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| <p>The firm demonstrate a commitment to quality through a culture that exists throughout the firm, which recognizes and reinforces the following:</p> <p>a.The firm's role in serving the public interest by consistently performing quality engagements</p> <p>b. The importance of professional ethics, values, and attitudes</p> <p>c. The responsibility of all personnel for quality relating to the performance of engagements or activities within the SOQM and their expected behavior</p> <p>d.The importance of quality in the firm's strategic decisions and actions, including the firm's financial and operational priorities</p> | | | | | | | |
| Quality Objective # | Quality Risk # | Quality Risks: Governance and leadership | Likelihood | Impact | Risk | Response # | Quality response (policy or procedure) |
| GOV QO-1 | GOV QRI-1 | The firm does not demonstrates a commitment to quality through the culture that exists throughout the firm. | | | Yes | Section I, Leadership. A-F. | The firm promotes an internal culture that recognizes quality is essential through a mission statement that includes the firm's core values and the importance of quality; frequent messages to personnel about the importance of quality and that it is not sacrificed to the need to achieve profitability; the status of the QM partner within the firm (that is, the QM function is not relegated to an administrative role); the QM partner reports directly to the managing partner; quality is considered in performance appraisals and compensation. The firm requires an engagement control review on all engagements, by a select few individuals with sufficient qualifications to perform such a review. |
| GOV QO-1 | GOV QRI-2 | The firm does not acknowledge its role in serving the public interest and does not strive to perform quality engagements. | | | Yes | Section I, Leadership. A-F. | Performance evaluation and advancement systems are designed and implemented that reward partners and staff involved in the accounting and auditing practice for the quality of their work and their compliance with professional standards. |
| GOV QO-1 | GOV QRI-3 | The firm does not recognize or reinforce the importance of professional ethics, values, and attitudes. | | | Yes | Section I, Leadership. A-F. | Performance evaluation and advancement systems are designed and implemented that reward partners and staff for their professional values and attitudes. |
| GOV QO-1 | GOV QRI-4 | The firm does not recognize or reinforce the responsibility of all personnel for quality relating to the performance of engagements or activities within the SOQM and their expected behavior. | | | Yes | Section I, Leadership. C. | Performance evaluation and advancement systems are designed and implemented that reward partners and staff involved in the accounting and auditing practice for the quality of their work and their compliance with professional standards. |
| GOV QO-1 | GOV QRI-5 | The firm does not recognize or reinforce the importance of quality in the firm's strategic decisions and actions, including the firm's financial and operational priorities. | | | Yes | Section I, Leadership. C. | The firm's strategic decision-making process is aligned with the firm's quality objectives and approved by leadership with the ultimate responsibility for the firm's system of quality management. |
| GOV QO-1 | GOV QRI-6 | The firm will deviate from the quality management procedudres that are in place. | | | Yes | Section I, Leadership. A-F. | The firm ensures that administrative prersonnal involved with the F/S process reach out to the firm QM partner, managing partner, or other A&A partner if they feel they are being asked to circumvent the firm's system of QM. |
| GOV QO-1 | GOV QRI-6 | The firm will deviate from the quality management procedudres that are in place. | | | Yes | Section I, Leadership. A-F. | The firm limits access to the State of Tennessee CARS system for submitting F/S to the State and the Federal Audit Clearhouse for submission of single audit to a few select personnel. |
| GOV QO-2 | Leadership is responsible and accountable for quality | | | | | | |

| Quality Objective # | Quality Risk # | Quality Risks: Governance and leadership | Likelihood | Impact | Risk | Response # | Quality response (policy or procedure) |
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| GOV QO-2 | GOV QRI-7 | Leadership is not responsible and accountable for quality. | | | Yes | Section I, Leadership. A-F. | Policy: The firm assigns ultimate responsibility and accountability for the system of quality management to the firm's managing partner and the firm's QM partner [QM sec. 10.21] |
| GOV QO-2 | GOV QRI-8 | Leadership responsibilities and accountability for quality are not clearly defined and assigned. | | | Yes | Section I, Leadership. A-F. | Policy: The firm assigns operational responsibility for the system of quality management to individuals with the appropriate influence and authority within the firm. [QM sec. 10.21b] |
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| GOV QO-3 Leadership demonstrates a commitment to quality through its actions and behaviors | | | | | | | |
| Quality Objective # | Quality Risk # | Quality Risks: Governance and leadership | Likelihood | Impact | Risk | Response # | Quality response (policy or procedure) |
