

Pro-forma document toolkit: sole practitioner with no staff

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This proforma document toolkit is based on:

Standard / regulation	Date
APES 320 - <i>Quality Management for Firms that provide Non-Assurance Services</i>	Effective 1 January 2023

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1.1 Documentation policy statement

Instructions

Your firm is required to document its policy on documentation to comply with APES 320. You may like to adapt this policy statement to your firm's situation.

The firm requires that appropriate documentation be in place to provide evidence of the operation of each element of its system of quality management. The firm's quality management guide, containing all policies and procedures, is documented and enhanced/updated as required. Documents relating to the quality management system will be retained for at least 7/8 years.

1.2 Checklist for developing and documenting a quality management procedure

Instructions

You may like to use this checklist as a sign-off that procedures have been designed and documented consistently and following the documentation policy.

	Date	Signature on completion
1. Ensure the procedure fits into your risk management framework		
2. Document the objective of the procedure		
3. Develop/document the rules that must be		
4. Document the procedures in the order in which they are to be completed on a sequential basis		
5. Complete any necessary documents		
6. Prepare any supporting documents, checklists, form precedents and standard letters		
7. Finalise all documentation		
8. Implement and test procedure		
9. Review, fine tune and amend documentation		
10. Adopt new procedure and include in practice manual		

1.3 Quality management 'hub' document

Instructions

Documenting what your firm is about is a valuable starting point in establishing and documenting your quality management system. It may crystallise your firm's objectives and is a useful communication tool with clients.

We have termed this the 'hub' document. You may like to adapt this hub document to your firm's situation.

[INSERT NAME OF FIRM HERE]

Philosophy of the firm

My philosophy represents how I work and provide services to my clients.

Membership of Chartered Accountants Australia and New Zealand

I value my membership of Chartered Accountants Australia and New Zealand and strive to be an active member. As the conduct of individual members reflects upon the whole, I endeavour to refrain from any conduct which might bring discredit to my profession.

Client relationships

I seek to add value to the client relationship through my skills, knowledge and efforts.

My clients are carefully selected to ensure they have appropriate levels of integrity and will benefit from our relationship. I try to help clients define and achieve their personal goals and consider these in establishing the goals of the business they currently own and operate.

The firm has served many clients for many years and I take comfort from and appreciate their continued patronage. I recognise the firm is a service organisation and I attempt to provide a level of service which clients appreciate.

Background of the firm

I have been serving small business clients since 19xx and expect to continue serving them for many years to come. My professional résumé is attached.

Firm goals

I acknowledge that I have an obligation to serve my clients and my profession. The primary goal of my firm is to fulfil these obligations. I see these obligations also as challenges to me to do the quality work that is expected of all professionals:

- > To provide excellent personal service to my clients in all areas appropriate for the accounting profession
- > To assure excellence in client service through maintaining the highest level of competence, independence and integrity within the firm
- > To be involved in and contribute to the advancement of the accounting profession and my community
- > To maintain my scope of service and circle of clientele by developing and improving special skills and expertise.

Client service approach

Superior client service is my primary objective and operating guideline, within the confines of law and professional standards. I seek to provide this service by making available to each client the full extent of my professional capabilities, in order to meet their varying needs, on a timely basis.

Professional work that is outside my areas of experience and expertise is not accepted. Often the client or potential client is referred to other professionals with appropriate skills and experience.

In seeking to provide excellent professional service to each client, I approach each engagement, large or small, with the following objectives:

- > Attain thorough knowledge of the client and their industry, in order to properly assess the events and conditions affecting it and its financial position and progress
- > Accurately assess the strengths and weaknesses of the client's internal accounting and administrative controls, its accounting and administrative information systems and its other features, in order to effectively advise the client and fulfil the engagement objectives

- > Identify and communicate situations and potential actions that appear to be opportunities for improving the client's operations and conditions
- > Be alert to areas of personal assistance to the owner–manager of client firms, so that our services may be of maximum benefit to the client.

Professional services

I offer competent, prompt, professional service in the traditional areas of, financial reporting/compilation services, tax services and business advice services, as follows:

- > Included in financial reporting/compilation services are the maintenance of client accounting information systems, compilation of client financial statements, and special reports. I assist with development of information systems, and review/prepare reports required for regulatory agencies and for meeting contractual credit agreements
- > I provide tax planning and compliance services for both individuals and businesses. I do this while working closely with the clients and making them aware of their tax responsibilities and opportunities
- > Management consulting services are centred on the establishment of accounting and cost information systems, and the design and implementation of computerised systems. Also included are the establishment of management reporting systems and special studies relating to inventory control and other internal controls.

Geographic details

The firm's clients are largely located in the greater metropolitan area. I do not actively seek clients outside a close geographic range.

2.1 Governance and leadership responsibilities policy statement

Instructions

Your firm is required to document its policy on governance and leadership responsibilities to comply with APES 320. You may like to adapt this policy statement to your firm's situation.

Ultimate responsibility for the firm's system of quality management has been accepted by the principal. I have an overriding commitment to quality. As this firm is operated by a sole practitioner, I have assumed responsibility for quality management.

The quality of my work, the satisfaction and enjoyment I experience from completing the work, and the profitability derived are correlated to the level of efficiency and effectiveness reached.

The firm recognises the importance of quality in performing all client assignments. The mandatory status of APES 320 *Quality Management for Firms that provide Non-Assurance Services* is acknowledged and the firm now affirms the intention to operate the practice in a climate of quality, complying with APES 320:

- > Quality will not be compromised by commercial considerations on assignments
- > Adopted procedures will be consistently followed on all engagements
- > Training is recognised as the key component to ensuring quality is maintained
- > The firm devotes sufficient resources for the development, documentation and support of its quality management policies and procedures.

I have documented a set of policies and procedures that reflect what the practice does. The requirements of APES 320, and other mandatory standards relevant to services offered by the practice, are adequately addressed by these procedures. There is a built-in system of controls and checks.

I recognise that if these controls are not built into the way the firm performs its work then it is unlikely they would be consistently performed.

The principal is committed to the documented policies and procedures, and review them at least annually to ensure they are current.

3.1 Professional standards policy statement

Instructions

Your firm is required to document its policy on professional standards requirements to comply with APES 320. You may like to adapt this policy statement to your firm's situation.

I adhere to the fundamental principles of professional ethics as outlined in the By-laws, Regulations, the Code, and other standards of the APESB. I maintain a high standard of personal conduct to avoid any possible damage to my reputation, the firm's reputation or that of Chartered Accountants Australia and New Zealand.

Public interest

I acknowledge my responsibility to act in the public interest.

Integrity, objectivity and independence

I do not invest in client entities or be involved in loans to/from clients.

