



FIRE AWARD 2017 EVALUATION TOOL

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Hilton Hotel, Nairobi
Wednesday, 13 September 2017

Introduction

The evaluation tool updates focused on amendments to the existing standards and other changes to the regulatory and compliance requirements.

Updates to the evaluation tool

No major changes noted in IFRS for SMEs, IPSASs Cash and IPSASs Accrual BUT major ones anticipated in 2018 due to the standards coming into effect on the 1st January 2017.

Auditor's Report

- ❑ Detailed review to incorporate changes resulting from:
- ❑ ISA 700 (Revised) Forming an Opinion and Reporting on Financial Statements;
- ❑ ISA 701 Communicating Key Audit Matters in the Independent Auditor's Report; and
- ❑ ISA 720 (Revised) The Auditor's Responsibilities Relating to Other Information.

IFRS Evaluation

- ❑ The amendments on IFRS have an effect on presentation and disclosure. In addition, some entities early adopted IFRS 9 hence this will be factored. *Please confirm if any entity early adopted IFRS 15; and if so, the need to develop a checklist to evaluate that.*
- ❑ IFRS 14 - Regulatory Deferral Accounts

IFRS Evaluation

- ❑ *Based on the provisions of para 5 of IFRS 14, it is unlikely that there is any entity in Kenya that would be able to apply this standard. No checklist has therefore been developed to evaluate compliance.*
- ❑ Accounting for Acquisitions of Interests in Joint Operations (Amendments to IFRS 11)

IFRS Evaluation

- ❑ Clarification of Acceptable Methods of Depreciation and Amortization (Amendments to IAS 16 and IAS 38)
- ❑ Agriculture: Bearer Plants (Amendments to IAS 16 and IAS 41)
- ❑ Equity Method in Separate Financial Statements (Amendments to IAS 27)

IFRS Evaluation

- ❑ Annual Improvements 2012-2014 Cycle
- ❑ Disclosure Initiative (Amendments to IAS 1)
- ❑ Investment Entities: Applying the Consolidation Exception (Amendments to IFRS 10, IFRS 12 and IAS 28)

IFRS for SMEs

- ❑ No change, except for the report of the independent auditor.
- ❑ For FY 17 (FiRe Award 2018), the tool should be updated to incorporate changes arising from the Comprehensive review of IFRS for SMEs (effective 1 January 2017) to cater for early adoption.

IPSAS Cash

- ❑ No change – Issued in 2007 and last amendments in 2010.
- ❑ However, there is need to incorporate any specific requirements issued by PSASB in 2016/17.

IPSAS Accrual

- ❑ Limited review, no major changes noted.
- ❑ Major changes however expected in FiRe Award 2018 due to the following new standards which became effective on 1 January 2017
 - ❑ IPSAS 33 First-time Adoption of Accrual Basis IPSASs
 - ❑ IPSAS 34 Separate Financial Statements
 - ❑ IPSAS 35 Consolidated Financial Statements
 - ❑ IPSAS 36 Investments in Associates and Joint Ventures
 - ❑ IPSAS 37 Joint Arrangements
 - ❑ IPSAS 38 Disclosure of Interests in Other Entities

Scoring Criteria

CRITERIA	TOTAL MARKS
Compliance with IFRS/IPSAS & Other Technical Pronouncements	70
Report of the Independent Auditor	30
Clarity of Notes, including Significant Accounting Policies	10
Compliance with Reporting Requirements of the PFM Act or any other regulatory requirements	30
Board & Management reports	10
Presentation of performance data	10
Design, layout & visual appearance of the annual report including typeface	05
Governance Report	30
Social Responsibilities & Environmental Reporting	05
Total Marks Awarded	200



End