| GOV QO-3 | GOV QRI-9 | Leadership does not demonstrate a commitment to quality through their actions and behaviors (e.g., establishing the tone at the top through their actions and behaviors, clear, consistent and frequent actions and communications at all levels within the firm) | | | Yes | Section I, Leadership. A-F. | The firm promotes an internal culture that recognizes quality is essential through a mission statement that includes the firm's core values and the importance of quality; frequent messages to personnel about the importance of quality and that it is not sacrificed to the need to achieve profitability; the status of the QM partner within the firm (that is, the QM function is not relegated to an administrative role); the QM partner reports directly to the managing partner; quality is considered in performance appraisals and compensation. The firm requires an engagement control review on all engagements, by a select few individuals with sufficient qualifications to perform such a review. |
| GOV QO-3 | GOV QRI-10 | Professionals in leadership positions prioritize economic gain over quality through their actions and behaviors. | | | Yes | Section I, Leadership. A-F. | Policy: The firm does not allow financial and operational priorities to override the quality of the work performed, and assigns management responsibilities accordingly. |
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| GOV QO-4 The organizational structure and assignment of roles, responsibilities, and authority is appropriate to enable the design, implementation, and operation of the firm's SOQM | | | | | | | |
| Quality Objective # | Quality Risk # | Quality Risks: Governance and leadership | Likelihood | Impact | Risk | Response # | Quality response (policy or procedure) |
| GOV QO-4 | GOV QRI-11 | The organizational structure and assignment of roles, responsibilities, and authority is not appropriate and does not enable the design, implementation, and operation of the firm's SOQM. | | | Yes | Section I, Leadership. A-F. | Policy: The firm assigns operational responsibility for specific aspects of the system of quality management to individuals with the appropriate influence and authority within the firm, including [QM sec. 21.ci-ii] - compliance with independence requirements, and - the monitoring and remediation process |
| GOV QO-4 | GOV QRI-12 | Persons assigned roles relevant to the system of quality management lack the skills, knowledge, and experience to undertake those roles. | | | Yes | Section I, Leadership. A-F. | Policy: Personnel with sufficient and appropriate experience, authority, and ability are assigned responsibility for developing, implementing, and operating the firm's system of quality management. [QM sec. 10.22] |
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| <div> <div>GOV QO-5</div> <div>Resource needs, including financial resources, are planned for, and resources are obtained, allocated, or assigned in a manner that is consistent with the firm's commitment to quality</div> </div> | | | | | | | |
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| Quality Objective # | Quality Risk # | Quality Risks: Governance and leadership | Likelihood | Impact | Risk | Response # | Quality response (policy or procedure) |
| GOV QO-5 | GOV QRI-13 | Resource needs, including financial resources, are not obtained by, allocated, or assigned to the appropriate parties in a manner that facilitates the firm's commitment to quality. | | | Yes | Section I, Leadership. A-F. | Policy: The firm devotes sufficient and appropriate resources for the development, communication, and support of its quality management policies and procedures. |
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| The firm and its personnel: RER QO-1 i. understand the relevant ethical requirements to which the firm and the firm's engagements are subject, and (Ref: par. A23) ii. fulfill their responsibilities in relation to the relevant ethical requirements to which the firm and the firm's engagements are subject. | | | | | | | |
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| Quality Objective # | Quality Risk # | Quality Risks: Ethical Responsibilities | Likelihood | Impact | Risk | Response # | Quality response (policy or procedure) |
| RER QO-1 | RER QRi-1 | The firm and its personnel do not understand the relevant ethical requirements to which the firm and the firm's engagements are subject | | | Yes | Section III - Relevant Ethical Requirements (All) | A person with appropriate authority - QC Partner Randy Dummer, is responsible for staying informed on relevant ethical requirements; providing guidance; answering questions; monitoring compliance; and resolving matters with respect to independence, integrity, and objectivity. |
| RER QO-1 | RER QRi-2 | The firm and its personnel fail to fulfill their responsibilities in relation to the relevant ethical requirements to which the firm and the firm's engagements are subject. | | | Yes | Section III - Relevant Ethical Requirements (All) | Policy: The firm obtains written confirmation, upon hire and at least annually, of compliance with its policies and procedures regarding independence from all personnel required to be independent by relevant requirements. |
| RER QO-1 | RER QRi-3 | The firm and its personnel do not identify, communicate, evaluate, or report ethical breaches. | | | Yes | Section III - Relevant Ethical Requirements. B-1, B-2 | Policy: Firm personnel notify the firm of breaches of the relevant ethical requirements, including independence requirements, and the firm takes appropriate actions to resolve such situations. |
| RER QO-1 | RER QRi-4 | Consultation and evaluation of identified independence matters results in an incorrect conclusion that impairs independence. | | | Yes | Section III - Relevant Ethical Requirements (All) | The firm promptly communicates identified breaches of these policies and procedures, and the required corrective actions, to (a) the engagement partner who, with the firm, needs to address the breach and (b) other relevant personnel in the firm and those subject to the independence requirements who need to take appropriate action. |
