UDC: 657.6:[347.211:005.336.3]
JEL Classification: H83, L15, M42, O34
Doi: 10.31767/nasoa.3-4-2023.03

O. LUBENCHENKO,
DSc in Economics, Professor,
Head of National Center for Accounting and Audit,
National Academy of Statistics, Accounting and Audit,
E-mail: olga.lubenchenko@gmail.com
ORCID: https://orcid.org/0000-0002-4209-8929

Intellectual Capital as Part of the Quality Management System in an Auditing Firm

A new approach to quality assurance in audit requires creating a quality management system that would include eight components: procedure for risk assessment in a firm; management and leadership; respective ethical norms; acceptance and continuations of relations with clients and specific engagements; engagement completion; resources; information and communication; the process of monitoring and correction. Each component requires a separate assessment in the monitoring of the quality management system, both at firm and engagement level. The article demonstrates that the component "Resources" (human, technological, intellectual) of the quality management system in an auditing firm can be considered from the management viewpoint as intellectual capital, thus making applicable recognized management models. By summing up research results produced by domestic and foreign scientists it was demonstrated that the model of European Foundation for Quality Management (EFQM model) can be applied in assessing the components of the quality management system, "Resources" in particular. EFQM model was adapted and extended in an elaborated working document for internal or external monitoring of the quality management system in an auditing firm. The working document includes performing of the following procedures: inspection (review) of documents and observations; individual interviews of the engaged firm staff; analysis of obtained evidence. The implementation and documenting of monitoring procedures and informing the results to all the firm staff will help assure the quality of auditing services and increase the users' trust in the audit.

Key words: *auditing, intellectual capital, assessment, quality management system, International Standard on Quality Management, model of the European Foundation of Quality Management.*

О. Е. ЛУБЕНЧЕНКО,
доктор економічних наук, професор,
завідувач Національного центру обліку та аудиту,
Національна академія статистики, обліку та аудиту

Інтелектуальний капітал у системі управління якістю в аудиторській фірмі

Новий підхід до забезпечення якості в аудиті потребує створення системи управління якістю, яка містить вісім компонентів: процес оцінки ризиків фірми; управління та керівництво; відповідні етичні вимоги; прийняття та продовження відносин з клієнтами і конкретних завдань; виконання завдання; ресурси; інформація та комунікація; процес моніторингу та виправлення. Кожний із компонентів потребує своєї оцінки під час моніторингу системи управління якістю як на рівні фірми, так і на рівні окремих завдань. У статті доведено, що компонент системи управління

якістю в аудиторській фірмі "Ресурси" (людські, технологічні, інтелектуальні) з погляду управління можна розглядати як інтелектуальний капітал, а відповідно, застосовувати визнані моделі управління. На підставі узагальнення результатів досліджень, виконаних вітчизняними та зарубіжними науковцями, доведено, що модель EFQM Європейського фонду управління якістю може бути застосована для оцінки компонентів системи управління якістю в аудиторській фірмі, зокрема компонента "Ресурси". Модель EFQM адаптовано та розвинено в розробленому робочому документі для внутрішнього або зовнішнього моніторингу системи управління якістю аудиторської фірми. Робочий документ охоплює виконання таких процедур, як інспектування (перевірка) документів та спостереження; індивідуальні опитування персоналу аудиторської фірми, задіяного у виконанні завдань; аналіз отриманих доказів. Упровадження процедур моніторингу та їх документування, доведення результатів до відома всього персоналу аудиторської фірми сприятиме забезпеченню якості аудиторських послуг та підвищить рівень довіри до аудиту з боку користувачів.

Ключові слова: *аудит, інтелектуальний капітал, оцінка, система управління якістю, Міжнародний стандарт управління якістю, модель Європейського фонду управління якістю.*

Introduction. It was in December 2020 that three standards on quality management were approved: International Standard on Quality Management 1 "Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements (ISQM 1), regulating the creation of a quality management system in an auditing firm [1]; ISQM 2 "Engagement Quality Reviews", aimed at the engagement quality control [2]; and the International Standard on Auditing (IAS) "Quality Management for an Audit of Financial Statements" [3], regulating the responsibility of an engagement partner for quality management at commission level. The standards used in international auditing practice since December 15, 2022have altered the management approach: the observance of requirements and principles underlying the international standard for quality control was replaced by a proactive and initiative approach, with quality management carried out by an auditing firm per se through identifying and assessing quality risks faced by a firm and responding on them by the reliance on the principle of scalability.

Spain is not an exclusion in the European auditing space. The Law 22/2015 from July 20 on the review of accounts and the Royal Decree 2/2021 from January12 also require from the auditors to introduce organizational principles of auditing based on effective administrative, auditing and risk management procedures having effects for auditing activities, mechanisms for computer system control and the internal control system, although the definition of "quality management" is not used in these documents [4].

The Resolution from April 20, 2022 issued by the Institute of Accounting and Audit of the Ministry of Economy and Digital Information that publishes internal standards for quality control sets out international standards for audit quality management for general use [5].