I evaluate any threats to independence and ensure any threats that clearly are not insignificant are documented, and eliminated or reduced to an acceptable level. This includes if I receive a gift or benefit of any kind or buy goods (or use services) from a client at a discount and any social contact I may have with clients.

Confidentiality

I treat all client information as strictly confidential.

Compliance with ethical pronouncements

I refer to, and am conversant with, APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* and other mandatory ethical pronouncements.

Responsibility for independence issues

I am responsible for my firm's independence.

I will ensure any threats to independence and the action taken are documented appropriately.

Confirmation with compliance with independence policies and procedures

I will complete an annual independence confirmation.

Independence on engagements

The client acceptance and continuation forms address independence issues on all engagements.

I will make arrangements with other firms for the provision of non-assurance services to an assurance client where necessary to avoid impairing the firm's independence in providing assurance services.

Where any other threats to independence are identified I will ensure these threats are reduced to an acceptable level prior to commencing the engagement and the threats, and action taken, will be documented.

Fee dependence

I will monitor the reliance on revenue received from a single client. If more than 15 per cent of the firm's revenue comes from a single client, I will consider whether there are adequate safeguards in place to reduce the potential threat to an acceptable level.

3.2 Annual independence confirmation

Instructions

this form should be completed by the practitioner annually to assess their compliance with the firm's independence policies and procedures.

Additionally independence should be assessed as part of each new and continuing engagement.

Yes **No**

Do you have a direct or indirect material financial interest in a client or its subsidiaries/affiliates?

Do you have a financial interest in any major competitors, investors in or affiliates of a client?

Do you have any outside business relationship with a client or an officer, director or principal shareholder having the objective of financial gain?

Do you owe any client any amount (except as a normal customer, or in respect of a home loan under normal lending conditions)?

Do you have the authority to sign cheques for a client?

Are you connected with a client as a promoter, underwriter or voting trustee, director, officer or in any capacity equivalent to a member of management or an employee?

Do you serve as a director, trustee, officer or employee of a client?

Has your spouse or dependent child been employed by a client?

Has anyone in your family been employed in any managerial position by a client?

Are any billings delinquent (high WIP) for clients that are your responsibility?

If you answered **Yes** to any of these questions, you must detail the reason for this threat to independence on the independence resolution memorandum [3.3], together with an explanation of how the threat to independence has been eliminated or reduced to an acceptable level.

I have read the independence policy of the firm, and APES 110 *Code of Ethics for Professional Accountants*, and I believe I understand them. I am in compliance except for the matters listed on the independence resolution memorandum.

Practitioner:

Date:

3.3 Independence resolution memorandum

Instructions

This form should be completed whenever there is a potential threat to independence.

Independence issue relates to:

Date:

Client:

Describe the issue and the potential threat to independence:

Sources/persons consulted (attach copy of applicable material):

What are the findings?

How is the threat to be eliminated or reduced to an acceptable level?

Practitioner:

Date:

4.1 Acceptance and continuance of client relationships policy statement

Instructions

Your firm is required to document its policy on client acceptance and continuance to comply with APES 320. You may like to adapt this policy statement to your firm's situation.

The firm acknowledges that client integrity, and the ability of the firm to conduct the engagement competently and ethically are essential components of the firm's quality control system.

Acceptance of new clients

The firm will only tender for or accept new clients after completing the appropriate documentation, including sending an ethical letter to the previous accountant, and assessing the acceptability of the client. The factors the firm will take into account include:

- > The perceived integrity of the client
- > The capability of the firm to complete the engagement competently and in the required timeframe
- > Ethical issues, with particular reference to any perceived independence and conflict of interest threats.

I will make the client acceptance or rejection decision after determining that any threats to the fundamental ethical principles have been eliminated or reduced to an acceptable level.

Engagement letters

Engagement letters are a very effective risk management tool.

For all other engagements the firm complies with APES 305 *Terms of Engagement*.

For all **new compilation** and **tax** clients, a comprehensive engagement letter will be put in place which complies with APES 315 *Compilation of Financial Information* and/or APES 220 *Taxation Services* as applicable. The firm recognises the mutual agreement nature of engagement letters so any specific requirements the client may have, such as instructions or scope of the engagement, will be included in the engagement letter. A client engagement task checklist will be completed annually to augment the 'formal' engagement letter.

Planning documentation for compilation and tax engagements includes consideration of whether an engagement letter is in place and whether it needs to be updated. Whenever a client experiences a change in circumstances, structure etc., or changes the level of services required, this is taken as an opportunity to create or refresh a formal engagement letter.

For **continuing compilation and tax** engagements, at minimum a client engagement task checklist is required to be completed and agreed with the client on an annual basis.

This needs to be adapted to the types of engagements conducted by the firm and the type of engagements. APES 305 requires the firm use an 'engagement document', but this does not necessarily have to consist of a formal letter. The standard leaves the possibility open for handouts, brochures, leaflets or email as the mechanism for documenting the terms of an engagement.

Continuing engagements

The firm will not continue on an engagement or providing services to a client in circumstances where it would not have accepted the engagement had the information been available earlier. If the firm decides to withdraw from an engagement, the reasons and a record of all relevant discussions with the client will be documented.

4.2 Client screening questions

Instructions

This form could be used to prompt appropriate questions at the initial interview with a new client.
Warning: Practitioners are reminded that care should be taken when completing this checklist to avoid any possibility of defamation of individuals, for example, in the course of assessing their integrity.

Date:

Client:

Industry:

The following areas need to be	Notes	Comments
> Tell me about your business	Watch for proven track record.	
> List any legal entities associated with client (companies, partnerships, trusts, super funds etc)	Watch for possible conflict of interests with other clients.	
> List key management, owners, officers etc	Watch for possible conflict of interest and independence threats	
> Who is your previous accountant? > Why have you found it necessary to change? > <i>Explain you will need the client's permission to contact their previous accountant [mandatory for audit engagements, recommended for all engagements]</i>	Watch for history of frequently changing accountants, as this indicates both a lack of loyalty and an inability to regard the professional relationship between client and accountant as long term, and possibly a lack of integrity by the client.	
> What made you approach this firm for accounting service?	Be wary of flippant responses, and referrals from "D" type clients. A referral from an "A" client may be an indication that this person has potential.	
> What are the issues that concern you the most in your business right now?	Watch for responses that indicate lack of business competence. Also watch for a high degree of sensitivity to taxation.	
> Are you up to date with all taxation returns and payments?	Be wary of responses that indicate multiple years and payments outstanding.	
> What services do you require from an accountant? > What would be the timing of these services?	Be wary of responses that indicate that this person seeks a minimum service, at minimum cost.	
> Let me tell you a little about the way we do things at this firm	Explain areas of operation, also our strong desire to ensure accurate financial reports. Fixed Price Agreement or likely scale of fees.	

