

Meeting: IAASB
Meeting Location: Lima, Peru
Meeting Dates: March 13–17, 2017

Agenda Item 7

SMP / SME Audits

Objective of Agenda Item

1. The objectives of the agenda item are to:
 - (a) Receive feedback from the January 2017 IAASB/CNCC/CSOEC Conference held in Paris to discuss matters related to challenges and issues relating to the International Standards on Auditing (ISAs) and the use of the IAASB's other International Standards by small and medium practices (SMP) for the services that they provide.
 - (b) Receive feedback from the recent International Federation of Accountants SMP Committee meeting.
 - (c) Discuss the terms used to identify the approach by the IAASB when it refers to the ability of the ISAs and International Standard on Quality Control (ISQC1) to be applied proportionately with the size and complexity of an entity and the degree of risk of material misstatement, including an indicative framework for the application of scalability and proportionality.
 - (d) Discuss developments internationally about standards for audits of smaller entities.
 - (e) Discuss, via breakout groups, issues within the scope of the work and resources of the IAASB, relevant to SMPs and SMEs, and share views on what the IAASB and others could do to address these issues. In particular, discussions will focus on the challenges faced by SMPs with scalability and proportionality of the ISAs and the actions currently being undertaken to address these issues in the IAASB's current projects, as well as needs noted by stakeholders for standards for services other than audits.

Material Presented

Agenda Item 7-A Scalability and Proportionality in Standards issued by the International Auditing and Assurance Standards Board

Matter for IAASB Consideration

1. The IAASB is asked to consider the matters set out above and discuss relevant aspects as appropriate.