

**Exposure Draft
February 2021**

Comments due: May 24th, 2021

*Proposed Amendments to the IAASB's
International Standards*

**Conforming and
Consequential
Amendments to the
IAASB's Other Standards
as a Result of the New and
Revised Quality
Management Standards**

IAASB

**International Auditing
and Assurance
Standards Board**

About the IAASB

This Exposure Draft was developed and approved by the International Auditing and Assurance Standards Board (IAASB).

The objective of the IAASB is to serve the public interest by setting high-quality auditing, assurance, and other related standards and by facilitating the convergence of international and national auditing and assurance standards, thereby enhancing the quality and consistency of practice throughout the world and strengthening public confidence in the global auditing and assurance profession.

The IAASB develops auditing and assurance standards and guidance for use by all professional accountants under a shared standard-setting process involving the Public Interest Oversight Board, which oversees the activities of the IAASB, and the IAASB Consultative Advisory Group, which provides public interest input into the development of the standards and guidance. The structures and processes that support the operations of the IAASB are facilitated by the International Federation of Accountants (IFAC).

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REQUEST FOR COMMENTS

This Exposure Draft, proposed *Conforming and Consequential Amendments to the IAASB's Other Standards as a Result of the New and Revised Quality Management Standards*, was developed and approved by the International Auditing and Assurance Standards Board® (IAASB®).

The proposals in this Exposure Draft may be modified in light of comments received before being issued in final form. **Comments are requested by May 24th, 2021.**

Respondents are asked to submit their comments electronically through the IAASB website, using the "[Submit a Comment](#)" link. Please submit comments in both a PDF and Word file. First-time users must register to use this feature. All comments will be considered a matter of public record and will ultimately be posted on the website.

This publication may be downloaded from the IAASB website: www.iaasb.org. The approved text is published in the English language.

EXPLANATORY MEMORANDUM

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Section 1 Introduction

1. This memorandum provides background to, and an explanation of, the International Auditing and Assurance Standards Board's (IAASB's) proposed conforming and consequential amendments to the IAASB's Other Standards¹ and the International Framework of Assurance Engagements (Framework) in response to the new and revised Quality Management (QM) standards.² The IAASB approved the proposed amendments for exposure on January 26, 2021.

Section 2 Background

Implications of the New and Revised QM Standards

2. The IAASB's Other Standards and the Framework include references to the International Standard on Quality Control (ISQC) 1³ in various ways, ranging from simple references to the title of the standard, references to the standard, to terminology drawn from ISQC 1.
3. The IAASB published [new and revised Quality Management Standards](#) in December 2020. As a result of the new and revised QM standards, the IAASB is issuing this exposure draft covering the necessary conforming and consequential amendments to address inconsistencies between the IAASB's Other Standards and Framework with the new and revised QM standards. The purpose of making the amendments is solely to avoid conflicts with the QM standards and to ensure that the IAASB's Other Standards and Framework can continue to be applied together with the QM standards.
4. The IAASB believes it would be ineffective to wait until these standards are revised at some point in the future. This is because the affected standards would not be updated on a timely basis.

Public Interest Issues Addressed by this Project

5. The IAASB believes that it is in the public interest that its Other Standards and the Framework are amended to reflect the new quality management approach that has been adopted in the QM standards. It is also in the public interest that the Other Standards and the ISQMs be able to operate in concert and without confusion due to the importance of firm-level quality management to the consistent performance of quality engagements.

¹ The IAASB's Other Standards comprise the International Standards on Review Engagements (ISREs), the International Standards on Assurance Engagements (ISAEs), and the International Standards on Related Services (ISRSs).

² International Standard on Quality Management (ISQM) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*; ISQM 2, *Engagement Quality Reviews*; and International Standard on Auditing (ISA) 220 (Revised), *Quality Management for an Audit of Financial Statements*

³ International Standard on Quality Control (ISQC) 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*

Section 3 Guide for Respondents

The IAASB welcomes comments on all matters addressed in this exposure draft (ED), but especially those identified in the *Request for Comments* section. Comments are most helpful when they refer to specific paragraphs, include the reasons for the comments, and make specific suggestions for any proposed changes to wording. When a respondent agrees with proposals in this ED, it will be helpful for the IAASB to be made aware of this view as this cannot always be inferred when not stated.

Section 4 Significant Matters

6. The ED includes those conforming and consequential amendments to the IAASB's Other Standards and Framework that the IAASB has determined would be necessary to address inconsistencies with the new and revised QM standards.
7. These conforming and consequential amendments have a narrow scope and do not involve re-consideration of the objectives, requirements, and application material of the IAASB's Other Standards, in their own right. The conforming and consequential amendments are limited to, for example, updating titles of standards, updating references to the QM standards, and aligning terminology. The amendments also include limited changes to align concepts, specifically the conceptual changes in ISQM 1 to deal with resources more broadly.⁴ The conforming amendments do not address other potential amendments to the IAASB's Other Standards that may have been considered in a project to improve those standards.
8. The proposed conforming and consequential amendments to the IAASB's Other Standards comprise two categories:
 - a) Category 1: Update links to the structure and concepts in ISQM 1, ISQM 2 and ISA 220 (Revised). An example of these changes is the definition of "engagement team": Some of the IAASB's Other Standards (e.g., ISAE 3000 (Revised)⁵) contain a definition of "engagement team" that is consistent with the definition in ISA 220. ISQM 1 and ISA 220 (Revised) have clarified the engagement team definition by including any individual who performs audit procedures. Accordingly, the proposed changes to the definition of "engagement team" are to align with the principle underlying the new definition of "engagement team" in the QM standards.
 - b) Category 2: Update to references and other terminology to align with ISQM 1 and ISQM 2. An example of these changes is that the IAASB's Other Standards include various references to the firm's quality control policies and procedures. New terminology in ISQM 1 refers to "policies or procedures" or "system of quality management." The proposed changes update the terminology in the IAASB's Other Standards and the Framework to the new terminology.
9. A tabular presentation format has been used to show the extant text, notes on the relevant paragraphs in the QM standards, the proposed conforming and consequential amendments to the IAASB's Other Standards and Framework, and the category of the change according to paragraph 8 above.

⁴ See, for example, ISQM 1, paragraph 32.

⁵ International Standard on Assurance Engagements (ISAE) 3000 (Revised), *Assurance Engagements Other Than Audits or Reviews of Historical Financial Information*

Consequential Amendments to Emphasize the Quality Management Approach

10. While certain changes are not strictly necessary to remove inconsistencies with ISQM 1, the IAASB included them to emphasize responsibilities of the engagement partner or engagement team regarding quality management. These include some of the changes to the following paragraphs:
- a) ISRE 2400,⁶ paragraph 24 – the addition of “including being given sufficient time”.
 - b) ISRE 2400, paragraph A29 – amended to align with the ISA 220 (Revised) approach to when the engagement team may depend on the firm’s policies and procedures.
 - c) ISAE 3000 (Revised), paragraph 31(aa) – new requirement regarding sufficient and appropriate resources.
 - d) ISAE 3000 (Revised), paragraph A65 – amended to align with the ISA 220 (Revised) approach to when the engagement team may depend on the firm’s policies and procedures.
 - e) ISRS 4400 (Revised),⁷ paragraph 19(b)(iA) – new requirement regarding sufficient and appropriate resources.
 - f) ISRS 4400 (Revised) A7 (first bullet point) – amended to align with the ISA 220 (Revised) approach to when the engagement team may depend on the firm’s policies and procedures.
 - g) ISRS 4410 (Revised),⁸ paragraph 23(b)(iA) – new requirement regarding sufficient and appropriate resources
 - h) ISRS 4410 (Revised), paragraph A10 (first bullet point) amended to align with the ISA 220 (Revised) approach to when the engagement team may depend on the firm’s policies and procedures.
11. The IAASB welcomes respondents’ comments on these paragraphs in addition to the “Request for Comments” below.

Effective Date

12. The IAASB proposes that the effective date of the conforming and consequential amendments be the same as those in ISQM 2 for the IAASB’s review, other assurance and related services standards. The conforming and consequential amendments are proposed to take effect for:
- (a) Reviews of financial statements for periods beginning on or after December 15, 2022; and
 - (b) Other assurance and related services engagements beginning on or after December 15, 2022.

Section 5 Request for Comments

13. While the IAASB welcomes comments on all matters addressed in this ED, the IAASB is specifically seeking comments on the following matters:
- 1) Do respondents believe the proposed conforming and consequential amendments are sufficient to resolve actual or perceived inconsistencies between the IAASB’s Other

⁶ ISRE 2400 (Revised), *Engagements to Review Historical Financial Statements*

⁷ ISRS 4400 (Revised), *Agreed-Upon Procedures Engagements*

⁸ ISRS 4410 (Revised), *Compilation Engagements*

EXPLANATORY MEMORANDUM TO PROPOSED CONFORMING AND CONSEQUENTIAL AMENDMENTS TO THE IAASB'S
OTHER STANDARDS AS A RESULT OF THE NEW AND REVISED QUALITY MANAGEMENT STANDARDS

- Standards and Framework, and the changes made by the IAASB in developing and approving the new and revised QM standards?
- 2) Do respondents support the proposed effective date?

PROPOSED CONFORMING AND CONSEQUENTIAL AMENDMENTS TO THE IAASB's OTHER STANDARDS AS A RESULT OF THE NEW AND REVISED QUALITY MANAGEMENT STANDARDS

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
ISRE 2400	<i>Engagements to Review Historical Financial Statements</i>			
ISRE 2400, boxed text following TOC	International Standard on Review Engagements (ISRE) 2400 (Revised), <i>Engagements to Review Historical Financial Statements</i> , should be read in conjunction with the <i>Preface to the International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements</i> .		International Standard on Review Engagements (ISRE) 2400 (Revised), <i>Engagements to Review Historical Financial Statements</i> , should be read in conjunction with the <i>Preface to the International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements</i> .	2
ISRE 2400, paragraph 4	<p>Introduction</p> <p><i>Relationship with ISQC² 1</i></p> <p>Quality control systems, policies and procedures are the responsibility of the firm. ISQC 1 applies to firms of professional accountants in respect of a firm's engagements to review financial statements.³ The provisions of this ISRE regarding quality control at the level of individual review engagements are premised on the basis that the firm is subject to ISQC 1 or requirements that are at least as demanding. (Ref: Para. A3–A5)</p>		<p>Introduction</p> <p><i>Relationship with ISQGM¹²</i></p> <p><u>Systems of quality control management systems, and policies and or procedures</u> are the responsibility of the firm. ISQGM 1 applies to firms of professional accountants in respect of a firm's engagements to review financial statements.³ The provisions of this ISRE regarding quality <u>control management</u> at the level of individual review engagements are premised on the basis that the firm is subject to ISQGM 1 or requirements that are at least as demanding. (Ref: Para. A3–A5)</p>	1, 2

⁹ Where noted, extant text reflects updates approved in the [Conforming Changes to the IAASB International Standards as a Result of the Revised IESBA Code](#).

¹⁰ Changes to headings that appear in the Table of Contents for a standard will be amended when the changes are published in the International Auditing and Assurance Standards Board's (IAASB) *Handbook of International Quality Management, Auditing, Review, Other Assurance, and Related Services Pronouncements*.

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
	<p>² International Standard on Quality Control (ISQC) 1, <i>Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements</i></p> <p>³ ISQC 1, paragraph 4</p>		<p>² International Standard on Quality Control Control<u>Management</u> (ISQCM) 1, <i>Quality ControlControl<u>Management</u> for Firms that Perform Audits and<u>or</u> Reviews of Financial Statements, and<u>or</u> Other Assurance and<u>or</u> Related Services Engagements</i></p> <p>³ ISQCM 1, paragraph 5</p>	
ISRE 2400, paragraph 16	<p>Definitions</p> <p>The Handbook’s Glossary of Terms⁵ (the Glossary) includes the terms defined in this ISRE as well as descriptions of other terms used in this ISRE, to assist in consistent application and interpretation. For example, the terms “management” and “those charged with governance” used throughout this ISRE are as defined in the Glossary. (Ref: Para. A11–A12)</p> <p>⁵ The Glossary of Terms relating to International Standards issued by the IAASB in the <i>Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements</i> (the Handbook), published by IFAC</p>	ISQM 1, paragraph A9	<p>Definitions</p> <p>The Handbook’s Glossary of Terms⁵ (the Glossary) includes the terms defined in this ISRE as well as descriptions of other terms used in this ISRE, to assist in consistent application and interpretation. For example, the terms “management,” and “those charged with governance” used throughout this ISRE are as defined in the Glossary. (Ref: Para. A11–A12)</p> <p>⁵ The Glossary of Terms relating to International Standards issued by the IAASB in the <i>Handbook of International Quality ControlControl<u>Management</u>, Auditing, Review, Other Assurance, and Related Services Pronouncements</i> (the Handbook), published by IFAC</p>	1
ISRE 2400, paragraph 17(i) ¹¹	<i>Relevant ethical requirements</i> – Ethical requirements to which the engagement team is subject when undertaking review engagements, which ordinarily comprise	Updated wording from ISQM.16(t) definition. Wording consistent with ISA 220,	<i>Relevant ethical requirements</i> – <u>Principles of professional ethics and ethical requirements that are applicable to which</u> –the engagement team is subject when undertaking reviews of	1

¹¹ Extant text reflects updates approved in the [Conforming Changes to the IAASB International Standards as a Result of the Revised IESBA Code](#).

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
	the provisions of the International Ethics Standards Board for Accountants' <i>International Code of Ethics for Professional Accountants (including International Independence Standards)</i> (IESBA Code) related to a review of financial statements, together with national requirements that are more restrictive.	paragraph 12(k).	financial statements engagements, which <u>Relevant ethical requirements</u> ordinarily comprise the provisions of the International Ethics Standards Board for Accountants' <i>International Code of Ethics for Professional Accountants (including International Independence Standards)</i> (IESBA Code) related to a <u>reviews</u> of financial statements, together with national requirements that are more restrictive.	
ISRE 2400, paragraph 24	Requirements Ethical Requirements Engagement Level Quality Control The engagement partner shall possess competence in assurance skills and techniques, and competence in financial reporting, appropriate to the engagement circumstances. (Ref: Para. A26)	For consistency with ISQM 1, paragraph 32(d)	Requirements Ethical Requirements Engagement Level Quality Control Management The engagement partner shall <u>have competence</u> in assurance skills and techniques, and competence in financial reporting, <u>and capabilities, including being given sufficient time,</u> appropriate to the engagement circumstances. (Ref: Para. A26)	1
ISRE 2400, paragraph 25	The engagement partner shall take responsibility for: (Ref: Para. A27–A30)	Consistency with ISQM 1, paragraph 31(a)	The engagement partner shall take <u>overall</u> responsibility for: (Ref: Para. A27–A30)	1
ISRE 2400, paragraph 25	(a) The overall quality of each review engagement to which that partner is assigned;	ISQM 1, paragraph 31(a).	(a) The overall <u>Managing and achieving quality of</u> each review engagement to which that partner is assigned <u>and being sufficiently and appropriately involved throughout the engagement;</u>	1

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
ISRE 2400, paragraph 25	(b) The direction, supervision, planning and performance of the review engagement in compliance with professional standards and applicable legal and regulatory requirements; (Ref: Para. A31)	No change	(b) The direction, supervision, planning and performance of the review engagement in compliance with professional standards and applicable legal and regulatory requirements; (Ref: Para. A31)	-
ISRE 2400, paragraph 25	(c) The practitioner's report being appropriate in the circumstances; and	No change	(c) The practitioner's report being appropriate in the circumstances; and	-
ISRE 2400, paragraph 25	(d) The engagement being performed in accordance with the firm's quality control policies, including the following:		(d) The engagement being performed in accordance with the firm's quality control policies <u>or procedures</u> , including the following :	2
ISRE 2400, paragraph 25	(i) Being satisfied that appropriate procedures regarding the acceptance and continuance of client relationships and engagements have been followed, and that conclusions reached are appropriate, including considering whether there is information that would lead the engagement partner to conclude that management lacks integrity; (Ref: Para. A32–A33)	ISQM 1, paragraph 30	(i) Being satisfied that appropriate procedures regarding the firm's policies or procedures <u>for the acceptance and continuance of client relationships and engagements</u> have been followed, and that conclusions reached are appropriate, including considering whether there is information that would lead the engagement partner to conclude that management lacks integrity; (Ref: Para. A32–A33)	1

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
		New requirement added in response to ISQM 1 dealing with resources more broadly. Wording based on ISA 220 (Revised), paragraph 25.	(iA) <u>Determining that sufficient and appropriate resources to perform the engagement are assigned or made available to the engagement team in a timely manner, taking into account the nature and circumstances of the engagement, the firm's policies or procedures, and any changes that may arise during the engagement.</u>	1
ISRE 2400, paragraph 25	(ii) Being satisfied that the engagement team collectively has the appropriate competence and capabilities, including assurance skills and techniques and expertise in financial reporting, to:	ISQM 1, paragraph 32(d)	(ii) Being satisfied that the engagement team collectively has the appropriate competence and capabilities, <u>including being given sufficient time, as well as including</u> assurance skills and techniques and expertise in financial reporting, to: 15.	1
ISRE 2400, paragraph 25	a. Perform the review engagement in accordance with professional standards and applicable legal and regulatory requirements; and	No change required	a. Perform the review engagement in accordance with professional standards and applicable legal and regulatory requirements; and	
ISRE 2400, paragraph 25	b. Enable a report that is appropriate in the circumstances to be issued; and	No change required	b. Enable a report that is appropriate in the circumstances to be issued; and	

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
ISRE 2400, paragraph 25	(iii) Taking responsibility for appropriate engagement documentation being maintained.	No change required	(iii) Taking responsibility for appropriate engagement documentation being maintained.	
ISRE 2400, paragraph 27 ¹²	<i>Compliance with Relevant Ethical Requirements</i> Throughout the engagement, the engagement partner shall remain alert, through observation and making inquiries as necessary, for evidence of breaches of relevant ethical requirements by members of the engagement team. If matters come to the engagement partner's attention through the firm's system of quality control or otherwise that indicate that members of the engagement team breached relevant ethical requirements, the engagement partner, in consultation with others in the firm, shall determine the appropriate action.		<i>Compliance with Relevant Ethical Requirements</i> Throughout the engagement, the engagement partner shall remain alert, through observation and making inquiries as necessary, for evidence of breaches of relevant ethical requirements by members of the engagement team. If matters come to the engagement partner's attention through the firm's system of quality <u>management control</u> or otherwise that indicate that members of the engagement team have breached relevant ethical requirements, the engagement partner, in consultation with others in the firm, shall determine the appropriate action.	2
ISRE 2400, paragraph 28	<i>Monitoring</i> An effective system of quality control for a firm includes a monitoring process designed to provide the firm with reasonable assurance that the firm's policies and procedures relating to the	ISQM 1, paragraph 35	<i>Monitoring and Remediation</i> An effective firm's system of quality management control for a firm includes <u>establishing a monitoring and remediation process</u> designed to provide the firm with reasonable assurance that the firm's policies	1, 2

¹² Extant text reflects updates approved in the [Conforming Changes to the IAASB International Standards as a Result of the Revised IESBA Code](#)

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
	<p>system of quality control are relevant, adequate and operate effectively. The engagement partner shall consider the results of the firm’s monitoring process as evidenced in the latest information circulated by the firm and, if applicable, other network firms and whether deficiencies noted in that information may affect the review engagement.</p>		<p>and procedures relating to the system of quality control are relevant, adequate and operate effectively.</p> <p>(a) <u>Provide the firm with relevant, reliable and timely information about the design, implementation and operation of the system of quality management.</u></p> <p>(b) <u>Take appropriate actions to respond to identified deficiencies such that deficiencies are remediated by the firm on a timely basis.</u></p> <p>The engagement partner shall consider the <u>information from</u>results of the firm’s monitoring and remediation process, <u>as communicated</u>as evidenced in the latest information circulated by the firm and, if applicable, other network firms, and whether deficiencies noted in that information may affect the review engagement.</p>	
ISRE 2400, paragraph 92	<p><i>Date of the Practitioner’s Report</i></p> <p>The practitioner shall date the report no earlier than the date on which the practitioner has obtained sufficient appropriate evidence as the basis for the practitioner’s conclusion on the financial statements, including being satisfied that: (Ref: Para. A144–A147)</p> <p>(a) All the statements that comprise the financial statements under the applicable financial reporting</p>	ISQM 1, paragraph 34(f) and ISQM 2 paragraph 27	<p><i>Date of the Practitioner’s Report</i></p> <p>The practitioner shall date the report no earlier than the date on which the practitioner has obtained sufficient appropriate evidence as the basis for the practitioner’s conclusion on the financial statements, including being satisfied that: (Ref: Para. A144–A147)</p> <p>(a) All the statements that comprise the financial statements under the applicable financial reporting framework, including</p>	1

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
	<p>framework, including the related notes where applicable, have been prepared; and</p> <p>(b) Those with the recognized authority have asserted that they have taken responsibility for those financial statements.</p>		<p>the related notes where applicable, have been prepared; and</p> <p>(b) Those with the recognized authority have asserted that they have taken responsibility for those financial statements.</p> <p><u>92A. When an engagement quality review is required in accordance with ISQM 1, the practitioner shall not date the report until the completion of the engagement quality review.</u>^{5A}</p> <p>^{5A} ISQM 2, <i>Engagement Quality Reviews</i></p>	
ISRE 2400, paragraph 94	<p>Documentation</p> <p>...</p> <p>In documenting the nature, timing and extent of procedures performed as required in this ISRE, the practitioner shall record:</p> <p>(a) Who performed the work and the date such work was completed; and</p> <p>(b) Who reviewed the work performed for the purpose of quality control for the engagement, and the date and extent of the review.</p>	<p>No change. The reference to review in this context is to review of work papers and not to an engagement quality review.</p>	<p>Documentation</p> <p>...</p> <p>In documenting the nature, timing and extent of procedures performed as required in this ISRE, the practitioner shall record:</p> <p>(a) Who performed the work and the date such work was completed; and</p> <p>(b) Who reviewed the work performed for the purpose of quality <u>management</u> for the engagement, and the date and extent of the review.</p>	1

<p>ISRE 2400, paragraph A3</p>	<p>Application and Other Explanatory Material</p> <p>Scope of this ISRE (Ref: Para. 1–2)</p> <p>...</p> <p><i>Relationship with ISQC 1 (Ref: Para. 4)</i></p> <p>ISQC 1 deals with the firm's responsibilities to establish and maintain its system of quality control for assurance engagements, including review engagements. Those responsibilities are directed at establishing the firm's:</p> <ul style="list-style-type: none"> • Quality control system; and • Related policies designed to achieve the objective of the quality control system and the firm's procedures to implement and monitor compliance with those policies, including policies and procedures that address each of the following elements: <ul style="list-style-type: none"> ○ Leadership responsibilities for quality within the firm. ○ Relevant ethical requirements. ○ Acceptance and continuance of client relationships and specific engagements. ○ Human resources. ○ Engagement performance. 	<p>ISQM 1, paragraphs 1, 6</p>	<p>Application and Other Explanatory Material</p> <p>Scope of this ISRE (Ref: Para. 1–2)</p> <p>...</p> <p><i>Relationship with ISQCMs (Ref: Para. 4)</i></p> <p><u>ISQCM 1 deals with the firm's responsibilities to establish and maintain its design, implement and operate a system of quality control management for assurance engagements including review engagements.^{5A} ISQM 1 also deals with the firm's responsibility to establish policies or procedures addressing engagements that are required to be subject to engagement quality reviews. ISQM 2 deals with the appointment and eligibility of the engagement quality reviewer, and the performance and documentation of the engagement quality review.</u></p> <p>Those responsibilities are directed at establishing the firm's:</p> <ul style="list-style-type: none"> • Quality control system; and • Related policies designed to achieve the objective of the quality control system and the firm's procedures to implement and monitor compliance with those policies, including policies and procedures that address each of the following elements: <ul style="list-style-type: none"> ○ Leadership responsibilities for quality within the firm. ○ Relevant ethical requirements. 	<p>1, 2</p>
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IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
	<ul style="list-style-type: none"> ○ Monitoring. 		<ul style="list-style-type: none"> ○ Acceptance and continuance of client relationships and specific engagements. ○ Human resources ○ Engagement performance. ○ Monitoring. <p><u>A system of quality management addresses the following eight components:</u>^{5C}</p> <ul style="list-style-type: none"> (a) <u>The firm's risk assessment process;</u> (b) <u>Governance and leadership;</u> (c) <u>Relevant ethical requirements;</u> (d) <u>Acceptance and continuance of client relationships and specific engagements;</u> (e) <u>Engagement performance;</u> (f) <u>Resources;</u> (g) <u>Information and communication; and</u> (h) <u>The monitoring and remediation process.</u> <p><u>Firms or national requirements may use different terminology or frameworks to describe the components of the system of quality management.</u></p> <p>^{5A} <u>ISQM 1, paragraph 1</u></p> <p>^{5C} <u>ISQM 1, paragraph 6</u></p>	

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
ISRE 2400, paragraph A4	<p>Under ISQC 1, the firm has an obligation to establish and maintain a system of quality control to provide it with reasonable assurance that:</p> <p>(a) The firm and its personnel comply with professional standards and applicable legal and regulatory requirements; and</p> <p>(b) Reports issued by the firm or engagement partners are appropriate in the circumstances.⁷</p> <p>⁷ ISQC 1, paragraph 11</p>	ISQM 1, paragraph 14	<p>Under ISQGM 1, the <u>objective of the firm</u> has an obligation to establish and maintain <u>is to design, implement and operate a system of quality control management</u> for assurance engagements, including reviews of financial statements, that to <u>provides</u> the firm with reasonable assurance that:</p> <p>(a) The firm and its personnel <u>comply fulfill their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements</u>; and</p> <p>(b) Reports <u>Engagement reports</u> issued by the firm or engagement partners are appropriate in the circumstances.⁷</p> <p>⁷ ISQGM 1, paragraph 414</p>	1, 2
ISRE 2400, paragraph A5	National requirements that deal with the firm's responsibilities to establish and maintain a system of quality control are at least as demanding as ISQC 1 when they address all the elements referred to in paragraph A3, and impose obligations on the firm that achieve the aims of the requirements set out in ISQC 1.	Wording based on ISA 220 (Revised), para. A3	National requirements that deal with the firm's responsibilities to establish and maintain <u>design, implement and operate</u> a system of quality control <u>management</u> are at least as demanding as ISQC <u>ISQM</u> 1 when they address all the requirements of ISQM 1 elements referred to in paragraph A3 , and impose obligations on the firm to that <u>to</u> achieve the aims of the requirements set out in <u>objective of</u> ISQC <u>ISQM</u> 1.	1, 2

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
ISRE 2400, paragraph A27	Within the context of the firm's system of quality control, engagement teams have a responsibility to implement quality control procedures applicable to the engagement, and provide the firm with relevant information to enable the functioning of that part of the firm's system of quality control relating to independence.	ISQM 1, paragraph 33(c)(ii). Reference to "relating to independence" removed as ISQM 1 has a broader context in this respect. Wording based on ISA 220 (Revised), para. 4(c).	Within the context of the firm's system of quality <u>management</u> , engagement teams have a responsibility to implement quality control <u>the firm's policies or procedures</u> applicable to the engagement, and provide <u>communicate to</u> the firm with relevant information to enable the functioning of that part of <u>arising from the review engagement that is required to be communicated by the firm's policies or procedures to support</u> the firm's system of <u>quality management control relating to independence</u> .	1, 2
ISRE 2400, paragraph A28	The actions of the engagement partner and appropriate messages to the other members of the engagement team, in the context of the engagement partner taking responsibility for the overall quality on each review engagement, emphasize the fact that quality is essential in performing a review engagement, and the importance to the quality of the review engagement of: (a) Performing work that complies with professional standards and regulatory and legal requirements. (b) Complying with the firm's quality control policies and procedures as applicable.	ISQM 1, paragraph 31(a)	The actions of the engagement partner and appropriate messages to the other members of the engagement team, in the context of the engagement partner taking <u>overall</u> responsibility for the overall <u>managing and achieving</u> quality on each review engagement, emphasize the fact that quality is essential in performing a review engagement, and the importance to the quality of the review engagement of: (a) Performing work that complies with professional standards and regulatory and legal requirements. (b) Complying with the firm's quality control <u>management</u> policies and/or <u>procedures</u> as applicable.	1, 2

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
	<p>(c) Issuing a report for the engagement that is appropriate in the circumstances.</p> <p>(d) The engagement team's ability to raise concerns without fear of reprisals.</p>		<p>(c) Issuing a report for the engagement that is appropriate in the circumstances.</p> <p>(d) The engagement team's ability to raise concerns without fear of reprisals.</p>	
ISRE 2400, paragraph A29	<p>Unless information provided by the firm or other parties suggests otherwise, the engagement team is entitled to rely on the firm's system of quality control. For example, the engagement team may rely on the firm's system of quality control in relation to:</p> <ul style="list-style-type: none"> • Competence of personnel through their recruitment and formal training. • Independence through the accumulation and communication of relevant independence information. • Maintenance of client relationships through acceptance and continuance systems. • Adherence to regulatory and legal requirements through the monitoring process. <p>In considering deficiencies identified in the firm's system of quality control that</p>	<p>Wording based on ISA 220 (Revised), paragraph A10</p>	<p>Unless information provided by the firm or other parties suggests otherwise Ordinarily, the engagement team is entitled to rely may depend on the firm's system of quality control control management unless:</p> <ul style="list-style-type: none"> • <u>The engagement team's understanding or practical experience indicates that the firm's policies or procedures will not effectively address the nature and circumstances of the engagement; or</u> • <u>Information provided by the firm or other parties about the effectiveness of such policies or procedures suggests otherwise.</u> <p>For example, the engagement team may rely depend on the firm's system of quality control control management in relation to:</p> <ul style="list-style-type: none"> • <u>Competence and capabilities</u> of personnel through their recruitment and formal training. 	1, 2

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
	may affect the review engagement, the engagement partner may consider measures taken by the firm to rectify those deficiencies.		<ul style="list-style-type: none"> Independence through the accumulation and communication of relevant independence information. Maintenance of client relationships through <u>the firm's policies or procedures for acceptance and continuance of client relationships and specific engagements systems</u>. Adherence to regulatory and legal requirements through the <u>firm's monitoring and remediation</u> process. <p>In considering deficiencies^{7B} identified in the firm's system of quality control<u>management</u> that may affect the review engagement, the engagement partner may consider measures<u>the remedial actions taken</u>undertaken by the firm to rectify<u>address</u> those deficiencies.</p> <p>^{7B} ISQM 1, paragraph 16(a)</p>	
ISRE 2400, paragraph A30	A30. A deficiency in the firm's system of quality control does not necessarily indicate that a review engagement was not performed in accordance with professional standards and applicable legal and regulatory requirements, or that the practitioner's report was not appropriate.		A30. A deficiency in the firm's system of quality <u>management</u> does not necessarily indicate that a review engagement was not performed in accordance with professional standards and applicable legal and regulatory requirements, or that the practitioner's report was not appropriate.	2

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
ISRE 2400, paragraph A31	<p><i>Assignment of Engagement Teams</i> (Ref: Para. 25(b))</p> <p>When considering the appropriate competence and capabilities expected of the engagement team as a whole, the engagement partner may take into consideration such matters as the team's:</p> <ul style="list-style-type: none"> • Understanding of, and practical experience with, review engagements of a similar nature and complexity through appropriate training and participation. • Understanding of professional standards and applicable legal and regulatory requirements. • Technical expertise, including expertise with relevant information technology and specialized areas of accounting or assurance. • Knowledge of relevant industries in which the client operates. • Ability to apply professional judgment. • Understanding of the firm's quality control policies and procedures. 		<p><i>Assignment of Engagement Teams</i> (Ref: Para. 25(b))</p> <p>When considering the appropriate competence and capabilities expected of the engagement team as a whole, the engagement partner may take into consideration such matters as the team's:</p> <p>...</p> <ul style="list-style-type: none"> • Understanding of the firm's <u>quality management</u> <u>quality control</u> policies and <u>and/or</u> procedures. Understanding of the firm's <u>quality management</u> control policies and <u>and/or</u> procedures. 	2

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
ISRE 2400, paragraph A32	<p><i>Acceptance and Continuance of Client Relationships and Review Engagements (Ref: Para. 25(d)(i))</i></p> <p>ISQC 1 requires the firm to obtain information as it considers necessary in the circumstances before accepting an engagement with a new client, when deciding whether to continue an existing engagement, and when considering acceptance of a new engagement with an existing client. Information that assists the engagement partner in determining whether acceptance and continuance of client relationships and review engagements are appropriate may include information concerning:</p> <ul style="list-style-type: none"> • The integrity of the principal owners, key management and those charged with governance; and • Significant matters that have arisen during the current or a previous review engagement, and their implications for continuing the relationship. 	ISQM 1, paragraph 30	<p><i>Acceptance and Continuance of Client Relationships and Review Engagements (Ref: Para. 25(d)(i))</i></p> <p>ISQCISQM 1^{7A} requires the firm to <u>establish quality objectives that address the acceptance and continuance of client relationships and specific engagements.</u></p> <p>obtain information as it considers necessary in the circumstances before accepting an engagement with a new client, when deciding whether to continue an existing engagement, and when considering acceptance of a new engagement with an existing client. Information that assists the engagement partner in determining whether <u>the firm's policies or procedures</u> for the acceptance and continuance of client relationships and review engagements <u>have been followed, and that conclusions reached</u> are appropriate, may include information concerning:</p> <ul style="list-style-type: none"> • The integrity of the principal owners, key management and those charged with governance; and • Significant matters that have arisen during the current or a previous review engagement, and their implications for continuing the relationship. <p>^{7A} ISQM 1, paragraphs 30</p>	1

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
ISRE 2400, paragraph A34	<p>Acceptance and Continuance of Client Relationships and Review Engagements (Ref: Para. 29)</p> <p>The practitioner's consideration of engagement continuance, and relevant ethical requirements, including independence, occurs throughout the engagement, as conditions and changes in circumstances occur. Performing initial procedures on engagement continuance and evaluation of relevant ethical requirements (including independence) at the beginning of an engagement informs the practitioner's decisions and actions prior to the performance of other significant activities for the engagement.</p>	ISQM 1, paragraph 30. Wording based on ISA 220 (Revised), para. 22.	<p>Acceptance and Continuance of Client Relationships and Review Engagements (Ref: Para. 29)</p> <p>The practitioner's consideration of <u>acceptance and engagement</u> continuance of <u>client relationships and review engagements</u>, and relevant ethical requirements, including independence, occurs throughout the engagement, as conditions and changes in circumstances occur. Performing initial procedures on <u>acceptance and engagement</u> continuance of <u>client relationships and review engagements</u> and evaluation of relevant ethical requirements (including independence) at the beginning of an engagement informs the practitioner's decisions and actions prior to the performance of other significant activities for the engagement.</p>	1
ISRE 2400, paragraph A151	<p>Documentation</p> <p>ISQC 1 requires the firm to establish time limits that reflect the need to complete the assembly of final engagement files on a timely basis.</p>	ISQM 1.31(f)	<p>Documentation</p> <p>ISQCM 1 requires the firm to establish <u>a quality objective that engagement documentation is assembled</u>time limits that reflect the need to complete the assembly of final engagement files on a timely basis <u>after the date of the engagement report</u>.</p>	1

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
ISAE 3000	<i>Assurance Engagements Other Than Audits or Reviews of Historical Financial Information</i>			
ISAE 3000, boxed text following TOC	International Standard on Assurance Engagements (ISAE) 3000, <i>Assurance Engagements Other Than Audits or Reviews of Historical Financial Statements</i> , should be read in conjunction with the <i>Preface to the International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements</i> .		International Standard on Assurance Engagements (ISAE) 3000, <i>Assurance Engagements Other Than Audits or Reviews of Historical Financial Statements</i> , should be read in conjunction with the <i>Preface to the International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements</i> .	2
ISAE 3000 (Revised), para. 3 ¹³	<p>Introduction</p> <p>...</p> <p>(a) The members of the engagement team and the engagement quality control reviewer (for those engagements where one has been appointed) are subject to the provisions of the International Ethics Standards Board for Accountants' <i>International Code of Ethics for Professional Accountants (including International Independence Standards)</i>-(IESBA Code) related to assurance engagements, or other professional requirements, or requirements in law or regulation, that are at least as</p>		<p>Introduction</p> <p>...</p> <p>(a) The members of the engagement team and the engagement quality control reviewer (for those engagements where one has been appointed) are subject to the provisions of the International Ethics Standards Board for Accountants' <i>International Code of Ethics for Professional Accountants (including International Independence Standards)</i> (IESBA Code) related to assurance engagements, or other professional requirements, or requirements in law or regulation, that are at least as demanding; and (Ref: Para. A30–A34)</p> <p>(b) The practitioner who is performing the</p>	2

¹³ Extant text reflects updates approved in the [Conforming Changes to the IAASB International Standards as a Result of the Revised IESBA Code](#).