It was on November 24, 2022 that the Ministry of Finance of Ukraine displayed on its website ISQM 1, ISQM 2, IAS 220 and other revised international standards, such as IAS 315 "Identifying and Assessing the Risks of Material Misstatement" and the International Standard on Related Services (ISRS) 4400 "Agreed-Upon Procedures Engagements". Pursuant to Article 6 of the Law of Ukraine "Audit of Financial Reporting and Auditing Activities", from this date and on they have been used in the activities of Ukrainian auditors and auditing firms [6].

According to ISQM 1, one of the components in the quality management system is "Resources". Management of an auditing firm needs to be able to identify the resources and streamline them for the provision of auditing services. The quality management concept focuses on three categories of resources:

- human resources;
- technological resources;
- intellectual resources.

It should be noted that the previous International Standard on Quality Control 1 (ISQC 1) included only "Human resources" component. Human resources refer to the staff of an auditing firm, engaged in auditing services.

Technological resources allow for supporting the operation of a quality management system, performing the engagements at high technical level, being, as a rule, IT applications (a software or a software package) built in the IT environment.

Intellectual resources ensure high quality completion of engagements and help observe the requirements of professional standards and respective legal norms. According to ISQM 1, intellectual resources include written policies or procedures, methodologies (techniques), sectoral or specific manuals, guidelines on accounting, standardized documentation or access to information sources, i. e. subscriptions to websites providing in-depth information pertaining to auditing issues or auditing customers, etc. [1].

Intellectual resources can be realized by use of technological resources. Thus, an intrafirm technique can be built in an IT software, which will simplify planning or performance of an engagement.

Also, ISQM1 specifies "service provider" as a physical person or other entity that is external to a firm and provide a resource to be used within the quality management system or in performing engagements [1].

New requirements on quality management oblige the auditing community to master and apply them as quickly as possible.

Literature review. Issues of quality management in auditing services have been in focus of foreign and domestic researchers and practical auditors. Sh. E. P. Achundia, M. C. R. Malvares, S. P. Ceballo, investigated the operation of auditing firms in Latin America, revealed that only a small number of companies used quality assurance procedures and demonstrated the need in introducing new international regulations on quality management [7].

A. Camargo observed that alterations in international standards on auditing aimed to encourage staff's initiatives in quality management, enhance the quality standards already existing in auditing firms, highlight the importance of group skepticism and improve documentary support for the audit [8].

Research of D. Vaicekauskas & J. Mackevičius deals with existing definitions of audit quality, identifying their key components, elaborating recommendations on audit quality management with accounting to trilateral relations of business entity management, stakeholders and auditors [9].

Based on a systematic review of literary sources and approaches to decision-making on investment (with 97 companies of Egyptian construction sector selected as the research object), M. A. Shazly, Kh. AbdElAlim, A. N. Mortaky, M. N. Sayed could demonstrate that the quality of corporate management and audit were important factors in increasing the firm attractiveness for investors [10].

T. Lomachenko carried out an analysis of international experiences in audit quality management schemes and introducing the system approach to quality control; explored the mechanism of the previous review based on control of auditing procedures, where internal audit provided the guarantee of audit quality and had the functions of supervision, thus forming the program for the comprehensive improvement of the quality system.

V. Bondar & Yu. Bondar demonstrated that the quality problem in auditing services constituted an important area of research in Ukraine and beyond. The problem of financial reporting quality and its assurance is key to the trust of information users in company management and auditors. Investors have to assure that the financial information relied upon in decision-making on capital allocation is accurate and reliable. The authors believe that the elaboration of templates for new intrafirm standards would help substantially increase the trust of audit users, quality of audit and auditing services [12].

M. Vasyliuk &, O. Hryhorivput emphasis on public supervision of the auditing activities, on increasing the auditors' responsibility for the results of financial reporting auditin companies with public interest, on enhancing the quality control over professional auditing services [13]. M. Vasyliuk observed that the effectiveness of quality management consisted of economic, social, psychological, organizational, methodological, technological, informational, environmental and other components of the diverse nature, most part of which cannot be subject to direct quantitative assessment [14].

However, the latest amendments pertaining to the assurance of audit quality require from an auditing firm that a quality management system for auditing services be built in conformity with the revised principles at firm (organizational) and engagement (operational) level. This requires further studies of individual components within the quality management system, with elaborating applied tools for by component assessment of the introduced procedures.

The article's objective is to explore the resources of an auditing firm from the management perspective, and to assess them as components of the business entity's capital in the quality management system.

Research results. As mentioned before, "Resources" component of ISQM 1includes three categories of resources: human resources, technological resources, and intellectual resources. ISQM 1, ISQM 2 and IAS 220 contain the notion "quality management system", which is new for the auditors, instead of the previous notion "quality control system". Hence, control is replaced with management, which, from the management viewpoint, implies different approaches, problems and solutions. In the general sense, management is a purposeful impact on an object in order to produce a planned result. As far as resources are concerned, they are the object at which the actions of management (managing entity) of an auditing firm are directed, to assure the quality of completed auditing engagements. Between the management object and the managing entity there has to be a feedback supposed to assure the completion of specific engagements. At the same time, three resource categories of "Resources" component in the quality management (human, technological and intellectual resources) for management purposes can be combined into one component and considered as the intellectual capital of an auditing firm.

