

# SOC 1 Readiness *Checklist*

40 checks across the seven areas a CPA firm actually probes — scoping, ICFR control objectives, the AT-C section 320 system description, control evidence, CUECs, the management assertion, and audit logistics. Work through it before the auditor does.

SSAE 18 · AT-C section 320

Type 1 & Type 2

Payroll · Fintech · BPO · Loan Servicing

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**How to use it:** mark each item Done / Partial / Missing. Anything Partial or Missing goes on your gap list with an owner and a date. Re-run every examination cycle.

Prepared by the compliance team at Tranquility Cybersecurity — 100+ SOC 1 engagements supported across India, USA, UK, Australia & UAE · [info@tcsa.in](mailto:info@tcsa.in)

## 1 Scoping & Report Type (6 checks)

Scope is the single largest cost and effort lever in a SOC 1. Settle these before any control work.

✓	CHECK
<input type="checkbox"/>	<b>1.1 ICFR relevance confirmed.</b> We have written down which of our services can change the numbers in customers' financial statements — and excluded the ones that can't. This list defines the examination boundary. Over-scoping is the most common cause of blown budgets.
<input type="checkbox"/>	<b>1.2 Report type chosen deliberately.</b> Type 1 (design, point in time) vs Type 2 (operating effectiveness over a period) — chosen against what customers' auditors actually asked for. Most user auditors require Type 2; Type 1 is a first-cycle stepping stone.
<input type="checkbox"/>	<b>1.3 Examination period set against customer year-ends.</b> Our Type 2 window ends within ~one quarter of most customers' fiscal year-ends. Minimises bridge-letter demand every December–January.
<input type="checkbox"/>	<b>1.4 Systems inventoried.</b> Applications, databases, infrastructure, and interfaces supporting the in-scope services are listed and owned.
<input type="checkbox"/>	<b>1.5 Subservice organizations identified.</b> Every vendor our in-scope services depend on (hosting, payment rails, print/mail, sub-processors) is listed with a carve-out / inclusive decision for each.
<input type="checkbox"/>	<b>1.6 CPA firm engaged early.</b> A licensed, independent CPA firm is identified; scoping and the period have been sanity-checked with them before readiness work hardens. Consultants (including TCSA) prepare you; only an independent CPA firm can issue the report.

## 2 Control Objectives (6 checks)

In SOC 1, control objectives are defined by management — not prescribed. These five categories cover the ground almost every SOC 1 draws from.

✓	CHECK
<input type="checkbox"/>	<b>2.1 Transaction processing.</b> Objectives cover authorization, completeness, accuracy, and timeliness of the transactions we process for customers.
<input type="checkbox"/>	<b>2.2 Logical access &amp; segregation of duties.</b> Objectives cover access provisioning, deprovisioning, privileged access, and SoD over financially relevant functions.
<input type="checkbox"/>	<b>2.3 Change management.</b> Objectives cover authorization, testing, and approval of changes to in-scope systems, with dev/prod separation.
<input type="checkbox"/>	<b>2.4 Data integrity &amp; reconciliations.</b> Objectives cover input validation, processing integrity, output verification, and reconciliation with exception handling.
<input type="checkbox"/>	<b>2.5 Monitoring &amp; subservice oversight.</b> Objectives cover management review, exception reporting, and monitoring of carved-out subservice organizations.
<input type="checkbox"/>	<b>2.6 Objectives reviewed for completeness.</b> Someone has challenged the set: reasonable, complete, and relevant to how our services affect customers' ICFR — the test the service auditor will apply.

**Reference:** [tcsa.in/frameworks/soc-1/icfr-controls](https://tcsa.in/frameworks/soc-1/icfr-controls) — worked examples of all five categories with example controls and auditor testing focus.

### 3 The System Description (9 checks — the AT-C 320 elements)

AT-C section 320 (§.16–.17) sets the minimum contents of management's description. Use this as the drafting checklist — it is the section first-time reports most often get wrong.

