

EFAA

European Federation of
Accountants & Auditors for SMEs

“The Big Voice for Small Business”



About EFAA (1)



- Founded in 1994 to challenge insufficient representation of SMPs in Europe
- 2000 – opening of the office in Brussels, in the EU quarter
- Represents National Accountancy & Auditing bodies which provide professional services to SME's
 - ✓95% of the clients of EFAA members' individual members are SMEs
- Upholds the highest professional and ethical standards
 - ✓Strict scrutiny process for membership applicants
 - ✓Promotion of high level international solutions such as the IFAC code of ethics
- Concentration on SME and SMP issues
 - ✓International standards for SMEs, Small Business Act for Europe, Small entrepreneurship, SME financing are at the core of EFAA business
- Participation from global accountancy firms only proportionate to their involvement in the sector
- Significant SME representation on board and expert groups



About EFAA (2)

- **Provides practical cross-border cooperation**
 - ✓ **EFAA conferences organised twice a year with a focus on networking**
 - ✓ **Coordination of consultations/answering to exposure drafts of regulators and standard setters**
 - ✓ **Contribution to national events**
 - ✓ **Professional matchmaking**

- **Substantial volunteer input brings member bodies closer together and creates practical opinions**
 - ✓ **Expert groups leverage members' individual expertise and professionalism**
 - ✓ **Drafting of position papers, regular conference calls with relevant specialists for the member bodies involved**

- **Information and communication on relevant issues**
 - ✓ **Monthly Update newsletter, updated website**
 - ✓ **EFAA registered as group of interest to the European Parliament having access to the latest developments and attending relevant committees**

- **Small & focussed secretariat from SME backgrounds enables good value for money work for the members**
 - ✓ **3 persons with executive tasks are involved**



Aims & Objectives

To serve the interests of members, SME community and thereby the public interest at large by:

- Aiming to provide a cost-effective international affairs solution for each of its members
- Providing emphasis on facilitating genuine inter-member understanding of national professional practices in order to provide high quality and Europe-wide submissions
- Ensuring that EFAA opinions are effectively represented and taken into consideration
- Influencing legislation to reflect SMP and SME concerns
- Co-operating with other European representative organisations
- Monitoring the work of EU institutions
- Participating in technical discussions with EU, wider global committees and standard setters

Spheres of Influence (1)



INTERNATIONAL

IASB
International
Accounting
Standards Board

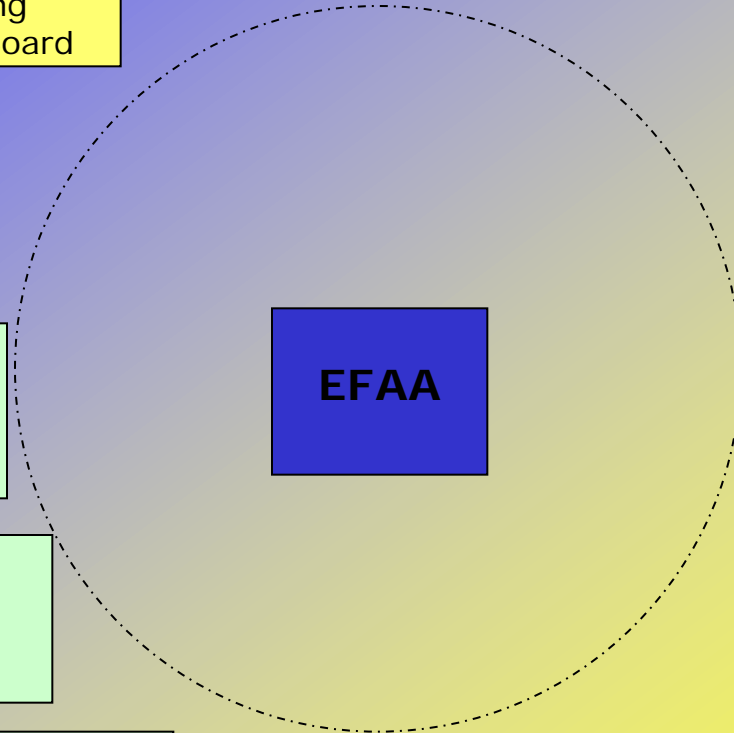
IFAC
International
Federation of
Accountants

IAASB
Int. Accounting and
Assurance Standards Board

IESBA
Int. Ethics Standards
Board for Accountants

IAESB
Int. Accounting Education
Standards Board

EFAA



Spheres of Influence (2)



PRIVATE ORGANISATIONS

•INTERNATIONAL STANDARD SETTERS

IFAC – International Federation of Accountants

IAASB – International Audit and Assurance Standards Board

IESBA – International Ethical Standards Board for Accounting

IEASB – International Accounting Education Standards Board

IASB – International Accounting Standard Board

➤EFAA has a seat in three Consultative Advisory Groups that advise the respective Board (Auditing, Education and Ethics).