According to T. Stewart [15], intellectual capital has three components: human capital, organizational capital, capital of relations, which is nearly consistent with the definition of "Resources" component given in ISQM 1 (Figure 1, Table 1, compiled on the basis of [1; 15; 16]).

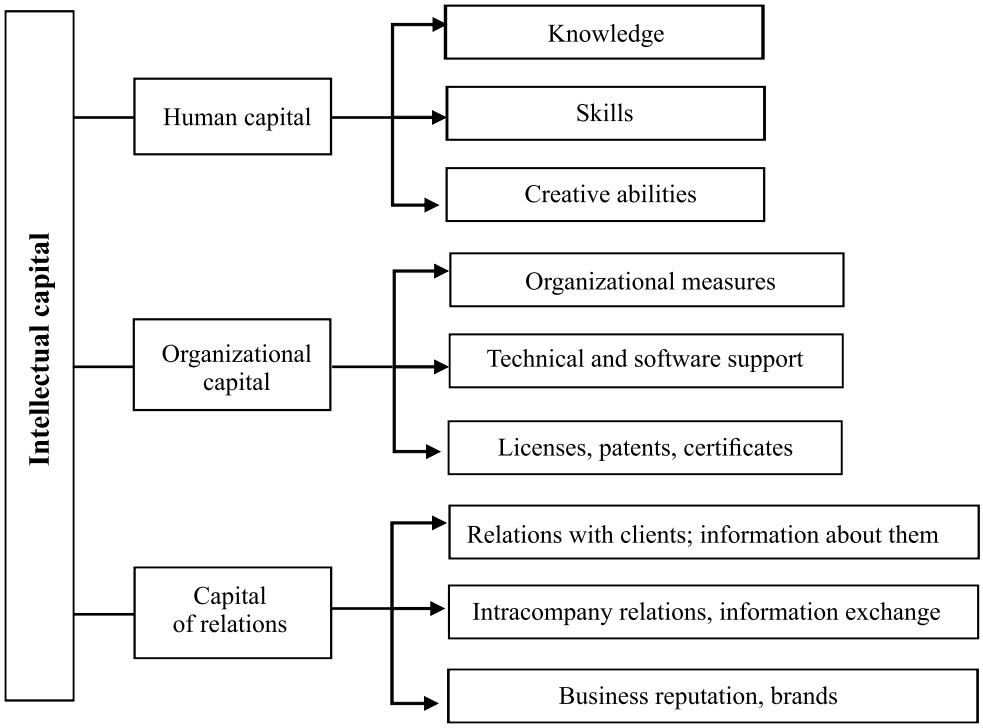

Figure 1. The structure of intellectual capital

The "Information and communications" component of the quality management system for auditing services is not a subject of focus in this study; it will be dealt with in detail in further developments of the author.

Table 1

A comparison of definitions of the intellectual capital and resources by T. Stewart and ISQM 1

Intellectual capital by T. Stewart [15]	Resources byISQM1 [1]
Human capital – "an ability of offering decisions to clients"	Human resources – members of an engagement team and experts engaged from external sources
Organizational capital – "organizational abilities of an organization to meet the market needs"	Technological resources – the resources that help an auditor in obtaining sufficient and proper evidence (access to information, its exchange and processing), allow an auditor to manage the process of audit more effectively and efficiently, computerized tools and methods, IT applications (including the ones provided by a supplier of services) used in auditing engagements
	Intellectual resources – methodologies of audit, tools of implementation, guidebooks on audit, conventional programs, templates, checklists or check forms, sectoral methodology or respective manuals and auxiliary means
Capital of relations – "relations of a company with consumers of its products"	Partly technological resources and "Information and communications" component of quality management system for auditing services

The definitions of "human capital" and "human resources" have nearly the same meaning: they refer to the persons providing services to clients. The human capital includes the knowledge used by auditors in time of audit and forms competitive advantages of an auditing firm. The knowledge in divided into explicit and tacit. The explicit knowledge is systematized and conveyed to the staff in any accessible way: in form methodical recommendations, intrafirm standards, regulations on paper or electronic carrier. The tacit knowledge refers to individual gains, practical skills and competencies, creative abilities of a person, which are not formalized. An auditing firm has to seek for the maximal unification of the knowledge for its dissemination among the staff.

The definitions of "technological resources", "intellectual resources" correlate with the definition of organizational capital, because the need of market or users (investors, owners, donors, sponsors and financial community) is reliable information supplied through providing high quality auditing services.

