



International Federation of Accountants

Small and Medium Practices eNews

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SMP Quick Poll

Are you a small- or medium-sized practitioner? Then take our short survey! The survey should take only 3-5 minutes to complete, and the results will be highlighted in the next issue. Join the dialogue on current challenges and issues faced by SMPs by taking the survey now: [SMP Quick Poll](#). The survey will close on Monday, February 7, 2011.

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Standards, Guidance and Tools

1. Nearly 50,000 Guides for SMPs Downloaded, and Counting

The IFAC Small and Medium Practices (SMP) Committee issued three guides between June and October of 2010. In that timeframe, the guides were downloaded from the IFAC website nearly 50,000 times. If you haven't already, download the guides [here](#).

Two of the guides (ISA Guide, 2nd ed. and QC Guide, 2nd ed.) were updated to conform with the clarified International Standards on Auditing (ISAs) and the clarified International Standard on Quality Control (ISQC 1) as issued by the International Auditing and Assurance Standards Board (IAASB) in 2009. The SMP Committee also issued a new [practice management guide](#) to further support SMPs.

Numerous translations of the guides, including a recent French translation of the QC Guide, 2nd Edition, can be found in the [Translations Database](#).

2. IESBA Establishes SMP/SME Working Group; Releases Implementation Support

The International Ethics Standards Board for Accountants (IESBA) has established an SME/SMP Working Group. The Working Group will report to the IESBA on the unique and challenging issues faced by SMEs and SMPs in complying with the IESBA *Code of Ethics for Professional Accountants* (the Code), which was issued in July 2009. The Working Group is composed of eight members, two of whom are members of the IFAC SMP Committee. For more information, see the [Background Papers](#) for the upcoming IESBA meeting.

To support professional accountancy organizations of all sizes in adopting and implementing the Code, the IESBA recently issued a Questions and Answers (Q&A) publication, [IESBA Staff Questions and Answers: Implementing the Code of Ethics](#).

3. New Modules Released to Support Implementation of the Clarified ISAs

The IAASB has released a second series of ISA [modules](#), which focus on some of the new and more significantly revised ISAs. In addition, the IAASB staff has released [Auditor Considerations Regarding Significant Unusual or Highly Complex Transactions](#), a questions-and-answers (Q&A) publication, to further support ISA implementation.

4. IFRS for SMEs

Information and training materials on implementing the *International Financial Reporting Standard for SMEs (IFRS for SMEs)* are available on the [IFRS website](#).

Open for Comment

Help shape the content and direction of the following standard-setting bodies and IFAC by commenting on these open Exposure Drafts and Consultation Papers. Comments need not be extensive or formal. [Comment now!](#)

5. Auditing and Assurance

The International Auditing and Assurance Standards Board (IAASB) has recently released the following:

International Standard on Review Engagements (ISRE) 2400, [Engagements to Review Historical Financial Statements](#), addresses the growing international need for robust standards for services that can be used by entities, especially SMEs, that are either not required or do not elect to be audited. **Comment Deadline: May 20, 2011**

The IAASB's [Proposed Strategy and Work Program for 2012-2014](#) highlights issues facing the accounting profession and suggests priority activities for the IAASB during 2012-2014. In particular, we'd like to draw your attention to paragraphs 33-37 ("*The Needs of SMEs and SMPs*") on pages 25-27. **Comment Deadline: April 4, 2011**

International Standard on Related Services (ISRS) 4410, [Compilation Engagements](#), is the first step in the IAASB's work to create robust standards for services that can be used by entities, especially SMEs, that are either not required or do not elect to be audited to meet their business reporting needs. **Comment Deadline: March 31, 2011**

In addition, the following are open for comment: International Auditing Practice Statement (IAPS) 1000, [Special Considerations in Auditing Complex Financial Instruments](#); a discussion paper, [The Evolving Nature of Financial Reporting: Disclosure and Its Audit Implications](#); and Proposed International Standard on Assurance Engagements (ISAE) 3410, [Assurance Engagements on Greenhouse Gas Statements](#).

6. The Concept of the Public Interest

[A Public Interest Framework for the Accountancy Profession](#) (IFAC Policy Position Paper #4) is a principles-based framework of the public interest, which can be applied to standard-setting, governance processes, policy analysis, and regulatory issues.

Applying a scalable approach, it has been developed in order to consider and address issues in the accountancy profession on a consistent and clearly articulated basis. Although mainly designed for use by IFAC itself, it may also be useful to the accountancy profession as well as to policymakers, regulators, and business leaders. **Comment Deadline: March 25, 2011**

7. Education: Continuing Professional Development

The International Accounting Education Standards Board (IAESB) released for comment a redrafting of International Education Standard (IES) 7, [*Continuing Professional Development: A Program of Lifelong Learning and Continuing Development of Professional Competence*](#). The standard has been revised to conform to the IAESB's drafting conventions. The IAESB requests comments as to whether this exercise has distorted the intended content in any way. SMPs are encouraged to identify areas where guidance is needed to assist them in the implementation of the standard. **Comment Deadline: March 8, 2011**

Meetings and Events

8. Upcoming SMP Committee Forum

The next IFAC SMP Forum will be held on March 21, 2011, in Istanbul, Turkey. Held in cooperation with the Expert Accountants' Association of Turkey (EAAT), the Union of Chambers of Certified Public Accountants of Turkey (TÜRMOB), and the Fédération des Experts Comptables Méditerranéens (FCM), the event will feature panel sessions and discussions relevant to current and future policy and regulatory developments and on the role of SMPs in providing high-quality professional services to SMEs.