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
	<p>demanding; and (Ref: Para. A30–A34)</p> <p>(b) The practitioner who is performing the engagement is a member of a firm that is subject to ISQC 1,¹ or other professional requirements, or requirements in law or regulation, regarding the firm’s responsibility for its system of quality control, that are at least as demanding as ISQC 1. (Ref: Para. A61–A66)</p> <p>¹ International Standard on Quality Control (ISQC) 1, <i>Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements</i></p>		<p>engagement is a member of a firm that is subject to ISQCM 1,¹ or other professional requirements, or requirements in law or regulation, regarding the firm’s responsibility for its system of quality control<u>management</u>, that are at least as demanding as ISQCM 1. (Ref: Para. A61–A66)</p> <p>¹ International Standard on Quality ControlManagement (ISQCM) 1, <i>Quality ControlManagement for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements</i></p>	
ISAE 3000 (Revised), para. 4	<p>Quality control within firms that perform assurance engagements, and compliance with ethical principles, including independence requirements, are widely recognized as being in the public interest and an integral part of high-quality assurance engagements. Professional accountants in public practice will be familiar with such requirements. If a competent practitioner other than a professional accountant in public practice chooses to represent compliance with this or other ISAE, it is</p>		<p>Quality control<u>management</u> within firms that perform assurance engagements, and compliance with ethical principles, including independence requirements, are widely recognized as being in the public interest and an integral part of high-quality assurance engagements. Professional accountants in public practice will be familiar with such requirements. If a competent practitioner other than a professional accountant in public practice chooses to represent compliance with this or other ISAE, it is important to recognize that this</p>	2

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
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	important to recognize that this ISAE includes requirements that reflect the premise in the preceding paragraph.		ISAE includes requirements that reflect the premise in the preceding paragraph.	
ISAE 3000 (Revised), para. 12	<p>Definitions</p> <p>(e) Engagement partner—The partner or other person in the firm who is responsible for the engagement and its performance, and for the assurance report that is issued on behalf of the firm, and who, where required, has the appropriate authority from a professional, legal or regulatory body. “Engagement partner” should be read as referring to its public sector equivalents where relevant.</p> <p>...</p> <p>(h) Engagement team—All partners and staff performing the engagement, and any individuals engaged by the firm or a network firm who perform procedures on the engagement. This excludes a practitioner’s external expert engaged by the firm or a network firm.</p>	<p>Wording of engagement team definition consistent with ISQM 1, paragraph 16(f). The reference in ISQM 1 to internal auditors providing direct assistance has been excluded because ISAE 3000 does not refer to this.</p>	<p>Definitions</p> <p>(e) Engagement partner—The partner or other individual, appointed by person in the firm, who is responsible for the engagement and its performance, and for the assurance report that is issued on behalf of the firm, and who, where required, has the appropriate authority from a professional, legal or regulatory body. “Engagement partner” should be read as referring to its public sector equivalents where relevant.</p> <p>...</p> <p>(h) Engagement team—All partners and staff performing the engagement, and any other individuals engaged by the firm or a network firm who perform procedures on the engagement. This excludes excluding a practitioner’s external expert engaged by the firm or a network firm.</p>	1

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
ISAE 3000 (Revised), para. 21	The engagement partner shall be satisfied that appropriate procedures regarding the acceptance and continuance of client relationships and assurance engagements have been followed by the firm, and shall determine that conclusions reached in this regard are appropriate.		The engagement partner shall be satisfied that <u>the firm's policies or appropriate</u> procedures for <u>regarding</u> the acceptance and continuance of client relationships and assurance engagements have been followed by the firm, and shall determine that conclusions reached in this regard are appropriate.	1
ISAE 3000 (Revised), para. 22 (b)	<p>Acceptance and Continuance</p> <p>...</p> <p>The practitioner shall accept or continue an assurance engagement only when:</p> <p>...</p> <p>(b) The practitioner is satisfied that those persons who are to perform the engagement collectively have the appropriate competence and capabilities (see also paragraph 32); and ...</p>	ISQM 1, paragraph 32	<p>Acceptance and Continuance</p> <p>...</p> <p>The practitioner shall accept or continue an assurance engagement only when:</p> <p>...</p> <p>(b) The practitioner is satisfied that those persons who are to perform the engagement collectively have the appropriate competence and capabilities, <u>including being given sufficient time to perform the engagement</u> (see also paragraph 32); and ...</p>	1
ISAE 3000 (Revised), para. 23	If the engagement partner obtains information that would have caused the firm to decline the engagement had that information been available earlier, the engagement partner shall communicate that information promptly to the firm, so that the firm and the engagement partner	ISQM 1, paragraph 34(d). Wording based on ISA 220 (Revised), paragraph 24	If the engagement partner obtains information that may <u>would</u> have caused the firm to decline the engagement had that information been <u>known by the firm prior to accepting or continuing the client relationship or specific engagements available earlier</u> , the engagement partner shall communicate that information promptly to the firm, so that the firm and the	1

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
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	can take the necessary action.		engagement partner can take the necessary action.	
ISAE 3000 (Revised), para. 31(a)	<p>Quality Control <i>Characteristics of the Engagement Partner</i></p> <p>The engagement partner shall:</p> <p>(a) Be a member of a firm that applies ISQC 1, or other professional requirements, or requirements in law or regulation, that are at least as demanding as ISQC 1;</p>		<p>Quality ControlManagement <i>Characteristics of the Engagement Partner</i></p> <p>The engagement partner shall:</p> <p>(a) Be a member of a firm that applies ISQGM 1, or other professional requirements, or requirements in law or regulation, that are at least as demanding as ISQGM 1;</p>	2
		New requirement added in response to ISQM 1 dealing with resources more broadly. Wording based on ISA 220 (Revised), paragraph 25. Title changed to reflect broader focus on resources.	<p><u><i>Engagement Resources</i></u></p> <p><u>(aa) Determine that sufficient and appropriate resources to perform the engagement are assigned or made available to the engagement team in a timely manner, taking into account the nature and circumstances of the engagement, the firm's policies or procedures, and any changes that may arise during the engagement.</u></p> <p>...</p>	1
ISAE 3000 (Revised), para. 32(a)	<p><i>Assignment of the Team</i></p> <p>The engagement partner shall:</p> <p>(a) Be satisfied that those persons who are to perform the engagement collectively have the</p>	ISQM 1, paragraph 32	<p><i>Assignment of the Team</i></p> <p>The engagement partner shall:</p> <p>(a) Be satisfied that those persons who are to perform the engagement collectively have the appropriate competence and</p>	1

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
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	appropriate competence and capabilities to: ...		capabilities, <u>including being given sufficient time</u> to: ...	
ISAE 3000 (Revised), para. 33	<p><i>Responsibilities of the Engagement Partner</i></p> <p>The engagement partner shall take responsibility for the overall quality on the engagement. This includes responsibility for:</p> <p>(a) Appropriate procedures being performed regarding the acceptance and continuance of client relationships and engagements;</p> <p>(b) The engagement being planned and performed (including appropriate direction and supervision) to comply with professional standards and applicable legal and regulatory requirements;</p> <p>(c) Reviews being performed in accordance with the firm's review policies and procedures, and reviewing the engagement documentation on or before the date of the assurance report; ...</p>	ISQM 1, paragraph 31(a). Wording based on ISA 220 (Revised) paragraph 40.	<p><i>Responsibilities of the Engagement Partner</i></p> <p>The engagement partner shall take <u>overall</u> responsibility for the overall <u>managing and achieving</u> quality on the engagement <u>and being sufficiently and appropriately involved throughout the engagement</u>. This includes responsibility for:</p> <p>(a) <u>Being satisfied that the firm's policies or procedures for</u> Appropriate procedures being performed regarding the acceptance and continuance of client relationships and <u>assurance engagements have been followed</u>;</p> <p>(b) The engagement being planned and performed (including appropriate direction and supervision <u>of engagement team members</u>) to comply <u>in accordance</u> with professional standards and applicable legal and regulatory requirements;</p> <p>(c) Reviews being performed in accordance with the firm's review policies <u>and/or</u> procedures and reviewing the engagement documentation on or before the date of the assurance report; ...</p>	1

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
ISAE 3000 (Revised), para. 34	Throughout the engagement, the engagement partner shall remain alert, through observation and making inquiries as necessary, for evidence of breaches of relevant ethical requirements by members of the engagement team. If matters come to the engagement partner's attention through the firm's system of quality control or otherwise that indicate that members of the engagement team have breached relevant ethical requirements, the engagement partner, in consultation with others in the firm, shall determine the appropriate action.		Throughout the engagement, the engagement partner shall remain alert, through observation and making inquiries as necessary, for evidence of breaches of relevant ethical requirements by members of the engagement team. If matters come to the engagement partner's attention through the firm's system of quality control or management or otherwise that indicate that members of the engagement team have breached relevant ethical requirements, the engagement partner, in consultation with others in the firm, shall determine the appropriate action.	2
ISAE 3000 (Revised), para. 35	The engagement partner shall consider the results of the firm's monitoring process as evidenced in the latest information circulated by the firm and, if applicable, other network firms and whether deficiencies noted in that information may affect the assurance engagement.	ISQM 1, paragraph 47	The engagement partner shall consider the information from results of the firm's monitoring and remediation process as communicated evidenced in the latest information circulated by the firm and, if applicable, other network firms and whether deficiencies noted in that the information may affect the assurance engagement.	1
ISAE 3000 (Revised), para. 36	Engagement Quality Control Review For those engagements, if any, for which a quality control review is required by law or regulation or for which the firm has determined that an engagement quality control review is required:	ISQM 2, paragraph 25(b). Wording based on ISA 220 (Revised), paragraph 36. The detailed requirements about the engagement quality	Engagement Quality Control Review For those engagements, if any, for which an <u>engagement</u> quality control review is required by law or regulation or for which the firm has determined that an engagement quality control review is required in accordance with ISQM 1 ÷	1

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Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
	<p>(a) The engagement partner shall take responsibility for discussing significant matters arising during the engagement with the engagement quality control reviewer, and not date the assurance report until completion of that review; and</p> <p>(b) The engagement quality control reviewer shall perform an objective evaluation of the significant judgments made by the engagement team, and the conclusions reached in formulating the assurance report. This evaluation shall involve: (Ref: Para. A75)</p> <p>(i) Discussion of significant matters with the engagement partner;</p> <p>(ii) Review of the subject matter information and the proposed assurance report;</p> <p>(iii) Review of selected engagement documentation relating to the significant judgments the engagement team made and the conclusions it reached; and</p>	<p>review have been deleted as these are covered by ISQM 2.</p>	<p>(a) The engagement partner shall take responsibility for discussing significant matters and significant judgments arising during the engagement with the engagement quality control reviewer, and not date the assurance report until completion of that review.^{2A}; and</p> <p>(b) The engagement quality control reviewer shall perform an objective evaluation of the significant judgments made by the engagement team, and the conclusions reached in formulating the assurance report. This evaluation shall involve: (Ref: Para. A75)</p> <p>(i) Discussion of significant matters with the engagement partner;</p> <p>(ii) Review of the subject matter information and the proposed assurance report;</p> <p>(iii) Review of selected engagement documentation relating to the significant judgments the engagement team made and the conclusions it reached; and</p> <p>(v) Evaluation of the conclusions reached in formulating the assurance report and consideration of whether the proposed assurance report is appropriate.</p>	

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	(iv) Evaluation of the conclusions reached in formulating the assurance report and consideration of whether the proposed assurance report is appropriate.		^{2A} ISQM 2, <i>Engagement Quality Reviews</i>	
ISAE 3000 (Revised), paragraph 69	<p>Preparing the Assurance Report</p> <p><i>Assurance Report Content</i></p> <p>The assurance report shall include, at a minimum, the following basic elements:</p> <p>...</p> <p>(i) A statement that the firm of which the practitioner is a member applies ISQC 1, or other professional requirements, or requirements in law or regulation, that are at least as demanding as ISQC 1. If the practitioner is not a professional accountant, the statement shall identify the professional requirements, or requirements in law or regulation, applied that are at least as demanding as ISQC 1. (Ref: Para. A172)</p> <p>...</p>	Change paragraph 69(n) to recognize additional constraint on report date related to engagement quality reviews.	<p>Preparing the Assurance Report</p> <p><i>Assurance Report Content</i></p> <p>The assurance report shall include, at a minimum, the following basic elements:</p> <p>...</p> <p>(i) A statement that the firm of which the practitioner is a member applies <u>ISQCM</u> 1, or other professional requirements, or requirements in law or regulation, that are at least as demanding as <u>ISQCM</u> 1. If the practitioner is not a professional accountant, the statement shall identify the professional requirements, or requirements in law or regulation, applied that are at least as demanding as <u>ISQCM</u> 1. (Ref: Para. A172)</p> <p>...</p> <p>(n) The date of the assurance report. The assurance report shall be dated no earlier than the date on which:</p>	1, 2

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
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	<p>(n) The date of the assurance report. The assurance report shall be dated no earlier than the date on which the practitioner has obtained the evidence on which the practitioner's conclusion is based, including evidence that those with the recognized authority have asserted that they have taken responsibility for the subject matter information. (Ref: Para. A185)</p> <p>...</p>		<p>(i) Tthe practitioner has obtained the evidence on which the practitioner's conclusion is based, including evidence that those with the recognized authority have asserted that they have taken responsibility for the subject matter information; <u>and</u>.</p> <p>(ii) <u>When an engagement quality review is required in accordance with ISQM 1, the engagement quality review is complete.</u> (Ref: Para. A184A–A185A)</p> <p>...</p>	
ISAE 3000 (Revised), paragraph A60	<p>Quality Control</p> <p><i>Professional Accountants in Public Practice</i> (Ref: Para. 20, 31(a)–(b))</p> <p>This ISAE has been written in the context of a range of measures taken to ensure the quality of assurance engagements undertaken by professional accountants in public practice, such as those taken by IFAC member bodies in accordance with IFAC's Member Body Compliance Program and Statements of Membership Obligations. Such measures include:</p> <ul style="list-style-type: none"> Competency requirements, such as education and experience benchmarks for entry to 		<p>Quality ControlManagement</p> <p><i>Professional Accountants in Public Practice</i> (Ref: Para. 20, 31(a)–(b))</p> <p>This ISAE has been written in the context of a range of measures taken to ensure the quality of assurance engagements undertaken by professional accountants in public practice, such as those taken by IFAC member bodies in accordance with IFAC's Member Body Compliance Program and Statements of Membership Obligations. Such measures include:</p> <ul style="list-style-type: none"> Competency requirements, such as education and experience benchmarks for entry to membership, and ongoing 	2

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	<p>membership, and ongoing continuing professional development as well as life-long learning requirements.</p> <ul style="list-style-type: none"> Quality control policies and procedures implemented across the firm. ISQC 1 applies to all firms of professional accountants in respect of assurance and related services engagements. A comprehensive Code of Ethics, including detailed independence requirements, founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. 		<p>continuing professional development as well as life-long learning requirements.</p> <ul style="list-style-type: none"> A system of quality management <u>Quality control policies and procedures</u> implemented across the firm. ISQCM 1 applies to all firms of professional accountants in respect of assurance and related services engagements. A comprehensive Code of Ethics, including detailed independence requirements, founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior. 	
ISAE 3000 (Revised), paragraph A61	<p><i>Firm Level Quality Control</i> (Ref: Para. 3(b), 31(a))</p> <p>ISQC 1 deals with the firm's responsibilities to establish and maintain its system of quality control for assurance engagements. It sets out the responsibilities of the firm for establishing policies and procedures designed to provide it with reasonable assurance that the firm and its personnel comply with relevant ethical requirements, including those pertaining</p>	ISQM 1, paragraphs 1, 2, 6	<p><i>Firm Level Quality Control</i> <u><i>Firm Level Quality Management</i></u> (Ref: Para. 3(b), 31(a))</p> <p>ISQCM 1 deals with the firm's responsibilities to establish and maintain <u>design, implement and operate a its</u> system of quality control <u>management</u> for assurance engagements.^{3A} It sets out the responsibilities of the firm for establishing policies and procedures designed to provide it with reasonable assurance that the firm and its personnel comply <u>quality objectives that address the fulfillment of responsibilities in accordance with</u></p>	1

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
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	<p>to independence. Compliance with ISQC 1 requires, among other things, that the firm establish and maintain a system of quality control that includes policies and procedures addressing each of the following elements, and that it documents its policies and procedures and communicates them to the firm's personnel:</p> <p>(a) Leadership responsibilities for quality within the firm;</p> <p>(b) Relevant ethical requirements;</p> <p>(c) Acceptance and continuance of client relationships and specific engagements;</p> <p>(d) Human resources;</p> <p>(e) Engagement performance; and</p> <p>(f) Monitoring.</p>		<p>relevant ethical requirements, including those pertain<u>ing</u> <u>related</u> to independence. <u>ISQM 1 also deals with the firm's responsibility to establish policies or procedures addressing engagements that are required to be subject to engagement quality reviews. ISQM 2^{3B} deals with the appointment and eligibility of the engagement quality reviewer, and the performance and documentation of the engagement quality review.</u></p> <p>Compliance with ISQCM 1 requires, among other things, that the firm establish and maintain a system of quality control that includes policies and procedures addressing each of the following elements, and that it documents its policies and procedures and communicates them to the firm's personnel. A system of quality management addresses the following eight components: ^{3C}</p> <p>(a) <u>The firm's risk assessment process</u>Leadership responsibilities for quality within the firm;</p> <p>(b) <u>Governance and leadership;</u></p> <p>(b<u>c</u>) Relevant ethical requirements;</p> <p>(e<u>d</u>) Acceptance and continuance of client relationships and specific engagements;</p> <p>(e) <u>Engagement performance; and</u></p> <p>(d<u>f</u>) <u>Human Resources;</u></p>	

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			<p>(g) Information and communication; and</p> <p>(fh) Monitoring—The monitoring and remediation process.</p> <p><u>Firms or national requirements may use different terminology or frameworks to describe the system of quality management.</u></p> <p>^{3A} ISQM 1, paragraph 1</p> <p>^{3B} ISQM 2, <i>Engagement Quality Reviews</i></p> <p>^{3C} ISQM 1, paragraph 6</p>	
ISAE 3000 (Revised), paragraph A62	Other professional requirements, or requirements in law or regulation that deal with the firm’s responsibilities to establish and maintain a system of quality control, are at least as demanding as ISQC 1 when they address all the matters referred to in the preceding paragraph and impose obligations on the firm that achieve the aims of the requirements set out in ISQC 1.	Wording based on ISA 220 (Revised), para. A3	Other professional requirements, or requirements in law or regulation that deal with the firm’s responsibilities to establish and maintain a system of quality control <u>management</u> , are at least as demanding as ISQC <u>ISQM</u> 1 when they address all the requirements of ISQM 1 <u>matters referred to in the preceding paragraph</u> and impose obligations on the firm that achieve the aims of the requirements set out in <u>objective of ISQC</u> <u>ISQM</u> 1.	1, 2
ISAE 3000 (Revised), paragraph A63	The actions of the engagement partner, and appropriate messages to the other members of the engagement team, in the context of the engagement partner taking responsibility for the overall quality on each engagement, emphasize the fact that quality is essential in performing an assurance engagement,	ISQM 1, paragraph 31	The actions of the engagement partner, and appropriate messages to the other members of the engagement team, in the context of the engagement partner taking <u>overall</u> responsibility for the overall <u>managing and achieving quality on each engagement and being sufficiently and appropriately involved throughout the engagement</u> , emphasize the fact that quality is essential in performing an assurance	1

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	<p>and the importance to the quality of the assurance engagement of:</p> <p>(a) Performing work that complies with professional standards and regulatory and legal requirements.</p> <p>(b) Complying with the firm’s quality control policies and procedures as applicable.</p> <p>(c) Issuing a report for the engagement that is appropriate in the circumstances.</p> <p>(d) The engagement team’s ability to raise concerns without fear of reprisals.</p>		<p>engagement, and the importance to the quality of the assurance engagement of:</p> <p>(a) Performing work that complies with professional standards and regulatory and legal requirements.</p> <p>(b) Complying with the firm’s quality control policies and/or procedures as applicable.</p> <p>(c) Issuing a report for the engagement that is appropriate in the circumstances.</p> <p>(d) The engagement team’s ability to raise concerns without fear of reprisals.</p>	
ISAE 3000 (Revised), paragraph A64	An effective system of quality control includes a monitoring process designed to provide the firm with reasonable assurance that its policies and procedures relating to the system of quality control are relevant, adequate and operating effectively.	ISQM 1, paragraph 35	<p>An effective <u>firm’s system of quality control management</u> includes <u>establishing a monitoring and remediation process</u> designed to provide the firm with reasonable assurance that its policies and procedures relating to the system of quality control are relevant, adequate and operating effectively.</p> <p>(a) <u>Provide relevant, reliable and timely information about the design, implementation and operation of the system of quality management.</u></p> <p>(b) <u>Take appropriate actions to respond to identified deficiencies such that deficiencies are remediated on a timely basis.</u></p>	1

