

August 2025



Toolkit for Implementing Quality Management Risk Assessments, *2024 Government Auditing Standards*

Quality Management Subcommittee

Working Group on the 2024 Revision to the Yellow Book, Quality Requirements

Federal Audit Executive Council

Council of the Inspectors General on Integrity and Efficiency



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Letter from the Quality Management Subcommittee

August 2025

The February 2024 revision of the Government Auditing Standards (GAS) details audit organizations' responsibilities for designing, implementing, and operating a system of quality management (SQM) that assesses and responds to quality risks. These include assigning SQM responsibility and accountability, monitoring the SQM and remediating any deficiencies, and evaluating the SQM at least annually. Chapter 5 of GAS also includes requirements and application guidance for engagement quality reviews that the audit organization may use as a response to quality risks relating to quality management.

Revisions to GAS catalyzed a distinct need for Federal Offices of Inspector General (OIGs) to exchange ideas and information about the new quality requirements, as well as a need for a "toolkit" to help inform how OIGs of every size, mission, and operating environment could approach SQM implementation and, in particular, the quality risk management assessment process.

The Quality Management Subcommittee (Subcommittee)—under the auspices of the Audit Committee of the Council of the Inspectors General on Integrity and Efficiency (CIGIE) and the Federal Audit Executive Council (FAEC)—convened and facilitated an interagency Working Group spanning representatives from over 35 OIGs to inform their (and their respective OIG's) understanding of the updated standards and produce this Toolkit. This document accordingly provides information on how Federal OIGs may identify and assign SQM responsibilities and how to assess quality risks. It also includes a template that OIGs may use to document quality risk assessments. Each OIG should apply professional judgment and consider its own unique circumstances and environment when deciding how best to implement its SQM. GAS requires each audit organization to implement an SQM that identifies and addresses quality risks by December 15, 2025.¹

The Subcommittee's Board of Directors and the Working Group's Leadership Team sincerely thank the Working Group's members; CIGIE, Audit Committee, and FAEC stakeholders; and the Federal OIGs who participated in this important project. Our aspiration is for this Toolkit to help guide, support, and strengthen OIG quality, compliance, and control activities in the furtherance of the vital work of the Federal oversight community.

**Board of Directors
Quality Management Subcommittee**

**Leadership Team
Working Group**

¹ GAS further requires each audit organization to complete an evaluation of its respective SQM by December 15, 2026. The Subcommittee may later provide separate guidance on how to address GAS's SQM monitoring and remediation requirements.



Background

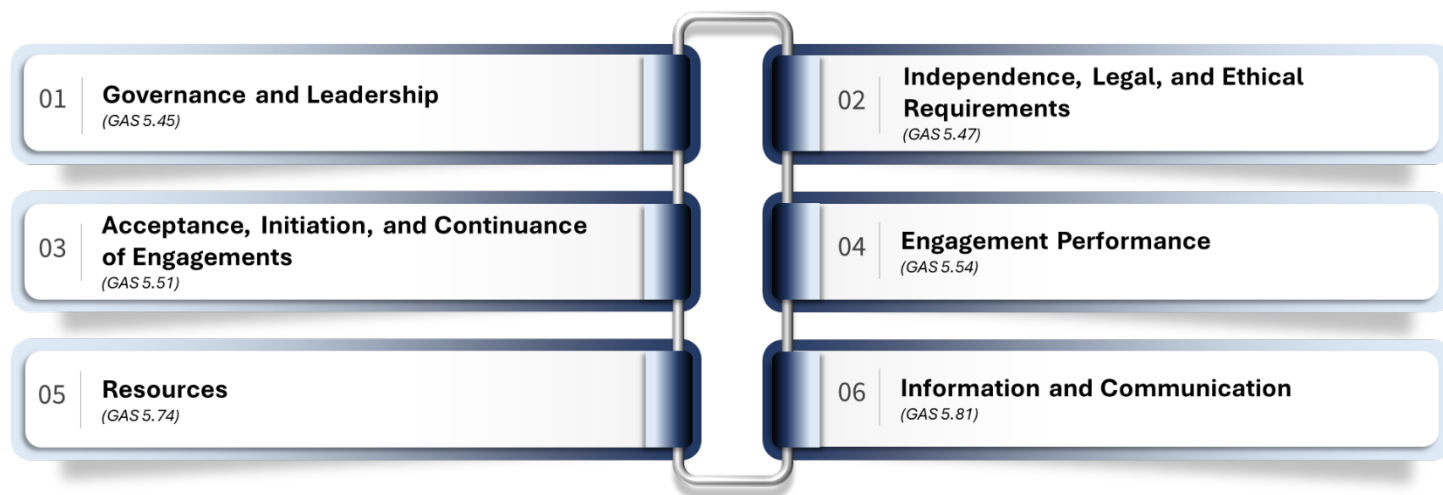
In February 2024, the U.S. Government Accountability Office (GAO) revised the Government Auditing Standards (also known as GAS, GAGAS, or the *Yellow Book*).² The revised standards emphasize that an audit organization’s leadership is responsible for proactively managing engagement quality, and the standards acknowledge that audit organizations of different sizes and complexities need a scalable system of quality management (SQM) for their circumstances.³ GAS states that quality management is not a separate function of the audit organization; it is the integration of a culture that demonstrates a commitment to quality with the audit organization’s strategy, operational activities, and business processes ([GAS 5.10](#)).

System of Quality Management

An SQM is designed, implemented, and operated by an audit organization to provide reasonable assurance that the audit organization and its personnel fulfill their responsibilities in accordance with professional standards and applicable laws and regulations and perform and report on engagements in accordance with such standards and requirements ([GAS 5.05](#)).

Components of a System of Quality Management

GAS states that an SQM includes six components with quality objectives:



² Citation links throughout this document are to the GAO’s *Government Auditing Standards: 2024 Revision* (GAO-24-106786, February 2024).

³ The 2024 *Yellow Book* is effective for financial audits, attestation engagements, and reviews of financial statements for periods beginning on or after December 15, 2025, and for performance audits beginning on or after December 15, 2025. GAS requires each audit organization to design and implement an SQM that complies with the *Yellow Book* by December 15, 2025, and to complete an evaluation of its SQM by December 15, 2026. Early implementation of the 2024 *Yellow Book* is permitted.

An SQM also includes two processed-based components:

1. The quality management risk assessment process, which includes assessing and responding to risks to achieving the quality objectives.
2. The monitoring and remediation process, which includes (a) providing relevant, reliable, and timely information about the design, implementation, and operation of the SQM; (b) taking appropriate actions to respond to and remediate identified deficiencies in the SQM; and (c) enabling the audit organization to assess compliance with professional standards and with policies and procedures that it has established to address quality risks.⁴

Risk-Based Approach to the System of Quality Management

GAS establishes a risk-based approach to designing, implementing, and operating the SQM in an interconnected and coordinated manner. This risk-based approach involves the following:

- establishing the desired outcomes relative to the components of the SQM (referred to as quality objectives);
- identifying and assessing risks to achieving the quality objectives (referred to as quality risks); and
- designing and implementing responses to address quality risks ([GAS 5.04](#)).

