

**New Standard in effect in less than two weeks.....**

On Oct. 10, 2007, the AICPA Auditing Standards Board issued Statement on Quality Control Standards (SQCS) No. 7, A Firm's System of Quality Control, to replace all existing SQCS. The SQCS, which is effective January 1, 2009, deals with a firm's quality control practices in the areas of audits, reviews, compilations, and other attestation engagements. It also places an unconditional obligation on a firm to establish a system of quality control that is designed to provide reasonable assurance that a firm and its personnel comply with professional standards and applicable regulatory and legal requirements and that the reports issued by the firm or engagement partners are appropriate in the circumstances.

The objectives of SQCS No. 7 are not too different from previous quality control standards but summarizations and additions thereto. The new standard not only expands current standards (all new elements and requirements), but provides guidance consistent with international standards, particularly International Standard on Quality Control (ISQC). What should you do? You should first read and study the new standard, and you are required to have a written QC document in place as of January 1, 2009. Yes, in less than two weeks! Not only will this document be a peer review concern, it will be under scrutiny should you be a defendant in a malpractice case because it is mandate by professional standards.

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SCACPA Peer Review Program.