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ISAE 3000 (Revised), paragraph A65	<p>Unless information provided by the firm or other parties suggests otherwise, the engagement team is entitled to rely on the firm's system of quality control. For example, the engagement team may rely on the firm's system of quality control in relation to:</p> <p>(a) Competence of personnel through their recruitment and formal training.</p> <p>(b) Independence through the accumulation and communication of relevant independence information.</p> <p>(c) Maintenance of client relationships through acceptance and continuance systems.</p> <p>(d) Adherence to regulatory and legal requirements through the monitoring process.</p> <p>In considering deficiencies identified in the firm's system of quality control that may affect the assurance engagement, the engagement partner may consider measures taken by the firm to rectify those deficiencies.</p>	Wording based on ISA 220 (Revised), paragraph A10	<p>Unless information provided by the firm or other parties suggests otherwise Ordinarily, the engagement team is entitled to rely may depend on the firm's system of quality control control management unless:</p> <ul style="list-style-type: none"> • <u>The engagement team's understanding or practical experience indicates that the firm's policies or procedures will not effectively address the nature and circumstances of the engagement; or</u> • <u>Information provided by the firm or other parties, about the effectiveness of such policies or procedures suggests otherwise.</u> <p>For example, the engagement team may rely depend on the firm's system of quality control control management in relation to:</p> <p>(a) Competence <u>and capabilities</u> of personnel through their recruitment and formal training.</p> <p>(b) Independence through the accumulation and communication of relevant independence information.</p> <p>(c) Maintenance of client relationships through <u>the firm's policies or procedures for acceptance and continuance systems of client relationships and assurance engagements.</u></p>	1

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			<p>(d) Adherence to regulatory and legal requirements through <u>the firm's monitoring and remediation</u> process.</p> <p>In considering deficiencies identified in the firm's system of quality control<u>management</u> that may affect the assurance engagement, the engagement partner may consider <u>the remedial actions measures</u> undertaken by the firm to rectify<u>address</u> those deficiencies.</p>	
ISAE 3000 (Revised), paragraph A66	A deficiency in the firm's system of quality control does not necessarily indicate that an assurance engagement was not performed in accordance with professional standards and applicable legal and regulatory requirements, or that the practitioner's report was not appropriate.		A deficiency in the firm's system of quality control <u>management</u> does not necessarily indicate that an assurance engagement was not performed in accordance with professional standards and applicable legal and regulatory requirements, or that the practitioner's report was not appropriate.	2
ISAE 3000 (Revised), paragraph A69	<p><i>Assignment of the Team</i></p> <p>Collective Competence and Capabilities (Ref: Para. 32)</p> <p>ISQC 1 requires the firm to establish policies and procedures for the acceptance and continuance of client relationships and specific engagements, designed to provide the firm with reasonable assurance that it will only undertake or continue relationships and engagements where the firm is competent to perform the engagement</p>	ISQM 1, paragraph 30. Heading changed to mirror change to heading in requirements	<p><i>Assignment of the Team</i><u>Engagement Resources</u></p> <p>Collective Competence and Capabilities (Ref: Para. 32)</p> <p>ISQCM 1 requires the firm to establish policies and procedures<u>quality objectives that address</u> for the acceptance and continuance of client relationships and specific engagements.⁵ <u>The quality objectives deal with the appropriateness of judgments by the firm about whether to accept</u> or continue relationships and engagements <u>that are based on the firm's ability</u></p>	1, 2

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	and has the capabilities, including time and resources, to do so. ⁵ ⁵ ISQC 1, paragraph 26		<u>to perform the engagement in accordance with professional standards and applicable legal and regulatory requirements</u> where the firm is competent to perform the engagement and has the capabilities, including time and resources, to do so. ⁵ ⁵ ISQCM 1, paragraphs 26 30(a)(ii) and A72	
ISAE 3000 (Revised), paragraph A74	<i>Review Responsibilities</i> (Ref: Para. 33(c)) Under ISQC 1, the firm's review responsibility policies and procedures are determined on the basis that the work of less experienced team members is reviewed by more experienced team members. ⁶ ⁶ ISQC 1, paragraph 33	Wording based on ISA 220 (Revised), paragraph A82	<i>Review Responsibilities</i> (Ref: Para. 33(c)) Under ISQCM 1, the firm's <u>is required to establish a quality objective that addresses the nature, timing and extent of the direction and supervision of engagement teams and review of their work.</u> review responsibility policies and procedures are determined ISQM 1 also <u>requires that such direction, supervision and review is planned and performed</u> on the basis that the work <u>performed by</u> less experienced team members is <u>directed, supervised and reviewed</u> by more experienced team members. ⁶ ⁶ ISQCM 1, paragraph 33 31(b)	1, 2
ISAE 3000 (Revised), paragraph A754	A75. Other matters that may be considered in an engagement quality control review include: (a) The engagement team's evaluation of the firm's independence in relation to the engagement; (b) Whether appropriate consultation has taken		A75. Other matters that may be considered in an engagement quality control review include: (a) The engagement team's evaluation of the firm's independence in relation to the engagement; (b) Whether appropriate consultation has taken place on matters involving differences of opinion or	2

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	<p>place on matters involving differences of opinion or other difficult or contentious matters, and the conclusions arising from those consultations; and</p> <p>(c) Whether engagement documentation selected for review reflects the work performed in relation to the significant judgments and supports the conclusions reached.</p>		<p>other difficult or contentious matters, and the conclusions arising from those consultations; and</p> <p>(c) Whether engagement documentation selected for review reflects the work performed in relation to the significant judgments and supports the conclusions reached.</p>	
ISAE 3000 (Revised), paragraph A86	<p>Planning and Performing the Engagement</p> <p><i>Planning</i> (Ref: Para. 40)</p> <p>Planning involves the engagement partner, other key members of the engagement team, and any key practitioner’s external experts developing an overall strategy for the scope, emphasis, timing and conduct of the engagement, and an engagement plan, consisting of a detailed approach for the nature, timing and extent of procedures to be performed, and the reasons for selecting them. Adequate planning helps to devote appropriate attention to important areas of the engagement, identify potential problems</p>	<p>Wording based on ISA 220 (Revised), paragraph 29</p>	<p>Planning and Performing the Engagement</p> <p><i>Planning</i> (Ref: Para. 40)</p> <p>Planning involves the engagement partner, other key members of the engagement team, and any key practitioner’s external experts developing an overall strategy for the scope, emphasis, timing and conduct of the engagement, and an engagement plan, consisting of a detailed approach for the nature, timing and extent of procedures to be performed, and the reasons for selecting them. Adequate planning helps to devote appropriate attention to important areas of the engagement, identify potential problems on a timely basis and properly organize and manage the engagement in order for it to be performed in an effective and efficient manner. Adequate planning also</p>	1

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	on a timely basis and properly organize and manage the engagement in order for it to be performed in an effective and efficient manner. Adequate planning also assists the practitioner to properly assign work to engagement team members, and facilitates the direction, supervision, and the review of their work. ...		assists the practitioner to properly assign work to engagement team members, and facilitates the direction,—and supervision <u>of engagement team members</u> , and the review of their work. ...	
ISAE 3000 (Revised), paragraph A121	<p><i>Considerations When a Practitioner’s Expert Is Involved on the Engagement</i></p> <p>Nature, Timing and Extent of Procedures (Ref: Para. 52)</p> <p>The following matters are often relevant when determining the nature, timing and extent of procedures with respect to the work of a practitioner’s expert when some of the assurance work is performed by one or more practitioner’s expert (see paragraph A70):</p> <p>...</p> <p>17. Whether that expert is subject to the practitioner’s firm’s quality control policies and procedures (see also paragraphs A124–A125).</p>		<p><i>Considerations When a Practitioner’s Expert Is Involved on the Engagement</i></p> <p>Nature, Timing and Extent of Procedures (Ref: Para. 52)</p> <p>The following matters are often relevant when determining the nature, timing and extent of procedures with respect to the work of a practitioner’s expert when some of the assurance work is performed by one or more practitioner’s expert (see paragraph A70):</p> <p>...</p> <p>(e) Whether that expert is subject to the practitioner’s firm’s quality controlmanagement policies andor procedures (see also paragraphs A124–A125).</p>	2

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ISAE 3000 (Revised), paragraph A124	<p>The practitioner's firm's quality control policies and procedures</p> <p>A practitioner's internal expert may be a partner or staff, including temporary staff, of the practitioner's firm, and therefore subject to the quality control policies and procedures of that firm in accordance with ISQC 1 or other professional requirements, or requirements in law or regulation, that are at least as demanding as ISQC 1. Alternatively, a practitioner's internal expert may be a partner or staff, including temporary staff, of a network firm, which may share common quality control policies and procedures with the practitioner's firm. A practitioner's external expert is not a member of the engagement team and is not subject to quality control policies and procedures in accordance with ISQC 1.</p>	ISQM 1, paragraphs 16(f) and (v), 32(c)	<p>The practitioner's firm's quality control control <u>management</u> policies and <u>or</u> procedures</p> <p>A practitioner's internal expert may be a partner or staff, including temporary staff, of the practitioner's firm, and therefore subject to the <u>firm's system of quality management, including its control policies and</u> or <u>procedures, of that firm</u> in accordance with <u>ISQCM</u> 1 or other professional requirements, or requirements in law or regulation, that are at least as demanding as <u>ISQCM</u> 1. Alternatively, a practitioner's internal expert may be a partner or staff, including temporary staff, of a network firm, which may share common quality control <u>management</u> policies and <u>or</u> procedures with the practitioner's firm. A practitioner's external expert is not a member of the engagement team and is not subject to quality control policies and procedures in accordance with ISQC 1.</p>	1, 2
ISAE 3000 (Revised), paragraph A125	Engagement teams are entitled to rely on the firm's system of quality control, unless information provided by the firm or other parties suggests otherwise. The extent of that reliance will vary with the circumstances, and may affect the nature, timing and extent of the practitioner's procedures with respect to such matters as:	Wording based on ISA 220 (Revised), paragraph A10	Engagement teams are entitled to rely on the firm's system of quality control, unless information provided by the firm or other parties suggests otherwise. Ordinarily, the engagement team may depend on the firm's system of quality management (see paragraph A65). The extent of that reliance <u>dependence</u> will vary with the circumstances, and may affect the nature,	2

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	<p>...</p> <ul style="list-style-type: none"> The practitioner’s evaluation of the adequacy of the practitioner’s expert’s work. For example, the firm’s training programs may provide the practitioner’s internal experts with an appropriate understanding of the interrelationship of their expertise with the evidence gathering process. Reliance on such training and other firm processes, such as protocols for scoping the work of the practitioner’s internal experts, may affect the nature, timing and extent of the practitioner’s procedures to evaluate the adequacy of the practitioner’s expert’s work. Adherence to regulatory and legal requirements, through monitoring processes. <p>...</p>		<p>timing and extent of the practitioner’s procedures with respect to such matters as:</p> <p>...</p> <ul style="list-style-type: none"> The practitioner’s evaluation of the adequacy of the practitioner’s expert’s work. For example, the firm’s training programs may provide the practitioner’s internal experts with an appropriate understanding of the interrelationship of their expertise with the evidence gathering process. <u>Reliance Depending</u> on such training and other firm processes, such as protocols for scoping the work of the practitioner’s internal experts, may affect the nature, timing and extent of the practitioner’s procedures to evaluate the adequacy of the practitioner’s expert’s work. Adherence to regulatory and legal requirements, through <u>the monitoring and remediation processes</u>. <p>...</p>	
ISAE 3000 (Revised), paragraph A126 5	<p>The Competence, Capabilities and Objectivity of the Practitioner’s Expert (Ref: Para. 52(a))</p> <p>A126. Information regarding the competence, capabilities and objectivity of a practitioner’s expert</p>		<p>The Competence, Capabilities and Objectivity of the Practitioner’s Expert (Ref: Para. 52(a))</p> <p>A126. Information regarding the competence, capabilities and objectivity of a practitioner’s expert may come from a variety of sources, such as:</p>	2

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	<p>may come from a variety of sources, such as:</p> <p>...</p> <ul style="list-style-type: none"> The firm's quality control policies and procedures (see also paragraphs A124–A125). 		<p>...</p> <ul style="list-style-type: none"> The firm's quality control<u>management</u> policies and procedures (see also paragraphs A124–A125). 	
ISAE 3000 (Revised), paragraph A147	<p>Forming the Assurance Conclusion</p> <p><i>Sufficiency and Appropriateness of Evidence</i> (Ref: Para. 12(i), 64)</p> <p>Evidence is necessary to support the practitioner's conclusion and assurance report. It is cumulative in nature and is primarily obtained from procedures performed during the course of the engagement. It may, however, also include information obtained from other sources such as previous engagements (provided the practitioner has determined whether changes have occurred since the previous engagement that may affect its relevance to the current engagement) or a firm's quality control procedures for client acceptance and continuance. Evidence may come from sources inside and outside the appropriate party(ies). Also, information that may be used as evidence may have been prepared by an expert employed or</p>	ISQM 1, paragraph 30	<p>Forming the Assurance Conclusion</p> <p><i>Sufficiency and Appropriateness of Evidence</i> (Ref: Para. 12(i), 64)</p> <p>Evidence is necessary to support the practitioner's conclusion and assurance report. It is cumulative in nature and is primarily obtained from procedures performed during the course of the engagement. It may, however, also include information obtained from other sources such as previous engagements (provided the practitioner has determined whether changes have occurred since the previous engagement that may affect its relevance to the current engagement) or a firm's quality control<u>management</u> policies or procedures for client acceptance and continuance<u>of client relationships and assurance engagements</u>. Evidence may come from sources inside and outside the appropriate party(ies). Also, information that may be used as evidence may have been prepared by an expert employed or engaged by the appropriate party(ies).</p>	2

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	engaged by the appropriate party(ies). Evidence comprises both information that supports and corroborates aspects of the subject matter information, and any information that contradicts aspects of the subject matter information. In addition, in some cases, the absence of information (for example, refusal by the appropriate party(ies) to provide a requested representation) is used by the practitioner, and therefore, also constitutes evidence. Most of the practitioner's work in forming the assurance conclusion consists of obtaining and evaluating evidence.		Evidence comprises both information that supports and corroborates aspects of the subject matter information, and any information that contradicts aspects of the subject matter information. In addition, in some cases, the absence of information (for example, refusal by the appropriate party(ies) to provide a requested representation) is used by the practitioner, and therefore, also constitutes evidence. Most of the practitioner's work in forming the assurance conclusion consists of obtaining and evaluating evidence.	
ISAE 3000 (Revised), paragraph A156	Scope Limitations (Ref: Para. 26, 66) A scope limitation may arise from: ... (c) Limitations imposed by the responsible party, the measurer or evaluator, or the engaging party on the practitioner that, for example, may prevent the practitioner from performing a procedure the practitioner considers to be necessary in the circumstances. Limitations of this kind may have other implications for the engagement, such as for the practitioner's consideration of	ISQM 1, paragraph 30	Scope Limitations (Ref: Para. 26, 66) A scope limitation may arise from: ... (c) Limitations imposed by the responsible party, the measurer or evaluator, or the engaging party on the practitioner that, for example, may prevent the practitioner from performing a procedure the practitioner considers to be necessary in the circumstances. Limitations of this kind may have other implications for the engagement, such as for the practitioner's consideration of engagement risk and <u>the engagement acceptance and continuance of the client</u>	2

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	engagement risk and engagement acceptance and continuance.		<u>relationship and the assurance engagement.</u>	
ISAE 3000 (Revised), paragraph A172	<p>Preparing the Assurance Report</p> <p>Applicable Quality Control Requirements (Ref: Para. 69(i))</p> <p>The following is an illustration of a statement in the assurance report regarding applicable quality control requirements:</p> <p style="padding-left: 40px;">The firm applies International Standard on Quality Control 1 and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.</p>		<p>Preparing the Assurance Report</p> <p>Applicable Quality Control<u>Management</u> Requirements (Ref: Para. 69(i))</p> <p>The following is an illustration of a statement in the assurance report regarding applicable quality control<u>management</u> requirements:</p> <p style="padding-left: 40px;">The firm applies International Standard on Quality Control<u>Management</u> 1 and, accordingly, maintains a comprehensive system of quality control<u>management</u> including documented policies and<u>or</u> procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.</p>	2
ISAE 3000 (Revised), paragraph A205	<p><i>Assembly of the Final Engagement File</i></p> <p>ISQC 1 (or other professional requirements, or requirements in law or regulation that are at least as demanding as ISQC 1) requires firms to establish policies and procedures for the timely completion of the assembly of engagement files.¹¹ An appropriate time limit within which to complete the assembly of the final engagement file is ordinarily not more than 60 days after the date of the assurance report.¹²</p>	ISQM 1, paragraph 31(f) and A83	<p><i>Assembly of the Final Engagement File</i></p> <p>ISQCM 1 (or other professional requirements, or requirements in law or regulation that are at least as demanding as ISQCM 1) requires firms to establish <u>a quality objective that addresses policies and procedures the assembly of engagement documentation on a timely basis after the date of the engagement report</u>for the timely completion of the assembly of engagement files.¹¹ An appropriate time limit within which to complete the assembly of the final engagement file is ordinarily not more than</p>	1, 2

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	¹¹ ISQC 1, paragraph 45 ¹² ISQC 1 paragraph A54		60 days after the date of the assurance report. ¹² ¹¹ ISQCM 1, paragraph 4531(f) ¹² ISQCM 1, paragraph A54A83	
ISAE 3000 (Revised), paragraph A207	ISQC 1 (or national requirements that are at least as demanding as ISQC 1) requires firms to establish policies and procedures for the retention of engagement documentation. ¹³ The retention period for assurance engagements ordinarily is no shorter than five years from the date of the assurance report. ¹⁴ ¹³ ISQC1, paragraph 47 ¹⁴ ISQC1, paragraph A61	ISQM 1, paragraph 31(f) and A85	ISQCM 1 (or national requirements that are at least as demanding as ISQCM 1) requires firms to establish <u>a quality objective policies and procedures that addresses for the maintenance and retention of engagement documentation to meet the needs of the firm and comply with law, regulation, relevant ethical requirements, or professional standards.</u> ¹³ The retention period for assurance engagements ordinarily is no shorter than five years from the date of the assurance report. ¹⁴ ¹³ ISQCM 1, paragraph 4731(f) ¹⁴ ISQCM 1, paragraph A61A85	2
ISAE 3400	<i>The Examination of Prospective Financial Information</i>			
ISAE 3400, boxed text following TOC	International Standard on Review Engagements (ISAE) 3400, <i>The Examination of Prospective Financial Information</i> , should be read in conjunction with the <i>Preface to the International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements</i> .	22.	International Standard on Assurance Engagements (ISAE) 3000, <i>Assurance Engagements Other Than Audits or Reviews of Historical Financial Statements</i> , should be read in conjunction with the <i>Preface to the International Quality Control/Management, Auditing, Review, Other Assurance, and Related Services Pronouncements</i> .	2
ISAE 3402	<i>Assurance Reports on Controls at a Service Organization</i>			
ISAE 3402, boxed text	International Standard on Assurance Engagements, <i>Assurance Reports on</i>	23.	International Standard on Assurance Engagements, <i>Assurance Reports on Controls</i>	2

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following TOC	<i>Controls at a Service Organization</i> , should be read in conjunction with the <i>Preface to the International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements</i> .		<i>at a Service Organization</i> , should be read in conjunction with the <i>Preface to the International Quality Control/Management, Auditing, Review, Other Assurance, and Related Services Pronouncements</i> .	
ISAE 3402, paragraph 6 ¹⁴	<p>Compliance with ISAE 3000 (Revised) requires, among other things, compliance with the provisions of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) related to assurance engagements, or other professional requirements, or requirements imposed by law and regulation, that are at least as demanding.⁵ It also requires the engagement partner to be a member of a firm that applies ISQC 1,⁶ or other professional requirements, or requirements imposed by law and regulation, that are at least as demanding as ISQC 1.</p> <p>⁵ ISAE 3000 (Revised), paragraphs 3(a), 20 and 24</p> <p>⁶ ISAE 3000 (Revised), paragraphs 3(b) and 31 (a). International Standard of Quality Control (ISQC) 1, <i>Quality Control for Firms that</i></p>		<p>Compliance with ISAE 3000 (Revised) requires, among other things, compliance with the provisions of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) related to assurance engagements, or other professional requirements, or requirements imposed by law and regulation, that are at least as demanding.⁵ It also requires the engagement partner to be a member of a firm that applies ISQCM 1,⁶ or other professional requirements, or requirements in law or regulation, that are at least as demanding as ISQCM 1.</p> <p>⁵ ISAE 3000 (Revised), paragraphs 3(a), 20 and 24</p> <p>⁶ ISAE 3000 (Revised), paragraphs 3(b) and 31 (a). International Standard of Quality Control/Management (ISQCM) 1, <i>Quality Control/Management for Firms that Perform Audits and/or Reviews of Financial Statements, and/or Other Assurance and/or Related Service Engagements</i></p>	2

¹⁴ Paragraph has been previously updated in the [Conforming Changes to the IAASB International Standards as a Result of the Revised IESBA Code](#).

