Question 7 in the EM to ED-ISQM 2 asked respondents:

*Do you agree with the enhanced documentation requirements?*

**ED-ISQM 2: Question 7: Enhanced documentation requirements – Agree**

### 3 Regulators and Oversight Authorities

**84_ISQM 2_NASBA**

Yes, we are supportive of the enhanced documentation requirements.

### 4 National Auditing Standard Setters

**10_ISQM 2_AICPA**

Yes.

**11_ISQM 2_AUASB**

The AUASB is supportive of the enhanced documentation requirements.

**12_ISQM 2_CAASB**

Yes. We agree with the documentation requirements.

**15_ISQM 2_CFC**

Yes.

**16_ISQM 2_HKICPA**

We agree the enhanced documentation requirements, in particular, paragraph 27 of ED-ISQM 2 which requires the documentation to be sufficient to enable an experienced practitioner, having no previous connection to the engagement, to understand the nature, timing and extent of the engagement quality review procedures performed.

**17_ISQM 2_IDW**

Although the documentation requirements for EQRs have been extended compared to those in ISQC 1, we believe that they are appropriate and will not cause major problems in practical implementation.

**20_ISQM 2_MAASB**

We agree with the enhanced documentation requirement in this standard, where required.

**22_ISQM 2_NBA**

We agree with the enhanced documentation requirements.
5 Accounting Firms

23_ISQM 2_BTI
We support the documentation requirements as proposed in ED-ISQM2.

25_ISQM 2_BDO
Yes, we support the enhanced documentation requirements.

26_ISQM 2_CASI
We agree.

29_ISQM 2_DTL
Yes, we agree with this requirement. It seems like common sense to clearly document the work performed by the EQR and to ensure that it is on the file and the standard clearly notes this.

32_ISQM 2_GTIL
We agree with the enhanced documentation requirements and are of the view that these enhanced requirements reflect what many firms currently require to be included in the engagement file as evidence of the EQ review.

33_ISQM 2_HM
yes

35_ISQM 2_KI
The documentation requirements are appropriate.

36_ISQM 2_MZRS
Yes

39_ISQM 2_MSI
Yes.

40_ISQM 2_NI
YES

41_ISQM 2(NSW
Yes, we agree with these.

42_ISQM 2_PKFI
We agree with the enhanced document requirements.

43_ISQM2_PKFSA
We agree with the enhanced document requirements.
We support the enhanced documentation requirements and principle that the engagement quality reviewer takes responsibility for documentation of the engagement quality review and that this may be documented in a number of ways.

6 Public Sector Organizations

46_ISQM 2_AGSA
Yes, we agree with the enhanced documentation requirements. This will assist in ensuring that there is sufficient documentation on file that can enable an experienced practitioner having no previous connection to the engagement, to understand the nature, timing and extent of the engagement quality review procedures performed.

47_ISQM 2_ACAG
ACAG supports the enhanced documentation requirements.

48_ISQM 2_INTOSAI
Yes

50_ISQM 2_OAGNZ
We agree with the enhanced disclosure requirements.

51_ISQM 2_OAGA
Yes, we agree with the enhanced documentation requirements.

52_ISQM 2_OAGC
Yes we agree with the enhanced documentation requirements which are reasonable and not overly onerous.

53_ISQM 2_PAS
Yes, we agree with the enhanced documentation requirements.

54_ISQM 2_SNAO
Yes.

55_ISQM 2_GAO
We believe that the proposed documentation requirements are reasonable.

7 Member Bodies and Other Professional Organizations

60_ISQM 2_CAI
The documentation requirements strike a good balance and we do not think that they are overly onerous.
64_ISQM 2_CICC-AIC
Yes, we do it.

65_ISQM 2_CCC-ICPARD
Yes, we do.

66_ISQM 2_CPAA
Yes, we agree with the documentation requirements.

75_ISQM 2_ICAP
We agree with the enhanced documentation requirements outlined under proposed ISQM 2.

