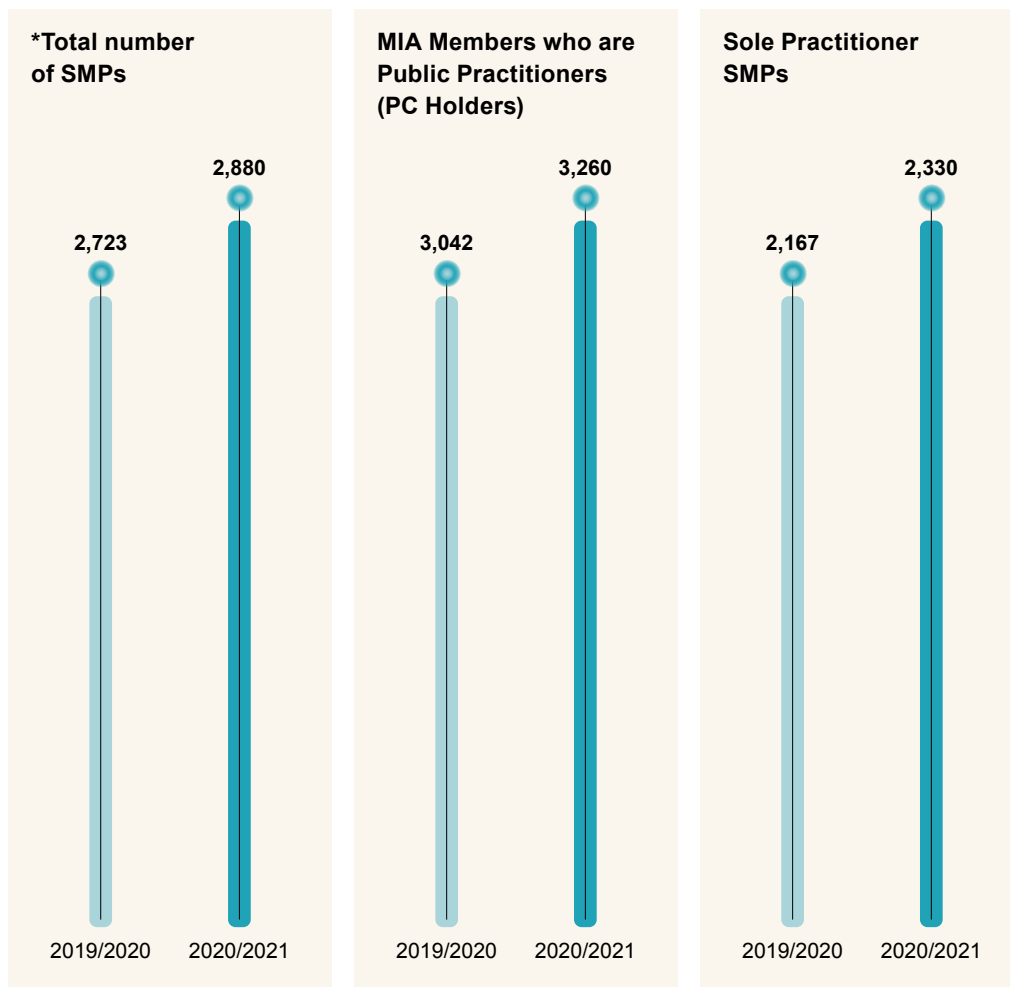


Case Study 2:

SMPs - Towards Resilience and Future Relevance

MIA is committed to strengthening SMPs in order to build up the resilience and future relevance of the Malaysian accountancy profession. Robust SMPs are also necessary to support the Micro, Small and Medium Enterprises (MSMEs) that account for nearly 40% of Malaysia's GDP and are struggling in the pandemic economy.

SMPs At A Glance



* excluding AOB registered firms

MIA's SMP Milestones

- 2015**
 - SMP Department and Website set up
- 2016**
 - Quality Assessment Programme (QAP)
 - Illustrative MPERS Financial Statements, with Commentaries
- 2017**
 - Practical Auditing Methodology for SMPs Workshop
 - Specific CPE requirement for audit approval renewal (50% of structured CPE hours must be related to ISQC1, auditing standards, financial reporting standards and/or professional ethics for audit licence renewal purposes)
- 2018**
 - Illustrative MPERS Financial Statements, with Commentaries (2nd Edition)
 - MIA Digital Technology Blueprint
- 2020**
 - eConfirm.my
 - Interactive e-Book on Illustrative MPERS Financial Statements, with Commentaries
 - COVID-19 Resources webpage
 - Professional Liquidity Scheme for MIA PC Holders








What is an SMP?

IFAC defines SMPs as practices that have the following characteristics:

- Their clients are mostly SMEs
- They use external sources to supplement limited in-house resources
- They employ a limited number of professional staff
















<https://www.ifac.org/who-we-are/advisory-groups/small-and-medium-practices-advisory-group>

How SMPs Create Value for Nation Building

SMP Core Competencies and Activities	Value Created by SMPs	Linked to UN SDGs
<ul style="list-style-type: none"> Business advisory and financial management services for MSMEs 	<ul style="list-style-type: none"> Provide guidance on accessing COVID-19 resources Support MSME business continuity and Malaysia's economic health 	
<ul style="list-style-type: none"> Statutory auditing and assurance services <ul style="list-style-type: none"> Compliance with standards (MPERS, ISQC1, ISAs) and regulations 	<ul style="list-style-type: none"> Enhances disclosure and governance and deters fraud Supports tax governance and transparency Protects the public interest 	 
<ul style="list-style-type: none"> Move to digital <ul style="list-style-type: none"> Adopt automation, robotics, remote work processes Provide computer-assisted auditing and financial services Advise clients on digital transformation for finance and business operations Assist clients in accessing funding for digital transformation 	<ul style="list-style-type: none"> Supports move to digital connected economy and IR4.0 envisioned by MyDigital and Malaysia Digital Economy Blueprint. Aligns with businesses that have adopted digital technologies 	 

How MIA Supports SMPs

MIA continuously regulates and develops SMPs to enhance their agility and resilience in a highly challenging and disruptive landscape.

