

**Draft IESBA Working Procedures—  
Liaison with the IFAC Small and Medium Practices (SMP) Committee**

*Established March 2013*

**Introduction**

The objective of this document is to formalize the involvement of, and consultation with, the Small and Medium Practices (SMP) Committee of IFAC in the development of the pronouncements to be issued by the IESBA.

**SMP Committee**

Although comments from the SMP Committee Staff and the SMP Committee are welcomed throughout the project process, the SMP Committee's input on pronouncements to be issued by the IESBA is sought at the following stages of a project.

*Project Proposal*

Project proposals prepared by IESBA staff are reviewed by the SMP Committee Staff. Where considered appropriate, the SMP Committee Staff consults with the SMP Committee. The SMP Committee Staff ensures that issues relevant to small and medium practitioners (SMPs) and small- and medium-sized entities (SMEs) are covered in the project proposal. This takes place before the project proposal is submitted for consideration by the IESBA.

*Issues Paper*

An issues paper is often prepared before commencing the drafting of a proposed exposure draft. The objective of an issues paper is to obtain the input of the IESBA on issues identified by the IESBA project Task Force, as well as on the Task Force's recommendations with regard to these issues. Where an issues paper covers issues relevant to SMPs and SMEs, e.g., issues highlighted by the SMP Committee when commenting on the project proposal, the SMP Committee – through the SMP Committee Staff – is requested to comment on the completeness of the issues and the IESBA Task Force's proposed resolutions. This review takes place when the issues paper is submitted for consideration by the IESBA.

*First Read of a Proposed Exposure Draft*

The SMP Committee – through the SMP Committee Staff – is requested to review a proposed exposure draft and comment on aspects relevant to SMPs and SMEs when the proposed exposure draft is submitted for a first read by the IESBA.

*Approval of a Proposed Exposure Draft*

Where aspects of a proposed exposure draft of relevance to SMPs and SMEs have been changed or new text that may affect SMPs or SMEs has been added after the first read of an exposure draft, the SMP Committee – through the SMP Committee Staff – is requested to comment on the proposed exposure draft before it is submitted for approval by the IESBA. The SMP Committee is also requested to indicate matters specific to SMPs and SMEs that should be covered in the explanatory memorandum accompanying the exposure draft.

Members of the SMP Committee could, if they so wished, make further comments to their own professional bodies during the exposure period.

#### *Approval of a Final Pronouncement*

Before a final pronouncement is submitted to the IESBA for approval, the SMP Committee – through the SMP Committee Staff – is requested to conduct a final review of aspects of the proposed pronouncement relevant to SMPs and SMEs included in the body of the pronouncement.

#### **IESBA Remains Responsible**

The IESBA remains responsible for the approval of exposure drafts and final pronouncements. The IESBA may consider it necessary to amend proposed and final pronouncements prepared by IESBA Task Forces, including the SMP and SME considerations proposed by the SMP Committee.

#### **Timing**

As far as is practically possible, the SMP Committee is given at least 15 business days (i.e. three weeks) to review and comment on an IESBA document. IESBA Staff will normally forward an electronic copy of the document to the SMP Committee Staff, clearly stating the action requested and the comment date. Documents may take the form of staff-prepared summaries of IESBA project task force papers or else agenda papers for an upcoming IESBA meeting.

#### **Confidentiality**

Documents forwarded to the SMP Committee that are not available to the public should be clearly marked as such. It is suggested that the words “TF Working Draft – Not for Distribution” are included as a header or footer in the document.

#### **Task Force / IESBA Response to Comments**

IESBA staff is encouraged to provide feedback at the various project stages to the SMP Committee Staff on the IESBA Task Force's or the IESBA's consideration of the comments received from the SMP Committee.