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International Auditing and Assurance Standards Board (IAASB)

529 5th Avenue
New York, New York
United State of America.

28th June 2019

Dear Sir,

RESPONSES TO EXPOSURE DRAFT ON ISQM 1, 2 AND ISA 220 (REVISED).

We refer to the above invitation for response toward the exposure draft, on behalf of the Audit & Assurance Committee for CAS International, are pleased to submit our responses as follows;

- a) Response Template – covering EM
- b) Response Template ISQM 1
- c) Response Template ISQM2
- d) Response to IAASB ED ISA 220.

We hope the responses are useful for the standard setting process and please do not hesitate to contact us if you require any clarification.

About CAS International

CAS International is a network comprises of accounting and consulting firms serving a wide range of clients globally. The network operation is supported by more than 700 partners and professional staff from local and overseas firms, International committees, task force and frequent meetings, and seminars, which in turn lead to consistent high standards. Website: www.casinternational.net

Thank you.

Yours faithfully,

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Mr. Chen Voon Hann
Chairman of Audit and Assurance Committee
CAS International

Response Template: Proposed ISA 220 (Revised)

Note to Respondents:

- The questions below are from the exposure draft of proposed International Standard on Auditing (ISA) 220 (Revised), *Quality Management for an Audit of Financial Statements*, which is available at www.iaasb.org/quality-management.
- Respondents are asked to respond separately to each of the exposure drafts and the overall explanatory memorandum.
- We request that comment letters do not include tables as they are incompatible with the software we use to help analyze respondents' comments.

General Comments on Proposed ISA 220 (Revised)

[Please include here comments of a general nature and matters not covered by the questions below.]

Questions

- 1) Do you support the focus on the sufficient and appropriate involvement of the engagement partner (see particularly paragraphs 11–13 and 37 of ED-220), as part of taking overall responsibility for managing quality on the engagement? Does the proposed ISA appropriately reflect the role of other senior members of the engagement team, including other partners?

Response:

Yes, there are sufficient focus on the appropriate involvement of engagement partner..

- 2) Does ED-220 have appropriate linkages with the ISQMs? Do you support the requirements to follow the firm's policies and procedures and the material referring to when the engagement partner may depend on the firm's policies or procedures?

Response:

We support the requirements stated.

- 3) Do you support the material on the appropriate exercise of professional skepticism in managing quality at the engagement level? (See paragraph 7 and A27–A29 of ED-220)

Response:

We support the material on the appropriate exercise of professional skepticism in managing quality at the engagement level.

We also wish to suggest for the possible actions as highlighted in paragraph A29 to be extended to other members of the engagement team and not only the engagement partner, as professional skepticism role should be embedded and applied by all parties involve.

- 4) Does ED-220 deal adequately with the modern auditing environment, including the use of different audit delivery models and technology?

Response:

We appreciate more guidance can be provided.

- 5) Do you support the revised requirements and guidance on direction, supervision and review? (See paragraphs 27–31 and A68–A80 of ED-220)

Response:

We support the revised requirements and guidance on direction, supervision and review.

- 6) Does ED-220, together with the overarching documentation requirements in ISA 230, include sufficient requirements and guidance on documentation?

Response:

Yes. we agree.

- 7) Is ED-220 appropriately scalable to engagements of different sizes and complexity, including through the focus on the nature and circumstances of the engagement in the requirements?

Response:

This is a very practical question and require implementation experience for feedback.

Editorial Comments on Proposed ISA 220 (Revised)

Not applicable.