

QAR – Our path to boost Public Trust

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Quality Review Program in other countries

Public Company Accounting Oversight Board

**United States of
America**

Audit Quality Review Board

Australia

Quality Assurance and Improvement Program

Singapore

**Oversight of the Public Interest Activities of
Auditors**

Hong Kong

Agenda

Benefits of the QAR Program

Challenges on the implementation of the QAR Program

Conclusion

Quality Assurance Revenue Program

Who will benefit from the Program?

- Our clients and its stakeholders – investors, customers, banks, suppliers, creditors
- Regulatory bodies
- PICPA
- Accountancy profession
- CPA firms/Individual CPA public practitioners

Benefits of the QAR Program

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Regulatory bodies

- Provide assurance on auditor's compliance with relevant professional standards
- Complement the regulatory review of financial statements

Benefits of the QAR Program

PICPA

- Enhances role as the APO
- Identifies areas in the practice which need to be strengthened
- Has a feedback mechanism for continuing professional development

Benefits of the QAR Program

Accountancy profession

- Raises the bar of quality and excellence
- Strengthens discipline
- Promotes best practices
- Identifies weaknesses that need to be addressed

Benefits of the QAR Program

CPA practitioners – Firm/Individual

- Promoting a culture of quality in the way audit is conducted:
 - reduces risks of audit failures, penalties and sanctions
 - enhances reputation
- Having quality clients
- Maintaining quality people
 - Strengthens competence and confidence
- Providing opportunity to benchmark current quality control system with best practices
- Quality audit = Satisfied clients = more revenue
Poor quality = TPMs = Client loss = revenue loss
- “Cleaning up” the profile of the member of the profession

Challenges in implementing the QAR Program

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- **Timing of the implementation and level of preparedness**
 - **Embedding quality may take some time**
 - **Providing leeway for training and support resources for sole practitioners and smaller firms**
 - **Allowing ample time to remediate findings**

Challenges in implementing the QAR Program

- Potential challenges on the Executive Committee and Chief Inspector
 - Appointment/employment and retention of highly qualified senior inspectors and staff auditors
 - Independence and impartiality should always be highly regarded
 - Consistency in the understanding of inspectors of the requirements of professional standards; training
- Confidentiality of information
- Consent from clients to allow the review of working papers of practitioners and disclosure of clients' information
- Resolution of disagreement
- “Fairness” of the registration fees

Conclusion

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Thank you

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