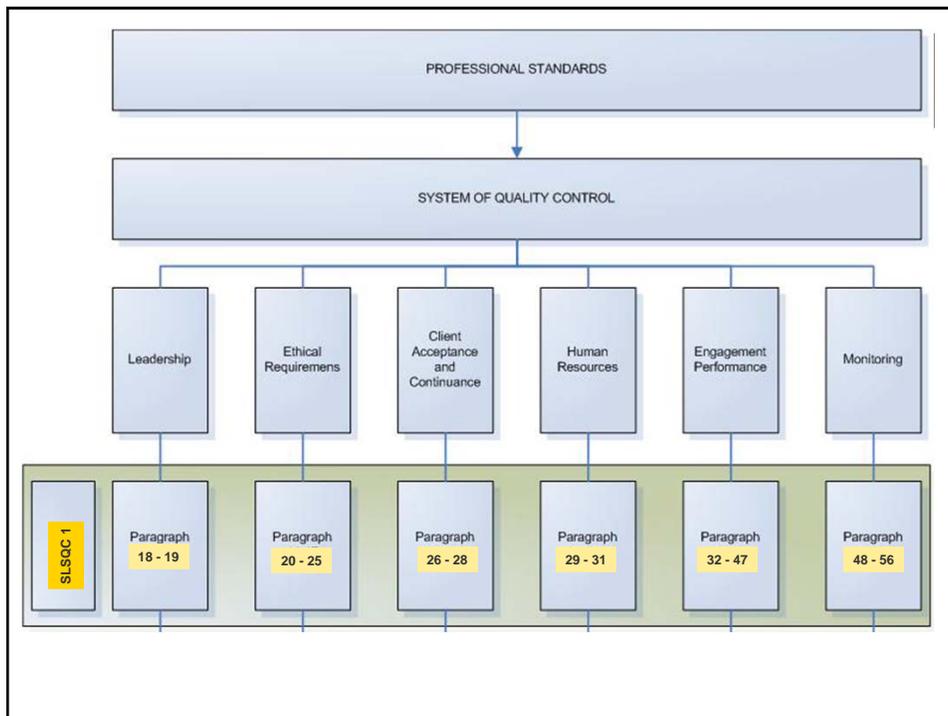




Sri Lanka Standards On Quality Control 1 (SLSQC1)

Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other assurance and Related services engagements



- A. Introduction
- B. Objective
- C. Definitions
- D. Applying and Complying with Relevant Requirements
- E. Elements of a System of Quality Control

SLSQC 1

Deals with

A Firm's responsibilities for its system of quality control for audits and reviews of Financial statements and other assurance and related services engagements

SLSQC shall be applied by all firms of professional accountant. Nature & extent of such application depend on Size, Operating characteristics and firm's network

Introduction

- ▶ ICASL set out additional standards and guidance on the responsibilities of firm personnel regarding quality control procedures for specific type engagements. (E.g. SLAuS 220 deals with quality control procedures for audit of financial statements)
- ▶ Where necessary, the application and other explanatory material provides further explanation of the requirements and guidance for carrying them out. (E.g. Additional considerations specific to public sector audit organizations or smaller firms)

However, they do not limit or reduce the responsibility of the firm to apply and comply with the requirements of this SLSQC1

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Objective

Establish & maintain a system of quality control to provide it with reasonable assurance

That

- a) The firm & its personnel comply with professional standards and applicable legal & regulatory requirements.
- b) Reports issued by the firm/engagement partners are appropriate in the circumstances

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Definitions

In this SLSQC, the following terms have been defined under Paragraph 12.

- | | |
|---|---------------------------------------|
| a) Date of Report | a) Network and network firm |
| b) Engagement documentation | b) Partner |
| c) Engagement partner | c) Personnel |
| d) Engagement quality control review and reviewer | d) Professional Standards |
| e) Engagement team | e) Reasonable assurance |
| f) Firm | f) Relevant ethical requirements |
| g) Inspection | g) Staff |
| h) Listed entity | h) Suitably qualified external person |
| i) Monitoring | |

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Applying and Complying with Relevant Requirements

- ▶ Personnel within the firm shall have an understanding about the entire text of this SLSQC, including its application and other explanatory material to establish & maintain the firm's system of quality control.
- ▶ The proper application of the requirements is expected to provide a sufficient basis for the achievement of the objective. However, the Firm shall consider whether there are particular matters or circumstances that require firm to establish policies & procedures in addition to those required by this SLSQC1.