✓ ELEMENT REQUIRED IN THE DESCRIPTION	
<input type="checkbox"/>	<b>3.1 Services &amp; transaction classes.</b> The types of services provided, including the classes of transactions processed.
<input type="checkbox"/>	<b>3.2 Procedures, end to end.</b> Automated and manual procedures from transaction initiation and authorization through recording, processing, correction, and reporting.
<input type="checkbox"/>	<b>3.3 Records &amp; supporting information.</b> The accounting records and supporting information involved in processing and reporting.
<input type="checkbox"/>	<b>3.4 Significant non-transaction events.</b> How events other than transactions (system failures, conversions) are captured and addressed.
<input type="checkbox"/>	<b>3.5 Report preparation.</b> The process used to prepare reports and other information for user entities.
<input type="checkbox"/>	<b>3.6 Subservice organizations.</b> Services performed by subservice organizations, and the carve-out or inclusive treatment of each.
<input type="checkbox"/>	<b>3.7 Control objectives &amp; controls.</b> The specified control objectives and the controls designed to achieve them.
<input type="checkbox"/>	<b>3.8 CUECs (and CSOCs).</b> Complementary user entity controls — and where carve-outs exist, the complementary subservice organization controls relied on.
<input type="checkbox"/>	<b>3.9 Control environment components.</b> The relevant aspects of the control environment, risk assessment, information & communication, and monitoring. For Type 2: significant changes during the period.

**Note:** SOC 1 has no separate "description criteria" publication — the AICPA's DC section 200 applies to SOC 2 only. These elements, from AT-C 320 itself, are your criteria. Explainer: [tcsa.in/learn/soc-1-description-criteria](https://tcsa.in/learn/soc-1-description-criteria)

### 4 Control Design & Evidence (7 checks)

✓ CHECK	
<input type="checkbox"/>	<b>4.1 One control per objective, minimum.</b> Every stated control objective maps to at least one designed, operating control with a named owner.
<input type="checkbox"/>	<b>4.2 Evidence exists for all four test types.</b> For each control we can support inquiry, inspection (documents), observation, and — for key controls — reperformance.
<input type="checkbox"/>	<b>4.3 Access reviews are current.</b> User-access reviews for in-scope systems ran on schedule for the whole examination period, with remediation evidenced. Stale access reviews are among the most common SOC 1 findings.
<input type="checkbox"/>	<b>4.4 SoD conflicts mapped and mitigated.</b> Segregation-of-duties matrix exists; conflicts either resolved or covered by documented compensating controls.
<input type="checkbox"/>	<b>4.5 Change tickets tell the whole story.</b> Sampled changes show request → approval → test → deploy, with emergency-change handling documented.
<input type="checkbox"/>	<b>4.6 Reconciliations evidenced.</b> Reconciliations ran on schedule with sign-offs and exception follow-through — not just "we do them."
<input type="checkbox"/>	<b>4.7 Evidence retention covers the period.</b> For Type 2: evidence is retrievable for the full window, including for staff who have since left.

## 5 CUECs & Subservice Organizations (5 checks)

✓	CHECK
<input type="checkbox"/>	<b>5.1 CUECs are genuinely necessary.</b> Every listed CUEC is required to achieve a stated control objective — no best-practice filler. (SSAE 18 tightened this deliberately.)
<input type="checkbox"/>	<b>5.2 CUECs are actionable.</b> Each is specific enough that a customer could map it to a control on their side ("approve payroll input before submission", not "maintain good controls").
<input type="checkbox"/>	<b>5.3 Carve-out disclosures complete.</b> For each carved-out vendor: services described, CSOCs identified, and their current SOC report on file.
<input type="checkbox"/>	<b>5.4 Subservice monitoring is real.</b> We review carved-out vendors' SOC reports (including their exceptions and CUECs aimed at us) at least annually, with evidence.
<input type="checkbox"/>	<b>5.5 Inclusive-method commitments secured.</b> If any vendor is treated inclusively: their management assertion, representations, and audit access are agreed in writing.

