

SELF-ASSESSMENT OF THE FIRM'S SYSTEM OF QUALITY MANAGEMENT

This form is used to review your firm's System of Quality Management (SOQM) over the entire practice. You may have firm-wide SOQM, or only certain elements may cover the entire firm (e.g. client acceptance / continuance), while other elements are tailored for certain practice areas (e.g. engagement quality review).

In addition to a "Yes," or "No" answer, some questions require a brief description of applicable procedures in place. Where necessary, additional documentation should be provided. Where appropriate, please make reference to and provide any documents that describe relevant policies and procedures in more detail. Examples of such documents might be audit and accounting manuals and forms and checklists used in the practice.

FIRM			REVIEW REF.
Period of review		Practice areas covered	
Offices covered			
Person(s) assigned operational responsibility for the firm's system of quality management. Indicate where certain elements are separated by practice area and list multiple assigned persons as necessary.			
Areas of Responsibility	Name of assigned person	Title	Reporting To:
Ultimate responsibility and accountability for the system of quality management			
Operational responsibility for the system of quality management			
Operational responsibility for compliance with independence requirements			
Operational responsibility for monitoring and remediation process.			
Other additional responsibility related to the implementation of the quality management system (Please identify the area of responsibility)			

FIRM'S SYSTEM OF QUALITY MANAGEMENT

WORK AREA	Y, N, NA, -	FIRM'S ASSESSMENT (Please provide detailed description. Also, if the policy is part of a specific manual, please indicate the specific provision and reference. Lastly, please attach supporting documents where applicable)
GENERAL REQUIREMENT		
Does the firm have a documented quality management manual(s), compilation, documentation of responses to quality risks, or its equivalent, which supplements the requirements of the PSQM 1 & 2?		
Describe how the firm communicates its quality management policies and procedures including messages that all personnel have a responsibility for quality.		
Describe how the firm evaluate its own system of quality management.		
RISK ASSESSMENT PROCESS		
Does the firm have a quality matrix, summary table, or its equivalent, as a result of a risk assessment process that establishes quality objectives, identify and assess quality risks, and design and implement responses to address the quality risks?		
Aside from the quality objectives mention under PSQM 1 and 2, does the firm have additional or modified quality objectives, quality risks, and responses to such quality risks?		
GOVERNANCE AND LEADERSHIP		
Describe how the firm demonstrate a commitment to quality through a culture that exists throughout the firm which recognizes and reinforces <u>the firm's role in serving public interest by consistently performing quality engagements.</u>		
Describe how the firm demonstrate a commitment to quality through a culture that exists throughout the firm which recognizes and reinforces <u>the importance of professional ethics, values and attitudes</u>		
Describe how the firm demonstrate a commitment to quality through a culture that exists throughout the firm which recognizes and reinforces <u>the responsibility of all personnel for quality relating to the performance of engagements or activities within the system of quality management, and their expected behavior,</u>		

Describe how the firm demonstrate a commitment to quality through a culture that exists throughout the firm which recognizes and reinforces the <u>importance of quality in the firm's strategic decisions and actions, including the firm's financial and operational policies.</u>		
Describe how the firm's leader/s manifest their responsibility and accountability for quality.		
Describe how the firm's leader/s demonstrate a commitment to quality through their actions and behaviors.		
Describe how the organizational structure, and assignment of roles, responsibilities, and authority is appropriate to enable the design, implementation, and operation of the firm's system of quality management.		
Describe how 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.		
RELEVANT ETHICAL REQUIREMENTS		
Describe how the firm and its personnel are able to manifest that they understand the <u>relevant ethical requirements</u> to which the firm and the firm's engagements are subject to.		
Describe how the firm and its personnel are able to manifest that they are able to fulfill their responsibilities in relation to the <u>relevant ethical requirements</u> to which the firm and the firm's engagements are subject to.		
Describe how the firm and its personnel are able to manifest that they understand the <u>independence requirements</u> to which the firm and the firm's engagements are subject to.		
Describe how the firm and its personnel are able to manifest that they are able to fulfill their responsibilities in relation to the <u>independence requirements</u> to which the firm and the firm's engagements are subject to.		
Describe how others, including the network, network firms, individuals in the network or network firms, or service providers, who are subject to the relevant ethical requirements to which the firm and the firm's engagements are subject understand the relevant ethical requirements that apply to them.		
Describe how others, including the network, network firms, individuals in the network or network firms, or service providers, who are subject to the relevant ethical requirements to which the firm and the firm's engagements		

are subject, fulfill their responsibilities in relation to the relevant ethical requirements that apply to them.		
Does the firm have policies or procedures for identifying, evaluating and addressing threats to compliance with the relevant ethical requirements		
Does the firm have policies or procedures for identifying, communicating, evaluating and reporting of any breaches of the relevant ethical requirements and appropriately responding to the causes and consequences of the breaches in a timely manner		
Does the firm obtain, at least annually, a documented confirmation of compliance with independence requirements from all personnel required by relevant ethical requirements to be independent.		