| RER QO-1 | RER QRi-3 | The firm and its personnel do not identify, communicate, evaluate, or report ethical breaches. | | | Yes | Section III - Relevant Ethical Requirements. B-1, B-2, B-5 | The engagement partner and other relevant personnel confirm to the firm that the required corrective actions have been taken. |
| RER QO-1 | RER QRi-5 | The firm does not receive, investigate and resolve complaints and allegations about failures to perform work in accordance with professional standards and applicable legal and regulatory requirements, or non-compliance with the firm's policies or procedures established in accordance with the firm's system of quality management. | | | Yes | Section III - Relevant Ethical Requirements (All) | Policy – The firm has procedures for receiving complaints about failures to perform work in accordance with professional standards and applicable legal and regulatory requirements or noncompliance with the firm's policies and procedures; investigates the complaints and resolves them. |
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| Others, including the network, network firms, individuals in the network or network firms, or service providers, who are subject to the relevant ethical requirements to which the firm and the firm's engagements are subject RER QO-2 i. understand the relevant ethical requirements that apply to them, and (Ref: par. A23 and A67) ii. fulfill their responsibilities in relation to the relevant ethical requirements that apply to them. (Ref: par. A68) | | | | | | | |
| Quality Objective # | Quality Risk # | Quality Risks: Ethical Responsibilities | Likelihood | Impact | Risk | Response # | Quality response (policy or procedure) |
| RER QO-2 | RER QRi-6 | Others who are subject to the relevant ethical requirements to which the firm and the firm's engagements are subject do not understand the relevant ethical requirements that apply to them | | | Yes | Section III - Relevant Ethical Requirements (All) | Policy: When another firm, or firm personnel in associated member firms, perform part of the engagement, the firm confirms the independence of the other firm and adherence to other relevant ethical requirements. |

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| RER QO-2 | RER QRi-7 | Others who are subject to the relevant ethical requirements to which the firm and the firm's engagements are subject do not fulfill their responsibilities in relation to the relevant ethical requirements that apply to them | | | Yes | Section III - Relevant Ethical Requirements (All) | Written confirmations are obtained regarding the other firm's independence with respect to audit engagements and either written or oral confirmations are obtained for review or attestation engagements. Oral confirmations are documented. |
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| Judgments by the firm about whether to accept or continue a client relationship or specific engagement are appropriate based on the following: i. information obtained about the nature and circumstances of the engagement and the integrity and ethical values of the client (including management, and, when appropriate, those charged with governance) that is sufficient to support such judgments (Ref: par. A69-A74) ii. the firm's ability to perform the engagement in accordance with professional standards and applicable legal and regulatory requirements (Ref: par. A75-A76) | | | | | | | |
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| Quality Objective # | Quality Risk # | Quality Risks: Client Acceptance | Likelihood | Impact | Risk | Response # | Quality response (policy or procedure) |
| EAC QO-1 | EAC QRi-1 | The firm does not obtain information about the nature and circumstances of the engagement and the client (including management, and, when appropriate, those charged with governance) that is sufficient to support judgments about client acceptance or continuance. | | | Yes | Section IV - Acceptance and Continuance of Clients (All) | Policy: The firm has established policies and procedures when information that becomes known subsequent to accepting or continuing a client relationship or specific engagement that may have affected the firm's decision to accept or continue a client relationship or specific engagement as follows. |
| EAC QO-1 | EAC QRi-2 | The firm accepts or continues a client relationship or specific engagement when the firm does not have the ability to perform the engagement in accordance with professional standards and applicable legal and regulatory requirements | | | Yes | Section IV - Acceptance and Continuance of Clients (All) | The firm evaluates whether the firm (or practice office) has, or can reasonably expect to obtain, the competency and capability necessary to perform the engagement, including relevant regulatory or reporting requirements. |
| EAC QO-1 | EAC QRi-3 | A firm partner accepts or continues an engagement that does not meet the firm's engagement acceptance or continuation criteria or is otherwise prohibited by the firm. | | | Yes | Section IV - Acceptance and Continuance of Clients (All) | When the firm becomes aware of information that would have caused the firm to decline the engagement if the information had been available earlier, the firm considers the following. [QM par. 35di] -undertaking consultation within the firm or legal counsel -the professional and legal responsibilities that apply to the circumstances, including whether there is a requirement for the firm to continue the engagement or report to regulatory authorities, -discussing with the appropriate level of client's management and those charged with governance, -whether to withdraw from the engagement or from the client relationship |
