

**SERVICE ORGANIZATIONS – ISAE 3402****SIGNIFICANT ISSUES****Introduction**

Based on the IAASB's discussion at the September 2006 (Montréal) meeting, the task force has prepared an initial draft of the Introduction and Requirements sections of ISAE 3402 to cover performance and reporting aspects of a "reasonable assurance" engagement for either a Type A or Type B report. The initial draft is largely modeled on current national standards and practice, although a number of the issues below indicate where the task force believes changes to the current model may be appropriate.

For purposes of discussion at this meeting, the IAASB is asked to consider the following illustrative example of the type of wording that could be included in a Type B report. The task force has not considered specific report wording, and this is provided for reference only during discussion of the following issues.

**Independent Assurance Report on  
Controls over ABC Service Organization's  
Internet Sales Transaction Processing and Reporting System**

*[Appropriate addressee]*

*Scope*

We have audited ABC Service Organization's assertion that:

- (a) The accompanying description of ABC's internet sales transaction processing and reporting system presents fairly, in all material respects, the aspects of the system, including related controls and control objectives, implemented throughout the year to December 31, 20xx that may be relevant to user entities' information systems relevant to financial reporting;
- (b) The controls identified in the accompanying description are suitably designed to provide reasonable assurance that the specified control objectives will be achieved if the controls operate effectively; and
- (c) Those controls were in existence and operated effectively throughout the year to December 31, 20xx.

*Management's Responsibilities*

Management is responsible for ... identifying the control objectives in the accompanying description ...

*Auditor's Responsibility*

... we have conducted our audit in accordance with International Standard on Assurance Engagements ISAE 3402 "Assurance Reports on a Service Organization's Controls."

... Section X of this report contains a description of the tests of controls we performed and the results thereof ...

*Limitations of internal control*

...the potential operating effectiveness of controls is subject to inherent limitations ...

... the historic evaluation of the operating effectiveness of controls is not relevant to future periods ...

*Opinion*

In our opinion:

- (a) The accompanying description of ABC's internet sales transaction processing and reporting system presents fairly, in all material respects, the aspects of the system, including related controls and control objectives, implemented throughout the year to December 31, 20xx that may be relevant to user entities' information systems relevant to financial reporting;
- (b) The controls included in the accompanying description are suitably designed to provide reasonable assurance that the specified control objectives will be achieved if the controls operate effectively; and
- (c) Those controls were in existence and operated effectively throughout the year to December 31, 20xx.

*[Auditor's signature]*

*[Date of the auditor's report]*

*[Auditor's address]*

**A. Assertion-based reports**

- A1. The US standard (SAS 70) states that "If the service auditor prepares the description of controls and control objectives, the representations in the description remain the responsibility of the service organization," and requires the auditor to receive a written representation from management to this effect. It does not, however, require or otherwise provide for the report that is sent to user entities to include a written assertion by the service organization about the fair presentation of the description, and the implementation and effectiveness of controls. Under the Assurance Framework (AF .10<sup>1</sup>), if the report that is sent to user entities does not contain such a written assertion, the engagement would be classified as a "direct reporting engagement."
- A2. The task force believes that it is a more appropriate reflection of the accountability relationship between the service organization and the user entity for these engagements to be "assertion-based," i.e. for the service organization to provide a written assertion in the report that is sent to user entities, and has built this into the definition of Type A and Type B reports at paragraphs 13 (h) and (i).
- A3. Under the Assurance Framework (AF .57), the auditor's opinion with respect to an assertion-based engagement can be worded either:

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<sup>1</sup> "AF" references are to paragraph numbers in the IAASB's Assurance Framework "International Framework for Assurance Engagements."

- “(a) In terms of the responsible party's assertion (for example: “In our opinion the responsible party's assertion that internal control is effective, in all material respects, based on XYZ criteria, is fairly stated”); or
  - (b) Directly in terms of the subject matter and the criteria (for example: “In our opinion internal control is effective, in all material respects, based on XYZ criteria”).”
- A4. The service auditor's opinions referred to in the extant ISA 402, and those currently being issued in practice in accordance with national standards, are worded directly in terms of the subject matter and the criteria. The task force believes this is a more readily understandable form of communication, and also avoids the possibility of what is known as a “dirty assertion,” i.e. where the service organization's assertion is qualified in some way (e.g. where the service organization says that internal control is not effective) and because the auditor agrees with that qualification, the auditor's opinion can appear clean (e.g., “In our opinion the service organization's assertion about the effectiveness of internal control is fairly stated”).

