



EUROPEAN FEDERATION
OF ACCOUNTANTS AND AUDITORS
FOR SMES

ANNUAL REPORT 2018

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Report from the President

Dear Members and Friends

Year in Review

EFAA started 2018 at full speed. Two surveys were in progress and the agendas of the Expert Groups and the Digital Working Group were full. Meantime the deadline for implementing the ground breaking new European Data Protection Regulation, with considerable impact on our profession, was fast approaching, digitalisation moving at breakneck speed, and the Monitoring Group was proposing a fundamentally different approach towards the setting and governance of audit-related standards. And by the end of the year not only had the pace failed to slow but more topics had been added to the list. You will find many interesting details on the following pages but let me point out some highlights.

While we continued to improve our own activities we increased the collaboration with key stakeholders in Brussels, specifically the European Association of Crafts and SMEs (SMEunited, formerly UEAPME) and the European Financial Reporting Advisory Group (EFRAG). And we forged closer links with the European Commission. We remained an influential voice on the Consultative Advisory Groups (CAGs) of the International Audit and Assurance Standards Board (IAASB) and the International Ethics Standards Board for Accountants (IESBA) through our newly appointed representative Hysen Cela from IEKA, Albania and the International Accounting Education Standards Board (IAESB) through Salvador Marin from CGE, Spain. We kept the high level of communication, with our members and stakeholders mainly through the newsletter “Latest from Brussels”, and with articles and interviews directed at the wider public. A prominent example was the invitation to provide, alongside leaders of the global profession, an article about the [\(Digital\) Future of SMPs](#) to the 70th Anniversary Issue of the Institute of Chartered Accountants in India.

All these activities were based on the EFAA strategy which was adopted in 2014 following in-depth discussions with our members. At the AGM 2018 the members acknowledged the progress that EFAA had made in recent years both in infrastructure and resources and the much greater visibility, recognition and impact. To further strengthen EFAA and its activities the AGM agreed to amend the activity plan with a focus on Europe, an extended value proposition to individual members, and a stronger collaboration with relevant shareholders. The pillars of EFAA’s value proposition were confirmed and remain unchanged:

inform

EFAA seeks to provide valuable market intelligence to its members and stakeholders so that they can be more effective and impactful in their support for SMPs. The “Latest from Brussels” was repeatedly commended by members and relevant stakeholders for the dissemination of information, insights and ideas.

advocate

EFAA has continued to monitor and influence European, regional and global policies and regulations to reflect SMP and SME issues and concerns. We have become the competent voice, advocate for European SMPs and, to an extent, professional accountants in business in SMEs, and a recognised thought leader for key issues impacting SMPs and SMEs. EFAA's Memorandum for Elections to the European Parliament 2019 is a good example and a helpful summary of our policy statements.

connect

We all live in an increasingly connected and globalised business environment. The way EFAA connects members and relevant stakeholders creates value by enabling them to learn from each other as well as by helping to form and advocate policy positions. In 2018 we hosted three international events to help foster these connections and share thought leadership, for example about digitalisation and the relevance of non-financial information for SMEs.

The future of our profession is digital and one of constant and unpredictable change. Our strategy is designed to help our members and their members leverage the opportunities and be prepared for the challenges of the digital future. But there is and will be a constant need for a review of the strategy and the focus of our activities. And there will be a need to cooperate since the investments are too big for the individual SMP or SME. Federations, like EFAA, will have an increasingly important role to play.

Acknowledgements

Let me personally and on behalf of EFAA acknowledge and thank all the members of our team. First of all the members of our Board of Directors, who were newly elected or re-elected at the AGM 2018, in alphabetical order: Maurice Buijs, Carlos Menezes, Aleksander Štefanac and Marcus Tuschen. Maurice Buijs had already served as our Treasurer since 2016. Secondly, the chairs of our Accounting Expert Group, Richard Martin, our Assurance Expert Group, Paul Thompson, and the Digital Working Group, Martin De Bie, for their dedication, invaluable insights and commitment and all the members of our Expert and Working Groups and our Special Advisors Robin Jarvis and Marie Lang. Sara Zambelli for heading our Brussels office since last February as Head of Secretariat and Head of Public Affairs. And you, as our members, for making it possible that we are serving Europe's SMPs and SMEs with the passion and impact as we do. We especially welcome IEC-IAB from Belgium as our newest ordinary member.

