Amendment to Statement on quality control standards no. 2, system of quality control for a CPA firm's accounting and auditing practice; Statement on quality control standards 6

American Institute of Certified Public Accountants. Auditing Standards Board

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Amendment to Statement on Quality Control Standards No. 2, System of Quality Control for a CPA Firm's Accounting and Auditing Practice

(Amends Statement on Quality Control Standards No. 2, AICPA, Professional Standards, vol. 2, QC sec. 20.)
Amendment to Statement on Quality Control Standards No. 2, System of Quality Control for a CPA Firm’s Accounting and Auditing Practice

(Amends Statement on Quality Control Standards No. 2, AICPA, Professional Standards, vol. 2, QC sec. 20.)

1. Statement on Quality Control Standards (SQCS) No. 2, System of Quality Control for a CPA Firm’s Accounting and Auditing Practice (AICPA, Professional Standards, vol. 2, QC sec. 20), is being amended to clarify that deficiencies in individual audit, attest, compilation, and review engagements do not, in and of themselves, indicate that the firm’s system of quality control is insufficient to provide it with reasonable assurance that its personnel comply with applicable professional standards. New language is shown in boldface italics.

**System of Quality Control**

0.3 A firm has a responsibility to ensure that its personnel comply with the professional standards applicable to its accounting and auditing practice. A system of quality control is broadly defined as a process to provide the firm with reasonable assurance that its personnel comply with applicable professional standards and the firm’s standards of quality. The policies and procedures designed to implement the system in one segment of a firm’s practice may be the same as, different from, or interrelated with the policies and procedures designed for another segment, but the purpose of the system is the same for all segments of a firm’s practice.

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3. A firm is defined in the AICPA Code of Professional Conduct as “a form of organization permitted by state law or regulation whose characteristics conform to resolutions of Council that is engaged in the practice of public accounting, including the individual owners thereof” (AICPA, Professional Standards, vol. 2, ET sec. 92.05).

4. The term personnel refers to all individuals who perform professional services for which the firm is responsible, whether or not they are CPAs.

5. Deficiencies in individual audit, attest, review, and compilation engagements do not, in and of themselves, indicate that the firm’s system of quality control is insufficient to provide it with reasonable assurance that its personnel comply with applicable professional standards.

2. This amendment is effective upon issuance.
This Statement titled Amendment to Statement on Quality Control Standards No. 2, System of Quality Control for a CPA Firm's Accounting and Auditing Practice, was unanimously adopted by the assenting votes of the 14 members of the board.

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Note: Statements on Quality Control Standards (SQCSs) are issued by the Auditing Standards Board (ASB), the senior technical body of the Institute designated to issue pronouncements on quality control matters. Rule 202, Compliance With Standards, of the Institute's Code of Professional Conduct requires an AICPA member who performs professional services to comply with standards promulgated by the ASB. The practitioner should have sufficient knowledge of the SQCSs to identify those that are applicable to his or her practice and should be prepared to justify departures from the SQCSs.