

Dear Marta,

Personally, I agree to all the revisions except the revision on SMO 1 (Quality Assurance) which will mandate the implementation of QAR to cover of all public practitioners including the SMPs. Auditors of PIEs and auditors of SMEs should not be placed on the same level. I suggest that similar to IFRS for SMEs which is simple and easy to understand, there should also be ISQC for SMPs who are auditing SMEs. Then PICPA and other less matured PAOs should be given lead time, may be a year or two to educate their members (small practitioners) on such ISQC for SMPs, if at all possible.

It is a bit sad and embarrassing to inform you that implementation of QAR in the Philippines is held in abeyance pending a court case filed by a small group of practitioners. The Philippine Board of Accountancy, our regulator, ordered the implementation of the Quality Assurance Program to cover all public practitioners in the Philippines over a year ago but a group of around eighty (80) SMPs was able to get an injunction from the court to stop its implementation. The case was remanded to the Mediation Court but nothing happened. Now, the case is back with the Regional Trial Court and is still pending. Kindly help us, if you can.

Warmest regards! PICPA pledges its support to IFAC to best of its ability.

Estelita Aguirre
Executive Director
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