

## SOC 2 REPORTS BACKGROUND

Increasingly, businesses outsource basic functions such as data storage and access to applications to SaaS services systems and other service organizations. In response, the American Institute of Certified Public Accountants (AICPA) has developed the Service Organization Controls (SOC) framework, a standard for controls that safeguard the confidentiality and privacy of information stored and processed.

A SOC 2 audit gauges the effectiveness of a SaaS services system, based on the AICPA Trust Service Principles and Criteria. An Attest Engagement under Attestation Standards (AT) Section 105 and 205 is the basis of SOC 2 reports.

As part of the SOC 2 audit, the auditor renders an opinion in a SOC 2 Type 2 report that describes the system and assesses the fairness of the SaaS services system description of its controls. It also evaluates whether the SaaS services controls are designed appropriately, were in operation on a specified date, and were operating effectively over a specified time period.

Foundation Software Group covered application services are audited periodically against the SOC reporting framework by independent third-party auditors. The audit for Foundation Software Group application services covers:

- the nature of the service provided by the organization;
- how the organization's system interacts with user entities, subservice organizations, or other parties;
- internal controls and their limitations;
- complementary user-entity controls and how they interact with related controls at the organization to meet the applicable trust services criteria;
- the applicable trust services criteria;
- and, the risks that may threaten the achievement of the applicable trust services criteria and how controls address those risks.

Foundation Software Group has achieved SOC 2 Type 1 and SOC 2 Type 2 reports. In general, the availability of SOC 2 reports is restricted to customers who have signed nondisclosure agreements with Foundation Software Group. For more information, please contact our [Customer Success](#) team.