

INDEX

A

Acceptance of clients and engagements, 8, 71, 669, 723

- Conditions for, 746
- For MD&A, 758
- Inquiries about, 826

Access

- To audit documentation, 314, 317, 319
- To working papers, 657, 826, 827

Accompanying information, 477

Accountant's report, 596

- Fundamental requirements, 613
- Illustrations, 619
- On prospective financial statements, 685

Accountants

- Filing responsibility, 596
- Involvement of multiple, 579

Accounting changes, 419

Accounting estimates, 376, 398

Accounting guides/guidance, 893

Accounting policies, 376

Accounting principles

- Application of, 827
- 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, 893

Accounts

- Audit risk and materiality considerations with, 27

Accounts receivable

- Aged schedule of, 215
- Confirmation of, 212, 219
- Report on specified elements/accounts/items relating to, 534
- Report related to, 809

Accumulated benefit information, 400

Acknowledgment letters, 73, 828

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, 832

Aged schedule of accounts receivable, 215

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, 893

AICPA Risk Alerts, 898

AICPA Statements of Position—Auditing and Attestation, 894

AICPA Technical Practice Aids, Accounting and Auditing Publications Technical Questions and Answers, 898

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), 859

- Definitions, 859
- Effective date and applicability, 859
- Fundamental requirements, 861
- Illustrations, 876
- Objectives of section, 860

Analytical Procedures (Section 329), 193

- Definitions, 193
- Effective date and applicability, 193
- Fundamental requirements, 194
- Illustrations, 205
- Objectives, 193
- PITF Practice Alerts, 195

- Techniques for application, 196
- Annual reports, 562**
- Appointment of auditor, 16**
- Appropriateness of evidence, 117, 178**
- Assertions**
 - As audit evidence, 179
 - Defined, 177
 - In agreed-upon procedures engagements, 669
 - Use of, 179
- 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, 186, 190
- 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, 894
- Attestation Statements of Position, 894**
- Attorney work-product privilege, 302**
- Attorney-client privilege, 300, 302**
- Attribute sampling, 351**
- Audit committee(s)**
 - And alternative treatment of financial information within GAAP, 374
 - And interim financial information, 611
 - Communication about fair value with, 187
 - Fraud-risk inquiries of, 78
 - Independence discussions with, 374
- Audit documentation (in general)**
 - Access to, 314, 319
 - Omitted, 842
 - Retention/subsequent changes to, 843
- Audit Documentation (PCAOB Auditing Standard 3), 839**
 - Definitions, 839
 - Effective date and applicability, 839
 - Fundamental requirements, 840
 - Objectives of section, 840
- Audit Documentation (Section 339), 311, 879**
 - 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 guides, 893**
- Audit plan, 14**
- Audit procedures**
 - Designing, 119
- Audit report, consenting to use of, 600**
- 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
- 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, 894**
- Auditing Derivative Instruments, Hedging Activities, and Investments in Securities (Section 332), 239**
 - Definitions, 239
 - Effective date and applicability, 239

- Fundamental requirements, 241
 - Illustrations, 252
 - Objectives, 240
 - Techniques for application, 247
 - Auditing Fair Value Measurements and Disclosures (Section 328), 183**
 - Definitions, 183
 - Fundamental requirements, 184
 - Objectives, 183
 - Techniques for Application, 188
 - Auditing Practice Releases, 898**
 - Auditing procedures**
 - Defined, 1
 - Designing, 241
 - Auditing publications, 5, 897, 898**
 - Auditing standards (AU), 3**
 - Auditing standards (in general), 1, 3, 10**
 - Auditing Statements of Position, 894**
 - Auditing, AICPA Statements of Position on, 894**
 - Auditor(s)**
 - And filings under federal securities statutes, 597
 - Appointment of, 16
 - Change of, 68, 72
 - Changes in, 72, 427
 - 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
 - On interim financial information, 615
 - Standard, 413, 518
 - 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
 - Audits**
 - AICPA guide for, 893
 - Differences in, 30
 - Objective of ordinary, 2
 - Availability, of data, 204**
- B**
- Bases for materiality, 31**
 - Bases of accounting**
 - Cash, 532
 - Income tax, 532, 809
 - OCBOA, 515, 518, 526
 - 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, 818
 - Subsequent, 559
 - Claims of creditors, 677**
 - Classification, changes in, 398**
 - Client consent and acknowledgment letter, 73**

