

ISSAI 1220

الإننتوساي



توجيهات حول التدقيق المالي -
ضبط الجودة لعمليات التدقيق في
المعلومات المالية التاريخية

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مذكرة تطبيقية¹ تتعلق بمعيار التدقيق الدولي 220 - ضبط الجودة بالنسبة الى عمليات التدقيق في المعلومات المالية التاريخية²

الخلفية

تقدّم هذه المذكرة توجيهات إضافية لمدققي القطاع العام بخصوص معيار التدقيق الدولي 220 (المعاد صياغته) "ضبط الجودة بالنسبة الى عمليات التدقيق في المعلومات المالية التاريخية". وتقرأ هذه المذكرة مع معيار التدقيق الدولي وتكون سارية المفعول بتاريخ سريان مفعول المعيار نفسه.

وصف معيار التدقيق الدولي

الغرض من هذا المعيار الدولي هو وضع معايير وتقديم توجيهات تتعلق بمسؤوليات معيّنة لموظفي الشركة بخصوص إجراءات ضبط الجودة المتعلقة بعمليات التدقيق في المعلومات المالية التاريخية، بما في ذلك عمليات التدقيق في البيانات المالية.

ويسري معيار التدقيق الدولي 220 على عمليات التدقيق في المعلومات المالية التاريخية للفترات التي تبدأ من تاريخ 15 جوان 2005 او بعده.

محتويات المذكرة التطبيقية

P1. تتضمن المذكرة التطبيقية توجيهات إضافية لمدققي القطاع العام بخصوص:

أ. المتطلبات الأخلاقية.

ب. قبول ومواصلة العلاقات مع الزبائن ومهام تدقيق معيّنة.

¹ تُقرأ كل المذكرات التطبيقية مع الاعتبارات العامة في التوجيهات المتعلقة بالتدقيق المالي.

² يجري حالياً إعادة صياغة هذا المعيار من قبل المجلس الدولي لمعايير التدقيق والتأكيد (IAASB) وفقاً لاتفاقيات وضوح الصياغة الخاصة به. وسوف يتم تحيين هذه المذكرة التطبيقية عندما تتم المصادقة على الصيغة النهائية للمعيار 220 (المعاد صياغته) وإصدارها من قبل المجلس.

قابلية تطبيق معيار التدقيق الدولي في التدقيق في القطاع العام

P2. يسري معيار التدقيق الدولي 220 على مدققي القطاع العام باعتبارهم مدققين للمعلومات المالية التاريخية، بما في ذلك عمليات التدقيق في البيانات المالية.

P3. بالإضافة الى ذلك، فإن المعيار الدولي لضبط الجودة 1 (ISQC) "ضبط الجودة بالنسبة الى الشركات التي تقوم بعمليات تدقيق في المعلومات المالية التاريخية ومراجعتها وغيرها من مهام التدقيق والتأكيد والخدمات ذات العلاقة"، يتناول مسؤوليات الشركات بخصوص نظم ضبط الجودة لديها المتعلقة بعمليات التدقيق في المعلومات المالية التاريخية ومراجعتها، وغيرها من مهام التأكيد والخدمات ذات العلاقة.

P4. يستعمل معيار التدقيق الدولي 220 مصطلحات مثل "الشريك في المهمة" و "الشركة"، وتقرأ هذه المصطلحات باعتبارها تشير الى المصطلحات التي تعادلها في القطاع العام. ويوضّح منظور القطاع العام لمعيار التدقيق الدولي 220 ان عديد التخصصات لها مدقق عام واحد معيّن بموجب قانون، ويعادل دوره دور "الشريك في المهمة"، وهو مسؤول تماما عن عمليات التدقيق في القطاع العام. أما اذا قام المدقق العام بتعيين موظف او شخص آخر ذي تأهيل مناسب للقيام بعملية تدقيق نيابة عنه/ها، فإن المدقق الذي يتم تعيينه هو الذي يتحمل فعلا التزامات الشريك في المهمة، كما ينص على ذلك معيار التدقيق الدولي 220. وبالنسبة الى الأجهزة العليا للرقابة التي تعمل بأسلوب دائرة حسابات، فإن المصطلحات المستعملة في المعيار 220 ينبغي تفسيرها في إطار الترتيبات الخاصة بالجهاز الرقابي والمتعلقة بالقيادة الإستراتيجية للهيئة الإدارية، وتعريفه لمسؤوليات أعضاء الفريق الرئيسيين في مهمة التدقيق.

