



June 7, 2019

International Auditing and Assurance Standards Board
Via webposting: www.iaasb.org

Dear Sir/Madam:

Re: Engagement Quality Reviews – ISQM 2

We support the proposed Engagement Quality Reviews – ISQM 2 as outlined in the exposure draft Engagement Quality Reviews. The attachment sets out our responses to the specific questions listed in the exposure draft.

Yours truly,

A handwritten signature in black ink that reads "Judy Ferguson".

Judy Ferguson, FCPA, FCA
Provincial Auditor

/dd
Attachment

cc: Mr. Eric Turner, CPA, CA, Director, Auditing and Assurance Standards, Auditing and Assurance Standards Board

	Question	Response
1	Do you support a separate standard for engagement quality reviews? In particular, do you agree that ED-ISQM 1 should deal with the engagements for which an engagement quality review is to be performed, and ED-ISQM 2 should deal with the remaining aspects of engagement quality reviews?	Yes, we support a separate standard for engagement quality reviews Yes, we agree that ED-ISQM 1 should deal with the engagements for which an engagement quality review is to be performed, and ED-ISQM 2 should deal with the remaining aspects of engagement quality reviews.
2	Are the linkages between the requirements for engagement quality reviews in ED-ISQM 1 and ED-ISQM 2 clear?	Yes, the linkages seem clear.
3	Do you support the change from “engagement quality control review/reviewer” to “engagement quality review/reviewer?” Will there be any adverse consequences of changing the terminology in respondents’ jurisdictions?	Yes, we support the change. No, we are not aware of any adverse consequences of changing the terminology in our jurisdiction.
4	Do you support the requirements for eligibility to be appointed as an engagement quality reviewer or an assistant to the engagement quality reviewer as described in paragraphs 16 and 17, respectively, of ED-ISQM 2?	Yes, we support the requirements for eligibility to be appointed as an engagement quality reviewer or an assistant to the engagement quality reviewer.
a	What are your views on the need for the guidance in proposed ISQM 2 regarding a “cooling-off” period for that individual before being able to act as the engagement quality reviewer?	We think that firms will need to carefully weigh the risks and length of a cooling off period to the benefits of assigning a knowledgeable EQR to an engagement.
b	If you support such guidance, do you agree that it should be located in proposed ISQM 2 as opposed to the IESBA Code?	Yes, we agree that it should be located in proposed ISQM 2.
5	Do you agree with the requirements relating to the nature, timing and extent of the engagement quality reviewer’s procedures? Are the responsibilities of the engagement quality reviewer appropriate given the revised responsibilities of the engagement partner in proposed ISA 220 (Revised)?	Yes, we agree with the requirements relating to the nature, timing and extent of the engagement quality reviewer’s procedures. Yes, the responsibilities of the engagement quality reviewer are appropriate given the revised responsibilities of the engagement partner in proposed ISA 220 (Revised).
6	Do you agree that the engagement quality reviewer’s evaluation of the engagement team’s significant judgments includes evaluating the engagement team’s exercise of professional skepticism? Do you believe that ED-ISQM 2 should further	Yes, we agree that the engagement quality reviewer’s evaluation of the engagement team’s significant judgments includes evaluating the engagement team’s exercise of professional skepticism.

	Question	Response
	address the exercise of professional skepticism by the engagement quality reviewer? If so, what suggestions do you have in that regard?	We do not have any suggestions on how to further address the exercise of professional skepticism by the engagement quality reviewer.
7	Do you agree with the enhanced documentation requirements?	Yes, we agree with the enhanced documentation requirements.
8	Are the requirements for engagement quality reviews in ED-ISQM 2 scalable for firms of varying size and complexity? If not, what else can be done to improve scalability?	No, we did not see scalability within ISQM 2. Once a firm decides to undertake an engagement quality review, the requirements of ISQM 2 appear to apply to all such engagements.