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	<i>Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Service Engagements</i>			
ISAE 3402, paragraph 50	<p>The service auditor shall assemble the documentation in an engagement file and complete the administrative process of assembling the final engagement file on a timely basis after the date of the service auditor's assurance report.¹⁰</p> <p>¹⁰ Paragraphs A54–A55 of ISQC 1 provide further guidance.</p>	ISQM 1, paragraph A83-A85	<p>The service auditor shall assemble the documentation in an engagement file and complete the administrative process of assembling the final engagement file on a timely basis after the date of the service auditor's assurance report.¹⁰</p> <p>¹⁰ Paragraphs A54–A55<u>A83–A85</u> of ISQGM 1 provide further guidance.</p>	2
ISAE 3402, paragraph 53	<p>Preparing the Service Auditor's Assurance Report</p> <p><i>Content of the Service Auditor's Assurance Report</i></p> <p>The service auditor's assurance report shall include, at a minimum, the following basic elements: (Ref: Para. A47)</p> <p>...</p> <p>(h) A statement that the firm of which the practitioner is a member applies ISQC 1, or other professional requirements, or requirements in law or regulation, that are at least as demanding as ISQC 1. If the practitioner is not a professional accountant, the statement shall identify the professional requirements, or requirements in</p>	Change paragraph 69(n) to recognize additional constraint on report date related to engagement quality reviews.	<p>Preparing the Service Auditor's Assurance Report</p> <p><i>Content of the Service Auditor's Assurance Report</i></p> <p>The service auditor's assurance report shall include, at a minimum, the following basic elements: (Ref: Para. A47)</p> <p>...</p> <p>(h) A statement that the firm of which the practitioner is a member applies ISQGM 1, or other professional requirements, or requirements in law or regulation, that are at least as demanding as ISQGM 1. If the practitioner is not a professional accountant, the statement shall identify the professional requirements, or requirements in law or regulation, applied that are at least as demanding as ISQGM 1.</p>	1, 2

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
	<p>law or regulation, applied that are at least as demanding as ISQC 1.</p> <p>...</p> <p>(n) The date of the service auditor's assurance report, which shall be no earlier than the date on which the service auditor has obtained the evidence on which the service auditor's opinion is based.</p>		<p>...</p> <p>(n) The date of the service auditor's assurance report, which shall be no earlier than the date on which:</p> <p>(i) the service auditor has obtained the evidence on which the service auditor's opinion is based; <u>and</u></p> <p>(ii) <u>When an engagement quality review is required in accordance with ISQM 1, the engagement quality review is complete.</u></p>	
ISAE 3402, paragraph A46	<p>Documentation</p> <p>ISQC 1 (or professional requirements, or requirements in law or regulation that are at least as demanding as ISQC 1) requires firms to establish policies and procedures for the timely completion of the assembly of engagement files.¹⁵ An appropriate time limit within which to complete the assembly of the final engagement file is ordinarily not more than 60 days after the date of the service auditor's report.¹⁶</p> <p>⁵ ISQC 1, paragraph 45</p> <p>¹⁶ ISQC 1, paragraph A54</p>	ISQM 1, paragraph 31(f) and A83	<p>Documentation</p> <p>ISQC <u>ISQCM</u> 1 (or professional requirements, or requirements in law or regulation that are at least as demanding as ISQC <u>ISQCM</u> 1) requires firms to establish <u>to establish a quality objective that addresses the assembly of engagement documentation on a timely basis after the date of the engagement report</u>policies and procedures for the timely completion of the assembly of engagement files.¹⁵ An appropriate time limit within which to complete the assembly of the final engagement file is ordinarily not more than 60 days after the date of the service auditor's report.¹⁶</p> <p>⁵ ISQC <u>ISQCM</u> 1, paragraph 4531(f)</p> <p>¹⁶ ISQC <u>ISQCM</u> 1, paragraph A54A83</p>	2

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
ISAE 3402, Appendix 2 ¹⁵	<p>Illustration 1: Type 2 Service Auditor’s Assurance Report</p> <p>...</p> <p><i>Our Independence and Quality Control</i></p> <p>We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants’ <i>International Code of Ethics for Professional Accountants</i> (including International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.</p> <p>The firm applies International Standard on Quality Control 1¹⁶ and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.</p> <p>² ISQC 1, <i>Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements</i></p>		<p>Illustration 1: Type 2 Service Auditor’s Assurance Report</p> <p>...</p> <p><i>Our Independence and Quality ManagementControl</i></p> <p>We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants’ <i>International Code of Ethics for Professional Accountants</i> (including International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.</p> <p>The firm applies International Standard on Quality ControlManagement¹² and accordingly maintains a comprehensive system of quality controlmanagement including documented policies and/or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.</p> <p>² ISQCM 1, <i>Quality ControlManagement for Firms that Perform Audits and/or Reviews of Financial Statements, and/or Other Assurance and/or Related Services Engagements</i></p>	2

¹⁵ Paragraph has been previously updated in the [Conforming Changes to the IAASB International Standards as a Result of the Revised IESBA Code](#).

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
ISAE 3402, Appendix 2 ¹⁷	<p>Illustration 2: Type 2 Service Auditor’s Assurance Report</p> <p>...</p> <p><i>Our Independence and Quality Control</i></p> <p>We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants’ <i>International Code of Ethics for Professional Accountants</i> (including International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.</p> <p>The firm applies International Standard on Quality Control 1⁴ and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.</p> <p>⁴ ISQC 1, <i>Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements</i></p>		<p>Illustration 2: Type 2 Service Auditor’s Assurance Report</p> <p>...</p> <p><i>Our Independence and Quality <u>Management</u>Control</i></p> <p>We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants’ <i>International Code of Ethics for Professional Accountants</i> (including International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.</p> <p>The firm applies International Standard on Quality Control<u>Management</u> 1⁴ and accordingly maintains a comprehensive system of quality control<u>management</u> including documented policies and<u>or</u> procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.</p> <p>⁴ ISQCM 1, <i>Quality <u>Control</u>Management for Firms that Perform Audits and<u>or</u> Reviews of Financial Statements, and<u>or</u> Other Assurance and<u>or</u> Related Services Engagements</i></p>	2

¹⁷ Paragraph has been previously updated in the [Conforming Changes to the IAASB International Standards as a Result of the Revised IESBA Code](#).

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
ISAE 3410	<i>Assurance Engagements on Greenhouse Gas Statements</i>			
ISAE 3410, boxed text following TOC	International Standard on Assurance Engagements (ISAE) 3410, <i>Assurance Engagements on Greenhouse Gas Statements</i> , should be read in conjunction with the <i>Preface to the International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements</i> .	24.	International Standard on Assurance Engagements (ISAE) 3410, <i>Assurance Engagements on Greenhouse Gas Statements</i> , should be read in conjunction with the <i>Preface to the International Quality ControlManagement, Auditing, Review, Other Assurance, and Related Services Pronouncements</i> .	2
ISAE 3410, paragraph 10 ¹⁸	Compliance with ISAE 3000 (Revised) requires, among other things, compliance with the provisions of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) related to assurance engagements, or other professional requirements, or requirements imposed by law or regulation, that are at least as demanding. It also requires the engagement partner to be a member of a firm that applies ISQC 1, ⁷ or other professional requirements, or requirements in law or regulation, that are at least as demanding as ISQC 1. (Ref: Para. A5–A6)		Compliance with ISAE 3000 (Revised) requires, among other things, compliance with the provisions of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) related to assurance engagements, or other professional requirements, or requirements imposed by law or regulation, that are at least as demanding. It also requires the engagement partner to be a member of a firm that applies ISQCM 1, ⁷ or other professional requirements, or requirements in law or regulation, that are at least as demanding as ISQCM 1. (Ref: Para. A5–A6) ⁷ ISAE 3000 (Revised), paragraphs 3(b) and 31 (a). International Standard on Quality Control Management (ISQCM) 1, <i>Quality ControlManagement for Firms that Perform Audits and/or Reviews of Financial</i>	2

¹⁸ Paragraph has been previously updated in the [Conforming Changes to the IAASB International Standards as a Result of the Revised IESBA Code](#).

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
	⁷ ISAE 3000 (Revised), paragraphs 3(b) and 31 (a). International Standard of Quality Control (ISQC) 1, <i>Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Service Engagements</i>		<i>Statements, and/or Other Assurance and/or Related Service Engagements</i>	
ISAE 3410, paragraph 71	<p>Engagement Quality Control Review</p> <p>For those engagements, if any, for which a quality control review is required by law or regulation or for which the firm has determined that an engagement quality control review is required, the engagement quality control reviewer shall perform an objective evaluation of the significant judgments made by the engagement team, and the conclusions reached in formulating the assurance report. This evaluation shall involve: (Ref: Para. A130)</p> <p>(a) Discussion of significant matters with the engagement partner, including the engagement team's professional competencies with respect to the quantification and reporting of emissions and assurance;</p> <p>(b) Review of the GHG statement and the proposed assurance report;</p> <p>(c) Review of selected engagement documentation relating to the</p>	The detailed requirements about the engagement quality review have been deleted as these are covered by ISQM 2.	<p>Engagement Quality Control Review</p> <p>For those engagements, if any, for which a quality control review is required by law or regulation or for which the firm has determined that an engagement quality control review is required, the engagement quality control reviewer shall perform an objective evaluation of the significant judgments made by the engagement team, and the conclusions reached in formulating the assurance report. This evaluation shall involve: (Ref: Para. A130)</p> <p>(a) Discussion of significant matters with the engagement partner, including the engagement team's professional competencies with respect to the quantification and reporting of emissions and assurance;</p> <p>(b) Review of the GHG statement and the proposed assurance report;</p> <p>(c) Review of selected engagement documentation relating to the significant judgments the engagement team made and the conclusions it reached; and</p>	1

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
	<p>significant judgments the engagement team made and the conclusions it reached; and</p> <p>(d) Evaluation of the conclusions reached in formulating the assurance report and consideration of whether the proposed assurance report is appropriate.</p>		<p>(d) Evaluation of the conclusions reached in formulating the assurance report and consideration of whether the proposed assurance report is appropriate.</p>	
ISAE 3410, paragraph 76	<p>Assurance Report Content</p> <p>The assurance report shall include, at a minimum, the following basic elements: (Ref: Para. A134)</p> <p>...</p> <p>(i) A statement that the firm of which the practitioner is a member applies ISQC 1, or other professional requirements, or requirements in law or regulation, that are at least as demanding as ISQC 1. If the practitioner is not a professional accountant, the statement shall identify the professional requirements, or requirements in law or regulation, applied that are as least as demanding as ISQC 1.</p> <p>...</p>	<p>Consistent with proposal for ISAE 3000, paragraph 69(n) to recognize additional constraint on report date related to engagement quality reviews.</p> <p>Although ISAE 3410 is intended to also comply with ISAE 3000, since the report date is also raised in the reporting requirements in ISAE 3410, those requirements should be consistent with ISAE 3000 in all respects.</p>	<p>Assurance Report Content</p> <p>The assurance report shall include, at a minimum, the following basic elements: (Ref: Para. A134)</p> <p>...</p> <p>(i) A statement that the firm of which the practitioner is a member applies <u>ISQCM</u> 1, or other professional requirements, or requirements in law or regulation, that are at least as demanding as <u>ISQCM</u> 1. If the practitioner is not a professional accountant, the statement shall identify the professional requirements, or requirements in law or regulation, applied that are as least as demanding as <u>ISQCM</u> 1.</p> <p>...</p>	1

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
	<p>(n) The date of the assurance report. The assurance report shall be dated no earlier than the date on which the practitioner has obtained the evidence on which the practitioner's conclusion is based, including evidence that those with the recognized authority have asserted that they have taken responsibility for the GHG statement.</p> <p>...</p>		<p>(n) The date of the assurance report. The assurance report shall be dated no earlier than the date on which:</p> <p>(i) The practitioner has obtained the evidence on which the practitioner's conclusion is based, including evidence that those with the recognized authority have asserted that they have taken responsibility for the GHG statement; <u>and</u></p> <p>(ii) <u>When an engagement quality review is required in accordance with ISQM 1, the engagement quality review is complete.</u></p> <p>...</p>	
ISAE 3410, paragraph A128	<p>Documentation</p> <p><i>Matters Arising after the Date of the Assurance Report</i> (Ref: Para. 68)</p> <p>Examples of exceptional circumstances include facts which become known to the practitioner after the date of the assurance report but which existed at that date and which, if known at that date, might have caused the GHG statement to be amended or the practitioner to modify the conclusion in the assurance report, for example, the</p>		<p>Documentation</p> <p><i>Matters Arising after the Date of the Assurance Report</i> (Ref: Para. 68)</p> <p>Examples of exceptional circumstances include facts which become known to the practitioner after the date of the assurance report but which existed at that date and which, if known at that date, might have caused the GHG statement to be amended or the practitioner to modify the conclusion in the assurance report, for example, the discovery of a significant uncorrected error. The resulting changes to the engagement</p>	1

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
	<p>discovery of a significant uncorrected error. The resulting changes to the engagement documentation are reviewed in accordance with the firm's policies and procedures with respect to review responsibilities as required by ISQC 1, with the engagement partner taking final responsibility for the changes.²⁴</p> <p>²⁴ ISQC 1, <i>Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements</i>, paragraphs 32–33</p>		<p>documentation are reviewed in accordance with the firm's policies and/or procedures with respect to <u>the nature, timing and extent of the review of engagement team member's work</u> as required by ISQCM 1,²⁴ with the engagement partner taking final responsibility for the changes.²⁴</p> <p>²⁴ ISQCM 1, <i>Quality Control/Management for Firms that Perform Audits and/or Reviews of Financial Statements, and/or Other Assurance and/or Related Services Engagements</i>, paragraphs 32–3331(b)</p>	
ISAE 3410, paragraph A129	<p><i>Assembly of the Final Engagement File</i> (Ref: Para. 69)</p> <p>ISQC 1 (or other professional requirements, or requirements in law or regulation, that are at least as demanding as ISQC 1) requires firms to establish policies and procedures for the timely completion of the assembly of engagement files.²⁵ An appropriate time limit within which to complete the assembly of the final engagement file is ordinarily not more than 60 days after the date of the assurance report.²⁶</p> <p>²⁵ ISQC 1, paragraph 45</p> <p>²⁶ ISQC 1, paragraph A54</p>	ISQM 1, paragraph 31(f) and A83	<p><i>Assembly of the Final Engagement File</i> (Ref: Para. 69)</p> <p>ISQCM 1 (or other professional requirements, or requirements in law or regulation that are at least as demanding as ISQCM 1) requires firms to establish <u>a quality objective that addresses policies and procedures the assembly of engagement documentation on a timely basis after the date of the engagement report</u>for the timely completion of the assembly of engagement files.¹¹ An appropriate time limit within which to complete the assembly of the final engagement file is ordinarily not more than 60 days after the date of the assurance report.¹²</p> <p>¹¹ ISQCM 1, paragraph 4531(f)</p> <p>¹² ISQCM 1, paragraph A54A83</p>	1, 2

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
ISAE 3410, paragraph A130	<p>Engagement Quality Control Review (Ref: Para. 71)</p> <p>Other matters that may be considered in an engagement quality control review include:</p> <ul style="list-style-type: none"> • The engagement team's evaluation of the firm's independence in relation to the engagement. • Whether appropriate consultation has taken place on matters involving differences of opinion or other difficult or contentious matters, and the conclusions arising from those consultations. • Whether engagement documentation selected for review reflects the work performed in relation to the significant judgments and supports the conclusions reached. 	<p>This paragraph is not required as all requirements for performing an EQR are now in ISQM 2.</p>	<p>Engagement Quality Control Review (Ref: Para. 71)</p> <p>Other matters that may be considered in an engagement quality control review include:</p> <ul style="list-style-type: none"> • The engagement team's evaluation of the firm's independence in relation to the engagement. • Whether appropriate consultation has taken place on matters involving differences of opinion or other difficult or contentious matters, and the conclusions arising from those consultations. • Whether engagement documentation selected for review reflects the work performed in relation to the significant judgments and supports the conclusions reached. 	1
ISAE 3410, Appendix 2 Illustration 1 ¹⁹	<p>Illustrations of Assurance Reports on GHG Statements</p> <p><u>Illustration 1:</u></p> <p>...</p> <p>We have complied with the</p>		<p>Illustrations of Assurance Reports on GHG Statements</p> <p><u>Illustration 1:</u></p> <p>...</p> <p>We have complied with the independence and</p>	2

¹⁹ Paragraph has been previously updated in the [Conforming Changes to the IAASB International Standards as a Result of the Revised IESBA Code](#).

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
	<p>independence and other ethical requirements of the International Ethics Standards Board for Accountants' <i>International Code of Ethics for Professional Accountants (including International Independence Standards)</i> (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.</p> <p>The firm applies International Standard on Quality Control 1⁴ and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.</p> <p>⁴ ISQC 1, <i>Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements</i></p>		<p>other ethical requirements of the International Ethics Standards Board for Accountants' <i>International Code of Ethics for Professional Accountants (including International Independence Standards)</i> (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.</p> <p>The firm applies International Standard on Quality Control Management 1⁴ and accordingly maintains a comprehensive system of quality control management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.</p> <p>⁴ ISQCM 1, <i>Quality Control Management for Firms that Perform Audits and/or Reviews of Financial Statements, and/or Other Assurance and/or Related Services Engagements</i></p>	
ISAE 3410, Appendix 2 Illustration 2 ²⁰	<p>Illustrations of Assurance Reports on GHG Statements</p> <p><u>Illustration 2:</u></p> <p>...</p>		<p>Illustrations of Assurance Reports on GHG Statements</p> <p><u>Illustration 2:</u></p> <p>...</p>	2

²⁰ Paragraph has been previously updated in the [Conforming Changes to the IAASB International Standards as a Result of the Revised IESBA Code](#).

