



Federation of European Accountants
Fédération des Experts comptables Européens

FEE & ICAEW jointly hosted event

Audit exemption: how can accountants support small businesses?

Wednesday 19 February 2014 16.00 – 19.00

Stanhope Hotel, rue du Commerce 9, 1000 Brussels

WELCOMING ADDRESS

Petr Kriz, FEE Deputy President

Ladies and gentlemen,

I am very pleased to welcome you today on behalf of FEE - the *Federation of European Accountants* and the ICAEW - *The Institute of Chartered Accountants in England and Wales*. Let me first turn to our colleagues from the Institute, to whom we are very grateful for their collaboration in making this joint event happen.

I am here today as the Deputy President of FEE, which represents 48 institutes of professional accountants and auditors from 36 European countries. For the past 27 years, FEE has supported progress and constant adaptation of the profession to this rapidly changing world and I can promise we will do so also in the future.

Today in the European Union, in some jurisdictions, audit is no longer mandatory for the financial statements of certain micro or small companies. In others, all small entities are already exempt from statutory audit.

With potentially higher audit exemption thresholds resulting from the new Accounting Directive, we should ensure that Small and Medium- sized Entity financial reporting remains useful. Auditors and accountants have an important role to play in this. Our profession nowadays faces opportunities for contributing to quality reporting through innovation.

FEE welcomes the topic of today's discussion for two main reasons:

First, because at FEE, we think it is crucial to pay special attention to small businesses and how accountants and auditors can contribute to their growth. In order to promote

this approach, FEE set up the Small and Medium-sized Practitioners Forum last year. The Forum is concentrating on issues that matter to SMPs and their SME clients. This Forum supports the sharing of knowledge and best practices and strives that SMEs and SMPs are at the heart of FEE's activities.

Second reason is that today's topic is focused on the current needs of our clients. Our profession has a responsibility to listen to its stakeholder's needs. We have a societal role and must provide constructive solutions. There might well be truth in the observation that the profession is too focused on statutory audit. We need to make use of our expertise and unique skill set in developing approaches that better meet stakeholders' needs. Market-, demand- or customer-driven innovation is crucial if we want to find sustainable solutions.

In general, the profession will definitely need to find new ways to use its competences and experience for the good of the economy, markets and the public interest. Giving the increasing complexity of business and regulatory environments, this will ensure that we maintain the relevance of our existing services.

FEE has been working on the theme 'Future of the audit and assurance' for nearly two years. Different views and opinions are continuously being brought by our stakeholders. We think it is strategic to have a public forum to look at the future of assurance. Today's event is one part of our outreach and of this journey which has been just started. FEE wants to be involved in such relevant projects.

In a nutshell, we believe that accountants can contribute to the growth and prosperity of SMEs and we are now going to hear how, why and when this can happen.

I am looking forward to today's debate and I believe the outcome can be beneficial for all participants and for the profession as a whole.

I am pleased to invite Myles Thompson, my fellow FEE Board Member and Chair of the Audit Working Party of FEE to lead you through the debate.

Thank you very much for your participation.