

INDEX

A

- Acceptance of clients and engagements, 8, 71, 669, 723**
Conditions for, 746
For MD&A, 758
Inquiries about, 844
- Access**
To audit documentation, 314, 317, 319
To working papers, 657, 844, 845
- Accompanying information, 477**
- Accountant's report, 596**
Fundamental requirements, 613
Illustrations, 619
On prospective financial statements, 685
- Accountants**
Communications between predecessor and successor. *See* Communications between Predecessor and Successor
Accountants (Section 3400)
Filing responsibility, 596
Involvement of multiple, 579
- Accounting changes, 419**
- Accounting estimates, 376, 398, *See also* Auditing Accounting Estimates (Section 342)**
- Accounting guides/guidance, 955**
- Accounting policies, 376**
- Accounting principles. *See also* Reports on the Application of Accounting Principles (Section 625)**
Application of, 845
Auditor's judgments about quality of entity's, 373
Changes in, 397, 398, 436
Conflict between, 389
Correction of error in, 398
Lack of consistency in, 527
- Accounting standards, adoption of new, 400**
- Accounting, AICPA guide for, 955**
- Accounts**
Audit risk and materiality considerations with, 27
- Accounts receivable**
Aged schedule of, 217
Confirmation of, 214, 221
Report on specified elements/accounts/items relating to, 534
Report related to, 827
- Accumulated benefit information, 400**
- Acknowledgment letters, 73, 846**
- Acquisition, proposed, 675**
- Adequacy of Disclosure in Financial Statements (Section 431), 401**
- Adherence to GAAP (Section 410) and the Meaning of "Present Fairly in Conformity with GAAP" (Section 411), 385**
Definitions, 385
Effective date and applicability, 385
Fundamental requirements, 386
Illustrations, 391
Interpretations, 390
Objectives, 385
Techniques for application, 390
- Adverse opinions, 419, 520, 686, 694**
- Advisers, client's, 850**
- Aged schedule of accounts receivable, 217**
- Agreed-upon procedures**
And compliance attestation, 746, 751, 753
And forecasts, 697
And prospective financial statements, 688
- Agreed-Upon Procedures Engagements (Section 2201), 667**
Definitions, 668
Effective date and applicability, 667
Fundamental requirements, 668
Illustrations, 674
Objectives, 668
Techniques for application, 672
- AICPA (American Institute of Certified Public Accountants), 3**
- AICPA Audit and Accounting Guides, 955**
- AICPA practice alerts. *See* PITF Practice Alerts**
- AICPA Risk Alerts, 960**
- AICPA Statements of Position—Auditing and Attestation, 955**
- AICPA Technical Practice Aids, Accounting and Auditing Publications Technical Questions and Answers, 960**
- American Institute of Certified Public Accountants (AICPA), 3**
- An Audit of Internal Control Over Financial Reporting That Is Integrated with an Audit of Financial Statements (PCAOB Auditing Standard 5), 877**
Definitions, 877
Effective date and applicability, 877
Fundamental requirements, 879
Illustrations, 894
Objectives of section, 878
- Analytical Procedures (Section 329), 195**

- Definitions, 195
- Effective date and applicability, 195
- Fundamental requirements, 196
- Illustrations, 207
- Objectives, 195
- PITF Practice Alerts, 197
- Techniques for application, 198
- Annual reports, 562**
- Application of accounting principles, reports on. *See* Reports on the Application of Accounting Principles (Section 625)**
- Appointment of auditor, 16**
- Appropriateness of evidence, 117, 180**
- Assertions**
 - As audit evidence, 181
 - Defined, 179
 - In agreed-upon procedures engagements, 669
 - Use of, 181
- Assessments, inquiry of client's lawyer concerning. *See* Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments (Section 337)**
- Assets, 328, 538**
- Association with Financial Statements (Section 504), 403**
 - Definitions, 403
 - Effective date and applicability, 403
 - Fundamental requirements, 404
 - Illustrations, 409
 - Interpretations, 408
 - Objectives, 403
 - Techniques for application, 408
- Assumptions**
 - Internal consistency of, 331
 - Management's, 331
 - Propriety, 717
 - Testing significant, 188, 192
- Assurance, 1, 407, 522**
- Attest Engagements (Section 2101), 641**
 - Comparison of attestation standards with GAAS, 655
 - Defining professional requirements in statements on standards for, 642
 - Definitions, 641
 - Effective date and applicability, 641
 - Fundamental requirements, 644
 - Illustrations, 659
 - Interpretations, 656
 - Objectives, 643
- Attestation**
 - AICPA Statements of Position on, 955
 - Compliance. *See* Compliance Attestation (Section 2601)
- Attestation Statements of Position, 955**
- Attorney work-product privilege, 302**
- Attorney-client privilege, 300, 302**
- Attribute sampling, 351**
- AU. *See* Auditing standards**
- Audit committee(s)**
 - And alternative treatment of financial information within GAAP, 374
 - And interim financial information, 611
 - Communication about fair value with, 189
 - Fraud-risk inquiries of, 78
 - Independence discussions with, 374
- Audit documentation (in general)**
 - Access to, 314, 319
 - Omitted, 860
 - Retention/subsequent changes to, 861
- Audit Documentation (PCAOB Auditing Standard 3), 857**
 - Definitions, 857
 - Effective date and applicability, 857
- Fundamental requirements, 858
- Objectives of section, 858
- Audit Documentation (Section 339), 311**
 - Effective date and applicability, 311
 - Fundamental requirements, 312
 - Illustrations, 317
 - Interpretations, 314
 - Objectives, 311
 - Techniques for application, 315
- Audit engagement**
 - Timing of audit work, 16
- Audit evidence (in general), 84**
- Audit Evidence (PCAOB Auditing Standard 15)**
 - Effective date and applicability, 945
 - Fundamental requirements, 945
 - Objectives, 945
- Audit guides, 955**
- Audit plan, 14**
- Audit Planning (PCAOB Auditing Standard 9)**
 - Definitions of terms, 907
 - Effective date and applicability, 907
 - Fundamental requirements, 907
 - Objectives, 907
- Audit procedures**
 - Analytical. *See* Analytical Procedures (Section 329)
 - Designing, 119
 - Performing. *See* Performing Audit Procedures in Response to Assessed Risks and Evaluating the Audit Evidence Obtained (Section 318)
- Audit report, consenting to use of, 600**
- Audit Risk (PCAOB Auditing Standard 8)**
 - Definitions of terms, 905
 - Effective date and applicability, 905

- Fundamental requirements, 905
- Objectives, 905
- Audit Risk and Materiality (Section 312), 24**
 - Definitions, 23, 24
 - Effective date and applicability, 23
 - Fundamental requirements, 26
 - Objectives, 24
 - Techniques for application, 31
- Audit risk model, 27, 41**
- Audit Sampling (Section 350)**
 - Definitions, 345
 - Effective date and applicability, 345
 - Fundamental requirements, 347
 - Interpretations, 349
 - Objectives, 346
 - Techniques for application, 349
- Audit strategy, 13, 17**
- Audited financial statements**
 - As response to subsequent events, 598
 - Other information in documents containing. *See* Other Information in Documents
 - Containing Audited Financial Statements (Section 550)
 - Reports on. *See* Reports on Audited Financial Statements (Section 508)
- Auditing, AICPA Statements of Position on, 955**
- Auditing Accounting Estimates (Section 342), 337**
 - Definitions, 337
 - Effective date and applicability, 337
 - Fundamental requirements, 338
 - Illustrations, 343
 - Interpretations, 339
 - Objectives, 338
 - Techniques for application, 340
- Auditing and Attestation Statements of Position, 955**
- Auditing Derivative Instruments, Hedging Activities, and Investments in Securities (Section 332), 241**
 - Definitions, 241
 - Effective date and applicability, 241
 - Fundamental requirements, 243
 - Illustrations, 254
 - Objectives, 242
 - Techniques for application, 249
- Auditing Fair Value Measurements and Disclosures (Section 328), 185**
 - Definitions, 185
 - Fundamental requirements, 186
 - Objectives, 185
 - Techniques for Application, 190
- Auditing Practice Releases, 960**
- Auditing procedures**
 - Defined, 1
 - Designing, 243
 - For goods held in public warehouses. *See* Public Warehouses: Controls and Auditing Procedures for Goods Held (Section 901)
 - Performing. *See* Performing Audit Procedures in Response to Assessed Risks and Evaluating the Audit Evidence Obtained (Section 318)
- Auditing publications, 5, 959, 960**
- Auditing standards (AU), 3**
- Auditing standards (in general), 1, 3, 10, *See also* PCAOB auditing standards**
- Auditing Statements of Position, 955**
- Auditor(s)**
 - And filings under federal securities statutes, 597
 - Appointment of, 16
 - Change of, 68, 72
 - Changes in, 72, 427
 - Communications between predecessor and successor. *See* Communications between Predecessor and Successor Auditors (Section 315)
 - Responsibilities of, 2, 7
- Auditor, independent**
 - Relationship between appointment and planning, 16
- Auditor's**
 - Independence, 464
 - Reputation, 464
- Auditor's Communication with Those Charged with Governance (Section 380)**
 - Definitions, 369
 - Effective date and applicability, 369
 - Fundamental requirements, 370
 - Objectives, 370
 - PITF Practice Alerts, 374
 - Techniques for application, 376
- Auditor's Consideration of an Entity's Ability to Continue as a Going Concern (Section 341), 323**
 - Effective date and applicability, 323
 - Fundamental requirements, 324
 - Illustration, 334
 - Interpretations, 326
 - Objectives, 323
 - Techniques for application, 326
- Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements (Section 322), 139**
 - Definitions, 139
 - Effective date and applicability, 139

- Fundamental requirements, 141
- Illustrations, 147
- Objectives, 139
- Techniques for application, 142
- Auditor's report**
 - And going concern of entity, 333
 - Dating of independent. *See* Dating of the Independent Auditor's Report (Section 530)
 - On interim financial information, 615
 - Standard, 413, 518
 - Subsequent discovery of facts existing at the date of. *See* Subsequent Discovery of Facts Existing at the Date of the Auditor's Report (Section 561)
- Auditor's Responsibilities and Functions, Introduction to GAAS, and the General Standards (Including the Quality Control Standards) (Sections 100-230), 1**
 - Defining professional requirements in statements on auditing, 2
 - Definitions, 1
 - Effective date and applicability, 1
 - Fundamental requirements, 1, 2
 - Illustration, 10
 - Techniques for application, 6
- Auditor-submitted documents. *See also* Reporting on Information Accompanying the Basic Financial Statements in Auditor-Submitted Documents (Section 551)**
- Audits**
 - AICPA guide for, 955
 - Differences in, 30
 - Objective of ordinary, 2
 - Of governmental entities and recipients of governmental financial assistance. *See* Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance (Section 801)
- Availability, of data, 206**
- B**
- Bases for materiality, 31**
- Bases of accounting**
 - Cash, 532
 - Income-tax, 827
 - OCBOA, 515, 518, 526
- Basic financial statements. *See* Reporting on Information Accompanying the Basic Financial Statements in Auditor-Submitted Documents (Section 551)**
- Biases, and possible fraud, 83**
- Block sampling, 351**
- Board of directors, 304, 562**
- Borrowing money, 329**
- Brainstorming, 77**
- Budgeted financial statements, 697**
- Business**
 - And environment of entity, 52
- C**
- Capsule financial information, 558, 580**
- Cash basis of accounting, 531, 532**
- Cash flows, 398, 418, 436**
- Change(s)**
 - Of auditors, 68, 72
 - Of opinion, 421
 - Of public/nonpublic entity status, 836
 - Subsequent, 559
- Claims of creditors, 677**
- Classification, changes in, 398**
- Client consent and acknowledgment letter, 73**
- Client consent letter, 845**
- Client(s)**
 - Acceptance/Continuance of, 71
 - Establishing understanding with, 12
 - Illegal acts by. *See* Illegal Acts by Clients (Section 317)
 - Refusal to make disclosures, 511
 - Scope limitations imposed by, 429
 - Specialist related to, 291
- Client's lawyer, inquiry of. *See* Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments (Section 337)**
- Client's representation about accountant's review, 614**
- Client-prepared documents**
 - And prospective financial statements, 689
 - For audit, 316
 - In attestation engagement, 653
 - In condensed financial statement reporting, 484
 - Of communication, 407
- Client-prepared financial statements, 837**
- Closest reasonable estimate, 28**
- Collateral, 247, 329**
- Combined effect of misstatements, 32**
- Comfort letters, 550**
 - Commenting in, 558
 - Concluding paragraph, 562
 - Defined, 550
 - Disclosure of subsequently discovered matters in, 562
 - Draft, 553
 - Format/contents of, 554
 - Illustrations, 565, 571, 583, 591
 - Objectives, 550, 551
- Common-size financial statements, 203**

- Communicating Internal Control Related Matters Identified in an Audit (Section 325), 169**
 - Definitions, 169
 - Effective date and applicability, 169
 - Fundamental requirements, 170
 - Illustrations, 176
 - Objectives, 170
 - Techniques for application, 173
- Communication(s)**
 - About discovered fraud, 92
 - About government auditing, 632
 - About interim financial information, 611
 - About possible fraud, 86
 - And illegal acts by client, 107
 - Between auditor and firm personnel, 16
 - Client-prepared, 407
 - In agreed-upon procedures engagements, 673
 - With those charged with governance. *See* Auditor's Communication with Those Charged with Governance (Section 380)
 - With underwriter, 553
- Communications between Predecessor and Successor Accountants (Section 3400), 843**
 - Definitions, 843
 - Effective date and applicability, 843
 - Fundamental requirements, 844
 - Illustrations, 845
 - Interpretations, 845
 - Objectives, 843
 - Techniques for application, 845
- Communications between Predecessor and Successor Auditors (Section 315), 67**
 - Definitions, 67
 - Effective date and applicability, 67
- Fundamental requirements, 68
- Illustrations, 73
- Objectives, 68
- PITF Practice Alerts, 71
 - 03-3 Acceptance and Continuance of Clients and Engagements, 71
- Techniques for application, 72
- Comparative financial statements, 420, 528, *See also* Reporting on Comparative Financial Statements (Section 3200)**
- Competence, 141, 145**
- Compilation and Review of Financial Statements (Section 3100), 781**
 - Definitions, 781
 - Effective date and applicability, 781
 - Illustrations, 803
 - Interpretations, 798
 - Objectives, 782
- Compilation of Pro Forma Financial Information (Section 3120), 829**
 - Effective date and applicability, 829
 - Fundamental requirements, 829
 - Illustrations, 831
 - Objectives, 829
- Compilation of Specified Elements, Accounts, or Items of a Financial Statement (Section 3110), 825**
 - Effective date and applicability, 825
 - Fundamental requirements, 825
 - Illustrations, 827
 - Objectives, 825
- Compilation reports, 842**
- Compilation Reports on Financial Statements Included in Certain Prescribed Forms (Section 3300), 841**
- Compilations, 684, 698, 713**
- Completeness assertions, 183, 244, 255**
- Compliance Attestation (Section 2601)**
 - Definitions, 744
 - Effective date and applicability, 743
 - Fundamental requirements, 745
 - Illustrations, 753
 - Objectives, 744
 - Techniques for application, 751
- Compliance Attestation (Section 2601), 743**
- Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance (Section 801), 628**
 - Definitions, 627
 - Effective date and applicability, 627
 - Objectives, 628
- Compliance reports, 522**
- Comprehensive income, 802**
- Condensed financial data, 408**
- Condensed financial statements, reporting on. *See* Reporting on Condensed Financial Statements and Selected Financial Data (Section 552)**
- Condensed interim financial information, 558**
- Confidence interval, 360**
- Confidence level, 360**
- Confidence limits, 361**
- Confidentiality, 314**
- Confirmation Process (Section 330), 211**
 - Definitions, 211
 - Effective date and applicability, 211
 - Fundamental requirements, 212
 - Illustrations, 221
 - Objectives, 212
 - Techniques for application, 216
- Conformity, with GAAP. *See* Lack of Conformity with**