76_ISQM 2_ICAS
We welcome the enhanced documentation requirements as these acknowledge that the documentation of engagement quality reviews might take different forms depending on the nature of the engagement and the entity.

77_ISQM 2_ICPAU
ICPAU agrees with the enhanced documentation requirements since this will enhance public trust in the engagement quality reviews.

78_ISQM 2_IBRACON
Yes.

83_ISQM 2_MICPA
Yes, the Institute agreed to the enhanced documentation requirements. The most common quality issue encountered was inadequate audit documentation to indicate the engagement quality review procedures have been performed. Hence, ED-ISQM 2 may help to solve this problem.

86_ISQM 2_NRF
We agree with this.

87_ISQM 2_SRO-AAS
Yes

8 Individuals and Others

90_ISQM 2_TAS-CAA
Yes

We agree with the enhanced documentation requirements as this ensures that the steps taken by the quality reviewer have been documented and are accounted for. By filling the documents together with the engagement documentation, it ensures that they can be readily accessed to verify whether the quality reviewer performed his/her duty. There is a common phrase, ‘who polices the police?’ the enhanced
documentation allows for a process of reviewing the reviewer periodically to ensure enhanced quality and so we support the requirements.

91_ISQM 2_VM

Yes
ED-ISQM 2: Question 7: Enhanced documentation requirements – Agree but with further comments

1 Monitoring Group

03_ISQM 2_IFIAR

The documentation requirements (paragraphs 25-27) in the exposure draft are limited in nature. The proposed requirements may result in a tick box/checklist approach to documentation. Requirements need to include the EQ reviewer’s commentary on:

- Assessment of the significant judgements reviewed (and accordingly the review of the audit team’s risk assessment); and
- How the EQ reviewer was able to conclude on significant judgements following the review of selected working papers.

The documentation requirements should not only demonstrate that an EQ review has been performed, but indicate what was reviewed, what matters were discussed and how the EQ reviewer was able to conclude.

3 Regulators and Oversight Authorities

07_ISQM 2_FRC

In part. An important attribute of documentation is the professional judgment exercised by the EQ reviewer in evaluating the work of the engagement team and forming the EQ reviewer’s conclusions. Such matters are important to those responsible for reviewing documentation (in accordance with paragraph 27), and those carrying out subsequent EQ reviews when reviewing matters of continuing significance. This is not emphasised in the requirements or the application material. In particular, the EQ reviewer should document the rationale for the EQ conclusion required by paragraph 24 including, for example:

- the basis for the EQ reviewer’s conclusions about the information provided by the engagement team in resolving matters raised by the EQ reviewer.
- the basis for the EQ reviewer’s conclusions on the reasonableness of the engagement team’s basis for, and evidence supporting, making significant judgments.

08_ISQM 2_IRBA

We would prefer clarity on how the evaluation discussed in question 6(a) above would be evidenced on the file. A possible solution is to include commentary on how the EQ reviewer was able to conclude on significant judgments, following the review of selected working papers. An alternative solution is to include mandatory minimum criteria in terms of significant matters and judgments, as interpretations differ from individual to individual and firm to firm. The level of subjectivity in this area makes it difficult to inspect and report on deficiencies.

By default, the EQ reviewer should also scope in all working papers related to assertions of a significant risk area.

We recommend that the requirements need to clarify that the documentation should include the scope of the EQR, and which assertions were reviewed.

We recommend that the EQ reviewer be required to document the discussions between him/her and the engagement team/partner.
Would an EQ reviewer be expected to document why they have not raised an issue or finding? In areas of professional judgment, for example, this may assist with explaining to an audit regulator or those performing file monitoring that an issue was considered but not progressed.

Although paragraph 25 of ED-ISQM 2 states that it is the EQ reviewer’s responsibility to document the EQR, it is not clear whose responsibility it is to ensure that the documentation is included in the audit file. If documentation regarding the EQR is omitted from the file, the engagement partner may not be able to prove that the EQR was performed.