<ul style="list-style-type: none"> > To assess your record keeping and accounting system, we need to visit your premises for a minimum of two hours and produce a report that highlights any areas in need of attention. > <i>Is that alright with you?</i> 	<p>Explain likely cost of this first session, as well as the information that your potential client will need to provide at that meeting.</p> <p>Watch for indications that this person expects this first meeting to be free, or has unreasonable expectations of accounting fees. If the potential client is unwilling to spend three hours at say \$180 per hour on their business, you need to seriously question attitudes and values.</p>
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Intuition and “gut feelings” are very relevant in this process. Consider the responses given and if unfavourable then this may signal a potential “D” client. If this is the case you need to consider declining the engagement.

Will the firm potentially accept this new client?	Yes	No
Referred from:		
Appointment made:	Date and Time:	
Summary and observations:		

If the client is potentially accepted, complete the following checklist:

	Date	Signature
Client details recorded on New client form.		
Client permission given to contact previous accountant.		
Ethical letter sent [Chartered Accountants Australia and New Zealand recommends this is done for all engagements].		
Client acceptance checklist completed.		
Client engagement task checklist completed.		

4.3 New client form

Instructions

This form could be used to collect information about a new client.

First Name:		Surname:	
D.O.B:	P.O.B:	TFN:	
Client Code (AO):			
Spouse First Name:		Surname:	
D.O.B:	P.O.B:	TFN:	

Entity Name:	
Type of Business:	
Business Postal Address:	
Residential Address:	
Home Phone:	Business Phone:
Mobile Phone:	Business Fax:
Email:	Web Address:
A.B.N:	Company Change Registered Office Form:
Source of new client:	Company Change Registered Office Form:
Previous Accountant:	

Services Task Checklist Completed (Attach when completed):

Major Assets/Liabilities:
Key Management (Names and Functions):
All related parties (Subsidiaries, affiliated companies):
Number of Employees:

Yes

Supplied copy of recent financials:

Supplied details of personal assets/liabilities:

4.4 Welcome letter

Instructions

Sending a welcoming letter to your potential new client is a professional courtesy. It is also an effective way of obtaining the potential audit client's consent in writing to communicate with the previous accountant by attaching the ethical letter for the client to sign. You may like to adapt this sample letter to your firm.

Welcome letter

(Date)

(Addressee)

(Company)

(Address)

Dear (Name),

Welcome!

I am very pleased to welcome you to *[insert firm name]* and hope that you will be happy with your choice of accounting and financial services.

As a progressive Chartered Accountant, it is my goal to assist clients to achieve their desired business and personal success.

I enclose a letter [4.5], addressed to your previous accountant, advising them that you have chosen my firm as your new tax agent. Please sign where indicated and return the letter to our office in the envelope provided as soon as possible.

Once again, welcome and thank you for choosing *[insert firm name]*. I look forward to a long and rewarding association for many years to come.

If you have any queries or require any assistance in the above matter, please contact me on xx.

Yours sincerely,

[insert name]

4.5 Ethical letter

Instructions

For potential clients (after receiving permission from the potential client), communicate in writing with the previous accountant before accepting a new client. Chartered Accountants Australia and New Zealand recommends your firm communicates in writing with the previous accountant for all engagements. We have termed this letter the 'ethical letter'.

You may like to adapt this sample letter to your firm.

Ethical letter

(Date)

(Addressee)

(Company)

(Address)

Dear (Name),

(Client name)

(Client address)

I have been approached by the abovementioned to accept nomination as accountant [amend as appropriate].

Please advise if there is any professional or ethical reason why we should not accept this appointment.

If no such reason exists, please forward to me the necessary documentation to ensure continuity of professional service, including:

- > Copies of last year's income tax returns
- > Copies of last year's financial statements
- > Copies of any depreciation or other business schedules
- > Copies of last year's income tax assessment notices
- > Any other information you may have in relation to their tax affairs¹.

If I can be of any further assistance to you, please contact my office on [insert phone number] or via email at [insert email address]

Yours sincerely,

[insert name]

Client Name

Client Signature

¹ For more guidance on the ownership, possession and disclosure of client related documents and records refer to Guidance Note N1 *Books and Papers* in the Members' Handbook.

4.6 Client acceptance checklist

Instructions

This form should be used to document the decision to accept the client or continue an engagement.

Warning: Practitioners are reminded that care should be taken when completing this checklist to avoid any possibility of defamation of individuals, for example, in the course of assessing their integrity.

Client:	Date:
Question	Comments
Client integrity has been considered and I do not have information that would lead me to conclude that the client lacks integrity?	
Competent to perform engagement?	
Resources to complete on time?	
Has any need for, and implications of, outsourcing services been explained to the client?	
Have prior knowledge of the client?	
Independence considerations Non-assurance engagement – no significant threats to independence?	
Do I aware of any independence problems or potential for conflicts of interest because of relationships with other clients, partners or staff? If a conflict of interest does exist, how has it been addressed? If it has not been addressed or reduced to an acceptable level by application of the reasonable and informed third party test (APES 110), the engagement should be declined.	
Has an estimate of the net fees and explanation of billing arrangements been discussed with the potential client? Has the client raised any concerns about these arrangements?	
Explained the firm's charges to the client? Has the client raised any concerns about these arrangements?	
Do I aware of any potential fee collection problems? Has the client expressed any reservations about the level of fees or billing arrangements?	
Consideration of client screening questions for new client/engagement?	
Genuine reason for leaving previous accountant?	
Ethical letter response considered?	

	Yes	No	Date:
Record-keeping and accounting system review visit schedule	<input type="checkbox"/>	<input type="checkbox"/>	<input style="width: 100%; height: 15px;" type="text"/>
Decision made to accept as client	<input type="checkbox"/>	<input type="checkbox"/>	
Proof of identity (POI) for client verification	<input type="checkbox"/>	<input type="checkbox"/>	
<i>* Do not accept/continue engagement if POI not complete.</i>			
Client engagement task checklist completed	<input type="checkbox"/>	<input type="checkbox"/>	
Engagement letter sent	<input type="checkbox"/>	<input type="checkbox"/>	
Add to team meeting agenda to inform staff	<input type="checkbox"/>	<input type="checkbox"/>	

Practitioner: <input style="width: 95%;" type="text"/>	Date: <input style="width: 95%;" type="text"/>
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4.7 Client engagement task checklist

Instructions

This form could be used to confirm with the client the tasks to be completed by the firm and by the client as part of the engagement. It can be completed either at the time of the initial client interview or at the time of the initial client site visit, as appropriate.