| EAC QO-1 | EAC QRi-3 | A firm partner accepts or continues an engagement that does not meet the firm's engagement acceptance or continuation criteria or is otherwise prohibited by the firm. | | | Yes | Section IV - Acceptance and Continuance of Clients (All) | All engagement letter requests for audits and agreed upon procedures engagements are forwarded to the quality control partner for approval. Consideration for acceptance includes type of service to be performed, firm resources required, expertise in the industry and/or service line, independence and other factors. |
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| EAC QO-2 The financial and operational priorities of the firm do not lead to inappropriate judgments about whether to accept or continue a client relationship or specific engagement. | | | | | | | |
| Quality Objective # | Quality Risk # | Quality Risks: Client Acceptance | Likelihood | Impact | Risk | Response # | Quality response (policy or procedure) |

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| EAC QO-2 | EAC QRi-4 | The financial and operational priorities of the firm lead to inappropriate judgments about whether to accept or continue a client relationship or specific engagement. | | | Yes | Section IV - Acceptance and Continuance of Clients. A-10 | The firm evaluates the risk of providing services to significant clients or to other clients for which the firm's objectivity or the appearance of independence may be impaired. The firm takes appropriate safeguards if necessary or if safeguards cannot reduce the threat to objectivity and independence to an acceptably low level, the firm does not accept the engagement. |
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| RES QO-1 Personnel are hired, developed, and retained and have the competence and capabilities to (Ref: par. A92–A94) i. consistently perform quality engagements, including having knowledge or experience relevant to the engagements the firm performs, or ii. perform activities or carry out responsibilities in relation to the operation of the firm's system of quality management. | | | | | | | |
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| Quality Objective # | Quality Risk # | Quality Risks: Resources | Likelihood | Impact | Risk | Response # | Quality response (policy or procedure) |
| RES QO-1 | RES QRi-1 | Personnel, including partners, do not have, or cannot gain, the competence and capabilities to consistently perform quality engagements (which includes not only technical competence but professional ethics, values, and attitudes; see par. A92). | | | Yes | Section IV - Acceptance and Continuance of Clients (All) and Section V - Resources (All) | Policy: The firm has sufficient personnel with the competence, capabilities, and commitment to ethical principles necessary to perform engagements in accordance with professional standards and applicable legal and regulatory requirements and enable the firm to issue reports that are appropriate in the circumstances. |
| RES QO-1 | RES QRi-2 | Personnel, including partners, do not have the competence and capabilities to perform activities or carry out responsibilities in relation to the operation of the firm's system of quality management. | | | Yes | Section IV - Acceptance and Continuance of Clients (All) and Section V - Resources (All) | Policy: The firm has sufficient personnel with the competence, capabilities, and commitment to ethical principles necessary to perform engagements in accordance with professional standards and applicable legal and regulatory requirements and enable the firm to issue reports that are appropriate in the circumstances. |
| RES QO-1 | RES QRi-2 | Personnel, including partners, do not have the competence and capabilities to perform activities or carry out responsibilities in relation to the operation of the firm's system of quality management. | | | Yes | Section V - Resources (All) | Policy: The firm encourages all professional staff to obtain sufficient CPE to have the appropriate knowledge in the areas in which they perform work. The firm monitors and tracks CPE attendance and selects certain individuals to verify compliance during monitoring. Since higher risk exists with compliance with speciality areas (ERISA and governmental), additional focus will be in those areas. |
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| RES QO-2 Personnel demonstrate a commitment to quality through their actions and behaviors, develop and maintain the appropriate competence to perform their roles, and are held accountable or recognized through timely evaluations, compensation, promotion, and other incentives. (Ref: par. A95–A97) | | | | | | | |
| Quality Objective # | Quality Risk # | Quality Risks: Resources | Likelihood | Impact | Risk | Response # | Quality response (policy or procedure) |
| RES QO-2 | RES QRi-3 | Personnel do not demonstrate a commitment to quality through their actions and behaviors; do not develop or do not maintain the appropriate competence to perform their roles and are not held accountable or recognized through timely evaluations, compensation, promotion, and other incentives. | | | Yes | Section V - Resources (All) | The firm evaluates personal characteristics such as integrity, competence, and motivation of personnel on an ongoing basis. |
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| RES QO-3 Individuals are obtained from external sources (that is, the network, another network firm, or a service provider) when the firm does not have sufficient or appropriate personnel to enable the operation of firm's system of quality management or performance of engagements. (Ref: par. A98) | | | | | | | |
