

Study on Audit Quality Management Optimization of M Accounting Firm

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ABSTRACT

With the continuous development of market economy and the increasing prosperity of capital market in our country, accounting firms are taking on more and more important responsibilities as "gatekeepers" of capital market. Audit quality, as the core of accounting firm management, directly affects the stability and development of the financial market. The level of audit quality is directly related to investors' trust and dependence on financial reports, the reputation and business development of accounting firms, and influences corporate governance, financial market stability and government supervision. All along, the regulatory authorities pay more attention to the audit quality management of the firm. In the announcement disclosed by the China Securities Regulatory Commission, the firm will be punished for illegal behaviors every year. In recent years, the Ministry of Finance and the China Annotations Association will conduct practice quality supervision and inspection of the firm every year, the audit quality management of the firm still has defects. These problems may cause a crisis of trust in the public, which in turn affects the development of the entire industry. However, the current accounting firms do not pay enough attention to the audit quality management and the supervision is insufficient, and the audit quality becomes low. In order to promote the high-quality and sustainable development of the registered accounting industry, it is urgent to strengthen the audit quality management of accounting firms. Therefore, this paper takes M Accounting Firm as the case study object, analyzes and summarizes the existing problems in audit quality management of accounting firms found during the internship, finds out the causes of the problems, and puts forward targeted optimization suggestions, so as to strengthen the audit quality management of this accounting firm and promote its healthy and sustainable development.

KEYWORDS

Accounting firm; Audit quality; Audit quality control

1. AUDIT QUALITY MANAGEMENT RELATED CONCEPTS AND THEORETICAL BASIS

1.1. Audit Quality Management Related Concepts

1.1.1. Audit quality

Audit quality is a very broad and difficult to quantify concept, the narrow sense of audit quality mainly refers to the quality of audit reports, that is, whether the quality of audit results is reliable, credible, objective and comprehensive. In a broad sense, audit quality is mainly based on the overall audit project, measuring the quality of the entire audit project work, and evaluating the level of the entire audit work process. Generally, the evaluation starts from the audit results and is results-oriented. If the audit results have problems, the audit process will be reviewed again. Finally, the audit quality will be evaluated by integrating the process and results. This paper holds that the audit process and audit report results of accounting firms are the core of evaluating audit quality, and audit quality is

not a single dimension concept. Audit quality is the unity of audit process and audit results of accounting firms, and a balanced presentation of the pros and cons of audit process and results of accounting firms.

1.1.2. Audit quality control

With the development of high social and economic quality and the overall improvement of enterprise productivity, accounting firms and certified public accountants should constantly improve their own capabilities to meet the market demand. It is clearly proposed in the Quality Management Standard of Accounting Firms No. 5101 -- Business Quality Management that accounting firms should build a quality management system. The purpose is to require accounting firms and their auditors to perform audit duties and perform audit services in accordance with the requirements and standards; And issue appropriate audit reports. The factors affecting audit quality management include: the project partner participates in the whole project execution, is responsible for the high quality of the project, and is responsible for the project resources; Auditors comply with the requirements of professional ethics and independence in the practice process, and relevant audit procedures are complied with. The task of certified public accountants is to carry out quality management of audit procedures and achieve high-quality audit results during the implementation of audit services, which requires certified public accountants to perform audit duties, perform audit services and issue appropriate audit reports in accordance with laws, regulations and standards.

For high-quality audit objectives, it is far from enough for the firm to control the audit project alone. It is also necessary to build a sound and feasible audit quality management system, assess related risks, design countermeasures, standardize registered accounting and design, implement and run business from industry personnel, so as to achieve high-quality development of audit business.

1.2. Theoretical Basis of Audit Quality Management

1.2.1. Total quality management theory

Total quality management is a set of procedures developed to ensure the delivery of high quality products or services. It runs through all links of enterprise business activities, and improves the overall quality through the improvement of each stage. The goal of total quality management is to be able to achieve zero defects and no errors in the actual business process. And to a certain extent, empower employees, strengthen communication between employees, and develop a service system oriented to customer needs. The service process of accounting firm can be regarded as a value chain in the total management theory system, in which many links can be explored to carry out quality control and improve quality, and through a series of quality control, to ensure the satisfaction of the reviewer. The basic principle of total quality control is that the cost of prevention is less than the cost of error correction. Among them, the prevention cost is mainly reflected in the estimation, evaluation and other aspects, while the error correction cost involves a certain loss. Estimation and evaluation are mainly reflected in many aspects such as personnel skills training, work plan and audit draft review, while improper execution of audit procedures and improper audit opinions lead to litigation involving accounting firms, which involves error correction costs. At present, there are still a series of problems in the development process of small and medium-sized accounting firms in our country, which restrict their normal operation. Policies and procedures for total quality control of audit work of accounting firms are an aspect of the current quality control standards. Therefore, only the improvement of total quality management level of accounting firms can guarantee its stable and long-term development and promote the orderly development of market economic system in our country.

