



ANNUAL CONFERENCE FOR HIGHER EDUCATION/TRAINING INSTITUTIONS

Theme: Prudent Financial Management for Sustainability

Venue: Diani Reef Hotel - Ukunda, South Coast

**Session: Financial Reporting – Requirements of Relevant Legislation
and Standards**

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- ☐ Public Financial Management Act
- ☐ International Public Sector Accounting Standards (IPSAS)
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1. Introduction



There are efforts to improve reporting by higher learning institutions:

1. The law
2. Professional bodies (FiRe awards)
3. Other users e.g. providers of funds

1. Introduction



Benefits of Better reporting

- Enhanced Governance
- Transparency hence more trust with key stakeholders
- Achieve compliance with various regulatory bodies e.g. CUE/TVETA

1. Introduction



Challenges to better reporting:

- Ability and knowledge of leadership
- Information overload and competitive harm
- Costs; processes, documents and people
- Time; provision of timely information

1. Introduction



Measures in place to improve reporting

- The law i.e. Public Financial Management Act

- IPSAS for public entities and IFRS for private sector entities

2. Public Financial Management Act



Article 226 which requires an Act of Parliament to provide for financial records and audit of all accounts of governments hence PFM...Act (80-85)

Understand the Philosophy of PFM Act..

2. Public Financial Management Act



a)openness, accountability and citizen participation in financial matters, i.e. when raising, allocating and utilizing, public finances

b)Promotion of equitable society in which, tax burdens fairly shared, and,

2. Public Financial Management Act



- c) burdens and benefits of public debt are shared equitably, and
- d) Public funds are used prudently and responsibly, and
- e) management of public finance is **reported clearly and responsibly**

3. IPSAS



IPSAS are developed by IPSASB. The objective is to ensure that government entities move from cash accounting to accrual accounting. This enhances:

1. Transparency
2. Accountability
3. Uniformity

4. IFRS



IFRSs are developed by IASB for general business entities (including government entities that are for profit). Again like IPSAS IFRS are meant to enhance transparency, accountability and uniformity hence the quality of financial reporting.

4. IPSAS & IFRS



IPSAS	Description	IFRS
IPSAS 1	Presentation of Financial Statements	IAS 1
IPSAS 2	Cash Flow Statements	IAS 7
IPSAS 3	Accounting Policies, Changes in Accounting Estimates and Errors	IAS 8
IPSAS 4	The Effects of Changes in Foreign Exchange Rates	IAS 21
IPSAS 5	Borrowing Costs	IAS 23
IPSAS 6	Consolidated and Separate Financial Statements	IAS 27
IPSAS 8	Interests in Joint Ventures	IAS 31
IPSAS 9	Revenue from Exchange Transactions	IAS 18
IPSAS 10	Financial Reporting in Hyperinflationary Economies	IAS 29
IPSAS 11	Construction Contracts	IAS 11

4. IPSAS & IFRS



IPSAS	Description	IFRS
IPSAS 12	Inventories	IAS 2
IPSAS 13	Leases	IAS 17
IPSAS 14	Events After the Reporting Date	IAS 10
IPSAS 16	Investment Property	IAS 40
IPSAS 17	Property, Plant and Equipment	IAS 16
IPSAS 18	Segment Reporting	IAS 14
IPSAS 19	Provisions, Contingent Liabilities and Contingent Assets	IAS 37
IPSAS 20	Related Party Disclosures	IAS 24
IPSAS 21	Impairment of Non-Cash-Generating Assets	IAS 36
IPSAS 22	Disclosure of Financial Information About the General Government	N/A

4. IPSAS & IFRS



IPSAS	Description	IFRS
IPSAS 23	Revenue from Non-Exchange Transactions (Taxes and Transfers)	N/A
IPSAS 24	Presentation of Budget Information in Financial Statements	N/A
IPSAS 26	Impairment of Cash-Generating Assets	IAS 36
IPSAS 27	Agriculture	IAS 41
IPSAS 28	Financial Instruments: Presentation	IAS 32
IPSAS 29	Financial Instruments: Recognition and Measurement	IAS 39
IPSAS 30	Financial Instruments: Disclosures	IFRS 7
IPSAS 31	Intangible Assets	IAS 38
IPSAS 32	Service Concession Arrangements: Grantor	IFRIC 12
IPSAS 33	First-time Adoption of Accrual Basis IPSASs	N/A

4. IPSAS & IFRS



IPSAS	Description	IFRS
IPSAS 34	Separate Financial Statements	IAS 27
IPSAS 35	Consolidated Financial Statements	IFRS 10
IPSAS 36	Investments in Associates and Joint Ventures	IAS 28
IPSAS 37	Joint Arrangements	IFRS 11
IPSAS 38	Disclosure of Interests in Other Entities	IFRS 12
IPSAS 39	Employee Benefits	IAS 19
IPSAS 40	Public Sector Combinations	IFRS 3
RPG 1	Reporting on the Long-Term Sustainability of an Entity's Finances	N/A
RPG 2	Financial Statement Discussion and Analysis	N/A
RPG 3	Reporting Service Performance Information	N/A
The Conceptual Framework for General Purpose Financial Reporting by Public Sector Entities		N/A
Financial Reporting under the Cash-Basis of Accounting		N/A

5. Examples



Adobe Acrobat
Document

5. Examples



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