توجيهات إضافية تتعلق بقضايا القطاع العام

P5. يتضمن معيار التدقيق الدولي 220 اعتبارات خاصة بالهيئات التابعة للقطاع العام. وقد وردت هذه الاعتبارات ضمن آفاق القطاع العام في نهاية معيار التدقيق الدولي.

المتطلبات الأخلاقية

P6. تنص الفقرة 8 من معيار التدقيق الدولي 220 على ان ينظر الشريك في المهمة في ما اذا التزم أعضاء فريق المهمة بالمتطلبات الأخلاقية. وتتضمن الفقرة 9 من معيار التدقيق الدولي 220 قائمة بالمبادئ الرئيسية للأخلاق المهنية التي تضمنتها مدونة أخلاقيات المهنة للمحاسبين المهنيين الصادرة عن الاتحاد الدولي للمحاسبين. وتشمل المتطلبات الأخلاقية ذات العلاقة في القطاع العام مدونة

الأخلاقيات التابعة للإنتوساي والمتطلبات الأخلاقية الوطنية التي تسري على مدقي القطاع العام في بيئة معينة.

قبول ومواصلة العلاقات مع الزبائن ومهام تدقيق معينة

P7. يمكن تعيين مدقي القطاع العام طبقاً لإجراءات قانونية وبالتالي فإنه لا يمكنهم رفض مهمة أو الاستقالة منها. وباعتبار ان مسؤوليات مدقق القطاع العام تشمل النظر في مسائل مثل وضوح البيانات المالية وحساسيتها والمخاطر ذات العلاقة، فإن الفقرات 14 الى 18 من المعيار الدولي 220 يمكن ان تساعد في تقدير المخاطر وفي القيام بإجراءات أخرى ذات علاقة بأداء مسؤولياتهم في إعداد التقارير.

International Standard on Auditing

**ISA 220, Quality Control for Audits
of Historical Financial Information**



**International Federation
of Accountants**

International Auditing and Assurance Standards Board
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The International Standard on Auditing (ISA) 220, “Quality Control for Audits of Historical Financial Information” was prepared by the International Auditing and Assurance Standards Board (IAASB), an independent standard-setting body within the International Federation of Accountants (IFAC). The objective of the IAASB is to serve the public interest by setting high-quality auditing and assurance standards and by facilitating the convergence of international and national standards, thereby enhancing the quality and uniformity of practice throughout the world and strengthening public confidence in the global auditing and assurance profession.

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INTERNATIONAL STANDARD ON AUDITING 220
QUALITY CONTROL FOR AUDITS OF HISTORICAL FINANCIAL
INFORMATION

(Effective for audits of historical financial information for periods
beginning on or after June 15, 2005)

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International Standard on Auditing (ISA) 220, “Quality Control for Audits of Historical Financial Information” should be read in the context of the “Preface to the International Standards on Quality Control, Auditing, Review, Other Assurance and Related Services,” which sets out the application and authority of ISAs.

Introduction

1. The purpose of this International Standard on Auditing (ISA) is to establish standards and provide guidance on specific responsibilities of firm personnel regarding quality control procedures for audits of historical financial information, including audits of financial statements. This ISA is to be read in conjunction with Parts A and B of the *IFAC Code of Ethics for Professional Accountants* (the IFAC Code).
2. **The engagement team should implement quality control procedures that are applicable to the individual audit engagement.**
3. Under International Standard on Quality Control (ISQC) 1, “Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements,” a firm has an obligation to establish a system of quality control designed to provide it with reasonable assurance that the firm and its personnel comply with professional standards and regulatory and legal requirements, and that the auditors’ reports issued by the firm or engagement partners are appropriate in the circumstances.
4. Engagement teams:
 - (a) Implement quality control procedures that are applicable to the audit engagement;
 - (b) Provide the firm with relevant information to enable the functioning of that part of the firm’s system of quality control relating to independence; and
 - (c) Are entitled to rely on the firm’s systems (for example in relation to capabilities and competence of personnel through their recruitment and formal training; independence through the accumulation and communication of relevant independence information; maintenance of client relationships through acceptance and continuance systems; and adherence to regulatory and legal requirements through the monitoring process), unless information provided by the firm or other parties suggests otherwise.