| Quality Objective # | Quality Risk # | Quality Risks: Resources | Likelihood | Impact | Risk | Response # | Quality response (policy or procedure) |

| RES QO-3 | RES QRI-4 | Individuals are not obtained from external sources (i.e., the network, another network firm, or a service provider) when the firm does not have sufficient or appropriate personnel to enable the operation of the firm's system of quality management or performance of engagements. | | | Yes | Section V - Resources (All) | The firm identifies sources of employment candidates or external human resources: such as universities, executive recruiters, or networks. The firm uses the BDO Alliance and network of peer reviewers obtained through the firm's extensive peer review practice to supplement area of expertise as needed. |
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| RES QO-4 Engagement team members, including an engagement partner, who have appropriate competence and capabilities to consistently perform quality engagements, including being given sufficient time, are assigned to each engagement. (Ref: par. A92–A93 and A99–A101) | | | | | | | |
| Quality Objective # | Quality Risk # | Quality Risks: Resources | Likelihood | Impact | Risk | Response # | Quality response (policy or procedure) |
| RES QO-4 | RES QRI-5 | Engagement team members, including an engagement partner, are assigned to engagements when they do not have appropriate competence and capabilities to consistently perform quality engagements, including being given sufficient time. | | | Yes | Section V - Resources (All) | Policy: The firm determines capabilities and competencies required for an engagement, including those required of the engagement partner. All financial statement engagements undergo an independent QC review by a member of the QC team. |
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| RES QO-5 Individuals who have appropriate competence and capabilities, including sufficient time, to perform such activities are assigned to perform activities within the system of quality management. | | | | | | | |
| Quality Objective # | Quality Risk # | Quality Risks: Resources | Likelihood | Impact | Risk | Response # | Quality response (policy or procedure) |
| RES QO-5 | RES QRI-6 | Individuals are assigned to perform activities within the system of quality management who do not have appropriate competence and capabilities, including sufficient time, to perform such activities. | | | Yes | Section V - Resources (All) and Section VI - Engagement Performance (All) | Policy: The firm assigns appropriate personnel with the necessary competence and capabilities to perform activities within the system of quality management or engagements in accordance with professional standards and applicable legal and regulatory requirements and enable the firm to issue reports that are appropriate in the circumstances. |
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| RES QO-6 Appropriate technological resources are obtained or developed, implemented, maintained, and used to enable the operation of the firm's system of quality management and the performance of engagements. (Ref: par. A102–A106 and A109) | | | | | | | |
| Quality Objective # | Quality Risk # | Quality Risks: Resources | Likelihood | Impact | Risk | Response # | Quality response (policy or procedure) |
| RES QO-6 | RES QRI-7 | Technological resources to enable the operation of the firm's system of quality management and the performance of engagements that are obtained or developed are not appropriate; are not implemented; are not maintained, are not used; or are used inappropriately. | | | Yes | Section V - Resources E-1 | Before obtaining technological resources, the firm conducts research into its usability in the engagements it performs. |
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| RES QO-7 | | Appropriate intellectual resources are obtained or developed, implemented, maintained, and used to enable the operation of the firm's system of quality management and the consistent performance of quality engagements, and such intellectual resources are consistent with professional standards and applicable legal and regulatory requirements, where applicable. (Ref: par. A107–A109) | | | | | |
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| Quality Objective # | Quality Risk # | Quality Risks: Resources | Likelihood | Impact | Risk | Response # | Quality response (policy or procedure) |
| RES QO-7 | RES QRI-8 | Intellectual resources to enable the operation of the firm's system of quality management and the consistent performance of quality engagements, are obtained or developed inappropriately; are not implemented; are not maintained: are not used; or are used inappropriately, and such intellectual resources are not consistent with professional standards and applicable legal and regulatory requirements. | | | Yes | Section V - Resources E-1 | Policy: The firm uses quality management materials (QMM) from CCH Knowledge Coach for all financial statement and agreed upon procedures engagements to assist with the operation of the firm's system of quality management and the consistent performance of quality engagements. |
