MONITOR - MONITORING ACTIVITIES

The following describes the functionality and features included in SQM.

Objective

The objective of this page in SQM is to record the firm's monitoring activities.
Monitoring activities are the procedures that will be performed to monitor that the firm's system of quality management is designed, implemented and operating as required by the relevant standards.

Page position

MONITORING ACTIVITIES can be found in the MONITOR module.
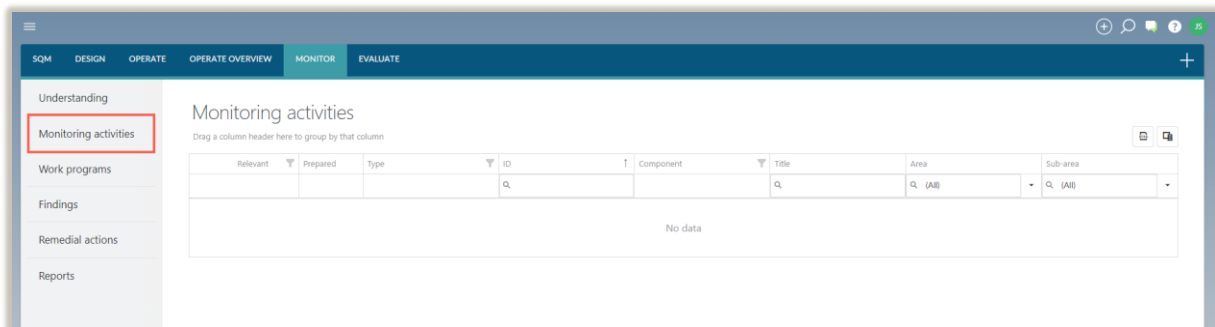
Page content

This page includes a table that contains the following types of monitoring activities:
- Network monitoring activities: these monitoring activities are prescribed by the firm's network firm, where relevant. The network firm will distribute the prescribed monitoring activities, which are then imported in SETTINGS. The firm must consider if they are relevant to the firm.
- Firm monitoring activities: these monitoring activities are recorded by the firm and are in addition to the network monitoring activities.
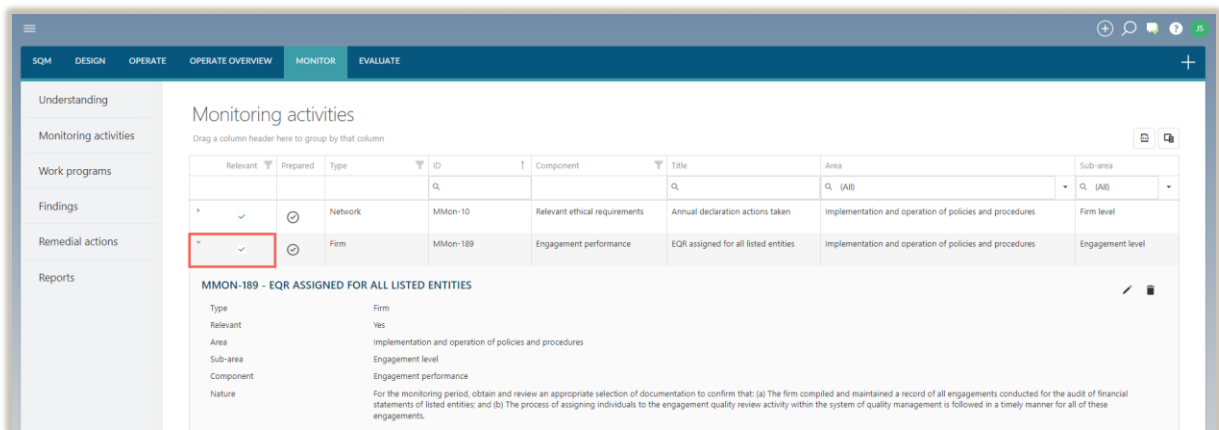
1. Edit monitoring activity