➤EFAA officially co-operates with the IFAC SMP Committee, the IFAC internal body specifically addressing SMPs for SMEs issues

Spheres of Influence (3)



INTERNATIONAL

EUROPE

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EFAA

UEAPME
European Association of
Crafts Small and
Medium-sized
Enterprises

EFRAG
European Financial
Reporting Advisory
Group

Spheres of Influence (4)



PRIVATE ORGANISATIONS

- PROFESSIONAL AND TRADE ORGANISATIONS

UEAPME – European Association of Craft, Small and Medium Enterprises

- EFAA has been an associate member of UEAPME since 1996

EFRAG – European Financial Reporting Advisory Group

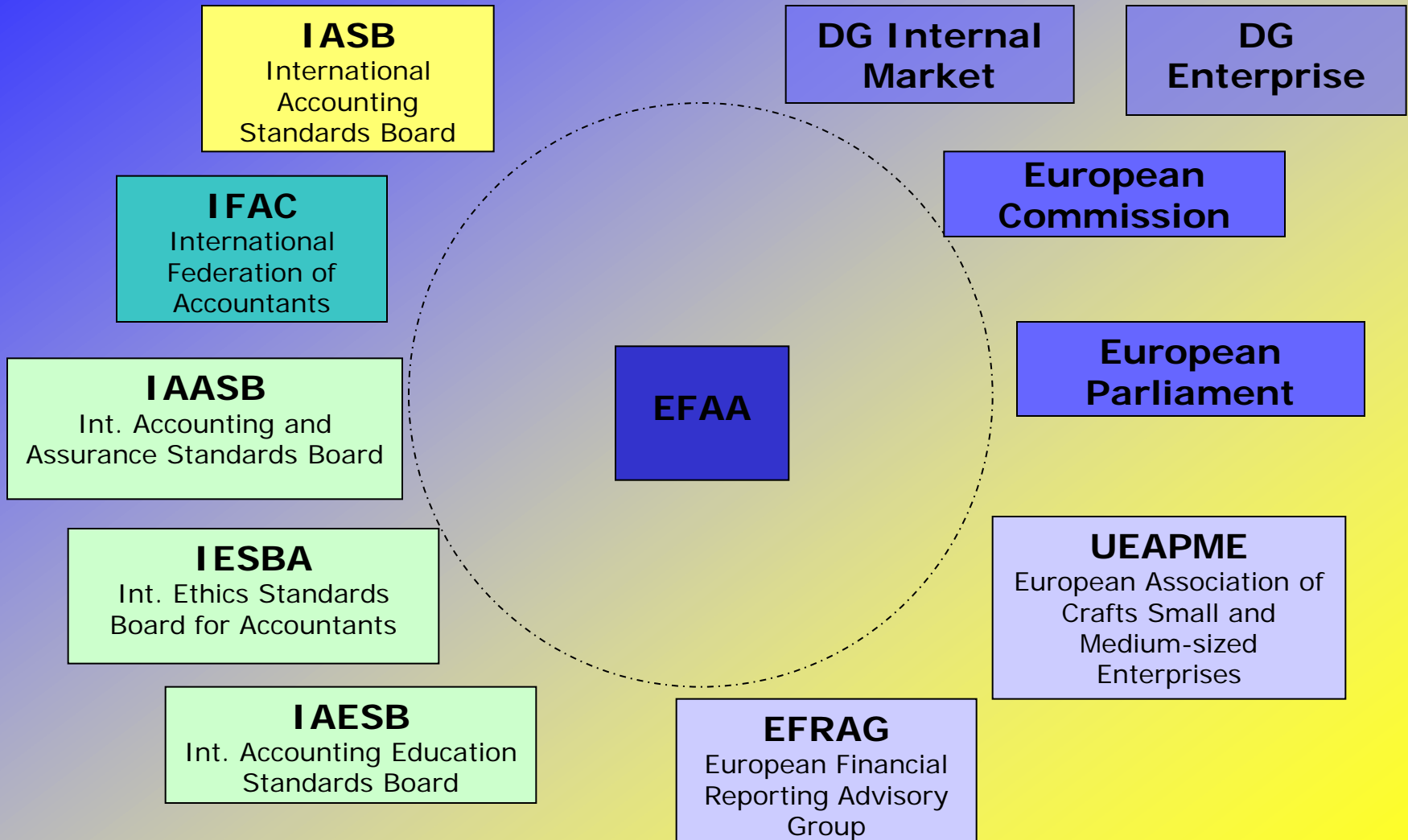
- EFAA is a founding father of EFRAG
- EFAA has a seat in the EFRAG SME Working Group

Spheres of Influence (5)



INTERNATIONAL

EUROPE



Spheres of Influence (6)