The next section and Appendix A provide more information on this approach. Additionally, Appendix B provides examples of quality risks and responses for audit organizations to consider as part of their SQM quality management risk assessments.

Documenting the System of Quality Management

GAS identifies that the SQM should be documented in a manner sufficient to:

- support personnel's consistent understanding of the SQM, including an understanding of their roles and responsibilities with respect to the SQM and performing engagements;
- support the consistent implementation and operation of responses to address quality risks; and
- provide evidence of the design, implementation, and operation of the responses to address quality risks to support the evaluation of the SQM by the senior-level official assigned responsibility and accountability for it ([GAS 5.132](#)).

⁴ This Toolkit focuses on the risk assessment process. At a later date, the Subcommittee may provide a separate toolkit addressing SQM monitoring and remediation.

Responsibility for the System of Quality Management

The audit organization should assign responsibility and accountability for the SQM to a senior-level official within the audit organization, and the organization should assign operational responsibility for the SQM or specific aspects of the SQM to a specific individual or individuals ([GAS 5.13](#)). All such individuals should possess the appropriate experience, knowledge, influence, and authority within the audit organization; have sufficient time and resources to fulfill the assigned responsibility; have a sufficient understanding of GAS Chapter 5 and other applicable GAS requirements, as well as application guidance and other explanatory material, to understand the objectives of the SQM and to apply the related requirements properly; and understand the assigned roles and be held accountable for fulfilling them ([GAS 5.14](#)).⁵

Quality Management Risk Assessment Process

Through an iterative risk management process, the audit organization (1) establishes quality objectives, (2) identifies and assesses quality risks, and (3) designs and implements responses to address the quality risks. The following graphic defines these terms.



⁵ GAS also provides that the audit organization should determine that those assigned operational responsibility for the SQM or aspects of the SQM are in direct communication with the senior-level official assigned responsibility and accountability for the SQM ([GAS 5.15](#)). Furthermore, GAS specifies that delegating operational responsibility for the SQM or aspects of the SQM may depend on the size and complexity of the audit organization ([GAS 5.18](#)).

In establishing its quality management risk assessment process, the audit organization should identify, analyze, and respond to changes in the nature and circumstances of the audit organization or its engagements that could affect the quality objectives, quality risks, or responses to address quality risks ([GAS 5.23](#)).⁶

Quality Objectives

Quality objectives are the desired outcomes to be achieved by the audit organization in relation to the components of the system of quality management ([GAS 5.29](#)). Audit organizations need to establish the quality objectives as specified in GAS Chapter 5. The specified quality objectives relate to the six components of SQM that are not process-based: (1) Governance and Leadership; (2) Independence, Legal, and Ethical Requirements; (3) Acceptance, Initiation, and Continuance of Engagements; (4) Engagement Performance; (5) Resources; and (6) Information and Communication. Audit organizations should also establish any additional quality objectives that the organization considers necessary to achieve the objective of the SQM ([GAS 5.20](#)). Not all audit organizations will find it necessary to establish quality objectives beyond those specified in GAS Chapter 5 ([GAS 5.33](#)).

Quality Risks

GAS states that quality risks have a “reasonable” possibility of occurring and adversely affecting the achievement of quality objectives ([GAS 5.34](#)). Risks arise from how, and to what degree, a condition, event, circumstance, action, or inaction may adversely affect the achievement of a quality objective. Using professional judgment, an OIG audit organization should identify potential risks for each objective. The audit organization will then assess those risks for likelihood and impact. In determining whether an identified risk rises to the level of a quality risk, an audit organization should consider its nature and circumstances, including its risk tolerance and the engagements that it performs, and apply professional judgment. The following chart shows some matters that an audit organization may consider when applying professional judgment to assess for quality risks.

⁶ The audit organization may choose to do this at specific intervals, such as annually; in response to SQM deficiencies identified through the monitoring and remediation process; or as necessary to respond to changes in the nature and circumstances of the audit organization ([GAS 5.25](#)).

GAS 5.38

- How the condition, event, circumstance, action, or inaction would affect the achievement of the quality objective;
- How frequently the condition, event, circumstance, action, or inaction is expected to occur;
- How long it would take after the condition, event, circumstance, action, or inaction occurred for it to have an effect and whether the audit organization would have an opportunity to mitigate the effect in that time; and
- How long the condition, event, circumstance, action, or inaction would affect the achievement of the quality objective(s) once it has occurred.

Assessing risks for quality risks considers the organization's current environment and identifies what risks have both a reasonable likelihood of occurring and an adverse impact on meeting one or more quality objectives. Not all risks to the achievement of a quality objective rise to the level of a quality risk ([GAS 5.35](#)), and depending on the current environment, your audit organization may have fewer quality risks.

An audit organization may choose to assign and apply formal ratings or scoring as part of its risk assessment process. However, GAS only requires that an audit organization identify and assess quality risks ([GAS 5.21](#)). It does not require that an audit organization formally rate or score risks and thus does not prescribe a rating criterion or scale. Appendix A highlights a tool that OIGs may use to catalog, organize, and document the implementation of their risk assessment process. For illustrative purposes, Appendix B presents risks that an audit organization may consider as potential quality risks.

Responses to Quality Risks

The audit organization is only required to design and implement responses to risks that rise to the level of quality risks ([GAS 5.22](#)). The nature, timing, and extent of the responses to address quality risks are based on the assessment of those risks.

Appendix B provides examples of responses tracked to potential quality risks relevant to each quality objective. There is no requirement that there be a one-to-one relationship between quality risks and responses. Responses may address more than one quality risk, and a quality risk may require multiple responses. Furthermore, responses may operate at various levels of the audit organization (for example, entity, division, unit, office, etc.).

GAS identifies seven responses—two within the Independence, Legal, and Ethical Requirements component and five within the Engagement Performance component—that audit organizations must include within their SQMs. The following graphic details those responses.

INDEPENDENCE, LEGAL, & ETHICAL REQUIREMENTS



Required Responses

- **Establish** policy and procedures for identifying, evaluating, and addressing threats to compliance with independence requirements and applicable legal and ethical requirements and appropriately responding to the causes and consequences of any breaches of these requirements. (GAS 5.48a)
- At least annually, **obtain** written affirmation of compliance with its policies and procedures on independence from all personnel required to be independent. (GAS 5.48b)

ENGAGEMENT PERFORMANCE



Required Responses

- **Design and implement** policies and procedures that assign responsibility to the engagement partner or director for determining that they have taken overall responsibility for managing and achieving quality on the engagement. (GAS 5.55a)
- **Design and implement** policies and procedures that assign responsibility to the engagement partner or director for determining that independence and ethical requirements have been fulfilled for each engagement prior to issuing the audit report. (GAS 5.55b)
- **Design and implement** policies and procedures that, if an engagement is terminated before it is completed and an audit report is not issued, document the results of the work to the date of termination and why the engagement was terminated. (GAS 5.55c)
- **Design and implement** policies and procedures that, if auditors change the engagement objectives during the engagement, document the revised engagement objectives and the reasons for the changes. (GAS 5.55d)
- **Design and implement** policies and procedures that determine if an engagement quality review is an appropriate response to address one or more quality risks. (GAS 5.55e)

For illustrative purposes, Appendix B presents these required responses in bold and aligns them to potential quality risks. However, because of the evolving nature of an SQM, implemented responses may result in conditions, events, circumstances, actions, or inactions that result in further quality risks, which in turn will need to be addressed ([GAS 5.43](#)).