Applying and Complying with Relevant Requirements

- ▶ The firm shall comply with each requirement of this SLSQC unless, in the circumstances of the firm, the requirement is not relevant.

Application and Other Explanatory Material

- i) In the circumstances of a sole practitioner with no staff, a) assignment of appropriate personnel to the engagement team b) review responsibilities c) annual communication of the results of monitoring will not be applicable.
- ii) However, this exemption is not applicable if firm performs audits & reviews of FS and other assurance and related services to Listed entities, Licensed commercial & specialized banks and Insurance Companies.

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Elements of a System of Quality Control

- ▶ The firm shall establish and maintain a system of quality control that includes policies and procedures that address each of the following elements
 - a) Leadership responsibilities for quality within the firm
 - b) Relevant ethical requirements
 - c) Acceptance and continuance of client relationships and specific engagements
 - d) Human resources
 - e) Engagement performance
 - f) Monitoring

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Application and Other Explanatory Material

In general, communication of quality control policies and procedures to firm personnel includes a description of the quality control policies and procedures and the objectives they are designed to achieve, the message that each individual has a personal responsibility for quality and is expected to comply with these policies and procedures.

Documentation and communication of policies and procedures for smaller firms may be less formal and extensive than for larger firms



2. Communicating quality control policies and procedures

Quality control policies and procedures can be communicated to staff in various ways. The following list provides some examples of such communication.

- Staff training courses and professional development updates.
- Quality control manuals.
- Sophisticated computerised knowledge software.
- Mentoring programmes where more experienced staff coach junior staff.
- On-the-job training, (similar to mentoring but more specific to the relevant engagement aspects).
- Consultations with engagement partners concerning quality control issues for specific engagements.
- Performance appraisals of which compliance with quality control policies and procedures are an important element.
- Recognition of personnel for quality service.
- Feedback from quality control reviews.
- Internal newsletters

Leadership Responsibilities for Quality within the Firm

- ▶ The firm shall establish policies and procedures designed to promote an internal culture recognizing that quality is essential in performing engagements. ultimate responsibility for the firm's system of quality control is with firm's chief executive officer (or equivalent) or, if appropriate, the firm's managing board of partners (or equivalent)
- ▶ The promotion of a quality-oriented internal culture depends on clear, consistent and frequent actions and messages from all levels of the firm's management emphasizing the firm's quality control policies and procedures, and the requirement to:
 - ▶ Perform work that complies with professional standards and regulatory and legal requirements; and
 - ▶ Issue reports that are appropriate in the circumstances.

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3. Core values

A firm may identify core values such as "service, teamwork and excellence"; these may be supported by "integrity, consultation, and responsibility". Consultation with partners and staff may assist in identifying common values to which everyone within the firm subscribes. Core values can be built into training, which reminds staff of its importance.

4. Communication to maintain a culture of quality

The engagement partner or manager meets with the engagement team at the beginning of the engagement to discuss the quality control requirements for that engagement. Personnel are reminded to adhere to the quality control policies and procedures of the firm and any measures put in place for that particular engagement. The partner or manager may meet with individuals on the engagement team as part of assigning the work and discuss quality control requirements and expectations relating to particular aspects of the work such as communication of significant matters to the partner or manager and the review of work.



Leadership Responsibilities for Quality within the Firm (cont..)

- ▶ The firm shall establish policies and procedures such that any person or persons assigned operational responsibility for the firm's system of quality control has sufficient and appropriate experience and ability, and the necessary authority, to assume that responsibility
- ▶ Recognize that the firm's business strategy is subject to the overriding requirement for the firm to achieve quality in all the engagements that the firm performs. Accordingly:
 - ▶ The firm assigns its management responsibilities
 - ▶ The firm's policies and procedures addressing performance evaluation, compensation, and promotion with regard to its personnel, are designed to demonstrate the firm's overriding commitment to quality; and
 - ▶ The firm devotes sufficient resources for the development, documentation and support of its quality control policies and procedures

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5. Factors which the leadership of the firm may consider upon selecting the appropriate person/s to whom the operational responsibility for the system of quality control is to be delegated

- Length and extent of experience as a practitioner with involvement in the firm's quality control and risk management activities.
- Specialist knowledge and experience of particular quality control elements.
- Knowledge and experience of quality control areas in specialised industries and particular clients.
- Demonstrated high level of business and professional ethics.
- Reputation and standing within the firm and industry/profession.
- Authority within the firm to fulfil the responsibilities of quality control partner.
- Demonstrated application of quality control standards.



