



MALAYSIAN INSTITUTE
OF ACCOUNTANTS

28 June 2019

Mr Matt Waldron
Technical Director, International Auditing and Assurance Standards Board
International Federation of Accountants
529 Fifth Avenue, 6th Floor
New York, 10017 USA

Dear Matt,

**INTERNATIONAL AUDITING AND ASSURANCE STANDARDS BOARD (“IAASB”)
EXPOSURE DRAFTS FOR QUALITY MANAGEMENT AT THE FIRM AND ENGAGEMENT
LEVEL, INCLUDING ENGAGEMENT QUALITY REVIEWS (*OVERALL EXPLANATORY
MEMORANDUM*)**

The Auditing and Assurance Standards Board (“AASB”) of the Malaysian Institute of Accountants (“MIA” or “the Institute”) welcomes the opportunity to provide its comments on the International Auditing and Assurance Standards Board (“IAASB”) Exposure Drafts for Quality Management at the Firm and Engagement Level, Including Engagement Quality Reviews (*Overall Explanatory Memorandum*).

Appendix 1 set out our responses to the questions contained in the *Overall Explanatory Memorandum*.

Please do not hesitate to contact Mr. Simon Tay at technical@mia.org.my should you require further clarification on the responses.

Thank you.

Yours sincerely,

MALAYSIAN INSTITUTE OF ACCOUNTANTS

DR. NURMAZILAH DATO' MAHZAN

Chief Executive Officer

Response Template: Quality Management Covering Explanatory Memorandum

Note to Respondents:

- The questions below are from the covering explanatory memorandum of the IAASB's exposure drafts related to quality management, which is available at www.iaasb.org/quality-management. These questions address key issues pervasive to the three standards.
- 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.

Overall Questions

- 1) Do you support the approach and rationale for the proposed implementation period of approximately 18 months after the approval of the three standards by the Public Interest Oversight Board? If not, what is an appropriate implementation period?

Response:

The proposed implementation period suggested is acceptable provided sufficient implementation guidance material is issued on a timely basis.

- 2) In order to support implementation of the standards in accordance with the IAASB's proposed effective date, what implementation materials would be most helpful, in particular for SMPs?

Response:

Relevant implementation material would include, amongst others, guidance on:

- (i) Performance of risk analysis/assessment;
- (ii) Carrying out root cause analysis; and
- (iii) Designing and implementing responses that are tailored to and appropriately addresses the assessed quality risk.

General Questions

In addition, the IAASB is also seeking comments on the general matters set out below for all three EDs:

- (a) Developing Nations—Recognizing that many developing nations have adopted or are in the process of adopting the International Standards, the IAASB invites respondents from these nations to comment on the proposals, in particular, on any foreseeable difficulties in applying it in a developing nation environment.

Response:

Not applicable.

- (b) Public Sector—The IAASB welcomes input from public sector auditors on how the proposed standards affect engagements in the public sector, particularly regarding whether there are potential concerns about the applicability of the proposals to the structure and governance arrangements of public sector auditors.

Response:

Not applicable.

- (c) Translations—Recognizing that many respondents may intend to translate the final ISQMs and ISA for adoption in their own environments, the IAASB welcomes comment on potential translation issues respondents may note in reviewing the proposed standards.

Response:

Not applicable.