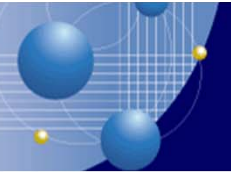


Monitoring your Firm's Quality Control Policies and Procedures



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The Quality Control Standards

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Firm level

A system of quality control for assurance engagements (CSQC1)

The Foundation for Quality Control

Engagement level

Quality control for an audit of financial statements (CAS 220)

Quality control for a review engagement

Quality control for other engagements

Key Requirement - CSQC 1.48

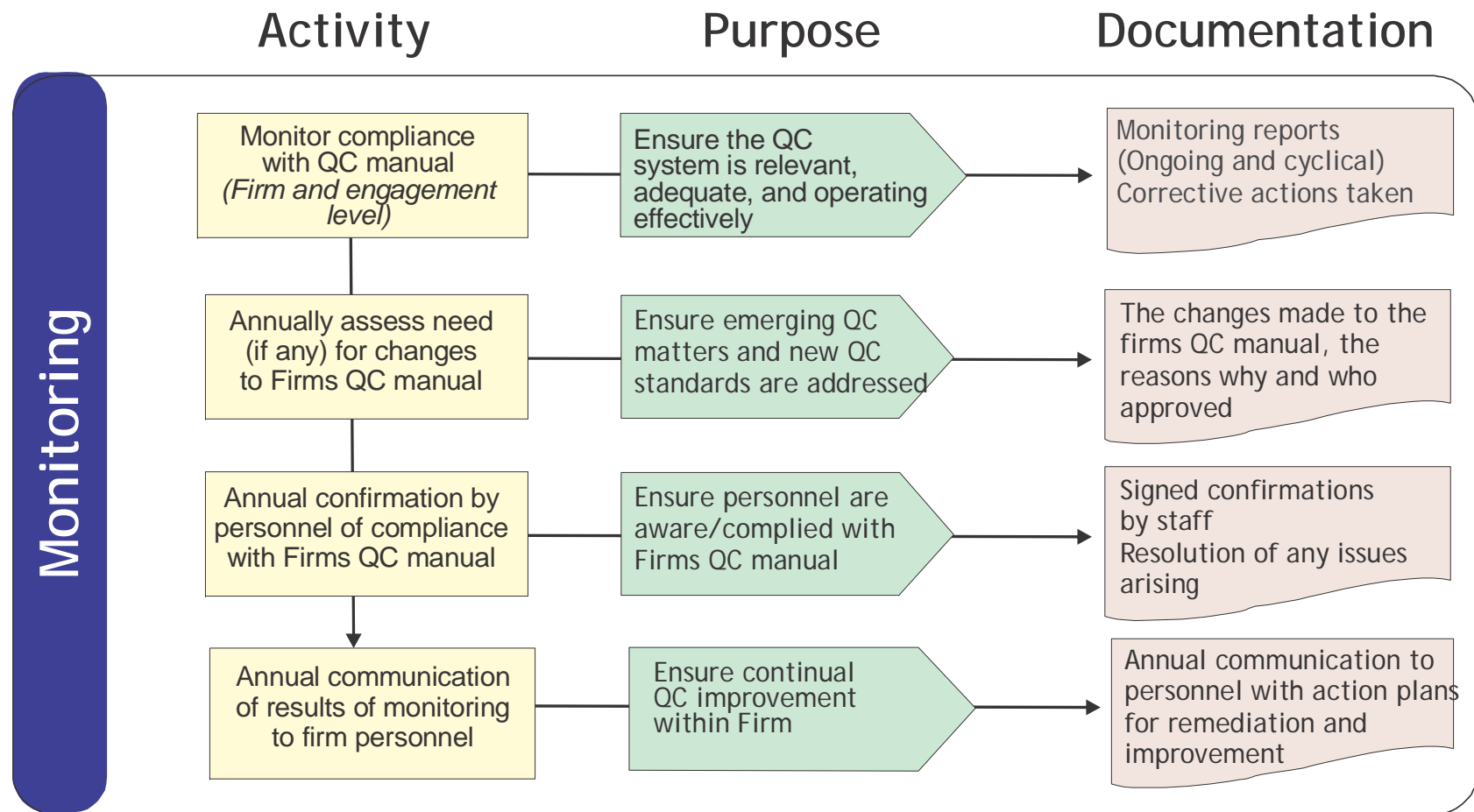
The firm **shall** establish a **monitoring process**...

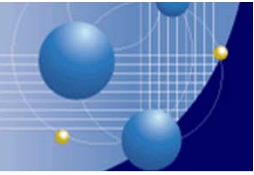
This process shall include:

- ongoing consideration and evaluation of the firm's system of quality control; and
- inspection of at least one completed engagement for each engagement partner, on a cyclical basis.



What Monitoring Involves





The Two Parts of Monitoring

The Requirements	Purpose	How Often?	Who can Perform?
<p>Ongoing review of compliance with Firms policies and procedures</p>	<p>Does the Firm's system of quality control operate as designed and what if any changes are required?</p>	<p>Annual review and report</p>	<p>Anyone who is suitably qualified.</p>
<p>Cyclical inspection of completed engagement files</p>	<p>Adherence to professional standards on completed engagements and to ensure an appropriate report was issued.</p>	<p>At least one engagement per partner every three years</p>	<p>Person who is suitably qualified and was not involved in performing the engagement or the EQCR</p>

Who is “Suitably Qualified”?

If an *External* person

- An individual outside the firm with the competence and capabilities **to act as an engagement partner**
- For example:
 - A partner of another public accounting firm;
 - Employee (with appropriate experience) of either a professional accountancy body whose members may perform audits and reviews of historical financial information, or other assurance or related services engagements; or
 - An organization that provides relevant quality control services.

Why FocusROI

- **FocusROI** employs senior people who have been:
 - Audit partners or senior managers in major accounting firms; and
 - Involved in the design, implementation and monitoring of quality control within their firms.
- **FocusROI** currently provides monitoring services to a number of accounting firms, including some who audit public companies.
- **Stuart Hartley** is the author of the CICA's Quality Assurance Manual (QAM)

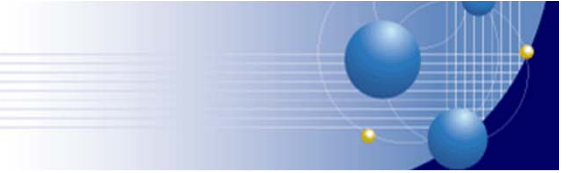


FocusROI Monitoring services

The Requirements	FocusROI assistance	How Often?	Benefits to Firm
Ongoing review of compliance with Firms policies and procedures	A self assessment to help firms perform their own monitoring with assistance as required	Annual review and report	Systematic process performed at low cost. Assess to best practices
Cyclical inspection of completed engagement files	Provision of highly qualified inspectors who will help the firm improve the quality of their work	At least one engagement per partner every three years	Objective inspection of completed files and identification of potential efficiencies

FocusROI Monitoring services

- *Affordable* external monitoring services tailored to the needs of sole practitioners up to mid-size firms.
- *Practical and timely* recommendations to help your firm prosper.
- Approach:
 - Assistance with design/implementation of Firm's QAM
 - Use of the FocusROI "Self-assessment" tool for the yearly monitoring report. Typical cost could be less than \$800 per year for a small firm
 - Inspection of completed files on a cyclical basis (1-3 years)
 - Practical (point form) monitoring report on findings and recommendations
 - Provide additional assistance as required, such as policy development, staff training and partner coaching sessions, etc.



Please contact us for further information

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