Let me close with a personal note. I was elected in 2014 to implement and realise a new strategy for EFAA. With your support I had the privilege to lead and serve EFAA in an important phase. And with your support, hard work and much enthusiasm most of the objectives of the so-called new strategy became reality. The "Latest from Brussels" has become so much a routine that it is hard to imagine that no regular communication for the members existed before 2014. The permanent presence in Brussels

is another example, as is the significant increase in visibility and reputation of EFAA's expertise, especially in but not limited to digital technologies.

As announced at the AGM 2018 I had decided to step down from my duty as president of EFAA after five interesting, challenging and rewarding years at the AGM 2019. I am confident that my successor will continue to lead EFAA into the right direction and I and we wish him all the support and luck he deserves.

Ensuring that the interests of SMPs and SMEs are heard in Europe and beyond has never been easy, but I am convinced more than ever that there is a need for SMPs and SMEs to be heard and understood as well as well represented and supported.

With best wishes,

Bodo Richardt

President

About EFAA

Overview

The European Federation of Accountants and Auditors for small and medium-sized enterprises ([EFAA](#)) is an umbrella organisation for national accountants' and auditors' organisations whose individual members provide professional services primarily to SMEs in Europe. EFAA has 13 members throughout Europe, and represents more than 330 000 accountants, auditors, and tax advisors in Europe and beyond.

SMEs are the backbone of Europe's economy, and small and medium-sized accounting, auditing and tax advisor practices (SMPs) are their most important provider of compliance and advisory services. SMPs help SMEs and entrepreneurs produce high quality financial information to help them better manage their business and gain the trust and confidence of stakeholders. Furthermore, they help SMEs gain access to finance, and they provide them with business advice that enables them to grow sustainably.

EFAA's three long-term strategic pillars are

- ***inform*** – keep EFAA members and stakeholders informed of developments that most impact their individual members;
- ***advocate*** – speak out on issues most relevant for the members of EFAA and the profession as a whole; and
- ***connect*** – facilitate the communication and cooperation between EFAA members and in turn foster closer contact between individual members across Europe and other relevant stakeholders.

EFAA in Numbers

13 member organisations from

11 countries representing

330 000 SMPs

Membership

As at 1 January 2019 EFAA's [13 Ordinary Members](#) were:

- ACCA Association of Chartered Certified Accountants, United Kingdom
- APFM Association of Professional Financial Managers, Azerbaijan
- CAAR Chamber of Auditors of the Azerbaijan Republic
- CCIS-CAS Chamber of Accounting Services, Slovenia
- CGE Consejo General de Economistas, Spain
- DStV German Association of Tax Advisers
- IEC-IAB Institute of Accountants and Tax Advisors, Belgium
- IEKA Albanian Institute of Certified Public Accountants
- KSW Austrian Chamber of Tax Advisors and Public Accountants
- NBA The Royal Netherlands Institute of Chartered Accountants
- OCC Ordem dos Contabilistas Certificados
- SCAAK Society of Certified Accountants and Auditors of Kosovo
- WPK Chamber of Public Accountants in Germany

The EFAA Board of Directors

President

Bodo Richardt (Germany)



Bodo Richardt has been an accountant for over 30 years working in a variety of professional practices from the Big 4 to SMPs in Germany, France and the United States. He is currently a sole practitioner serving SMEs and family owned businesses specialising in strategic advice, expert opinions on audit and accounting issues, business valuations, mediation and arbitration. He is a former member of the International Auditing and Assurance Standards Board (IAASB), the Technical Board of the Institute of Public Auditors in Germany (IDW), and the Advisory Council of the Wirtschaftsprüferkammer (WPK). Bodo has been President since 2014 and is a member of WPK, Bundessteuerberaterkammer (BStBK) and DStV.