Further, we recommend that where findings are raised by the EQ reviewer, and these are resolved by way of a discussion, that discussion and conclusion be documented. Our inspections have raised findings that EQ reviewers did not raise certain matters, and the response was then that the matters were resolved verbally, but that was not documented.

09 ISQM 2 IAASA

We recommend that the documentation requirement be made clearer. It is essential that the documentation not only shows that an EQR was done, but also how the EQR was performed, what was done, the reason(s) for the reviewer’s conclusions, any follow-up that was required and how that follow-up was performed, etc.

92 ISQM 2 CEAOB

We recommend that the documentation requirement be made clearer. It is essential that the documentation not only shows that an EQR was done, but also what was done, the follow-up that was required and how that follow-up was performed, how the EQR was performed, etc.

4 National Auditing Standard Setters

13 ISQM 2 CICPA

Agree. Suggest further specifying in paragraph 27 that the documentation of the engagement quality review shall include important issues such as the discussion between the engagement quality reviewer and the engagement team on significant judgments.

14 ISQM 2 CNCC-CSOEC

Concerning the enhanced documentation requirements, we have the following comment. We consider that the term “completed” in the last sentence of paragraph A39 should be replaced by “assembled” or “gathered”.

18 ISQM 2 JICPA

We agree with the enhanced documentation requirements. However, we believe that paragraph 27(d) is not intended to require that the engagement quality reviewer and engagement partner discussion processes be documented in detail when the engagement quality reviewer’s concerns are finally resolved, but this is not clear from the requirements. Therefore, we believe that it is beneficial to explain this in the application material.
19_ISQM 2_KSW

The documentation aspect is not straightforward, and this is the case for ED-ISQM 1, but also ED-ISQM 2. We are concerned that the standard deals with the quality of documentation and the quality of evidence in the same manner. Emphasis should be on the latter, otherwise it will not be possible to document a good quality review.

21_ISQM 2_NZAASB

The NZAuASB is supportive of the enhanced documentation requirements. However, implementation support and examples would be helpful to enable practitioners to understand what level of documentation is appropriate. The focus for the engagement quality reviewer is on performing a high quality review. Excessive time spent on documentation reduces the time available for the review to be performed.

5 Accounting Firms

27_ISQM 2_CHI

The enhanced documentation requirements are an important and appropriate response to the concerns raised about the robustness of the current approach to Engagement Quality Control Review (EQCR). We agree with what is set out in the standard and the application guidance. The final text of the application guidance ought to discourage “checklist” approaches that result in minimal documentation about the EQR process, the matters discussed and the judgments made.

28_ISQM 2_DTTL

DTTL is supportive of the focus on documentation of the engagement quality review, including the new requirement in paragraph 26 of ED-ISQM 2 that such documentation be included with the engagement documentation. Further, from a scalability perspective, we support the application material provided in paragraphs A37 and A38, which recognizes that the engagement quality review may be documented in a number of ways and that the form, content, and extent of such documentation may vary according to the nature and complexity of the engagement, the entity, and matters subject to review, as well as the extent of engagement documentation reviewed.

With respect to paragraph 27, DTTL supports the inclusion of an overarching requirement related to the sufficiency of documentation, with the following suggested revisions:

Paragraph 27

The engagement quality reviewer shall determine that the documentation of the engagement quality review is sufficient to enable an experienced practitioner, having no previous connection with the engagement, to understand the nature, timing and extent of the procedures performed by the engagement quality reviewer and, when applicable, individuals who assisted the reviewer, and the conclusions reached in performing the review to comply with the provisions of this standard, including:

The engagement quality reviewer also shall determine that the documentation of the engagement quality review includes:

- The names of the engagement quality reviewer and individuals who assisted with the engagement quality review;
b. An identification of the engagement documentation reviewed;
c. The engagement quality reviewer’s determination in accordance with paragraph 24;
d. The notifications required in accordance with paragraphs 23 and 24; and
e. The date of completion of the engagement quality review.

