FINANCIAL REPORTING PRACTICES ANDFINANCIAL PERFORMANCE OF SACCOS IN UASIN GISHU COUNTY, KENYA

By

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DECLARATION

This research project is my original work and has not been presented to any examination body.

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Declaration by the supervisor

This project has been submitted for examination with my approval as university supervisor.

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DEDICATION

I dedicate this research project to my father, mother, wife and children for their provision and encouragement in my academic endeavors.

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ABREVIATIONS AND ACRONYMS

IASB: International Accounting Standards Board

IFRS: International Financial Reporting Standards

ROA: Return on Assets

ROE: Return on Equity

SACCO: Savings and Cooperative Society

SMEs: Small and Medium Enterprises

UK: United Kingdom

ABSTRACT

The purpose of this study was to determine the effect of financial reporting practices on financial performance of SACCOs in Uasin Gishu County, Kenya. The specific objectives of the study were to; establish the effect of disclosure of financials on performance of SACCOs, examine the effect of comprehensiveness on performance of SACCOs, assess the effect of audience consideration on performance of SACCOs. The study was guided by Stakeholders Theory and Agency Theory. The study adopted a descriptive survey design. Study was carried out in SACCOs in Uasin Gishu County, Kenya. According to the SASRA and the Ministry of Trade and Cooperatives, there are 34 SACCOs in Uasin Gishu County, Kenya. The study therefore targeted 34SACCOs and in each 2 respondents were selected (1 manager and 1 accountant). The target population was therefore 68 respondents. Since the population is small (68) census was used to select the sample from the entire population. Questionnaire was used in data collection. The researcher conducted pilot study to ascertain validity and reliability of research instruments. Descriptive statistics as well as regression analysis with the aid of SPSS were used to analyze the collected data. The study findings indicated that there was a significant relationship between disclosure of financials and financial performance ($p=0.000$); there was a significant relationship between comprehensiveness and financial performance ($p=0.000$) and that there was a significant relationship between audience consideration and financial performance ($p=0.000$). The study concluded that financial position reporting is done on a full disclosure basis and that monthly summaries of comprehensive income are prepared and used in the firm. Also the entire financial reporting exercise in the SACCO considers the information usage of all internal users. The study recommended that there is need to improve on the financial reporting practices of the referred companies to improve its financial reporting standards.

CHAPTER ONE

INTRODUCTION

1.1 Background of the Study

Financial reporting practice is important to ensure that organization's financial resources are utilized effectively and efficiently in attainment of its objectives. Data about the execution of a venture specifically its gainfulness, is required with the end goal to evaluate potential changes in the financial assets that its liable to control later on. Data about changeability of execution is essential in this regard. Data about execution is helpful in anticipating the limit of the endeavor to create money streams from its current asset base. It is likewise valuable in shaping judgment about the adequacy with which the venture may utilize extra assets (Rees, 1995).

Financial reporting practice relates to an organization in terms of the users of reported financial information. Stakeholder theory alludes that other persons as well as entities must be acknowledged as stakeholders when carrying out important activities in the firms such as reporting of financial information, such as creditors, employees, suppliers, customers, government and community, corporate governance should be the stakeholders of the coordination mechanisms of conflict of interest, balance and coordinate conflict of interest to all stakeholders to maximize the benefits (Liu Dan 2003). Organization hypothesis and partner hypothesis are both used to appreciate and clear up various sorts of associations in business. The two speculations give an approach to fathom business challenges. Issues may be a delayed consequence of true blue lie or may truly be caused by clashing business interests. These theories are routinely used to design the premiums of financial specialists, delegates, customers, individuals by and large and dealers. Various troubles that appear inside the business world on account of divided information, miscommunication and battle may be illuminated using these two hypotheses. To enhance financial transparency organizations should provide timely financial updates to the stakeholders and principals (Wood & Sangster, 2005).

The monetary administrations part is extremely noteworthy area in the present current economies. SACCOs like other monetary foundations assume an extraordinary job in the economy by preparing reserve funds and assigning credit for speculation along these lines enhancing individuals' expectations for everyday comforts. Cooperatives can provide financial services to their members through existing products and the members also have the opportunity of saving with the cooperative but this is possible if the cooperatives are financially sustainable. The money related execution of a SACCO is estimated through the capacity of the foundation to meet the budgetary requests of its individuals taking thought of monetary status of the individuals. SACCO is relied upon to give better and less expensive administrations to its individuals when contrasted with the standard banks since SACCO comprehends the necessities of the individuals since they are the proprietors of the SACCO (Wanyama, 2008). Through mobilization of funds the SACCOs in Kenya offer loan services, deposits, front office services and cheque clearance services.

1.1.1 Financial Reporting Practices

Financial reporting practice is the dissemination of information related to the financials of a firm to various users of accounting information to make an investment decision, obtaining credit facilities, and other financing decisions at the time they need the information (Wild, Shaw & Chiappetta, 2016). Money related reports are formal and extensive proclamations portraying budgetary exercises of a business association, for example, the assembling firm. It is likewise an explanation that reports all critical finance –related information disseminated in an specific manner as well as within a given period straightforward for administrative utilize and for taking a provoke and educated choice identifying with speculation (IASB, 2005).

Monetary reporting practices are not only concerned with executing simple issues in a similar way as previously done but also more rapidly. Otherwise, it is tied in with auditing the body's general bookkeeping and announcing game plans and differentiating best methods for trying to achieve prior revealing datelines. This perception delivering end of the year statements should be the last step of the whole financial year accounting processes. Money related revealing practices are essential for staffs who utilize monetary data. These clients require data that is opportune and enlightening in light of the fact that they utilize this data to settle on choices about, or in the interest of, the general population body (IASB, 2005).

The major relevance of the financial report to some users of monetary account is to offer information concerning monetary performance as well as dynamics in monetary position of a firm. These clients incorporate administrators, executives, workers, planned speculators, money related foundations, government administrative organizations, media, merchants and people in general. Monetary reports are frequently arranged by national benchmarks, corporate administration, proficient morals, and code of morals to keep away from money related detailing misrepresentation and outrages that may frustrate successful basic leadership process by administration and different clients of reports. The budgetary reports include accounting report (now called explanation of monetary position), benefit and misfortune proclamation (now called articulation of far reaching salary), explanation of value changes (Statement of changes in value), and income proclamations (now alluded to as explanation of income exercises).

In spite of the fact that the essential objective of monetary detailing in organizations is to exhibit money related data in a way that can empower budgetary proclamation client settle on educated choices, this respectable target has kept on escaping numerous players. This is on the grounds that for expansive number of organizations and market members, the dialect of monetary detailing has and keeps on staying hard to comprehend and assess. This combined with entangled monetary proclamations makes evaluation of the money related wellbeing of clients troublesome as well as outlandish. To guarantee ampleness of budgetary announcing, there are different bodies, for example, IASB, IAIS and FASB among others which are acknowledged for their role in setting standards accepted globally (Kabiru & Mwangangi, 2012).

Majority of organizations are financially ailing because they are facing myriad of financial reporting challenges including inadequate financial reporting practices (budgeting, cash-flow statements analysis, inflation/price level reporting, cost accounting, inventory reporting, extra-ordinary items reporting, ratio analysis) (Kibet, 2011). Accordingly, most organizations have accumulated large receivables, large un-reconciled cash statements, inefficient cost management techniques and failure to account and report for hyperinflation times (Naibei, 2014).

