Quality: worked answers

Question 1 - Reasoning and acceptable responses

1A - Identify the practice

APES 320 applies to the stated non-assurance practice. Tax and compilation services, with no audit, review or other assurance work, are the deciding facts. For assurance practices identify ASQM 1, relevant ASQM 2 requirements and ASA 220 for audit engagements as applicable. Agreed-upon procedures do not themselves provide assurance. If a firm performs no audits, reviews or other assurance engagements, APES 320 applies to engagement quality management.

1B - Correct work and repair the system

Establish what happened, identify affected schedules and arrange appropriate review, correction and communication. Examine reviewer capacity, workload allocation, supervision and whether required controls operated. A reminder to be careful does not repair inadequate resources. Make responsibility and review arrangements workable, then monitor completed work and follow up deficiencies. Other practical responses are reasonable when they address the stated cause and test their effectiveness.

1C - Separate the issues fairly

A competitor charging less does not by itself establish a professional breach. An ordinary fee-size dispute is commercial. Evidence suggesting fabricated time records raises a possible dishonesty/professional-obligations issue that may fall within professional discipline. Obtain documents and the member's response, investigate impartially and determine whether there is a case to answer through the proper process. A complaint or suspicious record is not proof of every allegation.

Fairness matters

Procedural fairness, confidentiality, independence and appeal rights support credible discipline. Professional discipline does not replace legal processes or promise compensation.

Technical basis: Module 1 > 1.9 > Accounting Firm Regulation pp21-22; Professional Discipline and Penalties and Appeals pp23-25. Original imagined application.