Firm task list	Comments	Confirmed Y/N
Annual financial statements	Year-end visit to review in-house ledger and collect completed year end checklist	
Income tax returns (and advice)		
Structure diagram/organisation chart		
Fixed asset register/depreciation schedule		
Hire purchase/loan interest schedule		
Fringe benefits tax calculations	Return prepared, if appropriate	
Directors loan account calculations	If applicable	
ASIC annual statements, minutes and acting as registered office		
Other		
Data entry/book keeping (includes data storage security, current software version)	Includes record-keeping – original tax invoices	
Completion of year end checklist of information required	Annual	
Bank account reconciliations	Monthly	
Debtors reconciliation	Monthly	

Creditors reconciliation	Monthly	
Client task list	Comments	Confirmed Y/N
Payroll and employee personnel files	Regularly	
Annual PAYG (W) reconciliation lodged with the ATO and summaries prepared for employees	Annually	
Superannuation guarantee obligations	Quarterly	
Pay-roll tax	Where applicable	
Work Cover obligations	Premium report annually	
Prepare and print GST reconciliation report	Usually quarterly	
Prepare, lodge and pay BAS (PAYG, IAS and GST)	Usually quarterly	
GST clearing account reconciliation	Quarterly – may need firm's assistance	
Pay annual land tax assessment(s)	Where applicable	
Other		
Other firm services	Indicate if required	Confirmed Y/N
Record-keeping review (recommended)		
Asset protection/CGT structure advice		
Computer system administration visits, troubleshooting on accounting system, assistance with software upgrades, partial restore from backup		
Management accounting – Review of interim in-house financials		
Audit and assurance services		

Other firm services	Indicate if required	Confirmed Y/N
Budgeting and monitoring		
Strategic business planning		
Superannuation planning		
Personal goal setting		
Other		

Other services from outside experts	Indicate if required	Confirmed Y/N
Financial planning and risk insurances		
Mortgage lending and leases		
Wills and enduring powers of attorney		
General insurance		
Quantity surveyor investment property reports		

This checklist is to ensure that my understanding of the tasks required by you and your business have been accurately agreed with you and we both acknowledge responsibility for the relevant tasks.

This checklist will remain effective unless replaced.

Practitioner:	Signed:	Date:
Client name:	Signed:	Date:

4.8 Client retention checklist

Instructions

Your firm is required to obtain such information as it considers necessary when deciding whether to continue an existing engagement to comply with APES 320. This form should be used at the planning stage of the engagement each year, as a prompt to consider whether the client is still appropriate for the firm.

Warning: Practitioners are reminded that care should be taken when completing this checklist to avoid any possibility of defamation of individuals, for example, in the course of assessing their integrity.

Question	Comments
Client integrity has been considered and I do not have information that would lead me to conclude that the client lacks integrity?	
Competent to perform engagement?	
Resources to complete on time?	
Independence considerations > Non-assurance engagement – no significant threats to independence?	
Is the firm free of any conflicts of interest with the client? If a conflict of interest does exist, how has it been dealt with?	
Fee level/collection issues?	
Consideration of client screening questions?	
Record-keeping and accounting system accurate?	
Client information on ATO Portal acceptable?	

	Yes	No
Decision made to retain client	<input type="checkbox"/>	<input type="checkbox"/>
Lost client form completed	<input type="checkbox"/>	<input type="checkbox"/>

Practitioner:	Date:
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4.9 Discontinued or unaccepted client form

Instructions

This form should be used to document the loss or rejection of a client, and as a checklist that appropriate matters have been dealt with.

Client name(s):

(list all entities)

Matter	Comment/how done	Cleared
<p>Contact from client or Decision not to continue documented Letter to client – where appropriate</p>		
<p>Consider the impact of this client leaving on other client relationships and workload</p>		
<p>Response to ethical letter</p>		
<p>Enclose necessary documents to ensure continuity of professional services including, for example, copy of depreciation schedule, company statutory file, etc.</p>		
<p>Examine work in progress and debtors Take appropriate action if there are any balances. For example, contact client, send debtor statement, raise final fee account, write-off remaining WIP.</p>		
<p>Update firm database</p> <ul style="list-style-type: none"> > mark as non-client > enter new accountant's contacts > other 		
<p>ASIC</p> <ul style="list-style-type: none"> > change of registered office form > minute noting change of office > resign as registered agent 		
<p>ATO Portal – lodge form to remove from tax agent listing + BAS, FBT, etc.</p>		
<p>Add to agenda for next team meeting to inform all team members of lost client</p>		
<p>Archive remaining correspondence and work paper files</p>		

4.10 Disengagement letter

Instructions

Where the engagement with a client is ended and there is work outstanding, it is best practice to summarise the situation in writing to the client. This will help avoid any confusion as to your firm's responsibility for completion of outstanding matters and make it an easier transition for the new firm.

You may like to adapt this sample letter to your firm.

Disengagement letter

(Date)

(Addressee)

(Company)

(Address)

Dear (Name),

(Client name)

(Client address)

(Client address)

Ceasing to act as accountant

I wish to clarify matters connected with your decision to replace me as your accountants. This letter replaces our previous letter of engagement dated

Status update

Attached is a report showing the status of services I have been performing for you together with the relevant due dates. This report should help you or the firm taking over your accounting work to be clear on the uncompleted tasks being assumed.

I am now not responsible for these tasks being completed on time.

Authority to provide information and documents

Should you wish me to provide documents to and to discuss your affairs fully and freely with a successor firm of accountants, please provide me with written authority².

Record retention

Attached I return source documentation that should be retained by you. Documentation such as our working paper file will be retained by me for the appropriate statutory time period, with continued confidentiality assured.

² For more guidance on the ownership, possession and disclosure of client related documents and records refer to Guidance Note N1 *Books and Papers* in the Members' Handbook).

Fees

Attached is a final invoice for my services to date, together with a statement also showing prior fees outstanding. By way of acknowledgement, please sign and return the attached copy of this letter, along with settlement of these amounts at your earliest convenience.

Status update

Service	Completed to	Frequency	Next Period End	Due Date
Financials	30 June 20X3	Annual	30 June 20X4	31 October 20X4
BAS	31 December 20X3	Quarterly	31 March 20X4	28 April 20X4
Tax return	30 June 20X3	Annual	30 June 20X4	15 December 20X4
IAS	Completed by you			
Pay-roll tax	31 January 20X4	Monthly	28 February 20X4	14 March 20X4
FBT return	31 March 20X3	Annual	31 March 20X4	28 May 20X4

Yours sincerely,

FIRM NAME

Practitioner:

Date:

Acknowledgement

We acknowledge this letter which records the agreement between us on your resignation as our accountants.