1.1.2 Financial Performance

Financial performance is the way toward estimating the aftereffects of a company's arrangements and activities in money related terms (Campbell, 2012). Monetary proportions of budgetary performance comprises of return on capital, return on resources, return on deals, rate of profitability, return on value utilized and deals development. As indicated by Donald and Delno (2009), proper measures of performance include those which engage relationship to organize their exercises in achieving their critical objectives.

Gerrit and Abdolmohammadi (2010) battles that, execution is assessed by either dynamic or target criteria; conflicts for passionate estimates join difficulties with social occasion emotional execution data from little firms and with steadfast nature of such data rising up out of differentiations in accounting procedures used by firms. Donald and Delno (2009) made reference to accounting-based performance using three parameters: return on value (ROE), return on resources (ROA), and profit for deals (ROS). Individual measure was processed by disconnecting net compensation by total assets, mean customary esteem, and total net arrangements, exclusively.

Estimating monetary execution is a multi-dimensional idea. Viability and effectiveness are the two crucial components of execution. This is underscored by Abasilim (2014) in the contention that viability alludes to the degree to which partners' prerequisites are met, while effectiveness is a proportion of how financially the ranch's assets are used while giving a given dimension of partner fulfillment. To accomplish prevalent relative-execution, an association must accomplish its normal goal with more noteworthy proficiency and adequacy than its rivals (Abbasi & Zamani-Miandashti, 2013). Money related proportions of execution are gotten from the records of an organization or can be found in the organization's benefit and misfortune articulation or the accounting report. Moreover, monetary measures are likewise alluded to as target measures since they can be exclusively estimated and checked (ElKordy, 2013). Be that as it may, it is basic to present non-money related proportions of execution related to monetary measures with the end goal to completely gauge execution. The non-budgetary measures are otherwise called the emotional execution proportions of execution. The usage of non-budgetary proportions of execution supplements bookkeeping measures and gives information on advancement in respect to client necessities or contenders and other non-money related goals that might be essential in accomplishing gainfulness.

1.1.3 Financial Reporting Practices and Financial Performance

Accurate and timely financial reporting is important for critical decision making, enhanced effectiveness as well as periodic supervision of funds and also improving accountability. Financial reporting is one aspect of sound monetary supervision. Financial reporting practices assist associations with examining and right any shortcomings in their monetary frameworks. Distributing accounts with a reasonable review supposition is a marker of good money related administration. Enhanced monetary administration enables you to center on current budgetary issues and create future. Creating monetary proclamations with a excellent report review which offers everybody confirmation that best finance related management (IASB, 2005). This upgrades an open body's capacity to plan and backings spending setting game plans. The opportune creation of records moves toward becoming is basic in accomplishing requesting announcing due dates.

Reporting of financial statements implies the submission and the presentation of financial reports to the management, stakeholders and any relevant body when there is need for an urgent action by the organization as well as for the purposes of making decisions critical to organizational financial performance (Muinde, 2013). For instance, some organizations may review their financial statements after six months, other two months and some on monthly basis. This may impact their decision making as far as the financial performance is concerned since proactive decisions affect operational activities of the organization in the forthcoming periods.

In a study carried out by Grant 2007 – 2008 as cited by Mutiso and Kamau (2013) 70% of CEOs felt that financial reports have become too complex for common investors to understand them. According to Mutiso and Kamau (2013) transparency of financial information is a key concept in accountability for good corporate governance. Mutiso and Kamau (2013) further stated that financial reports are the eye through which stakeholders can see financial performance of the management to determine whether management makes sound investment decisions for shareholder wealth maximization.

1.1.4 The Context of SACCOs in Uasin Gishu County

Co-operative societies are formal organizations which enable membership make effort to attain common objective on voluntary and democratic basis. The objectives of SACCOs includes saving members funds, offering credit(loans) to members at affordable rate, job opportunities, investments, dividends, co-operative between members and education to members on financial issues. Savings and Cooperative Societies (SACCOs) execute a critical role in any given economy by offering employment, enhancing growth of GDP, motivating innovations as well as encouraging advent of other economic-related activities (Gamage, 2014).

SACCOS have additionally made work for Kenyans accordingly adding to the administration's endeavors of accomplishing the objectives of Vision 2030. SACCOs have developed hugely and right now have about 3.7 million people. A large portion of the issues tormenting co-agents emerge from terrible administration and poor monetary administration. While pioneers direct and control the associations, and chiefs run them, individuals have expert to request and uphold great administration in their associations. Corporate administration standards look to guarantee that pioneers demonstration to the greatest advantage of the association that they lead with the end goal to accomplish the destinations for which they were established.

As the world moves towards this administration approach, co-agent social orders are no special case. On the off chance that co-agents need to remain monetarily reasonable and maintainable endeavors for financial advancement, they should grasp great corporate administration. Cooperatives are administered and overseen by chosen advisory groups. These advisory groups are endowed with the administration of social orders for the benefit of individuals and utilize directors and staff to do the everyday elements of the social orders. In such cases, the administration gives the direction and representatives the forces of usage to the staff, abandoning them to go about as individuals' specialists. Since the co-agent specialists are overseers, trustees and stewards of the social orders, they are responsible and liable to individuals, and are required to be proficient, successful, dependable, responsive, fair, unwavering, constant and judicious. The money related execution of the SACCOs is extraordinarily influenced by the corporate administration practices which are ascribed to its panels, chiefs, CEOs and different partners.

Money related execution is estimated utilizing monetary criteria, including quantifiable profit (ROI), net revenue on deals, the development of ROI, the development of offers, and generally focused position spoken to by builds like, price or cost. Financial performance of SACCOs can be measured revenue levels, level of customer deposits as well as the level of profits however, in this study performance of SACCOs was measured using level of revenues earned.

1.2 Research Problem

Financial reporting assumes an essential task in basic leadership for a firm as it makes a structure for the examination of money related execution of the firm. The degree of data revelation is progressively getting to be a standout amongst the most well-known wellsprings of market disappointment in protection (Kruno, 1998). Due to dangers related with focused weight and market dynamism, divulgence of data is still a helpful approach for sole-direction and point of sale leads of managed substances. Dim, Meeks and Roberts (1995) presented that financial specialists request data with the end goal to survey the planning and vulnerability of current and future money streams so they may assess firms and settle on other speculation choices, for example, picking an arrangement of securities.

The degree to which business associations report their exercises particularly as it needs to do with fund, is one of the deciding elements of the business execution and development of the business association (McMahon, 1996). SACCOs like some other associations are required to document and plan money related reports in a far reaching way and uncover all the data to the important partners and clients. Announcing sufficiently on the budgetary execution of a SACCOs is basic not exclusively to shoppers of their administrations yet additionally to financial specialists in that it empowers them make educated decision making. This judgment is basic to protection firms' capacity to draw in equity.

Financial reporting facilitates statutory audit and forms the backbone for financial analysis, planning, decision making and bench marking. Financial reporting aids firms to fundraise capital from both domestic and overseas sources. However, a report by SASRA (2017) indicated that most of the SACCOs which collapsed in Kenya had not reported their financial position to the relevant bodies for instance the stakeholders and regulators. This was attributed to proactive decision making based on incomprehensive and non-disclosed financial reports on capital, cash flows, incomes and financial position.

As far as financial information is concerned, stakeholders and the public can analyze performance of a firm including its managers. For purposes of labour contracting, bidding, supplies, firms are required to file financial reports as well as statements. However, most firms have been claimed of filing incorrect financial reports as well as financial measurements and profits. This has been shown to affect their overall performance. This study therefore endeavored to answer the question, what is the effect of financial reporting practices on financial performance of SACCOs?

