

## IFAC SMP COMMITTEE MEETING SUMMARY

**New York, USA, June 24-25, 2019**

This IFAC Small and Medium Practices (SMP) Committee meeting summary is for information purposes only.

### **IFAC SMP-SME Work Plan 2019 Progress Update**

An updated summary of the SMP-SME Work Plan 2019 that was approved in February was tabled for information.

### **IAASB's Activities – Update & Work Plan**

The Committee noted and provided input to a presentation by Ms. Fiona Campbell, Deputy Chair of the IAASB on a new approach to presenting the requirements and application material in ISA 315 (Revised), *Identifying and Assessing the Risks of Material Misstatement* to broadly address complexity, scalability and proportionality issues raised in response to the Exposure Draft.

Resources available:

- [Agenda Item 2](#) of the IAASB's June Board Meeting on ISA 315 (Revised) and the [Podcast](#) meeting summary.

### **Audits of Less Complex Entities – Exploring the Options**

The Committee noted a presentation by Ms. Isabelle Tracq-Sengeissen, a Board member of IAASB on the Discussion Paper, [Audits of Less Complex Entities: Exploring Possible Options to Address the Challenges in Applying the ISAs](#), (the DP), which was published by the IAASB in April 2019. A break out session was conducted to gauge the members response to some of the questions in the DP and facilitate peer-to-peer learning and the opportunity for the sharing of views from different jurisdictions.

Resources available:

- IFAC [Audits of Less Complex Entities Survey](#) (available in English, Spanish and French) aimed at stakeholders who are not intending to respond to the DP.
- A Gateway Article summarizing the DP 'Exploring the Future Options for Audits of Less Complex Entities', which is available for reproduction by Member Organizations.

### **IESBA's Activities – Update & Work Plan**

The Committee noted and provided input to a presentation by Mr. Andrew Mintzer and Ms. Patricia Mulvaney, Board members of IESBA together with Ms. Diane Jules, the Deputy Director on the IESBA's recent deliberations on [Fees](#), [Non Assurance Services](#), the [Role and Mindset Expected of Professional Accountants](#) (formerly Professional Skepticism) and [Technology](#).



Resource available:

- IESBA June 2019 Meeting Highlights [Podcast](#).

### **Compilation of Global Ethical Initiatives**

The Committee noted a presentation by Ms. Robyn Erskine, SMPC Deputy Chair on various ethical initiatives by global Professional Accountancy Organizations (PAOs) as compiled from IFAC's Annual Compliance Program. Members shared new and innovative approaches by PAOs focused on SMPs.

Resources available:

- [Ethics and The Power of One](#) by ICAS.
- Royal NBA's [Moral Intervention Model](#), an ethical decision making framework.
- Film by ICAEW – [Without Question](#) which highlights the challenges of directors and professional advisors when seeking assurance on difficult issues.
- The International Code of Ethics for Professional Accountants (including International Independence Standards) - Revised and Restructured [eCode](#).
- Gateway article "[Paying Professional Ethics More Than Lip Service](#)"

### **The SMP of the Future Initiatives**

The Committee noted a video presentation by Mr. Eamonn Siggins, the Chair of the Edinburgh Group (EG) on their recently launched report – [The SMP of the Future in A Changing World](#) as well as an overview of CPA Ireland's initiatives to encourage the transformation of SMPs. The Committee noted various other initiatives including the Malaysian Institute of Accountants eMerger register, AICPA's plan to broaden student recruitment and an SMP's strategy to counter competition in Romania. The Committee participated in break-out sessions focused on identifying other PAO and SMP future-ready initiatives.

Resources available:

- Gateway Article summarizing the EG report '[How to Support the SMP of the Future](#)' available for reproduction.
- Malaysian Institute of Accountants' [eMerger Register](#).
- AICPA's [Start Here, Go Places](#) a dedicated website that provides resources to accounting subject teachers and students.



### **Task Force Meetings**

The Committee split into two separate task force meetings, the first one being the SMP Business Support Task Force (SBSTF) and the other, the IAASB Rapid Response Task Force (IRRTF). Members of the SBSTF provided input on the collection of [Gateway articles](#) under the theme of practice transformation covering technology, talent and transition to advisory services. The IRRTF discussion centered on finalizing four comment letters to be submitted to the IAASB on the [Quality Management](#) Exposure Drafts.

### **Enhancing Impact & Reach**

The Committee noted the various members sharing initiatives to promote the outputs and activities of the SMPC, which includes presentations to respective PAOs and at member events, publication of articles and the sharing of reports and relevant information. Members discussed other innovative approaches to enhance the impact and reach of all SMP related materials.

### **Future Meeting**

The next meeting is on October 21-22 in New York, the United States.

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