

Review of Quality Control Manual for compliance with ISQC1

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| Applicant: | |
| Reviewed by: | |
| Reviewed Date: | |

| | | Yes | No | N/A | Comments |
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| 1 | General policy statement | | | | |
| | 1. Does the QC plan/manual (QCM) include a general policy statement on the firm's quality control system? (ISQC 1.11) | | | | |
| 2 | Leadership Responsibilities for Quality Within the Firm | | | | |
| | 1. The QCM includes policies or procedures designed to promote an internal culture recognizing that quality is essential in performing engagements (ISQC 1.18) | | | | |
| | 2. The QCM includes policies to ensures the person assigned for firm's system of quality control has sufficient and appropriate experience and ability, and the necessary authority, to assume that responsibility (ISQC 1.19) | | | | |
| 3 | Relevant Ethical Requirements | | | | |
| | 1. Procedures included in the QCM to ensure firm and its personnel comply with relevant ethical requirements (ISQC 1.20) | | | | |
| | 2. Sufficient procedures and policies are included in the QCM to ensure the firm and its personnel and where applicable, others subject to independence requirement maintains independence and circumvent threats to independence? (ISQC 1.21, 1.22, 1.25) | | | | |
| | 3. The QCM includes procedures designed to provide the firm with reasonable assurance that it is notified of breaches of independence requirements, and to enable the firm to take appropriate actions to resolve such situations. (ISQC 1.23) | | | | |
| | 4. The QCM requires, at least annually, the firm to obtain written confirmation of compliance with its policies and | | | | |

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| | procedures on independence from all firm personnel required to be independent by relevant ethical requirements (ISQC 1.24) | | | | |
| 4 | Acceptance and Continuance of Client Relationships and Specific Engagements | | | | |
| | 1. The QCM states policies and procedures to be followed in: (ISQC1 1.26-.28) | | | | |
| | (a) Policies and procedures to provide firm with reasonable assurance that it identifies and assesses the potential sources of risk associated with a client relationship or a specific engagement: (i) Accepting new clients. (ii) assessment of the risks associated with the client (iii) ongoing engagement | | | | |
| | (b) The procedure in place if a potential conflict of interest is identified and how it will be solved if engagement is accepted | | | | |
| | (c) If, after completing the acceptance and planning phase of the engagement, significant risks associated with the client or engagement have been identified, how it will be dealt with | | | | |
| | (d) The process to be followed when it has been determined that withdrawal from an engagement is necessary. | | | | |
| 5 | Human Resources | | | | |
| | 1. The QCM states the policies and procedures designed to provide the firm with reasonable assurance that it has sufficient competent staff or professionals to carry out the audit engagement. Such policies and procedures include: (ISQC1 1.29-.31) | | | | |
| | (a) How firm ensure that its staff/auditors has training, knowledge and experience which will assist in developing the necessary competencies to achieve reasonable judgments. | | | | |

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| | (b) Detail of the recruitment and termination process to ensure it has the capacity and competence necessary to meet its clients' needs | | | | |
| | (c) How record of staff's continuing professional development is maintained and monitored | | | | |
| | (d) policies and procedures to assign appropriate personnel with the necessary competence and capabilities to Perform engagements in accordance with professional standards and applicable legal and regulatory requirements (ISQC1 1.30-.31) | | | | |
| | (e) Staff development- how firm plans to provide opportunities for staff's career development | | | | |
| | (f) Details how performance appraisal on periodic base is conducted | | | | |
| 6 | Engagement performance | | | | |
| | 1. The QCM specifies policies and procedures for the following area (ISQC1.32): (a) Matters relevant to competency in the quality of engagement performance; (b) Supervision responsibilities; and (c) Review responsibilities | | | | |
| | 2. The QCM also includes policies and procedures regarding the following areas of engagement performance: (ISQC 1.33) (a) Consultation; and (b) Engagement Quality Control Review (EQCR) | | | | |
| | 3. The QCM also provides for resolving differences on contentious issues, and engagement documentation which includes: (a) Completion of the assembly of final engagement files; (b) Confidentiality, safe custody, integrity, accessibility and retrievability of engagement documentation and; | | | | |

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| | (c) Retention of engagement documentation | | | | |
| 7 | Monitoring | | | | |
| | <p>The QCM includes a process for monitoring the firm’s quality which incorporates control and procedures for the following:</p> <ul style="list-style-type: none"> (a) Inspection of select engagements under a monitoring program (ISQC 1.48); (b) Evaluating, communicating and remedying identified deficiencies (ISQC 1.49-1.54); and (c) Addressing complaints and allegations including those of non-compliance with standards and serious breaches of code of ethics (ISQC 1.55-1.56) | | | | |
| 8 | Documentation | | | | |
| | <p>The QCM provides appropriate guidance on documentation of the following:</p> <ul style="list-style-type: none"> (a) Policies and procedures; (b) Engagement; (c) Engagement quality control; and (d) Complaints and allegations <p>The QCM also includes information on policies and procedures designed to maintain the confidentiality, safe custody, integrity, accessibility, and irretrievability of the engagement documentation</p> | | | | |

Checked by:

Name:

Date: