

IFAC SMP COMMITTEE MEETING SUMMARY

New York, US, October 10-11, 2016

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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.

IFAC SMP-SME Work Plan 2016 & 2017

The Committee noted a progress update on the IFAC SMP-SME Work Plan 2016, which included a summary of the activities undertaken in 2016. The activities are in support of the [IFAC Strategic Plan for 2016-2018: Charting the Future of the Global Profession](#). In addition, feedback was obtained on the draft Work Plan for 2017.

Input to the IESBA Standard Setting

The Committee noted a presentation by Mr. Brian Caswell, International Ethics Standards Board for Accountants (IESBA) member, and provided comments on the various IESBA projects, including the [Structure of the Code](#), [Safeguards](#), [Long Association](#), [Professional Skepticism](#) and an initiative on Fees. Of interest to the Committee is the timeframe for the finalization of the various projects, the coordination of their respective effective dates, as well as the direction of the professional skepticism project.

Task Force Meetings

The Committee split into separate task force meetings, which included the Implementation Guidance Task Force (IGTF), Small Business Support Task Force (SBSTF), Ethics Task Force (ETF), and the IAASB Rapid Response Task Force (IRRFTF). Members provided input on the following open projects: the development of a publication on Integrated Reporting for SMEs, an update to the [Guide to Practice Management for Small- and Medium-Sized Practices](#), the [Global SMP Survey 2016](#), an update to the [Guide to Using International Standards on Auditing in the Audits of Small- and Medium-Sized Entities](#), and a publication with examples of Agreed-Upon Procedures engagements. Input was also provided on the IESBA's future Work Plan, as well as the IAASB Discussion Paper [Supporting Credibility and Trust in Emerging Forms of External Reporting](#).

Input to the IAASB Standard Setting

The Committee noted and provided comments on a presentation by International Auditing & Assurance Standards Board (IAASB) Deputy Chair Megan Zietsman, and IAASB members Brendan Murtagh and Rich Sharko, on recent activities and current projects. This included [International Standard on Auditing \(ISA\) 315](#)



[\(Revised\)](#),¹ [Accounting Estimates](#) (ISA 540²), [Group Audits – ISA 600](#),³ [Quality Control](#), and [Professional Skepticism](#), as well as the Request for Input on [Exploring the Growing Use of Technology in the Audit, with a Focus on Data Analytics](#).

SMP Audit Issues & Resources

Mr. Cedric Gelard, Director, International Affairs of CNCC/CSOEC-France, presented on the Audit Pack for Small- and Medium-Sized Entities—an audit tool that has been used by SMPs in France since 2009. CNCC has translated both the guidance and tool into English. Additionally, SMP Committee member Mr. Klaus Bertram presented on [IDW Audit Navigator](#), which is available in Germany to support IDW auditing standards as well as ISA implementation. Mr. Bertram also covered experiences in applying DATEV, a professional audit software based on IDW Audit Navigator.

Global Representation and Advocacy

Mr. Gary Pflugrath and Mr. Amir Ghandar, Director and Senior Policy Advisor, respectively, Public Policy and Regulation, presented on recent IFAC public policy and regulation activities. This included Smart Regulation and a summary of the roundtable discussions on how the global regulatory environment can be enhanced—[From Crisis to Confidence: Good Regulation, Governance, and Culture](#). It covered the profession's role in tackling fraud and corruption and IFAC's recent [G-20 engagement](#).

PAO Standards, Development, and Enforcement

The Committee was briefed by Mr. Joseph Bryson, IFAC Deputy Director, Quality & Membership (Q&M), about the [Member Body Compliance Program](#). The Q&M team acts as the primary point of contact for IFAC's 175 member organizations and conducts targeted support and outreach activities to improve members' fulfillment with the [Statements of Membership Obligations \(SMOs\)](#). Mr. Bryson also highlighted the comprehensive profiles of member organizations and the jurisdictions in which they operate on the IFAC [website](#), which includes a description of their legal and regulatory environment and the adoption status of the various international standards.

Ms. Marta Russell, Technical Manager, Global Accountancy Profession Development, presented on the PAO Capacity Building Program. This included ongoing projects in Ghana, Rwanda, Uganda, Nigeria, and Zimbabwe, as well as a new project in Kyrgyzstan. Ms. Russell covered the recent activities of the PAO Development Committee, which included guidance—[Counting on Each Other](#)—developed to share practical insights on how to approach partnerships between PAOs; and recommendations—[Engaging Professional Accountants in Business](#)—for bringing PAIBs into PAO membership.

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*

³ ISA 600, *Special Considerations – Audits of Group Financial Statements (including the work of component auditors)*



Outreach Activities and Events

The Committee noted a list of recent presentations and outreach activities undertaken by members and staff, which included a European Federation of Accountants and Auditors for Small and Medium-Sized Enterprises International SMP Conference in Spain and an Accounting and Independent Audit Regional Conference in Brazil organized by Ibracon. Future planned outreach was also noted.

Next Meeting

The next SMP Committee meeting is scheduled for February 13-14, 2017, in New York, New York, USA.