

USAID/Nigeria Audit Firm Assessment Questionnaire

Firms interested in being shortlisted for potential audit engagements of USAID/Nigeria funded activities must return the completed questionnaire that follows as well as providing supporting documents where applicable not later than Wednesday, December 18th, 2019 to abujaaudit@usaid.gov. USAID/Nigeria will treat all information received as confidential and proprietary.

The purpose of the questionnaire is to obtain information about the quality control policies and procedures of interested audit firms. This questionnaire follows the elements detailed in the International Standard on Quality Control 1 (ISQC 1). For each element, firms should submit a narrative description in clear and concise wording of their firms' relevant quality control policies and procedures. Using the attached pdf questionnaire, firms are required to enter their responses to each of the following elements:

1. Leadership responsibilities for quality within the firm
2. Ethical requirements
3. Acceptance and continuation of client relationships and specific engagements
4. Human resources
5. Engagement performance
6. Monitoring

An audit firm that believes that an aspect of the questionnaire is not applicable to it should explain its reasoning in the space provided for the response.

Audit firm basic information [Section 1 of 9]

Complete name of firm

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Physical street address

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Name of Chief Executive Officer

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Name of Quality Control Partner/Director

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Telephone no

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E-mail address

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Website:

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Years in operation

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Cities in which the firm has offices

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General history of audit firm

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Country or countries where audit work is provided

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Is the audit firm part of a global network of audit firms? (yes/no)

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If yes, what global network?

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Please provide network agreement.

Is the audit firm part of the country's public accounting organization (PAO)? (yes/no)

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If yes, which PAO?

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What is the type of membership? (Member, associate, other)

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Please provide PAO agreement.

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1. English language [Section 2 of 9]

Describe your experience with writing audit reports and workpapers in English. (text answer)

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Provide the name of the audits reports performed in English, the date of the reports, and the amounts audited in the last three years. At least five major reports. (text answer)

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2. Leadership responsibilities [Section 3 of 9]: Leadership demonstrates responsibility for the firm's system of quality control.

Describe your firm's internal quality control system and explain how your internal control system meets professional standards. (text answer)

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Provide the quality objectives established by the audit firm leadership. (text answer)

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Explain how the audit firm identifies and assesses risk to achieve the audit firm's quality objectives. (text answer)

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Describe how your audit firm designs and implements responses to address the assessed quality risks. (text answer)

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Describe how leadership in your audit firm promotes a quality-oriented internal culture, including the decision-making process, actions, and organization structure. (text answer)

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Explain how the internal culture ensures compliance with professional standards and legal and regulatory requirements. (text answer)

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Provide the title and describe the role in the audit firm for the person(s) responsible for compliance with individual requirements of client's funding. (text answer)

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Please include policies and procedures for quality control system, including policies related to performance evaluation, compensation, and promotion related to demonstrating a commitment to quality control.

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Please include any supporting documents demonstrating and communicating the quality control system, such as training documents or newsletters.

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3. Ethical requirements [Section 4 of 9]

Reasonable assurance of personnel compliance with the International Code of Ethics for Professional Accountants (the Code) issued by the International Ethics Standard Board for Accountants (IESBA).

Describe the firm's ethical requirements and explain how they meet professional standards. (text answer)

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Describe how the firm's compliance to the Code of Ethics is measured and documented. (text answer)

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Describe the audit firm's process for dealing with non-compliance with ethical requirements, including independence violation committed by auditors. (text answer)

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Describe how your firm identifies, evaluates, and addresses threats to compliance with the International Independence Standards. (text answer)

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Please include the firm's policies and procedures related to the ethical requirements.

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4. Acceptance and continuance of client relationships [Section 5 of 9]
Policies and procedures related to COMPETENCY when ACCEPTING engagements and CONTINUANCE of client relationships.

4.1 Acceptance of Client Relationship:

Describe your firm's experience conducting audits following the U.S. Generally Accepted Government Auditing Standards. (text answer)

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Describe your firm's experience conducting audits following International Standards of Auditing issued by the International Federation of Accountants (IFAC). (text answer)

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Describe how your firm ensures the audit work will be completed in a timely manner. (text answer)

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Please include policies and procedures related to the acceptance of clients.

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Please include any documents demonstrating the firm's determination of competence, capability, or resources when accepting a client's engagement.

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4.2 Continuance of Client Relationship:

Describe policies and procedures that ensure your audit firm has sufficient competence, capabilities, and resources for the continuance of client engagements and explain how this meets professional standards. (text answer)

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Describe other services provided to clients in addition to audit engagements and any policies related to non-audit work for audit clients. (text answer)

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Explain how your audit firm's policies related to continued client engagements meet professional standards. (text answer)

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Upload policies and procedures that demonstrate the firm’s system in place to determine that there exists competency, capability, and resources to continue a client’s engagement. (Upload file)

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5.1 Human Resources [Section 6 of 9] Policies and procedures related to personnel capabilities, continuing professional education and professional licensing.