Monitoring activities included in the table can only be edited in 'draft' status.
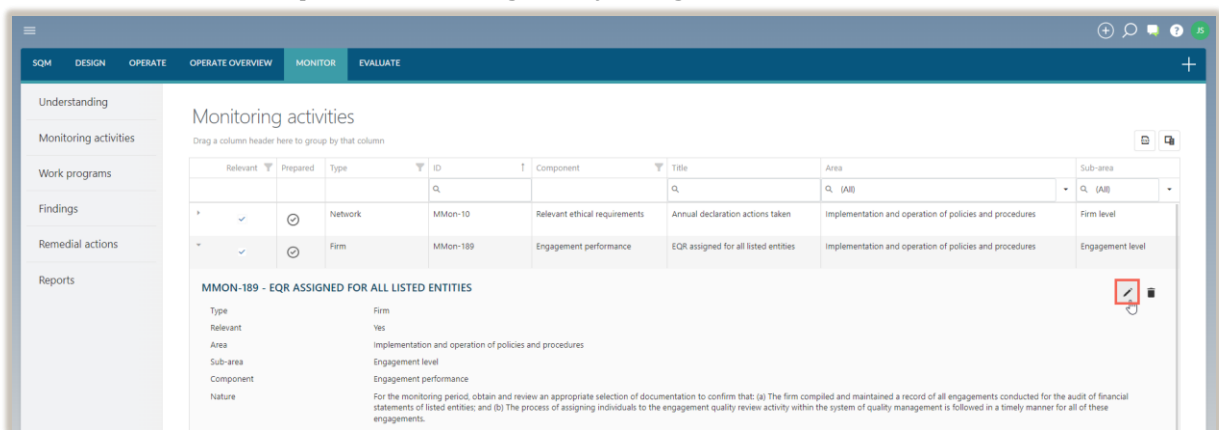If a monitoring activity has already been signed off as 'prepared', the sign-off must be removed before the monitoring activity can be edited.
To edit a monitoring activity already in the table, click on the 'expand' button to show the record of the monitoring activity.
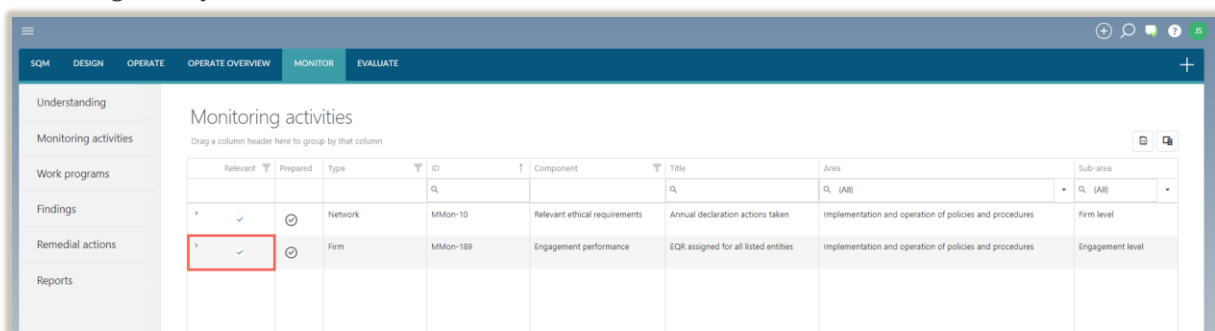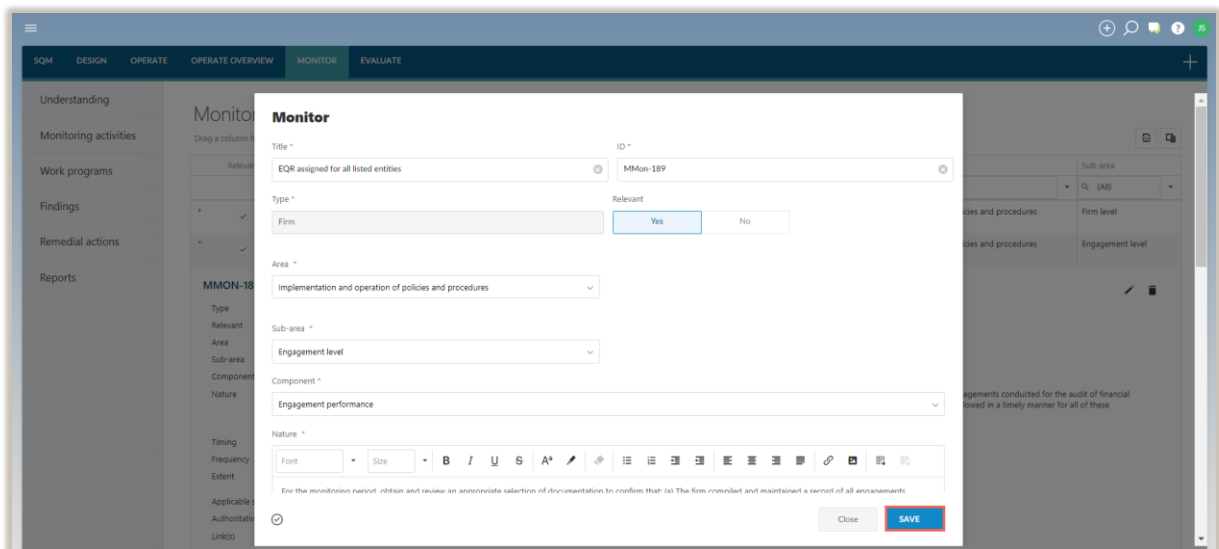
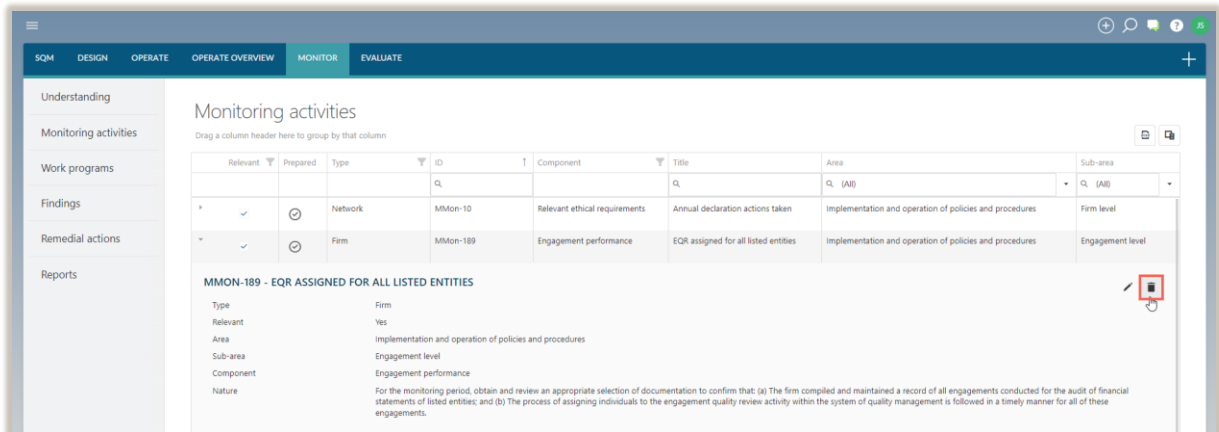Select the 'edit' button to open the monitoring activity dialog.