1.2.2. System cybernetics

The concept of system cybernetics was first put forward by Norbert Wiener in the 1950s, which started in the military field, and then widely used in the development of science and technology, and constantly penetrated into the field of social science, and was continuously developed into a

management theory method today. System cybernetics mainly includes two aspects: internal self-regulation mechanism and external control mechanism, which requires a series of factors to form a causal mechanism according to the corresponding order. In this mechanism, each other restricts and influences each other, so as to effectively improve the management efficiency under the influence of different factors.

The application of system cybernetics in audit quality management requires accounting firms to build audit quality management system, emphasize the integrity, relevance and coordination of the system, and consider the influence of internal factors and external environment when considering the top-level strategy design. Grasp the feedback mechanism and strengthen the audit responsibility and accountability mechanism. External environmental factors such as changes in the industry, changes in standards, fierce external competition, internal environment of the audited entity, business risks, etc.; Internal factors include: audit quality management of accounting firm projects, allocation of project team resources, CPA practice experience and personal ability, audit costs, etc. Human control factors such as system design procedures, monitoring and corrective feedback to motivate implementation.

1.2.3. PDCA cycle theory

The PDCA theory was first proposed by Deming, an American quality management expert, which carries out quality management in four stages: plan, do, check and act. In the planning stage, quality problems to be solved are selected for the purpose of maximizing benefits and meeting customer needs, and the actual situation and specific problems of such work quality are further analyzed, and then corrective measures are formulated accordingly. The execution phase is the execution of the plan made in the previous step; The inspection stage is to judge whether the goal has been achieved and summarize experience through the results of the implementation of the plan; The processing phase is to improve the situation based on experience to reduce the probability of problems, and unresolved problems will go into the next cycle until the problem is resolved. The PDCA cycle is interlinked and complementary to each other to promote the realization of quality control policy. In the context of frequent audit failure cases, it is no longer possible to guarantee audit quality only by the post-supervision of government departments. Therefore, the dynamic internal quality improvement method in the PDCA cycle theory is particularly important for accounting firms.

2. ANALYSIS OF AUDIT QUALITY MANAGEMENT STATUS OF M ACCOUNTING FIRM

2.1. Introduction of M Accounting Firm

M Accounting Firm Co., Ltd. was established on May 20, 2005, the person in charge is Wang Shaokui, belongs to the business service industry, the business scope is: review enterprise accounting statements, issue audit reports, verify enterprise capital; Issue capital verification reports, handle the audit business in the matter of enterprise integration, division and liquidation, issue relevant reports, and act as agent for tax declaration; Annual financial audit of capital construction; Bookkeeping agent; Acting as the annual accounting consultant of the enterprise; Provide accounting consultation, management consulting; Accounting training; Handle the relevant business in the feasibility study of enterprise investment projects; Other business as stipulated by national laws and regulations, engaging in financial related audit business.

2.2. Present Situation of Audit Quality Management in M accounting Firm

2.2.1. Audit procedures were not properly implemented

Audit team members should strictly follow the audit plan to carry out audit procedures to obtain sufficient and appropriate audit evidence, which is the cornerstone of the audit conclusion and plays

