



CONFIDENTIAL

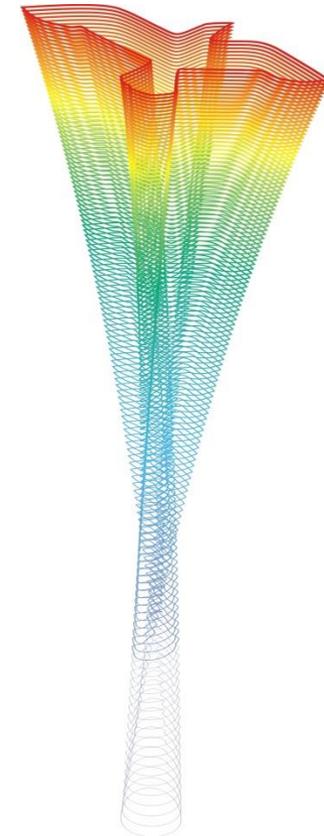
SSAE 16 – Solution Note

Enduring value thrives around a fine partnership

Governance, Risk and Compliance capacity building and value generation go hand in hand. Verita's sharp focus on value generating activities and leaner control structures assists clients in tilting the cost-benefit equation firmly in their favor. Verita's risk advisory solutions assists clients in implementation of operational efficiencies and effectiveness, reliable financial reporting and ensuring compliances through a host of adaptive service proposition

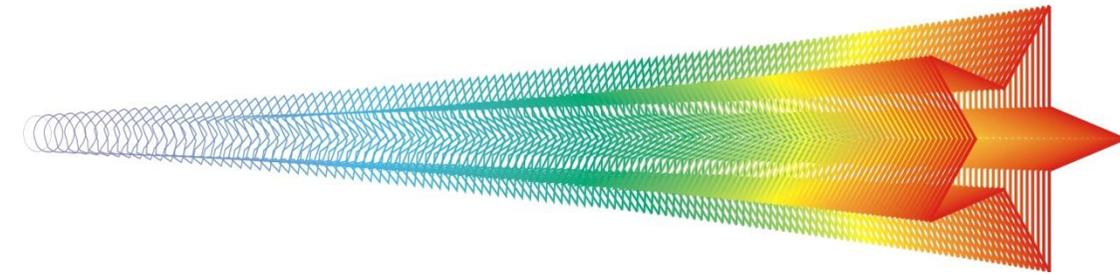


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*Driven by your goals, governed by
competence*

I. About SSAE 16 Standard



What is SSAE 16 Standard?

- Statement on Standards for Attestation Engagements (SSAE) No. 16 is an attestation standard put forth by the Auditing Standards Board (ASB) of the American Institute of Certified Public Accountants (AICPA) that addresses engagements undertaken by a service auditor for reporting on controls at organizations (i.e., service organizations) that provide services to user entities, for which a service organization's controls are likely to be relevant to a user entities internal control over financial reporting (ICFR).
- SSAE 16 is an attestation standard geared towards addressing engagements conducted by practitioners (known as "service auditors") on service organizations for purposes of reporting on the design of controls and their operating effectiveness. As such, SSAE 16 engagements conducted by service auditors on service organizations will result in the issuance of either a SSAE 16 Type 1 or Type 2 Report.
- A Type 1 report is technically known as a "Report on Management's Description of a Service Organization's System and the Suitability of the Design of Controls", or simply known as an SSAE Type 1 report.
- Regarding a Type 2 Report, it is technically known as a "Report on Management's Description of a Service Organization's System and the Suitability of the Design and Operating Effectiveness of Controls", or simply known as an SSAE Type 2 report.

Benefit of SSAE 16 Standard Compliances

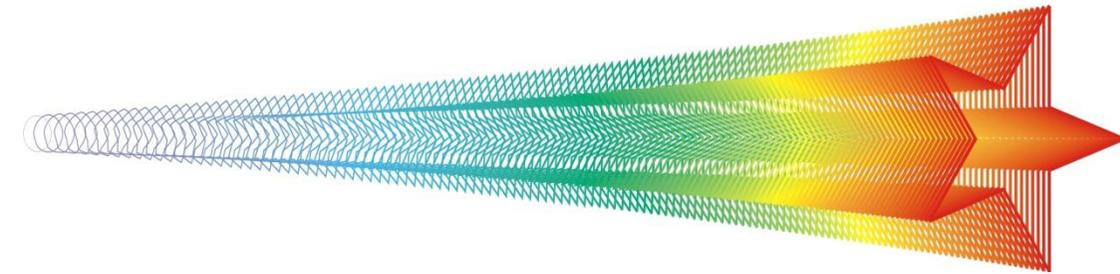
- Identify control gaps within the control environment and baseline against best practices
- Help mitigate or eliminate multiple request from prospective clients, clients and their auditors
- Utilize SOC reporting as a product differentiator from the competition
- Investors are looking to increase due diligence procedures and frequently requesting SOC reporting as part of their initial selection and ongoing monitoring
- Reduces reputational risk of the firm, which may occur due to a breakdown of the control environment
- Improving operational efficiency and risk management
- Increase transparency by having an independent third party evaluate the sufficiency, design, and operating effectiveness of controls surrounding client impacting processing