We authorise you to supply information and documentation to [REDACTED] whom we have appointed as our accountants.

Client name(s):

5.1 Resources policy statement

Instructions

Your firm is required to document its policy on resources to comply with APES 320. You may like to adapt this policy statement to your firm's situation. The resources consideration included:

- a. Human Resources
- b. Technology resources
- c. Intellectual resources
- d. Service providers

As a sole practitioner with no staff, there are limited requirements for your firm.

Human resources

I invest heavily in training to obtain the best possible return on my human capital, meeting Chartered Accountants Australia and New Zealand training and development requirements as a minimum. I maintain a training and development record to document my commitment to training.

Technological resources policy

Use of the firm's technological resources shall be for legitimate purposes in accordance with privacy laws and any applicable legislation. In all circumstances, I must be careful against all cyber-security risks and take necessary precautions. I must remain vigilant and suspicious of any potential threats. Private use of technology resources shall be limited, and prohibited websites must not be accessed.

Systems access shall be password-secured to prevent unauthorised use and the protection of confidential information. It is necessary to be aware of my surroundings and risks including at client venues and while working from home. Passwords must not be shared and shall be revised / adapted in accordance with the firm's policy requirements at the time.

Intellectual resources policy

Intellectual resources include the information the firm uses to enable the operation of the system of quality management and promote consistency in the performance of engagements. Common examples of firm's intellectual resources are written policies or procedures, engagement methodology or technical updates and user guides.

The firm's intellectual resources are intended for the operations of the firm, primarily the provision of all engagement services. Access is limited to permitted users of the resources and, unless intended for a broader audience, should not be shared with other parties. Permitted users must undertake to protect the resources, and any request for access to or reproduction of the intellectual resources must be approved by the engagement partner or equivalent.

The firm's intellectual resources include all works developed by staff in the course of their employment. The firm has copyright ownership for works undertaken by staff. This policy will also be reinforced in individual employment agreements. However, any work developed by employees outside the scope of employment will be excluded. This may include professional technical updates for a professional accounting body.

The firm protects its intellectual resources by reporting to the firm's leadership the range, utilisation and state of such resources. The existing resources will be managed as seen fit by the firm's leadership.

Service providers policy (including outsourcing)

The firm may choose or be required to use resources that are provided by service providers (individuals and organisations external to the firm), but the firm remains responsible for the system of quality management at all times and must ensure that outputs produced by service providers are consistent with quality management procedures

When using resources provided by service providers, the firm is responsible for ensuring that the resources are appropriate for use in the system of quality management or performance of engagements. A service provider may be engaged by the firm, or a third party. The use of service providers is prohibited until such time that it has been determined that sufficient due diligence has been conducted and they have been approved for use by the firm .

Matters to consider when looking to engage a service provider include:

- > Obtaining written quotations from several potential service providers.

- > Reputation of the service provider (e.g. existence of any negative media coverage) and whether reference checks should be conducted to ensure quality.
- > Location of service provider, where the firm's data goes and whether it is secure and meets legal requirements such as privacy principles
- > The potential for any threats to independence to arise.
- > If a confidentiality agreement is needed to protect the exchange of personal information.
- > In the event of a disaster, does the service provider have resources and facilities to restore operations for business continuity.

5.2 Training and development record

Instructions

This sample record is based on Chartered Accountants Australia and New Zealand's record for use by members in complying with CR7 – Continuing Professional Development. You should use this record or equivalent to record your T&D.

Section 1 – Personal details

Name	
Identification number	
Firm/employer	

Section 2 – Training & Development Record details

- Training & Development Record for** (dates) / / to / /
- Please indicate if you hold any of the following registrations/authorities:** (tick the applicable box/es)

Registered Company Auditor	-	Type A	Registered Company Liquidator	-	Type L
Registered Trustee in Bankruptcy	-	Type B	Australian Financial Services Licensee (AFSL)	-	Type AF
Registered Tax Agent	-	Type T	SMSF Auditor	-	Type S
Business Valuation Specialist	-	Type BV	Reviewer of Second Tier Companies Limited by Guarantee	-	Type R
			Financial Planning Specialist	-	Type FP

3. Please supply details of each Training & Development activity

Date	Organisation presenting T&D activity	Description of T&D activity (refer CR7 – Commentary iii)	Type of specialist hours (A, B, T, BA, L, AF, S or R)	Number of T&D hours

Total hours

4. Summary of T&D activities completed during the triennium

Specialist hours

Year (dd/mm/yy)	A	B	T	BA	L	AF	S	R	General hours
/ / to / /									
/ / to / /									
/ / to / /									
/ / to / /									
/ / to / /									
Total hours									

Training & Development activity information

Training & Development activities undertaken need **not** be **accounting related** but should be appropriate to your field of work.

The following are examples of activities that qualify as Training & Development:

- > Congresses, conferences, forums, conventions, courses, seminars, workshops, lectures and other professional educational activities presented by Chartered Accountants Australia and New Zealand
- > Meetings of Chartered Accountants Australia and New Zealand or other professional accounting body technical discussion groups
- > Appropriate educational activities provided by the member's employer or practice entity, either in-house or externally by individuals or organisations engaged by the employer
- > Tertiary courses presented by educational institutions
- > Appropriate educational and developmental activities presented under the auspices of academic institutions, commercial establishments or other professional bodies
- > Researching and writing technical publications, preparation and delivery of technical papers. As a guide, three hours preparation may be claimed for each presentation hour

- > Service on technical or research committees under the auspices of Chartered Accountants Australia and New Zealand, other professional bodies or organisations
- > Programmed self-study through a third party provider, including self-study video or audio packages
- > Chartered Accountants Program Workshops and examination markings.

Please note:

From 1 July 2021, 120 hours of Continuing Professional Development (CPD) needs to be completed over the triennium, comprises of 90 verifiable hours and 30 non-verifiable hours. The 30 non-verifiable CPD hours per triennium may be achieved by reading professional journals, technical bulletins, etc.

A minimum of 20 CPD hours must be completed in each year.

Over the triennium period members are required to undertake a minimum of 2 hours of ethics training per triennium.

Holders of licences or registrations in a specialist area must devote a minimum of 40% of their minimum Training & Development activity to each specialisation (i.e. 40% of 120 hours over the course of the triennium for **each** specialisation).

Section 3 – Acknowledgement

I hereby confirm that this information is a true record of my Training & Development activity for the period stated.

Practitioner:

Date:

5.3 Technology resources self-assessment checklist

Instructions

The principal is to complete a self-assessment of the firm's technology resources to oversee and monitor the technology aspect of the firm. You may like to adapt this form to your firm.

