

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



**Our Ref: PSD/ED006/2014**

14 February 2014

Stephanie Fox,  
IPSASB Technical Director,  
International Public Sector Accounting Standards Board,  
International Federation of Accountants,  
277 Wellington Street West,  
Toronto, Ontario M5V 3H2,  
Canada.

Dear Stephanie,

***RE: Exposure Draft ED 51: Joint Arrangements***

The Institute of Certified Public Accountants of Kenya (ICPAK) welcomes the opportunity to comment on the Exposure Draft (ED 51) – Joint Arrangements, issued by the International Public Sector Accounting Standards Board (IPSASB) of the International Federation of Accountants (IFAC).

We agree with the definitions of joint operation and joint venture, and accounting for investment in a joint venture in consolidated financial statements using the equity method as it also aligns IPSAS with the provisions in IFRS 11 – Joint Arrangements.

We have included our responses to each of the Specific Matters for Comment and IPSASB's Preliminary view in an appendix to this letter.

If you would like to discuss these comments further, please contact the undersigned on [icpak@icpak.com](mailto:icpak@icpak.com) or the undersigned at [nixon.omindi@icpak.com](mailto:nixon.omindi@icpak.com).

Yours Faithfully,

Nixon Omindi  
**For Professional Standards Committee**

**ED 51 – Joint arrangements**

**Comments**

**Specific Matter for Comment 1:**

Do you agree that joint arrangements should be classified as joint ventures or joint operations based on whether an entity has (i) rights to assets and obligations for liabilities, or (ii) rights to net assets?

*Yes, we agree with this view which retains consistency with the definitions as per IFRS as issued by the IASB.*

**Specific Matter for Comment 2:**

Do you agree that joint ventures should be accounted for in consolidated financial statements using the equity method?

*Yes, as above, we agree with retaining consistency in approach with IFRS as issued by the IASB.*