- Generally Accepted Accounting Principles (Section 544), See Adherence to GAAP (Section 410) and the Meaning of "Present Fairly in Conformity with GAAP" (Section 411)**
- Consent letter, 845**
- Consideration of Fraud in Financial Statement Audit (Section 316), 75**
 Definitions, 75
 Effective date and applicability, 75
 Fundamental requirements, 77
 Illustrations, 95
 Objectives, 75
 PITF Practice Alerts, 87
 Techniques for application, 88
- Consideration of Materiality in Planning and Performing an Audit (PCAOB Auditing Standard 11)**
 Effective date and applicability, 913
 Fundamental requirements, 913
 Objectives, 913
- Consideration of Omitted Procedures after the Report Date (Section 390), 379**
 Definitions, 379
 Effective date and applicability, 379
 Fundamental requirements, 381
 Illustration, 383
 Objectives, 380
 Techniques for application, 382
- Consignment, inventories on, 238**
- Consistency, 416, 613**
- Consistency of Application of Generally Accepted Accounting Principles (Section 420), 395**
 Definitions, 395
- Effective date and applicability, 395
 Fundamental requirements, 396
 Interpretations, 399
 Objectives, 396
- Consolidating information, 481, 482**
- Continuance of clients and engagements, 8, 71**
- Continuing accountants, 834, 835, 838**
- Contractual agreements, 538**
- Contractual provisions, 537**
- Control deficiencies, evaluating, 173**
- Control risk, 23, 34, 243, 251, 749**
- Controllership services, 801**
- Controls**
 For goods held in public warehouses. *See* Public Warehouses: Controls and Auditing Procedures for Goods Held (Section 901)
 Identification/testing of, 244
- Controls placed in operation, 158**
- Convenience-timed tests, 118**
- Cost method, 465**
- Cost, valuation based on, 244**
- Countries, reporting on financial statements prepared for use in other. See Reporting on Financial Statements Prepared for Use in Other Countries (Section 534)**
- Country of origin, reference to, 802**
- CPA firms, 292**
- CPA services, 643**
- Creditors, claims of, 677**
- Cross-references, to SASs, SSAEs, and SSARSs, 949**
- D**
- Dating of the Independent Auditor's Report (Section 530)**
 Definitions, 443
- Effective date and applicability, 443
 Fundamental requirements, 444
 Objectives, 444
 Techniques for application, 446
- Debt financing, 329**
- Debt restructuring, 329**
- Defense industry questionnaire on business ethics and conduct, 656**
- Delivering goods, 637**
- Departure(s)**
 From GAAP, 472, 614, 620
 From promulgated principle, 415
 From SEC-published accounting requirements, 579
 From unqualified opinions, 415, 416, 518
- Depreciation, schedule of, 827**
- Derivative instruments. See Auditing Derivative Instruments, Hedging Activities, and Investments in Securities (Section 332)**
- Detection risk, 23, 35, 360**
- Difference of opinion, 438**
- Directors, board of, 304, 562**
- Disagreements, 15, 380**
- Disclaimer of opinion, 333, 420, 432, 438, 520**
 Examination report illustration, 662
 On forecast, 694
 On pro forma financial information, 717
 On prospective financial statements, 687
- Disclosure(s)**
 Adequacy of. *See* Adequacy of Disclosure in Financial Statements (Section 431)
 Auditing fair value. *See* Auditing Fair Value Measurements and Disclosures (Section 328)

- Client's refusal to make, 511
 - Departures from, 842
 - Fair value. *See* Auditing Fair Value
 - Measurements and Disclosures (Section 328)
 - Financial statement, 377, 519
 - Inadequate. *See* Inadequate disclosures
 - Of derivatives/securities, 247
 - Of subsequently discovered matters, 562
 - Omission of, 409, 842
 - Quantitative, 563
 - Discovery of facts, subsequent. *See also* Subsequent Discovery of Facts Existing at the Date of the Auditor's Report (Section 561)**
 - Discovery sampling, 357**
 - Disposal of assets, 329**
 - Documentation**
 - About possible fraud, 86
 - Attest, 651
 - Audit. *See* Audit Documentation (Section 339)
 - Deficiencies in, 317
 - Of analytical procedures, 207
 - Of entity's ability to continue as going concern, 324
 - Of general client matters, 860
 - Of going concern, 324
 - Of interim financial information, 611
 - Of internal control design, 51
 - Of misstatements, 30
 - Of significant findings, 313
 - Of specific matters, 860
 - Of substantive procedures, 118
 - Preparation of, 315
 - Quality of, 312
 - Review of internal auditor's, 144, 147
 - Revisions to, 314
 - Standardization of, 315
 - Documents, other information in. *See* Other Information in Documents Containing Audited Financial Statements (Section 550)**
 - Dollar value evaluation, 362**
 - Draft financial statements, 800**
 - Dual dating report, 447, 504**
 - Dual statements, 456, 458**
 - Due care, 6**
- E**
- Economic data comparisons, 200**
 - Economic dependence, transactions that create, 281**
 - Economy, 52**
 - Efficiency, 145**
 - Engagement completion document, 860**
 - Engagement letter, 17, 19, 262, 616**
 - For agreed-upon procedures engagements, 672
 - For management-use-only compilations, 803
 - From client to specialist, 293
 - Engagements**
 - Acceptable, 517
 - Acceptance of. *See* Acceptance of clients and engagements
 - Agreed-upon procedures. *See* Agreed-Upon Procedures Engagements (Section 2201)
 - Attest. *See* Attestation Engagements (Section 2101)
 - Performance during, 8
 - Entity, understanding the. *See* Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement (Section 318)**
 - Environment of entity. *See* Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement (Section 318)**
 - Equal-probability sampling, 361**
 - Equity method, 465**
 - Equivalence representations, 278**
 - Estimates, auditing accounting. *See* Auditing Accounting Estimates (Section 342)**
 - Estimation risk, 360**
 - Evaluating, 897**
 - Evaluating Audit Results (PCAOB Auditing Standard 14)**
 - Effective date and applicability, 938
 - Fundamental requirements, 938
 - Objectives, 938
 - Evaluating Consistency of Financial Statements (PCAOB Auditing Standard 6)**
 - Definitions, 897
 - Fundamental requirements, 898
 - Objectives of section, 897
 - Evidence, audit. *See* Evidential Matter (Section 326)**
 - Evidential matter, 248**
 - Evidential Matter (Section 326), 179**
 - Definitions, 179
 - Effective date and applicability, 179
 - Fundamental requirement, 181
 - Interpretations, 182
 - Objectives, 180
 - Examination engagements, 701, 748, 758**
 - Examination reports, 648, 659, 713**
 - Existences assertions, 254**

