Tom J. Hull & Company
Type 1 SSAE 16
2014

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REPORT ON MANAGEMENT'S DESCRIPTION OF TOM J. HULL & COMPANY'S
SYSTEM AND THE SUITABILITY OF THE DESIGN OF CONTROLS

Pursuant to Statement on Standards for Attestation Engagements No. 16
(SSAE 16) Type 1

October 31, 2014

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SECTION 1

INDEPENDENT SERVICE AUDITOR'S REPORT

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INDEPENDENT SERVICE AUDITOR'S REPORT
ON A DESCRIPTION OF TOM J. HULL & COMPANY'S SYSTEM AND
THE SUITABILITY OF THE DESIGN OF CONTROLS

To Tom J. Hull & Company:

We have examined Tom J. Hull & Company's ('TJH Payroll' or 'the Company') description of its Payroll Processing Services system at its Chatsworth, California location for processing user entities' transactions as of October 31, 2014, and the suitability of the design of controls to achieve the related control objectives stated in the description. The description indicates that certain complementary user entity controls must be suitably designed and implemented at user entities for related controls at TJH Payroll to be considered suitably designed to achieve the related control objectives. We have not evaluated the suitability of the design or operating effectiveness of such complementary user entity controls.

In Section 2 of this report, TJH Payroll has provided an assertion about the fairness of the presentation of the description and suitability of the design of the controls to achieve the related control objectives stated in the description. TJH Payroll is responsible for preparing the description and for its assertion, including the completeness, accuracy, and method of presentation of the description and the assertion, providing the services covered by the description, specifying the control objectives and stating them in the description, identifying the risks that threaten the achievement of the control objectives, selecting the criteria, and designing, implementing, and documenting controls to achieve the related control objectives stated in the description.

Our responsibility is to express an opinion on the fairness of the presentation of the description and on the suitability of the design of the controls to achieve the related control objectives stated in the description, based on our examination. We conducted our examination in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform our examination to obtain reasonable assurance, in all material respects, about whether the description is fairly presented and the controls were suitably designed to achieve the related control objectives stated in the description as of October 31, 2014.

An examination of a description of a service organization's system and the suitability of the design of the service organization's controls to achieve the related control objectives stated in the description involves performing procedures to obtain evidence about the fairness of the presentation of the description of the system and the suitability of the design of the controls to achieve the related control objectives stated in the description. Our procedures included assessing the risks that the description is not fairly presented and that the controls were not suitably designed to achieve the related control objectives stated in the description. An examination engagement of this type also includes evaluating the overall presentation of the description and the suitability of the control objectives stated therein, and the suitability of the criteria specified by the service organization and described in Section 2.

We did not perform any procedures regarding the operating effectiveness of the controls stated in the description and, accordingly, do not express an opinion thereon.

We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

Because of their nature, controls at a service organization may not prevent, or detect and correct, all errors or omissions in processing or reporting transactions. The projection to the future of any evaluation of the fairness of the presentation of the description, or any conclusions about the suitability of the design of the controls to achieve the related control objectives is subject to the risk that controls at a service organization may become ineffective or fail.

In our opinion, in all material respects, based on the criteria described in TJH Payroll's assertions,
  a. the description fairly presents the Payroll Processing Services System that was designed and implemented as of October 31, 2014, and
  b. the controls related to the control objectives stated in the description were suitably designed to provide reasonable assurance that the control objectives would be achieved if the controls operated effectively as of October 31, 2014 and user entities applied the complementary user entity controls contemplated in the design of TJH Payroll's controls as of October 31, 2014.

This report is intended solely for the information and use of TJH Payroll, user entities of TJH Payroll's Payroll Processing Services as of October 31, 2014, and the independent auditors of such user entities, who have a sufficient understanding to consider it, along with other information including information about controls implemented by user entities themselves, when obtaining an understanding of user entities information and communication systems relevant to financial reporting. This report is not intended to be and should not be used by anyone other than these specified parties.

