



IFAC SMP Committee Meeting Summary

New York City, USA, October 27-28, 2011

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This meeting summary of the IFAC Small and Medium Practices (SMP) Committee has been prepared for information purposes only. Decisions reported are tentative and reflect only the current status of discussions on projects which might change after further deliberation by the SMP Committee.

Work Plan 2012

The committee finalized and approved its Work Plan for 2012, which includes a number of new initiatives compatible with its *Strategy and Work Plan for 2011-14*¹. The Work Plan includes projects designed to help member bodies position and equip their SMPs as business advisors; promote the value of SMPs more generally to governments and regulators; and collaborate and share insights, ideas and information on how to support SMPs.

Public Policy and Regulation (PPR)

The committee received a presentation from IFAC PPR staff covering current issues including: proposed legislation resulting from the European Commission's (EC) Green Paper, *Audit Policy: Lessons from the Crisis*; the EC Green Paper on *The EU Corporate Governance Framework*; the PCAOB Concept Release on *Auditor Independence and Audit Firm Rotation*; IFAC's recently updated *Policy Position Papers*² and other relevant developments. The committee also discussed its participation in IFAC's future regulatory dialogue.

Input to IAASB Standard Setting

The committee received a presentation from a member of the IAASB, focusing on the IAASB's current projects on Review and Compilation engagements and Audit Quality. The committee continues to follow a number of other IAASB projects³ including ISA Implementation Monitoring and Auditor Reporting.

¹ See http://www.ifac.org/sites/default/files/downloads/SMPCommittee_StrategyWorkPlan.pdf

² See <http://www.ifac.org/publications-resources?publication-type=22&source=&issues=&language=&sort=date&x=74&y=12>

³ See <http://www.ifac.org/auditing-assurance/projects> for all project summaries

IESBA SME/SMP Working Group

The committee was informed of the findings and recommendations of the IESBA SME/SMP Working Group, which were presented to the IESBA at its meeting in October 2011⁴. The Working Group, which is comprised of eight members, including two from the committee, is charged with identifying the unique and challenging issues faced by SMEs and SMPs in complying with the IESBA Code of Ethics for Professional Accountants and recommending to the IESBA ways in which the Board might address them.

ISA Guide

The committee approved a routine maintenance update to its *Guide to Using International Standards on Auditing in the Audits of Small- and Medium-Sized Entities* (ISA Guide)⁵. The updated ISA Guide is scheduled for release in November 2011.

Development of a companion guide on how member bodies can make best use of both the ISA Guide and its sister publication, the *Guide to Quality Control for Use by Small- and Medium-Sized Practices*⁵, is currently in progress, together with materials to support the use of the Guides by member bodies for education and training purposes.

Practice Management Guide

The committee also approved a maintenance update to the *Guide to Practice Management for Use by Small- and Medium-Sized Practices*⁵, likewise scheduled for release before the year-end.

New IFAC Website

The committee received a demonstration of the recently re-launched IFAC website. The demonstration focused in particular on the SMP Committee web pages⁶, which are now more easily accessible and visible from the IFAC home page, thus helping to raise awareness of SMP/SME issues as well as free web-based resources of IFAC and its member bodies. New pages describe the Committee's 'activities and interest areas' and 'resources and tools', the latter categorized into implementation guidance, practice management and business advisory, while the SME/SMP Discussion Board has also been revamped and appears prominently on the Committee's home page.

⁴ See <http://www.ifac.org/ethics/meetings/new-york-usa-5>

⁵ See <http://www.ifac.org/about-ifac/small-and-medium-practices-committee/publications-resources>

⁶ See <http://www.ifac.org/about-ifac/small-and-medium-practices-committee>

Next Meeting

The next meeting of the SMP Committee will be held on March 20-21, 2012 in Singapore. The next IFAC SMP Forum will be held in Singapore on March 19, 2012, and will be co-hosted with the Institute of Certified Public Accountants of Singapore.