- Client consent letter, 827**
- Client(s)**
 - Acceptance/continuance of, 71
 - Establishing understanding with, 12
 - Refusal to make disclosures, 511
 - Scope limitations imposed by, 429
 - Specialist related to, 291
- 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, 819**
- Closest reasonable estimate, 28**
- Collateral, 245, 329**
- Combined effect of misstatements, 32**
- Comfort letters, 550**
 - Commenting in, 559
 - 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, 201**
- Communicating Internal Control Related Matters Identified in an Audit (Section 325), 169**
 - Definitions, 169
 - Effective date and applicability, 169
 - Fundamental requirements, 170
 - Illustrations, 175
 - 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 underwriter, 553
- Communications between Predecessor and Successor Accountants (Section 3400), 825**
 - Definitions, 825
 - Effective date and applicability, 825
 - Fundamental requirements, 826
 - Illustrations, 827
 - Interpretations, 827
 - Objectives, 825
 - Techniques for application, 827
- 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**
- Competence, 141, 145**
- Compilation and Review of Financial Statements (Section 3100), 765**
 - Definitions, 765
 - Effective date and applicability, 765
 - Illustrations, 787
 - Interpretations, 781
 - Objectives, 766
- Compilation of Pro Forma Financial Information (Section 3120), 811**
 - Effective date and applicability, 811
 - Fundamental requirements, 811
 - Illustrations, 813
 - Objectives, 811
- Compilation of Specified Elements, Accounts, or Items of a Financial Statement (Section 3110), 807**
 - Effective date and applicability, 807
 - Fundamental requirements, 807
 - Illustrations, 809
 - Objectives, 807
- Compilation reports, 824**
- Compilation Reports on Financial Statements Included in Certain Prescribed Forms (Section 3300), 823**
- Compilations, 684, 698, 713**
- Completeness assertions, 181, 242, 253**
- 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, 786**
 - Condensed interim financial information, 558**
 - Condensend financial data, 408**
 - Confidence interval, 360**
 - Confidence level, 360**
 - Confidence limits, 361**
 - Confidentiality, 314**
 - Confirmation Process (Section 330), 209**
 - Definitions, 209
 - Effective date and applicability, 209
 - Fundamental requirements, 210
 - Illustrations, 219
 - Objectives, 210
 - Techniques for application, 214
 - Consent letter, 827**
 - 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 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, 236**
 - 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, 816, 817, 820**
 - Contractual agreements, 538**
 - Contractual provisions, 537**
 - Control deficiencies, evaluating, 173**
 - Control risk, 23, 34, 241, 249, 749**
 - Controllership services, 784**
 - Controls**
 - Identification/testing of, 242
 - Controls placed in operation, 158**
 - Convenience-timed tests, 118**
 - Cost method, 465**
 - Cost, valuation based on, 242**
 - Country of origin, reference to, 786**
 - CPA firms, 291**
 - CPA services, 643**
 - Creditors, claims of, 677**
 - Cross-references, to SASs, SSAEs, and SSARSs, 887**
- 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, 809**
 - 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)**
 - Client's refusal to make, 511
 - Departures from, 824
 - Financial statement, 377, 519
 - Of derivatives/securities, 245
 - Of subsequently discovered matters, 562

Omission of, 409, 824
 Quantitative, 563

Discovery sampling, 357

Disposal of assets, 329

Documentation

- About possible fraud, 86
- Attest, 651
- Deficiencies in, 317
- Of analytical procedures, 205
- Of entity's ability to continue as going concern, 324
- Of general client matters, 842
- Of going concern, 324
- Of interim financial information, 611
- Of internal control design, 51
- Of misstatements, 30
- Of significant findings, 313
- Of specific matters, 842
- Of substantive procedures, 118
- Preparation of, 315
- Quality of, 312
- Review of internal auditor's, 144, 147
- Revisions to, 314
- Standardization of, 315

