

Title:

SAS 70

Word Count:

412

Summary:

SAS 70 is the Statement of Auditing Standards number 70 which is in regards to service organizations. These statements of auditing standards include the frequency of auditing, what one should be looking for during these audits, and the assessment of the service organization.

Keywords:

SAS 70

Article Body:

Why Have A SAS 70?

SAS 70 is the Statement of Auditing Standards number 70 which is in regards to service organizations. These statements of auditing standards include the frequency of auditing, what one should be looking for during these audits, and the assessment of the service organization. The SAS 70 is being requested or required by more and more customers and business lawyers as time progresses. This is because it is tacked onto other watchdog laws that are supposed to help the economy and other businesses. If the service business were to fail to provide the service requested, the business hiring this company could then flounder and fail. This is why the audits are so important.

To fully understand what the Statement of Auditing Standards number 70 is referring to, one must understand what a service organization is and why it must be audited. A service organization is typically an outsourced company or organization that helps to streamline other businesses by handing certain aspects of their core business functions. These service organizations often focus on the streamlining of the businesses accounting and paperwork, the human resource department, advertisement, or customer contacts. These are all very important aspects of a business that the business may not be able to properly audit or control for themselves and which need a specialized auditor to assess.

The individuals who most often use the Statement of Auditing Standards number 70 and the subsequent audit information tend to be the businesses themselves. These businesses are able to take this information and make their business more

streamlined and more appropriate to the needs and issues that are addressed in the Statement of Auditing Audits. Prospective clients can also use the audit information to determine the abilities and the fairness of a company. Other companies that already frequent the business can also use the audits to point out areas that they would like to see an improvement in.

The frequency required for the audits in regards to the Statement of Auditing Standards number 70, or SAS 70, states that the business should be audited at least once a year. There are no recommendations or instructions indicating that one should audit the company more than once. Many businesses and companies choose to undergo the audit multiple times year. This helps the auditor find different changes in the audit because the last audit is still fresh in his or her mind. This information is then given over to the management of the company or shared with customers upon request.