UNCTAD-ISAR and IFRS Foundation joint workshop

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Accounting and financial reporting needs of SMEs

Workshop material:

*Capacity-building needs of SMEs in accounting and reporting*

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Capacity-building needs of SMEs in accounting and reporting

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UNCTAD-ISAR and IFRS Foundation Joint Forum:
Accounting for SMEs
Geneva, Switzerland
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Agenda

• Challenges Facing SMEs
• How Accountants Support SMEs
• Supporting Accountants Worldwide
  – Helping SMEs through work of SMPs and PAIBs
• Improve Quality and Capacity
  – Helping SMEs through building capacity of PAOs
• Resources
Challenges Facing SMEs I

• SMEs, especially start-ups/entrepreneurs, account for majority of private sector GDP, jobs and growth

• Insights from IFAC SMP Quick Poll
  – Keeping up with standards and regulation is biggest challenge facing SMEs and SMPs
  – Pace of change is aspect of standards and regulation posing greatest challenge for SMEs and SMPs
  – Tax is type of standards and regulation posing greatest challenge for SMEs and SMPs (financial reporting 3rd)
  – Access to finance another key challenge for SMEs
Challenges Facing SMEs II

• SMEs face capacity constraints
  – Lack of in-house knowledge and expertise
  – Strategic, business and technical
  – Struggle to efficiently implement standards

• SMEs typically look to accounting firm, like SMPs, for range of professional services (assurance to advice)
How Accountants Support SMEs

• Assist compliance with regulation
  – Financial reporting, tax etc.

• Facilitate access to finance
  – Accounting
  – Advisory
  – Assurance

• Act as trusted business advisor

• Leverage IT to increase financial capability of SME
  – Could computing
Support Accountants Worldwide

*Provide thought leadership, resources, and insights; enhance visibility and voice*

- IFAC Global Knowledge Gateway
- PAIB and SMP Committees
- Regional training events
Improve Quality and Capacity
Support high-quality PAOs and strengthen the profession

- Member Body Compliance Program
- Professional Accountancy Organization (PAO) Development
Resources

- IFAC SMP Committee website: [http://www.ifac.org/smp](http://www.ifac.org/smp)
- PAO Development Committee: [http://www.ifac.org/about-ifac/professional-accountancy-organization-development-committee](http://www.ifac.org/about-ifac/professional-accountancy-organization-development-committee)
- PAIB Committee website: [www.ifac.org/about-ifac/professional-accountants-business](http://www.ifac.org/about-ifac/professional-accountants-business)
- Compliance Program: [www.ifac.org/about-ifac/membership/compliance-program](http://www.ifac.org/about-ifac/membership/compliance-program)
- SMP/SME resources and tools (all) at [http://www.ifac.org/about-ifac/small-and-medium-practices-committee/smp-resources-and-tools](http://www.ifac.org/about-ifac/small-and-medium-practices-committee/smp-resources-and-tools)
- IFAC Translations and Permissions: [http://www.ifac.org/about-ifac/translations-permissions](http://www.ifac.org/about-ifac/translations-permissions)
- SMOs 1-7 (Revised): [http://www.ifac.org/publications-resources/statements-membership-obligations-smos-1-7-revised](http://www.ifac.org/publications-resources/statements-membership-obligations-smos-1-7-revised)