

1st. - ICFR?

**1** ICFR evidence upload request...? Maybe it's spam mail... should delete for security reasons...  
Tada!  
Wait! Let me tell you all about ICFR!

**2** Internal Controls over Financial Reporting? What is this exactly?  
Oh my...  
It's a system to evaluate if the company's internal process of financial report calculations is adequate and to conduct external audit as well.

**3** Customer Registration → Sales Order → Delivery → Billing  
Assessment on Process Compliance  
**PROCESS**  
Taking the Sales Process as an example, ICFR is about assessing if all steps, from customer registration to sales invoice creation, adhere to the procedures effectively by verifying relevant evidence.

**4** Oh~ That's why I've got the e-mail requesting for evidence upload. I thought it was something related to numbers since the name has 'Financial Reporting', but now I see that they're also auditing process compliance.  
Yes, exactly! So, it's important to comply with procedures and regulations related to your work, and regularly manage relevant evidence.

2nd. - Change Management

**1** Annual ICFR Process  
Change Mgmt. → Design Test → Operating Test → Report  
Look!  
ICFR is annually conducted in 4 steps: Change Management, Design Test, Operating Test, and Report. Let's look at the first step: Change Management. Did you have any recent changes in workflow processes?

**2** We recently implemented a new system that automates tasks previously done manually.  
Great! Please feel free to inform us of such changes. Make sure to include details in the ICFR system template opened during Change Management evaluation period.  
Wow, the process changes are managed systemically!

**3**

Process	Control ID	Description	Change
Sales	C.10.XX	...	X
Purchase	C.30.XX	...	O
Production	C.40.XX	...	X
...	...	...	...

Yes, we manage the changes through ICFR system. After the Finance & Planning Team reviews your entries, if any significant changes are noted, we'll request for additional interviews.

**4**

Process	Control ID	Description	Change
Sales	C.10.XX	...	X
Purchase	C.30.XX	...	O
Production	C.40.XX	...	X
...	...	...	...

Even if there are no changes, you still need to prove that this year's workflow process is the same as last year. So, please upload this year's evidence in the same format as last year.

3rd. - Design Test

**1** Sir~ I'll go for interviews to confirm the important changes identified during Change Management!  
Got it! Be sure to check for any significant changes in systems used or control activities!

**2** Hello~  
Hi there~  
I'm here to ask a few questions to confirm the process change.  
I've entered all the information during Change Management, but what else would you like to know?

**3** I've reviewed them all, and noticed your workflow process had a significant change from the previous year, so I need an in-depth look into it.  
In other words, I'll be asking about the main evidence and necessary procedures that need to be checked primarily in the changed process, and how this prevents any financial risks. This is what we call Design Test!  
Hmm, seems complicated... but I think I'll just need to explain my work a bit more!

**4** That's right. A detailed explanation of your work will be enough. You don't need to feel pressured since the control design process is led by Finance & Planning Team.  
Bye~ Bye~  
Next time, I'll tell you about Operation Test, which checks whether the controls designed are operated.

[Home >](#)