Appendix A – Risk Assessment Tool Overview

This appendix presents a linked [Risk Assessment Tool](#) that OIG audit organizations may use to document how they (1) applied professional judgment in determining whether a risk is a quality risk and (2) deployed responses to address these risks. An SQM risk assessment is an iterative process and requires ongoing review and updates.

The following graphic identifies the various parts of the Risk Assessment Tool and how to use them:

The screenshot shows a spreadsheet interface. At the top, a dark blue header row contains five columns: 'Quality Objectives and Risks for Governance and Leadership', 'GAS 5.34a Risk Likelihood (High, Medium, Low)', 'GAS 5.34b Risk Impact (High, Medium, Low)', 'Quality Risk? (Yes, No)', and 'Response'. Below this is a light blue row for 'GAS 5.45a. The audit organization demonstrates a commitment to quality through a culture that exists throughout the audit organization.' The main body of the spreadsheet lists '5.45a Risk 1' through '5.45a Risk 7'. Red callout boxes with numbers 1 through 7 point to specific parts: 1 points to the bottom navigation tabs; 2 points to the top header; 3 points to the 'Quality Objectives and Risks' column; 4 points to the 'Risk Likelihood' column; 5 points to the 'Risk Impact' column; 6 points to the 'Quality Risk?' column; and 7 points to the 'Response' column. The bottom navigation bar includes tabs for 'How to use', '5.45 Gov. & Leadership' (which is highlighted in green), '5.47 Independence & Ethics', '5.51 Acceptance & Initiation', '5.54 Engagement Performance', '5.74 Resources', and '5.81 Info. & Comm.'

Quality Objectives and Risks for Governance and Leadership	GAS 5.34a Risk Likelihood (High, Medium, Low)	GAS 5.34b Risk Impact (High, Medium, Low)	Quality Risk? (Yes, No)	Response
GAS 5.45a. The audit organization demonstrates a commitment to quality through a culture that exists throughout the audit organization.				
5.45a Risk 1				
5.45a Risk 2				
5.45a Risk 3				
5.45a Risk 4				
5.45a Risk 5				
5.45a Risk 6				
5.45a Risk 7				

How to use | **5.45 Gov. & Leadership** | 5.47 Independence & Ethics | 5.51 Acceptance & Initiation | 5.54 Engagement Performance | 5.74 Resources | 5.81 Info. & Comm.

- **Item 1:** Each tab of the spreadsheet lists one of the six required quality components.
- **Item 2:** Each component tab is organized by the required quality objective. Audit organizations may establish any additional quality objectives they determine necessary to fulfill their SQM.
- **Item 3:** Use this section to identify risks associated with each quality objective. Risks emerge based on how and to what extent conditions, events, circumstances, actions, or inactions could negatively impact the achievement of a quality objective ([GAS 5.35](#)). A practical approach to framing a risk for assessment is to consider the inverse of the objective. Building on this concept, refer to Appendix B for examples of potential quality risks relevant to each objective. Blank rows are provided under each objective in the spreadsheet for flexibility, and audit organizations should add additional rows as needed.

NOTE:

The spreadsheet includes a rating scale—High, Medium, and Low—for assessing both likelihood and impact. This rating scale assesses a risk as a quality risk if both the likelihood and impact are rated 'Medium' or 'High.' If an OIG chooses to use this tool, it should set rating criteria that suits its needs. Formal ratings or scores are not required to assess quality risks ([GAS 5.39](#)).

- **Item 4:** Apply professional judgment to assess whether there is a reasonable possibility that the risk would occur (likelihood).
- **Item 5:** Apply professional judgment to assess whether the risk has a reasonable possibility of affecting the achievement of one or more quality objectives individually or in combination with other risks (impact) ([GAS 5.35 through 5.38](#)).
- **Item 6:** Based on the assessments in parts 4 and 5, indicate whether each identified risk qualifies as a quality risk. Not every risk to a quality objective is considered a quality risk; professional judgment is needed to make this determination.
- **Item 7:** Describe the responses your audit organization designed and implemented to address each quality risk identified in item 6. Responses are policies or procedures designed and implemented by an audit organization to address one or more quality risks. One response may support or be supplemented by another response in another quality objective or even another component. For illustrative purposes, Appendix B presents examples of responses to potential quality risks.



Appendix B – Quality Components and Quality Objectives with Examples of Potential Quality Risks and Responses

This appendix presents examples of quality risks and responses for audit organizations to consider as part of their SQM quality risk assessments. This is provided to help practitioners visualize the interrelatedness of SQM concepts and identify their own quality risks. It is not to prescribe specific quality risks or other SQM requirements.⁷

The tables below are organized by SQM component and identify examples of potential quality risks for each required quality objective, along with potential responses to these example risks. As a starting point, the tables below logically present a potential quality risk first by negating the applicable quality objective. For example, for the required quality objective of, “relevant and reliable information is communicated to external parties,” the appendix states the quality risk as, “relevant and reliable information is **not** communicated to external parties.” (emphasis added)

Based on its nature and circumstances, an OIG may also identify quality risks at a more granular level than what is presented in this appendix. Again, these examples are for illustration purposes only. None of the risks nor responses, except the seven required responses previously identified, are required.⁸ Responses may address multiple quality risks.

⁷ As such, this Toolkit does not set specific CIGIE External Peer Review requirements. Each OIG is unique and therefore should apply GAS’s quality requirements based on the nature and circumstances of its audit organization ([GAS 5.23](#)).

⁸ As stated above, the table presents GAS-required responses in **bold** font. While these required responses need to be assigned to a quality risk under a specific quality component, they need not be assigned to the particular quality objective or example quality risk presented in the table.

Quality Component - Governance and Leadership

The audit organization demonstrates a commitment to quality through a culture that exists throughout the audit organization (GAS 5.45a).

Potential Quality Risk	The audit organization may respond by:
The audit organization does not demonstrate a commitment to quality through the culture that exists throughout the audit organization.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Recognize and reinforce the audit organization's role in serving the public interest by consistently performing quality engagements. • Emphasize the importance of professional ethics, values, and attitudes. • Establish the responsibility of all personnel for quality in performing engagements and other activities within the SQM. • Detail the specific processes through which the audit organization will assess, monitor, and ensure the quality of its operations and engagements. • Reinforce and demonstrate the importance of quality through the audit organization's strategic decisions and actions. <p>Deploying <i>tools, templates, and other resources</i> for personnel to use during the performance of their applicable duties to facilitate the consistent performance and documentation of quality work.</p>

Leadership is responsible and accountable for quality (GAS 5.45b).

