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.

- < $5 million: 1%
- $5–$10 million: 8%
- $10–$40 million: 47%
- $40–$100 million: 19%
- $100 million–$300 million: 8%
- $300–$1 billion: 10%
- > $1 billion: 7%

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.

<table>
<thead>
<tr>
<th>Standard</th>
<th>Year 2018</th>
<th>Year 2019</th>
<th>Year 2020</th>
</tr>
</thead>
<tbody>
<tr>
<td>HITRUST</td>
<td>43</td>
<td>60</td>
<td>71</td>
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<tr>
<td>ISO</td>
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<tr>
<td>CSA</td>
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HITRUST: The Health Information Trust Alliance
ISO: International Organization for Standardization
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.
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