



December 2014

Dear valued clients and colleagues,

CAPIS recently underwent a Service Organization Control (SOC) exam, and we're pleased to announce that we were issued SOC 1 and SOC 2 Reports with no exceptions found.

Due to the rapid growth in the number of businesses outsourcing various functions, the American Institute of CPAs (AICPA) replaced the former SAS 70 Reports with the SOC framework.

The SOC 1 Report focuses on assessing the financial statement controls at service organizations while the SOC 2 Report looks at a service organization's controls relevant to the security, availability, and processing integrity of the information systems. The reports include:

1. A description of the organization's systems
2. The suitability of the design of its controls to achieve the related control objectives stated in the description
3. The operating effectiveness of those controls to achieve the related control objectives stated in the description (type 2 only)

As an independently owned firm, CAPIS is not *required* to undergo a SOC audit. However, because we view internal control as an integral part of our risk management program, CAPIS proactively engages outside auditors to perform the examination to assure clients that our processes and procedures comply with best practices. Reviewing our internal controls is an ongoing process and will continue to be evaluated through regular SOC audits.

If you have questions or would like to review our SOC reports, please contact your account executive at 800-247-6729.