	Conduct stakeholder mapping for capacity building	Stakeholder mapping undertaken	Stakeholder Mapping Report	1			1								Director, Training & Corporate Services		
		Develop stakeholder engagement policy	Developed stakeholder engagement policy	Approved stakeholder engagement policy	1	1					1							

Key Result Area	Strategic Objectives	Strategy	Output	Output Indicators	Target for 5 Years	Target					Budget (Mn)					Responsibility		
						Y1	Y2	Y3	Y4	Y5	Y 1	Y 2	Y 3	Y 4	Y 5			
		Undertake training needs assessment	Training needs assessment undertaken	No. of Assessments	1	1					1							
		Collaborate and partner with relevant stakeholders	MoUs signed and implemented	No. of MoUs	5	1	1	1	1	1								
			Agreed implementation plan with the partners	Stakeholders Implementation plan reports	5	1	1	1	1	1		15						
		Provide technical support to implementing agencies	Technical support provided to implementing agencies	Proportion of technical support requests addressed	90%	90	90	90	90	90	5	5	5	5	5			
				Timely responses to technical queries received	90%	90	90	90	90	90								
				Number of technical trainings requested and undertaken	90%	90	90	90	90	90								
		Enhancing brand visibility through integrated communications strategies	Integrated communication strategy developed and implemented	Communication Strategy	1	1						5	3	3	3			
				IEC materials developed and disseminated	No. of IEC materials <sup>3</sup>	25	5	5	5	5	5	3	3	3	3	3		
					Newspaper articles	20	4	4	4	4	4	4	4	4	4	4	4	

<sup>3</sup> Diaries, calendar, business cards, banners and bags

Key Result Area	Strategic Objectives	Strategy	Output	Output Indicators	Target for 5 Years	Target					Budget (Mn)					Responsibility
						Y1	Y2	Y3	Y4	Y5	Y 1	Y 2	Y 3	Y 4	Y 5	
				Media briefs prepared and issued	20	4	4	4	4	4	5	5	5	5	5	
				Newsletters prepared and disseminated	10	2	2	2	2	2	2	0.5	0.5	0.5	0.5	
				Board website revamped and updated	100	100					5					
				Annual CSR programmes undertaken	5	1	1	1	1	1	1	1	1	1	1	
				Customer satisfaction surveys undertaken, and feasible recommendations implemented	2		1		1			5		5		
	To enhance skills and knowledge in financial reporting and internal auditing resulting to improved quality of financial and internal audit reports	Undertake training needs assessment	Annual Training needs assessment undertaken	Training Needs Assessment Reports	5	1	1	1	1	1	0.5	0.5	0.5	0.5	0.5	
Develop and implement training programmes for accounting, financial reporting standards and internal audit implementers across the public sector		Accountants and internal auditors trained on accounting, financial reporting standards and internal audit	No. of Accountants and internal auditors trained	10000	2000	2000	2000	2000	2000	2000	40	40	40	40	40	
Develop and disseminate		Training materials developed and	Approved curriculum	Extent of completion of the training programmes for accounting, financial reporting and internal audit	90%	90	90	90	90	90						
					5	1	1	1	1	1	2	2	2	2	2	

Key Result Area	Strategic Objectives	Strategy	Output	Output Indicators	Target for 5 Years	Target					Budget (Mn)					Responsibility
						Y1	Y2	Y3	Y4	Y5	Y 1	Y 2	Y 3	Y 4	Y 5	
		appropriate training/capacity building materials	disseminated to implementing entities	Number of IPPF Books and IFRS/IPSAS Books disseminated to public entities.	1000	200	200	200	200	200	6	6	6	6	6	
				Timely distribution of training content to participants	90%	90	90	90	90							
		Sensitise implementing entities on prescribed standards	Implementing entities sensitised on prescribed standards	No. of entities covered	750	750	750	750	750	750	10	10	10	10	10	
		Conduct innovative capacity building interventions for implementing entities	e-learning platforms developed and implemented and maintained	e-learning platforms	1	1					10					
		Content developed and uploaded		Number of public sector categories receiving onsite/offsite interventions and sensitization.	90%	90	90	90	90	90	3	3	3	3	3	
				Number of onsite and offsite interventions achieved.	80	16	16	16	16	16						