Definitions

5. In this ISA, the following terms have the meanings attributed below:
 - (a) “Engagement partner” – the partner or other person in the firm who is responsible for the audit engagement and its performance, and for the auditor’s report that is issued on behalf of the firm, and who, where required, has the appropriate authority from a professional, legal or regulatory body.
 - (b) “Engagement quality control review” – a process designed to provide an objective evaluation, before the auditor’s report is issued, of the significant judgments the engagement team made and the conclusions they reached in formulating the auditor’s report.
 - (c) “Engagement quality control reviewer” – a partner, other person in the firm, suitably qualified external person, or a team made up of such individuals, with sufficient and appropriate experience and authority to objectively evaluate, before the auditor’s report is issued, the significant judgments the engagement team made and the conclusions they reached in formulating the auditor’s report.

- (d) “Engagement team” – all personnel performing an audit engagement, including any experts contracted by the firm in connection with that audit engagement.
- (e) “Firm” – a sole practitioner, partnership, corporation or other entity of professional accountants.
- (f) “Inspection” – in relation to completed audit engagements, procedures designed to provide evidence of compliance by engagement teams with the firm’s quality control policies and procedures.
- (g) “Listed entity”^{*} – an entity whose shares, stock or debt are quoted or listed on a recognized stock exchange, or are marketed under the regulations of a recognized stock exchange or other equivalent body.
- (h) “Monitoring” – a process comprising an ongoing consideration and evaluation of the firm’s system of quality control, including a periodic inspection of a selection of completed engagements, designed to enable the firm to obtain reasonable assurance that its system of quality control is operating effectively.
- (i) “Network firm”^{*} – an entity under common control, ownership or management with the firm or any entity that a reasonable and informed third party having knowledge of all relevant information would reasonably conclude as being part of the firm nationally or internationally.
- (j) “Partner” – any individual with authority to bind the firm with respect to the performance of a professional services engagement.
- (k) “Personnel” – partners and staff.
- (l) “Professional standards” – IAASB Engagement Standards, as defined in the IAASB’s “Preface to the International Standards on Quality Control, Auditing, Assurance and Related Services,” and relevant ethical requirements, which ordinarily comprise Parts A and B of the IFAC Code and relevant national ethical requirements.
- (m) “Reasonable assurance” – in the context of this ISA, a high, but not absolute, level of assurance.
- (n) “Staff” – professionals, other than partners, including any experts the firm employs.
- (o) “Suitably qualified external person” – an individual outside the firm with the capabilities and competence to act as an engagement partner, for example a partner of another firm, or an employee (with appropriate experience) of either a professional accountancy body whose members may perform audits of historical financial information or of an organization that provides relevant quality control services.

Leadership Responsibilities for Quality on Audits

6. **The engagement partner should take responsibility for the overall quality on each audit engagement to which that partner is assigned.**

^{*} As defined in the IFAC *Code of Ethics for Professional Accountants*.

7. The engagement partner sets an example regarding audit quality to the other members of the engagement team through all stages of the audit engagement. Ordinarily, this example is provided through the actions of the engagement partner and through appropriate messages to the engagement team. Such actions and messages emphasize:
 - (a) The importance of:
 - (i) Performing work that complies with professional standards and regulatory and legal requirements;
 - (ii) Complying with the firm's quality control policies and procedures as applicable; and
 - (iii) Issuing auditors' reports that are appropriate in the circumstances; and
 - (b) The fact that quality is essential in performing audit engagements.

Ethical Requirements

8. **The engagement partner should consider whether members of the engagement team have complied with ethical requirements.**
9. Ethical requirements relating to audit engagements ordinarily comprise Parts A and B of the IFAC Code together with national requirements that are more restrictive. The IFAC Code establishes the fundamental principles of professional ethics, which include:
 - (a) Integrity;
 - (b) Objectivity;
 - (c) Professional competence and due care;
 - (d) Confidentiality; and
 - (e) Professional behavior.
10. The engagement partner remains alert for evidence of non-compliance with ethical requirements. Inquiry and observation regarding ethical matters amongst the engagement partner and other members of the engagement team occur as necessary throughout the audit engagement. If matters come to the engagement partner's attention through the firm's systems or otherwise that indicate that members of the engagement team have not complied with ethical requirements, the partner, in consultation with others in the firm, determines the appropriate action.
11. The engagement partner and, where appropriate, other members of the engagement team, document issues identified and how they were resolved.