Capital of relations results from setting up reputational relations with companies, governments, mass media, suppliers, colleagues, clients and broader community, partly correlates with requirements to technological resources and fully conforms to the purposes of "Information and communication" component in the quality management system for auditing services. It is because a part of technological resources is obtained by auditing firms through suppliers: first, through the persons engaged in monitoring activities, as internal controllers, in consultations on technical issues; second, through designers of specialized commercial IT applications for audit; third, through external auditors engaged at component level and engaged experts (in case of need).

The assessment of intellectual capital within the quality management system for auditing services does not need a monetary value. An internal or external controller performing monitoring of the system and individual engagements seeks for the assessment from the management quality viewpoint: subjects of his/her concern are whether or not the quality-related engagements set by an auditing firm could be accomplished, what impeded the achievement of goals, and what needs to be done by the business entity's management.

Therefore, foreign and domestic experiences in management of intellectual capital could be useful.

O. A. F.Laguna , et al. made an analytical study of intellectual capital in small and medium enterprises (with the sample covering 233 business entities) and proposed a scale for its assessment. Investment in human capital is the main driving force of growth for countries, companies, population [17].

M. A. Ibarra-Cisneros, F. Hernández-Perlines demonstrated by the results of a survey on 149 business entities that the successful company operation was determined by several factors, with the prevalence of intellectual capital [18].

M. I. Rojas, R. L. Espejo proposed a method for measuring the intellectual capital in a HEE by estimating the effectiveness of investment in research in proportion to the components of intellectual capital [19].

M. M. Valero could demonstrate by case of the tourism development plan for 2017–2027 in Cúllar municipality, Granada province (Spain), that intellectual capital promoted the development of individual business entities and regions alike[20].

A. Cobo-Jimenez analyzed models for management of intellectual capital and the involved indicators (Table 2) [21]. However, the author's address to the model of Arthur Andersen seems to be doubtful, because A. Andersen & Co ceased to exist in July 2002 due to the bankruptcy, which gave evidence of its management failure. The author observes that intellectual capital should be interpreted as non-financial capital amounting to the gap between market and balance value. The recording of intellectual capital in the liabilities side of the balance requires a corresponding account in the assets, i. e. the account of intangible assets.

In keeping with the EU requirements on reporting, such information needs to be disclosed in non-financial reporting or in the notes to financial reporting.

O. Khilukha, O. Kuzmin, & L. H. Lipych conceptualized the research problem on business management of intellectual capital and proposed its solution. They investigated methods for identification of intellectual capital, proposed methodical guidelines for analysis of intellectual capital for taking evidence-based management decisions, developed a consociated method for business planning of intellectual capital, justified a model for determining the economic efficiency of the management process [22].

T. Shestakovska & T. Yarovoi justified the reasonability of improvements in the management of intellectual capital in Ukraine and the world and formalized their content. By analyzing global experiences, they systematized most significant and effective practices that were highly performing from the viewpoint of management and development of intellectual capital. This experience was grouped by the main components of intellectual capital (structural, client and human capital). Considering positive aspects of foreign experiences in management of intellectual capital, the authors recommend to implement best global practices in Ukraine by adapting them to the domestic social and economic conditions [23].

T. Kolesnik made summing up of the category "intellectual capital of organization", proposed a scheme for logical justification of its meaning, outlined the problems and specifics of management of intellectual capital in an organization in view of objectives of the knowledge economy development. The author came to the conclusion that the effective management of intellectual capital could bring revenues to an organization and make it innovative [24].

O. Gudz, & A. Pryadka clarified the specifics of intellectual capital management in business enterprises and justified relevant theoretical approaches and methodologies; summed up technical aspects of constructing a set of indicators for the assessment of intellectual capital in a business enterprise and its components using radically new value-based approaches; demonstrated the need in elaborating and implementing a pool of diverse strategies for intellectual capital management in a business enterprise, which would take account of the interactions between all the contact audiences, deformational fluctuations of the economic space, and be based on the wide-scale use of information and communication technologies [25].

The effective implementation of the quality management system in an auditing firm requires that management methods be determined and practiced by the managerial staff. The assessment of quality management systems is usually made by testing exercises. These exercises underlying the management system, are carried out continually at engagement level and not less than once a year at firm level for monitoring and performance assessment of business processes.

Of the wide range of methods for management of intellectual capital, the most appropriate one, to the author's opinion, is the model of the European Foundation of Quality Management (EFQM), because it closely correlates with the requirements of ISQM 1 [1; 21] (Tables 2, compiled on the basis of [21]). EFQM model consists of two components: a set of criteria for assessment of each system component, and a set of rules for these criteria application.

