

SMP Quick Poll

April/May Results



International Federation
of Accountants

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KEY FINDINGS

In our second SMP Quick Poll (See [April/May Poll Results](#) below), burden of regulation replaced economic uncertainty as the most cited “biggest challenge” faced by practitioners’ small- and medium-sized entity (SME) clients. About one-quarter of respondents indicated that economic uncertainty is still the biggest challenge faced by SMEs. ([Question 1](#))

Similarly, when asked about the most important issue facing their practices right now, nearly half the respondents cited keeping up with regulations and standards (44%), which was followed by attracting and retaining clients (26%). ([Question 3](#)) The aspect of regulation that poses the greatest challenge for both small- and medium-sized practices (SMPs) and their SME clients is pace of change. (Questions [2](#) and [4](#))

Two questions were included to inform the work of the International Ethics Standards Board for Accountants (IESBA) SMP/SME Working Group, formed to address the challenges for SMPs and SMEs in complying with the IESBA *Code of Ethics for Professional Accountants*. Asked what guidance they would like to see added to the Code if it were to be expanded, the largest group of respondents said they would like to see additional ethical guidance on tax services; however, about one-third indicated that no further guidance is needed. ([Question 5](#)) Nearly 80% of respondents said that case studies on how to apply the Code in specific typical scenarios would be useful or very useful. ([Question 6](#))

SMPs continue to generate the largest proportion of their revenue from traditional accountancy services, with nearly 90% of practitioners citing audit and assurance or accounting and compilation as their main source of revenue. ([Question 7](#))

Optimism slid since last quarter, with 23% of respondents expecting an improvement in business this year compared with 38% in January. The majority of respondents indicated that they expect no change in business performance compared to last year, while 26% expect business to be worse than last year. ([Question 8](#))

Survey Background and Respondents

The SMP Quick Poll is conducted by the International Federation of Accountants (IFAC) to take a snapshot of the key issues confronting SMPs and their SME clients. The SMP Quick Poll was launch in January (See the [results from our first poll](#).)

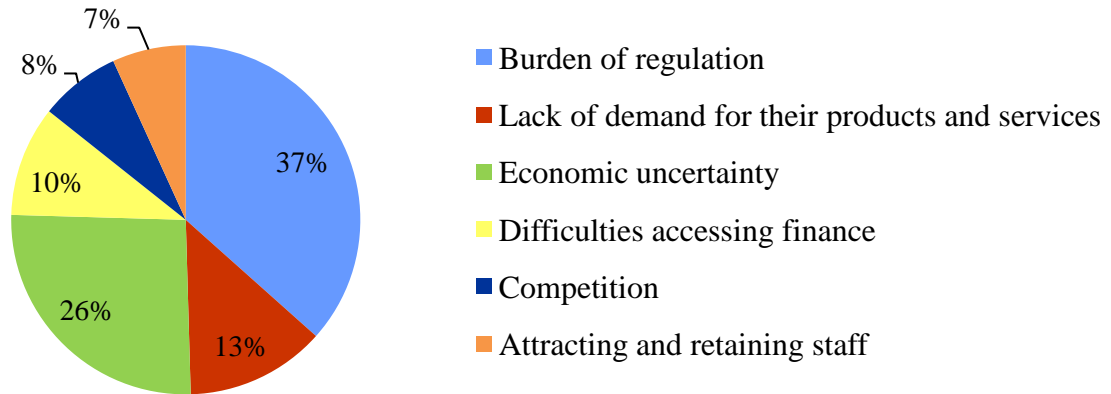
The second SMP Quick Poll elicited 440 responses over a period of three weeks (April 27, 2011 to May 19, 2011). The respondents represent all regions of the world, with 85% located in Europe and Asia. While the total number of respondents increased since the first poll, there was a much smaller response rate from North America in the second poll, and an increased number of respondents from Europe and Asia. ([Question 9](#)) The majority of respondents are sole practitioners (46%) or SMPs with 2-5 professional staff (26%). ([Question 10](#)) Please note the percentages in this report have been rounded. As a result, some percentages or graphs might have small rounding errors.

