



Financial Reporting

IPSAS 1 & 2

The Financial Reporting Framework in Kenya

- IPSAS Cash
- IPSAS Accrual
- IFRS

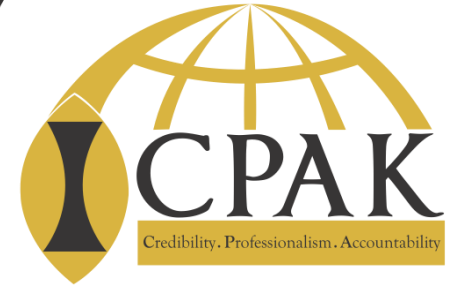
Financial Reporting



Key Focus:

- **IPSAS 1** – Presentation of Financial Statements
- **IPSAS 2** – Statement of Cash flows

Financial Reporting



IPSAS 1 – Presentation of Financial Statements

Vision: A world class Professional Accountancy Institute.

Financial Reporting



IPSAS 1 – Presentation of Financial Statements

Question

Who prepares the Annual report and Financial statements in our entities?

Financial Reporting



Annual Reports & Financial Statements have two major sections:

1. Non Financial Section
2. The Financial Statements

Financial Reporting



Non Financial Section: (PSASB Format)

1. Key Entity Information
2. Board Members & Management Profiles
3. Chairman & CEO's Statement
4. Performance against set objectives
5. Corporate Governance
6. Management discussion analysis
7. CSR/ Sustainability Reporting
8. Report of the Directors
9. Directors' Responsibilities
10. Report of the Independent Auditor

Financial Reporting



Key Entity Information:

- Background on incorporation/establishment
- Principal Activities/Mandate
- Key management
- Fiduciary Management
- Location, Bankers, Contacts, Address

Vision: A world class Professional Accountancy Institute.

Financial Reporting



Board Members Profiles:

- Passport size photo
- Name
- Key Academic/Profession qualification
- Work experience
- Committees involved

Vision: A world class Professional Accountancy Institute.

Financial Reporting



Key Management Profiles:

- Passport size photo
- Name
- Key Academic/Profession qualification
- Main area of responsibility

Vision: A world class Professional Accountancy Institute.

Financial Reporting



Chairman's Statement.

- Salutations
- Highlights of key activities
- Successes made
- Challenges faced
- Future outlook
- Signature

Vision: A world class Professional Accountancy Institute.

Financial Reporting



CEO's Statement.

- Salutations
- Highlights of key activities
- Successes made
- Challenges faced
- Financial Performance
- Signature

(Same as Chairman's statement but more detailed)

Vision: A world class Professional Accountancy Institute.

Financial Reporting



Performance Review against set objectives:

- Strategic Pillars
- Objectives
- Key performance indicators
- Activities and,
- Achievements

Vision: A world class Professional Accountancy Institute.

Financial Reporting



Corporate Governance Statement.

- Appointment & removal of board members
- Roles and function of the board
- Induction and training
- Meeting attendance
- Succession planning
- Conflict of interest
- Remuneration
- Ethics and conduct

Vision: A world class Professional Accountancy Institute.

Financial Reporting



Management Discussion and Analysis

- Operational and financial performance
- Key projects or investments
- Compliance with statutory requirements
- Major risks facing the organization
- Statutory and other financial obligations
- Any other relevant information
(use tables, pie charts)

Financial Reporting



CSR Statement/Sustainability Reporting:

- Sustainability strategy and profile
- Environmental performance
- Employee Welfare
- Market place practices
- Community engagements

Report of the Directors

- Mandate of the entity
- Results of the financial year
- Directors who served in the period
- Auditors who audited the Financials

Financial Reporting



Statement of Directors' responsibilities:

- Preparation and presentation of Financials
- Financial management systems and controls put in place.
- Approval by the Board's representatives

Financial Reporting



The Financial Statements

- Statement of Financial Performance
- Statement of Financial Position
- Statement of Changes in Net Assets/Equity
- Statement of Cash Flows
- Statement of comparison of budget & Actual
- Notes to the Financial Statements

Demonstration - PSASB Template for TVETs in Kenya

Key Focus:

- Statement of Performance
- Statement of Financial Position
- Statement of Changes in Net Assets
- Statement of Cash Flows
- Notes to the Financial Statement

Financial Reporting



Thank You

Questions and Answer

Vision: A world class Professional Accountancy Institute.