

**Required** If you were Sarah, how would you respond to the following procedures taken from the quality control manual of a CPA firm, identify the applicable element of quality control from Table 2-3 on page 63.

- 2-16 (OBJECTIVE 2-8)** For each of the following procedures taken from the quality control manual of a CPA firm, identify the applicable element of quality control from Table 2-3 on page 63.
- Appropriate accounting and auditing research requires adequate technical reference materials. Each firm professional has online password access through the firm's Web site to electronic reference materials on accounting, auditing, tax, SEC, and other technical information, including industry data.
  - The partners accept responsibility for leading and promoting a quality assurance culture within the firm and for providing and maintaining a quality assurance manual and all other necessary practical aids and guidance to support engagement quality.
  - Each office of the firm shall be visited at least annually by review persons selected by the director of accounting and auditing. Procedures to be undertaken by the reviewers are illustrated by the office review program.
  - Audit engagement team members enter their electronic signatures in the firm's engagement management software to indicate the completion of specific audit program steps. At the end of the audit engagement, the engagement management software will not allow archiving of the engagement file until all audit program steps have been electronically signed.
  - At all stages of any engagement, an effort is made to involve professional staff at appropriate levels in the accounting and auditing decisions. Various approvals of the manager or senior accountant are obtained throughout the audit.
  - No employee will have any direct or indirect financial interest, association, or relationship (for example, a close relative serving a client in a decision-making capacity) not otherwise disclosed that might be adverse to the firm's best interest.
  - Individual partners submit the nominations of those persons whom they wish to be considered for partner. To become a partner, an individual must have exhibited a high degree of technical competence; must possess integrity, motivation, and judgment; and must have a desire to help the firm progress through the efficient dispatch of the job responsibilities to which he or she is assigned.
  - Through our continuing employee evaluation and counseling program and through the quality control review procedures as established by the firm, educational needs are reviewed and formal staff training programs modified to accommodate changing needs. At the conclusion of practice office reviews, apparent accounting and auditing deficiencies are summarized and reported to the firm's director of personnel.
  - All potential new clients are reviewed before acceptance. The review includes consultation with predecessor auditors, and background checks. All new clients are approved by the firm management committee, including assessing whether the firm has the technical competence to complete the engagement.
  - Each audit engagement must include a concurring partner review of critical audit decisions.