



IFAC SMP Permanent Task Force Meeting Summary

Salvador, Bahia, Brazil, October 20-22, 2005

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This meeting summary of the IFAC Small and Medium Practices Permanent Task Force (SMPPTF) 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 SMPPTF.

[Due Process, Working Procedures and Communications](#)

In preparation for becoming a full standing committee of IFAC the SMPPTF has agreed on a due process and working procedures modeled on those developed for IFAC's standard-setting boards. It has also agreed on a strategy and plan to help bring structure and focus to its communication efforts. The plan aims to raise awareness of the work being done by the task force and to promote discourse with its constituents.

[Input to IAASB Standard Setting](#)

The SMPPTF reaffirmed its intention to continue providing input to the International Auditing and Assurance Standards Board's (IAASB's) standard-setting process with the goal of ensuring that SMP/SME issues are reflected in International Standards on Auditing (ISAs).

The SMPPTF expressed satisfaction at the progress and direction of the IAASB's Clarity Project and decided to continue providing input as appropriate to this project.

The task force also agreed to advance its project on the utility of limited assurance ("review") engagements as an alternative rather than a replacement for an audit. The project will review the experiences of different countries with such engagements, how it is best marketed, and whether there is value in requesting the IAASB to consider revising International Standard on Review Engagements 2400.

[Input to IASB Standard-Setting](#)

The SMPPTF agreed to continue to lead IFAC's efforts to track, influence and support the IASB's project to develop accounting standards for SMEs through its representation on the Working Group, regular contact with key IASB staff and members, and by responding to IASB invitations to comment including an anticipated SME Staff Questionnaire on disclosure and presentation modifications expected in early 2006.

[Standards for Micro Entities](#)

It was noted that the IASB project is unlikely to address the needs of smaller SMEs and, given the encouragement from delegates at the March 2005 IFAC Consultative Conference in Prague for IFAC to play a role in helping to address these entities, the SMPPTF has agreed to initiate a research project on standards for micro entities. The project will investigate the utility of a third tier of standards and the information needs of users of micro-entity financial reports and be released as a consultation paper.

[Guide to ISAs](#)

The SMPPTF will shortly commence analysis of the responses to its request for proposal for the development of a guide to ISAs for use on SME audits. The task force agreed to defer making a recommendation to the IFAC Board on how to proceed from February to June 2006.

[SMP Quality Control Manual](#)

CGA Canada has recently published a quality control manual designed to help SMPs comply with the Canadian Institute of Chartered Accountants' quality control standards. At its meeting, the SMPPTF agreed in principle to pursue the possibility of this guidance being adapted to International Standard on Quality Control 1. A final decision on whether to proceed will depend on the outcome of an assessment of this product compared with other available products.

[Information Sharing](#)

The SMPPTF confirmed it will be fully involved in the PAIB Committee-led Resource Center initiative as soon as it commences the full implementation phase. Meantime, the SMPPTF has agreed to launch its own information resource of high quality documents and links by approximately January 1. This will be hosted on the SMPPTF's homepage and eventually be superseded by the Resource Center.

Outreach and Collaboration

The SMPPTF agreed to make dialogue with its constituents a regular activity. Therefore, in 2006 the intention is to hold a one-day regional consultative forum called the IFAC SMP Regional Consultative Forum, in conjunction with its meeting scheduled for late May in Hong Kong. The host member body will act as forum co-host.

Value of Professional Accountants to SMEs

The SMPPTF agreed to initiate a project to promote the role and value of its constituents to supporting SMEs.

Next Meeting

The next meeting of the SMP Permanent Task Force is *tentatively* planned to take place in late May 2006 in Hong Kong in conjunction with the aforementioned forum.