Key Result Area	Strategic Objectives	Strategy	Output	Output Indicators	Target for 5 Years	Target					Budget (Mn)					Responsibility
						Y1	Y2	Y3	Y4	Y5	Y 1	Y 2	Y 3	Y 4	Y 5	
		Undertake post training reviews	Feedback on trainings undertaken	% of feedback surveys received	80	80	80	80	80	80						
Monitoring Compliance	To enhance the execution of monitoring, evaluation and compliance for objectivity	Develop monitoring, evaluation, and reporting policy	Monitoring Compliance policy	Approved policy		1					1					
	To enhance compliance with accounting and financial reporting standards	Monitor the implementation of accounting and financial reporting standards	Review checklist developed and disseminated	Checklist	1	1					1					Directors, Accounting Standards/Internal Audit Standards
			Quality review of financial reports undertaken	Report	5	1	1	1	1	1	15	15	15	15	15	
			Financial reports assessed for FiRe Awards	Report	5	1	1	1	1	1	12	12	12	12	12	
			Annual compliance surveys undertaken	Report	5	1	1	1	1	1	5	5	5	5	5	
	To enhance conformance with internal auditing standards	Monitor the implementation of internal auditing standards	Checklist for monitoring implementation of IPPF developed	Checklist	1		1									
			Quality Assurance Improvement Program model state organs and public sector entities	QAIP Model	1	1					2					

Key Result Area	Strategic Objectives	Strategy	Output	Output Indicators	Target for 5 Years	Target					Budget (Mn)					Responsibility	
						Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5		
			Quality assurance improvement programmes analysed	Report	5	1	1	1	1	1	5	5	5	5	5		
			Annual compliance surveys undertaken	Report	5	1	1	1	1	1	5	5	5	5	5		
	To enhance compliance with risk management guidelines, internal control frameworks and governance processes	Monitor risk management guidelines, internal control frameworks and governance processes	Monitoring, evaluation and reporting tools for GRC processes developed	Template	1	1					2						
			Annual compliance surveys on reporting entities carried out	Report	5	1	1	1	1	1	5	5	5	5	5		
Institutional strengthening and sustainability	To enhance employee productivity and efficiency	Provide conducive working environment	Work environment survey conducted and feasible recommendations implemented	Work environment Satisfaction Survey report	1	1					2	2				Director, Corporate Services	
				% of feasible recommendation implemented	80%	40%	40%				2	2	2	1			
		Attract and retain competent staff	Employee satisfaction surveys undertaken and feasible recommendations implemented	Employee satisfaction Survey Reports	2		1		1			2	2	2	1		
			PSASB Perception survey undertaken and	Perception Survey Reports													

Key Result Area	Strategic Objectives	Strategy	Output	Output Indicators	Target for 5 Years	Target					Budget (Mn)					Responsibility	
						Y1	Y2	Y3	Y4	Y5	Y 1	Y 2	Y 3	Y 4	Y 5		
			feasible recommendations implemented														
			Interventions to attract and retain top talent developed and implemented	Car loan scheme	100%		25%	25%	25%	25%		50					
				Mortgage scheme	100%		25%	25%	25%	25%		100					
				Subscription fees to professional bodies	100	100	100	100	100	100	1	1	1	1	1		
		Optimize the staff levels by resourcing the structure and approval of the human resource instruments	Develop and implement HR plans	Board's organisations structure reviewed and implemented	Reviewed structure	100		50		50			10		10		
				Competency-based job descriptions developed	Report	1	1				1	1					
				No. of staff recruited	26		10	8	8			9	7	7			
				HR policies developed and implemented <sup>4</sup>	No. of policies	3	2	1				5	5				
		Implement ISO Quality Management system	Board ISO certified	ISO Audits conducted	2				1	1					3	3	
		Implement Staff Performance Management System	Staff Performance Management System developed and implemented	Annual Performance appraisals	100	100	100	100	100	100	2	2	2	2	2		

