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Ross Smith

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International Federation of Accountants
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CANADA

Dear *Ross Smith*

EXPOSURE DRAFT 86 ON EXPLORATION FOR AND EVALUATION OF MINERAL RESOURCES

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

We thank the IPSASB for publishing the proposal to align the standard on exploration for and evaluation of mineral resources in the Public Sector to IFRS 6.

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

Yours *Sincerely*



CPA GEORGINA MUCHAI
AG. CHIEF EXECUTIVE OFFICER

Responses to Exposure Draft 86: Exploration for and Evaluation of Mineral Resources

This ED's objective is to specify the financial reporting for the exploration and evaluation of mineral resources. The ED proposes guidance on accounting for exploration and evaluation expenditures, including the recognition of exploration and evaluation assets.

Specific Matter for Comment 1

The IPSASB decided to propose an IFRS 6-aligned Standard in ED 86 (see paragraphs BC2–BC7). Do you agree that amendments to IFRS 6, for the public sector, are limited to terminology and other IPSASB-specific formatting and consistency amendments (see paragraph BC8)?

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

Yes, PSASB Kenya agrees with this proposal in light of the IPSASBs' convergence project with the IFRSs.
