



FINANCIAL REPORTING AWARD

*The most prestigious and coveted Award in East Africa for financial reporting.*

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**Nairobi.**

### **Press Release**

#### **Public sector bodies to participate in upcoming financial reporting contest**

**Nairobi 7<sup>th</sup> November, 2019....**

Public sector entities have been urged to take advantage of the upcoming Financial Reporting (FiRe) award scheduled to be held in November to boost integrated reporting through enhanced accountability, transparency and integrity. The guiding theme for this year's Award is *Enhancing Corporate Value through Excellence in Financial Reporting for Cross-Border Trade and Investment Facilitation in East Africa and Beyond*.

The award is jointly promoted by Public-Sector Accounting Standards Board-Kenya (PSASB), the Capital Markets Authority (CMA), the Institute of Certified Public Accountants of Kenya (ICPAK), and the Nairobi Securities Exchange (NSE).

The Award has received submissions from national, county government and private sector entities. The award seeks to promote and recognise excellence in financial reporting, sound corporate governance practices and environmental reporting for both public and private sector entities in Kenya and within the larger East African region.

According to the Public Sector Accounting Standards Board (PSASB) Chief Executive Officer, Fredrick Riaga, participation in the Award has resulted in improved financial reports and disclosures given that evaluation panelists provide participants with a formal feedback loop, highlighting areas of improvement are identified.

The public entities have been brought on board *en masse* in line with the provisions of Public Finance Management (PFM) Act, 2012 which created and operationalized the Public Sector Accounting Standards Board (PSASB). "We have made the participation by public entities mandatory in a bid to encourage government organizations to embrace best

practices in reporting and demonstrating good governance. Once submitted, the financial reports are evaluated by a panel comprising of professionals drawn from the accountancy, audit practice, and academia. The panelists are experts in financial reporting standards, corporate governance and corporate social responsibility.” He said.

Unlike in the previous years, county governments reports have been subjected to the rigors of evaluation process and for the first time, the country will have an opportunity to know the best evaluated county government in terms of financial reporting and disclosures. The participation of county governments has been made possible by the timely completion and release of counties audited accounts by the Office of the Auditor General.

“The FiRe award has entrenched a culture of financial reporting among private sector entities, a fact that has enhanced direct foreign investment and trust among the investors, shareholders and end-users of such reports,” observed Edwin Makori, ICPAK Chief Executive Officer.

In 2018 there were 95 entries from the private sector and 408 entries from the public sector. This year, 688 entities participated out of which 602 were from the public sector.

“We are glad that the award has strengthened our financial markets and encouraged disclosures by private and public sector entities which has enabled a wide range of stakeholders to use such information in making economic decisions,” notes Paul Muthaura, CMA Chief Executive Officer.

He also pointed out that the main purpose of the award, besides promoting transparency and accountability, is facilitating feedback which in turn leads to improved coverage and disclosures of financial statements from public sector bodies.

“For the last eighteen years, NSE has encouraged listed companies to participate in this award due to its potency in advancing corporate governance, integrated and sustainability reporting. As a result, this has elevated Kenyan listed companies a notch higher in comparison with other entities in the region,” said Geoffrey Odundo, NSE Chief Executive Officer.

Last year, the overall winner was Sameer Africa PLC while the Office of the Controller of Budget emerged the winner in the constitutional commissions category with the Independent Police Oversight Authority (IPOA) and the Public Service Commission (PSC) coming in second and third respectively. In the Recognition for Most improved Public Sector Entity the Kenya National Commission for Human Rights emerged the winner.

*A Summary of FiRe Award current and past entries*

<b>Year</b>	<b>Private Sector</b>	<b>Public Sector</b>	<b>Total</b>
2017	92	364	456
2018	94	51	608
2019	86	602	688

**ENDS**

## **WHO WE ARE:**

### **FiRe AWARD**

The Financial Reporting (FiRe) Award is the most prestigious and coveted Award in East Africa for financial reporting. The Award is presented annually, during a colorful, gala evening hosted by the joint promoters; the Public Sector Accounting Standards Board (PSASB), Capital Markets Authority (CMA), the Nairobi Securities Exchange (NSE) and the Institute of Certified Public Accountants of Kenya (ICPAK). For the last fourteen (14) years, the FiRe Award has recognized and awarded the best reporting entities in East Africa. The Award is aimed at promoting integrated reporting through enhancing accountability, transparency and integrity in compliance with appropriate financial reporting framework and other disclosures on governance, social and environmental reporting by private, public and other entities domiciled in East Africa.

### **THE PROMOTERS:**

**PUBLIC SECTOR ACCOUNTING STANDARDS BOARD (PSASB):** The PSASB is a statutory body established under Section 192 of the Public Finance Management Act (PFM) No. 18 of 2012. The Board is mandated to provide frameworks and set generally accepted standards for the development and management of accounting and financial systems by all state organs and public entities. The purpose or mandate of the Board is summarized as follows:

1. Set generally accepted accounting and financial system standards for the Public Sector.
2. Prescribe and pronounce generally accepted internal auditing standards.
3. Mainstreaming of best practices for good governance, internal controls and risk management in the Public Sector.

The PSASB is therefore established as the ‘de facto’ and only authorised setter of financial accounting and internal audit standards for the Public Sector in Kenya.

**ICPAK:** The Institute of Certified Public Accountants of Kenya (ICPAK) is a statutory body that regulates the profession of accountancy in Kenya. The Institute has achieved recognition as a professional body for its contribution in finance and accounting education, governance, professional development, maintenance of high accounting, auditing and ethical standards.

As a professional body concerned with protection of public interest, ICPAK is one of the most active thought leaders in governance and economic matters in the country and the region.

**NSE:** The Nairobi Securities Exchange (NSE) is the principal securities exchange of Kenya. Besides equity securities, the NSE offers a platform for the issuance and trading of debt securities. The NSE is a member of the African Securities Exchanges Association (ASEA) and the East African Securities Exchanges Association (EASEA). It is an affiliate member of the World Federation of Exchanges (WFE), an associate member of the Association of Futures Markets (AFM) and a partner Exchange in the United Nations

Sustainable Stock Exchanges Initiative (SSE). NSE is also a signatory to the UN Global Compact.

**CMA:** The Capital Markets Authority (CMA) was set up in 1989 as a statutory agency under the Capital Markets Act Cap 485A. It is charged with the prime responsibility of both regulating and developing an orderly, fair and efficient capital markets in Kenya with the view to promoting market integrity and investor confidence. The regulatory functions of the Authority as provided by the Act and the regulations include; Licensing and supervising all the capital market intermediaries; Ensuring compliance with the legal and regulatory framework by all market participants; Regulating public offers of securities, such as equities and bonds & the issuance of other capital market products such as collective investment schemes; Promoting market development through research on new products and services; Reviewing the legal framework to respond to market dynamics; Promoting investor education and public awareness; and Protecting investors' interest.

For more information, visit our website: <http://www.fireaward.org>

**CHAIRMAN, FiRe AWARD TECHNICAL COMMITTEE**