


# Risk Advisory Services

## UNDERSTANDING SOC ENGAGEMENTS



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## What Are SOC Engagements?

Service Organization Control (SOC) engagements have become the gold standard for examining, assessing and reporting on internal controls at service organizations. SOC engagements were developed by the CPA profession, which has long been a thought leader in assurance engagements. CPAs are the premier providers of SOC reports for service organizations that must reassure users about their systems.

Organizations like yours receive requests from customers for assurance on a number of fronts, including assurance about your systems' controls over financial reporting (SOC 1® also known as SSAE16 engagements) and the controls you employ to protect the privacy and confidentiality of users' data, as well as the security, availability and processing integrity of your systems (SOC 2® and SOC 3® engagements).

### SOC 1® Report (SSAE16)

#### **Reporting on Controls at a Service Organization Relevant to User Entities' Internal Control over Financial Reporting**

SOC 1® meets the needs of user entities' management and auditors as they evaluate the effectiveness of a service organization's controls on a user entity's financial statement assertions. These reports are important components of user entities' evaluation of their internal controls over financial reporting for purposes of compliance with laws and regulations and for when user entity auditors plan and perform financial statement audits.

### SOC 2® Report

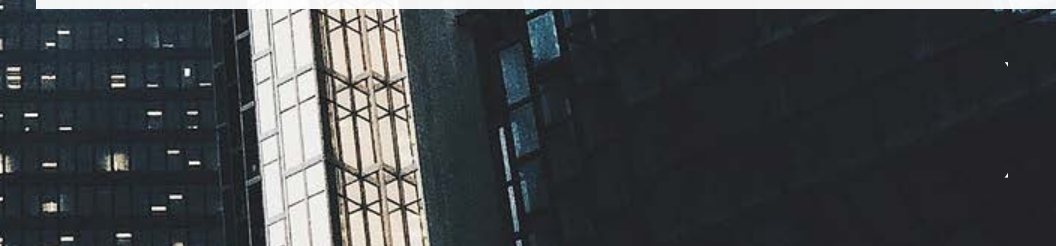
#### **Reporting on Controls at a Service Organization Relevant to Security, Availability, Processing Integrity, Confidentiality, or Privacy (SOC 2®)**

For those who need to understand internal control at a service organization as it relates to security, availability, processing integrity, confidentiality or privacy. These reports play an important role in oversight of the organization, vendor management programs, internal corporate governance and risk management processes, and regulatory oversight. Stakeholders who use these reports include management or those charged with governance of the user entities and of the service organization, customers, regulators, business partners and suppliers, among others.

### SOC 3® Report

#### **Trust Services Principles, Criteria, and Illustrations**

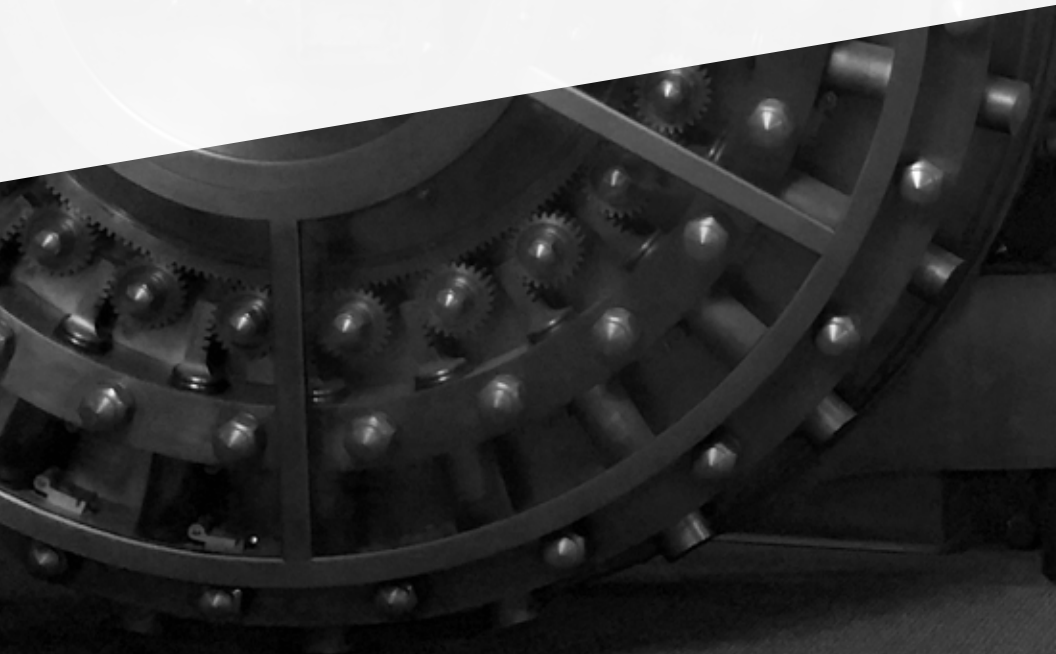
Designed to accommodate users who want assurance on a service organization's controls related to security, availability, processing integrity, confidentiality or privacy but do not have the need for the detailed and comprehensive SOC 2® Report. It can be used in a service organization's marketing efforts.