Technology resources self-assessment checklist

Areas to consider	Notes	Comments
General IT policies		
Do you have a list of all hardware and systems within the business?	<i>Develop a list with hardware and systems that contain sensitive information.</i>	Technology hardware and software checklist completed
Do you have a list of all applications used to support your business?	<i>Create a master list of essential and optional applications. This will determine if the applications are still supported by the vendor, up-to-date with their patching and</i>	Technology hardware and software checklist completed
User policies		
Have you recorded individuals with administrative privileges?	<i>Administrative privileges come with greater responsibility and accountability for information security. Individuals should be granted admin access based on their role based access control</i>	
Are users' requirement for privileged accounts regularly revalidated?	<i>Administrative privileges comes with greater responsibility and accountability for information security.</i>	
Is access to information systems approved by the asset owner?	<i>It is fundamental that access approval goes through the master administrator to ensure they need to access to that information.</i>	
Are all accesses linked to unique user credentials?	<i>Every user should have their own login ensuring individuals do not have access to information beyond what they require.</i>	
Are access rights reviewed on a regular basis by the asset owners?	<i>Asset owner is responsible for the day-to-day management of your information systems and needs to be aware to who they've granted access and for what purpose</i>	
Do you have a policy and process to ensure removal or destruction of devices containing confidential information?	<i>Creating a clear asset inventory policy that includes processes for the storage, removal and destruction of all hardware and removable media.</i>	
The following areas need to be	Notes	Comments

Do you have a Bring Your Own Device (BYOD) or similar policy?	<i>Set standards for how they can be used, how organizational data can be stored or accessed on devices and decide how you want to be able to remove it if the need arises.</i>
Do you have a formal backup and recovery plan?	<i>Establish a policy and process for backups.</i>
Do you have up-to-date anti-malware software installed and used on all application systems?	<i>Turn on real-time protection and auto subscription.</i>
Do you have incident response policy and regularly reviewed, tested and update?	<i>Encourage all personnel to report all responses</i>

5.4 Technology hardware and software checklist

Instructions

Create a master list of hardware and software used in the practice to ensure the up-to-date security patch are installed properly.

Annual review of the lists are conducted to ensure the resources are workable and fit the purpose of the works.

Technology hardware

Item	serial number or model	Date of purchase	User	Condition
Dell laptop	xxxx	30-9-2018	John Doe	To be replaced by 2023

Software/application

Description	Expired	Licensing	Type of subs	Installation	Current version	Auto-update
Next Review Date	Support contact					
Microsoft office	Yearly 30 Dec 2022	5 [all personnel in the firm]	Yearly	Yes		
Cloud base	Yes/No		IT department			
Xero	2 (technical staffs)	Monthly	Cloud base			IT departments, Xero support contact

Prepared by:	Date:
Perform regular review	
Reviewed by:	Review date:

6.1 Engagement performance policy statement

Instructions

Your firm is required to document its policy on engagement performance to comply with APES 320, with additional requirements for assurance practices.

You may like to adapt this policy statement to your firm's situation.

Engagement performance

The firm aims for consistent quality by using manuals, industry standard software, template documents and appropriate guidance material.

Work control and client information forms, structure diagrams, organisation charts, and permanent file documents (such as trust deed summaries) help me to know the client. Engagement letters and/or business services checklists identify what work is to be completed.

Consultations and referrals

My clients will require the services of other professionals. I should be able to assist them by consulting experts or providing referrals. I maintain a list of specialist consultants I consult with where necessary. For all formal consultations and referrals I document the consultation and implement the conclusions from the consultation.

Consultations and referrals are properly resourced, encouraged and documented, and the conclusions implemented. Documentation of any consultation on client files enables clear understanding of the matters considered, conclusions reached and implementation details. If the consultation is in relation to an assurance engagement, the individual consulted will also document their agreement to the documentation of any difficult or contentious matters.

Engagement documentation

All engagement files are to be completed on a timely basis. At a maximum this must be within 60 days of the return/report etc. being issued.

Our IT system includes the following security features:

[tailor to your firm, including policy on password protection of documents, controls over issuing of passwords and backup policy].

The firm does not destroy engagement documentation unless it has obtained legal advice that destruction is appropriate. For existing clients, the engagement documentation is always kept on file. Current engagement documentation is not to be archived. In all instances the firm will retain client documentation for at least the following minimum periods:

Superannuation Industry (Supervision) Act	accounting records	5 years
	minutes of meetings	10 years
	records of directors/trustees	10 years
	reports given to members	10 years
Tax Act	any record pertaining to tax	5 years
		7 years
Statute of Limitations		7 years
Corporations Act	accounting records	7 years
Audit	working papers	8 years
Engagement Letter	Professional standards	Engagement duration + 7 years

6.2 Work control form

Instructions

Your firm is required to implement policies and procedures in relation to the performance of engagements.
You may like to adapt this form to your firm, to be supplemented by engagement specific work papers and checklists.

Client name(s):	Code:
Period/year end:	

WORK REQUIRED:

<u>Financials</u> : Interim to:	OR	Final year ended:
<u>Tax returns</u> : I : P : T : C : F		
<u>Other</u> : (please specify)		
Urgency factor: H/M/L	Date due:	

Interview checklist

<input type="checkbox"/> Engagement letter	<input type="checkbox"/> Budget analysis
<input type="checkbox"/> Business task checklist	<input type="checkbox"/> Tax planning strategies
<input type="checkbox"/> Key frustrations in your business	<input type="checkbox"/> Wealth creation
<input type="checkbox"/> Business plan/goals	<input type="checkbox"/> Risk management
<input type="checkbox"/> Capital gains tax register	<input type="checkbox"/> Succession and estate planning
<input type="checkbox"/> Client retention decision	

Interviewed on:
Nailed in/delivered on:
Description of records provided by client:

Job plan:	Time budget	Time spent	Notes
Coding/summarising info			
Posting/entering			
Interim/final accounts			
Tax returns			
Other			

Last year fee: \$	Last year write off: \$
This year budget: \$	Fixed fee quoted: \$

Office costing summary (detailed WIP printout attached)

Actual WIP	Write-off/(up)	Final fee	Date	Comments

Practitioner:

Date:

6.3 Specialist consultants

Instructions

Having a pre-prepared list of specialist consultants is an efficient and effective tool when consultations are required. These consultants could be in-house specialists, or external to your firm.

