

## DESIGN - SETUP

The following describes the functionality and features included in SQM.

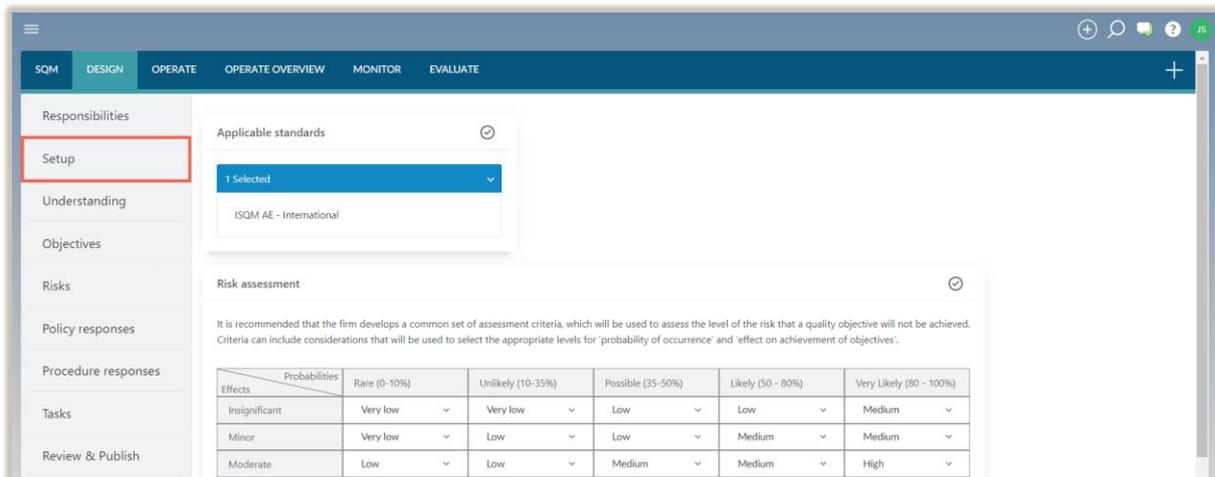
### Objective

The objective of this page in SQM is to

- select the firm's applicable standard(s); and
- set up the firm's risk matrix.

### Page position

SETUP can be found in the DESIGN module.



### Page content

This page includes two sections:

- Applicable standards.
- Risk assessment

#### 1. Applicable standards

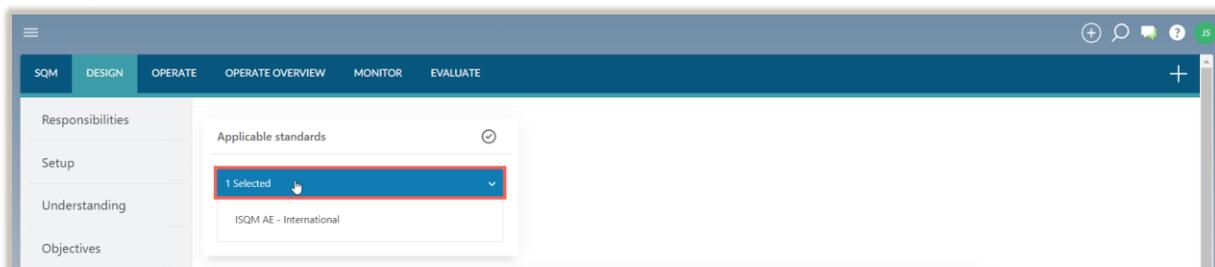
This section includes a menu where you select the quality management standard applicable to your firm.

If the system is set up for a network firm, which will distribute a network-wide selection of objectives, risks, policies, procedures, tasks and monitoring activities, then all relevant standards must be selected here.

The default selected standard is ISQM AE – International.

