



System and Organization Controls (SOC) Survey

A 2020 survey reveals the growing market for SOC services.



Executive summary

- ▶ Because of the value of SOC 1[®] reports to financial statement auditors of clients that use service organizations, the need for SOC 1 engagements remains as strong as ever.
- ▶ Increasing awareness of the importance of IT security at third parties has led to a significant increase (almost 50%) in the demand for SOC 2[®] engagements.
- ▶ There is a growing opportunity for CPA involvement in third-party assessment services.
- ▶ Some CPA firms are beginning to perform SOC for Cybersecurity and SOC for Supply Chain engagements.





74

firms with revenue between \$5 million and \$1 billion responded to the survey

1%

< \$5 million

47%

\$10–\$40 million

8%

\$100 million–\$300 million

8%

\$5–\$10 million

19%

\$40–\$100 million

10%

\$300–\$1 billion

7%

> \$1 billion

This survey was sent to over 400 firms.



SOC 1 and 2 engagements present a growing market opportunity for CPAs.

29% ↑

in SOC 1
readiness
assessments

8% ↑

in SOC 1
examinations

44% ↑

in SOC 2
readiness
assessments

49% ↑

in SOC 2
examinations



49%

increase in demand for **SOC 2 engagements** between 2018 and 2020.

SOC 2 readiness assessments

2018: 193

2019: 271

2020: 277

SOC 2 examinations

2018: 1,064

2019: 1,373

2020: 1,587



There is a growing opportunity for CPA involvement in third-party assessment services.

HITRUST

The Health Information Trust Alliance



ISO

International Organization for Standardization



FedRAMP

The Federal Risk and Authorization Management Program



PCI

The Payment Card Industry Data Security Standard



CSA

Cloud Security Alliance.





In summary

- ▶ From the survey results, it's clear that more and more organizations value SOC 1 and 2 engagements as part of their third-party risk management efforts. For more resources about SOC engagements, please visit <https://www.aicpa.org/soc>.
- ▶ A recently issued Question and Answer document discusses the standards under which CPAs can perform third-party assessment services. Please visit <https://www.aicpa.org/content/dam/aicpa/interestareas/frc/downloadabledocuments/tqa-sections/tqa-section-9550-01-02.pdf> to view the document.



Founded by AICPA and CIMA, the Association of International Certified Professional Accountants powers leaders in accounting and finance around the globe.

© 2021 Association of International Certified Professional Accountants. All rights reserved. Association of International Certified Professional Accountants is a trademark of the Association of International Certified Professional Accountants and is registered in the US, the EU and other countries. The Globe Design is a trademark owned by the Association of International Certified Professional Accountants. 2102-42410