

Flow 1: Migrate Form 4.30 and 5.10 from Knotia template to QMG Cloud

1. Open your edited Knotia template 4.30 and 5.10

Risk Ref.	Describe conditions, events, circumstances, actions or inactions that may adversely affect the achievement of quality objectives	Component	Describe how the identified component is impacted (i.e., risk)	Assessment		Comments (if applicable - i.e., likelihood of occurrence and the impact on the objectives)	Quality Risk?	Quality risk assessment (H/M/L/NA)
				L	I			
1.1	The firm culture does not have a commitment to quality.	Governance and Leadership	Inappropriate decisions may be made.	low	yes		No	low
1.2	Leadership fails to take responsibility for quality outcomes.	Governance and Leadership	Ineffective leadership.	low	yes	Leadership takes responsibility for quality outcomes.	No	low
1.3	The firm is growing and systems that worked in the past, being less formal may not be effective or appropriate going forward.	Governance and Leadership	The practitioner fails to identify and address issues necessary to achieve target quality.	low	yes		No	low
1.4	Assignment of roles is unclear.	Governance and Leadership	There is a risk that governance is compromised.	low	yes		No	low
1.5	Leadership tolerates or accepts low quality work.	Governance and Leadership	There is a risk that staff follow leadership that accepts low quality work and this reduces the quality level of the work.	low	yes	Leadership does not accept low quality work.	No	low
1.6	Resources are not planned or allocated with a priority to generating quality work.	Governance and Leadership	There is a risk that leadership is unable to achieve quality outcome due to inappropriate/ineffective resource allocation.	moderate	yes	It is a small office. Although formal staff meetings nor scheduling are performed weekly, staff are aware of the deadlines.	Yes	moderate
1.7	There are inadequate financial resources available.	Governance and Leadership	There is a risk that quality work cannot be performed.	low	yes		No	low
1.8	Recruiting experienced competent accounting staff has proven to be difficult as there is a general shortage of these types of candidates in the accounting/tax world right now.	Governance and Leadership	With experienced staff difficult to recruit, higher salary costs are incurred to encourage staff retention as much as possible. Staff may not feel motivated when they do not feel supported and valued by the practitioner. This may lead to short-	moderate	yes	Bonuses are provided some years to reward hard work during busy season recognizing the firm is short staffed. The firm also tries to ensure that compensation is competitive when compared to industry.	Yes	moderate

2. Copy the relevant content from your edited Knotia template to Knotia migration template provided by Avenir under prospective tabs and columns

After copy is done, please make sure the following columns are following the standard format.

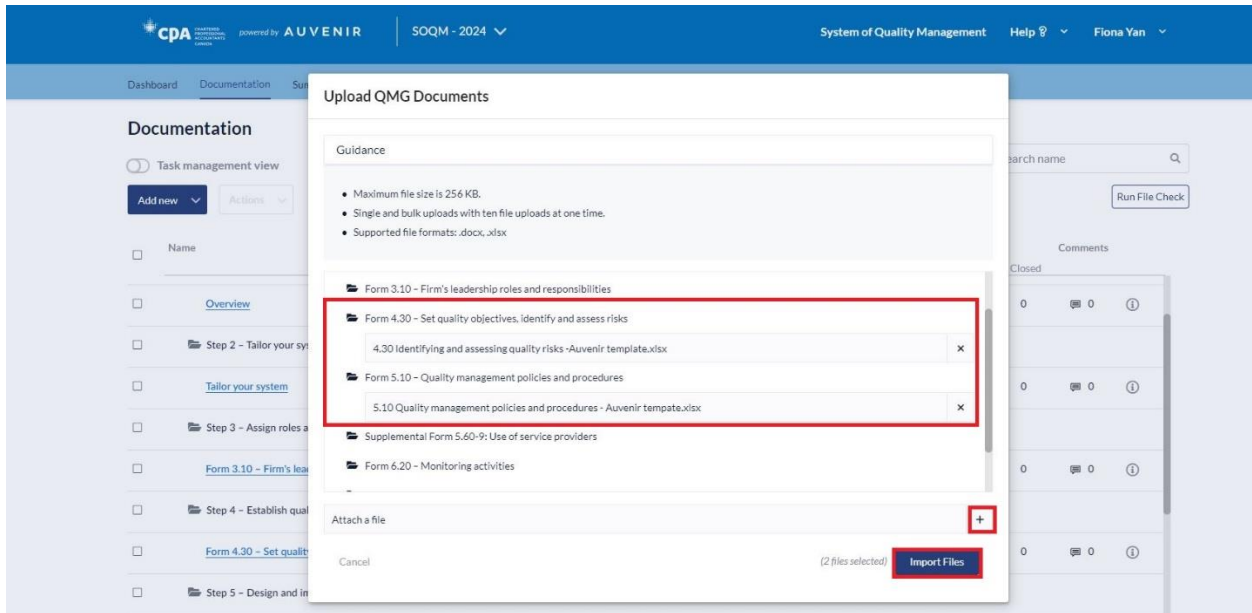
- o "Quality Objectives" under same component needs to be combined and copied to the first cell (highlighted) of each component under migration template
- o The values under "Component" column are selected from the drop-down list
- o The values under "Risk Ref" column are following the pattern of "1""2""3""4""5"
- o The values under "Response Ref" column are following the pattern of "QR.1""QR.2""SR.1""SR.2"
- o The values under "Assessment" and "Quality Risk" columns are selected from the drop-down list
- o The values under "Frequency of procedure" column are selected from the drop-down list