ACCEPTANCE AND CONTINUANCE OF CLIENT RELATIONSHIPS AND SPECIFIC ENGAGEMENTS

Describe how the judgments by the firm about whether to accept or continue a client relationship or specific engagement are appropriate based on information obtained about the nature and circumstances of the engagement and the integrity and ethical values of the client (including management, and, when appropriate, those charged with governance) that is sufficient to support such judgments.		
Describe how the judgments by the firm about whether to accept or continue a client relationship or specific engagement are appropriate based on the firm's ability to perform the engagement in accordance with professional standards and applicable legal and regulatory requirements.		
Describe how the financial and operational priorities of the firm do not lead to inappropriate judgments about whether to accept or continue a client relationship or specific engagement.		
Does the firm establish policies or procedures that address circumstances when the firm becomes aware of information subsequent to accepting or continuing a client relationship or specific engagement that would have caused it to decline the client relationship or specific engagement had that information been known prior to accepting or continuing the client relationship or specific engagement?		
Does the firm establish policies or procedures that address circumstances when the firm is obligated by law or		

regulation to accept a client relationship or specific engagement?		
ENGAGEMENT PERFORMANCE		
Describe how the engagement teams understand and fulfill their responsibilities in connection with the engagements, including, as applicable, the overall responsibility of engagement partners for managing and achieving quality on the engagement and being sufficiently and appropriately involved throughout the engagement.		
Describe how the nature, timing and extent of direction and supervision of engagement teams and review of the work performed is appropriate based on the nature and circumstances of the engagements and the resources assigned or made available to the engagement teams, and the work performed by less experienced engagement team members is directed, supervised and reviewed by more experienced engagement team members.		
Describe how the engagement teams exercise appropriate professional judgment and, when applicable to the type of engagement, professional skepticism.		
Describe how consultation on difficult or contentious matters is undertaken and the conclusions agreed are implemented.		
Describe how the differences of opinion within the engagement team, or between the engagement team and the engagement quality reviewer or individuals performing activities within the firm's system of quality management are brought to the attention of the firm and resolved.		
Describe how the firm ensures 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.		
Did the firm establish policies or procedures for receiving, investigating and resolving complaints and allegations about failures to perform work in accordance with professional standards and applicable legal and regulatory requirements, or non-compliance with the firm's policies or procedures established in accordance with PSQM 1 and 2?		

RESOURCES

RESOURCES		
<i>Human Resources</i>		
Describe how the firm's personnel are hired, developed and retained and have the competence and capabilities to Consistently perform quality engagements, including having knowledge or experience relevant to the engagements the firm performs.		
Describe how the firm's Personnel are hired, developed and retained and have the competence and capabilities to perform activities or carry out responsibilities in relation to the operation of the firm's system of quality management.		
Describe how the firm's Personnel demonstrate a commitment to quality through their actions and behaviors, develop and maintain the appropriate competence to perform their roles, and are held accountable or recognized through timely evaluations, compensation, promotion and other incentives.		
Describe how the firm obtained individuals from external sources (i.e., the network, another network firm or a service provider) when the firm does not have sufficient or appropriate personnel to enable the operation of firm's system of quality management or performance of engagements.		
Describe how the engagement team members are assigned to each engagement, including an engagement partner, who have appropriate competence and capabilities, including being given sufficient time, to consistently perform quality engagements.		
Describe how the firm's assigned individuals to perform activities within the system of quality management who have appropriate competence and capabilities, including sufficient time, to perform such activities.		
<i>Technological Resources</i>		
Describe how the firm ensures that appropriate technological resources are obtained or developed, implemented, maintained, and used, to enable the operation of the firm's system of quality management and the performance of engagements		
<i>Intellectual Resources</i>		
Describe how the firm ensures that appropriate intellectual resources are obtained or developed, implemented, maintained, and used, to enable the operation of the firm's system of quality		