A-LIGN CPAs

November 4, 2014
Tampa, Florida

SECTION 2

TOM J. HULL & COMPANY'S ASSERTION

Tom J. Hull & Company's Assertion
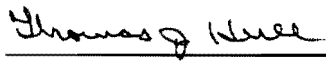
November 4, 2014

We have prepared the description of Tom J. Hull & Company's Payroll Processing Services System for user entities of the system as of October 31, 2014, and their user auditors who have a sufficient understanding to consider it, along with other information including information about controls implemented by user entities themselves, when obtaining an understanding of user entities' information and communication systems relevant to financial reporting. We confirm, to the best of our knowledge and belief, that:

a. The description fairly presents the Payroll Processing Services system made available to user entities of the system as of October 31, 2014 for processing their transactions. The criteria we used in making this assertion were that the description:

 i presents how the system made available to user entities of the system was designed and implemented to process relevant transactions, including:

 (1) The types of services provided including, as appropriate, the classes of transactions processed.

 (2) The procedures, within both automated and manual systems, by which services are provided, including, as appropriate, procedures by which transactions are initiated, authorized, recorded, processed, corrected as necessary, and transferred to reports and other information prepared for user entities.

 (3) The related accounting records, supporting information, and specific accounts that are used to initiate, authorize, record, process, and report transactions; this includes the correction of incorrect information and how information is transferred to the reports and other information prepared for user entities.

 (4) How the system captures significant events and conditions, other than transactions.

 (5) The process used to prepare reports and other information for user entities.

 (6) The specified control objectives and controls designed to achieve those objectives, including as applicable, complementary user entity controls contemplated in the design of the service organization's controls.

 (7) Other aspects of our control environment, risk assessment process, information and communication systems (including related business processes), control activities, and monitoring controls that are relevant to processing and reporting transactions of user entities of the system.

 ii does not omit or distort information relevant to the scope of the Payroll Processing Services system, while acknowledging that the description is prepared to meet the common needs of a broad range of user entities of the system and the independent auditors of those user entities, and may not, therefore, include every aspect of the Payroll Processing Services system that each individual user entity of the system and its auditor may consider important in its own particular environment.

b. The controls related to the control objectives stated in the description were suitably designed as of October 31, 2014 to achieve those control objectives. The criteria we used in making this assertion were that:

    i   the risks that threaten the achievement of the control objectives stated in the description have been identified by the service organization.

    ii   the controls identified in the description would, if operating as described, provide reasonable assurance that those risks would not prevent the control objectives stated in the description from being achieved.

Tom J. Hull
Owner
Tom J. Hull & Company

SECTION 3

DESCRIPTION OF THE SYSTEM
PROVIDED BY THE SERVICE ORGANIZATION

OVERVIEW OF OPERATIONS

Company Background

TJH Payroll, also known as Tom J. Hull & Co., has been assisting small businesses on handling their payroll needs since 1977. They have the experience and expertise to handle all the details of payroll preparation and tax filing. With more than 2,200 clients in multiple states, TJH Payroll has provided payroll services for just about every type of business. The Company services small and medium-sized businesses, ranging from one employee to 500+ employees.

Description of Services Provided

Garnishments

TJH Payroll can calculate and withhold the garnishments at no extra charge. They also pay the garnishing agency for their clients.

Signed Checks

Client checks can come pre-signed at no extra charge. TJH Payroll's optional ultra-secure pressure-sealed checks include a pre-signed signature.

IRS / EDD Correspondence

TJH Payroll will work with taxing agencies to resolve open issues on your behalf.

New-Hire Reports

TJH Payroll submits required new-hire reports on their client's behalf at no extra charge.

Online Access

Client payroll data is accessible from TJH Payroll's secure servers when needed. This data includes reporting, payroll input and manual check calculations.

Direct Deposit

In the past 17 years, TJH Payroll has processed more than $900 million in employee payroll payments. Their clients find this system easy and secure, and they also find that it improves their employees' banking experience.

Workers' Compensation

TJH Payroll has learned how to make paying workers' compensation payments easy. They can pay client workers' compensation each payroll as it is incurred or fill out and pay the traditional report that is filed with clients' insurance companies.

Unlimited Customer Support

After 34 years TJH Payroll has learned the value of good communication with their customers. They understand the value of open lines of communication.

General Ledger Summary

TJH Payroll creates a Payroll Summary report with each payroll processed. This report includes a general ledger summary based on your chart of accounts. They can also integrate with QuickBooks.

Email Notifications

TJH Payroll notifies clients the instant their payroll has been processed, providing them with a copy of the Payroll Summary report and summary totals of the payroll.

Time and Attendance Systems

TJH Payroll interfaces with many leading time and attendance systems to make clients' process easier.