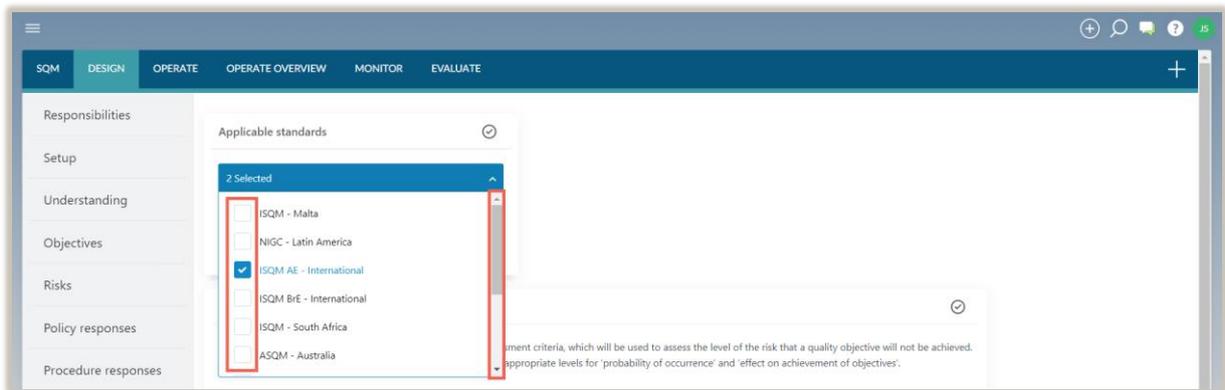
At least one standard must be always selected.

To change the firm's selected standard, click on 'selected'.

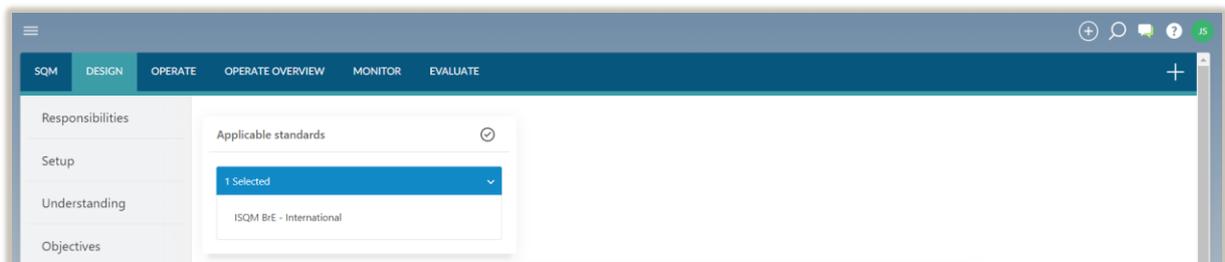
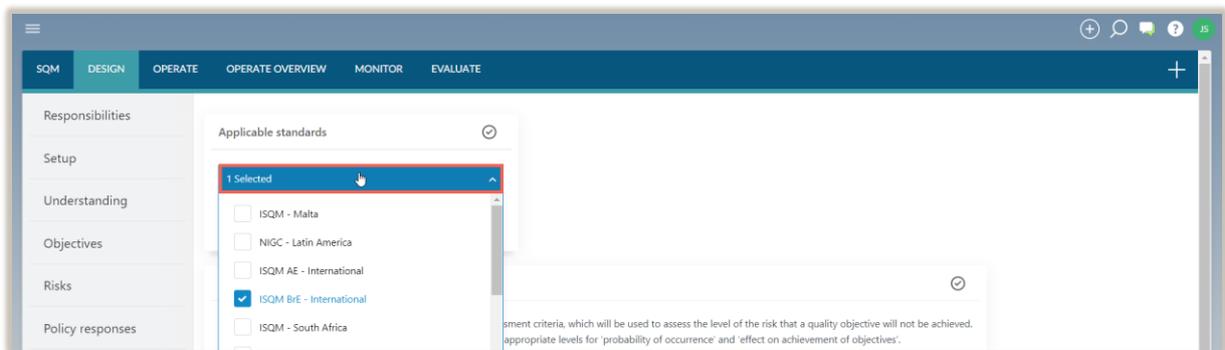


The menu will appear to make the relevant changes:

- Scroll up and down to view the available standards;
- Select the relevant standard(s) for the firm (or network); and
- Deselect the standard(s) that are selected, but which are not relevant to the firm (or network).



When the correct selection is made, click on the blue header 'selected' to close the menu and to reflect the selected applicable standard(s).



## 2. Risk assessment

Risk assessment comprises of two parts:

- Risk assessment matrix, which is where the firm sets the results of the risk assessment process; and
- Risk thresholds, which is where the firm sets the level of response required for the different risk assessment results.

**IMPORTANT:** It is recommended that the firm develops a common set of assessment criteria, which will be used to assess the level of the risk that a quality objective will not be achieved. Criteria can include considerations that will be used to select the appropriate levels for 'probability of occurrence' and the 'effect on achievement of objectives'.

