



The Association of
Accountants and
Financial Professionals
in Business

April 11, 2013

Trustees
Financial Accounting Foundation
401 Merritt 7
P.O. Box 5116
Norwalk, CT 06856-5116

Re: *GASB's Scope of Authority: Proposed Changes to Agenda-Setting Process*

Dear Trustees:

We are writing to you to express our concerns regarding the Financial Accounting Foundation (FAF) Board of Trustees' Request for Comment, *GASB's Scope of Authority: Proposed Changes to Agenda-Setting Process*. While the Financial Reporting Committee (FRC) of the Institute of Management Accountants (IMA) primarily focuses on proposals related to for profit entities, we are concerned with the precedent that this proposal has on the appropriate oversight role of the FAF.

The FRC is the financial reporting technical committee of the IMA. The committee includes preparers of financial statements for some of the largest companies in the world, representatives from the world's largest accounting firms, valuation experts, accounting consultants, academics and analysts.¹ The FRC reviews and responds to research studies, statements, pronouncements, pending legislation, proposals and other documents issued by domestic and international agencies and organizations.

A strong Board of Trustees and strong FAF oversight processes that help protect the independence and objectivity of the standard setting boards as well as holding the boards accountable for fulfilling their missions are critical components of the overall structure. But in exercising their authority, the Trustees must take care not to cross the line between oversight and actual standard setting. The GASB's decision-making process for adding projects to its agenda is a key part of the standard setting process and must be independent. We are concerned that direct Foundation involvement in the GASB's agenda, including possibly vetoing certain potential agenda topics, damages GASB's independence in fact. We believe that the Foundation's and its Trustees' role should be limited exclusively to oversight matters. We have expressed similar views to the IFRS Foundation and the IASB Monitoring Board.

Sincerely,

A handwritten signature in blue ink that reads "N. Schroeder". The signature is fluid and cursive, written over a light blue horizontal line.

Nancy J. Schroeder, CPA
Chair, Financial Reporting Committee
Institute of Management Accountants
nancy@beaconfinancialconsulting.com

cc: Terri Polley, President, Financial Accounting Foundation

¹ Additional information about IMA's Financial Reporting Committee can be found at www.imanet.org.