



International
Federation
of Accountants

SMP Committee – Strategic Initiatives

Christina Foo, Member
Small and Medium Practices Committee

Malaysian Institute of Accountants
Kuala Lumpur
September 20, 2012

Presentation Outline

- Role and Objectives of the Committee
- Risks and Opportunities
- Strategic Initiatives
- Questions and Answers

Role and Objective of the SMP Committee

- Alignment with IFAC mission
- IFAC Board review of the SMP related activities
 - Increased SMP representation in standard-setting
 - Facilitate sharing of tools and resources
 - Input into regulation
- Strategy and work plan development
 - IFAC strategy
 - Environmental scan

Role and Objective of the SMP Committee

- Strategy and work plan development (cont..)
 - MB and stakeholder consultation: IFAC Global Leadership Survey, SMP Forum, Quick Poll
- Composition
 - 18 members (assurance providers and business advisors, 5 from Asia)
- (Virtual) 7 Task Forces
- Operating principles
 - Member body focus
 - Make collaboration work

Risks and Opportunities

- Member body and stakeholder feedback
 - Standards and regulation need to be proportionate, stable and relevant
 - Competition from unqualified & non-accountants
 - Pressures facing SMEs impact the demand for services
- Enhancing the profession's relevance
 - Practitioners enjoy a reputation for competency, trust, and responsiveness (according to our study)
 - Growth of business advisory, assurance services other than audit, and accounting & compilations services

Strategic Initiatives – Input to Standard-Setting

- Input to standard-setting
 - 2005 protocol with IAASB: input to draft standards (hopefully IESBA soon)
 - Comments on exposure drafts (IAASB, IESBA, etc)
 - Two members on the IESBA SME and SMP Working Group
 - Responding to *IFRS for SMEs* consultation, *Auditor Reporting* and *Suspected Illegal Acts*
 - YTD: over 20 draft pronouncements
- Comment letter to IIRC
 - Discussion Paper, *Towards Integrated Reporting*

Strategic Initiatives – Input to Public Policy and Regulation (PPR)

- SMP Committee Chair on IFAC Board's PPRAG
- PPR Task Force
- SMP Committee staff review and input to IFAC PPR
 - EU Green Paper Proposals
 - PPP 5, *International Standard-Setting in the Public Interest*
 - PPP 2, *Support for a Single Set of Auditing Standards*

Strategic Initiatives – Adoption and Implementation

- Facilitate adoption and implementation of international standards
 - ISA Guide
 - Quality Control Guide
 - Requests by over 40 unique member bodies/audit authorities (use or translate) – includes MIA
- Guide to Review Engagements
 - Help member bodies support their SMPs in implementing ISRE 2400
 - Committee to consider whether to develop guide at next meeting

Strategic Initiatives – Development and Quality

- Helping Member Bodies respond to SMEs demand for business advice
 - Move away from traditional services (e.g., audit)
 - Short “tips” and articles for member body use
 - Good Practice Checklist for Small Business
 - Video interview series
- Supporting enhanced practice management
 - Good practice management contributes to quality
 - Guide and tools to assist member bodies
 - 3rd edition of PM Guide (with more on pricing, social media etc.)

Thank You

www.ifac.org/smp