Table 2

Models for management of intellectual capital

No	Model	Description
1	Consultative model for organizational learning KPGM (1996)	The staff learning process depends on the profile and activity strategy of an organization. The learning ability depends on the following factors: culture, information communication system and inbuilt communications, organization's structure. The result of learning: conscious propensity of all the organization's leaders to the learning process, the introduction of learning at all the levels of organization, fostering of good knowledge, development of human resources, development of environment, constant improvement of knowledge and abilities to learn by experience, improvements of ways for passing accumulated experiences through meetings, reports, internal trainings, professional development programs, internal training programs, rotations of staff, creation of multi-profile teams
2	A Anderson model (1999)	The model aiming at communication of tacit (personal) knowledge, it recognizes the need for accelerating the information flow, which has critical importance in a given situation (communication of best ideas, approaches, methodologies and practices)
3	Knowledge creation model	The model is based on accumulation of the knowledge that needs to be disseminated across an organization, materialized in processes, products and services. Because knowledge is created by people and networks of people, fostering of conditions for collaboration and learning is critical. Tacit knowledge is important, and it pertains to skills and know how. Isolation of information must be avoided by any means. Knowledge and corporative competencies need to be continually updated
4	PricewaterhouseCoopers model (1999)	Management of knowledge is focused on the organization's business model, i. e. the model has to conform to the organization's strategy.The model has four key components of the knowledge management: staff (human resources), technologies (interactions, communication, coordination of teams' work, including daily working processes), processes (practical methods simplifying collection, structuring and updating of information), and knowledge contents (structured knowledge needs to be used in daily work)
5	Model of European Foundation for Quality Management (EFQM model)	The purpose of quality management is to meet the needs and expectations of users. The model contains nine criteria (with sub-criteria) for quality assessment: 1. **Management and leadership** 1.1. Mission of a business entity, moral principles of leaders with respect to quality assurance 1.2. Development and use of management system 1.3. Interactions with consumers, partners and community 1.4. Internal communications, motivation and effort to improve the management system 1.5. Ability to organizational change **2. Strategy** 2.1. Current/future needs of stakeholders 2.2. Assessment of the strategy implementation efficiency (innovations, mastering of new knowledge) 2.3. Development, revision and updating of the strategy 2.4. Communications in launching key processes

Table 2

No	Model	Description
		3. Personnel 3.1. Planning, management and development of resources 3.2. Knowledge and competence 3.3. Engagement and trust 3.4. Bilateral interactions 3.5. Rewards, recognition and tutelage **4. Partnership and resources** 4.1. External partners 4.2. Financial resources 4.3. Means of production and materials 4.4. Technologies 4.5. Information and knowledge **5. Processes, products and services** 5.1. Development and management of production processes for goods and services 5.2. Improvement of processes 5.3. Management of new product design and development 5.4. Production, delivery, servicing 5.5. Users **6. Results for users** 6.1. Indicators of strategy implementation 6.2. Measurement of user expectations **7. Results for personnel** 7.1. Indicators of strategy implementation 7.2. Measurement of personnel expectations **8. Results for community** 8.1. Indicators of strategy implementation 8.2. Measurement of public expectations **9. Results for business** 9.1. Business performance indicators 9.2. Key business performance indicators Each criterion is assigned a certain number of scores. EFQM experts evaluate company reports, the overall score by all the criteria is 500

EFQM model can be easily adapted for purposes of the current assessment of human, technological, intellectual resources, i. e. the intellectual capital. The model builds on the expert assessment performed by a quality controller in time of monitoring of the quality management system and individual engagements. The critical importance is assigned to experiences, intuitions, personal expectations and education of experts responsible for monitoring. The requirements to quality controllers, either internal or external, are set out in ISQM 2 "Engagement Quality Reviews" [2].

The main techniques used in monitoring are:

- inspections (reviews) of documents and observations;
- individual interviews of the engaged staff in an auditing firm;
- analytical procedures.

Inspections refer to checks of internal documents of an auditing firm (intrafirm standards for quality management, technical guidelines of audit and other auditing services, requirements to working documents, reports and manuals on internal control, reports on transparency), and the information obtained from alternative sources (reports of analysts, banks, rating agencies, information from websites of official bodies). Besides that, inspections include checks of working documents of an engaged auditor by the criteria selected for external monitoring. These inspections aim to reveal if each component of the quality management system is elaborated in implemented in a proper manner.

The monitoring involves a procedure like observation of the behavior and actions of the firm managers, in particular the persons assigned with authorities pertaining to the assurance of quality management, e. g. through remote surveillance techniques. It aims to check their propensity to using the quality management principles.

The easiest technique used by an internal or external expert is an individual interview of selected employees in an auditing firm, allowing to determine "weak" and "strong" sides of the quality management system and the existing tendencies. To be effectively used, the method of interview should rely upon four premises:

- the firm management has to be directly involved in organization of a questioning or interview;
- the firm staff needs to be introduced beforehand to the requirements of ISQM 1, ISQM 2, other regulations, including intrafirm ones, to minimize the duration of a questioning or interview;
- the firm management needs to be willing to take account of the questioning results in processing the results of monitoring of the quality management system and elaborating measures aimed at identifying drawbacks. The results of questioning analysis have to be materialized in form of specific measures focused on performance enhancement in a given firm unit, persons responsible for obtaining auditing evidence, or final results of audit or other auditing services.
- an interview should not provoke a conflict between either management and personnel or individual structural units: the personnel has to boldly articulate opinions about the quality management system in their auditing firm and the style of its leadership.

