SmartSuite

Framework / Financial Services Regulation / Other

PCAOB AS 2201 – An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements

PCAOB AS 2201 is the auditing standard for an audit of internal control over financial reporting that is integrated with the financial statement audit, using a top-down, risk-based approach.

What it is

PCAOB AS 2201, An Audit of Internal Control Over Financial Reporting That Is Integrated with An Audit of Financial Statements, is the standard that governs how an auditor examines and reports on a public company's internal control over financial reporting (ICFR). It establishes the requirements for planning the audit, using a top-down approach to select controls, testing their design and operating effectiveness, evaluating deficiencies, and forming an opinion on whether ICFR was effective as of the company's year end.

The Public Company Accounting Oversight Board (PCAOB) adopted the standard in 2007 as Auditing Standard No. 5 through PCAOB Release No. 2007-005A, approved by the U.S. Securities and Exchange Commission, and later renumbered it AS 2201. It binds the registered public accounting firms that audit issuers subject to Section 404(b) of the Sarbanes-Oxley Act. The PCAOB has since adopted amendments to paragraph .09 and a new paragraph .99; the amended standard is effective on December 15, 2026.

At a glance

PUBLISHER Public Company Accounting Oversight Board (PCAOB)	TYPE Standard	VERSION AS 2201 as amended
EFFECTIVE December 15, 2026 (amended)	DOMAIN Financial Services Regulation	FAMILY Other
REGION United States	ADOPTION MODEL Regulatory Compliance	IMPLEMENTATION COMPLEXITY High

Source: https://pcaobus.org/oversight/standards/auditing-standards/details/AS2201

Why it matters

- **One audit, two opinions** The integrated audit achieves the objectives of the financial statement audit and the ICFR audit together, so evidence gathered for one supports the other.
- **Top-down, risk-based scoping** The auditor begins at the financial statement level with the overall risks to ICFR and works down to entity-level controls and the significant accounts, disclosures, and assertions that matter, rather than testing every control.
- **A shared definition of material weakness** The standard defines material weakness and significant deficiency, giving management, auditors, and audit committees the same terms for evaluating control failures.
- **Clear expectations for entity-level controls** Controls over management override, the control environment, and the period-end financial reporting process are singled out as the ones that shape the rest of the audit.

How SmartSuite supports PCAOB AS 2201

ICFR Control Library
Hold entity-level, process, and IT general controls with their linked accounts, assertions, and risks in one risk and control matrix.

Ownership, Cadence, and Accountability
Assign control owners and testing cycles, and route sign-offs and management representations through approval workflows.

Evidence Collection and Audit Trail
Attach walkthroughs, samples, screenshots, and reperformance results to each test with timestamps and reviewers for the external auditor.

Control Testing and Operating Effectiveness
Plan design and operating tests, record exceptions, and roll results forward across interim and year-end periods.

Risk and Third-Party Alignment
Link controls to fraud risks, SOC 1 reports from service organizations, and complementary user entity controls.

Deficiency and Audit Committee Reporting
Evaluate deficiencies individually and in aggregate, track remediation, and report status to management and the audit committee.

Common framework mappings

SOX · COSO IC 2013 · COSO ERM 2017 · SOC 1 · ISAE 3402 · ISAE 3000 · COBIT 2019

Official resources

PCAOB AS 2201 standard text
The current standard with its paragraphs, appendices, amendment history, and effective date.
pcaobus.org/oversight/standards/auditing-standards/details/AS2201

PCAOB Auditing Standards index
The full list of PCAOB auditing standards, including the related standards AS 2201 refers to.
pcaobus.org/oversight/standards/auditing-standards

PCAOB staff guidance
Staff guidance and publications that support application of the auditing standards.
pcaobus.org/oversight/standards/staff-guidance

PCAOB Release No. 2007-005A
The 2007 adopting release for Auditing Standard No. 5, the standard now designated AS 2201.
assets.pcaobus.org/pcaob-dev/docs/default-source/rulemaking/documents/021/2007-06-12_release_no_2007-005a.pdf?sfvrsn=2180610a_0

Frequently asked questions

What is PCAOB AS 2201?
AS 2201 is the PCAOB auditing standard for an audit of internal control over financial reporting that is integrated with an audit of the financial statements. It sets out how the auditor plans the audit, selects and tests controls, evaluates deficiencies, and reports an opinion on ICFR.

Who must comply with AS 2201?
The standard binds PCAOB-registered public accounting firms auditing issuers whose ICFR must be attested under Section 404(b) of the Sarbanes-Oxley Act. Companies are not directly bound, but their control documentation, testing, and evidence are what the auditor examines.

What is the top-down approach?
The auditor begins at the financial statement level with the overall risks to ICFR, evaluates entity-level controls, identifies significant accounts, disclosures, and relevant assertions, and then selects for testing the controls that sufficiently address the assessed risk of misstatement for each assertion.

How does AS 2201 define a material weakness?

A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis.

When was AS 2201 adopted and what has changed?

The PCAOB adopted it in 2007 as Auditing Standard No. 5 through Release No. 2007-005A and later renumbered it AS 2201. Amendments to paragraph .09 and a new paragraph .99, adopted by the PCAOB and approved by the SEC, are effective on December 15, 2026.

What control framework is used as the criteria?

AS 2201 requires a suitable, recognized control framework; in the United States that is almost always the COSO Internal Control – Integrated Framework (2013), which management also uses for its own Section 404(a) assessment.

How does SmartSuite support AS 2201?

SmartSuite keeps the ICFR control library, risk and control matrices, test plans, evidence, and deficiency evaluations in one workspace, so management's testing is documented in the form the integrated audit requires and auditor requests can be answered from the record.

License included / downloadable: Yes AS 2201 is published free of charge on the PCAOB website, and its structure of accounts, assertions, controls, tests, and deficiencies is reflected in the platform's ICFR templates.

Full framework page and mappings: smartsuite.com/frameworks/pcaob-as-2201-audit-of-internal-control-over-financial-reporting

