

SA 220 ⇒ Quality Control for an Audit of Financial Statements.

Q1 Acceptance and Continuance

Acceptance

↳ Partner shall be satisfied about → Appropriate Procedures for
↳ if any significant information came + discuss with firm

Information Partner should obtain

- ↳ Integrity of Mgt. → ⇒ Mgt. Attitude for AS and I-C, ⇒ Limitation on scope
- ↳ Competence of Engagement team → ⇒ Business Reputation, ⇒ Nature of Client operation, ⇒ Client involved in Money Laundering, ⇒ The Reason for change.
- ↳ Compliance with Ethical Requirements including Independence.
- ↳ Consider Significant Matters.

Q2 HR Policy (sacc1) ⇒ Policy should include following

Recruitment

Career Development

Performance

Promotion

Capabilities

Compensation

Competence

Estimation of Personal Needs

Policy will help to select individual of integrity as well as capacity to develop the competency to perform the firm work.

Q3 Assignment of Engagement Team ⇒ Team + Auditor Expert Appropriate [↓] Competence for

1 ⇒ Perform the Audit in accordance with Professional Standard and Legal Req.

2. Enable the Appropriate Audit Report

↳ Independence - Threats & Action/Safe-

05 Leadership Responsibility for Quality on Audit

Partner should Emphasizes following to Engagement teams.

- ↳ Compliance with Professional and Legal Req.
- ↳ Compliance with Firm Quality Control Policy
- ↳ Issue an Appropriate Report.
- ↳ Ability to Raise Concern without fear
- ↳ Quality is Essential and Indispensable

06 Engagement Performance

(1) Direction, supervision & Performance ⇒ for SA's and Legal Req. for Audit Report being Appropriate.

(2) Review ⇒ Review as per Firm Policy on or before the date of Audit Report

- ↳ Obtain S&A Audit Evidence
- ↳ To support Conclusion ⇒ Report.

(3) Consultation ⇒

↳ Within Team, between the team or other
Take Appropriate Consultation on difficult matters
Nature and Scope Agreed
Conclusion Implemented
Difference of opinion ⇒ Firm Policy

07 Engagement Quality Control Review

| Partner Responsibility | Reviewer Responsibility. |
|---|--|
| 1. Determine Reviewer Appointed | Review Independence, 2 Consultation |
| 2. Discuss Significant matters | Same |
| 3. Not date Audit Report until completion of review | Review Evidence and Audit Documentation Review F.S and proposed Audit Report Review Conclusion |

08 Policy for Engagement Performance → Matter.

→ How Engagement teams are briefed for understanding

→ Comply with Engagement Standard
→ Supervision, Training and Coaching

→ Process for → Methods of Review

→ Appropriate Documentation of Work Performed

→ Policy to keep All Procedures current/updated.

↓
Monitoring (08B)

→ Policy for system of Quality Control to make it Relevant, Adequate operating Effectively.

Purpose

1. Adherence to Professional Std and Legal Req.
2. Whether the Quality Control policy is appropriately Designed and Eff. Implemented.
3. Report is also appropriate.