Leadership Responsibilities for Quality within the Firm (cont..)

- Any person or persons assigned operational responsibility for the firm's quality control system should have sufficient and appropriate experience and ability, and the necessary authority, to assume that responsibility

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Relevant Ethical requirements

- The firm shall establish policies and procedures designed to provide it with reasonable assurance that the firm and its personnel comply with relevant ethical requirements

Application and Other Explanatory Material

ICASL Code establishes the fundamental principles of professional ethics, which include a) Integrity, b) Objectivity, c) Professional competence and due care d) Confidentiality and e) Professional behavior

ICASL Code (Part B) – Examples of safeguards to address threats to compliance with fundamental principals, Examples of situations where safeguards are not available to address the threats.

6. Measures which may secure individuals' commitment to adhering to ethical requirements

- Employment contracts containing reference to the core values and professional ethics and which require the individual's adherence to those requirements.
- Performance appraisals which recognise adherence to core values and professional ethics, highlighting areas of non-compliance.
- Incorporating the fundamental ethical principles and their practical application provided into training of the firm.
- Processes for the reporting of instances of non-compliance by professional staff to appropriate persons within the firm. Such reporting processes empower personnel to report non-compliance with ethical principles by more junior staff, to senior levels within the firm. Formal processes may be established to deal with non-compliance with ethical principles and may, depending on the severity of non-compliance include:
 - removal of the individual from the engagement;
 - re-training of personnel, sanctions and penalties;
 - dismissal from the firm; or
 - reporting to the disciplinary committee/s of the relevant professional/regulatory body, for example, the PAAB.



Relevant Ethical requirements - Independence

The firm shall establish policies & procedures

Design to provide reasonable assurance

That the firm, its personnel and others (if applicable) subject to Independence requirements.

Such policies & procedures shall enable the firm to

- a) Communicate its independence requirements to its personnel
- b) Identify and evaluate circumstances and relationships that create threats to independence and take appropriate actions to eliminate those threats or reduce them



Relevant Ethical requirements - Independence

Such policies and procedures shall require

- ▶ Engagement partners to provide the firm with relevant information on independence requirements
- ▶ Personnel to promptly notify the firm of circumstances and relationships that create a threat to independence.
- ▶ The policies & procedures shall be designed to address breaches of independence and take appropriate actions.
- ▶ At least annually, the firm shall obtain written confirmation of compliance with its policies and procedures on independence

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Relevant Ethical requirements - Independence

The firm shall establish policies & procedures

- a) Setting out criteria for determining the need for safeguards to reduce the familiarity threat to an acceptable level
- b) The rotation of the engagement partner and the individuals responsible for engagement quality control review (Audit of F/S of listed entities)

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7. Responsibilities of the partner responsible for independence matters

- overseeing the adequate functioning of the firm's independence policies, including being responsible for obtaining evidence that the firm's independence requirements are complied with by firm personnel, as well as experts contracted by the firm, and network personnel assigned to the engagement;
- establishing clear and concise written independence policies covering relationships with prohibited entities including, but not limited to, investments, loans, brokerage accounts, business relationships, prohibited services and fee arrangements;
- making the list of prohibited entities readily available to all personnel;
- updating the list of prohibited entities on a regular basis;
- communicating, on a timely basis, changes to the list of prohibited entities;
- implementing an automated system or database to identify partners' and managers' investment holdings that might impair independence.