The questioning has a defect: a range of potential options of responses may be very wide and be different from the positions of ISQM 1 and ISQM 2, which is caused by various education levels of the firm's staff. It can significantly complicate analysis and identification of existing tendencies in the quality management system. The individual opinion of a person cannot be taken as an evidence of low performance of the quality management system.

Analytical procedures aim at summing up the results of monitoring of the quality management system and individual engagements. To this end, a quality controller, in view of his/her professional judgment and obtained evidence on quality management system, assesses each system component (in this case, the "Resources" component of the quality management system is considered as intellectual capital) in scores from 1 to 5. The minimal number of scores for this component is 5, the maximal one is 25.

Another defect of this method is that the overall tendency can be derived by adjusting the controller's opinion to the average estimate rather than be based on independent intuitive opinions.

Table 3

Assessment of the intellectual capital (human, technological, intellectual resources) of an auditing firm by the criteria the European foundation for Quality Management (EFQM)

No.	Criteria	Scoring (1–5)					
Intellectual capital (human, technological, intellectual resources)							
1	**Human resources**	1	2	3	4	5	Total*
1.1	Planning of human resources (ISQM 1 item A 60, 61), management and improvement of resources (ISQM 1 item A90, policies or procedures for recruitment, development and retention of staff, elaborated and implemented by a firm)				x		4
1.2	Knowledge and competency (ISQM1, item A88, 89)				x		4
1.3	Involvement of resources and trust, including involvement from external sources (ISQM 1 item A90, A94, A96)				x		4
1.4	Bilateral interaction (feedback (item A91"Timely assessment and feedback"))				x		4
1.5	Reward, recognition and tutorship (social guarantees) (ISQM 1 item A200). A positive assessment of the activities can be rewarded by financial encouragement, career promotion and other stimuli that are focused on the person's commitment to quality and supposed to enhance accountability. On the other hand, a firm can make corrective actions as the reaction on a negative assessment of the activities, which can have impact on the achievement of the firm's quality targets				x		4
Total for "Human resources" criterion							20
2	**Partnership and resources**						
2.1	**Technological resources**				x		16
2.1.1	External partners (ISQM 1 item 16 (v), 32 (h), A 28, A 105–108, A 172). Assessment of the information about to the resources provided by a services supplier, especially when an auditing firm has no access to the respective internal resources				x		4
2.1.2	Planning of financial resources in a way that the financial priorities do not overwhelm the quality aspects				x		4
2.1.3	Means of production and materials, including IT infrastructure, IT applications (A 98–101, A104)				x		4
2.1.4	Technological resources. Technologies that are accessible for an auditing firm have to help an engagement team in interactions, communications and coordination; they have to be cohered with						

Table 3

No	Criteria	Scoring (1–5)					
	daily working processes of users. Whereas the processes, including IT processes, have to be designed with focus on knowledge: creation, use and integration of knowledge in the firm's business environment (ISQM 1 item 32 (f))				x		4
2.2	**Intellectual resources (policies or procedures set out in written form, methods or guidelines)**				x		4
2.2.1	Information and knowledge (ISQM1 item A 102–104; policies and procedures in codified from, methods, sectoral or thematic guidelines, including the ones on accounting, standardized technical documentation and access to information sources)				x		4
Total for "Partnership and resources" criterion							20

*Scores in this case are illustrative

Conclusions. Hence, the basic provisions of EFQM model can be applied in the assessment of quality management in an auditing firm. The model uses practical methods for the assessment of firm's processes, which simplifies collection, structuring and processing of information from monitoring of the quality management system and selected engagements. The assessment procedures, being comprehensible, can be used without heavy technical effort. Table 3 (developed on the basis of [1; 2; 21]) presents a working document of an auditing firm for internal or external monitoring of the quality management system. This model enables for an assessment of not only the intellectual capital of an auditing firm (human, technological, intellectual resources), but also the following components of the quality management system: procedure for assessment of firm risks; management and leadership; relevant ethical requirements; acceptance and continuation of relations with clients and specific engagements; engagement completion; information and communication; process of monitoring and correction. This will help assure the quality of auditing services and increase the users' trust in the audit.

Further developments will be devoted to applications of EFQM model for comprehensive assessment of the quality management system in an auditing firm.