1.3 Research Objectives

The goal of this study sought to determine the effect of financial reporting practices on financial performance of SACCOs in Uasin Gishu County, Kenya.

1.4 Value of the Study

The study is important because it will provide more information to users of financial information that will enable them to develop confidence in financial reporting. It is also important because it will give insight into some of the statutory provisions put in place by relevant statutory organizations to strengthen the financial reporting in SACCOs in Kenya.

The study will also provide relevant information to investors that will guide them in making an appropriate investment decision based on financial reports provided. It is also important because it will serve as a resource material and an addition to existing literature and knowledge.

CHAPTER TWO

LITERATURE REVIEW

2.1 Introduction

The section presents the theoretical review, financial reporting practices, empirical literature review, summary of literature review and conceptual framework.

2.2 Theoretical Literature Review

A theoretical framework consists of thoughts and, together with their definitions and reference to pertinent scholarly composition, existing hypothesis that is used for the examination. The hypothetical structure must demonstrate an appreciation of hypotheses and thoughts that are relevant to the topic of the examination and that relate to the more broad areas of data being considered. The hypothetical structure displays and delineates the hypothesis that illuminates why the examination issue under scrutiny exists. The study was guided by stakeholder theory and agency theory.

2.2.1 Stakeholders Theory

Stakeholder theory basically advocates for the organization to be aligned with the group of stakeholders in the organization so that they can best manage different interests, needs and viewpoints (Friedman, 2006). According to Fontaine, Haarman and Schmid (2006) management should take it as their responsibilities to strike a balance in managing stakeholders' benefits including involving them in decision making and acting as agents to stockholders that overseeing the survival of the firm in the long term.

To manage stakeholders Freeman (2004) suggest one need to know their boundaries and going by his narration of stakeholder to mean "those stakeholders who are important to the thriving as well as the performance of the corporation". Approach to stakeholder concepts takes three forms: instrumental stakeholder theory, normative stakeholder theory and descriptive stakeholder theory. Friedman (2006) describes the normative stakeholder theory as theory where executives or stakeholder learn how to act and view the role of the corporation base on ethics. Descriptive stakeholder theory deals with behaviour and views on actions and roles of managers and stakeholders. Instrumental stakeholder theory is concerned with how executives must act if they want to flavor as well as work for their own interests (Fontaine *et al.,* 2006).

This theory tends to explain the reason why most firms need to engage in an act of disclosing more information voluntarily. To gain support from stakeholders, who includes managers, shareholders, creditors, members, suppliers, government, trade unions, and the public (Uyar & Kılıç, 2012), organizations ought to convey information relevant to stakeholders (Smith, Adhikari & Tondkar, 2005). Demand for more information from stakeholders to reduce information asymmetry explain the reason why it must put clear all the activities engaged by the organizations which can only be achieved through additional information. This theory, even after being so elaborate in some ways it remains ambiguous, especially on its foundations, thereby presenting a given number of limitations.

Apart from this ambiguity, one is also left wondering how the interests of those parties who are too weak are represented. Another possible question for this theory, is whether one can minimize the overall interest to the total of the each group of stakeholder interests? Again, many theorists come up with different definition of stakeholder thus leaving a question which is the most appropriate? There are different stakeholders in an organization which creates differing levels of integration which will ultimately influence the amount of information which was availed to members of the public especially if it not mandatory.

This theory relates to the study in the sense that a rational representation of the organization based on complete financial reports need not to conflict with the interests on stakeholders hence there is need prudent and timely reporting by ensuring a maximization of each stakeholder interests as well as the value of the firm. These stakeholders can provide the requisite skills which was paramount in development and performance of the organization.

2.2.2 Agency Theory

The agency theory argues that since most managers are not the owner of the business, there exists a cost in managing the business affair where the principals (owners) appoint agents (managers) to manage the operations on their behalf (Jensen & Meckling, 1976). Barako *et al.,* (2006) adds that whenever the shareholding of the managers' changes, either an increase or decrease, there is a correspondence change of interest. As manager increases shareholding level, it can be taken to mean they trust and have forecasted growth in the firm A decrease in the number of shares for the manager will tend to necessitate an avenue to gain more interest and by so doing manager may avoid search of new growth opportunities which after would benefit the firm as whole.

When this problem persists, the shareholder may be forced commit their firm's resource to monitor the management to align the interest of the managers. To monitor, the manager, audit procedure, budget preparation and enhanced control, and good remuneration package need to be provided for the management. All these mechanisms increase the cost of the conducting the business, hence their reason Jensen and Meckling (1976) referred to them as agency costs.

In relation to this study, agency theory advocates for the honesty of the agents who act on behalf of the principals. Financial reports as prepared by the agents should reflect the true nature of the financial reports as the principals (Management) would want them be.

2.3 Specific Financial Reporting Practices

This section discusses the specific financial reporting practices as outlined in the variables of the study.

2.3.1 Disclosure in Financial Reporting

A disclosure is extra data joined to an element's fiscal summaries, as a rule as clarification for exercises which have essentially impacted the substance's budgetary outcomes. The money related report of a business incorporates something beyond the fiscal summaries; a budgetary report additionally needs data called revelations. Beneficial things, for example, budgetary calendars and tables give one type of revelation in money related reports (Manzon & Plesko, 2001). Financial statement disclosures furnish inward and outer business partners with extra data in regards to an organization's monetary tasks. Private companies don't generally have huge exposures for their money related articulations. Bigger business associations regularly utilize revelations to give extra data to loan specialists and speculators. Divulgences can be required by sound accounting guidelines or intentional per administration choices.

According to a study by ICPAK (2015), financial disclosures and related disclosures in SACCOs were higher than social disclosures. Key financial disclosures included: accompanying reports of the management committee and auditor's, inclusion of the income statement and statement of financial position in the annual report. Moreover, the average compliance to financial disclosures was established that those relating to income statement items were higher at 88.6% compared to those relating to the statement of financial position items at 72.5%. The least disclosed financial items included retirement benefits liability, deferred income tax, other financial assets held by the SACCOs and intangible assets.

2.3.2 Comprehensiveness in Financial Reporting

Comprehensive financial report is a thorough and detailed presentation of the state's financial condition. It reports on the state's activities and balances for each fiscal year. A comprehensive is a report of the entire by and large monetary outcomes for the year as well as what has collected since the initiation of that neighborhood administration of both those "particular groupings" of government offices that show up in the current financial year universally useful spending plan and every other organization and offices. These can be self-sufficient, undertaking (for instance government or city claimed greens), reusing, water, sewer, and monetary administration - regularly these offices were made with the beginning of that nearby, state or government (Carpenter & Feroz, 2001).

According to ICPAK (2015), the financial statement of SACCOs is prepared in accordance with International Financial Reporting Standard (IFRS) and IFRS Interpretations Committee (IFRIC) applicable to societies reporting under IFRS. The financial statements comprise a profit and loss account (salary proclamation), explanation of other thorough pay, asset report (articulation of money related position), explanation of changes in value, explanation of money streams, and notes. Salary and costs, barring the parts of other far reaching pay are perceived in the announcement of thorough pay and contains things of pay and cost, (counting renaming modifications) that are not perceived in the benefit and misfortune account as required or allowed by IFRS. Renaming changes are perceived in other extensive pay in the current or past periods. Exchanges with the proprietors of the organization in their ability as proprietors are perceived in the announcement of changes in equity.