8. Methods of identification of threats to independence

Various methods can be employed to gather the necessary information for the identification of threats to independence. These include:

- E-mail or other efficient means of communication between partners, staff, clients and the firm's central database and/or the partner responsible for identifying threats to independence. For example, circulating an electronically generated list of clients to all relevant staff members and requesting that they disclose any interest in the clients listed.
- A database of client and personnel relationships, updated regularly to detect and identify potential threats to auditor independence. The database may include information regarding family and financial relationships. Consideration may be given to the following in establishing such a database:
 - All "business relationships or services" that the firm is prohibited from entering into or providing, including statutory audit clients such as listed companies, public interest entities or entities subject to the requirements of specific national or international legislation, (including where appropriate the United States Sarbanes Oxley Act and Securities Exchange Commission (SEC) regulations), or as otherwise defined in the firm's independence policies;
 - which professional personnel, employed by the firm, are subject to the ethical and independence requirements: generally including partners or directors, managers, and other professional employees, including professional trainees, involved in prohibited business relationships or services;

- all prohibited business relationships or services in which the designated professional personnel, their spouses or their dependents are prohibited from having a financial interest;
 - those network firm personnel and experts contracted by the firm on such audit engagements also subject to the ethical and independence requirements of the firm;
 - establishing and maintaining a database of all prohibited entities and defining why, when and how, a specified client or engagement became a prohibited business relationship or service.
- Establishing a list or database of “prohibited investments”.
 - Confirmation from individuals and the engagement partner that engagement teams do not have any circumstances or relationships that might lead to independence threats.
 - Client lists are circulated amongst partners and staff or access is given to a central database regarding client acceptance and retention decisions and considered in new client or engagement acceptance and existing client continuation decisions.
 - Disclosure by engagement partners of relevant information about client engagements, including the scope of services.
 - Completion of independence declarations by the relevant staff.

Acceptance and continuance of client relationships and specific engagements

Such policies and procedures designed to provide the firm with reasonable assurance that it will only undertake or continue relationships and engagements where the firm

- a) Is competent to perform the engagement and has the capabilities, including time and resources, to do so
- b) Can comply with relevant ethical requirements
- c) Has considered the integrity of the client and does not have information that would lead it to conclude that the client lacks integrity

Application and Other Explanatory Material

Is the firm competent to perform the engagement and has the capabilities?

- a) knowledge of relevant industries or subject matters
- b) Experience with relevant regulatory or reporting requirements
- c) sufficient personnel with the necessary competence and Capabilities
- d) Availability of experts
- e) Engagement quality control reviewers are available
- f) Able to complete the engagement within the reporting deadline

Application and Other Explanatory Material

With regard to integrity of client, the following matters should be considered.

- a) The identity and business reputation of the client
- b) The nature of the client's operations, including its business practices
- c) Information concerning the attitude of the client
- d) Indications of an inappropriate limitation in the scope of work
- e) The identity and business reputation of related parties
- f) Whether the client is aggressively concerned with maintaining the firm's fees as low as possible
- g) Indications that the client might be involved in money laundering or other criminal activities
- h) The reasons for the proposed appointment of the firm and no reappointment



10. Additional matters to consider when evaluating a new client

- Whether an open and honest relationship can be maintained with management and the principal owners.
- Whether high-risk clients can be managed with more time and allocation of resources of the firm or whether the risks cannot be reduced to an acceptable level with the firm's resources.
- Whether a change in the principal owners, key management and those charged with governance occurred during the course of the audit that may give rise to any doubts regarding the client's integrity.
- The client's solvency level, or plans for future developments, for example, retrenchments and cut-backs or proposed public listings, takeovers or mergers.
- Whether the client has a dominant individual within the management team unduly influencing matters affecting audit risk significantly.
- Whether the client has a history of lawsuits, unfavourable press reports, late financial statements, qualified audit reports and frequent changes of auditors.
- Whether other engagements are performed for the client by other offices of the firm or network firms, nationally or internationally and what the firm's experience of the client relationship has been on those engagements.
- Smaller clients with less access to finance are also often very cost conscious, with many of them looking at audit fees as a potential cost-cutting area. The competitive pressure that is experienced by providers of professional services to the smaller business environment may contribute to place even more pressure on fees. If this escalates to a level where the pressure on audit fees have a significantly negative impact on the quality of work that can be performed, the firm may want to withdraw from the engagement, rather than compromise the quality of the audit.