Board Member Maurice Buijs (The Netherlands)

Maurice Buijs is a registered accountant and auditor has been the Chairman of the Board of Schipper Group since 2002. Schipper is a medium-sized accountancy practice with 11 offices in the Netherlands. While Maurice trained at KKC Amsterdam, KPMG's legal predecessor, he has worked at Schipper with mainly SME clients for over 30 years. Maurice is the Chairman of CPAA International, a global network of SMP practices, where he has overseen human resource development and training. Maurice is a Board Member of the Nederlandse Beroepsorganisatie van Accountants (NBA - The Royal Netherlands Institute of Chartered Accountants the Netherlands) and has been a member of the EFAA Board since 2016.



Board Member Carlos Menezes (Portugal)



Dr. Carlos Menezes is a Lecturer in Financial Accounting, in Ethics, Deontology and Accountability and in Research on Accounting for Public and Non-profit Organizations at the School of Economics and Management in the University of Minho, Portugal. Carlos is a graduate of the Universidade Católica Portuguesa: BCh (Management); University of Minho: M.Acct (Accounting and Auditing); Federation University: Ph.D. (Accounting). He has held management positions in the Portuguese government, including the Ministry of Home Affairs

and the Ministry of Labour, and has over 20 years of university experience in teaching accounting subjects. Carlos' main research interests are Social and Environmental Accountability, Accounting, and Accounting and Management History. Carlos was elected as a member of the EFAA Board in June 2018.

Board Member Aleksander Štefanac (Slovenia)

Aleksander Štefanac obtained the certificate of qualification for managing accounting companies in 2001. He is the owner and general manager of FACTA d.o.o. For the last 11 year, Aleksander has been the President of the Chamber of Accounting Services, an Associate member of the Slovenian Chamber of Commerce and Industry. He is also the Chairman of the Certification Commission.

Aleksander is member of the Rotary club Maribor Grad, of which he is treasurer since May 2012. He speaks four languages: Croatian, English, German and Serbian. Aleksander was elected as a member of the EFAA Board in June 2018.



Board Member Marcus Tuschen (Germany)



Marcus Tuschen is Tax Adviser and Certified Auditor and partner of a small practice with around 30 employees in North Rhine-Westphalia, Germany since 1991. While the focus of his work is audit, accounting and tax advice for SMEs he also works as a certified quality control auditor. Marcus has been a member of the Board of the Association of Tax Advisers of Westphalia-Lippe since 1999 and its President since 2011 as well as Vice President of the German Association of Tax Advisers (DStV) since 2013. Marcus is a Board member since 2016.

Staff

Director Paul Thompson

Paul Thompson joined EFAA in January 2017. Paul trained with Touche Ross & Co., London and is a fellow of the Institute of Chartered Accountants in England and Wales. After a career in academia spanning the UK, Singapore and Malaysia Paul worked for IFAC from 2004 to 2016 latterly as Director, Global Accountancy Profession Support, which included responsibility for IFAC's support for SMPs. Paul also serves on the SME Implementation Group, an advisory body to the International Accounting Standard Board and is a member of Nottingham University Business School Malaysia's Industry Advisory Board.



Head of Secretariat and Public Affairs Sara Zambelli



Sara Zambelli joined EFAA in February 2018 as Head of Secretariat and Public Affairs. As EFAA's permanent staff representative in Brussels Sara monitors EU activities and gathers information and insights on issues relevant to EFAA and its members. Sara is also in charge of EFAA's Secretariat, managing all day to day matters. Sara was trained in Law in Italy and Belgium and has been working in Brussels for the last 15 years. Sara is fluent in English, Italian and French.

Special Advisors

Marie Lang

Marie graduated with honours with a degree in Economics from Lancaster University, England and is a Chartered Accountant and Fellow of the ICAEW. She was Senior Manager at KPMG dealing with Audit, Assurance and Transaction Services engagements for large and multinational listed companies. She spent 9 years at KPMG in total which included a one-year secondment to KPMG Prague. She left KPMG to work in the SME sector where she spent 8 years in the position of Chief Financial Officer having overall responsibility for financial reporting and matters. She is currently a partner at GBAC Accountants and Business Advisers, an SMP, focusing primarily on SME issues.



