

SOC Reports & Cloud Vendors

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Montana Legislative Audit Division



- Three Functions

- Financial/Compliance: 23 Staff
- Management/Program Analysts: 10 staff
- Information Systems: 3.5 staff

- IS Audits

- Security
- Project Management
- Governance
- Compliance
- Data Gathering, Reliability, and Simple Analysis

- Division of State Audit:

- Performance Audits
- Financial Audits
- Single Audit
- IS Audits
 - General IT Controls
 - Application Data Reliability Reviews
 - Data Analysis / Retrieval
 - Special Projects

- IS Audit Team: ~18 members

- 3 – Data Retrieval / Analysis
- 15 – IS Audit



- Comptroller's Office ~580 Staff
- State Audit ~190 staff



- The Auditor General's Office performs several types of audits:
 - Performance Audits
 - Financial Audits
 - Compliance Examination
 - IS Audits
 - SOC Examinations (SOC 1 & SOC 2)
 - General IT Controls
 - System Developments/Project Management
 - Cybersecurity
 - Network/Mainframe
 - Application Reviews
 - Data Analysis

- The Office has two Divisions:
 - Performance Division(27 auditors)
 - Financial/Compliance Division (48 auditors with 10 IS auditors)
 - Approximately 80% of the audits are contracted out to CPA firms.

Agenda

We will provide an overview of each State's readiness/level of expertise, then have a group discussion. The group discussion will hopefully provide a starting point, answers to questions, and resource information for future questions.

In Montana, SOC is the new Black

- As an office we are starting to ask more about them... but agencies are behind.
- Recent audits
 - SOC reports aren't requested
 - SOC 1 report being used for SOC 2 assurances
 - General misunderstanding about the various types
 - Unaware of complimentary user controls
 - Assuming management attestation is verified

State of Illinois

- User Agencies
 - Unable to determine if they utilize service providers
 - Do not obtain SOC reports
 - Do not review SOC reports, if obtained
 - Do not review and document their controls related to the CUECs
 - Service providers do not undergo SOC examinations
- Service Auditor
 - The Office conducts annual SOC examinations of the State's Department of Innovation & Technology
 - SOC 1 Type 2
 - SOC 2 Type 2
 - FY 20 & FY 21 SOC examinations resulted in qualified opinions
 - Unable to provide populations
 - Payroll tax rate incorrect

Corner Conversations

- The room has been split into four quadrants.
- Each quadrant will have 20 minutes for a question and answer session. Each of us will join one of the quadrants to assist in answering questions.
- For the last 10 minutes, we will join back together to discuss key points.

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