Expenditures, reducing or delaying, 330
Experts, 599
Explanatory language, 527, 579
Extent of audit procedures, 114

F

Fair value

Collateral used in evaluation of, 247
 Defined, 185
 Determination of, 186, 191
 Sources of information about, 246
 Unrealized appreciation/depreciation in, 247
 Valuation based on, 245
 Valuation model for, 246

Fair value disclosures, 189, 339

Fair value measurement and disclosures, auditing. *See* Auditing Fair Value Measurements and Disclosures (Section 328)

Feasibility study, 695

Federal government entities, 388, 630

Federal securities statutes, filings under. *See* Filings under Federal Securities Statutes (Section 711)

Field warehouses, 637

Fieldwork standards, 3

Fieldwork, completion of, 446

FIFO to LIFO change, 399

Filings Under Federal Securities Statutes (Section 711), 595

Definitions, 595
 Effective date and applicability, 595
 Fundamental requirements, 596
 Illustration, 600
 Interpretations, 600
 Objectives, 596
 Techniques for application, 600

Financial data, reporting on selected. *See* Reporting on Condensed Financial Statements and Selected Financial Data (Section 552)

Financial forecasts, 559, 573
Financial Forecasts and Projections (Section 2301), 679

Applicability, 679
 Definitions, 680
 Effective date and applicability, 679
 Fundamental requirements, 682
 Illustrations, 690
 Objectives, 681
 Training and proficiency, planning and procedures applicable to examinations, 701
 Training and proficiency, planning and procedures applicable to compilations, 698

Financial information

Capsule, 552
 Communication with audit committees about alternative treatment of, 375
 Compilation of pro forma. *See* Compilation of Pro Forma Financial Information (Section 3120)
 Interim. *See* Interim Financial Information (Section 722)
 Pro forma, 558, 572
 Reporting on pro forma. *See* Reporting on Pro Forma Financial Information (Section 2401)
 Tables, statistics, and other, 560, 573

Financial reporting, 95, *See also* Reporting on an Entity's Internal Control over Financial Reporting (Section 2501)

Financial statement audit, consideration of fraud in. *See* Consideration of Fraud in Financial Statement Audit (Section 316)

Financial statement disclosures, 377, 518, *See also* Adequacy of Disclosure in Financial Statements (Section 431)

Financial statement(s)

Adequacy of disclosure in. *See* Adequacy of Disclosure in Financial Statements (Section 431)
 And going concern of entity, 332
 Association with. *See* Association with Financial Statements (Section 504)
 Audit of previously-audited, 70
 Audit risk and materiality considerations with, 26
 Common-size, 203
 Compilation and review of. *See* Compilation and Review of Financial Statements (Section 3100)
 Compilation of specified elements, accounts, or items of. *See* Compilation of Specified Elements, Accounts, or Items of a Financial Statement (Section 3110)
 Discovery of possible misstatements in, 71
 Evidential matter for audit of interim, 182
 Included in certain prescribed forms. *See* Compilation Reports on Financial Statements Included in Certain Prescribed Forms
 OCBOA-conforming, 518
 Prepared for use in other countries. *See* Reporting on Financial Statements

- Prepared for Use in Other Countries (Section 534)
 - Reporting on comparative. *See* Reporting on Comparative Financial Statements (Section 3200)
 - Reporting on condensed. *See* Reporting on Condensed Financial Statements and Selected Financial Data (Section 552)
 - Reporting on information accompanying the basic. *See* Reporting on Information Accompanying the Basic Financial Statements in Auditor-Submitted Documents (Section 551)
 - Reporting on personal. *See* Reporting on Personal Financial Statements Included in Written Personal Financial Plans (Section 3600)
 - Reports on audited. *See* Reports on Audited Financial Statements (Section 508)
 - Revision of, 72
 - Submitting draft, 800
 - Title of, 518
 - Unaudited, 404
 - First year audits, 399**
 - Flow-of-transactions test, 350**
 - Forecasts. *See also* Financial Forecasts and Projections (Section 2301)**
 - Adverse opinion on, 694
 - Agreed-upon procedures applied to, 697
 - Compilation of, 690
 - Disclaimer of opinion on, 694
 - Examination of, 692
 - Financial, 559, 573
 - Qualified opinion on, 693
 - Foreign auditing standards, 454**
 - Foreign report form, 456**
 - Form 10-K, 562, 565**
 - Form 10-Q, 565, 600**
 - Forward-looking information, 155**
 - Fraud. *See also* Consideration of Fraud in Financial Statement Audit (Section 316)**
 - And inventory, 229
 - Communication about, 613
 - Description/characteristics, 88
 - Responsibility for detection of illegal acts vs., 108
 - Risk of material misstatement due to, 34
 - Fraud risk factors, 89**
- G**
- GAAP. *See* Generally Accepted Accounting Principles**
 - GAAP hierarchy, 386, 391**
 - GAAS. *See* Generally Accepted Auditing Standards**
 - GAAS hierarchy, 3, 7, 10, 959**
 - GAGAS (Government Auditing Standards), 628**
 - Gas information, 493**
 - General standards, 3**
 - Generally Accepted Accounting Principles (GAAP)**
 - Accountant's report on departure from, 614, 620
 - Adherence to. *See* Adherence to GAAP (Section 410) and the Meaning of "Present Fairly in Conformity with GAAP" (Section 411)
 - Assertions about presentation/disclosure of derivatives/securities in conformity with, 247
 - Change to OCBOA from, 527
 - Communication with audit committees about alternative treatment of financial information within, 375
 - Consistency of application of. *See* Consistency of Application of Generally Accepted Accounting Principles (Section 420)
 - Departure from, 418, 430, 434
 - Evaluating conformity of fair value measurements/disclosures with, 186
 - Lack of conformity with. *See* Lack of Conformity with Generally Accepted Accounting Principles (Section 544)
 - Present fairly in conformity with. *See* Adherence to GAAP (Section 410) and the Meaning of "Present Fairly in Conformity with GAAP" (Section 411)
 - Supplementary information required by, 492
 - Generally Accepted Auditing Standards (GAAS), 518, 520**
 - Attestation standards vs., 655, 656
 - Reports on audits conducted in accordance with, 423
 - Going concern**
 - Accountant's report on, 621
 - Inquiries about, 608
 - Uncertainties in, 527, 537
 - Going Concern. *See also* Auditor's Consideration of an Entity's Ability to Continue as a Going Concern (Section 341)**
 - Goods, 636, 637, *See also* Public Warehouses: Controls and Auditing Procedures for Goods Held (Section 901)**

