

SYSTEM AND ORGANIZATION CONTROLS (SOC)

Providing You the Assurance to Reassure Your Clients About Proper Controls



When an organization outsources critical functions to a service provider, the risk surface of the organization increases. To combat this, organizations will often ask for a **System and Organization Controls (SOC) report** to gain assurance over a service provider's information systems and overall control environment. By obtaining a SOC report, service providers are able to demonstrate to their customers that **compliance is a priority**, not an afterthought.

The Abacus Technologies Information Assurance team has the industry experience and technical expertise to ensure your organization receives an industry-standard SOC examination that **meets customer expectations, builds trust, and helps you gain a competitive edge in your industry.**



As a member of the BMSS Family of Companies, Abacus Technologies assists with the execution of SOC engagements under management of BMSS, whose Advisory practice Members maintain responsibility over the engagement and report opinion.

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Report Type	Purpose	Common Industries	Type I Pricing	Type II Pricing
SOC 1	Shows how your control environment affects your customer's internal control over financial reporting (ICFR)	<ul style="list-style-type: none"> • Payment Processors • Loan Services • Investment Management Firms • Payroll Providers • Claims Processors • FinTech 	Starts at \$20k <i>Cost varies based upon scope</i>	Starts at \$30k <i>Cost varies based upon scope</i>
SOC 2	Attests to Information Security controls, and can also include Availability, Confidentiality, Processing Integrity, and Privacy	<ul style="list-style-type: none"> • SaaS Companies • FinTech • Managed IT Services • Data Centers • Organizations with access to sensitive data 	Starts at \$20k <i>Cost varies based upon scope</i>	Starts at \$30k <i>Cost varies based upon scope</i>
SOC 3	Publicly available version of a SOC 2 report designed for general audiences, often used as marketing material	<ul style="list-style-type: none"> • SOC 2 clients 	N/A	SOC 2 cost + \$3k - \$5k
Readiness Assessment	An internally facing assessment to find control gaps and prepare for a full SOC engagement	<ul style="list-style-type: none"> • SOC 1 and SOC 2 clients 	Starts at \$5k <i>Cost varies based upon scope</i>	

SOC 1 vs. SOC 2

SOC 1 reports focus on the controls an organization has in place to protect financial data that customers rely on for their own financial reporting and ensure the completeness and accuracy of the output from the system. Your SOC 1 report will typically be used by your customers' auditors. SOC 2 reports focus on IT security and operational controls, and could also include the availability, confidentiality, processing integrity, and privacy of the system, as applicable. Your **SOC 2 report** has a broader distribution, and will typically be used by customers, vendors, business partners, etc.

Type I vs Type II

A SOC (1 or 2) Type I is a formalized SOC examination and report on the suitability of design and implementation of controls at a specific point in time. This is a starting point for demonstrating your company's control environment. Your customers will expect to see a Type II for the reports that follow.

A SOC (1 or 2) Type II is a formalized SOC examination and report on the suitability of design and operating effectiveness of controls over time (at least three months). SOC Type II reports are commonly required by customers to ensure service organizations continuously maintain controls that support their security and other criteria requirements. Your SOC Type II examination period generally begins the day following the report date for the SOC Type I report.

Readiness Assessment

For organizations without a mature compliance program or those undergoing their first SOC examination, a SOC Readiness Assessment provides an opportunity to better understand the complexities of SOC requirements and ensure your organization is prepared to succeed. Your team will test your controls as if it was a true SOC examination so that Abacus can provide a gap analysis. After identified gaps have been remediated, you'll know your organization is ready for the real thing.