*Does the IAASB agree that assurance engagements to report on controls at a service organization should be assertion- based engagements? Does the IAASB agree that the service auditor's opinion on controls should be worded directly in terms of the subject matter and the criteria?*

## **B. Point in time versus period of time**

### *Type B reports*

- B1. Type B reports include the service auditor's opinion about the description of controls, the existence of controls, and the operating effectiveness of controls.
- B2. Under the Canadian,<sup>2</sup> UK<sup>3</sup> and US<sup>4</sup> pronouncements the service auditor's opinions about the description of controls and the existence of controls are *as at a specified date* (usually year-end). The opinion about operating effectiveness on the other hand is *for a specified period* (usually the full year).
- B3. This distinction, combined with the requirement to disclose changes that have occurred during the period of twelve months prior to the as-of date as described below, has given rise to questions about how the point in time opinion on design and existence relates to the period of time opinion on operating effectiveness, and what these different periods are intended to convey.
- B4. The Canadian and US pronouncements note an expectation that management's description of controls will include a description of changes to controls over the period, and require the service auditor to “enquire about changes ... that may have occurred.” If significant changes are identified that are not included in management's description, the service auditor is required to include a description of those changes in the auditor's report. No modification to the auditor's opinion is

<sup>2</sup> CICA Section 5970 “Auditor's Report on Controls at a Service Organization”

<sup>3</sup> AAF 01/06 “Assurance reports on internal controls of service organizations made available to third parties”

<sup>4</sup> SAS No. 70, “Service Organization,” and associated AICPA Audit Guide

required in this circumstance however “because the description is fairly stated as of the date of the description.” The Canadian, UK and US pronouncements do not specifically address what the auditor should do if a change is inappropriately described by management, but it is reasonable to assume that similar logic would be applied and the service auditor would provide an accurate description of the change in the service auditor’s report. Under this approach, therefore, if the service auditor’s report does not include any reference to a deficiency in management’s description regarding changes, a user auditor can derive some assurance (albeit of an unspecified level) that management’s description fairly describes controls that existed for the entire period.

- B5. For Type B reports, the task force believes that for service auditors to be satisfied that controls *operated* for the specified period, they would also need to be satisfied that the controls, *as described, existed* for that period. Additionally, the current practice under existing standards requires disclosure of any significant changes. The draft requirements for Type B reports therefore require the auditor to explicitly opine on whether management has fairly described controls *throughout the period*, and whether controls existed *throughout the period*.

*Does the IAASB agree that in a Type B report the auditor’s opinion on the description of controls and on the existence of controls should explicitly refer to the entire period?*

#### *Type A reports*

- B6. The situation described in paragraph B4 above applies to Type A reports as well as Type B reports under national standards. But because the service auditor does not perform any procedures regarding the operating effectiveness of controls throughout the period, the task force believes it is unlikely that service auditors providing Type A reports will focus on whether the description of controls is fairly stated at any time during the period other than at period end, or whether controls existed at any time during the period other than at period end. This means that the unspecified level of assurance mentioned in paragraph B4 that a user can derive about whether controls, as described, existed for the entire period, is likely to be very low.
- B7. The task force believes this to be a significant limitation of a Type A report. The other significant limitation of a Type A report is that it does not include any assurance about operating effectiveness.
- B8. Despite the draft requirements specifically requiring a Type A report to:
- (a) Restrict the service auditor’s opinion on the description of controls and their existence to a point in time, and
  - (b) Include a statement that the service auditor has not performed any procedures regarding the operating effectiveness of controls and therefore no opinion is expressed thereon,

in light of the limitations mentioned above, the task force believes that Type A reports present a considerable risk of being misunderstood and of having undue reliance placed on them. The task force therefore seeks the IAASB's guidance as to whether Type A reports should continue to receive the prominence they do in extant ISA 402, and in the attached draft requirements. The task force thinks that there may be rare cases where a Type A report is appropriate (e.g. as a "readiness" report when a service organization is in start-up phase or as a first-time report for a service organization that has never had a report and that plans to use it as a base-line for future Type B reports), but suggests that the primary focus of ISA 3402 should be on Type B reports, with Type A reports only being referred to in relation to the examples given above.