Robin Jarvis

Robin is Professor of Accounting and Finance at Brunel University, UK and is the Maltese Institute of Accountant's Chair in Financial Reporting for Small Entities at the University of Malta. He was awarded the British Accounting and Finance Association's Life Time Achievement Award in 2012 in recognition of his contribution to academic accounting and finance. Currently, Robin is a member of the Board of the Chartered Banker Professional Standards Board and chairs their Stakeholder Forum. From a European perspective Robin is a member of the European Commission's Financial Services User Group (FSUG) and a member of the Committee of Transparency and Independence of the EU's Finance Watch. He was also a member of the EFRAG Board for 11 years. Robin has also served on the IASB working group to advise on the development of IFRS for SMEs. For many years Robin has held directorships in commercial companies. Prior to returning to academia Robin worked for the ACCA as a Special Adviser of SME Affairs.



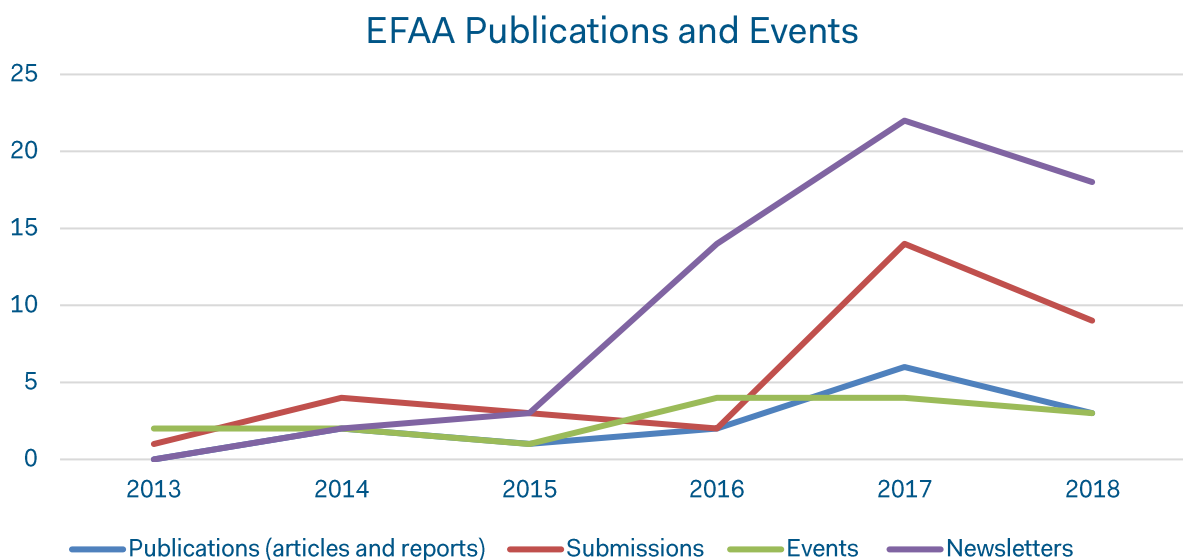
Review of 2018 Activities

EFAA provides its members, regulators, policy-makers and standard setters with an evidence-based and focused small business perspective on professional, political and regulatory innovations (*inform*), advocates for the interest of Europe's SMPs and SMEs by providing feedback to consultations and through information events for and direct dialogue with political stakeholders (*advocate*), and connects its members and the professionals they work for to foster the development of a strong SMP and SME sector in Europe through conferences and other events (*connect*).

To strengthen EFAA and prioritise its strategic objectives and activities for 2018-2019 and beyond, the 2018 Annual General Meeting agreed on the following principles to guide its priorities:

1. Focusing on Europe
2. Enhancing Value-Added to Individual Members
3. Collaborating with Relevant Stakeholders

On the following pages we provide a summary of our key activities in the year ending 31 December 2018. [Publications and events](#) are hosted on the EFAA website and, together with outreach activities, described in past issues of the bi-weekly electronic newsletter [Latest from Brussels](#). The slight reduction in quantitative output revealed by the 'EFAA Publications and Events' graph below resulted from the sharper focus on priorities. This 'less is more' approach resulted in doing fewer things with greater quality and impact.