| RES QO-7 | RES QRI-8 | Intellectual resources to enable the operation of the firm's system of quality management and the consistent performance of quality engagements, are obtained or developed inappropriately; are not implemented; are not maintained: are not used; or are used inappropriately, and such intellectual resources are not consistent with professional standards and applicable legal and regulatory requirements. | | | Yes | Section V - Resources E-1 | The firm tests other technology resources (depreciation software, lease calculation software, LIFO software, etc. to ensure that information generated from the applicable software will comply with professional standards. |
| RES QO-7 | RES QRI-8 | Intellectual resources to enable the operation of the firm's system of quality management and the consistent performance of quality engagements, are obtained or developed inappropriately; are not implemented; are not maintained: are not used; or are used inappropriately, and such intellectual resources are not consistent with professional standards and applicable legal and regulatory requirements. | | | Yes | Section V - Resources E-1 | The firm provides sufficient training on software and other technical resources used to ensure that data is entered properly to allow for the calculations to be accurate. |
| RES QO-8 | | Human, technological, or intellectual resources from service providers are appropriate for use in the firm's system of quality management and in performing engagements, taking into account the quality objectives in paragraph 33d–g. (Ref: par. A110–A115) | | | | | |
| Quality Objective # | Quality Risk # | Quality Risks: Resources | Likelihood | Impact | Risk | Response # | Quality response (policy or procedure) |
| RES QO-8 | RES QRI-9 | Human, technological or intellectual resources from service providers are not appropriate for use in the firm's system of quality management and in the performance of engagements, taking into account the quality objectives in paragraph 33(d), (e), (f) and (g). | | | Yes | Section V - Resources (All) | The firm evaluates the use of resources received from service providers to meet its quality objectives and its appropriateness for its system of quality management. |
| RES QO-8 | RES QRI-9 | Human, technological or intellectual resources from service providers are not appropriate for use in the firm's system of quality management and in the performance of engagements, taking into account the quality objectives in paragraph 33(d), (e), (f) and (g). | | | Yes | Section V - Resources (All) | The firm tests other technology resources (depreciation software, lease calculation software, LIFO software, etc. to ensure that information generated from the applicable software will comply with professional standards. |
| RES QO-8 | RES QRI-9 | Human, technological or intellectual resources from service providers are not appropriate for use in the firm's system of quality management and in the performance of engagements, taking into account the quality objectives in paragraph 33(d), (e), (f) and (g). | | | Yes | Section V - Resources (All) | The firm provides sufficient training on software and other technical resources used to ensure that data is entered properly to allow for the calculations to be accurate. |

| EP QO-1 Engagement teams understand and fulfill their responsibilities in connection with the engagements, including, as applicable, the overall responsibility of engagement partners for managing and achieving quality on the engagement and being sufficiently and appropriately involved throughout the engagement. (Ref: par. A79) | | | | | | | |
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| Quality Objective # | Quality Risk # | Quality Risks: Engagement Performance | Likelihood | Impact | Risk | Response # | Quality response (policy or procedure) |
| EP QO-1 | EP QRi-1 | Engagement teams do not understand and fulfill their responsibilities in connection with the engagements, including, as applicable, the overall responsibility of engagement partners for managing and achieving quality on the engagement and being sufficiently and appropriately involved throughout the engagement. | | | Yes | Section VI - Engagement Performance - A | The firm trains personnel on the use of the firm's practice aids (audit and accounting manual, standardized forms, checklists, templates, practice aids, tools, questionnaires, and the like). All engagements undergo an extensive review process. |
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| EP QO-2 The nature, timing and extent of direction and supervision of engagement teams and review of the work performed is appropriate based on the nature and circumstances of the engagements and the resources assigned or made available to the engagement teams, and the work performed by less experienced engagement team members is directed, supervised and reviewed by more experienced engagement team members. (Ref: par. A80-A81) | | | | | | | |
| Quality Objective # | Quality Risk # | Quality Risks: Engagement Performance | Likelihood | Impact | Risk | Response # | Quality response (policy or procedure) |
| EP QO-2 | EP QRi-2 | 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 teams, and the work performed by less experienced engagement team members is not directed, supervised, and reviewed by more experienced engagement team members. | | | Yes | Section VI - Engagement Performance - B, C | The firm's methodology prescribes who on the engagement team reviews the work of other members of the engagement team. All work done by seniors, staff and interns is reviewed by a supervisor, manager, senior manager, director, or partner. All financial statements get a final review by a member of the QC team. |