	Name	Contact details
Company formation services		
Discretionary/unit trust deed preparation/amendment		
Financial planning		
Risk insurances		
General insurance		
PI insurance		
Mortgage broker		
Finance broker – lease, chattel mortgage		
Stock broker		
Superannuation – complex advice		
Insolvency – voluntary administration – bankruptcy		
Audit		
Independent valuations		
Complex income tax opinions		
Complex indirect tax matters		
Income tax planning/structuring		
Company strike-off		
Solicitor – general work		
Actuary		

6.4 Checklist for use of outside consultants

Instructions

Documenting consultations is an important part of engagement performance.
You may like to adapt this form to your firm.

Client name:	Client code:
Date:	

Outside consultant's name/firm:

Reasons for use:

	Yes	No
Client advised of use	<input type="checkbox"/>	<input type="checkbox"/>
Written brief forwarded to Consultant	<input type="checkbox"/>	<input type="checkbox"/>
Client advised of estimated cost for Consultant	<input type="checkbox"/>	<input type="checkbox"/>
Written advice received and forwarded to client	<input type="checkbox"/>	<input type="checkbox"/>

If no, how was client advised?

Practitioner:	Date:
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7.1 Information and communication policy statement

Instructions

Your firm is required to document its policy on information and communication to comply with APES 320.
You may like to adapt this policy statement to your firm's situation.

Information systems

We are committed to investing in information systems which meet the needs of our present circumstances and anticipated future changes. Our information systems support our system of quality management. Our information systems may include both information technology such as hardware and software as well as manual or analog processes. The firm will ensure that significant outlays on information systems are undertaken when the leadership reaches an acceptable level of consensus. This is done through a working group or project committee to ensure the future operational requirements are met.

Continuous development, maintenance and upgrades will provide users with information that is current and useful therefore our information system is maintained and updated to respond to changes in our professional environment and available technologies. Changes to the information systems are required to be managed and documented. The firm remains committed to the system's security to ensure that the risks of cyber-security breaches and unauthorised access are managed and minimised. Staff are trained and reviewed based on their contributions to the system's security. Breaches of policies will be investigated and the appropriate action will be taken.

To develop users' confidence in the information system we prioritise ongoing training of existing and new elements of the information systems. The firm also seeks staff feedback on the effectiveness of information systems and technology. A review is undertaken to ensure that the quality of the technology services meets the needs of the firm and represents value-for-money investment.

Culture

To facilitate the system of quality management the firm also supports and encourages a responsible culture to exchange information with one another. The firm encourages the use of its resources including the information systems, to achieve this aim. This cultural quality is essential to the firm's goals and strategies, and annual performance reviews, including consideration of the individual's support for the firm's culture.

Communication

The firm is committed to a positive and informative communication process with internal and external stakeholders. The firm recognises that clear and succinct communication in a professional environment requires development over time. Communication training and role playing are development goals. Where identified as an area for improvement, staff will be encouraged to undertake such training in their performance development plan.

The firm will communicate through various methods, for example, direct oral communication, manuals of policies or procedures, newsletters, alerts, emails, intranet or other web-based applications, training, presentations, social media, or webcasts. In determining the most appropriate method(s) and frequency of communication, the firm may consider factors, including:

- > The audience to whom the communication is targeted; and
- > The nature and urgency of the information being communicated.

In some circumstances, the firm may determine it necessary to communicate the same information through different methods to achieve the objective of the communication. In such cases, the consistency of the information communicated is important.

The firm may communicate with various other external parties about the firm's system of quality management. The nature, timing and extent and appropriate form of communication will be determined by the quality management leader and depend on the circumstances.

External communication related to the firm's system of quality management may include a transparency report direct conversations with external parties, including direct conversations with regulators, or management and those charged with governance of clients, and information on the firm's website or provided through social media.

The firm aims to promote the exchange of valuable and insightful information about the firm's system of quality management with stakeholders, in the most appropriate manner. When there are no requirements in law, regulation or professional standards to communicate externally, the firm will commit to proactively work with external parties to better understand how its system of quality management meets its professional requirements and deliver outcomes to stakeholders. The firm will likely reach out to those parties with a business or operational relationship to communicate about the system of quality management to seek feedback.

We recognise the relevance and reliability of information requires proactive management. The responsibility also includes developing the firm's culture to share and exchange information. Personnel are also rewarded and recognised for their commitment to the responsibility.

7.2 Information and Communication policy and procedure development questionnaire

Your firm is required to establish policies and procedures to identify, capture, process, maintain and disseminate information both internally and externally to the firm. The assigned person is to complete a self-assessment of the firm's processes and procedures with respect to information management and communication. You may like to adapt this form to your firm.

The firm recognises the need for the person who has been assigned to oversee information management and communication aspects for the firm to have sufficient and appropriate experience and ability, and the necessary authority, to assume that responsibility.

Given the above and having considered the team members as listed on the firm's structure, it has been decided to assign the technology responsibility to:

[insert name here]

Signed:

(Partner)

Accepted by:

Date: Date:

Information and communication policy development checklist

Areas to consider	Questions to consider when developing policies	Items to consider when developing procedures
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<p>Information management</p>	<p><i>For firms with existing information management systems, how does the existing information system identify, capture, process and maintain information relevant to the system of quality management?</i></p> <p><i>Smaller firms with fewer personnel and direct involvement of leadership may not need rigorous policies and procedures that specify how information should be obtained, generated, used and communicated within the Firm (APES 320 paragraph 4.61)</i></p>	<p>Examples of processes that disseminate information may include:</p> <ul style="list-style-type: none"> • Meetings • Discussions • Manuals of policies and procedures • Newsletters • Alerts • Emails • Intranet • Web-based applications • Social media (where information is not sensitive) • Training – regular, scheduled, targeted • Presentations • Webinars/townhalls <p>Examples of information capture may include:</p> <ul style="list-style-type: none"> • Intranet • Staff assigned for communications management within the firm • Email system protocols • Software systems • Technical Teams within the firm responsible for updates and training
<p>Firm culture</p>	<p><i>Does the culture within the firm in the context of information and communication encourage the exchange of information between employees of the firm?</i></p>	<ul style="list-style-type: none"> • Tone at the top – do management foster a culture of information sharing? How? • Are staff at all levels encouraged and supported to communicate ideas? • Is there a learning culture within the firm where making a mistake is seen as an opportunity to learn?

