



microbilt

SOC 2 REPORT

FOR

SCREENING SERVICES

**A TYPE 2 INDEPENDENT SERVICE AUDITOR'S REPORT ON CONTROLS
RELEVANT TO SECURITY, AVAILABILITY, AND CONFIDENTIALITY**

JULY 1, 2020, TO DECEMBER 31, 2020

Attestation and Compliance Services



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SECTION I

INDEPENDENT SERVICE AUDITOR'S REPORT

INDEPENDENT SERVICE AUDITOR'S REPORT

To MicroBilt Corporation:

Scope

We have examined MicroBilt Corporation's ("MicroBilt" or the "service organization") accompanying description of its Screening Services system, in Section 3, throughout the period July 1, 2020, to December 31, 2020, (the "description"), based on the criteria for a description of a service organization's system in DC section 200, *2018 Description Criteria for a Description of a Service Organization's System in a SOC 2® Report* (AICPA, *Description Criteria*) ("description criteria") and the suitability of the design and operating effectiveness of controls stated in the description throughout the period July 1, 2020, to December 31, 2020, to provide reasonable assurance that MicroBilt's service commitments and system requirements were achieved based on the trust services criteria relevant to security, availability, and confidentiality ("applicable trust services criteria") set forth in TSP section 100, *Trust Services Criteria for Security, Availability, Processing Integrity, Confidentiality, and Privacy* (AICPA, *Trust Services Criteria*).

The information included in Section 5, "Other Information Provided by MicroBilt" is presented by MicroBilt management to provide additional information and is not a part of the description. Information about MicroBilt's management's responses to exceptions noted has not been subjected to the procedures applied in the examination of the description, the suitability of the design of controls, and the operating effectiveness of the controls to achieve MicroBilt's service commitments and system requirements based on the applicable trust services criteria.

Service Organization's Responsibilities

MicroBilt is responsible for its service commitments and system requirements and for designing, implementing, and operating effective controls within the system to provide reasonable assurance that MicroBilt's service commitments and system requirements were achieved. MicroBilt has provided the accompanying assertion, in Section 2, ("assertion") about the description and the suitability of design and operating effectiveness of controls stated therein. MicroBilt is also responsible for preparing the description and assertion, including the completeness, accuracy, and method of presentation of the description and assertion; providing the services covered by the description; selecting the applicable trust services criteria and stating the related controls in the description; and identifying the risks that threaten the achievement of the service organization's service commitments and system requirements.

Service Auditor's Responsibilities

Our responsibility is to express an opinion on the description and on the suitability of design and operating effectiveness of controls stated in the description based on our examination. Our examination was conducted in accordance with attestation standards established by the American Institute of Certified Public Accountants. Those standards require that we plan and perform our examination to obtain reasonable assurance about whether, in all material respects, the description is presented in accordance with the description criteria and the controls stated therein were suitably designed and operated effectively to provide reasonable assurance that the service organization's service commitments and system requirements were achieved based on the applicable trust services criteria. We believe that the evidence we obtained is sufficient and appropriate to provide a reasonable basis for our opinion.

An examination of the description of a service organization's system and the suitability of the design and operating effectiveness of controls involves the following:

- Obtaining an understanding of the system and the service organization's service commitments and system requirements;
- Assessing the risks that the description is not presented in accordance with the description criteria and that controls were not suitably designed or did not operate effectively;
- Performing procedures to obtain evidence about whether the description is presented in accordance with the description criteria;

- Performing procedures to obtain evidence about whether controls stated in the description were suitably designed to provide reasonable assurance that the service organization achieved its service commitments and system requirements based on the applicable trust services criteria;
- Testing the operating effectiveness of controls stated in the description to provide reasonable assurance that the service organization achieved its service commitments and system requirements based on the applicable trust services criteria; and
- Evaluating the overall presentation of the description.

Our examination also included performing such other procedures as we considered necessary in the circumstances.

Inherent Limitations

The description is prepared to meet the common needs of a broad range of report users and may not, therefore, include every aspect of the system that individual users may consider important to meet their informational needs.

There are inherent limitations in the effectiveness of any system of internal control, including the possibility of human error and the circumvention of controls.

Because of their nature, controls may not always operate effectively to provide reasonable assurance that the service organization's service commitments and system requirements are achieved based on the applicable trust services criteria. Also, the projection to the future of any conclusions about the suitability of the design and operating effectiveness of controls is subject to the risk that controls may become inadequate because of changes in conditions or that the degree of compliance with the policies or procedures may deteriorate.

Description of Test of Controls

The specific controls we tested and the nature, timing, and results of those tests are presented in section 4 of our report titled "Testing Matrices."

Opinion

In our opinion, except for the matter described in the preceding paragraph, and based on the criteria described in MicroBilt's assertion in Section 2,

- a. the description presents MicroBilt's Screening Services system that was designed and implemented throughout the period July 1, 2020, to December 31, 2020, in accordance with the description criteria;
- b. the controls stated in the description were suitably designed throughout the period July 1, 2020, to December 31, 2020, to provide reasonable assurance that MicroBilt's service commitments and system requirements would be achieved based on the applicable trust services criteria, if its controls operated effectively throughout the review period; and
- c. the controls stated in the description operated effectively throughout the period July 1, 2020, to December 31, 2020, to provide reasonable assurance that MicroBilt's service commitments and system requirements were achieved based on the applicable trust services criteria.