- Governance, communication with those charge with.**
See Auditor's Communication with Those Charged with Governance (Section 380)
- Government Auditing Standards (GAGAS), 628**
- Government entities, 387**
- Governmental entities, compliance auditing consideration in audits of.**
See Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance (Section 801)
- Governmental financial assistance, compliance auditing considerations in audits of.**
See Compliance Auditing Considerations in Audits of Governmental Entities and Recipients of Governmental Financial Assistance (Section 801)
- Gross income, 538**
- H**
- Haphazard sampling, 351**
- Hedging activities.**
See Auditing Derivative Instruments, Hedging Activities, and Investments in Securities (Section 332)
- Hierarchy(-ies)**
 GAAP, 386, 391
 GAAS, 3, 7, 959
- Historical financial statements, 529, 542, 713**
- I**
- Identifying and Assessing Risks of Material Misstatement (PCAOB Auditing Standard 12)**
 Definition of terms, 917
 Effective date and applicability, 917
- Fundamental requirements, 917
 Objectives, 917
- Illegal acts**
 Communication about, 613
- Illegal Acts by Clients (Section 317), 104**
 Definitions, 104
 Effective date and applicability, 104
 Fundamental requirements, 106
 Interpretations, 108
 Objectives, 104
 Techniques for application, 108
- Impairment losses, 247**
- Inadequate disclosures, 418, 437**
 Accountant's report on, 621
 And going concern of entity, 325, 333
 In financial statements, 405
- Income tax, 529, 537, 541**
- Income tax accruals, 182**
- Income tax basis of accounting, 532, 827**
- Incomplete presentations, 524**
- Independence, 5, 9**
 And audit committees, 374
 In agreed-upon procedures engagements, 672
 Of specialist, 294
 Report modified for lack of, 405
 Reporting with lack of, 408
- Independence Standards Board (ISB), 5**
- Independent auditor's report, dating of.**
See Dating of the Independent Auditor's Report (Section 530)
- Independent auditors, 12, 142, 147, See also Part of Audit Performed by Other Independent Auditors (Section 543)**
- Industry, 52**
- Industry comparisons, 200**
- Information technology (IT), 58**
- Inherent risk, 34, 250, 749**
- Inquiries**
 About engagement acceptance, 844
 About going concern issues, 608
 About internal auditors, 144
 Between auditors, 462, 468
 Of client's lawyer, 608
- Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments (Section 337), 295**
 Definitions, 295
 Effective date and applicability, 295
 Fundamental requirements, 296
 Illustrations, 307
 Interpretations, 300
 Objectives, 295
 Techniques for application, 302
- Instructions to staff, 15, 147**
- Insurance companies, 305, 528, 540**
- Insurance, warehouse, 637**
- Integrity, 9**
- Interim audit work**
 Observation of inventories, 16
- Interim dates, testing at, 118**
- Interim earnings data, 582**
- Interim financial information, 583**
- Interim Financial Information (Section 722), 603**
 Definitions, 603
 Effective date and applicability, 603
 Fundamental requirements, 605
 Illustrations, 619
 Objectives, 604
 Techniques for application, 615
- Interim financial statements, 182**
- Interim report, 855**

- Internal audit function.** *See* Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements (Section 322)
- Internal auditors, 78, 670**
- Internal control.** *See also* Reporting on an Entity's Internal Control over Financial Reporting (Section 2501), *See also* Communication of Internal Control Related Matters Noted in an Audit (Section 325)
- And accounting estimates, 341
 - And interim financial information, 605
 - Evaluating design of, 47
 - Knowledge of, 557
 - Obtaining understanding of, 45
 - Risk-based, top-down approach to evaluating, 56
- International standards on auditing, 423, 457**
- Interpretive publications, 4, 10**
- Inventories (Section 331)**
- Definitions, 227
 - Effective date and applicability, 227
 - Fundamental requirements, 227
 - Illustrations, 234
 - Objectives, 227
 - PITF Practice Alert, 229
 - Techniques for application, 230
- Inventory(-ies)**
- And possible fraud, 90
 - Below-cost statement of, 409
 - In public warehouses. *See* Public Warehouses: Controls and Auditing Procedures for Goods Held (Section 901)
- Investees, 245, 399**
- Investments, 424, *See also* Auditing Derivative Instruments, Hedging Activities, and Investments in Securities (Section 332)**
- Iron curtain approach, 37
- IT. *See* Information technology
- J**
- Journal entries, 82, 87**
- K**
- Key-item tests, 349**
- Knowledge of internal control, 557**
- Known misstatement, 24, 28, 36**
- L**
- Lack of Conformity with Generally Accepted Accounting Principles (Section 544), 471**
- Land recorded at appraised values, 409**
- Laws, management representations on violations of, 261**
- Lawyers**
- As specialists, 291
 - Inquiry of client's. *See* Inquiry of Client's Lawyer Concerning Litigation, Claims, and Assessments (Section 337)
- LCL (lower confidence limit), 360**
- Legal opinions, 288**
- Letters for Underwriters and Certain Other Requesting Parties (Section 634), 549**
- Applicability, 549
 - Definitions, 550
 - Effective date and applicability, 549
 - Fundamental requirements, 552
 - Interpretations, 562
 - Objectives, 551
 - Techniques for application, 565
- Level of service, 798**
- Liabilities, statement of, 538**
- Liability insurance companies' loss reserves, 528**
- Likely misstatement, 24, 28, 36**
- Linear regression, 203**
- Liquidation basis, 423**
- Litigation and claims, inquiry of client's lawyer concerning. *See* Inquiry of a Client's Lawyer Concerning Litigation, Claims, and Assessments (Section 337)**
- Litigation services, 430, 657, 800**
- Loan agreement, 539**
- Local government entities, 387**
- Long-term investments, 465**
- Lower confidence limit (LCL), 360**
- M**
- Management**
- Communication about interim financial information to, 613
 - Derivatives/securities and ability/intent of, 248
 - Fraud risk inquiries of, 78
 - Responsibilities of, 2, 6
- Management antifraud programs and controls, 94**
- Management estimates, 91**
- Management forecasts, 331**
- Management override of controls**
- Addressing risk of, 82
 - And identifying fraud risk, 81
 - Illustration, 100
- Management representation letter, 6**
- About related parties, 281
 - And interim financial information, 609
 - For interim financial information review, 622
 - Service organization, 164
 - Updating, 440
- Management representations (in general)**

- About
 - derivatives/securities, 249
- About fair value, 189
- And engagement
 - acceptance, 728
- In compliance attestation, 745
- When entity has no attorney, 309
- Management**
- Representations (Section 333), 257**
 - Definitions, 257
 - Effective date and applicability, 257
 - Fundamental requirements, 258
 - Illustrations, 263
 - Interpretations, 261
 - Objectives, 257
 - Techniques for application, 261
- Management's assertions, 664, 755**
- Management's Discussion and Analysis (MD&A) (Section 2701), 591, 757**
 - Definition, 757
 - Effective date and applicability, 757
 - Fundamental requirements, 758
 - Illustrations, 760
 - Objectives, 758
- Management's plans, 328**
- Management's report, 423**
- Management-use-only compilations, 808**
- Market risk, 563**
- Marketability of assets, 328**
- Material accounting estimates, 338**
- Material misstatement(s)**
 - And fair value determination, 191
 - Assessing risks of. *See* Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement (Section 318)
 - Fraud-related, 33
 - In prospective financial statements, 690
 - Types of, 2
- Material weaknesses, 176**
- Materiality**
 - And management representation, 263
 - And predecessor accountants, 844
 - In compliance examination, 753
 - In conducting an audit. *See* Audit Risk and Materiality (Section 312)
 - Level of, 520
- MD&A. *See* Management's Discussion and Analysis**
- Measurement departures, 842**
- Misappropriation of assets, 75, 91, 97**
- Misstatement(s). *See also* Material misstatement(s)**
 - Aggregation of, 348
 - Combined effect of, 32
 - Communication to management of, 28
 - Detected at interim dates, 113
 - Evaluating, 29
 - Fraud-related, 75
 - In previously audited financial statements, 71
 - In prior period, 36
 - Known, 24, 28, 36
 - Likely, 24, 28, 36
 - Nature/causes of, 25
 - Projection of, 348
 - Qualitative characteristics, 29
 - Tolerable, 27
 - Undetected, 32
- Modification of opinion, 461**
- Modified cash basis of accounting, 531**
- Monitoring, 9, 143**
- N**
- National economic data comparisons, 200**
- Nature of audit procedures, 113, 115**
- Negative assurance, 407**
- Net income, 521**
- No-charge transactions, 280**
- Non-1933 Act offering, 586**
- Nonaudit clients, 712**
- Non-GAAP presentations, 526**
- Nongovernmental entities, 386**
- Non-OCBOA presentations, 526**
- Nonpublic entities, 485**
- Nonpublic entity financial statements, 407**
- Nonreview clients, 712**
- Notes to financial statements, 282, 444**
- O**
- Objectivity, 9, 141, 145**
- Obligations assertions, 256**
- Observation of inventory, 227, 422, 638**
- OCBOA. *See* Other comprehensive basis of accounting**
- Occurrence assertions, 254**
- Oil information, 493**
- Omission**
 - Of disclosures, 409, 842
 - Of statement of cash flows, 418, 436
 - Of supplementary information required by GAAP, 495
- Omitted audit documentation, 860**
- Omitted procedures, 860, *See also* Consideration of Omitted Procedures After the Report Date (Section 390)**
- Oral explanations, 312**
- Organization charts, 144**
- Other comprehensive basis of accounting (OCBOA), 515, 518, 527**
- Other countries, reporting on financial statements prepared for use in. *See* Reporting on Financial Statements Prepared for Use in Other Countries (Section 534)**