## 6 Management Assertion & Governance (4 checks)

✓	CHECK
<input type="checkbox"/>	<b>6.1 Assertion owner named.</b> The executive who will sign management's written assertion (required by AT-C 320) is identified and has reviewed the description.
<input type="checkbox"/>	<b>6.2 Description is true, not aspirational.</b> The description reflects controls as they actually operate today — not the roadmap. The auditor opines on fairness of presentation; aspirational descriptions become findings.
<input type="checkbox"/>	<b>6.3 Known issues inventoried.</b> Incidents, control failures, and exceptions during the period are logged with remediation status — before the auditor finds them.
<input type="checkbox"/>	<b>6.4 Risk assessment on file.</b> A documented risk assessment supports the control objectives (the service auditor performs one; yours should exist first).

## 7 Audit Logistics (3 checks)

✓	CHECK
<input type="checkbox"/>	<b>7.1 PBC list owned.</b> The "provided by client" evidence request list has a single owner and a tracking sheet; walkthrough calendar agreed with the CPA firm.
<input type="checkbox"/>	<b>7.2 Interim testing scheduled (Type 2).</b> Mid-period testing is booked so year-end surprises surface early.
<input type="checkbox"/>	<b>7.3 Bridge-letter plan exists.</b> We know which customers' year-ends fall after our period end, and we can issue a bridge letter within days of a request. (Template: <a href="https://tcsa.in/resources/soc1-bridge-letter-template">tcsa.in/resources/soc1-bridge-letter-template</a> )

# Scoring Your Readiness

Count your "Done" items out of 40.

## 34–40 · Audit-ready

Engage the CPA firm and set the examination period. Run interim testing to protect the result.

## 24–33 · Close, with gaps

Typically 6–10 weeks of focused remediation. Prioritise access reviews, reconciliation evidence, and the description draft.

## Below 24 · Structured readiness needed

Run a scoping + gap engagement before committing to an examination window — cheaper than failing fieldwork.

## Typical Effort & Cost (India, indicative)

ITEM	INDICATIVE RANGE
Complete SOC 1 engagement (readiness + CPA fees)	₹1.5L (small org) – ₹8L+ (enterprise)
Type 1 vs Type 2 cost difference	Type 1 typically 25–40% less
Timeline to first Type 2 report	~4–6 months incl. a 6-month minimum observation window (first cycle)

Full breakdown: [tcsa.in/frameworks/soc-1/cost-guide](https://tcsa.in/frameworks/soc-1/cost-guide) · Timeline detail: [tcsa.in/frameworks/soc-1/timeline](https://tcsa.in/frameworks/soc-1/timeline)

## Go Deeper

RESOURCE	URL
SOC 1 Knowledge Hub (all guides)	<a href="https://tcsa.in/frameworks/soc-1/hub">tcsa.in/frameworks/soc-1/hub</a>
ICFR control objectives, with examples	<a href="https://tcsa.in/frameworks/soc-1/icfr-controls">tcsa.in/frameworks/soc-1/icfr-controls</a>
AT-C section 320, explained	<a href="https://tcsa.in/learn/at-c-320">tcsa.in/learn/at-c-320</a>
CUECs & CSOCs, explained	<a href="https://tcsa.in/learn/cuecs-and-csocs">tcsa.in/learn/cuecs-and-csocs</a>
Bridge letter template (free)	<a href="https://tcsa.in/resources/soc1-bridge-letter-template">tcsa.in/resources/soc1-bridge-letter-template</a>

**Need hands-on help?** Tranquility Cybersecurity has supported 100+ SOC 1 engagements — scoping, control design, description drafting, and CPA coordination — across India, USA, UK, Australia & UAE. Indicative engagements under ₹5L. [info@tcsa.in](mailto:info@tcsa.in) · [tcsa.in/contact](https://tcsa.in/contact)

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