

INTERNAL QUALITY ASSURANCE REVIEW PROGRAM REQUIREMENTS

This policy statement, issued by the Transnational Auditors Committee (TAC), establishes policy for Provisional and Full Members of the Forum of Firms.

- Per the Forum of Firms' Constitution:** Forum of Firms membership obligations require that, with respect to transnational audits, Members are required to:
- Maintain appropriate quality control standards in accordance with International Standards on Quality Control issued by the IAASB in addition to relevant national quality control standards and conduct, to the extent not prohibited by national regulation, regular globally coordinated internal quality assurance reviews. (Section 4(d)i).
- TAC Policy:** The minimum requirements of a "globally coordinated" internal quality assurance review program for a Network that is a Member of the Forum are:
- The Network should require each applicable constituent firm to either establish appropriate policies and procedures for its internal quality assurance review program or adopt policies and procedures established by the Network.
 - The internal quality assurance review program for a constituent firm should be performed with periodic participation and/or oversight by the Network, where not prohibited by national regulation. Oversight may take many forms to accomplish the objectives of global coordination, and will vary depending on the circumstances. Participation in the reviews or closing meetings is encouraged.
 - In conducting its oversight, the Network should consider the following:
 - The (constituent firm's) internal quality assurance review plan, including the qualifications and objectivity of the internal quality assurance review team leader(s) and other key members of the internal quality assurance review team(s);
 - The functional and engagement review questionnaires utilized by the constituent firm in performing the internal quality assurance reviews;
 - The constituent firm's mechanisms for reporting the results of internal quality assurance reviews to the appropriate leaders of the Network and the firm, including those responsible for the system of quality control, and to their audit partners; and

TAC POLICY STATEMENT 2

- The policies and procedures used by the constituent firm to monitor significant corrective actions arising from the internal quality assurance reviews.

Effective Date: This policy statement is effective for a Member upon submission of the report to the Secretary of the Forum indicating that it has met the Forum's membership obligations in accordance with Section 4(e) of the Constitution.

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