



CERTIFIED SECRETARIES (CS)

REVISED EXAMINATION SYLLABUS

JULY 2021

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JULY 2021

FOREWORD

One of the cardinal objectives of any education system is to ultimately provide the economy with competent, self-driven and morally upright human capital for sustainable growth and prosperity. In order to effectively achieve this, it is important that the education system continuously adapts to market dynamics at global, regional and national levels.

For professional examination bodies such as the Kenya Accountants and Secretaries National Examinations Board (Kasneb), this translates to the need to regularly review their syllabuses to match and, in an ideal setting, surpass market expectations. The drivers of syllabuses change are wide and diverse and transcend various factors including economic, legal, social and technological spheres.

It is in the above context that The National Treasury and Planning, as the parent Ministry of Kasneb, is pleased to note the significant milestone in the completion of the major review process for Kasneb, having also participated with other stakeholders in the review process. This latest review has afforded Kasneb the opportunity to address emerging trends that define the next generation of professionals, including data mining and analytics, digital competence, soft skills and a global perspective in strategic decision making.

With the revised syllabuses, Kasneb is expected to continue playing a leading role in providing the economy with competent professionals in the areas of accounting, finance, governance and corporate secretarial practice, credit management, forensic investigations, information communication technology and related areas. This is further expected to boost the Government's development agenda as defined under the Kenya Vision 2030 development blueprint and the Big Four Agenda.

The successful implementation of the revised syllabuses will require the support of all stakeholders. I wish therefore to urge for the continued support to Kasneb including from various Government Ministries and Departments, regulatory bodies, employers, professional institutes, universities and other training institutions, among others.

It is my conviction that the revised syllabuses will reshape the professional qualifications frontier in the region and beyond and firmly place Kenya as one of the leading countries in the provision of globally competitive professionals.

Dr Julius M. Muia, PhD, CBS

The Principal Secretary/The National Treasury
The National Treasury and Planning

August 2021

PREFACE

Kasneb has been undertaking a major review of its examination syllabuses every five years and a mid-term review every two and a half years. The prime focus of the just completed major review was the need to produce enhanced, integrated and competence based curriculums whose graduates will remain well positioned to meet the dynamic global market demands for the next five years and beyond.

The major review process commenced in earnest in August 2019 with an intensive stakeholder engagement across various counties in Kenya. This was supplemented by study visits and surveys conducted in various parts of the globe, including in the USA, UK, Canada, Malaysia, Singapore, Australia and India. Further engagements with employers, practitioners and the market at large culminated in the development of a competence framework for the professional qualifications of Kasneb. A competence framework is a structure that sets out and defines each individual competency required by persons working in an organisation. The framework defines the knowledge, skills and attributes needed for people within an organization.

Complementing the competence framework were occupational standards developed for the vocational, certificate and diploma programmes. Similar to the competence frameworks for professionals, the occupational standards for various technician qualifications are statements of work performance reflecting the ability to successfully complete the functions required in an occupation, as well as the application of knowledge, skills and understanding in an occupation.

With the development of the competence frameworks and occupational standards, the next logical step was the development of the detailed syllabuses content addressing the identified required competencies. The syllabuses content was developed by various subject matter experts drawn from both public and private sectors, industry and academia, employers and practitioners among others.

As noted above, stakeholder engagement formed a critical pillar in each step of the review process. At the final stretch, stakeholders were invited to validate the syllabuses on Friday, 7 May 2021 during a national virtual conference. This paved the way for the launch of the syllabuses on Friday, 23 July 2021.

As part of the new competence-based system, Kasneb will use various assessment modes through a partnership model with other institutions to test the achievement of key competencies and skills. Among other key areas of focus is the introduction of practical experience and work-simulation, together with a requirement for students to attend workshops where matters of ethics, values, attitudes and other soft skills will be developed.

The major review of the syllabuses also witnessed the expansion of the qualifications spectrum for Kasneb to include four vocational courses, one certificate course, three diploma courses, five professional courses and one post-professional specialisation course.

We are confident that the new qualifications of kasneb will address the current and emerging skills requirements in the national, regional and international markets.

Finally, I wish to take this opportunity to thank all our partners and stakeholders for their contribution in various ways to the successful completion of the major syllabuses review.

Dr Nancy N. Muriuki, PhD
Chairman of the Board of Kasneb

August 2021

ACKNOWLEDGEMENT

I wish to take this opportunity to express our deepest appreciation to all our key stakeholders who, through their expert advice, comments, other feedback and general support contributed to the development of the revised syllabuses together with the supporting competence frameworks and occupational standards.

We are particularly grateful to the Government of Kenya through the National Treasury and Planning, the Ministry of Education, Ministry of Foreign Affairs incorporating various Kenyan Embassies and High Commissions, among others; various regulatory bodies including the Kenya National Qualifications Authority (KNQA), Technical and Vocational Education and Training Authority (TVETA), Commission for University Education (CUE), Central Bank of Kenya (CBK), Capital Markets Authority (CMA); professional bodies including the Institute of Certified Public Accountants of Kenya (ICPAK), Institute of Certified Secretaries (ICS), Institute of Certified Investment and Financial Analysts (ICIFA), Institute of Credit Management Kenya (ICM-K), Law Society of Kenya (LSK) - Nairobi Chapter; Federation of Kenya Employers (FKE) and individual employers; the Ethics and Anti-Corruption Commission (EACC); practitioners, subject matter experts and trainers, various consultants engaged; students, parents and guardians; past and present members of the Board, Committees and Sub-Committee; members of staff of Kasneb among other stakeholders.

We also extend our appreciation to all foreign regulatory and professional bodies who facilitated the study visits and provided valuable insights on global trends and emerging issues in areas relevant to the examinations of Kasneb. In this connection, we wish to highlight the following institutions for special mention:

1. United Kingdom (UK): Chartered Governance Institute; Chartered Institute of Management Accountants; Chartered Institute of Marketers; Institute of Chartered Accountants in England and Wales; Pearson Vue Limited.
2. United States of America (USA): American Institute of Certified Public Accountants; Chartered Financial Analysts Institute; International Federation of Accountants; Society for Corporate Governance.
3. Singapore and Malaysia: Chartered Secretaries Institute of Singapore; Malaysian Association of Chartered Secretaries and Administrators; Malaysian Institute of Accountants.
4. Canada: CPA Canada; Board of Canadian Registered Safety Professionals.
5. Australia: CPA Australia; Pearson Vue Australia.
6. India: Indira Gandhi National Open University; Institute of Chartered Accountants of India; Institute of Company Secretaries of India, Institute of Cost Accountants of India.
7. South Africa: South Africa Institute of Chartered Accountants (SAICA).

Kasneb remains forever grateful to all our stakeholders for your role in ensuring the development of quality and globally benchmarked syllabuses, competence frameworks and occupational standards. We look forward to your continued support in the implementation of the revised syllabuses.

Dr Nicholas K. Letting', PhD, EBS
Secretary/Chief Executive Officer, Kasneb

August 2021

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BACKGROUND INFORMATION ABOUT kasneb

1.1 Legal Foundation and Status of kasneb

kasneb was established as a state corporation under the National Treasury by the Government of Kenya on 24 July 1969. The establishment and operations of kasneb are governed by the following main Acts:

- (a) The Accountants Act, No. 15 of 2008 (which repealed the Accountants Act, Cap 531 of 1977).
- (b) The Certified Public Secretaries of Kenya Act, Cap 534 of 1988.
- (c) The Investment and Financial Analysts Act, No. 13 of 2015.

1.2 Functions of kasneb

Section 17(1) of the Accountants Act, 2008 of the Laws of Kenya defines the functions of kasneb. These functions are:

- (a) To prepare syllabuses for professional, diploma and certificate examinations in accountancy, company secretarial practice and related disciplines;
- (b) To make rules with respect to such examinations;
- (c) To arrange and conduct examinations and issue certificates to candidates who have satisfied examination requirements;
- (d) To promote recognition of its examinations in foreign countries;
- (e) To investigate and determine cases involving indiscipline by students registered with the Examinations Board;
- (f) To promote and carry out research relating to its examinations;
- (g) To promote the publication of books and other materials relevant to its examinations;
- (h) To liaise with the Ministry of Education, Science and Technology in accreditation of institutions offering training in subjects examinable by the Examinations Board, and
- (i) To do anything incidental or conducive to the performance of any of the preceding functions.

1.3 Professional Institutes/Registration Board for Kasneb graduates

1.3.1 Institute of Certified Public Accountants of Kenya (ICPAK)

ICPAK is established under Section 3 of the Accountants Act, 2008. One of the functions of ICPAK is to advise kasneb on matters relating to examination standards and policies. The Act also makes provisions for the establishment of a Registration and Quality Assurance Committee (Registration Committee) under Section 13. One of the functions of the Registration Committee is to register eligible persons as Certified Public Accountants.

1.3.2 Institute of Certified Secretaries (ICS)

ICS is established under Section 3 of the Certified Public Secretaries of Kenya Act (Cap. 534) of the Laws of Kenya. One of the functions of ICS is to advise kasneb on matters relating to examination standards and policies.

1.3.3 **Registration of Certified Public Secretaries Board (RCPSB)**

RCPSB is established under Section 11 of the Certified Public Secretaries of Kenya Act (Cap. 534) of the Laws of Kenya. One of the functions of RCPSB is to register eligible persons as Certified Secretaries.

1.3.4 **Institute of Certified Investment and Financial Analysts (ICIFA)**

ICIFA is registered under the Investment and Financial Analysts Act, No. 13 of 2015 of the Laws of Kenya. One of the functions of ICIFA is to advise kasneb on matters relating to examination standards and policies. The Act also makes provisions for the establishment of a Registration Committee under Section 13. One of the functions of the Registration Committee is to register eligible persons as Certified Investment and Financial Analysts.

1.3.5 **Institute of Credit Management Kenya [ICM (K)]**

ICM (K) is registered under the Societies Act, (Cap.108) of the Laws of Kenya.

1.4 **Vision, Mission, Mandate and Core Values**

The vision, mission, mandate and core values of kasneb are as follows:

1.4.1 **Vision**

Global leader in examination and certification of business professionals.

1.4.2 **Mission**

Empowering professionals globally by offering quality examinations and undertaking research and innovation.

1.4.3 **Mandate**

The mandate of kasneb is the development of syllabuses; conduct of professional, diploma and certificate examinations and certification of candidates in accountancy, finance, credit, governance and management, information technology and related disciplines; promotion of its qualifications nationally, regionally and internationally and the accreditation of relevant training institutions in liaison with the ministry in charge of education.

1.4.4 **Core Values**

- Integrity
- Professionalism
- Customer focus
- Teamwork
- Innovativeness

2.0 **EXAMINATIONS OF kasneb**

kasneb currently offers the following examinations:

(a) **Vocational certificate courses**

These are short-term, skills-based programmes currently in the areas of entrepreneurship and innovation, graphic design, information and cyber security and block chain technology. The courses are ideal both for fresh high school graduates and established professionals in various areas willing to diversify their knowledge and competencies in the above areas.

The vocational certificate courses are administered in two levels, with each level requiring an average of three months, thus a total of six months.

Entrants with high school certificates will start with Level I which covers basic skills. Other entrants with post-high school qualifications covering the basic skills will enter at Level II.

The minimum entry for the vocational certificates is a KCSE certificate. The courses can be pursued through a tuition-based programme or privately. Tuition-based programmes (physical or virtual classes) are however recommended due to the interactiveness with facilitators and other students which are key in imparting the requisite technical and soft skills.

The examinations will be administered primarily on a computer-based platform.

The details on each of the vocational programmes are summarised below:

(i) **Vocational Certificate in Entrepreneurship and Innovation**

The course imparts basic knowledge, skills, values and attitudes to apply entrepreneurship skills and generate innovative ideas to start and manage a new business or grow an existing entity.

(ii) **Vocational Certificate in Graphic Design**

The course imparts basic knowledge, skills, values and attitudes to generate and enhance graphic designs according to set specifications.

(iii) **Vocational Certificate in Information and Cyber Security**

The course imparts basic knowledge, skills, values and attitudes to identify information and cyber threats and risks and implement programmes to protect information and databases.

(iv) **Vocational Certificate in Blockchain Technology**

The course imparts knowledge, skills, values and attitudes to develop a simple blockchain program and undertake blockchain transactions.

(b) **Certificate in Accounting and Management Skills (CAMS) course**

The course imparts knowledge, skills, values and attitudes to prepare basic accounts and financial statements for a small enterprise or non-complex environment and apply basic management and marketing skills in business.

The course is mainly for persons who wish to qualify and work as entry level accounting and management personnel.

The CAMS course is administered in two levels, with each level requiring an average of six months, thus a total of one year.

The minimum entry requirement is KCSE mean grade D or a vocational certificate.

The course is fully tuition based with requirements for students to sit for continuous assessment tests (CATs), which constitute 15% of the final score for assessment purposes.

The examinations will be administered primarily on a computer-based platform.

(c) **Diploma Courses**

Kasneb currently administers three diploma programmes; Accounting Technicians Diploma (ATD), Diploma in Data Management and Analytics (DDMA) and Diploma in Computer Networks and Systems Administration (DCNSA).

The diploma courses are administered in two levels, with each level requiring an average of one year, thus a total of two years.

The minimum entry for the diploma courses is KCSE mean grade C-. Persons with certificate and other higher qualifications from recognised institutions are also eligible for entry. The courses can currently be pursued through a tuition-based programme or privately. Tuition-based programmes (physical or virtual classes) are however recommended due to the interactiveness with facilitators and other students which are key in imparting the requisite technical and soft skills.

A summary on each of the diploma programmes is presented below:

(i) **Accounting Technicians Diploma (ATD) course**

The course imparts knowledge, skills, values and attitudes to prepare financial and management accounts and financial statements for small and medium sized enterprises and compute basic taxes for a business.

The course is aimed at persons who wish to qualify and work as middle level accountants providing technical support to professional accountants, auditors, tax practitioners and related areas.

(ii) **Diploma in Data Management and Analytics (DDMA) course**

The course imparts knowledge, skills, values and attitudes to undertake non-complex design of databases, mine and analyse data for decision making.

The DDMA will be administered on a computer-based platform.

(iii) **Diploma in Computer Networks and Systems Administration (DCNSA) course**

The course imparts knowledge, skills, values and attitudes to design, configure, test and secure and manage non-complex networks.

The DCNSA will be administered on a computer based platform.

(d) **Professional Courses**

Kasneb currently administers five professional courses, as summarised below:

- (i) Certified Public Accountants (CPA)
- (ii) Certified Secretaries (CS)
- (iii) Certified Investment and Financial Analysts (CIFA)
- (iv) Certified Credit Professionals (CCP)
- (v) Certified Information Systems Solutions Expert (CISSE)

The professional courses are administered at Foundation, Intermediate and Advanced Levels. Each level requires an average of one year, though candidates are advised to provide for an additional one year to meet requirements for internship/practical experience

The minimum entry requirement for the professional courses is KCSE mean grade C+. Persons with diplomas or other higher-level qualifications from recognised institutions are also eligible for entry. The courses can be pursued through a tuition-based programme or privately. Tuition-based programmes (physical or virtual classes) are however recommended due to the interactiveness with facilitators and other students which are key in imparting the requisite technical and soft skills.

A summary on each of the professional courses is presented below:

(i) **Certified Public Accountants (CPA) course**

The course imparts knowledge, skills, values and attitudes to, among other competencies:

- Prepare accounts and financial statements including for complex entities in both the private and public sectors.
- Use computerised accounting systems
- Practically apply data analytical tools analyse data and reach conclusions.
- Undertake audit and assurance services
- Apply advanced financial management skills to evaluate various financial aspects of a business for decision making
- Prepare management accounts
- Apply leadership and management skills in practice to manage teams and achieve results

The course is aimed at persons who wish to qualify and work or practice as professional accountants, auditors, finance managers, tax managers and consultants in related areas in both public and private sectors.

Assessment will be conducted in a variety of ways, including examinations, practical papers, workshops attendance and practical experience.

In addition to the above papers, prior to certification, candidates will be required to

- Attend workshops on ethics, soft skills and emerging issues organised by Kasneb and ICPAK and earn IPD hours)
- Obtain 1-year practical experience, or alternatively attend workshops on work based simulation organised by Kasneb and ICPAK.

In order to assist CPA students to obtain the requisite practical experience and internship opportunities, they will be registered as student members of the Institute of Certified Public Accountants of Kenya (ICPAK) under a programme called the Trainee Accountants Practical Experience Programme (TAPEF). Through TAPEF, ICPAK working in consultation with Kasneb will assist students as much as possible to link with professional accountants who will mentor them towards obtaining the necessary practical experience.

(ii) **Certified Secretaries (CS) course**

The course imparts knowledge, skills, values and attitudes to, among other competencies:

- Practice and promote principles of good governance within public and private sector entities
- Implement and comply with legal, regulatory and ethical requirements in practice
- Ensure proper conduct and management of meetings
- Undertake consultancy and advisory services in corporate secretarial and related practices
- Manage boardroom dynamics
- Undertake governance and compliance audits

The course is aimed at persons who wish to qualify and work or practice as corporate secretaries, policy formulators and consultants in governance, governance and compliance auditors and administrators at county and national levels and in the private sector.

Assessment will be conducted in a variety of ways, including examinations, projects and workshops attendance.

