

**Meeting:** SMP Advisory Group  
**Meeting Location:** Virtual Meeting  
**Meeting Date:** July 24, 2023  
**From:** Christopher Arnold

## Agenda Item 4.2

For:  
☐ Approval  
☐ Discussion  
☒ Information

### IFAC 2023 SMP–SME WORKPLAN PROGRESS REPORT

The 2023 IFAC SMP–SME Work Plan sets out the key activities which will be undertaken in support of the [IFAC Strategic Plan 2023](#).

IFAC Impact	IFAC Focus Areas, Outcomes and Actions	SMP–SME Activities	Responsibility / Contributor (SMPAG Task Force)	Delivery Method	Timing	Progress – July 2023
<b>Strong &amp; Sustainable Accountancy Profession</b>	<b>1. PAO Resilience &amp; Adaptability</b>  <i>Outcome:</i> <ul style="list-style-type: none"> <li><i>Strong and sustainable PAOs able to equip their members for the future</i></li> </ul> <i>Actions (selected):</i> <ul style="list-style-type: none"> <li><i>Provide ongoing member engagement support to enable future ready PAOs and professionals as well as customized member engagement to align IFAC and PAO priorities</i></li> </ul>	Showcase new and innovative PAO initiatives to support SMPs	SMPAG & Staff	Sessions in SMPAG meetings and selected initiatives covered on <a href="#">Practice Transformation Hub</a>	Ongoing	IDW highlighted SMP support initiatives during May SMPAG meeting.  PAO to cover SMP initiatives in October SMPAG meeting.

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	<b>2. Accountancy Firms &amp; Networks</b>  <i>Outcome:</i> <ul style="list-style-type: none"> <li><i>Strong and sustainable accountancy firms and networks</i></li> </ul> <i>Actions (selected):</i> <ul style="list-style-type: none"> <li><i>Advocate for SMPs and promote the range of services they can provide</i></li> <li><i>Advance initiatives on practice transformation focused on leveraging technology, talent management and building advisory services</i></li> </ul>	<p>Add practical case studies/ examples of innovative SMPs to the dedicated <a href="#">Practice Transformation Hub</a> and continue to increase relevant resources</p> <p>Highlight SMPs active in delivering sustainability advisory, reporting and assurance services with potential case studies/ examples</p> <p>Organize communication outreach (e.g., webinars, podcasts, articles) focused on three areas from the Practice Transformation Action Plan – Leveraging Technology, Talent Management and Building Advisory Services</p> <p>Support IFAC initiatives related to the attractiveness of the profession and the talent pipeline</p>	SBSTF & Staff	Gateway	Ongoing	<p>Restructured <a href="#">Practice Transformation Hub</a> and additional resources added.</p> <p>Podcast 6 of the <a href="#">innovative practitioner series</a> launched.</p> <p>Small Business Sustainability Checklist draft discussed in May SMPAG meeting.</p> <p>Talent Management session in May SMPAG meeting with 3 podcast episodes planned.</p>

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		Proactively engage and promote IFAC SMP and SME activities on social media and maintain and build membership/following of <i>IFAC LinkedIn SMP Community</i> and <i>IFAC SMP Twitter</i>	SMPAG & Staff	Other	Ongoing	The IFAC <a href="#">SMP Twitter</a> handle has 7,933 followers. The <a href="#">IFAC LinkedIn SMP Community</a> has 1,602 individuals.
		Topical and emerging issues to be discussed at SMPAG meetings or separate roundtables, with members sharing experiences and selected invited speakers (recognized experts) being recorded or preparing Gateway articles	SMPAG & Staff	Meeting & Gateway	Ongoing	Multiple topics and experts discussed in May SMPAG meeting. Succession planning and M&A to be discussed in July meeting. Gateway articles published on: <ul style="list-style-type: none"> <li><a href="#">SMP &amp; SME Trends: Enhanced Global Complexity Requires Continued Innovation and Change Management</a></li> </ul>
	<b>3. IAASB, IESBA and Education Standards, with Emphasis on A&amp;I</b>	Regular interaction with the IAASB and IESBA SMPAG Liaison Members including presentations at SMPAG meetings	IRRTF & ETF & Staff	Meetings & Other	Quarterly and ongoing	Engagement on specific projects during May and October meetings.

