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# SMALL AND MEDIUM PRACTICES COMMITTEE FACT SHEET

An overview of the SMP Committee—its role, activities, and upcoming projects

## What Is the IFAC SMP Committee?

The IFAC SMP Committee is an advisory body of the International Federation of Accountants (IFAC) that provides strategic input on IFAC's activities to support and represent the interests of professional accountants who work in small- and medium-sized practices (SMPs). To support this constituency, IFAC develops and shares guidance and tools, works to ensure the needs of the SMP sector are considered by standard setters, and speaks out on behalf of SMPs to raise awareness of their value and the importance of the small business sector overall.

## Who Are the SMP Committee Members?

The SMP Committee is made up of 18 volunteers, including a chair and deputy chair. Committee members are nominated by IFAC member bodies. Nominees are recommended by IFAC's Nominating Committee and confirmed by the IFAC Board. Members serve three-year terms and can serve up to six years in total. Each member has the option of having a technical advisor join him or her at [committee meetings](#), which are held three times per year.

## How Is the SMP Committee Related to IFAC?

IFAC is the global organization for the accountancy profession dedicated to serving the public interest by strengthening the profession and contributing to the development of strong international economies. IFAC is comprised of more than 175 members and associates in more than 130 countries and jurisdictions, representing almost 3 million accountants in public practice, education, government service, industry, and commerce.

## What Are SMPs?

The definition of *small- and medium-sized practice (SMP)* will vary from one jurisdiction to another. The SMP Committee defines SMPs as practices that exhibit the following characteristics: their clients are mostly small- and medium-sized entities (SMEs); they use external sources to supplement limited in-house technical resources; and they employ a limited number of professional staff. The SMEs that SMPs serve include not only small businesses, but also public sector organizations, such as small government agencies and not-for-profits.

SMPs typically offer a broad range of professional services that help their clients both comply with regulation and enhance their business performance. These services range from traditional accountancy-based services, such as audit, other assurance, accounting, and tax, to various forms of value-adding business advisory services, including advice on strategic planning, financial management, financing, and risk management. One of the ways that SMPs serve their clients' diverse business needs is by maintaining relationships with trusted experts from other disciplines, including bankers, lawyers, and IT specialists, who also serve small businesses.

## Why Are SMPs Important?

SMPs support the health and prosperity of the SME sector, a sector that in most countries around the world accounts for the majority of private sector employment and Gross Domestic Product. SMEs often, especially where they lack sufficient in-house expertise, look to SMPs to provide a broad range of professional services (see above). In addition, a strong SMP constituency can contribute to increased choice and competition in the market for professional services.

## SMP Committee Activities

IFAC's activities to support SMPs fall broadly into three categories:

**Development of tools and resources:** To help SMPs best serve their SME clients, the committee develops tools and resources, such as the four comprehensive implementation guides (ISA, ISQC 1, Review, and Compilation guides), and a practice management guide for SMPs. IFAC also collaborates with its member organizations to share and leverage support materials for this constituency, which are included on the [Global Knowledge Gateway](#).

**Timely input to policy, regulation, and international standards:** The committee actively engages in IFAC's regulatory dialogue on matters of relevance to SMPs/SMEs. The committee also regularly provides input on international standards, including those on auditing, assurance, and ethics at all stages of their development to help ensure their relevance and proportionality to SMEs and SMPs, and to moderate the pace of change.

**Promoting the visibility and recognition of SMPs:** Committee members and IFAC staff promote the value and role of SMPs by speaking at national, regional, and global events. In addition, IFAC coordinates the annual Global SMP Survey to capture and raise awareness of the key issues, trends, and developments facing this sector.

## Upcoming Projects and Developments

- Update to the *Guide to Practice Management for SMPs*
- Update to the *Guide to Using ISAs in the Audits of SMEs*
- New publication on Integrated Reporting for SMEs
- Input to key IAASB and IESBA projects, including Accounting Estimates—ISA 540, ISA 315 (Revised), Quality Control, Structure of the Code, and Safeguards
- 2016 IFAC Global SMP Survey Report

## For More Information

For more information about the SMP Committee, visit the SMP pages of the IFAC website: [www.ifac.org/SMP](http://www.ifac.org/SMP) or contact Christopher Arnold, Head of SME/SMP and Research, at [ChristopherArnold@ifac.org](mailto:ChristopherArnold@ifac.org). For translations of the SMP guides, see the [Translations Database](#) on the IFAC website: [www.ifac.org](http://www.ifac.org).

For media inquiries or interview requests, contact [communications@ifac.org](mailto:communications@ifac.org).

## Stay Informed

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