



## AICPA Standards and Sage Solutions: What you need to know

The American Institute of Certified Public Accountants (AICPA) has many auditing standards that impact your work in a variety of ways. The original Statement on Accounting Standards for service organizations, SAS 70, was intended to provide a guideline to ensure that adequate controls over service organizations or service providers were in place. Generally speaking, the areas of focus for a SAS 70 audit include processes involving information technology and how outside service organizations handle the processing of data for their clients. On June 15, 2011, a new reporting standard effectively replaces SAS 70 as the standard for reporting on service organizations. The purpose, intended users, and core elements of the new reporting standard, Statement on Standards for Attestation Engagements (SSAE) No. 16, are the same as SAS 70. The definition of a service organization has also not been changed.

Both of these standards are applicable when the financial statements of an organization are being audited, but only if that organization obtains services from another organization. Because Sage accounting and specialized solutions are provided to customers as packaged software solutions rather than as services, neither SAS 70 nor SSAE 16 certification is applicable to Sage accounting applications.

Examples in which a service auditor would be interested in obtaining SAS 70 or SSAE 16 certification from a software provider would be:

- **A software company acts as an application service provider (ASP)** by hosting a software application within its own facility, as is the case with web-based packages, such as online contact management and CRM solutions.
- **An outside vendor who produces software also acts as a service organization** by both obtaining customer data (such as fixed asset information) and processing that data (for instance, calculating depreciation) with the intent of providing the results to the client. This scenario does not apply to professional service engagements where the goal is to troubleshoot a problem or provide integration to another financial system.
- **A company provides a service to an organization** by collecting and archiving financial records, whether the service is provided by physically transporting records or backing up information online.

With the accounting solutions from Sage, the customers are always in full control of their data—from establishing access to entering information and producing reports. While customers may provide data or reports to Sage for a specific project, for example during a professional service engagement, at no time is any data automatically sent outside of a customer's control.

**For more information about SAS No. 70 and SSAE No. 16 and how these standards apply to service organizations, visit: [www.aicpa.org](http://www.aicpa.org)**

**For details about the full line of accounting solutions from Sage, visit: [SageNorthAmerica.com](http://SageNorthAmerica.com)**

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