IFAC member bodies are invited to send up to five representatives each to the forum. For more information, see the [Resources](#) section of the IFAC SMP web page or contact Paul Thompson, paulthompson@ifac.org.

9. Recent Conferences

The [18th World Congress of Accountants](#), hosted by the Malaysian Institute of Accountants and IFAC, was held November 8-11, 2010, in Kuala Lumpur, Malaysia. A record-breaking number of delegates attended-over 6,000 from 134 countries-including professional accountants, international regulators, standard setters, government officials, and corporate leaders. SME and SMP issues featured prominently in the discussions and were the focus of five concurrent sessions-IFRS for SMEs, SME Financing, Capacity Building for SMPs, Review and Compilation Services, and the Role of SMPs in Providing Business Advice to SMEs. The next World Congress of Accountants will be held in 2014 in Rome, Italy.

At the **Fédération des Experts Comptables Méditerranéens (FCM) 9th Annual Conference** last December in Marseille, France, participants discussed how convergence of financial reporting systems can be achieved in the Mediterranean. SMP Committee Deputy Chair Giancarlo Attolini spoke about corporate governance in SMEs. The program, presentations, and summary are available to download from the [FCM website](#).

The **European Federation of Accountants and Auditors for SMEs (EFAA)** recently hosted their first conference of the year in Brussels, Belgium. Themed [Accountants Contributing to Good Financial Reporting and Challenging Their Practices to Improve Quality](#), the conference featured

SMP Committee Deputy Chair Giancarlo Attolini, who presented on how the SMP Committee's [*Guide to Practice Managements for Small- and Medium-Sized Practices*](#) can help practices develop the human resources needed to deliver quality services.

10. Next SMP Committee Meeting

The next SMP Committee meeting will be held March 22-23 in Istanbul, Turkey. For meeting summaries from past meetings, see www.ifac.org/SMP/Meetings.php.

Other Relevant News

11. Call for Nominations

Nominations for IFAC Board and Committees may be submitted online January 15-March 15, 2011 at <https://secure.ifac.org>. The SMP Committee is keen to ensure that SMPs and SMEs are adequately represented on all IFAC boards and committees and encourages nominations for suitable candidates. For more information about the nominations strategy, its due process, Nominating Committee members, or for guidance in selecting the best candidate, please visit www.ifac.org/NominatingCommittee.

12. SMP Committee Announces New Member

IFAC is pleased to announce the appointment of [Ms. Christina Foo](#) as the newest member of the SMP Committee. Ms. Foo is the managing director of Priority One, a consultancy services firm that she co-founded and is based in Malaysia. The SMP Committee has 18 members from 18 countries. To learn more about them, read their [biographies](#) on the IFAC website.

13. Strategy and Work Plan for Small and Medium Practices Committee

The IFAC SMP Committee [Strategy and Work Plan for 2011-14](#) is now effective as of January 1, 2011. The plan defines new objectives, including providing input to regulatory and policy-making bodies and communicating the value of SMPs and SMEs. The Work Plan also includes initiatives to facilitate sharing and collaboration between IFAC and its member bodies on products and services to support SMPs. Comments and feedback on the Strategy and Work Plan for the coming years may be emailed to [Paul Thompson](#), deputy director of SME and SMP affairs.

14. SMP Committee Helps Develop IFAC Response to EC Green Paper

IFAC has [responded](#) to the questions raised by the European Commission's (EC) Green Paper, *Audit*

Policy: Lessons from the Crisis. The IFAC Board's recently formed [Public Policy and Regulatory Advisory Group \(PPRAG\)](#) oversaw the development of the response and the SMP Committee assisted in its development, especially in those areas of most relevance to its constituents, such as questions 15, 35, and 36.

15. Follow Us on Twitter!

The SMP Committee uses Twitter to inform its followers of global developments in the SMP/SME sector. Please visit http://twitter.com/IFAC_SMP to follow us now!

For more information about any of the items mentioned above or other information about the SMP Committee, please contact communications@ifac.org.

About 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 159 members and associates in 124 countries and jurisdictions, representing approximately 2.5 million accountants in public practice, education, government service, industry, and commerce. Through its independent standard-setting boards, IFAC sets international ethics, auditing and assurance, education, and public sector accounting standards. It also issues guidance to encourage high-quality performance by professional accountants in business.