



Republic of Kenya



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IPSASB EXPOSURE DRAFT 67- COLLECTIVE AND INDIVIDUALSERVICES AND EMERGENCY RELIEF (AMENDMENTS TO IPSAS 19)

The Public Sector Accounting Standards Board (PSASB), Kenya was established by the Public Finance Management Act (PFM) No.18 of 24th July 2012. The Board was gazetted by the Cabinet Secretary, National Treasury on 28th February, 2014 and has been in operation since.

The Board is mandated to provide frameworks and set generally accepted standards for the development and management of accounting and financial systems by all state organs and Public entities in Kenya and to prescribe internal audit procedures which comply with the Public Finance Management Act, 2012.

The Public Sector Accounting Standards Board, Kenya is pleased to submit its comments on **Exposure Draft 67-Collective and Individual Services and Emergency Relief (Amendments to IPSAS 19)** to the International Public Sector Accounting Standards Board. PSASB Kenya welcomes the timely draft exposure which provides guidance on accounting for collective and individual services and emergency relief.

PSASB Kenya responses on Specific Matters for Comment are documented in the attachment for your consideration.

With kind regards,

BERNARD NDUNGU, MBS
CHAIRMAN, PUBLIC SECTOR ACCOUNTING STANDARDS BOARD

PSASB's Responses to Exposure Draft 67- Collective and Individual Services and Emergency Relief (Amendments to IPSAS 19)

Specific Matters for Comment 1

Do you agree with the definitions of collective services and individual services that are included in this Exposure Draft?

If not, what changes would you make to the definitions?

PSASB Response

PSASB agrees with the definitions of collective services and individual services as included in Exposure Draft 67. These definitions are clear to enable the constituents to distinguish these services from other forms of expenses and in particular social benefits.

Specific Matter for Comment 2

Do you agree that no provision should be recognized for collective services?

If not, under what circumstances do you think a provision would arise?

PSASB Response

PSASB agrees that no provision should be recognised for collective services which is in agreement with the provisions of IPSAS 19: 26 that no provision is recognized for costs that need to be incurred to continue an entity's ongoing activities in the future. Collective services are ongoing activities of an entity and therefore no provision should be recognized.

Specific Matter for Comment 3

Do you agree that no provision should be recognized for individual services?

If not, under what circumstances do you think a provision would arise?

PSASB Response

PSASB agrees that no provision should be recognized for individual services. PSASB agrees that no provision should be recognised for individual services which is in agreement with the provisions of IPSAS 19: 26 that no provision is recognized for costs that need to be incurred to continue an entity's ongoing activities in the future. Individual services are ongoing activities of an entity and therefore no provision should be recognized.

PSASB's Responses to Exposure Draft 67- Collective and Individual Services and Emergency Relief (Amendments to IPSAS 19)

Specific Matter for Comment 4

Do you agree with the proposed accounting for emergency relief?
If not, how do you think emergency relief should be accounted for?

PSASB Response

PSASB agrees with IPSASB's proposed accounting for emergency relief in response to specific emergencies and while emergency relief is delivered as an ongoing activity. PSASB is also in agreement with presentation and disclosure of emergency relief outlined in paragraphs AG23- AG25.