

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/ED007/2014

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 52: Disclosure of Interest in Other Entities

The Institute of Certified Public Accountants of Kenya (ICPAK) welcomes the opportunity to comment on the Exposure Draft (ED 52) – Disclosure of Interest in Other Entities, issued by the International Public Sector Accounting Standards Board (IPSASB) of the International Federation of Accountants (IFAC).

The Institute believes that the proposed standard on Disclosure of Interest in Other Entities provides a single reference to disclosure requirements thus making it easier for preparers of financial statements as is the case with IFRS 12 - Disclosure of Interest in Other Entities as issued by the IASB. The proposed Standard brings together the disclosure requirements in IPSASs 6 - 8, it sets the threshold that should be attained to ensure that the financial statements are fairly represented. The Introduction of new disclosure requirements and definition of disclosure objectives and structured entity for the purpose of consolidation provides clear guidance to the preparers of financial statements.

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 or the undersigned at nixon.omindi@icpak.com.

Yours Faithfully,

Nixon Omindi
For Professional Standards Committee

Comments on Exposure 52 – Disclosure of interests in other entities

Specific Matter for Comment 1:

Do you agree the proposed disclosures in this draft Standard? If not, why? Are there any additional disclosures that would be useful for users of financial statements?

Yes, we overall agree with the proposed disclosures in the ED. We do not consider there to be any additional disclosures that would be useful to the users.

Specific Matter for Comment 2:

Do you agree with the proposal that entities for which administrative arrangements or statutory provisions are dominant factors in determining control of the entity are not structured entities? If not, please explain why and explain how you would identify entities in respect of which the structured entity disclosures would be appropriate.

Yes, we agree with this proposal given that for the public sector, there are fewer entities that are typically controlled in a normal scenario through voting right with a majority being through administrative arrangements, contracts etc