Inform

- EFAA-KSW Roundtable on Reporting of Non-Financial Information (NFI) by SMEs



From left to right: Peter Paul van de Wijs, Helmut Maukner, Laura Girella, Robin Jarvis, Klaus Bergsmann, Andrei Busuioc and Andrew Watchman

On 19 November 2018 EFAA [published](#) a survey on the reporting of Non-Financial Information (NFI) by SMEs across 14 European countries. This report served as the basis for a [roundtable discussion](#), co-hosted by EFAA and its Austrian member Kammer der Steuerberater und Wirtschaftsprüfer (KSW), in Vienna with over 60 invited guests from the accountancy profession and relevant stakeholders. [EFRAG Chief Executive Andrew Watchman](#) gave a keynote address on the relevance of NFI to SMEs and the newly installed [European Corporate Reporting Lab \(the 'European Lab@EFRAG'\)](#) at EFRAG. EFAA Special Advisor Robin Jarvis chaired the following roundtable discussion with panellists from the International Integrated Reporting Council (IIRC), World Bank and the Global Reporting Initiative (GRI).

A second event about [NFR Requirements for SMEs](#) with a panel discussion including MEPs was held in February 2019 at the Press Club in Brussels. EFAA believes SMEs can report ESG information so as to attract finance, talent and customers and welcomes guidance on proportionate and relevant disclosure.



- Latest from Brussels



In 2018, EFAA issued 18 [Latest from Brussels](#), an HTML newsletter distributed by email primarily to members but also key stakeholders and other interested parties, featuring short articles on regulatory, policy and technical developments, EFAA and EFAA member activities, useful practical guidance for SMPs, and other developments relevant to the profession. These newsletters are an essential instrument for providing timely and relevant information to our members as well as stimulating their advocacy efforts to well over 400 recipients. The newsletter archive is hosted on the EFAA website and the free subscription open to anyone. Member Alerts, single issue timely bulletins on significant issues / news, are used as needed for member information only.

- Articles

In 2018 EFAA published two articles on relevant topical issues impacting SMPs and their professional bodies:

[‘How Much Roadmap into the \(Digital\) Future is there in Europe for SMPs?’](#)

Bodo Richardt was the author of the article that headlined in the special July 2018 Platinum Anniversary issue of the journal of the Institute of Chartered Accountants of India (ICAI) alongside those authored by leaders of the global accountancy profession, including former IFAC President Rachel Grimes. The article presents an overview of the challenges to SMPs, examines some significant technological trends relevant for SMEs and SMPs and concludes with how SMPs and their professional organisations might best respond to those challenges.

[‘To audit or Not to Audit: Debunking the Myths about Audit for SMEs’](#)

Bodo Richardt and Paul Thompson shared their views in an interview with “The Accountant” on a then recent report by the Swedish National Audit Office. The report revealed that the supposed benefits of dropping audit requirements for SMEs were hardly existing and that, even more importantly, SMEs not undergoing an audit tended to perform less well.

EFAA’s member organizations and others were encouraged to use [these articles](#) for their own use including translation and reproduction in their own journals and newsletters.

- Social Media

In 2018 EFAA has stepped up its use of social media both as a vehicle to help inform its members, and their members, of relevant developments and to raise wider awareness and recognition of the activities of EFAA and its members.

EFAA's Twitter account registered a significant increase in activity and in so doing increased its followers by over 50% from around 400 to over 600 and got 100s of 'likes'.



- Website

Over the year EFAA incrementally developed its [website](#) adding new content to make it more useful to member organisations and their members and to showcase and promote our work to a wide audience of stakeholders.



Advocate

EFAA represents its member organisations and thereby Europe's SMPs with one voice at the European and global level. We are ensuring that your federation's and our profession's voice is heard by regulators, standard setters and other important stakeholders. Organisations of high relevance to the work of EFAA include:

- European Commission ([EC](#));
- European Parliament ([EP](#));
- International Standard Setting Boards (SSBs) and their Consultative Advisory Groups (CAGs) including the International Auditing and Assurance Standards Board ([IAASB](#)), the International Ethics Standards Board for Accountants ([IESBA](#)), the International Accounting Education Standards Board ([IAESB](#)) and the International Accounting Standards Board ([IASB](#));
- European Financial Reporting Advisory Group ([EFRAG](#));
- International Integrated Reporting Council ([IIRC](#));
- [Edinburgh Group](#);
- [World Bank](#);
- European Group on International Accounting Networks ([EGIAN](#));
- International Federation of Accountants ([IFAC](#));
- [SMEunited](#) (formally known as UEAPME); and
- Intergovernmental Working Group of Experts on International Standards of Accounting