Acceptance and continuance of client relationships and specific engagements

Such policies and procedures shall require;

- a) The firm to obtain such information as it considers necessary in the circumstances before accepting/continuing an engagement
- b) If a potential conflict of interest is identified, the firm to determine whether it is appropriate to accept the engagement
- c) If issues have been identified, and the firm decides to accept or Continue, the firm to document how the issues were resolved

11. Situations where new engagements may need to be declined or existing relationships terminated

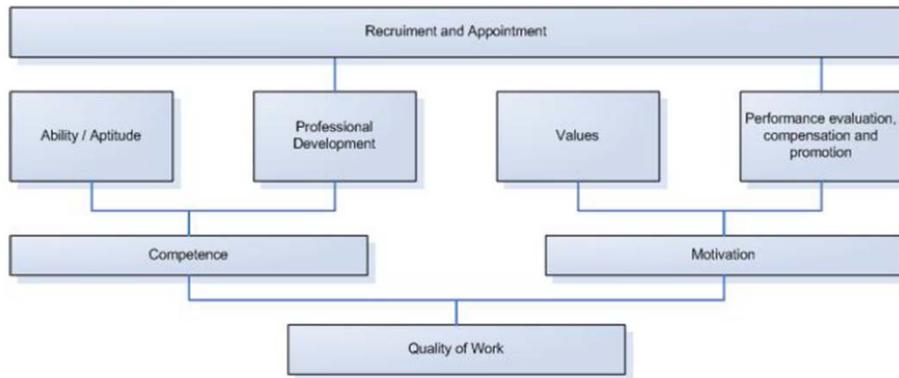
- A client operating in a specialised industry and the auditor lacking the required expertise;
- Clients with significant branches in locations where the firm is not represented;
- Deadlines that coincide with existing client pressures, for example if all clients' inventory counts need to be performed on the same day;
- Independence problems, for example, relationships with staff or other clients;
- Expert assistance is necessary but not available; and
- A quality control review is needed but no suitably qualified and objective reviewer is available.

Human Resources

The firm shall assign responsibility for each engagement to an engagement partner and shall establish policies and procedures requiring that:

- a) The identity and role of the engagement partner are communicated to key members of client management and those charged with governance
- b) The engagement partner has the appropriate competence, capabilities, and authority to perform the role
- c) The responsibilities of the engagement partner are clearly defined and communicated to that partner

Factor that influence the Quality of Work



Human Resources (Cont..)

Application and Other Explanatory Material

Policies and Procedures – Human Resources

- a) Recruitment
- b) Performance evaluation
- c) Capabilities
- d) Competence
- e) Career development
- f) Promotion
- g) Compensation
- h) The estimation of personnel needs

Competence can be developed through Professional education, Continuing professional development, work experience, Coaching and Independent education

Human Resources (Cont..)

The firm shall also establish policies and procedures to assign appropriate personnel with the necessary competence, and capabilities to:

- a) Perform engagements in accordance with professional standards and applicable legal and regulatory requirements
- b) Enable the firm or engagement partners to issue reports that are appropriate in the circumstances

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Human Resources (Cont..)

➤ *The firm's performance evaluation, compensation and promotion procedures give due recognition and reward to the development and maintenance of competence and commitment to ethical principles. In particular, the firm:*

- a) Makes personnel aware of the firm's expectations regarding performance and ethical principles;
- b) Provides personnel with evaluation of, and counseling on, performance, progress and career development; and
- c) Helps personnel understand that advancement to positions of greater responsibility depends, among other things, upon performance quality and adherence to ethical principles

The size and circumstances of the firm will influence the structure of the firm's performance evaluation process.



Engagement Performance

The policies and procedures for this area shall include,

- a) Matters relevant to promoting consistency in the quality of engagement performance
- b) Supervision responsibilities
- c) Review responsibilities



Engagement Performance

Application and Other Explanatory Material

Consistency in the quality of engagement performance – Matters addressed may include;

- a) How engagement teams are briefed on the engagement to obtain an understanding of the objectives of their work.
- b) Processes for complying with applicable engagement standards.
- c) Processes of engagement supervision, staff training and coaching.
- d) Methods of reviewing the work performed, the significant judgments made and the form of report being issued.
- e) Appropriate documentation of the work performed and of the timing and extent of the review.
- f) Processes to keep all policies and procedures current

Application and Other Explanatory Material

Engagement supervision includes the following;

- a) Tracking the progress of the engagement;
- b) Considering the competence and capabilities of individual members of the engagement team, whether they have sufficient time to carry out their work, whether they understand their instructions and
- c) whether the work is being carried out in accordance with the planned
- d) Approach to the engagement;
- e) Addressing significant matters arising during the engagement, considering their significance and modifying the planned approach appropriately
- f) Identifying matters for consultation or consideration by more experienced engagement team members during the engagement.

