

ISQM 1 implementation in a network of SMP firms



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- Network defined in IAASB Handbook
- Network—A larger structure:
 - (a) That is aimed at cooperation, **and**
 - (b) That is clearly aimed at profit **or** cost-sharing **or** shares common ownership, control or management, common quality control policies and procedures, common business strategy, the use of a common brand name, **or** a significant part of professional resources.
- *†Network firm—A firm or entity that belongs to a network

Challenges

- Wide variety of ownership, staffing and client groupings creates widely varying focus areas & methodologies
- Similar does not equal same
- Informal nature of cooperation
- No single – “head office” firm
- Wide variety of approaches to managing quality
- Infrequent cooperation in some instances leads to diminished alignment

Strategies to mitigate

- Increased common structure
- Use same base for management process and
- Dedicated discussion-time amongst “quality” partners.
- Sharing of documentation - i.e. registers and forms



Is it a positive?

- The question could be asked – how is all this extra time and effort beneficial for the SMP?
- Possible benefits:
 - Wider group identifying risks may assist with and increase effectiveness.
 - Talking about risks keeps you aware and alert.



They are after all RISKS to the:

- quality of your work
- and therefore to your business.