

IFAC SMP COMMITTEE MEETING SUMMARY

New York, US, March 21-22, 2016

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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.

Input to IAASB Standard Setting

The Committee noted and provided comments on a presentation by Mr. Brendan Murtagh, IAASB Member and Ms. Beverley Bahlmann, IAASB Deputy Director on recent IAASB activities and an overview of the Board's current projects. This included [ISA 315 \(Revised\)](#)¹, [Accounting Estimates](#) (ISA 540²) and the IAASB Invitation to Comment (ITC), [Enhancing Audit Quality: A Focus on Professional Skepticism, Quality Control and Group Audits](#).

Input to IESBA Standard Setting

The Committee noted and provided comments on a presentation by Mr. Brian Caswell, IESBA Member and Mr. Ken Siong, IESBA Technical Director on recent IESBA activities. This included projects on the [Structure of the Code](#), [Safeguards](#), [Non-Compliance with Laws and Regulations \(NOCLAR\)](#), [Long Association](#) and an initiative on Fees.

Global Representation and Advocacy

The Committee noted and provided comments on a presentation by Kelly Jankowski, Senior Vice President, Edelman and Laura Wilker, IFAC Director, Communications, Marketing & Brand on the 2016 IFAC Strategic Communications program by Edelman.

The Committee noted a report on recent IFAC public policy and regulation activities. This included the development of a comprehensive discussion primer, [From Crisis to Confidence: The Role of Good Regulation](#).

Task Force Meetings

The Committee split into separate task force meetings, which included the 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. These include the development of a brochure outlining the spectrum of services SMPs provide in accordance with the IAASB International Standards – *Choosing the Right Service: Comparing Audit, Review, Compilation and Agreed-*

¹ ISA 315 (Revised), *Identifying and Assessing the Risks of Material Misstatement through Understanding the Entity and Its Environment*

² ISA 540, *Auditing Accounting Estimates, Including Fair Value Accounting Estimates, and Related Disclosures*



Upon Procedures, the 2016 Global SMP Survey and a draft publication to support the implementation of Integrated Reporting for SMEs in line with the principles enacted by the International Integrated Reporting Council's (IIRC) Framework.

IFAC Leadership

The Committee noted a presentation by Fayezul Choudhury, IFAC Chief Executive, which included eight opportunities for the profession in 2016 - Supporting SMPs, Smart Regulation, Beyond Financial Reporting, Combatting Fraud & Corruption, A High-Performing Public Sector, Talent Acquisition, Technology and Taxation.

2015 Global SMP Survey results

The Committee noted a presentation by Professor Donna L. Street, Chair of the Department of Accounting and the Mahrt Chair in Accounting at the University of Dayton on the 2015 IFAC Global SMP Survey, which received 6,725 responses from 169 countries. The survey was open in 22 languages from October 1 – November 30, 2015. A [report](#) and [summary](#) were published in February 2016. The Committee considered the strategic implications of the results.

Input to IAESB Standard Setting

The Committee noted and provided comments on a presentation by Mr. David Simko, IEASB Member and Mr. David McPeak, IAESB Senior Technical Manager on a consultation on the effectiveness of International Education Standard (IES) 7, *Continuing Professional Development* (2014).

Succession Planning and Mergers & Acquisition

The Committee noted a presentation by Joel Sinkin, President, [Transition Advisors LLC](#) on leading accountancy firms through transition with succession and mergers and acquisition strategies. This included the methods of structuring the transition of a practice through an external sale, the five main variables for valuing a practice, performing due diligence and transitioning clients and staff.

Global Knowledge Gateway

The Committee noted a presentation on the [Global Knowledge Gateway](#) by Eli Khazzam, Editor-in-Chief, Global Knowledge Gateway and Bhumi Jariwala, Editor, Global Knowledge Gateway. This included four issues that will impact SMPs in future – New Technologies, New Talent, New Culture and New Services and Markets.

Outreach Activities and Events

The Committee noted a list of recent presentations and outreach activities undertaken by members and staff, which included a [Regional SMP Forum in Colombo, Sri Lanka](#).

Next Meeting

The next meeting of the SMP Committee is scheduled for June 9-10, 2016 in Las Vegas, US.