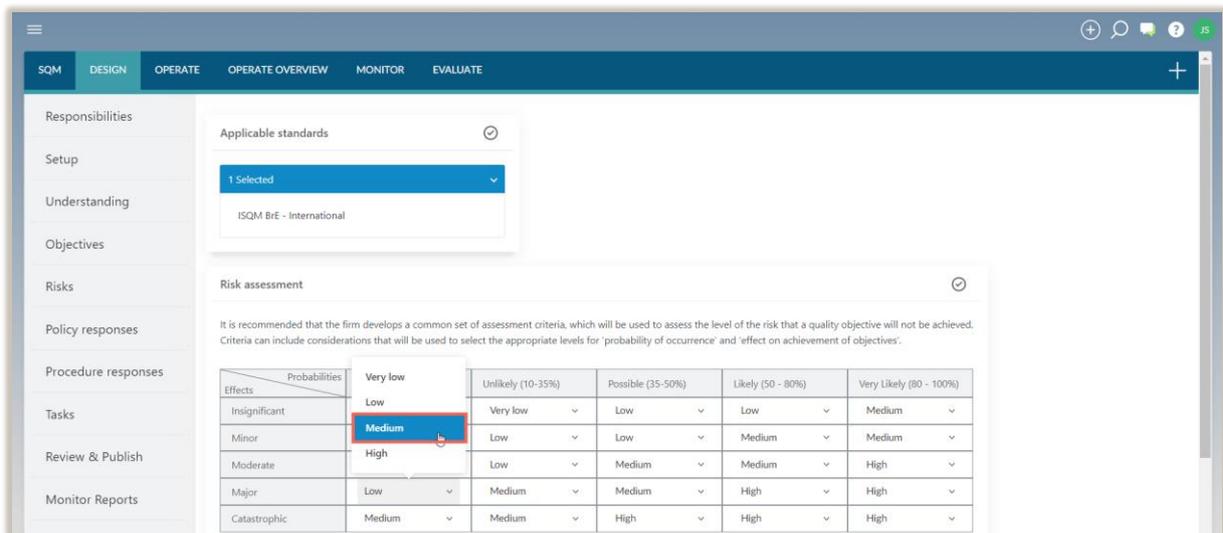
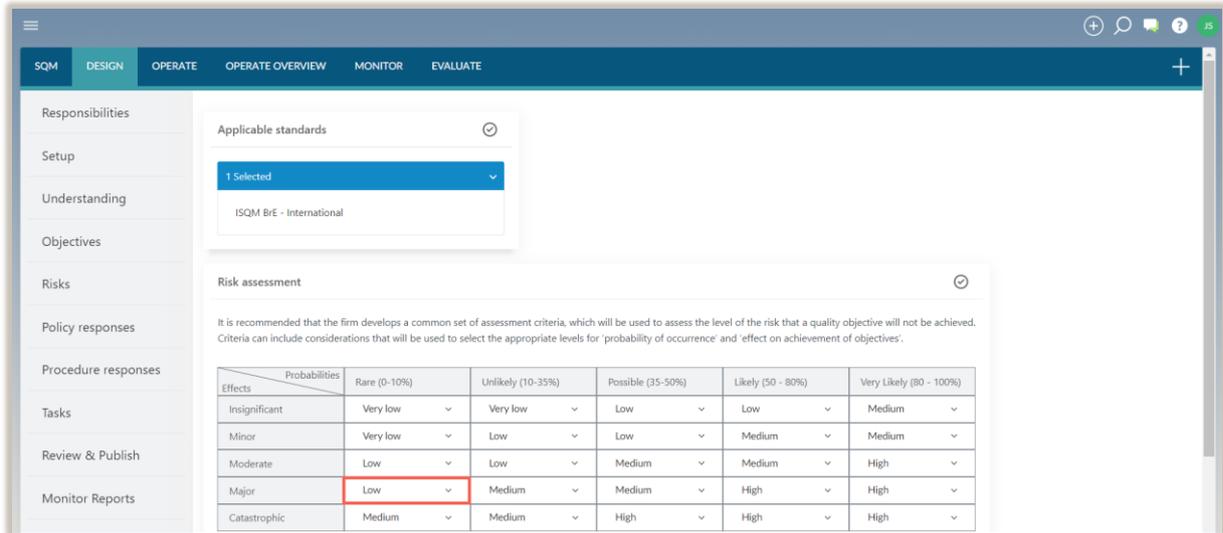
### RISK ASSESSMENT MATRIX

When recording and assessing possible quality risks, the firm will assess the 'probability of occurrence' and the 'effect that the risks will have on the achievement of the quality objectives'.