2.3.3 Audience Considerations

The financial reports are primarily aimed at meeting the assumed needs of various audiences. It is assumed that the same reports can also meet the needs of other stakeholders. But such information is rarely evident from financial statements. In short, the needs of other stakeholders are neglected in financial reporting. Investors require yearly reports to assess an organization's chronicled money related execution and long haul prospects. Yearly reports contain the compensation clarification, which shows the arrangements and advantages; the bookkeeping report, which exhibits the present assets, liabilities and speculators' esteem; and the declaration of salary, which exhibits the working, financing and contributing cash streams. Associations as a rule give outcomes of no under two years, empowering perusers to assess salary and advantage designs. Theorists can review the organization talk and examination zone to get an undeniable examination of later cash related execution and peril factors, for instance, the inability to raise satisfactory resources for creative work (de Villiers & Sharma, 2017).

2.4 Empirical Literature Review

Rashid, Sungwacha & Matete (2016) provided an insight view of the influence of financial reporting practices on organization financial performance in manufacturing Companies in Bungoma and Kakamega County. The research was focused on three major objectives which included; the influence of cash reporting, budgetary reporting, inventory reporting and cost reporting on the financial performance of manufacturing companies. The findings on the factors affecting financial performance were the financial staff competences, skills and knowledge enough to carried out accountability at the international standards, managerial strategies, new initiations and innovations in products and services, taxation that have influenced the financial analysis and hence limitation in financial performance growth of their organizations.

Muinde (2013) sought to find out the correlation between financial reporting and examination practices received by small and medium ventures in Kenya and to build up the connection between money related detailing and investigation practices and budgetary execution of little and medium endeavor in Kenya. The investigation discovered that there is a solid positive connection between money related revealing, budgetary examination, monetary administration and administration bookkeeping and budgetary execution of SMEs. There is requirement for administration of Small and medium venture in Kenya to upgrade their monetary announcing practices, money related investigation practices, budgetary administration practices and administration bookkeeping practices as it was discovered that budgetary revealing and examination practices influences the money related execution of small and medium undertakings in Kenya.

Rashid, Sungwacha & Matete (2013) provided an insight view of the influence of financial reporting practices on organization financial performance in manufacturing Companies in Bungoma and Kakamega County. The research was focused on three major objectives which included; the influence of changes in equity reporting, cash flow reporting, comprehensive income reporting and financial position reporting on the financial performance of manufacturing companies. The findings on the factors affecting financial performance were the financial staff competences, skills and knowledge enough to carried out accountability at the international standards, Managerial strategies, New initiations and innovations in products and services, Taxation that have influenced the financial analysis and hence limitation in financial performance growth of their organizations. The findings on the correlation between equity portfolio management and performance in the manufacturing companies financially. The recommendations on the financial reporting practices were that there is need to improve on the financial reporting practices of the referred companies to improve its financial reporting standards.

Conyinno (2016) contended that monetary announcing is a main consideration in the data dispersal to the partners of any organization. Monetary reports help the different partners in settling on speculation choices. Budgetary reports resemble the eyes through which the outer partners can see whether administration makes great utilization of the organization's assets to augment investor riches. Money related reports should in this way be exact, predictable, similar and solid.

Tyrrall et al., (2007) inspected the pertinence and execution of IFRS to the rising economy of Kazakhstan from autonomy in 1991 to 2006. It reasoned that in spite of the fact that a solid case for IFRS importance can't be made, even by 2006, Kazakhstan had minimal decision yet to continue with IFRS, and that IFRS significance is probably going to increment as Kazakh monetary advancement proceeds. Execution of IFRS is demonstrating risky yet is occurring gradually. This, thus, has suggestions for the hypothetical status of the IFRS pertinence contention and the pathways that countries may follow in actualizing a national bookkeeping framework. On the off chance that the main decision of bookkeeping framework is IFRS, the IFRS importance banter is adequately shut and the main problem is the pathway of progress that countries may pursue as they actualize IFRS.

2.5 Summary of Literature Review

The literature reviewed above advocated that financial reports must be accurate, consistent, comparable and reliable. Muinde (2013) found that there is a solid positive connection between money related detailing, budgetary investigation, monetary administration and administration bookkeeping and monetary execution of SMEs. However, the study was conducted among SMEs and failed to capture the aspect of financial reporting practices. Moreover, the main questions that arises about the quality of financial reporting is its effect on subsequent performance of a company especially when made timely. The current study will focus on SACCOs and will specifically look at the effect of financial reporting practices on financial performance of this kind of organizations.

2.6 Conceptual Model

The study aimed at establishing the effect of financial reporting practices on financial performance. The independent variables were; disclosure, comprehensiveness and audience considerations while the dependent variable was the financial performance as demonstrated in Figure 2.1.

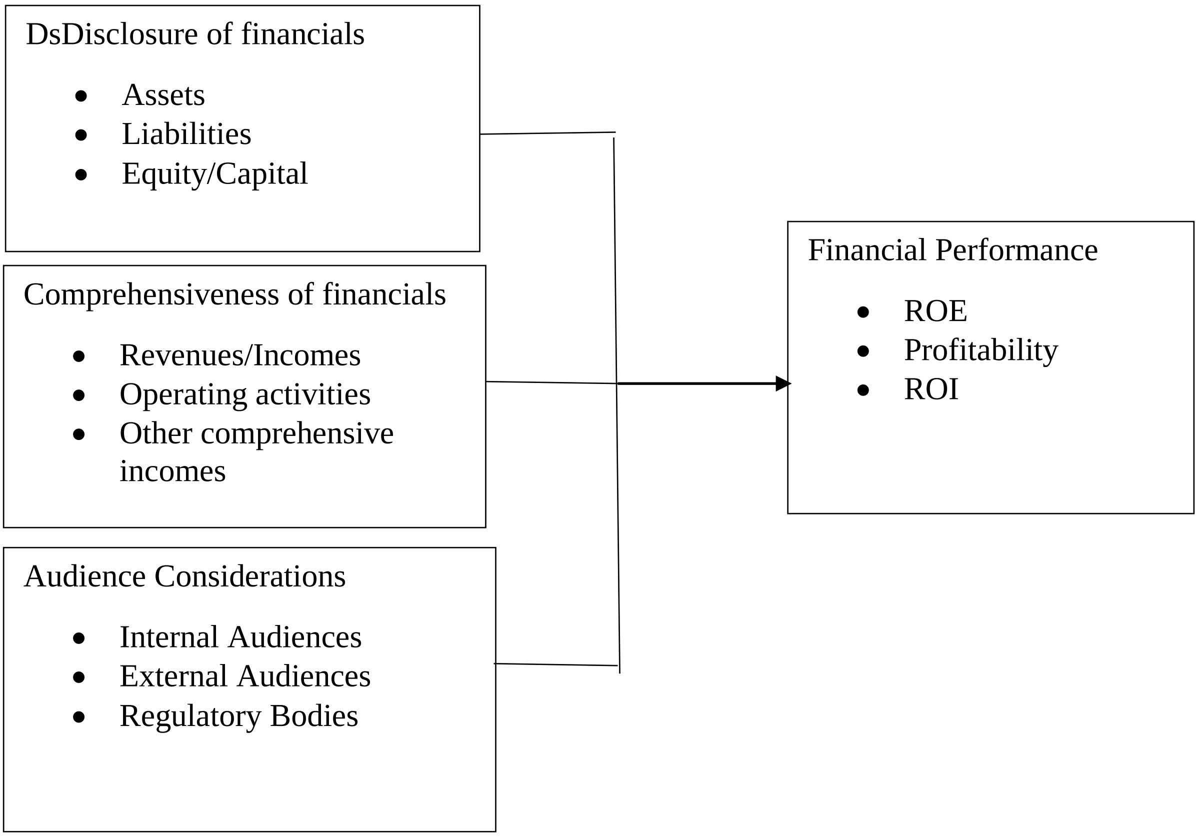
Figure 2.1: Conceptual Model

Independent Variable

Dependent Variable

Financial reporting practices

Financial Performance



Source: Author (2018)

CHAPTER THREE

RESEARCH METHODOLOGY

3.1 Introduction

This chapter presents the design of the research, the target population, sampling technique, data collection instruments and methods of data analysis and presentation.

