Documentation of reliance on SOC examination report

Review Date: _____   Completed by: _____

Name of Service Organization	
System or Function Covered	
Internal Risk Rating	
Type of Report (SOC 1, 2, or 3 and Type 1 or 2)	
Period Covered in Report	
Service Auditor (Audit Firm)	
Are you familiar with the Audit Firm? If no, has research been completed on them and do they appear qualified to complete a SOC exam?	

Independent Service Auditor's Report

The first or second section of the SOC report should contain the Independent Service Auditor's Report. The Report contains the "system" covered by the report, the audit period, a statement how subservice organizations are addressed (carve-out or inclusive method), and opinion. The possible opinions include: unqualified or "clean" (no significant deficiencies), qualified (significant deficiencies noted on one or more areas), or disclaimed (unable to express an opinion in one or more areas). Based on the review of the Independent Service Auditor's Report:

Question	Y/N	Comments
Is the audit period deemed appropriate? (period end within last six months)		
Did the auditor give a clean opinion?		
Were there any qualifications or disclaimers? Are they significant to our operations?		
Do deficiencies require follow-up?		
Are there subservice organizations identified?		
Are subservice organizations included or carved out?		
In addition to the report, is a bridge (gap) letter available from the service organization?		

Information Provided by the Service Organization

The first or second section of the SOC report should contain Management's Assertion to confirm that the description of the system (typically included in section 3 of the report) presents how the system was designed and implemented during the reporting period, and that the control objectives listed in the description were suitably designed and operated effectively. While the term "system" has many different definitions, a common and useful definition is the controls, procedures, people, software, data, and infrastructure organized to achieve a specific objective. The description of the system should also include a list of complementary user controls (also referred to as user control considerations). If there is a subservice organization included or carved out of the report, there should also be a list of subservice organization control considerations.

Question	Y/N	Comments
Does the report include management's assertion?		
Does the description of the system include functions and operations relevant to us?		
Is the description of the system complete?		
Are subservice organizations and their responsibilities described and subservice control considerations identified?		
Do the subservice organization controls affect our operations? If so, should we request a SOC report from them?		
Does the report include user control considerations? See below.		

User Control Considerations:

User control considerations are a key part of a SOC report. This section outlines the responsibility of the user of the report (the client). Review the Considerations carefully and determine if the considerations are applicable to our operations. If so, how are we addressing those considerations? Note key controls below or attach list.

#	Description of control	Does this apply to our organization?	How do we test this control in our organization? Do we have sufficient evidence of compliance for our auditors?
1			
2			
3			
4			

Information Provided by the Service Auditor

Section 4 identifies the control objectives included in the examination, the tests performed by the service auditor, and the results of tests. Control objectives represent the scope of the examination and any significant deficiencies noted could affect the opinion in the Service Auditor's Report (Section 1 or 2).

Identify control objectives in the report:

#	Control Objective Area	Exceptions Y/N	Page	Effects of exceptions to our operations
1				
2				
3				
4				
5				
6				
7				
8				
9				
10				

If control objectives are qualified, how will we expand our due diligence activities do ensure the service organization's controls do not adversely impact our operations? Describe:

Other Information Provided by the Service Organization (optional)

Are any subsequent events noted in this section? Subsequent events are any operational changes identified by the Service Organization that would impact the Control Objectives identified in section 3 of the report. If any subsequent events are noted, how do these affect our operations?

Conclusion

Based on the above evaluation of the internal controls and procedures surrounding the activities at the Service Organization, controls appear to be in place, have been adequately reviewed, and we may rely on the report for our due diligence activities.