<p>Facilitation of the exchange of information within the firm and with providers of services to the firm</p>	<p><i>What processes does the firm have in place to facilitate the exchange of information between the firm, non-professional staff, and engagement teams?</i></p> <p><i>What processes does the firm have in place to communicate information within the firm's network and to service providers?</i></p> <p><i>What processes does the firm have in place to collect information about the operation of the system of quality management, particularly where a deficiency is noted?</i></p>	<p>How does the firm communicate changes to the system of quality management to the extent that changes are relevant to personnel responsibilities?</p> <p>How does the firm communicate information obtained during the Firm's acceptance and continuance process that is relevant to engagement teams in planning and performing engagements (APES 320 paragraph 4.62)</p> <p>How does the firm facilitate the dissemination of information obtained during the performance of the engagement that may be relevant to acceptance and continuance of client relationships and specific engagements? (APES 320 paragraph 4.62)</p> <p>How does the firm determine the audience to whom the communication is targeted?</p> <p>How does the firm assess the nature and urgency of the information being communicated?</p>
<p>External communications</p>	<p>What processes does the firm have in place to identify relevant communications that are required to be made externally by law, regulations or professional standards? What processes does the firm have in place to support external parties understanding of system of quality management?</p> <p>What processes does the firm have in place to determine whether information about the system of quality management is permitted to be communicated by law?</p> <p><i>What processes does the firm have in place with respect to client's personal and sensitive information when collaborating with external service providers?</i></p>	<p>How does the firm assess the nature and urgency of the information being communicated?</p> <p>How does the firm consider obligations under NoCLAR requirements in the Code (Section 360)?</p> <p>How does the firm consider privacy or secrecy regulations that prohibit this disclosure of certain information?</p> <p>How does the firm address the duty of confidentiality, including subsection 114 of the Code?</p>

8.1 Monitoring and remediation policy statement

Instructions

Your firm is required to document its policy on monitoring to comply with APES 320.
You may like to adapt this policy statement to your firm's situation.

Monitoring

I am committed to the ongoing evaluation of my firm's risk management framework and system of quality management.

This engagement review includes reviewing whether the firm's policies and procedures have been adhered to. When issues are identified or errors are uncovered during engagements, the system, policies and relevant procedures are reviewed and practical changes that should reduce the risk of future similar errors are made.

Annually, the firm's systems including the risk management framework and quality management manual and all forms and procedures are reviewed.

Every three/five years, an independent quality assurance review is conducted by a reviewer appointed by Chartered Accountants Australia and New Zealand. The firm is supportive of this process. When necessary I will engage another practitioner to conduct a review of my practice.

Complaints and allegations

Complaints are taken seriously by the firm. Complaints are to be acknowledged with the client, and a prompt resolution sought. Clients must be kept informed as to the progress of the resolution.

Every formal complaint received is examined to determine if a weakness in the firm's system(s) exists which is in need of improvement.

A record of client complaint form is completed to aid in satisfactorily resolving the matter.

PI insurers are notified, if necessary.

8.2 Firm feedback form

Instructions

This form can be used to monitor the firm's systems and work environment on an informal basis between annual system reviews. You may like to adapt this form to your firm.

Date:

	Poor		Good		Excellent
Reception – appearance and performance	1	2	3	4	5
Kitchen cleanliness	1	2	3	4	5
Tidiness and maintenance of office	1	2	3	4	5
Mail distribution	1	2	3	4	5
Filing	1	2	3	4	5
Stationery supply	1	2	3	4	5
Equipment problems	1	2	3	4	5
Internal communication system	1	2	3	4	5
Completion of processing forms	1	2	3	4	5
Computer processing	1	2	3	4	5
Work presentation	1	2	3	4	5
Work flow	1	2	3	4	5
Assistance when required	1	2	3	4	5
Personal skills development	1	2	3	4	5

Comments/suggestions:

Any comments clients made this month:

8.3 System review

Instructions

Your firm is required to monitor its quality management policies and procedures. Completing a thorough review of all the firm's systems annually is a useful way of reviewing whether the systems need updating and, importantly, whether they are operating effectively for your firm. As a sole practitioner, you may need to appoint another practitioner to effectively monitor the firm.

You may like to adapt this form for your firm.

Monitor's Questionnaire

The Monitor's Report will consist primarily of answers to the following questions.

For each of the questions with a "No" answer, please include your observations, conclusions, and recommendations (if appropriate) in your report to the partner(s) responsible for quality control.

	Yes	No	N/A	Action Required
1. Does the firm have a written quality management manual (QM) or policies?				
2. Does the content of the written QM conform in all relevant respects with the requirements of APES 320?				
3. Has at least one engagement been examined for the practitioner?				
4. For engagements reviewed, did you (as monitor) ensure that you were neither a member of the engagement team, nor a Quality Management Reviewer (QMR) on the engagement?				
5. Were any deficiencies found that appeared to be systematic, repetitive or otherwise significant and requiring prompt corrective action?				
6. Is there evidence that a report issued by the firm may have been inappropriate?				
7. Was there evidence of required engagement procedures not performed?				
8. Have all deficiencies been reported in writing to practitioner?				
9. Have the underlying reasons for all significant deficiencies been established?				
10. For files reviewed, have appropriate file inspection checklists been completed and retained in the documentation?				

Monitor's Report

To: Practitioner

Review conducted between (beginning date) and (ending date)

Period Covered: From (beginning date) to (ending date)

I have been assigned/engaged to perform a monitoring inspection for the firm, including a review of the quality management policies and a review of engagements representing the practitioner.

1. The firm [does/does not] have a written quality management manual (QM) and/or quality management policies and procedures.

(Insert explanation offered by practitioner, if a written QM is incomplete.)

2. In my opinion, the content of the written quality management manual (QM) [does/does not] conform in all relevant respects with the requirements of APES 320.

3. I [found/did not find] the following missing or inappropriate policies, procedures, and/or documentation in your QM.

4. I have reviewed at least one engagement for the practitioner.

For engagements reviewed, I verified that I was neither a member of the engagement team, nor a quality reviewer on the engagement.

Insert details of each engagement selected (including engagement type, client name, and year-end date)

5. I [found/did not find] deficiencies within the file engagements that appeared to be systematic, repetitive or otherwise significant and requiring prompt corrective action.

Insert details of each such deficiency found.

6. I [found/did not find] evidence indicating that a report issued by the firm may have been inappropriate.

Insert details of evidence indicating the possibility that an issued report may not have been appropriate.

7. I [found/did not find] evidence that engagement procedures required either by standards or the firm were not performed.

Insert details of evidence indicating that required procedures were not performed including a reference to the requirement.

8. I have reported all deficiencies found in the course of my review to the practitioner.

[Redacted area]

9. For files reviewed, I have completed the appropriate file inspection checklists and these are attached to this report as appendices.

[Redacted area]

8.4 Client complaint record

Instructions

Your firm is required to deal with complaints and allegations appropriately.
You may like to adapt this form to your firm.

Client Name:	Date:
Client's Accountant:	

Details of Complaint

Implications of the Client's concerns

Action Taken

Solution agreed with / Communicated to Client

Professional Indemnity Insurers / Broker to be advised y / n

Reasons documented below.

System Weaknesses Identified - to be improved

Signed off as matter complete:	Date:
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