3.2 Research Design

The study adopted descriptive survey design. As per Kothari (2011), review is a clear strategy for research that is favored in light of the fact that it engages the investigator to assess diverse other cloud conditions in the conditions and it enables a researcher to assemble data from a broader region in a concise range. It allows the amassing of data from people from masses to choose the status of that masses worried no less than one components and it moreover gives space for social occasion of quantifiable information from the precedent.

3.3 Target population

According to Hyndman (2008), population denotes overall group of 'things' which generate interest to us. In Kenya, some SACCOs are registered by Ministry of Industry, Trade and Co-operatives and others are registered and regulated by Sacco Societies Regulatory Authority (SASRA). According to the Ministry of Industry, Trade and Co-operatives and Sacco Societies Regulatory Authority (SASRA), there are 34 SACCOs in Uasin Gishu County, Kenya. The study targeted the 1 manager and 1 accountant per SACCO, therefore, the target population was 68 respondents. Since the population is small (68) census was used to solicit required information from the whole population (Kothari, 2004).

3.4 Data Collection

Questionnaire was the main tool for data collection which was self-administered by the researcher. Questionnaires can be defined as an evaluating instrument that ask respondent to respond a set of statements or an individual to answer set of questions (Schwab, 2005). There are several merits of using questionnaires, for instance, cost effective where the study area is large and widely spread geographically, the response are the own words the respondent, it is bias free from the interviewer, answers are well thought as the respondent have adequate time, conveniently reach the uneasily approached respondents, results is more reliable and dependable as large samples is used.

The questionnaire was arranged in five sections; section A covered general information's, section B, C, D and E covered the objectives of the study while section F covered the financial performance. Data was collected from the managers and the accountant of the targeted SACCOs. Before the actual study, the researcher conducted a pilot study in Shamiri SACCO. Thus, the pilot study was conducted to aid in error identification in instruments used to collect data and therefore give room for necessary adjustments to ensure reliable and valid data was collected. The study also solicited secondary data from published and documented sources.

3.5 Data Analysis

The data was scrutinized using descriptive statistics including frequencies, percent, mean, standard deviation and inferential statistics. Regression test was used to association between the dependent variable and independent variables. The data was analyzed with the aid of SPSS Version 23.0 of SPSS. The regression model used is as indicated;

$Y = \alpha + \beta_1X_1 + \beta_2X_2 + \beta_3X_3 + \acute{\varepsilon}$

Where;

Y – Performance of SACCOs

α – Constant

$\beta_{1,}\ \beta_{2,}\ \beta_{3,}\ \beta_4$ = coefficients of regression

X_1 –Disclosure of financials

$X_{2\,–}$ Comprehensiveness of financials

X_3 – Audiences Considerations

$\acute{\varepsilon}$ – Error term

Analyzed findings were presented using tables and figures.

CHAPTER FOUR

DATA ANALYSIS, RESULTS AND DISCUSSION

4.1 Introduction

The purpose of the study was to determine the effect of financial reporting practices on financial performance of SACCOs in Uasin Gishu County, Kenya. The study was conducted among SACCOs in Uasin Gishu County, Kenya. The study targeted 34 SACCOs in Uasin Gishu County, Kenya. The study sampled respondents and was able to collect data from 67 respondents. This chapter presents the analysis and discussion of findings.

4.2 General Information of the Respondents

The study sought to establish the general information of the respondents. The study sought to establish the department, gender, age bracket, educational level and years of experience of respondents. The study results were as follows;

4.2.1 Gender of the Respondents

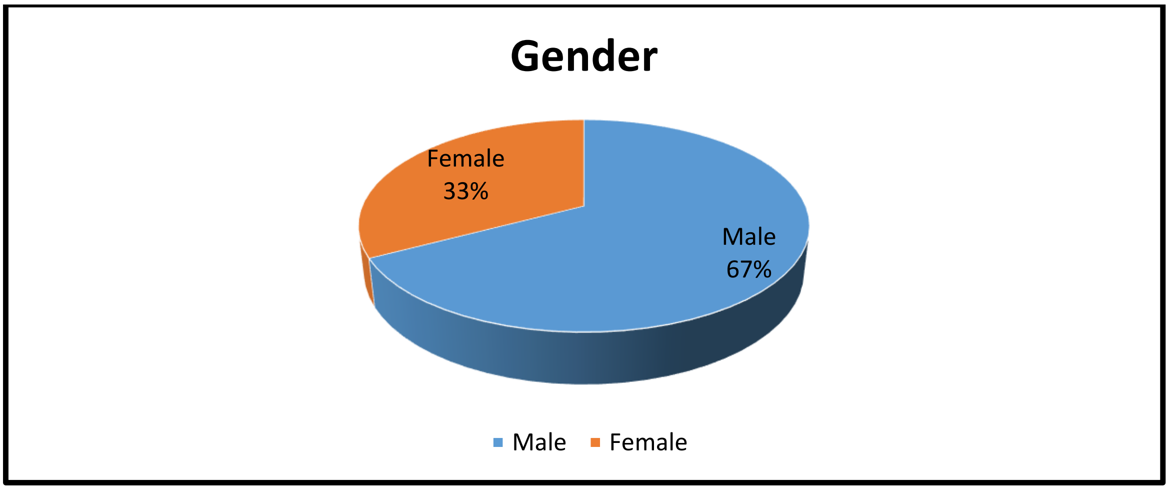


Figure 4.1: Gender of the Respondents

The findings on the age of the respondents indicated that majority of the respondents 67.3% were male while 32.7% were female. This figured out how to gather information from the two sexual orientations and both sex feelings were spoken to in the investigation.

4.2.2 Age of the Respondents

Table 4.1 Age of the Respondents

Age Bracket	Frequency	Percent
20-30 Years	8	12.1
31-40 Years	9	13.9
41-50 Years	24	35.8
51-60 Years	15	23.0
Total	**67**	**100**

The study results on the age of the respondents indicated that 12.1% of the respondents were aged between 20-30 years; 13.9% were of age of between 31-40 years, 35.8% were of age between 41-50 years old, 23.0% were of age of between 51-60 years. This infers the greater part of the respondents were of age between 41-50 years and that the investigation gathered information from all the age sections spoke to in the investigation.

4.2.3 Education of the Respondents

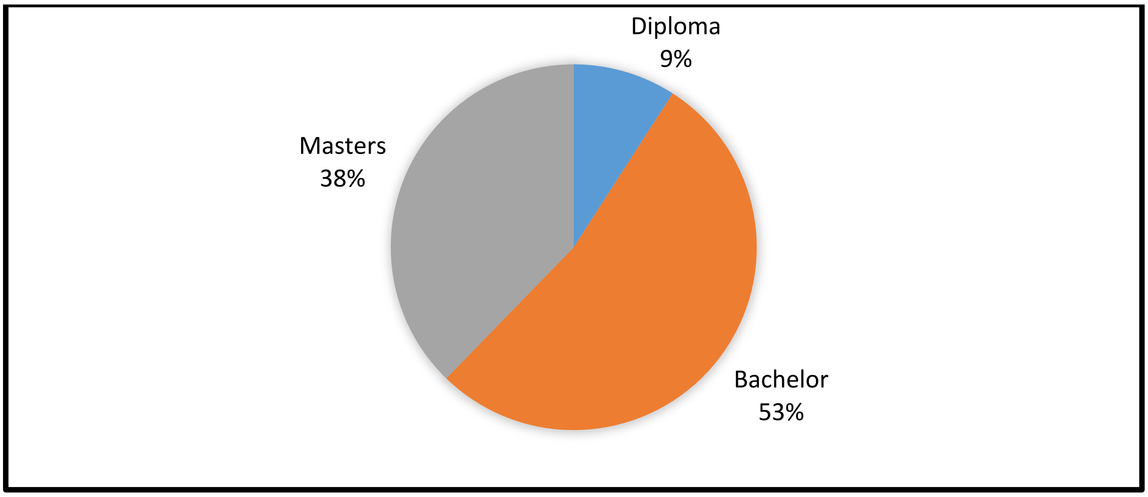


Figure 4.3: Level of Education of the Respondents

The discoveries of the investigation on the dimension of instruction of the respondents shown that 53.2% had bachelor's degree, 37.7% masters and 9.1% had diploma. These discoveries suggest that the respondents were found out individuals and comprehended what the examination expected of them. Also, the respondents were proficient and in this manner comprehended the investigation questions and this could be translated to imply that they gave a genuine and reasonable perspective of the examination questions.

Table 4.2: Years of experience

Years of experience	Frequency	Percent
Less than 5 years	11	15.9
5-10 years	31	46.9
11-15 years	6	9.3
15 years and above	19	27.9
Total	67	100

The study findings on the years of experience of the respondents indicated that 15.9% were of had worked for less than 5 years, 46.9% had worked for 5-10 years, 9.3% had worked for 11-15 years and 27.9% had worked for 15 years and above. This shows that the study collected data from various levels of experience and therefore the study results reflect the views of the various lengths of duration of work in the county.

4.3 Analysis of the Specific Objectives

4.3.1 Disclosure of financials and financial performance

The study sought to determine the effect of disclosure of financials on financial performance of SACCOs. The study responses were as in table 4.3.

Table 4.3: Disclosure of financials and financial performance

Statements		SD	D	U	A	SA	Total	Mean	Std Dev
Financial position reporting is done on a full disclosure basis	F	0	0	8	19	46	67	4.52	-1.165
	%	0	0	10.8	26.6	62.6	100	90.4	
Weekly assets reporting reveals true position of the firm and facilitates control	F	0	0	8	19	46	67	4.51	-0.275
	%	0	0	10.8	26.6	62.6	100	90.2	
There is a full disclosure of the liabilities of the SACCO	F	0	0	8	22	44	67	4.48	-0.450
	%	0	0	10.8	29.5	59.7	100	89.6	
The organization use the disclosure principle in reporting its financial position	F	0	2	6	34	31	67	4.28	-0.267
	%	0	2.9	8.6	46	42.4	100	85.6	

Source: Research Data (2018)

The study results on the effect of disclosure of financials on financial performance indicated that 90.4% (mean=4.52) were of the opinion that financial position reporting is done on a full disclosure basis, 90.2% (mean=4.51) were of the opinion that weekly assets reporting reveals true position of the firm and facilitates control, 89.6% (mean=4.48) were of the opinion that there is a full disclosure of the liabilities of the SACCO, 85.6% (mean=4.28) were of the opinion that the organization use the disclosure principle in reporting its financial position.

The results of the study indicated that most of the respondents were of the view that financial position reporting is done on a full disclosure basis. Revealing includes unveiling realities about the association to the administration with the goal that administration can make restorative move. The idea of these certainties could be budgetary, operational, administrative or operational. On the off chance that the report does not cover every one of the zones, the report won't be extremely valuable to administration which could be unfavorable to the association's money related execution. These investigation results are in accordance with results by Clikeman (2003) who noticed that fragmented reports could prompt loss of assets, lessened respectability of the review division on the eyes of every single other office and events that can prompt misfortune.

4.3.2 Comprehensiveness and Financial performance

The study sought to establish the effect of comprehensiveness on financial performance of SACCOs. The study findings were as tabulated in 4.4.

Table 4.4: Comprehensiveness and Financial performance

Statements		SD	D	U	A	SA	Total	Mean	Std Dev
Comprehensiveness is adhered to in all reporting practices	F	0	0	8	19	46	67	3.80	-1.047
	%	0	0	10.8	26.6	62.6	100	76.0	
The business uses comprehensively reported revenues and operating reports to charge its performance	F	0	0	8	19	46	67	3.79	-1.074
	%	0	0	10.8	26.6	62.6	100	75.8	
Monthly summaries of comprehensive income are prepared and used in the firm	F	0	0	8	22	44	67	4.04	-0.342
	%	0	0	10.8	29.5	59.7	100	80.8	
All that is reported by the SACCO is done in a comprehensive manner and no information is left unrevealed	F	0	2	6	34	31	67	3.93	-0.346
	%	0	2.9	8.6	46	42.4	100	78.6	

Source: Research Data (2018)

The study findings revealed that 76.0% (mean=3.80) were of the view that comprehensiveness is adhered to in all reporting practices, 75.8% (mean=3.79) were of the view that the business uses comprehensively reported revenues and operating reports to charge its performance, 80.8% (mean=4.04) were of the view that monthly summaries of comprehensive income are prepared and used in the firm, 78.6%

(mean=3.93) were of the view that all that is reported by the SACCO is done in a comprehensive manner and no information is left unrevealed.

These results indicated that most of the interviewees believed that monthly summaries of comprehensive income are prepared and used in the firm. This implies that the unwavering quality of incessant money related reports helps to pick up a superior handle of the company's budgetary status both current and future. Notwithstanding empowering to adopt a proactive strategy to dealing with the company's accounts, they enable firms to increment long haul productivity through here and now money related articulations. They convey pivotal money related data that covers a predetermined day and age through day by day, week by week, and month to month budgetary reports. It is an incredible instrument that can be connected to increment interior business execution. It likewise is an incredible method to remain refreshed on any noteworthy advancement or dynamics in the status of association's accounts, and aid to gauge association's budgetary outcomes, income, and monetary position.

These study findings are in consonance with findings by Whittington & Pany (2001) who found that comprehensiveness emphatically impact the money related execution of an association through its impact on adherence to morals, directions and corporate administration. Culmination in revealing empowers the different divisions in the association to adequately have tasks that increase the value of the association and consequently impact the associations' responsibility, utilization of assets and execution.

4.3.3 Audience consideration and Financial performance

The study sought to examine the effect of audience consideration on financial performance of SACCOs. The study results were as shown in table 4.5.