Application and Other Explanatory Material

Review - Considerations

- a) The work has been performed in accordance with professional standards and applicable legal and regulatory requirements
- b) Significant matters have been raised for further consideration
- c) Appropriate consultations have taken place and the resulting conclusions have been documented and implemented
- d) There is a need to revise the nature, timing and extent of work performed
- e) The work performed supports the conclusions reached and is appropriately documented;
- f) The evidence obtained is sufficient and appropriate to support the report
- g) The objectives of the engagement procedures have been achieved



The policies and procedures for this area shall include,

- A. Appropriate consultation takes place on difficult or contentious matters
- B. Sufficient resources are available to enable appropriate consultation to take place
- C. The nature and scope of, and conclusions resulting from, such consultations are documented and are agreed by both the individual seeking consultation and the individual consulted
- D. Conclusions resulting from consultations are implemented.



Application and Other Explanatory Material

- a) Consultation uses appropriate research resources as well as the collective experience and technical expertise of the firm
- b) firm needing to consult externally, for example, a firm without appropriate internal resources, may take advantage of advisory services provided by;
 - i. Other firms
 - ii. Professional and regulatory bodies
 - iii. Commercial organizations



Engagement Performance – Engagement Quality Control Review

The policies and procedures for this area shall,

- A. Require an engagement quality control review for all audits of financial statements of listed entities
- B. Set out criteria against which all other audits and reviews of historical financial information and other assurance and related services engagements shall be evaluated to determine whether an engagement quality control review should be performed
- C. Require an engagement quality control review for all engagements, if any, meeting the criteria established in compliance with above (B)



Engagement Performance – Engagement Quality Control Review

Engagement quality control review shall include;

- A. Discussion of significant matters with the engagement partner
- B. Review of the financial statements or other subject matter information and the proposed report
- C. Review of selected engagement documentation relating to significant judgments the engagement team made and the conclusions it reached
- D. Evaluation of the conclusions reached in formulating the report and consideration of whether the proposed report is appropriate



Engagement Performance – Engagement Quality Control Review

The Firm shall establish policies & procedures for Engagement quality reviewer. Those include,

- a) Address the appointment and establish their eligibility
- b) Maintain the objectivity
- c) Replacement where reviewer's ability to perform an objective review may be impaired.



Engagement Performance – Engagement Quality Control Review

Documentation of Engagement quality control review

- A. The procedures required by the firm's policies on engagement quality control review have been performed
- B. Such review has been completed on or before the date of the report
- C. The reviewer is not aware of any unresolved matters that would cause the reviewer to believe that the significant judgments the engagement team made and the conclusions it reached were not appropriate



Engagement Performance – Engagement Documentation

The Firm shall establish policies & procedures for Engagement documentation to meet following;

- A. Complete the assembly of final engagement files on a timely basis after the engagement reports have been finalized
- B. Maintain the confidentiality, safe custody, integrity, accessibility and retrievability of engagement documentation
- C. Retention of engagement documentation for a period sufficient to meet the needs of the firm or as required by law or regulation



19. Engagement quality control review procedures

- Review of working papers documenting significant audit risks and the firm's response to such risks.
- Review of the financial statements or other subject matter, including advice from specialists consulted.
- Review of the firm's audit report, whether it is appropriate, and consideration of the risk that it may not be appropriate in the circumstances.
- Whether working papers selected for review reflect the work performed in relation to the significant judgements and conclusions reached.
- Review of documentation evidencing the engagement acceptance and continuance procedures performed.
- Review of assessment procedures when reliance is placed on the work of other auditors.
- Review of procedures relating to compliance with relevant legislation, listing requirements where relevant, and GAAP.
- Review appropriateness of engagement team selection.
- Review the engagement letter.
- Review management representation letter.
- Review conclusions regarding going concern considerations.
- Review of evidence that appropriate review of working papers was performed by audit engagement management.
- Review of other reports issued in relation to the engagement such as regulatory returns in respect of financial institutions.
- Review of the level of non-audit services provided to the client.
- The significance and disposition of corrected and uncorrected misstatements identified during the engagement.
- Review of the engagement team's evaluation of the independence of the firm and personnel, including network firm personnel and experts



involved on the specific engagement.