Independence

12. **The engagement partner should form a conclusion on compliance with independence requirements that apply to the audit engagement. In doing so, the engagement partner should:**
 - (a) **Obtain relevant information from the firm and, where applicable, network firms, to identify and evaluate circumstances and relationships that create threats to independence;**

- (b) **Evaluate information on identified breaches, if any, of the firm's independence policies and procedures to determine whether they create a threat to independence for the audit engagement;**
 - (c) **Take appropriate action to eliminate such threats or reduce them to an acceptable level by applying safeguards. The engagement partner should promptly report to the firm any failure to resolve the matter for appropriate action; and**
 - (d) **Document conclusions on independence and any relevant discussions with the firm that support these conclusions.**
13. The engagement partner may identify a threat to independence regarding the audit engagement that safeguards may not be able to eliminate or reduce to an acceptable level. In that case, the engagement partner consults within the firm to determine appropriate action, which may include eliminating the activity or interest that creates the threat, or withdrawing from the audit engagement. Such discussion and conclusions are documented.

Acceptance and Continuance of Client Relationships and Specific Audit Engagements

14. **The engagement partner should be satisfied that appropriate procedures regarding the acceptance and continuance of client relationships and specific audit engagements have been followed, and that conclusions reached in this regard are appropriate and have been documented.**
15. The engagement partner may or may not initiate the decision-making process for acceptance or continuance regarding the audit engagement. Regardless of whether the engagement partner initiated that process, the partner determines whether the most recent decision remains appropriate.
16. Acceptance and continuance of client relationships and specific audit engagements include considering:
- The integrity of the principal owners, key management and those charged with governance of the entity;
 - Whether the engagement team is competent to perform the audit engagement and has the necessary time and resources; and
 - Whether the firm and the engagement team can comply with ethical requirements.

Where issues arise out of any of these considerations, the engagement team conducts the appropriate consultations set out in paragraphs 30-33, and documents how issues were resolved.

17. Deciding whether to continue a client relationship includes consideration of significant matters that have arisen during the current or previous audit engagement, and their implications for continuing the relationship. For example, a client may have started to expand its business operations into an area where the firm does not possess the necessary knowledge or expertise.
18. **Where the engagement partner obtains information that would have caused the firm to decline the audit engagement if that information had been available**

earlier, the engagement partner should communicate that information promptly to the firm, so that the firm and the engagement partner can take the necessary action.

Assignment of Engagement Teams

19. **The engagement partner should be satisfied that the engagement team collectively has the appropriate capabilities, competence and time to perform the audit engagement in accordance with professional standards and regulatory and legal requirements, and to enable an auditor's report that is appropriate in the circumstances to be issued.**
20. The appropriate capabilities and competence expected of the engagement team as a whole include the following:
 - An understanding of, and practical experience with, audit engagements of a similar nature and complexity through appropriate training and participation.
 - An understanding of professional standards and regulatory and legal requirements.
 - Appropriate technical knowledge, including knowledge of relevant information technology.
 - Knowledge of relevant industries in which the client operates.
 - Ability to apply professional judgment.
 - An understanding of the firm's quality control policies and procedures.

Engagement Performance

21. **The engagement partner should take responsibility for the direction, supervision and performance of the audit engagement in compliance with professional standards and regulatory and legal requirements, and for the auditor's report that is issued to be appropriate in the circumstances.**
22. The engagement partner directs the audit engagement by informing the members of the engagement team of:
 - (a) Their responsibilities;
 - (b) The nature of the entity's business;
 - (c) Risk-related issues;
 - (d) Problems that may arise; and
 - (e) The detailed approach to the performance of the engagement.

The engagement team's responsibilities include maintaining an objective state of mind and an appropriate level of professional skepticism, and performing the work delegated to them in accordance with the ethical principle of due care. Members of the engagement team are encouraged to raise questions with more experienced team members. Appropriate communication occurs within the engagement team.

23. It is important that all members of the engagement team understand the objectives of the work they are to perform. Appropriate team-working and training are necessary to

assist less experienced members of the engagement team to clearly understand the objectives of the assigned work.