We believe the proposed revisions more appropriately align the documentation requirement with the responsibilities of the engagement quality reviewer in achieving the objective of the standard.

30_ISQM 2_ETY

We agree with the enhanced documentation requirements. However, we expect the application materials will include illustrations and templates.

31_ISQM 2_EYG

Yes, we agree with the enhanced documentation requirements; however, we feel that the reference in paragraph A36 to paragraphs 67 and 68 of ISQM 1 can be confusing. We suggest that paragraph A36 be more clearly written to indicate that these references are documentation requirements for the firm as opposed to the engagement quality reviewer. Further, we suggest removing the word ‘also’ from the last sentence of paragraph 27 as follows: “The engagement quality reviewer also shall determine that the documentation of the engagement quality review includes:”

• Consider explicitly including documentation of the engagement quality reviewer’s evaluation of the conclusion in the auditor’s or engagement report in accordance with paragraph 22(g).

34_ISQM 2_KPMG

In connection with the above, we note that ED ISQM 2 establishes certain enhanced documentation requirements, including that the EQ Reviewer take responsibility for the documentation of the EQ review; that such documentation is sufficiently extensive to meet the “experienced practitioner test”, including documentation of the EQ Reviewer’s conclusions, and that the EQ Reviewer specifically determine that the EQ review is “complete”.

We recognise that the application guidance in the proposed standard offers flexibility as to how the documentation requirements may be satisfied, however, we also suggest that the proposed standard explicitly clarify that one way to satisfy the documentation requirements is for the engagement team to include commentary on discussions with the EQ Reviewer as part of the engagement documentation, with the EQ Reviewer indicating “concurrence”.

Alternatively, the EQ Reviewer may prepare documentation summarising the performance of the EQ review, including discussions held with the engagement team, and the outcome of such discussions, which would be retained as part of the engagement documentation. We believe clarity regarding the possible approaches would be helpful as this would enable the EQ Reviewer to determine the most appropriate approach in the engagement circumstances and, in the event that the EQ Reviewer concurs with the information set out in the engagement documentation itself, we believe this would avoid unnecessary duplication of documentation, and instead would better enable the EQ Reviewer to focus on the primary purpose of their role, i.e. the critical and objective evaluation of the significant judgements made by the engagement team.

Additionally, we are concerned that the proposed enhancements appear to suggest that there is a presumption that the more extensive the EQ Reviewer documentation is, the more robust the EQ review has been. We believe the extent of documentation related to the EQ review will depend on the facts and
circumstances of the engagement. For example, in a scenario in which the EQ Reviewer concurs with the engagement team’s risk assessment, work performed, judgements and conclusions reached and is satisfied that these are appropriately reflected in the audit documentation, the documentation of the performance of the EQ review may be less extensive than on an audit engagement where the EQ Reviewer identifies areas that result in changes to the work performed and/or the audit documentation. Both examples may demonstrate that a robust EQ review has been performed. We suggest that this aspect is further clarified by the IAASB.

As a related point, we also note that the documentation requirements in extant ISA 220 align to and build on those set out in ISA 230, Audit Documentation. Since the requirements in respect of EQ reviews are now included in a Quality Management Standard, as opposed to an ISA, it is unclear whether and how the requirements of ISA 230 continue to apply. We note that the ED states that the documentation of the EQ review should "be included with [emphasis added] the engagement documentation" but it is no longer explicit that this is actually part of the engagement documentation. We therefore recommend that the IAASB clarify the applicability of ISA 230 to documentation of EQ reviews. Our initial understanding would be that ISA 230 also applies to documentation in respect of an EQ review.

As we state above, we are supportive of the intention to clearly document the involvement of the EQ Reviewer, including the timing of this.

However, we note that ED ISQM 2 establishes certain enhanced documentation requirements, including that the EQ Reviewer take responsibility for the documentation of the EQ review; that such documentation is sufficiently extensive to meet the "experienced practitioner test", including documentation of the EQ Reviewer’s conclusions, and that the EQ Reviewer specifically determines that the EQ review is “complete”.

