AICPA & CIMA
Together as the Association of International Certified Professional Accountants

Ready for the new quality management standards?

This checklist provides tips to help practitioners prepare to implement the QM standards.

☐ Gain an overall understanding of the AICPA® standards. The AICPA and CIMA® have developed or will release the following resources to help you:

- Executive summaries of the standards
- Comparison of extant AICPA quality control standards and new AICPA quality management standards
- Webcasts
- Practice aids
- CPE courses

☐ Take this quiz to gauge your understanding of the new QM standards.

☐ Develop an implementation plan:

- Determine who within the firm will take ownership and lead the implementation process.
- Determine the resources (human, intellectual and technical) needed for successful implementation.
- Talk with your peer reviewer about your implementation plan.
- Determine how to document the information.
- Determine a timeline.

☐ Gain an understanding of the risk assessment process.

- Attend or watch the recording of the webcast: New Quality Management Standards — All You Need to Know About the Firm's Risk Assessment Process

☐ Perform the risk assessment:

- Establish the quality objectives required by the standard.
- Identify and assess quality risks.
- Design and implement responses.
- Identify information indicating the need to add/ modify quality objectives, quality risks or responses.

☐ Don't miss a quality risk.

- Understand the conditions, events, circumstances, actions or inactions that may adversely affect the achievement of the quality objectives.
- Risk = how the conditions, events, circumstances, actions or inactions may adversely affect the achievement of the quality objectives.
- Consider which risks have a reasonable possibility of:
  - — Occurring; and
  - — Individually, or in combination with other risks, adversely affecting the achievement of one or more quality objectives.
- Consider how, and the degree to which the conditions, events, circumstances, actions or inactions may adversely affect the achievement of the quality objectives
- Risk assessment is iterative, and as such, quality risks will be revisited throughout the implementation and maintenance of the system of quality management (SQM).

☐ **Perform a gap analysis.**

- Based on the quality risks identified, map current controls — or, as SQMS No. 1 calls them, "responses to quality risks."
- Identify quality risks without appropriate response and any current responses that do not map to a quality risk.
- Take note of the specified responses within SQMS No. 1 that the firm is required to design and implement. Note: These alone are not comprehensive and do not fully address all quality risks.

☐ **Design and implement new responses for those risks that are not addressed.**

- Helpful resources for identifying potential responses to quality risks include AICPA & CIMA practice aids, third-party providers of quality management materials and peer reviewers, among others.
- You may decide that current responses that do not map to a quality risk are no longer necessary.

☐ **Prepare documentation.**

- The firm is not required to document the consideration of every condition, event, circumstance, action or inaction that may give rise to a quality risk.
- Documentation of the SQM will likely differ depending on the firm's complexity.
- Documentation should be sufficient to
  - Support a consistent understanding of the SQM by personnel, including their roles and responsibilities with respect to the SQM and performing engagements
  - Support consistent implementation and operation of the responses.
  - Provide evidence of the response's design, implementation, and operation to support the SQM by the responsible individual(s).

☐ **Establish a process for ongoing monitoring (adjusting for changes) and remediation.**

- Attend or watch the recording of the webcast: New Quality Management Standards — What's New for Firms' Monitoring and Remediation Processes
- Four aspects of the monitoring and remediation process:
  - Design and perform monitoring activities.
  - Evaluate findings and identify deficiencies, and evaluate identified deficiencies.
  - Respond to identified deficiencies.
  - Communicate.
- Factors you are required to consider when establishing monitoring activities are:
  - The reasons for the assessments given to the quality risks.
  - The design of the responses.
  - The design of the firm's risk assessment process and monitoring and remediation process.
  - Changes in the SQM.
  - Previous monitoring activity.

☐ **Evaluate the new system and consider the following tips:**

- A firm leader must evaluate, at least annually, whether the SQM provides reasonable assurance that the objectives of the SQM are being met.
  - Firm leadership is required to make this evaluation even in a peer review year.
  - The effective date for this evaluation is within one year of Dec. 15, 2025.

☐ **A firm's SQM is individual to each firm. Take the time to understand the requirements and implement a customized SQM that provides reasonable assurance of meeting your firm's quality objectives.**

- Refer to the Crosswalk between SQMS No. 1 and SQCS No. 8, as amended.

For questions, visit: aicpa.org/auditqm

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