

FINANCIAL INSTITUTIONS AND MARKETS ACT, 2015 [Act No. • of 2015]

REQUIREMENTS FOR THE ANNUAL REPORT OF A FRIENDLY SOCIETY

Standard No. FS.S.6.5

made by NAMFISA under section 382(7) (h) of the Financial Institutions and Markets Act, 2015

1. (1) In this Standard,
 - (a) “Act” means the *Financial Institutions and Markets Act, 2015* [Act No. • of 2015], and includes the regulations prescribed under the Act and the standards and other subordinate measures issued by NAMFISA under the Act;
 - (b) “Committee of management” means the committee of management of a friendly society elected or appointed pursuant to clause 3 of standards FS.S.6.4; .
- (2) Words and phrases defined in the Act have the same meaning in this Standard, unless the context indicates otherwise, including without limitation, the following:
 - (a) as defined in section 1 of the Act:
 - (i) auditor;
 - (ii) friendly society;
 - (iii) Generally Accepted Accounting Practice;
 - (iv) International Auditing Standards;
 - (v) principal officer;
 - (vi) valuator; and
 - (b) as defined in section 276 of the Act:
 - (i) assets;
 - (ii) fair value;
 - (iii) rules; and
 - (iv) society.
2. This standard applies to every friendly society registered under the Act and to the committee of management, principal officer, auditor and valuator, if any, of the friendly society.
3. Subject to clause 6(d), the information required under this Standard must be submitted in the form required by NAMFISA either electronically or manually.

4. A friendly society must submit the required annual report within 90 calendar days after the financial year end of the society.
5. Upon written application by a friendly society before the expiration of the period contemplated in clause 4, NAMFISA may grant the society an extension, to a maximum of 180 calendar days for the submission of the required annual report.
6. Financial statements must accompany the annual report submitted by a friendly society and must be prepared in accordance with:
 - (a) Generally Accepted Accounting Practice;
 - (b) International Financial Reporting Standards;
 - (c) International Auditing Standards; and
 - (d) in the case of a friendly society with share capital that is incorporated under the Companies Act, the provisions of the Companies Act will apply specifying requirements relating to the form and content of a financial report.
8. Annual financial statements of a friendly society submitted to NAMFISA pursuant to this Standard, must be audited by the auditor appointed by the society.
9. Any certification of the financial soundness of a friendly society by the valuator appointed by the society must be submitted to NAMFISA at the same time as the information required to be provided to NAMFISA under this Standard, and any such certification must be in accordance with Standard No. FS.S.6.8, and with any applicable professional actuarial or valuation standards.
10. Notwithstanding the requirements of any of the accounting standards referred to in clause 7, the assets of each benefit fund of a friendly society must be measured at fair value, with changes in fair value recognised in the income statement.
11. The financial statements of a friendly society must include the following:
 - (a) A statement of comprehensive income for the financial year that accurately represents the profit or loss of the society as well as each benefit fund kept for each object of the society determined in accordance with the rules of the society and the requirements of the Act;
 - (b) a statement of financial position that accurately represents the financial position of the society as well as each benefit fund consistent with the rules of the society and the requirements of the Act; and

(c) additional information in relation to the financial statements, which must either be attached to or submitted with the statement of comprehensive income and statement of financial position , including:

- (i) a report of the committee of management;
- (ii) a report of the auditor; and
- (iii) a report of the valuator, if any.

12. The report by the auditor of the friendly society referred to in clause 11(c)(ii) must be in accordance with Generally Accepted Accounting Practice and International Auditing Standards.

13. There must be attached to the financial statements of a friendly society a declaration by the committee of management, as contemplated in clause 11(c)(i), as to whether or not, in its opinion:

- (a) the financial statements are properly drawn up in accordance with the requirements of the Act and this Standard;
- (b) the statement of comprehensive income accurately represents the profits or losses determined in accordance with the Act and this Standard;
- (c) the statement of financial position accurately represents the financial position of the society consistent with the requirements of the Act and this Standard as at the end of the financial year of the society;
- (d) the distribution of the surplus, if any, of the benefit funds of the friendly society has been made in accordance with the rules of the society; and
- (e) any assets of the society have been applied or invested in contravention of the Act and any standards relating thereto.

14. The declaration of the committee of management referred to in clause 13 must:

- (a) be made in accordance with a resolution of the committee of management;
- (b) specify the day on which the resolution was made; and
- (c) be signed by at least two members of the committee of management.