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				L	I		
5	An internal culture that recognizes quality as being essential in performing audits and/or reviews of financial statements, other assurance or related services engagements is not promoted, as the firm lacks documented policies and procedures designed to do so.	Governance and Leadership	This risk is assessed as low as the firm has clearly documented policies and procedures in place to ensure that an internal culture of quality is promoted	Low	Medium		Low
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Response ref.	Quality risk ref.	Policies (See 5.10-1 for sample policies and procedures)	Procedures (See 5.10-1 for sample policies and procedures)	Frequency of procedures (e.g., annual, weekly, daily)	Responsibility	Who to communicate (e.g., all staff, managers, partners)	Mode of communication (e.g., email, in-person meeting)
9	QR.1	A second partner at the firm will review the financial statements for all engagements to ensure they are formatted correctly and include the necessary disclosures. It is the engagement partners responsibility to ensure that all supporting evidence is included in the working paper file prior to issuance of the financial statements.	The second partner will complete their review of all financial statements before they are issued. Proof of their review will be their signature and date of the paper copy of the work order. the hours for the upcoming year using an excel template. The budgeting process will include looking at the past year's hours and taking into account any significant new/lost engagements for the upcoming year to ensure the firm has sufficient staff. The budget is communicated to each accounting staff person via email. The partners will review the actual hours worked compared to the budgeted hours at each monthly partner meeting. Any shortfalls or questionable items will be discussed with the staff person. Also in the fall of each year, the partners or a senior staff person, will contact all assurance clients that require their engagements to be done between January and June of the following year. At this time, the assurance engagement will be scheduled to ensure it does not overlap with another job and that the appropriately experienced staff person is available. This schedule is agreed upon by all partners and is communicated to all staff that are involved in assurance engagements. The firm realizes that flexibility will be required based on unforeseen circumstances. Before an engagement is accepted (as defined in the policy), the engagement partner will communicate to the other partners with a conclusion that the firm has sufficient staffing, appropriate independence, experience and resources to complete the engagement within the expected timeframe with the appropriately experienced staff. This information and request for consideration will be communicated via a standard email to all partners, and confirmation of acceptance will be saved on the partner network drive along with the initial email request.	As needed	Partners	Partners	Engagement files
10	QR.2	The chargeable and non-chargeable time for all staff is budgeted, and all larger assurance engagements will be scheduled to ensure staff availability and to avoid the overlapping of jobs.		Annually	Partners	Partners/Office manager	Chronobill@email-in-person meeting

- Open the target firm's SOQM and go to Documentation tab, import the Knotia migration template by clicking "Add new" - "Upload QMG Documents" under Documentation tab

The screenshot shows the 'Documentation' section of the SOQM - 2024 system. At the top, there is a navigation bar with 'CDA powered by AUVENIR' and 'SOQM - 2024'. Below this is a menu with 'Dashboard', 'Documentation', 'Summaries', 'Team', and 'Properties'. The 'Documentation' tab is selected, displaying a table of documents. The table has columns for 'Form ID', 'Content Update', 'Status', 'Prepared by', 'Reviewed by', 'Review notes', and 'Comments'. A search bar and 'Run File Check' button are also visible. A dropdown menu is open under 'Add new', with 'Upload QMG Documents' highlighted in a red box. Other options in the dropdown include 'Standard form(s)', 'File(s) from Firm Templates', 'File(s) from upload', 'Custom document(s)', 'Folder', 'Subfolder', and 'Upload QMG Documents'.



4. Add/update content where needed

Notes:

1. Certain columns will only accept valid content, such as Likelihood, Impact, Quality risk level, Response frequency
2. Risk and Response references only accept valid format and need to be matched from each side (e.g. Risk – 1, 2, 3, 4; Response – QR.1, QR.2, QR.3, QR.4)