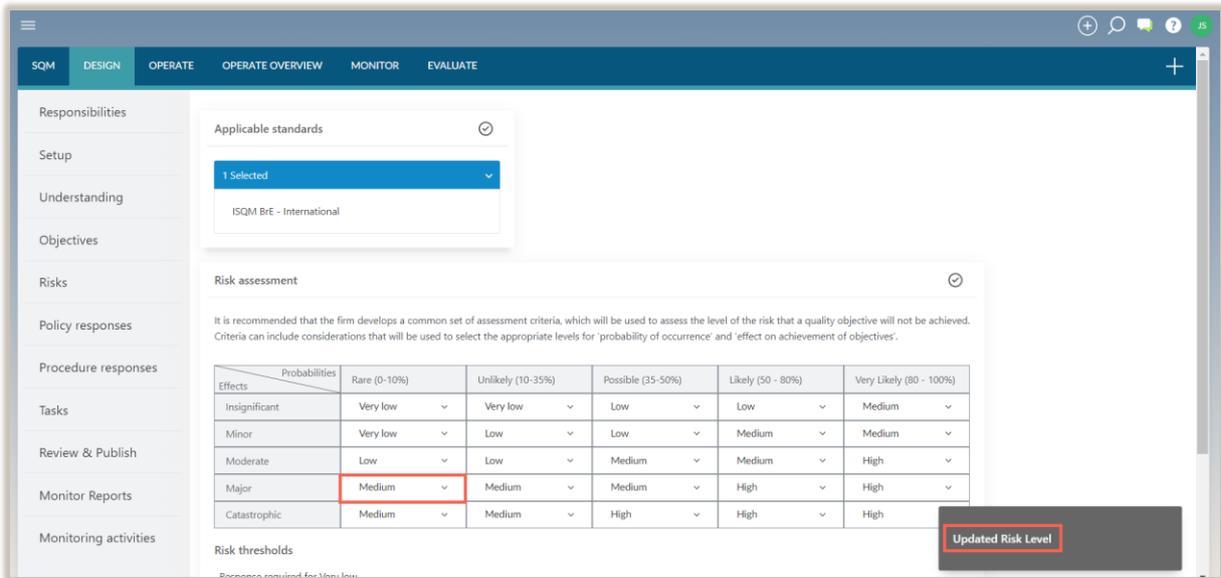
The SQM risk assessment matrix provides the firm with 5 options for each of these inputs, with a resulting 25 possible assessed risk results.

In setting up the risk assessment matrix, the firm records the assessed risk result for each of these 25 possibilities which ensures a consistent risk assessment result is achieved for all risks with the same assessed inputs across all the different scenarios.

To amend the default risk assessment results, select the menu for a result and select the firm's desired result.