*Does the IAASB agree that the prominence given to Type A reports in ISAE 3402 should be diminished?*

### **C. Citing ISAE 3402 in the service auditor's report**

- C1. Paragraph 36 (h) of the current draft requires the assurance report to state that "the engagement was performed in accordance with ISAE 3402 "Assurance Reports on a Service Organization's Controls". An alternative would be for the report to state that "the engagement was performed in accordance with International Standards on Assurance Engagements."
- C2. While the task force prefers the draft as it stands at the moment, it notes the following for consideration by the IAASB:
- No matter which form of citation is included in the assurance report, it will not affect the service auditor's obligations at the present time. Paragraph 14 of the attached draft requires the service auditor to comply with ISAE 3000; and ISAE 3000 (paragraph 3) requires the auditor to comply with "other relevant ISAEs."
  - If the Board issues other assurance standards that apply to other subject matters, a generic reference to "International Standards for Assurance Engagements" would be less clear to users regarding the specific standards being applied.
  - US reports takes the generic approach and say: "Our examination was performed in accordance with standards established by the American Institute of Certified Public Accountants ..." UK reports take a more specific approach: "We conducted our engagement in accordance with International Standard on Assurance Engagements (ISAE) 3000 and the Institute of Chartered Accountants in England & Wales Technical Release AAF 01/06," as do Canadian reports: "the audit was conducted in accordance with the standards established by The Canadian Institute of Chartered Accountants (CICA) for audits of controls at a service organization."

*Does the IAASB agree with citing ISAE 3402 (rather "International Standards for Assurance Engagements") in the assurance report?*

#### **D. Application of ISAE 3402 beyond financial reporting controls**

- D1. It should also be noted that the title proposed for ISAE 3402, viz: ‘Assurance Reports on a Service Organization’s Controls’ does not mention that the controls to be reported on relate to financial reporting. The task force has done this to facilitate the application of ISAE3402 to controls other than controls over financial reporting, e.g. for assurance engagements relating to controls over compliance, which are common in the financial services industry in the UK. The potential to use ISAE 3402 in relation to controls that are broader than financial reporting is acknowledged in paragraph 2 of the draft:

This ISAE applies to assurance engagements to report on the controls of an organization that provides a service to user entities when the service organization considers those controls are likely to be part of user entities’ information systems, including the related business processes, relevant to financial reporting. It may also be applied, adapted as necessary in the circumstances of the engagement, for engagements to report on other controls at a service organization.

*Does the IAASB agree that ISAE 3402 can have broader application than financial reporting controls?*

#### **E. Which controls at the service organization?**

- E1. The definition of “service organization's controls” is “those controls at the service organization that relate to the services covered by the service auditor’s engagement which the service organization considers to be part of user entities’ information system relevant to financial reporting.”
- E2. At first read, this may give the impression that it is the service organization’s information system, but not other components of its internal control, that will form part of user entities’ information system and, therefore, be of interest to the service auditor. The task force is aware that it is common for reports on controls at a service organization to include other aspects of a service organization’s controls that are relevant to the services being provided to user entities (e.g., descriptions of aspects of the service organization’s control environment that affect the processing of user entities’ transactions) and further, the task force believes this should be continued. To clarify this point, it is intended that the definition refer to application material that includes text along the following lines.

While the definition of “service organization's controls” at paragraph 13 (e) focuses on the information systems component of user entities’ internal control, and invariably includes aspects of the services provided by the service organization that represent aspects of the user entity’s information system maintained by the service organization, it may also include aspects of one or more of the other components of internal control. For example, it may include aspects of the service organization’s control environment, monitoring, and control activities where they relate to the services provided that are part of the user entities’ information system. It does not, however, include controls at a service organization that are not related to user entities’ information system, e.g. controls related to the preparation of the service organization’s own financial statements. See ISA 315 (Redrafted), “Identifying and Assessing Risks of Material Misstatement Through Understanding the Entity and Its Environment” for a definition and discussion of internal control, and “controls” as they relate to a financial statement audit, including a discussion of the information system relevant to financial reporting.

