

# MONITOR - UNDERSTANDING

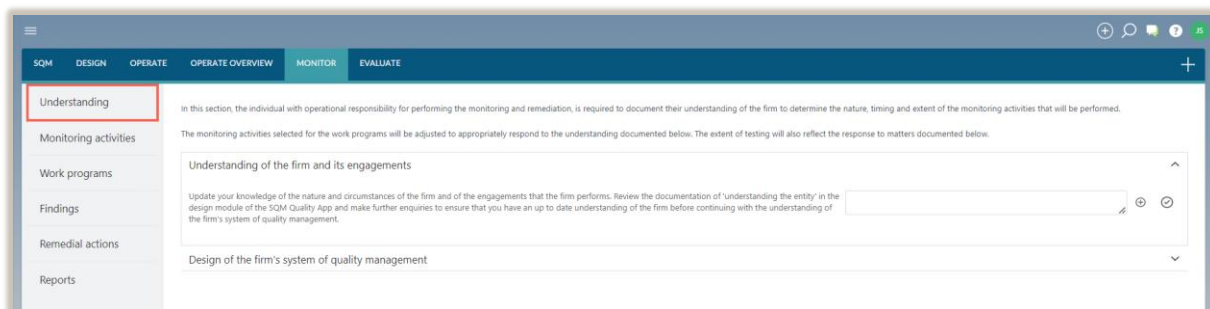
The following describes the functionality and features included in SQM.

## Objective

The objective of this page in SQM is to document an understanding of the firm and its system of quality management in preparation for the monitoring of the firm's system of quality management.

## Page position

UNDERSTANDING can be found in the MONITOR module.



## Page content

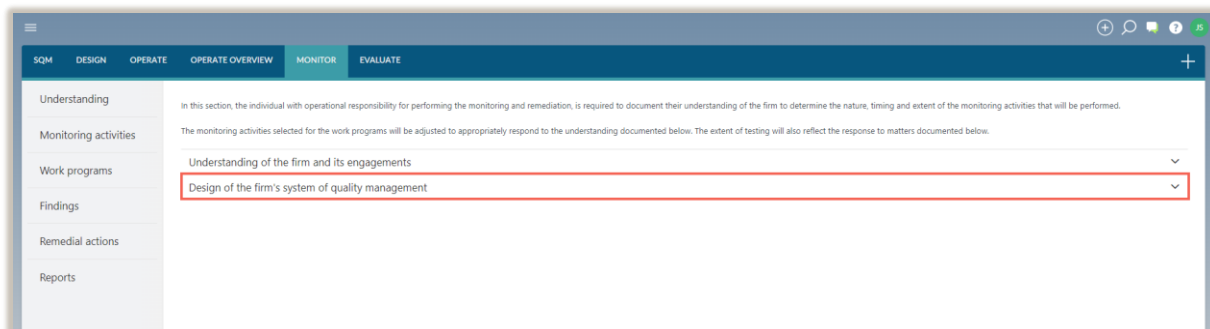
This page contains questions that prompt the individual with operational responsibility for performing the monitoring and remediation process, to document their understanding of the firm's system of quality management. This understanding will assist in determining the nature, timing and extent of the monitoring activities that will be performed.

The questions are divided into two sections which include:

- Understanding of the firm and its engagements; and
- Design of the firm's system of quality management.

### 1. Expand a section

To expand a section, click on the section header.



The questions for that section will then be visible.