References

1. International Standard on Quality Management 1 (Previously International Standard on Quality Control 1). (2020). Quality Management for Firms that Perform Auditsor Reviewsof Financial Statements, or Other Assuranceor Related Services Engagements. www.ifac.org. Retrieved April 02, 2023 from https://www.ifac.org/system/files/publications/files/IAASB-Quality-Management-ISQM-1-Quality-Management-for-Firms.pdf
2. International Standard on Quality Management (ISQM) 2, Engagement Quality Reviews. (2020). www.iaasb.org. Retrieved April 02, 2023 from https://www.iaasb.org/publications/international-standard-quality-management-isqm-2-engaging-quality-reviews
3. International Standard on Auditing 220 (Revised). Quality Management for an Audit of Financial Statements. (2020). www.ifac.org. Retrieved April 02, 2023 from https://www.ifac.org/_flysystem/azure-private/publications/files/IAASB-International-Standard-Auditing-220-Revised.pdf
4. Real Decreto 2/2021, de 12 de enero, por el que se apruebael Reglamento dedesarrollo de la Ley 22/2015, de 20 de julio, de Auditoríade Cuentas. (2021). Ministerio De Asuntos Económicos Y Transformación Digital. Boletín Oficial Del Estado, 26, 1, 11045– 11144. Retrieved April 05, 2023 from https://www.boe.es/eli/es/rd/2021/01/12/2 [in Spanish].
5. Criterios de interpretación de la norma internacional de gestión de la calidad 1 para su aplicación en España. NIGC1-ES. Gestión de la calidad en las firmas de auditoría que realizan auditorías de estados financieros, publicada mediante Resoluciónde 20 de abrilde 2022. Instituto de Contabilidad y Auditoria de Cuentas (ICAC). Retrieved April 05, 2023 from https://www.icac.gob.es/node/2530 [in Spanish].
6. Informatsiine povidomlennia shchodo zastosuvannia v Ukraini novykh i perehlianutykh mizhnarodnykh standartiv audytu [Information message on use of new and revised international standards on auditing in Ukraine]. (2022). Audit public oversight body of Ukraine. Retrieved from https://www.apob.org.ua/?p=4625 [in Ukrainian].
7. Achundia, Sh. E. P., Malvares, M. C. R., &Ceballo, S. P. (2021). La gestión de la calidad y su incidencia en la auditoría financiera realizada por las firmas auditoras de Manabí. Revista Cubanade Finanzas y Precios, 5, 2, 25–35. Retrieved April 07, 2023 from https://www.mfp.gob.cu/revista/index.php/RCFP/article/view/04_V5N22021_SEPAyOTROS [in Spanish].
8. Camargo, A. (2021). La gestión de la calidad en una auditoría de estados financieros. www.auditool.org. Retrieved April 07, 2023 from https://www.auditool.org/blog/auditoria-externa/la-gestion-de-la-calidad-en-una-auditoria-de-estados-financieros [in Spanish].
9. Vaicekauskas, D., & Mackevičius, J. (2014). Developing a framework for audit quality management in audit firms. Zeszyty Teoretyczne Rachunkowości, 75 (131), 171–193. DOI: 10.5604/16414381.1098806

