



# Are You Happy With Your SOC Provider – Red Flags and Key Differentiators

[macpas.com](http://macpas.com)

# Introductions



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# Firm Overview

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**BEST PLACES**  
to work in **PA** 2025

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# Agenda

- **SOC Demand**
- **Vendor Red Flags**
- **M&A Key Differentiators**
- **Journal of Accountancy Thoughts**
- **Q&A**



# Demand for SOC Reports



# Increase in Requests for SOC Reports

- **The SOC reporting services market is expected to grow 12% annually between 2024 and 2030 (\$5.4M to \$10.5M).**
- **In some industries, approximately 66% of customers are requiring SOC 2 reports as a condition for vendor selection.**
- **Over 80% of IT budgets include earmarks for security compliance.**

# Increase in Requests for SOC Reports

## Reasons Demand is Increasing:

- Increased frequency and cost of data breaches and cyberattacks
- Vendor onboarding requirements
- Privacy and security regulations
- Competitive differentiation and sales acceleration
- Indicative of operational maturity
- Shift to cloud services
- Vendor risk management



# SOC Provider Red Flags



# Turnover Statistics

- In 2025, average CPA firm turnover was 15%-25%
- Expected to rise to 50% in 2026 due to extreme competition
- Highest turnover occurs in the 0-2 year level and decreases with seniority

# Turnover Statistics

## Factors impacting turnover:

- **Crisis level shortage of accountants driven by declining graduates and Baby Boomer generation retirements**
- **Usual work-life balance and compensation issues**

# M&A Key Differentiator - Turnover

- **M&A turnover rate over the past 5 years averages 6%**
- **Ensures same dedicated team works with clients year after year**
- **Allows for audit efficiencies on both sides as there is not time spent getting new auditors up to speed on the engagement**
- **Ability to build relationships**
- **Understanding of client goals and needs**

# Reporting

- **National average time from period end to report – 76 days**
- **Many firms do not even start fieldwork until after period end**

# M&A Key Differentiator - Reporting

- Flexibility to perform fieldwork throughout the reporting period based on client availability.
- M&A provides a draft report within 2 weeks of period end – or receipt of final evidence.
- Report can be finalized as soon as the day after the draft is approved.

# Dedicated SOC function

- **Only a licensed CPA firm can issue a SOC report.**
- **With the exception of national and regional firms, most firms do not have a dedicated SOC practice.**
  - **Lack of specialized knowledge**
  - **Lack of flexibility**
- **Some IT companies will partner with small CPA firms or sole practitioners in order to complete SOC audits.**

# M&A Key Differentiator - Dedicated SOC function

Dedicated SOC segment with the Advisory group

- **Team members have multiple certifications**
- **Able to work with clients to turn around testing and reporting more quickly**



# Other Key Differentiators



# Top Industry Ranking

ACCOUNTING TODAY

accountingTODAY

2025 **Best Firms  
to Work For**

- **Best Accounting Firms to Work For 2025 – This listing recognizes the top workplaces in the accounting profession nationwide. M&A has made this listing 10 times.**
- **Best Firms for Women 2024 – This listing takes a deeper look at the companies that were voted Best Firms to Work For for workplaces particularly friendly to women. M&A has been awarded this honor 3 times.**

# Top Industry Ranking



**(cont)**

**Best Firms for Young Accountants 2025 – This listing reflects commitment to building a workplace culture that supports growth, flexibility, and trust – qualities valued by young professionals.**

## **BEST PLACES TO WORK IN PA 2025**

- **M&A has been named to this list 21 times in 23 years.**

## **INSIDE PUBLIC ACCOUNTING AWARD (TOP 300) 2025**

- **Ranks the top 500 CPA firms in the country based on net revenue.**

# Industry Leading Client Satisfaction

## CLEARLY RATED BEST OF ACCOUNTING SATISFACTION 2026

- M&A contracts with a third-party research firm to gauge clients' level of satisfaction with the firm.
- The Best of Accounting award recognizes superior client service for the past 8 consecutive years.
- Industry rating of 4.9 out of 5.