<sup>4</sup> Career guidelines; successional management manual; Policy to attract and retain top talent

Key Result Area	Strategic Objectives	Strategy	Output	Output Indicators	Target for 5 Years	Target					Budget (Mn)					Responsibility
						Y1	Y2	Y3	Y4	Y5	Y 1	Y 2	Y 3	Y 4	Y 5	
		Conduct training needs assessment and implement feasible recommendations	Training needs assessment conducted and feasible recommendations implemented	TNA report and Annual Training plan implemented	5	1	1	1	1	1	12	15	20	20	20	
		Develop and implement risk management framework;	Risk management framework developed and implemented	Reviewed framework	1	1		1		1	5		5		5	
		Business Continuity Plan and Disaster Recovery Plan	Business continuity and disaster recovery plan developed and implemented	Continuity and disaster recovery plan	1			1					10			
		Build team spirit and cohesion among all staff	Projects successfully completed by teams	Number of projects successfully completed	5	1	1	1	1	1	3	3	3	3	3	
	To leverage on technology to improve operational efficiency of the Board	Adopt innovative technology to support business operations	Assessment report on automation levels and new technologies implemented	Report	2		1		1			2		2		Director, Corporate Services
		Upgrade ICT Infrastructure	Business process re-engineering undertaken	Completion rate	100	20	30	50	100		7	5	3	1		
			Studies on emerging technologies conducted and recommendations implemented	Report	2			1		1			2		2	
			Establishing and implementing the	KM framework developed	Framework	1		1				5				

Key Result Area	Strategic Objectives	Strategy	Output	Output Indicators	Target for 5 Years	Target					Budget (Mn)					Responsibility	
						Y1	Y2	Y3	Y4	Y5	Y 1	Y 2	Y 3	Y 4	Y 5		
		Board's information repository and Knowledge Management System	KM system developed	KM system	1			1					7				
			e-repository established	e-repository	1		1					5					
		Enhancing Board's information security strategies	ISO 27001 on ISM certification obtained	Certificate	1		1					7					
			Backup and recovery solution developed and implemented	Backup and recovery solution	1		1	1	1	1		15	1	1	1		
		Develop and implement the Board's strategic plan	Periodic review of the strategic plan	Implementation of the Board's annual work plan	5	1	1	1	1	1							
To entrench good corporate governance practices	Facilitate Board and Board Committees	Board's Charter reviewed and implemented	Reviewed Charter	1	1	1	1	1	1								
		Board Calendar of events implemented	Board and Committee attendance rates	90%	90	90	90	90	90	8	8	8	8	8			
		Annual Board Evaluations	Results of independent Board evaluations	85%	85	85	85	85	85	2	2	2	2	2			
	Implement the Mwongozo code of governance	Annual Governance audit undertaken and feasible recommendations implemented	Governance Audit report	4	1	1	1	1	1		3	3	3	3	3		
To strengthen	Carry out annual legal audit	Legal audit carried out	Audit report	5	1	1	1	1	1		1	1	1	1	1	All Directors	

Key Result Area	Strategic Objectives	Strategy	Output	Output Indicators	Target for 5 Years	Target					Budget (Mn)					Responsibility
						Y1	Y2	Y3	Y4	Y5	Y1	Y2	Y3	Y4	Y5	
	legal and regulatory framework	Recommend for review areas of the PFM Act that touch on the mandate of the Board	PFM Act review recommendations forwarded to parliament	Recommendations	5	1	1	1	1	1						
	To mobilise financial resources to bridge the gap between requirements and allocation	Develop and implement a resource mobilization policy	Resource mobilization plan implemented	Resource mobilization plan implemented	1	1										
		Identify and engage development partners to jointly undertake projects	Mapping of key DPs	Donor funded projects implemented	5	1	1	1	1	1						
		Diversify sources of funding	Develop funding proposals and implement	No. of proposals implemented	5	1	1	1	1	1						