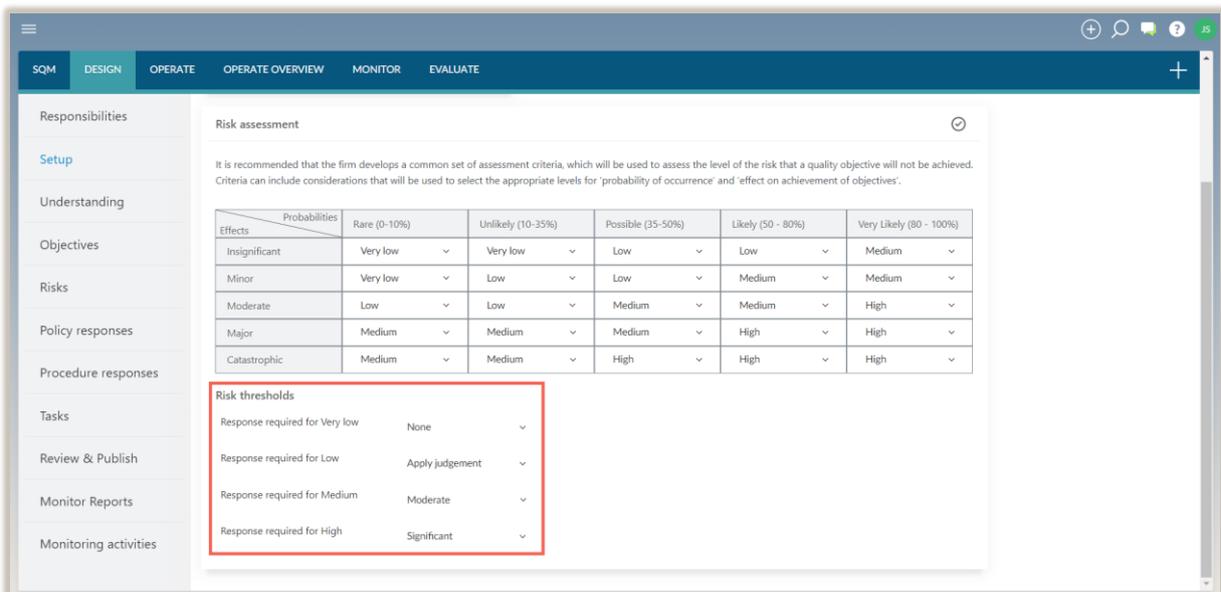


The amended risk result will reflect in the table and a toast on the bottom right corner will confirm that the change has been made.



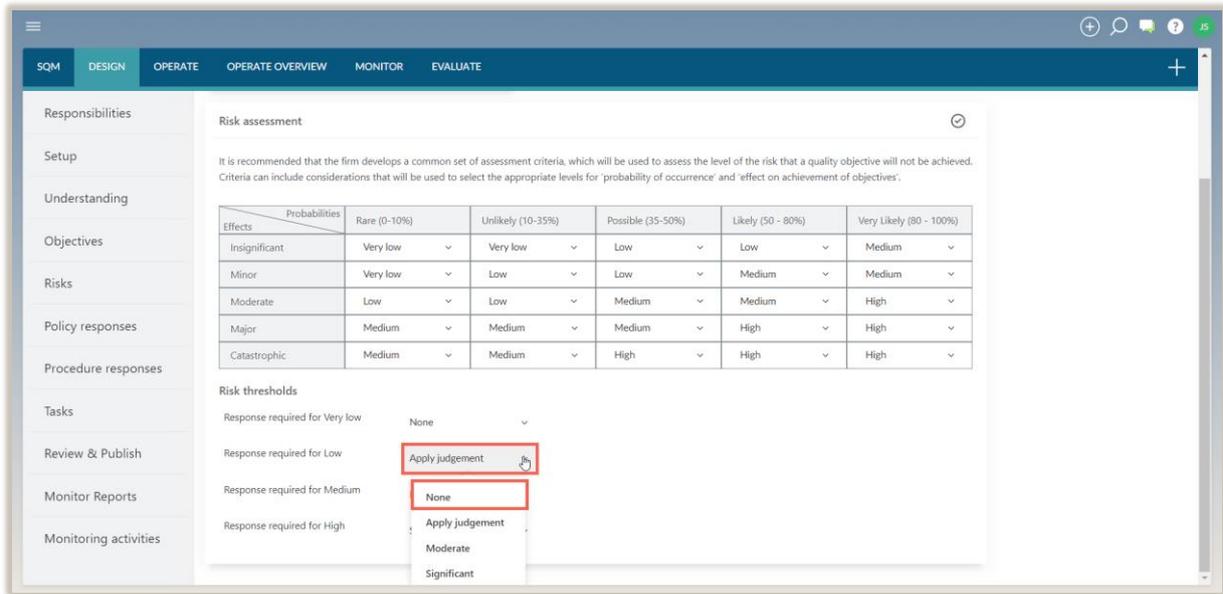
## RISK THRESHOLDS

Risk thresholds is the space where the firm determines what level of response is required for each of the levels of assessed risk.

