

IFAC SMP COMMITTEE MEETING HIGHLIGHTS

London, UK October 8-9, 2018

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

IASB Update

The Committee noted a presentation by IASB on its activities including the scope, international use, maintenance and support of IFRS for SMEs and the next comprehensive review commencing in early 2019. The IASB also covered the objective and main responsibilities of the SME Implementation Group.

Resources available:

- The complete IFRS for SMEs, 2015 Edition can be downloaded [here](#). Please note that registration is required to gain access.
- The slides for the IFRS for SMEs “Train the Trainers” can be downloaded [here](#). These are usually for a 3 day workshop; and
- For updates, especially on the reviews and subsequent update of the IFRS for SMEs since 2015, please subscribe for the update newsletter and e-mail alerts on <http://www.ifrs.org/IFRS+for+SMEs/Update.htm> and <http://www.ifrs.org/IASB+Registration.htm>.

IAASB’s Current Activities & Future Work Plan

The Committee noted and provided comments on an update by the IAASB Chairman Mr. Arnold Schilder and Ms. Isabelle Tracq-Sengeissen, IAASB Board Member. The update covered scalability in the IAASB’s current projects, the initiative to develop a Discussion Paper on Audits of Less Complex Entities, the Exposure Draft for ISRS 4400 (Revised) *Agreed-Upon Procedures Engagements* and the results of the IAASB Strategy Survey for 2020-2023.

Resources available:

- [ISA 540 \(Revised\), Auditing Accounting Estimates and Related Disclosures](#) effective for financial statement audits for periods beginning on or after December 15, 2019.
- [ISA 315 \(Revised\), Identifying and Assessing the Risk of Material Misstatement](#)
- IAASB’s [Strategy Survey](#) for 2020-2023 which will form the basis of the Board’s Strategic Plan for 2020-2023.
- [Quality Management at Firm Level – ISQM 1](#), [Engagement Quality Reviews – ISQM 2](#), [Quality Management at Engagement Level – ISA 220](#) – all intended for exposure in January 2019.
- [Exposure Draft of proposed ISRS 4400 \(Revised\), Agreed-Upon Procedures Engagements](#) – deadline for public comment by March 15, 2019.



IESBA's Current Activities & Future Work Plan

The Committee noted and provided comments on a presentation by the Deputy Chair of IESBA, Richard Fleck on the IESBA's recently approved new projects as well as their proposed strategic plan for 2019-2023. This covered the areas of Audit Fees, Non-Assurance Services (NAS) and Professional Skepticism (renamed as Promoting the Role and Mindset Expected of Professional Accountants).

Resources available:

- [Project proposal](#) by the Fees Task Force;
- The [NAS proposal](#) by the NAS Task Force; and
- Project proposal on [promoting the role and mindset](#) expected of PAs.

Member Organization's Technology Initiative - ACCA & ICAEW

The Committee noted a presentation by Mr. Narayanan Vaidyanathan, Head of Business Insights of ACCA on the Race for Relevance Report that was issued in 2017. His presentation focused on the impact of technology on SMPs and SMEs, covering strategies and business models with an additional angle on talent attraction and retention.

The Committee noted the presentation by Mr. David Lyford-Smith, Technical Manager with ICAEW's Technology Faculty who shared the ICAEW's various initiatives in the technology space with a deeper dive into the area of blockchain and the impact on audit.

Resources available:

- (a) [Technology and the Profession – ICAEW Approach](#);
- (b) [Artificial Intelligence and the Future of the Accountancy](#);
- (c) [10 Steps to Cyber Security for Smaller Firms](#);
- (d) [Big Data and Analytics – What's New?](#);
- (e) [Blockchain and the Future of Accountancy](#); and
- (f) [Race for Relevance](#)

2019 SMP-SME WORK PLAN

The Committee noted and provided comments on a presentation by Mr. Christopher Arnold, IFAC Head of SME/ SMP and Research on the draft work plan for 2019, primarily drawing from the [IFAC Strategic Plan for 2019-2020](#) Build Trust. Inspire Confidence. The 2019 SMP-SME Work Plan will be approved in the February SMPC meeting in Tokyo.

Task Force Meetings

The Committee split into separate Task Force meetings, which included the SMP Business Support Task Force (SBSTF), Implementation Guidance Task Force (IGTF) and IAASB Rapid Response Task Force (IRRTF). Members provided input on on-going activities, including the compilation of Integrated Reporting



case studies for Non Profit Organizations (NPOs) which aims to highlight the value of non-financial information, the sharing of a Professional Accountancy Organization's success story in encouraging their members to move to the provision of advisory services, the SMPC response to the [IAASB ISA 315 \(Revised\) ED](#) and the approach for the future production of implementation support.

Panel Discussion – Practice of Tomorrow

A panel discussion was facilitated by Mr. George Willie, Chair of the SBSTF on the future readiness of SMPs with Susan Spicer of Spicer & Co., Paul Kennedy of O'Byrne & Kennedy and Sara Harvey of Hines Harvey Woods Limited. The discussion centered around the challenge of supporting SME clients to embrace the cloud, how firms can transition from traditional compliance services to provide advisory services and the issues of talent retention and technology disruption. It is intended that a Gateway article and recording of the session will be made available.

Resources available:

- [Developing a Technology Strategy](#)
- [The Changing Face of the Accountancy Profession](#)
- [Searching for Stars: Youth & Talent Management](#)
- [Firms of the Future – Building Advisory Services](#)
- [SMPs Can Add Value With New Services](#)

ICAEW's Quality Assurance Program

The Committee noted and provided comments on a presentation by ICAEW's Senior Quality Assurance (QA) Manager Ms. Lesley Clarke on the Institute's QA program. This included the audit monitoring activities, problem areas with ISQC 1, common issues and underlying causes, action plans and other initiatives to help firms improve.

Future Meetings

The first meeting for 2019 was confirmed to be in Tokyo, Japan on February 25-26, 2019. The other two meetings will be on June 24-25 and October 21-22 in New York, the United States.

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