(iii) **Certified Investment and Financial Analysts (CIFA) course**

The course imparts knowledge, skills, values and attitudes to, among other competencies:

- Apply financial tools and concepts in analysis and valuation of investment and securities
- Manage and grow portfolios of investments
- Analyse various types of investments including equity investments, fixed income investments and derivatives
- Manage corporate finances
- Apply financial modelling and analytical tools in investments analysis

The course is aimed at persons who wish to qualify and work or practice as investment, securities and financial analysts, portfolio managers, investment bankers, fund managers, consultants on national and global financial markets and related areas.

(iv) **Certified Credit Professionals (CCP) course**

The course imparts knowledge, skills, values and attitudes to, among other competencies:

- Manage the credit cycle for trade credit providers
- Manage credit risk for different entities
- Undertake credit analysis for various corporate entities
- Undertake debt collection in a professional manner
- Comply with various requirements in debt management including governance, ethical, legal and regulatory requirements.

The course is aimed at persons who wish to qualify and work or practice in various fields of credit management including credit analysis, debt management and recovery, corporate lending and related areas in both formal and informal sectors.

(v) **Certified Information Systems Solutions Expert (CISSE) course**

The course imparts knowledge, skills, values and attitudes to, among other competencies:

- Develop information systems solutions for a business
- Design and operationalise database management systems
- Design, configure and trouble shoot computer networks
- Implement ICT projects
- Manage and analyse big data

(e) **Post-professional specialisation course**

Kasneb has introduced the Certified Forensic Fraud Examiner (CFFE). The course imparts knowledge, skills, values and attitudes to, among other competencies:

- Apply analytical techniques in fraud detection
- Design and implement preventive and detective controls
- Apply and ensure compliance with the appropriate laws in fraud investigations
- Apply the burden and standards of proof in civil and criminal proceedings
- Apply the various methods and techniques of conducting fraud investigations
- Write standard investigations and expert witness reports
- Develop fraud prevention programs
- Conduct a fraud prevention health check up
- Develop and implement a fraud risk management program

The course is aimed at persons who wish to qualify and work or practice in the fields of financial fraud and corruption investigations, fraud prevention, fraud risk analysis and related areas.

The CFFE is administered in three modules, with an integrated case study and workshops at the end of the course. Each module is expected to last for three months. Examinations for the CFFE course will be administered three times in a year, thus the course is meant to last on average one year.

The minimum entry requirement to pursue the CFFE course is:

- Kasneb professional qualification; or
- Bachelor's degree from a recognised university; or
- Any other qualification considered equivalent to the above.

The course can be pursued through tuition-based learning or self-study.

Kasneb working with other partners will be rolling out another post-professional specialisation area in public financial management.

(f) **Examinations for holders of foreign qualifications wishing to be registered and practice in Kenya**

(i) **Examination for holders of foreign accountancy qualifications (FAQs)**

In consultation with the Council of ICPAK under Section 26 Sub-Sections (2) and (3) of the Accountants Act, 2008, kasneb examines holders of foreign accountancy qualifications who have applied for registration as Certified Public Accountants (CPAs) of Kenya and they are required to demonstrate their knowledge of local law and practice.

(ii) **Examination for holders of foreign secretaries qualifications (FSQs)**

In consultation with the Council of ICS under Section 20 Sub-Sections (2) and (3) of the Certified Public Secretaries of Kenya Act, Cap 534, kasneb examines holders of foreign secretaries qualifications who have applied for registration as Certified Secretaries (CSs) of Kenya and they are required to demonstrate their knowledge of local law and practice.

(iii) **Examination for holders of foreign investment and financial analysts qualifications (FIFAQs)**

In consultation with the Council of ICIFA under Section 16 Sub-Sections (2) and (3) of the Investment and Financial Analysts Act, No. 13 of 2015, kasneb examines holders of foreign qualifications who have applied for registration as Certified Investment and Financial Analysts (CIFA) and they are required to demonstrate their knowledge of local law and practice.

3.0 **EXAMINATION RULES AND REGULATIONS**

3.1 **Registration and examination bookings**

All applications for registration and examination booking must be in the prescribed manner. Students are advised to download the e-kasneb app for purposes of registration and examination booking. The deadline for registration and examination booking will be specified for each sitting but may not be later than thirty days to the date of the next examinations.

3.2 **Exemptions**

Exemptions may, on application, be granted to registered students who are holders of certain degrees and diplomas recognised by kasneb. Exemptions will be granted on a paper by paper basis. Details on available exemptions can be accessed on the kasneb website www.kasneb.or.ke.

3.3 **Retention of Credits**

Credits for papers passed by candidates will be retained without limit.

3.4 **Progression Rule**

A candidate will not be allowed to enter a higher level of the examination before completing the lower level.

3.5 **Registration Renewal**

3.5.1 A registered student must renew the studentship registration annually on the first day of July provided that newly registered students will be required to renew their registration on the first day of July following the examination sitting to which they are first eligible to enter.

3.5.2 A student who without good cause fails to renew the registration within three months of the renewal date will be deemed to have allowed the registration to lapse and may thus forfeit the right to write the examination until the renewal position is regularised. The registration number of a student who fails to renew the registration for three consecutive years will be deactivated, that is, removed from the register of students and will thus not be able to book for examinations until the registration number is reactivated.

3.5.3 A student whose registration number is deactivated for failure to renew the registration may apply for reactivation provided that if the application is accepted, the student shall:

- (a) Pay the registration reactivation fee.
- (b) Pay three years of registration renewal fees.

3.6 **Rules Governing the Conduct of Students in the Examination Room**

Kasneb will conduct examinations on both computer-based and paper-based platforms. The following rules mainly relate to paper-based examinations. Kasneb will be issuing additional rules specific to computer-based examinations in due course.

3.6.1 Candidates should present themselves for the examination at least 30 **minutes** before the scheduled time for the commencement of the examination they are taking.

3.6.2 A candidate who arrives half an hour or later after the commencement of the examination will not be allowed to take the examination nor will a candidate be permitted to leave the examination room until after the end of the first half hour since the commencement of the examination.

3.6.3 Each candidate is assigned a registration number upon registration as a student of kasneb. The candidate must sit at the place indicated by that number in the examination room. The registration number must be entered in the space provided at the top right-hand corner of each answer sheet.

3.6.4 The name of the candidate **must not** appear anywhere on the answer sheet.

3.6.5 Each answer sheet has a serial number indicated on the top, left hand side of the answer sheet. Each candidate must indicate the serial number of the answer sheet(s) used for each examination paper in the signature register.

- 3.6.6 Examination stationery will be provided in the examination room, but candidates must bring their own blue or black ink pens, pencils, and rulers.
- 3.6.7 **Mobile phones are strictly not allowed in the examinations room.**
- 3.6.8 No stationery whatsoever may be removed from the examination room.
- 3.6.9 Candidates **must not** carry the examination question papers from the examination room.
- 3.6.10 Candidates are allowed to use calculators provided that such calculators are noiseless, cordless and non-programmable.
- 3.6.11 Candidates will be required to positively identify themselves to the chief invigilator by producing their student identification cards and the national identity cards. Non-Kenyan candidates will be required to produce other relevant identification documents such as passports.
- 3.6.12 Strict **silence** must be observed during the entire duration of the examination.
- 3.6.13 Candidates **must not** possess any notes, printed paper or books in the examination room, but must leave any such material with the chief invigilator. Candidates using clipboards must ensure that such clipboards have no writing on them whatsoever.
- 3.6.14 Smoking is **not** allowed in the examination room.
- 3.6.15 Candidates **must not** collude in the examination room by exchanging notes or keeping the answer booklet in such a way that another candidate can read or copy from the booklet.
- 3.6.16 Impersonation in the examination room is not only a serious offence but also a criminal offence.
- 3.6.17 During the course of the examination, no candidate may leave the examination room without permission from the chief invigilator. Any candidate who does so will not be allowed to return to the examination room.
- 3.6.18 Candidates who finish the paper before the chief invigilator announces the end of the examination and wish to leave the examination room while the examination is in progress must inform the invigilator and hand in their scripts to the invigilator before leaving the examination room. However, no candidate will be allowed to leave the examinations room during the last fifteen (15) minutes of the examination.
- 3.6.19 Candidates **must not** leave the examination room with any answer booklet or answer sheets.
- 3.6.20 Candidates **must not** leave the examination room before their answer booklets are collected by the invigilators.
- 3.6.21 Candidates **must not** write notes on the examination timetable (Authority to sit the Examination).
- 3.6.22 Candidates with confirmed disabilities may apply to kasneb to be allowed extra time during examinations. Such application should be made at least two months prior to the examination.

3.6.23 Candidates must produce the timetables (Authority to sit the Examination) in order to be allowed to take the examination. Candidates may download their timetables (Authority to sit the Examination) from the kasneb website or through the e-kasneb. The downloaded timetables may be used as authority to sit the examination.

3.7 **Action for Breach of Examination Rules and Regulations**

3.7.1 kasneb is mandated by the Accountants Act, 2008 under Section 17 (1)(e) to investigate and determine cases involving indiscipline by students registered with kasneb. Section 42 of the Act further defines examination offences that are punishable under the law and the applicable penalties.

3.7.2 Disciplinary action will be taken against candidates who breach the examination rules and regulations of kasneb. A breach of the examination rules and regulations of kasneb shall include but is not limited to the following:

- (a) Deficiency in identification.
- (b) Impersonation.
- (c) Collusion.
- (d) Possession of a mobile phone in the examination room.
- (e) Possession of notes in the examination room.
- (f) Taking away answer booklets.
- (g) Writing of names on the scripts.
- (h) Possession of mobile phones in the examination room.
- (i) Carrying the examination question papers from the examination room.

3.7.3 The action for breach of the examination rules and regulations of kasneb shall include but not limited to the following:

- (a) De-registration as a student of kasneb.
- (b) Cancellation of registration number.
- (c) Nullification of candidate's results.
- (d) Prohibition from taking examinations of kasneb.
- (e) Written reprimand and warning.

3.7.4 Certain breaches of the rules and regulations amount to breaches of the law. In such cases, candidates will be handed over to the police for investigations and appropriate legal action.

Section 42 of the Accountants Act, 2008 provides that a person who:

- (a) gains access to examinations materials and knowingly reveals the contents, whether orally, in writing or through any other form, to an unauthorised party, whether a candidate or not;
- (b) wilfully and maliciously damages examinations materials;

- (c) while not registered to take a particular examination, with intent to impersonate, presents or attempts to present himself to take the part of an enrolled candidate;
- (d) presents a forged certificate to a prospective employer or to an institution of learning with intent to gain employment or admission; or
- (e) introduces unauthorised materials into the examinations room, whether in writing or in any other form, whether a candidate or not, commits an offence and is liable on conviction to imprisonment for a term not exceeding three years, or to a fine not exceeding one hundred thousand shillings, or to both.

FOUNDATION LEVEL

PAPER NO. 1 MANAGEMENT PRINCIPLES AND PRACTICE

UNIT DESCRIPTION

This paper is intended to equip the candidate with the knowledge, skills and attitude that will enable him/her to apply management principles in decision making in a practical organisational context.

LEARNING OUTCOMES

A candidate who passes this paper should be able to:

- Demonstrate understanding of management principles and techniques
- Apply knowledge of management theories in organisations
- Effectively practice management functions such as planning, organising, leading, and controlling in organisations (P-O-L-C framework)
- Demonstrate understanding of management principles and techniques
- Embrace and manage change
- Develop capacity for making rational decisions

CONTENT

1. **Introduction to management**
 - 1.1 Nature of management
 - 1.2 Importance of management
 - 1.3 Levels of management
 - 1.4 Multi-disciplinary nature of Management s
 - 1.5 Roles of management as advocated by Henry Mintzberg
 - 1.6 The changing roles of management and managers
 - 1.7 Qualities of an effective manager
 - 1.8 Management, administration and leadership
2. **Evolution and development of management thought**
 - 2.1 Classical approaches to management
 - 2.1.1 Taylor's view point
 - 2.1.2 Fayol's administrative theory
 - 2.1.3 Max Weber's bureaucratic theory
 - 2.2 Behavioural management approach
 - 2.2.1 Elton Mayo-Human relation theory
 - 2.2.2 Abraham Maslow's theory
 - 2.2.3 McGregor's X and Y theory
 - 2.2.4 Mary Parker Follett management theory
 - 2.3 Modern management theories
 - 2.3.1 Quantitative thinking
 - 2.3.2 Systems thinking
 - 2.3.3 Contingency thinking
3. **Functions of management**
 - 3.1 **Planning function**
 - 3.1.1 Introduction to planning
 - 3.1.2 Importance of planning
 - 3.1.3 Macro-environment
 - 3.1.4 Micro-environment

- 3.1.5 External environment
- 3.1.6 Internal environment
- 3.1.7 Planning process
- 3.1.8 Types of plans
- 3.1.9 Approaches to planning
- 3.2 **Organising function**
 - 3.2.1 Meaning and importance of organising
 - 3.2.2 Factors affecting the organising function
 - 3.2.3 Process of organising
 - 3.2.4 Principles of organising
 - 3. Organisational structures
- 3.3 **Staffing function**
 - 3.3.1 Meaning and importance of staffing
 - 3.3.2 Staffing process
 - 3.3.3 Factors that affect the staffing function
 - 3.3.4 Components of the staffing function
- 3.4 **Leading function**
 - 3.4.1 Meaning of leadership
 - 3.4.2 Attributes and skills of a good leader
 - 3.4.3 Delegation, responsibility and accountability
 - 3.4.4 Difference between management and leadership
 - 3.4.5 Power and Authority
- 3.5 **Controlling function**
 - 3.5.1 Meaning and importance of control
 - 3.5.2 Steps in the control process
 - 3.5.3 Types of control
 - 3.5.4 Controlling for organisational and employee performance
 - 3.5.5 Tools for measuring performance
 - 3.5.6 Essentials of an effective control system
- 4. **Enterprise management**
 - 4.1 Meaning and concept of entrepreneurship
 - 4.2 Intrapreneurship in organisations
 - 4.3 Entrepreneurial development
 - 4.4 Enhancing creativity and innovation in organisations
 - 4.5 Methods of generating ideas
 - 4.6 Introduction to business plan
 - 4.7 Protection of intellectual properties
- 5. **Change Management**
 - 5.1 Meaning of change
 - 5.2 Theories of change
 - 5.3 The change process
 - 5.4 Types of organisational change
 - 5.5 Managing resistance to change
 - 5.6 Innovation at the workplace

6. **Project management**
 - 6.1 Project management concepts
 - 6.2 Characteristics of a project
 - 6.3 Importance of projects
 - 6.4 Features of projects and baseline surveys
 - 6.5 Project life cycle
 - 6.6 Project planning and organising
 - 6.7 Project resources and costing
 - 6.8 Project completion and evaluation

7. **Marketing management**
 - 7.1 Meaning and importance of marketing
 - 7.2 Marketing management orientation/philosophies
 - 7.3 Marketing mix
 - 7.4 Developing of marketing information
 - 7.5 Marketing strategies
 - 7.6 Marketing research and intelligence
 - 7.7 International marketing and e-commerce

8. **Decision making**
 - 8.1 Importance of decision making
 - 8.2 Decision making process
 - 8.3 Decision making models/approaches
 - 8.4 Types of decisions
 - 8.5 Decision making under different conditions
 - 8.6 Challenges in decision making
 - 8.7 Problem solving skills
 - 8.8 Effective decision making in today`s world

Sample reading and reference material

1. Cole, G. A., & Kelly, P. (2020). Management Theory & Practice (9th edition). Cengage Learning.
2. Robbins, S. P., & Coulter, M. A. (2021). Management (15th edition). New Delhi: Pearson India.
3. Robbins, S. P., Coulter, M., & Decenzo, D. A. (2017). Fundamentals of Management: Essential Concepts and Applications (10th edition). Boston: Pearson.
4. Kasneb e-learning resources (link on the Kasneb website).
5. Kasneb approved study packs.

PAPER NO.2 COMMUNICATION SKILLS AND RECORDS MANAGEMENT

UNIT DESCRIPTION

This paper is intended to equip the candidate with the knowledge, skills and attitude that will enable him/her to communicate clearly and concisely with the Board, Chief Executive and staff in both verbal and written forms including through digital technology and maintain records and confidentiality of information.