an indispensable role in ensuring the accuracy and reliability of the audit report. However, in actual work, some accounting firms may not implement audit procedures in place in order to save costs or avoid trouble, which may lead to incomplete or distortion of audit evidence, which is specifically reflected in the links of confirmation, inventory, drawing, review and so on. In the course of M Accounting Firm's audit project, some necessary substantive audit procedures were not fully implemented. In the annual report audit project at the beginning of this year, the audit results were incomplete due to the lack of comprehensive inventory scope and the lack of understanding of inventory when the audit process was carried out. In addition, as the most basic and simple part of the audit procedure, extraction plays a key supporting role for other audit procedures. By checking the original document, drawing can verify the authenticity, accuracy and whether the document is attributed to the correct accounting period. However, M accounting firm has not paid enough attention to the importance of the extraction. In practice, the extraction work is often regarded as a cumbersome task, which is generally done by interns. However, due to the lack of experience of interns, they are limited in identifying special business and vouchers in audit projects, so they cannot find problems, which makes the extraction lose its original significance. Drawing should be an effective means to obtain audit evidence, but in this context, it has become a time-consuming "useless exercise". At the same time, in the deduction of expense items in a special audit, auditors only made the deduction according to the size of the expense amount, but ignored the inspection of the certificate from the nature and composition of the expense, resulting in the accuracy of the obtained audit evidence. In the implementation of audit procedures, the firm also encountered the problem of transforming case-by-case sampling into proportional sampling. In the process of sampling, in order to save time, individual members of the project team turned the prescribed case-by-case sampling into a part of the sampling, and inspected the attachments at random. The above points are not implemented in place of the audit procedures have buried layers of hidden dangers for the audit quality.

2.2.2. Lack of a sound audit plan and audit team

The implementation plan of audit work is related to the work content and time arrangement of each link of audit work. If the implementation plan of audit work is not done well, it is difficult to ensure that the audit work can be completed in accordance with the prescribed deadline, which reduces the efficiency and quality of audit. The common problem now is that the CPA and auditors have low awareness of audit plan management, the audit plan design is unscientific and lacks pertinence, and the audit plan fails to be effectively implemented in the work process, resulting in the quality of the audit procedure is not guaranteed. These problems are common problems in the industry. Although M Accounting firm would make an audit implementation plan before auditing, the audit implementation plan was not perfect in the project of the cost supervision and audit of the sewage treatment plant in District 2. It did not fully summarize the factors affecting the audit quality from the overall perspective of the audit work, and it did not plan to conduct in-depth investigation and understanding of a distant sewage treatment plant in District 2. The lack of corresponding audit workflow makes the whole audit implementation plan lack of pertinence and dynamics. In addition, due to the particularity and period of audit work, as well as the obvious low and high seasons in the audit industry, firms will temporarily recruit some interns with weak audit experience and unskilled business during the annual audit, and their lack of audit experience will directly lead to the lack of professional competence of the audit project team. And then the audit quality is seriously affected. At the same time, the different professional quality of the team members will make the audit plan in the process of implementation of human and technical challenges, which will not only slow down the audit progress, but also affect the accuracy and integrity of the audit.

2.2.3. The three-level compound system is a mere formality

The three-level review system is the necessary procedure of audit work, and the audit quality can be effectively guaranteed through the three-level review system. At present, many accounting firms in China have established a three-level quality review control system, and strictly based on this mechanism to carefully control the rationality and appropriateness of audit documents, the reliability

and effectiveness of audit reports and the behavior of auditors. This measure aims to effectively avoid the risk of material misstatement and the risk of omission of major matters. To ensure the high quality realization of audit objectives. However, there are many problems in Chinese firms, such as insufficient audit manpower and insufficient understanding of certain industries by auditors. In order to save time, auditors often review by experience, which affects the audit quality, and there are many audit failure cases. M Accounting firm has established a three-level review mechanism for completed audit projects. In theory, this quality review mechanism should ensure the rationality and appropriateness of audit working papers, the reliability and effectiveness of audit reports and the standardization of auditors' behavior. However, in practice, M accounting firm has not fully and deeply implemented the system, which has affected the effect of its quality control and the quality of audit work to a certain extent. In the execution of an audit project, a three-level review was only done, but the three levels did not comply. The project leader should have carried out a one-level review within the team, but it was delegated to another member of the team. This is because the project leader undertakes too many projects, many are carried out at the same time, in order to save time and quickly close the items, they are handed over to others for review. The second-level review, which should have been carried out by the project manager, became the task of the project leader, and the third-level review, which should have been carried out by the partner, fell on the project manager because the business was busy and there was little time for review. Due to the misalignment of review personnel and review procedures, the relevant personnel of review may have insufficient ability to identify risks, and the three-level review system cannot really play a role.

3. CAUSE ANALYSIS OF AUDIT QUALITY MANAGEMENT PROBLEMS OF M ACCOUNTING FIRM

3.1. The Internal Management of the Firm is Not Perfect

At present, the internal quality control system established by M accounting firm lacks in the degree of perfection. From the outside, the accounting firm has constructed a relatively comprehensive set of rules and regulations to regulate its daily business activities. However, upon in-depth observation, it is not difficult to find that many rules and regulations remain more theoretical and fail to be effectively implemented. This affects the quality control effect of the office to some extent. Audit is a work that needs to follow strict norms and standards. If the firm does not develop clear and specific audit processes and operational guidelines, auditors may feel confused and confused during the audit, and it is difficult to accurately grasp the important points of the audit, resulting in inadequate implementation of the audit procedure. The quality and effect of audit work can not be separated from effective internal supervision.

