

Agenda Item 5



Meeting Location: Sofitel Warsaw Victoria, Warsaw, Poland

Meeting Date: June 15-17, 2011

SME/SMP Issues

Objectives of Agenda Item

1. To consider the IESBA SME/SMP Working Group's preliminary report (see Agenda Paper 5-A).

Background

The IESBA SME/SMP Working Group was formed in late 2010 to identify and advise the Board on unique and challenging issues faced by professional accountants in SMEs and SMPs when complying with the Code.

At its February 2011 meeting in New Delhi, the Board received a status report providing a preliminary list of issues identified by the Working Group for further research and consideration.

Since that Board meeting:

- further research has been performed, including comparison of the Code to ethics standards in various local jurisdictions
- input has been obtained from participants at the 2011 SMP Forum, the SMP Committee, national standard-setters and respondents to an SMP Committee poll
- the Working Group has met and had follow up communication to further deliberate its preliminary findings and recommendations

Next Steps

Following the meeting, the Working Group will address the Board's feedback and complete a number of interviews planned to further validate the preliminary findings and recommendations. The Working Group plans to have a final report available for the Board's October meeting.

The Board or its Planning Committee may choose to consider acting on certain of the preliminary recommendations prior to receiving a final report.

Action requested

- 1. Receive and comment on the Working Group's *Preliminary Report*.**
- 2. Consider action arising from the recommendations in this *Preliminary Report*.**

Material Presented

Agenda Paper 5

This Agenda Paper

Agenda Paper 5-A

IESBA SME/SMP Working Group's *Preliminary Report*