CONTROL ENVIRONMENT

The control environment reflects the overall attitude and awareness of management and personnel concerning the importance of controls and the emphasis given to controls in the Company's policies, procedures, and actions. The organizational structure, separation of job responsibilities by departments and business function and documentation of policies and procedures, are the methods used to define and implement operational controls and assign authority and responsibility.

TJH Payroll's organizational structure provides the overall framework for planning, directing, and controlling operations.

Integrity and Ethical Values

The effectiveness of controls cannot rise above the integrity and ethical values of the people who create, administer, and monitor them. Integrity and ethical values are essential elements of TJH Payroll's control environment, affecting the design, administration, and monitoring of other components. Integrity and ethical behavior are the product of TJH Payroll's ethical and behavioral standards, how they are communicated, and how they are reinforced in practices. They include management's actions to remove or reduce incentives and temptations that might prompt personnel to engage in dishonest, illegal, or unethical acts. They also include the communication of entity values and behavioral standards to personnel through policy statements and codes of conduct, as well as by example.

Specific control activities that the service organization has implemented in this area are described below:
- Organizational policy statements and codes of conduct are documented and communicate entity values and behavioral standards to personnel. The employee policy and procedures manual contains organizational policy statements and codes of conduct to which employees are required to adhere.
- Policies and procedures require that employees sign an acknowledgment form indicating that they have been given access to the employee manual and understand their responsibility for adhering to the policies and procedures contained within the manual.
- A confidentiality statement agreeing not to disclose proprietary or confidential information, including client information, to unauthorized parties is a component of the employee handbook.

Commitment to Competence

TJH Payroll's management defines competence as the knowledge and skills necessary to accomplish tasks that define employees' roles and responsibilities. Management's commitment to competence includes management's consideration of the competence levels for particular jobs and how those levels translate into the requisite skills and knowledge.

Specific control activities that the service organization has implemented in this area are described below:
- Management has considered the competence levels for particular jobs and translated required skills and knowledge levels into written position requirements.
- Training to maintain the skill level of personnel is provided as needed.

Management's Philosophy and Operating Style

TJH Payroll's management philosophy and operating style encompass a broad range of characteristics. Such characteristics include management's approach to taking and monitoring business risks, and management's attitudes toward information processing, accounting functions and personnel.

Specific control activities that the service organization has implemented in this area are described below:
- Management is periodically briefed on regulatory and industry changes affecting the services provided.
- Management meetings are held monthly to discuss operational issues.

Organizational Structure and Assignment of Authority and Responsibility

TJH Payroll's organizational structure provides the framework within which its activities for achieving entity-wide objectives are planned, executed, controlled, and monitored. Management believes that establishing a relevant organizational structure includes considering key areas of authority and responsibility. An organizational structure has been developed to suit its needs. This organizational structure is based, in part, on its size and the nature of its activities.

TJH Payroll 's assignment of authority and responsibility activities include factors such as how authority and responsibility for operating activities are assigned and how reporting relationships and authorization hierarchies are established.

Human Resources Policies and Practices

TJH Payroll's human resources policies and practices relate to employee hiring, orientation, training, evaluation, counseling, promotion, compensation, and disciplinary activities.

RISK ASSESSMENT

TJH Payroll has placed into operation a risk assessment process to identify and manage risks that could affect the organization's ability to provide reliable transaction processing for user entities. This process requires management to identify significant risks in their areas of responsibility and to implement appropriate measures to address those risks.

Risks that are considered during management's risk assessment activities include consideration of the following risks:
- Changes in operating environment
- New personnel
- New or revamped information systems
- New technology
- New business models, products, or activities

Management's recognition of risks that could affect the organization's ability to provide reliable transaction processing for its user entities is generally implicit, rather than explicit. Management's involvement in the daily operations allows them to learn about risks through direct personal involvement with employees and outside parties, thus reducing the need for formalized and structured risk assessment processes.

CONTROL OBJECTIVE AND RELATED CONTROL ACTIVITIES

Physical Security

Control Objective 1: Controls provide reasonable assurance that business premises and information systems are protected from unauthorized access, damage, and interference.

Control Activities Specified by the Service Organization:

1.1 Access to the office space is restricted to authorized personnel by key lock.

1.2 A visitor access log is used at the facility which identifies the visitor name, arrival date and time, and represented organization.