# Staff Qualifications

Experts with specialized certifications. Average tenure 5 yrs.

## SOC SEGMENT CERTIFICATIONS

- **Dedicated SOC team of 8**
- **Certified Public Accountant (CPA) – 4**
- **Certified Information Systems Auditor (CISA) – 5**
- **Certified Information Security Manager (CISM) – 2**
- **Certified Common Security Framework Practitioner (CCSFP) – 6**
- **Certified Information Systems Security Professional (CISSP) - 1**

# Observations for Improvement

- **Provided with every audit**
- **Opportunity to use our experience and expertise to recommend improvements**
  - **Control wording**
  - **New controls**
  - **Make processes more efficient**

# Pricing

- **SOC 2 Type II Audits can range from \$15,000-\$100,000+.**
- **In 2025, the range for small to medium businesses was \$30,000-\$50,000.**
- **Currently, the national average audit price increase for 2026 is 10%.**

# Pricing

## Factors impacting price:

- **Number of controls**
- **Number of trust services criteria**
- **Infrastructure and IT environment complexity**
- **Economy**
- **Number and complexity of controls**

# M&A Key Differentiator - Pricing

- Average annual increases are controlled
- Overall pricing lower than national average due to:
  - Investment in technology
  - Low turnover



# Compliance Automation Platforms



# Compliance Automation Platforms

- **Example compliance automation platforms (e.g. Drata, Vanta, Yak)**
- **Software that streamlines, monitors, and enforces regulatory and security requirements**
- **Replaces manual processes with automated workflows**
- **Integrates with IT infrastructure**

# Compliance Automation Platforms

Why companies like them:

- **Reduces manual processes**
- **Reduces hours spent on audit**
- **Provides Audit Directory**
- **Repository for all audit information**

# Compliance Automation Platforms

Why accounting firms do not like them:

- **Designed for rapid, base-level compliance**
- **May not totally address all 5 Trust Services Criteria leading to gaps**
- **Focus on passing the audit versus fostering security culture**
- **Large amount of manual evidence that cannot be automated**

# Compliance Automation Platforms

(cont)

- **Lack of context leading client to think they have covered all required criteria when they have not**
- **Third-party compromise**



# Journal of Accountancy Thoughts



# Journal of Accountancy Thoughts

February 2026 Journal of Accountancy Article “Promises of ‘fast and easy’ threaten SOC credibility”

- <https://editions.journalofaccountancy.com/1/>

## Synopsis:

- Marketing claims from SOC technology vendors promise quick, cheap, and easy SOC examinations.
- Fear that push for volume and speed could undermine quality, professional skepticism, and adherence to attestation standards .

## Driving the Issue:

- Tech vendors market their solutions as fast turnaround.
- Vendors are not CPA firms and instead refer to CPA firms.
- Referral networks notorious for high volumes of “cookie-cutter” reports that lack proper evaluation.

# Journal of Accountancy Thoughts

(cont)

## Risks:

- Boiler plate reports don't accurately reflect an organization's control environment and could fail to identify weaknesses.
- Rushed engagements could risk violating professional standards.
- Poor quality reports erode trust in SOC reporting and the value of the reports.

## Recommendations:

- CPA firms
- Resist pressure to cut procedures or match unrealistic turnaround times.
- Educate clients about why SOC examinations take appropriate time and expertise.

# Journal of Accountancy Thoughts

(cont)

## Clients

- Vet firms for experience, independence, and qualifications.
- Be cautious of promises that emphasize speed and cost over substance.

## Profession

- The AICPA is exploring initiatives like a SOC Quality Center and better educational resources to help uphold standards and market confidence.

## Bottom Line

- Credibility is essential to the value of SOC reports.
- Over-commoditization could dilute the usefulness of SOC reports.

**Questions?**

# Introductions



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