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
	<p>We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' <i>International Code of Ethics for Professional Accountants (including International Independence Standards)</i> (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.</p> <p>The firm applies International Standard on Quality Control 1⁸ and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.</p> <p>⁸ ISQC 1, <i>Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements</i></p>		<p>We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' <i>International Code of Ethics for Professional Accountants (including International Independence Standards)</i> (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.</p> <p>The firm applies International Standard on Quality Control<u>Management</u> 1⁸ and accordingly maintains a comprehensive system of quality control<u>management</u> including documented policies and<u>or</u> procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.</p> <p>⁸ ISQGM 1, <i>Quality Control<u>Management</u> for Firms that Perform Audits and<u>or</u> Reviews of Financial Statements, and<u>or</u> Other Assurance and<u>or</u> Related Services Engagements</i></p>	
ISAE 3420	<i>Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus</i>			
ISAE 3420, boxed text following TOC	International Standard on Assurance Engagements (ISAE) 3420, <i>Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus</i> ,	25.	International Standard on Assurance Engagements (ISAE) 3420, <i>Assurance Engagements to Report on the Compilation of Pro Forma Financial Information Included in a Prospectus</i> , should be read in conjunction with	2

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
	should be read in conjunction with the <i>Preface to the International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements</i> .		the <i>Preface to the International Quality ControlManagement, Auditing, Review, Other Assurance, and Related Services Pronouncements</i> .	
ISAE 3420, paragraph 8 ²¹	<p>Compliance with ISAE 3000 (Revised) requires, among other things, compliance with the provisions of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) related to assurance engagements, or other professional requirements, or requirements imposed by law or regulation, that are at least as demanding.³ It also requires the engagement partner to be a member of a firm that applies ISQC 1,⁴ or other professional requirements, or requirements imposed by law or regulation, that are at least as demanding as ISQC 1.</p> <p>³ ISAE 3000 (Revised), paragraphs 3(a), 20 and 34</p> <p>⁴ ISAE 3000 (Revised), paragraphs 3(b) and 31(a). International Standard on Quality Control (ISQC) 1, <i>Quality Control for Firms that Perform Audits and Reviews of Financial</i></p>		<p>Compliance with ISAE 3000 (Revised) requires, among other things, compliance with the provisions of the International Ethics Standards Board for Accountants' International Code of Ethics for Professional Accountants (including International Independence Standards) (IESBA Code) related to assurance engagements, or other professional requirements, or requirements imposed by law or regulation, that are at least as demanding.³ It also requires the engagement partner to be a member of a firm that applies ISQGM 1,⁴ or other professional requirements, or requirements in law or regulation, that are at least as demanding as ISQGM 1.</p> <p>³ ISAE 3000 (Revised), paragraphs 3(a), 20 and 34</p> <p>⁴ ISAE 3000 (Revised), paragraphs 3(b) and 31(a). International Standard on Quality ControlManagement (ISQGM) 1, <i>Quality ControlManagement for Firms that Perform Audits and/or Reviews of Financial Statements, and/or Other Assurance and/or Related Services Engagements</i></p>	2

²¹ Paragraph has been previously updated in the [Conforming Changes to the IAASB International Standards as a Result of the Revised IESBA Code](#).

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
	<i>Statements, and Other Assurance and Related Services Engagements</i>			
ISAE 3420, paragraph 35	<p>The practitioner's report shall include, at a minimum, the following basic elements: (Ref: Para. A57)</p> <p>...</p> <p>(g) A statement that the firm of which the practitioner is a member applies ISQC 1, or other professional requirements, or requirements in law or regulation, that are at least as demanding as ISQC 1. If the practitioner is not a professional accountant, the statement shall identify the professional requirements, or requirements in law or regulation, applied that are at least as demanding as ISQC 1.</p> <p>...</p>		<p>The practitioner's report shall include, at a minimum, the following basic elements: (Ref: Para. A57)</p> <p>...</p> <p>(g) A statement that the firm of which the practitioner is a member applies <u>ISQCM</u> 1, or other professional requirements, or requirements in law or regulation, that are at least as demanding as <u>ISQCM</u> 1. If the practitioner is not a professional accountant, the statement shall identify the professional requirements, or requirements in law or regulation, applied that are at least as demanding as <u>ISQCM</u> 1.</p> <p>...</p>	2
ISAE 3420, Appendix ²²	<p>Illustrative Practitioner's Report with an Unmodified Opinion</p> <p>...</p> <p><i>Our Independence and Quality Control</i></p> <p>We have complied with the independence and other ethical requirements of the</p>		<p>Illustrative Practitioner's Report with an Unmodified Opinion</p> <p>...</p> <p><i>Our Independence and Quality <u>Management</u>Control</i></p>	2

²² Extant text reflects updates approved in the [Conforming Changes to the IAASB International Standards as a Result of the Revised IESBA Code](#).

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
	<p>International Ethics Standards Board for Accountants' <i>International Code of Ethics for Professional Accountants</i> (including International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.</p> <p>The firm applies International Standard on Quality Control ¹² and accordingly maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.</p> <p>² ISQC 1, <i>Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements</i></p>		<p>We have complied with the independence and other ethical requirements of the International Ethics Standards Board for Accountants' <i>International Code of Ethics for Professional Accountants</i> (including International Independence Standards) (IESBA Code), which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behavior.</p> <p>The firm applies International Standard on Quality Control<u>Management</u> ¹² and accordingly maintains a comprehensive system of quality control<u>management</u> including documented policies and/or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.</p> <p>² ISQCM 1, <i>Quality Control/Management for Firms that Perform Audits and/or Reviews of Financial Statements, and/or Other Assurance and/or Related Services Engagements</i></p>	
ISRS 4400 (Revised)	<i>Agreed-Upon Procedures Engagements</i>			
ISRS 4400 (Revised), boxed text following TOC	International Standard on Related Services (ISRS) 4400 (Revised), <i>Agreed-Upon Procedures Engagements</i> , should be read in the context of the <i>Preface to the International Quality Control, Auditing,</i>		International Standard on Related Services (ISRS) 4400 (Revised), <i>Agreed-Upon Procedures Engagements</i> , should be read in the context of the <i>Preface to the International Quality Control<u>Management</u>, Auditing, Review, Other Assurance, and Related Services Pronouncements.</i>	2

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
	<i>Review, Other Assurance, and Related Services Pronouncements.</i>			
ISRS 4400 (Revised), paragraph 3	<p>Introduction</p> <p>Scope of this ISRS</p> <p><i>Relationship with ISQC 1¹</i></p> <p>Quality control systems, policies and procedures are the responsibility of the firm. ISQC 1 applies to firms of professional accountants in respect of a firm’s agreed-upon procedures engagements. The provisions of this ISRS regarding quality control at the level of individual agreed-upon procedures engagements are premised on the basis that the firm is subject to ISQC 1 or requirements that are at least as demanding. (Ref: Para. A3–A8)</p> <p>¹ International Standard on Quality Control (ISQC) 1, <i>Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements</i></p>	<p>Propose adding new footnote 1A, consistent with structure of ISRE 2400, paragraph 4 and ISRS 4410 (Revised), paragraph 4.</p>	<p>Introduction</p> <p>Scope of this ISRS</p> <p><i>Relationship with ISQCM 1¹</i></p> <p><u>Systems of quality control management systems, and policies and/or procedures</u> are the responsibility of the firm. ISQCM 1 applies to firms of professional accountants in respect of a firm’s agreed-upon procedures engagements.^{1A}</p> <p>The provisions of this ISRS regarding quality <u>control management</u> at the level of individual agreed-upon procedures engagements are premised on the basis that the firm is subject to ISQCM 1 or requirements that are at least as demanding. (Ref: Para. A3–A8)</p> <p>¹ International Standard on Quality Control Management (ISQCM) 1, <i>Quality Control Management for Firms that Perform Audits and/or Reviews of Financial Statements, and/or Other Assurance and/or Related Services Engagements</i></p> <p>^{1A} ISQM 1, paragraph 5</p>	1
ISRS 4400 (Revised), paragraph 13	<p>Definitions</p> <p>For purposes of this ISRS, the following terms have the meanings attributed below:</p> <p>...</p>	<p>Wording consistent with ISA 220, paragraphs 12(a), 12(d) and 12(k) respectively.</p>	<p>Definitions</p> <p>For purposes of this ISRS, the following terms have the meanings attributed below:</p> <p>...</p> <p>(c) Engagement partner – The partner or other <u>person in individual appointed by the</u></p>	1

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
	<p>(c) Engagement partner – The partner or other person in the firm who is responsible for the engagement and its performance, and for the agreed-upon procedures report that is issued on behalf of the firm, and who, where required, has the appropriate authority from a professional, legal or regulatory body.</p> <p>...</p> <p>18. Engagement team – All partners and staff performing the agreed-upon procedures engagement, and any individuals engaged by the firm or a network firm who perform procedures on the engagement. This excludes a practitioner's external expert engaged by the firm or a network firm.</p> <p>...</p> <p>27. (k) Relevant ethical requirements – Ethical requirements the engagement team is subject to when undertaking agreed-upon procedures engagements. These requirements ordinarily comprise the International Ethics Standards</p>		<p>firm, who is responsible for the engagement and its performance, and for the agreed-upon procedures report that is issued on behalf of the firm, and who, where required, has the appropriate authority from a professional, legal or regulatory body.</p> <p>...</p> <p>19. Engagement team— All partners and staff performing the agreed-upon procedures engagement, and any <u>other</u> individuals engaged by the firm or a network firm who perform procedures on the engagement. This excludes <u>excluding</u> a practitioner's external expert engaged by the firm or a network firm.</p> <p>...</p> <p>(k) Relevant ethical requirements – <u>Principles of professional ethics and</u> Ethical requirements that are applicable to the engagement team is subject to when undertaking agreed-upon procedures engagements. These <u>Relevant Ethical</u> requirements ordinarily comprise the International Ethics Standards Board for Accountants' (IESBA) <i>International Code of Ethics for Professional Accountants (including International Independence Standards</i></p>	

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
	Board for Accountants' (IESBA) <i>International Code of Ethics for Professional Accountants (including International Independence Standards</i> (IESBA Code) together with national requirements that are more restrictive.		(IESBA Code), together with national requirements that are more restrictive.	

<p>ISRS 4400 (Revised), paragraph 19</p>	<p>Engagement Level Quality Control</p> <p>The engagement partner shall take responsibility for:</p> <p>(a) The overall quality of the agreed-upon procedures engagement including, if applicable, work performed by a practitioner's expert; and (Ref: Para. A24)</p> <p>(b) The engagement being performed in accordance with the firm's quality control policies and procedures by:</p> <p>(i) Following appropriate procedures regarding the acceptance and continuance of client relationships and engagements; (Ref: Para. A25)</p> <p>(ii) Being satisfied that the engagement team, and any practitioner's experts who are not part of the engagement team, collectively have the appropriate competence and capabilities to perform the agreed-upon procedures engagement;</p> <p>(iii) Being alert for indications of non-compliance by</p>	<p>ISQM 1, paragraph 30, 31, 32. New requirement added in response to ISQM 1 dealing with resources more broadly. Wording based on ISA 220 (Revised), paragraph 25.</p>	<p>Engagement Level Quality ControlManagement</p> <p>The engagement partner shall take responsibility for:</p> <p>(a) The overall<u>Managing and achieving quality of on the agreed-upon procedures engagement and being sufficiently and appropriately involved throughout the engagement</u> including, if applicable, work performed by a practitioner's expert; and (Ref: Para. A24)</p> <p>(b) The engagement being performed in accordance with the firm's quality control policies and/or procedures by:</p> <p>(i) Following appropriate<u>the firm's policies or</u> procedures regarding the acceptance and continuance of client relationships and engagements; (Ref: Para. A25)</p> <p>(iA) <u>Determining that sufficient and appropriate resources to perform the engagement are assigned or made available to the engagement team in a timely manner, taking into account the nature and circumstances of the engagement, the firm's policies or procedures, and any changes that may arise during the engagement;</u></p> <p>(ii) Being satisfied that the engagement team, and any practitioner's experts who are not part of the engagement team,</p>	<p>1</p>
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IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
	<p>members of the engagement team with relevant ethical requirements, and determining the appropriate actions if matters come to the engagement partner's attention indicating that members of the engagement team have not complied with relevant ethical requirements; (Ref: Para. A26)</p> <p>(iv) Directing, supervising and performing the engagement in compliance with professional standards and applicable legal and regulatory requirements; and</p> <p>(v) Taking responsibility for appropriate engagement documentation being maintained.</p>		<p>collectively have the appropriate competence and capabilities, <u>including being given sufficient time</u>, to perform the agreed-upon procedures engagement;</p> <p>(iii) Being alert for indications of non-compliance <u>breaches of relevant ethical requirements</u> by members of the engagement team with relevant ethical requirements, and determining the appropriate actions if matters come to the engagement partner's attention indicating that members of the engagement team have not complied with <u>breached</u> relevant ethical requirements; (Ref: Para. A26)</p> <p>(iv) Directing, and <u>and</u> supervising <u>engagement team members, reviewing their work,</u> and performing the engagement in compliance with professional standards and applicable legal and regulatory requirements; and</p> <p>(v) Taking responsibility for appropriate engagement documentation being <u>assembled, appropriately maintained, and retained.</u></p>	

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
ISRS 4400 (Revised), paragraph 21	<p>Engagement Acceptance and Continuance</p> <p>Before accepting or continuing an agreed-upon procedures engagement, the practitioner shall obtain an understanding of the purpose of the engagement. The practitioner shall not accept or continue the engagement if the practitioner is aware of any facts or circumstances indicating that the procedures the practitioner is being asked to perform are inappropriate for the purpose of the agreed-upon procedures engagement. (Ref: Para. A28–A31)</p>	ISQM 1, paragraph 30	<p>Engagement Acceptance and Continuance</p> <p>Before accepting or continuing an agreed-upon procedures engagement, the practitioner shall obtain an understanding of the purpose of the engagement. The practitioner shall not accept or continue the <u>agreed-upon procedures engagement</u> if the practitioner is aware of any facts or circumstances indicating that the procedures the practitioner is being asked to perform are inappropriate for the purpose of the agreed-upon procedures engagement. (Ref: Para. A28–A31)</p>	1
ISRS 4400 (Revised), paragraph 23	If the engagement partner obtains information that would have caused the firm to decline the engagement had that information been available earlier, the engagement partner shall communicate that information promptly to the firm, so that the firm and the engagement partner can take necessary action.	ISQM 1, paragraph 34(d) Wording based on ISA 220 (Revised), paragraph 24	If the engagement partner obtains information that may have caused the firm to decline the engagement had that information been <u>known by the firm prior to accepting or continuing the engagement</u> available earlier , the engagement partner shall communicate that information promptly to the firm, so that the firm and the engagement partner can take necessary action.	2
ISRS 4400 (Revised), paragraph 26	<p>Agreeing the Terms of the Engagement</p> <p><i>Recurring Agreed-Upon Procedures Engagements</i></p> <p>On recurring agreed-upon procedures engagements, the practitioner shall</p>	ISQM 1, paragraph 30	<p>Agreeing the Terms of the Engagement</p> <p><i>Recurring Agreed-Upon Procedures Engagements</i></p> <p>On recurring agreed-upon procedures engagements, the practitioner shall evaluate whether circumstances, including changes in</p>	1

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
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	evaluate whether circumstances, including changes in the engagement acceptance considerations, require the terms of the engagement to be revised and whether there is a need to remind the engaging party of the existing terms of engagement. (Ref: Para. A44)		the <u>firm's judgments about whether to accept or continue the engagement—acceptance considerations</u> , require the terms of the engagement to be revised and whether there is a need to remind the engaging party of the existing terms of engagement. (Ref: Para. A44)	
ISRS 4400 (Revised), paragraph 30	<p>The Agreed-Upon Procedures Report</p> <p>The agreed-upon procedures report shall be in writing and shall include: (Ref: Para. A51)</p> <p>...</p> <p>(m) A statement that the firm of which the practitioner is a member applies ISQC 1, or other professional requirements, or requirements in law or regulation, that are at least as demanding as ISQC 1. If the practitioner is not a professional accountant, the statement shall identify the professional requirements, or requirements in law or regulation, applied that are at least as demanding as ISQC 1;</p> <p>...</p> <p>(q) The date of the agreed-upon procedures report; and</p> <p>...</p>	<p>Added reference to new application material supporting paragraph 30(q) to remind practitioners of additional constraint on report date under ISQM 1 and ISQM 2.</p>	<p>The Agreed-Upon Procedures Report</p> <p>The agreed-upon procedures report shall be in writing and shall include: (Ref: Para. A51)</p> <p>...</p> <p>(m) A statement that the firm of which the practitioner is a member applies <u>ISQCM</u> 1, or other professional requirements, or requirements in law or regulation, that are at least as demanding as <u>ISQCM</u> 1. If the practitioner is not a professional accountant, the statement shall identify the professional requirements, or requirements in law or regulation, applied that are at least as demanding as <u>ISQCM</u> 1;</p> <p>...</p> <p>(q) The date of the agreed-upon procedures report; and <u>(Ref: Para A58A)</u></p> <p>...</p>	2

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
ISRS 4400 (Revised), paragraph A3	<p><i>Relationship with ISQC 1</i> (Ref: Para. 3)</p> <p>ISQC 1 deals with the firm's responsibilities to establish and maintain its system of quality control for related services engagements, including agreed-upon procedures engagements. Those responsibilities are directed at establishing:</p> <ul style="list-style-type: none"> • The firm's quality control system; and • The firm's related policies designed to achieve the objective of the quality control system and its procedures to implement and monitor compliance with those policies. 	ISQM 1, paragraph 1, ISQM 2, paragraph 1	<p><i>Relationship with ISQCMs-4</i> (Ref: Para. 3)</p> <p>ISQCM 1 deals with the firm's responsibilities to establish and maintain its design, implement and operate a system of quality control <u>management</u> for related services engagements, including agreed-upon procedures engagements.^{5A} <u>ISQM 1 also deals with the firm's responsibility to establish policies or procedures addressing engagements that are required to be subject to engagement quality reviews^{5B}. ISQM 2^{5C} deals with the appointment and eligibility of the engagement quality reviewer, and the performance and documentation of the engagement quality review.^{5D}</u></p> <p>Those responsibilities are directed at establishing:</p> <ul style="list-style-type: none"> • The firm's quality control system; and • The firm's related policies designed to achieve the objective of the quality control system and its procedures to implement and monitor compliance with those policies. <p>^{5A} ISQM 1, paragraph 1</p> <p>^{5B} ISQM 1, paragraph 2(a)</p> <p>^{5C} ISQM 2, <i>Engagement Quality Reviews</i></p> <p>^{5D} ISQM 1, paragraph 2(b)</p>	1, 2

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
ISRS 4400 (Revised), paragraph A4	<p>Under ISQC 1, the firm has an obligation to establish and maintain a system of quality control to provide it with reasonable assurance that:</p> <p>(a) The firm and its personnel comply with professional standards and applicable legal and regulatory requirements; and</p> <p>(b) Reports issued by the firm or engagement partners are appropriate in the circumstances.²</p> <p>² ISQC 1, paragraph 11</p>	ISQM 1 paragraph 14	<p>Under ISQGM 1, the <u>objective of the firm has an obligation to establish and maintain is to design, implement and operate a system of quality control management for related services engagements, including agreed-upon procedures engagements, that to provides the firm with</u> reasonable assurance that:</p> <p>(a) The firm and its personnel <u>comply fulfill their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements;</u> and</p> <p>(b) Reports <u>Engagement reports</u> issued by the firm or engagement partners are appropriate in the circumstances.²</p> <p>² ISQGM 1, paragraph 44.14</p>	1, 2
ISRS 4400 (Revised), paragraph A5	A jurisdiction that has not adopted ISQC 1 in relation to agreed-upon procedures engagements may set out requirements for quality control in firms performing such engagements. The provisions of this ISRS regarding quality control at the engagement level are premised on the basis that quality control requirements adopted are at least as demanding as those of ISQC 1. This is achieved when those requirements impose obligations on the firm to achieve the aims of the	ISQM 1, paragraph 6, based on wording from ISA 220, paragraph A3	A jurisdiction that has not adopted ISQGM 1 in relation to agreed-upon procedures engagements may set out requirements for quality control <u>management</u> in firms performing such engagements. The provisions of this ISRS regarding quality control <u>management</u> at the engagement level are premised on the basis that quality control <u>management</u> requirements adopted are at least as demanding as those of ISQGM 1. This is achieved when those requirements <u>address the requirements of ISQM 1 and impose obligations on the firm to</u>	1

