

SA-220 - Quality control for an audit of PS.

Q.C policies pertain to Audit engagement are decided by engagement partner is responsible for QC procedures.

As per SA 220, the objectives of Auditor is to implement QC policies at eng. level with reasonable assurance.

- a) Audit complies with
  - Prof. standards
  - Regulatory requirement
  - Legal requirement.

b) The AR issued is appropriate.

SA 220 is modelled on lines of SQC 1.

Responsibility of EP is as follows:- **CAMEEL**

- A) Leadership responsibilities for quality on audit.
- B) Relevant ethical requirements.
- C) Acceptance + continuance of Client relationships + AEs.
- D) Assignment of engagement teams.
- E) engagement performance.
- E) Monitoring.

A] Leadership responsibilities for quality on audit.

EP shall take responsibility → for overall quality of each audit eng. to which he is assigned.

eng. p.'s actions + messages to E team members

↓  
should emphasize

① Importance of Audit quality

Performing work that complies with

- PS
- RR
- LR

Comply with firm Q.C policies

Issuing Appropriate ARs.

Team's ability to raise concerns w/o fear of reprisals.

② Quality is essential in performing Audit Engagements.



## B) Relevant Ethical Requirements :-

① Identify a threat to independence that safeguard may not be able to

Eliminate or reduce to an acceptably low level.

② Reporting by EP → to relevant persons within the firm to determine Appr. action

Eliminate the interest.

withdrawing where legally permitted.

c) Acceptance + Continuance of Client Relationship & A Engagements.  
SQC 1 - Requires the firm to obtain info - BY accepting audit engagement.

- Info. like Integrity of principal owners, KMP & TCWG
- Competence of Eng. Teams + Time + Resources
- Compliance with E Requirements
- Significant matters of current/previous A Engagements.

d) Assignment of engagement teams.

It should be ensured [ E team Auditor expert

who are not part of Eng. Team

→ collectively

have App-compliance + Capabilities to perform eng. [ PS RR LR.

e) Engagement performance Responsibility of EP.

1) Direct supervision Performance } Auditors [ PS LR RR

2) App. AR is issued.

3) Review of A docum. by issue of AR

4) ensure - SA AE obtained.

5) undertaking - App. Consultation matters. [ Diff contentious

6) For listed entities + where QC Reviewer Required

→ Determine QC Reviewer has been Appr.

→ Discuss sig. matters arising AE.

→ Not date AR until completion of E & C

If Diff. of opinion arise - Eng. Team

Follow Firm policies + procedures for Resolving Differences of opinion

f) monitoring.