# TOOL 4: QUALITY RISK MANAGEMENT TEMPLATE

|  |  |  |
| --- | --- | --- |
| Name of SAI | : |  |
| Head of SAI | : |  |
| Assessment Period | : |  |

1. **Quality Objectives**

| **Components** | **QO No.** | **Quality Objectives (QO)** |
| --- | --- | --- |
| Governance and Leadership |  | the SAI demonstrates a commitment to quality within the organisational culture of the SAI |
|  | leadership is responsible for and accountable for quality |
|  | leadership demonstrates a commitment to quality through its actions and behaviours |
|  | the organisational structure and assignment of roles, responsibilities, and authority is appropriate to enable the design, implementation, and operation of the SAI’s system of quality management |
|  | resource needs are planned, and resources are obtained, allocated, and assigned in a manner that demonstrates the SAI's commitment to quality |
|  | *<insert additional or modify the above quality objective(s)>* |
| Relevant Ethical Requirements |  | the SAI and its personnel understand and fulfil their responsibilities in relation to the relevant legal and ethical requirements (such as those set out in ISSAI 130), including those related to independence |
|  | *<insert additional or modify the above quality objective(s)>* |
| Acceptance, Initiation and Continuance |  | the SAI will accept, initiate, and continue engagements only if the SAI:1. is able to comply with the ISSAIs and other relevant standards, applicable legal and regulatory requirements, and ethical requirements;
2. acts within its legal mandate or authority; and
3. has the capabilities, including time and resources, to do so.
 |
|  | *<insert additional or modify the above quality objective(s)>* |
| Performing Individual Engagements |  | teams understand and fulfil their responsibilities in connection to engagements, including the overall responsibility of the individual responsible for managing and achieving quality on the engagement and being sufficiently and appropriately involved throughout the different stages of the engagement |
|  | the nature, timing, and extent of direction and supervision of engagement teams and review of the work performed is appropriate based on the specific features of the engagements and the resources assigned or made available to the engagement teams  |
|  | engagement teams exercise appropriate professional judgment and professional scepticism |
|  | consultation on significant matters is undertaken, especially for difficult or contentious matters, and the conclusions agreed to are implemented and, as appropriate, documented |
|  | differences of opinion (e.g. within the engagement team, or between the engagement team and the engagement quality reviewer or individuals performing activities within the SAI's system of quality management) are brought to the attention of officials at the appropriate level of the SAI, resolved and documented appropriately |
|  | audit reports are appropriate and address stakeholders’ expectations without compromising the SAI’s independence |
|  | engagement documentation is assembled on a timely basis and is appropriately maintained and retained to meet the needs of the SAI and to comply with the ISSAIs and any additional requirements in law, regulation and other relevant standards |
|  | *<insert additional or modify the above quality objective(s)>* |
| Resources |  | personnel are recruited, trained, and retained who have the competence and capabilities to perform engagements of a consistently high quality and carry out responsibilities related to the operation of the SAI’s system of quality management |
|  | personnel develop and maintain the appropriate competence to perform their roles, are assessed and held accountable for that, or recognised through appropriate incentives |
|  | individuals assigned to engagements or to perform activities within the system of quality management have appropriate competence and capabilities, including sufficient time, to perform their duties |
|  | appropriate technological resources (typically IT applications, infrastructure and processes) are obtained or developed, implemented, maintained, and used to enable the operation of the SAI's system of quality management and the performance of engagements |
|  | appropriate intellectual resources (e.g. methodologies, guides, standardised documentation, databases, etc.) are obtained or developed, implemented, maintained, and used to enable the operation of the SAI’s system of quality management and the consistent performance of high quality engagements |
|  | human, technological, or intellectual resources obtained from external service providers are appropriate for use in the SAI’s system of quality management and in performing engagements |
|  | *<insert additional or modify the above quality objective(s)>* |
| Information and Communication |  | the information system identifies, captures, processes, and maintains relevant and reliable information that supports the system of quality management |
|  | the organisational culture recognises and enhances the employees' responsibilities regarding knowledge sharing within the SAI |
|  | relevant and reliable information about the system of quality management is communicated to personnel and engagement teams to enable them to understand and carry out their responsibilities within the system of quality management or engagements |
|  | personnel and engagement teams communicate within the SAI when performing activities within the system of quality management or engagements |
|  | relevant and reliable information about the system of quality management is communicated to stakeholders and other external parties |
|  | *<insert additional or modify the above quality objective(s)>* |

1. **Quality Risks Management**

|  |  |  |  |
| --- | --- | --- | --- |
| **Conditions and events, circumstances, actions or inactions related to the SAI and its audit engagements** | **Identification of Quality Risks (QR)** | **Assessment of Quality Risk** | **Risk Responses** |
| **QR No.** | **Description** | **Affected QO No.** | **Likelihood** | **Impact** | **Overall Risk Rating** | **Description of Response** | **Target Timeline** | **Assigned to** | **Implementation Status** |
|  |  |  |  | [ ]  High[ ]  Moderate[ ]  Low | [ ]  High[ ]  Moderate[ ]  Low | [ ]  High[ ]  Moderate[ ]  Low |  |  |  |  |
| **Justification:** |
|  |  |  |  | [ ]  High[ ]  Moderate[ ]  Low | [ ]  High[ ]  Moderate[ ]  Low | [ ]  High[ ]  Moderate[ ]  Low |  |  |  |  |
| **Justification:** |
|  |  |  |  | [ ]  High[ ]  Moderate[ ]  Low | [ ]  High[ ]  Moderate[ ]  Low | [ ]  High[ ]  Moderate[ ]  Low |  |  |  |  |
| **Justification:** |

**Risk Management Committee:**

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Member 1

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Member 2

\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_

Head of SAI