The content of the monitoring activity is then edited as needed and the changes saved by clicking on the 'save' button.

2. Delete monitoring activity

Monitoring activities can be deleted by expanding the monitoring activities and selecting the 'delete' button.

If a monitoring activity has been signed off as 'prepared', the sign-off must be removed before the monitoring activity can be deleted.

Note that network monitoring activities cannot be deleted.
If the monitoring activity does not apply to a firm, it will be marked as 'not relevant' only.
These monitoring activities are therefore not available for inclusion in the monitoring work program.

3. Sign-offs and approvals

Only monitoring activities selected as 'relevant' and signed off as 'prepared' will be considered finalised and therefore included in the list of available monitoring activities to include in the monitoring work programs.

Every relevant monitoring activity must therefore be signed off as 'prepared' once finalised.
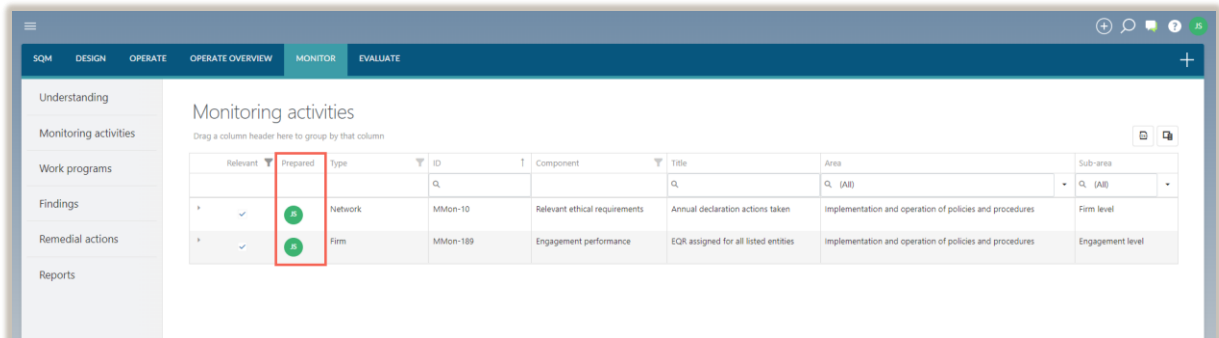
4. Complete monitoring activity

The monitoring activity dialog can be completed by either adding a new monitoring activity or by editing a monitoring activity from the list of monitoring activities already included in the table.

When completing a network monitoring activity, some of the fields will be pre-populated and cannot be edited.