We recognise that the application guidance in the proposed standard offers flexibility as to how the documentation requirements may be satisfied, however, we also suggest that the proposed standard explicitly clarify that one way to satisfy the documentation requirements is for the engagement team to include commentary on discussions with the EQ Reviewer as part of the engagement documentation, with the EQ Reviewer indicating “concurrence”. Alternatively, the EQ Reviewer may prepare documentation summarising the performance of the EQ review, including discussions held with the engagement team, and the outcome of such discussions, which would be retained as part of the engagement documentation. We believe clarity regarding the possible approaches would be helpful as this would enable the EQ Reviewer to determine the most appropriate approach in the engagement circumstances and, in the event that the EQ Reviewer concurs with the information set out in the engagement documentation itself, we believe this would avoid unnecessary duplication of documentation, and instead would better enable the EQ Reviewer to focus on the primary purpose of their role, i.e. the critical and objective evaluation of the significant judgements made by the engagement team.

Additionally, we are concerned that the proposed enhancements appear to suggest that there is a presumption that the more extensive the EQ Reviewer documentation is, the more robust the EQ review has been. We believe the extent of documentation related to the EQ review will depend on the facts and circumstances of the engagement. For example, in a scenario in which the EQ Reviewer concurs with the engagement team’s risk assessment, work performed, judgements and conclusions reached and is satisfied that these are appropriately reflected in the audit documentation, the documentation of the performance of the EQ review may be less extensive than on an audit engagement where the EQ review identifies areas that result in changes to the work performed and/or the audit documentation. Both examples may demonstrate that a robust EQ review has been performed. We suggest that this aspect is further clarified by the IAASB.
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37_ISQM 2_MZRSUS

Overall, we agree with the enhanced documentation requirements in Paragraphs 25-27 as well as the related application material in A36-39. Recommended modifications:

- Paragraph 24 should clarify the meaning of "complete" and add the requirement for the EQR to provide concurring approval for issuance. A similar modification should be made in paragraph 27(e) to include the date of concurring approval for issuance.
- Both ED-ISQM 1 and ED-200 should be aligned and indicate that the engagement quality review is the responsibility of the engagement partner to ensure the exercise takes place.
- Paragraph A38 outlines various methods the EQR may use to document the procedures performed, including documenting the engagement quality reviewer’s procedures in the minutes of the engagement team’s discussions. While these minutes are appropriate to include in the final engagement file, they may not be sufficient to enable an experienced practitioner, having no previous connection with the engagement, to understand the nature, timing and extent of the procedures performed by the EQR, as discussed in paragraph 27.

38_ISQM 2_MNP

We generally agree with the enhanced documentation requirements. Paragraph 22(b) of ED-ISQM 2 requires the engagement quality reviewer to discuss significant matters with the engagement partner and, if applicable, other members of the engagement team. Paragraph 27 of ED-ISQM 2 sets out the minimum required documentation related to the performance of the engagement quality review but does not include a specific requirement to document discussions held with the engagement partner and or engagement team. Similarly, paragraph 22(f) requires the engagement quality reviewer to evaluate the basis for the engagement partner’s conclusion that the engagement partner has taken overall responsibility for managing and achieving audit quality, but there is no requirement to specifically document this conclusion in paragraph 27.

To meet the overall objective of the documentation to be sufficient to enable an experienced practitioner, having no previous connection to the engagement, to understand the nature, timing and extent of the engagement quality review procedures performed, and the conclusions reached, the minimum documentation required in paragraph 27 of ED-ISQM 2 should include documentation of discussions with the engagement team, as well as the conclusions reached with respect to the requirements of paragraph 22(f). Including these as part of the minimum documentation requirements will also assist in achieving consistency in the documentation of the procedures performed by the engagement quality reviewer.