| EP QO-2 | EP QRi-3 | The engagement team does not follow the established criteria for engagement quality reviews, including the selection of the EQ reviewer. | | | Yes | Section VI - Engagement Performance - I, J | The firm's criteria include the following: All financial statements get an independent review from a member of the QC team (Randy Dummer, Daniel Sheets, Brittany Carman, Brock Oliver [GAS], or Ted Bruno [GAS]. -An engagement quality review is required by law or regulation. [specified response par. 35f] -An engagement for which the undue influence threat may exist (e.g., an engagement that represents over 10% of the firm's A&A practice) |
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| EP QO-3 Engagement teams exercise appropriate professional judgment and, when applicable to the type of engagement, maintain professional skepticism. (Ref: par. A82) | | | | | | | |
| Quality Objective # | Quality Risk # | Quality Risks: Engagement Performance | Likelihood | Impact | Risk | Response # | Quality response (policy or procedure) |
| EP QO-3 | EP QRi-3 | Engagement teams do not exercise appropriate professional judgment and, when applicable to the type of engagement, do not maintain professional skepticism | | | Yes | Section VI - Engagement Performance (All) | Policy: Firm leaders set a tone that addresses the importance and understanding of exercising professional judgment and professional skepticism. |

| EP QO-3 | EP Qri-3 | Engagement teams do not exercise appropriate professional judgment and, when applicable to the type of engagement, do not maintain professional skepticism | | | Yes | Section VI - Engagement Performance (All) | All attest engagements undergo multiple levels of review, including a final review by a member of the QC team (see above) to ensure professional standards have been appropriately followed. |
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| EP QO-4 Consultation on difficult or contentious matters is undertaken and the conclusions agreed are implemented. (Ref: par. A83-A85) | | | | | | | |
| Quality Objective # | Quality Risk # | Quality Risks: Engagement Performance | Likelihood | Impact | Risk | Response # | Quality response (policy or procedure) |
| EP QO-4 | EP QRi-4 | Consultation on difficult or contentious matters is not undertaken or if it is, the conclusions agreed are not implemented. | | | Yes | Section VI - Engagement Performance (All) | The firm requires sufficiently experienced engagement team members to identify matters for consultation or consideration during the engagement. |
| EP QO-4 | EP QRi-4 | Consultation on difficult or contentious matters is not undertaken or if it is, the conclusions agreed are not implemented. | | | Yes | Section VI - Engagement Performance (All) | All attest engagements undergo multiple levels of review, including a final review by a member of the QC team (see above) to ensure professional standards have been appropriately followed. |
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| EP QO-5 Differences of opinion within the engagement team, or between the engagement team and the engagement quality reviewer or individuals performing activities within the firm's system of quality management are brought to the attention of the firm and resolved. (Ref: par. A86) | | | | | | | |
| Quality Objective # | Quality Risk # | Quality Risks: Engagement Performance | Likelihood | Impact | Risk | Response # | Quality response (policy or procedure) |
| EP QO-5 | EP QRi-5 | Differences of opinion within the engagement team, or between the engagement team and the engagement quality reviewer or individuals performing activities within the firm's system of quality management, are not brought to the attention of the firm or if they are, they are not resolved. | | | Yes | Section VI - Engagement Performance - H | The firm follows procedures for consultation in resolving differences within an engagement team. If further action is necessary, the engagement partner, and the quality management partner, and the firm's executive committee, if necessary, resolve the differences. |
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| EP QO-6 Engagement documentation is assembled on a timely basis after the date of the engagement report, and is appropriately maintained and retained to meet the needs of the firm and comply with law, regulation, relevant ethical requirements, or professional standards. (Ref: par. A87-A89) | | | | | | | |
| Quality Objective # | Quality Risk # | Quality Risks: Engagement Performance | Likelihood | Impact | Risk | Response # | Quality response (policy or procedure) |
| EP QO-6 | EP QRi-6 | Engagement documentation is not assembled on a timely basis after the date of the engagement report or is not appropriately maintained and retained to meet the needs of the firm and comply with law, regulation, relevant ethical requirements, or professional standards. | | | Yes | Section VI - Engagement Performance - F | Final engagement files are assembled by the earlier of time limits required by professional standards and applicable regulatory requirements, if any, or 60 days from the report release date. A weekly lockdown report is run and distributed to the A&A staff to help ensure compliance with this requirement. |
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| I&C QO-1 | | The information system identifies, captures, processes and maintains relevant and reliable information that supports the system of quality management, whether from internal or external sources. | | | | | |
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| Quality Objective # | Quality Risk # | Quality Risks: Information and Communication | Likelihood | Impact | Risk | Response # | Quality response (policy or procedure) |