# Report Comparison

	Who The Users Are	Why	What
SOC 1®	Users' controller's office and user auditors	Audits of f/s	Controls relevant to user financial reporting
SOC 2®	Management Regulators Others	GRC programs Oversight Due diligence	Concerns regarding security, availability, processing integrity, confidentiality or privacy
SOC 3®	Any users with need for confidence in service organization's controls	Marketing purposes; detail not needed	Easy to read report on controls



# Which Report Is Write For You?

Will report be used by your customers and their auditors to plan/perfrom an audit of their financial statements?	YES	<b>SOC 1®</b>
Will report be used by customers and/or stakeholders to gain confidence and place trust in a service organization's system?	YES	<b>SOC 2® or SOC 3®</b>
Do you need to make report generally available?	YES	<b>SOC 3®</b>
Do your customers have the need for/ability to understand the details of processing and controls at a service organization, the tests performed by the service auditor and results of those tests?	YES	<b>SOC 2®</b>
	NO	<b>SOC 3®</b>



## Risk Advisory Services

YHB provides comfort in knowing that your controls are operating as designed and helps develop more mature controls as you grow.

Companies rely heavily on technology to provide the information they need to serve their customers. Because of this, technology is an important part of every aspect of a company's operations. The foundation of our team is our expertise in information technology, security, and business continuity. We provide a number of solutions for large and small businesses to help management know that their systems are secure and will be available when needed. Our Solutions Include:

- SOC/SSAE16 Audits
- Information Technology (IT) Audits
- Network Vulnerability Assessments & Penetrations Tests
- Investment Advisors Custody Audits
- IT Advisory & Consulting
- Social Engineering Tests
- Software Audits
- Compliance Engagements
  - Remote Deposit Capture Audits
  - ACH Compliance Audits
  - GLBA Assessments
  - HIPAA Compliance
  - Sarbanes Oxley Documentation & Testing

Whether you are being driven by regulatory requirements, trying to provide your customers with the information they need, or are just concerned about proper governance over your internal controls, we can design a level of service to fit the needs of your organization.

Our team is made up of CPAs, Certified Information Systems Security Professionals, Certified Information Technology Professionals, and Certified Information Systems Auditors.



## Why YHB?

YHB's Risk Advisor Services Team has been providing SOC, and its predecessor SAS70, engagements for over 12 years. We work with companies that range from just a handful of employees to companies with thousands of employees. Our expertise in recognizing and testing controls for organizations of all sizes bring international clients to YHB. We work with our clients to make sure they provide the users of their services with an accurate description of the controls they have in place.

If a SOC 2<sup>®</sup> engagement is the right one for you, we bring 15 years of experience working with the Trust Services Principles (TSP). We have been using the TSP framework to provide IT Audits (SysTrust) for many of our financial institution clients even before SOC 2<sup>®</sup> engagements existed.

When you are considering your first SOC engagement, you need a firm that can help you identify which controls matter. We help you describe your environment in an efficient and effective way, allowing your clients to easily understand the quality service you provide. Our approach to first year engagements is to perform a Readiness Assessment before the audit period begins. The Readiness Assessment helps you create the description of your control environment, identify the appropriate controls to fit your control objectives (SOC 1<sup>®</sup>) or the TSP (SOC 2<sup>®</sup>), and test the controls to make sure they are working as described. Once we have identified the controls and any weaknesses in them, we help you through the remediation process, preparing you for your first SOC audit.

Your relationship with YHB does not end when the report is issued. We continue to be a resource to you as changes in your environment or your industry force changes in your controls and processes.

YHB's Risk Advisory Services Team can help you provide your clients with assurance of the controls you have in place to protect them and their customers.



Yount, Hyde and Barbour (YHB) is a leading certified public accounting and consulting firm with 7 strategic locations. Established in 1947, YHB offers comprehensive accounting, auditing, tax and risk advisory services to clients. In addition to serving individuals, estates and trusts, the firm has extensive experience in working with both public and private businesses.



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