24. Supervision includes the following:
- Tracking the progress of the audit engagement.
 - Considering the capabilities and competence of individual members of the engagement team, whether they have sufficient time to carry out their work, whether they understand their instructions, and whether the work is being carried out in accordance with the planned approach to the audit engagement.
 - Addressing significant issues arising during the audit engagement, considering their significance and modifying the planned approach appropriately.
 - Identifying matters for consultation or consideration by more experienced engagement team members during the audit engagement.
25. Review responsibilities are determined on the basis that more experienced team members, including the engagement partner, review work performed by less experienced team members. Reviewers consider whether:
- (a) The work has been performed in accordance with professional standards and regulatory and legal requirements;
 - (b) Significant matters have been raised for further consideration;
 - (c) Appropriate consultations have taken place and the resulting conclusions have been documented and implemented;
 - (d) There is a need to revise the nature, timing and extent of work performed;
 - (e) The work performed supports the conclusions reached and is appropriately documented;
 - (f) The evidence obtained is sufficient and appropriate to support the auditor's report; and
 - (g) The objectives of the engagement procedures have been achieved.
26. **Before the auditor's report is issued, the engagement partner, through review of the audit documentation and discussion with the engagement team, should be satisfied that sufficient appropriate audit evidence has been obtained to support the conclusions reached and for the auditor's report to be issued.**
27. The engagement partner conducts timely reviews at appropriate stages during the engagement. This allows significant matters to be resolved on a timely basis to the engagement partner's satisfaction before the auditor's report is issued. The reviews cover critical areas of judgment, especially those relating to difficult or contentious matters identified during the course of the engagement, significant risks, and other areas the engagement partner considers important. The engagement partner need not review all audit documentation. However, the partner documents the extent and timing of the reviews. Issues arising from the reviews are resolved to the satisfaction of the engagement partner.
28. A new engagement partner taking over an audit during the engagement reviews the work performed to the date of the change. The review procedures are sufficient to satisfy the new engagement partner that the work performed to the date of the review

has been planned and performed in accordance with professional standards and regulatory and legal requirements.

29. Where more than one partner is involved in the conduct of an audit engagement, it is important that the responsibilities of the respective partners are clearly defined and understood by the engagement team.

Consultation

30. **The engagement partner should:**

- (a) **Be responsible for the engagement team undertaking appropriate consultation on difficult or contentious matters;**
- (b) **Be satisfied that members of the engagement team have undertaken appropriate consultation during the course of the engagement, both within the engagement team and between the engagement team and others at the appropriate level within or outside the firm;**
- (c) **Be satisfied that the nature and scope of, and conclusions resulting from, such consultations are documented and agreed with the party consulted; and**
- (d) **Determine that conclusions resulting from consultations have been implemented.**

31. Effective consultation with other professionals requires that those consulted be given all the relevant facts that will enable them to provide informed advice on technical, ethical or other matters. Where appropriate, the engagement team consults individuals with appropriate knowledge, seniority and experience within the firm or, where applicable, outside the firm. Conclusions resulting from consultations are appropriately documented and implemented.

32. It may be appropriate for the engagement team to consult outside the firm, for example, where the firm lacks appropriate internal resources. They may take advantage of advisory services provided by other firms, professional and regulatory bodies, or commercial organizations that provide relevant quality control services.

33. The documentation of consultations with other professionals that involve difficult or contentious matters is agreed by both the individual seeking consultation and the individual consulted. The documentation is sufficiently complete and detailed to enable an understanding of:

- (a) The issue on which consultation was sought; and
- (b) The results of the consultation, including any decisions taken, the basis for those decisions and how they were implemented.

Differences of Opinion

34. **Where differences of opinion arise within the engagement team, with those consulted and, where applicable, between the engagement partner and the engagement quality control reviewer, the engagement team should follow the firm's policies and procedures for dealing with and resolving differences of opinion.**

35. As necessary, the engagement partner informs members of the engagement team that they may bring matters involving differences of opinion to the attention of the engagement partner or others within the firm as appropriate without fear of reprisals.

Engagement Quality Control Review

36. **For audits of financial statements of listed entities, the engagement partner should:**
- (a) **Determine that an engagement quality control reviewer has been appointed;**
 - (b) **Discuss significant matters arising during the audit engagement, including those identified during the engagement quality control review, with the engagement quality control reviewer; and**
 - (c) **Not issue the auditor’s report until the completion of the engagement quality control review.**

For other audit engagements where an engagement quality control review is performed, the engagement partner follows the requirements set out in subparagraphs (a)-(c).

