

FIRST-TIME IMPLEMENTATION GUIDE FOR ISQM 1 UPDATED AND REISSUED

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The International Auditing and Assurance Standards Board (IAASB) today released an updated version of the [First-time Implementation Guide for International Standard on Quality Management \(ISQM\) 1, *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*](#), which was previously issued on June 14, 2021.

The update was made in response to questions the IAASB received on the illustrative table on page 89 of the original guide illustrating some scenarios relating to the evaluation of the firm's system of quality management and related possible conclusions in accordance with paragraph 54 of ISQM 1. The table was intended to illustrate how the combination of various factors outlined in the table may affect what conclusion is reached. It was not intended to be definitive on the conclusions reached in each circumstance.

Given a number of questions from various sources about how to interpret the table, the following revisions were made to provide further context and clarification when evaluating the system of quality management:

- The section "How the Evaluation is Undertaken, Including What Information is Considered" (pages 89–92) was revised.
- Limited conforming changes were made to the section "Evaluate the Remedial Actions, and if Necessary, Take Further Action" (page 79).

The [suite of quality management standards](#) come into effect on December 15, 2022. This guide, and the [first-time implementation guide for ISQM 2](#), do not amend or override the International Standards on Quality Management, the texts of which alone are authoritative. Reading the publications are not a substitute for reading the ISQMs. The IAASB encourages all practitioners to plan early for appropriate implementation, given the potential impact of the changes to firms' systems of quality management.