To fulfil its advocacy mission, EFAA employed various means in 2018:

Comment Letters

In 2018 EFAA published 9 [comment letters and position statements](#):

- Response to the IAASB Exposure Draft (ED), International Standard on Auditing 315 (Revised), Identifying and Assessing the Risks of Material Misstatement
- Response to Survey Stocktaking of the Commission's 'Better Regulation' Approach
- Response to the EU Fitness Check on Public Reporting by Companies
- Response to the Survey on the Future Strategy of the IAASB
- Response to the IESBA Consultation Paper, Professional Scepticism – Meeting Public Expectations
- Response to the IESBA Consultation Paper, Proposed Strategy and Work Plan, 2019-2023
- Response to the EFRAG Research Agenda Consultation
- EFAA Response to the IESBA Fees Questionnaire
- Response to the Monitoring Group Consultation Paper Strengthening the Governance and Oversight of the International Audit-related Standard-setting Boards in the Public Interest

The response letters were regularly developed and drafted with the input from the relevant expert groups, the EFAA CAG representatives and, both draft and final versions, were disseminated to EFAA member organisations on a timely basis so that they might make use of them in developing their own responses. Recipients frequently commented on the high quality and persuasiveness of our letters representing the voice of the important sector SMEs / SMPs.

*EFAA is a valued stakeholder of the IAASB and has made many contributions to our standard-setting process through the submission of comment letters and participation in outreach activities. In addition, the role that the EFAA plays within Europe to support the adoption and implementation of high-quality auditing and assurance standards deserve special mention, particular in relation to their passion for less complex entities and their auditors. EFAA continues to be a valued member of the IAASB Consultative Advisory Group. - **Willie Botha**, Technical Director IAASB*

Participation in Meetings and Events



International Standard Setting Boards

Throughout the year EFAA's Director observed those parts of IAASB and IESBA meetings in New York that were of high SMP and SME relevance. This helped inform EFAA's comment letters as well as foster greater awareness and understanding of EFAA's positions. In 2018 EFAA has provided robust input to the development of the future strategies and work plans of the IAASB and IESBA and has participated in an IESBA roundtable on professional scepticism and non-assurance services. Specifically, EFAA has serious concerns about the scalability of the ISAs for SME audits and has repeatedly made this point in its comment letters. These concerns are shared more widely and have prompted the IAASB and IESBA to pay closer attention to the issue. This is perhaps best demonstrated by the IAASB deciding to explore possible options to address the challenges in applying the ISAs, starting with a discussion paper and related working conference in 2019.

Consultative Advisory Groups

EFAA has seats on all three of the Consultative Advisory Groups (CAGs) overseen by the [Public Interest Oversight Board \(PIOB\)](#). In 2018 EFAA was represented by newly appointed Hysen Cela of IEKA on the IAASB and IESBA CAGs and by Salvador Marin of CGE on the IAESB CAG. The CAGs provide a prominent platform for EFAA to represent and express SME and SMP views on developments, pronouncements and proposed global standards. CAG members include a broad range of influential global stakeholders, all working with the common aim to challenge and assist the standard setting boards as they work to develop high quality global standards for our profession.

IFAC and the International Accounting Education Standards Board (IAESB) are forging a new path forward for global accountancy education and professional development. As EFAA's IAESB CAG representative I aim to help ensure that the new model they introduce best serves SMPs – Salvador Marín Hernández, CGE

Edinburgh Group

EFAA, represented by Bodo Richardt and supported by Paul Thompson, participates in meetings of the [Edinburgh Group](#), a coalition of 16 regional and national professional bodies from across the world, representing over 900 000 professional accountants. A high-level influential global body it typically meets ahead of IFAC Council and Board meetings to coordinate the policy positions of its members. Membership of the Edinburgh Group allows EFAA to stay informed about the most pressing SMP issues in other jurisdictions and thereby anticipate important legislative initiatives or professional trends. EFAA provides the Edinburgh Group with valuable insights from Europe.