Emphasis of Matter

The accompanying description of MicroBilt's Screening Services system discusses onboarding procedures for new hires and the provisioning of user access to MicroBilt's Screening Services systems. MicroBilt's policies discuss controls requiring human resources personnel to perform background checks for employment candidates as a component of the hiring process, for employees to sign an acknowledgement form indicating they have been given access to the employee handbook and understand their responsibility for adhering to the policies and procedures within the handbook at the time of hire, and that hiring managers approve user access requests for system access prior to access being provisioned, however, during the period July 1, 2020, to December 31, 2020, MicroBilt did not hire any employees which would warrant the operation of the aforementioned controls. Because these controls did not operate during the period, we were unable to test, and did not test, the operating effectiveness of those controls as evaluated using trust service criterion CC1.1 which states, "The entity demonstrates a commitment to integrity and ethical values."; and criterion CC6.2 which states, "Prior to issuing system credentials and granting system access, the entity registers and authorizes new internal and external users whose access is administered by the

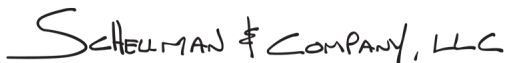
entity. For those users whose access is administered by the entity, user system credentials are removed when user access is no longer authorized.” Our opinion is not modified with respect to this matter.

Restricted Use

This report, including the description of tests of controls and results thereof in section 4, is intended solely for the information and use of MicroBilt; user entities of MicroBilt’s Screening Services system during some or all of the period July 1, 2020, to December 31, 2020, business partners of MicroBilt subject to risks arising from interactions with the Screening Services system, practitioners providing services to such user entities and business partners, prospective user entities and business partners, and regulators who have sufficient knowledge and understanding of the following:

- The nature of the service provided by the service organization;
- How the service organization’s system interacts with user entities, business partners, subservice organizations, and other parties;
- Internal control and its limitations;
- User entity responsibilities and how they may affect the user entity’s ability to effectively use the service organization’s services;
- The applicable trust services criteria; and
- The risks that may threaten the achievement of the service organization’s service commitments and system requirements, and how controls address those risks.

This report is not intended to be, and should not be, used by anyone other than these specified parties.

SCHEELMAN & COMPANY, LLC

Atlanta, Georgia
January 28, 2021

SECTION 2

MANAGEMENT'S ASSERTION

MANAGEMENT'S ASSERTION

We have prepared the accompanying description of MicroBilt's Screening Services system, in Section 3, throughout the period July 1, 2020, to December 31, 2020, (the "description") based on the criteria for a description of a service organization's system in DC section 200, *2018 Description Criteria for a Description of a Service Organization's System in a SOC 2® Report (AICPA, Description Criteria)*, ("description criteria"). The description is intended to provide report users with information about the Screening Services system that may be useful when assessing the risks arising from interactions with MicroBilt's system, particularly information about system controls that MicroBilt has designed, implemented, and operated to provide reasonable assurance that its service commitments and system requirements were achieved based on the trust services criteria relevant to security, availability, and confidentiality ("applicable trust services criteria") set forth in TSP section 100, *Trust Services Criteria for Security, Availability, Processing Integrity, Confidentiality, and Privacy (AICPA, Trust Services Criteria)*.

We confirm, to the best of our knowledge and belief, that:

- a. the description presents MicroBilt's Screening Services system that was designed and implemented throughout the period July 1, 2020, to December 31, 2020, in accordance with the description criteria;
- b. the controls stated in the description were suitably designed throughout the period July 1, 2020, to December 31, 2020, to provide reasonable assurance that MicroBilt's service commitments and system requirements would be achieved based on the applicable trust services criteria, if its controls operated effectively throughout that period; and
- c. the controls stated in the description operated effectively throughout the period July 1, 2020, to December 31, 2020, to provide reasonable assurance that MicroBilt's service commitments and system requirements would be achieved based on the applicable trust services criteria.

Our description of our Screening Services system states that human resources personnel are required to perform background checks for employment candidates as a component of the hiring process, that employees are required to sign an acknowledgement form indicating they have been given access to the employee handbook and understand their responsibility for adhering to the policies and procedures within the handbook at the time of hire, and that hiring managers approve user access requests for system access prior to access being provisioned, however, during the period July 1, 2020, to December 31, 2020, we did not hire any employees which would warrant the operation of the aforementioned controls. Because these controls did not operate during the period, we were unable to demonstrate the operating effectiveness of those controls as evaluated using trust service criterion CC1.1 which states, "The entity demonstrates a commitment to integrity and ethical values."; and criterion CC6.2 which states, "Prior to issuing system credentials and granting system access, the entity registers and authorizes new internal and external users whose access is administered by the entity. For those users whose access is administered by the entity, user system credentials are removed when user access is no longer authorized."