

# Agenda Item 3-G

The below table compares the requirements relating to engagements subject to an engagement quality (EQ) review in ED-ISQM 1<sup>1</sup> (Column 1) and in the final proposed ISQM 1 (Column 2). Where additional requirement paragraphs have been added in column 2, the corresponding column 1 will be empty. Given the purpose of the table as explained in **Agenda Items 3** and **3-F**, the requirements are not necessarily in numerical order.

**Table of Comparison Between Requirements Relating to Engagements Subject to an EQ Review in ED-ISQM 1 and Final Proposed ISQM 1**

Requirements in ED-ISQM 1 (Column 1)	Requirements in Final Proposed ISQM 1 (Column 2)
<p>37. In designing and implementing responses to address the quality risks identified and assessed by the firm relating to the engagement performance quality objectives, the firm shall include the following responses:</p> <p>...</p> <p>(e) Establishing policies or procedures addressing engagement quality reviews in accordance with ISQM 2, and that require an engagement quality review for: (Ref: Para. A101–A107)</p>	<p>34. In designing and implementing responses in accordance with paragraph 26 and in order to achieve the quality objectives, the firm shall include the following responses: (Ref: Para. A116)</p> <p>...</p> <p>(f) The firm establishes policies or procedures that address engagement quality reviews in accordance with [proposed] ISQM 2, and require an engagement quality review for:</p>
(i) Audits of financial statements of listed entities;	(i) Audits of financial statements of listed entities;
(ii) Audits of financial statements of entities that the firm determines are of significant public interest; and	
(iii) Audits or other engagements for which:	(ii) Audits or other engagements for which an engagement quality review is required by law or regulation; and (Ref: Para. A133)
a. An engagement quality review is required by law or regulation; or	

<sup>1</sup> Exposure Draft, Proposed International Standard on Quality Management (ISQM) 1 (Previously International Standard on Quality Control 1), *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*

Table of Comparison Between Requirements Relating to  
Engagements Subject to an EQ Review in ED-ISQM 1 and Final Proposed ISQM 1

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<b>Requirements in ED-ISQM 1 (Column 1)</b>	<b>Requirements in Final Proposed ISQM 1 (Column 2)</b>
b. The firm determines that an engagement quality review is an appropriate response to assessed quality risks, based on the reasons for the assessments given to those risks.	(iii) Audits or other engagements for which the firm determines that an engagement quality review is an appropriate response to address one or more quality risk(s). (Ref: Para. A134-A137)