



# SMALL AND MEDIUM PRACTICES COMMITTEE FACT SHEET

An overview of the SMP Committee— its role, responsibilities, and services.

## What is the Small and Medium Practices (SMP) Committee?

The IFAC SMP Committee represents the interests of professional accountants who work in small- and medium-sized accountancy practices (SMPs). Formed in November 2005, the committee develops guidance and tools, works to ensure the needs of the SMP sector are considered by standard setters, and speaks out on behalf of SMPs to raise awareness of their value and the overall importance of the small business sector. The SMP Committee primarily delivers this support by helping IFAC member bodies support their SMP constituencies.

## What are SMPs?

The definition of *small- and medium-sized practice (SMP)* will vary from one jurisdiction to another. The SMP Committee defines SMPs as practices that exhibit the following characteristics: its clients are mostly small- and medium-sized entities (SMEs); it uses external sources to supplement limited in-house technical resources; and it employs a limited number of professional staff. The SMEs that SMPs serve include not only small businesses, but also public sector organizations, such as small government agencies and not-for-profits.

SMPs typically offer a broad range of professional services that help their clients both comply with regulation and enhance their business performance. These services range from traditional accountancy-based services, such as audit, other assurance, accounting, and tax, to various forms of value-adding business advisory services, including advice on strategic planning, financial management, financing, and risk management. One of the ways that SMPs serve the diverse business needs of their clients is by maintaining relationships with trusted experts from other disciplines, including bankers, lawyers, and IT specialists, who also serve small businesses.

## Why are SMPs important?

SMPs support the health and prosperity of the SME sector, a sector that in most countries around the world accounts for the majority of private sector employment and Gross Domestic Product. SMEs often, especially where they lack sufficient in-house expertise, look to SMPs to provide a broad range of professional services (see above). In addition, a strong SMP constituency can contribute to increased choice and competition in the market for professional services.

## What does the SMP Committee do?

The SMP Committee's activities fall broadly into three categories:

**Development of tools and resources:** To help SMPs best serve their SME clients, the committee develops guidance, tools and resources, such as the two comprehensive implementation guides (ISA and ISQC 1 guides), and a practice management guide for SMPs. The committee also collaborates with IFAC member organizations to share and leverage support materials for this constituency and develops materials that member bodies can use to support their SMP members, including articles with tools and tips to support practice management and ISA implementation.

**Timely input to policy, regulation, and international standards:** The committee actively participates in IFAC's regulatory dialogue, most recently providing input on IFAC's [response letter](#) to the European Commission's Green Paper on audit policy. The committee also regularly provides input on international standards, including those on auditing, assurance, quality control, ethics, and accounting, at all stages of their development to help ensure their relevance and proportionality to SMEs and SMPs, and to moderate the pace of change.

**Promoting the visibility and recognition of SMPs:** The committee members, IFAC leadership, and staff promote the value and role of SMPs by speaking at national, regional, and global events and meetings. In addition, the committee holds an annual SMP Forum, issues news releases and articles, and continually seeks to enhance its online [International Center for SMPs](#).

### Who are the SMP Committee members?

The SMP Committee is made up of 18 volunteers, including a chair and deputy chair. Committee members are nominated by IFAC member bodies. Nominees are recommended by IFAC's Nominating Committee and confirmed by the IFAC Board. Members serve three-year terms and can serve up to six years in total. Each member has the option of having a technical advisor join him or her at [committee meetings](#), which are held three times per year.

### What's new for 2011?

In 2010, the SMP Committee released the first edition of its practice management guide (PM Guide) and revised its two implementation guides (ISA Guide and QC Guide) to align with the International Auditing and Assurance Standards Board (IAASB)'s clarified International Standards on Auditing (ISAs) and International Standard on Quality Control (ISQC 1), and the revised and redrafted Code of Ethics issued by the International Ethics Standards Board for Accountants (IESBA). Maintenance updates of these three guides are planned for the second half of 2011.

### Select 2011 projects and initiatives

- 2011 SMP Forum: March 21, 2011, Istanbul, Turkey
- Tips for Cost-Effective ISQC 1 Application
- Regular input to standards developed by the IAASB and IESBA
- Companion Guide to support use of QC, ISA, and PM Guides
- SMP Quick Poll: Quarterly throughout 2011

### How is the SMP Committee related to IFAC?

The SMP Committee is a committee of the International Federation of Accountants (IFAC). IFAC is the global organization for the accountancy profession dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies. IFAC is comprised of 167 members and associates in over 127 countries and jurisdictions, representing approximately 2.5 million accountants in public practice, education, government service, industry, and commerce.

### For more information

For more information about the SMP Committee and its current projects, visit the International Center for Small and Medium Practices at [www.ifac.org/SMP](http://www.ifac.org/SMP) or contact Paul Thompson, Deputy Director, SME and SMP Affairs at [paulthompson@ifac.org](mailto:paulthompson@ifac.org). For translations of the SMP Committee's guides, see the [Translations Database](#) on the IFAC website: [www.ifac.org](http://www.ifac.org).

For media inquiries or interview requests, contact Laura Wilker, Head of Communications, at [laurawilker@ifac.org](mailto:laurawilker@ifac.org).

### Stay informed

Sign up to receive the SMP eNews, a newsletter that highlights committee initiatives and relevant news from IFAC and other organizations: <http://web.ifac.org/news/subscribe>.

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