

# Index

- Access controls. *See* System access controls
- Accounting  
advice from auditors, 58, 59  
qualified personnel, recruiting, 100, 101
- Accounting firms, changing, 269, 270
- Acquired entities, 84, 118, 121, 251, 259–261
- Advisories, 149, 150
- Aggregating deficiencies. *See* Deficiencies
- American Institute of Certified Public Accountants (AICPA)  
*Audit Sampling — AICPA Audit Guide*, 212  
Statements on Standards for Attestation Engagements, 52, 53
- Anti-fraud controls. *See* Fraud
- As-of date, 5, 21, 55, 174, 183, 217, 297  
testing, 45, 186, 187, 207, 247, 255
- AU sec 230, *Due Professional Care in the Performance of Work*, 42
- AU sec 312, *Audit Risk and Materiality in Conducting an Audit*, 25, 116, 296
- AU sec 319, *Consideration of Internal Control in a Financial Statement Audit*, 23
- AU sec 319.03, *Consideration of Internal Control in a Financial Statement Audit*, 53
- AU sec 322, *The Auditor's Consideration of the Internal Audit Function in an Audit of Financial Statements*, 19, 34
- AU sec 324, *Service Organizations*, 258
- Audit committee, 27, 29, 30, 62, 65, 66, 68–71, 73, 74, 81–83, 93–100, 145–149, 173–175, 201, 220, 230, 239, 242, 246–248, 250, 281
- Auditing Standard No. 2, 2, 19, 38, 40, 216, 217, 295–299
- Auditing Standard No. 3, Audit Documentation and Amendment to Interim Auditing Standards, 210
- Auditing Standard No. 4, 245, 246
- Auditing Standard No. 5  
AS No. 2, summary of changes to, 295–299  
AS No. 2 superseded by, 5, 19, 40  
background, 2, 19, 20  
deficiencies, 228, 229, 231, 235–237  
documentation requirements, 156. *See also* Documentation  
entity-level controls, 28, 29, 61–64  
fraud risk assessment. *See* Risk assessment  
integrated internal control and financial statement audits, 21–22, 53, 212  
interim testing, 183  
issuance of, 2, 40  
material misstatement in financial statements, 58  
material weakness, 21, 25–27, 58, 217, 229  
materiality, 21, 24, 25, 107, 109  
multilocation testing, 117, 119  
objectives, 20  
reasonable possibility, accounting for contingencies, 229  
remediation, 217  
restatement of financial statement, 46  
risk assessment, importance of, 21–24  
risk-based approach, 109, 113  
self-assessment procedures, 198  
service organizations, 255, 258

- Auditing Standard No. 5 (*Continued*)  
 significant deficiency, 21, 25, 26  
 small companies, scaling audits for, 36–38  
 testing, 21, 27, 28, 186, 187, 194, 195, 198  
 top-down approach, 21, 25, 116  
 unnecessary procedures, elimination of,  
 30–36  
 walk-throughs, 159. *See also* Walk-throughs  
 work of others, use of, 34, 35, 57, 199–201
- Auditing Standard No. 70, *Service Organizations*, 252–258
- Auditors, external  
 advice to audit clients, 57–59, 100, 101  
 auditors' opinion, 15  
 changing accounting firms, 269, 270  
 and communication with process  
 owners, 137  
 fees, 269, 270  
 independence requirements, 48, 49  
 integrated audits. *See* Integrated internal  
 control and financial statement audits  
 material weaknesses, reporting to audit  
 committee, 242  
 professional judgment, 42, 44–46, 55, 56,  
 60, 198, 199, 229, 230  
 prohibited services, 49  
 relationship with, 137, 138  
 and remediation plan, 220  
 reporting to audit committee, 242, 247  
 work of others, use of, 34, 35, 57, 199–210
- Auditors, internal, 97, 98, 139–141
- Audits  
 financial statements, integrated with  
 internal control audits. *See* Integrated  
 internal control and financial  
 statement audits  
 previous audits, use of knowledge obtained  
 during, 32
- Automated controls, 6, 8, 24, 30, 33, 34, 128,  
 159, 160, 168, 170, 171, 173, 177,  
 188, 189, 194, 206, 217, 253, 266,  
 267, 289, 298
- Benchmarking automated controls, 30, 33,  
 34, 289, 298
- Board of directors, 67, 69–71, 95, 96, 100
- Business processes, 150–153, 158, 159. *See also* Process owners
- Certifications by senior management, 95  
 subcertifications, 151, 152
- Champions, use of, 138, 139, 145, 216, 218
- Change management, 83, 84, 137, 150–153
- COBIT, 47
- Committee of Sponsoring Organizations of  
 the Treadway Commission (COSO)  
 and entity-level controls, 61, 62, 65, 66,  
 279–281  
 implementation of internal control  
 framework, guidance on, 66  
*Internal Control — Integrated Framework*, 3,  
 65, 281  
*Internal Control — Integrated Framework:  
 Evaluation Tools*, 40  
*Internal Control over Financial Report —  
 Guidance for Smaller Public Companies*,  
 65, 281  
 smaller public company guidance, 50, 65,  
 78, 98, 102, 103
- Communication  
 audit committee, 149, 246, 247  
 information and communication, entity-  
 level controls, 66, 85–90, 273, 274  
 and project management, 148–150  
 remediation plan, 219  
 testing results, 246, 247
- Company-level controls. *See* Entity-level  
 controls
- Compensating controls, 13, 14, 46, 99, 100,  
 113, 130, 164, 166, 221, 222, 230,  
 232, 233, 238–240, 247–250
- Competencies  
 financial reporting, 38, 67, 73, 160  
 personnel, 8, 10, 24, 32, 68, 74, 79, 228  
 work of others, assessing, 35, 200, 201. *See also*  
*Work of others, use of by external  
 auditors*
- Complementary controls, 128, 214, 218, 221
- Consolidated entities, 121, 122, 170,  
 260, 261
- Consultants, 142, 143
- Control activities, 66, 85
- Control design, 24, 175, 176, 181, 182
- Control environment  
 AS 5 provisions, 24, 29  
 and entity-level controls, 8, 62, 63, 66–75,  
 90, 271–273  
 foreign operations, 84  
 IT, 33  
 and material weaknesses, 242, 243  
 questionnaire, use of to test, 75  
 and top-down, risk-based approach, 111  
 and work of others, use of, 35. *See also*  
*Work of others, use of by external  
 auditors*
- Control matrix  
 creating and maintaining, 159–161, 182  
 entity-level, sample, 271–277

- key controls, 85, 133, 134, 177
- mergers and acquisitions, 259
- period-end process, 283–285
- Control Objectives for Information and Related Technology (COBIT), 47
- Corporate restructuring, 84
- COSO. *See* Committee of Sponsoring Organizations of the Treadway Commission (COSO)
- Cost-benefit analysis, 15–17
- Costs of compliance, 16, 19, 20, 31, 40–42, 51–57, 60, 61, 129, 155, 178, 179, 212, 216, 221
- Criminal penalties, 267, 268
- Cycle tests, 193, 194
- Decision making, 135, 136
- Deficiencies
  - aggregating, 13, 107, 237–241
  - analyzing, 238, 239
  - audit committee, reporting to, 246, 247
  - Auditing Standard No. 5, 5, 21, 25, 26, 228, 229, 231, 235–237
  - compensating controls, 232, 233
  - defined, 228–230
  - design, 228
  - evaluating, 41, 45, 46, 130, 230, 231–235
  - evaluation form, sample, 249
  - exceptions, 208, 231, 234–236, 241
  - IT general control deficiencies, 240–242
  - management, reporting to, 246, 247
  - management’s final assessment report, 247, 248, 250
  - market reaction, 242, 243
  - material weakness, 227–229, 239–240, 242–246
  - operation, 228
  - prudent official test, 3, 12, 41, 231, 234, 235, 238, 239, 241
  - reasonable possibility of event. *See* Reasonable possibility
  - reporting, 93, 94
  - significant deficiencies, 21, 25–27, 45, 46, 59, 93, 94, 136, 149, 209, 216, 221, 227–230, 232, 233, 237, 238, 241, 247, 248
- Detective controls, 160
- Disclosures, 1, 13, 46–47, 122, 243–245, 260, 261
- Documentation
  - AS No. 5 requirements, 156
  - as a tool to understand processes and controls, 130
  - automated controls, 159, 160, 168, 170, 171, 173, 177. *See also* Automated controls
  - compensating controls, 233
  - and control design, 175, 176
  - control matrices, 159–161, 182
  - financial reporting controls, 172–175
  - first year, 129, 155, 156
  - flowcharts, 136, 150, 156–158, 168, 178, 195, 205
  - gap evaluation, 176, 177
  - goal of, 131, 132, 157
  - information technology (IT), 47
  - international locations, 168, 169
  - key controls, 155, 158, 163–167, 214
  - limited documentation and sufficient audit evidence, 37
  - narratives, 133, 134, 136, 150, 157–158, 168, 178, 195, 205, 222, 225
  - processes, 156, 159
  - records management policy, 268, 269
  - redundancy, 136
  - remediation, 158, 163, 176, 177
  - requirements, 156
  - retention of documents, 88, 89, 99, 251, 267–269
  - rewriting controls, 225
  - and risk-based approach, 39, 40
  - SEC guidance, 156
  - small companies, 37
  - spreadsheets, 129, 161, 169–173
  - testing, 177, 178, 208–210
  - updating, 177, 178, 222
  - use of for other compliance programs, 178, 179
  - and walk-throughs, 158, 159. *See also* Walk-throughs
- E-mail, 148, 149, 194
- Earnings per share (EPS), 170, 231
- Earnings releases, 121, 243
- Effectiveness of internal controls, 65, 66, 280
- Efficiency, increasing, 43–45, 53, 105. *See also* Scope of assessment
- Employees, 67, 73–75, 96–98, 125, 128, 138–143, 147
- Enterprise resource planning (ERP) systems, 173, 177, 251, 264–267
- Entity-level controls
  - AS 5 emphasis on, 28, 29
  - control activities, 66, 85
  - and control environment, 66–75
  - control matrix, sample, 271–277
  - COSO checklist, 279–281

- Entity-level controls (*Continued*)
- COSO guidance, application of, 65, 66
  - described, 61, 62
  - examples of, 62
  - information and communication, 66, 85–90
  - monitoring, 66, 90–94
  - risk assessment. *See* Risk assessment
  - roles and responsibilities, assigning, 94–98
  - and scope of testing, 62–65, 111–116
  - small companies, 98–103
  - and top-down approach, 61
- Equity method investment companies, 123
- ERP. *See* Enterprise resource planning (ERP) systems
- Ethical values and control environment, 67–69, 279, 280
- Evidence. *See also* Documentation
- and automated controls, 33
  - gathering and evaluating, 4–11, 16, 21–23
  - and integrated audits, 52, 53
  - and interim testing, 27, 28
  - principal evidence, 57, 296
  - and risk level, 32
  - sufficiency of, 117, 118, 183, 194, 195, 198, 221, 245, 257
  - work of others. *See* Work of others, use of by external auditors
- Examination, 182, 185, 195, 196. *See also* Testing
- Exceptions, 208, 231, 234–236, 241
- Financial Accounting Standards Board (FASB)
- CON No. 2, 111
  - FAS No. 5, *Accounting for Contingencies*, 229
- Financial assertions, 161, 162
- Financial processes
- end-of-year changes to, 136
  - period-end process, 166–168, 172–175, 183, 283–285
- Financial reporting, 67, 73, 76–81, 172–175
- Financial statements
- assertions, 21–25, 77, 78, 115, 116, 155, 159–165, 176, 177, 233
  - audits, integrated with internal control audits. *See* Integrated internal control and financial statement audits
  - drafts, providing to auditors, 49, 50, 58
  - material misstatement in, 58, 81, 82, 106–111, 229, 239
  - restatements, 4, 14, 26, 27, 46, 239, 298
  - schedules, 121
- Flowcharts, 136, 150, 156–158, 168, 178, 195, 205
- For-now approach to remediation, 217, 218
- Foreign Corrupt Practices Act of 1977 (FCPA), 1, 3, 41
- Foreign private issuers, 39, 41, 44, 45, 50, 292, 293
- Form 8-K, 246
- Form 10-K, 107, 122, 260
- Form 10-KSB, 122, 260
- Form 10-Q, 107, 246
- Framework for Evaluating Control Exceptions and Deficiencies, Version 3*, 231, 234, 236, 241
- Fraud, 1, 2, 29, 30, 70, 71, 76, 81–82, 160, 161, 239, 276, 277
- Gaps, 143, 149, 176, 177, 216, 228, 229
- Generally accepted accounting principles (GAAP), 58, 59, 83, 168
- Goal-oriented approach to project management, 130–134
- Human resources, 67, 74, 75, 136, 137
- Independence Standard Board, Interpretation 99-1, *Impact on Auditor Independence of Assisting Clients in the Implementation of FAS 133*, 49
- Information and communication, entity-level controls, 66, 85–90, 273–274. *See also* Communication
- Information technology (IT)
- Control Objectives for Information and Related Technology (COBIT), 47
  - developer access to production, 263. *See also* System access controls
  - documentation, 47
  - end-of-year changes, 136
  - general controls (ITGCs), 188, 189, 240–242
  - material weakness in general controls, 242
  - risk assessment, 80
  - small companies, 101
  - systems implementations and upgrades, 47, 48
  - testing, 47, 188, 189
- Inquiry, 182, 189, 194. *See also* Testing
- Integrated internal control and financial statement audits, 3, 21–22, 40, 52–55, 212
- Integrity, 67–69
- Interim testing. *See* Testing
- Internal audits, 196, 281
- International locations, 142, 155, 168, 169
- International service providers, 257, 258

- ITGC (information technology general controls), 188, 189, 240–242
- Key control indicators, 91, 92
- Key controls  
 analyzing, 164–166  
 control matrix, 85, 133, 134, 177  
 design, 175, 176  
 documentation, 155, 158, 163–167, 214.  
*See also* Documentation  
 foreign locations, 168, 169  
 inapplicability of, documentation, 56  
 number of, 43, 44, 128, 131, 143, 163–166, 221, 247  
 and project scoping, 105, 111, 112, 116  
 standardization, 166, 167  
 testing, 185, 186, 214. *See also* Testing
- Key performance indicators (KPIs), 9
- “Large portion” of coverage of financial operations, 109, 117
- Likelihood, 230. *See also* Reasonable possibility; Remote likelihood
- Magnitude of potential misstatement. *See* Potential magnitude of misstatement
- Management  
 authority and responsibility, 67, 73, 74  
 conclusion as to effectiveness of internal control over financial reporting, 247–250, 260, 261  
 deficiencies, reporting to, 246, 247  
 evaluation process, elimination of requirement for, 30–32  
 judgment, 14  
 material weaknesses, reporting, 242  
 override, 29, 37, 81, 83, 100  
 philosophy and operating style, 67, 71, 72  
 project management. *See* Project management  
 responsibility for internal controls, 3, 94–98  
 SEC guidance for, 2–4  
 evaluation process, 4–12  
 reporting considerations, 4, 12–14  
 rule amendments, 14–16  
 support, importance of, 139, 224
- Management’s discussion and analysis (MD&A), 121
- Manual controls, 160, 164, 177, 183, 191, 218, 230, 236
- Manual transactions, 184, 185
- Material misstatement in financial statements  
 as material weakness, 58, 229  
 correction of, 239. *See also* restatements  
*under* Financial statements  
 materiality, determining for scoping purposes, 106–111  
 potential magnitude of. *See* Potential magnitude of misstatement  
 risk assessment, 81, 82
- Material weakness  
 deficiencies, 227–229, 239, 240, 242–246  
 disclosure of, 1, 46, 47  
 financial reporting process, 173, 174  
 material misstatement in financial statement as, 58, 229  
 reasonable possibility, 229. *See also* Reasonable possibility
- MD&A. *See* Management’s discussion and analysis (MD&A)
- Meetings, 135, 148, 149, 223, 224
- Mergers and acquisitions, 258–261. *See also* Newly acquired entities
- Monitoring  
 entity-level controls, 66, 90–94, 99, 273, 276  
 financial reporting process, 173  
 international locations, 169  
 remediation, 220
- Multiple locations, 4, 11, 12, 34, 116–120, 166
- Narratives, 133, 134, 136, 150, 157, 158, 168, 178, 195, 205, 222, 225
- Newly acquired entities, 84, 118, 121, 251, 259–261
- Newly public companies, 15
- Nonroutine transactions, 184, 185
- Numerical thresholds for determining materiality, 107, 108
- Objectivity, 6, 9, 32, 35, 197, 198, 200–204
- Observation, 182, 189, 194. *See also* Testing
- Ordinary course of business, work prepared during, 201, 202
- Organizational charts, 144–147
- Organizational structure, 67, 72, 73
- Outsourcing, 97–99, 262. *See also* Service organizations
- Period-end process, 166–168, 172–175, 183, 283–285
- Planning, 105, 124–125, 130, 131. *See also* Project management
- Potential magnitude of misstatement, 5, 13, 45, 230, 233–235, 238, 240, 249
- Preventive controls, 160

- Principles-based method of internal control, 51
- Probable likelihood, 26, 229, 230, 234, 238, 240
- Process owners, 137–141, 215, 216, 218
- Productivity, 129, 130
- Professional judgment, 42, 44–46, 55, 56, 60, 198, 199, 229, 230
- Prohibited services, 49
- Project management
  - change management, 150–153
  - communication, 148–150
  - goal-oriented approach, 130–134
  - organizational charts, 144–147
  - productivity, increasing, 127, 129, 130
  - remediation, 127–130, 136, 138, 139, 223–225
  - second and subsequent years, areas of focus for, 127–129
  - staffing strategies, 138–143
  - tips, 135–138
- Prudent official test, 3, 12, 41, 231, 234, 235, 238, 239, 241
- Public Company Accounting Oversight Board (PCAOB)
  - Auditing Standards, 2. *See also* Auditing Standard No. 2; Auditing Standard No. 5
  - inspections, 59, 60
  - Policy Statement (May 2005), 40, 51–60
  - Question-and-Answer Index, 287–289
  - scoping analysis, specific areas included and excluded, 120–123
- Purpose of internal control over financial reporting, 1–4, 41
- Qualitative analysis
  - deficiencies, 12, 13, 45, 46, 230, 234, 235, 238, 247
  - evidence of effective ICFR, 6, 7
  - ITGC deficiencies, 241, 242
  - materiality, 106, 109–111, 229, 296
  - merger and acquisition controls, 258
  - reasonable possibility of financial statement misstatement, 231, 232
  - significant accounts and processes, 42, 113, 114, 124
- Quantitative analysis
  - deficiencies, 12, 231, 247
  - materiality, 77, 106–109, 229, 296
  - significant accounts and processes, 42, 45, 77, 108, 113, 114, 133
- Reasonable assurance, 3, 12, 39–44, 60, 65, 183, 211, 212, 235, 238, 241
- Reasonable detail, 3, 41
- Reasonable possibility, 5, 12, 13, 23, 25, 26, 115, 118, 229–232, 234, 235, 237, 298, 299
- Reasonably possible, 26, 229, 230, 234, 238–240
- Records management policy, 268, 269
- Regulation S-K, 39
- Regulation S-X, 121
- Remediation
  - audit committee oversight, 242
  - communication, 219
  - controls, adding for certain remediated areas, 221
  - decision not to remediate controls, 216, 217
  - disclosure, 13, 47, 244, 245
  - documentation, 158, 163, 176, 177
  - and ERP system changes, 266
  - for-now approach, 217, 218
  - gap remediation, 132, 176, 177
  - goal of, 132
  - importance of, 130
  - and market reaction, 242, 243
  - monitoring, 220
  - overview, 215, 225
  - plan, 218–221
  - practice tips, 218–221
  - and project management, 127–130, 136, 138, 139, 223–225
  - reporting on, 94, 246
  - retesting, 221–223
  - and rewriting controls, 225
  - sufficient period of time for corrective action, 221, 222
  - testing controls, 187, 189, 191–194, 199, 212
  - testing remediated controls, 187, 189, 191–194, 199, 212, 221–223
  - timelines, establishing, 219
- Remote likelihood, 1, 25, 26, 52, 106, 211, 299
- Reperformance, 182, 183, 185, 195, 196. *See also* Testing
- Resource planning, 125
- Restatements. *See* Financial statements
- Retention of documents, 88, 89, 99, 251, 267–269
- Risk assessment
  - and change management, 83, 84
  - COSO checklist, 280
  - entity-level controls, 63, 66, 274, 275
  - fraud, 29, 30
  - importance of, 105
  - information technology, 80, 81

- mitigation of risk, 82–84
  - and multiple locations, 119, 120
  - process, steps for creating, 76–84
- SEC management guidance, 4
  - smaller companies, 84
  - and top-down approach, 56, 57
- Risk-based approach to internal control, 3, 39–61, 109, 111–116
- Roll-forward procedures, 183, 186–190
- Sample sizes, 6, 57, 63, 113, 125, 130, 150, 182, 184, 187–193, 199, 205–207, 211, 212, 222, 223, 235, 236
- Sarbanes-Oxley Act (SOX), Section 404
  - overview, 1, 2
- Scope of assessment, 42, 43, 62–65, 105–125
- Securities and Exchange Commission (SEC)
  - adoption of SOX Section 404(a), 2
  - Commission Statement (May 2005), 40
  - and COSO integrated framework, 3
  - frequently asked questions (FAQs), 15, 40, 291–293
  - Guidance for Management, 2–14, 40, 112, 113, 197, 198
  - risk-based approach. *See* Risk-based approach to internal control
  - roundtable discussion (April 2005), 40
  - rule amendments, 14–16
  - and scope of assessment, 112, 113, 123, 124
  - Staff Accounting Bulletin No. 99, *Materiality*, 108–111, 229
  - Staff Statement (May 2005), 40–45
- Segregation of duties, 30, 38, 82, 84, 99, 100, 173, 263, 264
- Self-assessment tests, 182, 197–199, 275. *See also* Testing
- Service organizations, 14, 79, 80, 251–258
- Signature authorization, 74, 161, 195, 213, 214, 218, 219, 272
- Significant accounts, 24, 25, 42, 43, 45, 77, 80, 105, 108, 111, 113–115, 121, 124, 131, 133, 160, 162, 241
- Significant classes of transactions, 115, 116
- Significant deficiency. *See* Deficiencies
- Significant locations, 116–120
- Significant transactions, 184, 185
- Small companies
  - Advisory Committee on Smaller Public Companies, 50
  - audits, scaling, 36–38
  - characteristics of, 98
  - COSO smaller public company guidance, 50, 65, 78, 98, 102, 103
  - entity-level control implementation issues, 98–103
  - organizational charts for, 146, 147
  - risk assessment process, 76, 84. *See also* Risk assessment
  - Risk assessment
    - SEC guidance for, 50
    - staffing, 141, 142, 147
- Specialists, 253
- Spreadsheets
  - and documentation, 77, 129, 161, 169–173
  - sample size planning, retesting of remediated controls, 222, 223
  - and tax process, 261, 262
  - and testing, 185
- Staff Accounting Bulletins
  - SAB No. 99, *Materiality*, 108–111, 229
  - Topic 1M2, *Immaterial Misstatements That Are Intentional*, 235
- Standardization of key controls, 166, 167
- Statements on Auditing Standards
  - SAS No. 47, *Audit Risk and Materiality in Conducting an Audit*, 110
  - SAS No. 70, *Service Organizations*, 14, 252–258
  - SAS No. 82, 110
- Statements on Standards for Attestation Engagements (SSAE)
  - SSAE No. 10, *Reporting on an Entity's Internal Control over Financial Reporting*, 53
- Stock prices and disclosure of material weakness, 242, 243
- Subcertifications, 151, 152
- System access controls, 30, 263–266
- Tax process, 185, 186, 261, 262
- Testing
  - as-of date, 45, 186, 187, 207, 247, 255
  - as a management tool, 130
  - centralized, 214
  - complementary controls, 214
  - control design, 181, 182
  - control testing and substantive testing, integrating, 212, 213
  - documentation, 177, 178, 208–210
  - extent of, 183, 184
  - interim, 21, 27, 28, 182, 183, 186, 187, 230
  - multilocation, 34, 117
  - nature of test and nature of control, 182–184
  - operating effectiveness, 181, 182
  - progress reports, 246
  - qualifications of testers, 203
  - reasonable assurance, 211, 212. *See also* Reasonable assurance

Testing (*Continued*)

- reliability, 187, 198–212
  - remediated controls, 187, 189, 191–194, 199, 212, 221–223
  - results, reporting on, 246, 247
  - and rewriting controls, 225
  - and risk-based approach to internal control, 43, 45
  - sample, use of for multiple tests, 213, 214
  - sample size, 182–184. *See also* Sample sizes
  - scope of and entity-level controls, 62–65
  - self-assessment tests, 182, 197–199, 275
  - significant manual nonroutine transactions, 184–186
  - test plan, 204, 205, 222
  - timing of, 183, 184, 190–194
  - training for testers, 210, 211
  - types of, 182, 183, 194–197
  - update tests, 186–190
  - and work of others, use of, 199–210. *See also* Work of others, use of by external auditors
- Timelines, 124, 132, 219
- Top-down, risk-based approach to internal control. *See* Risk-based approach to internal control
- Training, 73, 74, 83, 101, 125, 128, 129, 140, 143, 149, 150, 153, 168, 210, 211, 214, 267
- Transactions, 115, 116, 184–186
- Type I and Type II reports (SAS No. 70), 254–258
- Update testing, 183, 186–190
- Walk-throughs, 23, 24, 31, 32, 35, 36, 64, 133, 150, 152, 158, 159, 166, 168, 182, 187, 194–195, 199, 297. *See also* Testing
- Work of others, use of by external auditors, 34, 35, 57, 199–210
- Work papers, 208–210, 268. *See also* Documentation
- Year-end changes
  - acquisitions, 251, 259, 260
  - delay of, 150, 153, 251
  - financial controls, 174, 175
  - financial processes, end-of-year changes to, 136
  - information technology (IT), 136
  - and update testing, 186–190