| I&C QO-1 | I&C QRI-1 | The information system does not identify, capture, process or maintain relevant and reliable information that supports the system of quality management, whether from internal or external sources. | | | Yes | Section VII - Informationi and Communication (All) | Those charged with operational, compliance with independence requirements, and monitoring and remediation functions over the firm's system of quality management have a direct line of communication to the Managing Partner. [QM 10.23] |
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| I&C QO-2 | | The culture of the firm recognizes and reinforces the responsibility of personnel to exchange information with the firm and with one another. | | | | | |
| Quality Objective # | Quality Risk # | Quality Risks: Information and Communication | Likelihood | Impact | Risk | Response # | Quality response (policy or procedure) |
| I&C QO-2 | I&C QRI-17 | The culture of the firm does not recognize nor reinforce the responsibility of personnel to exchange information with the firm and with one another. | | | Yes | Section VII - Informationi and Communication - 1 | Leadership promotes a culture where, although there may be customary channels of communication, collaboration and open communication are encouraged. |
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| I&C QO-3 | | Relevant and reliable information is exchanged throughout the firm and with engagement teams, including the following: (Ref: par. A120) i. Information is communicated to personnel and engagement teams, and the nature, timing, and extent of the information is sufficient to enable them to understand and carry out their responsibilities relating to performing activities within the system of quality management or engagements. ii. Personnel and engagement teams communicate information to the firm when performing activities within the system of quality management or engagements. | | | | | |
| Quality Objective # | Quality Risk # | Quality Risks: Information and Communication | Likelihood | Impact | Risk | Response # | Quality response (policy or procedure) |
| I&C QO-3 | I&C QRI-29 | Unreliable information is exchanged throughout the firm and with engagement teams. | | | Yes | Section VII - Informationi and Communication - 2 | The firm has established communication channels to facilitate communication across the firm. This is done through Teams messaging, e-mails to the firm or specific teams within the firm, at partner and staff meetings, and other informal channels. |
| I&C QO-3 | I&C QRI-30 | Relevant and reliable information is not exchanged throughout the firm and with engagement teams. The nature, timing and extent of the information is not sufficient to enable them to understand and carry out their responsibilities relating to performing activities within the system of quality management or engagements. | | | Yes | Section VII - Informationi and Communication (All) | When leadership becomes aware of information that impacts specific engagement teams, they alert the engagement partner to communicate the information to the rest of the engagement team. |
| I&C QO-3 | I&C QRI-31 | Personnel and engagement teams do not communicate information to the firm when performing activities within the system of quality management or engagements. | | | Yes | Section VII - Informationi and Communication (All) | Engagement teams communicate information about the operation of firm's responses (for example, concerns about the firm's process for assigning personnel to engagements). |
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| I&C QO-4 Relevant and reliable information is communicated to external parties, including the following: i. Information is communicated by the firm to or within the firm's network or to service providers, if any, enabling the network or service providers to fulfill their responsibilities relating to the network requirements or network services or resources provided by them. (Ref: par. A121) ii. Information is communicated externally when required by law, regulation, or professional standards or to support external parties' understanding of the system of quality management. (Ref: par. A122–A123) | | | | | | | |
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| Quality Objective # | Quality Risk # | Quality Risks: Information and Communication | Likelihood | Impact | Risk | Response # | Quality response (policy or procedure) |
| I&C QO-4 | I&C QRI-51 | Relevant and reliable information is not communicated to external parties. | | | Yes | Section VII - Informationi and Communication - 3 | Policy – The firm shares information about the firm's system of QM externally only after the QM partner has reviewed for accuracy, relevance, and that sharing does not breach confidentiality requirements. |
| I&C QO-4 | I&C QRI-52 | Information is not communicated by the firm to or within the firm's network, preventing the network from fulfilling their responsibilities relating to the network requirements or network services or resources provided by them. | | | Yes | Section VII - Informationi and Communication (All) | The firm communicates information to service providers, or network firms, necessary for them to fulfill their responsibilities. |
| I&C QO-4 | I&C QRI-53 | Information is not communicated externally when required by law, regulation, or professional standards, or to support external parties' understanding of the system of quality management. | | | Yes | Section VII - Informationi and Communication - 3 | Policy: The firm communicates information about our system of QM as prescribed by our policies and procedures with the following external parties, if requested: -management or those charged with governance of a potential new client, -external oversight authorities, -group auditors, or -other users of our firm engagement reports |
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