LEARNING OUTCOMES

A candidate who passes this paper should be able to:

- Communicate effectively in an organisation
- Develop strategies for effective communication and presentation in an organisation
- Maintain and manage records effectively
- Develop a disaster recovery plan
- Observe ethics in record management

CONTENT

1. **Introduction to communication**
 - 1.1 Meaning of communication
 - 1.2 Role of communication in an organisation
 - 1.3 Elements of communication
 - 1.4 The communication process
 - 1.5 Principles of effective communication
 - 1.6 Essential of an effective communication system
 - 1.7 Barriers to effective communication
2. **Types of communication**
 - 2.1 Formal and informal communication
 - 2.2 Flow of communication in an organisation
 - 2.3 Grapevine communication
 - 2.4 Internal and external communication
 - 2.5 Interpersonal and intrapersonal communication
 - 2.6 Cross-cultural communication
3. **Written communication and visual communication**
 - 3.1 Sentence construction and paragraph development
 - 3.2 Business letters
 - 3.3 Memorandum
 - 3.4 Posters and notices
 - 3.5 Forms and questionnaires
 - 3.6 Circulars and newsletters
 - 3.7 Advertisements and publicity materials
 - 3.8 Documents used in business transactions - letter of enquiry, catalogue, quotation, purchase order, invoice, credit note, debit note, others
 - 3.9 Job application cover letter, curriculum vitae and resume
 - 3.10 E-mails
 - 3.11 Visual communication - graphs/charts/tables/diagrams/pictures

4. **Oral communication and non-verbal communication**
 - 4.1 Meaning of oral communication
 - 4.2 Importance of oral communication
 - 4.3 Means of oral communication-face to face and telephone conversations
 - 4.5 Effective listening - the listening process, principles of effective listening, listening techniques, barriers to effective listening
 - 4.6 Interviews - types, purpose, preparation and conduct of interviews,
 - 4.7 Persuasive communication - meaning, objectives, creating persuasive messages, approaches to persuasion
 - 4.8 Assertive communication
 - 4.9 Meaning and importance of non-verbal communication
 - 4.10 Forms of non-verbal communication
 - 4.11 Effective use of non-verbal communication
 - 4.12 Barriers to effective non-verbal communication`

5. **Records management systems**
 - 5.1 Definition of records management system
 - 5.2 Importance of an effective records management system
 - 5.3 Classification of records and indexing
 - 5.4 Features of an effective records management system
 - 5.5 Principles of effective records management systems
 - 5.6 Records management process
 - 5.7 Postal and courier services

6. **Records lifecycle**
 - 6.1 Records creation
 - 6.2 Records distribution
 - 6.3 Active storage
 - 6.4 Records retention
 - 6.5 Disposal of records
 - 6.6 Archival of records
 - 6.7 Electronic records management systems
 - 6.8 Maintaining security and confidentiality of records
 - 6.9 Disaster management system and recovery procedure

7. **Public speaking and presentation**
 - 7.1 Effective presentation skills
 - 7.2 Audience analysis
 - 7.3 Selecting and researching the topic
 - 7.4 Preparation and organisation of an effective presentation
 - 7.5 Structure of presentation
 - 7.6 Presentation aids
 - 7.7 Public speeches - structure and delivery of public speeches

8. **Group and team communication**
 - 8.1 Group communication networks
 - 8.2 Team communication
 - 8.3 Managing team communication- Resolving conflicts and disagreements
 - 8.4 Communicating in virtual groups and teams-group e-mails, WhatsApp groups, social media, corporate blogs, online surveys
 - 8.5 Meetings and minutes writing
 - 8.6 Conferences and symposia

- 8.7 Use of virtual meetings platforms; Google Meet, Zoom and MS Teams
- 9. **Report and proposal writing**
 - 9.1 Types and purpose of reports
 - 9.2 Structure and content of reports
 - 9.3 Types and uses of proposals
 - 9.4 Structure and content of proposals
 - 9.5 Writing of formal reports and proposals
- 10. **Information technology and communication**
 - 10.1 Role and impact of technology in communication
 - 10.2 Communication networks- internet, intranet and extranet
 - 10.3 Teleconferencing and video conferencing
 - 10.4 Webinars
 - 10.5 Wireless technology
 - 10.6 Online surveys
- 11. **Ethics in communication**
 - 11.1 Role of ethical communication in an organisation
 - 11.2 Principles of ethical communication
 - 11.3 Ethical issues in communication
 - 11.4 Enhancing ethical communication in an organisation
 - 11.5 Factors influencing ethical communication
 - 11.6 Ethical dilemmas in communication
 - 11.7 Handling ethical dilemmas in communication
 - 11.8 Ethics relating to virtual meetings

Sample reading and reference material

1. Thrill, J and Bovee, C (2017). Business Communication Today (14th edition). Pearson.
2. Stanton, N (2016). Mastering Communication (5th edition). Wiley.
3. Taylor, S (2016). Communication for Business ; A Practical Approach (4th edition). Pearson.
4. Floyd, K. and Cardon, P. (2019). Business and Professional Communication. McGraw-Hill.
5. Kasneb e-learning resources (link on the Kasneb website)
6. Kasneb approved study packs

PAPER NO. 3 INTRODUCTION TO LAW AND GOVERNANCE

UNIT DESCRIPTION

This paper is intended to equip the candidate with the knowledge, skills and attitude that will enable him/her to apply the principles of law and legal systems in an entity and ensure compliance with basic principles of governance and ethics.

LEARNING OUTCOMES

A candidate who passes this paper should be able to:

- Demonstrate knowledge of essential elements of the legal system
- Demonstrate knowledge of legal personality
- Apply law of contract and tort in various scenarios
- Apply general principles of business law in practice
- Apply fundamental principles of ethics in practice
- Comply with fundamental principles of governance

CONTENT

1. Nature, Purpose and Classification of Law

- 1.1 Meaning of law
- 1.2 Nature of law
- 1.3 Purpose of law
- 1.4 Classification of law
- 1.5 Law and morality
- 1.6 The Constitution
- 1.7 Legislation and delegated legislation
- 1.8 Substance of common law and doctrines of equity
- 1.9 African customary law
- 1.10 Islamic law, Hindu law and African customary law
- 1.11 Judicial precedence
- 1.12 General rules of International law and ratified treaties

2. Administrative Law

- 2.1 Meaning of administrative law
- 2.2 Sources of administrative law
- 2.3 Functions of administrative laws
- 2.4 Doctrine of separation of powers
- 2.5 Delegated legislation
- 2.6 Control of delegated legislation
- 2.7 Discretion and Judicial control of executive
- 2.8 Liability of state (contractual/ tortious)
- 2.9 Principles of natural justice
- 2.10 Judicial control of the Executive
- 2.11 Independence of Judiciary
- 2.12 Remedies in administrative law (mandamus, certiorari, prohibition, habeas corpus; injunction and declaration)

3. The Court System

- 3.1 Establishment, structure, composition and jurisdiction of courts
- 3.2 Supreme Court
- 3.3 Court of Appeal

- 3.4 High Court
- 3.5 Employment and Labour Relations Court
- 3.6 Environmental and Land court
- 3.7 International Court of Justice
- 3.8 Magistrates Court
- 3.9 Court Martial
- 3.10 Kadhi's Court
- 3.11 Distinction between Courts and Tribunals

- 4. **Alternative Dispute Resolutions (ADR)**
 - 4.1 Nature of alternative dispute resolutions (ADR)
 - 4.2 Nature and types of disputes
 - 4.3 Legal framework governing ADR
 - 4.4 General principles of ADR
 - 4.5 Negation and Conciliation
 - 4.6 Mediation
 - 4.7 Arbitration
 - 4.8 Dispute Review Boards
 - 4.9 Traditional dispute resolution mechanisms

- 5. **Law of Persons**
 - 5.1 Natural and artificial persons
 - 5.2 Nationality, citizenship and domicile
 - 5.3 Unincorporated and incorporated associations
 - 5.4 Co-operative societies

- 6. **Law of Tort**
 - 6.1 Nature of tort
 - 6.2 General defenses under tort
 - 6.3 Negligence
 - 6.4 Types of liabilities in tort
 - 6.5 Trespass
 - 6.6 Limitation and survival of actions
 - 6.7 Remedies in tort
 - 6.8 Principles in awards damages
 - 6.9 Defamation

- 7. **Law of Contract**
 - 7.1 Definition of a contract
 - 7.2 Classification of contracts
 - 7.3 Essentials of a valid contract
 - 7.4 Terms of a contract
 - 7.5 Exemption clauses
 - 7.6 Vitiating factors
 - 7.7 Discharge of contract
 - 7.8 Remedies for breach of a contract
 - 7.9 Limitation of actions
 - 7.10 Contract negotiation
 - 7.11 Information technology and the law of contract

8. **Sale of Goods**
 - 8.1 Nature of the contract of sale of goods
 - 8.2 Types of goods
 - 8.3 Formalities of the contract
 - 8.4 Terms of the contract
 - 8.5 Implied terms by statute, custom/usage
 - 8.6 Rights and duties of the parties
 - 8.7 Remedies for price and breach of contract
 - 8.8 Auction sales
 - 8.9 International contracts of sale: FAS, FOB, CIF, FCA, CPT, CIP, DAT, DAP, DDP, CFR, DAF, DDU, Ex-works and Ex-ship

9. **Agency**
 - 9.1 Meaning and nature of the agency contract
 - 9.2 Types of agents
 - 9.3 Parties to the agency relationship
 - 9.4 Creation of agency
 - 9.5 Authority of an agent
 - 9.6 Rights and duties of the parties
 - 9.7 Personal liability of agents
 - 9.8 Liability of the parties
 - 9.9 Termination of agency

10. **Partnership**
 - 10.1 Nature of partnership
 - 10.2 Registration process and requirements of partnership business
 - 10.3 Types of partnerships
 - 10.4 Rights, duties and liabilities of existing, incoming and minor partners
 - 10.5 Management of partnerships
 - 10.6 Dissolution of partnerships and its consequences

11. **Indemnity and Guarantees**
 - 11.1 Essential features of indemnity
 - 11.2 Nature and extent of liability of indemnifier
 - 11.3 Commencement of liability of indemnifier
 - 11.4 Nature of the contracts; essential features of contract guarantee; distinction between contract of guarantee/ indemnity extent of nature and surety
 - 11.5 Obligations of surety
 - 11.6 Discharge of surety
 - 11.7 Letters of credit
 - 11.8 Rights and duties of the parties
 - 11.9 Termination of the contract
 - 11.10 Remedies for breach of contract

12. **Insurance**
 - 12.1 Nature of the contract; types, parties to negotiable instrument
 - 12.2 Formalities of the contract
 - 12.3 Types of risks
 - 12.4 Parties to the contract of insurance
 - 12.5 Principles of insurance
 - 12.6 Types of insurance

- 12.7 Transfers and amalgamation
- 12.8 Termination of the contract
- 12.9 ICT and insurance

- 13. **Negotiable Instruments**
 - 13.1 Nature and characteristics
 - 13.2 Negotiability of the instrument
 - 13.3 Types: Cheques, promissory notes, bills of exchange
 - 13.4 Types of crossings
 - 13.5 Obligations of the parties
 - 13.6 Banker- customer relationship
 - 13.7 Presentment; purpose, time, place
 - 13.8 Discharge from liability
 - 13.9 Modes of discharge
 - 13.10 Dishonour, mode of dishonour, nature of protest, penalties for dishonour
 - 13.11 Acceptance for honour
 - 13.12 Criminal liability

- 14. **The Law of Property**
 - 14.1 Definition of property
 - 14.2 Classification of property (real and personal, movable and immovable, tangible and intangible)
 - 14.3 Property in land: Private, public and community land
 - 14.4 Interests in land: Estates, servitudes and encumbrances
 - 14.5 Intellectual property: Plant breeder's patents, trademarks, copyrights and industrial designs
 - 14.6 Administration and management of land
 - 14.7 Sectional properties
 - 14.8 Management company
 - 14.9 Obligations of lessor and lessee in sessional property Act
 - 14.10 Transfer of land rights
 - 14.11 Role of professionals (Advocates, Certified Secretaries) in land transactions

- 15. **Introduction to corporate governance**
 - 15.1 Corporate governance – Definition and objects
 - 15.2 Principles of corporate governance
 - 15.3 Best practice in corporate governance
 - 15.4 Role of stakeholders (shareholders, Board of Directors, Government)
 - 15.5 Conflict of interest - Investor education and protection of shareholders
 - 15.6 Compliance obligations
 - 15.7 Legal Audit- definition and objects

- 16. **Professional Ethics**
 - 16.1 Introduction and overview of professional ethics
 - 16.2 Professional misconduct
 - 16.3 Publicity and advertisement
 - 16.4 Morality and etiquette
 - 16.5 Professional ethics for accountants, corporate secretaries
 - 16.6 Ethics and practice within a firm
 - 16.7 Enforcement of professional ethics and standards

Sample reading and reference materials

1. Jackson, T. *The Law of Kenya*. (3rd edition). Nairobi: Kenya Literature Bureau.
2. Ogola J. J., *Business Law*. (Revised Edition): Focus publications limited.
3. Furmston M., (2017). *Cheshire, Fifoot and Furmston's Law of Contract* (17th edition) London: Butterworth's.
4. Finch, E. & Fafinski, S. (2013) *Tort Law* (4th edition) London: Pearson.
5. Steel, J. (2017). *Tort Law: Text, Cases, and Materials* (4th edition). Oxford: Oxford University Press.
6. Kasneb e-learning resources (link on the Kasneb website).
7. Kasneb approved study packs.

PAPER NO. 4 PRINCIPLES OF ACCOUNTING AND TAXATION

UNIT DESCRIPTION

This paper is intended to equip the candidate with knowledge, skills and attitudes that will enable him/her to prepare and interpret financial statements and compute taxes for various entities in a non-complex environment.

LEARNING OUTCOMES

A candidate who passes this paper should be able to:

- Prepare books of original entry and basic ledger accounts under the double entry system
- Prepare basic financial statements of corporations and not for profit organisations
- Prepare non-complex tax computations for individuals and corporations
- Interpret information in financial and tax statements for decision making.

CONTENT

1. Introduction to Accounting

- 1.1 The nature and purpose of accounting
- 1.2 Users of accounting information and their respective needs
- 1.3 Accounting Standards and their purposes (IFRS, IASs, IPSAS)
- 1.4 Regulatory framework (ICPAK, IASB, IAESB, IPSASB), the Companies Act
- 1.5 Professional ethics
- 1.6 Principles, concepts and conventions underlying the preparation of accounting statements

2. Accounting Procedures and Techniques

- 2.1 Accounting Cycle
- 2.2 Double entry book-keeping
- 2.3 Books of original entry (journals, ledgers, cashbooks)
- 2.4 Balancing accounts and preparing the trial balance
- 2.5 Depreciation of non-current assets including their disposal (by part exchange; ordinary sale; accident)
- 2.6 Preparation of movement of property, plant equipment (as per International Financial Reporting Standards)
- 2.7 Trade receivables, bad debts write-offs and provision for bad and doubtful debts
- 2.8 Accruals, prepayments, reserves and provisions necessary adjustments in statements of financial performance
- 2.9 Introduction to simple statements of financial performance
- 2.10 Statements of financial position
- 2.11 Final accounting statements of a sole trader
- 2.12 Financial statements of a partnership business reflecting changes in partnerships such as admission, retirement and dissolution

3. Introduction to Simple Company Accounts

- 3.1 Company Formation - Documents
- 3.2 Share capital and reserves
- 3.3 Issue of shares at par; premium; discount
- 3.4 Over and under subscriptions
- 3.5 Allotment and calls on shares, forfeiture of shares
- 3.6 Preparation of statements of financial performance and appropriation account and the statement of financial position

- 3.7 Published accounts: Components of a complete set of published financial statements only
- 4. **Accounting for Non-Profit Making Organisations**
 - 4.1 Features of Non-profit making organisations
 - 4.2 Types of funds and their accounting treatment
 - 4.3 Income and expenditure account
 - 4.4 Statement of financial position
 - 4.5 Public Sector Accounting and Financial System
 - 4.6 Features of public sector entities (as compared to private sector)
 - 4.7 Structure of the public sector (National and county governments, State Corporations, Departments and Agencies)
 - 4.8 Regulation and oversight [International Public Sector Accounting Standards Board, Director of Accounting Services, National Treasury, Parliamentary Committees, Accounting Officers at national and county levels, Current PFM Acts
 - 4.9 Objectives of public sector financial statements and Standards (IPSAS)
 - 4.10 Accounting techniques in public sector such as budgeting, cash, accrual, commitment and fund accounting) (Preparation of financial statements excluded)
- 5. **Introduction to Taxation**
 - 5.1 History of taxation
 - 5.2 Types of taxation
 - 5.3 Principles of an optimal tax system
 - 5.4 Single versus multiple tax systems
 - 5.5 Classification of tax systems
 - 5.6 Tax shifting
 - 5.7 Factors that determine tax shifting
 - 5.8 Tax evasion and tax avoidance
 - 5.9 Taxable capacity
 - 5.10 Fiscal policies
 - 5.11 The Revenue Authority; history, structure and mandate
- 6. **Investment Allowances**
 - 6.1 Rationale for investment allowances
 - 6.2 Investment allowance: Ordinary manufacturers
 - 6.3 Industrial building deductions
 - 6.4 Wear and tear allowances
 - 6.5 Farm works deductions
 - 6.6 Shipping investment deduction
 - 6.7 Other deductions

7. Customs Taxes and Excise Taxes

- 7.1 Customs procedure
- 7.2 Import and export duties
- 7.3 Prohibitions and restriction measures
- 7.4 Transit goods and bond securities
- 7.5 Purposes of customs and excise duties
- 7.6 Goods subject to customs control
- 7.7 Import declaration form, pre-shipment inspection, clean report of findings
- 7.8 Excisable goods and services
- 7.9 Application for excise duty (licensing)
- 7.10 Use of excise stamps
- 7.11 Offences and penalties
- 7.12 Excisable goods management system

Sample reading and reference material

1. Wood, F., & Robinson, S. (2018). Frank Wood's Book-Keeping and Accounts (9th edition). Harlow: Pearson Education Limited.
2. Wang'ombe, D. (2008). Fundamentals of Accounting. Nairobi: Focus Publishers.
3. Whittenburg, G. E., & Gill, S. (2021). Income Tax Fundamentals 2021 (39th edition). Australia: Cengage.
4. Kasneb e-learning resources (link on the Kasneb website).
5. Kasneb approved study packs.
6. Sample text books on taxation from local authors

PAPER NO. 5 HUMAN RESOURCES MANAGEMENT

UNIT DESCRIPTION

This paper is intended to equip the candidate with the knowledge, skills and attitude that will enable him/her to manage and motivate people, work with teams and apply other principles of human resources management in practice.

