Companies estimate that 70% of the business apps that they use today are based on SaaS. They also add that this will increase to 85% by 2025.

BetterCloud State of SaaSOps
In a survey of 1,283 respondents just before the pandemic hit, 88% said that they used cloud services in one form or another. And most of the respondents think that their organizations will grow their usage of cloud services over the next 12 months.
Companies that have adopted cloud platforms say that they’re able to bring new capabilities to market about 20% to 40% faster.
In a survey by Logic Monitor of 88 industry influencers

- 66% said that security remains one of the biggest challenges of using public cloud services.
- 60% said that the biggest challenge was governance and compliance.
Learning Objectives

Types of SOC reports

Important information included in SOC reports

Considerations for adapting your review to your organization’s risk profile
System and Organization Controls

- Sarbanes-Oxley compliance
- Security Operations Center
SOC Reports

Provide the opinion of an independent auditor over design, implementation, and (usually) effectiveness of internal control.

SOC 3 is a general use version of a SOC 2 report.
# Types 1 and 2

<table>
<thead>
<tr>
<th></th>
<th>SOC 1</th>
<th>SOC 2</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Type 1</strong></td>
<td>Controls over Financial Reporting were designed and implemented</td>
<td>Controls over Information Security were designed and implemented</td>
</tr>
<tr>
<td></td>
<td>At a point in time</td>
<td>At a point in time</td>
</tr>
<tr>
<td><strong>Type 2</strong></td>
<td>Controls over Financial Reporting were designed, implemented, and</td>
<td>Controls over Information Security were designed, implemented, and</td>
</tr>
<tr>
<td></td>
<td>effective Over a period of time</td>
<td>effective Over a period of time</td>
</tr>
</tbody>
</table>
Evaluation Framework
SOC 2 Description

- Control Environment
- Communication and Information
- Risk Assessment
- Monitoring Activities
- Control Activities
- Logical and Physical Access
- System Operations
- Change Management
- Risk Mitigation

Diagram:
- Security
  - Availability
  - Integrity
  - Confidentiality
  - Privacy
Sections of a SOC Report

- Auditor’s Report
- Management’s Assertion
- Management’s Description
- Auditor’s Tests and Results
- Other Information
System and Organization Controls (SOC) 3
Report over the Google Workspace, Application Programming Interfaces and Developer Offerings System
Relevant to Security, Availability, Confidentiality, and Privacy
For the Period 1 May 2021 to 30 April 2022
Opinion

In our opinion, Google’s controls over the system were effective throughout the period 1 May 2021 to 30 April 2022, to provide reasonable assurance that its service commitments and system requirements were achieved based on the applicable trust services criteria.

7 June 2022
San Jose, CA

Opinion Types

- **Unqualified**: The auditor found control effective, no modifications.
- **Qualified**: The auditor found an area where control was not effective.
- **Adverse**: The auditor found material and pervasive issues.
- **Disclaimer**: The auditor is unable to give an opinion due to insufficient evidence. Effects could be both material and pervasive.
Firms

- Reputation
- Peer review
- Personnel
Dates

• Type 1: As of a date
• Type 2: For a period

• Is the report recent?
  • Bridge letters

System and Organization Controls (SOC) 3
Report over the Google Workspace, Application Programming Interfaces and Developer Offerings System
Relevant to Security, Availability, Confidentiality, and Privacy
For the Period 1 May 2021 to 30 April 2022
Scope

- Entity
- Products
- Locations
- Business Units
Subservice Organizations

• Nature
• Extent
• Complementary Subservice Organization Controls (CSOC)
User Controls

- Complementary User Entity Controls (CUEC)
- User Control Considerations (UCC)
Changes to the System

- People
- Process
- Technology
Testing and Results

• Deviations and exceptions
• Testing Procedures
  • Inquiry
  • Inspection
  • Observation
  • Reperformance
Other Information

- Management
- Auditor
1 out of 3 of employees at Fortune 1000 companies regularly use cloud-based SaaS apps that aren’t approved by their respective IT departments.
The average time to fully implement a new software product has gone down from 57 hours a decade ago to 7 hours today.
SaaS spending is expected to rise by 241%, which is second only to the increase in public cloud spend.

Snow Guide Cost Management
Let’s Keep In Touch

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