**Exercise 2.1 Time required 15 Minutes**

**Read out the following statement relating to General purpose reporting framework as envisaged in sub title “specific standards “of CAG’s Auditing standards:-**

The International Public Sector Accounting Standards (IPSASs), International Financial Reporting Standards (IFRSs), the Indian Accounting Standards, or other national financial reporting frameworks for use in public sector constitute general purpose frameworks. A complete set of financial statements for a public sector entity prepared in accordance with such a financial reporting framework, normally consists of:

1. a statement of financial position;
2. (ii) a statement of financial performance;

(iii) a statement of changes in net assets/equity;

(iv) a cash flow statement;

(v) a comparison of budget and actual amounts – either as a separate additional financial statement or as a reconciliation;

(vi) notes, comprising a summary of significant accounting policies and other explanatory information.

(vii) In certain environments a complete set of financial statements may also include other reports, such as reports on performance and appropriation reports.

. **Discuss in groups and Give examples of complete set of financial statements.**