LEARNING OUTCOMES

A candidate who passes this paper should be able to:

- Develop and execute a human resource plan and strategy
- Design, introduce and use good practice with regard to recruitment, selection, competency development, employee motivation, performance management, disciplinary and grievance procedures
- Organise and maintain appropriate employee records and to extract relevant statistics
- Design, introduce and use systems to ensure compliance with employment legislation
- Address contemporary issues in human resource management

CONTENT

1. **Introduction to human resource management (HRM)**
 - 1.1 Meaning and importance of HRM
 - 1.2 Scope of HRM
 - 1.3 Features of HRM
 - 1.4 Evolution of HRM
 - 1.5 Roles and responsibilities of HR practitioners
 - 1.6 Structure and functions of the HR department
 - 1.7 Personnel management versus human resource management
 - 1.8 Strategic human resources management; development of human resources strategy and human Resource business partnering.
 - 1.9 The role of line Managers in Human Resources Management
 - 1.10 Basics of Employment Law

2. **Theories of human resource management**
 - 2.1 **Foundational theories of HRM**
 - 2.1.1 Organisational behaviour
 - 2.1.2 Motivation
 - 2.1.3 Ability, motivation and opportunity (AMO)
 - 2.4.4 Resource-based
 - 2.1.5 Institutional theory
 - 2.1.6 Human capital
 - 2.1.7 Agency
 - 2.1.8 Contingency

 - 2.2 **Motivation Theories and practice of HRM**
 - 2.2.1 **Classical theories of motivation**
 - 2.2.1.1 Abraham Maslow's Hierarchy of Needs
 - 2.2.1.2 Douglas McGregor- Theory X and Theory Y
 - 2.2.1.3 Frederick Herzberg's - Two factor theory

 - 2.3 **Other motivation theories**
 - 2.3.1 Vroom's Expectancy theory
 - 2.3.2 Equity theory
 - 2.3.3 Goal theory

- 2.3.4 Reinforcement theory
 - 2.3.5 McClelland's theory of needs
 - 2.3.6 ERG theory of motivation
- 2.4 **Motivation in the work place**
 - 2.4.1 Importance of motivation
 - 2.4.2 Team motivation
 - 2.4.3 Features of a good motivation system
- 3. **Employee resourcing**
 - 3.1 Meaning of employee resourcing
 - 3.2 Human resources planning
 - 3.3 The labour market
 - 3.4 Job analysis
 - 3.5 Job design
 - 3.6 Recruitment
 - 3.7 Resourcing assessment tests
 - 3.8 Selection
 - 3.9 Placement and on boarding
 - 3.10 Employee engagement and retention
- 4. **Performance management**
 - 4.1 Performance management Models
 - 4.2 The performance management process
 - 4.3 Techniques for appraising performance
 - 4.4 Strategies for performance management
 - 4.5 Characteristics of performance management
 - 4.6 The performance appraisal process
 - 4.7 Team performance evaluation
 - 4.8 Impact of performance management to human resources
 - 4.9 Challenges of performance management
 - 4.10 Performance contracting
- 5. **Reward management**
 - 5.1 Meaning of reward management
 - 5.2 Characteristics of reward strategies
 - 5.3 Developing an effective reward strategy
 - 5.4 Market compensation rates analysis
 - 5.5 Pay structures and wage systems
 - 5.6 Performance related pay
 - 5.7 Non - financial rewards and benefits
 - 5.8 Salary administration policy
 - 5.9 Team rewards
- 6. **Training and development**
 - 6.1 Objectives of training and Development
 - 6.2 The learning organisation
 - 6.3 Types of training
 - 6.4 Training needs assessment
 - 6.5 Training design
 - 6.6 Implementing a training programme

- 6.7 Evaluation of training and development
 - 6.8 Career management
 - 6.9 Knowledge management
 - 6.10 Talent management
7. **Human resources administration**
- 7.1 Employment contracts
 - 7.2 Human resources records management
 - 7.3 Human resources management information systems
 - 7.4 Employee welfare services
 - 7.5 Health and safety policies and procedures
 - 7.6 Basics of payroll management
 - 7.7 Employee discipline
8. **Labour relations and employee bargaining**
- 8.1 The labour movement
 - 8.2 Role of trade unions
 - 8.3 The collective bargaining process
 - 8.4 Negotiation
 - 8.5 Dealing with disputes and grievances
 - 8.6 Employee participation and empowerment
9. **Separation strategy**
- 9.1 Forms of employee separation: Redundancies, dismissals and discharge, retirement, Resignation
 - 9.2 The separation process
 - 9.3 Terminal benefits
 - 9.4 Outplacement
 - 9.5 Legal provisions on employee separation
 - 9.6 Exit interviews
 - 9.7 Effects of employee separation
10. **Contemporary issues in human resources management**
- 10.1 Succession planning
 - 10.2 Human resources innovation and technology
 - 10.3 Global HRM
 - 10.4 Managing equality and diversity
 - 10.5 Ethics in Human Resources
 - 10.6 Work life balance
 - 10.7 Virtual working
 - 10.8 Outsourcing
 - 10.9 Employee counselling
11. **Case studies in human resource management**

Sample reading and reference material

1. Armstrong, M., & Taylor, S. (2020). *Armstrong's Handbook of Human Resource Management Practice* (15th edition). New York: Kogan Page.
2. Valentine, S. R., Meglich, P., Mathis, R. L., & Jackson, J. H. (2019). *Human Resource Management* (16th edition). Australia: Cengage.
3. Dessler, G. (2016). *Human Resource Management* (15th edition). Boston: Pearson.
4. Relevant legislation on employment, labour relations, occupational safety and health.
5. Kasneb e-learning resources (link on the Kasneb website).
6. Kasneb approved study packs.

PAPER NO. 6 INFORMATION COMMUNICATION TECHNOLOGY

UNIT DESCRIPTION

This paper is intended to equip the candidate with knowledge, skills and attitudes that will enable him/her to apply information communication technology effectively in solving business problems, decision making and in adapting to new working environments.

LEARNING OUTCOMES

A candidate who passes this paper should be able to:

- Demonstrate proficiency in decision making using contemporary information communication technology tools
- Use various application packages to solve business issues
- Use data communication networks, the Internet and e-commerce in optimising business opportunities
- Apply data security measures and procedures
- Implement information systems legal, ethical and social issues.

Note to trainers: Trainers are advised to use a practical approach in offering tuition for this unit through infusing practical demonstrations in a computerized environment.

CONTENT

1. Introduction to information communication technology (ICT)

- 1.1 Introduction to information communication technology
- 1.2 Computer hardware
- 1.3 Computer software
- 1.4 Programming languages and tools
- 1.5 Information systems personnel and hierarchy
- 1.6 Role of ICT in business environments
- 1.7 Information centres
- 1.8 Impact of ICT in business

2. Overview of operating systems

- 2.1 Overview of an operating system
- 2.2 Functions of an operating system
- 2.3 Types of operating systems
- 2.4 Computer booting
- 2.5 Selection and acquisition of operating systems

3. An overview of application packages

3.1 Word processing

- 3.1.1 Features of a word processor
- 3.1.2 Formatting and editing text
- 3.1.3 Creating and formatting tables

3.2 Spreadsheets

- 3.2.1 Features of a spreadsheet program
- 3.2.2 Formatting and editing spreadsheet
- 3.2.3 Formulas
- 3.2.4 Functions; sum, average, min, max, IPMT, NPV, PMT, PV, VLOOKUP, HLOOKUP, COUNT, IF, sumif

- 3.2.5 Charts and graphs
- 3.2.6 Working with pivot tables
- 3.2.7 Linking formulas in different worksheets
- 3.2.8 What if analysis; Goal seek and solver
- 3.3 Presentation software
 - 3.3.1 Features of a presentation program
 - 3.3.2 Typing and formatting text in slide
 - 3.3.3 Slide show
- 4 **Computer networks**
 - 4.1 Computer networks concepts
 - 4.2 Computer network hardware and software
 - 4.3 Data transmission media
 - 4.4 Types of computer networks
 - 4.5 Advantages and limitations of networking
 - 4.6 Cloud computing concepts, features and models
 - 4.7 Internet of things (IoT)
- 5 **The Internet**
 - 5.1 Introduction to the Internet
 - 5.2 Applications of Internet
 - 5.2.1 Using search engines
 - 5.2.2 E-mails
 - 5.2.3 Electronic communication
 - 5.3 Internet services – e-mails, www, instant messaging
 - 5.4 Internet service providers (ISPs)
 - 5.5 Applications of internet
 - 5.6 Online collaborative tools; cloud sheets and cloud documents
 - 5.7 Impact of internet on society
- 6 **Data security**
 - 6.1 Overview of data security
 - 6.2 Threats and controls
 - 6.3 Data backup and restoration procedures
- 7 **Information systems in an enterprise**
 - 7.1 Overview of information systems
 - 7.2 Components of an information system
 - 7.3 Types and characteristics of information systems
 - 7.4 Systems in a functional perspective
 - 7.5 Enterprise applications and the business process integration
- 8 **e-Commerce**
 - 8.1 e-commerce concepts and features
 - 8.2 Models of e-commerce
 - 8.3 Impact of the internet on business
 - 8.4 E-commerce enabling software
 - 8.5 Business opportunities in e-commerce
 - 8.6 E-commerce infrastructure and platforms
 - 8.7 E-commerce payments methods

- 8.8 Challenges of e-commerce
- 8.9 Securing e-commerce transactions
- 8.10 M-commerce and applications
- 8.11 Digital marketing methods

- 9. **Mobile devices and applications**
 - 9.1 Overview of mobile computing
 - 9.2 Types of mobile devices
 - 9.3 Uses of mobile devices
 - 9.4 Overview of mobile applications
 - 9.5 Mobile browsers

- 10. **Systems analysis and design**
 - 10.1 Elements of information systems
 - 10.2 Systems theory
 - 10.3 Types of information systems
 - 10.4 Personnel involved in systems analysis and design
 - 10.5 Systems analysis and design concepts
 - 10.6 Systems development life cycle (SDLC)
 - 10.6.1 Definition of systems development life cycle
 - 10.6.2 Phases of SDLC
 - 10.6.3 Advantages and disadvantages of SDLC
 - 10.7 Requirements elicitation
 - 1.1.1 Stakeholder analysis
 - 1.1.2 Need for requirements gathering
 - 1.1.3 Process for requirements gathering
 - 1.1.4 Requirements gathering tools and techniques
 - 1.1.5 Gap analysis
 - 10.7.6 Prioritisation of requirements

- 11. **Legal, ethical and social issues in information systems**
 - 11.1 Information systems ethical and social concerns
 - 11.2 The moral dimension of information systems
 - 11.3 The legal issues in information systems

Sample reading and reference material

1. Tymann, P., & Reynolds, C. (2008). Schaum's Outline of Principles of Computer Science (Schaum's Outlines. New York: McGraw-Hill.
2. Rainer, R. K., & Prince, B. (2020). Introduction to Information Systems (8th Edition). New Jersey: Wiley.
3. Vermaat, M. E., Sebok, S. L., Freund, S. M., Campbell, J. T., & Frydenberg, M. (2017). Discovering Computers (2018): Digital Technology, Data, and Devices. Boston: Cengage Learning.
4. Kasneb e-learning resources (link on the Kasneb website).
5. Kasneb approved study packs.

INTERMEDIATE LEVEL

PAPER NO. 7 COMPANY LAW

UNIT DESCRIPTION

This paper is intended to equip the candidate with knowledge, skills and attitudes that will enable him/her to apply and comply with the provisions of Company Law in relevant circumstances and environments and further to demonstrate knowledge of the law and regulations governing corporate entities and ensure compliance in practice.

LEARNING OUTCOMES

A candidate who passes this paper should be able to:

- Apply legal principles relating to formation of companies
- Evaluate the rights and obligations of members and shareholders
- Comply with the legal principles governing liquidation of corporates
- Comply with the legal principles governing restructuring of companies
- Comply with the legal principles relating to companies incorporated outside the country
- Comply with the legal requirements relating to the financing of companies.

CONTENT

1. **Nature and classification of companies**
 - 1.1 Nature and characteristics of a company
 - 1.2 Types of companies
 - 1.3 Principle of legal personality and veil of incorporation
 - 1.4 Distinction between companies and other forms of business associations sole proprietorships, partnerships and cooperative societies.
2. **Formation of companies**
 - 2.1 Promoters and pre-incorporation contracts and deeds.
 - 2.2 Process and drafting documents required to form a company.
 - 2.3 Rules relating to company names
 - 2.4 Memorandum and articles of association
 - 2.5 Certificate of incorporation
 - 2.6 Effects of incorporation
 - 2.7 Execution of a company's documents
 - 2.8 Alteration of status of companies
3. **Membership of a company**
 - 3.1 Acquisition of membership
 - 3.2 Register of members
 - 3.3 Rights and liabilities of members
 - 3.4 Cessation of membership
 - 3.5 Register of a company's beneficial owners
 - 3.6 Derivative actions.
4. **Shares**
 - 4.1 Classes of shares
 - 4.2 Variation of class rights
 - 4.3 Share certificates
 - 4.4 Issue and allotment
 - 4.5 Transfer and transmission

- 4.6 Transfer of shares under central depository system
- 4.7 Mortgaging and charging of shares
- 5. **Share capital**
 - 5.1 Meaning and types of share capital
 - 5.2 Raising of share capital
 - 5.3 Prospectus/information memorandum
 - 5.4 Maintenance of capital
 - 5.5 Alteration and Consolidation of share capital
 - 5.6 Dividends
- 6. **Debt capital**
 - 6.1 Borrowing powers of a company
 - 6.2 Company assets that can secure a company's borrowings
 - 6.3 Company debentures
 - 6.4 Company charges
 - 6.5 Meetings and resolutions in respect of debt capital
 - 6.6 Registration of charges
 - 6.7 Remedies for debenture holders
- 7. **Company meetings**
 - 7.1 Nature and classification of company meetings
 - 7.2 Types of company meetings held to execute various functions of company meetings
 - 7.3 Methods of holding company meetings
 - 7.4 Essentials of a valid physical, virtual and hybrid meeting Voting
 - 7.5 Resolutions
 - 7.6 Drafting resolutions
 - 7.7 Protection of minority shareholders
- 8. **Company Directors**
 - 8.1 Qualifications, appointment and disqualification
 - 8.2 Powers and duties of directors
 - 8.3 Removal and vacation of office
 - 8.4 Register of directors
 - 8.5 Remuneration of directors
 - 8.6 Loans to directors
 - 8.7 Compensation for loss of office
 - 8.8 Disclosure of director's interest in contracts
 - 8.9 The rule in Turquand's case/Indoor Management rule
 - 8.10 Insider dealing
- 9. **The Company Secretary**
 - 9.1 Qualification, appointment and removal
 - 9.2 Powers and duties of the Company Secretary
 - 9.3 Liability of the Company Secretary
 - 9.4 Register of Secretaries

10. **Auditors**
 - 10.1 Qualification, appointment and removal
 - 10.2 Remuneration of auditors
 - 10.3 Powers and duties
 - 10.4 Rights and liabilities
11. **Company accounts**
 - 11.1 Books of accounts
 - 11.2 Form and content of accounts
 - 11.3 Group accounts
 - 11.4 Director's report
12. **Audit of Company Accounts**
 - 12.1 Auditor's report
 - 12.2 Annual returns
13. **Company Investigation**
 - 13.1 Investigation of company affairs
 - 13.2 Appointment and powers of inspectors
 - 13.3 Inspector's report
14. **Corporate restructuring**
 - 14.1 Need for restructuring
 - 14.2 Mergers
 - 14.3 Post - merger reorganisation of a company's share capital
 - 14.4 Takeovers and acquisitions
 - 14.5 Mergers and divisions of public companies
 - 14.6 Compromises, arrangements, reconstructions and amalgamations
15. **Receivership, Administration, Liquidation and Dissolution of companies**
 - 15.1 Meaning of receivership, administration and dissolution
 - 15.2 Appointment and vacation of office by the Official Receiver
 - 15.3 Powers and duties of a receiver
 - 15.4 Termination of receivership
 - 15.5 Appointment of an administrator
 - 15.6 Functions and powers of an administrator
 - 15.7 Process of administration
 - 15.8 Termination of appointment and replacement of administrators
 - 15.9 Company voluntary arrangements
 - 15.10 Meaning of liquidation
 - 15.11 Types of liquidation
 - 15.12 Appointment, powers and duties of liquidators
 - 15.13 Discharge of liquidators
 - 15.14 Distribution of assets and dissolution of companies
16. **Foreign Companies**
 - 16.1 Process of registering a company
 - 16.2 Certificate of registration
 - 16.3 Power to hold land
 - 16.4 Registration of charges
 - 16.5 Accounts of foreign companies
 - 16.6 Service of process and notices on foreign companies
 - 16.7 Returns
 - 16.8 Penalties
 - 16.9 Cessation of business

Sample reading and reference materials

1. Laibuta, K. I. (2017). A Handbook of Company Law (Revised edition). Nairobi: Law Africa Publishing.
2. Nyasae, A. N. (2016). Corporate Secretarial Practice in Kenya Today. Nairobi: LawAfrica Publishing.
3. Nyasae, A. N. (2016). Meetings: Law and Procedure in Kenya Today. Nairobi: Law Africa Publishing.
4. Kasneb e-learning resources (link on the Kasneb website).
5. Kasneb approved study packs.