Dollar value evaluation, 362

Draft financial statements, 783

Dual dating report, 447, 504

Dual statements, 456, 458

Due care, 6

E

Economic data comparisons, 198

Economic dependence, transactions that create, 279

Economy, 52

Efficiency, 145

Engagement completion document, 842

Engagement letter, 17, 19, 260, 616

- For agreed-upon procedures engagements, 672
- For management-use-only compilations, 787
- From client to specialist, 293

Engagements

- Acceptable, 517
- Performance during, 8

Equal-probability sampling, 361

Equity method, 465

Equivalence representations, 276

Estimation risk, 360

Evaluating, 879

Evaluating consistency of financial statements (PCAOB Auditing Standard 6)

- Definitions, 879
- Fundamental requirements, 880
- Objectives of section, 879

Evidential matter, 246

Evidential Matter (Section 326), 177

- Definitions, 177
- Effective date and applicability, 177
- Fundamental requirement, 179
- Interpretations, 180
- Objectives, 178

Examination engagements, 701, 748, 758

Examination reports, 648, 659, 713

Existences assertions, 252

Expenditures, reducing or delaying, 330

Experts, 599

Explanatory language, 527, 579

Extent of audit procedures, 114

F

Fair value

- Collateral used in evaluation of, 245
- Defined, 183
- Determination of, 184, 189
- Sources of information about, 244
- Unrealized appreciation/depreciation in, 245
- Valuation based on, 243
- Valuation model for, 244

Fair value disclosures, 187, 339

Feasibility study, 695

Federal government entities, 388, 630

Field warehouses, 637

Fieldwork, completion of, 446

Fieldwork standards, 3

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 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 on procedures applicable to compilations, 698

Financial information

- Capsule, 558
 - Communication with audit committees about
 - alternative treatment of, 375
 - Pro forma, 558, 572
 - Tables, statistics, and other, 560, 573
 - Financial reporting, 95**
 - Financial statement disclosures, 377, 518**
 - Financial statement(s)**
 - And going concern of entity, 332
 - Audit of previously-audited, 70
 - Audit risk and materiality considerations with, 26
 - Common-size, 201
 - Discovery of possible misstatements in, 71
 - Evidential matter for audit of interim, 180
 - OCBOA-conforming, 518
 - Revision of, 72
 - Submitting draft, 783
 - Title of, 518
 - Unaudited, 404
 - First year audits, 399**
 - Flow-of-transactions test, 350**
 - Forecasts**
 - 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, 156**
 - Fraud**
 - And inventory, 227
 - 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 hierarchy, 386, 391**
 - GAAS hierarchy, 3, 7, 10, 897**
 - GAGAS (Government Auditing Standards), 628**
 - Gas information, 493**
 - General standards, 3**
 - Generally Accepted Accounting Principles (GAAP)**
 - Accountant's report on departure from, 614, 620
 - Assertions about presentation/disclosure of derivatives/securities in conformity with, 245
 - Change to OCOA from, 527
 - Communication with audit committees about alternative treatment of financial information within, 375
 - Departure from, 418, 430, 434
 - Evaluating conformity of fair value measurements/disclosures with, 184
 - 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
 - Goods, 635, 637**
 - Government Auditing Standards (GAGAS), 628**
 - Government entities, 387**
 - Gross income, 537**
- H**
- Haphazard sampling, 351**
 - Hierarchy(-ies)**
 - GAAP, 386, 391
 - GAAS, 3, 7, 897
 - Historical financial statements, 529, 542, 713**
- I**
- Illegal acts**
 - Communication about, 613
 - Illegal Acts by Clients (Section 317), 105**
 - Definitions, 105
 - Effective date and applicability, 105
 - Fundamental requirements, 106
 - Interpretations, 108
 - Objectives, 105
 - Techniques for application, 108
 - Impairment losses, 245**
 - 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, 181**
 - Income tax basis of accounting, 532, 809**
 - 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 auditors, 12, 142, 147****Industry, 52****Industry comparisons, 198****Information technology (IT), 58****Inherent risk, 34, 248, 749****Inquiries**

- About engagement acceptance, 826
- 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, warehouse, 637****Insurance companies, 305, 528, 540****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, 180**Interim report, 837****Internal auditors, 78, 670****Internal control**