Potential Quality Risk	The audit organization may respond by:
The audit organization's leadership is not responsible and accountable for quality.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Establish leadership's responsibility for the quality of engagements and other activities within the SQM. • Evaluate the quality of the audit organization's work products and operations. • Include mechanisms through which members of leadership are held accountable for achieving specified levels of quality. <p>Providing <i>training and professional development</i> that offer leadership with an understanding of its role and responsibilities within the audit organization's SQM and the means and measures through which it will be held accountable for quality.</p>

Leadership demonstrates a commitment to quality through its actions and behaviors (GAS 5.45c).

Potential Quality Risk	The audit organization may respond by:
The audit organization's leadership does not demonstrate a commitment to quality through its actions and behaviors.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Reinforce and demonstrate the importance of quality through the decisions and actions of the audit organization and its leadership. • Include mechanisms through which members of leadership are held accountable for achieving specified levels of quality. <p>Providing <i>training and professional development</i> to leadership that emphasizes the importance that its actions and behaviors reflect the audit organization's commitment to quality.</p>

The organizational structure and assignment of roles, responsibilities, and authority are appropriate to enable the design, implementation, and operation of the audit organization's SQM (GAS 5.45d).

Potential Quality Risk	The audit organization may respond by:
The audit organization's structure and assignment of roles, responsibilities, and authority do not enable the design, implementation, or operation of the audit organization's SQM.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Evaluate the appropriateness of the organization's structure with regard to the design, implementation, and operation of the audit organization's SQM. • Evaluate the appropriateness of the assignment of roles, responsibilities, and authorities with regard to the design, implementation, and operation of the audit organization's SQM. • Ensure that changes to the organizational structure, including those related to roles, responsibilities, and authorities, align with the goals of the audit organization's SQM.

Resource needs are planned for, obtained, allocated, and assigned in a manner consistent with the audit organization's commitment to quality (GAS 5.45e).

Potential Quality Risk	The audit organization may respond by:
The audit organization's resource needs are not planned for, obtained, allocated, or assigned in a manner consistent with the audit organization's commitment to quality.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Include processes for planning, obtaining, allocating, and assigning resources to ensure the quality of work performed. • Identify for leadership the priorities requiring resources and provide a framework for requesting, allocating, and assigning such resources to fulfill needs.

Quality Component - Independence, Legal, and Ethical Requirements

The audit organization and its personnel (1) understand the independence and legal and ethical requirements to which the audit organization and its engagements are subject and (2) fulfill their responsibilities in relation to the independence and legal and ethical requirements to which the audit organization and its engagements are subject (GAS 5.47a).

Potential Quality Risk	The audit organization may respond by:
The audit organization and its personnel do not understand or fulfill the independence, legal, or ethical requirements to which the audit organization and its engagements are subject.	<p>Implementing <i>policies and procedures</i> for:</p> <ul style="list-style-type: none"> • Identifying, evaluating, and addressing threats to compliance with independence requirements and applicable legal and ethical requirements and appropriately responding to the causes and consequences of any breaches of these requirements (GAS 5.48a). • Obtaining, at least annually, written affirmation of compliance with the audit organization's policies and procedures on independence from all personnel required to be independent (GAS 5.48b). <p>Providing <i>training and professional development</i> that provide personnel with the knowledge and understanding of the independence, legal, and ethical requirements to which they are subject.</p>

Service providers who are subject to the independence and legal and ethical requirements to which the audit organization and its engagements are subject (1) understand the independence and legal and ethical requirements that apply to them and (2) fulfill their responsibilities in relation to the independence and legal and ethical requirements that apply to them (GAS 5.47b).⁹

Potential Quality Risk	The audit organization may respond by:
The audit organization's service providers do not understand or fulfill the independence, legal, or ethical requirements that apply to them.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Identify, evaluate, and address threats to compliance with independence requirements and applicable legal and ethical requirements and appropriately responding to the causes and consequences of any breaches of these requirements (GAS 5.48a). • Obtaining, at least annually, written affirmation of compliance with the audit organization's policies and procedures on independence from all personnel required to be independent (GAS 5.48b). <p>Providing <i>training and professional development</i> that provide service providers with knowledge and understanding of the independence, legal, and ethical requirements to which they are subject.</p>

⁹ Per [GAS 5.79](#), a service provider is an individual or organization external to the audit organization that provides a human, technological or intellectual resource that the audit organization uses in its SQM or in performing its engagements.

Quality Component - Acceptance, Initiation, and Continuance of Engagements

The audit organization accepts, initiates, and continues engagements only if it complies with professional standards, independence requirements, and applicable legal and ethical requirements ([GAS 5.51a](#)).

Potential Quality Risk	The audit organization may respond by:
The audit organization accepts, initiates, or continues an engagement but it does not ensure that auditors comply with professional standards, independence requirements, and applicable legal and ethical requirements.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Stipulate that auditors comply with applicable professional standards as a prerequisite for accepting, initiating, and continuing an engagement. • Evaluate organizational, team, and individual independence threats and risks. • Ensure that the audit organization is initiating and accepting engagements that meet its legal requirements while documenting risks when it accepts or initiates the engagement. • Require it to decline, discontinue, or otherwise terminate engagements, if warranted, based on applicable legal, ethical, and other grounds. <p>Providing <i>training and professional development</i> that instruct personnel on meeting professional standards, to include how to (1) apply the GAS conceptual independence framework to identify threats and reduce them to acceptable levels and (2) report independence threats or risks, and (3) abide by ethics and ethical principles.</p>
The audit organization accepts, initiates, or continues an engagement without adequately assessing the risks associated with the engagement.	Implementing <i>policies and procedures</i> that require engagement teams to assess risks, coordinate with legal counsel to address legal and ethical questions, and notify audit management of any risks not reduced to an acceptable level.
The audit organization accepts or initiates a non-audit service without evaluating the effect of providing such a service on its independence.	Implementing <i>policies and procedures</i> that prohibit individuals from providing non-audit services without evaluating whether the activity will yield threats or impairments to independence.

The audit organization accepts, initiates, and continues engagements only if it acts within its legal mandate or authority ([GAS 5.51b](#)).

Potential Quality Risk	The audit organization may respond by:
The audit organization accepts, initiates, or continues an engagement that is not within its legal mandate or authority.	Implementing <i>policies and procedures</i> that require the audit organization to only accept, initiate, and continue an engagement that is within its legal mandate or authority.

The audit organization accepts, initiates, and continues engagements only if it has the capabilities, including time and resources, to do so ([GAS 5.51c](#)).

Potential Quality Risk	The audit organization may respond by:
The audit organization accepts, initiates, or continues engagements that it does not have the capabilities, such as time and resources, to accomplish.	Implementing <i>policies and procedures</i> that: <ul style="list-style-type: none"> • Require its leadership to ensure that sufficient, appropriate resources—including financial, personnel, time, and technological—are available prior to accepting or continuing the engagement. • Set time frames appropriate to guide the progress of accepted, initiated, and continued engagements. • Track engagement costs and estimate the resource requirements of future engagements of a similar type. • Inventory the organization’s applicable resources and determine whether they will be available for the proposed engagement.
The audit organization accepts, initiates, or continues an engagement without ensuring that its personnel have the necessary expertise and skills to perform the work effectively.	Implementing <i>policies and procedures</i> that: <ul style="list-style-type: none"> • Ensure engagement team competency is established and documented before the engagement and is maintained throughout the engagement. Competency includes the knowledge, skills, and abilities necessary to perform the work effectively. • Hire only qualified personnel to conduct engagements. • Assign only qualified personnel to engagement teams. • Identify internal or external specialists with the expertise necessary to supplement engagement team technical knowledge and skills. • Mandate the use of technical expertise when necessary for the engagement. Providing <i>training and professional development</i> that provide personnel with the knowledge and skills necessary to perform engagements effectively.