Themes	Initiatives	Outputs/Outcomes	Value Created	Linked to Impact
Capacity and Competency Building	<ul style="list-style-type: none"> MIA SMP Department <ul style="list-style-type: none"> Coordinator and single point of contact for SMPs at smp@mia.org.my 	<ul style="list-style-type: none"> Facilitates engagement with SMPs Centralised management of SMP matters 	<ul style="list-style-type: none"> Supports effective SMP development Helps SMPs improve their audit quality 	  
	<ul style="list-style-type: none"> MIA SMP Roadmap 	<ul style="list-style-type: none"> Steers the capability and competency development efforts of MIA for SMPs 	<ul style="list-style-type: none"> Strengthens SMPs' business sustainability and future relevance 	  
	<ul style="list-style-type: none"> Practice Management Services 	<ul style="list-style-type: none"> Supports a practice throughout its business lifecycle 	<ul style="list-style-type: none"> Strengthens practice resilience 	  
	<ul style="list-style-type: none"> Merger and Affiliation Portal 	<ul style="list-style-type: none"> Free online business register for MIA member firms seeking merger and affiliation opportunities 	<ul style="list-style-type: none"> Supports scaling up of firms to combine resources and pursue growth opportunities 	  
	<ul style="list-style-type: none"> CPE for SMPs Guidance for SMPs 	<ul style="list-style-type: none"> 32 complimentary webinars Circulars e-AT and technical guidance materials Illustrative MPERS Financial Statements, with Commentaries (First and Second Editions) 	<ul style="list-style-type: none"> Upskills SMPs Strengthens compliance with standards and regulations Sharing on the latest developments Educates on ethics and upholding the public interest 	  

Case Study 2: SMPs - Towards Resilience and Future Relevance

Themes	Initiatives	Outputs/Outcomes	Value Created	Linked to Impacts
Crisis Management	<ul style="list-style-type: none"> COVID-19 Support for SMPs 	<ul style="list-style-type: none"> Continuous engagement with Government ministries on SOPs and approval for SMPs to operate through the many MCOs Continuous engagement with regulators on deferment of compliance deadlines PLC Professional Liquidity Scheme assists member firms including SMPs to fund salary expenses with advances obtained from unpaid invoices 	<ul style="list-style-type: none"> Supports SMPs' business operations and business continuity Supports regulatory compliance in the pandemic environment 	
SMP Digital Readiness	<ul style="list-style-type: none"> MIA Digital Technology Blueprint implementation of projects that benefit SMPs 	<ul style="list-style-type: none"> 349 downloads/purchases of the MIA Illustrative MPERS Financial Statements Interactive e-Book 749 firms participated, 3,270 audit staff trained and more than 46,000 submissions via eConfirm.my Digital assessment tools Virtual webinars and programmes such as MIA Townhall <p> See pages 12 to 15 on Special Focus: Future-Proofing Accountants Through Digital Adoption</p>	<ul style="list-style-type: none"> Drives SMP digital transformation Promotes adoption of digital tools and automated processes 	
Stronger Regulation and Enforcement	<ul style="list-style-type: none"> Surveillance and monitoring of compliance Action on complaints of unprofessional conduct Answering technical queries 	<ul style="list-style-type: none"> Registration and Licensing CPE Compliance Audit of PC and Audit Licence Holders Actions against bogus accountants 	<ul style="list-style-type: none"> Deters non-compliance of rules and regulations Encourages CPE compliance Provides a more level playing field for SMPs by weeding out bogus accountants Protects the public interest 	

Case Study 2:
SMPs - Towards Resilience and Future Relevance

Themes	Initiatives	Outputs/Outcomes	Value Created	Linked to Impacts
Enhancement of Audit Quality	<ul style="list-style-type: none"> Practical Auditing Methodology for SMPs joint training programme with MICPA <ul style="list-style-type: none"> includes MICPA's Audit Guide for Practitioners (AGP) and the Illustrative Audit Working Paper (IAWP) Quality Assessment Programme (QAP) Practice Review 	<ul style="list-style-type: none"> Provides understanding on the practical aspects of SME audits, which meet the requirements of the International Standards on Auditing (ISAs) 706 firms trained, 2,199 participants trained and 57 workshops organised on a cumulative basis since 2017 Provides voluntary structured review of an MIA member firm to promote continuous improvement in audit quality 8 firms completed QAP Monitors compliance with quality standards and regulatory requirements 	<ul style="list-style-type: none"> Promotes good SMP audit quality and compliance with ISAs Enables SMPs to better understand and rectify weaknesses for enhanced audit quality 	
SMP Regionalisation	<ul style="list-style-type: none"> Advocacy for regional services and participation in trade pacts 	<ul style="list-style-type: none"> Creating awareness of the Regional Comprehensive Economic Partnership (RCEP) and ASEAN CPA programme Collaboration with MATRADE on opportunities in Vietnam's accountancy services market 	<ul style="list-style-type: none"> Diversifies SMP markets 	