

Regional African Workshop on Financial Inclusion for MSMEs

Abdulwahid Aboo
Member, IFAC SMP Committee

Regulatory And Institutional
Requirements On Accounting and
Auditing for MSMEs

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Accounting And Financial Reporting Standards For MSMEs

- IFAC supports global regulatory convergence for the accountancy profession
- To achieve international convergence, national regulation should aim to endorse and implement principles, approaches and obligations outlined in material issued by authoritative international bodies
- More research could be undertaken into the costs and benefits of regulating and deregulating the MSMEs accounting. This will enable better regulations to be developed (by looking at costs vs benefits)

Auditing Standards For MSMEs

- IFAC Public Policy Position Paper 2 supports a single set of auditing standards
- ISAs are structured to be scalable:
 - Emphasis on professional judgment
 - Contain special considerations for smaller entity audits
 - Some ISAs only apply to large entity audits
 - Many requirements may not be relevant to SME audits
- IAASB Work Plan 2017-2018 – enhanced focus on SMPs & audits of SMEs
 - E.G. SMP/SME Paris Conference in Jan 2017
- SMPC spends significant resources inputting to the IAASB

Institutional Support For Better Accounting & Reporting By MSMEs I

IFAC issued a Call for Action by G20 Countries and other key stakeholders to collaborate. For example on:

- Fostering greater transparency and regulatory consistency to achieve growth, confidence and stability
- Creating an environment for SMEs growth and inclusiveness



Institutional Support For Better Accounting & Reporting By MSMEs II

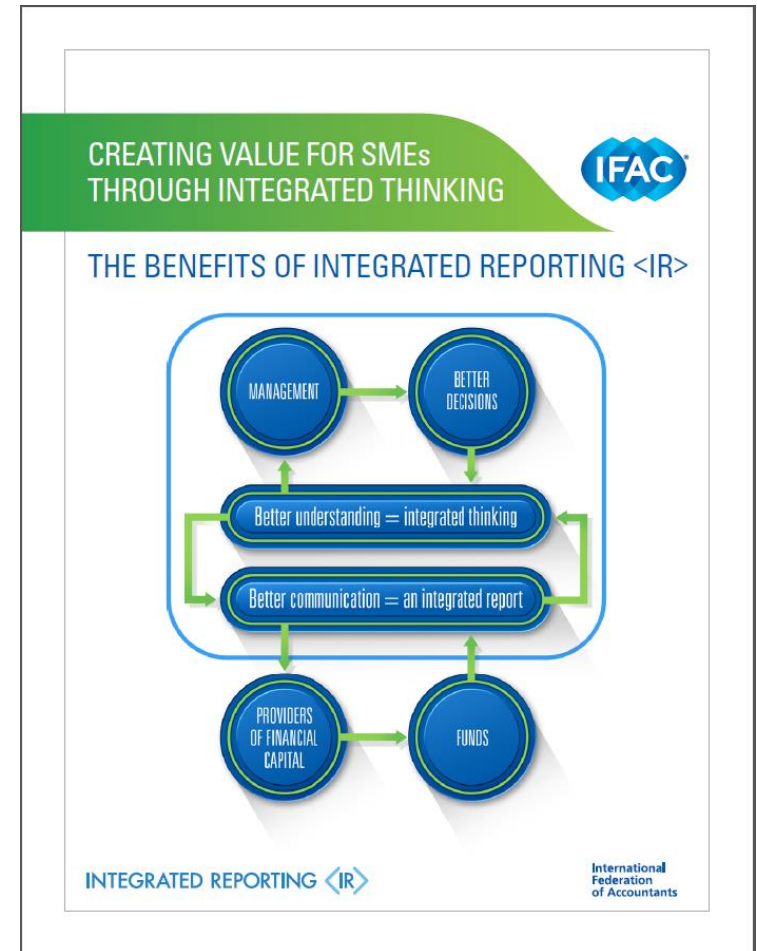
IFAC issued a Call for Action by G20 Countries:

- Raising governance standards across all economic sectors to increase transparency and accountability, and help restore trust and inspire confidence in business and government, key to the G20's aspirations to: build resilience, improve sustainability, and assume responsibility.
- Call for global adoption of the International Integrated Reporting Framework

Institutional Support For Better Accounting & Reporting By MSMEs III

Integrated thinking and reporting is essential in the current world of business as a way forward. IFAC will issue a paper soon.

UNCTAD is more concerned as of now on traditional accounting and audit. Now we need to open up.



IFAC Global SMP Survey 2016 – Highlights

SME Client Challenges* High and Very High

Challenges	Africa	Global
Economic Uncertainty	74%	61%
Rising Costs	78%	59%
Competition	62%	53%
Difficulties Accessing Finance	72%	51%

“We also need to think of today’s young individuals and entrepreneurs of the future and we should emphasize on them to learn book keeping for better understanding of their own affairs. Employing a bookkeeper may not be the answer.”

IFAC Resources I

- IFAC SMP Committee: www.ifac.org/SMP
- Follow us on [Twitter](#): IFAC_SMP
- IFAC Global SMP Survey www.ifac.org/smp
- Join us on [LinkedIn](#): IFAC SMP Community
- Global Knowledge Gateway www.ifac.org/Gateway

THE LATEST

Global Knowledge, Resources, and News from the Gateway



IFAC Resources II

- **Guide to Practice Management for SMPs**
(<https://www.ifac.org/publications-resources/guide-practice-management-small-and-medium-sized-practices>)
- **Guide to Compilation Engagements**
(<https://www.ifac.org/publications-resources/guide-compilation-engagements>)
- **Guide to using the ISAs in the audit of SMEs**
(<https://www.ifac.org/publications-resources/companion-manual-guide-quality-control-smpsguide-using-isas-audits-smes>)
- **Guide to Quality Control for SMPs**
(<https://www.ifac.org/publications-resources/companion-manual-guide-quality-control-smpsguide-using-isas-audits-smes>)
- **Choosing the Right Service: Comparing Audit, Review, Compilation and Agreed-Upon Procedures Services**
(<http://www.ifac.org/publications-resources/choosing-right-service-comparing-audit-review-compilation-and-agreed-upon>)



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