Feedback from IAASB SMP/SME Working Conference

Megan Zietsman, IAASB Deputy Chair
March 7, 2017
SMP/SME Working Conference

• Held in Paris in January 2017
• Over 100 participants from 28 jurisdictions
• IAASB focus on understanding needs for SMPs and challenges in performing audits of SME’s
  – Day 1: Sharing views about what users want or need in different jurisdictions for services other than audits (including whether gaps exist in the International Standards)
    • Panel discussions about needs in different jurisdictions / presentations of standards in different jurisdictions (e.g. Danish extended review) / roundtable discussions and feedback
  – Day 2: Discussions about challenges of the implementation of the ISAs on audits of SMEs
    • Panel discussion about audit in different jurisdictions / presentations on audit tools / software (e.g. Descartes) / roundtable discussions and feedback
Services Other than Audits

• Important to understand needs of stakeholders when developing new standards – important that the IAASB continues to monitor

• Various presentations about national initiatives: preparation, extended review

• Support for AUP project, if flexible and including further consideration about multi-scope engagements

• Need for more guidance materials about how to use the standards for different kinds of engagements (not necessarily for IAASB) – Support for SMP Committee Guides

• More education about existing standards (i.e., what types of engagements are covered by existing standards, and how they may be adapted and applied)
International Standards on Auditing

• Strong interest for better support for small audits
• But mixed views re one single standard for audits of SME’s versus continued support for the ISAs
  – ‘No new standards’ but more guidance needed (i.e., how to implement)
  – In current projects revising ISAs – “think simple first”
• Expectation gap between different stakeholders – more to be done to bridge the gap (e.g., use of professional judgment and expectations about documentation)
• More to be done to promote the value of an audit
• Think more about technology and software to assist (not necessarily IAASB)
IAASB – The Way Forward

• Communications about SMP/SME Working Conference

• IAASB remains open-minded as to how issues and challenges can be best addressed while committed to respond to concerns

• More thought by IAASB (and others such as SMPC and NSS) about how challenges can be addressed
  – Solutions are likely multi-faceted, e.g. re non-audit
  – IAASB to further consider what can be done in current or new ISA projects (think simple first); need for ad-hoc WG?
  – Further research to fully understand issues
  – IAASB session at March 2017 meeting

• Commitment to a second conference later in 2018 – tangible results needed