Acknowledgements

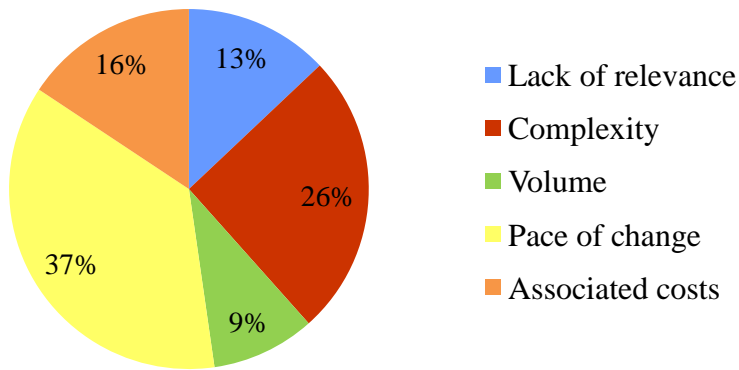
IFAC wishes to thank those member bodies and regional organizations that published the poll in their newsletters, or otherwise helped promote it.

APRIL/MAY POLL RESULTS

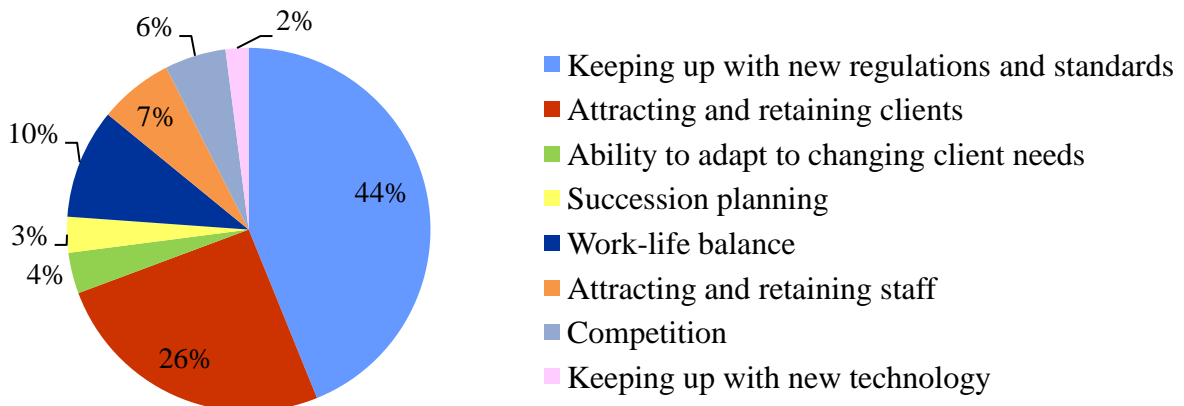
1) What is the biggest challenge faced by your small- and medium-sized entity (SME) clients?



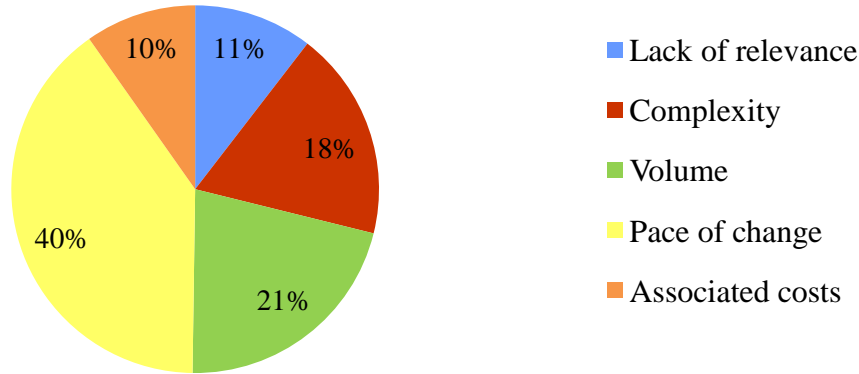
2) What aspect of regulation presents the greatest challenge for your clients who are SMEs?



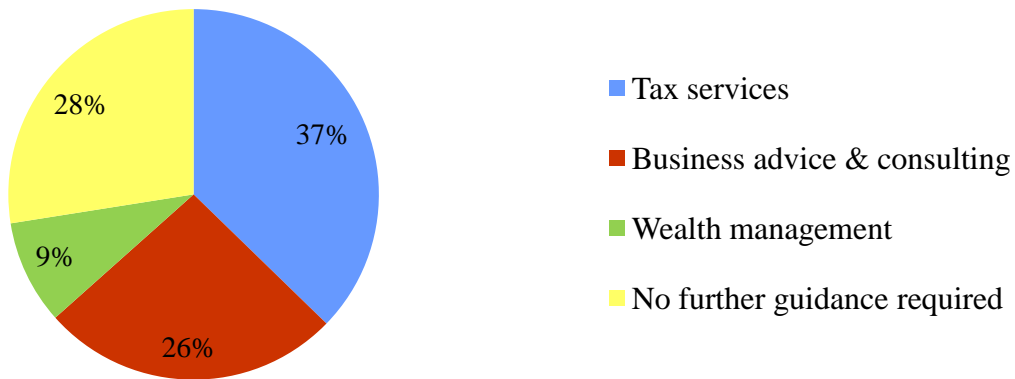
3) What is the most important issue your practice is facing right now?



