Firm level review questionnaire

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### **Leadership responsibilities for quality within the firm:**

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| **SL#** | **Sub-Category** | **Question description** | **S** | **D** | **SD** | **N/A** | **WP Ref/ Remarks** |
| **1.1** | Leadership | Whether the firm   * partners have the ultimate responsibility for the firm’s quality control? * is complying with the regulatory and legal requirement and also professional standards as much as practicable? * compromise audit quality for commercial consideration? * partners have strong mindset to issue appropriate report based on circumstances? * provides sufficient resources for the development, documentation and support of its quality control policies? | **☐** | **☐** | **☐** | **☐** |  |

1. **Compliance with the relevant ethical requirements of the firm:**

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| **SL#** | **Sub-Category** | **Question description** | **S** | **D** | **SD** | **N/A** | **WP Ref/ Remarks** |
| 2.1. | Independence | Whether the firm   * communicates the independence requirements to students and staffs? * develops and implements the annual confirmation of independence policy * practice the rotation of engagement partner for audit clients as applicable? | **☐** | **☐** | **☐** | **☐** |  |
| 2.2 | Code of Ethics | Does the firm comply code of ethics? | **☐** | **☐** | **☐** | **☐** |  |

### **Overall acceptance and continuance of the client relationships**

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| **SL#** | **Sub-Category** | **Question description** | **S** | **D** | **SD** | **N/A** | **WP Ref/ Remarks** |
| 3.1. | Policies & procedures for client management | Does the firm have procedures and protocols for acceptance and continuance of clients and engagements, including procedures for discontinuance of an engagement and/or relationship? | **☐** | **☐** | **☐** | **☐** |  |
| 3.2. | Acceptance and continuance of clients | Does the firm follow its own audit guideline and procedures (at least Consent letter, appointment letter, 23B, AGM extract and engagement letter) based on APM of ICAB for acceptance and continuance of clients as applicable? | **☐** | **☐** | **☐** | **☐** |  |
| 3.3. | Availability of resources | Does it appear that adequate consideration was given, before acceptance, to confirm whether the firm has or has access to required resources/expertise in a timely manner to provide required services? | **☐** | **☐** | **☐** | **☐** |  |
| 3.4. | Communication to predecessor auditor | From a selected sample, did the audit team communicate with the predecessor auditors prior to accepting client and appropriate, specific and reasonable inquiries of the predecessor auditors? | **☐** | **☐** | **☐** | **☐** |  |
| 3.5. | Background check | Were appropriate, timely and confidential inquiries were made for background check of the prospective clients? | **☐** | **☐** | **☐** | **☐** |  |
| 3.6. | Tone at the top | Does it appear that firm leadership communicates and periodically reinforce the importance of compliance with the client and engagement acceptance and continuance policies and procedures? | **☐** | **☐** | **☐** | **☐** |  |
| 3.7. | Does the leadership set clear guidelines for timely execution of the process and established monitoring of completion versus execution of client engagement letters? | **☐** | **☐** | **☐** | **☐** |  |
| 3.8. |  | Does the firm have monitoring activities in place to ensure that all engagements have been accepted or continued on a timely basis following the policies and procedures? Cold review | **☐** | **☐** | **☐** | **☐** |  |
| 3.9. | Joint auditor | From a selected sample before accepting joint audit engagements, did the firm satisfy itself as to the joint auditors' professional standing, integrity and work standards in light of the degree of reliance being placed on the work of the joint auditors? | **☐** | **☐** | **☐** | **☐** |  |

### **Engagement performance of the firm:**

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| **SL#** | **Sub-Category** | **Question description** | **S** | **D** | **SD** | **N/A** | **WP Ref/ Remarks** |
| 4.1. | Engagement performance | Whether the firm   * follows ICAB's APM as guideline for engagement performance * strengthen the working papers documentation procedures * implement audit review procedures | **☐** | **☐** | **☐** | **☐** |  |
| 4.2. | Tone at the top | Considering the results and observations of the review, does it appear that there is a “culture of consultation” within the firm? | **☐** | **☐** | **☐** | **☐** |  |
| 4.3. | Appropriate consultation | Does it appear that consultations are taking place where required? | **☐** | **☐** | **☐** | **☐** |  |
| 4.4. | Consultations resources | Do consultations appear to be performed by consultants who are appropriately qualified \ and does it appear that there are sufficient resources available for consultations? | **☐** | **☐** | **☐** | **☐** |  |
| 4.5. | Documentation of consultation | Are the consultations appropriately documented? | **☐** | **☐** | **☐** | **☐** |  |
| 4.6. | Supervise and monitoring | Does the firm supervise and monitor every audit assignment regular basis? | **☐** | **☐** | **☐** | **☐** |  |

