

Quality category	Description	Entities' financial statements audit	
		Permission	Restriction
First	Auditor/audit firm undergoes monitoring without remarks or with respect to audit evidences, main audit judgments (strategy) and respective fundamental decisions for specific engagement there are insignificant non-systemic (isolated) remarks or non-systemic (isolated) weaknesses, which individually or in aggregate are more than insignificant and less than substantial/significant weaknesses or/and with respect to current audit methodology and quality control system there are minor non-systemic (isolated) remarks or more than insignificant and less than substantial/significant weaknesses. Auditor/engagement partner has not violated professional code of ethics (IESBA Code).	PIE I II III IV	No
Second	Non-systemic weaknesses are revealed with respect to concrete audit evidences, main audit judgements (strategy) and respective fundamental decisions for specific engagement, which individually or in an aggregate are more than insignificant and there may be substantial/significant remarks. At the same time, the number of substantial/significant remarks is multiple, given the size and complexity of monitored engagement, or/and remarks made on the current audit methodology and quality control system are more than insignificant and less than substantial/significant. Qualification of an auditor or audit firm's engagement partners and staff is adequate and they are focused on improving their own qualification/audit firm's quality. Auditor/engagement partner has not violated professional code of ethics (IESBA Code).	PIE I II III IV	No
Third	Non-systemic and possibly systemic weaknesses are identified with respect to evidences, main audit judgements (strategy) and respective fundamental decisions for specific engagement, which individually or in an aggregated form are substantial and significant, or/and substantial/significant though not comprehensive remarks are made on current audit methodology and quality control system, which can be remediated without prohibiting to pursue the activity in full. Qualification of an auditor or audit firm's engagement partners and staff is adequate and they are focused on improving their own qualification/audit firm's quality. Auditor/engagement partner has not violated professional code of ethics (IESBA Code).	I II III IV	PIE
Fourth	Systemic weaknesses are identified with respect to evidences, main audit judgements (strategy) and respective fundamental decisions for specific engagement, which individually or in an aggregated form are substantial and significant, or/and substantial/significant and there may be comprehensive remarks are made on current audit methodology and quality control system, which can be remediated without prohibiting to pursue the activity in full. Auditor or audit firm's engagement partners and staff are focused on improving their own qualification/audit firm's quality. Auditor/engagement partner has not violated professional code of ethics (IESBA Code).	II III IV	PIE I
Fifth	If an auditor/engagement partner/in an audit firm fails to carry out audit activities competently; or if based on auditor's/engagement partner's competence, carried out audit activities may affect the public confidence against auditing profession negatively, there is a need to prohibit an auditor/engagement partner/audit firm to pursue auditing for a certain period of time, or/and deprive the authority to sign an auditor's report, or/and weaknesses identified in the quality control system are so significant that they may affect the public confidence against auditing profession negatively, or if prohibit to pursue auditing or/and deprive the authority to sign an auditor's report is essential for protecting public interests, or if identified weaknesses are especially serious though the SARAS deems that these deficiencies can be corrected within a reasonable timeframe by auditor/engagement partner/audit firm. Auditor/engagement partner has not violated professional code of ethics (IESBA Code).	III IV	PIE I II
Sixth	If an auditor/engagement partner/audit firm systematically fails to meet the fundamental requirements of the legislation or/and deliberately misleads an entity or the public or/and when the services rendered by an auditor/engagement partner/audit firm represent the threat for the community and operations of entities. Auditor/engagement partner has violated professional code of ethics (IESBA Code).		Deregistration of an auditor\audit firm