

**Terms of Reference (TOR)
Small and Medium Practices (SMP) Committee
Institute of Chartered Accountants of Pakistan**

Objective

The objective of the Committee is to enhance capacity of SMPs.

Introduction

1. The Small and Medium Practices (SMP) Committee is a Committee of the Institute of Chartered Accountants of Pakistan (the Institute) on the terms set out in this document.

Functions of the SMP Committee

2. Following are the functions of SMP Committee:

- 2.1 To identify problems and issues faced by the SMPs and to closely work with ICAP committees / Boards to ensure that they are aware of the issues relevant to SMPs and are giving due consideration to these issues.
- 2.2 To analyze and assess the impact of the IT revolution on the SMPs. Updating the SMPs on the emerging IT revolution and adoption of, and use IT in the conduct of their professional practice.
- 2.3 To review international and regional best practices and to consider their adoption by the SMPs after affecting suitable changes therein in the context of the business requirements as well as local environment.
- 2.4 To coordinate with ICAP for issuance of consultation papers, initiating debates or discussion on issues affecting the SMPs and finalize recommendation for guidance of the SMPs and to develop manuals / guidelines to facilitate the SMPs to conduct their professional practice smoothly and efficiently while being competitive.
- 2.5 To develop mechanism / forum for the professional development of the partners of SMPs and their staff.
- 2.6 To advocate issues from SMPs perspective at all appropriate forums.
- 2.7 To review the relevance and proportionality of professional standards including international standards of auditing & assurance, ethics, Quality Control Standards and accounting standards to SMPs/SMEs, and to make recommendations on the extent of their applicability to SMPs/SMEs.
- 2.8 To consider and take any step which is in the interest or benefit of the SMPs.

Communication and Reporting

3. Following communication and reporting protocols have to be observed:

- 3.1 All correspondence with local and international organizations on policy matters will be done in consultation with the Committee Chairperson and President of the Institute. Further, all correspondence relating to policy matters shall be shared with the Secretary for information and record.
- 3.2 All correspondence with local and international organizations on regular/general matters will be done in consultation with the Chairperson of the Committee and Secretary.

- 3.3 The SMP Committee shall prepare an annual report summarizing the work carried out by it during the year (July to June) and submit it to the Council.
- 3.4 In consultation with the Chairperson and the President the document finalized by the Committee may be disseminated in the following manner:
 - a. Placement on the Institute's website;
 - b. Circulation to the membership or other stakeholders either in the soft or print form;
 - c. Publication in the print media with the web link of the document; and
 - d. Publication in the Institute's magazine 'The Pakistan Accountant' or other national and international forums/journals.

Membership of the SMP Committee

4. The Committee will comprise of fifteen members. This number can be increased/ decreased with the concurrence of the President and will have the following suggested composition:
 - 4.1 A member of the Council, as nominated by the Council, who will function as the Chairperson of the SMP Committee.
 - 4.2 Other members, mostly members of the Institute, in such a composition which adequately represents both the Northern and the Southern regions of ICAP.
 - 4.3 Stakeholders and other experts may be invited by the Chairperson to attend meetings for discussing specific agenda items.

Expectation from the SMP Committee Members

5. The Committee members are expected to adhere to the following principles:
 - 5.1 Proactive contribution for the achievement of quality thresholds of contributions in terms of technical content, innovation, understandability and timeliness.
 - 5.2 Active and constructive participation in the meetings on a regular basis.
 - 5.3 Proactive feedback on issues and developments relevant to SMP Committee.
 - 5.4 Respect and commitment to support the reputation of SMP Committee and ICAP.
 - 5.5 Observance of ICAP's Code of Conduct and confidentiality.

Meetings and Proceedings of the SMP Committee

6. The procedure for meetings will be as follows:
 - 6.1 The quorum of the Committee will be forty percent members including the Chairperson.
 - 6.2 In absence of the Chairperson for any unavoidable reason, the Chairperson may nominate any senior Committee member to chair the meeting in his/her absence.
 - 6.3 The SMP Committee will meet as required, but should meet at least once in three months.
 - 6.4 Members are expected to attend all meetings. A member can resign from the Committee by submitting a written resignation to the Chairperson. The Chairman SMP Committee in consultation with the President may replace members who fail to attend three consecutive meetings without leave of absence.
 - 6.5 The SMP Committee members will not be represented by alternates in the Committee meeting.
 - 6.6 The Chairperson will approve the agenda for each SMP Committee meeting.
 - 6.7 Agenda will be circulated preferably within seven working days before the meeting.
 - 6.8 Minutes along with action plan will be circulated within fifteen working days after the meeting.

- 6.9 The SMP Committee may also conduct business during its meetings using electronic or non-electronic correspondence. For example, to obtain response to a query or to obtain comment on any urgent matter or new or revised proposed standards or to poll initial views on a proposed topic in order for it to be developed appropriately for future discussion and/or finalization.
- 6.10 The meetings of the SMP Committee shall be conducted via video conference, depending on the geographical spread of members.
- 6.11 The Chairperson in consultation with President ICAP may hold a meeting requiring all members to attend in person if the matter in the opinion of the Chairperson is of such significance that effective discussion can only be made in person.