PAPER NO. 8 PUBLIC SECTOR GOVERNANCE, POLICY AND ADMINISTRATION

UNIT DESCRIPTION

This paper is intended to equip the candidate with the requisite knowledge, skills and competencies that will enable them implement governance principles in the public sector, formulate and implement relevant policies and effectively administrate public sector matters.

LEARNING OUTCOMES

A candidate who passes this paper should be able to;

- Evaluate the theoretical perspectives of public policy and administration;
- Analyse the political and economic environment of public policy and administration;
- Manage policy and operational relationships between levels of government;
- Interrogate policies in various sectors and apply them to development;
- Apply appropriate leadership and managerial systems and processes in governance; and
- Uphold ethical, patriotic and accountable culture in governance.

CONTENT

1. Administrative theory

- 1.1 Historical and theoretical perspectives of public administration;
- 1.2 Concepts and principles of public administration;
- 1.3 Administrative processes;
- 1.4 Overview and the Role of Judicial Review
- 1.5 Primary features of administrative systems;
- 1.6 Authority, power and influence;
- 1.7 Relationship between public administration and politics; and
- 1.8 Public administration challenges in the public sector.

2. Government organization, functions and practices

- 2.1 Concepts, principles and levels of government;
- 2.3 Constitutional and legal framework for devolution;
- 2.4 Separation of powers/checks and balances through the arms of government;
- 2.5 Structure and Functions of Government - national and county;
- 2.6 Interface between the National and county governments;
- 2.7 Statutory provisions for conflict resolution;
- 2.8 Role and responsibility of Certified Secretaries and Governance Auditors in management of government; and
- 2.9 Management of the political environment.

3. Theories and models of public policy

- 3.1 Historical and theoretical perspective of public policy;
- 3.2 Concepts and principles of public policy;
- 3.3 Public policy formulation processes (agenda setting, actors and roles);
- 3.4 Policy design formulation, implementation, monitoring and evaluation;
- 3.5 Public participation in the policy process; and
- 3.6 Benefits of public policy in national development.

4. Public policy and national development

- 4.1 Classical and neoclassical models of development;
- 4.2 The role of the State in development;
- 4.3 The political economy of development;
- 4.4 Linkage of public administration and public policy;
- 4.5 Linkage between national and county development plans;
- 4.6 National and county plans and policies;
- 4.7 Stakeholder's involvement in development planning;
- 4.8 Characteristics of effective plans and policies; and
- 4.9 Challenges of public policy formulation and implementation

5. Public policy analysis

- 5.1 Concept and rationale for public policy analysis;
- 5.2 Diagnosing and defining the problem (data collection and analysis)
- 5.3 Tools of public policy analysis;
- 5.4 Policy analysis models;
- 5.6 Policy implementation, monitoring and evaluation;
- 5.7 Stakeholders analysis (mapping the political and ideological contexts); and
- 5.8 Research in public policy.

6. Citizen participation and development planning

- 6.1 The concepts of civic education and public participation;
- 6.2 Rationale for public participation;
- 6.3 Legal framework for public participation: Constitution and legislative provisions

- 6.4 Principles of public participation;
- 6.5 Establishment of modalities and platforms of citizen participation;
- 6.6 Strategies for optimizing stakeholder engagement;
- 6.7 Benefits of public participation in government decision making; and
- 6.8 Challenges of public participation.

7. Public sector governance

- 7.1 Leadership, integrity and national values in public service;
- 7.2 Principles of Corporate Governance;
- 7.3 Governance Models;
- 7.4 Approaches to corporate governance;
- 7.5 Corporate relationships in the government;
- 7.6 Values based leadership;
- 7.7 Professional codes and standards of governance;
- 7.8 Framework for enforcement of ethics and integrity in public sector; and
- 7.9 Strategies for handling ethical and integrity challenges

8. Resource Stewardship

- 8.1 Legal and institutional framework in resource management; (Public Finance Management Act)
- 8.2 Resource mobilisation (revenue and debt);
- 8.3 Public sector planning and budgeting, budgetary process and budgetary expenditure control;
- 8.4 Resource utilisation for delivery of goods and services (Public Procurement and Asset Disposal Act)
- 8.5 Reports and accounts for funds, outputs and results; and
- 8.6 External audit for oversight/ external accountability (Public Audit Act)

9. Management of public enterprises

- 9.1 Theoretical foundations of public enterprises;
- 9.2 State-market debate;
- 9.3 Typology of public enterprises;

- 9.4 Organisation and governance structure;
- 9.5 Regulatory and legal framework of public enterprises;
- 9.6 Public investment appraisal;
- 9.7 Relationship between government agencies and private firms in the market place;
- 9.8 Performance of public enterprises across sectors and countries;
- 9.9 Reform of public enterprises including privatisation/divestiture;
- 9.10 Public Private Partnerships

10. **Case studies in public sector governance, policy and administration**

Sample reading and reference materials

1. Bardach, E. S., & Patashnik, E. M. (2020). *A Practical Guide for Policy Analysis: The Eightfold Path to More Effective Problem Solving* (6th edition). London: CQ Press.
2. Birkland, T. A. (2019). *An Introduction to the Policy Process: Theories, Concepts, and Models of Public Policy Making* (5th edition). New York: Routledge - Taylor & Francis.
3. Frederickson, H. G., Smith, K. B., Larimer, C. W., & Licari, M. J. (2016). *The Public Administration Theory Primer* (3rd edition). Routledge - Taylor & Francis.
4. *Policy Framework on Sound Public Governance: Baseline Features of Governments that Work Well, 2020*
5. Kasneb e-learning resources (link on the Kasneb website).
6. Kasneb approved study packs.

PAPER NO. 9 MEETINGS: COMPLIANCE AND ADMINISTRATION

UNIT DESCRIPTION

This paper is intended to equip the candidate with the knowledge, skills and attitudes that will enable him/her to comply with legal requirements for conducting meetings in both public and private sectors

LEARNING OUTCOMES

A candidate who passes this paper should be able to:

- Demonstrate an understanding of the law and procedure of meetings
- Develop an agenda and prepare the relevant documentation for various meetings
- Plan and manage meetings in various environments.
- Relate effectively with various stakeholders during meetings.
- Develop a compliance strategy and plan
- Conduct a compliance assessment/compliance health check

CONTENT

1. **Introduction to Meetings**
 - 1.1 Legal and regulatory frameworks for different kinds of entities
 - 1.2 Meaning of a meeting
 - 1.3 Types of meetings; private and public sector meetings
 - 1.4 Maintaining order at meetings
 - 1.5 Police powers in relation to public and private meetings
 - 1.6 Meetings held in public places
 - 1.7 Meetings held in private places
 - 1.8 Convention, constitution and conduct of meetings
 - 1.9 Complying with requirements of various meetings
 - 1.10 Elections
 - 1.11 Resolutions
 - 1.12 Adjournments and postponement
 - 1.13 Role of the chair, secretary and members before, during and after meeting
 - 1.14 The meeting chairperson; qualifications, qualities and effectiveness, appointment and removal
 - 1.15 Law of defamation; nature and scope, defamatory statements, defences and legal remedies
2. **Professional framework of the corporate secretarial profession**
 - 2.1 Evolution of the corporate secretarial profession (Global perspective and Case study of Kenya)
 - 2.2 Legal and regulatory framework
 - 2.3 Role and mandate of corporate secretarial professional bodies
 - 2.4 Procedures on registration and deregistration as a member
 - 2.5 Professional qualifications and qualities of a secretary
 - 2.6 Required knowledge, skills and competencies
 - 2.7 Appointment and vacation of office of the Secretary
 - 2.8 Professional engagement and clearance as a Corporate Secretary
 - 2.9 Rights, statutory and contractual obligations of a corporate secretary
 - 2.10 Role of corporate secretarial
 - 2.11 Continuous professional development
 - 2.12 Disciplinary procedures

3. **Governance standards and guidelines**
 - 3.1 GS 001: General Meetings
 - 3.2 GS 002: Meetings of the Board
 - 3.3 GS 003: Minutes
 - 3.4 GS 004: Resolutions
 - 3.5 GS 005: Board papers
 - 3.6 GS 006: Registers and records
 - 3.7 GS 007: Filing annual returns
 - 3.8 GS 008: Common seal
 - 3.9 GG 001- Professional ethics
 - 3.10 GG 002- Role of the corporate secretary
 - 3.11 GG 005: Virtual meetings

4. **Members' Meetings**
 - 4.1 Meaning, nature and scope of members' meetings
 - 4.2 Statutory meeting
 - 4.3 Annual general meeting
 - 4.4 Special general meeting
 - 4.5 Extraordinary general meeting
 - 4.6 Class meeting
 - 4.7 Meeting of debenture holders
 - 4.8 Duties of the corporate secretary before, during and after a general meeting
 - 4.9 Methods of holding company meetings
 - 4.10 Requirements for a valid physical, virtual and hybrid members' meeting
 - 4.11 Requirements for circulation of resolutions
 - 4.12 Requirements for keeping records of corporate resolutions and meetings

5. **Board and Committee Meetings**
 - 5.1 Meaning, membership and functions of the board
 - 5.2 Powers of the board
 - 5.3 Restrictions on board members' powers
 - 5.4 First board meeting
 - 5.5 Subsequent board meetings
 - 5.6 Meetings of board committees
 - 5.7 Requisites of valid board and committee meetings
 - 5.8 Legal provisions regarding convening and management of board and committee meetings
 - 5.9 Board annual work plan and calendar
 - 5.10 The role of the secretary before, during and after board and committee meeting

6. **Meetings in Company liquidation**
 - 6.1 Introduction to members' and creditors' voluntary liquidation
 - 6.2 Legal provisions for members' and creditors' voluntary liquidation
 - 6.3 Liquidation by the court
 - 6.4 Legal provisions for liquidation by the court.

7. **Meetings of County and National Assembly**
 - 7.1 Standing orders
 - 7.2 Meetings of the House
 - 7.3 Requirements for a valid physical, virtual and hybrid physical, virtual and hybrid National Assembly meeting

- 7.4 Swearing in of members and election of Speaker
 - 7.5 Sittings and adjournment of the House
 - 7.6 Quorum of the House
 - 7.7 Order of Business
 - 7.8 Motions and Amendments
 - 7.9 Divisions
 - 7.10 Rules of Debate
 - 7.11 Limitations of Debate
 - 7.12 Requirements for keeping records of County and National Assembly meetings
8. **Registration and Compliance Requirements for:**
- 8.1 Pension Funds
 - 8.2 Cooperative Societies
 - 8.3 Political Parties
 - 8.4 Public Benefit Organisations
 - 8.5 Education Institutions
 - 8.6 Religious Institutions
 - 8.7 Residents Associations
 - 8.8 Business names
 - 8.9 Partnerships
 - 8.10 Companies
 - 8.11 Foreign branch establishments
 - 8.12 Drafting, altering and registration of memorandum of association, articles of association, by-laws and other constitutive documents for various forms of organisations
 - 8.13 Shareholders agreements
9. **Seal and Authentication of documents**
- 9.1 Approval of Common Seal
 - 9.2 Form and content of Common Seal
 - 9.3 Authority and mode of affixation
 - 9.4 Register of documents executed under common seal
 - 9.5 Custody of Common Seal
 - 9.6 Official seal for use abroad
 - 9.7 Authentication of documents
 - 9.8 Legal, regulatory and professional requirements
10. **Listing at the securities exchange**
- 10.1 Listing requirements:
 - 10.2 Regulatory regime
 - 10.3 Listing process
 - 10.4 Types of public issue
 - 10.5 Role of the advisers: sponsor, broker, financial public relations consultants, lawyers, accountant, share registrars, other advisers
 - 10.6 Prospectus contents and approval
 - 10.7 Dematerialisation
11. **Statutory Reports, Registers, Records and Returns**
- 11.1 Meaning, types and contents
 - 11.2 Maintenance of statutory reports, registers, records and returns

- 11.3 Legal and regulatory requirements on filing of statutory reports, registers, records and returns for various types of organisations
 - 11.4 Annual statutory returns
 - 11.5 Register of Members
 - 11.6 Register of Directors and Secretaries
 - 11.7 Register of Allotments
 - 11.8 Register of Transfers
 - 11.9 Register of Charges
 - 11.10 Register of Beneficial Owners
 - 11.12 Register of Residential Address, etc.
 - 11.13 Register of charges and debentures
 - 11.14 Registers of interests in voting shares of a public company
 - 11.15 Tax, NHIF, and NSSF requirements
 - 11.16 Occupational safety and health format of registers, custody and retention of registers
 - 11.17 Access to records and registers
 - 11.18 Inspection: in person, right to request copies, fees
 - 11.19 Minute books: custody and retention, access rights
 - 11.20 Financial records: custody and retention, inspection
 - 11.21 Integrated Reporting
 - 11.22 Corporate governance report
 - 11.23 Directors' remuneration report
 - 11.24 Retention periods for documents and registers
 - 11.25 Managing Classified information
 - 11.26 Preparation and approval of registers and records
 - 11.27 Process and procedure of effecting and filing corporate changes in: register of members; board members, registered capital, corporate, corporate address, corporate name, corporate objective
 - 11.28 Role and responsibilities of the corporate secretary in the external audit process and in the annual reporting cycle
 - 11.29 Penalties for non-compliance
12. **Compliance Strategy and Plan**
- 12.1 Nature of a compliance strategy and plan
 - 12.2 Preparation and execution of a compliance strategy and plan
 - 12.3 Monitoring and evaluation of the strategy and plan
 - 12.4 Draft a compliance checklist and schedule for the organisation.
 - 12.5 Compliance Assessment/Compliance health check
 - 12.6 Periodical fit and proper tests for directors, Corporate Secretary and Senior Management
 - 12.7 Annual review of implementation status of previous board resolutions
 - 12.8 Statutory review and comparison of Corporate and registry records to ensure consistency and full compliance with prevailing statutory rules
 - 12.9 Remedial work to regularise anomalies and to remedy compliance failings identified during the status check and statutory review procedures
 - 12.10 Preparatory compliance checks and remediation in view of transactional work
 - 12.11 Setting-up, monitoring and updating of corporate calendar
13. **Management of Share Registration Services**
- 13.1 Issue of shares at par/premium/discount
 - 13.2 Letters of offer, allotment letters renunciation

- 13.3 Call on shares
 - 13.4 Rights and bonus issues
 - 13.5 Shares with different differential rights
 - 13.6 Issue and redemption of shares
 - 13.7 Immobilisation of share certificates
 - 13.8 Shareholder rights
 - 13.9 Share ownership registration
 - 13.10 Maintenance of registers of members and debenture holders
 - 13.11 Manual and electronic share registers
 - 13.12 Shares transfer and shares transmission
 - 13.13 In house and outsourced share registry service
 - 13.14 Managing unclaimed shares
 - 13.15 Role of the Secretary in share registration
14. **Management of Dividends**
- 14.1 Types of dividends
 - 14.2 Management of dividends
 - 14.3 Procedure in dividends payment
 - 14.4 Payment and taxation of dividends
 - 14.5 Declaration of dividends out of reserves
 - 14.6 Restriction on distribution
 - 14.7 Closure of register of members
 - 14.8 Managing unclaimed dividends
 - 14.9 Role of the Secretary in dividends payment
15. **Technology and Meetings**
- 15.1 Laws, regulations and guidelines on virtual meetings
 - 15.2 Technology in use in virtual meetings
 - 15.3 Planning and conducting virtual meetings
 - 15.4 Risks associated with virtual meetings and their mitigations
 - 15.5 Virtual meetings etiquette

Sample reading and reference material

1. Nyasae, A. N. (2016). Meetings: Law and Procedure in Kenya Today. Nairobi: Law Africa Publishing.
2. ICPSK, Governance Milestones: History of the Certified Secretaries Profession in Kenya (2017)
3. Laibuta, K. I. (2017). A Handbook of Company Law (Revised edition). Nairobi: Law Africa Publishing.
4. State Corporations Advisory Committee. (2015). Mwongozo: The Code of Governance for State Corporations. Nairobi.
5. Francis, R. D., & Armstrong, A. F. (2012). The Meetings Handbook: Formal Rules and Informal Processes. London: Anthem Press.
6. Kasneb e-learning resources (link on the Kasneb website).
7. Kasneb approved study packs.

PAPER NO. 10: FINANCIAL MARKETS AND SPECIALISED INSTITUTIONS

UNIT DESCRIPTION

This paper is intended to equip the candidate with the knowledge, skills and attitudes that will enable him/her to apply governance and regulatory requirements in relation to financial market transactions.

