

# Agenda Item 3



**Meeting Location:** Hilton, 1335 Avenue of the Americas, New York, United States

**Meeting Date:** October 17-19, 2011

## **SME/SMP Issues**

### **Objectives of Agenda Item**

1. To consider the IESBA SME/SMP Working Group's report (see Agenda Paper 3-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. Timely reporting was requested so that the Board itself could be suitably responsive.

At its June 2011 meeting in Warsaw, the Board received a preliminary report setting out the Working Group's initial findings and advice.

Since that Board meeting, the Working Group has:

- Considered feedback from the Board and the IESBA Consultative Advisory Group
- Obtained additional input, including input from Africa, Asia and Latin America – regions represented at the 2011 SMP Forum in Istanbul but not represented on the Working Group itself
- Met twice by conference call and exchanged e-mails to discuss findings and recommendations and prepare the attached report

In accordance with its Terms of Reference, the Working Group has focused on developing recommendations that are:

“... consistent with the importance of SMPs and SMEs serving the public interest, reinforce the importance of high quality ethical standards, including independence standards, for professional accountants in public practice and in business and, where feasible, offer practical solutions to the unique and challenging issues faced by SMPs and SMEs in complying with the Code.”

### **Next Steps**

The Working Group's report is presented here for the Board's consideration.

It is anticipated that the Board will, directly or through its Planning Committee, consider any appropriate action arising from the recommendations.

The Working Group is available if the Board or its Planning Committee has further questions or requests.

### **Action requested**

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

### **Material Presented**

Agenda Paper 3	This Agenda Paper
Agenda Paper 3-A	IESBA SME/SMP Working Group's <i>Report</i>