The internal supervision mechanism of M accounting firm is not in place, the supervision of the project team leader is not enough, the auditors lack the necessary guidance and supervision, and the implementation of procedures is not standardized, the omission of important information and other problems. At the same time, in terms of human resource management, the firm is in urgent need of a large number of talents to enter the field audit during the annual report period, so the selection and training of auditors are not strict and comprehensive enough, and the recruited auditors may lack the necessary professional quality and execution ability, which is difficult to perform complex audit work and lead to the incomplete execution of audit procedures. At the same time, due to the low professional quality of auditors, they can not fully understand the requirements and objectives of audit work, and can not accurately grasp the actual situation and characteristics of audit objects. This will easily lead to their preparation of audit plans, unable to develop a scientific and reasonable audit plan and strategy, and then affect the in-depth development of audit work. In addition, as for the control and training of interns, senior certified public accountants are engaged in multiple audit projects and their energy is scattered, so it is difficult to give adequate guidance to interns. Therefore, interns often only have a superficial understanding of audit procedures and lack practical experience. They often

do not know how to obtain sufficient and appropriate audit evidence when they carry out important audit procedures such as fixed assets supervision, cash supervision, inventory valuation test and business income cutoff test. Taking the supervision of fixed assets as an example, they failed to communicate with the audited units about the scope of inventory in advance, which made the audit procedures lack predictability. At the same time, they did not carefully confirm the inventory list, and it was difficult to find the actual situation such as asset impairment that may exist in the audited units, resulting in insufficient audit evidence. In the end, these factors all lead to the implementation of audit procedures is not in place, affecting the quality of audit.

3.2. There is a Large Mobility of Employees

The turnover of accountants in accounting firms leads to the unsound audit team, which is easy to affect the quality and efficiency of audit work. During the annual reporting period, M Accounting Firm is not only under great pressure, but also the work of its auditors is very heavy. The auditor has to work overtime to audit the annual report. The intensity of work, the time requirement of submitting audit, the resource allocation problem of the firm and so on are likely to cause the auditor to be overwhelmed, so the auditor dismissal is very frequent. When the firm changes or personnel changes frequently, the new auditors will spend a lot of time and energy to familiarize themselves with the original project, and the problem of time shortage will easily lead to audit quality problems. Since the annual audit is mainly conducted from January to April, the appointment and assignment of personnel are prone to imbalance. In other times, the firm does not have too many manpower reserves. In the peak season, the original work pressure and staff turnover make it easy to have problems with audit resources and the assignment of audit tasks difficult.

In addition, in order to control costs, accounting firms tend to recruit a large number of short-term interns to participate in the work when the audit task is heavy. This strategy has resulted in an average of 40 percent intern representation in each project group, and in some projects, more than half. These interns were placed directly in charge of preparing audit papers for key subjects such as monetary funds. Due to their lack of audit experience and professional judgment, potential problems of the audited units are easily overlooked. This situation significantly weakens the overall professional competence of audit team members, which in turn has a significant impact on audit quality. In addition, with the acceleration of the information process of society, the requirements for auditors to use computers and big data audit work technology are increasingly high. However, most auditors lack the ability of information technology, which will undoubtedly restrict their audit efficiency and quality. The high turnover of staff in the firm leads to the obstruction of communication and collaboration within the team, reducing team cohesion and work efficiency. In addition, personnel changes may affect the continuity and stability of audit work, which poses a potential threat to audit quality. Therefore, it is important for the audit team to maintain a stable staff.

3.3. Lack of Oversight and Review of Internal Control Execution

In the daily operation of M accounting firm, there are obvious deficiencies in the implementation of the three-level review system. This problem is closely related to the deep-rooted reasons for the lack of supervision and review of the implementation of internal control, which makes the rigor and accuracy of the entire audit process face serious challenges.

