SAS 70 and Sage Solutions—What you need to know

The Statement on Auditing Standards (SAS) No. 70, Service Organizations, is an auditing standard that was issued by the American Institute of Certified Public Accountants (AICPA). The intent of the standard is to provide a guideline to ensure adequate controls over service organizations or service providers are 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.

SAS 70 is 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, including Sage MAS 90 ERP, Sage MAS 200 ERP, Sage MAS 500 ERP, Sage FAS Fixed Assets, Sage Accpac ERP, Sage Pro ERP, Sage BusinessVision Accounting, and more, are provided to customers as packaged software solutions rather than as services, SAS 70 certification is not applicable to Sage accounting applications.

Examples in which a service auditor would be interested in obtaining SAS 70 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 information up 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 an a professional service engagement, at no time is any data automatically sent outside of a customer’s control.