The screenshot shows the 'MONITOR' tab selected in the top navigation bar. The left sidebar lists 'Understanding' as the active section. The main content area is titled 'Understanding of the firm and its engagements' and contains a sub-section 'Design of the firm's system of quality management' which is expanded. This section contains several questions with text input fields and radio button options. The questions are: 'Obtain and document an understanding of the firm's system of quality management and document how the following will affect the nature, timing and extent of the monitoring activities that will be performed.' (with a text field), 'The design of the firm's risk assessment process.' (with a text field), 'The reasons for the assessments given to the quality risks.' (with a text field), 'The design of responses to quality risks.' (with a radio button set to 'yes'), 'The design of the firm's monitoring and remediation process.' (with a text field), 'Have there been any changes to the firm's system of quality management during the monitoring period?' (with radio buttons for 'Yes' and 'No', where 'Yes' is selected), 'Document the nature of the changes to the firm's system, including your consideration of how these changes will affect the nature, timing and extent of the monitoring activities that will be performed.' (with a text field), 'Consider the following elements of the firm's previous monitoring activities and document the effect thereof on the nature, timing and extent of the monitoring activities that will be performed.' (with a text field), 'Results of the previous monitoring activities.' (with a text field), 'Are the previous monitoring activities still relevant in evaluating the firm's system of quality management?' (with radio buttons for 'Yes' and 'No'), and 'Were the remedial actions effective in addressing previously identified deficiencies?' (with radio buttons for 'Yes' and 'No').

## 2. Collapse a section

To collapse a section, click on the section header.

The screenshot shows the same interface as the previous one, but the 'Design of the firm's system of quality management' section is now collapsed. The section header is visible at the top of the content area, and the questions are hidden below it. The 'Yes' radio button for the question 'Have there been any changes to the firm's system of quality management during the monitoring period?' remains selected.

## 3. Answer a question

The sections include questions that either require a manual input into a text area or a box that holds options to select in response to the question.

- Questions with text areas: The question is answered by completing the text area.

The screenshot shows the 'MONITOR' tab in the 'UNDERSTANDING' section. The left sidebar lists 'Understanding', 'Monitoring activities', 'Work programs', 'Findings', 'Remedial actions', and 'Reports'. The main content area is titled 'Understanding of the firm and its engagements' and 'Design of the firm's system of quality management'. It contains several text input fields for documenting the firm's system of quality management. The first field is 'The firm's system is designed and operated on SQM.' and the second is 'The system was designed by the firm's Quality Partner with the assistance of an audit manager, Suzy.' Both fields are highlighted with red boxes. There are also radio buttons for 'Yes' and 'No' and a 'Document the nature of the changes to the firm's system...' section.

- Simple question: The question is answered by selecting one of the options provided in the box.

The screenshot shows the 'MONITOR' tab in the 'UNDERSTANDING' section. The left sidebar lists 'Understanding', 'Monitoring activities', 'Work programs', 'Findings', 'Remedial actions', and 'Reports'. The main content area is titled 'Understanding of the firm and its engagements' and 'Design of the firm's system of quality management'. It contains several simple questions with radio button options. The first question is 'The firm's system is designed and operated on SQM.' and the second is 'The system was designed by the firm's Quality Partner with the assistance of an audit manager, Suzy.' Both questions have 'Yes' and 'No' radio buttons. There are also radio buttons for 'Yes' and 'No' and a 'Document the nature of the changes to the firm's system...' section.

#### 4. Change height of text area

Where the information recorded in a text area is more than the space provided by default, the height of the field can be increased.

Select the bottom right corner of the text area and drag it down to increase and up to decrease the height.

The screenshot shows the 'MONITOR' tab in the 'UNDERSTANDING' section. The left sidebar lists 'Understanding', 'Monitoring activities', 'Work programs', 'Findings', 'Remedial actions', and 'Reports'. The main content area is titled 'Understanding of the firm and its engagements' and 'Design of the firm's system of quality management'. It contains several text input fields for documenting the firm's system of quality management. The first field is 'The firm's system is designed and operated on SQM.' and the second is 'The system was designed by the firm's Quality Partner with the assistance of an audit manager, Suzy.' Both fields are highlighted with red boxes. There are also radio buttons for 'Yes' and 'No' and a 'Document the nature of the changes to the firm's system...' section.

## 5. Sign-offs and approvals

### PREPARER SIGN-OFF

All questions must be answered and signed off as 'prepared by' before continuing with the rest of the monitoring and remediation process. This is achieved by clicking on the sign-off icon next to the question.

### Page Outcomes

After completing this page, the individual with operational responsibility for performing the monitoring and remediation process will have sufficient understanding of the firm and its system of quality management in order to determine the nature, timing and extent of the monitoring activities that have to be performed.

### Features

The following features are available on this page:

- 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.