



GUIDANCE 3: RESPONSIBILITIES FOR AUDIT OUALITY

While the system of audit quality management is considered the ultimate responsibility of the Head of SAI (or other appropriate individuals contemplated in par 26 of revised ISSAI 140), ensuring audit quality requires the commitment and participation of each individual from the Head of SAI down to the staff level to ensure proper functioning and effectiveness of quality mechanisms. The respective responsibilities of individuals within the SAI may include the following:

Responsible Person/Group







Audit Supervisors. Team Leaders, Team Members, Other **Employees, & EQ Reviewers**



Responsibilities in Managing Audit Quality

- Takes the ultimate responsibility and accountability for the system of audit quality management
- Evaluates the system of audit quality management and concludes on the result
- Understands the standards and principles in ISSAI 140, including relevant application or implementation
- Defines operational responsibilities relating to the system of audit quality management
- Assigns responsibilities to individuals with appropriate experience, knowledge, influence, authority and time, including those required for auditors in accordance with ISSAI 150
- Understands and implements the standards and principles in ISSAI 140, including relevant application or
- Discharges operational responsibilities relating to system of audit quality management as assigned by the
- Actively participates in the SAI's risk assessment process, as appropriate
- Supervises auditors to ensure proper implementation of system of audit quality management
- Understands and implements the standards and principles in ISSAI 140, including relevant application or implementation guide, and SAI's policies, procedures and other directives related to system of audit quality management

Audit Team-Specific Responsibilities

- Ensures that appropriate reviews, supervision, and consultation are undertaken
- Follows SAI's procedures in dealing with differences of opinion and engagement of experts
- Implements SAI's audit methodologies and completes the audit documentation within the prescribed
- Considers the result of recent monitoring process in enhancing audit engagements
- Complies with ISSAIs and relevant ethical requirements
- Maintains independence from the audited entity

EQ Reviewer-Specific Responsibilities

- Performs objective evaluation of the significant judgments made by the audit team and the conclusion
- Follows SAI's policy and documentation requirements for EQ reviews
- Maintains independence from the audited entity and audit team
- Understands the standards and principles in ISSAI 140, including relevant application or implementation guide, SAI's policies, procedures and other directives, and best practices in the system of audit quality management, and SAI's policy on monitoring
- Performs monitoring on the system of audit quality management at the organisational level, and review of sample audits at the engagement level
- Identifies deficiencies in the system of audit quality management and provides remedial actions, as applicable
- When appropriate, assists in the evaluation of the system of audit quality management based on the organisational and engagement level reviews (Note: this does not reduce the responsibility of the individual with ultimate responsibility and accountability for the SoAQM)
- Reports the results of monitoring directly to the Head of SAI
- Maintains independence from SAI management, audited entity, audit team, and EQ reviewer

More details are provided under the discussion on Monitoring and Remediation Process