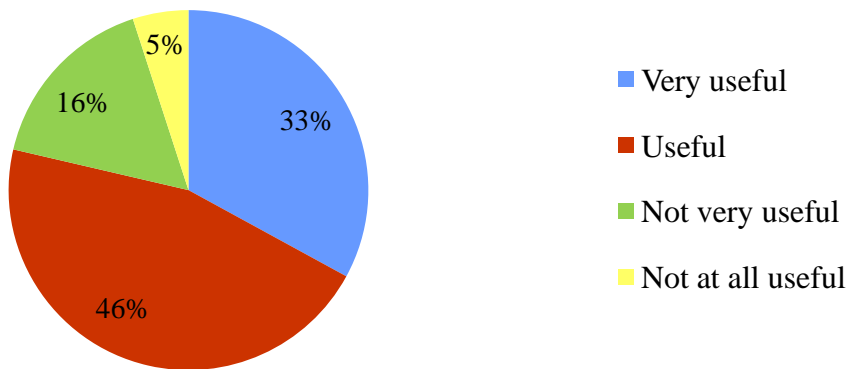
4) What aspect of keeping up with new regulations and standards presents the greatest challenge for your practice?



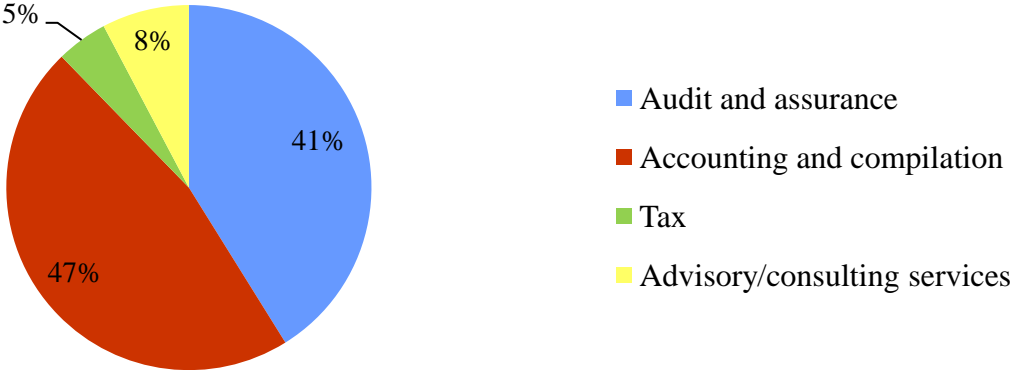
5) If the scope of the *Code of Ethics* issued by the International Ethics Standards Board for Accountants (IESBA) were to be expanded to provide additional ethical guidance on specific services in addition to assurance, what would be your first choice for inclusion?



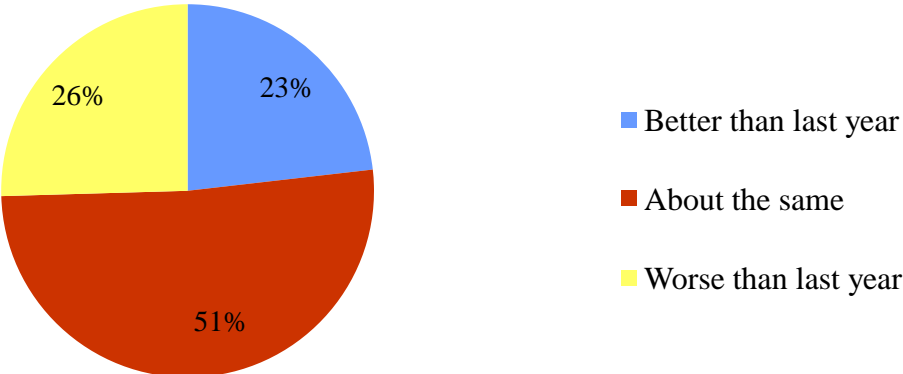
6) How useful would you find case studies on how to apply the IESBA *Code of Ethics* in specific typical scenarios?



