

Test #	Control Objective	Risk (What could go wrong?)	Control Process as Described by Client	Ref #	Control Element Description	Financial Statement Assertion						Frequency	Type of Test	Sample Size	Results of Testing - Control effective/ineffective
						Financial Risk Rating	Authorization	Existence/Occurrence	Completeness	Rights & Obligations	Valuation				
<b>Entity Level Controls</b>															
ELA1	The Board/Audit Committee is ineffective.	Board/Audit Committee members are independent from management, have clearly articulated responsibilities, and	Audit Committee Awareness	ELA6	The Board receives key financial information at least quarterly. The Board receives a draft of the 10-Q and 10-K; its content is discussed and documented via minutes; the Audit Committee authorizes the	High	X	X				Quarterly	Examination	3	EFFECTIVE
ELA2	Management exemplifies attitudes and actions reflecting a sound control environment and commitment to ethical values, and adopts accounting policies that best fit the economic realities of the business.	Management could take an aggressive approach to accounting policies, resulting in inaccurate reporting and potential restatement.	Accounting Policies	ELA2	XYZ Corporation Management's financial reporting philosophy is conservative. The CFO has established a conservative approach to recording estimates, accruals and reserves.	Medium	X	X				As needed	Examination	12	EFFECTIVE
ELA3	A Code of Conduct exists and has been implemented.	Employees are unsure of behavior that is expected of them by the company.	Audit Committee Awareness	ELA1	XYZ Corporation has a formal Code of Business Conduct policy. The company has adopted a Code of Business Conduct (COBC) Policy which was approved by the	Medium	X	X				Quarterly	Examination	1	INEFFECTIVE
ELA4	The Board of Directors and management receive sufficient and timely information to allow them to fulfill their responsibilities, including operating results against budget.	Management fails to obtain and disseminate relevant external information and internally generated information critical to the achievement of QuantRx Biomedical Corporation objectives. Ineffective communication exists between departments within the organization.	Quarterly financials	ELA11	Operating performance is communicated to management on a quarterly basis. Internal Financial and Management reports (management book) are prepared and distributed quarterly to the Board, Executive management and other key senior management. Variances against plan are identified and explained; key metrics are reported.	High		X	X	X	X	Quarterly	Examination	5	EFFECTIVE
<b>IT General Controls</b>															
ITGC1	Outsourced vendor services meet or exceed management's expectations.	Insufficient controls are in place concerning output from key vendors and service providers.	Service provider controls	ITGC 1	SAS70s are obtained from those vendors such as ADP who perform data processing functions for the organization.	Medium	X					Annually	Examination	1	EFFECTIVE
ITGC2	The organization has procedures in place to provide reasonable assurance that critical data files, systems, and program libraries are regularly backed up and properly retained off-site	Key systems and files are not backed up regularly and critical data could be lost	System backups	ITGC 3	The IT Backup Strategy US Operations SOP includes section 8.9.1 which states "Backup jobs need to be tested for recoverability on a weekly basis prior to taking them off-site in order to ensure that data is on tape and that tapes are still valid.	Medium	X	X				As needed	Examination	1	EFFECTIVE
ITGC3	The organization has procedures in place to provide reasonable assurance that a security policy stating senior management's commitment on information security is established, and that such commitment is demonstrated through appropriate actions	Network security is poorly administered and seldom validated. Segregation of duties is poorly monitored.	Network security	ITGC5	IT Security policies and directives have been established to safeguard the confidentiality and integrity of the information contained within their systems.	High	X	X				Quarterly	Examination	3	EFFECTIVE
				ITGC7	Access to the company's network has been restricted. Passwords are required to be at least 6 characters long, expire every 90 days. Password complexity is enabled.	Medium	X	X				Quarterly	Examination	3	EFFECTIVE
				ITGC9	Procedures are in place for adding, changing and deleting user access. The New User Access,	Medium	X	X				Quarterly	Examination	3	EFFECTIVE
ITGC4	Procedures in place to provide reasonable assurance that a systems development life cycle (SDLC), which includes system and application testing in a separate environment from production	Changes to the system or applications are not tested first in a secure environment	System changes	ITGC14	System Development Lifecycle policies and procedures require that program development and testing be performed in a non-production environment.	High		X	X	X	X	Quarterly	Examination	1	EFFECTIVE
				ITGC15	System and program change procedures in place to provide reasonable assurance that data processing departments affected by changes are notified.	High		X	X	X	X	Quarterly	Examination	1	INEFFECTIVE