In the stage of primary review, the time of on-site review is particularly tight. Project team managers need to manage a variety of on-site work, which makes it difficult for them to invest enough time and energy in the review of audit documents. At the same time, responsible persons also spend a lot of time in meetings and phone calls, which further weakens their ability to review audit documents. Therefore, the quality of the first-level review often depends on the individual ability and work performance of the project team members, which increases the uncertainty and potential risks in the audit process. In the secondary review stage, project managers also face great challenges. Because

they are often responsible for auditing multiple projects at the same time, it is difficult for them to conduct an in-depth review of each project. Under the double pressure of time and energy, project managers often can only conduct a rough review of the audit report, or directly push it to the project leader, and the project leader is handed over to his staff for review, which is difficult to ensure the quality of the review. In this case, potential problems and errors can easily be overlooked, which can adversely affect the entire audit process. As the last line of defense of internal control of accounting firm, the importance of three-level review is obvious. The independent review department of each branch office is often influenced by the partners of the local branch office, which causes its independence in the review process to be seriously challenged. Although M Accounting Firm has a clear provision that requires all departments to send relevant materials to the headquarters for independent review when issuing a customer report, due to the large number of customers and the limited resources of the headquarters review department, this provision faces many difficulties in actual implementation.

To sum up, the failure of M Accounting firm to fully implement the three-level review system is closely related to the lack of supervision and review of the implementation of internal control. This lack not only affects the effectiveness of the review system, but also may lead to the error of the audit process and increase the risk.

4. SUGGESTIONS ON AUDIT QUALITY MANAGEMENT OPTIMIZATION OF M ACCOUNTING FIRM

4.1. Strengthen Internal Management and Strictly Implement Audit Procedures

It is a crucial task to strengthen the internal management of M Accounting Firm and ensure the execution of audit procedures in place. This is not only related to the quality of audit work, but also directly affects the reputation of accounting firms and the trust of clients. Therefore, it is necessary to comprehensively improve the internal management level of the firm from many aspects to ensure the strict implementation of the audit procedure.

First of all, we should start from improving the management's understanding of internal management. The management should be fully aware of the importance of internal management for the execution of audit procedures and take it as one of the core tasks of the firm's development. Only the management pays enough attention to the internal management, can promote the whole office to form a rigorous and standardized working atmosphere. Secondly, improving the internal control system is the key to ensure the execution of audit procedures. Accounting firms should develop a set of comprehensive and detailed internal control systems and processes based on their actual conditions, including the formulation of audit plans, the collection of audit evidence, the preparation of audit papers, and the issuance of audit reports. By improving the internal control system, we can ensure that every step of the audit procedure is effectively executed, thus improving the quality and efficiency of the audit work. At the same time, quality control should be further strengthened, which is an important guarantee to ensure the implementation of audit procedures.

In addition, strengthening personnel management and training is also an important measure to ensure the implementation of audit procedures in place. Auditors are the core elements of audit work; their professional quality and professional ethics directly affect the implementation of audit procedures. First of all, it is necessary to establish a sound recruitment and selection mechanism to select talents with professional knowledge and practical experience to join the firm. Secondly, it is necessary to strengthen the construction of employee performance appraisal and incentive mechanism to stimulate the enthusiasm and creativity of employees. By strengthening personnel management and training, a high-quality audit team can be cultivated to provide a strong guarantee for the strict implementation of audit procedures. In addition to the above measures, the establishment of an effective supervision mechanism is also a key link to ensure the implementation of audit procedures in place. The firm

shall establish an independent supervisory body or department responsible for the supervision and inspection of the implementation of audit procedures.

Finally, emphasis should be placed on strengthening communication and cooperation with customers and partners. Good communication and cooperation help to better understand the needs and expectations of clients, so as to formulate audit plans and execute audit procedures in a targeted manner. Through in-depth communication with customers, we can obtain customer feedback and suggestions in a timely manner, and constantly improve and optimize the audit process. At the same time, close cooperation with partners can also provide us with more resources and support to jointly promote the smooth implementation of audit work.

4.2. Improve Human Resource Management and Build an Efficient Audit Team

In the audit industry, the large turnover of personnel is a universal phenomenon. Because of the special nature of audit work, it often requires practitioners to have a high degree of professional quality and professional skepticism. However, as market competition intensifies and talent needs change, many auditors may choose to leave their original firms in search of better opportunities. In order to cope with this challenge, improving human resource management, strengthening professional quality and professional suspicion of practitioners are the key to prevent audit quality from going out of control. In terms of recruitment, the human resources department should regularly assess the audit business and personnel flow of the firm, and make recruitment plans in advance according to actual needs. In the recruitment process, we should not only focus on internal selection to stimulate the enthusiasm of the original staff, but also actively introduce external talents through competitive salary and welfare benefits to inject new vitality into the firm. This combination of internal and external recruitment not only ensures the talent reserve of the firm, but also promotes the competition and cooperation between employees, laying a solid foundation for the steady and rapid development of the firm.