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
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	<p>requirements of ISQC 1, including an obligation to establish a system of quality control that includes policies and procedures that address each of the following elements:</p> <ul style="list-style-type: none"> • Leadership responsibilities for quality within the firm; • Relevant ethical requirements; • Acceptance and continuance of client relationships and specific engagements; • Human resources; • Engagement performance; and • Monitoring. 		<p>achieve the objective of ISQM 1, impose obligations on the firm to achieve the aims of the requirements of ISQCM 1, including an obligation to establish a system of quality control that includes policies and procedures that address each of the following elements <u>Compliance with ISQM 1 requires, among other things, that the firm's system of quality management addresses the following eight components:^{6A}</u></p> <p><u>(a) The firm's risk assessment process;</u></p> <p><u>(b) Governance and leadership;</u></p> <p><u>(c) Relevant ethical requirements;</u></p> <p><u>(d) Acceptance and continuance of client relationships and specific engagements;</u></p> <p><u>(e) Engagement performance;</u></p> <p><u>(f) Resources;</u></p> <p><u>(g) Information and communication; and</u></p> <p><u>(h) The monitoring and remediation process elements:</u></p> <ul style="list-style-type: none"> • Leadership responsibilities for quality within the firm; • Relevant ethical requirements; • Acceptance and continuance of client relationships and specific engagements; • Human resources; • Engagement performance; and 	

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
			<ul style="list-style-type: none"> Monitoring. ^{6A} ISQM 1, paragraph 6	
ISRS 4400 (Revised), paragraph A6	Within the context of the firm's system of quality control, engagement teams have a responsibility to implement quality control procedures applicable to the engagement.		Within the context of the firm's system of quality control <u>management</u> , engagement teams have a responsibility to implement quality control policies or procedures applicable to the engagement.	2
ISRS 4400 (Revised), paragraph A7	<p>Unless information provided by the firm or other parties suggests otherwise, the engagement team is entitled to rely on the firm's system of quality control. For example, the engagement team may rely on the firm's system of quality control in relation to:</p> <ul style="list-style-type: none"> Competence of personnel through their recruitment and formal training. Maintenance of client relationships through acceptance and continuance systems. Adherence to legal and regulatory requirements through the monitoring process. <p>In considering deficiencies identified in the firm's system of quality control that may affect the agreed-upon procedures engagement, the engagement partner may consider measures taken by the firm to rectify the situation that the</p>	Wording based on ISA 220 (Revised), paragraph A10	<p>Unless information provided by the firm or other parties suggests otherwise<u>Ordinarily, the engagement team is entitled to rely</u>may depend on the firm's system of quality control<u>management unless:</u></p> <ul style="list-style-type: none"> <u>The engagement team's understanding or practical experience indicates that the firm's policies or procedures will not effectively address the nature and circumstances of the engagement; or</u> <u>Information provided by the firm or other parties, about the effectiveness of such policies or procedures suggests otherwise.</u> <p>For example, the engagement team may rely<u>depend</u> on the firm's system of quality control<u>management</u> in relation to:</p> <ul style="list-style-type: none"> Competence <u>and capabilities</u> of personnel through their recruitment and formal training. 	1, 2

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
	engagement partner considers are sufficient in the context of that agreed-upon procedures engagement.		<ul style="list-style-type: none"> Maintenance of client relationships through <u>the firm's policies or procedures for acceptance and continuance systems of engagements systems.</u> Adherence to legal and regulatory requirements through the monitoring <u>and remediation</u> process. <p>In considering deficiencies identified in the firm's system of quality control<u>management</u> that may affect the agreed-upon procedures engagement, the engagement partner may consider measures<u>the remedial actions undertaken by the firm to address the situation those deficiencies</u> that the engagement partner considers are sufficient in the context of that agreed-upon procedures engagement.</p>	
ISRS 4400 (Revised), paragraph A8	A deficiency in the firm's system of quality control does not necessarily indicate that an agreed-upon procedures engagement was not performed in accordance with professional standards and applicable legal and regulatory requirements, or that the agreed-upon procedures report was not appropriate.		A deficiency in the firm's system of quality control <u>management</u> does not necessarily indicate that an agreed-upon procedures engagement was not performed in accordance with professional standards and applicable legal and regulatory requirements, or that the agreed-upon procedures report was not appropriate.	2

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
ISRS 4400 (Revised), paragraph A24	<p>Engagement Level Quality Control (Ref: Para. 19–20)</p> <p>The actions of the engagement partner and appropriate messages to the other members of the engagement team, in taking responsibility for the overall quality on each engagement, emphasize the importance to achieving the quality of the engagement of:</p> <p>(a) Performing work that complies with professional standards and regulatory and legal requirements;</p> <p>(b) Complying with the firm’s quality control policies and procedures as applicable; and</p> <p>(c) Issuing the practitioner’s report for the engagement in accordance with this ISRS.</p>	ISQM 1, paragraph 31	<p>Engagement Level Quality ControlManagement (Ref: Para. 19–20)</p> <p>The actions of the engagement partner and appropriate messages to the other members of the engagement team, in taking <u>overall</u> responsibility for the overall managing and achieving quality on each engagement, emphasize the importance to achieving the quality of the engagement of:</p> <p>(a) Performing work that complies with professional standards and regulatory and legal requirements;</p> <p>(b) Complying with the firm’s quality control policies and <u>or</u> procedures as applicable; and</p> <p>(c) Issuing the practitioner’s report for the engagement in accordance with this ISRS.</p>	1, 2
ISRS 4400 (Revised), paragraph A25	ISQC 1 requires the firm to obtain such information as it considers necessary in the circumstances before accepting an engagement with a new client, when deciding whether to continue an existing engagement, and when considering acceptance of a new engagement with an existing client. Information that assists the engagement partner in determining whether acceptance or continuance of client relationships and	ISQM 1, paragraph 30.	ISQCM 1 requires the firm <u>to establish a quality objective dealing with the appropriateness of</u> to obtain such <u>its judgments about whether to accept or continue a client relationship or engagement based on</u> information as it considers necessary in the circumstances before accepting an engagement with a new client, when deciding whether to continue an existing engagement, and when considering acceptance of a new engagement with an existing client <u>obtained about the nature and</u>	1

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
	agreed-upon procedures engagements is appropriate may include information concerning the integrity of the principal owners, key management and those charged with governance. If the engagement partner has cause to doubt management's integrity to a degree that is likely to affect proper performance of the engagement, it may not be appropriate to accept the engagement.		<u>circumstances of the agreed-upon procedures engagement and information that assists the engagement partner in determining whether acceptance or continuance of client relationships and agreed-upon procedures engagements is appropriate may include information concerning the integrity and ethical values of the principal owners, key client (including management and, when appropriate, those charged with governance) that is sufficient to support such judgments.</u> If the engagement partner has cause to doubt management's integrity to a degree that is likely to affect proper performance of the engagement, it may not be appropriate to accept the engagement.	
ISRS 4400 (Revised), paragraph A26	ISQC 1 sets out the responsibilities of the firm for establishing policies and procedures designed to provide it with reasonable assurance that the firm and its personnel comply with relevant ethical requirements. This ISRS sets out the engagement partner's responsibilities with respect to the engagement team's compliance with relevant ethical requirements.	Wording consistent with ISQM 1, paragraph 29.	<u>ISQCM 1 sets out the responsibilities of the firm for establishing policies and procedures designed to provide it with reasonable assurance that the firm and its personnel comply with quality objectives that address the fulfillment of responsibilities in relation to the</u> with relevant ethical requirements. This ISRS sets out the engagement partner's responsibilities with respect to the engagement team's compliance with relevant ethical requirements. ^{6A} ^{6A} ISQM 1, paragraph 29	2

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
ISRS 4400 (Revised), paragraph A37	<p>Engagement Acceptance and Continuance (Ref: Para. 21–23)</p> <p><i>Compliance with Independence Requirements</i> (Ref: Para. 22(e), 24(e))</p> <p>Paragraph 22(e) applies when the practitioner is required to comply with independence requirements for reasons such as those set out in paragraph A15. Paragraph 22(e) also applies when the practitioner agrees with the engaging party, in the terms of engagement, to comply with independence requirements. For example, the practitioner may have initially determined that the practitioner is not required by relevant ethical requirements, law or regulation, or other reasons to comply with independence requirements. However, when considering engagement acceptance and continuance or agreeing the terms of engagement, the practitioner's knowledge of the following matters may indicate that a discussion with the engaging party as to whether compliance with certain identified independence requirements is appropriate for the purpose of the agreed-upon procedures engagement:</p> <p>...</p>	ISQM 1, paragraph 30	<p>Engagement Acceptance and Continuance (Ref: Para. 21–23)</p> <p><i>Compliance with Independence Requirements</i> (Ref: Para. 22(e), 24(e))</p> <p>Paragraph 22(e) applies when the practitioner is required to comply with independence requirements for reasons such as those set out in paragraph A15. Paragraph 22(e) also applies when the practitioner agrees with the engaging party, in the terms of engagement, to comply with independence requirements. For example, the practitioner may have initially determined that the practitioner is not required by relevant ethical requirements, law or regulation, or other reasons to comply with independence requirements. However, when considering engagement acceptance and continuance <u>of the engagement</u> or agreeing the terms of engagement, the practitioner's knowledge of the following matters may indicate that a discussion with the engaging party as to whether compliance with certain identified independence requirements is appropriate for the purpose of the agreed-upon procedures engagement:</p> <p>...</p>	2

<p>ISRS 4400 (Revised), paragraph A47</p>	<p>A47. A practitioner's expert may be an external expert engaged by the practitioner or an internal expert who is part of the firm and therefore subject to the firm's system of quality control. The practitioner is entitled to rely on the firm's system of quality control, unless information provided by the firm or other parties suggests otherwise. The extent of that reliance will vary with the circumstances and may affect the nature, timing and extent of the practitioner's procedures with respect to matters such as:</p> <ul style="list-style-type: none"> • Competence and capabilities, through recruitment and training programs. • The practitioner's evaluation of the objectivity of the practitioner's expert. • Agreement with the practitioner's expert. <p>Such reliance does not reduce the practitioner's responsibility to meet the requirements of this ISRS.</p>		<p>A47. A practitioner's expert may be an external expert engaged by the practitioner or an internal expert who is part of the firm and therefore subject to the firm's system of quality control management. Ordinarily, the practitioner may depend on the firm's system of quality control management, unless:</p> <ul style="list-style-type: none"> • <u>The practitioner's understanding or practical experience indicates that the firm's policies or procedures will not effectively address the nature and circumstances of the engagement; or</u> • <u>Information provided by the firm or other parties, about the effectiveness of such policies or procedures suggests otherwise.</u> <p>information provided by the firm or other parties suggests otherwise. The extent of that <u>reliance dependence</u> will vary with the circumstances and may affect the nature, timing and extent of the practitioner's procedures with respect to matters such as:</p> <ul style="list-style-type: none"> • Competence and capabilities, through recruitment and training programs. • The practitioner's evaluation of the objectivity of the practitioner's expert. • Agreement with the practitioner's expert. <p>Such reliance dependence does not reduce the practitioner's responsibility to meet the requirements of this ISRS.</p>	<p>1</p>
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IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
ISRS 4400 (Revised), proposed new paragraph A58A		<p>New application material to support paragraph 30(q) to remind practitioners of additional constraint on report date under ISQM 2.</p> <p>Consistent with proposed new requirement in ISAE 3000 (Revised), paragraph A184A.</p>	<p><u>A58A. When an engagement quality review is required in accordance with ISQM 1, the engagement quality reviewer is required to notify the engagement partner when the engagement quality review is complete.</u></p>	1
ISRS 4400 (Revised), Appendix	<p>Illustration 1</p> <p><i>Professional Ethics and Quality Control</i></p> <p>...</p> <p>Our firm applies International Standard on Quality Control (ISQC) 1, <i>Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements</i>, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.</p>		<p>Illustration 1</p> <p><i>Professional Ethics and Quality Control</i>Management</p> <p>...</p> <p>Our firm applies International Standard on Quality ControlManagement (ISQCM) 1, <i>Quality ControlManagement for Firms that Perform Audits and/or Reviews of Financial Statements, and/or Other Assurance and/or Related Services Engagements</i>, and accordingly, maintains a comprehensive system of quality controlmanagement including documented policies and/or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.</p>	2

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
ISRS 4400 (Revised), Appendix	<p>Illustration 2</p> <p><i>Professional Ethics and Quality Control</i></p> <p>...</p> <p>Our firm applies International Standard on Quality Control (ISQC) 1, <i>Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements</i>, and accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.</p>		<p>Illustration 2</p> <p><i>Professional Ethics and Quality Control Management</i></p> <p>...</p> <p>Our firm applies International Standard on Quality Control Management (ISQCM) 1, <i>Quality Control Management for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements</i>, and accordingly, maintains a comprehensive system of quality control management including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.</p>	2
ISRS 4410 (Revised)	Compilation Engagements			
ISRS 4410 (Revised), boxed text following TOC	International Standard on Related Services (ISRS) 4410 (Revised), <i>Compilation Engagements</i> , should be read in conjunction with the <i>Preface to the International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements</i> .		International Standard on Related Services (ISRS) 4410 (Revised), <i>Compilation Engagements</i> , should be read in conjunction with the <i>Preface to the International Quality Control Management, Auditing, Review, Other Assurance, and Related Services Pronouncements</i> .	2

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
ISRS 4410 (Revised), paragraph 4	<p>Introduction</p> <p>Scope of this ISRS</p> <p><i>Relationship with ISQC 1</i>¹</p> <p>Quality control systems, policies and procedures are the responsibility of the firm. ISQC 1 applies to firms of professional accountants in respect of a firm's compilation engagements.² The provisions of this ISRS regarding quality control at the level of individual compilation engagements are premised on the basis that the firm is subject to ISQC 1 or requirements that are at least as demanding. (Ref: Para. A6–A11)</p> <p>¹ International Standard on Quality Control (ISQC) 1, <i>Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements</i></p> <p>² ISQC 1, paragraph 4</p>	Consistent wording with ISRE 2400, paragraph 4 and ISRS 4400 (Revised), paragraph 3.	<p>Introduction</p> <p>Scope of this ISRS</p> <p><i>Relationship with ISQCM 1</i>¹</p> <p><u>Systems of quality control management systems, and</u> policies and/or procedures are the responsibility of the firm. ISQCM 1 applies to firms of professional accountants in respect of a firm's compilation engagements.² The provisions of this ISRS regarding quality <u>control management</u> at the level of individual compilation engagements are premised on the basis that the firm is subject to ISQCM 1 or requirements that are at least as demanding. (Ref: Para. A6–A11)</p> <p>¹ International Standard on Quality <u>Control Management</u> (ISQCM) 1, <i>Quality <u>Control Management</u> for Firms that Perform Audits and/or Reviews of Financial Statements, and/or Other Assurance and/or Related Services Engagements</i></p> <p>² ISQCM 1, paragraph 5</p>	2
ISRS 4410 (Revised), paragraph 17 ²³	<p>Definitions</p> <p>The Handbook's Glossary of Terms³ (the Glossary) includes the terms defined in this ISRS and also includes descriptions of other terms found in this ISRS, to assist in consistent interpretation. The following terms have the meanings</p>	ISQM 1, paragraph 16 (c), (f), (t)	<p>Definitions</p> <p>The Handbook's Glossary of Terms³ (the Glossary) includes the terms defined in this ISRS and also includes descriptions of other terms found in this ISRS, to assist in consistent interpretation. The following terms have the meanings attributed below for the purposes of</p>	1

²³ Extant text of paragraph 17(g) reflects updates approved in the [Conforming Changes to the IAASB International Standards as a Result of the Revised IESBA Code](#).

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
	<p>attributed below for the purposes of this ISRS:</p> <p>...</p> <p>(c) <i>Engagement partner</i> – The partner or other person in the firm who is responsible for the engagement and its performance, and for the report that is issued on behalf of the firm, and who, where required, has the appropriate authority from a professional, legal or regulatory body.</p> <p>(d) <i>Engagement team</i> – All partners and staff performing the engagement, and any individuals engaged by the firm or a network firm who perform procedures on the engagement. This excludes external experts engaged by the firm or a network firm.</p> <p>...</p> <p>(g) <i>Relevant ethical requirements</i> – Ethical requirements to which the engagement team is subject when undertaking a compilation engagement, which ordinarily comprise the International Ethics Standards Board for Accountants’ International Code of Ethics for</p>		<p>this ISRS:</p> <p>...</p> <p>(c) <i>Engagement partner</i> – The partner or other person in <u>individual appointed by the firm,</u> who is responsible for the engagement and its performance, and for the compilation report that is issued on behalf of the firm, and who, where required, has the appropriate authority from a professional, legal or regulatory body.</p> <p>(d) <i>Engagement team</i> – All partners and staff performing the engagement, and any <u>other individuals engaged by the firm or a network firm</u> who perform procedures on the engagement. This excludes <u>excluding</u> a practitioner’s external expert engaged by the firm or a network firm.</p> <p>...</p> <p>(g) <i>Relevant ethical requirements</i> – <u>Principles of professional ethics and eEthical requirements that are applicable to which</u>the engagement team is subject when undertaking a <u>compilation engagements engagements,</u> which <u>Relevant ethical requirements</u> ordinarily comprise <u>the provisions of the International Ethics Standards Board for Accountants’ International Code of Ethics</u></p>	

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
	<p>Professional Accountants (including International Independence Standards) (IESBA Code), together with national requirements that are more restrictive. (Ref: Para. A21)</p> <p>³ The Glossary of Terms relating to International Standards issued by the IAASB in the <i>Handbook of International Quality Control, Auditing, Review, Other Assurance, and Related Services Pronouncements</i> (the Handbook), published by IFAC</p>		<p><i>for Professional Accountants (including International Independence Standards) (IESBA Code), together with national requirements that are more restrictive. (Ref: Para. A21)</i></p> <p>³ The Glossary of Terms relating to International Standards issued by the IAASB in the <i>Handbook of International Quality Management Control, Auditing, Review, Other Assurance, and Related Services Pronouncements</i> (the Handbook), published by IFAC</p>	
ISRS 4410 (Revised), paragraph 23 ²⁴	<p>Engagement Level Quality Control</p> <p>The engagement partner shall take responsibility for:</p> <p>(a) The overall quality of each compilation engagement to which that partner is assigned; and</p> <p>(b) The engagement being performed in accordance with the firm's quality control policies and procedures, by: (Ref: Para. A30)</p> <p>(i) Following appropriate procedures regarding the acceptance and continuance of client relationships and</p>	<p>ISQM 1, paragraph 31, 32. Wording based on ISA 220 (Revised) paragraph 22, 30. New requirement added in response to ISQM 1 dealing with resources more broadly. Wording based on ISA 220 (Revised), paragraph 25.</p>	<p><u>Managing and Achieving Quality on Compilation Engagements Level Quality Control</u></p> <p>The engagement partner shall take <u>overall</u> responsibility for:</p> <p>(a) The overall <u>Managing and achieving</u> quality of <u>on</u> each compilation engagement to which that partner is assigned;^{3A} and</p> <p>(b) The engagement being performed in accordance with the firm's quality control policies and <u>or</u> procedures, by: (Ref: Para. A30)</p> <p>(i) Following appropriate <u>the firm's</u> the <u>policies or</u> procedures regarding the acceptance and continuance of</p>	1

²⁴ Extant text in (b)(iii) reflects updates approved in the [Conforming Changes to the IAASB International Standards as a Result of the Revised IESBA Code](#).