10. Shazly, M. A., AbdElAlim, K., Mortaky, A. N. & Sayed, M. N. (2022). The Impact of Corporate Governance and Audit Quality on the Investment Decision. Financial Markets, Institutions and Risks, 6 (3), 5–12. Retrieved from http://doi.org/10.21272/fmir.6(3).5-12.2022
11. Lomachenko, T. I. (2013). Upravlinnia yakistiu audytu [Audit quality management]. Problemy materialnoi kultury. Ekonomichni nauky – Problems of material culture. Economic sciences. Retrieved from http://dspace.nbuv.gov.ua/bitstream/handle/123456789/92809/11-Lomachenko.pdf?sequence=1https://www.apob.org.ua/?p=4625 [in Ukrainian].
12. Bondar, V. P., & Bondar, Yu. V. (2015). Yakist v audyti ta deiaki aspekty upravlinnia yakistiu [Quality in audit and some aspects of quality management]. Problemy teorii ta metodolohii bukhhalterskoho obliku, kontroliu i analizu – Problems of theory and methodology of accounting, control and analysis, 1, 31, 36–66. Retrieved from http://nbuv.gov.ua/UJRN/ptmbo_2015_1_5 [in Ukrainian].
13. Vasyliuk, M. M., & Hryhoriv, O. O. (2015). Formuvannia parametriv yakosti v praktytsi suchasnoho audytu [Parameters of quality forming in modern audit practice]. Економічний часопис -XXI – Economic Annals-XXI, 3-4 (2), 63–66. Retrieved from http://lib.pnu.edu.ua:8080/bitstream/123456789/4016/1/22.pdf [in Ukrainian].
14. Vasyliuk, M. M. (2015). Systemnyi pidkhid yak efektyvnyi instrument udoskonalennia upravlinnia yakistiu audytorskykh posluh [A systematic approach as an effective tool for improving the quality management of audit services]. Bukhhalterskyi oblik, analiz ta audyt: problemy teorii, metodolohii, orhanizatsii – Accounting, analysis and auditing: problems of theory, methodology, organization, 1 (14), 20–26. Retrieved from http://lib.pnu.edu.ua:8080/handle/123456789/3996 [in Ukrainian].
12. Stewart T. A. (1997). The Intellectual Capital. The New Wealth of Organizations. New York, London: Doubleday / Currency. Retrieved from https://books.google.com.ua/books?id=CIwxhVIrT30C&source=gbs_book_other_versions
13. Kostyrko, R. O., Kostyrko, L. A., Lubenchenko, O. E., & Chernodubova, E. V. (2020). Intehrovana korporatyvna zvitnist [Integrated corporate reporting]. (3rd ed., rev.). Sievierodonetsk: Vyd-vo SNU im. V. Dalia. Retrieved from https://dspace.snu.edu.ua/server/api/core/bitstreams/6c485e5a-a676-4fcf-8838-a228e405be82/content [in Ukrainian].
14. Laguna, O. A. F., Gutiérrez, K. S. B., & Valdez, J. A. S. (2019). Validez y confiabilidad de una escala de medición del capital intelectual en PyMEs. Contaduría y Administración, 64 (65), 1–18. DOI:10.22201/fca.24488410e.2020.2398 [in Spanish].
15. Ibarra-Cisneros, M. A., & Hernández-Perlines, F. (2019). La influencia del capital intelectual en el desempeño de las pequeñas y medianas empresas manufactureras de México. Innovar: revista de ciencias administrativas y sociales, 29, 71, 79–96. Retrieved from https://dialnet.unirioja.es/servlet/articulo?codigo=6858328 [in Spanish].
16. Rojas, M. I.,.& Espejo, R. L. (2020). La Inversión en investigación científica como medida del capital intelectualen las instituciones de educación superior. Información tecnológica, 31, 1. Retrieved from https://www.scielo.cl/scielo.php?script=sci_arttext&pid=S0718-07642020000100079#aff1 [in Spanish].
17. Valero, M. M. (2020). Gestión del capital intelectual como factor clave en el diseño estratégico de un proyecto de desarrollo turístico. Revista de estudios sobre despoblación y desarrollo rural, 28, 43–73. Retrieved from https://dialnet.unirioja.es/servlet/articulo?codigo=7275031 [in Spanish].
18. Cobo-Jimenez, A. (2006). Modelo de capital intelectual de la Consejería de Educación de la Juntade Andalucía. Indicadores de capital humano y gestión del conocimiento. Tesis Doctoral. Málaga. Retrieved April 05, 2023 from https://riuma.uma.es/xmlui/bitstream/handle/10630/2575/16754621.pdf [in Spanish].
19. Khilukha, O. A., Kuzmin, O. Ye., & Lipych, L. H. (2014). Upravlinnia intelektualnym kapitalom mashynobudivnykh pidpryiemstv: teoretychni ta prykladni polozhennia [Management of intellectual capital of machine-building enterprises: theoretical and applied statements]. Lutsk: Vezha-Druk. Retrieved from https://evnuir.vnu.edu.ua/bitstream/123456789/7236/1/монографія%20%28Repaired%29.pdf [in Ukrainian].
20. Shestakovska, T. L., & Yarovoi, T. S. (2020). Upravlinnia intelektualnym kapitalom krainy: svitovyi dosvid ta vitchyzniani realii [Intellectual capital management of the

country: world experience and domestic realities]. Vcheni zapiski universitetu "Krok" – Scientific notes of "Krok" University, 3 (59), 89–96. Retrieved from https://snku.krok.edu.ua/vcheni-zapiski-universitetu-krok/article/view/317 [in Ukrainian].
21. Kolesnyk, T. M. (2016). Osoblyvosti upravlinnia intelektualnym kapitalom orhanizatsii ta metody yoho otsinky [Features of intellectual capital management of the organization and methods of its assessment]. Zbirnyk naukovykh prats Cherkaskoho derzhavnoho tekhnolohichnoho universytetu. Seriia: Ekonomichni nauky – Proceedings of Scientific Works of Cherkasy State Technological University. Series Economic Sciences, 2, 43, 128–136. Retrieved from http://ven.chdtu.edu.ua/article/view/120045 [in Ukrainian].
22. Gudz, O. Ye., & Pryadka, A. S. (2021). Upravlinnia intelektualnym kapitalom [Intellectual capital management]. Ekonomika. Menedzhment. Biznes – Economics. Management. Business, 2 (36), 4–9. Retrieved from http://journals.dut.edu.ua/index.php/emb/article/view/2541 [in Ukrainian].

Посилання на статтю:

Лубенченко О. Е. Інтелектуальний капітал у системі управління якістю в аудиторській фірмі. Науковий вісник Національної академії статистики, обліку та аудиту: зб. наук. праць. 2023. № 3-4. С. 32–44. doi: 10.31767/nasoa.3-4-2023.03

Link to the article:

Lubenchenko, O. (2023). Intelektualnyi kapital u systemi upravlinnia yakistiu v audytorskii firmi [Intellectual Capital as Part of the Quality Management System in an Auditing Firm]. Naukovyi visnyk Natsionalnoi akademii statystyky, obliku ta audytu – Scientific Bulletin of the National Academy of Statistics, Accounting and Audit, 1-2, 32–44. doi: 10.31767/nasoa.3-4-2023.03