



**SELF-ASSESSMENT OF INTERNAL  
QUALITY CONTROL MONITORING  
PROGRAM**

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Nur-Sultan, Kazakhstan

## SELF-ASSESSMENT OF INTERNAL QUALITY CONTROL MONITORING PROGRAM

This form is used to review the firm's internal quality control (QC) monitoring program over its audit practice to ensure it has been performed in accordance with ISQC 1.

<b>FIRM</b>		<b>REVIEW REF.</b>	
<b>Period of review</b>		<b>Length of review cycle (i.e. period over which engagements for all engagement partners are reviewed)</b>	
<b>Offices covered by review</b>		<b>Percentage of all engagement partners covered by the firm's review</b>	
<b>Staffing of the firm's internal QC monitoring program</b>			
	<b>Name</b>		<b>Title</b>
Individual responsible for program			
Others:			
<b>Engagements reviewed as part of the firm's internal QC monitoring program</b>			
Number of engagements reviewed		Percentage of all engagements reviewed	

ISQC 1 Ref	ISQC 1 Requirements	Firm's Assessment	Attachment (where applicable)
<b><i>Monitoring objective</i></b>			
48 A6 4 A6 5	<p>Each firm shall establish a monitoring process designed to provide it with reasonable assurance that the policies and procedures relating to the system of quality control are relevant, adequate and operating effectively.</p> <p>Purpose of monitoring process:</p> <ul style="list-style-type: none"> <li>• Adherence to professional standards and legal and regulatory requirements</li> <li>• Whether the quality control system is appropriately designed and effectively implemented</li> <li>• Whether the quality control policies and procedures have been appropriately applied so that reports issued by the firm are appropriate</li> </ul>	<p><b><i>Describe the firm's monitoring process:</i></b></p>	
48 A6 6 A6 7	<p>Include an ongoing consideration and evaluation of the firm's system of quality control including, on a cyclical basis, inspection of at least one completed engagement for each engagement partner.</p>	<p>Consideration and evaluation of the system of quality control, describe how the firm monitors the following:</p> <ul style="list-style-type: none"> <li>• New developments in professional standards and legal and regulatory requirements and how they are reflected in the firm's policies and procedures</li> </ul> <p><b><i>Describe:</i></b></p>	

ISQC 1 Ref	ISQC 1 Requirements	Firm's Assessment	Attachment (where applicable)
		<ul style="list-style-type: none"> <li data-bbox="746 349 1315 450">• Written confirmation of compliance with procedures on independence <b>Describe:</b></li>   <li data-bbox="746 573 1315 674">• Continuing professional development including training <b>Describe:</b></li>   <li data-bbox="746 842 1315 943">• Decisions related to client acceptance and continuance <b>Describe:</b></li>   <li data-bbox="746 1111 1315 1267">• Determination of corrective actions and improvements to the system including feedback into the firm's policies regarding education and training <b>Describe:</b></li>   <li data-bbox="746 1424 1315 1581">• Communication to appropriate firm personnel of weaknesses in the system, in the level of understanding of the system or compliance with it <b>Describe:</b></li>   <li data-bbox="746 1749 1315 1850">• Follow up by appropriate firm personnel so that modifications are made promptly <b>Describe:</b></li> </ul>	

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48	Require responsibility for the monitoring process to be assigned to a partner or partners or other persons with sufficient and appropriate experience and authority in the firm to assume that responsibility.	<b><i>Describe the firm's assignment process:</i></b>	
48 A68	Require that those performing the engagement or the engagement quality control review are not involved in inspecting the engagements.	<p>In smaller firms monitoring may need to be performed by those responsible for the design and implementation of the quality control system or those who perform the engagement quality control review.</p> <p>Such a firm may choose to use an external person or another firm to carry out monitoring.</p> <p><b><i>Describe assignment process for engagement quality control review:</i></b></p>	
<b><i>Evaluating, communicating and remedying identified deficiencies</i></b>			
49	<p>Each firm should evaluate the effect of deficiencies noted as a result of the monitoring process and should determine whether they are either:</p> <p>(a) Instances that do not necessarily indicate that the system of quality control is insufficient to provide reasonable assurance that the firm complies with professional standards and regulatory and legal requirements, and that the reports issued are appropriate in the circumstances; or</p> <p>(b) Systemic, repetitive or other significant deficiencies that require prompt corrective action.</p>	<b><i>Describe how the firm handles its deficiencies noted as a result of the monitoring process:</i></b>	
50	Deficiencies noted as part of the monitoring process and recommendations for appropriate remedial action should be communicated to relevant engagement partners and other appropriate personnel.	<b><i>Describe how the firm communicates recommendations for appropriate remedial action on deficiencies noted:</i></b>	

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	Generally, when reporting to individuals other than the engagement partner, the specific engagement need not be identified.		
51	<p>The evaluation of each type of deficiency should result in recommendations for one or more of the following:</p> <p>(a) Taking appropriate remedial action in relation to an individual engagement or member of personnel;</p> <p>(b) The communication of the findings to those responsible for training and professional development;</p> <p>(c) Changes to the quality control policies and procedures; and</p> <p>(d) Disciplinary action against those who fail to comply with the policies and procedures of the firm, especially those who do so repeatedly.</p>	<p><b><i>Describe how the firm takes remedial action on deficiencies noted:</i></b></p>	
52	<p>Where the results of the monitoring procedures indicate that a report may be inappropriate or that procedures were omitted during the performance of the engagement, the firm should determine what further action is appropriate to comply with relevant professional standards and regulatory and legal requirements. It should also consider obtaining legal advice.</p>	<p><b><i>Describe how the firm takes actions on inappropriate report or omitted procedures during performance of the engagement:</i></b></p>	
53	<p>At least annually, the firm should communicate the results of the monitoring of its quality control system to engagement partners and other appropriate individuals within the firm, including the firm's chief executive officer or, if appropriate, its managing board of partners. Such communication should enable the firm and these individuals to take prompt and appropriate action where necessary in accordance with their defined roles and responsibilities. Information communicated should include the following:</p>	<p><b><i>Describe how the firm communicates the result of the monitoring of its quality control system.</i></b></p>	

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	<p>(a) A description of the monitoring procedures performed.</p> <p>(b) The conclusions drawn from the monitoring procedures.</p> <p>(c) Where relevant, a description of systemic, repetitive or other significant deficiencies and of the actions taken to resolve or amend those deficiencies.</p>		
58 A7 3 A7 4	<p><b>Retention of monitoring documentation</b></p> <p>Monitoring documentation should be held for a time period sufficient to satisfy local jurisdiction requirements. The firm should always retain the documentation relating to one complete monitoring cycle (usually a year) alongside any monitoring which may be in progress in the current year.</p> <p>Form and content of documentation evidencing each element of the QC system is a matter of judgment and depends on factors such as:</p> <ul style="list-style-type: none"> <li>• size of firm and number of offices</li> <li>• nature and complexity of the firm's practice and organization</li> </ul> <p>Appropriate documentation for monitoring includes for example:</p> <ul style="list-style-type: none"> <li>• Monitoring procedures, including the procedure for selecting completed engagements</li> <li>• A record of evaluation of adherence to professional standards, whether the QC system has been appropriately designed and implemented and whether the QC procedures have been appropriately applied so that reports are appropriate</li> <li>• Identification of deficiencies noted, an evaluation of their effect and the basis for determining whether and what further action is necessary</li> </ul>	<p><b><i>Describe the firm's retention of monitoring documentation:</i></b></p>	