37. Where, at the start of the engagement, an engagement quality control review is not considered necessary, the engagement partner is alert for changes in circumstances that would require such a review.
38. **An engagement quality control review should include an objective evaluation of:**
- (a) **The significant judgments made by the engagement team; and**
 - (b) **The conclusions reached in formulating the auditor’s report.**
39. An engagement quality control review ordinarily involves discussion with the engagement partner, a review of the financial information and the auditor’s report, and, in particular, consideration of whether the auditor’s report is appropriate. It also involves a review of selected audit documentation relating to the significant judgments the engagement team made and the conclusions they reached. The extent of the review depends on the complexity of the audit engagement and the risk that the auditor’s report might not be appropriate in the circumstances. The review does not reduce the responsibilities of the engagement partner.
40. An engagement quality control review for audits of financial statements of listed entities includes considering the following:
- The engagement team’s evaluation of the firm’s independence in relation to the specific audit engagement.
 - Significant risks identified during the engagement (in accordance with ISA 315, “Understanding the Entity and its Environment and Assessing the Risks of Material Misstatement”), and the responses to those risks (in accordance with ISA 330, “Auditor’s Procedures in Response to Assessed Risks”), including the engagement team’s assessment of, and response to, the risk of fraud.
 - Judgments made, particularly with respect to materiality and significant risks.
 - Whether appropriate consultation has taken place on matters involving

differences of opinion or other difficult or contentious matters, and the conclusions arising from those consultations.

- The significance and disposition of corrected and uncorrected misstatements identified during the audit.
- The matters to be communicated to management and those charged with governance and, where applicable, other parties such as regulatory bodies.
- Whether audit documentation selected for review reflects the work performed in relation to the significant judgments and supports the conclusions reached.
- The appropriateness of the auditor's report to be issued.

Engagement quality control reviews for audits of historical financial information other than audits of financial statements of listed entities may, depending on the circumstances, include some or all of these considerations.

Monitoring

41. ISQC 1 requires the firm to establish policies and procedures designed to provide it with reasonable assurance that the policies and procedures relating to the system of quality control are relevant, adequate, operating effectively and complied with in practice. The engagement partner considers the results of the monitoring process as evidenced in the latest information circulated by the firm and, if applicable, other network firms. The engagement partner considers:
 - (a) Whether deficiencies noted in that information may affect the audit engagement; and
 - (b) Whether the measures the firm took to rectify the situation are sufficient in the context of that audit.
42. A deficiency in the firm's system of quality control does not indicate that a particular audit engagement was not performed in accordance with professional standards and regulatory and legal requirements, or that the auditor's report was not appropriate.

Effective Date

43. This ISA is effective for audits of historical financial information for periods beginning on or after June 15, 2005.

Public Sector Perspective

1. *Some of the terms in the ISA, such as "engagement partner" and "firm," should be read as referring to their public sector equivalents. However, with limited exceptions, there is no public sector equivalent of "listed entities," although there may be audits of particularly significant public sector entities which should be subject to the listed entity requirements of mandatory rotation of the engagement partner (or equivalent) and engagement quality control review. There are no fixed objective criteria on which this determination of significance should be based. However, such an assessment should encompass an evaluation of all factors relevant to the audited entity. Such factors include size, complexity, commercial risk, parliamentary or media interest and the number and range of stakeholders affected.*

2. *However, in many jurisdictions there is a single statutorily appointed auditor-general who acts in a role equivalent to that of “engagement partner” and who has overall responsibility for public sector audits. In such circumstances, where applicable, the engagement reviewer should be selected having regard to the need for independence and objectivity.*
3. *In the public sector, auditors may be appointed in accordance with statutory procedures. Accordingly, certain of the considerations regarding the acceptance and continuance of client relationships and specific engagements, as set out in paragraphs 16-17 of this ISA, may not be relevant.*
4. *Similarly, the independence of public sector auditors may be protected by statutory measures. However, public sector auditors or audit firms carrying out public sector audits on behalf of the statutory auditor may, depending on the terms of the mandate in a particular jurisdiction, need to adapt their approach in order to ensure compliance with the spirit of paragraphs 12 and 13. This may include, where the public sector auditor’s mandate does not permit withdrawal from the engagement, disclosure through a public report, of circumstances that have arisen that would, if they were in the private sector, lead the auditor to withdraw.*
5. *Paragraph 20 sets out capabilities and competence expected of the engagement team. Additional capabilities may be required in public sector audits, dependent upon the terms of the mandate in a particular jurisdiction. Such additional capabilities may include an understanding of the applicable reporting arrangements, including reporting to a representative body, for example, Parliament, House of Representatives, Legislature or in the public interest. The wider scope of a public sector audit may include, for example, some aspects of performance auditing or a comprehensive assessment of the arrangements for ensuring legality and preventing and detecting fraud and corruption.*



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