



**Institute of  
Certified Public Accountants  
of Kenya**

CPA Centre  
Ruaraka, Thika Road  
P.O.Box 59963-00200  
Tel: (254-20) 8562011/16/26  
Cell: 0727-531006/0733-856262  
Fax: 254-20) 8562206  
Nairobi, Kenya

Tamara Oyre  
Assistant Corporate Secretary  
IASC Foundation.

Dear Tamara,

**Review of the constitution of International Accounting Standards Committee Foundation (IASC Foundation)**

**Questions related to the Monitoring Group**

Q1 Do you support the creation of a link to a Monitoring Group in order to create a direct link of public accountability to official institutions?

Yes

Q2 The proposals contemplate a Monitoring Group comprising representatives of seven public authorities and international organizations with a link to public authorities. While recognising that the Monitoring Group is an autonomous body, the Trustees would welcome comments regarding the Monitoring Group's membership and whether other organizations accountable to public authorities and with an interest in the functioning of capital and other financial markets should be considered for membership.

The national accountancy bodies play a major role in the adoption of the International Financial Reporting Standards. To tap into this constituent's concerns and buy in there is need to have a link through representation in the Monitoring Group. Such could be through having representative from the umbrella body, IFAC.

We also propose that a representative from the Bank for International Settlements (BIS) be included in the Monitoring Group. The Central Bank lays down accounting requirements for banks in Kenya. BIS could have input internationally. The Bank for International Settlements (or BIS) is an international organization of central banks which *"fosters international monetary and financial cooperation and serves as a bank for central banks"*

Q3 The Trustees will remain the body primarily responsible for the governance of the organization and the oversight of the IASB. Their responsibility to a Monitoring Group will enable regulatory and other authorities responsible for the adoption of IFRSs to review the Trustees' fulfillment of their constitutional duties. Does the formulation of the Monitoring Group's mandate and the Trustees' reporting responsibilities, as described in the proposed Section 19, appropriately provide that link, while maintaining the operational independence of the IASC Foundation and the IASB?

Yes

- Q4 Given the proposed creation of a Monitoring Group, would there be a continued need for the Trustee Appointments Advisory Group in the selection of Trustees? If so, what should be the role and composition of the Trustees Appointments Advisory Group? The Trustees would welcome any additional comments related to the Monitoring Group proposal.

No. Appointment's role is critical in enhancing public accountability and should be left wholly to the proposed Monitoring Group. Presence of a transparent appointment process and an effective oversight will suffice.

#### **Questions related to the IASB's composition**

- Q5 Do you support the principle behind expanding the IASB's membership to 16 members in order to ensure its diversity, its ability to consult, liaise and communicate properly across the world, and its legitimacy?

Yes. It is important that an appropriate mix of competence based on the output expected from the Board be the driving force behind the membership number. For example with the expected IFRS for Private Entities expertise in this will be more important now than before.

- Q6 Do you agree with the geographical formulation suggested by the Trustees?

Yes, take note of the above comment.

- Q7 The Trustees are suggesting that the Constitution should provide flexibility on the matter of part-time membership. Do you support that proposal? The Trustees would welcome additional comments on the proposals.

Agreed. No further comment.

**ICPAK**