EUROPEAN REGULATORS AND INSTITUTIONS

- EUROPEAN COMMISSION

- Auditing
- Accounting
- SME
- SME Finance
- Company Law
- Regional Developments

- EUROPEAN PARLIAMENT

- Economic and Monetary Affairs Committee
- Legal Affairs Committee
- Internal Market Committee

EFAA membership (1)



- Ordinary members - criteria
 - ✓ To be recognised either by law or general consensus within its country as a substantial national organisation of good standing within the accounting profession
 - ✓ To focus primarily on clients from small and medium- sized enterprises,
 - ✓ Individual members shall either have a minimum of theoretical high professional education for 4 years combined with a traineeship of the minimum of 1 year, or a bachelor degree combined with a traineeship of the minimum of 2 years or a qualification in accountancy equivalent to at least the bachelor degree combined with a traineeship of the minimum of 2 years or a comparable level of practice-experience of 10 years having lead to an equivalent qualification in accountancy
 - ✓ Individual members work as professional accountants in public practice, business, academia, public sector or otherwise within accountancy and commit to follow a sound set of professional ethical principles

EFAA membership (2)



- Associate members – criteria
 - ✓ Professional accountancy bodies, which do not meet all the conditions for ordinary membership, but which are, according to their objectives, seeking to meet the requirements
- Observer members
 - ✓ Professional accountancy bodies that meet all the conditions for ordinary membership, but that have, initially, decided to apply for observer membership

Members' Members

(In thousands)



Full members

UK – AAPA	0.5
(with ACCA)	120
FRA – ECF	2
ESP – CGCEE	45
POR – CTOC	75
NED – NOvAA	6.5
GER – DStV	32.5
POL – SKwP	32
NOR – NARF	6
HUN – TAX	0,1
FIN – TAL	0,6
UKR – AAU	1,4
AZE – CAAR	1

Associate Members

SLO – GZS	0.7
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The Technical Department

- EFAA has a strong technical department led by Ms. Marie Lang, EFAA Technical Manager. This assures proper coordination within the Board and the Expert Groups in order to increase the level of submissions and responses to external bodies and provides proper technical representation in all the different technical groups to which EFAA belongs.

Expert Groups

- EFAA divides work into 4 sections, each representing different aspects of the profession
- Members are recruited based upon their wide experience of each particular speciality and approved by the Board
- Wide range of opinions is debated within each group
- Submissions can be quickly devised and made available to users
- Almost all member organisations have significant input into each expert group

Auditing

- Chair David York (UK)

- Members Francisco Suarez (ESP)
Daniel Marcelo Piano Bassi (ESP)
Islam Bayramov (AZE)
Andre Droers (NED)

Main tasks

- ✓ to follow the IAASB strategy and commenting on revised and redrafted ISAs – ISREs and ISRSs and make sure the needs of SMPs and SMEs are taken into account,
- ✓ to work with EGAOB and national audit regulators to ensure that SMP/SME interests are taken into account,
- ✓ to comment on EU auditing policy and the “Green Paper” consultation, and
- ✓ to maintain the dialogue with the DG Internal Market Auditing Unit



Education

- Chair Anne-Marike Van Arkel Rijbroek (NED)

- Members
Marcin Kedzion (POL)
Loreta Calero Perez (ESP)
Afig Israfilov (AZE)

- Main tasks
 - ✓ to comment on IAESB exposure drafts,
 - ✓ to influence the IAESB to ensure that proper education and training measures are developed taking into account the needs of SMPs,
 - ✓ to facilitate the exchange of best practice in education between EFAA member bodies, and others



SME Issues

- Chair
 - Arie Peters (NED)
- Members
 - Jorgen Lund (NOR)
 - Knut Hoylie (NOR)
 - Marcos Anton Renart (ESP)
 - Nelson Ferreira (POR)
 - Robin Jarvis (UK)
 - Rosana Mirkovic (UK)

- Main tasks
 - ✓ to comment on European Commission initiatives to promote SMEs,
 - ✓ to develop EFAA policy and position papers on key SME issues such as access to finance, insolvency, tax, and
 - ✓ to liaise with SME groups at European level (e.g. UEAPME, SME-Union)

Priorities for the year

- *„2009 has been crucial for the accounting profession in all respects. A number of existing “hot topics” became “extremely hot topics”. EFAA, always well aware of the challenges, has been well able to react in an appropriate way. The CEO and the Board, together with the Expert Groups continue to uphold the interest of the SME/SMP sector with which EFAA is in contact on a daily basis”.*
- *“The Federation, as always, has been at the forefront of issues concerning auditing and accounting, European and International issues. and business advisory activities. It seems that there is a huge contribution to the Public Interest if our efforts make for more successful SMEs”.*

/Extracts from EFAA Annual Report 2009/





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