

## Review of Quality Management Manual for compliance with ISQM1

		Yes	No	N/A	Comments
<b>1</b>	<b>Firm's Risk Assessment Process (FRAP)</b>				
	1. ISQM1 Manual include policies and procedures to:				
	a) Establish quality objectives for the firm				
	b) Identify the quality risks that will provide basis for the design and implementation of relevant responses				
	c) Design and implement the relevant responses to address those quality risks in a manner that is based on and responsive to, the reasons for the assessments given to the quality risks				
	d) identify information that indicates additional quality objectives, or additional or modified quality risks or responses, are needed due to changes in nature and circumstances of the firm or the engagements?				
<b>2</b>	<b>Governance and Leadership</b>				
	ISQM1 Manual includes policies and procedures on:				
	1. How the firm demonstrate a commitment to quality through a culture that exists throughout the firm which recognises and reinforces;				
	a) The firm's role in serving the public interest by consistently performing quality engagements;				
	b) The importance of professional ethics, values and attitudes;				
	c) The responsibility of all personnel for quality relating to the performance of engagements or activities within the System of Quality Management (SoQM) and their expected behavior; and				

	d) The importance of all personnel for quality in the firm's strategic decisions and actions, including the firm's financial and operational priorities.				
	2. How the firm ensure that firm's governance and leadership create an environment where leadership is responsible and accountable for quality?				
	3. How the firm ensure the leadership demonstrates a commitment to quality through their actions and behaviors?				
	4. How firm ensure having an organisational structure and assignment of roles, responsibilities and authority that are appropriate to enable the design, implementation and operations of the firm's SoQM?				
	5. How firm ensures the resource needs, including financial resources, are planned for and resources are obtained, allocated or assigned in a manner that is consistent with the firm's commitment to quality?				
<b>3</b>	<b>Relevant Ethical Requirements</b>				
	1. Sufficient procedures and policies included in the ISQM 1 Manual to ensure that its personnel:				
	a) Understand the relevant ethical requirements which the firm and the firm's engagements are subject to; and				
	b) Fulfill their responsibilities in relation to the relevant ethical requirements which the firm and the firm's engagements are subject to?				
	2. Sufficient procedures and policies are included in the ISMQ1 Manual to:				
	a) ensure the others, including the network, network firms, individuals in the network or network firms, or service providers, who are subject to the relevant ethical requirements which the firm and the firm's engagements are subject to:				
	b) Understand the relevant ethical requirements that apply to them; and				
	c) Fulfill their responsibilities in relation to the relevant ethical requirements that apply to them				
<b>4</b>	<b>Acceptance and Continuance of Client Relationships and Specific Engagements</b>				

	1. The ISQM1 Manual states policies and procedures to be followed to:				
	(a) ensure that the judgments by the firm about whether to accept or continue a client relationship or specific engagement are appropriate				
	(b) ensure that the financial and operational priorities do not lead to inappropriate judgment about whether to accept or continue a client relationship or specific engagement				
<b>5</b>	<b>Engagement Performance</b>				
	1. The ISQM1 Manual states the policies and procedures designed to provide the firm with reasonable assurance that the engagement teams understand and fulfill their responsibilities in connection with the engagements, including:				
	a) the overall responsibility of engagement partners for managing and achieving quality on the engagement including engagement partners being sufficiently and appropriately involved throughout the engagement.				
	b) considering the nature, timing and extent of direction and supervision of engagement teams and review of the work performed where appropriate based on nature and circumstances of the engagement and resources assigned or available to the team.				
	c) its staff/auditors has training, knowledge and experience which will assist in developing the necessary competencies to achieve reasonable judgments.				
	d) the work performed by less experienced engagement team members is directed, supervised and reviewed by more experienced team members?				
	e) engagement teams exercise appropriate professional judgement and skepticism throughout the performance of engagement				
	f) appropriate consultation on difficult or contentious issues being undertaken and the conclusion agreed upon are subsequently implemented.				

	g) Incase of difference of opinion within the engagement team or between engagement team and EQR or individuals performing activities within the firms quality management system, how it should be brought to the attention of the firm and how it should be addressed/resolved				
	h) How form ensure that engagement documentation is assembled on a timely basis after the date of the engagement report, and is appropriately maintained and retained to meet the needs of the firm and comply with law, regulation, relevant ethical requirements, or professional standards				
<b>6</b>	<b>Resources</b>				
	<p>1. The ISQM1 Manual specifies policies and procedures for firm to ensure that:</p> <p>a) The personnel hired, developed and retained have the competencies and capabilities to:</p> <ul style="list-style-type: none"> <li>i. consistently perform quality engagements with knowledge and experience relevant to the engagements (ISQM1 A89 - A93)</li> <li>ii. perform activities or carry out responsibilities in relation to the operations of the firm's quality management.</li> </ul>				
	<p>2. The ISQM1 Manual also includes policies and procedures regarding the following areas of resources:</p> <p>(a) Individuals obtained from external sources when firm do not have sufficient or appropriate competence and capabilities</p> <p>(b) technological resources obtained or developed, implemented or maintained and used to enable operation of the firm quality management and the performance of enagements.</p> <p>(c) intellectual resources which are consistent with professional standards and applicable legal and regulatory requirements.</p>				
<b>7</b>	<b>Information and Communication</b>				

	ISQM1 Manual of the firm states policies and procedures to address the following:				
	<ul style="list-style-type: none"> <li>a) Firm's information system <ul style="list-style-type: none"> <li>i. Firm having an information system that identifies, captures, processes, and maintains relevant and reliable information that supports the quality management system whether from internal or external sources.</li> <li>ii. Firm having a culture of information sharing</li> </ul> </li> </ul>				
	<ul style="list-style-type: none"> <li>b) Communication within the firm <ul style="list-style-type: none"> <li>i. Establish communication channels to facilitate communication across the firm</li> <li>ii. Communicating information with network and service providers</li> </ul> </li> </ul>				
<b>8</b>	<b>Monitoring and Redemption Process (MRP)</b>				
	1. The ISQM1 Manual of the firm includes the policies and procedures for monitoring and redeeming engagement quality and the firm's quality management system as follows:				
	<ul style="list-style-type: none"> <li>a) State what monitoring activities are designed and performed to provide a basis for identifying deficiencies</li> </ul>				
	<ul style="list-style-type: none"> <li>b) State the basis of the selection of files or partners for inspection</li> </ul>				
	<ul style="list-style-type: none"> <li>c) How the findings will be evaluated to determine whether deficiencies exist</li> </ul>				
	<ul style="list-style-type: none"> <li>d) How the firm respond to identified deficiencies</li> </ul>				
	<ul style="list-style-type: none"> <li>e) How the firm respond to circumstances when findings indicated that there are engagements for which procedures required are omitted during the performance of the engagement or the report issued is inappropriate.</li> </ul>				
	2. Does the ISQM1 Manual state policies and procedures to address circumstances when:				
	<ul style="list-style-type: none"> <li>a) The firm becomes aware of information subsequent to accepting or continuing a client relationship or specific engagement that would have caused it to decline relationship or specific enagagaement had that information been known prior to accepting or continuing the client relationship or specific engagement;</li> </ul>				

	b) The firm is obligated by law or regulation to accept a client relationship or specific engagement				
3.	Does the ISQM1 Manual state policies and procedures that:				
	a) Require communication with those charged with governance when performing an audit of financial statements or listed entities about how the system of quality management supports the consistent performance of quality audit engagements;				
	b) Address when it is otherwise appropriate to communicate with external parties about the firm's system of quality management and the nature, timing and extent of information to be provided?				