SSAE 16 Standard Requirements

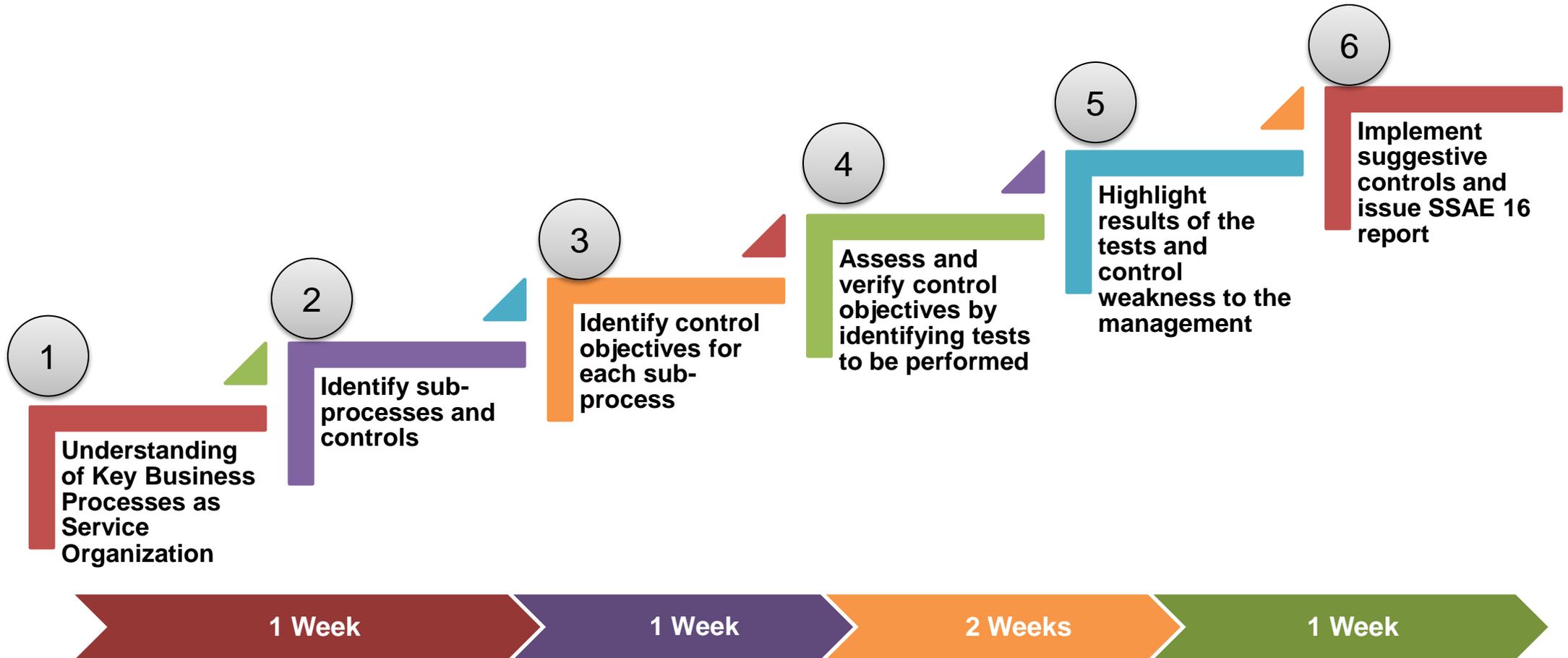
The objectives of the service auditor are to

- a. obtain reasonable assurance about whether, in all material respects, based on suitable criteria,
 - i. management's description of the service organization's system fairly presents the system that was designed and implemented throughout the specified period (or in the case of a type 1 report, as of a specified date).
 - ii. the controls related to the control objectives stated in management's description of the service organization's system were suitably designed throughout the specified period (or in the case of a type 1 report, as of a specified date).
 - iii. when included in the scope of the engagement, the controls operated effectively to provide reasonable assurance that the control objectives stated in management's description of the service organization's system were achieved throughout the specified period.
- b. report on the matters in above in accordance with the service auditor's findings.

II. Approach for SSAE 16



Our Approach of SSAE 16



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