- Other independent auditors, part of audit performed by.** *See* **Part of Audit Performed by Other Independent Auditors (Section 543)**
- Other Information in Documents Containing Audited Financial Statements (Section 550)**
 Definitions, 473
 Effective date and applicability, 473
 Fundamental requirements, 474
 Interpretations, 475
 Objectives, 473
 PITF Practice Alerts, 475
 Techniques for application, 475
- Other requesting parties, letters for.** *See* **Letters for Underwriters and Certain Other Requesting Parties (Section 634)**
- Outside inventory-taking firms, 234, 422**
- Override of controls.** *See* **Management override of controls**
- Overstatements, 37**
- Ownership equity, increasing, 330**
- Ownership of audit documentation, 314**
- P**
- Part of Audit Performed by Other Independent Auditors (Section 543)**
 Definitions, 459
 Effective date and applicability, 459
 Fundamental requirements, 460
 Illustrations, 466
 Interpretations, 462
 Objectives, 459
 Techniques for application, 463
- Partial presentations, 683**
- Partner-in charge, 8**
- PCAOB Auditing Standards**
- 1-*References in Auditors' Reports to the Standards of the Public Company Accounting Oversight Board*, 853
- 3-*Audit Documentation*, 857
- 4-*Reporting on Whether a Previously Reported Material Weakness Continues to Exist*, 863, 872
- 5-*An Audit of Internal Control Over Financial Reporting That Is Integrated with an Audit of Financial Statements*, 877
- 6-*Evaluating Consistency of Statements*, 897
- 8-*Audit Risk*, 905
- 9-*Audit Planning*, 907
- 10-*Supervision of the Audit Engagement*, 911
- 11-*Consideration of Materiality in Planning and Performing an Audit*, 913
- 12-*Identifying and Assessing Risks of Material Misstatement*, 917
- 13-*The Auditor's Responses to the Risks of Material Misstatement*, 931
- 14-*Evaluating Audit Results*, 938
- 15-*Audit Evidence*, 945
- References to, 425
- Performance standards, 545**
- Performing Audit Procedures in Response to Assessed Risks and Evaluating the Audit Evidence Obtained (Section 318), 111**
 Definitions, 111
 Effective date and applicability, 111
 Fundamental requirements, 112
 Objectives, 111
 Substantive procedures, 116
- Techniques for application, 118
- Periodic inventory system, 230**
- Permanent file for analytical procedures, 204**
- Perpetual inventory records, 228**
- Personal financial plans, reporting on personal financial statements included in written. *See* Reporting on Personal Financial Statements Included in Written Personal Financial Plans (Section 3600)**
- Personnel management, 8**
- Photocopies, 314, 657**
- Physical inventory**
 Planning, 230
 Quantities determined solely by, 227
 Taking, 233
- PITF (Professional Issues Task Force), 959**
- PITF Practice Alerts, 959**
 00-2 Guidance for
 Communication with Audit Committees
 Regarding Alternative Treatments of Financial Information within Generally Accepted Accounting Principles, 375
- 03-01 Audit
 Confirmations, 215
- 03-03 Journal Entries and Other Adjustments, 87
- 03-3 Acceptance and Continuance of Clients and Engagements, 71
- 94-1 Dealing with Audit Differences, 30
- 94-2 Consideration of Fraud in Audit Procedures Related to Inventory Observation, 229
- 97-1 Financial Statements on the Internet, 475

- 97-3 Changes in Auditors and Related Topics, 72, 427
 - 98-1 Auditor's Use of Analytical Procedures, 197
 - 98-2 Professional Skepticism and Related Topics, 87
 - 98-3 Responding to Risk of Improper Revenue Recognition, 87
 - 99-1 Guidance for Independence Discussions with Audit Committees, 374
 - 99-2 How the Use of a Service Organization Affects Internal Control Consideration, 156
 - Planning and Supervision (Section 311)**
 - Definitions, 11
 - Effective date and applicability, 11
 - Fundamental requirements, 12
 - Illustrations, 19
 - Interpretations, 16
 - Objectives, 11
 - Techniques for application, 16
 - Planning, audit, 196, 205**
 - Point estimate, 360, 362**
 - Practitioner's report, 684**
 - Pre-award surveys, 733**
 - Predecessor accountant**
 - Communications between successor and. *See* Communications between Predecessor and Successor Accountants (Section 3400)
 - Compilation or review report by, 835
 - Explanatory paragraphs referencing, 839
 - Predecessor auditors**
 - And filings under federal securities statutes, 597
 - Communications between successor and. *See* Communications between Predecessor and Successor Auditors (Section 315)
 - Reissuance of report by, 421
 - Report not presented, 422, 439
 - Who have ceased operations, 424
 - Preliminary engagement activities, 13**
 - Preprinted accountant's report, 842**
 - Prescribed forms, compilation reports on financial statements included in certain. *See* Compilation reports on financial statements included in certain prescribed forms**
 - Present Fairly in Conformity with GAAP. *See* Adherence to GAAP (Section 410) and the Meaning of "Present Fairly in Conformity with GAAP" (Section 411)**
 - Presumptively mandatory requirements, 2**
 - Principal accountant, 553**
 - Principal auditor, 460**
 - Prior period financial statements, 836**
 - Prior period misstatements, 36**
 - Pro forma financial information, 558, 572, 716, *See also* Reporting on Pro Forma Financial Information (Section 2401), *See also* Compilation of Pro Forma Financial Information (Section 3120)**
 - Procedures. *See* Performing Audit Procedures in Response to Assessed Risks and Evaluating the Audit Evidence Obtained (Section 318), *See* Analytical Procedures (Section 329)**
 - Professional Issues Task Force (PITF), 959**
 - Professional skepticism. *See* Skepticism, professional**
 - Proficiency, 5, 698**
 - Profit participation, 535**
 - Projections, financial, 691, *See also* Financial Forecasts and Projections (Section 2301)**
 - Promulgated principle, departure from, 415**
 - Property and liability insurance companies' loss reserves, 528**
 - Proposals, 547**
 - Proposed acquisition, 675**
 - Propriety of assumptions, 717**
 - Prospective financial information**
 - And going concern of entity, 324
 - Defined, 681
 - Illustration, 691
 - Prospective financial statements, 680, 684**
 - Public entities**
 - And related parties, 277
 - Client-prepared documents of, 484
 - Public entity financial statements, 407**
 - Public Warehouses**
 - Controls and Auditing Procedures for Goods Held (Section 901), 635
 - Definitions, 635
 - Effective date and applicability, 635
 - Fundamental requirements, 636
 - Public warehouses, inventories held in, 228, 230, 239**
- Q**
- Qualified opinions, 417, 432, 437**
 - Examination report illustration, 661
 - On forecast, 693
 - On prospective financial statements, 686

