



Feedback from IAASB SMP/SME Working Conference

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March 7, 2017

IAASB

International Auditing
and Assurance
Standards Board

SMP/SME Working Conference

- Held in Paris in January 2017
- Over 100 participants from 28 jurisdictions
- IAASB focus on understanding needs for SMPs and challenges in performing audits of SME's
 - Day 1: Sharing views about what users want or need in different jurisdictions for services other than audits (including whether gaps exist in the International Standards)
 - Panel discussions about needs in different jurisdictions / presentations of standards in different jurisdictions (e.g. Danish extended review) / roundtable discussions and feedback
 - Day 2: Discussions about challenges of the implementation of the ISAs on audits of SMEs
 - Panel discussion about audit in different jurisdictions / presentations on audit tools / software (e.g. Descartes) / roundtable discussions and feedback

Services Other than Audits

- Important to understand needs of stakeholders when developing new standards
 - important that the IAASB continues to monitor
- Various presentations about national initiatives: preparation, extended review
- Support for AUP project, if flexible and including further consideration about multi-scope engagements
- Need for more guidance materials about how to use the standards for different kinds of engagements (not necessarily for IAASB)
 - Support for SMP Committee Guides
- More education about existing standards (i.e., what types of engagements are covered by existing standards, and how they may be adapted and applied)

International Standards on Auditing

- Strong interest for better support for small audits
- But mixed views re one single standard for audits of SME's versus continued support for the ISAs
 - 'No new standards' but more guidance needed (i.e., how to implement)
 - In current projects revising ISAs – “think simple first”
- Expectation gap between different stakeholders – more to be done to bridge the gap (e.g., use of professional judgment and expectations about documentation)
- More to be done to promote the value of an audit
- Think more about technology and software to assist (not necessarily IAASB)

IAASB – The Way Forward

- Communications about SMP/SME Working Conference
- IAASB remains open-minded as to how issues and challenges can be best addressed while committed to respond to concerns
- More thought by IAASB (and others such as SMPC and NSS) about how challenges can be addressed
 - Solutions are likely multi-faceted, e.g. re non-audit
 - IAASB to further consider what can be done in current or new ISA projects (think simple first); need for ad-hoc WG?
 - Further research to fully understand issues
 - IAASB session at March 2017 meeting
- Commitment to a second conference later in 2018 – tangible results needed



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