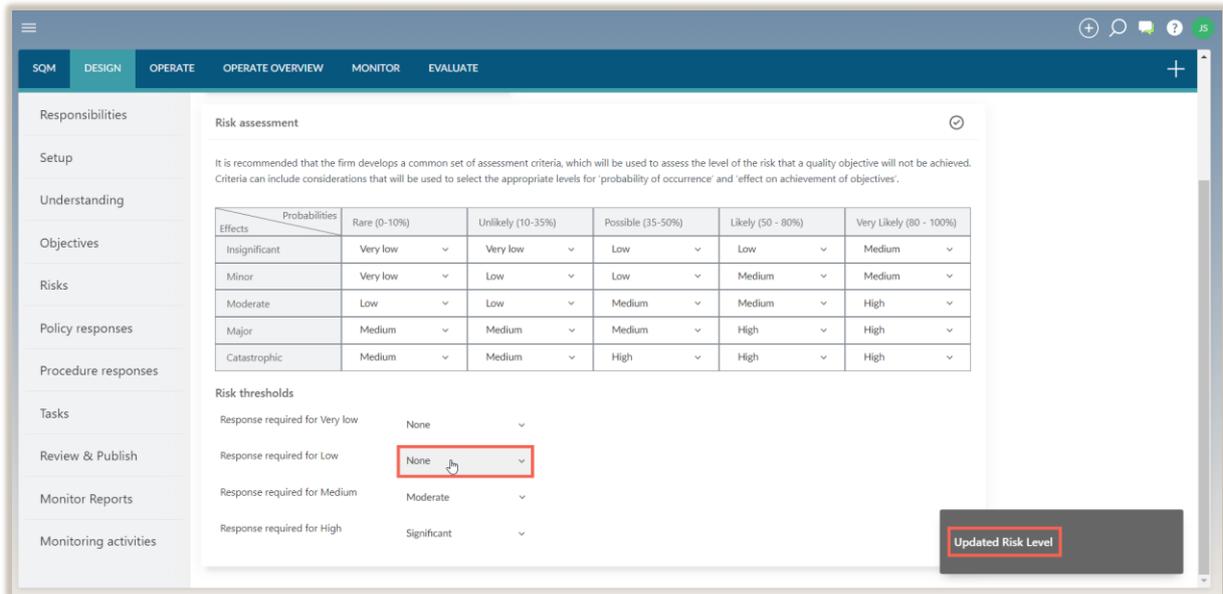


- None: When the firm determines that a specific risk result is not considered to be a quality risk, the firm indicates that no response is required for that risk result;
- Apply judgement: When the firm determines that a specific risk result will not always require a response, the firm can indicate that judgement will be applied in determining if a response will be required (and what level of response).  
When recording the risk assessment for a specific risk, the firm will then be required to document their judgement in assessing the required response;
- Moderate: When the firm determines that a risk result indicates a quality risk, the firm can determine that a moderate response will sufficiently address the assessed risk; and
- Significant: When the firm determines that a risk result indicates a sufficiently high quality risk, the firm can determine that a significant response is required, therefore sufficient response to address a high level quality risk.

To edit the risk thresholds, select the menu for an assessed level of risk and select the firm's desired response level.

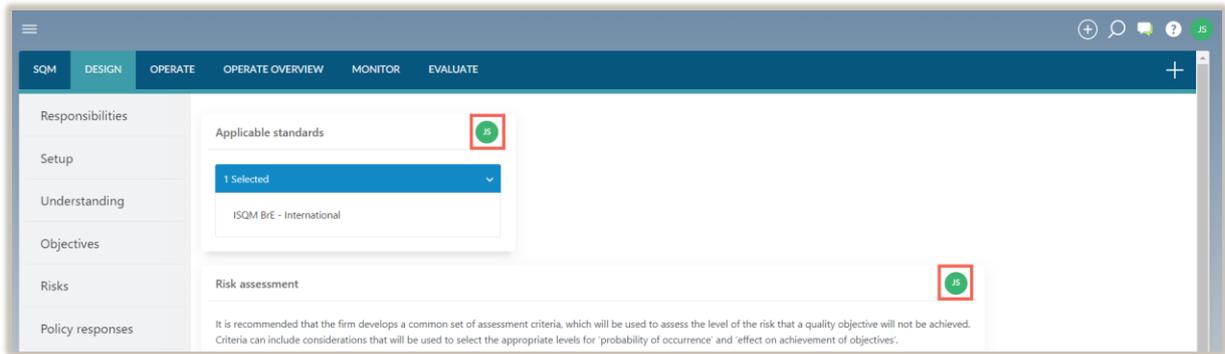


The amended risk thresholds will reflect in the table and a toast on the bottom right corner will confirm that the change has been made.



### 3. Sign-offs and approvals

The applicable standards and risk assessment sections must be finalised and signed off as 'prepared by' before continuing with the rest of the design of the firm's system of quality management.



### **EDITABLE APPLICABLE STANDARDS AND RISK ASSESSMENT**

After signing off the 'applicable standards' and 'risk assessment' sections as 'prepared by', changes can only be made after removing the sign-off.

### **Page Outcomes**

After completing the sections on this page:

- The applicable standards and libraries will show;
- The firm's risk matrix will be tailored; and
- The prompts to respond to risks will be appropriate to your firm.

### **Features**

The following features are available on this page:

- Sign-off as accept, review or prepared by, see page XXX
- Add a new item, see page XXX