Provide count of audit staff by position, certification, and education level. (text answer)

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Describe your audit firm’s recruitment strategies and any training programs to develop personnel competence. (text answer)

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Describe your audit firm’s system of evaluating personnel. (text answer)

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Describe your audit firm’s policies and procedures on personnel competence, capabilities, and commitment to professional ethics and explain how they meet professional standards. (text answer)

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Please include policies and procedures on personnel competence, capabilities, and commitment to professional ethics.

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5.2 Continuing professional education (CPE) and development for audit staff.

Describe your audit firm's CPE requirements and explain how it meets professional standards. (text answer)

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Please include documents demonstrating your audit firm's CPE program and monitoring process.

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5.3 Professional Licensing

Describe your audit firm's requirements for professional audit licensing and explain how it meets professional standards. (text answer)

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Please include policies related to requiring professional audit licensing and documents demonstrating monitoring and maintaining proper records to ensure required licensing is met.

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6. Engagement Performance [Section 7 of 9] Policies and procedures that ensure high quality engagements.

6.1 High quality engagements

Describe your understanding of the work to be performed under the USAID audit requirements. (text answer)

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Describe your understanding of the reports required under USAID audit requirements. (text answer)

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Describe policies and procedures related to the supervision of the team during an engagement and explain how the policies meet professional standards. (text answer)

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Please include policies and procedures related to the supervision from engagement partners with the team during an engagement.

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Please provide the report from the most recent external engagement quality control reviewer, such as a peer review from another independent audit firm, audit regulatory body or public accounting organization.

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Provide the status of any findings or recommendations from most recent external engagement quality control reviewer. (text answer)

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6.2 Timeliness of completing engagement and report.

Describe your audit firm process for setting out the nature, timing, and extent of an engagement quality control review and explain how the process ensures the completion of a timely audit report. (text answer)

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How are quality risks identified, assessed, and addressed during an audit in process? (text answer)

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Please include policies and procedures related to the estimation and tracking of engagement quality control reviews and audit deadlines.

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7. Monitoring [Section 8 of 9]

7.1 Monitoring process of quality control

Describe your audit firm's internal ongoing audit monitoring process and explain how it meets professional standards. (text answer)

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Describe your audit firm's internal periodic monitoring process and explain how it meets professional standards. (text answer)

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Provide the title and role of the personnel responsible for the ongoing and periodic monitoring. (text answer)

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Please include policies and procedures on monitoring the quality control system.

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Please include any documents that demonstrate quality control inspections.

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7.2 Quality control deficiencies

Describe policies and procedures for responding to deficiencies discovered and explain how it meets professional standards. (text answer)

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Describe your audit firm's process for responding to findings arising from the quality control system monitoring. (text answer)

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Explain how your audit firm would investigate the root cause of identified deficiencies and evaluate the severity and pervasiveness of the identified deficiencies. (text answer)

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Please include documents, policies, and procedures that demonstrate deficiencies discovered from the monitoring process are noted, evaluated, communicated, and appropriate action is taken.

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Supporting documents to submit if applicable:

- a) Please provide network agreement
- b) Please include policies and procedures for quality control system, including policies related to performance evaluation, compensation, and promotion related to demonstrating a commitment to quality control.
- c) Please include any supporting documents demonstrating and communicating the quality control system, such as training documents or newsletters.
- d) Please include the firm's policies and procedures related to the ethical requirements.
- e) Please include policies and procedures related to the acceptance of clients.
- f) Please include any documents demonstrating the firm's determination of competence, capability, or resources when accepting a client's engagement.
- g) Please include policies and procedures on personnel competence, capabilities, and commitment to professional ethics.
- h) Please include documents demonstrating your audit firm's CPE program and monitoring process.
- i) Please include policies related to requiring professional audit licensing and documents demonstrating monitoring and maintaining proper records to ensure required licensing is met.
- j) Please include policies and procedures related to the supervision from engagement partners with the team during an engagement.
- k) Please provide the report from the most recent external engagement quality control reviewer, such as a peer review from another independent audit firm, audit regulatory body or public accounting organization.
- l) Please include policies and procedures related to the estimation and tracking of engagement quality control reviews and audit deadlines.

- m) Please include policies and procedures on monitoring the quality control system.
- n) Please include any documents that demonstrate quality control inspections.
- o) Please include documents, policies, and procedures that demonstrate deficiencies discovered from the monitoring process are noted, evaluated, communicated, and appropriate action is taken.