- And accounting estimates, 341
- And interim financial information, 605
- Evaluating design of, 47
- Knowledge of, 558
- 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, 225
- Effective date and applicability, 225
- Fundamental requirements, 225
- Illustrations, 232
- Objectives, 225
- PITF Practice Alert, 227
- Techniques for application, 228

Inventory(-ies)

- And possible fraud, 90
- Below-cost statement of, 409

Investees, 243, 399**Investments, 424****Iron curtain approach, 37****J****Journal entries, 82, 87****K****Key-item tests, 349****Knowledge of internal control, 558****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, 259****Lawyers**

- As specialists, 290

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, 782**Liabilities, statement of, 538****Liability insurance companies' loss reserves, 528****Likely misstatement, 24, 28, 36****Linear regression, 201****Liquidation basis, 423**

Litigation services, 430, 657, 784

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, 246

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, 279

And interim financial information, 609

For interim financial information review, 622

Service organization, 164

Updating, 440

Management representations (in general)

About derivatives/securities, 247

About fair value, 187

And engagement acceptance, 728

In compliance attestation, 745

When entity has no attorney, 309

Management Representations (Section 333), 255

Definitions, 255

Effective date and applicability, 255

Fundamental requirements, 256

Illustrations, 261

Interpretations, 259

Objectives, 255

Techniques for application, 259

Management's assertions, 663, 755

Management's Discussion and Analysis

(MD&A) (Section 2701), 591, 758

Definition, 758

Effective date and applicability, 758

Fundamental requirements, 758

Illustrations, 760

Objectives, 758

Management's plans, 328

Management's report, 423

Management-use-only compilations, 791

Market risk, 563

Marketability of assets, 328

Material accounting estimates, 338

Material misstatement(s)

And fair value determination, 189

Fraud-related, 33

In prospective financial statements, 690

Types of, 2

Material weaknesses, 175

Materiality

And management representation, 261

And predecessor accountants, 826

In compliance examination, 753

Level of, 520

Measurement departures, 824

Misappropriation of assets, 75, 91, 97

Misstatement(s)

Aggregation of, 348

Combined effect of, 52

Communication to management of, 28

Detected at interim dates, 118

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, 198

Nature of audit procedures, 113, 115

Negative assurance, 407

Net income, 521

No-charge transactions, 278

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, 280, 444

O

Objectivity, 9, 141, 145

- Obligations assertions, 254**
 - Observation of inventory, 225, 422, 638**
 - Occurrence assertions, 252**
 - Oil information, 493**
 - Omission**
 - Of disclosures, 409, 824
 - Of statement of cash flows, 418, 436
 - Of supplementary information required by GAAP, 495
 - Omitted audit documentation, 842**
 - Omitted procedures, 842**
 - Oral explanations, 312**
 - Organization charts, 144**
 - Other comprehensive basis of accounting (OCBOA), 515, 518, 527**
 - 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
 - Outside inventory-taking firms, 232, 422**
 - Overstatements, 37**
 - Ownership, of audit documentation, 314**
 - Ownership equity, increasing, 330**
- P**
- Part of Audit Performed by Other Independent Auditors (Section 543)**
 - Definitions, 459
 - Effective date and applicability, 459
 - Fundamental requirements, 459
 - 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, 835
 - 3-Audit Documentation, 839
 - 4-Reporting on Whether a Previously Reported Material Weakness Continues to Exist (PCAOB Auditing Standard 4, 845, 854
 - 5-An Audit of Internal Control Over Financial Reporting That Is Integrated with an Audit of Financial Statements, 859
 - 6-Evaluating Consistency of Statements, 879
 - References to, 425
 - Performance standards, 545**
 - Performing Audit Procedures in Response to Assessed Risks and Evaluating the Audit Evidence Obtained (Section 318), 110**
 - Definitions, 110
 - Effective date and applicability, 110
 - Fundamental requirements, 112
 - Objectives, 110
 - Substantive procedures, 116
 - Techniques for application, 118
 - Periodic inventory system, 228**
 - Permanent file for analytical procedures, 202**
 - Perpetual inventory records, 226**
 - Personnel management, 8**
 - Photocopies, 314, 657**
 - Physical inventory**
 - Planning, 228
 - Quantities determined solely by, 225
 - Taking, 231
 - PITF (Professional Issues Task Force), 897**
 - PITF Practice Alerts, 897**
 - 00-2 Guidance for Communication with Audit Committees Regarding Alternative Treatments of Financial Information within Generally Accepted Accounting Principles, 375
 - 03-01 Audit Confirmations, 213
 - 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, 227
 - 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, 195
 - 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**
 - Illustrations, 19
 - Planning and Supervision (Section 311)**
 - Definitions, 11
 - Effective date and applicability, 11

Fundamental requirements, 12
 Interpretations, 16
 Objectives, 11
 Techniques for application, 16
Planning, audit, 194, 203
Point estimate, 360, 362
Practitioner's report, 684
Pre-award surveys, 733
Predecessor accountants
 Compilation or review report by, 817
 Explanatory paragraphs referencing, 821
Predecessor auditors
 And filings under federal securities statutes, 597
 Reissuance of report by, 421
 Report not presented, 422, 439
 Who has ceased operations, 424
Preliminary engagement activities, 13
Preprinted accountant's report, 824
Presumptively mandatory requirements, 2
Principal accountant, 553
Principal auditor, 460
Prior period financial statements, 818
Prior period misstatements, 36
Pro forma financial information, 559, 572, 716
Professional Issues Task Force (PITF), 897
Proficiency, 5, 698
Profit participation, 535
Projections, financial, 691
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, 275
 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, 226, 228, 237

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, 198
Reasonable assurance, 1
Reasonableness, evaluating, 339, 342
Receipts, warehouse, 637, 638
Receiving goods, 636
References in auditors' reports to the Standards of the Public Company Accounting Oversight Board (PCAOB Auditing Standard 1), 835
 Definitions, 835
 Effective date and applicability, 835
 Fundamental requirements, 835
 Interpretation, 836
Regression analysis, 201
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), 271
 Definitions, 271
 Effective date and applicability, 271
 Fundamental requirements, 272
 Illustrations, 279
 Interpretations, 277
 Objectives, 272
 Techniques for application, 277
Relative risk, 34
Relevance, 145
Reliability, data, 204

- Rental, 534**
- 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, 720
 - Reporting requirements, 730
- Reporting on Comparative Financial Statements (Section 3200), 815**
 - Definitions, 815
 - Effective date and applicability, 815
 - Fundamental requirements, 816
 - Illustrations, 819
 - Interpretations, 819
 - Objectives, 815
 - Techniques for application, 819
- 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 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
- Reporting on Personal Financial Statements Included in Written Personal Financial Plans (Section 3600), 831**
- 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, 845
 - Fundamental requirements, 845
 - Illustrations, 854
 - Objectives of section, 845
 - Techniques for application, 854
- Reporting standards, 4, 396, 455, 546**
- Reports**
 - On comparative financial statements, 420
 - Reissuance of, 72, 421, 445, 505
- 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, 801
 - From other auditor, 467
 - To underwriters, 552
- Request for assurance, 522**
- 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, 843**
 - Revenue recognition, 90**
 - Review reports, 650**
 - For MD&A, 759
 - Illustrations, 664
 - Of pro forma financial information, 714
 - Rights assertions, 254**
 - Risk**
 - Of material misstatement, 24
 - Risk alerts, 898**
 - Risk assessment**
 - For assertions about derivatives/securities, 248
 - Of control risk, 241
 - Of internal auditors, 143
 - Procedures of, 43
 - Questionnaire about, 61, 64
 - Royalties, 535**
 - Rule 203 opinion, 435**
 - Rule 203 pronouncements, 388**
- S**
- Sales, 534**
 - Sampling**
 - Of inventory quantities, 226
 - Sarbanes-Oxley Act of 2002 (SOX), 5, 56**
 - Schedule of depreciation, 809**
 - 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 management representations, 259
 - And inventory, 227
 - And reports on audited financial statements, 429
 - Of internal auditors, 147
 - SEC filings, 408**
 - Securities Act of 1933, 306**
 - Securities and Exchange Commission (SEC), 5, 389, 463, 556, 579**
 - Securities offerings, 600**
 - Sensitivity analysis, 564**
 - Service auditors, 154**
 - Fundamental requirements, 154
 - Illustrations, 160
 - Techniques for application, 158
 - Service organizations, 250**
 - Service Organizations (Section 324), 151, 883**
 - Definitions, 151, 883
 - Effective date and applicability, 151, 883
 - Fundamental requirements, 152, 883
 - Illustrations, 160
 - Interpretations, 155
 - Objectives, 152, 883
 - PITF Practice Alerts, 156
 - Techniques for application, 158
 - Shelf registration, 554, 599**
 - Short form registration statement, 569**
 - Significant assumptions, testing, 186, 190**
 - Significant deficiencies**
 - Illustration, 175
 - In service auditor's report, 158, 160
 - Significant findings, 313, 372**
 - Significant unusual transactions, 84**
 - Skepticism, professional, 1, 77, 87**
 - Solvency, 657**
 - Special Reports (Section 623)**
 - Definitions, 516
 - Illustrations, 532
 - Interpretations, 528
 - Objectives, 518
 - Special skill or knowledge, 247**
 - Specialists**
 - Determining extent of involvement of, 14
 - Fair value measurement and engaging, 185
 - In agreed-upon procedures engagements, 670
 - Special-purpose financial presentations, 524**
 - Special-purpose financial statements, 530**
 - SQCS (Statement on Quality Control Standards), 8**
 - Standard report, 836**
 - 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, 894**
 - Statements on Auditing Standards (SASs), 2, 887**
 - Statements on Standards for Accounting and Review Services (SSARS), 891**
 - 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**
 - Stockholders' equity, 521**
 - Storing goods, 637**
 - Strengthening the commission's requirements regarding auditor independence, 5**
 - Subject matter, 662, 668**
 - Subsequent changes, 559, 843**
 - 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, 186
 - And filings under federal securities statutes, 597
 - Financial statements as response to, 598
 - In attestation engagements, 654
 - Service auditor's responsibility for, 154, 883, 884, 885
 - 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, 242
 - For derivatives/securities auditing, 253
 - Of internal auditors, 143
 - Substantive tests, 195, 204, 354**
 - Successor auditor acknowledgment letter, 73**
 - Sufficiency**
 - Of audit documentation, 312
 - Of evidence, 179
 - Of internal auditor's work, 142
 - Systematic sampling, 351**
- T**
- Tables, 560, 573**
 - Tax law, change in, 527**
 - Tax returns, 408, 783, 785**
 - Test of controls, 351**
 - Tests of controls, 114, 425**
 - Tests of operating effectiveness, 157, 159**
 - Tier 1, 3, 10**
 - Tier 2, 4, 10**
 - Tier 3, 5, 10**
 - Timing**
 - Of audit procedures, 113, 115
 - Of confirmation request, 214
 - Of inventory observation, 228
 - Of review procedures, 609
 - Title of financial statements, 519**
 - Tolerable misstatements, 27**
 - Training, 5, 698**
 - Trend analysis, 200**
 - Trial balance, 783**
- U**
- UCU (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**
 - Undetected misstatements, 32**
 - Unqualified opinions, departures from, 416, 518**
 - Unrealized appreciation/depreciation, 245**
 - Upper confidence limit (UCL), 360**
 - US distribution, 456**
 - User auditors, 152, 157, 883**
 - Using the Work of a Specialist (Section 336), 285**
 - Definitions, 285
 - Effective date and applicability, 285
 - Fundamental requirements, 286
 - Illustrations, 293

Interpretations, 287
Objectives, 285
Techniques for application, 290
US-style reports, 455, 458

V**Valuation**

Based on cost, 242
Based on fair value, 243
Based on investee's financial results, 243

Valuation assertions, tests of, 242

Valuation model, testing, 186, 191

Value at risk, 564

Variables evaluation, 362

Variance analysis, 200

W

Warehouses, 226, 228, 237

Withdrawal

From audit engagement, 107

From compilation/review engagement, 782

Working papers, access to, 657, 826, 827

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>