1.3 A third party monitored security system is utilized to restrict unauthorized access to facility.

1.4 Physical security of the facility is monitored by a third party security entity 24 hours a day, seven days a week.

1.5 The facility main entrance is equipped with an audible alert system that notifies personnel when someone has entered the reception area.

1.6 The server room is secured by a key lock at all times and access is restricted to authorized personnel.

1.7 Fire detection and suppression systems are present within the facility including: Smoke detection devices, handheld fire extinguishers, and sprinklers system.

1.8 Handheld fire extinguishers are inspected on an annual basis by a third party.

1.9 An uninterruptable power supply (UPS) is in place to provide power to critical infrastructure equipment in the event of a temporary power loss or power surge.

1.10 The server room is equipped with multiple computer room air conditioning units that provide redundancy in the event of one unit's failure.

Computer Operations

Control Objective 2: Control activities provide reasonable assurance of timely system backups of critical files, off site backup storage, and regular off-site rotation of backup files.

Control activities provide reasonable assurance that systems are maintained in a manner that helps ensure system availability.

Control Activities Specified by the Service Organization:

2.1 An automated backup system is utilized to perform scheduled system backups.

2.2 Access to modify scheduled backup jobs is restricted to designated personnel.

2.3 The automatic backup system is configured to perform daily backups of critical production servers.

2.4 The backup job results are logged and monitored by computer operations personnel.

2.5 An automated testing of backed up datasets is performed periodically to ensure that backed up data is intact and restorable.

2.6 Antivirus software is installed on production servers and workstations to detect and prevent the transmission of data or files that contain certain virus signatures recognized by the antivirus software.

2.7 Antivirus software provider pushes updates to the installed antivirus software as new updates/signatures are available.

2.8 The antivirus software is configured to scan servers for virus signatures on a daily basis and to scan workstations on a continuous basis.

Information Security

Control Objective 3: Control activities provide reasonable assurance that system information, once entered into the system, is protected from unauthorized or unintentional use, modification, addition or deletion.

Control Activities Specified by the Service Organization:
   3.1 Documented network security policies and procedures are in place to guide personnel in managing system access and protecting information assets and data.
   3.2 The hiring manager sends a request for the granting of access for new hires to the Information Technology Department.
   3.3 Systems administration personnel deactivate user accounts assigned to terminated employees as a component of the termination process.
   3.4 Authentication of application users is configured to enforce the following password requirements:
      a. Minimum password age
      b. Password must meet complexity requirement
      c. Minimum character requirements
   3.5 The following Account Lockout policies are set on the network domain:
      a. Account lockout duration
      b. Account lockout threshold
      c. Reset account lockout counter after certain number of minutes
   3.6 Access to administer the systems is restricted to the following individuals:
      a. IT Manager
      b. Owner
   3.7 All users require an ID and password in order to gain access to the system.
   3.8 The system prevents users from accessing records that they are not authorized to view.

Data Communication

Control Objective 4: Control activities provide reasonable assurance that data maintains its integrity and security as it is transmitted between third parties and the service organization.

Control Activities Specified by the Service Organization:
   4.1 A stateful inspection firewall is in place to filter unauthorized inbound network traffic from the internet and is monitored for unauthorized access attempts.
   4.2 The ability to administer the firewall is restricted to unique user accounts accessible by the authorized individuals.
   4.3 The firewall system is configured to allow only specific types of traffic between certain destinations.
   4.4 Payroll data files in transit are encrypted at the application level and can only be accessed by the remote site receiving the files.
   4.5 Network based intrusion software monitors network traffic to critical devices.

Application Change Control

Control Objective 5: Control activities provide reasonable assurance that unauthorized changes are not made to production application systems.

Control Activities Specified by the Service Organization:
   5.1 Documented change control procedures are in place to guide personnel in performing application change control activities and emergency change requests.
   5.2 Quality assurance (QA) testing is performed for application changes prior to implementation.
   5.3 Quality assurance testing procedures and test results are formally documented and maintained.

5.4 Application development and QA testing environments are logically separated from the production environment.

5.5 Access to modify code in development source code libraries is restricted to user accounts accessible by developers.

5.6 Application changes are approved by Operations staff prior to migration to the production environment.

5.7 The migration of the application development codes to production is restricted to the Information Technology (IT) personnel with assigned rights.

5.8 Information Technology (IT) personnel perform a thorough review on database files to detect any unauthorized changes on a regular basis via audit logs.

5.9 Commercial version control software is utilized to centrally maintain source code versions and promote application source code through the development process.

Client Implementation

Control Objective 6: Control activities provide reasonable assurance that clients are implemented according to contractual requirements accurately in the system.

Control Activities Specified by the Service Organization:

6.1 Client Implementation procedures are formally documented to guide personnel through the client implementation process.

6.2 Quarterly reports and the Company Master Report are utilized when gathering the information from the client to ensure completeness and accuracy in the system.

6.3 Implementation personnel perform a thorough balancing process of any prior quarter-to-date wages, year-to-date wages and tax liabilities prior to the first payroll run.

6.4 Implementation personnel review the first payroll run prior to delivery to the client.

6.5 An EFTPS form is utilized to validate payroll data accuracy with the IRS.

Payroll Data Entry

Control Objective 7: Control activities provide reasonable assurance that payroll data whether entered via web, phone, or fax is accurate and complete.

Control Activities Specified by the Service Organization:

7.1 TJH's policy is to contact clients to verify any payroll data submitted in an unusual manner or not in accordance with the processing schedule unless authorized previous arrangements have been made.

7.2 A pre-printed fax coversheet and input worksheet are included with each payroll and are to be used for the transmission of the client payroll data. The Payroll Representative contacts the client to verify the faxed submission.

7.3 When using web-entry, clients are required to enter the company number, unique user id and password to gain access to their company's payroll database.

7.4 Clients are mailed a New Import Form for the submission of payroll data. The Payroll Representative contacts the client to verify the submission.

Payroll Processing

Control Objective 8: Control activities provide reasonable assurance that payrolls are processed and payroll checks and direct deposit payments are accurate and complete.

Control Activities Specified by the Service Organization:

8.1 Operations personnel utilize a Scheduling Report to monitor and to ensure all payroll submissions are processed completely.

8.2 The Scheduling Report, for unprocessed payrolls only, is reviewed by the designated Payroll Representative at the end of the day to verify all scheduled payrolls have been processed. If there are any unknown discrepancies, the client is contacted and the discrepancy is resolved.

8.3 The Production personnel generate and review the Actual Payrolls Processed Report during the end of day procedures to ensure all scheduled payrolls have been processed.

8.4 Operational Personnel run the audit before submitting the payroll data for processing to help ensure the accuracy of the payroll data.

Client Reporting

Control Objective 9: Control activities provide reasonable assurance that client reports are accurate and reports are made available timely to clients.

Control Activities Specified by the Service Organization:

9.1 Checks, vouchers and reports are generated in the restricted access Distribution Room.

9.2 The Payroll Summary Report is the first item to print for each client after processing, followed by checks and then other reports. The Payroll Summary lists total check count, client specified distribution and delivery instructions.

9.3 The Distribution personnel monitor the status of the printers and resolve any paper jams or errors during printing. The Distribution personnel review the sequencing of checks or vouchers upon a printer error to ensure completeness. Unusable documents are destroyed.

9.4 Processed checks and vouchers are inserted into an envelope sealing machine one client at a time. Once the checks and vouchers are run through the machine, the item count per the machine is compared to the Payroll Summary Report for accuracy. If the client has not selected sealed checks, the Distribution personnel manually counts the printed checks and compares to the Payroll Summary Report for accuracy.

9.5 Checks, vouchers and reports are assembled and put into an envelope or sealed bag for delivery and sorted according to delivery method.

Tax Payment and Filing

Control Objective 10: Control activities provide reasonable assurance that necessary tax payments and filings are performed accurately and timely.

Control Activities Specified by the Service Organization:

10.1 The Tax Deposits by Due Date is sorted by tax type and identifies any clients with tax deposits that are due on a selected date range. Any discrepancies appearing on this report are immediately researched and corrected, if necessary.

10.2 The EFT Federal Tax file, state tax ACH file and the tax checks are generated by Tax Personnel and submitted according to each payment types' procedures after verifying control totals with the Tax Deposits by Due Date Report.

10.3 Tax Personnel compares the tax liabilities and tax deposits made and the calculated and actual amounts for most employee and employer tax amounts. Any discrepancies are researched and resolved prior to the next payroll run.

10.4 Tax personnel the review FICA variances during the quarter end process to help ensure the correct Social Security and Medicare tax amounts from each client were collected and paid.