Table 4.5: Audience consideration and Financial performance

Statements		SD	D	U	A	SA	Total	Mean	Std Dev
The entire financial reporting exercise in the SACCO considers the information usage of all internal users	F	4	6	12	31	21	67	4.00	-1.187
	%	5	8.6	15.8	42.4	28.1	100	80.0	
The entire financial reporting exercise in the SACCO considers the information usage of all external users	F	3	9	11	44	6	67	3.55	-0.969
	%	4.3	12.2	15.1	60.4	7.9	100	71.0	
The financial reporting exercise in the SACCO considers the information usage of both external and internal users	F	3	9	11	44	6	67	3.55	-0.764
	%	4.3	12.2	15.1	60.4	7.9	100	71.0	
Financial reporting in the SACCO is done in line with regulating bodies needs	F	8	12	15	37	2	67	3.16	-0.606
	%	10.8	16.5	20.1	50.4	2.2	100	63.2	

Source: Research Data (2018)

The study results on the effect of audience consideration on financial performance revealed that 80.0% (mean=4.00) were of the opinion that the entire financial reporting exercise in the SACCO considers the information usage of all internal users, 71.0% (mean=3.55) were of the opinion that the entire financial reporting exercise in the SACCO considers the information usage of all external users, 71.0% (mean=3.55) were of the opinion that the financial reporting exercise in the SACCO considers the information usage of both external and internal users, 63.2% (mean=3.12) were of the opinion that financial reporting in the SACCO is done in line with regulating bodies' needs .

These findings revealed that majority of the respondents believed that the entire financial reporting exercise in the SACCO considers the information usage of all internal users. This shows that there are diverse clients of money related articulation examination. These can be portrayed into internal and external customers. Internal customers imply the organization of the association who separates cash related declarations with the true objective to settle on decisions related to the exercises of the association. Of course, outside customers don't generally have a place with the association yet in the meantime hold a sort of fiscal interest. These join proprietors, monetary authorities, loan specialists, government, agents, customers, and the general populace.

These discoveries were upheld by Foster (2004) who seen that managers of the association use their cash related decree examination to settle on smart decisions about their execution. Business visionaries require cash related information from their assignments to choose if the business is profitable. It helps in settling on decisions like whether to continue working the business, paying little mind to whether to upgrade business frameworks or whether to desert the business completely. Theorists use cash related explanation examination to make sense of what to do with their interests in the association. Regulating and overseeing gatherings of the state look at cash related clarification examination to choose how the economy is performing when all is said in done as such they can plan their budgetary and present day approaches. Appraisal masters moreover separate an association's declarations to discover the tax assessment rate that the association needs to pay. Agents need to know whether their business is secure and if there is a credibility of a compensation increment. Customers need to consider the limit of the association to profit its clients into what's to come. Anyone in the general populace, like understudies, agents and investigators, may be excited about using an association's fiscal announcement examination. They may wish to assess the impacts of the firm on nature, or the economy or even the nearby network.

4.3.4 Financial performance

The study finally sought to determine the indicators of financial performance of SACCOs. The study results were as tabulated in table 4.7.

Table 4.6: Financial performance

Statements		SD	D	U	A	SA	Total	Mean	Std Dev
Increased number of members in new markets in relation to the SACCO competitors	F	4	6	12	31	21	67	3.99	-0.971
	%	5	8.6	15.8	42.4	28.1	100	79.8	
Increased revenue levels in relation to the SACCO competitors	F	3	9	11	44	6	67	2.81	-0.439
	%	4.3	12.2	15.1	60.4	7.9	100	56.2	
Increase in number of employees of the SACCOs	F	3	9	11	44	6	67	2.97	-0.546
	%	4.3	12.2	15.1	60.4	7.9	100	59.4	
Increase in amount of deposits of the SACCO	F	8	12	15	37	2	67	2.80	-0.167
	%	10.8	16.5	20.1	50.4	2.2	100	56.0	
Growth in profits in relation to the firm's expectations	F	0	2	11	32	29	67	2.88	-0.123
	%	0	2.2	15.1	43.2	39.6	100	57.6	

Source: Research Data (2018)

The study findings indicate that 79.8% (mean=3.99) of the respondents were of the opinion of increased number of members in new markets in relation to the SACCO competitors, 56.2% (mean=2.81) were of the opinion of increased revenue levels in relation to the SACCO competitors, 59.4% (mean=2.97) were of the opinion of increase in number of employees of the SACCOs, 56.0% (mean=2.80) were of the opinion that Increase in amount of deposits of the SACCO, 57.6% (mean=2.88) were of the opinion of growth in profits in relation to the firm's expectations.

These study results indicated that majority of the respondents were of the view that that increased number of members in new markets in relation to the SACCO competitors was the main indicator of financial performance. This implies that piece of the pie is an extent of the buyers' tendency for a thing over other relative things. A higher bit of the pie ordinarily suggests more essential arrangements, lesser effort to pitch progressively and a strong deterrent to area for various contenders. A higher bit of the general business also suggests that if the market broadens, the pioneer obtains than the others. By a comparative token, a market pioneer - as described by its bit of the pie - similarly ought to expand the market, for its own special advancement (Biswas, & Roy, 2015)

4.3.5 Inferential Statistics

The study performed ANOVA and regression analysis to estimate the relationships between the study variables. The study results were as tabulated in table 4.8 and table 4.9.

Table 4.7: ANOVA Model

Model Summary						
Model	R	R Square	Adjusted R Square	Std. Error of the Estimate	F	Sig.
1	.936[a]	0.877	0.868	0.0868	99.676	0.000[b]

The ANOVA model indicated the simple correlation was 0.936 which indicates a degree of correlation. The total variation in financial performance was 87.7% explained by financial reporting practices (R Square=0.877).

The study results further revealed that the ANOVA model predicted financial performance significantly well (p=0.000[b]). This indicated the statistical significance of the regression model that was run and that overall the regression model statistically significantly predicted the financial performance (i.e., it was a good fit for the data).

Table 4.8: Financial Reporting Practices and Financial performance

Coefficients					
Model	Unstandardized Coefficients		Standardized Coefficients	t	Sig.
	B	Std. Error	Beta		
(Constant)	0.369	0.224		1.648	0.105
Disclosure of financials	0.263	0.024	0.534	10.744	0.000
Comprehensiveness	0.17	0.026	0.319	6.604	0.000
Audience consideration	0.231	0.024	0.476	9.876	0.000
a. Dependent Variable: Financial performance					

The regression equation generated for the study was as follows.

Y (Financial performance) = 0.369 (Constant) + 0.534 (Disclosure of financials) + 0.319 (Comprehensiveness) + 0.476 (Audience consideration) + 0.224 (Std Error).

From the regression equation, disclosure of financials was the most important variable to financial performance contributing 53.4 percent to financial performance; comprehensiveness and audience consideration contributed 47.6% and 31.9% to financial performance respectively.

The regression equation further revealed that there was a significant relationship between disclosure of financials and financial performance (p=0.000); there was a significant relationship between comprehensiveness and financial performance (p=0.000) and that there was a significant relationship between audience consideration and financial performance (p=0.000).

CHAPTER FIVE

SUMMARY, CONCLUSION AND RECOMMENDATIONS

5.1 Summary of Findings

The study results on the effect of disclosure of financials on financial performance indicated that 90.4% (mean=4.52) were of the opinion that financial position reporting is done on a full disclosure basis, 90.2% (mean=4.51) were of the opinion that weekly assets reporting reveals true position of the firm and facilitates control, 89.6% (mean=4.48) were of the opinion that there is a full disclosure of the liabilities of the SACCO, 85.6% (mean=4.28) were of the opinion that the organization use the disclosure principle in reporting its financial position.