*Does the IAASB agree that (a) it is user entities' information system that is of importance, but that (b) other components of the service organization's internal control may form part of user entities' information system?.*

## **F. Control objectives**

- F1. The definition of “control objectives” in paragraph 13 (f) of the draft is “The aim or purpose of a particular aspect of the service organization’s controls. Control objectives ordinarily relate to risks that controls seek to mitigate. Examples of control objectives are provided in Appendix 1.” In practice, there can be wide variations in the level at which objectives are specified, and it has been difficult for national standard setters to describe the level they consider appropriate, other than by the use of examples.
- F2. The task force believes that using examples is an appropriate way to illustrate the level at which objectives should be set, and also has the added benefit of potentially bringing some consistency to the descriptions themselves where many functions are common to many service organizations.
- F3. However, the process of developing sets of example control objectives is very time consuming and subject to differing opinions on wording and degree of detail to be included. Additionally, the control objectives addressed in a particular engagement typically would need to be tailored to the specific nature of services provided by the service organization and its design of its controls.
- F4. The Appendix to the draft ISAE at Agenda Item 10-B is at this stage merely a “cut and paste” of the appendices to the US and UK pronouncements. It is included to give the IAASB an indication of what such an appendix could look like if the Board wishes to have such material included. If the IAASB agrees that such an appendix should be included in ISAE 3402, the task force will draft it using the US and UK appendices as models.

*Does the IAASB believe that an appendix with illustrative control objectives should be included with ISAE 3402?*

## **G. Using the Work of Others**

- G1. Paragraph 17 of the draft requires the service auditor to consider ISAs 610 and 620 when using the work of internal audit or an expert. It also specifies that such work should not be referred to in assurance report, except as may be appropriate in the section of a Type B report that describes the tests of controls performed. This paragraph builds on ISAE 3000.26-.32, which deals with use of an expert in an assurance engagement.
- G2. The task force seeks the IAASB’s feedback on whether it is appropriate to refer specifically to ISAs 610 and 620 in this ISAE, given that these ISAs were not written for application to engagements other than financial statement audits. Alternatives considered were:
  - (a) To expand this section, drawing on the key requirements of ISAs 610 and 620 but without citing those ISAs; or

- (b) Delete the section on using the work of others, and rely instead on the general guidance provided by ISAE 3000.03, which says “Although ISAs and ISREs do not apply to engagements covered by ISAEs, they may nevertheless provide guidance to practitioners.”

*Would the IAASB prefer that the section on using the work of others be deleted, expanded or retained basically as it is?*

## **H. Subject Matter, Criteria, and Subject Matter Information**

- H1. Service auditors are required to comply with ISAE3000. ISAE 3000 is written in terms of “subject matter”, “criteria”, and “subject matter information”. The concepts behind these terms are explained in the Assurance Framework but may not be well understood by service auditors, which may cause difficulties for them in determining that they are complying with ISAE 3000 in designing, performing and reporting ISAE 3402 engagements.
- H2. These terms are discussed below, which includes the task force’s understanding of how they apply to assurance engagements to report on controls by service auditors.

### *Meaning of Terms*

- H3. The “subject matter” of an assurance engagement is the underlying condition of interest to intended users of the assurance report.
- H4. The “criteria” are the benchmarks used to evaluate or measure the subject matter including, where relevant, benchmarks for presentation and disclosure.
- H5. The “subject matter information” is the outcome of the evaluation or measurement of the subject matter that results from applying the criteria to the subject matter. So, for example, an assertion about the effectiveness of internal control (outcome/subject matter information) results from applying a framework for evaluating the effectiveness of internal control, such as COSO or CoCo (criteria) to internal control (subject matter)” (AF.35).

### *“Suitable” Criteria*

- H6. Criteria need to be “suitable” to enable “reasonably consistent evaluation or measurement of a subject matter within the context of professional judgment. Without the frame of reference provided by suitable criteria, any conclusion is open to individual interpretation and misunderstanding.” (AF.35) To be suitable, criteria need to be: relevant, complete, reliable, neutral, and understandable. (AF.36)
- H7. “Criteria can either be established or specifically developed. Established criteria are those embodied in laws or regulations, or issued by authorized or recognized bodies of experts that follow a transparent due process. Specifically developed criteria are those designed for the purpose of the engagement.” (AF.37)
- H8. “The evaluation or measurement of a subject matter on the basis of the practitioner’s own expectations, judgments and individual experience would not constitute suitable criteria.” (AF. 36)
- H9. As well as being suitable, criteria need to be “available to the intended users to allow them to understand how the subject matter has been evaluated or measured.”