- Review of evidence that consultation with other partners has taken place with regard to difficult or contentious matters and differences of opinion and that the conclusions are appropriate and have been implemented.
- Review of matters to be communicated to management and persons charged with governance and where applicable, regulatory bodies.
- Discussions with the engagement partner during the engagement quality control review regarding decisions on contentious, difficult or complex aspects of the engagement affecting financial statement disclosures.
- The recommendations of the engagement quality control reviewer and whether the engagement partner accepts the recommendations.
- A requirement that where recommendations of the engagement quality control reviewer are not accepted by the engagement partner, and the matter is not resolved to the reviewer's satisfaction, the report is not issued until the matter is resolved by following the firm's procedures for dealing with differences of opinion.



Monitoring

The firm shall establish a Monitoring process

Design to provide reasonable assurance

that the policies and procedures relating to the system of quality control are relevant, adequate, and operating effectively

This process shall;

- A. Include an ongoing consideration and evaluation of the firm's system of quality control including, on a cyclical basis
- B. Require responsibility for the monitoring process to be assigned to a partner or partners or other persons with sufficient and appropriate experience
- C. Require that those performing the engagement or the engagement quality control review are not involved in inspecting the engagements



Monitoring

- A. The firm shall evaluate the effect of deficiencies noted as a result of the monitoring process
- B. communicate to relevant engagement partners and other appropriate personnel deficiencies noted as a result of the monitoring Process
- C. Recommendations for appropriate remedial action
 - I. Action in relation to an individual engagement or member of personnel
 - II. Communication of the findings to those responsible for training and professional development
 - III. Changes to the quality control policies and procedures
 - IV. Disciplinary action

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Monitoring

The firm shall communicate at least annually the results of the monitoring of its system of quality control to engagement partners and other appropriate individuals within the firm. Those include following;

- A. A description of the monitoring procedures performed
- B. The conclusions drawn
- C. Where relevant, a description of systemic, repetitive or other significant deficiencies and of the actions taken to resolve or amend those deficiencies

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20. Key indicators to the firm that quality control systems established are functioning effectively

- “Zero” quality complaints received – no “failed audits” performed.
- The incidence of poor quality audit engagements performed is reduced significantly.
- Decline in the number of quality related complaints from clients.
- Enhanced reputation in the marketplace resulting in improved demand for “quality services” or indicated by clients as a reason for continuing appointment of your firm.
- No auditor liability claims intimated.
- Decline in the number of auditor liability claims intimated.
- The main causes of quality problems encountered on an engagement are promptly identified and recommendations acted on swiftly.
- Quality problems identified, with potential broader firm impact, are communicated promptly to all personnel who may be affected.
- Awareness of engagement practices leading to quality problems is heightened for engagement teams and better managed.
- Those subject to quality review know the review can affect rewards, sanctions and individual and/or firm-wide actions.
- Low incidence of unsatisfactory PAAB practice reviews.
- Quality control procedures work in harmony with checks and balances in the firm affecting personnel development, independence compliance, risk management and internal communication.
- Client and market satisfaction surveys indicating improved perceptions.
- The time spent on quality control has reduced as quality control requirements are met.

Documentation of the System of Quality Control

The Firm shall establish policies & to meet following;

- A. Provide evidence of the operation of each element of its system of quality control
- B. Retention of documentation for a period of time sufficient to permit those performing monitoring procedures to evaluate the firm’s compliance with its system of quality control
- C. Documentation of complaints and allegations and the responses to them



Summary

We discussed about key areas relevant to Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other assurance and Related services engagements as set out in SLSQC1.

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- B. Objective
- C. Definitions
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Thank You