Summary of Quality Assurance (SMO 1) Workshop

Presenters:

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Key Takeaways and Questions

Challenges around establishing a quality assurance system can come in the form of having to navigate different stakeholders, a lack of awareness (especially from firms and practitioners) on the requirements within the various professional standards, and the risks of being impartial and not being objective when conducting assessments.

PAOs can maintain compliance SMO 1 by ensuring that relevant quality assurance systems are in line with the requirements and review the systems on an annual basis. PAOs can also establish a strong oversight function, conduct benchmarking exercises against other quality assurance systems and solicit feedback from its own members for continued improvement, and engage IFAC and other partners for support. PAOs may also consider leveraging technology to conduct virtual quality assurance assessments depending on their capacity and cost benefit consideration.

What do PAOs need to focus on at an early stage of developing a quality assurance infrastructure?

- Start with the big picture and focus on establishing a good education infrastructure that will ingrain the principles of integrity and accountability on the professional accountants.

- Understand the quality assurance requirements, identify areas of greater risks, find the balance between continuous compliance and value attention, and conduct a review of existing quality assurance framework (if any) and relevant legislations. PAOs need to understand what their mandate and capacity are in conducting the quality assurance assessment.

- Establish a clear roll out plan for an effective quality assurance system that focuses on education and training rather than penalizing. Moreover, ensure resources are available to provide guidance in implementing the system.

- A strong quality assurance system needs to be supported by a good investigation and discipline system and understanding of the Code of Ethics.

- Build stakeholders' awareness and obtain their support (buy in), especially the government. Also, understand the different roles of the co-regulators and other parties involved in the quality assurance ecosystem.

How do you convince your stakeholders, especially government and/or those in charge with government to work with the PAO to build a strong quality assurance ecosystem?

Focus on the bigger picture and place emphasis on the value proposition of the profession to the business ecosystem. It is important to articulate the role of the profession in supporting and contributing to the society and economy (e.g., bring confidence to capital market, etc.). The discussion should emphasize the importance of strengthening the quality of each part of the ecosystem, including the profession and its QA system. PAOs should leverage on their existing connection with their government and bring them along their journey to build and/or enhance the QA system. Establish a mutual relationship and encourage sharing of insights. Leverage on the network that PAOs have, including with regional bodies and IFAC to tap into supporting resources needed to engage with Government and other stakeholders.