Criteria can be made available to the intended users in a number ways, including by inclusion in the assurance report, or “by general understanding, e.g., the criterion for measuring time in hours.”(AF.38)

*How Does this Apply to ISAE 3402 Reports?*

H10. There are 4 separate conclusions in a Type B report, viz., whether:

- (a) The description of controls and control objectives is presented fairly;
- (b) The controls are suitably designed to provide reasonable assurance that the specified control objectives will be achieved if the controls operate effectively;
- (c) The controls were in existence throughout a specified time period; and
- (d) The controls operated effectively throughout a specified time period.

H11. The following table represents the task force’s current view of what constitutes the subject matter, criteria, and subject matter information for each of these conclusions. Each row of the table can be tested by using the “definition” of subject matter information from H5 above, which articulates the association between the following elements: “the subject matter information is the outcome of the evaluation or measurement of the subject matter that results from applying the criteria to the subject matter”.

Conclusion	Subject matter	Criteria	Subject matter information
1. The description of controls and control objectives is presented fairly	The service organization’s controls relevant to the engagement	A general understanding of an accurate and clear portrayal or depiction of the controls in place	The service organization’s assertion that the description is presented fairly
2. The controls are suitably designed to provide reasonable assurance that the specified control objectives will be achieved if the controls operate effectively	The design of controls	The specified control objectives	The service organization’s assertion that controls are suitably designed
3. The controls were in existence throughout a specified time period	The existence of controls	A general understanding of the presence or occurrence of a control or controls in a particular place or situation	The service organization’s assertion that controls were in existence throughout a specified time period

4. The controls operated effectively throughout a specified time period	The operation of controls	The specified control objectives	The service organization's assertion that controls operated effectively throughout a specified time period
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H12. Identifying the criteria for Conclusions 2, 3 and 4 may be reasonably straight forward. The criteria for evaluating whether controls have exist (Conclusion 3) is a simple, plain language understanding of what “existence” means, e.g., if the control is to perform a reconciliation, then the service organization can assert that the control exists if that reconciliation has been performed (this does not include any judgment about how well, or how effectively, it has been performed). The specified control objectives (i.e., those stated in the description of controls included with the service auditor's assurance report) may provide the criteria for Conclusions 2 and 4, i.e. if the design (Conclusion 2) or operation (Conclusion 4) of the controls provides reasonable assurance that the objectives are met, then the service organization can assert they are designed/operating effectively.

H13. Identifying the criteria for Conclusion 1 about the description of controls and control objectives may be more problematic. What constitutes a fairly presented description depends on the purposes for which it will be used. The primary purposes of the description in the case of ISAE 3402 reports are:

- (a) To enable the user auditor to obtain an adequate understanding of the controls to perform risk assessment procedures as a basis for the identification and assessment of risks of material misstatement, and
- (b) With respect to the objectives included in the description, to provide suitable criteria for Conclusions 2 and 4.

To be fairly presented, therefore, the description should be adequate for these two purposes, each of which is discussed below.

*(a) To enable the user auditor to perform risk assessment procedures*

H14. While experienced auditors will likely share a reasonably common understanding of what “fairly presented” means given a particular set of circumstances, e.g. the boundaries established by the service level agreement between the service organization and user entities, that consistency of understanding can be greatly assisted by the type of guidance provided in publications such as the AICPA Audit Guide on SAS 70.<sup>5</sup> The AICPA Audit Guide indicates the kind of parameters that experienced auditors would consider in determining whether a description is fairly presented and is, therefore, an explicit rendition (at least in part) of the criteria. These parameters include, e.g.:

- “The description should provide user auditors with information about the service organization's controls that may be relevant to a user organization's

<sup>5</sup> “Service Organizations: Applying SAS No. 70, as Amended,” American Institute of Certified Public Accountants Audit Guide.

internal control. Service organization controls are considered relevant to a user organizations' internal control if they represent or affect a user organization's internal control as it relates to an audit of financial statements." (Paragraph 2.17)