LEARNING OUTCOMES

A candidate who passes this paper should be able to:

- Identify financial institutions and markets
- Advise on financial market regulations
- Trade in financial securities
- Explain the roles and functions of the financial sector in the economy
- Describe the emerging issues and trends in the financial markets
- Explain governance systems in specialised institutions

CONTENT

1. Market organisation and structure

- 1.1 Functions of financial markets
- 1.2 Classifications of financial assets and markets
- 1.3 Structure of financial markets
- 1.4 Players within the financial services industry: central banks, retail banks, corporate banks; investment banks; retirement schemes; insurance companies; Saccos, fund managers; securities exchanges, stockbrokers; online foreign exchange brokers, insurance brokers, investment advisors, custodians; REIT managers and trustees, pension administrators; industry associations; professional bodies; crowdfunding; collective investment schemes (CIS); credit rating agencies
- 1.5 Major types and characteristics of securities traded in organised markets: Equities, government bonds and bills, corporate bonds, currencies, derivative contracts and commodities.
- 1.6 Flow of funds and financial systems
- 1.7 Characteristics of a well-functioning financial system
- 1.8 Automation of security exchanges: Automated trading systems (ATS)

2. Raising capital in the securities market

- 2.1 Types of shares
- 2.2 Private offers
- 2.3 Public offers; listing by introduction, offer by tender and rights issue
- 2.4 Prospectus/information memorandum
- 2.5 The International Organisation of Securities Commissions (IOSCO) principles for issuers

3. Central Depository System

- 3.1 The Central Depository Settlement Corporation
- 3.2 Establishment of the central depository
- 3.3 Duties of a central depository
- 3.4 Central depository agents
- 3.5 Rules and regulations of the central depository
- 3.6 Remedies for breach of duties
- 3.7 Security measures in the system
- 3.8 Central Depository Guarantee Fund
- 3.9 Immobilisation and dematerialisation of securities

4. **Securities Exchange**
 - 4.1 Establishment, membership and roles of the security exchange
 - 4.2 Listing and post listing requirements
 - 4.3 Restriction of trade in eligible securities exchange
 - 4.4 Self-listing of the exchange
 - 4.5 Cross border listing

5. **Securities transactions**
 - 5.1 Book entry of transactions and prohibition
 - 5.2 Records of depositors
 - 5.3 Suspended securities
 - 5.4 Suspension and delisting of securities
 - 5.5 Charging or mortgaging of securities
 - 5.6 Bonus and rights issues
 - 5.7 Prohibition of dealings in book entry securities
 - 5.8 Insider trading
 - 5.9 The International Organisation of Securities Commissions(IOSCO) principles for enforcement of securities regulation

- 6 **Financial markets regulation**
 - 6.1 Historical development of the law and regulations governing financial markets
 - 6.2 The need for regulation and authorisation of firms
 - 6.3 Asymmetric information and financial regulation: government safety net, restrictions on asset holdings, capital and governance requirements.
 - 6.4 Role of government in the financial system; Capital Markets Authority (CMA), Central Bank of Kenya, Retirement Benefits Authority, Insurance Regulatory Authority, The Sacco Societies Regulatory Authority (SASRA), the Unclaimed Financial Assets Authority, Kenya Deposit Insurance Corporation (KDIC) and the Financial Reporting Centre
 - 6.5 Regulation of financial market intermediaries: Stockbrokers, Stock dealers, Investment banks, Investment advisers, Fund managers, Credit rating agencies, Collective investments schemes, Custodians, The International Organisation of Securities Commissions (IOSCO) principles for credit rating agencies, collective investment schemes and market intermediaries, Central Depository and Settlement Corporation (CDSC)
 - 6.6 Main aims and activities of financial services regulators
 - 6.7 Anti-money laundering and prevention of terrorism financing
 - 6.8 Functions and powers
 - 6.9 Due diligence requirements
 - 6.10 Corporate governance and conduct of business requirements
 - 6.11 Financial supervision: chartering and examination, assessment of risk
 - 6.12 Regulations in the international financial markets
 - 6.13 The International Organisation of Securities Commissions(IOSCO) principles for self-regulation
 - 6.14 Management, disclosure requirements, restrictions on competition
 - 6.15 Financial liberalisation, stratification and rationalisation
 - 6.16 Financial inclusion and deepening
 - 6.17 Bank runs and panics
 - 6.18 The liquidity crisis

7. **Legal, Regulatory and Governance systems in Specialised Institutions**

- 7.1 Pension Schemes
- 7.2 Trusts and Foundations
- 7.3 Clubs
- 7.4 Religious organisations
- 7.5 Educational institutions
- 7.6 Co-operative societies
- 7.7 Non governmental Organisations

Sample reading and reference material

1. Codes of Governance issued by various regulatory bodies for the capital markets, financial institutions, savings and credit societies and similar institutions.
2. State Corporations Advisory Committee. (2015). *Mwongozo: The Code of Governance for State Corporations*. Nairobi.
3. Kasneb e-learning resources (link on the Kasneb website).
4. Kasneb approved study packs.

PAPER NO. 11 CORPORATE GOVERNANCE AND ETHICS

UNIT DESCRIPTION

This paper is intended to equip the candidate with the knowledge, skills and attitudes that will enable him/her to practice the tenets of good corporate governance and demonstrate adherence to ethics for enhanced organisational performance and achievement of corporate and strategic objectives.

LEARNING OUTCOMES

A candidate who passes this paper should be able to:

- Apply leadership principles and practices in the context of good corporate governance and ethics
- Apply best practices in good corporate governance and ethics
- Demonstrate an understanding of the links between corporate governance and ethics and development of different types of corporate governance solutions.
- Effectively resolve ethical dilemmas based on corporate policy and governing criteria.

CONTENT

1. Overview of Corporate Governance and Ethics

- 1.1 Defining corporate governance
- 1.2 Importance of corporate governance and ethics
- 1.3 Pillars of good corporate governance
- 1.4 Principles of good corporate governance
- 1.5 Comparative corporate governance system
- 1.6 Evolution of corporate governance
- 1.7 New models for corporate governance and ethics
- 1.8 Ethics and the law
- 1.9 Universality of ethics

2. Theories of Corporate Governance and Ethics

- 2.1 Agency Theory
- 2.2 Stewardship Theory
- 2.3 Stakeholder Theory
- 2.4 Legitimacy Theory
- 2.5 Resource dependence theory
- 2.6 Political theory
- 2.7 Transaction cost theory
- 2.8 Deontology Theory
- 2.9 Utilitarianism Theory
- 2.11 Rights Theory
- 2.11 Virtue Theory

3. Board governance models

- 3.1 Advisory board
- 3.2 Patron governance model
- 3.3 Cooperative model
- 3.4 Management team model
- 3.5 Policy board model
- 3.6 Fund raising board model
- 3.7 Traditional Model
- 3.8 Carver board model

- 3.9 Cortex board model
 - 3.10 Consensus board model
 - 3.11 Competency board model
 - 3.12 Governance of family-owned firms
 - 3.13 Emerging Board governance models: case study of independent offices and constitutional commissions in Kenya
4. **The Board of Directors**
- 4.1 **Appointments**
 - 4.1.1 Appointments of directors, composition and size
 - 4.1.2 Appointment of the Chair
 - 4.1.3 Appointment of the CEO
 - 4.1.5 Appointment of Corporate Secretary/Governance Professional
 - 4.1.6 Appointment of external auditor
 - 4.2 **Governance body roles and responsibilities**
 - 4.2.1 The legal context
 - 4.2.2 The role of the Chair
 - 4.2.3 Separation of roles of the Chairman, CEO and Corporate Secretary
 - 4.2.4 Board induction and continuous skills development
 - 4.2.5 The role of the board and management
 - 4.2.6 CEO and other executives' succession planning
 - 4.2.7 Strategy performance and reporting
 - 4.2.8 Policy
 - 4.2.9 Oversight
 - 4.2.10 Accountability
 - 4.3 **Board Performance assessment and effectiveness**
 - 4.3.1 Board structure and composition
 - 4.3.2 Board Procedures
 - 4.3.3 Board functions and behaviors
 - 4.3.4 Advancing corporate governance from compliance to competitive advantage
 - 4.3.5 Assessing performance and remuneration of directors and senior management
 - 4.3.6 Board effectiveness
5. **Internal Corporate Documents**
- 5.1 Constitutive documents including memorandum association, articles of association, Bylaws, Trusteed, and constitution
 - 5.2 Shareholder agreements
 - 5.3 Board manual and charter
 - 5.4 Board annual work plan
 - 5.5 Internal regulations of the organisation
 - 5.6 Codes of Corporate Governance
 - 5.7 Codes of Ethics
 - 5.8 Performance evaluation tools

6. **Governance of Risk**
 - 6.1 Strategic risk and the board
 - 6.2 Risk appetite framework
 - 6.3 Different types of risk
 - 6.4 Board oversight functions
 - 6.5 Internal control framework
 - 6.5.1 Internal auditor
 - 6.5.2 External auditor
 - 6.5.3 Audit Committee
 - 6.5.4 Internal audit guidelines and procedures
 - 6.6 Compliance risk
 - 6.7 Best practices for overseeing risk, assurance and reporting
7. **Environmental, Social, and Corporate Governance (ESG) Framework**
 - 7.1 Environmental protection
 - 7.2 The triple bottom line
 - 7.2 Social audit
 - 7.3 Sustainability
 - 7.4 Diversity
 - 7.5 Corporate reputation and image
 - 7.6 Corporate Social Responsibility: Strategies, policies, ethical issues and impact of CSR
 - 7.7 Shareholder and stakeholder relations
 - 7.8 Stakeholder rights, interests and obligations
 - 7.9 Stakeholder dispute resolution
 - 7.10 The dynamics of institutional investors
8. **Ethical Behavior**
 - 8.1 Understanding ethics, morality, values and integrity
 - 8.2 Ethics versus regulation
 - 8.3 Ethics and corporate governance
 - 8.4 Roles of the board in promoting ethical conduct
 - 8.5 Defining business ethics
 - 8.6 Key components of ethical policy
 - 8.7 Ethical culture
 - 8.8 Resolving ethical dilemmas
 - 8.9 Conflict of interest and related party transactions
 - 8.10 Insider trading
 - 8.11 Standards of conduct and personal integrity
 - 8.12 Becoming a transparent organisation
 - 8.13 Organisational integrity
 - 8.14 Whistle blowing
 - 8.15 Ethics and technology
 - 8.16 Ethics and globalisation
 - 1.17 Transparency and disclosure in promotion of corporate ethical culture
9. **Compliance with Laws and Regulations**
 - 9.1 Overview of legal and regulatory framework on governance and ethics
 - 9.2 Constitutional provisions on governance and ethics
 - 9.3 Compliance strategy
 - 9.4 Legal and compliance audit
 - 9.5 Role of professional and regulatory bodies in promoting governance and ethics
 - 9.6 International legislative and regulatory frameworks
- 10 **Contemporary Issues and Case Studies in Corporate Governance and Ethics**

Sample reading and reference material

1. Kiambati K, Mwiti E, & Karanja J (2019). Corporate Governance and Ethics. Aura Publishers, Nairobi.
2. Mwiti E, Kiambati K, & Karanja J (2019). Public Governance, Policy and Administration. Aura Publishers, Nairobi.
3. Appiah, K.O (2013), Corporate Governance and Corporate Failure: Evidence from UK listed firms. Loughborough University .United Kingdom
<https://dspace.lboro.ac.uk/2134/13576>
4. Bhaduri, S. N., & Selarka, E. (2016). Corporate governance: An overview in corporate governance and corporate social responsibility of Indian companies. The Oxford Handbook of Corporate Social Responsibility.
5. Naciri, A. (2008). Corporate governance around the world. Corporate Governance Around the World. <https://doi.org/10.4324/9780203930670>
6. Keasey, K., Thompson, S., & Wright, M. (2005). Corporate Governance, Economic, Management, and Financial Issues982 Corporate Governance, Economic, Management, and Financial Issues. Oxford University Press, 1997. pp. 308 Hardback. Managerial Auditing Journal. <https://doi.org/10.1108/maj.2005.13.6.390.2>
7. Kasneb e-learning resources (link on kasneb website)
8. Kasneb approved study packs

PAPER NO. 12 RESEARCH, CONSULTANCY AND ADVISORY

UNIT DESCRIPTION

This paper is intended to equip the candidate with the knowledge, skills and attitudes that will enable him/her to design and implement research, translate research findings as well as undertake consultancy and advisory services on matters of governance, compliance and management.

LEARNING OUTCOMES

A candidate who passes this paper should be able to:

- Articulate a clear research question or problem and formulate a hypothesis
- Identify and apply appropriate research approaches and methodologies
- Write a research report and explain their research findings through presentations
- Effectively manage and implement management consultancy projects
- Develop project implementation plans
- Demonstrate coaching and facilitation skills and techniques as components of consultancy and advisory services

CONTENT

1. Underlying Theories/Models of Research, Consultancy and Advisory

1.1 Selected Research and Consultancy Theories

- Social-systems theory
- Social network theory
- Situated learning theory
- Otherness & Parasites theory
- The Intervention Theory of Argyros.
- Blake and Mouton's Consultation Theory
- Weisberg's Theory of Organisational Diagnosis
- Theory of Planned Behaviour
- Innovation diffusion theory.
- General Deterrence Theory

2 Introduction to Research

2.1 General Overview

- Research Philosophies
- Research Methodologies
- Types of Research
- Research design
- Purpose and importance of research
- Research ethics and integrity

2.2 Types of Research

- Historical Research
- Comparative Research
- Descriptive Research
- Correlation Research
- Experimental Research

- Evaluation Research
- Causal research
- Correlational research
- Action Research
- Echogenic Research
- Feminist Research
- Cultural Research

3 Research Process

3.1 Problem Formulation

- Problem identification/conceptualization
- Research Questions
- Hypothesis construction, characteristics of hypothesis, hypothesis testing.
- Statement of Objectives
- Literature Review; citations
- Conceptual framework

3.2 Tests of Hypothesis

- Basic Concepts Concerning Testing of Hypotheses
- Procedure for Hypothesis Testing
- Type I Type II Errors
- Test of Significance

3.3 Methods of Sampling

- Systematic Sampling
- Distinction between a Systematic Random sample and a Simple Random Sample
- Stratified Sampling
- Strategies involved in Stratified Sampling
- Advantages of Stratified Sampling over other Sampling Methods 6.6
- Disadvantages of Stratified Sampling
- Some Non-Random Sampling Method

3.4 Data Collection

- Unpublished Sources
- Published Data
- Necessary Guidelines for Collecting Reliable Data
- Methods of Collecting Data
- Stages in the Collection of Data
- Design of a Good Questionnaire

3.5 Processing and analysing data

- Steps in Data Analysis
- Methods of data analysis
- Narrative Data Analysis
- Statistical Data Analysis
- Descriptive Data Analysis
- Data Analysis Techniques
- Univariate Distribution
- The Frequency Distribution
- Measures of Central Tendency

- Measures of Dispersion
- Types data analysis and significance tests.
- Use of software
- Interpretation of results
- The cyclic nature of research

3.6 Data interpretation and presentation

- Technique of Interpretation
- Precaution in Interpretation
- Frequency tables
- Pie charts
- Graphs

3.7 Writing the report.

- Significance of Report Writing
- Different Steps in Writing Report
- Layout of the Research Report
- Types of Reports
- Oral Presentation
- Precautions for Writing Research Report

4 Research Proposal, Research Report Writing and Referencing

- Basic principles
- Formats, contents, presentation data presentation; use of charts, graphs and tables.
- Referencing styles, citation of primary and secondary sources, foot notes and end notes, bibliography and references
- Format of Certified Secretaries research project

5 Introduction to Advisory and Consultancy

5.1 General Background

- Role of consultants
- Qualities of a good consultant
- Developing internal consulting skills
- The internal consultant's role
- How the internal consultant differs from line management and external consultancy
- Skills and knowledge requirements
- Time management, managing customer expectations, creative problem solving, communication skills, working with clients, managing politics, managing conflict, managing client-consultant relationships.
- Difference between Consultancy and Advisory
- Uses of consultants – public sector, private sector, and internal consulting
- Consulting roles and culture
- Professionalism and ethics
- Legal and ethical considerations

5.2 Nature and Purpose of Management Consulting

- What is consulting?
- Why are consultants used? Five generic purposes
- How are consultants used? Ten principal ways
- The consulting process
- Evolving concepts and scope of management consulting

5.3 The Consulting Industry

- A historical perspective
- The current consulting scene
- Range of services provided
- Generalist and specialist services
- Main types of consulting organisation
- Internal consultants
- Management consulting and other professions

6 The Advisory Discipline

- Role of an Advisor
- What Makes a Good Advisor?
- Strategy, Execution and Accountability
- Crisis Management
- Business Resilience Overview
- Mapping Out the Client Discovery
- Building Trust
- Confidence and Experience
- Business Planning Process

7 Conducting Consultative & Advisory Services

7.1 Basic Consultative Approaches

- Expert Approach
- Medical (Doctor-Patient) Approach
- Process Approach
- Emergent Approach (Emergent Organisational Development And Change (EODC))

7.2 The Client and Consultant Relationship

- Defining roles and expectations
- The client and the consultant systems
- Critical dimensions of the consultant–client relationship
- Negotiation, persuasion and coaching skills

7.3 Professionalism and Ethics in Consulting

- Is management consulting a profession?
- The professional approach
- Professional associations and codes of conduct
- Certification and licensing
- Legal liability and professional responsibility

8 Facilitation Skills

8.1 Introduction to facilitation

- Definition of facilitation
- Purpose of facilitation
- Role and skills of the facilitator
- Differences between facilitation, instruction, training, and chairing

8.2 Facilitation process

- Problem/goal identifications
- Problem resolution/decision making
- Implementing solution
- Groups dynamics
- Group decision making
- Guidelines for group consensus building
- Managing behaviours
- Team development
- Facilitations tools and techniques: brainstorming, cluster, voting, process mapping, storyboarding, Ishikawa diagram – fishbone, nominal group technique, de bono, thinking hats, solving performance problems, etc.
- Presentation: opening and closing; audience; purpose (convince, educate, motivate etc.); content; time; tools; style; practicalities – 3 ps (prepare, practice and practice again); preparing PowerPoint presentations
- Handling controversial issues
- Communication skills
- Listening skills-watching both verbal and nonverbal cues
- Providing effective feedback
- Managing divergent perspectives
- Leveraging on ICT in facilitating