- Qualified report, on historical financial statements, 713**
- Quality**
 Of audit documentation, 316
 Of entity's accounting practices, 376
 Of entity's accounting principles, 373
- Quality control**
 Administering, 9
 Elements of, 7
 Establishing policies/procedures for, 7
 Standards for, 5
- Quality control standards, 651**
- Quantitative disclosures, 563**
- R**
- Random number sampling, 351**
- Ratio analysis, 200**
- Reasonable assurance, 1**
- Reasonableness, evaluating, 339, 342**
- Receipts, warehouse, 637, 638**
- Receiving goods, 636**
- Recipients of governmental financial assistance, compliance auditing consideration in audits of**
See Compliance Auditing Consideration in Audits of Governmental Entities and Recipients of Governmental Financial Assistance (Section 801)
- References in auditors' reports to the Standards of the Public Company Accounting Oversight Board (PCAOB Auditing Standard 1)**
 Definitions, 853
 Effective date and applicability, 853
 Fundamental requirements, 853
 Interpretation, 854
- Regression analysis, 203**
- Regulations**
 Compliance with, 537
- Regulators**
 And working papers access, 657
 Auditor's letter to, 318
- Regulatory agencies, 472, 519, 533**
- Reissuance of report, 72, 421, 445, 505**
- Related Parties (Section 334), 273**
 Definitions, 273
 Effective date and applicability, 273
 Fundamental requirements, 274
 Illustrations, 281
 Interpretations, 279
 Objectives, 274
 Techniques for application, 279
- Relative risk, 34**
- Relevance, 145**
- Reliability, data, 206**
- Rental, 534**
- Report date. *See* Dating of the Independent Auditor's Report (Section 530), *See* Consideration of Omitted Procedures After the Report Date (Section 390)**
- Reporting entity, changes in, 397**
- Reporting on an Entity's Internal Control over Financial Reporting (Section 2501), 719**
 Definitions, 720
 Effective date and applicability, 719
 Fundamental requirements, 722
 Interpretations, 733
 Objectives, 721
 Reporting requirements, 730
- Reporting on Comparative Financial Statements (Section 3200), 833**
 Definitions, 833
 Effective date and applicability, 833
- Reporting on Condensed Financial Statements and Selected Financial Data (Section 552), 483**
 Definitions, 483
 Effective date and applicability, 483
 Fundamental requirements, 485
 Illustrations, 488
 Objectives, 484
- Reporting on controls at a service organization (2801), 765**
 Definition of terms, 765
 Effective date and applicability, 765
 Fundamental requirements, 766
 Illustrations, 775
 Objectives, 766
- Reporting on Financial Statements Prepared for Use in Other Countries (Section 534), 453**
 Definitions, 453
 Effective date and applicability, 453
 Fundamental requirements, 454
 Illustrations, 458
 Interpretations, 457
 Objectives, 453
 Techniques for application, 457
- Reporting on Information Accompanying the Basic Financial Statements in Auditor-Submitted Documents (Section 551)**
 Definitions, 477
 Effective date and applicability, 477
 Fundamental requirements, 477
 Illustrations, 479
 Objectives, 477
- Fundamental requirements, 834**
- Illustrations, 837**
- Interpretations, 837**
- Objectives, 833**
- Techniques for application, 837**

- Reporting on Personal Financial Statements Included in Written Personal Financial Plans (Section 3600), 849**
- Reporting on Pro Forma Financial Information (Section 2401), 707**
 Definitions, 707
 Effective date and applicability, 707
 Fundamental requirements, 708
 Illustrations, 713
 Objectives, 707
 Techniques for application, 712
- Reporting on Whether a Previously Reported Material Weakness Continues to Exist**
 Effective date and applicability, 863
 Fundamental requirements, 863
 Illustrations, 872
 Objectives of section, 863
 Techniques for application, 872
- Reporting standards, 4, 396, 455, 546**
- Reports**
 On comparative financial statements, 420
 Reissuance of, 72, 421, 445, 505
 Special. *See* Special Reports (Section 623)
- Reports on Audited Financial Statements (Section 508)**
 Definitions, 411
 Effective date and applicability, 411
 Fundamental requirements, 413
 Illustrations, 430
 Interpretations, 422
 Objectives, 412
 PITF Practice Alerts, 427
 Techniques for application, 428
- Reports on the Application of Accounting Principles (Section 625), 544**
 Applicability, 543
 Definitions, 544
 Effective date and applicability, 543
 Fundamental requirements, 546
 Illustration, 548
 Objectives, 544
 Techniques for application, 546
- Representation letter**
 For agreed-upon procedures engagements, 671
 For attestation engagement, 652
 For review engagement, 818
 From management. *See* Management representation letter
 From other auditor, 467
 To underwriters, 552
- Request for assurance, 522**
- Requesting parties, letters for. *See* Letters for Underwriters and Certain Other Requesting Parties (Section 634)**
- Required Supplementary Information (Section 558)**
 Definitions, 491
 Effective date and applicability, 491
 Fundamental requirements, 492
 Illustrations, 495
 Interpretations, 493
 Objectives, 491
 Techniques for application, 495
- Restricting the Use of an Auditor's Report (Section 532)**
 Definitions, 449
 Effective date and applicability, 449
 Fundamental requirements, 450
 Illustration, 451
 Objectives, 449
- Techniques for application, 451
- Restructuring debt, 329**
- Retention, of audit documentation, 861**
- Revenue recognition, 90**
- Review reports, 650**
 For MD&A, 759
 Illustrations, 664
 Of pro forma financial information, 714
- Review, of financial statements. *See* Compilation and Review of Financial Statements (Section 3100)**
- Rights assertions, 256**
- Risk**
 In conducting an audit. *See* Audit Risk and Materiality (Section 312)
 Of material misstatement, 24, *See also* Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement (Section 318)
- Risk alerts, 960**
- Risk assessment**
 For assertions about derivatives/securities, 250
 Of control risk, 243
 Of internal auditors, 143
 Procedures of, 42
 Questionnaire about, 61, 64
- Royalties, 535**
- Rule 203 opinion, 435**
- Rule 203 pronouncements, 388**
- S**
- Sales, 534**
- Sampling**
 Audit. *See* Audit Sampling (Section 350)
 Of inventory quantities, 228
- Sarbanes-Oxley Act of 2002 (SOX), 5, 56**

