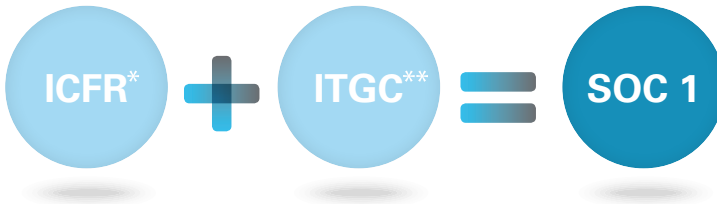




# ADDING IT UP: WHICH TYPE OF SOC REPORT DO I NEED?

## IS YOUR REPORT DESIGNED TO TARGET FINANCIAL REPORTING AND/OR AUDITORS?

- Are your services included as a part of your client's financial statements?
- Are external/financial auditors receiving the report?
- Are your clients requesting comfort over controls and/or the tests of the controls that are applicable to their financial reporting:
  - Systems (e.g., classes of transactions, account balances, disclosures of the user entities)?
  - Transactions? If so, do your transactions involve:
    - > accounts payable,
    - > accounts receivables,
    - > payroll/benefits,
    - > investments,
    - > legal services,
    - > credit card/merchant card processing,
    - > bank processing,
    - > third-party administration,
    - > insurance claims/data,
    - > loan and payment processing, and/or
    - > marketing services?
  - Data (including data centers storing this information)?



*\*ICFR = Internal Controls over Financial Reporting*

*\*\*ITGC = Information Technology General Computer Controls (security and access, change management, computer operations, back-up and recovery)*

If you answered **YES** to most of these questions, it is likely that a **SOC 1** is the report you need.

If you answered mostly **NO**, then move on to the following page to find the report that fits your formula.



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## IS YOUR REPORT DESIGNED TO TARGET SERVICES PROVIDED IN THE CLOUD?

- Is your organization a cloud service provider?
- While all cloud users have some security concerns, is security a significant report concern for your client?

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## IS YOUR REPORT DESIGNED TO TARGET SECURITY?

- Does your client depend on your:
  - Data security and/or protection from cyber threats?
  - Security against malicious attacks, perimeter defenses, and/or hardening of networks/systems?

Security combined with one or more of the other trust principles indicates that a SOC 2 report is needed. The remaining four trust principles are:

### Availability

- Does your client depend on the availability of your services (e.g. you provide Service Level Agreements [SLAs] or cloud services)?
- Would your clients' business be seriously impacted if the availability of your service was disrupted?

### Confidentiality

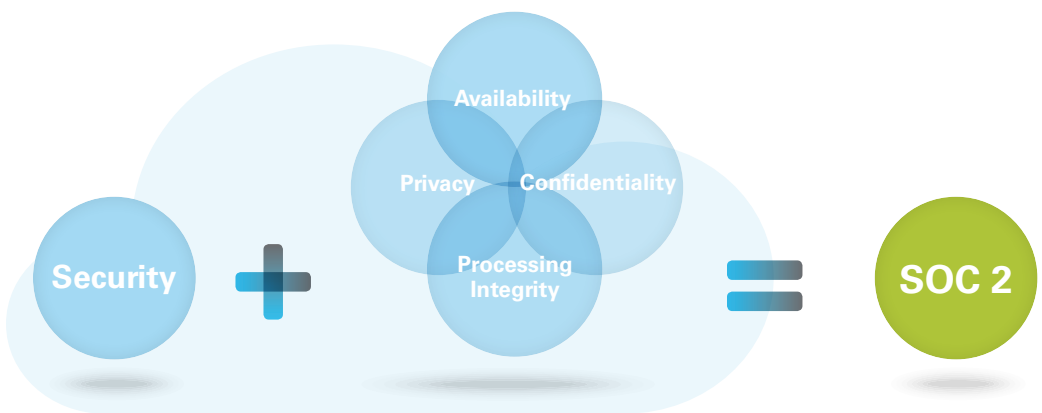
- Does your client depend on your services being confidential from other users of your service?

### Processing Integrity

- Does your client depend on your accuracy and completeness of services and processes for their use?

### Privacy

- Does your client depend on you for services that involve personal private information such as medical records, financial information, personal identification, insurance data, and data aggregation/marketing habits.



*\*Note: The selection of the applicable trust principles is dependent upon services offered and client need.*

If you answered **YES** to most of these questions, it is likely that a **SOC 2** is the report you need.

If you answered mostly **NO**, then move on to the following page to find the report that fits your formula.



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## IS YOUR REPORT DESIGNED TO TARGET MARKETING NEEDS?

- Does your organization need to make your report publically available to users (e.g. post to its website)?



*Note: A SOC 3 report is only available with the SOC 2 report (e.g. trust principles).*

If you answered **YES** to most of these questions, it is likely that a **SOC 3** is the report you need.

If you answered mostly **NO**, then move on to the following page to find the report that fits your formula.

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## IS YOUR REPORT DESIGNED TO TARGET ICFR AND TRUST PRINCIPLES?

- Do your services impact both financial statements and the trust principles (security, availability, confidentiality, processing integrity, and/or privacy)?



If you answered **YES** to most of these questions, it is likely that both **SOC 1** and **SOC 2** reports might be what you need.

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AUDITWERX.COM  
866.446.4038

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RIGGS &  
INGRAM  
CPAs and Advisors

SOCREPORT@CRICPA.COM  
334.348.6514