The monitoring activity dialog contains the following fields to be completed:

FIELD	INPUT REQUIRED
Title	The short title for this monitoring activity. The title is visible in tables and when selecting items from libraries. It should therefore be concise but clearly indicate what the monitoring activity is.
ID	The unique identification number for this monitoring activity.
Type	No input required. This field is automatically completed based on the process that was followed to include the monitoring activity.
Relevant	Select either 'yes' or 'no'. The default is 'yes', to indicate that the monitoring activity is relevant to the firm.
Reason for not relevant	This field appears when the firm has indicated that the monitoring activity is not relevant to the firm. It is a compulsory field.
Area	Select the relevant area that the monitoring activity relates to. Options include: • Responsibilities; • Compliance with applicable quality standards; • Risk assessment process; • Implementation and operation of policies and procedures; • Monitoring and remediation process; and • Evaluation
Sub-area	This field appears when the area selected is 'Implementation and operation of policies and procedures'. Select 'Firm level' and/or 'Engagement level' to indicate the level at which the policies or procedures are implemented. When developing monitoring work programs, this indication will assist in identifying the relevant monitoring activities to be included for the monitoring work programs at firm and engagement levels respectively.
Component	Select the relevant component of the firm's system of quality management that this monitoring activity relates to. Options include: • Acceptance and continuance of client relationships and specific engagements; • Engagement performance; • Governance and leadership; • Information and communication; • Relevant ethical requirements; and • Resources.
Nature	Include the wording of the monitoring activity. When a monitoring activity is selected from the library, the firm will edit the monitoring activity to align it with the firm's unique circumstances or the firm's own policy and procedure responses.
Timing	Select the relevant option from the dropdown menu: • Scheduled, means that the execution of the monitoring activity will be performed at specific intervals. • Manual means that the monitoring activity will be performed ad hoc. There will therefore not be any predetermined intervals at which the monitoring activity will be performed. In the case of monitoring the implementation and operation of the firm's policy and procedure responses, the determination of the timing of monitoring activities are often influenced by the timing of the procedure responses.
Frequency	This field appears when the firm has selected the timing of the monitoring activity as 'scheduled'. The result of the 'edit frequency' functionality is reflected in this field.

FIELD	INPUT REQUIRED
Extent	Include information about the extent to which this monitoring activity will be performed. For example, the extent could include 'all audit engagements for listed entities only' or 'inspect the supporting documentation of all matters recorded in the firm's register'.
Applicable standard(s)	Select the standard(s) that the monitoring activity relates to. Where the firm has only selected one applicable standard, then no selection is required.
Authoritative reference(s)	Include authoritative references where relevant.
Link(s)	Include links to documentation elsewhere. Include a name and URL for each linked document. URLs can either be to a document in the Caseware Cloud instance or to another location, such as the firm's SharePoint library.
Note	Include any additional notes or comments.
Linked objectives	Previously recorded quality objectives can be linked to this monitoring activity using the dropdown menu.
Linked policies	Previously recorded policy responses can be linked to this monitoring activity using the dropdown menu.
Linked procedures	Previously recorded procedure responses can be linked to this monitoring activity using the dropdown menu.
Linked risks	Previously recorded risks can be linked to this monitoring activity using the dropdown menu.
Linked tasks	Previously recorded tasks can be linked to this monitoring activity using the dropdown menu.
Effective from	This is an optional field and will be left blank if the monitoring activity will become effective immediately on publishing it to the firm's system of quality management. When a monitoring activity is only effective from a specific date in the future, that effective date is recorded in this field. The monitoring activity can then be recorded and published before the effective date.
Effective to	This is an optional field and will be left blank if the monitoring activity will remain in effect for the foreseeable future. When it is decided that a monitoring activity will no longer be applicable from a specific date, the date on which the monitoring activity will no longer apply to the firm's system of quality management is recorded in this field. The monitoring activity will then be in operation until the 'effective to' date is reached. Note that even though a policy or procedure response may be discontinued at a specific date, the monitoring activity linked to that policy or procedure response may need to continue for a period after that date, to allow the persons performing the monitoring to perform the monitoring activity. This is especially important for monitoring activities that are performed at intervals only.

Fields indicated with a red asterisk (*) indicate fields that must be completed before the monitoring activity can be SAVED.

Fields indicated with a blue asterisk (*) is not required to be completed before the monitoring activity can be SAVED, but must be completed before the monitoring activity can be signed off as 'prepared'.

When the relevant information has been recorded in the monitoring activity, SAVE the information in the dialog.

Page Outcomes

Before continuing with the rest of the monitoring process, the firm should have:
- Considered each network monitoring activity and indicated whether they are relevant or not.
- Recorded any additional monitoring activities that are required to monitor the firm's system of quality management. Each policy and procedure response must have a monitoring activity designed as part of designing the firm's system of quality management.
Note that the firm won't be monitoring every policy or procedure response in each round of monitoring. The selection of monitoring activities per round of monitoring, will be performed as part of designing monitoring work programs.
- Signed off all relevant monitoring activities as 'prepared'.

Features

The following features are available on this page:
- Working with tables, which includes filter, sort, group, column chooser, expand, see page XXX;
- Export all data, see page XXX;
- Sign-off as accept, review or prepared by, see page XXX;
- Include a link/URL, see page XXX; and
- Add a new item, see page XXX.