

IFAC SMP COMMITTEE MEETING SUMMARY

New York, USA, June 25-26, 2018

Contact: [Christopher Arnold](#), Head of SME/SMP and Research or [Johnny Yong](#), Technical Manager GAP-S

This IFAC Small and Medium Practices (SMP) Committee meeting summary is for information purposes only. Decisions reported are tentative and reflect only the current status of discussions on projects which might change after further SMP Committee deliberation.

Monitoring Group (MG)

The Committee noted an update on the independent analysis of the 179 responses received by the MG for the February 2018 consultation period.

Input to the IESBA Standard Setting

The Committee noted and provided comments on a presentation by IESBA Board Member Brian Caswell and IESBA Deputy Director Diane Jules on the IESBA's recent activities covering the [restructured Code](#), proposed features of the E-Code, approval of the revisions to the inducement provisions, as well as some of the current projects and initiatives related to [non-assurance services](#) and [fees](#).

Input to the IAASB Standard Setting

The Committee noted and provided comments on an update by IAASB Board Members Karin French and Isabelle Tracq-Sengeissen and IAASB Deputy Chair Megan Zietsman. They were also supported by Beverley Bahlmann. The update primarily covered the progress on the revised [ISQC 1](#) and the work undertaken on [ISA 220](#).

Task Force Meetings

The Committee split into separate Task Force meetings, which included the Small Business Support Task Force (SBSTF), Implementation Guidance Task Force (IGTF), IAASB Rapid Response Task Force (IRRTF) and the Ethics Task Force (ETF). Members provided input on on-going activities, including the possible compilation of Integrated Reporting case studies for SMEs and Non Profit Organizations, the proposed revisions to the [Agreed-Upon Procedures \(AUP\) Engagement standard](#) ISRS 4400, sharing of ethical case studies on the compliance with the fundamental principles under the IESBA's Code of Ethics and the draft responses to the [IAASB](#) and [IESBA's Future Strategy and Work Plan](#).

IFAC Strategy Process Update

The Committee noted a presentation by IFAC Executive Director Sylvia Tsen and Chief Financial Officer and Executive Director for External Affairs Russell Guthrie on the development of the 2019-2020 IFAC Strategic Plan. The proposed plan maintains IFAC's support for the development, adoption and implementation of high-quality international standards, building capacity and collaborating with Professional Accountancy Organizations and speaking out as global voice for the profession.



Member Organizations' Technology Initiatives

The Committee noted and provided comments on presentations by Klaus Bertram and Carl Peterson. Mr. Bertram shared the initiatives of German member organizations (IDW and WPK) in the development of digitalization strategies for SMPs and the roll out of the IT auditors qualification in Germany. Mr. Peterson shared an update on the current cybersecurity initiatives of the AICPA, with primary focus on three key areas: Cybersecurity Reporting Framework, Guidance, and Education.

Professional Skepticism – Meeting Public Expectations

Robyn Erskine, ETF chair, led a panel discussion on the [Professional Skepticism \(PS\) consultation paper](#) released by the IESBA. Ms. Erskine was joined by Antoni Gomez, Dawn McGeachy and Naofumi Higuchi. The discussion mostly revolved around the definition of PS and its applicability outside the audit and assurance context, its scalability in practice and extension to Professional Accountants in Business (PAIBs), and the challenges SMPs are facing in documenting the application of PS, among others.

2018 Global SMP Survey – Breakout Session

Christopher Arnold and Johnny Yong presented the results of the 2018 IFAC Global SMP Survey which received over 6,000 responses from 150 countries. The survey was open in 24 languages from March 22 to May 21, 2018. The Committee broke into small groups to discuss the results of the survey and share collective insights.

IFAC Standards Report/ Intellectual Property & Translations

The Committee received an update from Michelle Korman, Senior Manager and Head of IP for IFAC on the two policy statements issued by IFAC dealing with reproduction and translations of IFAC's publications. The policies have now been restructured to cover reproduction and translation separately, with each referencing specific policies for standards and all other IFAC-owned publications where relevant.

The Committee received a presentation from Joseph Bryson, Director, Quality & Development Department of IFAC on the [International Standards: 2017 Global Status Report](#). This report provides an analysis of the status of adoption of international standards and best practices, the role of IFAC member organizations in the adoption process, and their fulfillment of IFAC requirements— part of the PAOs Statement of Membership Obligations (SMOs).

Next Meeting

The next SMP Committee meeting is scheduled for October 8-9, 2018 in London.