
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

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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
 - Cloud 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>
- PAO Development Committee: <http://www.ifac.org/about-ifac/professional-accountancy-organization-development-committee>
- PAIB Committee website: www.ifac.org/about-ifac/professional-accountants-business
- Compliance Program: 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>
- IFAC Translations and 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>
- Tips for Trainers on ISAs: International Perspectives – Local Insights, Uganda, June 4: <http://www.ifac.org/news-events/2013-06/tips-trainers-isas-international-perspectives-local-insights>