MONITORING

Peer review protocols, division of responsibilities and weekly management meetings to discuss outstanding items and issues provides for real time monitoring of operational activities. Senior management is involved in the day to day operations of the company and provides for hands on monitoring. An independent financial audit and internal audit take place to allow for monitoring of operations by outside parties.

INFORMATION AND COMMUNICATION SYSTEMS

Information Systems

TJH Payroll utilizes proprietary software to handle its payroll processing.

Communication Systems

Upper management is involved with day-to-day operations and is able to provide personnel with an understanding of their individual roles and responsibilities pertaining to internal controls. This includes the extent to which personnel understand how their activities relate to the work of others and the means of reporting exceptions to a higher level within TJH Payroll. Management believes that open communication channels help ensure that exceptions are reported and acted on. For that reason, formal communication tools such as organizational charts, employee handbooks, and job descriptions are in place. Management's communication activities are made electronically, verbally, and through the actions of management.

COMPLEMENTARY USER ENTITY CONTROLS

TJH Payroll's services are designed with the assumption that certain controls will be implemented by user organizations. Such controls are called complementary user organization controls. It is not feasible for all of the control objectives related to TJH Payroll's services to be solely achieved by TJH Payroll control procedures. Accordingly, user organizations, in conjunction with the services, should establish their own internal controls or procedures to complement those of TJH Payroll.

The following complementary user organization controls should be implemented by user organizations to provide additional assurance that the control objectives described within this report are met. As these items represent only a part of the control considerations that might be pertinent at the user organizations' locations, user organizations' auditors should exercise judgment in selecting and reviewing these complementary user organization controls.

1. User organizations and subservice organizations are responsible for understanding and complying with their contractual obligations to TJH Payroll.
2. User organizations are responsible for notifying TJH Payroll of changes made to technical or administrative contact information.
3. User organizations are responsible for maintaining their own system(s) of record.
4. User organizations are responsible for ensuring the supervision, management and control of the use of TJH Payroll services by their personnel.
5. User organizations are responsible for developing their own disaster recovery and business continuity plans that address the inability to access or utilize TJH Payroll services.
6. User organizations are responsible for ensuring that user IDs and passwords are assigned to only authorized individuals.
7. User organizations are responsible for ensuring the confidentiality of any user IDs and passwords used to access TJH Payroll's systems.
8. User organizations are responsible for ensuring that data submitted to TJH Payroll is complete, accurate and timely.

9. User organizations are responsible for ensuring that their data are formatted in accordance with agreed upon standards.

10. User organizations are responsible for ensuring that output reports are reviewed by appropriate individuals for completeness and accuracy.

11. User organizations are responsible for ensuring that output received from TJH Payroll is routinely reconciled to relevant user organization control totals.

SECTION 4

INFORMATION PROVIDED BY THE SERVICE AUDITOR

GUIDANCE REGARDING INFORMATION PROVIDED BY THE SERVICE AUDITOR

A-lign CPAs' examination of the controls of TJH Payroll was limited to the control objectives and related control activities specified by the management of TJH Payroll and did not encompass all aspects of TJH Payroll's operations or operations at user organizations. Our examination was performed in accordance with American Institute of Certified Public Accountants (AICPA) Statement on Standards for Attestation Engagements No. 16 (SSAE 16).

Our examination of the control activities were performed using the following testing methods:

TEST	DESCRIPTION
Inquiry	The service auditor made inquiries of service organization personnel. Inquiries were made to obtain information and representations from the client to determine that the client's knowledge of the control and corroborate policy or procedure information.
Observation	The service auditor observed application of the control activities by client personnel.
Inspection	The service auditor inspected among other items, source documents, reports, system configurations to determine performance of the specified control activity and in some instances the timeliness of the performance of control activities.
Re-performance	The service auditor independently executed procedures or controls that were originally performed by the service organization as part of the entity's internal control.

In determining whether a SSAE 16 report meets the user auditor's objectives, the user auditor should perform the following procedures:
* Understand the aspects of the service organization's controls that may affect the processing of the user organization's transactions;
* Understand the flow of significant transactions through the service organization;
* Determine whether the control objectives are relevant to the user organization's financial statement assertions;
* Determine whether the service organization's controls are suitably designed to prevent or detect processing errors that could result in material misstatements in the user organization's financial statements and determine whether they have been implemented.