SERVICE ORGANIZATION CONTROL (SOC 1, 2 & 3) REPORTS

Which SOC is right for your organization?

SOC 1 (SSAE 16)

On June 15, 2011, the SAS 70 standard was effectively replaced by SSAE 16 (SOC 1). Organizations who were previously required to obtain a SAS 70 can undergo an audit to meet their client's requirements. SOC 1 is an engagement performed under SSAE 16 in which a service auditor reports on controls at a service organization that may be relevant to user entities' internal control over financial reporting. The scope of a SOC 1 report should cover the information systems that are utilized to deliver the services under review. There are two types of SOC 1 reporting options:

- SOC 1 Type I: A design of controls report. This option evaluates and reports on the design of controls put into operation as of a point in time.

- SOC 1 Type II: Includes the design and testing of controls to report on the operational effectiveness of controls over a period of time (typically six months).

SOC 2 (AT 101)

A SOC 2 report is an engagement performed under the AT section 101 and is based on the existing SysTrust and WebTrust principles. This report will will have the same options as the SSAE 16 report where a service organization can decide to go under a Type I or Type II audit. However, unlike the SSAE 16 audit that is based on internal controls over financial reporting the purpose of a SOC 2 report is to evaluate an organization's information systems relevant to security, availability, processing integrity, confidentiality or privacy. The criteria for these engagements are contained in the Trust Services Principles Criteria and Illustrations.

Organizations asked to provide an SSAE 16, but do not have an impact on their client's financial reporting should select this reporting option.

SOC 3 (AT 101)

A SOC 3 report is an engagement performed under AT section 101 and is also based on the criteria contained in the Trust Services Principles Criteria and Illustrations. However, unlike the SOC 1 and 2 options, the SOC 3 report does not contain a description of the service auditor's test work and results. SOC 3 reports are general use reports and fall under the SysTrust and WebTrust seal programs. Clients that select a SOC 3 report can obtain a SysTrust or WebTrust seal to place on their website and marketing material as long as they maintain compliance (successfully complete a SOC 3 report every 12 months).

Organizations whose primary goal is the marketing of their system/product against an industry approved standard should select this reporting option.

About Us

Assurance Concepts is a CPA firm that specializes in providing regulatory compliance and risk advisory services. Our expertise includes SSAE 16 (SAS 70) audits, SOX 404 compliance, SysTrust, WebTrust, HIPPA, ISO 27001 / 27002 and PCI DSS QSA services. Our service delivery model is designed to provide unparalleled client service to each one of our clients and help maximize the long-term value of their audit activities.

Competitive Fixed Fee Pricing · 100+ SAS 70 Audits Performed · Personalized Customer Service · Experienced Professionals · Free Consultation

Ben Osbrach, CISSP, CISA, QSA · osbrach@assuranceconcepts.com · www.assuranceconcepts.com

970 Lake Carillon Drive / Suite 300, St. Petersburg, Florida 33716 · 866.669.6561 · 813.924.5404

Assurance CONCEPTS, LLC
think assurance. know compliance.