The Pan European perspective on SMP and SME issues that EFAA brings to the Edinburgh Group brings additional depth and detail to our considerations. Undoubtedly, this perspective adds to the value that the Edinburgh Group delivers –
Eamonn Siggins,
Edinburgh Group Chair

European Commission

In 2018 EFAA continued to expand and deepen its ties to the European Commission (EC), focusing on the units responsible for accounting, auditing, tax and professional regulation. EFAA responded to the survey on [Stocktaking of the Commission's 'Better Regulation' Approach](#) highlighting the need for scalable regulation for SMEs and for closer involvement of SMEs as policy and regulation is developed. EFAA submitted a response to the [EU Fitness Check on Public Reporting by Companies](#) impressing on the need for relevant scalable solutions for SMEs. EFAA also shared the insights it gained from its survey on reporting of NFI by SMEs with relevant EC officers. At the close of 2018 EFAA had two surveys underway – on audit and assurance for SMEs and on the adoption of the micro-entity directive – that have the support of EC staff who stand to benefit from the results. EFAA's advocacy in relation to taxation is largely done with and through SMEunited. Finally, Martin de Bie, Chair of the EFAA Digital Working Group (DWG) represented EFAA at meetings of the EC's [European Multi-Stakeholder Forum on Electronic Invoicing](#) (EMSFEI).

European Financial Reporting Advisory Group

In 2018, EFAA continued to strengthen its close ties to the European Financial Reporting Advisory Group (EFRAG). EFRAG's members are European organisations, including EFAA, having knowledge and interest in the development of IFRS. EFAA, represented at EFRAG by Bodo Richardt, helps ensure that EFRAG and its members are made aware of the SMP/SME implications of its decisions. EFAA responded to the [EFRAG Research Agenda Consultation](#) encouraging a focus on NFI and intangibles as well as being alert to the risk of trickle down whereby accounting designed for larger companies inadvertently gets imposed on SMEs. In addition to participation in regular EFRAG meetings, EFAA leadership has held regular and constructive discussions with the EFRAG President and CEO.

EFAA is one of the founding fathers of EFRAG and has been active in EFRAG during our soon 20 years of existence. EFAA ensures that EFRAG is paying attention to SMEs and small listed companies in our work and alerted EFRAG to the trickle-down effect of IFRS Standards on National GAAP. We appreciate our regular contacts with EFAA. - Saskia Slomp, EFRAG CEO

International Federation of Accountants

EFAA President Bodo Richardt and IFAC leadership have had ongoing discussions about closer cooperation and the crucial role EFAA plays in informing, advocating and connecting SMPs in Europe and beyond. EFAA looks forward to being a strategic partner in any successor to the currently revised [Regional Organisation \(RO\) and Accountancy Grouping \(AG\) model](#). In the meantime, EFAA has been liaising with the IFAC Small and Medium Practices (SMP) Committee sharing information, insights and initial views on standards as well as promoting each other's initiatives.

SMEunited



Veronique Willems speaking at EFAA 2018 International Conference

EFAA is an active sectoral member of SMEunited, the association of crafts and SMEs in Europe with around 70 member organisations from over 30 European countries. SMEunited is a recognised employers' organisation and European Social Partner and acts on behalf of crafts and SMEs in the European Social Dialogue and in discussions with the EU institutions. SMEunited speaks on behalf of the 24 million SMEs in Europe that account for 99,8% of all enterprises, 2/3 of employment and close to 60% of the added value created in the EU. SMPs are essentially SMEs operating in the accountancy sector. Furthermore, SMPs provide professional service to SMEs in the shape of assurance, accounting, tax and advisory and as such are instrumental to the decisive role SMEs play in Europe's economy and society, driving innovation and ensuring social and regional stability. EFAA provides input to the development of SMEunited's policy positions, gains valuable insights and information on SMEs to help determine how SMPs can best help SMEs, and promotes the role of SMPs in supporting SMEs. EFAA represents the accountancy profession in the Expert Network Meetings of the [Early Warning Europe](#) project which provides advice and support to companies in distress.

