

**An Interview with
Sylvie Voghel – Chair, Small and Medium Practices Committee, International
Federation of Accountants**

How does IFAC support Small- and Medium-Sized Entities (SMEs) and Small and Medium Practices (SMPs)?

A thriving SME sector is a vital part of job creation, social cohesion, innovation and economic growth. In many – if not most – countries around the world, SMEs represent the vast majority of entities as well as the majority of private sector employment and Gross Domestic Product. According to the Organisation for Economic Co-operation and Development (OECD), SMEs account for over 95% of enterprises and 60–70% of employment in OECD countries.

While IFAC can do little to help SMEs directly - IFAC is not, after all, an association of SMEs - IFAC recognizes their importance and provides invaluable *indirect* support to them. First, IFAC supports SMPs (primarily through their member bodies) so that they can provide better services to their SME clients – services that meet the SMEs' needs and are of high quality; this in turn helps SMEs prosper. And second, IFAC supports professional accountants in business (again primarily through their member bodies), many of who work in SMEs. Much of the support that IFAC provides for SMPs and SMEs comes from the work of the SMP Committee that I chair.

How does the IFAC SMP Committee operate and how is it resourced?

The IFAC SMP Committee was formed in 2004, and is now a committee of 18 members from all across the globe, with a wealth of experience in the SMP and SME sectors. We have formal working procedures, project teams, a strategic and operational plan, a communications plan, and a full-time senior technical manager. Our strategy is two-fold. Firstly, we help shape international standards – primarily auditing and assurance, ethics and accounting – by providing input into the standard-setting process. We do this to ensure that these standards are relevant to SMPs and SMEs and can be cost-effectively applied.

Secondly, we provide practical support to SMPs, including guidance and Web-based tools. This practical support helps build the SMPs' ability to efficiently implement international standards so that they can deliver high-quality, cost-competitive services to their clients. Our support is also intended to help SMPs manage their practices better, to help them to remain relevant to their clients, and – ultimately – to maximize their profitability.

How can individual SMPs access that practical support?

Individual SMPs can access a wide range of practical support by visiting the SMP section of the IFAC website, at www.ifac.org/SMP, which is constantly added to and updated. In addition, the International Center for Small and Medium Practices (hosted

by IFAC's SMP Committee) provides resources and facilitates the exchange of knowledge and best practices among SMPs and other accountants who serve SMEs. SMPs can also access and sign up to receive the free of charge SMP eNews – an electronic communication issued three to four times per year that discusses covers initiatives relevant to SMPs.

Other resources on the IFAC Web site include relevant publications in the Publications & Resources section (all of which can be downloaded free of charge), which address such topics as micro-entity financial reporting and IT management. SMPs will also find information on relevant conferences; links to sites of interest; and details about the clarified ISAs, including the complete set of ISAs, support and guidance, and frequently asked questions. In addition, the IFAC site has a section featuring resources to assist SMPs and SMEs in addressing issues related to the financial crisis, as well as a Discussion Board in which small practitioners and others are invited to share their views on topics relevant to SMPs and SMEs.

I would like to specifically point out some of the SMP guidance material that is available to download free of charge, including: the *Guide to Using International Standards on Auditing in the Audit of Small- and Medium-sized Entities* and the *Guide to Quality Control for Small- and Medium-sized Practices*. In addition, the *Guide to Practice Management for Small- and Medium-sized Practices*, slated for publication in June 2010, will encompass eight largely stand-alone modules on topics including planning, human resource management and client relationship management, and will be accompanied by forms and checklists as well as an office procedures manual.

What can we expect IFAC to do for SMPs in the future?

In early 2009, the IFAC Board initiated a fundamental review into how IFAC can best support SMPs. The outcome is a series of recommendations that include:

- Expanding monitoring of global regulatory reform to ensure its suitability for SMEs and SMPs;
- Increasing the visibility and voice of SMEs and SMPs;
- Developing guides and resources in collaboration with IFAC members to provide practical assistance to SMPs; and
- Considering strategies for increasing the participation of SMEs and SMPs in its standard-setting activities.

Inevitably the SMP Committee will be playing a lead role in the implementation of these recommendations.

How do you see the role of SMPs changing in the future?

The SMP Committee recently conducted a study of the role of SMPs in the provision of business support services to SMEs. The evidence suggests that accountants are seen as competent and trustworthy advisors, that accountants are the most popular source of external advice and support for SMEs, and that SMPs provide much of this advice and support. We need to help position and equip SMPs to satisfy the growing appetite of SMEs for business advice. Going forward this will be a major focus of the committee.

Sylvie Voghel

Sylvie Voghel became chair of the IFAC Small and Medium Practices Committee in January 2006. She was nominated by the Certified General Accountants Association of Canada (CGA-Canada). Ms. Voghel served as a member of the IFAC Board from 2003 to 2008 and was a technical advisor to the Board from 2000 to 2003. In addition, she was a member of the IFAC Governance Task Force in 2002 and chaired the IFAC SMP/SME and Developing Nations Consultative Conference in Prague in 2005.

Ms. Voghel is the co-owner of a privately held corporation in Québec, Canada. Previously, she was a member of the senior management team of Hydro-Québec, one of Canada's largest energy enterprises. Ms. Voghel is a former chair of CGA-Canada and CGA-Québec. She is involved in academic, professional and other volunteer board and committees.