The study findings revealed that 76.0% (mean=3.80) were of the view that comprehensiveness is adhered to in all reporting practices, 75.8% (mean=3.79) were of the view that the business uses comprehensively reported revenues and operating reports to charge its performance, 80.8% (mean=4.04) were of the view that monthly summaries of comprehensive income are prepared and used in the firm, 78.6% (mean=3.93) were of the view that all that is reported by the SACCO is done in a comprehensive manner and no information is left unrevealed.

The study results on the effect of audience consideration on financial performance revealed that 80.0% (mean=4.00) were of the opinion that the entire financial reporting exercise in the SACCO considers the information usage of all internal users, 71.0% (mean=3.55) were of the opinion that the entire financial reporting exercise in the SACCO considers the information usage of all external users, 71.0% (mean=3.55) were of the opinion that the financial reporting exercise in the SACCO considers the information usage of both external and internal users, 63.2% (mean=3.12) were of the opinion that financial reporting in the SACCO is done in line with regulating bodies' needs

The study findings indicate that 79.8% (mean=3.99) of the respondents were of the opinion of increased number of members in new markets in relation to the SACCO competitors, 56.2% (mean=2.81) were of the opinion of Increased revenue levels in relation to the SACCO competitors, 59.4% (mean=2.97) were of the opinion of increase in number of employees of the SACCOs, 56.0% (mean=2.80) were of the opinion of increase in amount of deposits of the SACCO, 57.6% (mean=2.88) were of the opinion of growth in profits in relation to the firm's expectations.

From the regression equation, disclosure of financials was the most important variable to financial performance contributing 53.4 percent to financial performance; comprehensiveness and audience consideration contributed 47.6% and 31.9% to financial performance of SACCOs respectively. The regression equation further revealed that there was a significant relationship between disclosure of financials and financial performance (p=0.000); there was a significant relationship between comprehensiveness and financial performance (p=0.000) and that there was a significant relationship between audience consideration and financial performance (p=0.000).

5.2 Conclusions

The study concluded that comprehensiveness have a positive huge impact on money related execution of SACCOs. Announcing includes revealing certainties about the association to the administration with the goal that administration can make remedial move. The idea of these realities could be money related, operational, administrative or operational. On the off chance that the report does not cover every one of the zones extensively, the report won't be exceptionally helpful to the board which could be impeding to the association's monetary execution.

The unwavering quality of incessant money related reports helps to pick up a superior handle of the company's budgetary status both current and future. Notwithstanding empowering to adopt a proactive strategy to dealing with the association's funds, they enable firms to increment long haul gainfulness through transient budget reports. They convey urgent monetary data that covers a predefined day and age through every day, week after week, and month to month money related reports.

The entire financial reporting exercise in the SACCO considers the information usage of all internal users. This shows that there are diverse clients of fiscal summary investigation. These can be characterized into inner and outer clients. Inside clients allude to the administration of the organization who investigates budget reports with the end goal to settle on choices identified with the activities of the organization. Then again, outer clients don't really have a place with the organization yet at the same time hold a type of money related premium.

5.3 Recommendations

The recommendations on the financial reporting practices were that there is need to improve on the financial reporting practices of the referred companies to improve its financial reporting standards.

This study recommends the management of the Kenyan SACCOs to ensure that their organizations have appropriate financial reporting practices measures that will allow for accountability in these SACCOs, prevent all financial risks like fraud and misappropriation of funds. These measures should also ensure that financial management processes are valid and have been verified before the dissemination of reports to the users.

SACCOs be encouraged to employ professional accountants who can interpret the IFRS requirements through competitive recruitment so as to adhere to the principles of comprehensiveness, disclosure and consider relevant audience for the financial reports prepared.

5.4 Limitations of the Study

A few respondents were reluctant to give the required data on time, prompting delay in finishing up the examination. Be that as it may, to deter the issue the respondents were clarified the significance of the investigation and guaranteed secrecy of people. Moreover, the respondents with their busy schedules at work did not have enough time to fill the questionnaires hence time was a limitation to the study. The researcher however overcame this by leaving the questionnaires with them for some days so that they could take their time filling them.

5.5 Suggestion for Further Studies

This study focused on effect of financial reporting practices on financial performance of SACCOs in Uasin Gishu County, Kenya. Further study should be conducted on the effect of financial reporting practices on financial performance of other organizations such as microfinance institutions, banks and companies so that comparison can be made from the findings.

This study looked at the financial reporting practices of disclosure, comprehensiveness and audience considerations. Further study should be conducted focusing on other financial reporting practices.

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APPENDICES

APPENDIX I: QUESTIONNAIRE

Introduction

I am a post graduate student at University of Nairobi. Currently undertaking a study as part of the requirement for my academic programme titled; **financial reporting practices and Financial Performance of SACCOs in Uasin Gishu County, Kenya**. You have been selected as a respondent in this study. You are requested to respond to this questionnaire to the best of your knowledge. The information given was treated with utmost confidentiality and was used only for this study.

SECTION A: Background information

1. Name of the SACCO ………………………….
2. Location of the SACCO …………………….
3. Years of operation of the SACCO ……………… (Years)
4. What is your gender?

   Male [ ] Female [ ]

5. What is your age (Years)

   20-30 [ ] 31-40 [ ] 41-50 [ ] 51-60 [ ]

6. Indicate your highest level of education

   Diploma [ ] Bachelor's degree [ ] Master's degree [ ] PhD degree [ ]
   Other (specify)…………………………………………………………..

7. What is your experience in SACCOs in Kenya?

   Less than 5 years [ ] between 5-10 years [ ] 11years – 15 years [ ] Above 15years [ ]

SECTION B: DISCLOSURE

Key: SD- Strongly disagree**, D-** disagree**, U-** undecided**, A-** agree**, SA-** Strongly Agree

8. Respond to the questions below by ticking the box the best describes your opinion on disclosure practices adopted by your SACCO

Disclosure of Financials	SD	D	U	A	SA
Financial position reporting is done on a full disclosure basis					
Weekly assets reporting reveals true position of the firm and facilitates control					
There is a full disclosure of the liabilities of the SACCO					
The organization use the disclosure principle in reporting its financial position					

SECTION C: COMPREHENSIVENESS

Respond to the questions below by ticking the box the best describes your opinion on comprehensiveness reporting adopted by your organization

Comprehensiveness in reporting	SD	D	U	A	SA
Comprehensiveness is adhered to in all reporting practices					
The business uses comprehensively reported revenues and operating reports to charge its performance					
Monthly summaries of comprehensive income are prepared and used in the firm					

SECTION D: AUDIENCES CONSIDERATIONS

Respond to the questions below by ticking the box the best describes your opinion on audience consideration reporting adopted by your organization

Audience considerations	SD	D	U	A	SA
The entire financial reporting exercise in the SACCO considers the information usage of all internal users					
The entire financial reporting exercise in the SACCO considers the information usage of all external users					
The financial reporting exercise in the SACCO considers the information usage of both external and internal users					
Financial reporting in the SACCO is done in line with regulating bodies needs					

SECTION E: PERFORMANCE OF SACCOS

Below is statement that your firm might have achieved since your started it. Please rate the following statements according to the best of your knowledge concerning Performance of SACCOs. KEY 5= very high; 4= high; 3= Neutral; 2= low; 1=poor

Financial performance	SD	D	U	A	SA
Increased number of members in new markets in relation to the SACCO competitors					
Increased revenue levels in relation to the SACCO competitors					
Increase in amount of deposits of the SACCO					