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Table of Contents

Introduction to SOC 1 – What it is and why it matters in financial reporting	1
Why SOC 1 Is Critical in 2025 – Key drivers: regulation, investor trust, audit readiness	2
SOC 1 Type I vs. Type II – Differences, benefits, and when to choose each	3
Core Components of a SOC 1 Report – Control objectives, management assertion, testing, and more	4
The SOC 1 Audit Process – Step by Step – From readiness to reporting and beyond	5
Benefits of Having a SOC 1 Report – Operational, reputational, and compliance advantages	6
Who Needs a SOC 1 Report? – Industries and service providers that impact client financials	7
Example Control Objectives – Real-world use cases for fund administrators and financial firms	8
Timeline & Engagement Expectation – How long it takes and what’s required from your team	9
How Akram Advisory Can Help – Services, approach, and value-added support	10
Get in Touch – Start your SOC 1 journey with confidence	11

Why SOC 1 Matters

Reduces Audit Burden & Risk

SOC 1 reports are a gatekeeper tool—used by auditors and institutions to validate a vendor’s processes without replicating testing.



Builds Trust with Institutional Clients

For fund administrators, TPAs, fintech providers, or payroll processors, a SOC 1 demonstrates measurable commitment to robust financial controls.



Strengthens Compliance & Governance

Proactively confirms well-designed and operating controls, aligning with fiduciary and regulatory expectations.



Type I vs. Type II: What to Choose

Report Type	Highlights
SOC 1	Snapshot of control design at a specific date. Ideal as a foundation.
SOC1 Type II	Verifies both design and operating effectiveness over a period (6–12 months). Preferred by auditors and LPs .

Key Components Explained

1

System Description & Management Assertion

Management details their system and control framework and attests to its completeness.

2

Control Objectives & Activities

Clearly defined goals (e.g., transactional completeness, NAV accuracy) coupled with documented procedures.

3

Independent Auditor Testing & Opinion

Auditors assess design (Type I) and operating effectiveness (Type II), issuing an opinion on control reliability.

4

Complementary User/Subservice Org Controls

Reports include controls required from client firms or sub-service providers for completeness.

The SOC 1 Audit Journey

Define Scope & Perform Readiness Assessment



Identify meant-to-be-included business processes and systems, assess gaps.

Document Controls & Map Objectives



Establish policies, system procedures, and link each to control goals.

Technical & Documentation Remediation



Implement missing controls, correct deficiencies in systems or records.

Audit Execution & Testing



Auditors collect evidence, test control operation (for Type II), and evaluate outcomes.

Report Issuance & Distribution



Final SOC1 report delivered to client auditors, CFOs, and stakeholder LPs.

Ongoing Monitoring & Annual Renewal



Implement continuous control monitoring; perform annual Type II audits.

Benefits of SOC 1 Compliance

Audit Efficiency:

Reduces duplication in client audits and builds reliability.

Client Confidence:

Demonstrates secure, repeatable, and tested control environments.

Competitive Edge:

Stand out in RFPs and due diligence with institutional-grade validation.

Operational Improvements:

Discover and fix process weaknesses during preparation.

Example Control Objectives

- **Transaction Authorization & Processing**

Ensures new accounts or trades are authorized, accurately processed, and timely.

- **NAV & Fee Accuracy**

Confirms net asset valuations (NAV) and fee calculations align with methodology and investor agreements.

- **Logical Access & ITGCs**

Restricts system access to authorized users and enforces change management.

- **Reconciliations & Reporting**

Validates timely account and position reconciliations to maintain data accuracy.

Timeline & Investment

Type I:

~2 months for scoping, design, and reporting.

Type II

6–12 months operating period + testing & issuance.

Annual Renewal:

Provides updated assurance and continuity.



Who Should Consider SOC 1?

- **Fund Admins / TPAs** involved in NAV, fee, or transaction services.
- **FinTechs** processing financial transactions or reporting.
- Payroll, Loan Servicing, Claims Processing Firms that impact client financial statements.



How We Support You

At Akram Assurance Advisory & Tax, we guide emerging and established service providers through each stage:

- ✓ **SOC1 readiness assessment**
- ✓ **Control design and documentation**
- ✓ **Audit coordination and evidence collection**
- ✓ **Continuous monitoring and annual updates**

Outcome: A robust SOC1 certification that enhances your credibility and unlocks institutional trust.

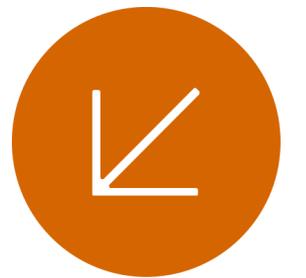


Final Takeaway

SOC1 isn't just a compliance checkbox—it's a foundational investment in **transparency, operational excellence, and client trust.** For any organization that touches financial reporting, a SOC1 Type II report signals maturity, supports audit agility, and empowers business growth.



**Partner with Akram to turn ✨
Soc1 from a burden into a
business advantage.**



Phone

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**Let's get
started today!**