

Ms. Teresa S. Polley  
Chief Operating Officer  
Financial Accounting Foundation  
401 Merritt 7  
Norwalk, CT 06856-5116



LETTER OF COMMENT NO. 9

Dear Ms. Polley:

As an Accounting major, I am eagerly anticipating welcome changes to the field of accountancy on a global scale. Commenting on the "Proposed Changes to Oversight, Structure, and Operations of the FAF, FASB, and GASB", I praise most of the proposed actions for the FASB and only question at most two key issues.

First, the proposed action to reduce the size of the FASB from seven members to five is an issue that appears to emphasize efficiency more than effectiveness. Perhaps, critical decisions can be rendered in a shorter time frame with fewer members, but one possible risk associated with fewer members will be more revisions of future Statements. Therefore, the efficiency factor becomes grossly minimized because only a handful of members will be called upon to make further decisions about amending previous Statements. Unfortunately, in a rapidly changing global environment, the need will be to keep current and anticipate future accounting changes as these will relate to International Accounting Standards. Retaining the current size of seven members will prove to be more effective and perhaps more efficient in the future.

Next, the proposed action to provide the FASB Chair with decision-making authority to set the FASB technical agenda is a preferred alternative to the current, inefficient process of Board member consensus. However, while the selection process seeks the most independent, qualified individual, all accountants appreciate that internal control issues are prevalent. Therefore, in order to prevent a possible 'personal agenda', an annual rotation of duties would not only give other board members the opportunity to set the agenda but satisfy any possible internal control issues as well.

Otherwise, I believe the proposed action to retain the FASB simple majority voting requirement will be beneficial whether the FASB keeps its seven-member team or is reduced to five members. The obvious benefit relates to the timeliness of setting standards. Therefore, efficiency relates more to this subject of majority voting than the size of the FASB mentioned earlier.

Finally, the proposed action to realign the FASB composition is an interesting recommendation provided by the Trustees even if the FASB should become comprised of five members instead of seven. The allowance for diversity among the members helps to provide the right amount of balance to make the best, rounded decision. However, the wild card or at-large member is a bit confusing to me. In my opinion, use the current model that is in place for the seven-member board.

Molding the FASB now will ensure that they can make a significant contribution to the age of globalization and the rapid progression toward a single set of international accounting standards.

Sincerely,  
Michael Scherzer