We note that paragraph A39 of the application guidance states that the documentation of the engagement quality review may be completed after the date of the engagement report. This appears to be inconsistent with the requirements in paragraph A22 of the application guidance which notes that the engagement partner may not date the auditor’s report until the completion of the engagement quality review. The
proposed ED-ISQM 2 does not define when the engagement quality review is complete. We believe that the proposed ED-ISQM 2 should define when an engagement quality review is complete and should require the documentation of the engagement quality review to be performed on a timely basis, as documentation prepared after the date of the engagement report is likely to be less precise than documentation prepared concurrently with the review.

45_ISQM 2_RSMI
Yes, we agree with the documentation requirements. However, the guidance in A39 is confusing. If the final assembly of the engagement file is completed ordinarily no later than 60 days from the date of the engagement report (in accordance with ISA 230), it should be further clarified what documentary evidence is required to demonstrate that the engagement quality review was actually completed before the date of the engagement report.

6 Public Sector Organizations
49_ISQM 2_NAOM
Yes. A sample engagement quality review report and proposed related contents may be provided in an Annex to the Statement.

7 Member Bodies and Other Professional Organizations
56_ISQM 2_AE
The documentation aspect is not straightforward, and this is the case for ED-ISQM 1, but also ED-ISQM 2. We are concerned that the standard deals with the quality of documentation and the quality of evidence in the same manner. Emphasis should be on the latter, otherwise it will not be possible to document a good quality review.

57_ISQM 2_APESB
APESB supports the enhanced documentation requirements. However, guidance on what this documentation should consist of would be beneficial to firms that are subject to these requirements.

59_ISQM 2_BICA
Enhanced documentation requirements are agreed to.

It is proposed for qualities of the appointer of the Engagement Quality Reviewer to be documented on file. Assessment of the Engagement Quality Reviewer’s qualities as guided by ED-ISQM 2 should be documented on file.

61_ISQM 2_CalCPA
Not necessarily. Some of the required documentation may be evident from various sign-offs. Is this requiring that in addition there be a separate document where all of the required information is summarized?

62_ISQM 2_CAQ
Overall, we support the enhanced documentation requirements; however, we recommend the following:
• The use of the term “complete” in paragraph 24 of ED-ISQM 2 to describe the fulfillment of the EQR’s requirements may not be consistently applied. There is a risk that “complete” may not indicate that open issues have been appropriately resolved. We suggest clarifying in paragraph 24 that the EQR is required to provide the engagement partner “concurring approval for issuance only if, after performing with due professional care the review required by the standard, he or she is not aware of a significant engagement deficiency.”

• The requirement proposed above to obtain “concurring approval for issuance...” (or as revised based on the Board’s final determination) from the EQR should be clarified as a responsibility of the engagement partner in both ED-ISQM 2 and ED-220 and the language in ED-220 paragraph 33(d) and ED-ISQM 2 paragraph 24 should conform as appropriate.

8 We note this is consistent with PCAOB requirements included in AS 1220.12.

63_ISQM 2_CAANZ-ACCA

It is useful for the standard to provide clarity about reasonable documentation of an engagement quality review. However as this is a complex role that includes evaluation of complex audit judgements, professional scepticism, and other matters, we believe that implementation support and examples will be necessary to enable practitioners to understand what level of documentation is appropriate. The EQR should be focused on performing a high quality review and if excessive time is spent on documentation, it reduces the time available for a review to be performed.

69_ISQM 2_FACPCE

We agree that the engagement quality reviewer is responsible for the documentation of the review of the quality of the work performed, and that the documentation has to be archived along with the documentation of the audit work.

We also support the requirements for an experienced professional to understand the nature, timing and scope of the quality review procedures of the engagement. We consider it convenient to avoid requirements of documentation that could be dispensed with.

71_ISQM 2_SMPC

One suggestion is for para 27 to be re-positioned as Application Material (AM). This will allow flexibility and further support the AM in para A37 which recognizes that the form, content and extent of documentation depends on a number of factors.