management and the consistent performance of quality engagements, and such intellectual resources are consistent with professional standards and applicable legal and regulatory requirements, where applicable.		
<i>Service Providers</i>		
Describe how the firm ensures that human, technological or intellectual resources from service providers are appropriate for use in the firm's system of quality management and in the performance of engagements, taking into account the other quality objectives under resources mentioned above.		
INFORMATION AND COMMUNICATION		
Describe how the firm's information system identifies, captures, processes and maintains relevant and reliable information that supports the system of quality management, whether from internal or external sources		
Describe how the culture of the firm recognizes and reinforces the responsibility of personnel to exchange information with the firm and with one another		
Describe how the firm ensures that relevant, reliable, and sufficient information, including its nature, timing, and extent, is exchanged throughout the firm, its personnel and with engagement teams to enable them to understand and carry out their responsibilities relating to performing activities within the system of quality management or engagements.		
Describe how the firm ensures that personnel and engagement teams communicate relevant, reliable, and sufficient information, including its nature, timing, and extent, to the firm when performing activities within the system of quality management or engagements.		
Describe how the firm communicated relevant and reliable information to or within the firm's network or to service providers, if any, enabling the network or service providers to fulfill their responsibilities relating to the network requirements or network services or resources provided by them.		
Describe how the firm communicated relevant and reliable information externally when required by law, regulation or professional standards, or to support external parties' understanding of the system of quality management.		
Does the firm establish policies or		

<p>procedures that require communication with those charged with governance when performing an audit of financial statements of listed entities about how the system of quality management supports the consistent performance of quality audit engagements, including the information to be provided, the nature, timing, extent, and appropriate form of communication?</p>		
<p>Does the firm establish policies or procedures that address when it is otherwise appropriate to communicate with external parties about the firm's system of quality management, including the information to be provided, the nature, timing, extent, and appropriate form of communication?</p>		
MONITORING AND REMEDIATION		
<p>Describe how does the firm's monitoring and remediation process provide relevant, reliable and timely information about the design, implementation and operation of the system of quality management.</p>		
<p>Describe how does the firm's monitoring and remediation process ensures that the firm will Take appropriate actions to respond to identified deficiencies such that deficiencies are remediated on a timely basis</p>		
<p>Does the firm have monitoring activities that provides a basis for the identification of deficiencies?</p>		
<p>Does the firm include the inspection of completed engagements in its monitoring activities and determine which engagements and engagement partners to select?</p>		
<p>Does the firm have policies or procedures that require the individuals performing the monitoring activities to have the competence and capabilities, including sufficient time, to perform the monitoring activities effectively?</p>		
<p>Does the firm have policies or procedures that address the objectivity of the individuals performing the monitoring activities. Do such policies or procedures prohibit the engagement team members or the engagement quality reviewer of an engagement from performing any inspection of that engagement?</p>		
<p>Describe how does the firm evaluate findings to determine whether deficiencies exist, including in the monitoring and remediation process.</p>		
<p>Does the firm evaluate the severity and pervasiveness of identified deficiencies by investigating the root cause(s) of the identified deficiencies?</p>		

Does the firm evaluate the effect of the identified deficiencies, individually and in aggregate, on its system of quality management?		
Describe how the firm design and implement remedial actions to address identified deficiencies.		
Describe how the firm respond to circumstances when findings indicate that there is an engagement(s) for which procedures required were omitted during the performance of the engagement(s) or the report issued may be inappropriate.		
Describe how monitoring and remediation activities are communicated on a regular basis to individual(s) and engagement teams.		
NETWORK REQUIREMENTS OR NETWORK SERVICES		
Describe the requirements established by the network to which the firm belong regarding the firm's system of quality management.		
Identify the services and/or resources provided by the network that the firm chooses to implement or use in the design, implementation or operation of the firm's system of quality management		
Describe the firm's responsibilities for any actions that are necessary to implement the network requirements or use network services		
Describe how the firm's network performs monitoring activities in relation to the firm's system of quality management.		
ENGAGEMENT QUALITY REVIEWER		
Does the firm have policies or procedures in determining when an engagement quality reviewer will be appointed?		
Does the firm have a list that summarizes those clients that are required to undergo an EQR?		
Does the firm have criteria or qualification in appointing engagement quality reviewer?		
Does the firm have policies or procedures in addressing any threats to objectivity of the engagement quality reviewer?		
Does the firm have criteria or qualification in determining the eligibility of those who will be assisting the engagement quality reviewer?		
Illustrate how the firm ensures that there is appropriate direction and supervision of those assisting the engagement quality review by the engagement quality reviewer		
Does the firm have policies or procedures that address circumstances in which the		

engagement quality reviewer's eligibility to perform the engagement quality review is impaired and the appropriate actions to be taken by the firm?		
Describe the firm's procedure in conducting engagement quality review.		
Illustrate the documentation requirements of the firm when an engagement quality review is conducted.		