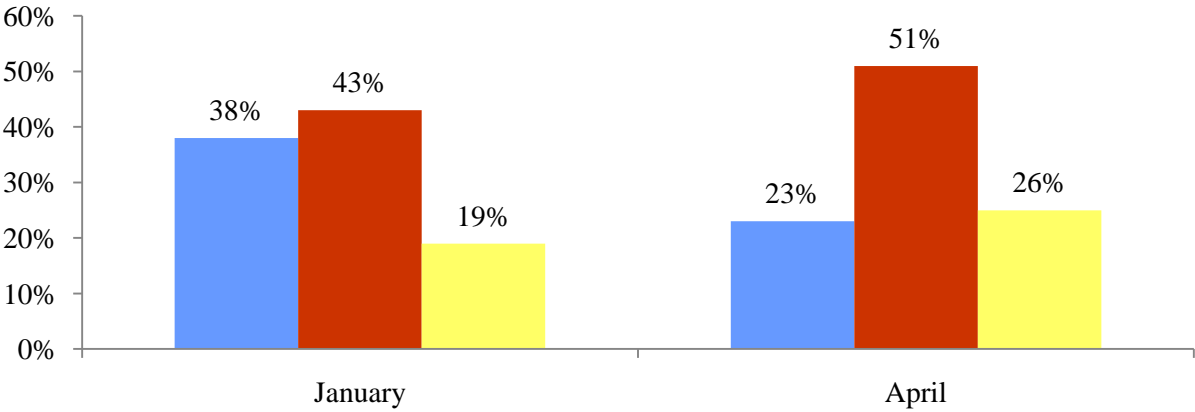
7) What is your practice’s main source of revenue?



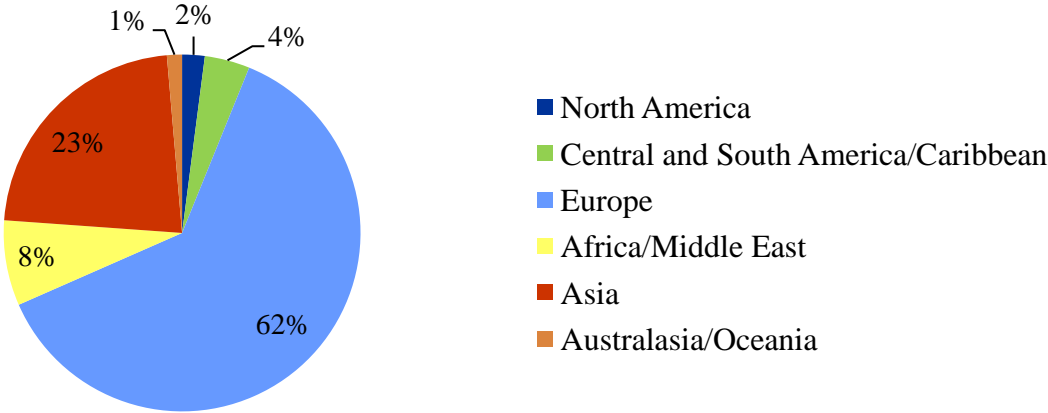
8) How does your practice expect business to be this year compared with last year?



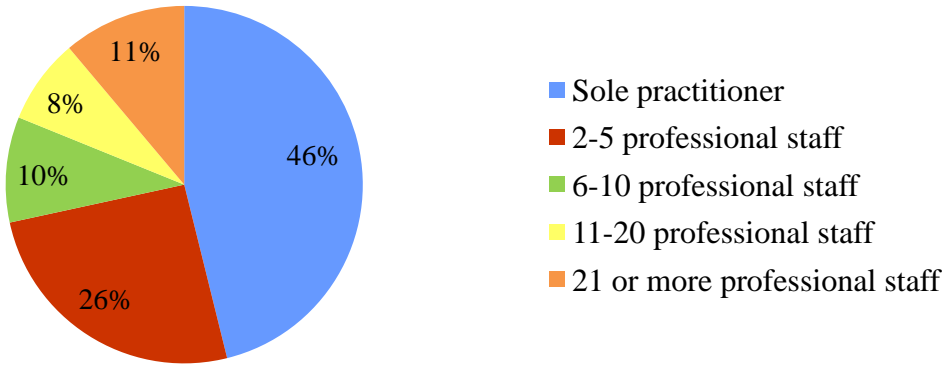
January vs. April Poll Results



9) In what region of the world is your practice located?



10) What is the size of your practice?





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