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
	<p>engagements; (Ref: Para. A31)</p> <p>(ii) Being satisfied that the engagement team collectively has the appropriate competence and capabilities to perform the compilation engagement;</p> <p>(iii) Being alert for indications of breaches of relevant ethical requirements by members of the engagement team, and determining the appropriate action if matters come to the engagement partner's attention indicating that members of the engagement team have breached relevant ethical requirements; (Ref: Para. A32)</p> <p>(iv) Directing, supervising and performing the engagement in compliance with professional standards and applicable legal and regulatory requirements; and</p>		<p>client relationships and engagements; (Ref: Para. A31)</p> <p>(iA) <u>Determine that sufficient and appropriate resources to perform the engagement are assigned or made available to the engagement team in a timely manner, taking into account the nature and circumstances of the engagement, the firm's policies or procedures, and any changes that may arise during the engagement</u></p> <p>(ii) Being satisfied that the engagement team collectively has the appropriate competence and capabilities, <u>including being given sufficient time</u>, to perform the compilation engagement;</p> <p>(iii) Being alert for indications of breaches of relevant ethical requirements by members of the engagement team, and determining the appropriate action if matters come to the engagement partner's attention indicating that members of the engagement team have breached relevant ethical requirements; (Ref: Para. A32)</p> <p>(iv) <u>Directing, and supervising engagement team members and reviewing their work and</u></p>	

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
	(v) Taking responsibility for appropriate engagement documentation being maintained.		performing the engagement in compliance with professional standards and applicable legal and regulatory requirements; ^{3E} and (v) Taking responsibility for appropriate engagement documentation being <u>assembled, appropriately maintained and retained</u> .	
ISRS 4410 (Revised), paragraph 26	Recurring Engagements On recurring compilation engagements, the practitioner shall evaluate whether circumstances, including changes in the engagement acceptance considerations, require the terms of engagement to be revised and whether there is need to remind management of the existing terms of engagement. (Ref: Para. A45)	ISQM 1, paragraph 30	Recurring Engagements On recurring compilation engagements, the practitioner shall evaluate whether circumstances, including changes in the <u>firm's judgments about a client relationship or the engagement—acceptance—considerations</u> , require the terms of engagement to be revised and whether there is need to remind management of the existing terms of engagement. (Ref: Para. A45)	1
ISRS 4410 (Revised), paragraph 40	The Practitioner's Report The practitioner's report issued for the compilation engagement shall be in writing, and shall include the following elements: (Ref: Para. A62–A63, A69) ... (k) The date of the practitioner's report; ...	New material consistent with ISA 220 (Revised), para. 41(c) to allow for the case when an EQR is required by the firm's policies or procedures for these engagements.	The Practitioner's Report The practitioner's report issued for the compilation engagement shall be in writing, and shall include the following elements: (Ref: Para. A62–A63, A69 <u>A70</u>) ... (k) The date of the practitioner's report; (<u>Ref: Para. A69</u>) ...	1

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
ISRS 4410 (Revised), paragraph A6	<p><i>Relationship with ISQC 1 (Ref: Para. 4)</i></p> <p>ISQC 1 deals with the firm's responsibilities to establish and maintain its system of quality control for related services engagements, including compilation engagements. Those responsibilities are directed at establishing:</p> <ul style="list-style-type: none"> • The firm's quality control system; and • The firm's related policies designed to achieve the objective of the quality control system and its procedures to implement and monitor compliance with those policies. 	ISQM 1, paragraph 6, based on wording from ISA 220, paragraph A3	<p><i>Relationship with ISQCMs-4 (Ref: Para. 4)</i></p> <p><u>ISQCM 1</u> deals with the firm's responsibilities to <u>establish and maintain its design, implement and operate a system of quality control management</u> for related services engagements, including compilation engagements.^{3A} <u>ISQM 1 also deals with the firm's responsibility to establish policies or procedures addressing engagements that are required to be subject to engagement quality reviews^{3B}. ISQM 2^{3C} deals with the appointment and eligibility of the engagement quality reviewer, and the performance and documentation of the engagement quality review.^{3D} These responsibilities are directed at establishing:</u></p> <ul style="list-style-type: none"> • The firm's quality control system; and • The firm's related policies designed to achieve the objective of the quality control system and its procedures to implement and monitor compliance with those policies. <p>^{3A} <u>ISQM 1, paragraph 1</u></p> <p>^{3B} <u>ISQM 1, paragraph 2(a)</u></p> <p>^{3C} <u>ISQM 2, Engagement Quality Reviews</u></p> <p>^{3D} <u>ISQM 1, paragraph 2(b)</u></p>	1
ISRS 4410 (Revised), paragraph	Under ISQC 1, the firm has an obligation to establish and maintain a system of quality control to provide it with	ISQM 1 paragraph 14	Under <u>ISQCM 1</u> , the <u>objective of the firm has an obligation to establish and maintain is to design, implement and operate a system of quality</u>	1

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
A7	<p>reasonable assurance that:</p> <p>(a) The firm and its personnel comply with professional standards and applicable legal and regulatory requirements; and</p> <p>(b) Reports issued by the firm or engagement partners are appropriate in the circumstances.⁴</p> <p>⁴ ISQC 1, paragraph 11</p>		<p>control management for related services engagements, including compilation engagements, that to provides the firm with reasonable assurance that:</p> <p>(a) The firm and its personnel comply <u>fulfill their responsibilities in accordance with professional standards and applicable legal and regulatory requirements, and conduct engagements in accordance with such standards and requirements;</u> and</p> <p>(b) Reports <u>Engagement reports</u> issued by the firm or engagement partners are appropriate in the circumstances.⁴</p> <p>⁴ ISQCM 1, paragraph 1414</p>	
ISRS 4410 (Revised), paragraph A8	<p>A jurisdiction that has not adopted ISQC 1 in relation to compilation engagements may set out requirements for quality control in firms performing such engagements. The provisions of this ISRS regarding quality control at the engagement level are premised on the basis that quality control requirements adopted are at least as demanding as those of ISQC 1. This is achieved when those requirements impose obligations on the firm to achieve the aims of the requirements of ISQC 1, including an obligation to establish a system of quality control that includes policies and</p>	<p>Wording consistent with ISRS 4400 (Revised), paragraph A5.</p>	<p>A jurisdiction that has not adopted ISQGM 1 in relation to compilation engagements may set out requirements for quality control <u>management</u> in firms performing such engagements. The provisions of this ISRS regarding quality control <u>management</u> at the engagement level are premised on the basis that <u>requirements for quality control management requirements adopted</u> are at least as demanding as those of ISQGM 1. This is achieved when those requirements <u>address the requirements of ISQM 1 and impose obligations on the firm to achieve the objective of ISQM 1, impose obligations on the firm to achieve the aims of the requirements of ISQCM 1, including an</u></p>	1

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
	<p>procedures that address each of the following elements:</p> <ul style="list-style-type: none"> • Leadership responsibilities for quality within the firm; • Relevant ethical requirements; • Acceptance and continuance of client relationships and specific engagements; • Human resources; • Engagement performance; and • Monitoring. 		<p>obligation to establish a system of quality control that includes policies and procedures that address each of the following elements <u>Compliance with ISQM 1 requires, among other things, that the firm's system of quality management addresses the following eight components:</u>^{4A}</p> <p>(a) <u>The firm's risk assessment process;</u> (b) <u>Governance and leadership;</u> (c) <u>Relevant ethical requirements;</u> (d) <u>Acceptance and continuance of client relationships and specific engagements;</u> (e) <u>Engagement performance;</u> (f) <u>Resources;</u> (g) <u>Information and communication; and</u> (h) <u>The monitoring and remediation process elements:</u></p> <ul style="list-style-type: none"> • Leadership responsibilities for quality within the firm; • Relevant ethical requirements; • Acceptance and continuance of client relationships and specific engagements; • Human resources; • Engagement performance; and • Monitoring. 	

^{4A} ISQM 1, paragraph 6

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
ISRS 4410 (Revised), paragraph A10	<p>Unless information provided by the firm or other parties suggests otherwise, the engagement team is entitled to rely on the firm's system of quality control. For example, the engagement team may rely on the firm's system of quality control in relation to:</p> <ul style="list-style-type: none"> • Competence of personnel through their recruitment and formal training. • Maintenance of client relationships through acceptance and continuance systems. • Adherence to legal and regulatory requirements through the monitoring process. <p>In considering deficiencies identified in the firm's system of quality control that may affect the compilation engagement, the engagement partner may consider measures taken by the firm to rectify the situation that the engagement partner considers are sufficient in the context of that compilation engagement.</p>	Wording based on ISA 220 (Revised), paragraph A10	<p>Unless information provided by the firm or other parties suggests otherwise Ordinarily, the engagement team is entitled to rely may depend on the firm's system of quality control control management unless:</p> <ul style="list-style-type: none"> • <u>The engagement team's understanding or practical experience indicates that the firm's policies or procedures will not effectively address the nature and circumstances of the engagement; or</u> • <u>Information provided by the firm or other parties, about the effectiveness of such policies or procedures suggests otherwise.</u> <p>For example, the engagement team may rely depend on the firm's system of quality control control management in relation to:</p> <ul style="list-style-type: none"> • <u>Competence and capabilities of personnel through their recruitment and formal training.</u> • <u>Maintenance of client relationships through the firm's policies or procedures for acceptance and continuance systems of client relationships and specific engagements systems.</u> • <u>Adherence to legal and regulatory requirements through the monitoring and remediation process.</u> 	1

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
			In considering deficiencies identified in the firm's system of quality control <u>management</u> that may affect the compilation engagement, the engagement partner may consider measures <u>the remedial actions undertaken</u> by the firm to rectify the situation <u>to address those deficiencies</u> that the engagement partner considers are sufficient in the context of that compilation engagement.	
ISRS 4410 (Revised), paragraph A11	A deficiency in the firm's system of quality control does not necessarily indicate that a compilation engagement was not performed in accordance with professional standards and applicable legal and regulatory requirements, or that the practitioner's report was not appropriate.		A deficiency in the firm's system of quality control <u>management</u> does not necessarily indicate that a compilation engagement was not performed in accordance with professional standards and applicable legal and regulatory requirements, or that the practitioner's report was not appropriate.	2
ISRS 4410 (Revised), paragraph A30	<p>Engagement Level Quality Control (Ref: Para. 23(b))</p> <p>The actions of the engagement partner and appropriate messages to the other members of the engagement team, in taking responsibility for the overall quality on each engagement, emphasize the importance to achieving the quality of the engagement of:</p> <p>(a) Performing work that complies with professional standards and regulatory and legal requirements;</p>	ISQM 1, paragraph 31	<p>Engagement Level Quality Control<u>Management</u> (Ref: Para. 23(b))</p> <p>The actions of the engagement partner and appropriate messages to the other members of the engagement team, in taking <u>overall</u> responsibility for the overall<u>managing and achieving</u> quality on each engagement, emphasize the importance to achieving the quality of the engagement of:</p> <p>(a) Performing work that complies with professional standards and regulatory and legal requirements;</p>	1

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
	<p>(b) Complying with the firm's quality control policies and procedures as applicable; and</p> <p>(c) Issuing the practitioner's report for the engagement in accordance with this ISRS.</p>		<p>(b) Complying with the firm's quality control policies and<u>or</u> procedures as applicable; and</p> <p>(c) Issuing the practitioner's report for the engagement in accordance with this ISRS.</p>	
ISRS 4410 (Revised), paragraph A31	<p><i>Acceptance and Continuance of Client Relationships and Compilation Engagements (Ref: Para. 23(b)(i))</i></p> <p>ISQC 1 requires the firm to obtain such information as it considers necessary in the circumstances before accepting an engagement with a new client, when deciding whether to continue an existing engagement, and when considering acceptance of a new engagement with an existing client. Information that assists the engagement partner in determining whether acceptance or continuance of client relationships and compilation engagements is appropriate may include information concerning the integrity of the principal owners, key management and those charged with governance. If the engagement partner has cause to doubt management's integrity to a degree that is likely to affect proper performance of the engagement,</p>	ISQM 1, paragraph 30.	<p><i>Acceptance and Continuance of Client Relationships and Compilation Engagements (Ref: Para. 23(b)(i))</i></p> <p>ISQM 1 requires the firm to obtain such information as it considers necessary in the circumstances before accepting an engagement with a new client, when deciding whether to continue an existing engagement, and when considering acceptance of a new engagement with an existing client. <u>ISQM 1 requires the firm to establish a quality objective dealing with the appropriateness of to obtain such its judgments about whether to accept or continue a client relationship or engagement based to obtain such on information as it considers necessary in the circumstances before accepting an engagement with a new client, when deciding whether to continue an existing engagement, and when considering acceptance of a new engagement with an existing client.</u> <u>obtained about the nature and circumstances of the compilation engagement and information that assists the engagement partner in determining whether acceptance or continuance of client relationships and compilation engagements is appropriate may include information concerning the integrity and ethical values of the principal owners, key client (including management, and, when appropriate, those charged with</u></p>	1

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
	it may not be appropriate to accept the engagement.		governance) <u>that is sufficient to support such judgments.</u>	
ISRS 4410 (Revised), paragraph A32	<p><i>Compliance with Relevant Ethical Requirements in Conducting the Engagement (Ref: Para. 23(b)(iii))</i></p> <p>ISQC 1 sets out the responsibilities of the firm for establishing policies and procedures designed to provide it with reasonable assurance that the firm and its personnel comply with relevant ethical requirements. This ISRS sets out the engagement partner's responsibilities with respect to the engagement team's compliance with relevant ethical requirements.</p>	Wording consistent with ISRS 4400 (Revised), paragraph A26.	<p><i>Compliance with Relevant Ethical Requirements in Conducting the Engagement (Ref: Para. 23(b)(iii))</i></p> <p>ISQCM 1 sets out the responsibilities of the firm for establishing policies and procedures designed to provide it with reasonable assurance that the firm and its personnel <u>comply quality objectives that address the fulfillment of responsibilities in relation to the relevant ethical requirements.</u> This ISRS sets out the engagement partner's responsibilities with respect to the engagement team's compliance with relevant ethical requirements.^{8A}</p> <p>^{8A} ISQM 1, paragraph 29</p>	1
International Framework for Assurance Engagements, footnote 1	¹ See the <i>Preface to the International Quality Control, Auditing, Review, Other Assurance and Related Services Pronouncements.</i>		¹ See the <i>Preface to the International Quality ControlManagement, Auditing, Review, Other Assurance and Related Services Pronouncements.</i>	2
International Framework for Assurance Engagements	<p>Ethical Principles and Quality Control Standards</p> <p>Quality control within firms that perform assurance engagements, and compliance with ethical principles, including independence requirements,</p>		<p>Ethical Principles and Quality ControlManagement Standards</p> <p>Quality control<u>management</u> within firms that perform assurance engagements, and compliance with ethical principles, including</p>	2

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
ts, paragraph 5	<p>are widely recognized as being in the public interest and an integral part of high-quality assurance engagements. Such engagements are performed in accordance with Assurance Standards, which are premised on the basis that:</p> <p>(a) The members of the engagement team and the engagement quality control reviewer (for those engagements where one has been appointed) are subject to the provisions of the IESBA Code related to assurance engagements, other professional requirements, or requirements in law or regulation, that are at least demanding; and</p> <p>(b) The practitioner performing the engagement is a member of a firm that is subject to ISQC 1,²⁵ or other professional requirements, or requirements in law or regulation, regarding the firm's responsibility for its system of quality control, that are at least as demanding as ISQC 1.</p>		<p>independence requirements, are widely recognized as being in the public interest and an integral part of high-quality assurance engagements. Such engagements are performed in accordance with Assurance Standards, which are premised on the basis that:</p> <p>(a) The members of the engagement team and the engagement quality control reviewer (for those engagements where one has been appointed) are subject to the provisions of the IESBA Code related to assurance engagements, other professional requirements, or requirements in law or regulation, that are at least demanding; and</p> <p>(b) The practitioner performing the engagement is a member of a firm that is subject to ISQM 1,²⁶ or other professional requirements, or requirements in law or regulation, regarding the firm's responsibility for its system of quality control<u>management</u>, that are at least as demanding as ISQM 1.</p>	

²⁵ International Standard on Quality Control (ISQC) 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*

²⁶ International Standard on Quality Control (ISQC) 1, *Quality Control for Firms that Perform Audits and Reviews of Financial Statements, and Other Assurance and Related Services Engagements*

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
International Framework for Assurance Engagements, paragraph 9	<p><i>ISQC 1</i></p> <p>ISQC 1 deals with the firm's responsibilities to establish and maintain its system of quality control for assurance engagements. Compliance with ISQC 1 requires, among other things, that the firm establish and maintain a system of quality control that includes policies and procedures addressing each of the following elements, and that it documents its policies and procedures and communicates them to the firm's personnel:</p> <p>(a) Leadership responsibilities for quality within the firm;</p> <p>(b) Relevant ethical requirements;</p> <p>(c) Acceptance and continuance of client relationships and specific engagements;</p> <p>(d) Human resources;</p> <p>(e) Engagement performance; and</p> <p>(f) Monitoring.</p>		<p><i>ISQM</i> 1</p> <p><u>ISQM</u> 1 deals with the firm's responsibilities to establish and maintain <u>design, implement and operate a its</u> system of quality control<u>management</u> for assurance engagements.^{3A} Compliance with ISQC 1 requires, among other things, that the firm establish and maintain a system of quality control that includes policies and procedures addressing each of the following elements, and that it documents its policies and procedures and communicates them to the firm's personnel:<u>A system of quality management addresses the following eight components:</u>^{5E}</p> <p>(a) <u>The firm's risk assessment process;</u></p> <p>(b) <u>Governance and leadership;</u></p> <p>(c) <u>Relevant ethical requirements;</u></p> <p>(d) <u>Acceptance and continuance of client relationships and specific engagements;</u></p> <p>(e) <u>Engagement performance;</u></p> <p>(f) <u>Resources;</u></p> <p>(g) <u>Information and communication; and</u></p> <p>(h) <u>The monitoring and remediation process</u></p> <p>(a) Leadership responsibilities for quality within the firm;</p> <p>(b) Relevant ethical requirements;</p>	2

IAASB Other Standards		Proposed Changes to the IAASB Other Standards		
Ref.	Extant Wording ⁹	Notes	Proposed Change ¹⁰	Category
			(c) Acceptance and continuance of client relationships and specific engagements; (d) Human resources; (e) Engagement performance; and (f) Monitoring. ^{3A} ISQM 1, paragraph 1 ^{3B} ISQM 2, <i>Engagement Quality Reviews</i> ^{3C} ISQM 1, paragraph 6	

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