

SA 220

Quality Control for an audit of financial statements

① Objective → Responsibility of Engagement Partner
to implement Quality control procedures

Compliance with SA &
legal responsibility

Appropriate Report Issued

② Elements of System of Quality Control

Leadership Responsibility

1) Importance of Audit Quality

Comply prof, Regu, ethical
Comply firm's QC policies
Issue appropriate audit report
ET to raise concerns w/o fear

2) Quality essential in performing Audit

Acceptance & Continuance of Client Relationships & Audit Eng.

- 1) Info → Integrity of owners/KMP/TAG
→ ET is competent / capabilities
→ firm & ET — comply with Ethical Req.
→ Significant matters arisen during current / previous & their implication

2) EP → info avail earlier } communicate to firm
: decline the audit }

Ethical Requirement

1) Code — COPPE

2) Independence — Mind & Appearance

Human Resources

1) Sufficient → capabilities, competence & commitment Personnel

2) P & P should address:

Recruitment, Perf. evaluation	Capabilities competence career develop. compensation	Promotion
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Engagement Performance

Policies & Procd includes matters like:

- ET briefed to obtain understanding of their work
- Process
 - Comply stds
 - supervision, staff training & working
- Method
 - review work performed
 - significant judgement made
 - form of report issued
 - work performed
- Appropriate documentation
 - T & E of Review
- Process → keep all policies & procd. current

Monitoring

1) Periodic inspection of completed engagements

2) Purpose → Evaluation of:

- Adher to prof / reg / legal req effectively
- QC system appropriately designed & implemented
- QC policies / procedures → appropriately applied
- Follow up by personnel so modifications are promptly made to QC policies / procedures

