



Differences between Requirements in IAASB QM Standards and ASB QM Standards

All differences not specified are purely editorial.

Par. #	Marked text	Explanation
<u>ISQM1 and SQMS 1</u>		
ISQM1 par. 34/SQMS 1 35	<p>e. The firm establishes policies or procedures that (Ref: par. A134–A137)</p> <ul style="list-style-type: none"> i. Require communication with those charged with governance when performing an audit of financial statements of listed entities about how the system of quality management supports the consistent performance of quality audit engagements; (Ref: par. A127–A129) <u>i.</u> ii. address when it is otherwise appropriate to communicate with external parties about the firm’s system of quality management, and (Ref: par. A138–A140) <u>ii.</u> iii. address the information to be provided when communicating externally about the firm’s system of quality management, including the nature, timing, and extent and appropriate form of communication. (Ref: par. A141–A142) <p>f. The firm establishes policies or procedures that address engagement quality reviews in accordance with proposed SQMS <i>Engagement Quality Reviews</i> and requires an engagement quality review for the following:</p>	SQMS 1 doesn’t apply to engagements on issuers (listed entities)

ISQM2 and SQMS 2

<p>Par. 25 (both)</p>	<p>25. In performing the engagement quality review, the engagement quality reviewer should do the following: (Ref: par. A27–A32)</p> <p style="padding-left: 40px;"><i>a. through c. intentionally omitted</i></p> <p><u>d.</u> For audits of financial statements, evaluate <u>Evaluate</u> the basis for the engagement partner’s determination that relevant ethical requirements relating to independence, <u>when applicable</u>, have been fulfilled. (Ref: <u>par. A443</u>)</p> <p style="padding-left: 40px;"><i>e. through f. intentionally omitted</i></p> <p><u>g.</u> Review</p> <p style="padding-left: 40px;">i. for audits of financial statements, the financial statements and the auditor’s report thereon, including, if applicable, the description of the key audit matters; (Ref: par. A47)</p> <p style="padding-left: 40px;"><u>ii.</u> for reviews review engagements of financial statements or financial information, the financial statements or financial information and the engagement report thereon; or (Ref: <u>par. A47</u>)</p> <p style="padding-left: 40px;"><u>iii.</u> for other assurance and related services engagements, the engagement report, and when applicable, the subject matter information. (Ref: <u>par. A48</u>)</p>	<p>ASB believes this requirement should be applicable to all engagements for which an ER review is performed.</p> <p>To clarify that this doesn’t apply to attestation review engagements.</p> <p>To clarify</p>
<p>Par. 26 (both)</p>	<p>26. <u>26.</u> The engagement quality reviewer should notify the engagement partner if the engagement quality reviewer has concerns that the significant judgments made by the engagement team, <u>including the appropriate exercise of professional skepticism by the engagement team when applicable</u>, or the conclusions reached thereon, are not appropriate.</p>	<p>To emphasize.</p>
<p><u>ISA 220 (Revised) and Proposed QM SAS</u></p>		
<p>Par. 41 (both)</p>	<p>41. In applying ISA SAU-C section 230, <i>Audit Documentation</i>, the auditor should include the following in the audit documentation: (Ref: par. A117–A120)</p>	<p>To be consistent with terminology used in GAAS</p>

	<p><i>a.</i> Matters<u>Significant issues</u> identified, relevant discussions with personnel, and conclusions reached with respect to:</p>	
--	--	--