Small and medium sized practitioners in the area of Accounting and Auditing are very important partners of our SMEs. As SMEunited we are very glad to have EFAA as a member organisation, and a constructive partner to cooperate with on topics of high importance, such as insolvency and second chance, SME finance and tax policy. - Veronique Willems, Secretary General, SMEunited

The World Bank

EFAA maintains close relations with the World Bank's Centre for Financial Reporting Reform (CFRR) in Vienna. The CFRR provides a range of knowledge, convening and capacity development services in support of financial reporting reform, institutional strengthening and the dissemination of good practice in the areas of financial reporting and auditing. CFRR supports client countries in Europe and Central Asia to adopt and implement high-quality financial reporting standards as a key element of strong corporate governance systems. Paul Thompson has presented and provided support to their Audit Training of Trainers program. EFAA garners wide visibility and recognition from this relationship with the World Bank.

Paul Thompson and EFAA are important partners in supporting the development of small and-medium sized accounting practices in emerging Europe, which are critical for investment, access to finance, improvements in management, and growth in the critical SME sector. We at CFRR highly value our collaboration with EFAA. - Jarrett Decker, Head of the CFRR, World Bank

Other Outreach Activities

In addition to the targeted advocacy initiatives above, EFAA raised awareness for SMP and SME topics and for our Federation through conference presentations and active participation on many occasions, primarily by the EFAA President and Director, for example at the following events:

- Monitoring Group Consultation Outreach Program and Roundtable on the governance structure of audit standard setting, London;
- Annual Conference of the Fédération des Experts Comptables Méditerranéens, Istanbul
- Workshop on Enhanced Reporting and the role of Audit in the Public Interest by the Public Interest Oversight Board (PIOB), Madrid;
- DCPA18 Digital CPA Conference 2018 of the AICPA, Washington DC, USA;
- Associazione dei Dottori Commercialisti e degli (ADC) Nazionale Conference in Brescia;
- Accounting and Management Information Systems Annual Conference in Bucharest, Romania;
- Chamber of Financial Auditors (CAFR) Annual Audit Conference, Bucharest, Romania;
- Institute of Certified Accountants in Montenegro (ICAM) Annual Symposium in Montenegro; and
- World Bank CFRR Audit Training of Trainers in Vienna, Austria.

Connect

- EFAA 2018 International Conference



[EFAA 2018 International Conference - Digital Transformation of SMEs](#) was held on 21 June 2018 at the Brussels offices of EFAA member IEC-IAB. EFAA invited some 90 delegates -



including internationally recognized experts such as [Leon Katsnelson](#) and representatives of the European Commission, EFAA member organizations, the academic community and the SME sector - to hear about the digital

technologies most impacting SMPs and their SME clients, to witness keynote presentations about the profound impact of these technologies for business, society, and the future of work, and to discuss the implications for the accountancy profession and SMPs. The insights from this event are being used to help guide our future activities in 2019 and beyond.



In particular, the event prompted EFAA to collaborate with the Institute of Chartered Accountants in India to develop an online Digital Maturity Competency Model – slated for launch at the [EFAA 2019 International Conference](#) - that SMPs can use to self-evaluate their digital competence, benchmark with their peers, and create a plan to improve their digital maturity.

- EFAA 2018 Council Meeting



The EFAA 2018 Council Meeting - Realizing 2019 Priorities was hosted by our Austrian member KSW in Vienna. This annual gathering of the leadership of EFAA's member organisations serves as a strategic forum to help member organisations and

EFAA determine how to best address emerging issues as well as provide a forum where members can best influence the strategy and direction of EFAA and explain their ideas and concerns. Sanja Madzarevic-Sujster, World Bank Senior Economist opened the meeting with an update on Europe's economy and potential implications for accountants. This was followed by five interactive sessions: value of audit & assurance for SMEs and simplifying auditing standards; 2019 Election position paper on SME priorities and role of SMPs; adapting and developing Digital Competency Maturity Model for SMPs; collaboration with others – projects, with whom, how; and communication strategy and tools. The feedback is being used to help execute EFAA's 2018-2019 strategy and work plan.



EFAA Board members with Thomas Kölblinger – KSW (second from the right)

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