9 Coaching Skills

- Role and skills of an effective coach
- Managing from a coaching perspective
- Handling resistance to constructive criticism
- Using effective probing and questioning
- Workplace coaching techniques
- Key motivational coaching skills
- Limitations of coaching
- Differences between coaching, mentoring, counselling, training, managing, consulting and life coaching
- Essential coaching skills: listening, questioning, reflecting back and mirroring, paraphrasing and summarising
- The grow model and its applicability
- Selecting a coaching style to match the individual situation
- Planning and delivering a structured coaching session
- Measuring the success and impact of the coaching

10 The Consulting Process

10.1 Introduction

- Entry and Contracting
- First client meetings
- Preliminary problem diagnosis
- Terms of reference - Technical proposals and Financial proposals
- Assignment strategy and plan
- Proposal to the client
- The consulting contract
- Types of projects and project cycles
- Proposal development
- Consulting contract
- Service Quality
- Engagement and Implementation
- Management of projects
- Presentations and communicating with clients
- Ongoing client contact and service
- Extension, Recycle, or Termination
- Time for withdrawal
- Final reporting
- Evaluation & validation
- Feedback to the client

10.2 Action Planning

- Searching for possible solutions
- Developing and evaluating alternatives
- Presenting action proposals to the client

10.3 Implementation

- The consultant's role in implementation monitoring implementation
- Training and developing client staff
- Some tactical guidelines for introducing changes in work methods
- Maintenance and control of the new practice

10.4 Termination

- Time for withdrawal
- Evaluation
- Follow-up
- Final reporting

11 Managing a Consulting Firm

- Fundamentals of management in the consulting profession
- The management challenge of the professions
- Managing a professional service
- Managing a professional business
- Achieving excellence professionally and in business

11.1 The Consulting Firm's Strategy

- The strategic approach
- The scope of client services
- The client base
- Growth and expansion
- Going international
- Profile and image of the firm
- Strategic management in practice

11.2 Legal and Ethical Issues

- Legal risks and management
- Client privilege issues
- Professional ethics
- Client's Perspective
- Selection of consultants
- Effective management of consultants
- Evaluation of performance
- Use of consultants
- Maintaining independence and objectivity

11.3 Marketing Professional Services

- Features of services: Intangibility; Inseparability; Heterogeneity (or variability); Perishability.
- Challenges in marketing services
- Marketing techniques for professional services
 - Specialization and niche targeting
 - Blogs and articles
 - A lead-generating website
 - Search engine optimization (SEO)
 - Speaking engagements
 - Trade show participation
 - Social media
 - Online video
 - Other techniques
- Direct and indirect channels of distribution
- Legal, professional and ethical considerations. - ICS guideline on professional ethics and conduct

11.4 Pricing Professional Services

- Factors that determine pricing: cost, client value, competition, one off or retainer, pricing guidelines by professional body
- Pricing strategies
- A value-based pricing strategy
- Time and materials pricing
- Market pricing,
- Package pricing/fixed pricing

12 Managing Consultancy and Advisory Process Cycle

- Obtaining the assignment
- Terms of reference for consultancy assignments
- Technical and financial consultancy proposals
- Preparation for consultancy assignments
- Understanding clients' needs
- Determining the scope of assignment
- Client readiness and consultant's capability
- Gathering key information
- Developing an action plan
- Recording progress and client feedback
- Report writing
- Step-by-step approach of the advisory process
- Implementation of your advice/change
- checking for consistency, understanding your clients, and proposals
- Monitor and evaluate consultancy assignments
- Legal and ethical issues in the management of consultancy assignments

13 Case studies in research, consultancy and advisory

Sample reading and reference material

(a) Research Methods

1. Flick, U. *Introducing Research Methodology: Thinking Your Way Through Your Research Project*. 2011. Revised Edition.
2. Kumar, R. *Research Methodology: A Step-by-Step Guide for Beginners*. Book by Ranjit
3. Kasneb e-learning resources (link on website)
4. Kasneb approved study packs

(b) Consultancy & Advisory

1. Rasie, E. *The McKinsey way* (1999). Revised edition.
2. Galford, R. *The Trusted Advisor*. (2000). Revised edition.
3. Kasneb e-learning resources (link on website)
4. Kasneb approved study packs

ADVANCED LEVEL

PAPER NO. 13 STRATEGIC MANAGEMENT

UNIT DESCRIPTION

The aim of the paper is to strengthen the strategic thinking capability of the candidate in formulating and implementing a corporate strategy that can help organisations build a sustainable competitive advantage.

LEARNING OUTCOMES

A candidate who passes this paper should be able to:

- Analyse an organization's environment and formulate an actionable business strategy that is grounded in theory and practice from multiple business disciplines
- Demonstrate an ability for critical and strategic thinking
- Develop and implement a realistic strategic plan
- Understand the strategic decisions that organisations make in strategic management
- Effectively react to and incorporate emerging issues in strategic management.

CONTENT

1. Overview of Strategic Management

- 1.1 Concept of strategy
- 1.2 Purpose of strategy
- 1.3 Characteristics of strategy
- 1.4 Advantages and disadvantages of strategic planning
- 1.5 Strategy approaches
- 1.6 Strategic versus tactical decisions
- 1.7 Patterns of strategy development

2 History of the Organisation and Culture

- 2.1 History of the Organisation
 - 2.1.1 Importance of history
 - 2.1.2 Path dependency
 - 2.1.3 History as a resource
 - 2.1.4 Historical analysis
 - 2.1.5 Mission: stated and perceived
- 2.2 Organisational culture
 - 2.2.1 Influence of culture on strategy
 - 2.2.2 Undertaking cultural analysis
 - 2.2.3 Hofstede's Cultural Dimensions Theory

3 Strategy Levels and Intent

- 3.1 Corporate strategy
- 3.2 Business strategy
- 3.3 Operational strategy
- 3.4 Functional strategy
- 3.5 Vision statement
- 3.6 Mission statement
- 3.7 Strategic objectives
- 3.8 Statement of corporate values

4 Strategic Management Process

- 4.1 Steps in the strategic management process
- 4.2 Strategic management in different contexts
- 4.3 Uncertainty and strategic drift
- 4.4 Limitations of strategic management

5 Strategic Analysis: The External Environment

- 5.1 Policy and administrative framework
- 5.2 Political environment
- 5.3 Economic environment
- 5.4 Sociocultural environment
- 5.6 Technological environment
- 5.7 Ecological environment
- 5.8 Legal environment
- 5.9 Key drivers for change
- 5.10 Industry and sector analysis
- 5.11 Tools for external analysis
- 5.12 Competitor Analysis

6 Strategic Analysis: The Internal Environment

- 6.1 Distinctive resources and capabilities as a basis of competitive advantage
- 6.2 VRIO- value of resources and capabilities, rarity, inimitability, organisational support
- 6.3 Organisational knowledge as a basis of competitive advantage
- 6.4 Diagnosing resources and capabilities
- 6.5 The value chain and value system
- 6.6 Activity systems
- 6.7 Benchmarking
- 6.8 Strengths and Weaknesses
- 6.9 The Balanced Scorecard and Strategy map
- 6.10 Critical success factor analysis
- 6.11 Scenario planning
- 6.12 Gap Analysis
- 6.13 SWOT and the business model
 - Key features of corporate culture
 - Health cultures that aid strategy execution
 - Unhealthy cultures that impede strategy execution
 - Influence of culture on strategy
 - Undertaking cultural analysis

7 Business Strategy and Models

- 7.1 Generic competitive strategies
 - Cost leadership strategy
 - Differentiation strategy
 - Focus strategy
 - Hybrid strategy
 - The Strategy Clock
- 7.2 Interactive strategies
 - Interactive price and quality strategies
 - Cooperative strategy
 - Game theory

7.3 Business models

- Value creation, configuration and capture
- Business model patterns

8 Corporate Strategy and Diversification

8.1 Strategy directors

8.2 Diversification and performance

8.3 Vertical integration

8.4 Value creation and corporate parent

8.5 Portfolio matrices

- The BCG (growth/share) matrix
- The directional policy (GE- McKinsey) matrix
- PIMS (Profit Impact on Marketing Strategy)
- Parenting matrix
- The Scenario/vision – building approach

9 International Strategy

9.1 Internationalisation drivers

9.2 International business environment and challenges

9.3 Geographical sources of advantage

- Locational advantage: Porter's Diamond
- The international value system
- International strategies
- Market selection and strategy
- Internationalisation and performance

10 Strategy Development Processes

10.1 Strategic thinking

- The paradox of logic and creativity
- The art and science of strategic thinking
- The "Deep Dive" analogy: acumen, allocation of resources and action

10.2 Strategy formation

- Deliberate strategy developers
- Emergent strategy developers
- Logical incrementalism
- Strategy as an outcome of political processes

10.3 Implications for managing strategy development

- Strategy development in different contexts
- Managing deliberate and emergent strategies

11 Matching Organisational Structure to Strategy

11.1 Value chain activities to be performed internally

11.2 Value chain activities to be outsourced

11.3 Aligning structure with strategy

- 11.4 Organisational structure
 - Simple structure
 - Functional structure
 - Divisional structure
 - Matrix structure
 - Multinational structures
 - Project-based structures
 - Strategy and structure fit
- 11.5 Delegation of authority
- 11.6 Systems
 - Planning system
 - Performance targeting systems
- 11.7 Configurations and adaptability
 - The McKinsey 7-Ss
 - Agility and resilience
- 11.8 Collaboration with external parties and strategic allies (network structure)

12 Leadership and Strategic Change

- 12.1 Strategic Leadership vision and change
- 12.2 Theories of leadership and change
- 12.3 Types of strategic change
- 12.4 Levers for strategic change
- 12.5 Methods of introducing strategic change
- 12.6 Strategic leadership roles and effectiveness
- 12.7 Strategic change: revolution versus evolution
- 12.8 Diagnosing the change context
- 12.9 Managing major changes
- 12.10 Problems of formal change programmes
- 12.11 Managing corporate politics
- 12.12 Managing complexity
- 12.13 Leadership in practice

13 The Practice of Strategy

- 13.1 The strategists
 - Top managers and directors
 - Strategic planners
 - Middle managers
 - Strategy consultants
- 13.2 Strategising
 - Strategy analysis
 - Strategy issue-selling
 - Strategic decision making
 - Communicating the strategy

- 13.3 Strategy methodologies
 - Strategy workshops
 - Strategy projects
 - Hypothesis testing
 - Business cases and strategic plans
- 13.4 Strategy Implementation
 - Relationship between strategy formulation and implementation
 - Plans Programs and budgets
 - Steps for effective strategy implementation
 - Resource allocation

14 Strategic Control

- 14.1 Evaluation and control in strategic management
- 14.2 The strategic control process
- 14.3 Monitoring evaluation and reporting
- 14.4 Measuring corporate performance
- 14.5 Strategic information systems
- 14.6 Strategic surveillance
- 14.7 Guidelines for proper control
- 14.8 Balance Scorecard as a tool for control
- 14.9 Sustaining organisational effectiveness

15 Contemporary issues and Case Studies in Strategic Management

1. David, F. R. (2011). Strategic Management: Concepts and Cases (Thirteenth Edition). Prentice Hall. ISBN 10: 0-13-612098-9 ISBN 13: 978-0-13-612098-8 <https://www.pdfdrive.com/strategic-management-e29174092.html>
2. Steiss, A. W. (2019). Strategic management for public and nonprofit organizations. Strategic Management for Public and Nonprofit Organizations. <https://doi.org/10.4324/9781482275865>
3. Hitt, M. A., Ireland, R. D., & Hoskisson, R. (2012). Strategic Management Cases: Competitiveness and Globalization. Cengage Learning Academic Resource Center. <https://www.pdfdrive.com/strategic-management-competitiveness-and-globalization-7th-ed-e34339292.html>
4. Barney B. J. & Hesterly S.W. (2015). Strategic Management and Competitive Advantage Concepts and Cases – Fifth Edition Pearson Education Limited England. ISBN 978-0-13-312740-9, ISBN 13: 978-1-292-06008-8. <https://www.pdfdrive.com/strategic-management-and-competitive-advantage-concepts-and-cases-e186755283.html>
5. Hill, C. W. L., & Jones, G. R. (2016). Strategic management: An integrated approach. Strategic Management an Integrated Approach. Cengage Learning, Stamford. <https://www.pdfdrive.com/strategic-management-theory-an-integrated-approach-11th-edition-2014-by-charles-w-l-hill-gareth-r-jones-melissa-a-schilling-e157843323.html>
6. Just, V. (2020). Sustainable Business Processes in Global Companies Current Perspectives and Future Trends in Regard to Efficiency and Risk Management Springer, Bucharest, Romania. <https://doi.org/10.1007/978-3-658-28196-0>
7. Kasneb approved study packs and e-learning resources

PAPER NO.14 FINANCE FOR DECISION MAKING

UNIT DESCRIPTION

This paper is intended to equip the candidate with knowledge, skills and techniques that will enable him/her to analyse and interpret financial statements and apply financial management principles to guide decision making.

LEARNING OUTCOMES

A candidate who passes this paper should be able to:

- Describe the roles of the statement of financial position, statement of comprehensive income, statement of changes in equity, and statement of cash flows in evaluating a company's performance and financial position
- Identify various sources of finance
- Make basic capital budgeting decisions under environment of certainty
- Prepare budgets for organisations and explain budgetary controls
- Make basic capital structure decisions
- Make appropriate dividend decisions

CONTENT

1. **Overview of Finance**
 - 1.1 Nature and scope of finance
 - 1.2 Finance functions - Managerial, Routine and other emerging functions
 - 1.3 Goals of a firm; financial and non-financial objectives, overlaps and conflicts among the objectives
 - 1.4 Agency theory, stakeholder's theory and corporate governance
 - 1.5 Ethical issues in financial management
2. **Introduction to financing decision**
 - 2.1 Nature and objectives of the financing decision
 - 2.2 Factors to consider when making financing decisions
 - 2.3 Sources of finances for organisations; internally generated funds and the externally generated funds, long term sources, medium term and short term sources of finance
 - 2.4 Sources of finance for small and medium sized enterprises (SMEs)
 - 2.5 Methods of issuing ordinary shares
3. **Financial Statement Analysis and Forecasting**
 - 3.1 Definition of financial statements analysis
 - 3.2 The roles of financial reporting and financial statements analysis
 - 3.3 Users of financial statements and their information needs
 - 3.4 Importance of financial statement analysis
 - 3.5 Cost of disclosing financial information; direct costs, indirect costs
 - 3.6 Analysing financial statements
 - 3.6.1 Income statement: Components and format of the income statement
 - 3.6.2 Statement of financial position; components and format of statement of financial position
 - 3.6.3 Statement of changes in equity; components of equity, equity valuation ratios
 - 3.6.4 Cash flow statements; component and format of the cash flow statement
 - 3.7 Ratio analysis; Meaning and uses of financial ratios - Calculation and interpretation of profitability ratios, Liquidity ratios, efficiency ratios, capital structure ratios, coverage ratios and equity ratios, and limitation of financial ratios

- 3.8 Common size statements - Vertical and horizontal analysis
- 3.9 Red flags and accounting warning signs that may indicate financial statements are of poor quality
- 4. **Budgeting and budgetary control**
 - 4.1 Nature and purposes of budgets
 - 4.2 Limitations of budgeting
 - 4.3 Preparation of budgets; master budgets, functional budgets, department budgets, cash budgets.
 - 4.4 Purpose of budgetary control; operation of a budgetary control system, organisation and coordination of the budgeting function
 - 4.5 Distinction between budgeting and budgetary control in the private and public sectors
 - 4.6 Cost-Volume-Profit (CVP) Analysis
- 5. **Time-value of money**
 - 5.1 Concept of time value of money
 - 5.2 Time value of money versus time preference of money
 - 5.3 Relevance of the concept of time value of money
 - 5.4 Compounding technique
 - 5.5 Discounting techniques
 - 5.6 The loan amortisation schedule
- 6. **Basic Valuation models**
 - 6.1 Concept of value
 - 6.2 Relevance of valuation of securities/firms
 - 6.3 Valuation of debentures, preference shares and ordinary shares
- 7. **Introduction to capital structure decision**
 - 7.1 Firms capital structure and factors influencing capital structure decisions
 - 7.2 The meaning and relevance of cost of capital
 - 7.3 Factors influencing firms cost of capital
 - 7.4 Component costs of capital
 - 7.5 The firm's overall cost of capital - Weighted average cost of capital (WACC) and
 - 7.6 Weighted marginal cost of capital (WMCC)
- 8. **Introduction to Capital Budgeting decision under Certainty**
 - 8.1 The nature and importance of capital investment decisions
 - 8.2 Capital investment's cash flows - initial cash outlay, terminal cash flows and annual net operating cash flows, incremental approach to cash flow estimation
 - 8.3 Capital investment appraisal techniques; Features of an ideal capital budgeting technique, Non-discounted cash flow methods - payback period and accounting rate of return and discounted cash flow methods - net-present value, internal rate of return, profitability index and discounted payback period, Strengths and weaknesses of the investment appraisal techniques
 - 8.5 Incorporating capital rationing in capital budgeting - The meaning and types of capital rationing
 - 8.6 Challenges encountered when making capital investment decisions in reality

9. **Working capital management**

- 9.1 Introduction and concepts of working capital
- 9.2 Working capital versus working capital management
- 9.3 Factors influencing working capital requirements of a firm
- 9.4 Importance and objectives of working capital management
- 9.6 Working capital financing policies

10. **Dividend decision**

- 10.1 Forms of dividend payments
- 10.2 When to pay dividends - Interim and final dividend
- 10.3 Factors influencing dividend payments
- 10.4 The firm's dividend policy - The residual policy, stable predictable policy, constant payout ratio policy and regular plus extra policy
- 10.5 Why pay dividends/Dividend theories - Dividend relevance theories; Bird in hand theory, Clientele effect theory, Information signaling theory, Walter's theory, Tax differential theory, Modigliani and Miller's dividend irrelevance theory
- 10.6 Impact of a dividend decision on share price

Sample reading and reference material

- 1. Brigham, E. F., & Houston, J. F. (2021). *Fundamentals of Financial Management* (16 edition). Australia: Cengage Learning.
- 2. Clayman, R.M. Fridson, S.M., Throughton, H.G. *Corporate Finance: A Practical Approach* Second Edition
- 3. Paramavisan, C. and Subramanian, T. *Financial Management*. Revised edition.
- 4. Kasneb e-learning resources (link on the Kasneb website).
- 5. Kasneb approved study packs.

PAPER NO. 15: GOVERNANCE AND COMPLIANCE AUDIT

UNIT DESCRIPTION

This paper is intended to equip the candidate with knowledge, skills and attitudes that will enable him/her to effectively plan and conduct a governance and compliance audit.

LEARNING OUTCOMES

A candidate who passes this paper should be able to:

- Identify the objectives and scope of governance and compliance audits
- Design and implement a governance and compliance audit strategy
- Prepare and interpret various governance and compliance audit reports
- Analyse the various checklists/work sheets for governance and compliance audits
- Design self-evaluation tools
- Draft audit report and audit opinion

CONTENT

1. Basic concepts and elements in auditing

- 1.1 Auditing
- 1.2 Assessment
- 1.3 Monitoring
- 1.4 Assurance engagement
- 1.5 Non-assurance engagement
- 1.6 Reasonable assurance
- 1.7 Limited assurance
- 1.8 Direct reporting engagement
- 1.9 Attestation engagement
- 1.10 Compilation engagements
- 1.11 Assurance reports
- 1.12 Direct reporting
- 1.13 Authorities and criteria
- 1.14 Assertions and audit
- 1.15 Internal audit
- 1.16 Statutory audit
- 1.17 Legal audits
- 1.18 Governance audit

2. Governance and compliance risks

- 2.1 Identifying, managing and monitoring governance and compliance risks
- 2.2 Impact of non-compliance: Legal impact, Business impact, Reputational impact
- 2.3 Role of ethics and compliance officers
- 2.4 Identify, prioritise, and assign accountability for managing existing or potential threats related to noncompliance or ethical misconduct
- 2.6 Identifying laws and regulations with which the organisation is required to comply in all jurisdictions where it conducts business, as well as critical organisational policies

3. Introduction to governance and compliance audit

- 3.1 General principles of governance of governance and compliance audit
- 3.2 The nature and purpose of governance audit
- 3.3 The nature and purpose of compliance audit
- 3.4 Types and timing of governance and compliance audits

- 3.5 Users of governance and compliance audit information and their respective needs
 - 3.6 Qualities of good governance and compliance audit
 - 3.7 The Challenges of governance and compliance Auditing
 - 3.8 Governance and compliance audit in the digital era
4. **Legal, regulatory and professional and ethical considerations**
- 4.1 Legal requirements on governance and compliance audit for different types of legal entities
 - 4.2 Codes of governance as issued by ICS and different industry regulators
 - 4.3 Regulatory framework of governance and compliance audit industry regulators
 - 4.4 Governance and compliance audit standards by ICS
 - 4.5 Code of ethics for Certified Secretaries
 - 4.6 Auditors' authority, professional liability and legal responsibilities
 - 4.7 Professional objectivity, professional skepticism and professional judgment
 - 4.8 The role of ICS in governance and compliance auditing
 - 4.9 Ethics & integrity as a compliance issue
5. **Engagement and appointment**
- 5.1 Designing terms of reference
 - 5.2 Designing scope of work and request for proposal
 - 5.3 Tendering and procuring audit services
 - 5.4 Designing proposal
 - 5.5 Qualification requirements
 - 5.6 Negotiating fees amount, structure and timelines
 - 5.7 Acceptance and professional appointments
 - 5.8 Award and execution of contract
 - 5.9 Inception report
6. **Planning for a governance and compliance audit**
- 6.1 Initial considerations for planning
 - 6.2 Planning process with timelines
 - 6.3 Materiality at planning stage
 - 6.4 Determine audit objective and scope
 - 6.5 Determine the key governance and compliance parameters
 - 6.6 Determining the level of assurance
 - 6.7 Identifying subject matter and criteria
 - 6.8 Understanding the entity and its environment
 - 6.9 Developing audit strategy
 - 6.10 Assessing audit risk, threats and safeguards
 - 6.11 Developing audit plan, programme and procedures
 - 6.12 Preparation of audit working papers
 - 6.13 Developing governance compliance matrix
 - 6.14 Governance and compliance audit checklist
 - 6.15 Quality control
 - 6.16 The audit team
7. **Documentation and Communication**
- 7.1 Documentation in governance and compliance audit
 - 7.2 Communication between auditor and client organisation

8. **Conduct of governance and compliance audit**
 - 8.1 Inception meeting for clarification and/or understanding of key contact persons, scope, process, timelines, schedule, logistics, operating environment and areas of emphasis
 - 8.2 Reviewing the compliance, governance and internal control systems
 - 8.3 Group governance and compliance audits
 - 8.4 Assessing compliance with the Constitution, applicable laws, rules, regulations, international treaties, international agreements, codes of conduct and internal policies
 - 8.5 Coordination in the conduct of governance and compliance audit
 - 8.6 Role of in-house corporate secretary, internal auditor, external auditor, legal auditor, audit committee, regulatory oversight bodies and other governance assurance functions
 - 8.7 Process of governance and compliance audit
 - 8.8 The governance and compliance audit cycle
 - 8.9 Governance and compliance audit tools
 - 8.10 Use of technology
 - 8.11 Scoring methodology
 - 8.12 Data analysis

9. **Gathering audit evidence**
 - 9.1 Nature and sources of audit evidence
 - 9.2 Types of audit evidence
 - 9.3 Evidence gathering techniques
 - 9.4 Data collection instruments
 - 9.5 Document checklists/list of documents to be provided by client for review by the auditor
 - 9.6 Literature review
 - 9.7 Questionnaire/survey or confidential discussions with select members of the board and senior management using a structured format
 - 9.8 Site visits
 - 9.9 Limitations in gathering audit evidence
 - 9.10 Types of audit tests
 - 9.11 Audit sampling
 - 9.12 Using the work of experts
 - 9.13 Using reports of board evaluation and other internal governance assessments.
 - 9.14 Methods and techniques of auditing high risk areas
 - 9.15 Data analysis
 - 9.16 Evaluating of evidence and forming conclusions

10. **Reporting governance and compliance audit**
 - 10.1 Purpose and users of auditor's report
 - 10.2 Types, contents, elements and structures of auditors' report
 - 10.3 Governance and compliance audit opinion
 - 10.4 Consequences of various audit reports and opinions
 - 10.5 Reporting of suspected unlawful and/or unethical acts
 - 10.6 Conclusions/opinions in governance and compliance audit
 - 10.7 Reports to those charged with governance
 - 10.8 Governance and compliance report on the annual report
 - 10.9 Interim, final and abridged versions of governance and compliance reports
 - 10.11 Submission, presentation and /or filing of audit report

- 10.12 Closure of the audit assignment
- 10.13 Audit follow up

- 11. **Implementing audit recommendations**
 - 11.1 Implementation strategies
 - 11.2 Formulating an action plan and compliance matrix
 - 11.3 Role of the Board in implementing the action plan
 - 11.4 Monitoring, evaluating, tracking progress and embedding recommendations/decisions arising from the audit.

- 12. **Post governance and compliance audit**
 - 12.1 Nature and scope of subsequent events
 - 12.2 General guidelines on subsequent events

- 13. **Peer review mechanism**
 - 13.1 Purpose, scope and types of peer review
 - 13.2 Responsibilities of parties in peer review
 - 13.3 Peer review mechanism stages
 - 13.4 Quality management and assurance measures
 - 13.5 Confidentiality requirements

- 14. **Governance Awards in practice**
 - 14.1.1 The ICS Governance Awards, other regional governance awards
 - 14.1.2 Parameters evaluated in the governance awards
 - 14.1.3 Award evaluation tool and scoring
 - 14.1.4 Governance Index

Sample reading and reference material

1. Tarantino, A. Governance, Risk, and Compliance Handbook. (2008). Revised edition. Wileys.
2. Solomon, J. (2020). Corporate Governance and Accountability (5th edition). New Jersey: Wiley.
3. Anamika, D., Mittal, R., & Mehta, D. (2018). Auditing and Corporate Governance. New Delhi: SBDP Publications.
4. Various Codes of Governance and Statutes; ICS Governance Journals; ICS Governance Standards and Guidelines; IFC Corporate Governance tools and publications.
5. Business Registration Services Guidance notes; OECD Publications.
6. Kasneb e-learning resources (link on the Kasneb website).
7. Kasneb approved study packs.

PAPER NO. 16 BOARDROOM DYNAMICS

UNIT DESCRIPTION

This paper is intended to equip the candidate with the knowledge, skills and attitudes that will enable him/her to positively and effectively influence and effect changes in the boardroom in the context of the existing dynamics of the Board.

LEARNING OUTCOMES

A candidate who passes this paper should be able to:

- Demonstrate an understanding of why focusing board dynamics is becoming increasingly important for organisations.
- Demonstrate an understanding of the importance of boardroom dynamics for organisations.
- Critically evaluate how boardroom dynamics might affect the quality relationships, decision-making, conversations, culture, diversity and other factors.
- Apply formal and informal methods to positively influence dynamics and enhance boardroom performance

CONTENT

- 1. The emergence of boardroom dynamics in corporate governance**
 - 1.1 Defining boardroom dynamics
 - 1.2 The evolving focus on corporate governance
 - 1.3 The three phases of board evolution
 - 1.3.1 Ceremonial board
 - 1.3.2 Liberated board
 - 1.3.3 Progressive board
 - 1.4 Building blocks of a progressive board
 - 1.4.1 Group dynamics
 - 1.4.2 Information Architecture
 - 1.4.3 Focus on substantive issues
 - 1.5 Impact of boardroom dynamics on organisational performance
 - 1.6 Interest in human factors (human resources, management of talent, organisational culture, politics etc.)
 - 1.7 Shifts in approaches to leadership
 - 1.8 Focus on ethics
 - 1.9 A broader model for corporate governance
 - 1.10 Organisational failures and impacts on boardroom dynamics
 - 1.11 Role of the corporate secretary in Board room dynamics
- 2. Evolution of Codes of Corporate Governance**
 - 2.1 Evolution of codes - global trends
 - 2.2 Incorporation of boardroom dynamics in codes of corporate governance
 - 2.3 Impact of codes of governance on board culture, behaviors and effectiveness
 - 2.4 Evaluating human capital
 - 2.5 Self-regulation in corporate governance
- 3. Governance Structures**
 - 3.1 Governance theories related to board structure
 - 3.2 Board Structures: Unitary and two tier Boards
 - 3.3 Components of governance structures
 - 3.4 Board size

- 3.5 Committee structure
 - 3.6 Director considerations
 - 3.7 Best practices when creating and implementing governance structures
 - 3.8 Evaluating governance structures in organisations
4. **Skills, Competencies and Diversity of the Board**
- 4.1 Human capital aspects of the board
 - 4.1.1 Director competencies
 - 4.1.2 Director skills and experience
 - 4.1.3 Evaluating individual board members
 - 4.2 Personal characteristics of the board.
 - 4.3 Defining and understanding the measuring of diversity
 - 4.4 Types of diversity
 - 4.5 Areas of diversity and their relationship to boards
 - 4.6 Diversity thinking in a boardroom setting
5. **Understanding Boardroom Dynamics**
- 5.1 Psychology of the board
 - 5.1.1 The importance of board dynamics relative to board structure, demographics and attributes.
 - 5.1.2 Psychological theories underpinning board dynamics
 - 5.1.3 Characteristics of boards and board meetings
 - 5.1.4 Board team processes
 - 5.1.5 Board team outcomes
 - 5.2 Individual and team resilience
 - 5.3 Well-being and resilience of the board
 - 5.4 Developing behavioral agility
6. **Board Decision Making**
- 6.1 Decision making as a core competence of a board
 - 6.2 Evidence-based decision making
 - 6.3 Cognitive bias
 - 6.4 Individual differences in relation to decision making
 - 6.5 Decision making tools
 - 6.6 Board team decision making: Key factors and tools
7. **Stakeholder Conversations**
- 7.1 Developing dialogue over debate
 - 7.2 Building trust through adult/adult conversations
 - 7.3 The systems inside the board
 - 7.4 The systems outside the board
 - 7.5 Emotional intelligence as a core board competence
 - 7.6 Managing conflict
 - 7.7 Stakeholder communication
8. **Culture in the Boardroom**
- 8.1 Governance and culture
 - 8.2 Defining board culture
 - 8.3 Board culture dynamics
 - 8.4 Application of Schein's Three Levels of Culture model
 - 8.5 Company culture
 - 8.6 Country culture - Hofstede's Cultural Dimensions

9. **Board Diversity**
 - 9.1 Understanding diversity
 - 9.2 Types of Diversity
 - 9.3 Influences of board diversity (culture, law)
 - 9.4 Promoting diversity within the board

10. **The Effect of Meeting Design on Boardroom Dynamics**
 - 10.1 Introduction to meeting design
 - 10.2 Design of board meetings
 - 10.3 Physical characteristics
 - 10.4 Attendee characteristics
 - 10.5 Trends in technology
 - 10.6 Use of virtual boards for remote teams
 - 10.7 Face-to-face versus virtual/audio interaction

11. **The Role of the Governance Professional in Influencing the Boardroom Dynamics**
 - 11.1 The 21st Century governance professional
 - 11.2 The strategic role of the corporate secretary
 - 11.3 Application of theory
 - 11.4 Influencing dynamics in a positive way
 - 11.5 Leadership influence
 - 11.6 Ethical dilemmas

12. **Effective Talent Management**
 - 12.1 Board talent management overview
 - 12.2 Skills and competencies of board members
 - 12.3 Recruitment of board members
 - 12.4 Introduction of board members
 - 12.5 Board learning and development
 - 12.6 Performance management of board members
 - 12.7 The role of the corporate secretary/ governance professional in effective talent management
 - 12.8 Ethical dilemmas in relation to managing talent

13. **Board Evaluation**
 - 13.1 Methods and processes options of board evaluation
 - 13.2 Evaluating director personal characteristics
 - 13.3 Evaluating board dynamics
 - 13.4 The corporate secretary as a board consultant

14. **Power and Politics in Organisations**
 - 14.1 The art and science of power in organisations
 - 14.2 Sources of power in organisations
 - 14.3 Power and influence.
 - 14.4 Managing change through power.
 - 14.5 Leading with power.

15. **Contemporary Issues and Case Studies in Boardroom Dynamics**

Sample reading and reference material

1. Nahkies, G. (2000). Taking the tension out of boardroom ethics. Chartered Accountants Journal of New Zealand. <https://www.pdfdrive.com/boardroom-dynamics-e105392470.html>
2. Spencer Stuart. (2017). Boardroom: Best Practice - Lessons learned from board assessments across Europe. Chicago, United States of America. <https://www.spencerstuart.com/research-and-insight/boardroom-best-practice>
3. ICSA: The Chartered Governance Institute (2019). Boardroom Dynamics: ICSA qualifying programme London, United Kingdom https://www.icsa.org.uk/my_cg/qp-study-support/qp-boardroom-dynamics
4. MAICSA: The Chartered Governance Institute (2020). Boardroom Dynamics Syllabus: Module 7 Kuala Lumpur, Malaysia. www.maicsa.org.my › media › students_nqp_syllabus_bd
5. The Hong Kong Institute of Chartered Secretaries (2019). Boardroom Dynamics Programme. Duddell Street, Central, Hong Kong. <https://www.hkuspace.hku.hk/prog/son-the-hkics-exam-prep-prog-boardroom-dynamics>
6. Caines M. (2003). BOARDROOMS THAT WORK: A guide to board dynamics. Australian Institute of Company. Australia Square, Australia. https://books.google.co.ke/books/about/Boardrooms_that_Work.html?id=Z7LXAAAACAAJ&redir_esc=y
7. Charan, R. (2005). Boards that deliver: advancing corporate governance from compliance to competitive advantage. Books.Google.Com.
8. General Zinni T & Koltz T. (2009). Leading the Charge: Leadership Lessons from the Battlefield to the Boardroom. Palgrave Macmillan, United States of America Books.Google.Com.
9. Kakabadse A. & Kakabadse N. (2008). Leading the Board: The six disciplines of world class Chairmen. Palgrave Macmillan, United States of America Books.Google.Com.
10. Kasneb e-learning resources(link on kasneb website)
11. Kasneb approved study packs