As an independent third party auditor, M CPA has an important mission to provide our clients with a true and reliable financial position. To achieve this goal, its auditors must make full use of their audit and accounting expertise to provide accurate and comprehensive business analysis for the audit. In this process, the practicing ability of auditors becomes the key point to determine the success of audit work. For this purpose, M Accounting Firm should take a series of measures to ensure the professional competence of auditors. First of all, the firm strictly checks the qualification of each signed CPA to ensure that they can successfully pass the CPA exam and have a solid theoretical foundation and rich practical experience. In practical work, they can perfectly combine theoretical knowledge with practical work to provide a strong guarantee for the smooth development of audit work. Secondly, firms should pay attention to strengthening the professional skills training of auditors. Regularly organize auditors to participate in the latest audit, accounting laws and regulations training, to ensure that they can timely grasp the industry trends and the latest requirements. In addition, the audit failure case exchange meeting should be held regularly, inviting all employees to jointly analyze the fraudulent behaviors and preventive measures of each company, so as to improve the ability of auditors to identify and deal with problems. However, with the emergence of new business models, practitioners need to have computer and statistical skills in addition to professional knowledge. In our country, there is not enough attention to the training requirement of such a comprehensive talent. Therefore, M Accounting firm should actively appeal to the whole society to pay attention to and cultivate such talents, encourage local universities and accounting firms to strengthen cooperation, and jointly train high-quality comprehensive auditors with the ability to mine, analyze and predict data.

4.3. Strengthen the Awareness of Quality Management, Good Implementation of the Three-Level Business Review System

Quality management is the last line of defense for an accounting firm to issue an appropriate audit report. Only after the auditor's signature is approved, the audit report is allowed to be submitted to the outside world. Therefore, M accounting firm should strengthen the awareness of audit quality management, strengthen the leadership responsibility of accounting firm, cultivate a quality-oriented culture, and adhere to the bottom line of quality.

First of all, we must pay more attention to the project quality management review. Since most of the accounting firms with securities and futures business qualifications have experienced mergers, and the professional skills and professional ethics of each partner from different firms are not the same, so the practice quality may be uneven, so the firm must unify the practice quality of the firm through a set of sound audit quality management system and business review system. Secondly, the firm should provide sufficient professional staff and time for quality management review. The personnel reviewing the audit report should have the professional competence and qualification equivalent to that of the project partner. If the personnel is internal to the firm, they should be appointed by the partner level personnel. If they cannot independently serve as the project partner, they will have no confidence and ability to evaluate and question whether there are problems in the audit work of the project team. I can't stand the pressure of the project team. Third, review personnel need to strictly follow the relevant regulations to review the content of the manuscript. The working paper should contain detailed internal and external relevant information to ensure that even experienced experts who are not involved in the project can quickly understand the significant deficiencies and deficiencies in the identified matters. In addition, the document should reflect the communication between the reviewer and the project team, the reasons why these issues are important, and the reviewer's evaluation of the project team. Finally, the firm should establish a set of sound accountability mechanism for audit report quality management review personnel. The performance of the project team and the review personnel should be investigated at the same time when the audit quality is monitored within the firm. The performance of the quality management personnel can also be linked to their promotion, salary and welfare benefits.

Firms should strengthen the supervision of practitioners, such as CPA fraud should be strictly accountable to them, improve the quality evaluation accountability system, so as to restrict and standardize their behavior, to ensure that they can efficiently carry out audit work. The firm shall periodically select some projects from the completed projects for inspection, and be accountable for the problems and defects found in the inspection, timely improve and remedy and form a monitoring report, improve the three-level business review system and effectively implement the system, timely revise and improve the quality management system, and ensure the supervision of the whole process of audit work. The first review must be completed by the team leader or experienced senior staff and requires them to carefully check all the work, and pay special attention to whether the audit evidence collected is sufficient and adequate and whether the audit draft is complete and accurate. The second review is completed by the project manager and focuses on the effective implementation of further audit procedures for high-risk areas and important issues and major matters, such as whether there are sufficient audit procedures for related party transactions that occur frequently in the NEEQ audit. The third audit is completed by the auditor appointed by the firm, who is required to conduct comprehensive risk control throughout the audit process to determine whether the final audit report is appropriate.

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