



CA/DPSC&E/Circular-02/2009

September 17, 2009

**ALL PRACTICING FIRMS / MEMBERS OF THE INSTITUTE**

Dear Member,

**REVISED 'QUALITY CONTROL REVIEW (QCR) PROGRAM FRAMEWORK'**

On the recommendation of the Quality Assurance Board the Council in its 210<sup>th</sup> meeting held on August 15, 2009 has approved the enclosed revised QCR Program Framework. Major changes in the revised Framework include:

**Review of Firm's System of Quality Control:** Earlier, QCR was carried out on the basis of selected audit engagements only, but now review of Audit Firms' System of Quality Control has been brought under the Scope of QCR program which would be assessed and evaluated on the basis of 'ISQC-1';

**QCR Period:** Earlier, on expiry of two and a half years an additional six months was allowed to the firms to arrange for QCR. Under the revised Framework this so called grace period of six months has been done away with. Now firms that are included in the list of firms with satisfactory QCR rating are required to have the QCR carried out after every two and half years. In case where there is a delay due to some genuine reason(s) or urgent engagements of the firm, additional time, which shall not be more than six months, may be allowed by the Board.

**Filing of a Review Application:** A new paragraph has been included under which an audit firm will have a right to file a review application before the Board if it has received a "not supported by appropriate audit evidence" conclusion subsequent to review of additional files;

The revised Framework is applicable on all reviews falling due subsequent to the date of the approval of the Council i.e. August 15, 2009. However, requirement relating to review of Firm's Quality Control would be applicable for accounting period beginning on or after July 1, 2009.

Clean and marked versions of the framework are also available for download at <http://www.icap.org.pk/web/links/253/circulars.php>.

Yours truly,

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