- "The description of controls should be presented at a level of detail that provides user auditors with sufficient information to plan the audit ... The description need not address every aspect of the service organization's processing or the services provided to user organizations." (paragraph 2.18) "The degree of detail of the description should be equivalent to the degree of detail a user auditor would require if a service organization were not used. However, it need not be so detailed as to potentially allow a reader to compromise security or other controls." (Paragraph 2.29)
- The description includes the control objectives. "The control objectives help the user auditor determine how the service organization's controls affect the user organization's financial statement assertions." (Paragraph 2.31) "The service organization should establish control objectives (1) that it believes relate to [relevant] assertions, and (2) that provide a framework for user auditors to assess the effect of the service organization's controls on those assertions." (Paragraph 2.32)
- "The description is considered fairly stated if it describes controls in a manner that does not omit or distort information that may affect user auditors' decisions in planning the audit of the user organizations' financial statements and in assessing control risk." (Paragraph 4.12)
- The description should address "all of the major aspects of the processing (within the scope of the engagement) that may be relevant to user auditors in planning the audit." (paragraph 4.13)
- The description should "objectively" describe "what is taking place at the service organization and whether it contains significant omissions or inaccuracies." (Paragraph 4.14)
- The description "should contain a complete set of control objectives. ... A complete and reasonable set of control objectives should provide user auditors with a basis for determining the effect of the service organization's controls on user organizations' financial statement assertions." (Paragraph 4.17)

H15. The task force plans to include key parameters such as those above in the application material of ISAE 3402. Other parameters the service auditor considers may include the boundaries established by the service level agreement.

*(b) To provide suitable criteria for Conclusions 2 and 4*

H16. The Assurance Framework notes that suitable criteria display the following characteristics: relevance, completeness, reliability, neutrality and understandability (AF.36). If the description of controls and control objectives is fairly presented for the purpose of user auditors' risk assessment procedures as a basis for the identification and assessment of risks of material misstatement, the articulation of control objectives included in the description will likely display these characteristics.

H17. The Task Force discussed whether a particular control framework, such as CoCo,<sup>6</sup> COSO<sup>7</sup> or CoBIT,<sup>8</sup> should be referred to in ISAE 3402, but concluded that this is not appropriate because the service organization's stated control objectives are specific to the applications or services provided by the specific service organization, or a particular industry. In developing its control objectives, a service organization may, of course, refer to an established framework if one is applicable and appropriate. This will likely be mentioned in the application material.

### *Completeness*

H18. The Task Force discussed the service auditor's responsibility regarding the completeness of the control objectives as described by the service organization, including whether the objectives are sufficiently complete for user auditors to use in performing audits of user entity's financial statements.

H19. On one hand, it may be argued that the service auditor will usually have no communication with the user auditor, and will therefore know little or nothing about the specific risk and materiality issues concerning the user entity's financial statements.

H20. On the other hand, it may be argued that:

- (a) It is understood that any consideration of completeness is:
  - (i) Bounded by the parameters of the description itself; and
  - (ii) In the context of *general* expectations about the needs of user auditors, rather than consideration of the particular circumstances of any individual user auditor. Experienced auditors should be able to make a judgment about completeness in general terms;
- (b) While the extant ISA 402 is silent on this issue, SAS 70 (the US standard) explicitly requires consideration of completeness, and this does not seem to have caused insurmountable difficulties in practice; and
- (c) If, as argued above, the specified control objectives are the criteria for Conclusions 2 and 4, the service auditor already has an obligation under ISAE 3000 to be satisfied as to their completeness.

H21. The task force believes the service auditor should consider the completeness of the control objectives.

*Does the IAASB agree with the above conclusions about subject matter, criteria, and subject matter information as they relate to service auditor's reports on controls? Does the IAASB have a view on the extent to which the concepts discussed above need to be included in the ISAE? Does the IAASB consider that if a service auditor's opinion were worded in the following manner, it would meet the*

<sup>6</sup> "Guidance on Assessing Control – The CoCo Principles," Criteria of Control Board, The Canadian Institute of Chartered Accountants.

<sup>7</sup> "Internal Control – Integrated Framework," The Committee of Sponsoring Organizations of the Treadway Commission.

<sup>8</sup> "Control Objectives for Information and related Technology" IT Governance Institute of ISACA

*requirement of ISAE3000 for the assurance report to identify the criteria : “In our opinion:*

*(a) The description of controls and control objectives presents fairly, in all material respects, the relevant aspects of the service organization’s controls that had been implemented throughout a specified period of time;*

*(b) The controls are suitably designed to provide reasonable assurance that the specified control objectives will be achieved if the controls operate effectively;*

*(c) The controls were in existence throughout a specified time period; and*

*(d) The controls operated effectively throughout a specified time period*

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