SmartSuite

Framework / Financial Services Regulation / SOC Frameworks

# SOC 1 (AICPA)

SOC 1 is the AICPA examination, under AT-C section 320, of a service organization's controls relevant to user entities' internal control over financial reporting, reported for user auditors.




## What it is

SOC 1 (SOC for Service Organizations: ICFR) is the AICPA's examination of controls at a service organization that are likely to be relevant to user entities' internal control over financial reporting (ICFR). A service auditor performs it under AT-C section 320 of the AICPA attestation standards, and the resulting report is written for the entities that use the service (user entities) and the CPAs that audit their financial statements (user auditors), so that they can evaluate the effect of the service organization's controls on the user entities' financial statements.

## At a glance

PUBLISHER
American Institute of Certified Public Accountants (AICPA), through its Auditing Standards Board (attestation standards) and SOC guides

TYPE
Certification / Assurance Program

VERSION
AT-C section 320 under SSAE No. 18 (as amended); AICPA SOC 1 Guide, 2025 edition

EFFECTIVE
May 1, 2017 (SSAE No. 18, for practitioners' reports dated on or after); SSAE No. 16 applied to periods ending on or after June 15, 2011

DOMAIN
Financial Services Regulation

FAMILY
SOC Frameworks

REGION
United States (used internationally)

ADOPTION MODEL
Industry Requirement

IMPLEMENTATION COMPLEXITY
Medium

Source: aicpa-cima.com/topic/audit-assurance/audit-and-assurance-greater-than-soc-1

## Why it matters

- **Written for user auditors** AT-C section 320 produces a report that user entities and their auditors use when evaluating the effect of the service organization's controls on the user entities' financial statements.
- **Control objectives set by the service organization** The service organization writes the control objectives for its processing and IT general controls; the auditor evaluates whether they are reasonable and whether the controls achieve them.
- **Management's assertion** Since SSAE No. 16 the service auditor must obtain a written assertion from management about the fairness of the description and the design and operation of controls.
- **Type 1 and type 2** A type 1 report covers the description and the suitability of control design as of a date; a type 2 report adds tests of operating effectiveness over a period and the results of those tests.


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## How SmartSuite supports SOC 1

### Control Objectives and Control Library

Record each control objective with the processing and IT general controls that achieve it, the owner, the frequency and the evidence that proves operation.

### System Description Workspace

Keep the description of services, processes, key system outputs, subservice organizations and the method used to present them as reviewable, versioned records.

### Period Evidence Collection

Collect evidence across the type 2 period on the control's own schedule so that samples for any month are already attached when the auditor asks.

### Readiness Testing and Exceptions

Plan readiness tests in Internal Audit Management, log deviations, assign remediation and retest before the service auditor's fieldwork.

### Subservice Organization Oversight

Track each carve-out or inclusive subservice organization, its own SOC 1 report and the controls it is expected to operate, in Third Party Risk Management.

### Auditor Request Tracking

Manage the service auditor's request list, responses and management's assertion workflow, and report readiness by control objective on Enterprise Reporting dashboards.

## Common framework mappings

COBIT 2019 | COSO IC 2013 | ISO 27001:2022 | NIST 800-53 Rev.5 | PCI DSS 4.0.1 | SOC 2 | SOC 3

## Official resources

### SOC 1: SOC for Service Organizations, ICFR (AICPA)

The AICPA's definition page for SOC 1 reports on controls relevant to user entities' internal control over financial reporting.

aicpa-cima.com/topic/audit-assurance/audit-and-assurance-greater-than-soc-1

### AICPA SOC 1 Guide (2025 edition)

The AICPA attestation guide for performing a SOC 1 examination under AT-C section 320.

aicpa-cima.com/cpe-learning/publication/soc-1-reporting-on-an-examination-of-controls-at-a-service-organization-relevant-to-user-entities-internal-control-over-financial-reporting

### AICPA SOC 1 guidance and learning

The AICPA's SOC 1 guidance and learning page for service auditors and service organizations.

aicpa-cima.com/cpe-learning/soc-1-guidance

### SOC Suite Overview

Describes the range of SOC services offered by AICPA.

aicpa-cima.com/resources/landing/system-and-organization-controls-soc-suite-of-services

## Frequently asked questions

### What is a SOC 1 report and who uses it?

A SOC 1 report is the service auditor's report on an examination, under AT-C section 320, of controls at a service organization that are likely to be relevant to user entities' internal control over financial reporting. The AICPA states that it is intended to meet the needs of the entities that use the service organization and the CPAs that audit their financial statements, who use it to evaluate the effect of those controls on the user entities' financial statements.

### What is the difference between a SOC 1 type 1 and type 2 report?

A type 1 report gives the auditor's opinion on the fairness of the system description and the suitability of the design of controls as of a specified date. A type 2 report covers a period and adds the auditor's tests of operating effectiveness and their results; since SSAE No. 16 the opinion on the description and design in a type 2 report also covers the whole period. User auditors generally need the type 2 report.


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### Which standard governs SOC 1 engagements?

AT-C section 320 of the AICPA attestation standards, applied together with AT-C 105 (common concepts) and AT-C 205 (examination engagements). The sections were codified by SSAE No. 18, effective for practitioners' reports dated on or after May 1, 2017, which superseded SSAE No. 16; SSAE No. 16 had replaced the service auditor guidance in SAS No. 70 for periods ending on or after June 15, 2011. The AICPA's SOC 1 Guide (2025 edition) gives the performance and reporting guidance.

### How does SOC 1 treat subservice organizations?

When part of the service is performed by another organization, the service organization presents that subservice organization either by the inclusive method, where its controls are included in the description and the examination, or by the carve-out method, where they are excluded and identified as such. The AICPA's SOC 1 Guide gives the reporting for each method, and a user auditor reading a carve-out report knows that the subservice organization's controls were not examined.

### Is a SOC 1 report a certification?

No. A SOC 1 report is an attestation report containing an independent service auditor's opinion and management's written assertion for a date or period; there is no certificate and no registry, and the report must be renewed by a new examination for each period. It is also not a SOC 2 report: SOC 1 covers controls relevant to financial reporting, while SOC 2 covers the Trust Services Criteria.

License included / downloadable: No AT-C section 320 and the AICPA SOC 1 Guide (2025 edition) are AICPA publications sold through the AICPA and CIMA store; the AICPA's SOC 1 overview pages are free.

Full framework page and mappings: smartsuite.com/frameworks/soc-1-system-and-organization-controls-for-financial-reporting


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