Quality Component - Engagement Performance

Engagement teams understand and fulfill their responsibilities in connection to engagements, including the overall responsibility of an engagement partner or director for (1) managing and achieving quality on the engagement and (2) being sufficiently and appropriately involved throughout the engagement (GAS 5.54a).¹⁰

Potential Quality Risk	The audit organization may respond by:
Engagement team members do not understand or do not fulfill their individual engagement responsibilities.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Ensure that audit management assigns, explains, and documents collective and individual engagement responsibilities to team members. • Require audit management to assess and assure team competency relative to the engagement objective. • Stipulate that engagement work products and processes receive appropriate supervision. <p>Providing <i>training and professional development</i> that:</p> <ul style="list-style-type: none"> • Instruct personnel on their specific roles and responsibilities. • Provide mentoring opportunities for personnel to acquire and improve audit techniques, skills, and approaches. <p>Deploying <i>tools, templates, and other resources</i> for personnel to use to help fulfill engagement roles.</p>
Audit leaders do not understand, know, or otherwise fulfill their overall responsibility for managing and achieving quality engagements.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Assign to audit leaders the responsibility for determining that they have taken overall responsibility for managing and achieving quality on the engagement (GAS 5.55a). • Assign to audit leaders the responsibility for determining that independence and ethical requirements have been fulfilled for each engagement prior to issuing the audit report (GAS 5.55b). • Ensure that competency requirements are established and met at all levels and for all roles and responsibilities within the engagement team and audit leadership. • Set clear expectations for leadership's involvement, review, and approval of final deliverables. <p>Providing <i>training and professional development</i> that provide audit leaders with the competencies that support quality execution of engagements.</p>

¹⁰ [GAS 4.10c](#) defines partners or directors as auditors who plan engagements, perform engagement procedures, or direct or report on engagements. Partners and directors may also be responsible for reviewing engagement quality prior to issuing the report, for signing the report, or both. Work situations for these auditors are characterized by high levels of ambiguity, complexity, and uncertainty.

Potential Quality Risk	The audit organization may respond by:
Audit leaders are not engaged with the audit or do not provide the engagement team with sufficient instruction or guidance needed to achieve quality throughout the engagement.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Require engagement teams to brief audit leaders on the objectives, scope, methodology, preliminary findings, and the status of the quality of the work. • Assign to audit leaders the responsibility for achieving quality by being sufficiently and appropriately involved throughout the engagement. • Evaluate whether an engagement quality review is an appropriate response to address one or more quality risks (GAS 5.55e).

The nature, timing, and extent of direction and supervision of engagement teams and review of the work performed are appropriate based on the nature and circumstances of the engagements and the resources assigned or made available to the engagement team ([GAS 5.54b](#)).

Potential Quality Risk	The audit organization may respond by:
The nature, timing, and extent of direction and supervision of engagement teams and review of the work performed is not appropriate based on the nature and circumstances of the engagements and the resources assigned or made available to the engagement team.	<p>Implementing <i>policies and procedures</i> that assign responsibility for supervisory review of work, including:</p> <ul style="list-style-type: none"> • Securing appropriate resources commensurate with the engagement. • Ensuring that the scope and methodology are appropriate for the engagement objective. • Tracking the progress of the engagement. • Considering whether individual members of the engagement team are competent, whether they understand their instructions, and whether the work is being carried out in accordance with the planned approach to the engagement. • Assessing work products and processes for quality and compliance. • Addressing significant findings and issues arising during the engagement, considering their significance, and modifying the planned approach appropriately. • Identifying matters for consultation or consideration by engagement team members with appropriate levels of skill and proficiency in auditing, specialists, or both during the engagement.

Potential Quality Risk	The audit organization may respond by:
Supervisors do not adequately or in a timely manner review audit work or reports before report issuance.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Establish an audit report review process and milestones that ensure the accuracy, relevance, completeness, validity, timeliness, and appropriateness of the audit report prior to issuance. • Require supervisors to provide timely, appropriate feedback to engagement teams prior to report issuance. • Monitor the nature, timing, and extent of engagement supervision. • Require status briefings between the engagement team and leadership to confirm audit approaches and conclusions and to provide a forum for timely feedback. • Evaluate whether an engagement quality review is an appropriate response to address one or more quality risks (GAS 5.55e).
Supervisors or experienced auditors do not sufficiently direct or review the work of less experienced team members.	<p>Implementing <i>policies and procedures</i> that assign the review of work to experienced engagement team members and supervisors.</p> <p>Providing <i>training and professional development</i> to supervisors and experienced auditors on how to review and provide feedback on audit work.</p> <p>Deploying <i>tools, templates, and other resources</i> for personnel to use to measure work performed against applicable professional standards.</p>

Engagement teams exercise appropriate professional judgment, which includes exercising reasonable care and professional skepticism ([GAS 5.54c](#)).

Potential Quality Risk	The audit organization may respond by:
Engagement teams do not apply appropriate professional judgment, such as exercising reasonable care and professional skepticism.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Require engagement teams to exercise appropriate professional judgment in decision-making. • Evaluate whether an engagement quality review is an appropriate response to address one or more quality risks (GAS 5.55e). <p>Providing <i>training and professional development</i> on how to apply professional judgment by exercising reasonable care and professional skepticism.</p>
Engagement teams do not properly consider and assess evidence that contradicts other evidence obtained or information that brings into question the reliability of documents or responses to inquiries that it has used as evidence.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Require engagement teams to properly assess the appropriateness and sufficiency of evidence within the engagement file. • Guide engagement teams on how to assess audit risk and mitigate it to acceptable levels. <p>Providing <i>training and professional development</i> on how to assess data reliability and audit evidence.</p>

Consultation on difficult or contentious matters is undertaken and, as appropriate, documented. Conclusions agreed to from the consultation are implemented and, as appropriate, documented ([GAS 5.54d](#)).

Potential Quality Risk	The audit organization may respond by:
Consultation on difficult or contentious matters is not undertaken, remains undocumented, or does not result in conclusions or agreement.	Implementing <i>policies and procedures</i> that specify how engagement teams document consultations on difficult or contentious matters in the audit file and implement conclusions resulting from the consultations.
Appropriate research is not performed before seeking consultation on difficult or contentious matters.	Implementing <i>policies and procedures</i> that: <ul style="list-style-type: none"> • Require those consulted to (1) receive all the relevant facts that will enable them to provide informed advice and (2) have the appropriate knowledge. • Ensure that engagement teams identify difficult or contentious matters requiring consultation with expert individuals within or outside the audit organization.
The audit organization lacks internal subject matter experts and policies and procedures for consulting external subject matter experts on difficult or contentious matters.	Implementing <i>policies and procedures</i> that identify and facilitate hiring qualified specialists to fulfill consulting needs. Providing <i>training and professional development</i> for personnel to acquire the skills and knowledge necessary to meet specialized needs. Deploying <i>tools, templates, and other resources</i> for personnel to use to measure work performed against applicable professional standards and identify subject matter experts commensurate with work requirements and engagement objectives.
Engagement teams do not consult with the appropriate internal and external subject matter experts.	Implementing <i>policies and procedures</i> that identify internal and external professionals with relevant and appropriate expertise.

