



**THERE IS NO  
WAY BUT  
QAR**

# WHAT IS QAR?

A study, appraisal or review by the Board or its duly authorized representatives, of the quality of audit of financial statements through a review of the quality control measures instituted by an Individual CPA, Firm or Partnership of CPAs (henceforth collectively referred to as CPA Practitioners) engaged in the practice of public accountancy to ascertain his/her/its compliance with prescribed professional, ethical and technical standards of public practice.

# WHAT ARE THE LEGAL AND PROFESSIONAL BASIS FOR QAR?

The Accountancy Law, RA 9828

the Auditing standards in the Philippines

A requirement by the international accounting profession (IFAC) to have member institutes (e.g. PICPA) implement a quality assurance review program as a membership obligation.



# QAR: LEGAL BASIS

R. A. 9298

- Sec. 9 – Powers and Functions of the Board – The Board shall exercise the following specific functions, powers and responsibilities:
  - (h) To conduct an oversight into the quality of audits of financial statements through a review of the quality control measures instituted by auditors in order to ensure compliance with the accounting and auditing standards and practices



# IS QAR REALLY HAPPENING?

- PRBOA and PICPA have already complied with the court's requirement (TRO and Injunction Cases)
- QAR Office has already been established and has conducted test QAR Inspections

# PICPA AND ACPAPP HAVE BEEN CONDUCTING TRAININGS TO ADDRESS THE COMPLIANCE NEEDS OF PRACTITIONERS IS QAR IMPLEMENTED ONLY IN THE PHILIPPINES

1. Majority of IFAC members have already implemented a QAR Program
2. in the US, PCAOB has been existing since 2002
3. in the UK, their QAR program has been established since the 1990s
4. in the ASEAN, even Cambodia and Vietnam have already implemented their respective QAR Program.

# QAR IS NOT TO POLICE BUT TO UPLIFT THE QUALITY OF THE PUBLIC ACCOUNTING PROFESSION

1. UPLIFT THE PUBLIC'S TRUST IN THE PROFESSION.

2. PROVIDE FEEDBACKS TO REGULATORY AGENCIES

3. DETERMINE WHAT IS NEEDED IN CAPACITY BUILDING OF PUBLIC PRACTITIONERS

# DEVELOPMENTAL QAR

- The review process is regularly being reviewed for continuous improvement

- No penalties for any deficiencies

- Consultative in nature



# PRBOA WILL ISSUE A NEW MEMORANDUM TO ADDRESS

1. Initial and Renewal Requirements - to include QAR Clearance as one of the requirements
2. Penalties and Surcharge provisions

# Timeline

## September

- QAR Office Establishment
- Program Funding
- Initial Coordination & Consultation

## November

- Self-Survey Tool Consultation Meetings – PICPA, ACPAPP, Firms, & Practitioner Groups

## January

- Initial Survey of Practitioners for Group Classification & Other Concerns

2022

2023

## October

- Train the Trainer
- Proposed QAR Self-Survey Tool – For Comments & Suggestions

## December

- Start of Official QAR Training Workshops (Continuous until 2023)

## March

- Proposed Fees for Comments
- Proposed QAR Primer for Inspectors



# Timeline

**April**

- Consultation meetings for Proposed Fees
- Hiring of Quality Inspectors

**June**

- Training of Quality Inspectors

**October**

- Consultation Meeting regarding initial results of Voluntary QAR

**January**

- Formal Inclusion of QAR as requirement for Initial and Renewal of BOA Accreditation

**December**

- Annual Review and Consultation of the result of QAR Program

2023

2024

**May**

- Finalization of QAR Primer for Quality Inspectors

**July**

- Start of Voluntary QAR Program

**November**

- Finalization of QAR Program Procedures, Methodologies, & Fees

**July**

- Semi-Annual Review and Consultation with the result of QAR Program



**THANK YOU**