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	<p><i>Outcome:</i></p> <ul style="list-style-type: none"> <li><i>Trust and confidence in international, high-quality audit, assurance, education and ethics standards that are widely adopted and consistently implemented</i></li> </ul> <p><i>Actions (selected)</i></p> <ul style="list-style-type: none"> <li><i>Provide input to standard-setting from a global perspective, including through regular engagement with IAASB and IESBA and consultation responses, especially from an SMP perspective</i></li> <li><i>Provide targeted implementation support</i></li> </ul>	Staff observation of IAASB and IESBA meetings	Staff	Meetings	Quarterly	IFAC Staff observed specific sessions of the March and June SSB meetings.
		<p>Input on IAASB projects with priority on:</p> <ul style="list-style-type: none"> <li>Audits of Less Complex Entities</li> <li>Audit Evidence</li> <li>Fraud</li> <li>Going Concern</li> <li>Assurance on Sustainability Reporting</li> </ul>	IRRTF & Staff	Comment Letters & Other	Quarterly and ongoing for formal consultation responses	<p>On March 17 SMPAG submitted a comment letter ahead of the March IAASB meeting on Going Concern, Sustainability Assurance and ISA for LCEs.</p> <p>On April 3 the SMPAG engaged with IAASB staff on technologies used by SMPs and by audited entities.</p> <p>On April 11 SMPAG submitted a <a href="#">response</a> to the Strategy and Work Plan 2024-27 Consultation.</p> <p>On April 27 SMPAG submitted a <a href="#">response</a> to the IAASB ISA 500 (Revised) ED.</p> <p>On May 2 SMPAG submitted a</p>

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						<a href="#">response</a> to ISA for LCE Part 10 Group Audits ED. On August 24 SMPAG to respond to ISA 570 (Revised) ED.
		Representation at the IAASB & IESBA CAG meetings in March and September	TBC	Meeting Attendance	2 Times a Year	Dawn McGeachy attended March CAG meetings.
		Input on IESBA projects with priority on: <ul style="list-style-type: none"> <li>• Tax Planning and Related Services</li> <li>• Technology</li> <li>• Sustainability</li> </ul>	ETF & Staff	Comment Letters & Other	Quarterly and ongoing for formal consultation responses	On May 18 SMPAG Submitted a <a href="#">response</a> to the Tax Planning and Related Services ED. On July 7 SMPAG to respond to the Strategy and Work Plan 2024-27 Consultation. Danielle Cheek participated as a member of the IESBA Technology Experts Group.
		Publish Installments II and III of implementation support for the IAASB Quality Management Standards and explore other initiatives	IGTF & Staff	Other /Guide (TBD)	Q2/3	Installment II <a href="#">published</a> . QM webinar series is being planned with WB. Article published for

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						Dominion Republic PAO in Spanish on ISQM 1 (authored by Alexandra Penuela Cuesto)
		Internationalize CAANZ proforma quality management toolkit	IGTF & Staff	Other /Guide (TBD)	Q2/3	Agreement signed and input received on first draft.
		Determine the future for the Guide to ISAs for Audits of SMEs with consideration of implementation support for the International Standard on Auditing for Audits of Financial Statements of Less Complex Entities	IGTF & Staff	Other /Guide	Q3/4	To be discussed during future IGTF/ SMPAG meeting
	<b>4. Assurance</b> <i>Outcome:</i> <ul style="list-style-type: none"> <li>High-quality audit and assurance in the public and private sector</li> </ul> <i>Actions (selected)</i> <ul style="list-style-type: none"> <li>Deliver global policy and research activities for audit and assurance services</li> <li>Promote and advocate for high-quality sustainability and integrated reporting assurance underpinned</li> </ul>	Explore support and advocacy initiatives for PAO engagement with local regulators on the proposed ISA for Audits of LCEs	SMPAG & Staff	TBD	TBD	To be explored (Target October meeting)
		Input to IFAC's public policy and regulation activities	PPRTF & Staff	Comment Letters & Other	Ongoing	Staff provided ongoing input to IFAC's activities and output. Monica

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	<p><i>by adherence to the Code of Ethics</i></p> <p><b>5. Ethics</b></p> <p><i>Outcome:</i></p> <ul style="list-style-type: none"> <li><i>Enhanced appreciation for how the profession's ethics code and public interest mandate are differentiating characteristics</i></li> <li><i>Effective policy and regulatory decisions, including enforcement and compliance with ethics codes that support public interest mandate</i></li> </ul> <p><i>Actions (selected):</i></p> <ul style="list-style-type: none"> <li><i>Advocate for the accountancy profession's foundation of ethics, integrity, and trust – based on the IESBA Code of Ethics</i></li> </ul>					attended PPRAG meetings.
<b>Strong &amp; Sustainable Financial Markets and Economies</b>	<p><b>1. International Reporting Standards</b></p> <p><i>Outcome:</i></p>	Contribute to the IFAC response to the IFRS for SMEs Exposure Draft	SMPAG	Letter	Q1	SMPAG provided input to the IFAC March 7 <a href="#">response</a> to the IFRS for SMEs Accounting Standard Exposure Draft