Differences of opinion within the engagement team, or between the engagement team and individuals performing activities within the audit organization's system of quality management, are brought to the attention of officials at the appropriate level of the audit organization; resolved; and, as appropriate, documented (GAS 5.54e).

Potential Quality Risk	The audit organization may respond by:
Differences of opinion within the engagement team, or between the engagement team and those performing SQM activities, are not: (1) brought to the attention to audit leaders, (2) resolved, and (3) appropriately documented.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Outline how to resolve and document differences within an engagement team. • Resolve differences encountered by an engagement team, including those from audit leaders and performing SQM activities. • Require that engagement teams document differences of opinion and subsequent resolution. • Preclude releasing reports until differences of opinion between the engagement team and those performing SQM activities have been resolved. <p>Providing <i>training and professional development</i> that provide staff with conflict resolution skills and techniques.</p>
The engagement team and those performing SQM activities do not raise differences of opinion between each other.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Encourage engagement teams to identify differences of opinion at an early stage of the engagement. • Specify steps engagement teams should take to raise and deal with differences of opinion, including how the matter is to be resolved and how related conclusions should be implemented and documented. <p>Providing <i>training and professional development</i> that provide staff with communication skills and techniques.</p>

Engagement documentation of the work performed, results obtained, and conclusions reached is assembled on a timely basis and is appropriately maintained and retained to meet the needs of the audit organization and comply with professional standards, independence requirements, and applicable legal and ethical requirements (GAS 5.54f).

Potential Quality Risk	The audit organization may respond by:
Engagement documentation is not assembled on a timely basis or remains incomplete after report issuance.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Require that engagement teams document the work performed, results obtained, and conclusions reached before issuing the report. • Ensure that engagement progress comports with timelines prescribed by law, regulation, and professional standards. <p>Deploying <i>tools, templates, and other resources</i> for audit supervisors and team members to use to review the status of engagement documentation and other requirements.</p>

Potential Quality Risk	The audit organization may respond by:
Engagement documentation does not document changes to engagement objectives and the reasons for such changes.	Designing and implementing policies and procedures that ensure engagement teams document the revised engagement objectives and the reasons for the changes (GAS 5.55d).
Engagement documentation is not maintained and retained to meet the needs of the audit organization and comply with professional standards and independence, legal, and ethical requirements.	Implementing <i>policies and procedures</i> that track and ensure adequate preparation, review, access, maintenance, and retention of audit documentation. Providing <i>training and professional development</i> that provide staff with information on record maintenance and retention requirements.
Engagement documentation is not stored securely or can be altered, deleted, lost, damaged, or destroyed.	Implementing <i>policies and procedures</i> that: <ul style="list-style-type: none"> • Safeguard audit documentation from (1) unauthorized access or breaches, (2) alteration or deletion without the auditors' knowledge, and (3) loss or damage. • Detail and assign actions to take in case of a breach to identify the data accessed and minimize the resulting damage. Providing <i>training and professional development</i> on how to safeguard and back up audit documentation.
For audits that have been terminated, the engagement documentation does not document the results of the work to the date of termination and the reason(s) the engagement was terminated.	Designing and implementing policies and procedures that require, if an engagement is terminated before it is completed and an audit report is not issued, documentation of the results of the work to the date of the termination and why the engagement was terminated (GAS 5.55c).

Audit procedures and audit reports are appropriate in the context of the engagement objectives (GAS 5.54g).

Potential Quality Risk	The audit organization may respond by:
The engagement team does not design or apply audit procedures appropriate to the context of engagement objectives.	<p>Implementing <i>policies and procedures</i> that review the work performed to confirm that:</p> <ul style="list-style-type: none"> • The work meets professional standards and applicable laws and regulations. • Significant findings and issues have been raised for further consideration. • Appropriate consultations have taken place, and the resulting conclusions have been documented and implemented. • The work performed supports the conclusions reached and is appropriately documented by sufficient and appropriate evidence. • The objectives of the engagement procedures have been achieved. <p>Providing <i>training and professional development</i> on how to develop audit procedures and prepare audit documentation.</p> <p>Deploying <i>tools, templates, and other resources</i> for personnel to meet engagement objectives with sufficient, appropriate evidence.</p>
The engagement team does not report findings and conclusions that are appropriate in the context of or that otherwise meet engagement objectives.	<p>Implementing <i>policies and procedures</i> that review draft reports to ensure that they present findings and conclusions appropriate to the audit objective.</p> <p>Providing <i>training and professional development</i> on how to draft audit reports that address agreed-upon objectives.</p>
The engagement team does not present sufficient, appropriate evidence to support the findings and conclusions in relation to the audit objectives.	<p>Implementing <i>policies and procedures</i> that review audit documentation for sufficiency and appropriateness.</p> <p>Providing <i>training and professional development</i> on how to develop, document, and report sufficient, appropriate evidence to support audit findings, conclusions, and recommendations.</p> <p>Deploying <i>tools, templates, and other resources</i> for audit management to confirm that the engagement team has developed, documented, and reported sufficient, appropriate evidence to support audit findings, conclusions, and recommendations.</p>
The engagement team performs audit procedures that could lead to misleading or incomplete audit reports.	<p>Implementing <i>policies and procedures</i> that ensure audit management provides appropriate supervision and obtains assurance that the engagement team performs audit procedures aligned with the audit objective.</p> <p>Providing <i>training and professional development</i> on how to perform proper audit procedures.</p>

Quality Component - Resources

Personnel are hired, developed, and retained who have the competence and capabilities to consistently perform quality engagements and carry out responsibilities related to the operation of the audit organization's SQM ([GAS 5.74a](#)).

Potential Quality Risk	The audit organization may respond by:
Personnel do not have the competence and capabilities to perform quality engagements or perform SQM functions.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Hire, develop, and retain personnel who have the competence and capabilities to consistently perform quality engagements and carry out responsibilities related to the operation of the audit organization's SQM. • Result in the hiring of personnel who meet job series qualification requirements. • Ensure that personnel meet and maintain evidence of compliance with GAS continuing professional education requirements. • Assess individual employee performance and facilitate fulfillment of professional development needs. • Define and communicate SQM roles and responsibilities to all personnel. <p>Providing <i>training and professional development</i> that instruct personnel on:</p> <ul style="list-style-type: none"> • Audit procedures, techniques, and core competencies. • SQM requirements, audit procedures, and quality standards. • Individual development planning.
The audit organization does not hire or retain high quality personnel.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Leverage online and social media platforms to build the organizational image and promote job openings. • Support initiatives to boost employee satisfaction, engagement, and career growth opportunities to reduce turnover. • Conduct exit interviews to understand the reasons for leaving and to identify areas for improvement. • Seek partnerships with educational institutions and implement internship programs. • Streamline recruitment and onboarding processes.
The audit organization does not develop personnel.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Outline engagement policies and the specific knowledge, skills, and abilities necessary for specific engagement roles. • Identify and address individual and organizational professional development needs. <p>Providing <i>training and professional development</i> that instruct personnel on audit procedures, techniques, and core competencies.</p>

Personnel develop and maintain the appropriate competence to perform their roles and are held accountable or recognized for doing so through timely evaluation, compensation, promotion, and/or other incentives ([GAS 5.74b](#)).

