

Szymkowiak & Associates CPAs, PC

Quality Control Document

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I. Leadership Responsibilities for Quality

It is the firm's policy to promote a culture of quality that is pervasive throughout the firm's operations through the development of its system of quality control. Firm management, under the direction of a partner, assumes responsibility for the firm's system of quality control and designs the system to (a) emphasize the importance of performing work that complies with professional standards and regulatory and legal requirements and (b) issue reports that are appropriate in the circumstances. In maintaining a culture of quality, the firm emphasizes the importance of ethics and integrity in every decision that personnel make, particularly at the engagement level.

II. Relevant Ethical Requirements

It is the firm's policy that all professional personnel be familiar with and adhere to relevant ethical requirements of the AICPA, contained in the *Code of Professional Conduct*, the State of New York Board of Accountancy, and the State of New York CPA Society in discharging their professional responsibilities. Furthermore, it is the policy of our firm that, for engagements subject to *Government Auditing Standards* and other applicable regulatory agencies, all professional personnel be familiar with and adhere to the relevant ethical requirements included in those standards and that personnel will always act in the public interest. Additionally, when the firm and its professional personnel encounter situations that raise potential independence threats, but such situations are not specifically addressed by the independence rules of the AICPA *Code of Professional Conduct*, the situation will be evaluated by referring to the *Conceptual Framework for AICPA Independence Standards* and applying professional judgment to determine whether an independence breach has occurred. The firm will take appropriate action to eliminate those threats or mitigate them to an acceptable level by applying safeguards. If effective safeguards cannot be applied, the firm will withdraw from the engagement or take other corrective actions as appropriate to eliminate the breach.

III. Acceptance and Continuance of Clients and Engagements

It is the firm's policy that, for all engagements, the acceptability of the client and the engagement be evaluated before the firm agrees to provide professional services and that the firm will accept only engagements where it has considered the integrity of the client, and believes the engagement can be completed with professional competence after considering the risks associated with providing professional services in the particular circumstances.

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IV. Human Resources

The success of the firm is dependent upon its professional staff. It is the firm's intent to succeed in the marketplace by having partners and staff who possess the competence, capabilities, and commitment to ethical principles to assure that engagements performed by the firm are in accordance with professional standards and applicable legal and regulatory requirements and that appropriate reports are issued in the circumstances. Having effective quality control policies and procedures over the human resources element helps to ensure the proficiency of personnel. The activities of our human resources quality control system include:

- Recruitment and hiring.
- Determining competencies and capabilities.
- Assignment of engagement teams.
- Professional development.
- Performance evaluation, compensation, and advancement.

At least annually, a partner reviews the firm's human resources policies and procedures to determine if they are appropriate and operating effectively.

V. Engagement Performance

Engagement performance encompasses many aspects of performing an engagement, from the initial planning stages to the issuance of the report or tax return and assembly of the workpapers. The firm believes in a strong quality control system and supports frequent engagement quality control review. While all of these activities are a part of the engagement performance element of the quality control system, the firm has chosen to differentiate certain activities within this section of the quality control document for ease of understanding. The activities are segregated as follows:

- Engagement performance and documentation.
- Engagement quality control review.
- Consultation and differences of opinion.

At least annually, a partner reviews the firm's engagement performance policies and procedures to determine if they are appropriate and operating effectively.

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VI. Monitoring

It is the firm's policy that the quality control system be monitored on an ongoing basis to provide the firm with reasonable assurance that the policies and procedures established by the firm for each of the elements of quality control are relevant, adequate, operating effectively, and being effectively applied. Monitoring activities include engagement quality control review (EQCR), inspection, and post-issuance review. EQCR, performed prior to completion of the engagements, assists in providing ongoing consideration and evaluation of the firm's quality control system. The retrospective monitoring activities performed by the firm relate to inspection and post-issuance review (collectively referred to as *inspection/review*) and are the primary activities addressed in our monitoring policy and procedures.