

Quality Management Exposure Draft Comment Letter Template

This template is provided to aid respondents in drafting their response to the Exposure Draft of the ASB's Proposed Quality Management Standards, which comprise:

- Proposed Statement on Quality Management Standards (SQMS), A Firm's System of Quality Management (hereinafter referred to as proposed SQMS No. 1 for purposes of this memorandum).
- Proposed SQMS, Engagement Quality Reviews (hereinafter referred to as proposed SQMS No. 2 for purposes of this memorandum)
- Proposed Statement on Auditing Standards Quality Management for an Engagement Conducted in Accordance With Generally Accepted Auditing Standards (QM SAS)

This form is just for the convenience of respondents and it is not necessary to use this form or format in submitting your response. Respondents are welcome to answer any or all questions. Comments are due by August 31, 2021.

Submit by email to: CommentLetters@aicpa-cima.com.

PART 1: SQMS No. 1

1a. Which of the following best describes your view of the proposed SQMS No. 1? Please choose only one.

- I strongly support the proposed SQMS No. 1.
- I somewhat support the proposed SQMS No. 1.
- I somewhat oppose the proposed SQMS No. 1.
- I strongly oppose the proposed SQMS No. 1

Please provide additional details regarding your response.

1b. The fundamental aspects of proposed SQMS No. 1 are summarized in pages 8-14 of the Explanatory Memorandum. Please provide your views on (any or all of) the fundamental aspects.

1c. Are the requirements in SQMS No. 1 clear and understandable? Please answer yes or no.

Please provide additional details regarding your response, and, if applicable, identify any requirements you find to not be clear or helpful.

1d. Is the application material in SQMS No. 1 helpful in supporting the application of the requirements? Please answer yes or no.

Please provide additional details regarding your response, and, if applicable, identify additional application material that would be helpful.

1e. Do you have any other comments on proposed SQMS No. 1?

PART 2: Scalability of SQMS No. 1

2a. Is the new quality management approach in SQMS 1 scalable? Please answer yes or no.

2b. Would additional application material regarding scalability be helpful? Please answer yes or no.

2c. Please provide additional details regarding your responses to 2a and 2b. If applicable, identify any requirements in proposed SQMS No. 1 that may inhibit scalability or requirements for which additional application material regarding scalability would be helpful.

PART 3: SQMS No. 2

3a. Which of the following best describes your view of the proposed SQMS No. 2? Please choose only one.

- I strongly support the proposed SQMS No. 2.
- I somewhat support the proposed SQMS No. 2.
- I somewhat oppose the proposed SQMS No. 2.
- I strongly oppose the proposed SQMS No. 2.

Please provide additional details regarding your response.

3b. Are the requirements in SQMS No. 2 clear and understandable? Please answer yes or no.

Please provide additional details regarding your response, and, if applicable, identify any requirements you find to not be clear or helpful.

3c. Is the application material in SQMS No. 2 helpful in supporting the application of the requirements? Please answer yes or no.

Please provide additional details regarding your response, and, if applicable, identify additional application material that would be helpful.

3d. Do you have any other comments on proposed SQMS No. 2?

PART 4: QM SAS

4a. Which of the following best describes your view of the proposed QM SAS? Please choose only one.

- I strongly support the proposed QM SAS
- I somewhat support the proposed QM SAS
- I somewhat oppose the proposed QM SAS
- I strongly oppose the proposed QM SAS

Please provide additional details regarding your response.

4b. Are the requirements in QM SAS clear and understandable? Please answer yes or no.

Please provide additional details regarding your response, and, if applicable, identify any requirements you find to not be clear or helpful.

4c. Is the application material in QM SAS helpful in supporting the application of the requirements? Please answer yes or no.

Please provide additional details regarding your response, and, if applicable, identify additional application material that would be helpful.

4d. Do you have any other comments on the proposed QM SAS?

PART 5. Effective dates and implementation period

5. Are the effective dates clear? Please answer yes or no.

Please provide additional details regarding your response, and, if applicable, describe what is not clear.

6. Is an 18-month implementation period appropriate? Please answer yes or no.

Please provide additional details regarding your response, and, if applicable, explain what implementation period would be more appropriate.

PART 6. Other issues for consideration.

7. Please indicate your level of agreement that inspection of completed engagements by those involved in the engagements should be precluded in order to enhance audit quality. Please choose only one.

- Strongly agree
- Agree
- Neutral
- Disagree
- Strongly disagree

Please provide additional details regarding your response, and if applicable, provide examples of safeguards that could lower the self-review threat to an acceptable level.

8a. Should a cooling-off period should be required before a former engagement partner can serve as an engagement quality reviewer on that engagement? Please answer yes or no.

8b. If you answered YES to 8a, what is the appropriate length of the required cooling-off period? Two years, one year, or a different length?

8c. If you answered NO to 8a, please provide additional details regarding your response and provide examples of safeguards that could lower the objectivity threat to an acceptable level.

9a. Should the engagement quality review should be required to be completed before the report is dated, rather than before the report is released? Please answer yes or no.

Please provide additional details regarding your response. [Note that the ASB is interested in hearing whether your firm currently requires that the engagement quality review be completed before the report is dated.]

PART 7. Demographic data

Name:

Organization Name:

Firm size, if applicable: