SSAE 16 SOC 1 Type 2

Independent Service Auditor’s Report on Management’s Description of a Service Organization’s System and the Suitability of the Design and Operating Effectiveness of Controls

September 1, 2011 – August 31, 2012
I. Independent Service Auditor’s Report
INDEPENDENT SERVICE AUDITOR’S REPORT

Anthony Minichini
DDA Management Services, LLC
dba D&D Associates
P.O. Box 9150
Garden City, NY 11530

Scope

We have examined DDA Management Services, LLC dba D&D Associates’ (D&D or the Company) description of its information technology, independent medical examination, peer review, and related services, which include litigation support services, administrative support services, and medical record retrieval services (collectively referred to as IME) systems for processing user entities’ transactions throughout the period September 1, 2011 to August 31, 2012 (description) and the suitability of the design and operating effectiveness of controls to achieve the related control objectives stated in the description. The description indicates that certain control objectives specified in the description can be achieved only if complementary user entity controls contemplated in the design of the Company’s controls are suitably designed and operating effectively, along with related controls at the service organization. We have not evaluated the suitability of the design or operating effectiveness of such complementary user entity controls.

D&D uses a third-party data center for colocation services. The description Section II includes only the controls and related control objectives of D&D and excludes the control objectives and related controls of the subservice organization. Our examination did not extend to controls of the third-party data center.

D&D Associates’ Responsibilities

Beginning in Section II of the description, the Company has provided an assertion about the fairness of the presentation of the description and suitability of the design and operating effectiveness of the controls to achieve the related control objectives stated in the description. The Company is responsible for preparing the description and for the 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.

Auditwerx’ Responsibilities

Our responsibility is to express an opinion on the fairness of the presentation of the description and on the suitability of the design and operating effectiveness 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 about whether, in all material respects, the description is fairly presented and the controls were suitably designed and operating effectively to achieve the related control objectives stated in the description throughout the period September 1, 2011 to August 31, 2012.
An examination of a description of a service organization's system and the suitability of the design and operating effectiveness 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 and the suitability of the design and operating effectiveness of those 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 or operating effectively to achieve the related control objectives stated in the description. Our procedures also included testing the operating effectiveness of those controls that we consider necessary to provide reasonable assurance that the related control objectives stated in the description were achieved. 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 beginning in Section II. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

**Inherent Limitations**

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. Also, the projection to the future of any evaluation of the fairness of the presentation of the description, or conclusions about the suitability of the design or operating effectiveness of the controls to achieve the related control objectives is subject to the risk that controls at a service organization may become inadequate or fail.

**Opinion**

In our opinion, in all material respects, based on the criteria described in the Company’s assertion in Section II,

a. the description fairly presents the information technology and IME systems that were designed and implemented throughout the period September 1, 2011 to August 31, 2012.

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 throughout the period September 1, 2011 to August 31, 2012 and user entities applied the complementary user entity controls contemplated in the design of the Company’s controls throughout the period September 1, 2011 to August 31, 2012.

c. the controls tested, which together with the complementary user entity controls referred to in the scope paragraph of this report, if operating effectively, were those necessary to provide reasonable assurance that the control objectives stated in the description were achieved, operated effectively throughout the period September 1, 2011 to August 31, 2012.

**Description of Tests of Controls**

The specific controls tested and the nature, timing, and results of those tests are listed in Section III.
Restricted Use

This report, including the description of tests of controls and results thereof in Section III, is intended solely for the information and use of the Company, user entities of the Company’s information technology and IME systems during some or all of the period September 1, 2011 to August 31, 2012, 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 assessing the risks of material misstatements of user entities’ financial statements. This report is not intended to be and should not be used by anyone other than these specified parties.

Auditwerx

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January 28, 2013
II. Information Provided by D&D Associates
DESCRIPTION OF RELEVANT CONTROLS PROVIDED BY D&D ASSOCIATES

Management Assertions Letter

We have prepared the description of D&D Associates’ information technology, independent medical examination, peer review, and related services, which include litigation support services, administrative support services, and medical record retrieval services (collectively referred to as IME) systems for user entities of the systems during all or some of the period September 1, 2011 to August 31, 2012, and their user auditors who have sufficient understanding to consider it, along with other information, including information about controls implemented by user entities of the system themselves, when assessing the risks of material misstatements of user entities’ financial statements. We confirm to the best of our knowledge and belief, that:

a. The description fairly presents the system made available to user entities of the system during some or all of the period September 1, 2011 to August 31, 2012 for processing their information technology and IME 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 classes of transactions processed.

      2) the procedures, within both automated and manual systems, by which those transactions are initiated, authorized, processed, corrected as necessary, and transferred to the reports presented to user entities of the system.

      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 presented to user entities of the system.

      4) how the system captures and addresses significant events and conditions, other than transactions.

      5) the process used to prepare reports or other information provided to user entities of the system.

      6) specified control objectives and controls designed to achieve those objectives.

      7) other aspects of the control environment, risk assessment process, information and communication systems (including the 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 information technology and IME systems, 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 information technology and IME systems that each individual user entity of the system and its auditor may consider important in its own particular environment.

b. The description includes relevant details of changes to the service organization’s system during the period covered by the description when the description covers a period of time.
c. The controls related to the control objectives stated in the description were suitably designed and operated effectively throughout the period September 1, 2011 to August 31, 2012 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; and

iii. the controls were consistently applied as designed, including whether manual controls were applied by individuals who have the appropriate competence and authority.

By: /S/ Anthony Minichini

Anthony Minichini

January 28, 2013