Information and Communication, Networks, & Documentation
Technical overview: Agenda

• Information and Communication
  • Quality Objectives
  • Communication

• Network Requirements & Services
  • Definitions
  • Understanding Networks
  • Network Requirements
  • Monitoring of Quality Management System by the Network
  • Network Monitoring and Activities and Deficiencies

• Documentation
Information and communication

Enables the design, implementation and operation of the SOQM

Many aspects overlap with other components
Information and Communication

Quality Objectives

• Obtaining, generating or using information to support the SOQM
• Communicated within firm and each other
  ❑ Information system identifies, captures, processes and maintains information
  ❑ Culture of firm to exchange information
  ❑ Exchange of relevant and reliable information
    ➢ Nature, timing and extent
    ➢ Fulfil responsibilities for SOQM
    ➢ Personnel & engagement teams communicate to the firm results of activities
Communication

- **Personnel**
  - As part of engagement team
  - Related to performing activities within the SOQM

- **Service providers**
  - As part of engagement team
  - Related to other resources from service providers

- **Within the firm’s network**
  - As part of engagement team
  - Related to other network requirements or network services

- **External parties**
  - When required by law or regulation, or when needed to support an understanding of the SOQM
  - Specified responses in ISQM 1
Methods of Communication

- Oral communication
- Manuals of policies or procedures
- Newsletters
- Alerts
- Intranet/web-based applications
- Emails
- Training
Scalability for Smaller Firms

- Less complex
- Fewer personnel
- Direct involvement of leadership
- Less rigorous policies and procedures

Communication more informal and achieved through direct discussions with personnel and engagement teams

- Not all communication needs to be formally documented
- Firm communication documented to satisfy documentation requirements
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Firm Responsibility

System of quality management including

• Professional judgments
  • Design
  • Implementation and
  • Operation

Firm shall not allow

• Network requirements or network services
  ❑ Contravene the requirements of this ISQM
Network Requirements & Services

Definitions

Network

• A larger structure aimed at cooperation and
  • profit or cost-sharing or
  • shares common ownership, control or management or
  • common quality management policies or procedures or
  • common business strategy or
  • common brand name or a significant part of professional resources

Network Firm

• Firm or entity that belongs to a network
Network Requirements

Network Firms

- Requirements established by the network firm’s system of quality management
  - firm to implement or use resources or
  - services designed or otherwise provided by or through the network

- Network services or resources firm chooses to implement or use

- Firm’s responsibilities to implement the network requirements or use network services
Network Requirements vs Services

Requirements
- Additional quality objectives or risks
- Network common responses
- Leadership policies and procedures
- Roles and responsibilities
- Assignment of responsibility and authority
- Resources
- Methodologies
- IT applications
- Network monitoring activities
- Network requirements
- Monitoring policy
- Methodology

Services

Voluntary
- Training programs
- Component auditors or experts
- Service delivery centres
Applied Understanding of Network

- Determination of requirements and services
  - Relevant
  - Incorporated
  - Implemented

- Evaluation requirements and services
  - Adapted
  - Supplemented
Monitoring Activities

- Effect of network monitoring
- Firm responsibilities and actions from monitoring
- Evaluation and findings
- Responses to deficiencies

Scope of Monitoring

- Implementation of network requirements
- Communication of results of monitoring activities
- Results of overall network monitoring
  - Communication to engagement teams
  - Prompt action
  - Effect
Deficiencies Identified by Firm

Deficiencies in Requirements or Services

• Communicate to network
• Design and implement remedial action
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**Documentation**

### Three Principles
- Consistent understanding of the SOQM by personnel of their roles and responsibilities and application for performance of engagements
- Consistent implementation and operation of responses
- Evidence of: design; implementation and operation of the responses & evaluation of the SOQM

### Specific Matters
- Quality Objectives
- Quality Risks
- Description of responses & how responses mitigate QRs

### Monitoring
- Evidence of Monitoring Activities
- Evaluation of findings, identified deficiencies and root cause analysis
- Remedial action & evaluation of design and implementation
- Conclusion reached
Documentation

Network
- Requirements
- Services
- Evaluation

Retention
- Sufficient period of time to monitor SOQM
  - Design
  - Implementation
  - Operation