
CAQ Issues ICFR Guide

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The Center for Audit Quality has issued a useful [Guide to Internal Control Over Financial Reporting](#). While discussing the regulatory requirements, the Guide is particularly helpful in outlining in plain English, with examples, how a system of ICFR works. The Guide also highlights the oversight responsibility of the audit committee for a company's ICFR: "The audit committee's activities usually include review of the assessment of financial reporting risk; discussion with management of significant control deficiencies and their potential impact on financial reporting; and evaluation of the quality of financial reporting and related disclosures. Management officials with responsibility for ICFR are expected to keep the audit committee apprised of the operation and effectiveness of controls. If the company has an internal audit staff, its work often includes testing controls and informing the audit committee of its findings relative to ICFR."