

EXHIBIT

The Effect of IT Auditing Standards and Best Practices on Organizations and Their Auditors and Accountants

Company Profile	PCAOB: Auditing Standards Standard No. 2	AICPA GAAS SAS 55/SAS 94	GAO: Yellow Book	IAASB: IAS	ISACA: Control Objectives for Information Technology*
SEC registrant or public company	<p>Required:</p> <ul style="list-style-type: none"> Understand management assessment of IT; pervasive effect of IT controls and reliance in financial reporting Test of controls in IT environment <p>Encouraged:</p> <ul style="list-style-type: none"> Walkthrough, using IT specialists 	<p>Required:</p> <ul style="list-style-type: none"> Understand the automated processes and assess risks of control effectiveness and audit trail Use of IT specialist required for understanding and test of controls, if any 	Not applicable	<p>Required:</p> <ul style="list-style-type: none"> Auditor should have sufficient knowledge of the CIS to plan, direct, supervise, and review work performed Auditor should consider whether specialized CIS skills are needed Must follow PCAOB requirements for an international company listed on U.S. stock exchanges 	<p>Required:</p> <ul style="list-style-type: none"> Specify audit objectives Assess materiality and impact Identify reportable issues Assess risks and response to risk Document flow and test controls Document results Report to appropriate managers
Nonpublic company, audit engagement	n/a	<p>Required:</p> <ul style="list-style-type: none"> Understand the automated processes and assess risks of control effectiveness and audit trail Use of IT specialist required for understanding and test of controls, if any 	n/a	<p>Required:</p> <ul style="list-style-type: none"> Auditor should have sufficient knowledge of the CIS to plan, direct, supervise, and review work performed Auditor should consider whether specialized CIS skills are needed 	Same as public company
Nonpublic company, consulting engagement	n/a	n/a	n/a	n/a	Same as public company
Not-for-profit (governmental funding)	n/a	n/a	<p>Required:</p> <ul style="list-style-type: none"> Understand management assessment of IT; pervasive effect of IT controls and reliance in financial reporting Test of controls in IT environment 	n/a	Same as public company
Small office/home office	n/a	n/a	n/a	n/a	Best practices (guidelines)

Assumptions:

Registered companies are not applicable for a Yellow Book or single audit.

A small office/home office is either a small business or unincorporated.

Consulting engagement is for IT, no financial auditing required.

* Binding only to ISACA members