Potential Quality Risk	The audit organization may respond by:
Personnel do not develop or maintain the appropriate competence to perform their roles or are not held accountable or recognized for doing so through timely evaluation, compensation, promotion, and other incentives.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Ensure that personnel develop and maintain the appropriate competence to perform their roles and are held accountable or recognized for doing so through timely evaluation, compensation, promotion, and other incentives. • Detail assigned roles and responsibilities, ensuring that personnel are held accountable for fulfilling them. • Implement an empirical, results-based employee evaluation and rating process. • Establish award programs based on objective performance contributions and results. • Outline clear job expectations and responsibilities for personnel.

Auditors who are performing work in accordance with GAS meet the continuing professional education (CPE) requirements ([GAS 5.74c](#)).

Potential Quality Risk	The audit organization may respond by:
Auditors performing work in accordance with GAS do not meet the continuing professional education requirements.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Support employee development through structured assignments, accessible training opportunities, and individual development plans that align individual growth with organizational goals and continuing professional education requirements. • Require personnel to meet GAS training criteria. • Monitor personnel compliance with continuing professional education requirements. • Assign management the responsibility of ensuring, and of having the capability to ensure, that personnel meet continuing professional education requirements. • Promote internal and external continuing professional education opportunities for personnel. • Perform inspections of staff's continuing professional education progress.

The audit organization has sufficient resources to consistently perform quality engagements and enable the operation of the audit organization's SQM (GAS 5.74d).

Potential Quality Risk	The audit organization may respond by:
The audit organization does not have sufficient resources to consistently perform quality engagements and enable the operation of the audit organization's SQM.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Ensure that the audit organization has sufficient resources to consistently perform quality engagements and enable the operation of the audit organization's SQM. • Track the resources required for different engagements, including personnel, technology, travel, and financial resources. • Standardize the planning and execution of audit engagements. • Develop succession plans to address and fill personnel gaps due to retirements or departures. • Explore different staffing strategies, including the use of external specialists, to support appropriate engagement and SQM needs. <p>Deploying <i>tools and technology solutions</i> for personnel to use to support the audit organization's operations.</p>

Individuals assigned to engagements or to perform activities within the SQM have appropriate competence and capabilities, including sufficient time, to perform their duties (GAS 5.74e).

Potential Quality Risk	The audit organization may respond by:
Individuals assigned to engagements do not have appropriate competence and capabilities, including sufficient time, to perform their duties.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Determine the capabilities and competencies needed for specific engagement types. • Assess and align personnel skills and competencies with engagement requirements. • Set and reassess engagement milestones as appropriate. • Ensure ongoing and timely updates and feedback between leadership, supervisors, and engagement teams. <p>Providing <i>training and professional development</i> that instruct personnel on:</p> <ul style="list-style-type: none"> • Time management, project management, task prioritization, and communication techniques. • Techniques for identifying and collaborating with technical experts when engagements require specialized knowledge or skills. <p>Deploying <i>tools and technology solutions</i> for personnel to use to track assignments, deadlines, and resource allocations.</p>

Potential Quality Risk	The audit organization may respond by:
Personnel performing quality management operational and monitoring functions do not have sufficient competence, capabilities, and time to perform SQM functions.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Monitor Quality Management activities and milestones. • Plan for and allocate the time and personnel required to perform and sustain adequate and timely Quality Management activities. • Require performance workplans, compliance with professional qualifications, and ongoing development for personnel involved in quality management. <p>Providing <i>training and professional development</i> that instruct personnel on SQM functions and roles.</p> <p>Deploying <i>tools and technology solutions</i> to streamline routine Quality Management tasks for personnel, freeing up time for more strategic activities.</p>

Appropriate technological and intellectual resources are obtained or developed, implemented, maintained, and used to enable the operation of the audit organization's SQM and the performance of engagements (GAS 5.74f).

Potential Quality Risk	The audit organization may respond by:
Technological resources to enable the operation of the SQM and the performance of engagements are not appropriate, are not implemented, are not maintained, are not used, or are used inappropriately.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Ensure technological resources are strategically selected, effectively used, and aligned with organizational needs. • Test and assess the functionality and suitability of technological resources prior to deployment. • Establish schedules for regular maintenance and updates to ensure that technological resources remain current and operational. • Require personnel to access and use technological resources appropriately. • Control access to and use of technological resources. • Integrate technological resources into existing audit operations. • Provide information technology support for engagement and SQM teams. • Identify risks associated with technological investments, including cybersecurity threats and operational disruptions.
Personnel are not properly trained to use technological resources, such as computer-assisted auditing tools.	<p>Providing <i>training and professional development</i> that instruct personnel on using technological resources to enhance engagement and SQM performance.</p> <p>Deploying <i>tools, guides, and other reference materials</i> to enhance personnel learning about technological resources.</p>

Potential Quality Risk	The audit organization may respond by:
The audit organization does not use effective technological resources.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Evaluate technological advancements to gauge their potential benefits and impact on audit quality. • Ensure the acquisition of technological resources designed to improve quality and efficiency. • Facilitate the adoption of new technologies that meet needs and align with audit operations and objectives. • Monitor the performance and impact of technological investments on audit quality and efficiency metrics.
Failure of technological resources prevents appropriate access to engagement files.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Ensure the operational continuity of information technology systems, including provisions for teams to continue working offline during sustained audit software outages. • Provide for contingency planning that ensures critical records remain accessible and support services are readily available. <p>Providing <i>training and professional development</i> that instruct personnel on how to perform engagement work during sustained information technology failures.</p>

Human, technological, or intellectual resources from service providers are appropriate for use in the audit organization’s SQM and in performing engagements ([GAS 5.74g](#)).

Potential Quality Risk	The audit organization may respond by:
Human, technological, or intellectual resources from service providers are not appropriate for use in the audit organization’s SQM and in the performance of engagements.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Clearly define service provider expectations and requirements and establish performance metrics. • Develop detailed contract agreements that outline expectations, deliverables, and accountability measures. • Evaluate the quality of services provided by service providers to ensure that their work fulfills SQM and engagement requirements. • Plan contingency strategies to meet service needs if legacy service providers fail to deliver appropriate resources.

Quality Component - Information and Communication

The audit organization's information system identifies, captures, processes, and maintains relevant and reliable information that supports the SQM (GAS 5.81a).

