

Information and Communication, Networks, & Documentation



DRAFTWORX
Financial Statements | Working Papers



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



Methods of Communication

Oral
communication

Manuals of
policies or
procedures

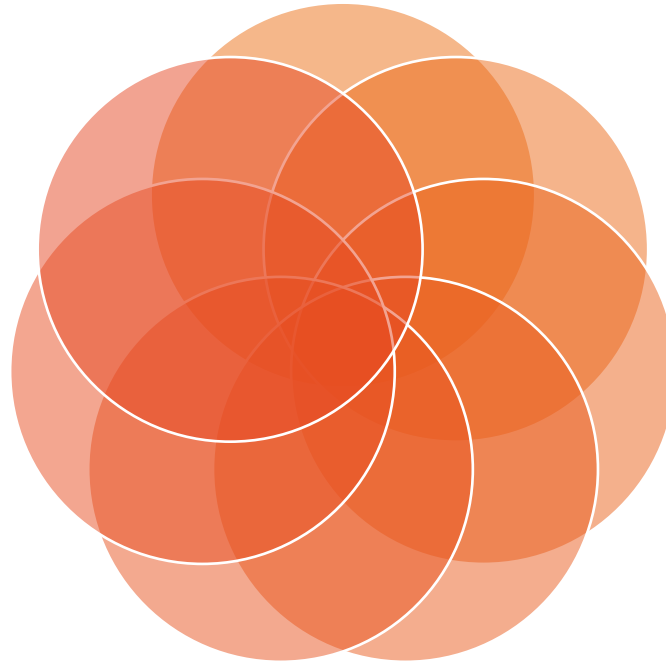
Training

Intranet /
web-based
applications

Newsletters

Emails

Alerts

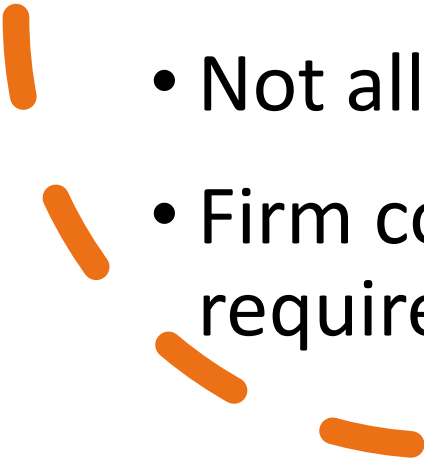




Scalability for Smaller Firms

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

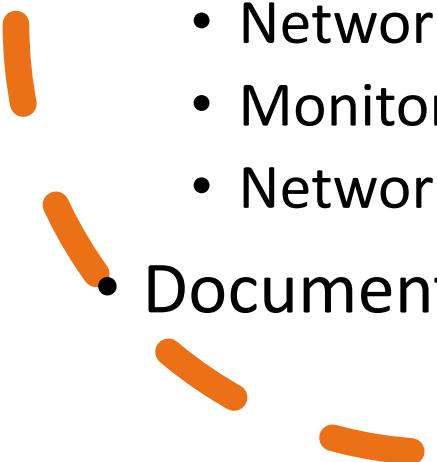
Communication more informal and achieved through direct discussions with personnel and engagement teams

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- 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

System of Quality Management

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

Network Firms

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