

NEW QUALITY MANAGEMENT STANDARDS SUPPORTING FACTSHEETS

ISQM (Ireland) 1
Firms

ISQM (Ireland) 2
Reviews

ISA (Ireland) 220
Audits



IAASA's new quality management standards apply to auditors performing statutory audits and accountants performing assurance or related services engagements.



They introduce a new quality management approach focused on proactively identifying and responding to risks to quality.



The IAASB's dedicated quality management webpage including first time implementation guidance, is at www.iaasb.org/focus-areas/quality-management

IAASA Explainer Videos

You can find videos summarising the key points of the quality management standards on IAASA's YouTube channel.



 **TAKE
ACTION**



The new standards apply to periods from 15 December 2022. Firms must design and implement a system of quality management by that date and evaluate it for the first time by 15 December 2023.



For a full understanding of the new and revised requirements, readers should review the full standards on IAASA's website.

ISQM (Ireland) 1

Quality Management for Firms

that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements

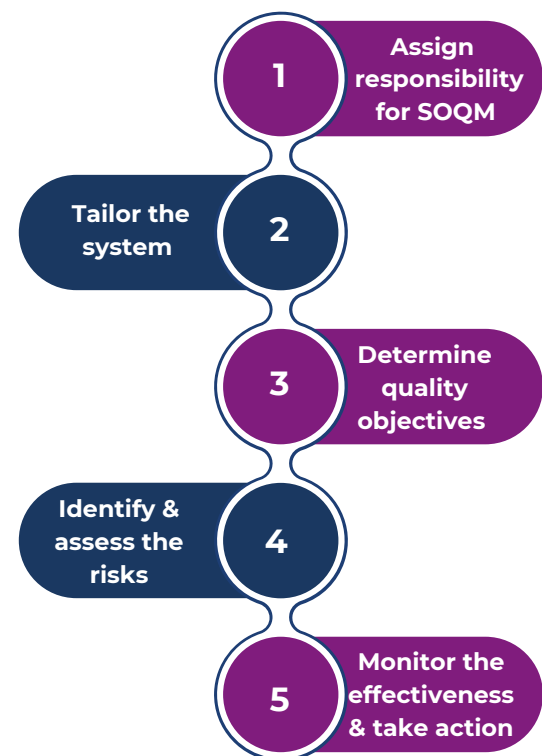
Overview

- Deals with the firm's responsibility to design, implement and operate a system of quality management (SOQM). A SOQM creates an environment that supports engagement teams in performing quality engagements.
- Applies to all firms performing engagements in accordance with the standards issued by IAASA. This includes audits, reviews of interim financial information, and investment circulars.
- Each firm must adapt its SOQM based on the nature and circumstances of the firm and the engagements it performs.

SOQM COMPONENTS

Risk Assessment	Governance & Leadership
Ethical Requirements	Acceptance & Continuance
Engagement Performance	Resources
Information & Communication	Monitoring & Remediation

Implementation



Objective of the SOQM

Provide the firm with reasonable assurance that:

- the firm and its personnel fulfil their responsibilities and conduct engagements in accordance with applicable standards, law & regulations.
- the engagement reports issued are appropriate.

ISQM (Ireland) 2

Engagement Quality Reviews

Overview

An engagement quality review (EQR) is an objective evaluation of the engagement team's judgements and conclusions.

- ISQM (Ireland) 2 applies to all engagements for which an engagement quality review is required by ISQM (Ireland) 1. An EQR must be performed for all audits of public interest entities and listed entities, as well as for investment circular engagements. An EQR must also be carried out where the firm determines that it is an appropriate response to address one or more quality risks.
- The EQR must be completed by an engagement quality reviewer on or before the date of the engagement report.
- The engagement partner may not date the engagement report until they have been notified by the reviewer that the EQR is complete.
- The EQR is performed at appropriate points throughout the engagement and is focused on significant matters arising and judgements made.

Reviewer Qualifications

Competent &
appropriate authority

Comply with ethical &
legal requirements

Sufficient time to
perform the EQR

Cooling off period for
previous engagement
partner

Internal or external
reviewers

Use of
assistants

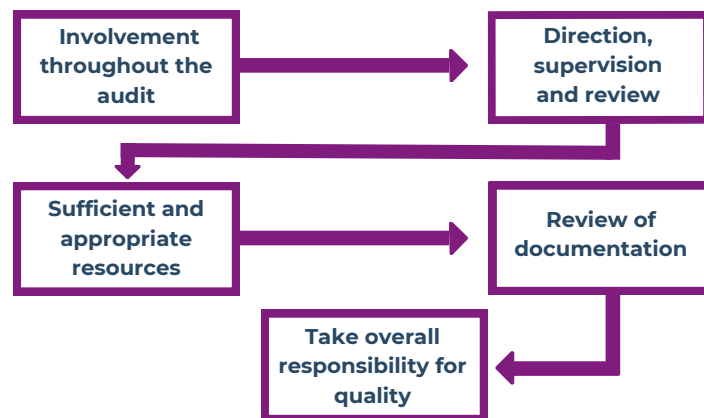
ISA (Ireland) 220 (Revised December 2021)

Quality Management for an Audit of Financial Statements

Overview

- ISA (Ireland) 220 (Revised December 2021) deals with the auditor's responsibilities for quality management on an audit of financial statements.
- It integrates the new quality management concepts in ISQM (Ireland) 1 so they can be carried through at the individual audit level.
- The standard focuses on the critical role of the engagement partner in managing and achieving audit quality, and reinforcing the importance of quality to all members of the engagement team.

ENGAGEMENT PARTNER'S RESPONSIBILITIES TO MANAGE AND ACHIEVE QUALITY



ADDITIONAL CHANGES TO ISA (IRELAND) 220

Change to
"engagement
team" definition

Acceptance and
continuance
information to
be considered

New material on
professional
scepticism &
judgement