Potential Quality Risk	The audit organization may respond by:
The information system does not identify, capture, process or maintain relevant and reliable information that supports the SQM.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Define clear engagement timelines, intra-engagement milestones, and responsible personnel for each engagement. • Identify and deploy ways to acquire and track the data required to meet SQM objectives. • Detail responsibility for key information system functions, including data entry, review, and use. • Review SQM information system data for quality, including accuracy and completeness. • Evaluate and align information system data input and review requirements to ensure that the information system yields reliable and complete data. <p>Providing <i>training and professional development</i> that instruct personnel on how to establish, populate, and use the audit organization's information systems.</p> <p>Deploying <i>tools, guides, and other reference materials</i> to enhance personnel learning about the audit organization's information systems.</p> <p>Deploying <i>technology solutions</i> to ensure the audit organization's information system identifies, captures, processes, and maintains relevant and reliable information that supports the SQM.</p>
The audit organization relies on incomplete, inaccurate, untimely, or invalid data to support SQM decisions and functions.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Review SQM information system data for quality. • Validate SQM information system data with other sources. • Resolve data discrepancies with appropriate stakeholders. • Outline and update, as appropriate, the roles, responsibilities, or steps for managing and fixing data quality. • Solicit feedback on information system performance and accuracy. <p>Providing <i>training and professional development</i> that teach personnel best practices for data management and emphasize the importance of maintaining accurate information.</p>

Potential Quality Risk	The audit organization may respond by:
The SQM does not account for changes in relevant professional standards, regulations, circumstances, or best practices.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Define the practices and personnel responsible for obtaining and sharing updates with stakeholders on relevant standards, regulations, requirements, technologies, organizational structures, and other pertinent circumstances. • Align SQM inputs and measures with changes in relevant regulations, requirements, technologies, organizational structures, and other relevant circumstances.

Relevant and reliable information is communicated to personnel and engagement teams to enable them to understand and carry out their responsibilities within the SQM or engagements (GAS 5.81b).

Potential Quality Risk	The audit organization may respond by:
Relevant and reliable information is not communicated to personnel and engagement teams to enable them to understand and carry out their responsibilities within the SQM or engagements.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Communicate SQM and engagement information to appropriate personnel. • Delineate specific responsibilities for communicating SQM and engagement information across the organization. • Assess or confirm whether personnel are aware of and understand SQM and engagement information. • Survey audit organization personnel on information-sharing preferences.
The audit organization does not communicate consistent policies and procedures to engagement teams and SQM personnel.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Review and approve new policies and procedures for consistency and accuracy before distribution. • Delineate specific responsibilities for drafting, approving, and promulgating new policies. • Ensure that any new policies and procedures detail, as appropriate, references to any superseded policies or procedures. • Communicate changes in policy and procedures across the audit organization. • Remove outdated and superseded policies from active policy repositories. <p>Providing <i>training and professional development</i> on new policies, including the reasons for policy changes and guidance on where to find and review approved policies.</p>

Potential Quality Risk	The audit organization may respond by:
The audit organization relies on ineffective tools for communicating information and changes related to the SQM, accounting standards, professional standards, laws, or regulations.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Establish tools, methods, and responsibilities for communicating updates to the SQM, accounting standards, professional standards, laws, and regulations, as well as for ensuring that these tools, procedures, and responsibilities are effective in addressing current communication deficiencies. • Deploy communication tools and software to streamline the distribution and tracking of updates. • Maintain a centralized knowledge base for easy access to updated information, including SQM guidelines, accounting standards, and regulatory changes. • Use various communication methods, such as emails, newsletters, and internal bulletins, to reach relevant personnel. <p>Deploying <i>technology solutions</i> to ensure that the audit organization's tools for communicating information and changes related to the SQM, accounting standards, professional standards, laws, or regulations are effective.</p>
Findings from peer review, other quality reviews, or assessments are not communicated to the engagement teams.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Ensure that those with engagement and SQM responsibilities are briefed on findings from peer reviews, quality reviews, or assessments related to engagement teams. • Track communication and follow-up actions related to oversight findings and recommendations, including verifying that the causes of the findings have been addressed.

Personnel and engagement teams communicate relevant and reliable information to the audit organization when performing activities within the SQM or engagements (GAS 5.81c).

Potential Quality Risk	The audit organization may respond by:
Personnel and engagement teams do not communicate relevant and reliable information to the audit organization when performing activities within the SQM or engagements.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Outline the expectations for communication and information handling to ensure accessibility for all appropriate personnel. • Review and validate information before it is submitted or communicated to the audit organization to ensure clarity and consistency. • Review and evaluate communication processes to ensure that they align with overall SQM and engagement objectives, thereby supporting effective information exchange. • Convene meetings or briefings between engagement teams and the audit organization to discuss ongoing activities and communication needs. • Establish standardized templates for sharing information to ensure that all necessary details are included and presented uniformly.

Relevant and reliable information is communicated to external parties ([GAS 5.81d](#)).

Potential Quality Risk	The audit organization may respond by:
Relevant and reliable information is not communicated to appropriate external parties.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Verify the accuracy and relevance of information before it is communicated externally. • Outline how information is to be gathered, vetted, and distributed to external parties. • Implement a system to receive feedback regarding the quality of the information received by external parties. <p>Providing <i>training and professional development</i> on external communications, including compliance with communication requirements and related protocols, for personnel involved in these activities.</p>
Information is not communicated externally when required by law, regulation, or professional standards or in a manner that supports appropriate external parties' understanding of the audit organization's SQM.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Establish guidelines and requirements for external communication based on legal, regulatory, and professional standards. • Assign responsibility and implement processes for reviewing applicable laws, regulations, and professional standards. <p>Providing <i>training and professional development</i> to personnel on how and when to:</p> <ul style="list-style-type: none"> • Communicate information externally when required by law, regulation, or professional standards. • Support appropriate external parties' understanding of the audit organization's SQM.
Deficiencies identified in the SQM are not brought to the attention of the appropriate external party in a prompt manner.	<p>Implementing <i>policies and procedures</i> that:</p> <ul style="list-style-type: none"> • Ensure SQM deficiencies and their effects are communicated to external parties. • Include quality assurance checks to ensure that deficiencies are reported as required.

The Quality Management Subcommittee



A Quality Assurance Working Group was established in 2016 with the purpose to help enhance the efficiency and effectiveness of audit quality assurance throughout the Federal OIG community.

In 2019, The Council of the Inspectors General on Integrity and Efficiency formally recognized the Working Group as part of the Federal Audit Executive Council (FAEC).

In 2023, the Working Group transitioned to a permanent standing committee under FAEC: the *Quality Management Committee*.

In 2024, all standing committees under FAEC were transitioned to subcommittees.

The Quality Management Subcommittee has membership from about 60 Federal OIGs, with participation at every level—from Inspectors General, Senior Executives, to those in the earlier stages of their career.

The goals and objectives are to:

- Enhance the understanding of Federal OIG Quality Management activities.
- Identify and share resources and good practices to assist the OIG community with its Quality Management activities.
- Develop a network of quality and compliance practitioners support and communication across this community.
- Provide learning and professional development opportunities to enhance Quality Management subject matter expertise across the Federal OIG community.
- Share industry-related developments relevant to OIG and Quality Management and Compliance communities.

More information on can be found on [IGNET](#).