### **Human resource:**

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| **SL#** | **Sub-Category** | **Question description** | **S** | **D** | **SD** | **N/A** | **WP Ref/ Remarks** |
| 5.1. | Hiring plan | Does the firm has hiring policies in place and document hiring planning? | **☐** | **☐** | **☐** | **☐** |  |
| 5.2. | Is the hiring plan supervised and approved by the firm leadership? | **☐** | **☐** | **☐** | **☐** |  |
| 5.3. | Experience of the recruiters | Does the persons involve in the recruitment process has sufficient training (e.g. interview skills) and experiences? | **☐** | **☐** | **☐** | **☐** |  |
| 5.4. | Recruitment and personnel files | Does the firm maintain adequate documentations on new hire? | **☐** | **☐** | **☐** | **☐** |  |
| 5.5. | Does the firm maintain adequate documentation in the personnel files for its employees? | **☐** | **☐** | **☐** | **☐** |  |
| 5.6. | Mandatory training | Does the firm have mandatory learning for its employees? | **☐** | **☐** | **☐** | **☐** |  |
| 5.7. | Mandatory attendance | Does the firm ensure that all assurance professional attended the mandatory training? | **☐** | **☐** | **☐** | **☐** |  |
| 5.8. | Training content | Does the firm ensure that content of the training is relevant and appropriate? | **☐** | **☐** | **☐** | **☐** |  |
| 5.9. | Up-to-date content | Is the technical content of the training up to date? | **☐** | **☐** | **☐** | **☐** |  |
| 5.10. | Review of content | Does the self-developed training contents are reviewed by appropriately qualified person? | **☐** | **☐** | **☐** | **☐** |  |
| 5.11. | Performance review | Does the firm have appropriate policies and procedures in place for reviewing employee performance? | **☐** | **☐** | **☐** | **☐** |  |
| 5.12. | Timely review | Does the firm complete appropriate annual reviews on timely basis? | **☐** | **☐** | **☐** | **☐** |  |
| 5.13 | Performance feedback | Is there evidence that employee received sufficient and timely feedback on their annual performance including areas for improvement? | **☐** | **☐** | **☐** | **☐** |  |
| 5.14. | Performance improvement plan | Does the firm have appropriate performance improvement plan for those who are identified as under-performer? | **☐** | **☐** | **☐** | **☐** |  |
| 5.15. | Promotions | Does the firm take promotion decisions basis on performance review? | **☐** | **☐** | **☐** | **☐** |  |
| 5.16. | Remunerations | Is the employee remuneration linked to the performance review? | **☐** | **☐** | **☐** | **☐** |  |
| 5.17. | Retaining employees | Does the firm monitor its ability to retain highest performing employees and does it take necessary actions to retain its high performing employee as far possible? | **☐** | **☐** | **☐** | **☐** |  |
| 5.18. | Competence with code of ethics | Does the firm ensure compliance with code of ethics of its new hire? | **☐** | **☐** | **☐** | **☐** |  |

### **Monitoring:**

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| **SL#** | **Sub-Category** | **Question description** | **S** | **D** | **SD** | **N/A** | **WP Ref/ Remarks** |
| 6.1 | Monitoring activities | Whether does the firm practice the hot file and cold file review? | ☐ | **☐** | **☐** | **☐** |  |

### **Documentation:**

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| **SL#** | **Sub-Category** | **Question description** | **S** | **D** | **SD** | **N/A** | **WP Ref/ Remarks** |
| 7.1 | Preservation of audit files | Does the firm has adopted appropriate policies and procedures to preserve current and permanent files? | ☐ | ☐ | ☐ | ☐ |  |
| 7.2 | Has the firm preserved all working files? | ☐ | ☐ | ☐ | ☐ |  |

### **Professional misconduct at firm level**:

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| **SL#** | **Sub-Category** | **Question description** | **WP Ref/ Remarks** |
| 8.1 | Any professional misconduct as per ICAB Bye Laws | Does the firm involve with any professional misconduct as per ICAB Bye laws and any other guidance/directives issued by ICAB? |  |