- SASs. See Statements on Auditing Standards**
- Schedule of depreciation, 827**
- Schedule of investments, 424**
- Scope limitation qualification, 716**
- Scope of audit, 520**
- And audit strategy, 17
 - And communication with those charged with governance, 372
 - And inventory, 229
 - And management representations, 261
 - And reports on audited financial statements, 429
 - Of internal auditors, 147
- SEC. See Securities and Exchange Commission**
- SEC filings, 408**
- Securities Act of 1933, 306**
- Securities and Exchange Commission (SEC), 5, 389, 463, 556, 579**
- Securities offerings, 600**
- Securities statutes, filings under federal. See Filings under Federal Securities Statutes (Section 711)**
- Securities, investment in. See Auditing Derivative Instruments, Hedging Activities, and Investment in Securities (Section 332)**
- Sensitivity analysis, 564**
- Service auditors, 154**
- Fundamental requirements, 154
 - Illustrations, 160
 - Techniques for application, 158
- Service organizations, 252**
- Service Organizations (Section 324), 151, 901**
- Definitions, 151, 901
 - Effective date and applicability, 151, 901
 - Fundamental requirements, 152, 901
 - Illustrations, 160
 - Interpretations, 155
 - Objectives, 152, 901
 - PITF Practice Alerts, 156
 - Techniques for application, 158
- Shelf registration, 554, 599**
- Short form registration statement, 569**
- Significant assumptions, testing, 188, 192**
- Significant deficiencies**
- Illustration, 176
 - In service auditor's report, 158, 160
- Significant findings, 313, 372**
- Significant unusual transactions, 84**
- Skepticism, professional, 1, 77, 87**
- Solvency, 657**
- SOX. See Sarbanes-Oxley Act of 2002**
- Special Reports (Section 623)**
- Definitions, 516
 - Illustrations, 532
 - Interpretations, 528
 - Objectives, 518
- Special skill or knowledge, 249**
- Specialists**
- Determining extent of involvement of, 14
 - Fair value measurement and engaging, 187
 - In agreed-upon procedures engagements, 670
 - Using work of. *See* Using the Work of a Specialist (Section 336)
- Special-purpose financial presentations, 524**
- Special-purpose financial statements, 530**
- SQCS (Statement on Quality Control Standards), 8**
- SSARSS. See Statements on Standards for Accounting and Review Services**
- Standard report, 854**
- Standards**
- Attestation, 644
 - Auditing, 3
 - Fieldwork, 3
 - GAAS/GAAS hierarchy, 3
 - On due care, 6
 - On independence, 5
 - On training/proficiency, 5
 - Quality control, 5, 651
 - Reporting, 4
- State governmental entities, 387**
- Statement on Quality Control Standards (SQCS), 7**
- Statements of Position, Auditing and Attestation, 955**
- Statements on Auditing Standards (SASs), 2, 949**
- Statements on Standards for Accounting and Review Services (SSARSS), 953**
- Statistical audit sampling, 357**
- Attributes evaluation, 361
 - Calculating sample size, 357
 - Confidence limits calculation, 361
 - Dollar value evaluation, 362
 - Evaluation in substantive tests of details, 360
 - Risk/confidence in substantive tests of details, 360
 - Variable evaluation, 362
- Statistics, 560, 573**
- Statutes, filings under federal securities. See Filings under Federal Securities Statutes (Section 711)**
- Stockholders' equity, 521**
- Storing goods, 637**
- Strengthening the commission's requirements regarding auditor independence, 5**
- Subject matter, 663, 668**
- Subsequent changes, 559, 861**
- Subsequent Discovery of Facts Existing at the Date of the Auditor's Report, 509**
- Effective date and applicability, 509
 - Fundamental requirements, 510
 - Interpretations, 512

- Objectives, 509
 - Techniques for application, 512
 - Subsequent events (in general)**
 - And compliance attestation, 747, 750
 - And dating of auditor's report, 444
 - And fair value, 188
 - And filings under federal securities statutes, 597
 - Financial statements as response to, 598
 - In attestation engagements, 654
 - Service auditor's responsibility for, 154, 901, 902, 903
 - Subsequent Events (Section 560)**
 - Definitions, 499
 - Effective date and applicability, 499
 - Fundamental requirements, 500
 - Illustration, 505
 - Objectives, 499
 - Techniques for application, 501
 - Subsequent interim date, 715**
 - Subsequently discovered matters, 562**
 - Substantial doubt, regarding going concern, 324, 332**
 - Substantive procedures, 116**
 - Design of risk-assessment-based, 244
 - For derivatives/securities auditing, 255
 - Of internal auditors, 143
 - Substantive tests, 197, 206, 354**
 - Successor accountants, communications between predecessor and. *See* Communications between Predecessor and Successor Accountants (Section 3400)**
 - Successor auditor acknowledgment letter, 73**
 - Successor auditors, communications between**
 - predecessor and. *See* Communications between Predecessor and Successor Auditors (Section 315)**
 - Sufficiency**
 - Of audit documentation, 312
 - Of evidence, 181
 - Of internal auditor's work, 142
 - Supervision. *See* Planning and Supervision (Section 311)**
 - Supervision of the Audit Engagement (PCAOB Auditing Standard 10)**
 - Effective date and applicability, 911
 - Fundamental requirements, 911
 - Objectives, 911
 - Supplementary information. *See also* Required Supplementary Information (Section 558)**
 - Systematic sampling, 351**
- T**
- Tables, 560, 573**
 - Tax law, change in, 527**
 - Tax returns, 408, 799, 801**
 - Test of controls, 351**
 - Tests of controls, 114, 425**
 - Tests of operating effectiveness, 157, 159**
 - The Auditor's Responses to the Risks of Material Misstatement (PCAOB Auditing Standard 13)**
 - Definitions of terms, 931
 - Effective date and applicability, 931
 - Fundamental requirements, 931
 - Objectives, 931
 - Tier 1, 3, 10**
 - Tier 2, 4, 10**
 - Tier 3, 5, 10**
 - Timing**
 - Of audit procedures, 113, 115
 - Of confirmation request, 216
 - Of inventory observation, 230
 - Of review procedures, 609
 - Title of financial statements, 519**
 - Tolerable misstatements, 27**
 - Training, 5, 698**
 - Trend analysis, 202**
 - Trial balance, 799**
- U**
- UCL (upper confidence limit), 360**
 - Unaudited condensed interim financial information, 558**
 - Unaudited financial statements, 404, 598**
 - Unaudited notes, 446**
 - Uncertainties, 527, 537**
 - Unconditional requirements, 2**
 - Understanding the Entity and Its Environment and Assessing the Risks of Material Misstatement (Section 314), 39**
 - Definitions, 39
 - Effective date and applicability, 39
 - Fundamental requirements, 42
 - Objectives, 41
 - Techniques for application, 51
 - Understatements, 37**
 - Underwriters, letters for. *See* Letters for Underwriters and Certain Other Requesting Parties (Section 634)**
 - Undetected misstatements, 32**
 - Unqualified opinions, departures from, 416, 518**
 - Unrealized appreciation/depreciation, 247**
 - Upper confidence limit (UCL), 360**
 - US distribution, 456**
 - User auditors, 152, 157, 901**

Using the Work of a Specialist (Section 336), 285
Definitions, 285
Effective date and applicability, 285
Fundamental requirements, 286
Illustrations, 293
Interpretations, 288
Objectives, 285
Techniques for application, 290

US-style reports, 455, 458

V

Valuation

Based on cost, 244
Based on fair value, 245
Based on investee's financial results, 245
Valuation assertions, tests of, 244
Valuation model, testing, 188, 193
Value at risk, 564
Variables evaluation, 362
Variance analysis, 202

W

Warehouses, 228, 230, 239,
See also **Public Warehouses: Controls and**

Auditing Procedures for Goods Held (Section 901)
Withdrawal
From audit engagement, 107
From compilation/review engagement, 798
Working papers, access to, 657, 844, 845

X

XBRL, 657, 663

<http://www.pbookshop.com>

<http://www.pbookshop.com>

<http://www.pbookshop.com>

<http://www.pbookshop.com>

<http://www.pbookshop.com>

<http://www.pbookshop.com>

<http://www.pbookshop.com>

<http://www.pbookshop.com>

<http://www.pbookshop.com>

<http://www.pbookshop.com>

<http://www.pbookshop.com>

<http://www.pbookshop.com>

<http://www.pbookshop.com>

<http://www.pbookshop.com>

<http://www.pbookshop.com>