

Institute of Certified Public Accountants of Kenya
CPA Centre, Ruaraka, Thika Road.
P. O. Box 59963 – 00200 Nairobi, Kenya
Tel: (020) 2304226/7; 8068570/1
Mobile: (+254) 727531006 / 733856262 / 721469796
Fax: (020) 8562206
Drop in box no. 164 Revlon Professional Plaza



ICPAK/PSD/ED18/2014

Friday, 23 May 2014

Vincent Tophoff,
Senior Technical Manager,
Professional Accountant in Business,
International Federation of Accountants,
277 Wellington Street West,
Toronto, Ontario M5V 3H2,
Canada.

Dear Vincent,

RE: Developing and Reporting Supplementary Financial Measures—Definition, Principles, and Disclosures.

The Institute of Certified Public Accountants of Kenya (ICPAK) welcomes the opportunity to comment on the Exposure Draft on developing and reporting supplementary financial measures – Definition, Principles, and disclosures issued by the Professional Accountant in Business Committee of the International Federation of Accountants.

We generally agree with the proposal in the exposure draft to improve the quality of internal financial reporting by reporting on supplementary financial measures. The guiding principles on preparation of the reports and the necessary disclosures serve as a clear guidance on the quality requirements on the internal and external reports. We are pleased that the guideline building on the qualitative characteristics of useful financial information to enhance comparability and effective disclosure of supplementary financial measures.

We have included our responses to each of the Specific Matters for Comment in an appendix to this letter.

If you would like to discuss these comments further, please contact the undersigned on memberservices@icpak.com or the undersigned at nixon.omindi@icpak.com.

Yours Faithfully,

Nixon Omindi

**Manager, Professional Standard
For Professional Standards Committee**

Comments on Specific Matters

1. Does the title fit in the context of this IGPG or should it be replaced by a different or more refined title or term?

Yes. The title: Developing and reporting supplementary financial measures, it communicates the intended objective of the undertaking at a glance.

2. Are the definitions in Appendix A suitable for this guidance? Can or should they be further clarified?

Yes; the definitions are precise and where and in some instances refers to other frameworks; therefore consistency in application.

3. Do the principles cover all the fundamental areas for establishing a benchmark for good practice in developing and reporting supplementary financial measures?

Yes; the principles contain key features for guiding in preparation of high quality financial statements.

4. Is the application guidance for each principle adequate to guide good practice?

Yes; the guidance for the individual principles is sufficient for guiding in the application of the principle.

5. Is the disclosure guidance for supplementary financial measures adequate to guide good practice?

Yes; the disclosures cover the essential qualitative and quantitative aspects of disclosure in financial reporting. It is thus adequate to guide good practice.

6. Are there other resources on supplementary financial measures that should be considered for inclusion in the appendices?

We do not have any at the moment.

7. How useful do you find this IGPG?

It improves the quality of financial reporting; it will enhance consistency in presentation and therefore achieves comparability.

8. Is there need to be additional IGPGs in the area of business reporting?

Yes; with developments in the accounting practice: IFRS's and regulatory requirements continued development, additional IGPGs need to be developed. This will help to ensure high quality in financial reporting.