

IFAC SMP COMMITTEE MEETING SUMMARY

New York, USA, June 8-9, 2015

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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.

IFAC Executive Director, Strategy and Chief Operating Officer Address

The Committee noted a presentation by Ms. Alta Prinsloo, IFAC Executive Director, Strategy and Chief Operating Officer. Ms. Prinsloo provided an update on restructuring within IFAC, future resource allocation and IFAC's activities focused on developing professional accountancy organizations (PAOs), which includes how PAOs can be equipped to best serve their constituencies.

Input to IESBA Standard Setting

The Committee noted a report on recent IESBA activities. This included projects on the Structure of the Code, Safeguards, Non-Compliance with Laws and Regulations (NOCLAR) and Long Association. The Committee provided input on the projects.

Public Policy and Regulation

The Committee noted presentations by Mr. Gary Pflugrath, IFAC Director, Public Policy and Regulation (PPR) and Mr. Amir Ghandar, Senior Policy Adviser, Public Policy and Regulation. These focused on an overview of recent public policy and regulation activities, the role of the Public Policy and Regulation Advisory Group (PPRAG), regulatory fragmentation and over-regulation and the ongoing activities around this PPR priority area.

Input to IAASB Standard Setting

The Committee noted a presentation by Ms. Karin French, IAASB Member on recent IAASB activities and an overview of the Board's current projects. This included the [Auditor Reporting Implementation Guidance/ "Toolkit"](#), information gathering activities on projects covering Quality Control, Group Audits, Special considerations relevant to Financial Institutions and Agreed-Upon Procedures, as well as the current use and issues related to ISRS 4400¹. An overview was provided on the possible areas to be explored as part of the quality control project and the results of an SMP survey, which was undertaken to better understand issues experienced by SMPs in complying with ISQC 1² and ISA 220³.

¹ ISRS 4400, *Engagements to Perform Agreed-Upon Procedures Regarding Financial Information*

² International Standard on Quality Control (ISQC 1), *Quality Control for Firms that Perform Audits and Reviews of Financial Statements and Other Assurance and Related Services Engagements*

³ ISA 220, *Quality Control for an Audit of Financial Statements*



The Committee noted presentations by Mr. Mats Olsson, SMP Committee Member on a project by the Nordic Federation of Public Accountants (NRF) to develop a standard specifically for the audit of small entities and by Mr. Andreas Noodt, SMP Committee Member on the German IDW Standard: *Principles for the Compilation of Annual Financial Statements* (IDW S 7).

Implementation Guidance

The Committee provided input on the *Guide to Compilation Engagements*, which is being developed to support the implementation of ISRS 4410 (Revised), *Compilation Engagements*.

Task Force Meetings

The Committee split into separate task force meetings, which included the Ethics Task Force (ETF), IAASB Rapid Response Task Force (IRRTF), Implementation Guidance Task Force (IGTF) and Small Business Support Task Force (SBSTF). The Committee provided input on the current projects being undertaken in each Task Force.

Institute of Management Accountants (IMA)

The Committee noted a presentation by Mr. Gerry Silberstein from the [Institute of Management Accountants \(IMA\)](#) who provided an overview of the IMA's [Small Business Financial and Regulatory Affairs Committee \(SBRFC\)](#). The SBRFC is an advisory committee whose objective is to enhance the overall quality, usefulness and cost effectiveness of financial reporting for small businesses.

Input to the Standard Setting Boards

The Committee discussed the most efficient and effective methods of providing input to the IAASB and IESBA.

IFAC Strategy

The Committee noted a presentation by Mr. Paul Thompson, IFAC Director Global Accountancy Profession Support, on the development of the IFAC Strategy 2016-2018. The Committee made a number of comments and observations on IFAC's future strategy.

PAO Development

The Committee noted a presentation by Ms. Linda Lach, IFAC Director, Strategy and Development on IFAC's objectives to develop the profession and individual PAOs. It covered IFAC's Capacity Building Framework and the UK Department for International Development (DFID) Funding program.

Next Meeting

The next meeting of the SMP Committee is scheduled for November 16-17, 2015 in Kuala Lumpur, Malaysia.