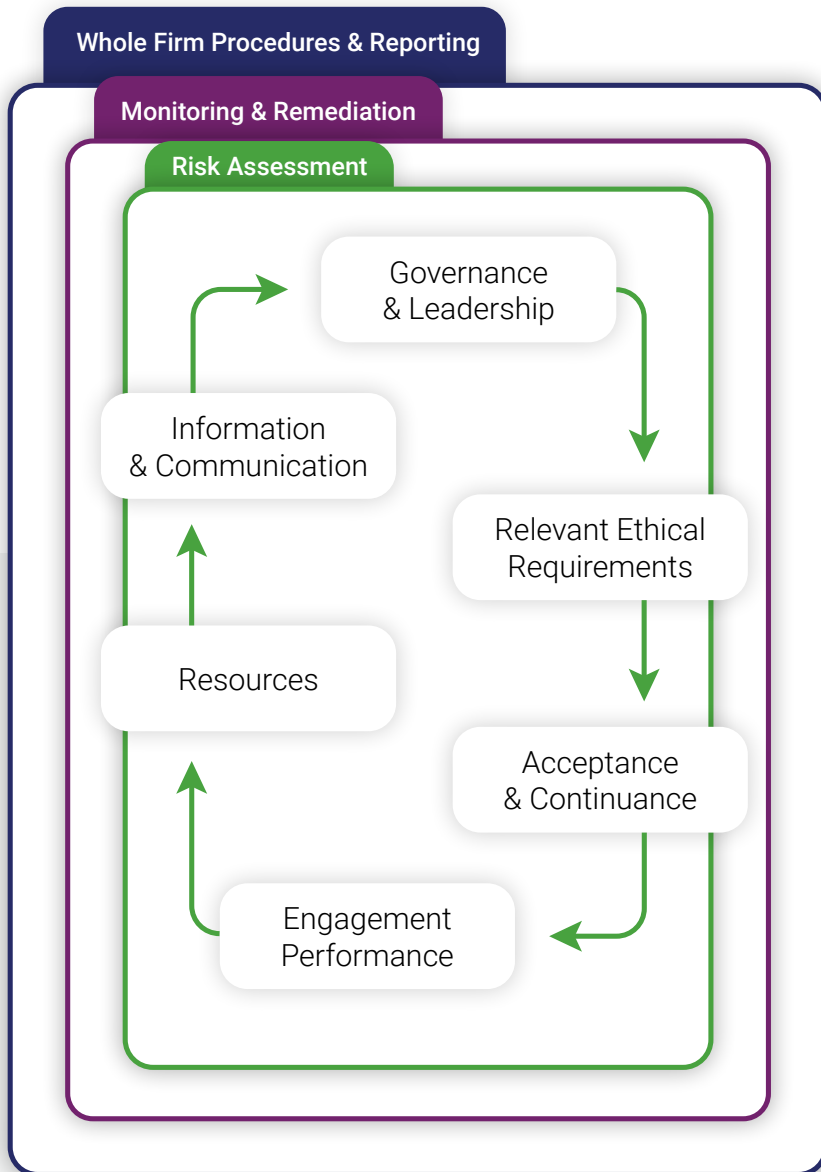


Preparing your firm for Statement of Quality Management Standards (SQMS) No.1: One-sheeter and checklist



Core components

These core components form the structural foundation of SQMS 1 and understanding them is key to unlocking the true purpose of the standard. The **activity components**, risk assessment and monitoring & remediation, are the engines that drive your quality system forward. They ensure your firm isn't just reacting to issues but proactively identifying, addressing, and learning from them.

Meanwhile, **the core components**—from governance & leadership to information and communication—represent the operational pillars where quality lives day to day. Together, these elements work as an integrated system that not only safeguards compliance but builds a culture of excellence, consistency, and accountability across your firm. When executed effectively, they transform SQMS 1 from a regulatory requirement into a competitive advantage.

What is the new standard?

- Statement on Quality Management Standards (SQMS) No.1 is the new risk-based framework that replaces traditional quality control systems for audit, attestation, and assurance firms. Issued by the AICPA, it applies to all firms performing audit or assurance engagements under its standards and takes effect December 15, 2025.
- The goal for firms: Go beyond compliance to create a system that proactively manages and monitors quality across the firm.

Why it matters to your firm

- Moves from compliance-based to risk-based quality management
- Requires firms to define and document how they achieve quality
- Drives consistency in audit delivery and supports continuous improvement
- Impacts internal systems, leadership accountability, and team training
- Applies to firms of all sizes—scalable, but not optional

Task	Considerations
Assign leadership roles	• Ultimate responsible individual (URI) • Operational responsible individual (ORI) • Monitoring & remediation lead • Independence oversight (optional)
Choose your implementation approach	• Manual (e.g., spreadsheets) • Modular add-on • Dedicated platform like QMCORE
Build your risk assessment team	• Leaders from across departments • Ability to identify, understand and document risks
Document firm profile	• Organizational structures and plans • Services and engagement types • Client and industry types • Use of external parties in the delivery of engagements
Define your quality objectives	• Review the expected objectives in the standard and identify additional firm-specific objectives
Identify and assess quality risks	• Consider conditions, what could go wrong, and its related impact
Map and evaluate responses	• Link existing policies/procedures to risks • Perform a gap analysis
Create a monitoring plan	• Assign testing responsibilities • Define responses to be monitored and testing approach • Plan annual quality evaluations
Communicate early and often	• Internal training, stakeholder updates, ongoing alignment



A technology solution to streamline your quality management

Scaling quality management is a tall task, especially for firms that desire to make the process a value-driver. QMCORE, a CPA.com preferred partner solution, is a purpose-built platform that supports end-to-end SQMS 1 implementation, including risk assessment, real-time dashboards, task assignments, audit trail management and more.

To learn more about the QMCORE solution, visit
CPA.com/QMCORE