

EXHIBIT
Differences Between PCAOB Standard 3 and the Proposed SAS

PCAOB Auditing Standard 3	Proposed SAS
1. Merely implies allowable use of judgment as to the nature and extent of documentation necessary by offering evaluation criteria.	Expressly articulates that “not all auditor considerations need be documented.”
2. Audit documentation must be “appropriately organized to provide a clear link [cross-referencing] to the significant findings or issues.”	No comparable requirement.
3. Documentation must show that underlying accounting records are agreed or reconciled to financial statements.	No comparable requirement.
4. Requires specific reference in engagement workpapers to (and retention of) central administrative files documenting auditor competence (training, experience, and proficiency) and independence.	Requires documentation of auditor competence and independence, which may be in central administrative files but need not be referenced from engagement workpapers.
5. Up to 45 days for post-release file assembly (housekeeping).	Up to 60 days for post-release file assembly (housekeeping).
6. All significant issues/findings to be summarized by the engagement reviewer in an audit completion document.	No comparable requirement.
7. Retention of workpapers for a minimum of seven years (subject to applicable state laws or regulations).	Retention of workpapers for a minimum of five years (subject to applicable state laws or regulations).
8. Requires retention of workpapers for incomplete engagements.	No comparable requirement.
9. Requires retention of or access to all documentation obtained or prepared by other offices/firms and prerelease review of certain summary documentation.	No comparable requirement.