We agree that that documentation has to be sufficient to enable an experienced practitioner and individuals who assist the reviewer, having no previous connection to the engagement, to understand the nature, timing and extent of the EQR procedures performed. However, the SMPC would like to request for IAASB to provide more guidance about the form, content and extent of the documentation of the EQR. Some of this guidance could be in the form of staff publication.

73_ISQM 2_IEC-IAB

They must not risk being onerous.
74_ISQM 2_ICAEW

Paragraph 25 is helpful in stating that the reviewer is required to ‘take responsibility’ for documentation of the engagement quality review. Para A38 is similarly helpful in noting that it may be documented in a number of ways. It is important to recognise that there may be situations where the engagement team prepare some of the documentation, and the standard could be clearer on this by, for example, recognising that the minutes referred to in para A38 are prepared by the engagement team and not by the reviewer.

The application guidance could also usefully address the situation where an individual assists the engagement quality reviewer and produces documentation which is part of the engagement quality review.

88_ISQM 2_SAICA

Although paragraph 25 of ED-ISQM 2 requires the firm to establish policies or procedures that require the engagement quality reviewer to take responsibility for documenting the EQR, a question was raised in relation to who is ultimately responsible for ensuring that such documentation is included in the final audit file. Since the engagement partner is ultimately required to take overall responsibility for managing and achieving quality on the audit engagement, it can be assumed that the engagement partner will be held accountable for the lack of documentation but this is an area that requires clarity.

An area where ED-ISQM 2 is light is in terms of documentation relating to the judgement applied and how the engagement quality reviewer arrived at the conclusion of significant judgements.

89_ISQM 2_WPK

We agree that documentation has to be sufficient to enable an experienced practitioner to understand the nature, timing and extent of the engagement quality review procedures performed. However, we would like to request for IAASB to provide more guidance (e.g. staff publication) about the form, content and extent of the documentation of the engagement quality review to prevent excessive expectations regarding the documentation.
ED-ISQM 2: Question 7: Enhanced documentation requirements – Disagree

7 Member Bodies and Other Professional Organizations

72_ISQM 2_ICPAS

No. We do agree that certain documentation related to the EQRs review should be included in the audit file. However, the excess time required for additional documentation suggested could drain engagement and firm profitability. In addition, maintaining additional documentation with the respective engagement file would seem to go against the desired objectivity of the EQR, as this documentation could be construed as becoming part of the engagement documentation.
ED-ISQM 2: Question 7: Enhanced documentation requirements – Unclear or no specific response or refer to other respondent’s views

1 Monitoring Group
01_ISQM 2_BCBS
Basel Committee on Banking Supervision

02_ISQM 2_IAIS
IAIS

04_ISQM 2_IOSCO
The International Organization of Securities Commissions’ Committee on Issuer Accounting, Audit and Disclosure (Committee 1)

2 Investors and Analysts
05_ISQM 2_ICGN
The International Corporate Governance Network (ICGN)

3 Regulators and Oversight Authorities
06_ISQM 2_CPAB
Canadian Public Accountability Board (CPAB)

5 Accounting Firms
24_ISQM 2_BTVK
Baker Tilly Virchow Krause, LLP

7 Member Bodies and Other Professional Organizations
58_ISQM 2_IBR-IRE
No specific comment.

67_ISQM 2_EXPERT
EXPERTsuisse

68_ISQM 2_FAR
In general, FAR supports the response submitted by the Nordic Federation of Public Accountants and FAR therefore refers to this response.

70_ISQM 2_FSR
We support the views stated in the responses to ISQM2 ED submitted by Accountancy Europe. We refer to those responses for our detailed answers to the questions stated in the invitation to comment. Moreover, we refer to FSR - Danish Auditors’ response to the overall explanatory memorandum.
79_ISQM 2_ISCA
The Institute of Singapore Chartered Accountants (ISCA)

80_ISQM 2_ICJCE
No comments.

81_ISQM 2_IMCP
For those question in which we agree and support the approach, we did not include them in the appendixes mentioned before.

82_ISQM 2_KICPA
KICPA

85_ISQM 2_NYSSCPA
See our response to question 5), above.