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	<ul style="list-style-type: none"> <li><i>Trust and confidence in international reporting standards</i></li> <li><i>Enhanced accountability and transparency in public and private sectors</i></li> </ul> <p><i>Actions (selected)</i></p> <ul style="list-style-type: none"> <li><i>Advocate for enhanced and globally consistent corporate reporting</i></li> <li><i>Support IASB Standards</i></li> <li><i>Support International Sustainability Standards Board (ISSB) development of a comprehensive global baseline of investor-focused sustainability disclosure requirements that build on existing sustainability and integrated reporting initiatives, their alignment/ compatibility with jurisdiction-specific reporting regimes, and their adoption around the world</i></li> </ul>					



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		Monitor and advocate on the importance of scalability/ proportionality of sustainability standards for SMEs	SMPAG & Staff	TBD	Ongoing	No specific initiative undertaken.
	<b>2. Business, Professional and Public Sector Integrity</b>  <i>Outcome:</i> <ul style="list-style-type: none"> <li>• Increased positive perceptions of the profession (on the part of the public and global policymakers) as a force for good in fighting corruption, money laundering and related crimes.</li> </ul> <i>Actions (selected):</i> <ul style="list-style-type: none"> <li>• Develop and implement a comprehensive plan for fighting corruption and economic crime</li> <li>• Expand IFAC's global role in financial literacy and tax education</li> </ul>	Contribute to initiatives on IFAC's action plan for fighting corruption and economic crime from an SMP/SME perspective	SMPAG & Staff	Initial discussion in Jan 2023 meeting	Q1 & Ongoing	Discussion with IFAC Staff and OECD representative in Jan SMPAG meeting.
	<b>3. Multilateral Engagement on Behalf of the Profession</b>  <i>Outcomes:</i>	Develop and maintain relationships with internal groups (e.g., IAEP, PAOAG, PAIBAG) and key external SMP/SME stakeholders, including Network Partners (e.g., EFAA, PAFA,	SMPAG & Staff	Meetings & Other	As agreed/ required	Ongoing communication and coordination with staff covering other IFAC groups.

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	<ul style="list-style-type: none"> <li>Enhanced voice for the profession</li> <li>Enhanced confidence in the importance of the public interest and reputation of the profession</li> <li>Effective policy and regulatory decisions aligning the profession with the needs of the public.</li> </ul> <p>Actions:</p> <ul style="list-style-type: none"> <li>Deepen external strategic relationships with global policymakers, regulators, and donors working with IFAC network partners and regional and national bodies as appropriate to ensure that the profession's expertise and perspective is part of the global policymaking process</li> </ul>	Accountancy Europe etc.) global and regional regulators (e.g., EC), and international organizations (e.g., World Bank, B20, OECD)				
		Presentations/speeches and other participation by members/staff at various national and international forums, seminars, and conferences	SMPAG & Staff	Conference, Events & Meetings	Ongoing	Participation by members and staff undertaken and planned for 15 events.
		Organize a promotional campaign to support the UN Micro-, Small and Medium-sized Enterprises Day, June 27 and highlight the role of professional accountants	Staff	Other	Q2	Discussed in May SMPAG meeting. Campaign launched on June 15 with PAO toolkit and article published: <a href="#">Financial Literacy for SMEs: A Lifeline to the Lifeblood of the Global Economy   IFAC</a>

## OPERATIONAL AND MANAGEMENT ACTIVITIES

Operational & Management Activities	Operational & Management of SMP-SME Activities	Responsibility / Contributor	Delivery Method	Timing	Progress Update July 2023
Reporting to IFAC Board and IFAC management reporting	Prepare annual update and reporting to the IFAC Board and Council (by Chair) and 4 updates by management to IFAC board	Chair and Staff	1 PPT and 4 reports a year	Quarterly	Input provided on activities to March and June IFAC Board reports. Monica to present at September meeting.
Organize advisory group meetings and task force meetings to advance the Work Plan	Organize SMPAG and task force meetings (approximately 10 a year) and prepare agenda items and papers	Staff	Meetings	Ongoing	SMPAG meetings organized on January 25, April 3, May 8-9 and July 24. Other virtual meetings organized: <ul style="list-style-type: none"> <li>• ETF April 11, June 6</li> <li>• IRRTF Feb 2, Feb 6, March 6, July 13</li> <li>• IGTF March 27</li> <li>• SPTF March 22, June 21</li> </ul>
Review strategic objectives	Develop the IFAC SMP-SME Work Plan 2024 in line with IFAC Strategy and the IMPACT Approach	SPTF & Staff	Other	Q3 and Q4	To be reviewed by the SMPAG in October meeting.
IFAC Nominating Committee processes and related procedures	Self-evaluations and Chair evaluations	Chair and members with staff support	Other	Q4 2022 and Q1 2023	To be undertaken in Jan 2024.
	Nominating Committee interview process	Staff and Chair	Virtual Meetings	Q2	Interviews undertaken.

