

ISAE 3402

ISAE 3402 provides assurance on service organizations' internal controls relevant to clients' financial reporting and risk management.



What it is

ISAE 3402 is an international assurance standard that enables service organizations to demonstrate the effectiveness of their internal controls relevant to financial reporting and risk management. The framework provides independent validation of control environments, supporting customers' compliance obligations and vendor risk assessments.

Developed and published by the International Auditing and Assurance Standards Board (IAASB), ISAE 3402 is most commonly applied by organizations that provide outsourced services—such as data centers, cloud computing, and managed IT services—to clients with strict regulatory or audit requirements. The standard focuses on the design and operating effectiveness of internal controls over financial and operational processes that may impact user entities' financial statements.

At a glance

PUBLISHER International Auditing and Assurance Standards Board (IAASB)	TYPE Standard	VERSION ISAE 3402
EFFECTIVE June 15, 2011	DOMAIN IT Governance	FAMILY Other
REGION International	ADOPTION MODEL Certification	IMPLEMENTATION COMPLEXITY High

Source: <https://www.iaasb.org/publications/staff-overview-international-standard-assurance-engagements-isae-3402-assurance-reports-controls>

Why it matters

- **Increase audit readiness** Provide clear, independently-verified evidence of internal control effectiveness to streamline external and internal financial audits.
- **Support compliance obligations** Help organizations and their clients meet regulatory and contractual requirements linked to financial reporting and risk management.
- **Enhance vendor trust** Enable clients to rely on third-party assurance when evaluating service provider control environments in their vendor risk management processes.
- **Strengthen operational oversight** Promote the establishment and continual assessment of controls that reduce the risk of errors and fraud in service delivery.

How SmartSuite supports ISAE 3402

Service Scope and Control Objectives Define services, boundaries, and control objectives with clear ownership.	Control Library and Documentation Maintain control descriptions, procedures, and evidence expectations.	Evidence Collection and Audit Trail Centralize proof of control operation with timestamps, reviewers, and versioning.
Testing and Operating Effectiveness Plan tests, document results, and manage exceptions across the audit period.	Corrective Actions and Closure Verification Track corrective actions, retesting evidence, and closure verification.	Audit Readiness Reporting Report control status, open issues, and readiness for each audit cycle.

Common framework mappings

COBIT 2019

ISAE 3000

ISO 27001:2022

NIST CSF 2.0

NIST 800-53 Rev.5

PCI DSS 4.0.1

SOC 1

SOC 2

Official resources

ISAE 3402 Standard Overview

Provides a detailed overview of the ISAE 3402 framework for assurance engagements.

iaasb.org/publications/staff-overview-international-standard-assurance-engagements-isa-3402-assurance-reports-controls

Frequently asked questions

- What is ISAE 3402 used for?**
- ISAE 3402 is used to provide independent assurance on the design and operating effectiveness of internal controls at service organizations, particularly those impacting clients' financial reporting. It enables user entities and their auditors to assess risks related to outsourced services.
- Is ISAE 3402 certification mandatory or certifiable?**
- ISAE 3402 does not provide a traditional certification; instead, organizations receive an assurance report from an independent auditor. While not mandatory by regulation, ISAE 3402 reports are often required by customers, business partners, or under certain regulatory frameworks for outsourced service providers.
- Who does ISAE 3402 apply to?**
- ISAE 3402 applies to service organizations whose controls may impact the financial statements of their clients. Examples include data centers, cloud providers, managed IT services, and payroll processing companies providing services integral to user entities' financial reporting.
- What are the key concepts and reports in ISAE 3402?**
- The main concepts are internal controls over financial reporting, evaluated through attestation engagements by independent auditors. The two report types are Type I, which assesses control design at a specific date, and Type II, which assesses both design and operating effectiveness over a period.

How do organizations implement ISAE 3402?

Organizations document their internal control environment, gather evidence of operational effectiveness, and undergo independent audits. The process typically involves gap assessments, remediation planning, control mapping, and collection of supporting documentation.

ISAE 3402 audit examination sheet

Updated Sep 26, 2026 · © 2026 SmartSuite Inc. All rights reserved.

Page 2 of 3

How does ISAE 3402 relate to other frameworks like SOC 1?

ISAE 3402 is closely aligned with the SOC 1 reporting framework and is often considered the international counterpart. While SOC 1 is commonly used in the United States and based on SSAE 18, organizations outside the US or with international clients typically follow ISAE 3402 guidelines.

What are the ongoing requirements to maintain ISAE 3402 compliance?

To maintain compliance, organizations must continuously operate and monitor their internal controls, update documentation, address control deficiencies, and undergo regular (typically annual) audits. Effective remediation processes and audit readiness practices are crucial for favorable assurance reports.

How would SmartSuite support ISAE 3402?

SmartSuite enables organizations to centralize and manage ISAE 3402 compliance by tracking risks, documenting controls, collecting audit evidence, managing remediation actions, and supporting ongoing audit preparation. The platform streamlines reporting and facilitates collaboration with external auditors, ensuring a comprehensive compliance process.

License included / downloadable: Yes ISAE 3402 is published by the International Auditing and Assurance Standards Board and is publicly available through official IAASB resources

Full framework page and mappings: smartsuite.com/frameworks/isaie-3402-assurance-reports-on-controls-at-a-service-organization