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**Third Party Assurance Reporting**  
A ticket to play in your ecosystem

## The current Australian environment

Organisations are now more dependent on third parties to fulfil part or whole of their critical business processes right across their value chain, including those that directly impact customer advocacy.

Third party incidents and customer service disruptions are increasing, often with immediate public visibility, and greater severity of customer, reputational, regulatory and financial consequences.

Newer risks are emerging e.g. data privacy, cyber security, 'fourth party' risk and conduct all adding to known (but changing) operational and regulatory risks.

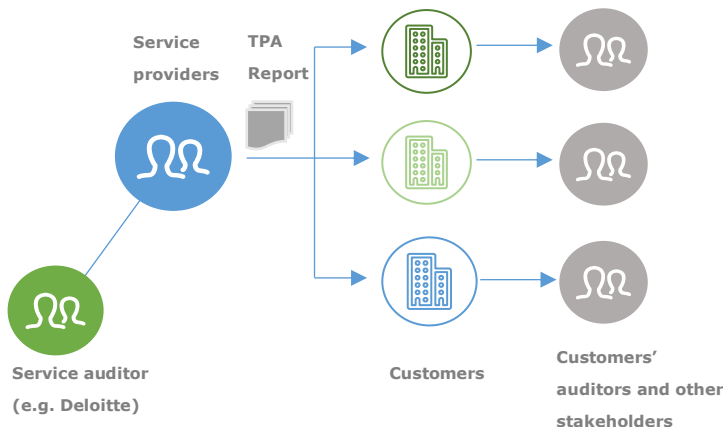
Regulatory scrutiny is increasing requiring more direct oversight by Management and the Board on third party matters of risk management and ongoing due diligence.

To build trust and win in the marketplace, service providers should demonstrate strong risk management and internal control practices over the services they provide. A third party assurance report provides service organisations a 'ticket to play' in their ecosystem. It signals to the market they are serious about risk management, and have received independent assurance that their internal controls are effective.

## What is a third party assurance report?

A third party assurance report provides assurance over the design and operating effectiveness of a service organisation's internal controls to achieve common business objectives of interest to users of the services. This may include business objectives related to financial reporting, information security, availability of systems, integrity of data processing, confidentiality and privacy.

The common type of third party assurance reports are GS 007, ASAE (or ISAE) 3402 or 3150, and Service Organisation Control (SOC) 1, 2 or 3.



## Why a third party assurance report will benefit you?

A third party assurance report allows you to demonstrate governance and a strong internal control environment. A service auditor report can be shared with numerous clients and stakeholders, avoiding the need for multiple audits to be conducted by each of your customers' auditors. This will limit the operational disruptions and time and cost impacts to the service provider's business.

## Third party assurance reports enhance:



**Reputation and brand:** Reduce the risk of a breach of security or privacy that can impact your reputation and the confidence of customers and suppliers



**Service offering differentiation:** Position service offering as 'best of breed' and eliminate competitors from competitive bid process



**Operational efficiencies:** By improving system utilisation and capacity planning through proactive design of controls



**Customer service:** Reduce customer complaints by improving service levels with better reliability of the system of internal controls



**Business growth and continuity:** Reduce the risk of customer credits/performance penalties or loss of customers

## Third party assurance reports reduce:



**Regulatory risks:** Reduce the risk of breaches and service interruptions that can attract the attention of industry regulators and advocacy groups



**Stakeholder risks:** Address growing concerns among executive management, audit committees and board members about availability and security risks



**Time and cost:** Leverage 'illustrative controls' provided by the Trust Services framework, rather than spend time building your own controls framework



**Operational disruptions:** Eliminate multiple audits by business partners and customers that require valuable time and resources of operational and service personnel

## Types of Reports

	Controls at a Service Organisation	Controls Assurance	SOC 1 – 3 reports
<b>Professional standards</b>	<ul style="list-style-type: none"> <li>ASAE 3402</li> <li>ISAE 3402</li> <li>ASAE 3402 + GS 007</li> </ul>	<ul style="list-style-type: none"> <li>ASAE 3150</li> </ul>	<ul style="list-style-type: none"> <li>SSAE 18</li> </ul>
<b>Purpose</b>	Assurance report on controls at a service organisation	Assurance report on controls at an entity	Controls over financial reporting at a service organisation (SOC 1)  Controls relevant to security, availability, processing integrity, confidentiality or privacy (SOC 2 & 3)
<b>Subject Matter</b>	Controls relevant to financial reporting	Scope defined by management	Controls relevant to financial reporting (SOC 1) and operational controls (SOC 2 & 3)
<b>Intended users</b>	Management, customers, user auditors of customers	Management, regulators, customers	Management of service organisation, management of user organisations, user organisations auditors.  SOC 3 reports are intended to be shared with the public.

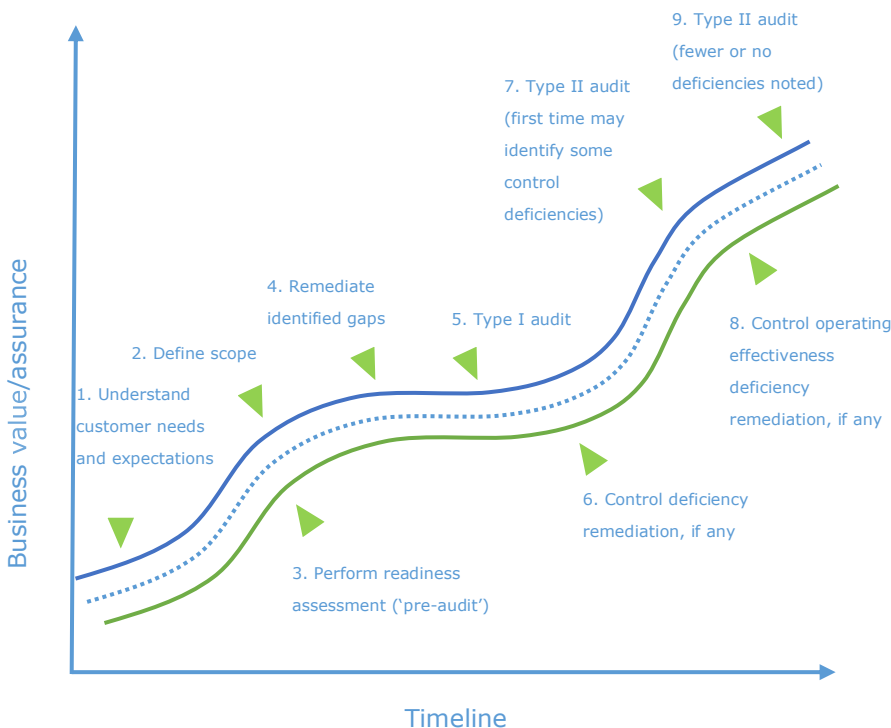
## Benefits of using Deloitte Australia?

- We have a dedicated team of internal controls and third party assurance experts.
- We can mobilise global teams of specialists to meet your reporting requirements and deadlines.
- We have extensive third party assurance experience with small, medium and large organisations.
- We use a proven approach/methodology that is scalable to organisations of all sizes.
- We are the Australian market thought-leaders through the publication of insights and annual benchmarking of third party reporting and contribution to the establishment of the Australian Guidance Statement GS 007.
- We are recognised for our independence, objectivity and pragmatism.

Establish trust and win in the market place.

## How can you prepare for a service auditor report?

Deloitte recommends leveraging a proven roadmap strategy to get to the desired end state overtime.



**For more information on the best way to provide assurance to your clients and other stakeholders, please contact:**



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