## ANNEX II: M&E FRAMEWORK

Key Result Area	Outcome	Key Performance Indicator	Baseline	Target	
				Mid-Term Period Target 2023/2024	End of Plan Period Target 2025/2026
Research and Standard Setting	Uniformity and quality of financial information in the public sector resulting to improved quality of financial and internal audit reports	Proportion of MDAs and Counties reporting on prescribed standards	X	100	100
		No. of implementing guidelines issued	2	10	20
		Categories of templates developed and reviewed	15	20	40
		Percentage of exposure drafts responded to	100%	100%	100%
		No. of reporting Categories transitioning to accrual accounting	0	3	6
	To enhance professional excellence in financial reporting, internal audit and risk management across all public sectors for efficient, effective and economic use of resources	Percentage of manuals developed and reviewed	X	50%	100%
		Percentage of audit programs developed and reviewed	X	50%	100%
		Level of automation of reporting templates	X	50%	100%
		Risk management guidelines piloted	X	50%	100%
	To conduct research on topical issues to inform policy and to support best practices.	Research funds mobilized	Nil	50%	100%
	Stakeholder Engagement and Capacity Building	Strong stakeholder relationship and collaboration developed and enhanced	Level of implementation of the stakeholder engagement policy	X	45%
No. of MoUs			2	4	6
Percentage of trainings completed as per requests received			70%	80%	90%

Key Result Area	Outcome	Key Performance Indicator	Baseline	Target	
				Mid-Term Period Target 2023/2024	End of Plan Period Target 2025/2026
	Strong stakeholder relationship and collaboration developed and enhanced	No. of CSR programmes undertaken	X	2.5	5
		Percentage of favourable feedback from Customer satisfaction surveys undertaken	X	70%	90%
	Enhanced skills and knowledge in financial reporting and internal auditing	No. of Accountants and internal auditors trained	1000	5000	10000
		Percentage of completion of the training programmes for accounting, financial reporting and internal audit	90%	100%	100%
		Number of IPPF Books and IFRS/IPSAS Books disseminated to public entities.	100	500	1000
		Number of public sector categories receiving onsite/offsite interventions and sensitization.	3	3	3
		% of positive feedback received	60%	70%	90%
Monitoring and Compliance	Uniformity and quality of financial information in the public sector	Compliance with financial reporting standards	100	100	100
		Compliance with internal audit standards	100	100	100
Institutional strengthening and sustainability	Enhance employee productivity and efficiency	Percentage of positive work environment Satisfaction Survey report	x	60%	80%



Key Result Area	Outcome	Key Performance Indicator	Baseline	Target	
				Mid-Term Period Target 2023/2024	End of Plan Period Target 2025/2026
		Percentage of positive employee satisfaction Survey Reports	x	60%	80%
		Level of favourable perception Survey Reports	x	60%	80%
		Percentage of the organizational structure resourced	17	50	100
		Percentage of staff training conducted as per the Training Plan	100	100	100
		Percentage of Annual Performance appraisals conducted	100	100	100
	Improved operational efficiency of the Board through leveraged technology	Completion of new technologies and innovation implemented	70%	80%	100%
		Percentage rate of Business process re-engineering undertaken	70%	80%	100%
		No. of KM framework and systems developed	X		1
		ISO 27001 on ISM certification obtained	X		1
		Level of Backup and recovery solution	X	45%	90%
		No. of reviews of the strategic plan done	X	1	1
	Good corporate governance practices effectively entrenched	Percentage of Board's Charter review and implementation	70%	90%	100%
		Increase in Percentage implementation of Board Calendar of events	80%	95%	100%

Key Result Area	Outcome	Key Performance Indicator	Baseline	Target	
				Mid-Term Period Target 2023/2024	End of Plan Period Target 2025/2026
		Improvement in results of annual Board evaluations	80%	90%	100%
		Percentage of feasible recommendations implemented on the Governance Audit	X	70%	90%
		Legal and regulatory framework strengthened	Number of legal audits undertaken	X	2
		Number of PFM Act reviews forwarded to parliament	2	3	5
	Minimum financial gap between requirements and allocation through mobilising financial resources	Level of implementation of the resource mobilization policy	X	40%	80%
		Number of development partners engaged for projects	1	2	5
		Different sources of funding implemented	1	3	5